

This paper is an annual report of the Environmental, Social and Governance (ESG) ratings, memberships and reporting standards employed by each underlying holding in the VT Gravis UK Listed Property (PAIF) Fund (GULP).

## Purpose

- To provide clarity on the level of ESG engagement of the holdings in the GULP portfolio.
- This Fund is not explicitly an ESG strategy, however, many of the holdings are improving their approach to property management and development from an ESG perspective. Gravis are seeking to raise awareness of this and therefore the potential suitability of the Fund for an ESG investor.
- Gravis have identified 15 ESG metrics, detailed overleaf, which range in scope from enhanced reporting standards, awards, ratings and membership groups.
- The document is factual in its reporting of the action taken by these companies. Gravis do not offer an opinion or assessment of the status of the holdings.

## Methodology

- This document has been compiled using publicly available information, sourced from each company's own published material including Annual Reports and Sustainability Reports. Where necessary, Gravis made direct contact with the investor relations departments to seek additional information. Furthermore, where relevant, information from the websites of the various ESG metric providers may be used.
- In future Gravis may issue companies in the GULP portfolio with a Due Diligence Questionnaire (DDQ) to collect information.
- The metrics chosen for inclusion are those that are most widely embraced, and most relevant to the property sector. These metrics include holistic ESG assessments (such as GRESB, formerly the Global Real Estate Sustainability Benchmark), as well as indicators of more focused awareness of Environmental, Social and Governance accountability. In some instances, for example, the Environmental Performance Certificate (EPC), disclosure is a legal requirement.
- In future Gravis expect the number of metrics reported upon to decrease as ESG assessment and reporting standardisation increases within the property sector. Additionally, we expect changing legal reporting requirements to result in further standardisation.

## Usage

- This document may be used by the Fund Adviser when speaking to company management of existing and prospective holdings.
- In the case of existing holdings, the Fund Adviser is likely to encourage management to engage with these ESG metrics and may discuss with management their reasoning for not reporting on these.
- When looking at a prospective holding, the Fund Adviser may issue the company with a DDQ. This information may factor into the Fund Adviser's thought process when considering a new holding. Lack of engagement will not preclude the Fund Adviser from investing.
- Over time, and through engagement, we expect the document to develop and indicate a greater level of engagement with the various ESG metrics by each holding.

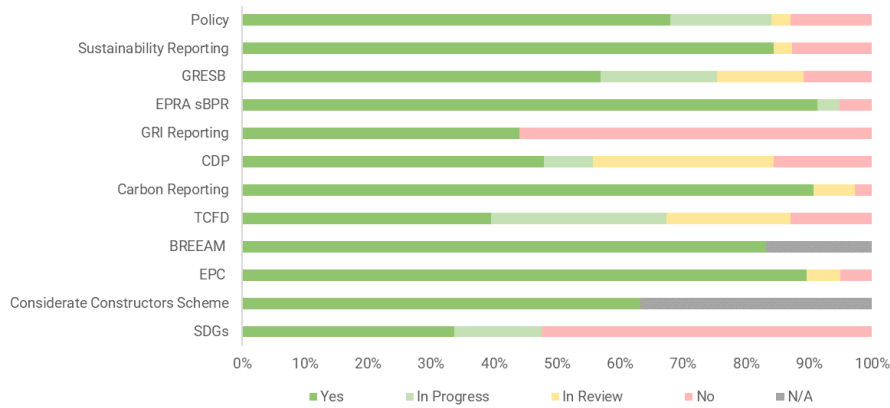
# ESG ratings, memberships and reporting standards

Holding	Development*	Trend**	Sustainability				ESG Rating	ESG Reporting			Environmental impact			Individual building environmental assessment					CCS	SDGs	External awards		
			Policy	Policies enacted in operation	Sustainability reporting	Case studies	GRESB	EPRA sBPR	GRI Reporting	CDP	Carbon reporting	TCFD	BREEAM	BREEAM target	EPC A-C	EPC D-G	>50% A-C	FTSE4Good			MSCI ESG	ISS ESG	
Holding 1	Yes	Digitalisation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Very Good	68%	32%	Yes	Yes	All	Yes	No	No	
Holding 2	Yes	Generation Rent	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	In progress	Yes	Excellent	72%	28%	Yes	Yes	Not stated	Yes	Yes	Yes
Holding 3	Yes	Generation Rent	No	Not clear	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	61%	39%	Yes	Yes	Not stated	Yes	Yes	Yes
Holding 4	Yes	Digitalisation	Yes	Yes	Yes	Yes	Yes	Yes	No	In progress	Yes	In progress	Yes	Very Good	76%	24%	Yes	Yes	8, 11, 13, 15	No	Yes	Yes	
Holding 5	Yes	Ageing population	Yes	Not clear	Yes	Yes	In review	Yes	No	In review	Yes	In review	Yes	Outstanding	66%	34%	Yes	Yes	Not stated	No	No	No	
Holding 6	Yes	Digitalisation	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	In progress	Yes	Very Good	67%	32%	Yes	Yes	8, 12, 13	No	No	No	
Holding 7	Yes	Ageing population	Yes	Not clear	Yes	Yes	In progress	Yes	No	Yes	Yes	No	Yes	Very Good	73%	27%	Yes	N/A	3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	No	No	No	
Holding 8	No	Generation Rent	In progress	In progress	Yes	Yes	In progress	Yes	No	In review	Yes	In review	Yes	Excellent	100%	0%	Yes	N/A	In progress	No	No	No	
Holding 9	Yes	Digitalisation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Very Good	98%	2%	Yes	Yes	Not stated	Yes	Yes	No	
Holding 10	Yes	Digitalisation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Very Good	77%	23%	Yes	Yes	Not stated	Yes	No	Yes	
Holding 11	Yes	Urbanisation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Excellent	61%	39%	Yes	Yes	Not stated	Yes	No	No	
Holding 12	No	Digitalisation	In progress	No	No	No	In progress	Yes	No	In review	Yes	In progress	Yes	Very Good	84%	16%	Yes	N/A	Not stated	No	No	No	
Holding 13	No	Digitalisation	In progress	No	Yes	Yes	In review	In progress	No	In review	In review	Yes	N/A	N/A	52%	49%	Yes	N/A	In progress	No	No	No	
Holding 14	No	Digitalisation	In review	Yes	In review	Yes	In review	Yes	No	In review	In review	In review	N/A	N/A	29%	71%	In review	N/A	Not stated	No	No	No	
Holding 15	No	Ageing population	In progress	No	No	No	In review	Yes	No	In review	Yes	In review	N/A	N/A	98%	2%	Yes	N/A	In progress	No	No	No	
Holding 16	No	Diversified	No	No	No	No	No	No	No	No	No	No	N/A	N/A	No	No	No	N/A	Not stated	No	No	No	
Holding 17	No	Diversified	Yes	No	Yes	No	In progress	Yes	No	Yes	Yes	No	Yes	Very Good	85%	15%	Yes	N/A	Not stated	No	No	No	
Holding 18	Yes	Urbanisation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Excellent	51%	49%	Yes	Yes	4, 5, 7, 11, 12, 13	Yes	No	Yes	
Holding 19	No	Generation Rent	No	No	No	No	No	No	No	No	Yes	No	N/A	N/A	10%	85%	In review	N/A	Not stated	No	No	No	
Holding 20	No	Ageing population	Yes	Yes	Yes	No	In review	Yes	No	In review	Yes	In progress	N/A	N/A	80%	20%	Yes	N/A	In progress	No	No	No	
Holding 21	Yes	Urbanisation	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Excellent	46%	30%	No	Yes	3, 9, 11, 13	Yes	No	No	
Holding 22	Yes	Urbanisation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	In review	Yes	Excellent	75%	25%	Yes	Yes	13, 12, 15, 11, 4, 3, 17	Yes	No	Yes

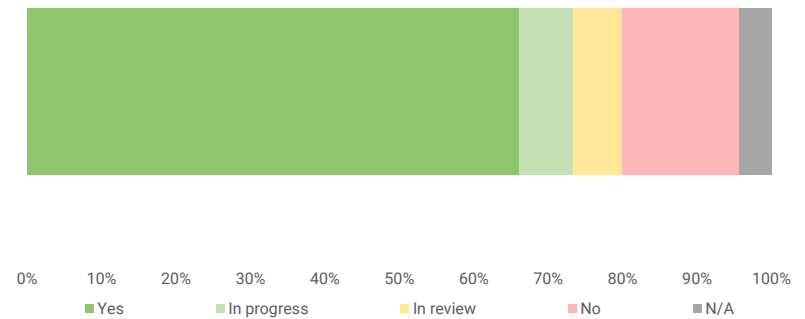
\*Development: This indicates whether the holding develops new properties itself

\*\*Trend: Portfolio trend; digitalisation, ageing population, generation rent, urbanisation (please note diversified in this instance refer to those which are exposed to multiple key portfolio trends)

## Weighted response per ESG metric



## Portfolio weight by response



Data as at end of July 2020. Holdings ranked by size. Graphics show proportion of 'Yes', 'No', 'In progress', 'In review', 'No' and 'N/A' by holding weight.

Source: GAL Research; Past performance is not necessarily a guide to future performance. The value of your investment may go down as well as up.

September 2020



## Key Terms



GRESB (formerly known as the Global Real Estate Sustainability Benchmark) assesses and benchmarks the Environmental, Social and Governance (ESG) performance of real assets, providing standardized and validated data to the capital markets.



EPRA sBPR (European Public Real Estate Association Sustainability Best Practices Recommendations) are intended to raise the standards and consistency of sustainability reporting for listed real estate companies across Europe.



The GRI (Global Reporting Standards) are the first global standards for sustainability reporting. They feature a modular, interrelated structure, and represent the global best practice for reporting on a range of economic, environmental and social impacts.



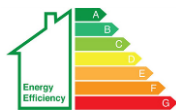
CDP (formerly known as the Carbon Disclosure Project) is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.



TCFD (Task Force on Climate-Related Financial Disclosures) is a voluntary organisation which aims to develop consistent climate-related financial risk disclosures. The Task Force will consider the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures across industries.



BREEAM (Building Research Establishment Environmental Assessment Method) is the world's leading sustainability assessment method for masterplanning projects, infrastructure and buildings. It recognises and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment. BREEAM does this through third party certification of the assessment of an asset's environmental, social and economic sustainability performance, using standards developed by BRE.



An EPC (Energy Performance Certificate) is required for properties when constructed, sold or let. The MEES (Minimum Energy Efficiency Standard) restricts buildings with a rating of lower than E from being leased or released. The Government's preferred trajectory is that all commercial rented buildings achieve a MEES of EPC B by 2030.



The CCS (Considerate Constructors Scheme) is a not-for-profit, independent organisation founded to raise standards in the construction industry. Construction sites, companies and suppliers voluntarily register with the Scheme and agree to abide by the Code of Considerate Practice, designed to encourage best practice beyond statutory requirements.



Some companies explicitly align themselves with the UN SDGs (Sustainable Development Goals). <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>



FTSE4Good

The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. Transparent management and clearly-defined ESG criteria make FTSE4Good indexes suitable tools to be used by a wide variety of market participants when creating or assessing sustainable investment products.



MSCI ESG Ratings aim to measure a company's resilience to long-term, financially relevant ESG risks. They leverage artificial intelligence (AI) and alternative data to deliver dynamic investment-relevant insights to power your investment decisions



The ISS (Institutional Shareholder Services) ESG Fund Rating enables institutional and individual investors to identify funds that align with their unique investment objectives and values.