GRAVIS UK LISTED PROPERTY

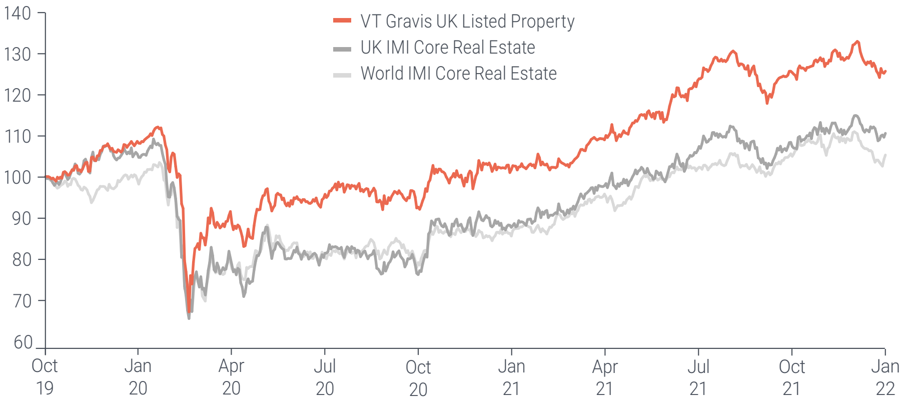
MONTHLY FACTSHEET 31 JANUARY 2022

OVERVIEW

- To achieve capital growth through market cycles[1]
- To invest in a diversified portfolio of London Stock Exchange listed securities, consisting primarily of Real Estate Investment Trusts and potentially some bonds and closed ended funds
- Avoid exposure to retail property companies at launch
- Aims to deliver a regular income expected to be 4% per annum[2]

PERFORMANCE CHART

VT Gravis UK Listed Property (PAIF) Fund – A Acc GBP (Total Return after charges)
31/10/2019 – 31/01/2022



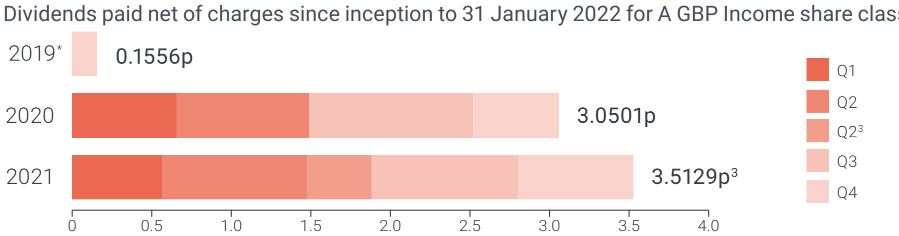
RETURNS

	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS	SINCE INCEPTION	VOLATILITY	YIELD*
VT Gravis UK Listed Property A Acc	-5.15%	0.27%	1.86%	23.32%	25.38%	23.50%	2.83%
MSCI UK IMI Core Real Estate	-3.74%	2.95%	3.85%	25.79%	10.42%	24.60%	2.40%
MSCI World IMI Core Real Estate	-4.83%	0.29%	3.19%	22.77%	5.21%	21.41%	2.93%

Past performance is not necessarily a guide to future performance.
Fund launched on 29 October 2019. *12 month trailing net yield.

DIVIDENDS

Dividends paid net of charges since inception to 31 January 2022 for A GBP Income share class.



* Part period from 29 October 2019 to 30 November 2019.
Distributions shown are for the A Inc Share Class.

Fund information	
Fund name	VT Gravis UK Listed Property (PAIF) Fund
Regulatory status	FCA Authorised UK NURS OEIC with PAIF status
Sector	IA Property Other
Launch date	31 October 2019
Fund size	£81.83m
Share classes	Income & Accumulation (£, $, €)
Min. investment	£100
Net Asset Value per share as at 31 January 2022	A Acc (£): 125.38p A Inc (£): 117.55p F Acc (£): 127.35p F Inc (£): 119.37p
Trailing 12 month net yield as at 31 January 2022	A Inc: 2.83% F Inc: 2.82%
Capped fund operating charges	0.7% (AMC & OCF)
Dividend pay dates	end of Jan, Apr, July, Oct
Classification	Non-complex
Liquidity	Daily dealing
ISINs – PAIF	A Acc (£): GB00BK8VW755 A Inc (£): GB00BK8VW532
ISINs – Feeder	F Acc (£): GB00BKDZ8Y17 F Inc (£): GB00BKDZ8V85

1. We expect this to be a period of 7 years.
2. This is an unofficial target and there is no guarantee it will be achieved. Per annum by reference to launch price of £1.00 per unit, payable quarterly, one month in arrears.
3. As of 30 June 2021 the Fund's financial year end has been changed to align with calendar quarters, resulting in a change to distribution dates. In 2021 there are 13 months of distributions, the first of which will be paid on 31 July 2021. Ex-dividend dates are now December, March, June and September.

All data, source: Valu-Trac Investment Management, MSCI Inc and Reuters.

FUND ADVISER'S REPORT

Since inception, the Fund's strategy of favouring quality and growth over stocks trading at a discount to appraisal values has delivered 14.96% of outperformance[1]

Over the course of January 2022, the NAV of the Fund decreased by 5.15% (A Acc GBP). Since launch, the Fund has increased by 25.38% (A Acc GBP), significantly outperforming both the UK Real Estate Index[2], which has increased by 10.42%, and the Global Real Estate Index[3] which has increased by 5.21%.

The strategy of the Fund is to invest in a diversified portfolio of specialist real estate companies. The 24 investments within the Fund are likely to benefit from four socio-economic mega trends: ageing population (15.2% portfolio weight), digitalisation (47.4% portfolio weight), 'generation rent' (19.5% portfolio weight), and urbanisation (8.6% portfolio weight).

In January the REIT market was dominated by two forces – concerns over rising interest rates, stoked by inflation[4] hitting 5.4% in December in the UK, and a rotation into 'value' REITs.

The relationship between real estate returns, inflation and interest rates is complex. Simplistically, inflation boosts rental income but rising interest rates increase the discount rate. Under these simplistic assumptions generalist investors tend to view REITs as interest rate sensitive, with their knee-jerk reaction being to sell REITs. January was such a month.

However, the four strong socio-economic mega trends that the Fund focuses on contradict this simplistic view. These specialist real estate assets are likely to continue to command decent rental growth whilst simultaneously benefiting from firm cap rates as direct real estate investors maintain their appetite for high quality assets. Properties with real pricing power, such as urban logistics (e.g. Urban Logistics REIT, 6.4% portfolio weight) and self-storage (e.g. Safestore, 5.2% portfolio weight), are likely to prove a good hedge against inflation.

In an environment with elevated inflation and rising interest rates, stock selection remains key. The Fund favours modern, purpose-built real estate, operated by specialist management teams. As a long-term investor, the Fund continues to avoid those property types, including retail and secondary offices, that are likely to struggle to maintain rents, let alone command higher rents, and face increasing capital expenditure to preserve their relevance and reduce their environmental footprint.

During the month, the Fund initiated a position in Lok'nStore (0.7% portfolio weight), the developer and operator of landmark self-storage assets across the UK. Lok'nStore offers exposure to an attractive near-term development pipeline equivalent to nearly 50% of its existing footprint which management believes can support further earnings and dividend growth.

On a look through basis, circa 36% of the underlying portfolio rental income benefits from inflation-linked rents or fixed-rate rental escalators. For example, Impact Healthcare REIT (2.3% portfolio weight), the owner of modern purpose-built care home assets, has an average unexpired lease length of approximately 19.3 years and benefits from 100% of its leases being indexed to inflation.

A further 62% of underlying portfolio rental income is set according to a review of open market rents. This group includes companies such as Safestore, the UK's largest self-storage operator. The REIT recently reported a positive rental outlook based on rents in November and December growing by 13.2%, year-on-year, well above the rate of inflation.

Generalist investors often assess a REIT's 'value' in relation to the published appraisal values. However, it must be borne in mind the inherent subjectivity involved in the valuation process. As the Royal Institution of Chartered Surveyors (RICS) highlights, "all [property] valuations are professional opinions… a valuation is not a fact"[5].

For this reason, the Investment Adviser conducts its own assessment of true enterprise value, incorporating additional drivers of returns such as brand value, management track record, and development knowhow.

January saw a re-rating of 'value' REITs, and a de-rating of REITs trading at a premium. Nevertheless, it is important to note that over the past six years a portfolio of REITs trading at the largest premium to reported net asset value (NAV) has handsomely outperformed a portfolio of REITs trading at the largest discount to NAV.

Since inception the Fund's strategy of favouring quality and growth over stocks trading at a discount to appraisal values has delivered 14.96% of outperformance and generated an annualised return of 10.55%.

REIT performance is likely to continue to oscillate over the course of 2022. Fluctuating between the risks associated with elevated levels of inflation and the optimism linked to specialist REITs capturing strong rental growth. For 2022 the Investment Adviser expects particularly strong occupational demand for modern rental accommodation, self-storage units, and urban logistics facilities. This strength in occupier demand is likely to lead to further rent and dividend growth in the year ahead.

Investment Adviser

Gravis Advisory Limited is owned and managed by Gravis Capital Management Ltd ("Gravis"). Gravis was established in May 2008 as a specialist investor in property and infrastructure and now manages c.£3bn of assets in these sectors in the UK. Gravis Advisory Limited is Investment Adviser to the c.£818m VT Gravis UK Infrastructure Income Fund, the c.£361m VT Gravis Clean Energy Income Fund, the c.£82m VT Gravis UK Listed Property (PAIF) Fund and the c.£36m VT Gravis Digital Infrastructure Income Fund

Fund Advisers

Matthew Norris, CFA is the lead adviser to the VT Gravis UK Listed Property Fund.

Matthew has more than two decades investment management experience and has a specialist focus on real estate securities.

He served as an Executive Director of Grosvenor Europe where he was responsible for global real estate securities strategies. He joined Grosvenor following roles managing equity funds at Fulcrum Asset Management and Buttonwood Capital Partners.

Matthew holds a BA (Hons) degree in Economics & Politics from the University of York, the Investment Management Certificate and is a CFA charterholder.

He also provides expert input to research projects run by EPRA, which focus on the importance of emergent real estate sectors.

Nick Barker is the strategic adviser to the fund. Nick is the lead manager of the c.£1bn GCP Student Living REIT.

He is a qualified member of RICS and headed up the Alternative Property division at Schroders.

Nick joined Gravis in 2016 and has accumulated over 16 years of investment experience in the property sector.

1. VT Gravis UK Listed Property Fund (A Acc GBP) minus. MSCI UK IMI Core Real Estate Net Total Return GBP.
2. MSCI UK IMI Core Real Estate Net Total Return GBP.
3. MSCI World IMI Core Real Estate Net Total Return GBP.
4. Consumer Prices Index (CPI).
5. RICS Valuation – Global Standards.

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CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON

29 October 2019 – 31 January 2022

	CORRELATION	RETURN	VOLATILITY	YIELD
VT Gravis UK Listed Property Fund (A GBP Acc)	–	25.4%	23.5%	2.83%
MSCI UK IMI Core Real Estate	0.76	10.4%	24.6%	2.40%
MSCI World IMI Core Real Estate	0.49	5.2%	21.6%	2.93%

Past performance is not necessarily a guide to future performance.

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MONTHLY FACTSHEET 31 JANUARY 2022

TOP 10 HOLDINGS ON 31 JANUARY 2022

HOLDING	WEIGHT
SEGRO PLC	8.05%
Tritax Big Box REIT PLC	7.16%
Unite Group PLC	6.45%
Urban Logistics Reit PLC	6.44%
Assura PLC	5.91%
Londonmetric Property PLC	5.78%
Grainger PLC	5.29%
Safestore Holdings PLC	5.20%
Big Yellow Group PLC	4.75%
Primary Health Properties PLC	4.17%

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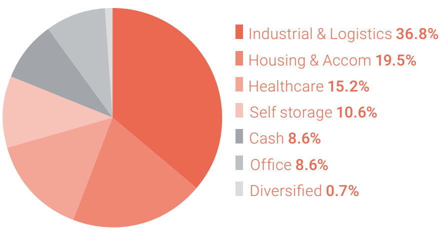
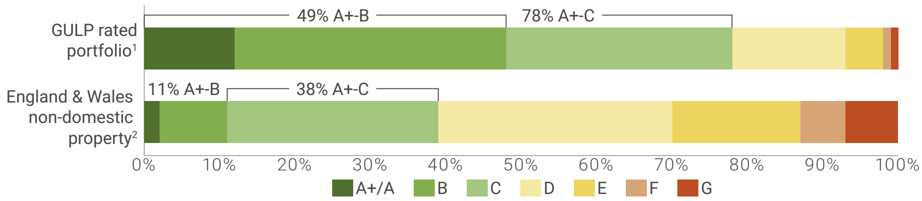
SECTOR BREAKDOWN



EPC RATING BREAKDOWN



Government Minimum Energy Efficiency Standards require non-domestic properties to have a minimum EPC rating of B by 2030, with an interim target of EPC C by 2027.

1. Gravis analysis.
2. Ministry of Housing Communities and Local Government.

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