

**SHINING A LIGHT ON THE.....  
VT Gravis Clean Energy Fund**

**AT A GLANCE**

Investment Objective
The investment objective of the VT Gravis Clean Energy Income Fund is to generate income and preserve capital with the potential for capital growth. The fund will aim to meet its objectives by investing primarily in listed equities whose primary activity or exposure is within the clean energy sector. In addition to investing in equities, the sub-fund may also invest in other transferable securities, bonds, collective investment schemes, money market instruments, deposits, cash and near cash. Other than as noted in the policy there is no particular emphasis on any geographical area or industry or economic sector.

Fund Factsheet Link
<a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000ZRV1">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000ZRV1</a>

Management	
Manager Name	Start Date
Will Argent	20 November 2017

**FUND PERFORMANCE**

Performance from 1<sup>st</sup> January 2018 to 30<sup>th</sup> June 2022:

	2018	2019	2020	2021	2022
<b>VT Gravis Clean Energy Income Fund</b>	1.69%	34.29%	27.11%	1.24%	6.09%
<b>S&amp;P Global Clean Energy TR USD</b>	-2.72%	39.48%	134.59%	-22.48%	0.76%

Performance over 12 months, 3 years, and since launch:

	1 year	3 years	Since launch
<b>VT Gravis Clean Energy Income Fund</b>	9.50%	52.08%	86.35%
<b>S&amp;P Global Clean Energy TR USD</b>	-6.12%	96.60%	154.60%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
22.21	-	37.66	24.32	41.67	0.43	1.70	Blend/Mid

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Volatility Measurements	
3-Yr Std Dev (volatility)	12.93%
3-Yr Mean Return (average)	15.00%

Investment Style Details	
Giant	0.00%
Large	4.12%
Medium	25.17%
Small	15.49%
Micro	0.00%

Top 5 Holdings – 18 Equity Holdings, 24 other holdings		
Greencoat UK Wind	-	7.28%
Renewables Infrastructure Grp	-	6.22%
Atlantica Sustainable Infrastruc...	Utilities	6.05%
Clearway Energy Inc Class C	Utilities	5.57%
Greencoat Renewables	-	5.07%

Top 5 Sectors	
Utilities	91.05%
Real Estate	6.95%
Industrials	1.01%
Technology	0.76%
Basic Materials	0.23%

Top 5 Regions	
United States	32.61%
Canada	25.58%
United Kingdom	13.74%
New Zealand	8.19%
Spain	6.30%

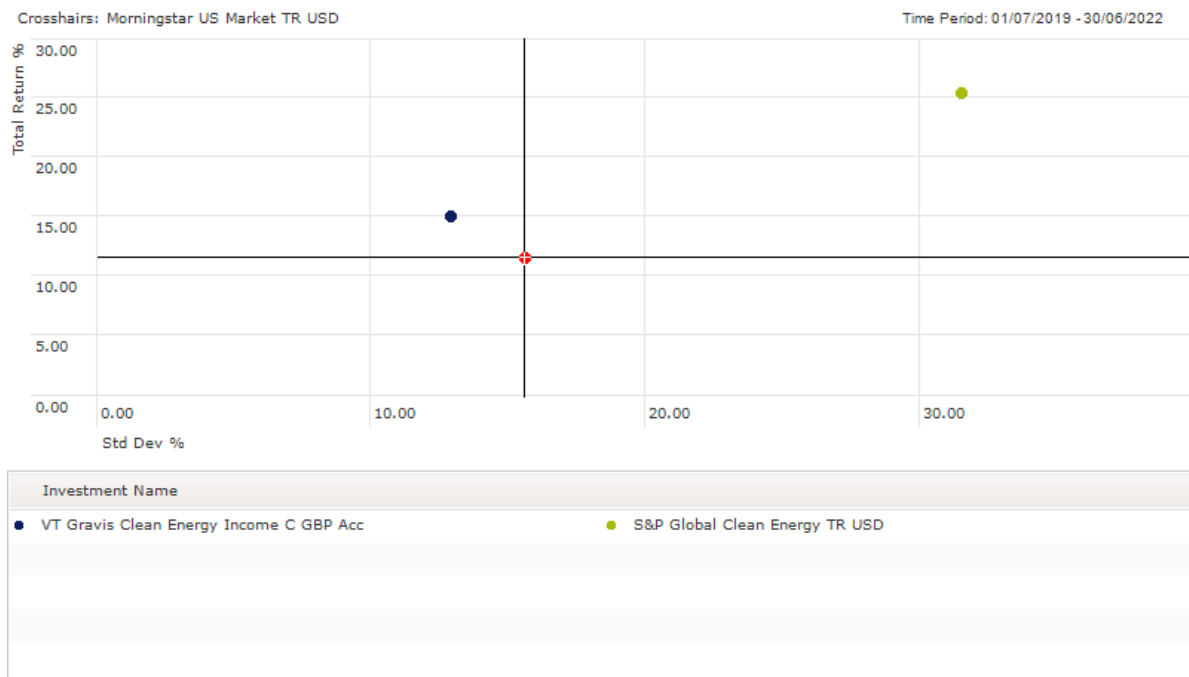
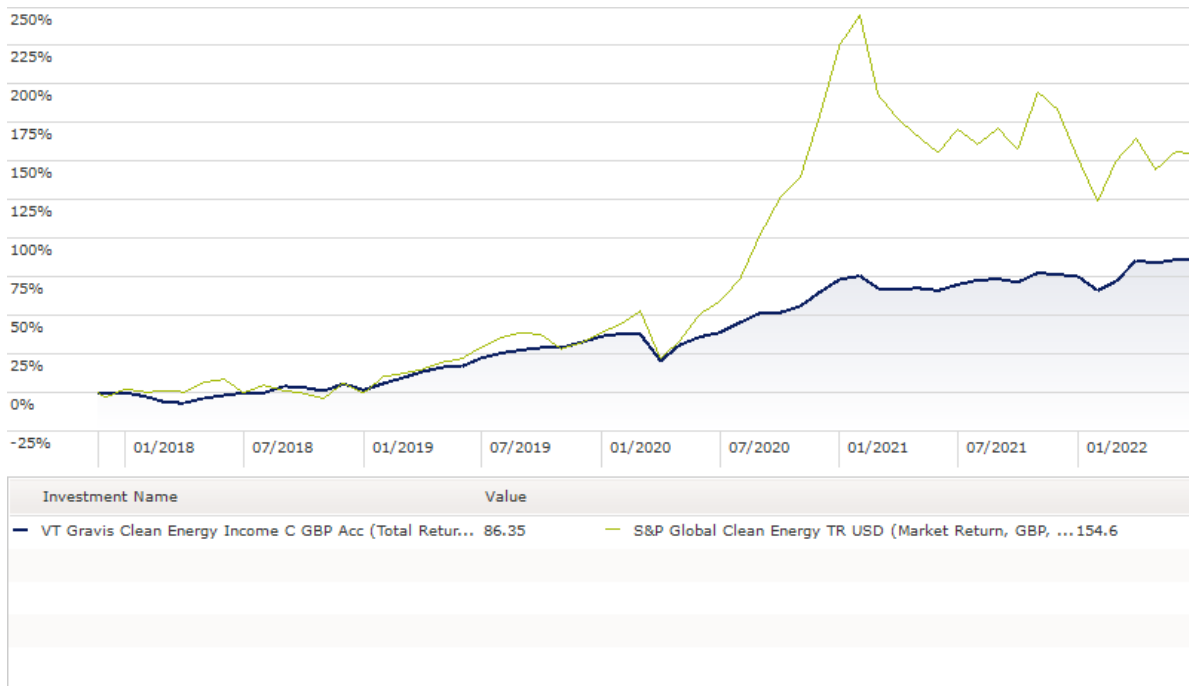
## UPDATE....

The strategy was launched in 2017 and we have held it in our Positive Impact Portfolio for a couple of years. It is run in adherence to a Responsible Investment Statement that covers impact, ESG considerations, and avoidance of controversial activities.

Its benchmark is the S&P Clean Energy index but the two are very different. The index is more tech focused, and as can be seen in the two charts the index is more volatile. This is important as it explains why this strategy is so different.

Fundamentally they are targeting a yield of around 4.5% and preservation of capital in real terms, with the scope for capital growth. It also invests in physical infrastructure with either long dated contracted cash flows or long dated power contracts.

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The areas that the fund looks across includes solar, wind, hydro, energy efficiency, bioenergy, smart grid, and geothermal heat pumps. The largest weightings are towards wind (36.9%) and solar (30%). Although they have increased weightings to hydroelectric (6.8%) and energy storage (5.7%), wind and solar are the most scalable forms of clean energy and hence the larger weightings.

The top ten hasn't changed much but they do expect some of the names to move around in the coming weeks as they take advantage of some of the sell-off in the market. Most assets (77.4%) are operational and 13% are in development and construction.

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They invest across a mix of assets but the largest weighting is to close ended investment companies, with around 52% of the fund invested in this area.

They are aware that some of the sector has benefited from increased energy prices. There is therefore the potential for a windfall tax on some of the companies they hold. With the UK commitment to net zero, it would seem strange to tax those companies helping to achieve these targets. There is an argument that any additional profit is being used to re-invest and achieve those targets more quickly. However, it is a cloud that hangs over the industry and not one that can be easily assessed.

In summary, this should be seen as investing in a subset of infrastructure and although they do not label this as sustainable, it invests in the part of the market that is driving clean energy and has a responsible investment strategy. Investors should expect low volatility compared to global equities and low correlation to traditional asset classes. Fundamentally they argue they are aiming to deliver higher levels of return with less risk.

*The source of information in this note has been provided by VT Gravis and is correct as of July 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*