

## Infrastructure & real estate: why the recovery has only just begun

Listed infrastructure and real estate companies that own critical assets delivered positive returns in 2025. Share prices began to recover as interest rates fell, political uncertainty eased and governments recognised their value in helping to stimulate growth in slowing economies.

The war in the middle east has made the outlook for monetary policy more difficult to predict. Despite this, and the political change underway in the UK, the recovery has continued into 2026, with listed infrastructure in particular enjoying strong momentum in the first half of the year.

We believe the recovery is still in its early stages. Forward yields of 7–10% on current prices are available from infrastructure companies that have cashflows underpinned by a combination of regulated or contracted, availability-based assets with low GDP sensitivity. Coupled with wide discounts to NAV, this creates an attractive entry point for investors seeking long-term reliable income and capital appreciation in an increasingly volatile global environment.

### Market Backdrop: from recovery to rerating

- [Real assets](#) are moving back into favour.
- Governments are increasingly recognising infrastructure's role in stimulating growth in slowing economies, with private capital essential to delivery.
- Public market valuations continue to lag private market transaction values.
- Following the passing of the Pension Schemes Act (April 2026), pension schemes can now allocate capital to qualifying private assets through listed vehicles and funds investing in them.

### Costs and regulatory clarity

Following the [Consumer Composite Investment \(CCI\)](#) rule changes whereby investment company 'costs' will no longer be presented as payable by shareholders, the FCA has now proposed changes for distributors, regulated under MiFID and, in July 2026, published a consultation paper entitled [Simplifying Consumer Investment Disclosures](#).

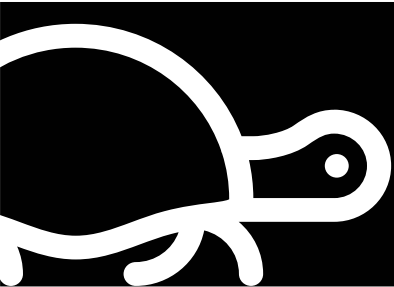
In line with the correction in the CCI rules the FCA said: 'We propose that the ongoing costs of CEIFs, which are deducted from the Net Asset Value (NAV) of the fund and are therefore borne indirectly, should also not be added together with other ongoing costs. These should be disclosed separately, with an explanation of how they work, consistent with the CCI framework.'

This means Gravis's Funds' capped OCF will be accurately shown, providing cost certainty for investors:

- TM Gravis Infrastructure Income: 75bp for C shares and 65bp for I shares
- TM Gravis UK Listed Property: 75bp for C shares and 65bp for I shares
- TM Gravis Clean Energy Income: 80bp for C shares and 70bp for I shares
- TM Gravis Digital Infrastructure Income: 80bp for C shares and 70bp for I shares

In our view, this represents a timely opportunity for investors.

Over the following pages, we outline the investment case for Gravis's funds. They each provide a rare combination of high income, defensive assets and deep discounts. We would welcome the opportunity to discuss these strategies in more detail and explore how they may fit within client portfolios.



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## Three powerful new themes strengthening the 2026 investment case: HALO, PACE and LAPS

### A new market rotation: real assets are moving back into favour (HALO)

A major investment theme emerging in 2026 is what has termed the [HALO trade](#): Heavy Assets, Limited Obsolescence. As investors increasingly question the durability of earnings in technology-led sectors, capital is rotating back toward businesses backed by physical assets, contractual cash flows and essential infrastructure.

Infrastructure assets benefit from three key characteristics:

- Physical necessity: assets providing essential services society depends upon
- Long-term contractual revenues: often government-backed or regulated
- Limited obsolescence risk: critical infrastructure is far less exposed to AI-led disruption

This reinforces the investment case for GCP Infrastructure Investments, TM Gravis UK Infrastructure Income, TM Gravis Clean Energy Income and TM Gravis Digital Infrastructure Income where portfolios are built around critical infrastructure generating predictable long-term income streams. The combination of durable cash flows, asset backing and lower disruption risk is becoming increasingly attractive in uncertain markets.

### UK property: compounding income matters as much as asset value (PACE)

For TM Gravis UK Listed Property, the [PACE framework](#) of Physical Assets, Compounding Earners adds an important dimension to the investment case. The key argument is simple: successful listed property investing is no longer just about owning real estate, but owning operational property businesses capable of compounding rental income over time.

Many holdings within the portfolio demonstrate long-term dividend growth histories, including businesses that have consistently grown income for more than a decade. The focus is increasingly on mission-critical property assets where active management can drive:

- Rental growth
- Occupancy improvement
- Dividend progression
- Inflation-protected compounding income

In an environment where investors remain highly concentrated in AI-related equities, property offers an alternative source of steadily compounding contractual income supported by physical assets.

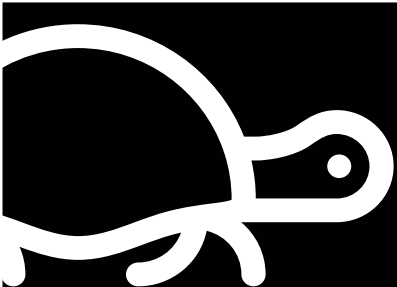
### A major structural catalyst: the emerging LAPS trade

A significant new catalyst for GCP Infrastructure Investments, TM Gravis UK Infrastructure Income and TM Gravis UK Listed Property comes from recent UK pension reform and what Gravis describes as the [LAPS trade](#): Listed Assets for Pension Schemes. Following the passing of the Pension Schemes Act (April 2026), pension schemes can now allocate capital to qualifying private assets through listed vehicles and funds investing in them. This has potentially major implications for listed infrastructure and UK REITs currently trading on substantial discounts to NAV.

The opportunity is significant:

- Government estimates suggest reforms could unlock £50bn of investment into private assets
- At least £25bn is expected to be directed toward UK assets by 2030
- Listed infrastructure companies, renewables companies and REITs currently trade at discounts of around 5-10%, 27%+ and 26%+ to NAV respectively.

As domestic pension capital begins returning to UK productive assets, improved liquidity and narrowing discounts could become an important re-rating catalyst for UK listed real assets.



## GCP Infrastructure Investments: *A differentiated, debt-focused opportunity*

### Key takeaways

- Dividend target: 7p per share
- Current yield: 9.0%
- Discount to NAV: 21.0%
- NAV return since IPO: 192.2%
- Track record: 15 years of dividend delivery

### A distinctive infrastructure strategy

GCP occupies a unique position within the UK listed infrastructure universe, focusing primarily on debt rather than equity ownership of assets. Just over half of the portfolio is invested in senior debt, with the remainder in subordinated debt and a very small number of equity positions\*. The portfolio invests in three broad sectors: 55% in renewables, 29% in PPP projects and the balance in supported living\*.

### Defensive income with limited economic sensitivity

The portfolio is predominantly availability-based, exhibiting little to no GDP sensitivity. The company also has minimal leverage, no construction exposure and a fully operational asset base. This positioning underpins the Company's 9.0% yield on share price\*. It has a 15-year history of meeting dividend targets and has delivered a NAV total return since IPO of 192.2%\*.

### Valuation upside from discount narrowing

GCP currently trades at a 21.0% discount to NAV\*. A useful analogy is to consider purchasing a bond with a par value of 100p at a price of 79p. If, like a bond nearing maturity, the share price were to move closer to NAV over the next five years, investors could benefit from both income and capital uplift (an IRR of c12%).

### Transparency and capital discipline

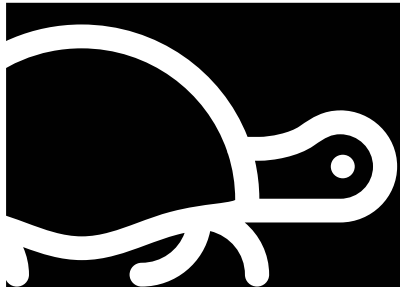
GCP offers unrivalled full transparency and loan disclosures through its proprietary Carapace investment management portal. Any shareholder that would like access to the portal can e-mail: [carapace@graviscapital.com](mailto:carapace@graviscapital.com)

The company is currently executing a capital reallocation programme, targeting £150m of disposals with £50m returned to shareholders and a material reduction in leverage. This programme is nearing completion. As set out at the company's Capital Markets Day in February 2026, at a share price discount to net asset value per share of greater than 15%, the Company will continue to return capital by way of buy backs. At discounts lower than this level, the Company will balance the use of the Company's capital across buybacks and attractive investment opportunities.

GCP Infrastructure Investments Limited could benefit from both the HALO and the LAPS trades.

You can find out more about the Company and its Interim Results [here](#).

\*Source: Gravis, 30 June 2026



## TM Gravis UK Infrastructure Income: *High income, wide discounts, defensive cash flows*

### Key takeaways

- 2025 total return: +8.66%
- H2 2026 total return: +10.49%
- Average discount to NAV: c.18%
- Trailing 12-month yield: 6.37%

### Performance remains strong

TM Gravis UK Infrastructure Income delivered strong performance in 2025 (+8.66%\*), and again in the first half of 2026 (+10.49%\*\*).

### Attractive income with scope for growth

The Fund currently offers a 12-month trailing yield of 6.37%\*\*\*, underpinned by contracted long-duration, regulated infrastructure assets. Income growth was 4.6%\*\*\* in 2025 vs 2024. We see scope for further income growth as dividends from underlying holdings increase. The TM Gravis UK Infrastructure Income Fund has also historically offered a yield spread of 200–300 basis points over UK Sterling Corporate bonds\*\*\*\*.

### Compelling relative value

Portfolio companies continue to trade at an average discount to NAV of around 18%\*\*\*\*\*, despite owning long-duration, highly regulated infrastructure assets. Asset sales over the past 18 months have been broadly completed at or above NAV, reinforcing private market valuation support. Takeover activity has picked up, including the acquisition of BBGI by British Columbia pension funds at a 3.4% premium to NAV\*\*\*\*\*, and the recent Board recommended takeover offer bid of Bluefield Solar by Drax (subject to shareholder approval) highlights the valuation gap between public and private markets.

### Defensive risk profile

The Fund has low volatility (c10%)\*\* and low correlation to equities (world equities (0.32), UK equities (0.49) and world infrastructure (0.37)\*\*). The Fund's underlying companies' cash flows are largely contracted and underpinned by index-linked availability-based income which benefit from government support frameworks or regulated cash flows with low, demand-driven exposure and underlying assets exhibit low GDP sensitivity. In a challenging macroeconomic environment, we believe this defensive profile is likely to become increasingly attractive.

### Supportive fundamentals and catalysts

The UK Government has outlined its £725bn [10-year infrastructure plan](#), with private capital expected to invest an additional £500bn. Over the past year the Fund has initiated positions in two infrastructure engineering and construction companies, Kier and Renew Holdings, which benefit from government-backed framework agreements to deliver on these key infrastructure projects.

TM Gravis UK Infrastructure Income could benefit from both the HALO and the LAPS trades.

Find out more about the strategy [here](#).

\*Source: Bloomberg, C Acc GBP, total return after charges, calendar year. Volatility calculated using annual standard deviation of standard returns.

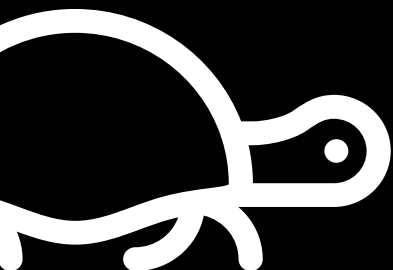
\*\*Source: Gravis, 30 June 2026

\*\*\*Source: Gravis, using dividend data vs current trailing yield, 28 July 2026

\*\*\*\*Source: iShares Corporate Bond Index Fund as at 30 June 2026

\*\*\*\*\*Source: Weighted average discount. Gravis research, 30 June 2026

\*\*\*\*\*Source: Company report, Gravis



## TM Gravis UK Listed Property: *Deep discounts, defensive positioning, mega trends*

### Key takeaways

- 2025 total return: +12.15%
- Estimated gross yield: 5.5%
- DPS growth since launch: 6.9%
- Average discount to NAV: c27%

### Strong recovery and defensive diversification

TM Gravis UK Listed Property delivered a 12.15% return in 2025\*, placing it firmly in the second decile of its peer group\*\*. In the first half of 2026, the Fund has returned 1.39%. In an environment where investors remain highly concentrated in AI-related equities, property offers an alternative source of steadily compounding contractual income supported by physical assets.

### Discounts across future-facing property themes

Despite the recent recovery, the Fund's portfolio continues to trade at an average discount to NAV of around 26.7%\*\*\*. Importantly, these discounts persist even within next-generation real estate sectors. Historically, investors have been well rewarded when allocating capital at extreme discounts to NAV, particularly when underlying asset values stabilise and sentiment begins to turn.

### Resilient income with real growth

The Fund has delivered consistent income growth since launch. DPS growth is 6.9%\*\*\*, outpacing CPI growth of 4.9%\*\*\*. Today the portfolio has an estimated gross trailing 12-month dividend yield of 5.5%\*\*\* and average yield cover is 1.14x\*\*\*, providing a buffer against volatility. This income profile is supported by high-quality, operational assets. Many holdings within the portfolio demonstrate long-term dividend growth histories, including businesses that have consistently grown income for more than a decade.

### Improving fundamentals and valuation support

UK property valuations stabilised or improved during 2025, and the outlook for the second half of 2026 is constructive. Any further UK interest rate cuts should reduce valuation pressure and new property development has been at historically low levels in recent years. Existing income-generating assets are therefore well positioned. Recognising the valuation opportunity, underlying holdings in the Fund received multiple bids from institutional investors over the past 18 months. These bids were, on average, 26% above undisturbed share prices\*\*\*.

### Clear upside potential with defensive positioning

Analysts forecast c.19% potential capital uplift from current levels\*\*\*\*. What's more, the latest JPM Guide to Markets predicts UK REITs will be the second best performing asset class over the next 10-15 years, with annual returns of c7.5%-8%\*\*\*\*\*. The Fund maintains low correlation to both equities and bonds\*\*\*, enhancing portfolio diversification, and exposure to cyclical real estate is limited, with a clear bias towards defensive, purpose-built assets. Sustainability (strong EPC ratings) and asset quality are central to the strategy.

TM Gravis UK Listed Property could benefit from both the PACE and the LAPS trades.

Find out more about the strategy [here](#).

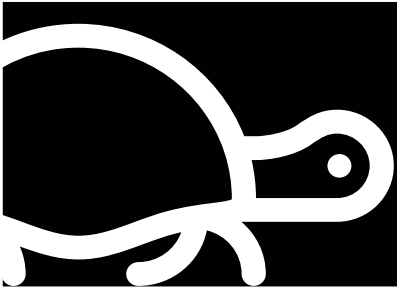
\*Source: Bloomberg, A Acc GBP, total return after charges, calendar year. Volatility calculated using annual standard deviation of standard returns.

\*\*Source: AM Insights, 31 December 2025.

\*\*\*Source: Gravis, 30 June 2026.

\*\*\*\*Source: Gravis, using the A Income share class, 2 January 2026.

\*\*\*\*\*Source: JPM Guide to the Markets, Q2 2026.



## TM Gravis Clean Energy Income: *Contracted income, structural demand growth*

### Key takeaways

- 2025 total return: +5.0%
- Income growth since launch: 51%
- H2 2026 total return +14.4%
- Yield: 5.5%

### Resilient performance in a challenging year for UK renewables

TM Gravis Clean Energy Income delivered a positive 5.0% return in 2025\*, materially outperforming the broader renewable energy infrastructure index (1.4%\*\*). In 2026 performance has continued apace, with the Fund returning 14.4% in H2\*\*. The Fund's international holdings have done particularly well in response to the war in the Middle East which has disrupted the transportation and supply of energy. Renewables are a key solution to energy security. Furthermore, against a backdrop of investor concerns over the current AI capex Supercycle, the market has rotated into "picks and shovels" energy plays where access to cheap, stable power with short delivery times is a constraint for AI growth. Regulated grid operators have further benefited from the HALO trade.

### Attractive income with a strong growth track record

The Fund currently offers a 5.5% yield, which is two full percentage points higher than the MSCI World Infrastructure\*\*. Importantly, this income is not static. Since inception, the Fund has paid 48.4p of income to Q2 2026\*\*. This combination of high current income and strong historical growth remains a core differentiator for the strategy.

### Compelling valuation opportunity in UK renewables

Despite meaningful share price support for UK-listed renewable investment companies in H1 the sector is still trading at discounts to NAV of 25%+\*\*\*. We believe this presents a meaningful opportunity.

### Defensive cash flows with limited economic sensitivity

The contracted cash flows and the critical nature of renewable energy infrastructure results in low GDP sensitivity. c90% of revenues generated by underlying companies in the Fund are contracted. The Fund also exhibits a relatively low-risk profile, with volatility of c11.7% and low correlation to key asset classes, including global equities (0.32%)\*\*.

### Private market validation and structural tailwinds

M&A activity in the sector continues to highlight the valuation disconnect between public and private markets. Notably, CDPQ acquired Innergex at a 58% premium to its undisturbed share price\*\*\*\*, reinforcing private investors' long-term conviction in this sector. Renewable energy assets are among the fastest and most scalable sources of new generation capacity, positioning the sector to benefit from long-term structural demand growth. UK Clean energy policy remains on solid footing with the CP30 plan acting as the north star of the UK's energy transition. The government has also granted a 20-year life extension to the 1.2GW nuclear power station Sizewell B.

**TM Gravis Clean Energy Income could benefit from the HALO trade.**

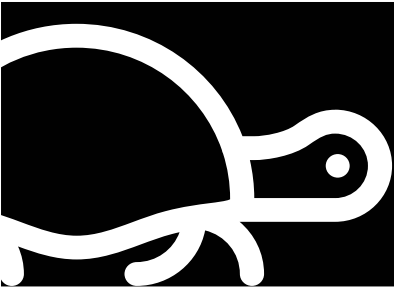
Find out more about the strategy [here](#).

\*Source: Bloomberg, C Acc GBP, total return after charges, calendar year. Volatility calculated using annual standard deviation of standard returns.

\*\*Source: Gravis, 30 June 2026. Published income figures from 14/10/2020 are net of charges, which are taken from capital. Prior to 14/10/2020, charges were taken from income.

\*\*\*Source: AIC, 30 June 2026

\*\*\*\*Source: Company reports, Gravis 31 December 2025.



## TM Gravis Digital Infrastructure Income: *Contracted income, real digital assets*

### Key takeaways

- H2 2026 total return: 8.9%
- Current yield: 2.7%
- 6 corporate bonds added in Q2 2026
- Take overs: 8 holdings

### Accessing digitisation through income-generating real assets

TM Gravis Digital Infrastructure Income provides exposure to one of the fastest-growing real estate mega trends — digitisation — through a disciplined investment approach focused on physical infrastructure rather than technology risk. The Fund invests exclusively in the “bricks and cables” underpinning the digital economy, including assets that generate contractual, predictable and reliable cash flows. This positioning allows investors to participate in the long-term growth of data consumption, connectivity and digital infrastructure without relying on speculative technology adoption. The Fund has returned 8.9% in the first half of 2026\*.

### Attractive income growth and rental reversion

The Fund's current yield is c2.7%\*, supported by a strong rental reversion outlook across the portfolio. The majority of leases in the underlying portfolio holdings include either fixed uplifts or inflation-linked escalators, providing built-in income progression and a degree of inflation protection over time\*. In May, six corporate bonds were also added to the portfolio for the first time in order to both increase yield and decrease volatility.

### Compelling valuation backdrop

Global listed real estate continues to trade at near historically cheap valuations relative to global equities, according to NAREIT analysis\*\*. Digital infrastructure sits at the intersection of real estate and long-term structural growth, yet valuations remain influenced by broader REIT market sentiment rather than asset-level fundamentals. In our view, this creates an attractive opportunity to gain exposure to high-quality digital assets at depressed valuations, with scope for both income growth and capital appreciation as market conditions normalise.

### Proven private market demand

Since launch, TM Gravis Digital Infrastructure Income has benefited from eight takeovers of underlying holdings by private equity or listed peers\*\*, highlighting the ongoing appetite for digital infrastructure assets from long-term capital providers. These transactions reinforce the disconnect between public market valuations and private market pricing, and provide validation of asset quality, income durability and strategic importance.

### Future-facing assets with established income credentials

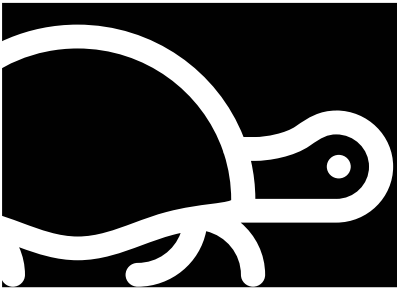
TM Gravis Digital Infrastructure Income offers exposure to next-generation digital assets that are already proven dividend generators. These assets form the essential infrastructure supporting cloud computing, data transmission and connectivity — trends that continue to accelerate across economies. Importantly, the Fund's focus remains firmly on income reliability and contractual visibility, rather than speculative growth narratives.

TM Gravis Digital Infrastructure Income Fund could benefit from the HALO trade.

Find out more about the strategy [here](#).

\*Source: Gravis, 30 June 2026

\*\*Source: Gravis, [NAREIT analysis](#).



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*Any decision to invest in a Fund must be based solely on the information contained in the Prospectus, the latest Key Investor Information Document and the latest annual or interim report and financial statements.*

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