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INFRASTRUCTURE DEBT: A COMPLEMENT TO CORPORATE CREDIT

Featuring: Becca Edil, Director of Investments

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I'm Becca Edil and I am Director of Investments here at Versus. I joined in August this year.

Prior to Versus I worked at J.P. Morgan Asset Management in the infrastructure debt group where I was responsible for origination, due diligence and evaluation of infrastructure, debt opportunities in the US and Europe.

Prior to that, I worked at IFM Investors, where I was also investing in infrastructure debt and was a portfolio manager. I'm very excited to be part of the Versus team. And we think it's a great time to be investing in infrastructure debt.

We like the infrastructure asset class because it provides general characteristics of infrastructure.

First is essential assets with high barriers to entry. Two is typically long-term stable cash flows from sticky demand bases and contracts with strong off takers.

And third: it has low correlations to economic cycles compared to corporates.

The added benefit of infrastructure debt is that it's senior in the capital structure, which means that infrastructure investors get priority in payment and liquidation over equity holders.

Lastly, we like that infrastructure debt provides potential for high returns which are comparable to core equity returns in the current high-rate environment. Due to these factors, infrastructure debt volumes have grown tremendously over the last ten years, from under 20 billion in 2013 to over 180 billion issued in 2022 alone.

We're seeing a number of attractive opportunities in infrastructure debt. The first one is that decarbonization targets are bringing opportunities in the renewable and energy transition sectors. These are opportunities like solar and wind farms and standalone battery storage projects. While in energy transition, we're seeing projects like renewable natural gas, renewable fuel, electric, EV charging stations. We also expect that hydrogen and carbon capture and storage will play a bigger role over the coming years. The second theme is digital infrastructure. We've seen a tremendous growth in digital infrastructure space with the onset of COVID 19 pandemic, which we expect to accelerate further with the rapid development of AI, which will necessitate the buildout of data, datacenters, and fiber networks.

And lastly is upcoming refinancing's. Over 385 billion of debt for U.S. infrastructure projects and companies is expected to mature over the next ten years, which we think will create a vast deployment opportunity.

We believe infrastructure debt can provide a number of benefits to investors. First is a potential for attractive yields in the current base rate environment. We are seeing yields in the high single digit to low double-digit range.

Two is a diversification in infrastructure is generally resilience or economic cycles and has shown historically low correlations to other asset classes.

Lastly, historic low default rates. The resilient nature of infrastructure assets, generally tighter structures and covenant packages, and collateral backed by hard assets has resulted in historically low default rates and higher recoveries for infrastructure debt.

Moody's Investors' 38-year default study shows that infrastructure debt had a ten-year default rate of 1.2% versus over 14% for corporate debt.

Due to these factors, we believe infrastructure debt can play a complementary role in fixed income portfolios of investors.

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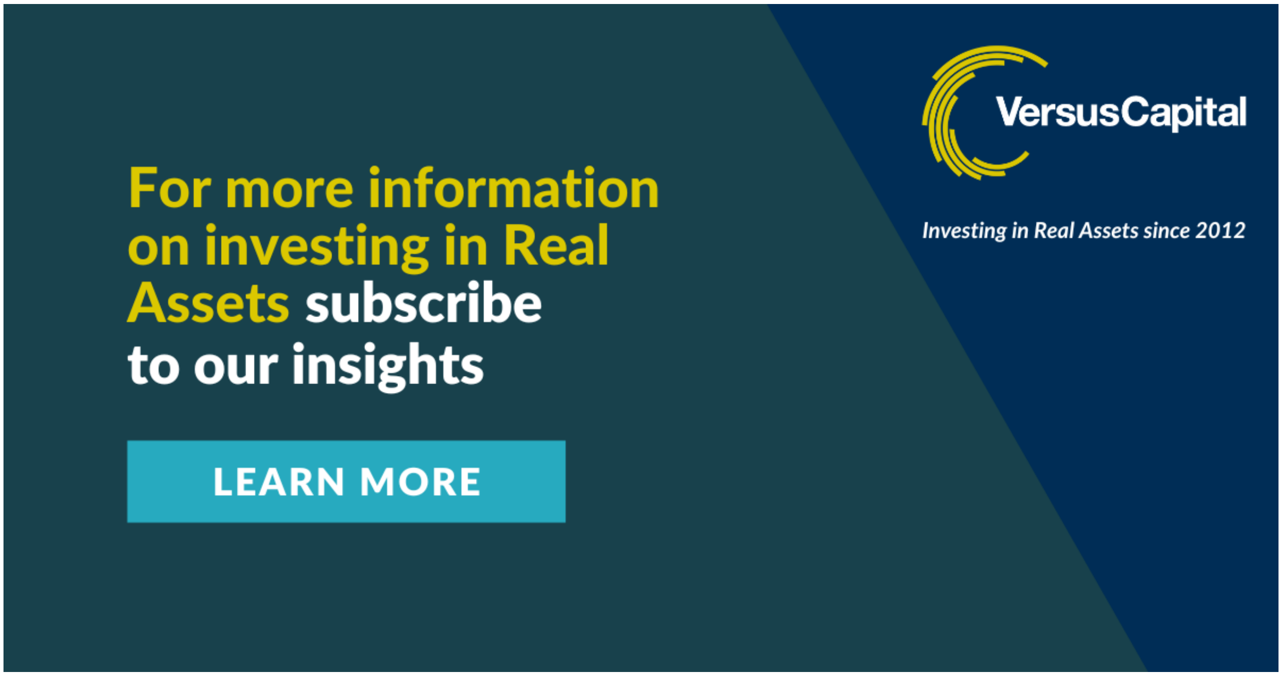

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VersusCapital.com | 1-877-200-1878 | info@versuscapital.com

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- The Fund is "non-diversified" under the Investment Company Act of 1940. Changes in the market value of a single holding may cause greater fluctuation in the Fund's net asset value than in a "diversified" fund. The Fund is not intended as a complete investment program but instead as a way to help investors diversify into real assets. Diversification does not ensure a profit or guarantee against a loss.
- A multi-manager strategy involves certain risks. For example, it is possible that some Private Fund managers may take similar market positions, thereby interfering with the Fund's investment goal. The Fund may borrow as an investment strategy, up to one third of the Fund's gross asset value. Borrowing presents opportunities to increase the Fund's return, but potentially increases the losses as well. Because the Private Funds may themselves borrow and incur a higher level of leverage than that which the Fund is permitted, the Fund could be effectively leveraged in an amount far greater than the limit imposed by the Investment Company Act of 1940.
- The adviser, sub-advisers and Private Fund managers manage portfolios for themselves and other clients. A conflict of interest between the Fund and these other parties may arise which could disadvantage the Fund. For example, a suitable but limited investment opportunity might be allocated to another client rather than to the Fund.

(Continued) REAL ASSETS FUND (VCRRX): FUND SUMMARY RISKS

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- Fund Holdings and sector allocations are subject to change at any time and should not be considered recommendations to buy or sell any security.
- **The Fund does not intend to list its shares on any securities exchange during the offering period, and a secondary market in the shares is not expected to develop. There is no guarantee that shareholders will be able to sell all of their tendered shares during a quarterly repurchase offer. An investment is not suitable for investors that require liquidity, other than through the Fund's repurchase policy.**
- **You should not expect to be able to sell your shares other than through the Fund's repurchase policy, regardless of how the Fund performs.**

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