For UK investors only

BLACKFINCH ASSET MANAGEMENT

IFSL Blackfinch NextGen Infrastructure Fund Factsheet
October 2024

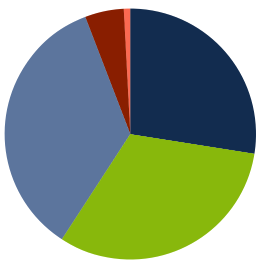
The aim of the Fund is to increase the value of an investment over a minimum of 5 years. The Fund will do this through a combination of capital growth, which is profit on investments held, and income received by the Fund, which is money paid out of investments, such as dividends and interest.

Performance

Due to the fund having an inception date less than 12 months ago, we are unable to provide an Investment Growth chart or table of the IFSL Blackfinch NextGen Infrastructure Fund versus its peer group benchmark.
- Past performance is no guarantee of future performance.

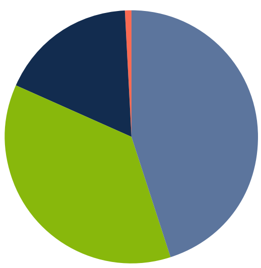
Thematic Allocation (as at 31/10/2024)

Energy Transition	27.52%
Sustainable Urbanisation	31.80%
Digitalisation	35.07%
Multi-Thematic	4.83%
Cash & Equivalent	0.78%



Regional Allocation[1] (as at 31/10/2024)

North America	45.19%
Europe	36.60%
Asia Pacific	17.42%
Cash & Equivalent	0.78%



Date of inception: 24/11/2023.
[1]Based on the country of domicile.
IFSL Blackfinch OEIC Sub-Funds performance figures are quoted net of AMC and fund OCFs.

Investment Fund Services Limited (IFSL) acts as the Fund's Authorised Corporate Director (ACD). The Key Investor Information Documents and the Prospectuses for all funds are available, in English, free of charge and can be obtained directly using the contact details in the Sales Contact section. They can also be downloaded from www.ifslfunds.com

Investment Commentary

In October, the IFSL Blackfinch NextGen Infrastructure Fund (B Accumulation share class) returned -2.62% after all fees and expenses. This compares to the IA Infrastructure Sector average return of -0.68%. Since inception, the Fund has returned +11.60% compared to the IA Infrastructure Sector average return of +9.73% over the same period. Please note, the Fund has limited overlap with peer group funds that invest primarily in regulated utilities, midstream and transportation assets. As the investment team employs a multi-thematic growth-driven approach, Fund returns will frequently diverge against peers, as evidenced by the wide disparity in relative performance since the Fund launch.

Global infrastructure stocks underperformed broader equity indices in October, primarily due to expectations of a slower path for US Federal Reserve (Fed) interest rate cuts. The cooling in rate cut expectations, alongside presidential election uncertainty, pushed 2-year and 10-year US Treasury yields above 4.0%. The yield on the 10-year US Treasury rose 50 basis points (bps) to end the month at 4.28%, which affected investor sentiment for the asset class. The European Central Bank (ECB) acknowledged signs of weakening economic momentum in Europe, particularly in the manufacturing sector, while the service sector continued to see signs of sound demand. Consequently, the ECB announced the third 25bps rate cut of the year, taking the deposit facility rate to 3.25%. Later in October, the UK Budget put pressure on UK Gilts due to stronger-than-expected spending planned for 2025, which also added to overall weakness for UK infrastructure stocks.

During the month, the Fund underperformed broader utility-dominated infrastructure indices due to its sector and geographical positioning. Positive performance was led by US Data Centres, Waste Management & Recycling, and Healthcare REITs. The allocation to renewable energy stocks detracted significantly from performance, on concerns that the incoming Trump administration will attempt to undo subsidies and incentives to clean energy technologies under the Inflation Reduction Act. On a geographic basis, North American and Asia-Pacific stocks performed considerably better than those listed in Continental Europe and the UK. The Fund's higher weighting to renewable energy and European securities – alongside sectors we don't invest in such as Regulated Utilities that outperformed during October – added to the Fund's relative underperformance.

As at 31 October, the Fund held 44 individual holdings and was well-diversified across its underlying themes, sectors and geography. Digitalisation and Multi-Thematic allocations produced a positive return (estimated gross total returns: Digitalisation +0.8%%, Sustainable Urbanisation -0.5%, Energy Transition -9.8% and Multi-Thematic +0.8%). At the individual security level, the top three contributors were GFL Environmental, HKBN Ltd, and Equinix Inc. The top three detractors were NextEra Energy Partners, EDP Renováveis, and Enviri Corp.

Despite recent volatile performance, we continue to believe investors should focus their exposure on listed infrastructure aligned with the next-generation (NextGen) themes shaping the future of the global infrastructure markets: digitalisation, energy transition and sustainable urbanisation. Overall, the outlook for NextGen Infrastructure remains optimistic. Strong operational performance, growing rents and healthy balance sheets mean these infrastructure stocks should continue delivering long-term capital appreciation plus growing income for investors. With the macroeconomic headwinds faced by the infrastructure market over the past three years beginning to abate, current valuations offer a potentially very attractive entry point to this asset class.

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Top 10 Portfolio Holdings (as at 31/10/2024)

GFL Environmental Inc	**4.88%**
Equinix Inc	**4.86%**
American Healthcare REIT Inc	**4.67%**
Clearway Energy Inc	**3.82%**
Cellnex Telecom SA	**3.32%**
SSE PLC	**2.93%**
Veolia Environnement SA	**2.89%**
HKBN Ltd	**2.79%**
Brookfield Infrastructure Part	**2.76%**
Crown Castle Inc	**2.67%**

We invest with a **core focus** on the UN Global Compact Principles

Extensive due diligence across multiple factors to identify sound business fundamentals, accounting for the 10 UNGC principles, where possible

We take a forward-looking approach to investment selection using positive screening

We encourage 'engagement' with both 'leaders' and 'improvers' for positive outcomes

We're committed to transparency on our multi-factor screening process and reflect this in our investment approach

Signatory of:

PRI Principles for Responsible Investment

All data as at 31/10/2024, unless specified otherwise.
Blackfinch Asset Management is an appointed representative of Blackfinch Investmentss Limited which is authorised and regulated by the Financial Conduct Authority. Registered address: 1350–1360 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH. Registered Company in England & Wales under No. 11639647. The IFSL Blackfinch OEIC Sub-Funds are actively managed by Blackfinch Investments Limited. Blackfinch Investments Limited act as the sponsor of the IFSL Blackfinch OEIC Sub-Funds. Capital at risk. All figures are correct at the time of compilation. Any decision to invest in this service should not be based solely on this factsheet but rather made in conjunction with the information contained in the brochure, and the terms and conditions. Prospective investors must rely on their own examination of the legal, taxation, financial and other consequences of investing and the risk involved. Prospective investors should not treat the contents of this factsheet as advice relating to legal, taxation or other matters. If in any doubt about the proposal discussed in this factsheet, its suitability, or what action should be taken, the investor should consult their own professional advisers. Percentage figures may not add up to 100 due to rounding. The expected yield is based upon the underlying holdings. This figure is for information purposes and will not be distributed as cash income.

This Month's Activity

Data Centre REITs (Equinix, Digital Realty Trust, SUNeVision) were the standout outperformers for the Fund after posting strong results and releasing a very optimistic earnings outlook. Data centres are critical infrastructure for storing, processing, and managing the vast amounts of data generated by an increasingly connected world. As more businesses and consumers rely on digital services – from e-commerce and cloud computing to artificial intelligence (AI) and 5G technology – the demand for data centres is increasing exponentially. This is where Data Centre REITs come into play.

We opened a new position in EuroTeleSites AG (c. 2% weighting), a leading provider of telecommunications infrastructure in Austria and the growing Central and Eastern Europe region. The company is building the region's digital infrastructure by operating over 13,500 strategically-located communication tower sites, serving 30 million potential customers. We believe EuroTeleSites is well-positioned to increase its tenancy ratio and drive further revenue growth, aided by further co-locations, inflation indexation and new site deployments.

In terms of trading activity, the Fund continued to gradually increase its North American allocation throughout October. It also re-initiated a modest position in National Grid plc at a much lower pricing point compared to where this position was exited in the previous month.

Portfolio Information

Class A Accumulation Share ISIN	Class A Management Fee	Class A Underlying fund charges
GB00BQ2MXR31	**0.75%**	**0.84%**
Class B Accumulation Share ISIN	**Class B Management Fee**	**Class B Underlying fund charges**
GB00BQ2MXY08	**0.65%**	**0.74%**

Estimated Annual Income Yield (Class B)
2.61%

Number of holdings
44

Sales Contact

For further information about the Fund, please contact
bfamsales@blackfinch.com | **01452 717070** | www.blackfinch.am

Fund Managers

George Nikolaou, Lead Fund Manager and Dr Dan Appleby, CIO and Support Fund Manager are responsible for managing the IFSL Blackfinch NextGen Infrastructure Fund. They bring expertise in the research of listed property, infrastructure and equity investment products, managing client portfolios and working closely with financial advisers and other professional clients. Each is a CFA® charterholder.