For UK investors only

BLACKFINCH
ASSET MANAGEMENT

IFSL Blackfinch NextGen Property Securities Fund Factsheet
October 2024

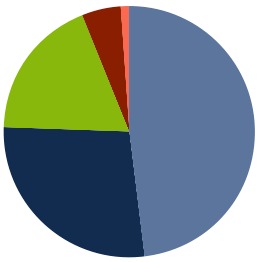
The aim of the Fund is to increase the value of an investment over a minimum of 5 years. The Fund will do this through a combination of capital growth, which is profit on investments held, and income received by the Fund, which is money paid out of investments, such as dividends and interest.

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 Property Securities Fund versus its peer group benchmark. - *Past performance is no guarantee of future performance.*

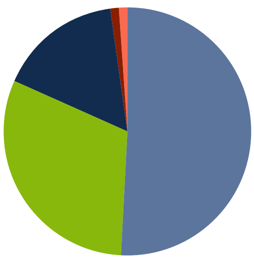
Thematic Allocation (as at 31/10/2024)

Digitalisation	48.32%
Sustainable Urbanisation	27.36%
Ageing Demographics	18.39%
Emerging Middle Classes	4.88%
Cash & Equivalent	1.06%



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

North America	51.00%
Europe	30.72%
Asia Pacific	16.06%
Latin America	1.16%
Cash & Equivalent	1.06%



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 forall 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 Property Securities Fund (B Accumulation share class) returned -3.12% after all fees and expenses. This compares to the IA Property Other Sector average return of -2.09%. Since inception, the Fund has returned +12.80% compared to the IA Property Other Sector average return of +11.90% over the same period. Please note that comparisons to peers are only useful over extended periods. As the Fund employs a thematic growth-orientated total return approach that is deliberately different to its peers, results are not expected to align with peer group sector averages.

Global real estate investment trusts (REITs) 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 REITs.

During the month, the Fund underperformed broader REIT indices due to its sector and geographical positioning. Positive performance was led by US Data Centres and healthcare REITs. The allocation to Self-Storage and Industrial & Logistics detracted significantly from performance. On a geographic basis, all regions produced a negative return, albeit with North American and Asia-Pacific performing much better than Continental Europe and the UK. The Fund's higher weighting to Industrial & Logistics and to European REITs – alongside sectors we don't invest in such as Offices and Retail that outperformed during October – added to the Fund's relative underperformance.

As at 31 October, the Fund held 43 individual holdings and was well-diversified across its underlying themes, sectors and geography. Ageing Demographics was the only theme to positively contribute to performance (estimated gross total returns: Digitalisation -3.6%, Sustainable Urbanisation -5.0%, Ageing Demographics +0.2% and Emerging Middle Classes -3.5%). At the individual security level, the top three contributors were Equinix Inc, Digital Realty Trust and American Healthcare REIT. The top three detractors were StorageVault Canada, Rexford Industrial Realty and Catena AB.

Despite recent volatile performance, we continue to believe investors should focus their exposure on listed real estate aligned with the next-generation (NextGen) themes shaping the future of the global property markets: digitalisation, ageing population, sustainable urbanisation and emerging middle classes. Overall, the outlook for NextGen REITs remains optimistic. Strong operational performance, growing rents and healthy balance sheets mean these REITs could continue delivering long-term capital appreciation plus growing income for investors. With the macroeconomic headwinds faced by the REIT 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)

Equinix Inc	**4.80%**
American Healthcare REIT Inc	**4.63%**
Americold Realty Trust Inc	**3.77%**
First Industrial Realty Trust	**3.62%**
Healthpeak Properties Inc	**3.54%**
StorageVault Canada Inc	**3.39%**
Rexford Industrial Realty Inc	**3.29%**
Dream Industrial Real Estate	**3.02%**
Mainstreet Equity Corp	**2.90%**
Ventas Inc	**2.83%**

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

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.

US Senior Housing REITs (Ventas, American Healthcare REIT) had another stellar month. The sector is experiencing some of the strongest fundamentals in a long time – rebounding occupancy, stronger rental rates, and moderating labour headwinds are contributing to double-digit net operating income growth, which has prompted these REITs to upgrade their guidance several times over the course of 2024. Occupancy is still below prior peaks, but demographic trends (80+ year-old population growth rate) position this property type for exceptional demand growth. Typically, increasing demand is met with growing supply at an equal or greater pace. However, rising construction and financing costs have kept new development minimal. Combining rapid demand growth with minimal new supply, US Senior Housing fundamentals are likely entering an impressive multi-year runway of above-trend growth.

In terms of trading activity, the Fund continued to gradually increase its North American allocation throughout October. It re-initiated modest positions in Unite Group and SEGRO at much lower pricing points compared to where these positions were exited in the previous month.

Portfolio Information

Class A Accumulation Share ISIN	Class A Management Fee	Class A Underlying fund charges
GB00BQ2MY039	**0.75%**	**0.86%**

Class B Accumulation Share ISIN	Class B Management Fee	Class B Underlying fund charges
GB00BQ2MY252	**0.65%**	**0.76%**

Estimated Annual Income Yield (Class B)	Number of holdings
2.81%	**43**

Sales Contact

For further information about the Fund, please contact
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Fund Managers

George Nikolaou, Lead Fund Manager and Dr Dan Appleby, CIO and Support Fund Manager are responsible for managing the IFSL Blackfinch NextGen Property Securities 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.