BLACKFINCH
ASSET MANAGEMENT

IFSL Blackfinch NextGen Infrastructure Fund Factsheet
March 2024

ESG Committed

Targeting
8-10%
per annum, over a rolling 5 year basis net of fees.

Investment Objective

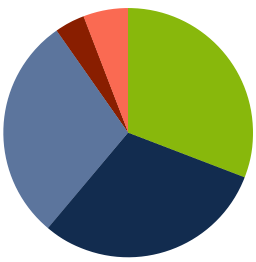
The Fund aims to achieve a target return of 8-10% per annum, net of fees. It invests in a globally-diversified portfolio of specialist listed infrastructure companies that are well positioned to benefit from three 'Next Generation' (NextGen) growth themes: Energy Transition, Digitalisation and Sustainable Urbanisation. There is no guarantee the objective will be met or that a positive return will be delivered over any time period. Capital at risk.

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.*

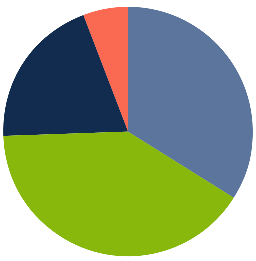
Thematic Allocation (as at 28/03/2024)

Digitalisation	29.11%
Energy Transition	30.86%
Sustainable Urbanisation	30.42%
Multi-Thematic	3.99%
Cash & Equivalent	5.61%



Regional Allocation[1] (as at 28/03/2024)

North America	34.16%
Europe	40.37%
Asia Pacific	19.86%
Cash & Equivalent	5.61%



Investment Commentary

In March, the IFSL Blackfinch NextGen Infrastructure Fund (B Accumulation share class) returned +0.79% after all fees and expenses. This compares to the IA Infrastructure Sector average return of +2.29%. Since inception, the Fund has returned +1.60% compared to the IA Infrastructure Sector average return of +2.81% 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 from those of its sector peers, as evidenced by the wide disparity in relative performance since the Fund launch.

March was a volatile month for listed infrastructure equities, with periods of severe share price drawdowns and subsequent rallies, but with a wide divergence in performance by region and underlying sector. The US 10-year Treasury yield held steady at around 4.2% while at the same time, the US economy remained strong. This strength was reflected in the US Federal Reserve (Fed) raising its own US economic growth forecast for 2024 from gross domestic product (GDP) growth of 1.4% in December 2023 to 2.1% at the end of March 2024.

Overall, this backdrop helped the sector rally towards the second half of the month and deliver a positive return following subsequent declines in January and February. The performance of North American and European infrastructure equities advanced, with Asia Pacific lagging. Most underlying sub-sectors made gains with Waste Management & Recycling, US Renewables and Healthcare real estate investment trusts (REITs) in particular delivering an impressive performance. The recovery was broad-based, even in sectors where the Fund does not invest, such as Oil & Gas exploration companies driven by commodity prices and Regulated utilities. By contrast, profit-taking was evident in the Data Centres sub-sector following a recent period of significant gains.

As at 29 March, the Fund held 45 individual holdings and was well-diversified across its underlying themes, sectors and geography. During March, all underlying themes contributed positively to performance except for Digitalisation (estimated gross total returns: Energy Transition +0.0%, Digitalisation -0.8%, Sustainable Urbanisation +4.3% and Multi-Thematic +6.3%). At the individual security level, the top three contributors were Helios Towers, Enviri and NextEra Energy Partners, while the top three detractors were JTOWER, Equinix and GFL Environmental.

While opting for attractively valued infrastructure assets can enhance returns, choosing the right sectors is still key. Next-generation Infrastructure covers sectors that benefit from long-term structural drivers. This includes sectors with a significant role to play in solving societal challenges, such as achieving sustainability targets through recycling waste streams and generating clean energy, capturing the growth in data consumption and addressing the digital divide, and improving the affordability and efficiency of energy and other critical services. We believe that in today's economic and geopolitical environment, NextGen listed equity infrastructure 'core plus' strategies can be a timely investment opportunity for long-term investors.

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

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Top 10 Portfolio Holdings (as at 28/03/2024)

GFL Environmental Inc	**4.14%**
Veolia Environnement SA	**3.57%**
Cellnex Telecom SA	**3.08%**
Elia Group SA/NV	**2.98%**
Equinix Inc	**2.95%**
Clearway Energy Inc	**2.77%**
SSE PLC	**2.75%**
Ventas Inc	**2.58%**
NEXTDC Ltd	**2.54%**
NextEra Energy Partners LP	**2.37%**

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

- We invest with a central focus on ESG considerations
- We take a forward-looking approach to investment selection using positive screening
- We encourage 'engagement' with both sustainability 'leaders' and 'improvers'
- We're committed to transparency on ESG and reflect this in our investment approach

This Month's Activity

March was a relatively quiet month as companies are expected to announce their first quarter results during April and May. Despite that, takeover discussions were back on the table with several portfolio companies receiving relevant coverage throughout the month. Rai Way (Italian Broadcasting Towers) rallied c.8% following reports the Italian government was considering approving a decree that would pave the way for a possible merger of the company with its main privately-owned competitor. Shares in IHS Towers (Emerging Market-focused Communication Towers) advanced more than 25% following the company's announcement to initiate a strategic review which may include a sale of the company.

A short seller released a negative report on Equinix, the world's largest data centre company, disclosing its short position. While we won't expand on each of the negative points referenced in the report (including maintenance capital expenditure understated, valuation, and disintermediation from cloud/larger technology providers), many of the factors referenced are not new and have been a common source of pushback from investors bearish on the sector over much of the last 10-15 years, and particularly from short sellers coming from a generalist equity background. Equinix began an independent investigation to review the matters referenced in the short seller report.

During the month, positions in Cellnex (Communication Towers), Ventas (Healthcare), Elia (Grid Infrastructure) and NextEra Energy Partners (US Renewables) were modestly topped up on relative underperformance and stock conviction grounds.

Portfolio Information

Class A Accumulation Share ISIN	Class A Management Fee	Class A Underlying fund charges
GB00BQ2MXR31	**0.75%**	**0.87%**

Class B Accumulation Share ISIN	Class B Management Fee	Class B Underlying fund charges
GB00BQ2MXY08	**0.65%**	**0.77%**

Estimated Annual Income Yield (Class B)	Number of holdings
3.35%	**45**

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 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.