For UK investors only

BLACKFINCH
ASSET MANAGEMENT

Signatory of:
PRI Principles for Responsible Investment

IFSL Blackfinch NextGen Infrastructure Fund Factsheet
May 2024

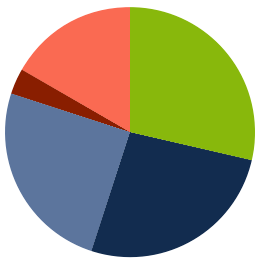
The aim of the Fund is to increase the value of an investment over a minimum of 5 years. The Fund will do this through a combination of capital growth, which is profit on investments held, and income received by the Fund, which is money paid out of investments, such as dividends and interest.

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.*

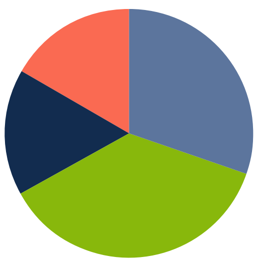
Thematic Allocation (as at 31/05/2024)

Energy Transition	28.68%
Sustainable Urbanisation	26.39%
Digitalisation	25.00%
Multi-Thematic	3.32%
Cash & Equivalent	16.62%



Regional Allocation[1] (as at 31/05/2024)

North America	30.47%
Europe	36.67%
Asia Pacific	16.24%
Cash & Equivalent	16.62%



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 May, the IFSL Blackfinch NextGen Infrastructure Fund (B Accumulation share class) returned +5.15% after all fees and expenses. This compares to the IA Infrastructure Sector average return of +2.69%. Since inception, the Fund has returned +4.40% compared to the IA Infrastructure Sector average return of +4.69% 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, returns will frequently diverge against peers, as evidenced by the wide disparity in relative performance since launch.

While central banks largely retained the same narrative in May, overall, sovereign bond yields declined and inflation rates across many regions showed signs of moderating. The beginning of June also saw the start of a broadly anticipated global easing cycle with rate cuts in both Canada and the Eurozone. Against this backdrop, global listed infrastructure stocks advanced, driven mainly by a solid performance from renewable energy stocks across all regions. The Fund also benefited from significant takeover activity across existing portfolio holdings, discussed below.

During the month, the Fund outperformed peer group averages as most underlying themes performed reasonably well, but gave back part of those gains towards the end of the month, due primarily to currency losses. As a reminder, the Fund's net asset value (NAV) is denominated in sterling, and we do not employ a currency hedging strategy, whilst UK-listed infrastructure companies do not dominate the portfolio. Sterling edged significantly higher against other major currencies after Prime Minister Rishi Sunak called a General Election. Policymakers at the Bank of England (BoE) also announced they would not make any public comments until after the election results, which further fuelled uncertainty over the BoE's monetary path, leading to further sterling strength. We estimate that foreign currency losses detracted approximately 0.57% from absolute underlying portfolio performance in May.

As at 31 May, the Fund held 45 individual holdings and was well-diversified across its underlying themes, sectors and geography. All underlying themes contributed positively to performance (estimated gross total returns: Energy Transition +12.2%, Digitalisation +4.5%, Sustainable Urbanisation +5.3% and Multi-Thematic +3.2%). The top three contributors were OX2, Helios Towers and Boralex, while the top three detractors were JTOWER, National Grid and GFL Environmental.

As evidenced by May's corporate activity, the demand for core plus NextGen infrastructure continues to be very strong, as investors view the characteristics of these investments as offering several portfolio benefits, and the potential to deliver attractive risk-adjusted returns. Remote work, online shopping and other activities involving the transmission and storage of data are creating a bigger need for digital infrastructure and energy to power it. This demand is only expected to grow with the adoption of Artificial Intelligence (AI). Estimates regarding Nvidia's data centre segment alone suggest it could reach $320bn of revenue in 2027. To meet rising energy demand and climate goals, both public and private sectors will need to continue to invest in clean energy sources (such as wind and solar farms) and upgrade power grids. We believe that the investment megatrends of decarbonisation, digital transformation and sustainable urbanisation, which are reshaping the demand for infrastructure assets, offer investors growth potential while current valuations remain very attractive compared to historical standards.

BLACKFINCH
ASSET MANAGEMENT

Top 10 Portfolio Holdings (as at 31/05/2024)

GFL Environmental Inc	3.12%
Veolia Environnement SA	3.06%
Cellnex Telecom SA	2.95%
Equinix Inc	2.80%
Clearway Energy Inc	2.79%
SSE PLC	2.51%
Ventas Inc	2.45%
Elia Group SA/NV	2.37%
NextEra Energy Partners LP	2.36%
NEXTDC Ltd	2.19%

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

All data as at 31/05/2024, unless specified otherwise.

This Month's Activity

Swedish renewables developer OX2 AB (c. 2.0% portfolio weight) received a board-recommended cash bid to be taken private by compatriot private equity firm EQT AB. The bid represents a +43.4% premium over OX2's 'undisturbed' price before the announcement. We reviewed the deal terms and exited the position subsequent to month-end at a significant gain against the Fund's return target .

Atlantica Sustainable Infrastructure Plc (c. 1.7% portfolio weight), a leading global renewable energy producer, agreed to be acquired by a consortium comprising Energy Capital Partners and its co-investors. The purchase price represented an +18.9% premium to Atlantica's 'undisturbed' price before the announcement. We exited the position following the month-end, crystalising a profit for the Fund.

Renewi plc (c. 2.1% portfolio weight), a leading European recycling infrastructure company, announced it had entered into a binding agreement to sell its UK municipal business to Biffa Limited. The company's legacy UK municipal contracts were loss-making over recent decades, and were designated as onerous. The sale was positively perceived by the market, leading to a +17.2% share price rally.

The Fund ended May with an elevated cash balance after receiving significant inflows in the closing business days. Subsequent to month-end, cash inflows were fully allocated across existing portfolio holdings, and the cash balance reverted to more normalised levels (between 3% and 5%).

Portfolio Information

Class A Accumulation Share ISIN **GB00BQ2MXR31**	Class A Management Fee **0.75%**	Class A Underlying fund charges **0.87%**
Class B Accumulation Share ISIN **GB00BQ2MXY08**	Class B Management Fee **0.65%**	Class B Underlying fund charges **0.77%**
Estimated Annual Income Yield (Class B) **3.26%**		Number of holdings **45**

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.