

IFSL Blackfinch NextGen Property Securities Fund Factsheet December 2023



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

Investment Objective

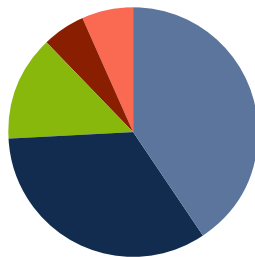
The Fund aims to achieve a target return of 8-10% per annum, net of fees. It invests in a globally-diversified portfolio of specialist real estate investment trusts (REITs) and listed property companies that are well positioned to benefit from four 'Next Generation' (NextGen) growth themes: Digitalisation, Ageing Populations, Sustainable Urbanisation and Emerging Middle Classes. 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 Property Securities Fund versus its peer group benchmark. - *Past performance is no guarantee of future performance.*

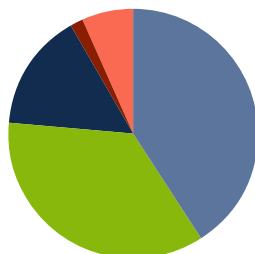
Thematic Allocation (as at 29/12/2023)

Digitalisation	40.8%
Ageing Demographics	13.7%
Sustainable Urbanisation	33.4%
Emerging Middle Classes	5.5%
Cash & Equivalent	6.6%



Regional Allocation¹ (as at 29/12/2023)

North America	41.0%
Europe	35.6%
Asia Pacific	15.3%
Latin America	1.6%
Cash & Equivalent	6.6%



Investment Commentary

In December, the IFSL Blackfinch NextGen Property Securities Fund (B Accumulation share class) returned +9.98% after all fees and expenses. This compares to the IA Property Other Sector average return of +8.09%. Since inception, the Fund has returned +10.20% compared to the IA Property Other Sector average return of +8.82% over the same period. As always, please refer to your individual statements as results may vary based on timing and share class. Please note that comparisons to peers are only useful over extended periods. Simply stated, the Fund is a total return strategy that is deliberately different to its peers, so results are not expected to that align with peer group sector averages.

Our strategy centres on investing in best-in-class specialist REITs prioritising capital growth over income, supported by NextGen growth themes – such as Digitalisation, Ageing Demographics and Sustainable Urbanisation – that are trading at reasonable valuations and led by well-incentivised management teams. If our analysis is sound, with time we should benefit from the dual forces of improving business fundamentals and improving sentiment, which could help the Fund achieve its target net total return of 8-10% annually over three- to five-year rolling periods.

Global REITs rallied to the finish of December, benefitting from a shift in central banks' dovish stance on future interest rate hikes. Despite this strong finish, REITs recorded the second consecutive year of underperformance relative to global equities. The Fund managed to outperform both global REIT peers and equities in GBP terms both in December and since inception.

As at 31 December, the Fund held 42 individual holdings and was well diversified across underlying theme, sector and geography. During the period all underlying themes contributed positively to performance (estimated gross total returns: Digitalisation +9.8%, Sustainable Urbanisation +10.4%, Ageing Demographics +12.4% and Emerging Middle Classes +5.8%). At the individual security level, the top three contributors were Prologis Inc (+15.9%), Dream Industrial REIT (+14.6%) and Rexford Industrial Realty Inc (13.9%), and the top three detractors were MLP Group SA (-8.7%), CRE Inc (-6.9%) and Xior Student Housing NV (-2.4%).

As we enter 2024, we believe REITs are ready to emerge as a strong asset class. After two years of sitting on the runway, the current economic and capital markets environment is meaningfully more favourable, especially concerning the outlook for interest rates. The Fund remains focused on investing in best-in-class owners of high-quality 'next generation' property assets delivering reliable and growing earnings.

Date of inception: 24/11/2023.

¹Based 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.

Top 10 Portfolio Holdings (as at 29/12/2023)

Rexford Industrial Realty Inc	3.42%
Americold Realty Trust Inc	3.40%
StorageVault Canada Inc	3.39%
Prologis Inc	3.36%
Dream Industrial Real Estate	3.36%
LXP Industrial Trust	3.09%
UNITE Group PLC/The	2.92%
Carmila SA	2.88%
Healthpeak Properties Inc	2.87%
Equinix Inc	2.76%

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

All data as at 29th December 2023, unless specified otherwise.

Blackfinch Asset Management is an appointed representative of Blackfinch Investments 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 Asset Management Limited act as the promoter and distributor 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

Prologis Inc (c. 3.6% portfolio weighting), the owner, operator and developer of modern logistics real estate, conducted its 2023 Investor Day and presented on driving earnings and value creation beyond just real estate rents. Prologis highlighted the opportunity for energy creation through solar, tenant services such as procuring racking solutions, and data centre development, where ample power is available and the growth outlook is very supportive. Company management also introduced 2024 guidance of underlying earnings +8-10% (core FFO) and indicated conservatism in many of their assumptions.

Xior Student Housing NV (c. 2.4% portfolio weighting), the leading Pan-European purpose-built student accommodation provider, conducted an accelerated equity placing, raising approximately €76m to fund future acquisitions and developments. Given the significant demand for these modern property types, the total demand for the new shares exceeded the target amount and a scale-back provision was applied.

Ventas Inc (c. 2.5% portfolio weighting) the US leading healthcare property investor, was once again under the media spotlight as prominent activist investor Land & Buildings continued its campaign to improve the REIT's capital allocation strategy and corporate governance. Given that fundamentals in the US senior housing sector are strengthening across multiple metrics (declining new supply growth, accelerating demand, and moderating expenses), we consider Ventas' deep discount to its closest peer Welltower as unjustified. Should Ventas take further steps and actively engage in reducing its discount, we believe this would be beneficial for its investors, including the Fund.

Portfolio Information

Class A Accumulation Share ISIN GB00BQ2MY039	Class A Management Fee 0.75%	Class A Underlying fund charges 0.90%
Class B Accumulation Share ISIN GB00BQ2MY252	Class B Management Fee 0.65%	Class B Underlying fund charges 0.80%

Estimated Annual Income Yield
3.90%

Number of holdings
42

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.

