

## IFSL Blackfinch NextGen Property Securities

# November 2024 Fund Factsheet



### Investment Objective

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.

### Portfolio Information

**Class A**  
Accumulation Share ISIN

**GB00BQ2MY039**

Class A  
Management Fee

**0.75%**

Class A  
Underlying fund charges

**0.86%**

**Class B**  
Accumulation Share ISIN

**GB00BQ2MY252**

Class B  
Management Fee

**0.65%**

Class B  
Underlying fund charges

**0.76%**

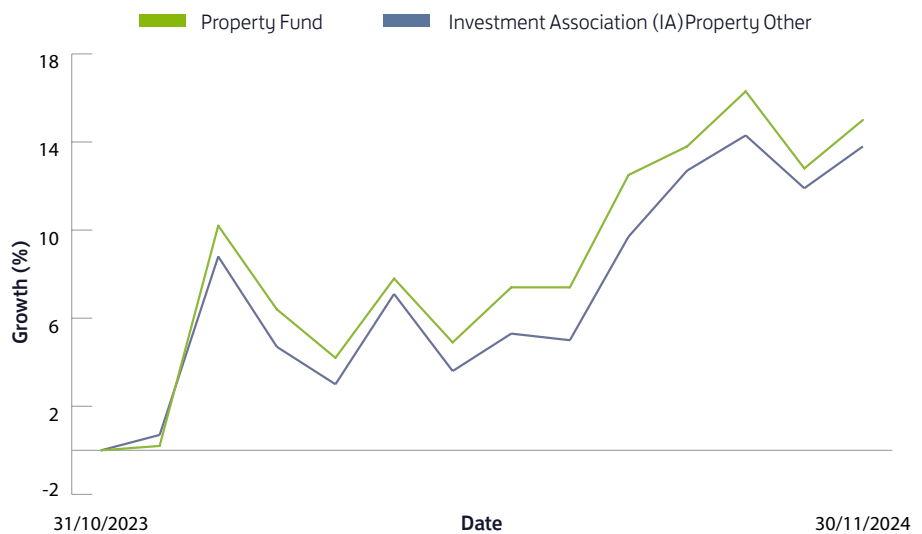
Estimated Annual  
Income Yield (Class B)

**2.76%**

Number  
of holdings

**43**

### Performance Since Launch

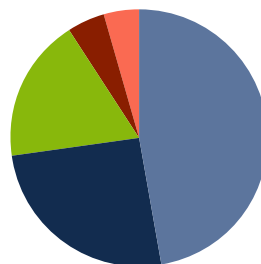


### Cumulative Performance (%)

	1 Year	3 Year	5 Year	10 Year
Fund	<b>14.8%</b>	-	-	-
Sector	<b>13.0%</b>	-	-	-

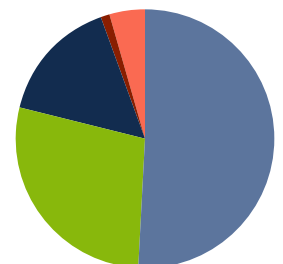
### Discrete Performance (%) - to last month end

	11/23 - 11/24	11/22 - 11/23	11/21 - 11/22	11/20 - 11/21	11/19 - 11/20
Fund	<b>14.8%</b>	-	-	-	-



### Thematic Allocation (as at 30/11/2024)

Digitalisation	<b>47.33%</b>
Sustainable Urbanisation	<b>25.71%</b>
Ageing Demographics	<b>18.02%</b>
Emerging Middle Classes	<b>4.53%</b>
Cash & Equivalent	<b>4.41%</b>



### Regional Allocation<sup>1</sup> (as at 30/11/2024)

North America	<b>51.11%</b>
Europe	<b>27.86%</b>
Asia Pacific	<b>15.62%</b>
Latin America	<b>1.00%</b>
Cash & Equivalent	<b>4.41%</b>

## Fund Managers

### GEORGE NIKOLAOU

Lead Fund Manager



### DR DAN APPLEBY

CIO & Support Fund Manager



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

## 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:




In November, the IFSL Blackfinch NextGen Property Securities Fund (B Accumulation share class) returned +1.95% after all fees and expenses. This compares to the IA Property Other Sector average return of +1.67%. Since inception, the Fund has returned +15.00% compared to the IA Property Other Sector average return of +13.80%. 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 REITs regained most of the ground lost in October, but trailed global broader equity indices. The rate of disinflation in the US has slowed, leaving investors uncertain on the timing and magnitude of future rate cuts, though most expected a 25 basis point cut in December. The yield on the 10-Year Treasury declined narrowly to end November at 4.19%, which was supportive for overall sector returns. Despite that, the yield on the 10-Year Treasury rose nearly 60 basis points since the middle of September, while REIT indices traded sideways. The Fund performed broadly in line with broader REIT indices. Positive performance was led by Data Centre and Logistics REITs. The allocation to Healthcare detracted from performance following strong recent returns. On a geographic basis, all regions produced a negative return, with North American and Asia Pacific outperforming Continental Europe and the UK. Sectors that we don't invest in, such as Offices, Apartments and Retail, performed notably well during November.


As at 29 November, the Fund held 43 individual holdings and was well-diversified across underlying themes, sectors and geographies. All themes but Emerging Middle Classes contributed positively to performance (estimated gross total returns: Digitalisation +2.4%, Sustainable Urbanisation +1.6%, Ageing Demographics +2.4% and Emerging Middle Classes -5.5%). At the stock level, the top three contributors were American Healthcare REIT, Arealink Japan, and Equinix Inc. The top three detractors were Americold, MLP Group, and Carmila SA. Despite the recent volatile performance, the overall outlook for NextGen REITs remains optimistic. Strong operational performance, growing rents and healthy balance sheets suggest these REITs continue to offer long-term capital appreciation plus growing income. With macroeconomic headwinds beginning to abate, current valuations may offer a very attractive entry point for investors.

## Sales Contact

For further information about the Fund, please contact:

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*Date of inception: 24/11/2023.*

*'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](http://www.ifslfunds.com).*

### All data as at 30/11/2024, 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 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.

November was a very active month for REIT earnings. The major US industrial REITs raised their full-year guidance and are on pace to deliver strong underlying earnings growth in 2024, despite marginal declines in occupancy rates and rental growth moderation in certain markets. Of note, Industrial REITs have built up a sizable land bank over the last decade, and are now responsible for a significant percentage of total industrial real estate development, having partly tilted their delivery projects towards data centres. These REITs noted that while rent growth will naturally moderate toward “trend” levels, fundamentals should remain healthy absent a significant demand shock.

Shurgard, Europe's largest self-storage developer, owner and operator, reported continued growth across all markets. Revenue growth accelerated in the third quarter, supported by acquisition activity, while volume and pricing effects were both positive. The sector is course-correcting after an extremely strong period during the pandemic, although long-term dynamics are set to continue driving steady revenue growth. In addition, and unlike a number of listed real estate names, Shurgard has a lowly levered balance sheet and can still invest in opportunities that generate returns in excess of their cost of capital. Shurgard has an ambitious future development pipeline from 2024 to 2026 representing 405,000 sq. ft or €1.2bn of investment generating 8-9% estimated yields at maturity.

In terms of trading activity, the Fund continued to gradually increase its North American allocation throughout November. Sector-wise, the allocation to the Digitalisation theme was further increased. There were no additions or disposals from the portfolio.

## Top 10 Portfolio Holdings (as at 30/11/2024)

 Equinix Inc	<b>5.09%</b>
 American Healthcare REIT Inc	<b>4.98%</b>
 Americold Realty Trust Inc	<b>3.77%</b>
 StorageVault Canada Inc	<b>3.66%</b>
 Healthpeak Properties Inc	<b>3.44%</b>
 First Industrial Realty Trust	<b>3.32%</b>
 Rexford Industrial Realty Inc	<b>3.17%</b>
 Prologis Inc	<b>2.87%</b>
 Arealink Co Ltd	<b>2.80%</b>
 Dream Industrial Real Estate	<b>2.78%</b>