

BLACKROCK GLOBAL LISTED INFRASTRUCTURE FUND

BlackRock

FUND UPDATE

31 January 2024

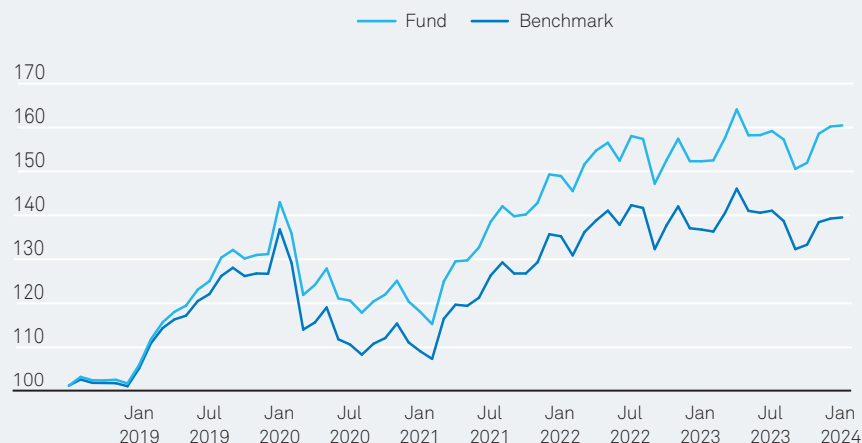
Investment Performance (%)

	1 Mth	3 Mths	CYTD	1 Yr	3 Yrs	5 Yrs	Since Incep
BlackRock Global Listed Infrastructure Fund (Class E) ¹ (Gross of Fees)	0.15	5.60	0.15	5.35	10.76	8.63	8.81
FTSE Developed Core Infrastructure 50/50 Index (AUD)	0.19	4.65	0.19	2.02	8.54	5.79	6.12
Outperformance (Gross of Fees)	-0.03	0.94	-0.03	3.33	2.23	2.83	2.69
BlackRock Global Listed Infrastructure Fund (Class D) ² (Net of Fees)	0.09	5.39	0.09	4.47	-	-	9.61
FTSE Developed Core Infrastructure 50/50 Index (AUD)	0.19	4.65	0.19	2.02	-	-	8.14
Outperformance (Net of Fees)	-0.10	0.74	-0.10	2.46	-	-	1.47

¹ Class E inception date is 02/04/2007. Current Class E investment strategy, benchmark and portfolio management team commenced on 30/06/2018. Accordingly, Class E investment performance is disclosed from 30/06/2018. For investment performance prior to 30/06/2018, please contact BIMAL Client Services Centre on 1300 366 100. ² Fund inception: 11/02/2021.

Past performance is not a reliable indicator of future performance. Performance for periods greater than one year is annualised. Performance is calculated in Australian dollars and assumes reinvestment of distributions. Gross performance is calculated gross of ongoing fees and expenses. Net performance is calculated on exit-to-exit price basis, e.g. net of ongoing fees and expenses. Gross returns are provided for products offered to wholesale clients only who may be subject to differential fees. Please refer to the Fund's product disclosure statement for more information.

Cumulative Return (Gross of fees) to 31 January 2024



Portfolio Managers



Nikhil Uppal
Managing Director,
Portfolio Manager



Balfe Morrison
Vice President,
Portfolio Manager

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- Market Insights & Commentary
- Fund Performance
- Unit Prices

Performance Summary

Performance Overview

In January, the BlackRock Global Listed Infrastructure Fund gross of fees returns performed in-line with the FTSE Developed Core Infrastructure 50/50 Net Tax Index (AUD), with both finishing the month +0.2% (AUD, -3.0% USD).

Markets

Equity markets continued positive returns in January, with the S&P 500 finishing the month +5.0% (AUD; +1.7% USD).

Tech stocks led the S&P 500 to record highs in January as most top tech firms beat high earnings expectations. Robust U.S. Q4 GDP growth and falling inflation bolstered the equity market's rosy macro outlook, supporting the market's disinflation narrative that is driving positive risk sentiment.

However, the Federal Reserve made clear at the January policy meeting that interest rates cuts are coming, but not as soon as many investors might like. The Bank of England also kept rates steady and like the Fed, wants to see more evidence of cooling wage pressures.

In the euro area, January inflation cooled further but not as quickly as in previous months. Along with GDP data in January, this may reinforce the European Central Bank's patience on cutting rates.

Meanwhile, the Bank of Japan left its loose policy the same in January as it looks for wage gains and accelerating service inflation to anchor overall inflation sustainable at 2%.

Regions

The North American Utilities sector (MSCI North America Utilities Index) declined -2.9% for the month of January, materially underperforming the broader market by ~450 bps. The underperformance occurred despite a relatively flat month for the US ten-year treasury yield. With economic data still relatively strong and inflation expectations cooling, investors have gained confidence in a "soft landing" scenario, reducing the attractiveness of the more defensive utility sector. Despite increasing market focus on the AI-driven inflection upward on electric power demand over the next several years, utilities have not kept up with other sectors as investors have rotated in to "play" the AI thematic. The sector has underperformed the broader market by ~1,200bps since rates peaked in late October 2023.

The US Midstream sector (Alerian Midstream Energy Index) declined -0.3% for the month of January, underperforming the broader market by ~200 bps. The underperformance occurred despite a +6% increase in crude oil prices for the month. However, domestic and European gas prices declined -16% and -7%, respectively. We believe concerns regarding decelerating US oil & gas production growth in a more subdued commodity price environment is weighing on the sector. Lower production growth will impact EBITDA and cash flow growth for midstream companies.

APAC infrastructure returned -1% for the month of January. Japanese stocks saw the strongest performance, returning 1.3%. Within the sub sectors, Utilities and Railroads outperformed with weaker performance seen in the Airports sector. Across the region, as yields moved up over the month, yield sensitive assets such as toll roads and other transport names tended to underperform.

EMEA infrastructure equities delivered a +0.3% return in January, underperforming the MSCI Europe index which rallied +1.6%. EMEA Toll Roads (+3.2%) showed the strongest performance. The highest monthly return was delivered by Ferrovial (+7.2%), as the share price continued its rally seen since November given several positive news, including a higher-than-expected tariff increase at the company's central asset (407 ETR), announcement of the disposal of its stake in Heathrow airport, and anticipation of the CMD in New York on 1st February prior to the finalization of the US listing. Airports (+1.6%)

have likewise shown a positive return. Regarding Utilities, the Stoxx 600 Utilities index returned -3.0% in January with renewable energy company EDPR (-18.8%) recording the lowest monthly stock specific return. Lastly, Communications (-0.8%) likewise delivered a negative return in January, with the biggest drop coming from the satellite operator company Eutelsat (-20.3%).

Stocks

Top Contributors

Cheung Kong, a Hong Kong Electric Utility, was the top contributor over the month. Cheung Kong's highly resilient and visible recurring earnings coupled with minimal investments in China and half in the UK, shielded the stock from the negative sentiment that hit markets on China concerns. Additionally, the UK regulator published its methodology document in late 2023 for upcoming rate resets which was positively received by the market.

Underweights to **Crown Castle** was a top contributor. The Tower sector has underperformed in January, after a strong rebound from the October lows. As the 10-year has drifted up in 2024, this long duration defensive sector has lagged.

Top Detractors

SBA Communications was a top detractor as the Tower sector lagged over the month and saw similar performance drivers to Crown Castle.

EDPR, Eurozone renewable energy company, reversed December's positive performance in January, as macro expectations moderated and lower expectations of power prices for 2024 negatively impacted power generators.

Changes

We increased **PG&E**, which shows indicative value upside following the rollover in rates and the December 2023 one off increase in California ROEs.

We exited **CMS Energy** and topped up CMS' Michigan state peer, **DTE Energy**. CMS is more expensive and shows slightly lower indicative value than DTE.

With proceeds from exiting CMS Energy, we initiated a position in **Centerpoint Energy**. Centerpoint reduces our underweight to utilities in the Southeast, South Central and Mid-Atlantic regions of the US, which have the fastest population and business growth.

We increased **Dominion Energy** to an overweight position as expectations have reset following a deeper-than-expected EPS revision following weak asset sales, refinancing pressure, and the company "coming clean" on certain non-recurring/low quality earnings items. We believe the stock is now poised to outperform.

We decreased **Eversource Energy** to an underweight, following an incremental \$1.5bn impairment of its offshore wind assets. The balance sheet is in a very weak state, which creates a significant multi billion equity need to maintain credit ratings.

We reduced **Xcel** ahead of a potential negative catalyst regarding December 2021 Colorado wildfire victim claims, which could result in the total claim number ahead of market expectations.

Key Positioning

The Account maintains its largest overweight sector positioning to US Electric Utilities and Eurozone Toll Roads.

The largest sector underweights are to US Water Utilities and Japanese Electric Utilities.

Over the month, we decreased the cash position from 0.9% to 0.4% at the end of January.

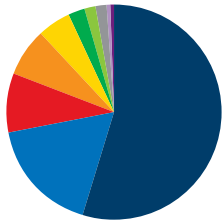
Top 10 Absolute Active Weights

PPL CORP
ALLIANT ENERGY CORP
NISOURCE INC
CROWN CASTLE INC
XCEL ENERGY INC
SBA COMMUNICATIONS REIT CORP CLASS
WILLIAMS INC
AUCKLAND INTERNATIONAL AIRPORT LTD
PORTLAND GENERAL ELECTRIC
AENA SME SA

Top Holdings

Holding	Weight %
TRANSURBAN GROUP STAPLED UNITS	6.18
AMERICAN TOWER REIT CORP	4.47
AENA SME SA	4.07
NATIONAL GRID PLC	3.43
NEXTERA ENERGY INC	3.38
XCEL ENERGY INC	3.19
PPL CORP	3.10
PG&E CORP	2.97
DOMINION ENERGY INC	2.66
SBA COMMUNICATIONS REIT CORP CLASS	2.65

Country Exposure (%)



United States	54.79
Europe Ex UK	17.36
Canada	8.75
Australia	7.25
United Kingdom	5.10
Japan	2.44
Hong Kong	1.72
New Zealand	1.72
United Arab Emirates	0.49
Cash	0.40

About the Fund

Investment Objective

The Fund aims to achieve superior investment performance through providing returns that exceed those of the FTSE Developed Core Infrastructure 50/50 Net TR Index (unhedged in AUD), before fees, over rolling 3-year periods.

Fund Strategy

The Fund aims to outperform the Benchmark by employing a bottom-up stock selection process, that is aided by a deep understanding of the macroeconomic environment and capital markets. The strategy invests in a diverse portfolio of infrastructure securities using a proprietary valuation methodology for stock selection. The process is supported by high quality and wide reaching research, which provides a competitive advantage. Additionally, we collaborate and seek intellectual insights from investment and specialist teams across the BlackRock Group.

Should be considered by investors who...

- ▶ Seek infrastructure exposure
- ▶ Seek high-yielding equities with defensive qualities
- ▶ Seek portfolio resilience
- ▶ Seek an alpha-driven strategy that deploys the risk budget into security selection
- ▶ Want portfolio diversification from traditional asset classes

Fund Details

BlackRock Global Listed Infrastructure Fund (Class E Units)

APIR	BGL0062AU
Fund Size	59 mil
Buy/Sell Spread	0.25%/0.25%
Number of Stocks in Fund	56
Number of Stocks in Benchmark	134
Tracking Error (3 Years)	1.25%

BlackRock Global Listed Infrastructure Fund (Class D Units)

APIR	BLK8833AU
Buy/Sell Spread	0.25%/0.25%
Management Fee	0.85% p.a.

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