BLACKROCK GLOBAL LISTED INFRASTRUCTURE FUND

BlackRock

FUND UPDATE **29 February 2024**

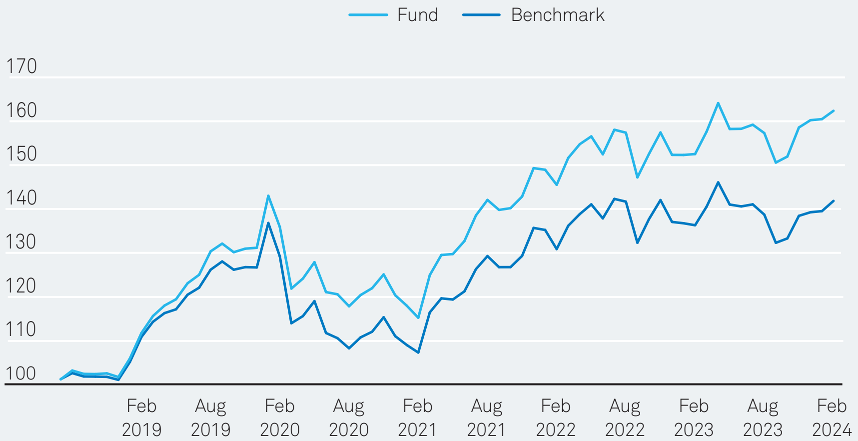
Investment Performance (%)

	1 Mth	3 Mths	CYTD	1 Yr	3 Yrs	5 Yrs	Since Incep
BlackRock Global Listed Infrastructure Fund (Class E)[1] (Gross of Fees)	1.18	2.39	1.33	6.44	12.07	7.73	8.90
FTSE Developed Core Infrastructure 50/50 Index (AUD)	1.66	2.45	1.85	4.05	9.72	5.04	6.34
Outperformance (Gross of Fees)	-0.48	-0.06	-0.52	2.39	2.36	2.70	2.56
BlackRock Global Listed Infrastructure Fund (Class D)[2] (Net of Fees)	1.11	2.19	1.20	5.56	11.14	-	9.73
FTSE Developed Core Infrastructure 50/50 Index (AUD)	1.66	2.45	1.85	4.05	9.72	-	8.50
Outperformance (Net of Fees)	-0.55	-0.26	-0.65	1.51	1.42	-	1.24

[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.

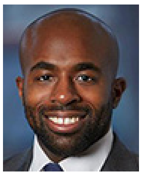
Past performance is not a reliable indicator of future performance. Performance for periods greater than one year is annualised. Performance is calculated in Australian dollars and assumes reinvestment of distributions. Gross performance is calculated gross of ongoing fees and expenses. Net performance 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 29 February 2024



Portfolio Managers

Nikhil Uppal
Managing Director,
Portfolio Manager



Balfe Morrison
Vice President,
Portfolio Manager

Visit **BlackRock.com.au** for further information, including:

- Market Insights & Commentary
- Fund Performance
- Unit Prices

Performance Summary

Performance Overview

In February, the BlackRock Global Listed Infrastructure Fund gross of fees returns underperformed the FTSE Developed Core Infrastructure 50/50 Net Tax Index (AUD), finishing the month +1.2 % (AUD, -0.3% USD) versus +1.7 (AUD, +0.1% USD) for the reference index.

Markets

The S&P 500 kept marching higher in February, reaching new all-time highs with tech earnings boosting the upward momentum. The S&P 500 finished the month +5.3% (USD).

Meanwhile, U.S. Treasury yields retreated as markets priced out more Federal Reserve rate cuts this year given resilient growth and sticky inflation – and now see just three quarter-point cuts this year.

The U.S. PCE inflation data confirmed that inflation will likely settle closer to 3% after falling toward the Fed's 2% target this year.

Positive market sentiment can persist for now as inflation cools and the Fed prepares to cut rates.

Regions

The North American Utilities sector (MSCI North America Utilities Index) increased 0.6% for the month of February, materially underperforming the broader market by ~400 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 the increasing market focus on AI-driven electric power demand growth over the next several years, utilities have not kept up with the broader market. Investors are focused on various other sectors that are more directly exposed to the AI thematic. Utilities also underperformed due to increasing concern regarding wildfire risk following a large utility-caused wildfire in Texas late in the month. The sector has underperformed the broader market by ~1,600 bps since rates peaked in late October 2023.

The US Midstream sector (Alerian Midstream Energy Index) increased 1.8% for the month of February, underperforming the broader market by ~200 bps. The underperformance occurred despite a +4% increase in crude oil prices for the month. However, domestic and European natural gas prices declined -10% and -15%, 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. Lower natural gas prices will reduce cash flows for Midstream companies with moderate direct price exposure.

APAC infrastructure declined -1.4% for the month of February, underperforming the FTSE Developed Asia Pacific Index by ~300 bps. Japanese infrastructure outperformed, led by both Railroads and Utilities. In particular, Japanese Utilities outperformed following increased optimism regarding nuclear power plant restarts. More broadly, Asia Utilities broadly outperformed following continued declines in Asia LNG prices, which will lower company costs and improve margins. Australian and New Zealand Airport stocks underperformed following mixed earnings reports.

EMEA infrastructure equities delivered a -3.4% return in February, underperforming the MSCI Europe index which returned 2.0%. Utilities were the weakest performer, with the Stoxx 600 Utilities index declining -5.6% in February. The most notable drop came from merchant power price-exposed names, such as EDPR (-16.3%), given the bigger-than-expected decline in power prices. Transport, on the other hand, showed positive returns in February. Within Airports (+3.4%) the highest monthly return was delivered by Aena (+6.6%) considering the strong retail and traffic performance in recent months and the positivity going into the next strategic plan at the beginning of March. Lastly, Communications (-4.5%) delivered a negative return in February, with the biggest drop coming from the telecom infrastructure provider Inwit (-9.0%).

Stocks

Top Contributors

Targa Resources outperformed following a strong earnings call, where the company pointed to lower-than-expected future capex needs to continue funding the company's industry leading growth plan.

Canadian Pacific Kansas City, the railway connecting Canada, Mexico, and the US, was also top contributor. CP's performance was driven by some reversal of underperformance in the 4th quarter as investors started to gain comfort around CP's Mexico exposure. CP also had a very solid call with the conservative guidance for 2024, which included potentially more opportunities for accretion from the recent Kansas City Southern deal.

Top Detractors

Xcel shares fell significantly following the company's disclosure that its equipment caused a large wildfire in Texas. The wildfire damage assessment is ongoing, but there have been several fatalities, hundreds of damaged structures, and thousands of dead cattle. While XEL's liability could be minimal if the company can prove it properly maintained its equipment and acted prudently, it will take time to determine this. We have modestly reduced our exposure to other higher wildfire risk exposed names given the potential sector-wide overhang this event could create.

Underweight positioning to ONEOK additionally detracted. **ONEOK** outperformed following a strong earnings call, where the company issued above consensus guidance and projected better than expected revenue and cost synergies from its recent acquisition of Magellan Midstream.

Changes

We went underweight **American Electric Power** following a regulatory setback announcement, where a meaningful number of Louisiana renewable projects will be delayed due to worker shortage issues, which will pressure earnings in 2025-26.

We added to **Cheniere** on weakness following a negative revision cycle due to normalizing global gas prices coming to an end.

We increased **Duke Energy** on recent weakness and following recent positive indicative value upside.

We increased **DTE Energy** on on weakness. Michigan Utility peer, CMS Energy, continues to outperform and we expect DTE to evenutally see some follow through given similar positive regulatory dynamics.

We trimmed **American Tower** on the back of concerns around the ~0.9% headwind to 2024 growth from Naira devaluation.

Key Positioning

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

The largest sector underweights are to Japanese Electric Utilities and New Zealand Airports.

Over the month, we increased the cash position from 0.4% to 1.8% at the end of February.

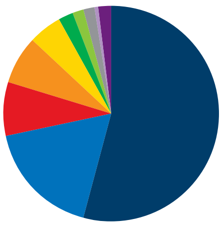
Top 10 Absolute Active Weights

ALLIANT ENERGY CORP
NISOURCE INC
XCEL ENERGY INC
PPL CORP
DTE ENERGY
CROWN CASTLE INC
SBA COMMUNICATIONS REIT CORP CLASS
WILLIAMS INC
ONEOK INC
AENA SME SA

Top Holdings

Holding	Weight %
TRANSURBAN GROUP STAPLED UNITS	6.14
AENA SME SA	4.45
AMERICAN TOWER REIT CORP	4.05
NATIONAL GRID PLC	3.35
XCEL ENERGY INC	3.32
NEXTERA ENERGY INC	3.18
PPL CORP	2.86
ALLIANT ENERGY CORP	2.78
PG&E CORP	2.75
SOUTHERN	2.71

Country Exposure (%)



United States	54.44
Europe Ex UK	17.36
Canada	8.11
Australia	7.18
United Kingdom	4.94
Japan	2.31
Hong Kong	1.74
New Zealand	1.63
United Arab Emirates	0.49
Cash	1.80

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	60 mil
Buy/Sell Spread	0.25%/0.25%
Number of Stocks in Fund	57
Number of Stocks in Benchmark	134
Tracking Error (3 Years)	1.19%

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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