



BlackRock Global Infrastructure

TXPERS 32nd Annual Conference
April 4, 2022

BlackRock
Real Assets

Key pillars to investing in infrastructure...



1

Extensive access

Leverage industry network and expertise to create investment opportunities on a proprietary basis



2

Comprehensive structuring

Disciplined structuring, focused on contracted assets with visible revenue streams



3

Active value creation

Active management focused on operational excellence, revenue growth and financial optimization

Source: BlackRock, 15 March 2022.

Investing in long-term structural trends

Key themes underpin the infrastructure investment opportunity with the **energy transition** being a common thread touching all sectors

Energy Transition

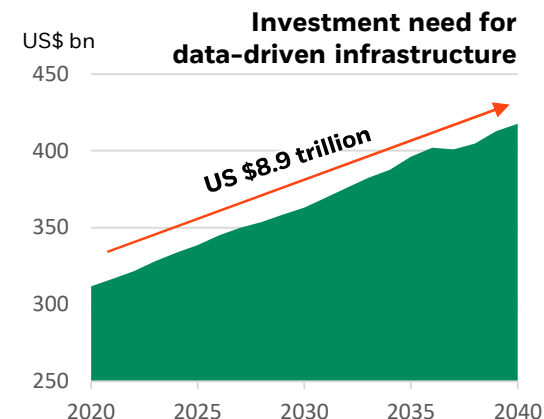
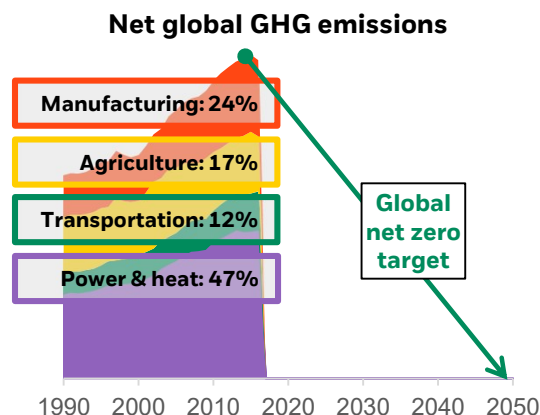
US \$50 trillion+ of investment is needed to decarbonize our global economy by 2050¹

Decentralization

Greater outsourcing of infrastructure by companies, with quality assets closer to end users

Digitalization

Fast growth of digital world needs physical infrastructure to transmit, store and utilize data²



Regulated Utilities

Energy & Environmental

Low Carbon Power

Transportation & logistics

Digital infrastructure

Source: BlackRock, 15 March 2022. 1) Carbonomics, Goldman Sachs, 24 June 2021. 2) Global Infrastructure Outlook, G20 Initiative, 30 June 2021. **Important Information:** Reference to the names of companies mentioned in this communication is merely for explaining the investment strategy and should not be construed as investment advice or investment recommendation of those companies. They are representative of assets and business in the predecessor funds and there is no guarantee that the Infra IV will receive similar investment opportunities

Structuring in practice

Examples from Fund III's most recent investments

Long Term Revenues Navigator CO₂ Ventures

Decarbonization project to develop, construct and own a 1,500-mile pipeline system for capturing and storing up to 15 million metric tons of CO₂/year

Long Term

Underpinned by partnership with Valero with a long-term, guaranteed revenue contracts without volume, price, or commodity exposure



Fixed Revenue Profile Meade Pipeline

ETRN is an investment grade natural gas midstream company operating in the Appalachian Basin in the US.

Fixed

20-year triple net lease agreement for Meade share in the Central Penn Line and an operating agreement underpinned by long term fixed costs



Inflation Protection Lexington Generating

Lexington Generating is portfolio of four contracted flexible natural gas fired generation plants in the US.

Protection

Each plant is contracted with fixed monthly payments by utilities for their availability, whose fixed prices are adjusted for inflation



Sustainability Calisen

Calisen is a leading owner and operator of smart meters in the United Kingdom

Sustainability

Own a 26% share of a government mandated smart meter roll out through 2025, enabling higher energy efficiency across



Source: BlackRock. February 2022. **Important Information:** The investments chosen represent the most recent investments made by the Investment Team. The investments highlighted are for illustrative purposes only. It is non-representative of all underlying investments made by the Investment Team or of all the investments in the pipeline and it should not be assumed that the Investment Team will make comparable investments in the proposed Infra IV. There is no guarantee that these investment will meet its target or will be successful.

Value Creation: focused on operational excellence, revenue growth and financial optimization

Operational Improvements

Focus on operational excellences and drive to greater efficiencies as well as better procurement

Balance Sheet Improvements

Optimize working capital and CAPEX, improve (long-term) financing & tax structure

Cashflow Growth

Increase revenues by adding new customers/contracts, extending revenue contracts, moving into adjacent businesses

Inorganic Growth

Add-on acquisition to grow customer base / segments and regional footprint

Organization / Change Mgmt.

Improve operating model, organizational structure & enhance management

ESG enhancements

Improve environment profile and ensure highest health & safety standards

Source: BlackRock, February 2022.

Navigator CO₂ Ventures

Decarbonization project comprising a 1,500-mile pipeline system for CO₂ capture



Investment Details

US \$750mm

Reserved¹

Proprietary

Sourcing

Target 2022

Investment Date

Energy & Environmental

Sector

Committed

Status

Majority

Governance

UN SDG Impact



8,030

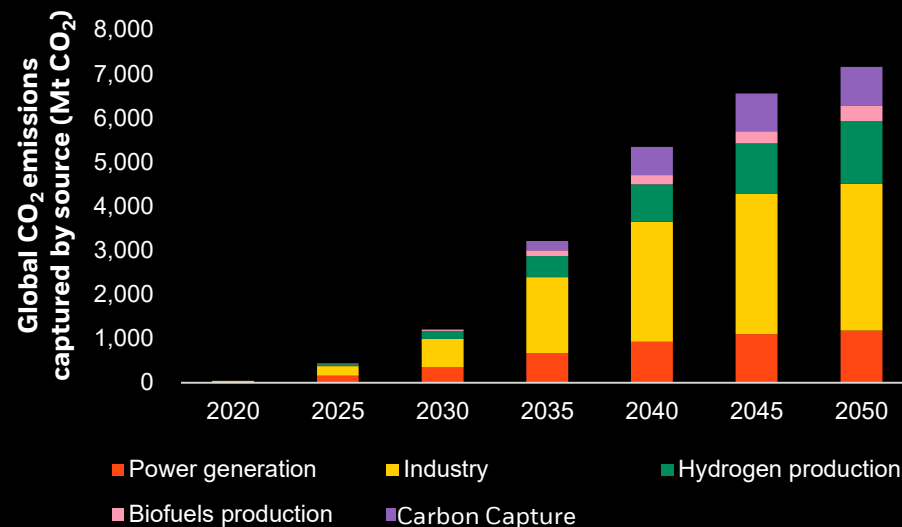
Jobs in construction and/or operations¹



15 million

Metric tons carbon captured per year¹

Carbon sequestration is essential in the road to net zero by 2050



What we like about the investment

- **Repeat partnership** with experienced Navigator team
- **Long-term, take-or-pay contract** with no direct commodity price exposure
- **First mover** advantage within the carbon capture and storage sub-sector

Source: BlackRock, 15 March 2022. All figures shown in USD. **Important Information:** This case study is for illustrative purposes only to represent our most recent investment in GEPIF III, in the Energy & Environmental sector. It is non-representative of all underlying investments made by the Investment Team or of all the investments in the pipeline and it should not be assumed that the Investment Team will make comparable investments in the Infra IV. There is no guarantee that this investment will meet its target or will be successful. 1) Fund III has reserved \$750 million of capital that is contingent on reaching a financial closing with a fully funded project. Chart Data: Goldman Sachs Global Investment Research, 23 June 2021.

GasLog Ltd.

Leading owner and operator of long-term contracted liquefied natural gas carriers benefiting from structural demand growth



Investment Details

US \$252mm

Invested

Relationships

Sourcing

June 2021

Investment Date

Transportation & Logistics

Sector

Unrealized

Status

Co-Control

Governance

UN SDG Impact



1,900

Jobs in construction and/or operations

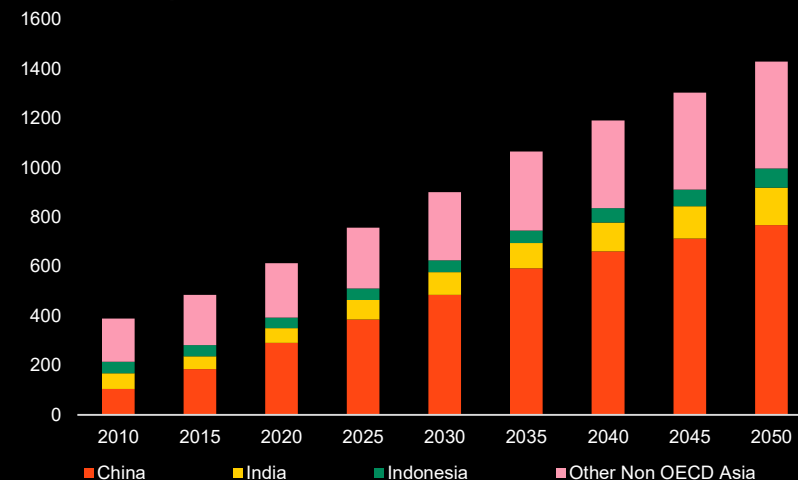


34 million

Metric tons CO₂ emissions avoided

Natural Gas is an important energy transition fuel in Asia

Natural Gas Imported (BCM)



What we like about the investment

- **Long-term, fixed price charter contracts** in US dollars with creditworthy counterparties
- **Industry-leading management** team with deep industry relationships
- **Platform with growth opportunities**

Source: BlackRock, 15 March 2022. All figures shown in USD. **Important Information:** This case study is for illustrative purposes only to represent our most recent investment in GEPIF III in the Transportation & Logistics sector. It is non-representative of all underlying investments made by the Investment Team or of all the investments in the pipeline and it should not be assumed that the Investment Team will make comparable investments in the Infra IV. There is no guarantee that this investment will meet its target or will be successful. Chart data source: IHS, 29 Jan 2021

Vopak Industrial Infrastructure Americas (“VIIA”)



Critical industrial terminal infrastructure business at three strategically located sites on the Gulf of Mexico in the United States



Investment Details

US \$135mm

Invested

Limited Comp.

Sourcing

Dec 2020

Investment Date

Transportation & Logistics

Sector

Unrealized

Status

Joint-Control

Governance

UN SDG Impact

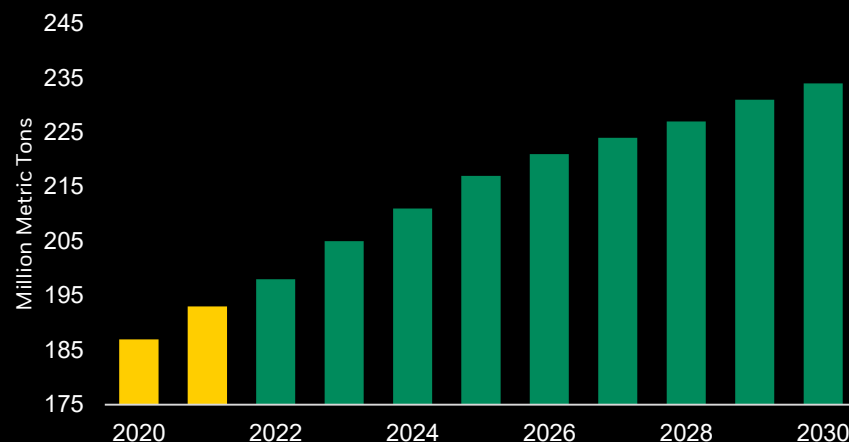


216

Jobs in construction and/or operations

Capitalizing on the decentralization of critical infrastructure

Steady & Predictable Growth in US Chemicals Production



What we like about the investment

- **100% of existing revenue contracted** under long-term, inflation-linked fixed fee agreements
- **Assets are strategically located**, supporting the lowest cost chemical production facilities
- **Partnership** with best-in-class operator, Vopak, with deep expertise in chemicals terminals

Source: BlackRock, 15 March 2022. All figures shown in USD. **Important Information:** This case study is for illustrative purposes only to represent a recent investment in Fund III in the Transportation & Logistics sector. It is non-representative of all underlying investments made by the Investment Team or of all the investments in the pipeline and it should not be assumed that the Investment Team will make comparable investments in the Infra IV. There is no guarantee that this investment will meet its target or will be successful. Chart data source: IHS, 20 August 2020