Lazard Global Listed Infrastructure Active ETF

LAZARD ASSET MANAGEMENT

April 2025

The **Lazard Global Listed Infrastructure Fund** (the "Fund") is an actively managed benchmark unaware portfolio, generally ranging from 25 to 50 securities, that focuses on companies that have 'Preferred' characteristics, such as revenue certainty, profitability and longevity, derived from monopoly or monopoly-like underlying assets that are often regulated. The Fund offers access to an attractive asset class with low correlation to global equities and fixed income over the long term and is managed by one of the world's most experienced listed infrastructure teams. The Fund's objective is to achieve total returns (including income and capital appreciation and before the deduction of fees and taxes) that outperform inflation, as measured by the Australian Consumer Price Index, by 5% per annum over rolling five-year periods.

Fund Facts

Inception Date	5 October 2005
Total Fund Size	A$2,340.0m
Total Management Costs	0.98% p.a.
Minimum Investment	A$20,000
Buy/Sell Spread	+0.25%/-0.25%
Distributions	Quarterly[1]
APIR Code	LAZ0014AU
Cboe Ticker	GIFL
Benchmark	Benchmark unaware – MSCI World Core Infrastructure Index for short-term performance comparison

Strategy Highlights

Diversification

Historically offered attractive yield, strong performance and lower risk than global equities

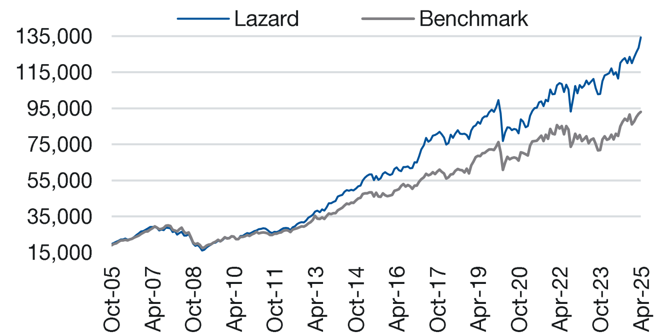
Inflation-linked

Companies' revenue streams are implicitly or explicitly linked to inflation

Risk Adjusted Returns

Historically defended well in downturns in comparison to global equity markets

Growth of $20,000



Performance[2]

(%; net of fees. As of April 30, 2025)

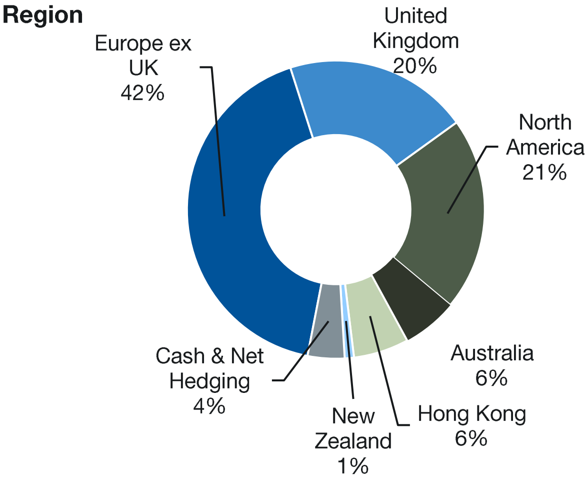
				Annualised			
	1M	3M	1Y	3Y	5Y	10Y	Since Inception
Fund	4.5	9.1	18.4	7.2	10.5	8.7	10.2
Benchmark[2]	1.2	6.2	19.7	3.6	7.5	6.8	8.2
Excess Return	3.3	2.9	-1.3	3.6	3.0	1.9	2.0

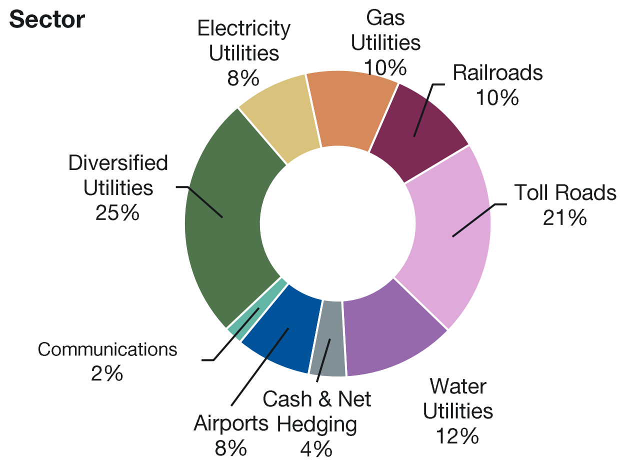
[1] Distributions are made quarterly if of an economic size.

[2] The Global Listed Infrastructure Index (AUD Hedged) from inception to 31 March 2015, is the UBS Global 50/50 Infrastructure and Utilities Net Index (AUD Hedged); from 1 April 2015 to 30 June 2018, the FTSE Developed Core Infrastructure 50/50 100% Hedged to AUD Net Tax Index; and thereafter, the MSCI World Core Infrastructure 100% Hedged to AUD Index.

Investments can go up and down. Past performance is not necessarily indicative of future performance. Fund returns are adjusted and are quoted after the deduction of Management Costs. Performance assumes reinvestment of all distributions.

Allocations





Portfolio Characteristics

	Lazard	Benchmark	Premium/ Discount (%)
Number of Holdings	28	92	
EV:EBITDA Multiple (X)	12.9	13.2	-2.2
EBITDA Margin (%)	32.1	33.1	-3.1
Forward Price/Earnings	18.5	20.5	-9.7
Dividend Yield (%)	4.2	3.6	17.5
Turnover (% p.a., 3 Year)	31.8	-	-

Down Market Capture Ratio[3]

Top 10 Holdings

	Lazard (%)	Sector
National Grid	8.4	Diversified Utilities
Ferrovial	8.0	Toll Roads
Vinci	7.0	Toll Roads
Snam	6.9	Gas Utilities
Terna	5.3	Electricity Utilities
Norfolk Southern	5.1	Railroads
CSX	5.0	Railroads
Severn Trent	5.0	Water Utilities
United Utilities	5.0	Water Utilities
Exelon	4.7	Diversified Utilities

[3] Down Market Capture Ratio is calculated since inception and based on performance net of all fees. Down Market capture is a statistical measure of an investment manager's overall performance in down markets, being calendar months where the Index experiences negative performance. A Down Market Capture ratio (or percentage) of less than 100 (or 100%) reflects that the manager, on average, has outperformed the Index during such down markets.

Commentary

Across a wild and turbulent month, global equity markets recorded a modest loss (in local currency terms) in April, as risk appetites waxed and waned amid growing uncertainty about the US's new tariff regime. The Trump administration's mixed signals about tariffs continued to contribute to volatile markets and increased sentiment that a global economic recession loomed. A ninety-day pause and the promise of an individually negotiated set of tariffs calmed investor fears and the markets rebounded to finish in positive territory as volatility remained elevated. The European Central Bank cut interest rates by 25 bps, citing a deteriorating economic outlook in the eurozone due to worsening trade frictions.

Global listed infrastructure outperformed global equities during the month with its defensive characteristics and resilience apparent amid market uncertainty. The asset class offers diversification benefits and lower volatility compared to global equities making it attractive during periods of market stress and inflation concerns.

The Lazard Global Listed Infrastructure Active ETF returned 4.49% (net of fees) during the month of April 2025, outperforming both the MSCI World Core Infrastructure 100% Hedged to AUD Index, which returned 1.16%, and the MSCI World Local Currency Index, which returned -0.37% for the same period.

Whilst the strategy displayed relatively strong performance over April, we continue to see strong valuation upside across the portfolio. The chart below illustrates that the portfolio's relative P/E as at 31 March 2025 is trading at a 21% discount compared to the strategy's average over the past 15 years.

Key contributors:

• French toll road operator Vinci continued its strong start to the year as the Q1 2025 revenue release confirmed not only the positive revenue expectations for motorways and airports but also suggested continued strong cash flow generation, one of Vinci's key strengths. Vinci's 50%-owned Gatwick Airport has also amended its proposal for a second runway to maximize the chances of government support. The company also benefited from the fact that the French government did not face the risk of a no-confidence vote materialising.

• UK utilities National Grid, United Utilities (UU), and Severn Trent performed well in April, as their regulated monopolistic business models are immune to both trade tariffs and economic slowdowns. Their regulatory agreements foresee a full pass-through of inflation; as a result, any tariff-induced inflation increase would be reflected in the growth of customer bills and their regulated asset base. Both UU and Severn Trent are starting the first of their five year regulatory period, which may see considerable increases in investment generating steady inflation-linked returns. Meanwhile, National Grid will receive the final determination for its UK transmission returns at the end of 2025. We expect the regulator Ofgem to provide compelling returns to equity investors, especially in light of National Grid's decision to pre-emptively raise £7 billion in 2024 to approach a new phase of capital expenditure with a solid financial structure.

Key detractors:

• US freight railroads Norfolk Southern and CSX detracted from performance in April. High tariffs and uncertainty over future tariff levels have already caused freight volume disruptions. The net effect in April was higher rail volumes, as importers rushed to import goods before rising tariffs took effect. Both railroads reported their Q1 2025 results in April, with Norfolk Southern slightly beating consensus profit estimates due to significant improvements in labour productivity. In contrast, CSX reported its Q1 profit below consensus expectations due to bad weather and lower service productivity caused by two large network

Lazard Global Listed Infrastructure vs MSCI World Index

Relative P/E

Data as of 31 March 2025.
Investment characteristics are based upon a representative account. P/E is using a forward-looking P/E (NTM). This information is for illustrative purposes only.
Please refer to "GIPS® Composite Information" for additional information, including net-of-fee results. The performance quoted represents past performance. **Past performance does not guarantee future results.** The index is unmanaged and has no fees. One cannot invest directly in an index. For definitions, please refer to appendix.
Lazard estimates based on historical financial accounts of companies held in the Portfolio. All estimates are based on current information and are subject to change.
Source: FactSet, Lazard Asset Management Pacific.

outages: a capacity expansion project in Baltimore and a reconstruction project in North Carolina to repair hurricane damage. In terms of earnings guidance, both railroads were reluctant to offer much detail given the future tariff uncertainty. However, Norfolk Southern management guided for a higher operating margin, expecting continued improvements in labor productivity. Both railroad duopolies are well-practiced at adjusting inputs and costs when freight volumes decline, and we believe they offer reasonable value in the long run.

Outlook

The combination of volatile equity markets and our conservative approach leads us to view current market conditions cautiously. We see pockets of attractive value opportunities, particularly in Europe. We have long cautioned investors about the valuation of the US utility sector and we have been underweight this sector for some time. While we remain cautious, we are beginning to see specific stock opportunities within the sector, which we may pursue in the months ahead.

While certain regions and sectors remain expensive, we believe Lazard's experience and skill in evaluating mispriced opportunities and applying appropriate valuations is critical. In our opinion, the only way to generate returns that properly compensate for the risk taken is through highly selective stock-picking. Value is emerging now and on a 5-year view and valuations look more attractive on a risk/return basis. We believe returns available in the strategy look relatively attractive at this time when compared to a passive investment in infrastructure indices, bonds or in broader equity markets. We believe the preferred infrastructure characteristics we seek for all our investments will continue to serve our investors well over the longer term.

For more information, call us on 1800 825 287
or visit www.lazardassetmanagement.com