

Lazard Global Listed Infrastructure Active ETF

LAZARD
ASSET MANAGEMENT

May 2025

The **Lazard Global Listed Infrastructure Fund** (the “Fund”) is an actively managed, high conviction benchmark unaware portfolio with the objective to achieve total returns (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. Managed since 2005 by an experienced listed infrastructure team, they apply a disciplined approach that focuses on identifying and investing in infrastructure companies that have ‘Preferred’ characteristics such as revenue certainty, profitability and longevity, derived from monopoly or monopoly-like underlying assets, that are trading at a discount relative to our assessment of their intrinsic value. Global listed infrastructure is an attractive asset class with a low correlation to global equities and fixed income over the long term, offers superior yield and a defensive outcome compared to other growth asset classes due to the predictable nature of the underlying businesses.

Fund Facts

Inception Date	5 October 2005
Total Fund Size	A\$2,428.0m
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

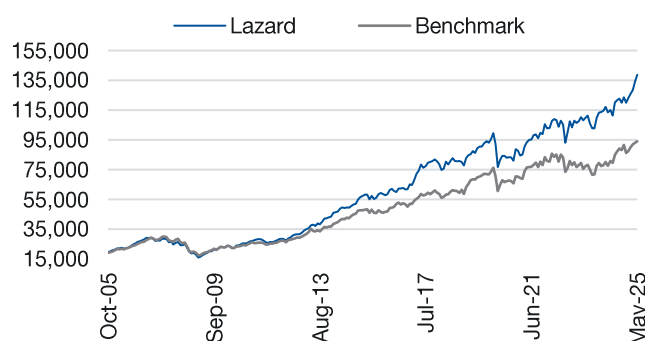
Inflation-linked

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



Performance²

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

	Annualised						Since Inception
	1M	3M	1Y	3Y	5Y	10Y	
Fund	3.2	10.1	20.6	8.6	10.5	9.1	10.3
Benchmark ²	1.2	4.4	16.3	3.4	6.7	6.9	8.2
Excess Return	2.0	5.7	4.3	5.2	3.8	2.2	2.1

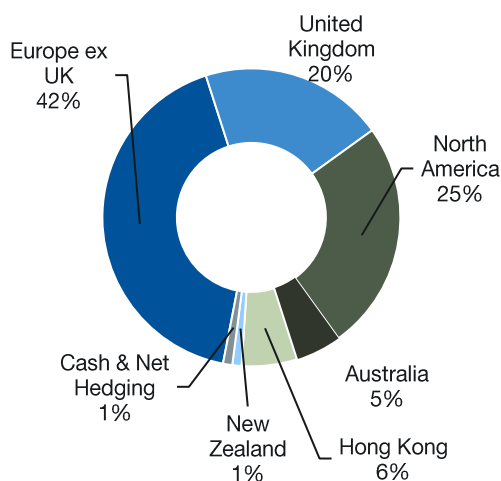
¹ Distributions are made quarterly if of an economic size.

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.

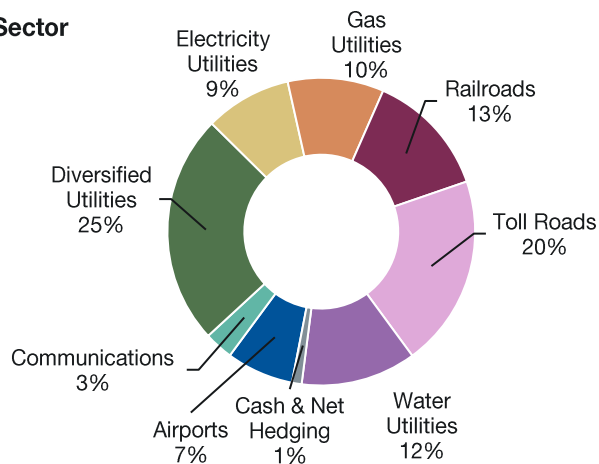
Investments can go up and down. Past performance is not necessarily indicative of future performance. Fund returns are adjusted and are quoted after the deduction of Management Costs. Performance assumes reinvestment of all distributions.

Allocations

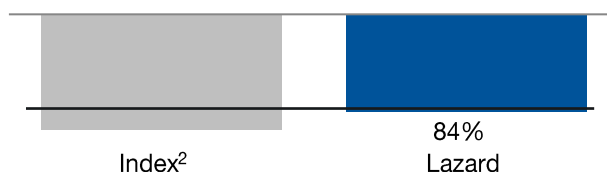
Region



Sector



Down Market Capture Ratio³



	Lazard	Benchmark	Premium/ Discount (%)
Number of Holdings	28	92	
EV:EBITDA Multiple (X)	13.0	13.2	-1.5
EBITDA Margin (%)	33.3	33.0	0.8
Forward Price/Earnings	17.8	20.2	-12.0
Dividend Yield (%)	4.1	3.5	14.7
Turnover (% p.a., 3 Year)	33.9	-	-

Top 10 Holdings

	Lazard (%)	Sector
CSX	8.1	Rail Roads
National Grid	8.1	Diversified Utilities
Ferrovial	8.0	Toll Roads
Snam	6.9	Gas Utilities
Vinci	6.9	Toll Roads
Terna	6.2	Electricity Utilities
United Utilities	5.0	Water Utilities
Norfolk Southern	5.0	Rail Roads
Severn Trent	4.7	Water Utilities
Exelon	3.7	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

With further market volatility persisting in 2025, we saw equity markets worldwide rise in May, driven by hopes for a de-escalation in the global trade war. Uncertainty about US trade policy persisted following the rollout and delay of broad tariffs on most US imports. Markets surged after the US and China announced a truce while negotiations continued, and the postponement of proposed tariffs on European Union goods further boosted sentiment. Late in the month, a US trade court blocked most tariffs, sparking a brief relief rally, though an appeals court later upheld the tariffs temporarily, maintaining uncertainty. Central banks focused on the economic impact of tariffs, with the US Federal Reserve holding interest rates steady for the third consecutive meeting, citing risks of higher inflation and slower economic growth.

Global listed infrastructure also rose during the month, albeit less than global equities. Calendar year to date however, global listed infrastructure has outperformed global equities due to its defensive characteristics and resilience apparent amid market uncertainty.

In May, the Lazard Global Listed Infrastructure Active ETF returned 3.25% (net of fees), outperforming the MSCI World Core Infrastructure 100% Hedged to AUD Index, which returned 1.16%, but underperforming the MSCI World Local Currency Index, which returned 5.93% for the same period.

Whilst the strategy has displayed relatively strong performance recently, we continue to see valuation upside across the portfolio. The chart below illustrates that the current portfolio of stocks as at 31 March 2025 is trading at a 21% discount compared to the strategy's average trading levels over the past 15 years.

Key contributors:

In May, the partial de-escalation of US-China trade tariffs saw US freight railroads CSX and Norfolk Southern perform well. In addition to this, due to strong Q1 results, the Italian gas utility Snam performed strongly. Snam is a key holding in the portfolio, supported by our view that the Italian regulatory regime is one of the most consistent and transparent within our preferred infrastructure universe.

Global infrastructure owner and operator Ferrovial also contributed well. Ferrovial's focus on high-return, inflation-protected infrastructure assets, including the increasing ownership of the 407 RTT motorway in Canada has been beneficial. An additional ownership stake purchased in March, at what we saw as a fair price, underpins our confidence in our valuation.

Key detractors:

The market rotation saw utility companies Exelon, National Grid and Severn Trent underperform despite solid results.

We also initiated a position in leading US mobile tower company, Crown Castle. Crown Castle's share price had previously fallen due to the company's announcement of a cut in its quarterly dividend, as part of Crown Castle's strategic efforts to increase free cash flow and financial flexibility amid its ongoing restructuring initiatives. The company also announced a US\$3 billion share repurchase program and plans to pay down US\$6 billion in debt. These positive steps follow the agreement in March 2025 to sell their fiber and small cell businesses for a combined US\$8.5 billion, which has seemed to go unrewarded by the market. We see this market mispricing as the catalyst to initiate our position.

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.

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**

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