

Lazard Global Listed Infrastructure Active ETF

LAZARD
ASSET MANAGEMENT

February 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 (AUD)	A\$2,174.6m
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

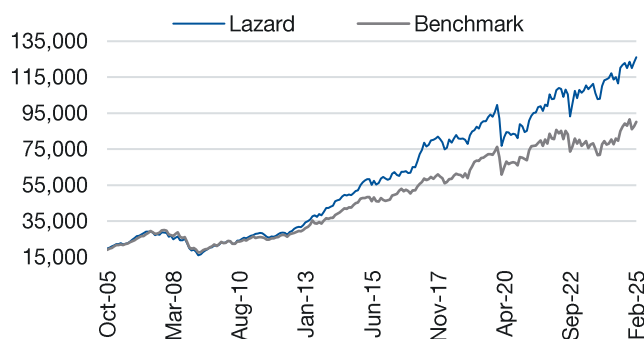
Inflation-linked

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 February 28, 2025)

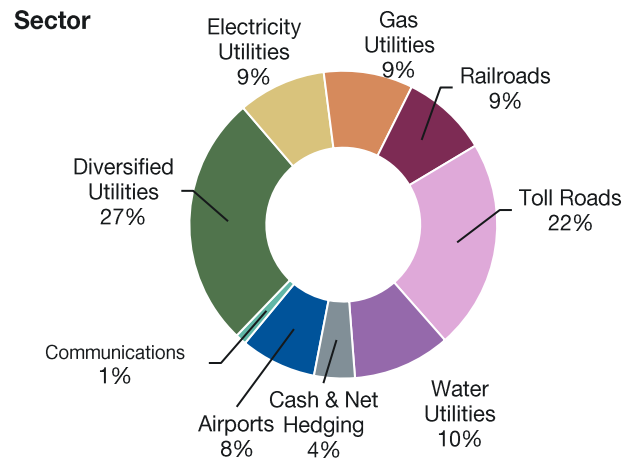
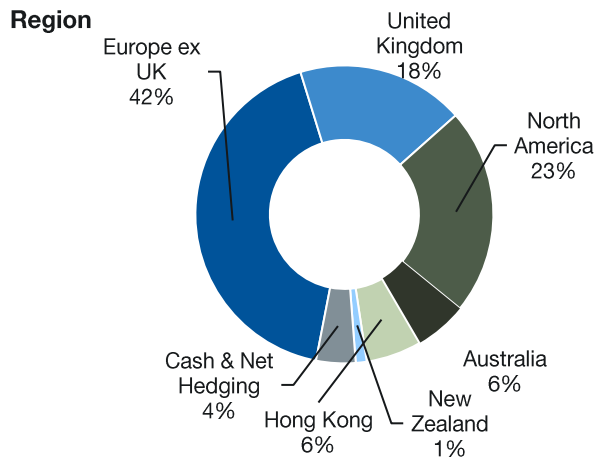
	Annualised						Since Inception
	1M	3M	1Y	3Y	5Y	10Y	
Fund	2.4	2.0	10.0	7.0	6.5	8.3	9.9
Benchmark ²	2.9	-1.6	15.5	3.8	5.0	6.5	8.1
Excess Return	-0.5	3.6	-5.5	3.2	1.5	1.8	1.8

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	26	95	
EV:EBITDA Multiple (X)	12.5	13.2	-5.9
EBITDA Margin (%)	32.3	33.0	-2.1
Forward Price/Earnings	17.6	19.8	-11.2
Dividend Yield (%)	4.3	3.5	24.4
Turnover (% p.a., 3 Year)	33.1	-	-

Down Market Capture Ratio³



Top 10 Holdings

	Lazard (%)	Sector
Ferrovial	8.3	Toll Roads
Exelon	8.1	Diversified Utilities
Vinci	8.0	Toll Roads
National Grid	7.9	Diversified Utilities
Snam	6.4	Gas Utilities
Terna	5.4	Electricity Utilities
CSX	4.6	Railroads
Severn Trent	4.5	Water Utilities
Norfolk Southern	4.5	Railroads
Aena	4.2	Airports

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

Global equity markets fell modestly in February, as tariff risks, uncertainty about the US inflation outlook, and cooling enthusiasm for artificial intelligence dampened risk appetites. The US market was notably weak as it attempted to digest the magnitude and breadth of the expected Trump tariff policies and potential impacts on inflation and employment. European markets continued to rally as investors continued to be attracted by their valuation discount and accommodative central bank policies.

Listed infrastructure outperformed global equities during the month. Infrastructure assets generally offer stable returns and protection against inflation, and we believe this made the asset class more attractive during this period of economic uncertainty and possible rising inflation.

The Lazard Global Listed Infrastructure Active ETF returned 2.36% (net of fees) during the month of February 2025, underperforming the MSCI World Core Infrastructure 100% Hedged to AUD Index, which returned 2.87%, but outperforming the MSCI World Local Currency Index, which returned -0.96% for the same period.

The chart below illustrates that the current portfolio of stocks as at 31 December 2024 is trading at a 22% discount compared to the strategy's average trading levels over the past 15 years.

Key contributors:

- US electricity utility Exelon posted gains after a strong set of Q4 results. Notably, the company raised its guidance for 2025.

- French toll road operator Vinci benefitted from another year of robust free cash flow generation, underscoring the group's ability to convert its investment pipeline into cash.

- Global infrastructure company Ferrovial (FER) rose on the back of strong results across its diverse portfolio of assets. FER also announced an agreement with Ardian to sell its remaining 5.25% stake in Heathrow Airport for GBP455m, maintaining the same valuation as the December 2024 transaction.

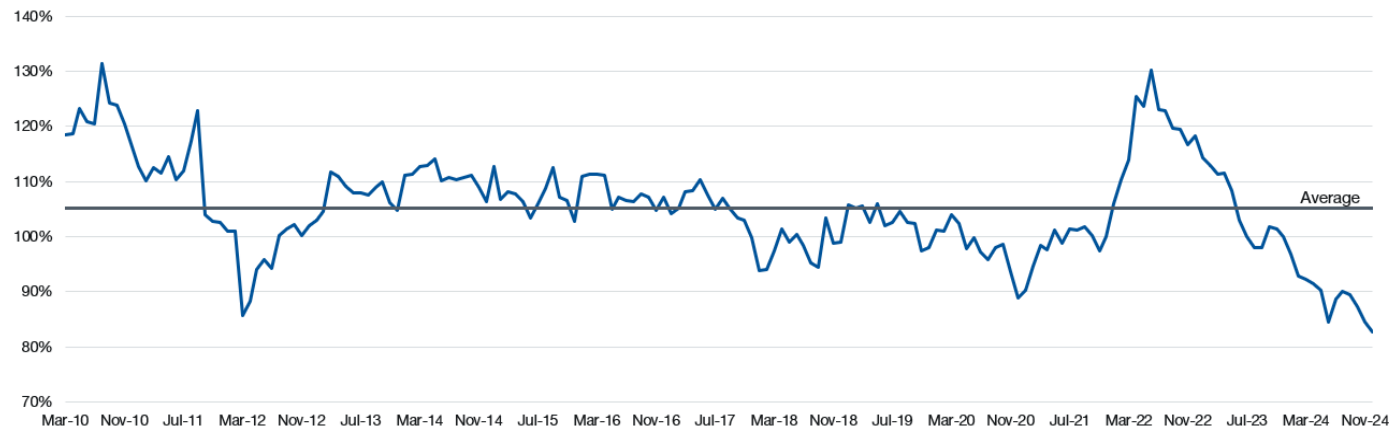
Key detractors:

- UK water utilities United Utilities and Pennon shares fell, mirroring broader weakness across the UK water sector. This came as several peers, including Thames Water, appealed Ofwat's regulatory decision issued in December 2024. We view both companies as offering some of the most attractive upside potential within the sector.

- While US freight railroads Norfolk Southern and CSX had no significant company-specific developments, their modest share price declines can be attributed to broader market concerns regarding tariffs. The tariffs are expected to impact the domestic US economy as well as freight volumes of goods traded with Mexico and Canada. Currently, the portfolio has no exposure to freight railroads in Canada or Mexico.

Lazard Global Listed Infrastructure vs MSCI World Index

Relative P/E



Data as of 31 December 2024.

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.

The scarce valuation opportunities have led to a relatively concentrated portfolio where we believe the risk/return trade-off is favourable, however this brings a higher degree of stock-specific risk. In our opinion, the only way to generate returns that properly compensate for the risk taken is through highly selective stock-picking. We caution investors to expect increased volatility in the short to medium term. 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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