Lazard Global Equity Franchise Fund

September 2025

The **Lazard Global Equity Franchise Fund** ('Fund') is an actively managed portfolio that seeks long-term, defensive returns by investing globally in a range of economic franchises. The Fund's objective is to achieve total returns (including income and capital appreciation and before the deduction of fees and taxes) in excess of the MSCI World Index with lower risk over the long term. It invests in listed companies which we consider have an "economic franchise", meaning companies which possess a combination of high degree of earnings forecastability and large competitive advantages. The investment team employs a valuation driven investment process that leverages a unique scoring methodology to rank investable companies by expected returns.

Fund Facts

Inception Date	1 Oct 2013
Total Fund Size (AUD)	A$324.1m
Number of Holdings	27
Total Management Costs	1.25% p.a.
Minimum Investment	A$20,000
Buy/Sell Spread	+0.20%/-0.20%
Distributions	Annually
APIR Code	LAZ0025AU
Benchmark	MSCI World Index

Strategy Highlights

Concentrated and Active

High conviction global equity portfolio.

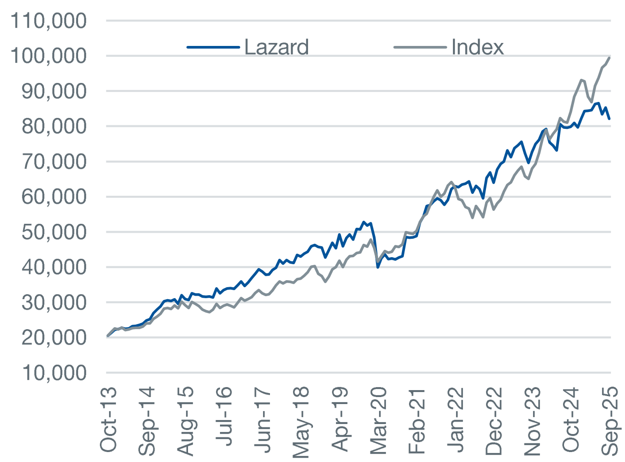
Companies with an Economic Franchise

Large economic moats with a history of stable forecastable earnings

Strict Valuation Discipline

Benefits of Economic Franchises at a Discount to Intrinsic Value.

Growth of $20,000[1]



Performance[1]

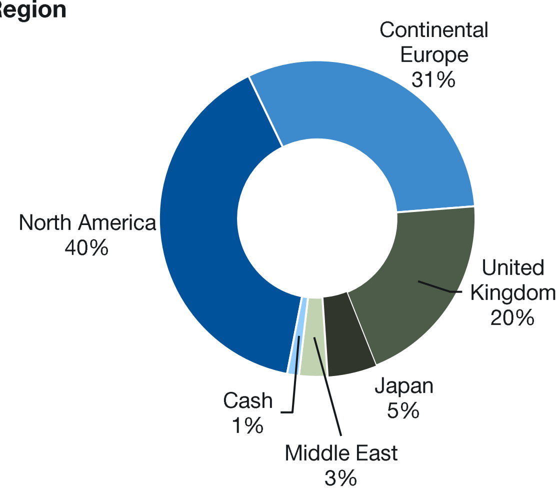
(%; net of fees. As of 30 September 2025)

	1M	3M	1Y	3Y (Annualised)	5Y (Annualised)	10Y (Annualised)	Since Inception (Annualised)
Fund	-3.7	-5.1	3.2	11.4	14.0	10.4	12.5
Benchmark	1.9	6.1	22.7	22.5	16.2	13.1	14.0
Excess Return	-5.6	-11.1	-19.5	-11.1	-2.2	-2.7	-1.5

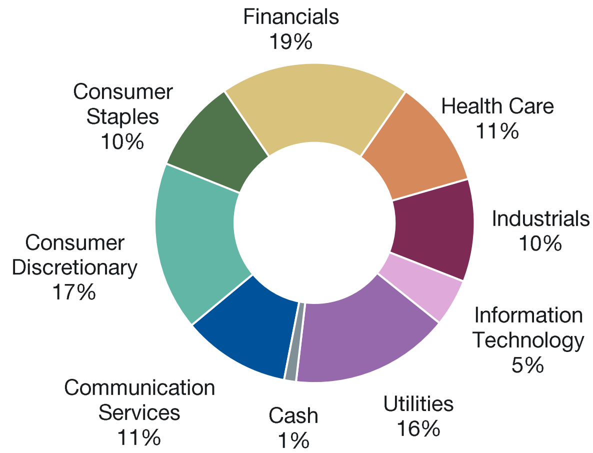
[1]Investments can go up and down. Past performance is not necessarily indicative of future performance. Fund returns are quoted after the deduction of Management Costs. Performance assumes reinvestment of all distributions.

Allocations

Region



Sector



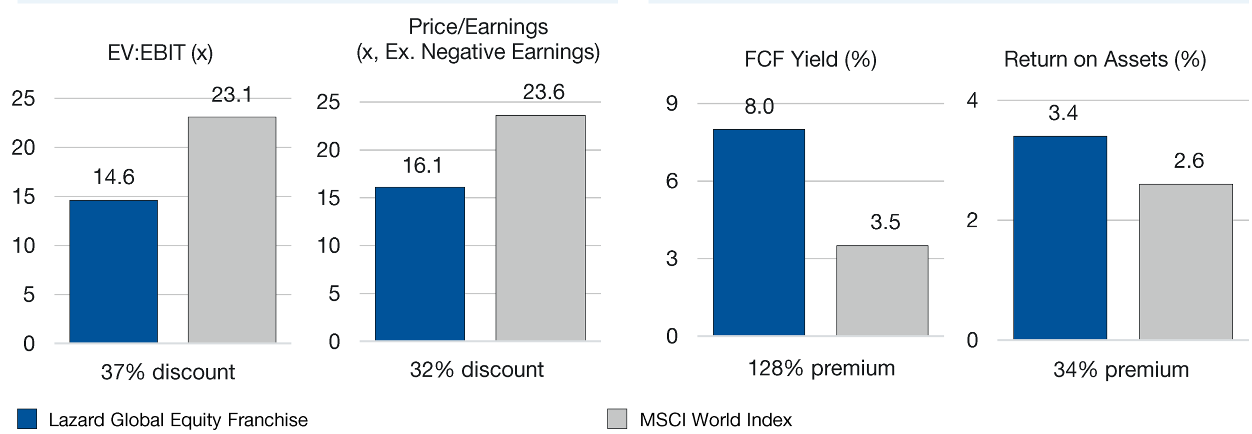
Top Holdings

	Lazard (%)
Brightstar Lottery	7.2
Omnicom	7.0
Nexi	6.2
FDJ United	5.2
Edenred	5.1

Portfolio Characteristics[2]

Discounted valuations

Superior portfolio characteristics



Allocations and securities mentioned are based upon a portfolio which represents the proposed investments for a fully discretionary account. Allocations and security selection are subject to change. Please note that cash is not viewed as a strategic asset class. The information provided in this material should not be considered a recommendation or solicitation to purchase or sell any security. There is no assurance that any securities referenced herein will remain in the account's portfolio or that securities sold have not been repurchased. The securities discussed may not represent the account's entire portfolio.

[2] As at 30 September 2025. Lazard estimates based on historical financial accounts of companies held in the Lazard Global Equity Franchise strategy. All estimates are based on current information and are subject to change.

Source: Lazard, Factset, MSCI

Commentary

Global stocks continued to rally during the September quarter after the steep market sell-off in early April when the US rolled out its new trade policy. Optimism over a softer US tariff stance grew after trade deals with Japan and the EU and an extended truce with China, while markets largely shrugged off new import taxes on roughly 90 countries. The US Federal Reserve (the Fed), after months of balancing a weakening US labour market against persistent inflation, cut interest rates by 25 basis points citing rising "downside risks to employment." The Fed also projected two more cuts this year but, acknowledging the "challenging situation" it faces, cautioned that policy could change quickly. Meanwhile, the European Central Bank kept rates unchanged at its September meeting, pointing to an improving outlook for economic growth and inflation in the eurozone.

The Lazard Global Equity Franchise Fund returned -5.07% (net of fees) during the quarter ending 30 September 2025, underperforming the MSCI World Index, which returned 6.07%.

It is important to note that since 2019, the markets have been experiencing regular cycles of momentum and momentum reversal, contributing to the volatility in our relative returns. During such periods, our performance may differ significantly from the benchmark. By continuing to prioritize companies with strong and consistent earnings growth, we aim to achieve steady returns without depending on market sentiment or temporary valuation increases.

Key contributors

Brightstar Lottery (BRSL) is the leading global lottery business serving as the "preferred" partner in over 100 countries. BRSL sold its gaming operations for US$4 billion, leaving it as a pure-play lottery concessions business. The company announced a substantial shareholder rewards program, including a US$1.1 billion share buyback and a special dividend, returning significant capital to investors and boosting confidence. BRSL also secured a landmark US$2.6 billion lottery contract renewal in Italy, a concession held for nearly 50 years.

Omnicom (OMC) is a leading global marketing and communications operating a network of agencies across advertising, media, public relations, branding, and specialty communications, serving major multinational clients. OMC rose after several regulatory approvals for its pending merger with IPG were announced and the deal appears likely to close in the fourth quarter of 2025. The stock also likely benefited from broker upgrades, as the sell-side began to recognize its attractive valuation and the potential synergies from the IPG merger.

SES is a satellite operator and one of the world's largest providers of satellite communications services. The company operates a fleet of geostationary (GEO) and medium Earth orbit (MEO) satellites, delivering video broadcasting, data connectivity, and network solutions to broadcasters, governments, telecom operators, and enterprises globally. SES reported notable operational achievements, including unprecedented MEO satellite connectivity success for government and mobility customers, which reinforced confidence in its expanding satellite network capabilities. The company also advanced strategic growth initiatives in satellite broadband and data services, boosting expectations for future earnings growth. The acquisition of Intelsat was recently completed, with management citing significant value and cash flow benefits from operating synergies.

Key detractors

Fiserv is a global financial technology company providing a wide range of financial technology solutions and services to clients across the financial services sector. The shares declined despite no material news. The market has been concerned about volume growth at Clover, its point-of-sale software and payment processing platform for small businesses. Fiserv now trades at 11x earnings, its lowest multiple in 14 years. Our analysis suggests the market is effectively pricing in near-zero growth over the next five years, despite sell-side forecasts calling for mid-teens annual EPS growth. Having trimmed our position in early 2025 when the shares peaked, we have since increased our position as the price declined and view the stock as a highly attractive opportunity with substantial upside from current levels.

Edenred is a global leader in employee benefits and corporate payment solutions, with strong recurring revenues and growing digital adoption. Edenred fell during the period on reports that France's new prime minister may impose an 8% tax on employer benefit contributions. While this would reduce the scheme's appeal, it would still offer a meaningful tax advantage. The bill must still pass and is expected to be unpopular, as around 18% of the French workforce uses meal vouchers. Even if enacted, we expect the long-term impact to be muted given the remaining tax savings and historical precedent in other markets where growth continued despite similar changes. In our view, these changes are one-off, with no indication that Edenred's underlying business growth should stall. The company's value proposition remains intact: penetration is low, market share is rising, and Edenred operates in an industry with high barriers to entry, strong scalability, and network effects. Management also reaffirmed full-year guidance of at least 10% like-for-like EBITDA growth during Q2 earnings.

Baxter, a US-based supplier of vital hospital products boasts a broad range of healthcare offerings with an extensive global presence. The stock fell after the U.S. Commerce Department announced an investigation into the national security implications of importing personal protective equipment, medical consumables, and medical devices. The concern is that the investigation could result in higher tariffs on these items. While it is difficult at this stage to quantify any potential impact, most of Baxter's U.S. products are manufactured domestically—a factor that limited the effect of the first round of tariffs announced earlier in 2025 to roughly 0.5% of sales. Despite these concerns, Baxter's operating performance this year has been in line with our expectations, with revenue growth of 5%, margin expansion of 220 bps and EPS up 40% in the first half of 2025. The stock is currently trading at 8.9x earnings, its lowest valuation multiple in a decade. We have increased our position as the share price has declined and see substantial upside from current levels.

Commentary

Outlook

The Global Equity Franchise portfolio currently holds market leaders and monopolies with more predictable long-term earnings than the market and reasonable valuations. Our portfolio is now trading at a sizable discount to intrinsic value as well as the broader MSCI World Index on a number of valuation measures. We believe the economic franchise characteristics we seek for all our investments will continue to serve our investors well over the long run.

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