

Lazard Global Equity Franchise Fund

LAZARD
ASSET MANAGEMENT

November 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\$282.5m
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.

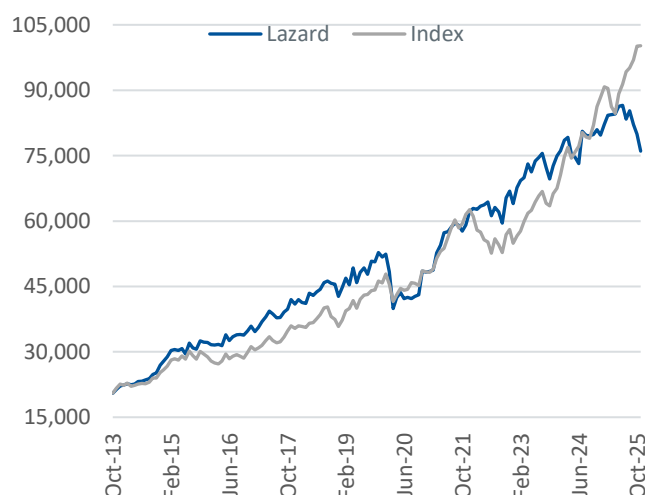
Companies with an Economic Franchise

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 \$20,000¹



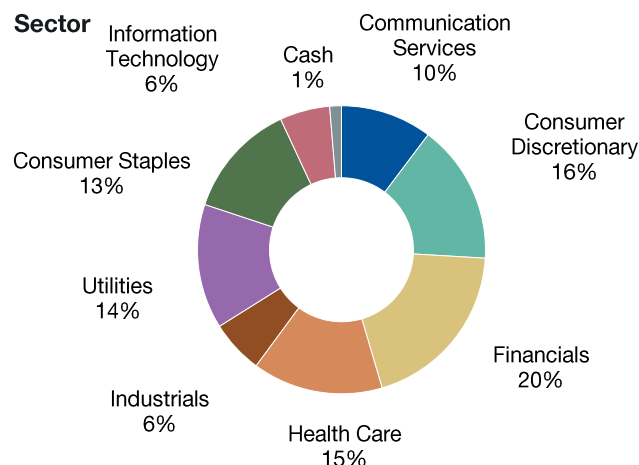
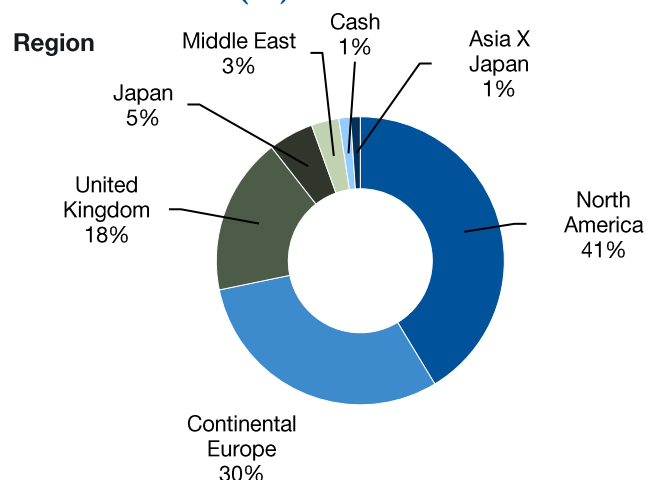
Performance¹

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

	Annualised						Since Inception
	1M	3M	1Y	3Y	5Y	10Y	
Fund	-4.9	-10.9	-6.1	4.4	9.4	9.0	11.6
Benchmark	0.1	5.4	16.2	19.9	15.6	13.0	14.1
Excess Return	-5.0	-16.2	-22.3	-15.6	-6.2	-4.0	-2.5

¹Investments 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 (%)

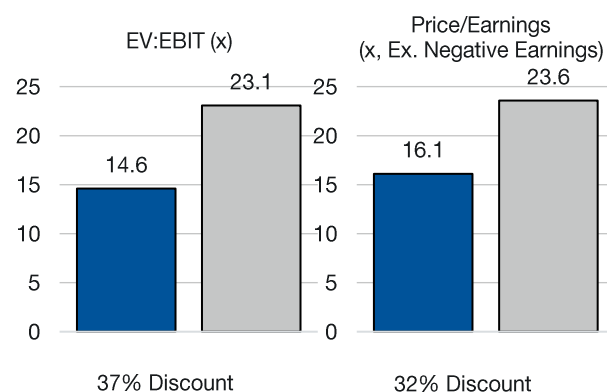


Top Holdings (%)

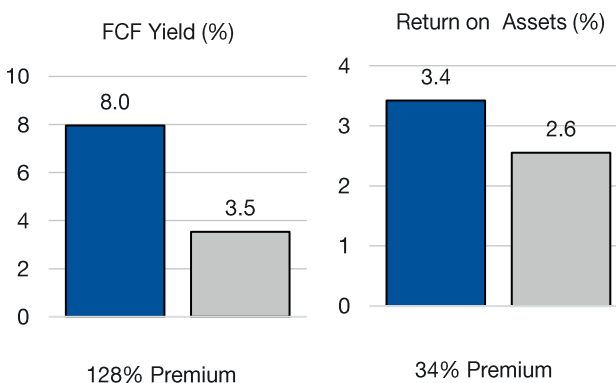
	Lazard
Omnicom	6.6
Brightstar Lottery	6.5
Nexi	6.3
Fiserv	5.3
FDJ United	5.2

Portfolio Characteristics²

Discounted valuations



Superior portfolio characteristics



■ Lazard Global Equity Franchise

■ MSCI World Index

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. Total may not add to 100% due to rounding. 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.

²As 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

Lazard Asset Management

Commentary

Global markets finished marginally positive in November, as the earlier technology-led rally lost momentum and investors grew more cautious about the near-term path of US interest rates. Softer US economic data raised the probability of an interest rate cut in December, fueling the month-end rally. The European Central Bank indicated that eurozone conditions would need to change materially before easing. Similarly, the Bank of England also kept rates unchanged but hinted that cuts are approaching as it navigates weak growth, lingering inflation, and a softening labour market.

The Lazard Global Equity Franchise Fund returned -4.87% (net of fees) during the month ending November 2025, underperforming the MSCI World Index, which delivered a 0.11% return.

We believe that all positions held within the portfolio retain their respective competitive advantages, have good (and in some cases improved) management in place to navigate these issues and do not face insurmountable headwinds. All stocks in the portfolio fulfil our criteria for an Economic Franchise, hence our confidence in the robustness of their medium and long-term earnings trajectories. Having revisited our investment thesis for each stock, we do not believe these companies are value traps. In our view, their respective balance sheets are in good shape, cash flows robust and debt manageable. Some are undergoing a period of adjustment, but we believe revenue should continue to grow, margins should, at least, be maintained, and profits should rise over time.

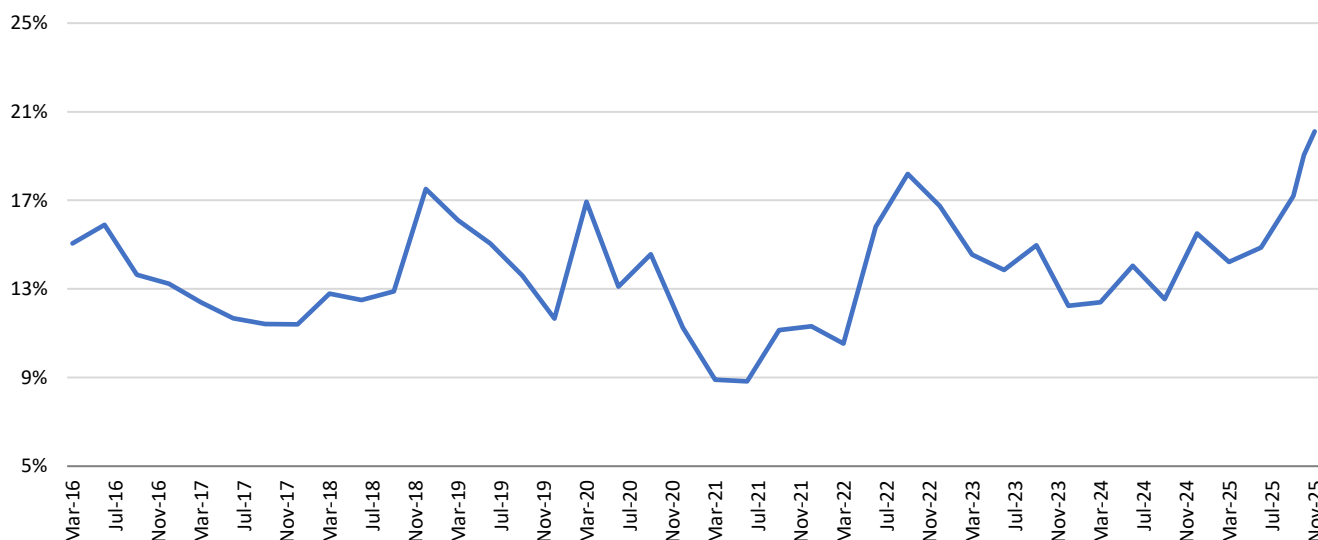
Furthermore, we believe that all holdings in our Lazard Global Equity Franchise portfolio provide an opportunity for countercyclical investors today. The expected Static Portfolio IRR is one of the highest in the strategy's history. As of 20 November 2025, this expected return is higher, in excess of 20% p.a. The only other time we observed current levels of IRR occurred briefly in March 2020, in the midst of the COVID-19 pandemic.

Key Contributors

Kenvue, a globally recognized and trusted household name, rose on news of an acquisition offer from Kimberly-Clark. The transaction, unanimously recommended by both boards, is expected to close in H2 2026, with Kimberly-Clark shareholders owning 54% of the combined company. The deal remains subject to approval from both Kenvue and Kimberly-Clark shareholders.

Shares of Italian gas utility Snam rose after the company upgraded its 2025 targets. While the revision was largely anticipated following a strong first half, the market welcomed the confirmation. In addition, regulator ARERA announced that the allowed return will remain unchanged in 2026 despite lower bond yields. The decision underscores the constructive and consistent regulatory approach that has long defined the Italian regulatory environment.

Lazard Global Equity Franchise: Static Portfolio Internal Rate of Return (IRR)



Data as of 20 November 2025. Fair value of stocks quarterly from March 2016 through to 20 November 2025. Fair value of stocks are calculated over 3 years, assuming all stocks trade at our valuation in 3 years time; annualised in AUD. The information presented is theoretical and is shown for information purposes only. It is based on Lazard's assumptions underlying the calculation of fair value at each point in time and is subject to change should our assumptions change. The information does not represent a promise or guarantee that the stocks will achieve fair value. Source: Lazard

Cognizant is a multinational professional services firm providing information technology, consulting, and business process outsourcing to help clients modernize for the digital era. Cognizant contributed to performance after disclosing continued improved bookings and stabilising growth in health and financial services sectors. The company also announced the acquisition of 3Cloud, a Microsoft Azure aligned engineering firm, which will bring 1000 Azure-certified experts with significant experience in cloud and AI integration and development.

Key Detractors

Edenred is a leading digital platform providing payment solutions and corporate services for employee benefits, professional mobility, and B2B payments to clients. After a strong October, Edenred fell sharply in November following its capital markets day and an adverse decree from the Brazilian president. The Brazilian government released proposed reforms to the meal-voucher sector that were worse than expected, with an expected EBITDA impact of 8-12% in FY 26. We believe that the core fundamentals remain robust and are supported by medium-term guidance. For these reasons, we remain constructive.

NICE is a leading enterprise software company founded in Israel that holds the number one market position in Contact Center as a Service (CCaaS)—cloud software for customer service. The company saw its shares fall after its investor day, during which management guided medium-term revenue expectations higher but lowered margin expectations. The additional costs are being invested in AI-related initiatives, including R&D, cloud, and sales. We believe that NICE remains an excellent business—#1 in its customer experience software category, growing solidly and now trading at ~9x next year's earnings, the lowest multiple in 20 years.

Nexi, Europe's largest merchant acquirer, card issuer, and payment processing business, experienced a share price decline despite commendable Q3 results and the confirmation of full-year guidance. The company is adapting well to its changing competitive landscape, as illustrated by strong growth in the German market, where it is competing against established incumbents. We remain convinced that Nexi's continued strong cash flow generation will eventually be rewarded by the market.

Outlook

The Global Equity Franchise portfolio currently holds market leaders and monopolies with more predictable long-term earnings than the market and reasonable valuations. At present, our portfolio is trading at the largest discount to intrinsic value in the history of the strategy. It is also trading at the widest discount, since its inception on 1 October 2013, on both PE and EBIT multiples relative to the MSCI World Index. Despite the disappointing performance in recent months, we believe the economic franchise characteristics we seek in all our investments will continue to serve our investors over the long run. In our view, the current portfolio offers exceptional value on both an absolute and relative basis.

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

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