

# Lazard Global Equity Franchise Fund

January 2026

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\$218.8m
Number of Holdings	26
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.

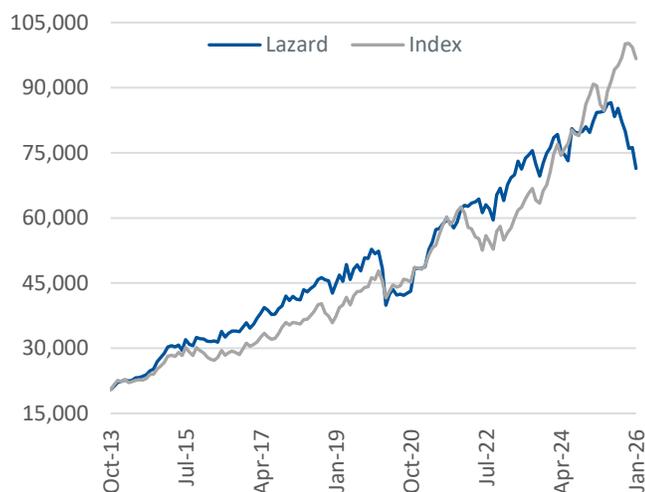
**Companies with an Economic Franchise**

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<sup>1</sup>



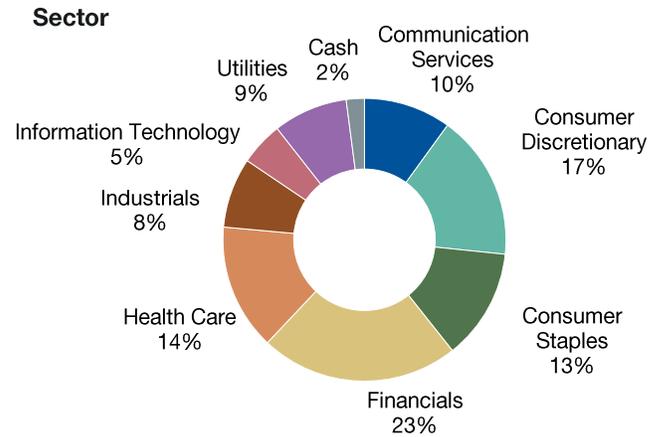
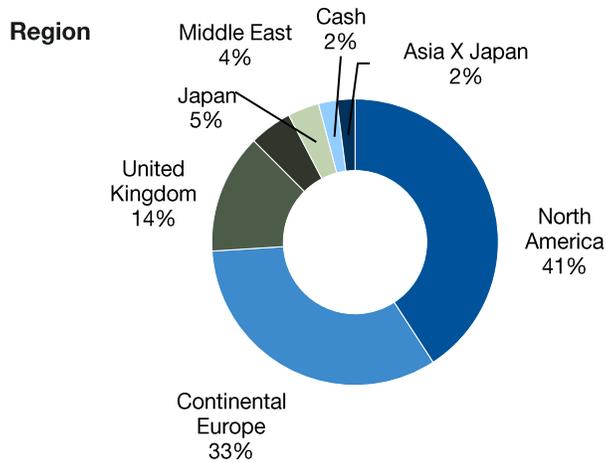
## Performance<sup>1</sup>

(%; net of fees. As of 31 January 2026)

	1M	3M	1Y	Annualised			
				3Y	5Y	10Y	Since Inception
Fund	-6.4	-10.7	-13.2	1.8	8.1	8.5	10.9
Benchmark	-2.7	-3.4	6.5	19.5	14.9	13.2	13.6
Excess Return	-3.7	-7.2	-19.7	-17.8	-6.9	-4.7	-2.7

<sup>1</sup>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 (%)

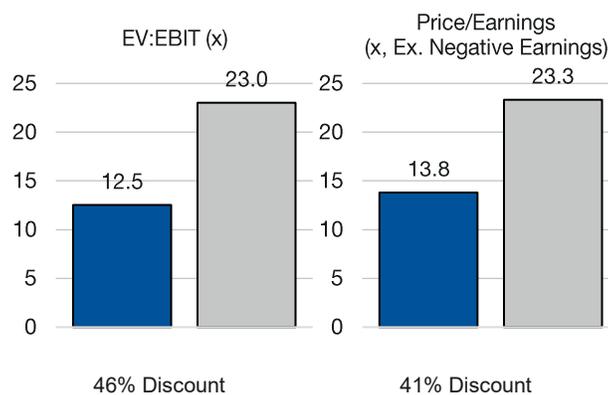


## Top Holdings (%)

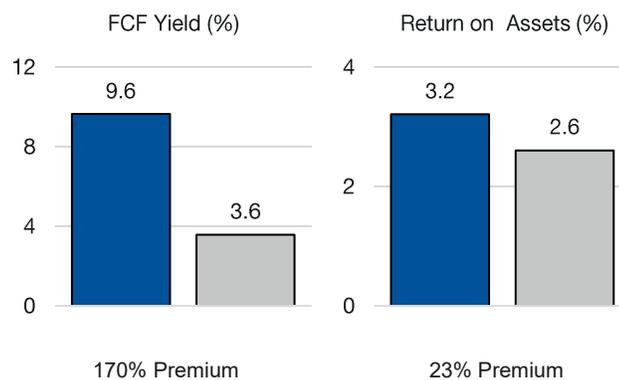
	Lazard
Brightstar Lottery	6.2
Nexi	5.9
Omnicom	5.8
Fiserv	5.8
Edenred	5.8

## Portfolio Characteristics<sup>2</sup>

### 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.

<sup>2</sup>As at 31 December, 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 equities rose in January despite sharp volatility, as investors weighed geopolitical tensions, shifting interest-rate expectations, and the start of earnings season. Markets were jolted by renewed US trade friction with Europe over Greenland but rebounded after a swift resolution. In the US, the Federal Reserve held rates steady and downplayed the likelihood of future hikes, while investors anticipated no cuts until mid-year. In Europe, the European Central Bank (ECB) signaled no urgency to change rates amid easing inflation, and the Bank of England cautioned that strong wage growth could limit rate cuts.

The Lazard Global Equity Franchise Fund returned -6.36% (net of fees) during the month ending January 2026, underperforming the MSCI World Index, which delivered a -2.68% return. One of the drivers of January's underperformance was currency: the AUD appreciated by approximately 4.8% against the USD and 3.6% against the EUR, and with 77% of our holdings denominated in these two currencies, this had a meaningful impact on returns.

### Key Contributors

SES is a Luxembourg-based satellite operator and one of the world's largest providers of satellite communications services. SES was a contributor to performance, driven primarily by its announcement of a 16-year agreement with the Australian Defence Forces to provide secure satellite communications. On January 26, Fitch Ratings downgraded SES to 'BBB-' (stable outlook) following its update on the Intelsat integration. Despite the downgrade, the stock held up after SES issued a 6-K.

The world's largest manufacturer of professional dental products and technologies, Dentsply Sirona (XRAY), shares rose during the month, outperforming the broader dental equipment sector. The rally followed the new CEO's rollout of tangible turnaround metrics. We also expect former Patterson CEO Donald Zurbay's appointment to add valuable dealer-network expertise as XRAY works to repair its U.S. distribution channel.

German adhesive technologies and consumer brands Henkel performed well in January despite limited fundamental news. The company announced the acquisition of ATP Adhesive Systems, a specialist water based adhesive producer. The deal underscores Henkel's selective approach to external growth while continuing to return most excess cash through dividends or buybacks.

### Key Detractors

Carl Zeiss, a global leader in ophthalmic and microsurgical technology, issued a profit warning just 6 weeks after releasing its FY results. This was particularly disappointing given the abrupt departure of the CEO who was expected to drive operational improvements. Short-term weakness in elective procedures in the US and China has further hurt demand amid a soft hospital purchasing environment and tariff pressures.

However, with strong fundamentals and leading technology, new management should benefit from long-term growth drivers such as an aging population and expanding access to eye care.

Nexi, Europe's largest merchant acquirer, card issuer, and payment processing company, saw its share price decline despite no fundamental news. The company recently appointed Piergiorgio Pedron as Chief Financial Officer, while the current CFO transitions to lead the Italian business. Although market sentiment toward incumbents in the payments sector remains cautious, Nexi's decision to join the Agentic Commerce Alliance underscores its commitment to innovation and adaptation in a rapidly evolving industry.

Brightstar Lotteries (BRSL), a global leader in lottery operations, share price declined despite securing several new contracts. As of 31 January 2026, BRSL traded at less than 5x forward EBITDA—less than half the valuation of listed lottery peers and recent comparable private market transactions.

### 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 a sizable discount to intrinsic value as well as the broader MSCI World Index on a number of valuation measures. 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 well over the long run. In our view, the current portfolio offers value on both an absolute and relative basis.

For more information, call us on 1800 825 287  
or visit [www.lazardassetmanagement.com](http://www.lazardassetmanagement.com)

## Important Information

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