Lazard Global Equity Franchise Fund

LAZARD ASSET MANAGEMENT

February 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$218.3m
Number of Holdings	28
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.

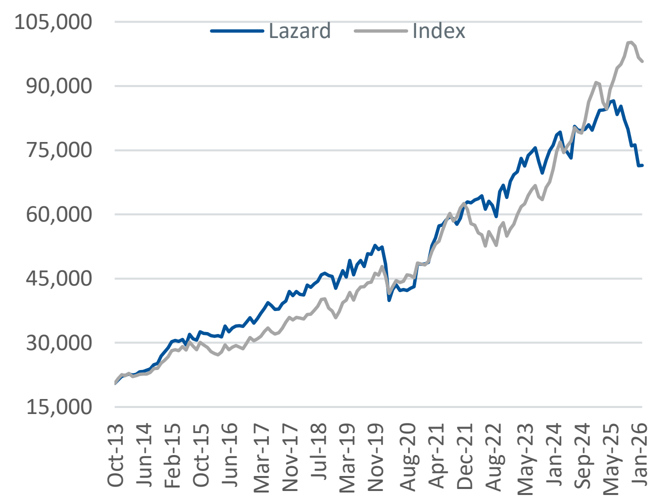
Companies with an Economic Franchise

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]



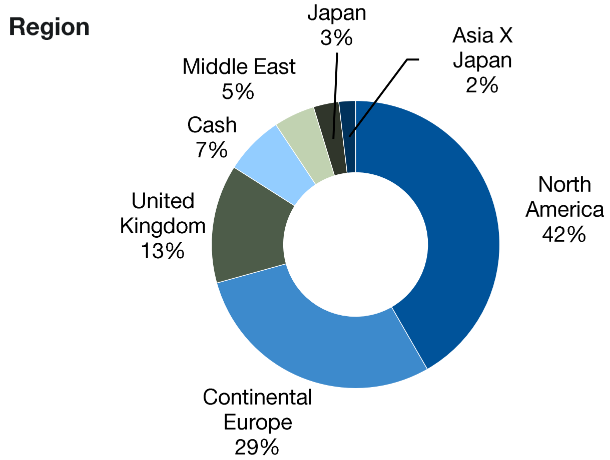
Performance[1]

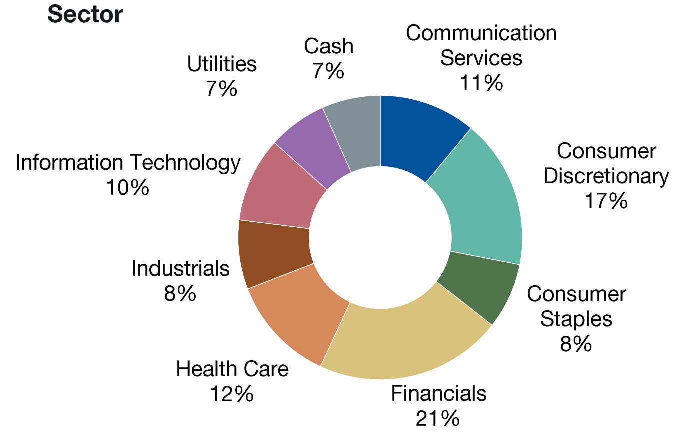
(%; net of fees. As of 28 February 2026)

				Annualised			
	1M	3M	1Y	3Y	5Y	10Y	Since Inception
Fund	0.0	-6.1	-15.3	1.0	7.9	8.5	10.8
Benchmark	-1.0	-4.5	5.9	18.4	14.3	13.3	13.4
Excess Return	1.0	-1.6	-21.2	-17.4	-6.4	-4.8	-2.6

[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 (%)

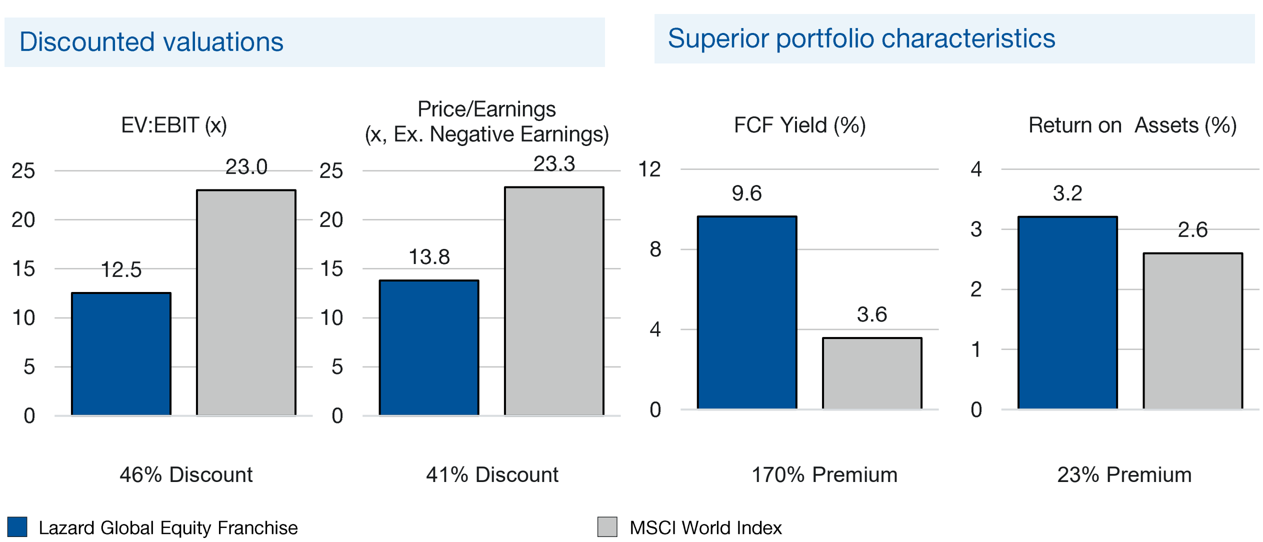




Top Holdings (%)

	Lazard
FDJ United	6.0
Omnicom	6.0
Edenred	5.7
Brightstar Lottery	5.6
Fiserv	5.5

Portfolio Characteristics[2]



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.

[2] 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 modestly in February, as investors adopted a cautious stance amid shifting market dynamics. Investor nerves were rattled after the Supreme Court struck down the Trump administration's global tariffs and the White House signaled plans for new across-the-board import taxes, renewing doubts about U.S. trade policy and fears of fresh tensions with key trading partners. European markets continued to be a region of strength despite inflation pressures in France, Germany, and Spain. The European Central Bank and the Bank of England both left interest rates steady.

The Lazard Global Equity Franchise Fund 0.03% (net of fees) in February 2026, outperforming the MSCI World Index, which returned -0.98% for the same period.

Key Contributors

French lottery concession owner FDJ United positively contributed to performance after reporting its full-year 2025 profit at around 15% above consensus expectations, along with record free cash flow. FDJ's core business is the offline and online lottery concession in France, with the concession running until 2044. We consider the core lottery business to be predictable and expect its operating margins to remain relatively stable.

Omnicom, the world's leading marketing and sales communications company, saw its share price increase after reporting its full-year 2025 results above consensus expectations. Omnicom announced a US$5bn share repurchase program, stating that it had already entered into US$2.5bn of accelerated share repurchase arrangements using cash on hand.

Dentsply Sirona (XRAY), a leading manufacturer of professional dental products and technologies, saw its shares rally in February 2026. Late in the month, XRAY's Q4 profit beat expectations, and the new management team announced its "Return to Growth" Action Plan and restructuring, targeting significant cost savings along with increased R&D spending to accelerate connected dentistry.

Key Detractors

H&R Block, the world's leading tax agent, declined in February despite no company specific news and after two consecutive quarterly results that exceeded expectations and reaffirmed full year guidance. The negative sentiment appears driven by what we view as misconceptions about the company's position relative to developments in AI. We do not believe AI poses a structural threat to tax preparation: filing a tax return is a high stakes legal process where accountability, interpretation, and trust matter, and decades of technological change have not displaced consumers' preference for professional support in complex, regulated settings. We instead see AI as an opportunity to strengthen HRB's competitive position. HRB's "AI Tax Pro Assistant," developed with Azure AI Foundry and Microsoft Copilot Studio, leverages proprietary Tax Institute data and a database of more than 1 billion historical tax returns, supported by credentialed experts who work directly with the IRS on interpreting tax law changes.

PayPal detracted from performance after reporting its 4Q25 results. The main concern was branded checkout, which showed 1% growth. Branded checkout has been the mainstay of its economic franchise, but the e-commerce market is changing, with increased share going to platforms (Amazon, Walmart, and Shopify) and mobile. The company's strategic response has been to improve the mobile checkout experience, enhance the profitability of lower margin Braintree (unbranded) customers, and grow the higher growth P2P solution Venmo; all of these initiatives appear promising. However, the Board's decision to replace CEO Alex Chriss with current Chair and HP CEO Enrique Lores, coupled with a guidance cut, was not taken favourably by the market. There were also speculations that Stripe may consider bidding for part of the business due to its attractive valuation.

Brightstar Lotteries (BRSL), the world's largest lottery concession owner and operator, declined despite reporting Q4 EBITDA above expectations, driven by strong multi state jackpots and iLottery growth that offset mild softness in the Italian lottery. BRSL issued initial 2026 guidance ahead of consensus indicating that it remains on track to meet its 2028 targets. The company again raised its quarterly dividend, now implying a forward yield of nearly 7%. As of 28 February 2026, BRSL traded at 5.5x EBITDA, a significant discount to listed lottery peers and recent private-equity 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

Important Information