

# Lazard Global Equity Franchise Fund

May 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\$125.8m
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.

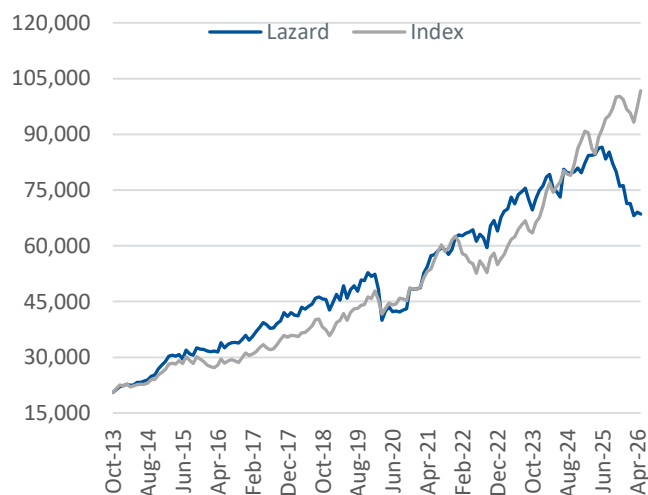
Companies with an Economic Franchise

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>

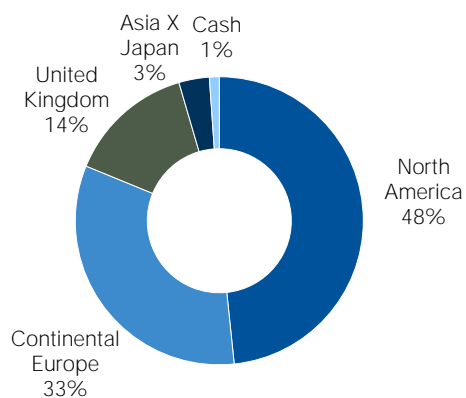
(% net of fees. As of 31 May 2026)

	Annualised						Since Inception
	1M	3M	1Y	3Y	5Y	10Y	
Fund	-0.8	-4.0	-20.6	-1.3	3.6	7.3	10.2
Benchmark	4.5	6.3	14.0	17.7	13.6	13.2	13.7
Excess Return	-5.3	-10.3	-34.6	-19.0	-10.0	-5.9	-3.5

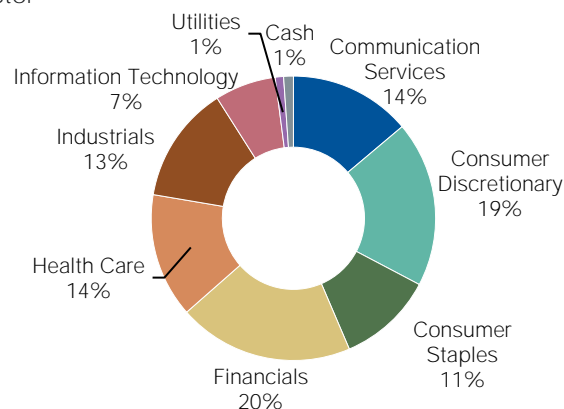
<sup>1</sup>Investments can go up and down. Past performance is not necessarily indicative of future performance. Fund returns are quoted after the deduction of Management Costs. Performance assumes reinvestment of all distributions.

## Allocations (%)

Region



Sector

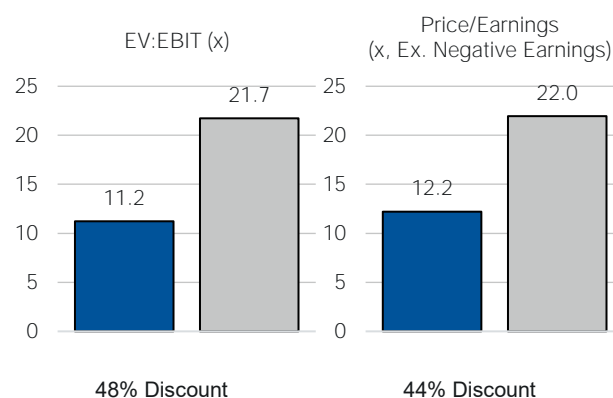


## Top Holdings (%)

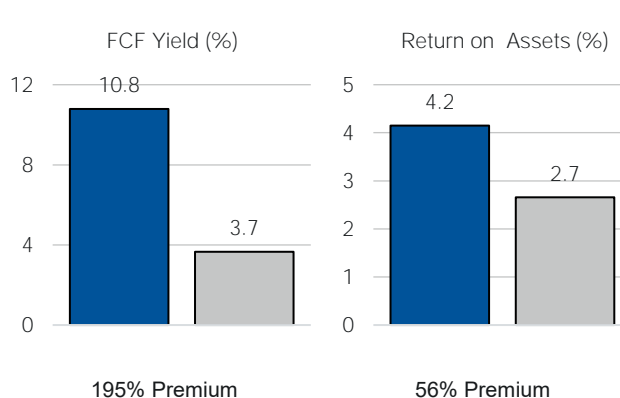
	Lazard
H&R Block	6.8
Nexi	6.2
Fiserv	6.1
Brightstar Lottery	6.1
Omnicom	6.0

## 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 March, 2026. 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 equity markets advanced in May, as the artificial intelligence (AI) trade and strong earnings results offset concerns about the economic fallout from the war in the Middle East. In the US, economic reports indicating that prices in April had accelerated at their fastest pace in several years stoked concerns about a lasting inflation shock. Traders in futures markets were betting that the Federal Reserve would hold interest rates steady throughout 2026. European markets broadly finished with gains in May. Inflation jumped to 3%, well above the European Central Bank's (ECB) 2% target. At the end of May, markets were pricing in nearly three ECB rate hikes over the next 12 months.

The Lazard Global Equity Franchise fund returned -0.80% (net of fees) in May 2026, underperforming the MSCI World Index, which returned 4.47% for the same period.

### Key Contributors

H&R Block (HRB), a leading tax agent, was a contributor to returns in May after reporting results that beat consensus estimates across all major lines. Importantly for sentiment, management successfully reframed AI as a tailwind rather than a threat. The market is moving toward “**expert-led, AI-enabled**” models, exactly where H&R Block has its deepest physical and digital footprint.

Leading multi-orbit space company SES rose in May following several positive announcements. The company reported first-quarter operating profit ahead of expectations and confirmed full-year guidance. SES also announced an agreement with Petrobras to provide satellite connectivity for several new offshore oil platforms, while **Germany's** public broadcaster ARD extended its satellite distribution agreement for another ten years. During the month, discussion also increased around a potential agreement with the US government to repurpose C-band spectrum by year-end, which could represent an additional source of value. We estimate **SES's** share of 100 MHz of C-band spectrum could be worth about €1.6 billion before tax, equivalent to roughly 46% of the **company's** current market value, while our base-case valuation currently assumes no value for this spectrum.

Edenred, a global leader in employee benefits, contributed positively in May. Performance was driven primarily by strong first-quarter revenue, reported in late April, and growing optimism regarding legislative reforms in the French meal-voucher market. After facing significant regulatory headwinds in late 2025 and early 2026, the company is demonstrating that its core business remains resilient, helping to rebuild investor confidence.

### Key Detractors

The **world's** leading lottery concession, Brightstar Lotteries (BRSL), fell in May despite producing quarterly results in line with expectations. Following the results announcement, the BRSL share price fell as the market digested FX benefits to revenue and EBITDA, which flattered the reported figures, although year-on-year comparisons remain like-for-like.

Nevertheless, BRSL reaffirmed its 2026 revenue and adjusted EBITDA guidance. At the mid-point, BRSL trades on a little over 5x EBITDA, versus 9x for listed lottery peers and mid-teen multiples paid by PE investors in comparable trade sales.

Auto Trader, the UK's leading used-car classifieds platform, detracted in May following disappointing full-year results. The shortfall stemmed largely from a difficult rollout of the company's new “Deal Builder” product, which drove an increase in retailer churn toward the end of the financial year. We remain constructive despite the forecourt losses, as they were concentrated over the Christmas period, during the seasonally weak time of year. We believe the market has overreacted by assuming that the dealers who have left will not return, given it has been only three months.

Nexi gave back some of the gains previously driven by the rumoured takeover approach from CVC. Its Q1 results were solid, with all targets reiterated for 2026. It was also Bernardo **Mingrone's** first presentation as CEO, and he came across as determined to drive greater business efficiency. Separately, state-owned institution Cassa di Risparmio di Padova e Rovigo (CdP) announced its intention to increase its stake in Nexi to 29.9%. CdP has been a solid shareholder for Terna and Snam, contributing to good governance and protecting the interests of minority shareholders. In our view, **CdP's** increased involvement indicates that Nexi is regarded as a strategic European payment asset as Europe acknowledges its reliance on US-owned payment infrastructure.

### 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, 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)

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