

Concentrated and Active
High conviction global equity portfolio

Quality at a Discount to Intrinsic Value
Benefits of franchises with a strict valuation discipline

Historically Lower Drawdowns
Strong defensive traits in negative months

Fund Facts

Number of stocks	25
Total Fund Size	\$271.9m
Inception Date	1 October 2013
Total Management Costs	1.25% p.a.
Index	MSCI World
Minimum Investment	\$20,000
Buy/Sell Spread	+0.20%/-0.20%
Distributions	Annually
APIR Code	LAZ0025AU

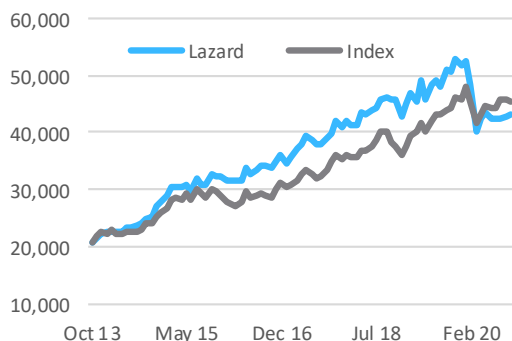
Investment Characteristics

	Lazard	Index
Forward Price/Earnings	13.3	22.7
Forward Return on Equity (%)	14.6	11.9
Sharpe Ratio (Since Inception)	0.8	1.0
Dividend Yield (%)	2.7	2.1
Active Share (%)	97.9	-
3 Year Turnover (% pa)	82.8	-

Performance (%)

	Lazard	Index	Excess Return
1 Month	0.9	-1.1	1.9
3 Months	1.5	2.0	-0.5
1 Year	-15.0	2.4	-17.3
3 Years (pa)	2.7	9.1	-6.4
5 Years (pa)	5.8	8.5	-2.7
Since Inception (pa)	11.4	12.2	-0.8

Growth of \$20,000



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.

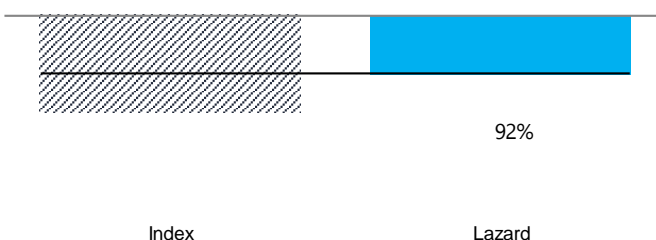
Allocations (%)

Sector	Lazard	Index	Overweight/Underweight
Consumer Staples	2.8	8.1	-5.4
Financials	0.0	12.1	-12.1
Communication Services	11.0	9.2	1.8
Energy	0.0	2.4	-2.4
Real Estate	0.0	2.8	-2.8
Materials	0.0	4.5	-4.5
Health Care	22.2	13.5	8.7
Industrials	19.3	10.4	8.8
Information Technology	12.7	21.6	-8.9
Consumer Discretionary	18.2	11.9	6.4
Utilities	9.4	3.4	6.0
Cash	4.4	0.0	4.4
Region			
North America	60.2	69.9	-9.7
Continental Europe	29.0	14.5	14.5
United Kingdom	6.4	4.0	2.5
Asia Pacific ex-Japan	0.0	3.5	-3.5
Japan	0.0	8.0	-8.0
Middle East	0.0	0.2	-0.2
Cash	4.4	0.0	4.4

Top 5 Holdings (%)

	Lazard
H&R Block	7.3
Tapestry	5.9
SES	5.9
Stericycle	5.7
Omnicom	5.2

Historical Drawdown



Historical Drawdown is calculated since inception and based on performance gross of all fees. Drawdown capture is a statistical measure of an investment manager's overall performance in down markets. A drawdown ratio of less than 100 reflects that the manager has outperformed the Index during down markets.

Commentary

Global equity markets retreated in October 2020 as volatility escalated with increased anxiety over US elections and a resurgence of COVID-19. The feared second wave of the COVID-19 virus has washed over Europe and the United States, with infection rates approaching and exceeding previous high levels in many areas. European markets bore the brunt of the decline as the imposition of new restrictions weighed on their economic outlook which was already lagging the rest of the world's recovery since March 2020.

The Lazard Global Equity Franchise Fund returned 0.86% (net of fees) during the month, outperforming the MSCI World Index which returned -1.07% during the same period.

Tapestry's share price rebounded sharply in October 2020, as the market started to gain confidence in the group's ability to generate substantial improvement in free cash flow generation that would be sustainable in the long-run. The confirmation of interim CEO Joanne Crevoiserat as permanent CEO brings stability to the group, and credibility to the performance improvement plan. While we acknowledge the business's continuous exposure to retail store opening restrictions, we think that the changes taking place are likely to cement the franchise of the Coach brand. We continue to see the shares as some of the most attractively valued in our universe.

Leading satellite company SES rose strongly in October. SES announced it had extended its multi-decade relationship with Canal+, the French premium television channel, for at least another decade. SES and Canal+ announced a deal whereby Canal+ has extended its contracts to use three of SES's key European satellites until 2030. Mix effects mean that the average price per transponder will fall relative to the existing deal. We believe from our previous conversation with SES management that the annual value of the new contract is probably in the range of 0 to 3% lower than the existing contract terms. This is consistent with market expectations and indeed SES's own expectation that its Video business is likely to remain in modest annual revenue decline but highly cash generative in the next two years. However, with significantly lower launch costs and satellite life extension programs, the post-tax IRRs on deals, such as Canal+, are believed to remain north of SES 10% hurdle rate. We believe the market took some comfort in seeing a big Video customer renew for such a long time period at similar terms.

Shares in leading global tax agency H&R Block (HRB) rallied modestly in October 2020 as some investors believe that the company would benefit from a Biden Administration, the likelihood of which had been supported in polling data. Joe Biden has promised significant changes to taxation, and potentially other areas that impact the tax code such as healthcare, and in turn introducing new elements of uncertainty and complexity for both individuals and small businesses. The view was that this would prompt them to seek assistance in tax preparation.

During October 2020, Henry Schein (HSIC), the world's largest wholesaler of dental and medical products to office-based practitioners, and The Dentists Supply Company (TDSC) announced that HSIC would acquire a majority of TDSC. TDSC.com was launched as an e-commerce site offering direct access to negotiated savings on dental supplies and small equipment for members of organized dentistry. We view the deal as a positive for HSIC, but do not expect it to have a material impact to our forecast, with TDSC 2019 sales of ~US\$20mn less than 1% of HSIC sales, but we understand sales were doubling every six months. We believe this is a smart de-risking move by HSIC, with potential upside on driving the higher end HSIC "brands" in the value segment. While we view the online model from TDSC to be attractive, we believe that this deal is also a defensive move by HSIC reinforcing its moat and should help HSIC prevent some of that market share shift and also help to counter the potential threat from Amazon and others.

Leading end to end gaming company, and operator of lotteries in more than 100 countries around the world, International Gaming Technology (IGT) fell on little news in October 2020. However this did follow a strong September 2020, where the rapid share price rise allowed us to halve our portfolio weight in IGT.

Commentary (continued)

Intel fell after releasing third quarter result. The market was concerned by a fall in gross margin, however we believe that this is likely to be temporary, caused by a combination of greater than expected ramp up of the company's 10nm products; a shift away from sales to enterprise and government customers (after a spike in the second quarter) as well as increased sales of lower margin PCs driven by work and learn from home demand due to COVID-19. Importantly, management do not believe the margin impact was due to increased competition or market share losses relative to what they had expected, nor have their product release plans for the next three years changed, which are expected to drive solid earnings growth. Year to date, revenues and operating profit for Intel are up 12% and 17% respectively.

The Global Equity Franchise portfolio currently holds high-quality franchise companies with higher financial productivity than the market and that are trading at reasonable valuations. Our portfolio is now trading at a modest discount to intrinsic value and 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.au

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As notified to unitholders in the 'Updated Information' page on our website, from the financial year commencing 1 July 2020, the Fund will operate as an attribution management investment trust (AMIT). Generally, it is expected that the tax position of unitholders will not substantially change as a result of the Fund becoming an AMIT. For the financial year commencing 1 July 2020, and for each financial year thereafter, instead of receiving an annual tax statement, unitholders will receive an AMIT Member Annual Statement (AMMA statement), and will be required to include information from the AMMA statement, including any income attributed to them, when preparing their tax return for that financial year and thereafter. To be clear, annual tax statements will be sent to unitholders for the financial year ended 30 June 2020. For further information please refer to our website: https://www.lazardassetmanagement.com/au/en_us/funds/updated-information. You can also contact our Client Services Team on 1800 825 287 or by email at investorqueries@lazard.com.