

Lazard Global Thematic Equity Focus

INVEST IN THE GLOBAL FUTURE

Designed to benefit from the structural and secular changes that we believe will transform the global economy. Our proprietary themes evolve over time staying ahead of market conventions. A high conviction, unconstrained strategy that avoids one way bets on style or sector making it a suitable core equity solution for the long term.

THEMATIC APPROACH

Identifying themes early	Sourced directly from over 4,500 company meetings a year.
Valuation discipline	Investing in themes at a reasonable price.
Truly active management	Evolving multi-theme approach – the best investment ideas of the next decade.

CURRENT THEMES



Smart Capex

Smarter industry in a new era for capex

- Automation opportunities are expanding via data, sensors and software – effectively creating new industrial operating systems.
- Capex spending is accelerating due to: supply chain resilience post COVID-19; national security in a multipolar world; sustainability goals and regulation; labor shortages.
- Higher margin software sales and increased recurring revenues create significant long-term value.

Example: **Cognex** – a leader in machine vision, benefiting from warehouse and factory automation.



Bits of Chips

Key components capturing the value from digitization

- A range of new technologies (5G, AI, Autonomous and Electric Vehicles, Cloud, Sensors) are driving digitization across multiple industries.
- Winners are unclear but many technological advances share common components.
- As complexity increases and demand drivers broaden, these enabling technologies will capture huge value.

Example: **Broadcom** – manufacturer of custom application-specific integrated circuits (ASICs) and networking equipment.



Empowered Consumer

The winners in a new world of consumerism

- Consumers are more empowered than ever before with global choice, rapid fulfilment and the ability to review brands through social media.
- Best-in-class use of data (digital), and a direct relationship with customers (vertical) are the two characteristics companies need to win.
- Key brand platforms that are digital and vertical will increasingly dominate their categories based on bundled data, marketing and distribution.

Example: **Apple** – consumer devices leader evolving its integrated ecosystem for the adoption of consumer AI apps and assistants.



Software Apps and Agents

The next evolution in software

- The next generation of software companies aim to provide applications that assist humans, and agents that replace them.
- New AI-enabled tools are designed to drive productivity both internally and for customers.
- Some incumbents will successfully manage this platform shift, while AI-native disrupters are also likely to emerge.

Example: **Adobe** – already the industry standard for design and marketing software, the introduction of AI tools further builds barriers to entry.



Data and AI

Competitive advantage & applied AI

- The ability to combine big data and AI technologies is a huge growth opportunity.
- Data accuracy, security, and clear ownership of intellectual property rights are all key challenges in implementing AI-based solutions. Data services companies have strong competitive advantages in these areas.
- Companies that have proprietary data sets and/or domain expertise are well-positioned to benefit from applying AI.

Example: **RELX** – provider of leading data products (e.g. legal database Lexis Nexis) evolving to incorporate Generative AI.



Future Health

Solutions to the societal and cost challenges of healthcare

- Compelling long-term outlook for increasing spend on healthcare driven by secular tailwinds including ageing, lifestyle, and expanding middle class.
- Intersection of healthcare and technology is becoming the key growth driver as innovation and new product cycles translate demand into revenues, while also lowering system costs.
- Near-term, multiple industry challenges related to COVID-19, inflation and regulation appear to be normalizing.

Example: **Siemens Healthineers** – a leading medical imaging company with hardware and software solutions to support personalized medicine.

ALPHA THROUGH THE CYCLE

Performance (US\$)	2024	2023	2022	2021	2020	2019	2018**
Lazard Global Thematic Equity Focus (Gross)	12.33	24.31	-19.85	18.67	27.30	34.78	-7.36
Lazard Global Thematic Equity Focus (Net)*	11.39	23.28	-20.52	17.75	26.28	33.71	-7.80
MSCI AC World Index	17.49	22.20	-18.36	18.54	16.26	26.60	-9.51
Relative Return (bps, Gross)	-516	+211	-150	+13	+1104	+818	+215
Relative Return (bps, Net)	-610	+108	-215	-79	+1003	+711	+171

As of 31 December 2024.

* Net performance is calculated based on standard fees. Actual fees may differ.

** Note that the strategy was launched on 1 June 2018.

Performance returns are shown both on a gross and net of fees basis. For fee calculations, please refer to Lazard's standard fee schedule on the attached GIPS® Standards Composite Information. The performance quoted represents past performance. Past performance is not a reliable indicator of future results. Source: Lazard, MSCI

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WHY NOW?

- Facing the future – in a time of great change, opportunities and risks will be very different than the past.
- Style is not a key driver of portfolio returns – a strategy that can win regardless of near-term market conditions.
- A fully integrated approach to sustainability – capture the opportunities and mitigate the risks of key sustainability issues.
- Diversification – a multi-theme, valuation-sensitive approach that can act as a long-term core equity allocation.

WHY LAZARD?

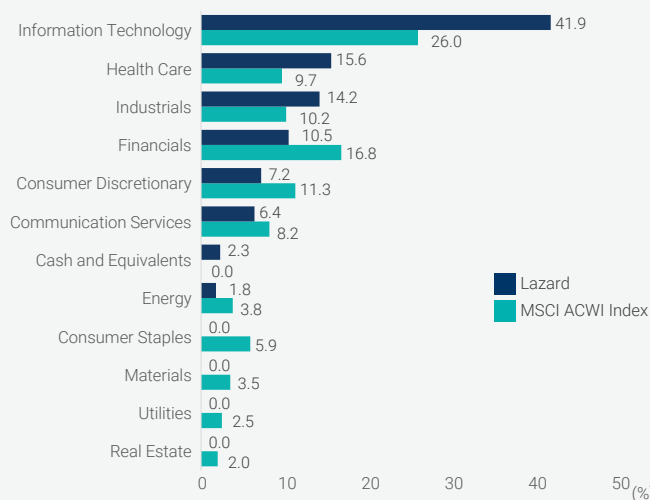
- Experience in a changing world – tracing its history back to the origins of thematic investing in the 1980s, the Lazard Global Thematic Equity team has seen many cycles and market trends, making it uniquely placed for the challenges of today.
- Supported by over 300 investment professionals, including over 70 global sector research analysts.
- Backed by the global investment, risk management and operations infrastructure of Lazard.

KEY FACTS

Strategy Guidelines and Information

Number of Themes	3 - 6 (broadly equally-weighted)
Number of Stocks	35 - 55 (broadly equally-weighted)
Max. Theme Size	40%
Max. Position Size	6%
Country Limit (ex-USA)	35%
Portfolio Managers	Steve Wreford, John King, Nicholas Bratt, and Sarbjit Nahal
Launch Date	1 June 2018
Benchmark	MSCI All Country World Index

SECTOR ALLOCATION



As of 31 December 2024. The allocations and specific securities mentioned are based upon a portfolio that represents the proposed investment for a fully discretionary account. Allocations and security selection are subject to change. The securities mentioned are not necessarily held by Lazard for all client portfolios, and their mention should not be considered a recommendation or solicitation to purchase or sell these securities. It should not be assumed that any investment in these securities was, or will prove to be, profitable, or that the investment decisions we make in the future will be profitable or equal to the investment performance of securities referenced herein. There is no assurance that any securities referenced herein are currently held in the portfolio or that securities sold have not been repurchased. Please note that cash is not viewed as a strategic asset class.
Source: Lazard, MSCI

Important Information

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