

Lazard

Defensive Australian Equity Fund

Jul 2022
Factsheet

Reduce Drawdowns

Emphasis on avoiding large drawdowns compared to the S&P ASX 200 Accumulation Index

Total Return

Securities selected for both income and long-term growth opportunities

Sustainable Income

Exposure to companies with sustainable income streams

Fund Facts

Number of stocks	30
Total Fund Size	\$14.1m
Inception Date	03-Jul-12
Total Management Costs	0.77% p.a.*
Benchmark	RBA Cash Rate
Minimum Investment	\$20,000
Buy/Sell Spread	+0.20%/-0.20%
Distributions	Quarterly ¹

* Total reduces to 0.47% p.a. of the net asset value when the proportion of the Fund in Cash investments is greater than 50%. Total Management Costs include an estimated Indirect Costs of 0.02% p.a. of the NAV

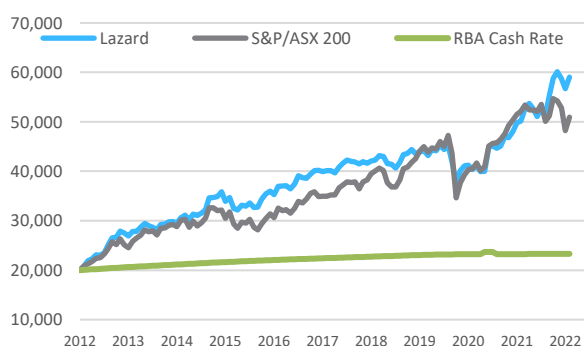
Investment Characteristics

	Lazard	S&P/ASX
Volatility	10.6	13.6
Sharpe Ratio (Since Inception)	1.0	0.6
Net Yield (%)	4.2	4.6
Gross Yield (%)	5.5	6.1
3 Year Turnover (% pa)	57.3	-

Performance ² (%)

	Lazard	Cash Rate	S&P/ASX
1 Month	4.1	0.1	5.7
3 Months	-1.9	0.2	-6.0
1 Year	17.6	0.3	-2.2
3 Years (pa)	10.1	0.3	4.3
5 Years (pa)	8.0	0.8	8.0
Since Inception (pa)	11.3	1.5	9.7

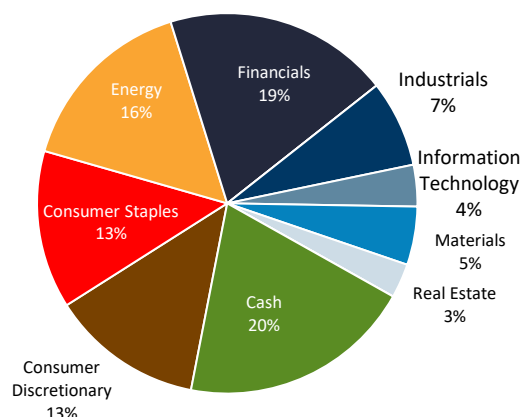
Growth of \$20,000 ²



Asset Allocation (%)

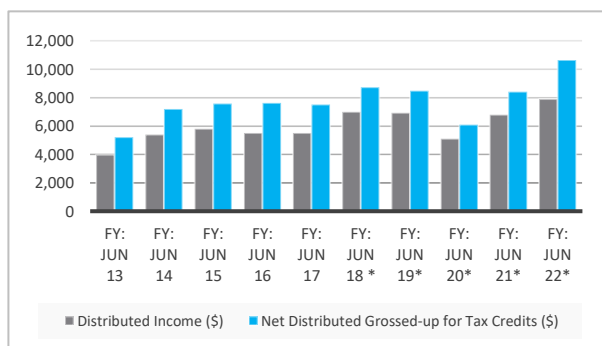
	Lazard	S&P/ASX
Equity	80.1	100
Cash Deposits	19.9	-

Sector Exposure (%)

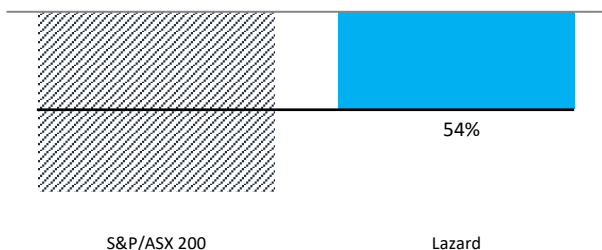


Fund Distributions ³

Based on \$100,000 Capital Invested at Fund Inception



Down Market Capture Ratio ⁴



* The Fund opted into the Attribution Managed Investment Trust (AMIT) regime from 1 July 2017. The cash distribution policy of the Fund following the election is a gross income cash distribution policy. That is, the expenses of the Fund will be funded from remaining capital in the Fund. The payment of income before expenses will mean that part of the cash distribution will represent a non-taxable amount. This will appear on AMMA statement as a non-assessable non-exempt amount.

¹ Distributions are made quarterly if of an economic size.

² Performance is presented net of fees. Investments can go up and down. Past performance is not necessarily indicative of future performance. Net returns are quoted after the deduction of Management Costs. Performance assumes reinvestment of all distributions.

³ Distribution calculation assumes income is distributed and all distributed capital gains are immediately re-invested. Distribution calculation is for illustrative purposes only. Distributions can go up and down. Past distributions are not necessarily indicative of future distributions.

⁴ Down Market Capture Ratio is calculated since inception and based on performance gross of all fees. Down Market capture is a statistical measure of an investment manager's overall average performance in down markets, being calendar months where the S&P/ASX 200 Accumulation Index ("Index") experiences negative performance. A drawdown ratio (or percentage) of less than 100 (or 100%) reflects that the manager has outperformed the Index during such down markets.

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ASSET MANAGEMENT

Commentary

As at 31 July 2022, the Fund is invested in 30 companies which meet the criteria of a dividend yield above the cash rate, capital appreciation potential and sustainability of dividend. Given between 1% and 3% of Fund assets will be invested in each qualifying company at month end, listed shares accounted for 80.1% of assets and 19.9% of Fund assets were invested in cash deposits.

As at 31 July 2022, the Fund's aggregate forward yield continued to look attractive at 4.8%, or 6.4% when "grossed-up" for franking credits and tax deferral benefits*. This can be compared to the RBA annual cash rate at month end of 1.35%. The two RBA measurements of term deposit rates in the Australian market, the "Average Rate (all terms)" and the "Special Rate (all terms)", ended the month at 0.80% and 1.15%, respectively.

July 2022 saw two ex-dates and three dividend payments.

Collin's Foods (CKF) went ex-dividend in July 2022. The company is the largest franchisee of KFC restaurants in Australia with a strong presence in The Netherlands and a small presence in Germany. KFC restaurants have a strong competitive positioning in Australia allowing the company to lessen the impact of inflationary cost pressures which, we believe, will lower margins in FY23. The KFC brand has a good performance record during difficult economic environments globally. These attributes give us confidence in CKF's dividend reliability. While CKF has a lower yield at a little over 2.5%, we expect dividends payments to grow at a low double-digit rate for the next several years, with store openings in The Netherlands being a key driver.

Looking ahead, August 2022 will see three dividend receipts.

For more information, call us on 1800 825 287
or visit www.lazardassetmanagement.com

*Assumes tax deferred distributions are equivalent to 60% franked, based on an assumed marginal tax rate of 35% and an assumed holding period of 3 years. A higher assumed marginal tax rate, or a longer assumed holding period would have increased the assumed/equivalent franking level. Conversely, a lower assumed marginal tax rate, or a shorter assumed holding period would have decreased the assumed/equivalent franking level.

Disclaimer

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