

Lazard

Defensive Australian Equity Fund

Sep 2023
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

Performance ¹ (%)

	Lazard	Cash Rate	S&P/ASX
1 Month	-1.3	0.3	-2.8
3 Months	1.5	1.1	-0.8
1 Year	12.4	3.6	13.5
3 Years (pa)	18.5	1.4	11.0
5 Years (pa)	9.1	1.2	6.7
10 Years (pa)	8.8	1.6	7.4
Since Inception (pa)	11.3	1.7	9.4



Investment Characteristics

	Lazard	S&P/ASX
Volatility	10.4	13.5
Sharpe Ratio (Since Inception)	0.9	0.5
Net Yield (%)	5.2	4.2
Gross Yield (%)	6.5	5.6
3 Year Turnover (% pa)	39.1	-

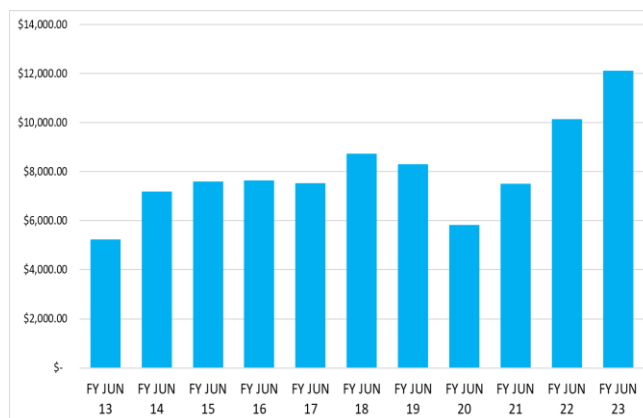
Fund Facts

Number of stocks	32
Total Fund Size	\$34.4m
Inception Date	03-Jul-12
Total Management Costs	0.77% p.a.*
Benchmark	RBA Cash Rate S&P ASX 200
Minimum Investment	\$20,000
Buy/Sell Spread	+0.20%/-0.20%
Distributions	Quarterly ²

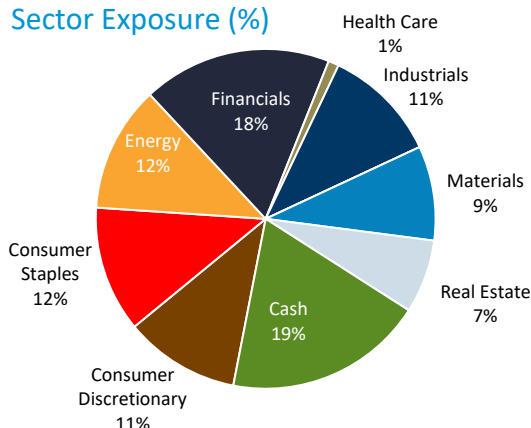
* Total reduces to 0.47% p.a. of the net asset value when the proportion of the Fund in Cash investments is greater than 50%. Total Management Costs include an estimated Indirect Costs of 0.02% p.a. of the NAV

Fund Distributions ³

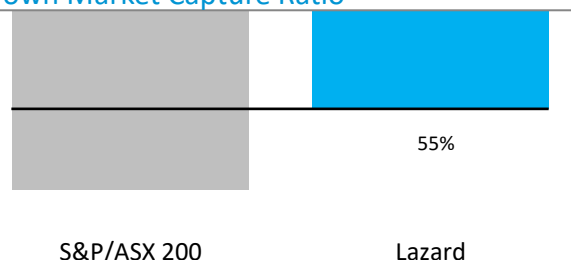
Based on \$100,000 Capital Invested at Fund Inception



Sector Exposure (%)



Down Market Capture Ratio⁴



LAZARD
ASSET MANAGEMENT

* 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 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.

² Distributions are made quarterly if of an economic size.

³ Distribution calculation is based on the Net Distributed grossed-up for Tax Credits. It assumes income is distributed and all distributed capital gains are immediately re-invested in the Fund. 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 net 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.

Commentary

As at 30 September 2023, the Fund is invested in 32 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 80.7% of assets and 19.3% of Fund assets were invested in cash deposits.

As at 30 September 2023, the Fund's aggregate forward yield continued to look attractive at 5.1%, or 5.5% when "grossed-up" for franking credits and tax deferral benefits*. This can be compared to the RBA annual cash rate at month end of 4.10%. The RBA measurements of term deposit rates in the Australian market, the "Average Rate (all terms)" ended the month at 3.6%.

September 2023 saw 15 dividend payments and eight ex-dates.

Charter Hall Group (CHC) is a property funds management company with a solid track record of growing FUM across a range of diversified asset classes. As of 30 June 2023, CHC manages \$71.9bn of property FUM, with a group FUM of \$87.4bn, inclusive of \$15.6bn from its PIM Partnership, generating earnings via co-investment income, property development and funds management fees. Despite recent weakness in the commercial property market, CHC managed to grow its property FUM by 10% in FY23. CHC has minimal net debt at the parent company level and in our view has substantial investment capacity for growth opportunities. The stock is currently trading on a 4.7% dividend yield, and FY24 guidance is for 6% yoy growth in distributions.

Looking ahead, we expect two dividend receipts in October 2023.

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.

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