Lazard Defensive Australian Equity Fund

January 2026

LAZARD
ASSET MANAGEMENT

The **Lazard Defensive Australian Equity Fund** is designed to provide regular, tax effective income that grows over time. It sources that income by investing in Australian companies with sustainable dividends, or by investing in cash, depending on where thebest opportunities exist. The Fund's objective is to achieve reduced exposure to S&P/ASX200 Accumulation Index drawdowns; a total return that exceeds the Reserve Bank of Australia Cash Rate; and an income return at a premium to the S&P/ASX200 Accumulation Index dividend yield.

Fund Facts

Inception Date	3 July 2012
Total Fund Size (AUD)	A$115.0m
Total Management Costs~	0.78% p.a.
Minimum Investment	A$20,000
Buy/Sell Spread	+0.20%/-0.20%
Distributions	Quarterly[1]
APIR Code	LAZ0022AU
Benchmark	RBA Cash Rate^/ S&P ASX 200 Accumulation#

~ Total reduces to 0.45% 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 0.04% p.a. of the NAV

5 Highly Recommended Lonsec Research

Zenith HIGHLY RECOMMENDED

Strategy Highlights

Reduce Drawdowns

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

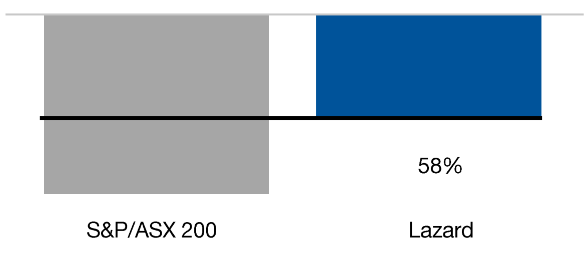
Total Return

Securities selected for both income and long-term growth opportunities

Sustainable Income

Exposure to companies with sustainable income streams

Down Market Capture Ratio[2]



Performance[3]

(%; net of fees. As of 31 January 2026)

				Annualised			
	1M	3M	1Y	3Y	5Y	10Y	Since Inception
Fund	2.5	2.5	13.1	7.4	12.3	9.3	10.7
S&P ASX 200	1.8	0.4	7.4	9.8	10.2	10.1	10.2
RBA Cash Rate Index	0.3	0.9	3.9	4.2	2.8	2.0	2.2

[1] Distributions are made quarterly if of an economic size.

[2] 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.

[3] 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.

Allocations (%)

Sector

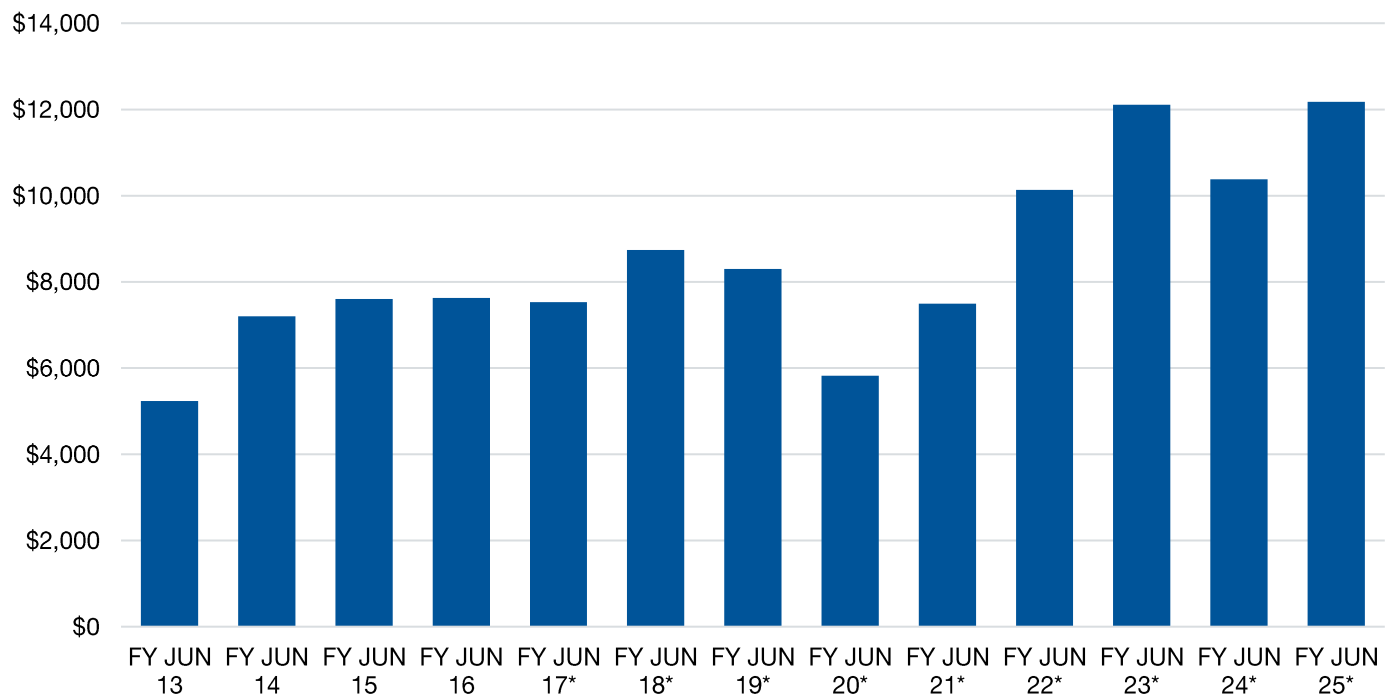
	Lazard
Communication Services	-
Consumer Discretionary	14.7
Consumer Staples	16.8
Energy	13.3
Financials	10.6
Health Care	6.0
Industrials	9.7
Information Technology	-
Materials	15.2
Real Estate	8.8
Utilities	-
Cash	4.8

Portfolio Characteristics

	Lazard	Index
Number of Holdings	39	200
Volatility (Since Inception)	10.2	13.0
Sharpe Ratio (Since Inception)	0.8	0.6
Net Yield (%)	4.3	3.1
Gross Yield (%)	5.4	4.0
3 Year Turnover (% p.a.)	54.4	-

Fund Distributions[4]

Based on $100,000 Capital Invested at Fund Inception



[4] 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.

* 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.

Commentary

As at 31 January 2026, the Fund is invested in 39 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 95.2% of assets and 4.8% of Fund assets were invested in cash deposits.

The Fund's aggregate forward yield continued to look attractive at 4.1%, or 5.3% when "grossed-up" for franking credits and tax deferral benefits*. This can be compared to the RBA annual cash rate at month end of 3.60%. The RBA measurements of term deposit rates in the Australian market, the "Average Rate (all terms)" ended the month at 2.90%.

January saw four dividend payments within the portfolio.

BWP Trust (BWP) is a REIT, which owns A$3.7bn of warehouse-style and large format retail properties, predominantly leased to Bunnings Warehouse (~80% of rental income). In 2025, unitholders approved the internalisation of management from Wesfarmers (owner of Bunnings) in exchange for cash and shares, in addition to lease extensions increasing portfolio WALE to 7.7 years. FY25 operational metrics were resilient, with 98.6% occupancy and 3.0% like-for-like rental growth driven by fixed 3% and CPI-linked lease escalations. In December 2025, BWP announced a valuation update, with a revaluation gain of A$156m, supported by capital rate compression and positive re-leasing activities in non-Bunnings large format retail assets. At the current share price levels, BWP generates a ~5.5% dividend yield and is at a ~10% discount to revised NTA.

Looking ahead, we expect two dividend receipts during February 2026 within the portfolio.

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

Important Information

*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.