Lazard Defensive Australian Equity Fund

October 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$139.6m
Total Management Costs~	0.77% 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 0.02% p.a. of the NAV

5 Highly Recommended Lonsec Research

Zenith RECOMMENDED

Strategy Highlights

Reduce Drawdowns

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

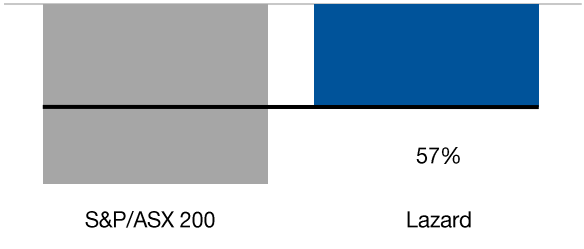
Total Return

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 October 2026)

				Annualised			
	1M	3M	1Y	3Y	5Y	10Y	Since Inception
Fund	2.2	2.1	11.4	10.7	10.5	9.1	10.8
RBA Cash Rate Index	0.4	1.1	4.2	4.3	3.5	2.2	2.3
S&P ASX 200	1.4	0.5	3.7	13.4	8.0	9.4	9.9

[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

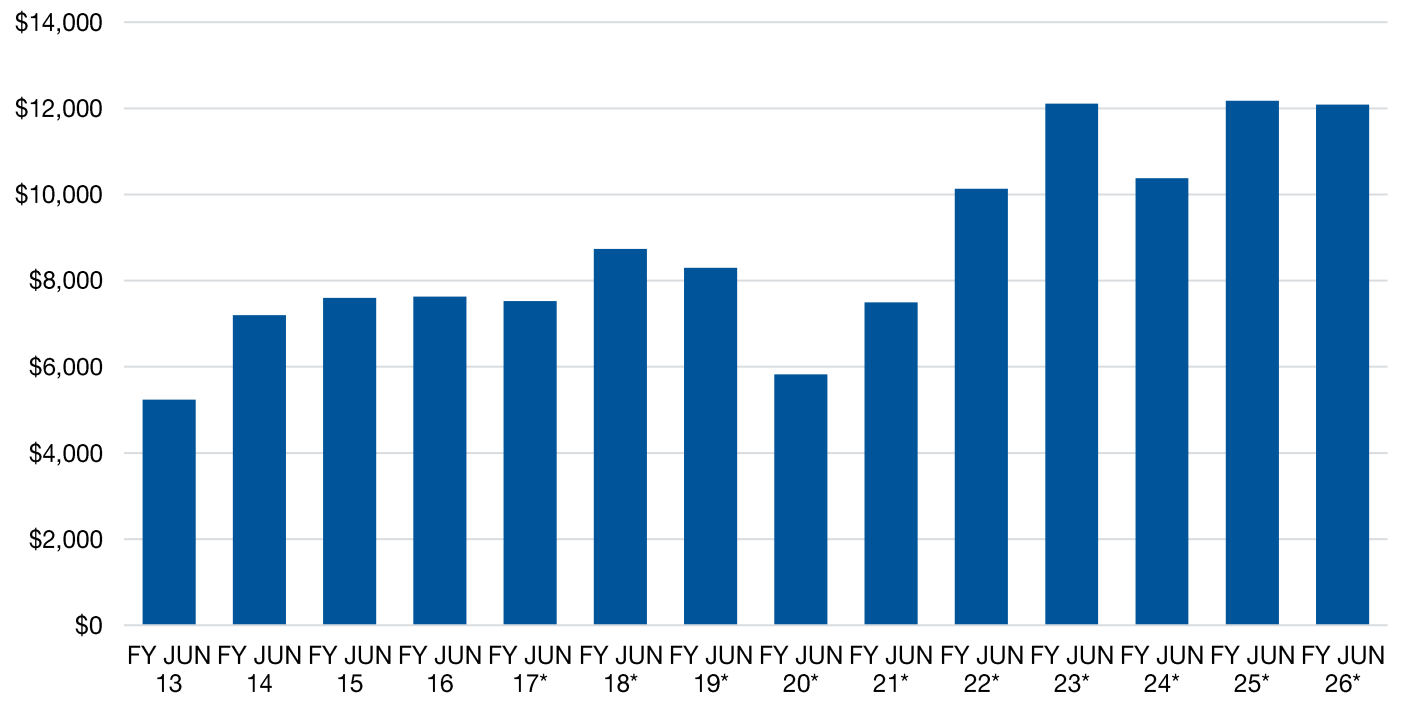
	Lazard
Communication Services	-
Consumer Discretionary	12.0
Consumer Staples	13.8
Energy	6.9
Financials	15.1
Health Care	10.8
Industrials	8.7
Information Technology	-
Materials	14.3
Real Estate	11.8
Utilities	-
Cash	6.5

Portfolio Characteristics

	Lazard	Index
Number of Holdings	40	200
Volatility (Since Inception)	10.0	12.9
Sharpe Ratio (Since Inception)	0.8	0.6
Net Yield (%)	4.1	3.3
Gross Yield (%)	5.2	4.3
3 Year Turnover (% p.a.)	59.8	-

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 October 2026, the Fund is invested in 40 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 93.5% of assets and 6.5% of Fund assets were invested in cash deposits.

The Fund's aggregate forward yield continued to look attractive at 3.9%, or 4.9% when "grossed-up" for franking credits and tax deferral benefits*. This can be compared to the RBA annual cash rate at month end of 4.60%. The RBA measurements of term deposit rates in the Australian market, the "Average Rate (all terms)" ended the month at 3.55%.

October saw two ex-dates and eight dividend payments within the portfolio.

Woodside Energy Group (WDS) is a global energy company engaged in the exploration, development and production of oil and gas. Shortly after the end of October, WDS held its Capital Markets Day and announced a new capital management framework. The previous policy of distributing 50–80% of underlying profit will be replaced by total shareholder distributions of 20–40% of adjusted operating cash flow. The first 20% will be paid as a base dividend, with additional distributions made through dividends, share buybacks or a combination of both.

For income-focused investors, we do not view the new framework as a straightforward dividend cut. WDS has consistently paid towards the top end of its previous payout range over the past 13 years, while also distributing significant franking credits to Australian shareholders. Historical distributions would broadly have fallen around the midpoint of the new 20–40% cash flow range, providing scope for higher shareholder returns when stronger energy prices support higher operating cash flow. The shift to a cash-flow-based framework also brings WDS closer to its global oil and gas peers. Importantly, it provides greater flexibility and clarity around the use of share buybacks when management sees value in the shares.

WDS also retains a substantial franking credit balance, which should continue to support franked distributions. At the current share price, WDS offers a fully franked dividend yield of more than 6%, with a meaningful growth pipeline ahead. New projects, together with the existing business, are expected to lift sales volumes by more than 30% to approximately 280 million barrels of oil equivalent by 2032. Management also expects to generate more than US$40 billion of adjusted operating cash flow between 2027 and 2032.

Overall, we see the new framework as less about reducing dividends and more about establishing a flexible and sustainable approach to returning cash to shareholders. The combination of higher production, growing cash generation and WDS's substantial franking credit balance provides a solid foundation for attractive shareholder returns over time.

Looking ahead, we expect two dividend receipts during November 2025 within the portfolio.

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

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*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.