

World Class Companies
Bigger does not necessarily mean better

Historical Performance of Small Caps
Global small indices have outperformed large-cap indices

Large Opportunity Set
A dedicated small cap team to find investment opportunities

Fund Facts

| | |
|------------------------|----------------------|
| Number of stocks | 89 |
| Total Fund Size | \$263.5m |
| Inception Date | 13 December 2002 |
| Total Management Costs | W Class: 1.12% p.a. |
| Index | MSCI World Small Cap |
| Minimum Investment | \$20,000 |
| Buy/Sell Spread | +0.30%/-0.30% |
| Distributions | Annually |
| APIR Code | LAZ0012AU |

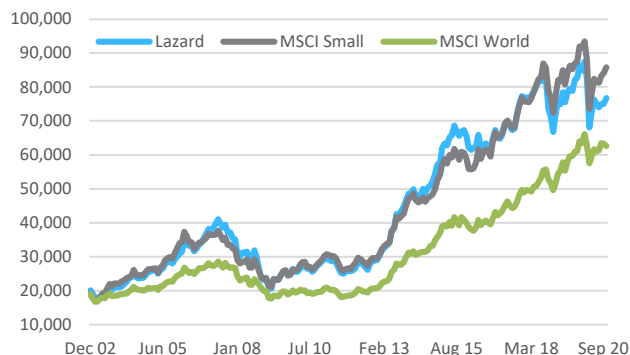
Investment Characteristics

| | Lazard | Index |
|-----------------------------------|--------|-------|
| Forward Price/Earnings | 22.5 | 38.2 |
| Forward Return on Equity (%) | 11.3 | 7.2 |
| Price/Cash Flow | 13.0 | 10.6 |
| Weighted Average Market Cap (\$m) | 5,827 | 5,313 |
| Active Share (%) | 96.7 | - |
| 3 Year Turnover (% pa) | 74.9 | - |

Performance¹ (%)

| | Lazard | Index | Excess Return |
|----------------------|--------|-------|---------------|
| 1 Month | 2.2 | 2.0 | 0.2 |
| 3 Months | 3.6 | 5.6 | -2.0 |
| 1 Year | -7.2 | -1.9 | -5.3 |
| 3 Years (pa) | 0.7 | 4.8 | -4.1 |
| 5 Years (pa) | 2.8 | 7.1 | -4.3 |
| 10 Years (pa) | 10.9 | 12.0 | -1.1 |
| Since Inception (pa) | 7.8 | 8.7 | -0.9 |

Growth of \$20,000¹



Allocations (%)

| Sector | Lazard | Index | Overweight/underweight |
|------------------------|--------|-------|------------------------|
| Communication Services | 4.9 | 3.3 | 1.7 |
| Consumer Discretionary | 13.3 | 13.8 | -0.6 |
| Consumer Staples | 4.2 | 4.8 | -0.6 |
| Energy | 1.3 | 2.1 | -0.9 |
| Financials | 10.0 | 12.0 | -1.9 |
| Health Care | 12.3 | 12.6 | -0.3 |
| Industrials | 17.4 | 17.7 | -0.3 |
| Information Technology | 15.9 | 14.3 | 1.6 |
| Materials | 5.6 | 6.9 | -1.4 |
| Real Estate | 10.8 | 9.8 | 1.0 |
| Utilities | 3.0 | 2.6 | 0.3 |
| Other | 0.0 | - | 0.0 |
| Cash | 1.2 | - | 1.2 |
| Region | | | |
| Europe ex UK | 19.4 | 14.0 | 5.4 |
| United Kingdom | 4.8 | 6.5 | -1.7 |
| North America | 61.7 | 61.2 | 0.5 |
| Japan | 10.0 | 12.1 | -2.2 |
| Asia Pacific ex Japan | 1.0 | 5.4 | -4.4 |
| Middle East | 0.9 | 0.8 | 0.1 |
| Emerging Markets | 1.0 | - | 1.0 |
| Cash | 1.2 | - | 1.2 |

Top 5 Holdings (%)

| | Lazard | Index |
|-----------------------------------|--------|-------|
| Valmont Industries | 2.1 | 0.1 |
| Envista | 1.7 | 0.1 |
| Stillfront Group | 1.6 | 0.1 |
| National Storage Affiliates Trust | 1.6 | 0.0 |
| j2 Global | 1.6 | 0.1 |

¹ Performance is presented net of W Class fees, please refer to www.lazardassetmanagement.com.au for performance of the I Class. 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.

Commentary

Global equality markets were flat in the month as increasing COVID-19 infection rates tempered improving economic conditions. With new COVID-19 shutdowns, Continental Europe lagged. Japan lagged as well while better-than-expected earnings boosted US equities. In this environment, financials and health care outperformed while communication services, consumer staples, and real estate underperformed.

The Global Small Cap Fund increased in absolute terms in the month, beating its benchmark, the MSCI World Small Cap Index. The portfolio benefited from stock selection in materials and real estate, while stock selection in health care and utilities detracted. By geography, stock selection in the Continental Europe and North America helped while it hurt in Asia ex Japan and United Kingdom.

Stelco, a Canadian-listed steel manufacturer, contributed to performance. Higher steel prices and strong deliveries boosted the stock. The company's under-levered balance sheet and multiple revenue sources continue to appeal to us.

Valmont, a US-listed industrial, also contributed. Valmont reported better-than-expected results, boosted by firming end markets and much improved execution.

Bravura Solutions, an Australian-listed financial software company, detracted. Bravura's UK-focused business has been hampered by Brexit uncertainty. The company gained a sizeable new contract in the period, but its guidance for the second half of the year concerned investors.

Teamviewer, a German-listed software company, also detracted as Teamviewer's previous private equity owners exited a portion of their stake.

The portfolio has maintained its position in all four names.

The impact of COVID-19 has been widespread, dramatically impacting US employment numbers and global PMIs. While the US election and issues like OPEC and Russia energy strategy are important risk factors, COVID-19 still outweighs them in our view. In addition, the accommodative actions of central banks in an already levered world demand the attention of investors.

For more information, call us on 1800 825 287
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