

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	82
Total Fund Size	\$340.4m
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

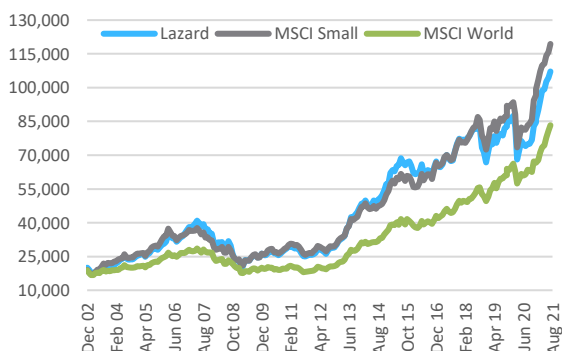
Investment Characteristics

	Lazard	Index
Forward Price/Earnings	18.0	22.3
Forward Return on Equity (%)	15.0	10.2
Price/Cash Flow	15.5	15.4
Weighted Average Market Cap (\$m)	7,834	6,869
Active Share (%)	97.0	-
3 Year Turnover (% pa)	67.6	-

Performance¹ (%)

	Lazard	Index	Excess Return
1 Month	2.5	3.0	-0.5
3 Months	8.0	8.0	0.0
1 Year	42.9	43.3	-0.3
3 Years (pa)	8.3	11.1	-2.8
5 Years (pa)	11.1	14.1	-3.1
10 Years (pa)	15.6	16.3	-0.7
Since Inception (pa)	9.4	10.2	-0.8

Growth of \$20,000¹



Allocations (%)

Sector	Lazard	Index	Overweight/underweight
Communication Services	3.0	3.4	-0.4
Consumer Discretionary	14.3	13.6	0.7
Consumer Staples	5.7	4.2	1.6
Energy	2.9	3.2	-0.3
Financials	13.1	13.1	0.0
Health Care	10.0	11.7	-1.7
Industrials	18.2	18.6	-0.4
Information Technology	12.8	12.9	-0.1
Materials	8.3	7.1	1.3
Real Estate	7.6	9.9	-2.3
Utilities	2.3	2.4	-0.2
Other	-	-	-
Cash	1.8	-	1.8
Region			
Europe ex UK	22.7	14.5	8.2
United Kingdom	5.0	6.8	-1.8
North America	59.2	62.2	-3.0
Japan	9.7	10.4	-0.7
Asia Pacific ex Japan	-	5.1	-5.1
Middle East	-	1.0	-1.0
Emerging Markets	1.6	0.0	1.6
Cash	1.8	-	1.8

Top 5 Holdings (%)

	Lazard	Index
East West Bancorp	2.3	0.1
Commerce Bancshares	2.2	0.1
flatexDEGIRO	2.1	0.0
Cactus	1.9	0.0
Arcadis	1.7	0.0

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.

Market Overview

Global equity markets rose in the month. Stocks in sectors such as financials, information technology, and health care performed well on a relative basis while those in energy, materials, and utilities were notable laggards. All major regions rose in the period. The United Kingdom performed well on a relative basis and Canada lagged.

Commentary

The Lazard Global Small Cap Equity Fund moderately underperformed the MSCI World Small Cap Index (the "Index") during the period. Both stock selection impact and allocation impact detracted modestly from relative performance this month.

Stevanato (healthcare), a US-listed Italy-based producer of drug delivery, containment, and diagnostic solutions for the pharmaceutical, biotechnology, and life sciences industries, contributed positively to relative performance in the period. Shares of the company continued to perform well following its July IPO and the release of strong quarterly results in August.

Stelco (materials), a Canada-listed steel manufacturer, contributed positively to relative performance in the period. The share price continued to climb alongside the release of solid quarterly results, a dividend increase, a large share buyback announcement, and rising expectations for additional capital returns.

FlatexDEGIRO (financials), a German-listed online broker, detracted from relative performance in the period alongside the release of quarterly results that did not meet optimistic investor expectations following exceptionally strong results in the prior quarter.

Malibu Boats (consumer discretionary), a US-listed recreational powerboat manufacturer, detracted from relative performance in the period. Although the company released solid quarterly results, investor concerns increased with regards to ongoing supply chain bottlenecks as well as an adverse jury ruling from a 2016 lawsuit.

The Fund maintained its holding in all four names

Outlook

Spread of the "Delta-variant" has tempered some of the optimism associated with increased vaccination rates in much of the world. While the medium to long-term picture remains largely positive for small cap equities in our view, there is risk that inflation will rise to unhealthy levels because of the unprecedented stimulus (both monetary and fiscal) efforts undertaken in response to the pandemic. The impact of higher taxes may also become more relevant to investors and economies as governments look to fund stimulus efforts and other social programs.

For more information, call us on 1800 825 287
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