# Lazard
## Global Small Cap Fund

Oct 2021
Factsheet

**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 | 88 |
| Total Fund Size | $327.4m |
| 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 | +0.25/-0.25% |
| Distributions | Annually |
| APIR Code | LAZ0012AU |

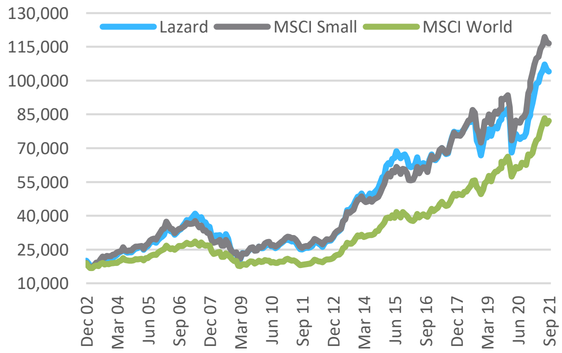
## Investment Characteristics

| | Lazard | Index |
|---|---|---|
| Forward Price/Earnings | 17.5 | 21.8 |
| Forward Return on Equity (%) | 15.2 | 10.5 |
| Price/Cash Flow | 14.7 | 14.7 |
| Weighted Average Market Cap ($m) | 7,237 | 6,898 |
| Active Share (%) | 97.0 | - |
| 3 Year Turnover (% pa) | 65.5 | - |

## Performance[1] (%)

| | Lazard | Index | Excess Return |
|---|---|---|---|
| 1 Month | -0.8 | -0.4 | -0.4 |
| 3 Months | -0.5 | 0.6 | -1.1 |
| 1 Year | 35.6 | 35.9 | -0.3 |
| 3 Years (pa) | 12.3 | 13.9 | -1.6 |
| 5 Years (pa) | 11.2 | 14.4 | -3.2 |
| 10 Years (pa) | 15.1 | 16.0 | -0.9 |
| Since Inception (pa) | 9.1 | 10.0 | -0.8 |

## Growth of $20,000[1]




## Allocations (%)

| Sector | Lazard | Index | Overweight/ underweight |
|---|---|---|---|
| Communication Services | 3.2 | 3.2 | 0.0 |
| Consumer Discretionary | 14.3 | 13.3 | 1.0 |
| Consumer Staples | 5.5 | 4.0 | 1.5 |
| Energy | 3.5 | 3.7 | -0.3 |
| Financials | 14.1 | 13.6 | 0.5 |
| Health Care | 11.8 | 11.4 | 0.4 |
| Industrials | 18.6 | 18.6 | 0.0 |
| Information Technology | 10.4 | 12.8 | -2.4 |
| Materials | 6.4 | 6.9 | -0.5 |
| Real Estate | 8.0 | 9.9 | -1.9 |
| Utilities | 2.0 | 2.5 | -0.4 |
| Other | - | - | - |
| Cash | 2.2 | - | 2.2 |
| **Region** | | | |
| Europe ex UK | 21.2 | 14.2 | 7.0 |
| United Kingdom | 4.9 | 6.3 | -1.5 |
| North America | 60.0 | 63.1 | -3.2 |
| Japan | 9.9 | 10.1 | -0.2 |
| Asia Pacific ex Japan | - | 5.1 | -5.1 |
| Middle East | - | 1.1 | -1.1 |
| Emerging Markets | 1.8 | 0.0 | 1.8 |
| Cash | 2.2 | - | 2.2 |

## Top 5 Holdings (%)

| | Lazard | Index |
|---|---|---|
| East West Bancorp | 2.5 | 0.1 |
| Commerce Bancshares | 2.4 | 0.1 |
| Cactus | 2.4 | 0.0 |
| flatexDEGIRO | 1.8 | 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.

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## Market Overview

Global equity markets fell slightly in the month. Stocks in sectors such as energy and real estate performed well on a relative basis while those in health care and communication services lagged. Regionally, North America performed well on a relative basis while the United Kingdom and Japan were notable laggards.

## Commentary

Lazard Global Small Cap Equity Fund underperformed the MSCI World Small Cap Index (the "Index") during the period due primarily to modestly negative stock selection impact.

Cactus (Energy), a US-listed manufacturer of wellhead and pressure control equipment, contributed to relative returns in the period. The shares performed well alongside strong industry fundamentals amid higher energy demand and constrained supply. The Fund continues to hold the shares.

National Storage Affiliates (real estate), a US-listed self-storage REIT, contributed to relative returns in the period. The shares performed well alongside strong quarterly results from industry peers and supportive industry data. The Fund continues to hold the shares.

Stillfront (communication services), a Sweden-listed digital games publisher, detracted from relative performance in the period. Recent changes to Apple's app tracking policy for advertisers continued to weigh on new user acquisitions within the industry. While we believe Stillfront is well positioned to adapt to the evolving landscape, timing has become increasingly uncertain, and the Fund exited the shares.

Teamviewer (information technology), a German-listed software solutions provider that enables full remote access and control functionality for connected devices fell, as quarterly results and management's outlook failed to meet lofty expectations for the second time this year. With investors now questioning the company's growth trajectory against a backdrop of increased competition and lingering capital discipline concerns, we are re-evaluating the Fund's position.

## Outlook

How the global recovery will evolve as different regions reach the end of the V-shaped rebound remains a key question for investors going forward. Monetary policy is becoming slightly less stimulative, as some central banks move to decrease accommodation, and although fiscal stimulus helped lift the global economy back to pre-pandemic GDP levels, progress from here remains less certain. The inflation debate also continues. Many investors still view higher inflation as transitory, stemming mainly from supply chain bottlenecks as the global economy reopens. Others see inflation as a more structural effect of massive stimulus, both fiscal and monetary, in response to the pandemic. Supply chain disruptions are likely to be alleviated over time, but there is less certainty with regards to wage inflation which is typically longer lasting. While geo-political uncertainty has decreased in Europe, it is increasing elsewhere, particularly in China and the Middle East.

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