

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	87
Total Fund Size	\$318.8m
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

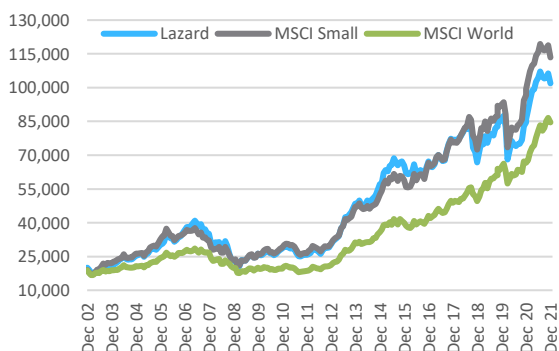
Investment Characteristics

	Lazard	Index
Forward Price/Earnings	16.0	19.2
Forward Return on Equity (%)	14.2	10.8
Price/Cash Flow	12.6	12.1
Weighted Average Market Cap (\$m)	7,352	6,371
Active Share (%)	96.8	-
3 Year Turnover (% pa)	62.1	-

Performance¹ (%)

	Lazard	Index	Excess Return
1 Month	-4.2	-4.6	0.4
3 Months	-2.0	-2.8	0.8
1 Year	18.5	14.2	4.3
3 Years (pa)	12.4	13.7	-1.3
5 Years (pa)	9.4	11.7	-2.3
10 Years (pa)	14.6	15.3	-0.6
Since Inception (pa)	8.9	9.7	-0.8

Growth of \$20,000¹



Allocations (%)

Sector	Lazard	Index	Overweight/underweight
Communication Services	2.9	3.1	-0.2
Consumer Discretionary	12.7	13.2	-0.6
Consumer Staples	5.9	4.4	1.5
Energy	3.6	4.1	-0.5
Financials	15.1	14.2	0.9
Health Care	10.4	9.7	0.7
Industrials	18.8	18.7	0.1
Information Technology	11.1	12.0	-0.8
Materials	5.6	7.4	-1.9
Real Estate	10.2	10.6	-0.4
Utilities	2.7	2.8	-0.1
Other	-	-	-
Cash	1.2	-	1.2
Region			
Europe ex UK	21.7	14.1	7.6
United Kingdom	6.6	6.6	0.0
North America	59.7	62.9	-3.1
Japan	9.2	10.1	-0.9
Asia Pacific ex Japan	-	5.2	-5.2
Middle East	-	1.2	-1.2
Emerging Markets	1.7	-	1.7
Cash	1.2	-	1.2

Top 5 Holdings (%)

	Lazard	Index
East West Bancorp	2.9	0.2
Commerce Bancshares	2.8	0.1
Cactus	2.5	0.0
Bankinter	1.9	0.0
Envista	1.7	0.1

¹ Performance is presented net of W Class fees, please refer to www.lazardassetmanagement.com 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 fell in the month as concerns rose regarding less stimulative monetary policy, higher rates, and increased inflation. All sectors except energy and financials fell in the period. Stocks in the utilities and consumer staples sectors held up better on a relative basis, while those in the energy sector rose materially in absolute terms. Stocks in the information technology and health care sectors significantly underperformed. All major regions fell in the period. Energy heavy geographies such as Canada and the Middle East outperformed on a relative basis, as did Japan. Other regions underperformed modestly.

Commentary

The Lazard Global Small Cap Equity Fund moderately outperformed the MSCI World Small Cap Index (the “Index”) during the month due to positive stock selection impact. Allocation impact was modestly negative on both a sector and regional basis.

Cactus (energy), a US-listed manufacturer of wellhead pressure control equipment, contributed to relative returns in the period. The shares performed well alongside those of other companies in the energy complex. The portfolio continues to hold the shares.

Kohl’s (consumer discretionary), a US-listed apparel retailer, contributed to relative returns in the period. The shares performed well following a takeover offer from an active investor backed private equity company. The portfolio continues to hold the shares.

Adaptive Biotechnologies (health care), a US-listed immune-driven diagnostics and therapeutics company, detracted from relative returns in the period. The shares fell alongside those of other med- and biotech companies as well as unexpected news that the company’s CFO was resigning. In addition, investor concerns increased somewhat with regard to a much-anticipated cell-therapy partnership with Genentech. The portfolio continues to hold the shares.

Ortho Clinical Diagnostics (health care), a US-listed in-vitro diagnostics company, detracted from relative returns in the period. The shares fell alongside those of other med- and biotech companies despite the release of strong quarterly sales figures. The portfolio continues to hold the shares.

Outlook

Both the coronavirus and central bank policy – particularly that of the U.S. Federal Reserve – continue to be of significant interest to investors. The emergence of Omicron renewed uncertainties about the near-term global outlook, and it remains too soon to determine what impact this variant will have on businesses, supply chains, and investor sentiment. Meanwhile, the US Fed and other central banks have become more alert to inflation risks and are winding down extraordinary accommodation. The Fed is reducing monetary stimulus and is now likely to do so more quickly than anticipated given its higher inflation and growth forecasts. A number of other central banks have either already raised interest rates or are contemplating doing so. It remains unclear how investors will react as less stimulative monetary policy takes hold, and the prospect of higher rates rises.

For more information, call us on 1800 825 287
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Disclaimer

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