

**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	\$304.9m
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

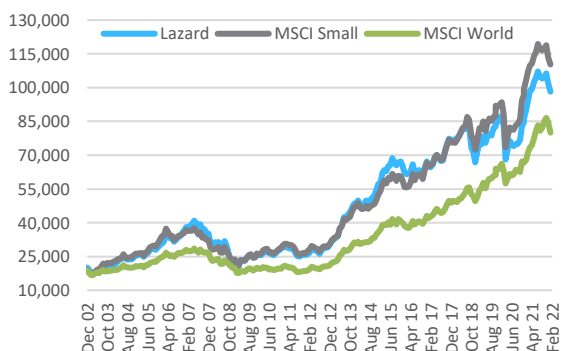
### Investment Characteristics

	Lazard	Index
Forward Price/Earnings	16.5	17.5
Forward Return on Equity (%)	13.6	10.8
Price/Cash Flow	12.0	11.6
Weighted Average Market Cap (\$m)	7,067	6,245
Active Share (%)	96.8	-
3 Year Turnover (% pa)	60.4	-

### Performance<sup>1</sup> (%)

	Lazard	Index	Excess Return
1 Month	-3.6	-2.7	-0.9
3 Months	-5.9	-6.1	0.2
1 Year	9.1	6.8	2.4
3 Years (pa)	8.9	10.4	-1.4
5 Years (pa)	8.7	11.0	-2.3
10 Years (pa)	13.9	14.6	-0.7
Since Inception (pa)	8.6	9.5	-0.8

### Growth of \$20,000<sup>1</sup>



### Allocations (%)

Sector	Lazard	Index	Overweight/underweight
Communication Services	2.7	3.1	-0.5
Consumer Discretionary	13.1	13.0	0.1
Consumer Staples	5.7	4.4	1.2
Energy	3.6	4.5	-0.8
Financials	15.4	14.0	1.4
Health Care	9.6	9.6	0.0
Industrials	19.2	18.7	0.5
Information Technology	11.2	11.8	-0.6
Materials	5.3	7.7	-2.4
Real Estate	10.3	10.3	0.0
Utilities	3.1	2.8	0.3
Other	-	-	-
Cash	0.9	-	0.9
<b>Region</b>			
Europe ex UK	22.0	13.5	8.5
United Kingdom	6.1	6.4	-0.2
North America	59.4	63.4	-4.0
Japan	10.0	10.3	-0.3
Asia Pacific ex Japan	-	5.4	-5.4
Middle East	-	1.2	-1.2
Emerging Markets	1.6	0.0	1.6
Cash	0.9	-	0.9

### Top 5 Holdings (%)

	Lazard	Index
Commerce Bancshares	3.0	0.1
East West Bancorp	3.0	0.2
Cactus	2.7	0.0
Bankinter	1.9	0.0
Curtiss-Wright	1.8	0.1

<sup>1</sup> Performance is presented net of W Class fees, please refer to [www.lazardassetmanagement.com](http://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 small cap equities continued to fall at the end of February 2022 following Russia's invasion of Ukraine. The Russian invasion beginning on 24 February 2022, and the increasingly aggressive actions and rhetoric from President Vladimir Putin drew a loud chorus of condemnation and reprisals from around the world. Investors had become increasingly apprehensive over the possibility of an invasion, and the actual outbreak of hostilities sent volatility measures higher.

Stocks in the energy and materials sectors outperformed strongly while those in the consumer discretionary, real estate, and information technology sectors were notable laggards. Energy and commodity heavy geographies such as Canada and Asia non-Japan (e.g., Australia) led returns while Continental Europe and the UK underperformed sharply.

## Commentary

The Lazard Global Small Cap Fund underperformed the MSCI World Small Cap Index (the "Index") during the period due to negative impact from both allocation and stock selection.

Shares of Crayon Group (information technology) – a Norway-listed software reseller and services provider – performed well alongside the release of strong quarterly results, recent acquisitions, and an optimistic growth outlook from corporate management. As of month-end, the Fund continued to hold the shares.

Shares of PGT Innovations (industrials) – a US-listed residential windows and doors manufacturer – performed well with the release of solid quarterly results, strong pricing power, and a better-than-expected profitability outlook from corporate management. As of month-end, the Fund continued to hold the shares.

Shares of JD Sports Fashion (consumer discretionary) – a U.K.- listed branded footwear and apparel retailer – continued to be weak following a share sale by the Executive Chairman last month and news the company would delay releasing its full year results to facilitate reporting on a divestment and review the ongoing process of splitting the roles of Chairman and CEO. As of month-end, the Fund continued to hold the shares.

Shares of United Therapeutics (health care) – a U.S.-listed biotechnology company – fell following the release of weaker-than-expected quarterly results and delayed FDA approval for a new therapy. As of month-end, the Fund continued to hold the shares.

## Outlook

We continue to work closely with the firm's Risk Management and Legal and Compliance Teams to assess the evolving situation and associated implications of Russia's invasion of Ukraine. The Fund holds no Russian securities, and we estimate the underlying revenue exposure of portfolio companies is less than 1% overall. Thus far, we have not made material changes to the Fund in response to risks associated with the conflict. We are opportunistically adding to stock holdings of companies that we believe have been disproportionately impacted by recent market volatility, but whose fundamentals remain strong. At the portfolio construction level, we continue to take a balanced approach to mitigate factor risks while emphasizing idiosyncratic, or stock specific, risks.

For more information, call us on 1800 825 287  
or visit [www.lazardassetmanagement.com](http://www.lazardassetmanagement.com)

### Disclaimer

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