

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	81
Total Fund Size	\$228.2m
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

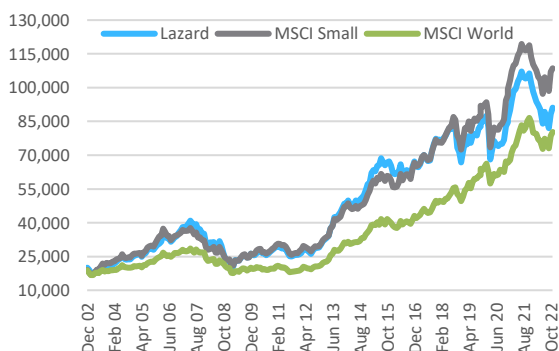
Investment Characteristics

	Lazard	Index
Forward Price/Earnings	13.3	16.4
Forward Return on Equity (%)	14.7	10.5
Price/Cash Flow	9.7	9.2
Weighted Average Market Cap (\$m)	8,766	6,199
Active Share (%)	96.9	-
3 Year Turnover (% pa)	56.5	-

Performance¹ (%)

	Lazard	Index	Excess Return
1 Month	3.1	1.4	1.8
3 Months	6.7	5.4	1.3
1 Year	-12.8	-7.6	-5.1
3 Years (pa)	1.9	5.7	-3.8
5 Years (pa)	3.3	7.2	-3.8
10 Years (pa)	12.1	13.9	-1.8
Since Inception (pa)	7.9	9.0	-1.1

Growth of \$20,000¹



Allocations (%)

Sector	Lazard	Index	Overweight/underweight
Communication Services	0.9	2.7	-1.8
Consumer Discretionary	12.0	12.4	-0.4
Consumer Staples	6.2	4.9	1.3
Energy	4.9	5.5	-0.7
Financials	15.3	14.7	0.6
Health Care	13.1	10.2	2.9
Industrials	18.9	19.0	-0.1
Information Technology	11.0	11.1	-0.1
Materials	5.1	7.6	-2.5
Real Estate	8.1	8.7	-0.6
Utilities	3.1	3.1	0.0
Other	-	-	-
Cash	1.4	-	1.4
Region			
Europe ex UK	15.9	12.0	4.0
United Kingdom	5.0	5.3	-0.3
North America	60.8	65.3	-4.6
Japan	11.0	10.8	0.2
Asia Pacific ex Japan	1.4	5.6	-4.2
Middle East	1.1	1.0	0.1
Emerging Markets	3.4	-	3.4
Cash	1.4	-	1.4

Top 5 Holdings (%)

	Lazard	Index
Commerce Bancshares	3.6	0.1
East West Bancorp	2.8	0.1
Icon	2.4	0.0
United Therapeutics	2.0	0.2
Ingevity Corporation	1.9	0.0

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 small cap equities rose again in November. Consumer discretionary and materials stocks outperformed on a relative basis while energy and health care lagged. Asia non-Japan and the United Kingdom were notable outperformers on a relative basis, while Japan lagged.

Commentary

The Lazard Global Equity Small Cap Equity Fund performed well on an absolute basis and outperformed the MSCI Global Small Cap Index (net of fees) this month. Stock selection impact was the primary driver of positive attribution in the period.

Shares of Atkore (industrials) – a US-listed manufacturer of electrical raceways for the construction industry – rose in the period alongside the release of strong quarterly results and a more-optimistic-than-expected outlook from corporate management. The fund continues to hold the shares.

Shares of United Therapeutics (healthcare) – a US-listed biotech company providing therapies for people with chronic and life-threatening diseases – performed well in the period alongside the release of better-than-expected quarterly results and strong growth from new products, delivery systems, and access to treatment. The fund continues to hold the shares.

Shares of Spin Master (consumer discretionary)—a Canada-listed toy manufacturer—fell in the period following the release of worse-than-expected quarterly results and a somewhat pessimistic outlook from corporate management. The fund continues to hold the shares.

Shares of Sterling Check (industrials) – a US-listed background check and identity verification provider – fell in the period alongside the release of quarterly results that included a softer-than-expected outlook from corporate management. The fund continues to hold the shares.

Portfolio Drivers

Helped

- + Stock selection in the real estate and health care sectors
- + Stock selection in the U.S.

Hurt

- Stock selection in the financials and consumer discretionary sectors

Outlook

Investor optimism for a pivot in the US Federal Reserve's pace of interest rate hikes continued amid modest decreases in some measures of inflation. However, inflation, yields, central bank policy, and recession risks remain elevated, and it is too soon to determine if the month's equity moves reflect a genuine change in investor sentiment or a temporary sigh of relief. That said, small cap equity valuations continue to look highly compelling in our view, particularly relative to large caps. Unlike large caps, which still look somewhat expensive versus history, small caps currently trade below their long-term average on many valuation measures. On a forward price/earnings basis, the MSCI World Small Cap Index continues to trade at a rare discount relative to the MSCI World Large Cap Index. As of the month end, this dislocation remained wider than those reached during the pandemic lows or the Global Financial Crisis. While we cannot predict when equity markets will bottom, we remain confident small caps are poised to outperform when the upswing occurs.

For more information, call us on 1800 825 287
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