

Lower Volatility
Seeks lower volatility than the benchmark over a full market cycle

Systematic Approach
Our quantitative approach focuses explicitly on risk reduction

Capital Growth Potential
Fully invested in equities across both developed and emerging markets for growth opportunities

Fund Facts

Number of stocks	239
Total Fund Size	\$102.1m
Inception Date	31 January 2017
Total Management Costs	0.64%
Index	MSCI AC World
Minimum Investment	\$20,000
Buy/Sell Spread	+0.20%/-0.20%
Distributions	Annually
APIR Code	LAZ1240AU

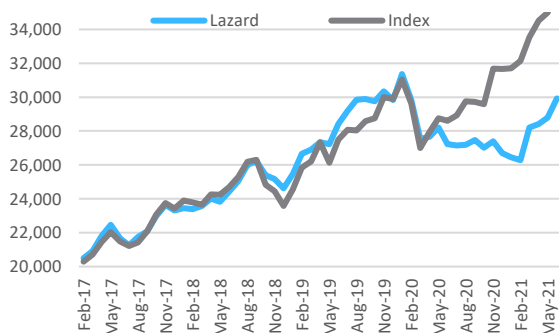
Investment Characteristics

	Lazard	Index
Sharpe Ratio (Since Inception)	1.0	1.3
Standard Deviation (Since Inception)	9.4	10.3
Beta	0.8	-
Dividend Yield (%)	2.5	1.7
Active Share (%)	86.6	-
Forward Price/Earnings	16.2	19.8

Performance (%)

	Lazard	Index	Excess Return
1 Month	3.9	4.5	-0.5
3 Months	6.1	9.0	-2.8
1 Year	10.0	27.7	-17.8
3 Years (pa)	7.0	14.0	-6.9
5 Years (pa)	0.0	0.0	0.0
Since Inception (pa)	9.6	14.6	-5.1

Growth of \$20,000



Investments can go up and down. Past performance is not necessarily indicative of future performance. Fund returns are quoted after the deduction of Management Costs. Performance assumes reinvestment of all distributions.

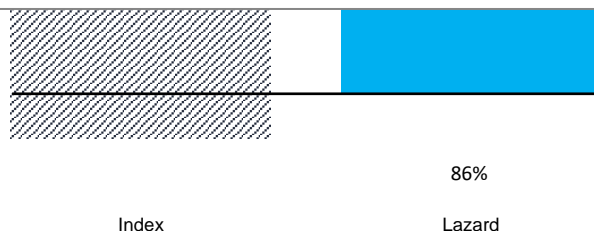
Allocations (%)

Sector	Lazard	Index	Overweight/ Underweight
Consumer Staples	19.4	6.9	12.6
Financials	10.3	14.1	-3.8
Communication Services	8.6	9.4	-0.8
Energy	0.8	3.4	-2.6
Real Estate	5.6	2.6	3.0
Materials	3.5	4.9	-1.5
Health Care	15.5	11.6	4.0
Industrials	9.2	9.9	-0.6
Information Technology	9.6	21.9	-12.3
Consumer Discretionary	8.3	12.7	-4.4
Utilities	7.0	2.6	4.4
Cash	2.1	0.0	2.1
Region			
North America	57.4	61.6	-4.2
Continental Europe	8.4	12.8	-4.3
United Kingdom	1.2	3.7	-2.4
Asia Pacific ex-Japan	2.9	3.0	-0.1
Japan	11.9	5.9	6.0
Middle East	0.3	0.2	0.1
Emerging Markets	15.9	12.9	2.9
Cash & Equivalents	2.1	0.0	2.1

Top 5 Holdings (%)

	Lazard	Index
Novo Nordisk	1.6	0.2
Procter & Gamble	1.5	0.5
Roche	1.4	0.4
Verizon	1.4	0.3
Clorox	1.3	0.0

Down Market Capture Ratio



Down Market Capture Ratio is calculated since inception and based on performance gross of all fees. Down Market capture is a statistical measure of an investment manager's overall performance in down markets, being calendar months where the Index experiences negative performance. A drawdown ratio (or percentage) of less than 100 (or 100%) reflects that the manager has outperformed the Index during such down markets.

Commentary

The rally in the global equity markets continued as they posted their fifth straight quarterly gain. The major equity indices are now more than 25% (in USD terms) above their pre-pandemic highs. Broad, though bumpy, progress in global COVID-19 vaccinations and a sharp pick-up in corporate earnings continued to provide ample support for the 15-month rally. The threats of inflation and a tapering of monetary stimulus from the central banks have been largely discounted in the market rally so far but remain sources of worry for the second half of the year. The United States gained the most among major markets, helped in part by the strong US dollar, which rallied more than 2% in June. The dollar rally held back performance in the European markets finishing the quarter just behind the US. Asia markets struggled as the emergence of COVID-19 variants in Japan and India, along with weaker economic figures in China. Despite the weakness in Asia and Africa, emerging markets managed to outperform their developed markets counterparts. Oil prices increased nearly 10% in June as inventories remain low and production cuts continue in effect. Other commodities, including gold and lumber, fell sharply, with supply imbalances correcting and inflation concerns abating.

Technology shares led the market, as growth stocks have returned to favor over the past six weeks. Energy stocks also rallied with the increase in oil prices and remained the best-performing sector for the year. Material and financial stocks sold off with the rotation away from value into growth. The financial sector, however, remained the second-best performer so far this year. Regional divergence in factor performance increased in June, reflecting, in part, the disproportionate vaccination progress and the uneven economic recovery. Investors' risk appetite reemerged in June as more volatile and higher beta stocks outperformed in the global markets except for Europe. The rotation away from value back into growth measures continued through June, with the exception of the emerging markets where value remained in favor. Sentiment indicators were also broadly favorable except in the United States. Quality measures underperformed globally.

The Lazard Global Managed Volatility Fund returned 6.1% during the quarter, trailing its MSCI AC World Index benchmark by 2.8%.

Shares of Novo Nordisk, the Danish pharmaceutical company, continued rising after adjusting their guidance. The company now expects 2021 sales growth of 6% to 10%, compared with the previous sales growth guidance of 5% to 9%. Operating profit growth is projected to be between 5% and 9%, compared with the prior guidance of between 4% and 8%.

Shares of Roche, the Swiss pharma giant, rose, as demand for its COVID-19 tests helped to offset a decline in its core drugs business, as it reported sales for the first quarter of 2021 and the company confirmed its outlook for the year. Roche makes a variety of COVID-19 tests, including ones for coronavirus mutations.

Ajinomoto Co contributed, as analyst raised profit forecasts for the Japanese food producers. Higher material costs in the international seasonings and processed foods business looks to be almost entirely offset by improvement in the product mix and price hikes accompanying product quality changes, and in part to factor in the present strength of ABF sales.

Eli Lilly announced it had received accelerated approval from the US FDA for its Alzheimer's disease treatment aducanumab, also known as Aduhelm. Lilly has been developing a treatment for Alzheimer's called donanemab. The therapy is currently in Phase 3 testing, according to Lilly's website.

Public Storage, announced the acquisition of ezStorage, one of the highest quality self-storage portfolios in the United States, for USD 1.8 billion. The portfolio comprises 48 properties located in submarkets with strong demand drivers and high barriers for new property development across the east coast. In combination with its existing market presence, the company's Mid-Atlantic portfolio will be unmatched in coverage with 163 properties and 11.3 million net rentable square feet.

The parent of Japan Post Bank, Japan Post Holdings, announced a USD 623.8 million one-off loss in the financial year ended March on the partial sale of Toll Holdings, its money-losing Australian logistics arm. The Japanese firm said in a statement it would sell Toll's delivery services business in Australia and New Zealand to Australia's Allegro Funds for 700 million yen (USD 6.5 million).

Electric Power Development and Tohoku Electric Power detracted, as analysts revised their profit forecasts to reflect unplanned stoppages at coal-fired thermal plants in Japan and the slump in prices on the JEPX wholesale electric power exchange. Although the company expects capacity utilization to improve at coal-fired plants in 2022, they lowered recurring profit forecast for 2022 as well, as they expect JEPX prices to remain low.

WD-40 detracted during the quarter. Although the maintenance and cleaning product company reported a solid fiscal second-quarter profit of USD 17.2 million, shares sold off in April, as investors took profit from what was a strong start to the year.

Clorox has slowly retreated from its highs reached during the height of the global pandemic. The company continues to struggle with top-line revenue and inflation pressures are expected to put pressure on their margin.

The rally in the global equity market from the March 2020 lows has been fed by the extraordinary fiscal stimulus measures enacted by the central banks, an equally impressive development of highly effective vaccines to inoculate the world's population against the COVID-19 virus and corporate profits that have exceeded even the most optimistic estimates. While the rollout of the vaccines has been uneven, progress is undeniable, and we are optimistic that a sizable percentage of the world's population will ultimately be vaccinated. Still, we expect that further outbreaks are likely, as most of the vaccinations have been confined to the developed markets. At the same time, optimism about corporate profit growth over the latter half of the year remains high carrying the momentum from what is expected a very strong first half of 2021.

Looking at the balance of the year, we are less enthusiastic, understanding that much of the favorable news is largely discounted in the market price with most indices at or near all-time highs. While we are not convinced that inflation threats are significant, the increase in commodity prices and unfulfilled jobs openings warrant monitoring. We expect that central bank stimulus will begin to be withdrawn, initially led by the US Federal Reserve, placing upward pressure on interest rates and credit spreads. This may partially close some of the valuation disparity between the United States and many of the non-US markets, which is over 50% in the case of the emerging markets. Barring an unforeseen geopolitical event, we expect that equity markets will continue their upward move spurred by favorable corporate earnings. With the global markets already up by close to 15% in 2021, we look for a relatively modest, but positive increase in the second half.

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As notified to unitholders in the 'Updated Information' page on our website, from the financial year commencing 1 July 2020, the Fund will operate as an attribution management investment trust (AMIT). Generally, it is expected that the tax position of unitholders will not substantially change as a result of the Fund becoming an AMIT. For the financial year commencing 1 July 2020, and for each financial year thereafter, instead of receiving an annual tax statement, unitholders will receive an AMIT Member Annual Statement (AMMA statement), and will be required to include information from the AMMA statement, including any income attributed to them, when preparing their tax return for that financial year and thereafter. To be clear, annual tax statements will be sent to unitholders for the financial year ended 30 June 2020. For further information please refer to our website: https://www.lazardassetmanagement.com/au/en_us/funds/updated-information. You can also contact our Client Services Team on 1800 825 287 or by email at investorqueries@lazard.com.