

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	243
Total Fund Size	\$105.8m
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

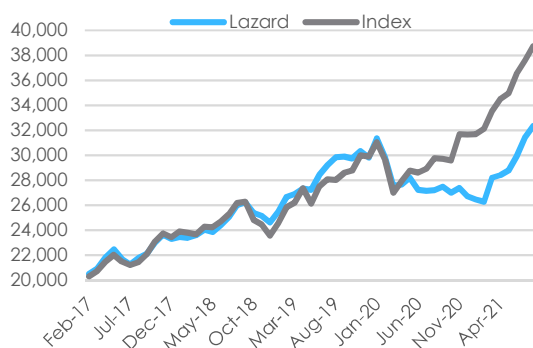
Investment Characteristics

	Lazard	Index
Sharpe Ratio (Since Inception)	1.1	1.4
Standard Deviation (Since Inception)	9.5	10.2
Beta	0.8	-
Dividend Yield (%)	2.4	1.7
Active Share (%)	86.1	-
Forward Price/Earnings	16.5	19.2

Performance (%)

	Lazard	Index	Excess Return
1 Month	3.0	3.1	-0.1
3 Months	12.4	10.8	1.6
1 Year	19.0	30.2	-11.2
3 Years (pa)	7.6	13.9	-6.4
Since Inception (pa)	11.1	15.5	-4.4

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.

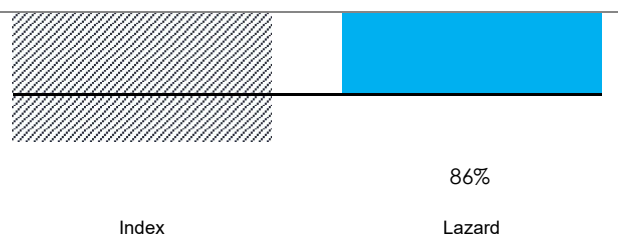
Allocations (%)

Sector	Lazard	Index	Overweight/Underweight
Consumer Staples	17.5	6.8	10.8
Financials	9.5	14.1	-4.6
Communication Services	9.3	9.4	-0.2
Energy	1.0	3.1	-2.1
Real Estate	6.0	2.6	3.4
Materials	3.7	4.9	-1.1
Health Care	15.5	11.8	3.6
Industrials	9.7	9.8	-0.1
Information Technology	12.1	22.6	-10.6
Consumer Discretionary	8.8	12.2	-3.3
Utilities	6.0	2.7	3.3
Cash	0.9	0.0	0.9
Region			
North America	56.2	62.7	-6.4
Continental Europe	8.3	12.9	-4.6
United Kingdom	2.7	3.6	-0.9
Asia Pacific ex-Japan	3.6	2.9	0.8
Japan	11.3	5.8	5.5
Middle East	0.3	0.2	0.1
Emerging Markets	16.7	11.9	4.8
Cash	0.9	0.0	0.9

Top 5 Holdings (%)

	Lazard	Index
Roche	1.7	0.4
Novo Nordisk	1.6	0.3
Procter & Gamble	1.5	0.5
Verizon	1.3	0.3
PepsiCo	1.3	0.3

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 global equity markets continued their historic recovery with a seventh straight monthly gain in August. Momentum was strong as many indices posted multiple all-time highs during the month. The United States, overcoming a decline in consumer confidence, continued to lead the major equity markets. Federal Reserve Chairman Jerome Powell calmed investors' fear of a sharp curtailment in the central bank's stimulus programs while indicating that economic strength was sufficient for the Fed to consider a modest reduction in its bond repurchase program. The euro area reported surprisingly strong GDP growth for the second quarter, outpacing most major economies, including those of China and the United States. Corporate earnings in Europe recovered further as vaccinations increased and the economy continued to reopen. European sell-side analysts raised their earnings estimates at a historically high rate. Japan also posted a positive month but trailed other markets; its economy grew more than expected in the second quarter, counteracting the effects of the spike in COVID-19 cases that had caused a sell-off in July. The spike will likely temper growth in the third quarter. The favorable economic news and low interest rates benefitted the emerging markets, which outpaced the developed markets in August. China noticeably lagged, though, as the regulatory authorities continued their industry specific crackdown. August's focal point was the gaming industry as regulators sought to limit the time children can spend on online gaming.

Sector performance showed only modest dispersion in August, with every sector except materials posting a positive return. Financials were the strongest sector for the month and have taken leadership from energy for the year. Global factor performance was also relatively muted in the month. Risk measures showed mixed results as lower beta stocks and stocks with higher volatility over the past year outperformed. Emerging markets were the exception as August was a pronounced "risk-off" month for investors. Other factor measures exhibited regional differences: The United States and emerging markets favored value and sentiment measures at the expense of growth and quality, while Europe and Japan were the mirror opposite, and growth and quality measures were rewarded.

The Lazard Global Managed Volatility Fund gained 3.0% in August (net of fees), underperforming its MSCI All Country World Index benchmark by 0.1%. Sector positioning accounted for the shortfall as stock selection helped. Selection outperformed in seven of eleven sectors, led by industrials and health care. Holdings in financials and communication services detracted the most. Sector positioning was helped by the underweights to consumer discretionary and energy and the overweight to utilities, which was more than offset by the underweight to information technology and overweight to consumer staples. Regionally, selection was strongest in China and Canada, and weakest in the US and Taiwan.

Stocks that made the largest contribution to return included Novo Nordisk, as net profit increased by 10% in the first six months of 2021. The growth was driven by all geographical areas within International Operations as well as North America Operations, and by all therapy areas, in particular by their portfolio of GLP-1 treatments. The strong financial performance in the first half of 2021 and the initial substantial demand for their obesity drug, Wegovy, in the United States, which enabled them to raise their outlook for the full year. Second quarter sales at Ajinomoto rose by 11% year on year, while business profits rose by 15%. Sales rose significantly during the quarter as a result of the demand for household products during the pandemic. Profit levels were high as a result of cost controls and by an increase in strategic spending on marketing, which was offset by increased sales. Thomson Reuters Corp's second quarter results beat analysts' estimates, with higher sales across its main divisions, as it raised its annual revenue forecast. Underscoring its outlook, which was fueled by a recovering global economy, the global news and information company said that it would buy back up to USD1.2 billion of its shares.

Detractors in the month included Clorox, as sales in the second quarter dropped 9%, as consumer demand for cleaning supplies pulled back, while the company projected more declines in fiscal 2022 and outlined guidance for earnings that is below analysts' expectations. We sold our position. Dollar General reported lower second quarter earnings, due in part to decreased numbers of shoppers in its stores; however, they raised the lower end of its fiscal 2021 earnings outlook and declared a quarterly dividend. Rio Tinto committed USD 2.4 billion in July to its Jadar project in Serbia as global miners push into metals needed for the green energy transition, including lithium. Once completed, the Jadar project would help make Rio a top-10 lithium producer, just as demand for electric vehicles booms. However, opposition to the project is growing, because of concerns about environmental damage and protest rallies have become more frequent.

Outlook

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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or visit www.lazardassetmanagement.com.au

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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.