

LAZARD ASSET MANAGEMENT LAUNCHES US SMALL CAP EQUITY UCITS FUND

LONDON, 21 May 2024 - Lazard Asset Management (LAM) today announced the launch of the Lazard US Small Cap Equity Fund. The UCITS Fund, which has assets under management at launch of \$100m, is designed to capture independent inefficiencies across the US small cap market by systematically combining multiple idiosyncratic alpha sources through an AI enhanced investment process.

The Fund will be managed by the US Systematic Equity team, led by Oren Shiran, who joined Lazard Asset Management in 2019 following the acquisition of the boutique firm, Baylight Capital. The UCITS Fund will provide access to the Lazard US Systematic Small Cap Equity strategy, which has provided annualised net returns of 10.85%* since its launch in 2015.

The team, based in San Francisco, utilise a proprietary quantitative model which is designed to identify and exploit persistent inefficiencies in the marketplace, such as competitive advantage, to help inform investment decisions across the US small cap universe. This allows the team to re-evaluate the entire US small cap market for opportunities on a daily basis.

The UCITS Fund will typically hold 350 to 400 stocks with the objective of outperforming the Russell 2000 Index over a full market cycle. The automated process creates an investment framework that allocates capital like an equity multi-strategy manager, with the aim of achieving a much higher information ratio by diversifying across uncorrelated sleeves.

“US small cap companies are trading at a discount to US large caps, as well as at a discount to their own history. We believe the current environment is exceptionally fertile for active management, and for strategies that can capitalise on the high velocity of change within a fragmented market, full of independent inefficiencies,” said Oren Shiran, Managing Director and Systematic Equity portfolio manager at Lazard Asset Management. “We’ve created an investment process designed to address the age-old problem of scale in small caps, solving complex financial analysis by applying accumulated domain knowledge to a vast amount of data in real time. Our automated fundamental analysts are not black boxes. They’ve been developed over 10 years to replicate a labour-intensive rigorous process, at scale, to drive returns.”

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Lazard Asset Management, a subsidiary of Lazard, Inc. (NYSE: LAZ), offers a range of equity, fixed income, and alternative investment products worldwide. As of April 30, 2024, Lazard's asset management businesses managed approximately \$240.8 billion of client assets. For more information about LAM, please visit www.LazardAssetManagement.com.

Past performance is not a reliable indicator of future returns.

*Performance As of 31 December 2023 (%)

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	QTD	YTD	1 Year	Annualized		
				3 Years	5 Years	Since Inception (01 August 2015)
Lazard US Systematic Small Cap Equity – Gross	12.11	20.82	20.82	10.34	14.97	12.44
Lazard US Systematic Small Cap Equity - Net	11.91	19.94	19.94	9.41	13.92	11.35
Russell 2000 Index	14.03	16.93	16.93	2.22	9.97	7.50
Excess Return (bps) – Gross	-192	+389	+389	+811	+500	+494
Excess Return (bps) - Net	-212	+301	+301	+719	+395	+386

Calendar Year (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015 ¹
Lazard US Systematic Small Cap Equity – Gross	20.82	-15.75	31.97	20.97	23.64	-10.64	15.94	28.73	0.14
Lazard US Systematic Small Cap Equity – Net	19.94	-16.42	30.65	19.70	22.37	-11.59	14.74	27.42	-0.30
Russell 2000 Index	16.93	-20.44	14.82	19.96	25.53	-11.01	14.65	21.31	-7.68
Excess Return (bps) – Gross	+389	+468	+1,715	+101	-188	+37	+129	+743	+782
Excess Return (bps) - Net	+301	+401	+1,583	-25	-315	-57	+9	+611	+738

¹Strategy inception 1 August 2015. As of 31 December 2023.

Reporting Currency: USD.

Performance is presented both on a gross and net of fees basis. Net performance is calculated based on actual fees. For fee calculations, please refer to Lazard's standard fee schedule GIPS® Standards Composite Information. The performance quoted represents past performance. Past performance is not a reliable indicator of future results.

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