

Lazard's International Value Equity Strategy Brings Disciplined, Concentrated Approach to the SEI Canada's International Equity Fund

Lazard Asset Management LLC's (Lazard) International Value Equity strategy has been added to SEI Canada's International Equity Fund (formerly the EAFE Equity Fund).

Investment Philosophy and Process

Lazard believes that a concentrated, bottom-up portfolio of non-U.S. stocks will drive returns. The strategy takes a value-plus-catalyst approach which seeks to identify out-of-favor or underappreciated companies, similar to hidden gems. Lazard's investment team assesses areas like corporate fundamentals, company-specific opportunities and investor sentiment.

We believe Lazard's investment process is repeatable, disciplined and well-aligned with its philosophy. A refined process and fundamental research are key features of the strategy. The portfolio construction methodology also aligns with the philosophy, which we think should lead to an efficient allocation of capital.

Role in the Fund

Given the focus on company-specific catalysts in combination with the portfolio's concentrated nature, the primary driver of return should be the idiosyncratic alpha source selection. Additionally, the strategy's philosophy and process are rooted in value investing principles, we would expect, although not as strong, exposure to risk premium. Additionally, we expect the strategy to hold up well in down markets, as the team devotes considerable effort to risk mitigation.

About Lazard

Established in 1970 and headquartered in New York, New York, Lazard Asset Management LLC is a global asset-management firm with offices in eight countries. As of June 30, 2019, the firm had US\$200 billion in assets under management.

Why We Like Them

- **Seasoned portfolio manager:** We believe the team's portfolio manager (PM) is experienced, insightful and reflective. The PM understands the pitfalls of value investing.
- **Repeatable process:** The strategy employs a repeatable and disciplined process that has been refined through years of experience.
- **Nimble product:** The product is at an emerging stage of growth and has a high importance from the team perspective, an attractive combination.

Glossary

Alpha Source: Alpha source is a term used by SEI as part of our internal classification system to categorise and evaluate investment managers in order to build diversified fund portfolios. An alpha source is the investment approach taken by an active investment manager in an effort to generate excess returns. Another way to define an alpha source is that it is the inefficiency that an active investment manager seeks to exploit in order to add value.

Fundamental: Fundamental analysis is based on analyst research and judgement.

Idiosyncratic: Idiosyncratic refers to irregularities of an investment or asset class and accounts for uncertainty surrounding an individual stock over time.

Risk Premium: Risk premium refers to the additional potential return available to investors in assets that are perceived to be mispriced due to liquidity risk, operational risk or value premium.

Value: Value stocks are those that are considered to be cheap and are trading for less than they are worth.

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