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INDEPENDENT PLATFORM

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2021 Interim Management Report  
of Fund Performance

Lazard Global Compounders Fund



## LAZARD GLOBAL COMPOUNDERS FUND

*This interim management report of fund performance contains financial highlights but does not contain the complete interim or annual financial statements of the Fund. The interim or annual financial statements are in a separate booklet. You may obtain a copy of the interim or annual financial statements at your request, and at no cost, by calling toll-free 1.888.861.9998, by writing to us at Bridgehouse Asset Managers, 36 Toronto Street, Suite 850, Toronto, ON, M5C 2C5, or by visiting our website: [www.bridgehousecanada.com](http://www.bridgehousecanada.com) or the SEDAR website: [www.sedar.com](http://www.sedar.com).*

*You may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure relating to the Fund.*

### MANAGEMENT DISCUSSION OF FUND PERFORMANCE

#### Results of Operations from January 1, 2021 to June 30, 2021

##### **Markets & Effect**

The recovery in global developed markets, as measured by the MSCI World Index, continued, as they gained 9.9% in the first six months of 2021. Broad, though bumpy, progress in global COVID-19 vaccinations, passage of \$1.9 trillion US stimulus bill 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; however, they remain sources of worry for the second half of the year.

The vaccination process, while gaining in efficiency, continues to be uneven with significant inoculation differences across markets causing country lockdowns and surges in certain areas. Asian markets struggled as the emergence of COVID-19 variants in Japan and India, along with weaker economic figures in China, dampened investor confidence. The steady increase in oil prices since the start of the year, due to low inventories and production cuts, also adversely affected the Asian markets.

In addition to energy stocks, financial and technology shares led the market in the first half of the year. Real estate stocks also rallied, as signs of the economic recovery benefitted the sector, which has lagged markedly in the past year. Utility stocks sold off, as concerns over higher interest rates and increased emission regulation weighed on the sector. Regionally, the economic recovery has been uneven, reflecting, in part, disproportionate vaccination progress in the developed markets, compared to the rest of the world. Looking ahead to the latter half of 2021, Lazard is cautiously optimistic, considering that most indices are at or near all-time highs and central bank stimulus will begin to be withdrawn, initially led by the U.S. Federal Reserve, placing upward pressure on interest rates.

##### **Performance**

The Fund's Unhedged Series A units trailed its benchmark, gaining 8.6% versus a gain of 9.2% for the MSCI All Country World Index (the "Index"). The Fund's hedged Series A units outperformed its benchmark, gaining 12.3% versus a gain of 9.2% for the MSCI All Country World Index (the "Index").

The Fund returns are after the deduction of fees and expenses while the benchmark returns do not include any costs of investing. See the "Past Performance" section for the returns of the other series, which may vary because of differences in management fees and expenses or timing of series introduction.

Holdings in capital markets contributed to overall performance, while holdings in specialty retail detracted from performance during the period. Holdings in Japan contributed to performance, while holdings in Israel detracted from performance during the period.

##### **Asset Mix**

At June 30, 2021, equities made up 98.4% of the Fund, and approximately 1.6% was in cash and other net assets.

One of the the Fund's most significant industry exposure changes was an increase in holdings in software to 9.0% from 6.2% at December 31, 2020.

The Manager confirms that the Fund did not borrow money during the period.

##### **Flows & Fees**

The Fund's Net Asset Value increased to \$99.2 million at June 30, 2021, from \$73.9 million at December 31, 2020. Of this change, an increase of \$7.8 million was due to positive investment performance (net of investment income), and an increase of \$17.5 million was due to net inflows.

For Series A units, the annualized management expense ratio ("MER") at June 30, 2021 is 2.14%, unchanged from December 31, 2020, for the Unhedged series. The annualized MER for the Hedged series is 2.12% at June 30, 2021, compared to 2.11% at December 31, 2020.

## Recent Developments

Unitholders in eligible series of Lazard Global Compounders Fund, who were eligible for and participated in the Greystone Global Equity Fund Introductory Pricing Program (the GGEF Pricing Program), will continue to benefit from the fee reductions under the GGEF Pricing Program.

The outbreak of the novel coronavirus, first detected in December 2019, rapidly became a pandemic and resulted in disruptions to the economies of many nations, individual companies and the markets in general. This created closed borders, quarantines, supply chain disruptions and general anxiety, which negatively impacted global markets in an unforeseeable manner. The impact of the novel coronavirus and other such future infectious diseases in certain regions or countries may be greater or less due to the nature or level of their public health responses or due to other factors. Health crises caused by the coronavirus outbreak or future infectious diseases may exacerbate other pre-existing political, social and economic risks in certain countries. The impact of such health crises may be quick, severe and of unknowable duration. This pandemic and other epidemics and pandemics that may arise in the future could result in continued volatility in the financial markets and lead to increased levels of Fund redemptions, which could have a negative impact on the Funds and could adversely affect a Fund's performance.

## Related Party Transactions

### *Manager and Portfolio Sub-Advisor*

The Fund is managed and advised by Brandes Investment Partners & Co., operating as Bridgehouse Asset Managers ("Bridgehouse") which provides (or arranges for) investment management, distribution, marketing and promotion of the Fund. Bridgehouse receives a monthly management fee based on the daily average net assets of each series of the Fund. In addition, Bridgehouse is entitled to be reimbursed by the Fund for certain operating expenses.

Bridgehouse has retained Lazard Asset Management (Canada), Inc. who has retained Lazard Asset Management LLC, ("Lazard") as the portfolio sub-advisor in respect of the Fund. Bridgehouse pays Lazard an investment management fee to provide the Fund with investment management services.

### *Forward-Looking Statements*

This document may contain forward-looking statements relating to anticipated future events, results, performance, decisions, circumstances, opportunities, risks or other matters. Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may", "will", "should", "could", "expect", "anticipate", "intend", "plan", "believe", or "estimate" or other similar expressions. These

statements require us to make assumptions and are subject to inherent risks and uncertainties. Our predictions and other forward-looking statements may not prove to be accurate, or a number of factors could cause actual events, results, performance, etc. to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. These factors could include, among others, market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest, and the risks detailed from time to time in the Fund's simplified prospectus. Forward-looking statements are not guarantees of future performance. For these reasons, it is important that readers do not place undue reliance on our forward-looking statements and should be aware that the Fund may not update any forward-looking statements whether as a result of new information, future events or otherwise.

## Benchmark Index

**MSCI All Country World Index:** This index consists of equities from 23 developed markets, including Canada and the U.S., and 27 emerging markets around the world.

## FINANCIAL HIGHLIGHTS

FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND PERIODS ENDED DECEMBER 31, 2016 TO 2020

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six months ended June 30, 2021 and for the past five periods ended December 31, as applicable. In the year a fund or series is established, 'period' represents inception to December 31 of that year. In all other cases, 'period' represents year ended December 31. Inception date for Series A, F, I, AH, FH and IH is May 9, 2016.

### The Fund's Net Assets per Unit (\$) (note 1)

		Increase (decrease) from operations						Distributions					Net assets, end of period (\$)
		Net assets, beginning of period (\$)	Total revenue (\$)	Total expenses (\$)	Realized gains (losses) for the period (\$)	Unrealized gains (losses) for the period (\$)	Total increase (decrease) from operations (\$) (note 2)	From net investment income excluding dividends (\$)	From dividends (\$)	From capital gains (\$)	Return of capital (\$)	Total annual distribution (\$) (note 3)	
Series A	2021	18.06	0.11	(0.20)	0.36	1.33	1.60	-	-	-	-	-	19.62
	2020	15.11	0.17	(0.34)	(0.08)	3.51	3.26	-	-	-	-	-	18.06
	2019	12.09	0.26	(0.33)	0.21	2.80	2.94	-	-	-	-	-	15.11
	2018	12.50	0.39	(0.31)	(0.51)	(0.10)	(0.53)	(0.01)	-	-	-	(0.01)	12.09
	2017	10.80	0.28	(0.28)	(0.04)	1.40	1.36	-	-	-	-	-	12.50
	2016	10.00	0.10	(0.16)	(0.12)	0.90	0.72	-	-	(0.01)	-	(0.01)	10.80
Series F	2021	18.87	0.11	(0.10)	0.37	1.43	1.81	-	-	-	-	-	20.61
	2020	15.61	0.17	(0.17)	(0.08)	3.73	3.65	-	-	-	-	-	18.87
	2019	12.36	0.25	(0.18)	0.23	2.96	3.26	-	-	-	-	-	15.61
	2018	12.72	0.34	(0.16)	(0.66)	(0.32)	(0.80)	(0.09)	-	-	-	(0.09)	12.36
	2017	10.87	0.23	(0.15)	(0.14)	1.22	1.16	-	-	-	-	-	12.72
	2016	10.00	0.15	(0.09)	(0.11)	1.05	1.00	(0.02)	-	-	-	(0.02)	10.87
Series I	2021	19.05	0.10	-	0.41	1.35	1.86	-	-	-	-	-	20.92
	2020	15.61	0.15	-	(0.09)	3.38	3.44	-	-	-	-	-	19.05
	2019	12.20	0.20	-	0.26	2.96	3.42	-	-	-	-	-	15.61
	2018	12.78	0.32	-	0.11	0.14	0.57	(0.46)	-	-	-	(0.46)	12.20
	2017	10.88	0.20	-	0.09	1.72	2.01	(0.11)	-	-	-	(0.11)	12.78
	2016	10.00	0.11	-	(0.06)	0.93	0.98	(0.09)	-	(0.01)	-	(0.10)	10.88
Series AH	2021	17.88	0.12	(0.20)	1.13	1.17	2.22	-	-	-	-	-	20.08
	2020	15.18	0.18	(0.32)	(0.31)	3.37	2.92	-	-	-	-	-	17.88
	2019	11.58	0.27	(0.32)	(0.24)	4.04	3.75	-	-	-	-	-	15.18
	2018	12.90	0.37	(0.31)	(0.62)	(0.51)	(1.07)	-	-	-	-	-	11.58
	2017	10.69	0.20	(0.31)	(0.16)	2.32	2.05	-	-	-	-	-	12.90
	2016	10.00	0.11	(0.16)	(0.12)	0.86	0.69	-	-	-	-	-	10.69
Series FH	2021	18.44	0.13	(0.11)	1.17	1.49	2.68	-	-	-	-	-	20.81
	2020	15.49	0.17	(0.17)	(0.37)	2.45	2.08	-	-	-	-	-	18.44
	2019	11.69	0.25	(0.18)	(0.28)	4.02	3.81	-	-	-	-	-	15.49
	2018	13.12	0.36	(0.17)	(0.37)	(0.87)	(1.05)	(0.21)	-	-	-	(0.21)	11.69
	2017	10.76	0.20	(0.17)	(0.22)	2.52	2.33	-	-	-	-	-	13.12
	2016	10.00	0.11	(0.08)	(0.12)	0.86	0.77	(0.01)	-	-	-	(0.01)	10.76
Series IH	2021	19.35	0.10	-	1.22	1.28	2.60	-	-	-	-	-	21.95
	2020	16.08	0.15	-	(0.32)	3.44	3.27	-	-	-	-	-	19.35
	2019	11.98	0.21	-	(0.22)	4.11	4.10	-	-	-	-	-	16.08
	2018	13.31	0.30	-	(0.71)	(0.66)	(1.07)	(0.26)	-	-	-	(0.26)	11.98
	2017	10.77	0.20	-	0.04	2.30	2.54	-	-	-	-	-	13.31
	2016	10.00	0.11	-	(0.12)	0.86	0.85	(0.09)	-	-	-	(0.09)	10.77

- The financial information presented in the Net Assets per Unit table is derived from the Fund's audited financial statements.
- Net Assets and distributions are per Unit of a series are based on the actual number of units outstanding for that series at the relevant time. The Increase (Decrease) from Operations per Unit of a series is based on the weighted average number of units outstanding for that series during the financial period.
- Distributions per Unit of a series are based on the number of units outstanding for the series on the record dates for the distributions. Distributions were paid in cash/reinvested in additional units of the Fund or both.

## Ratios and Supplemental Data

		Net asset value (\$000) (note 4)	Number of units outstanding (000) (note 4)	Management expense ratio (MER) (%) (note 5)	MER before waivers or absorption (%) (note 5)	Portfolio turnover rate (%) (note 6)	Trading expense ratio (%) (note 7)	Net asset value per unit (\$)
Series A	2021	37,157	1,893	2.14	2.23	9.43	0.05	19.62
	2020	29,564	1,637	2.14	2.23	13.72	0.03	18.06
	2019	12,881	853	2.33	2.51	23.39	0.03	15.11
	2018	6,720	556	2.37	2.60	120.67	0.18	12.09
	2017	4,802	384	2.33	3.60	26.69	0.23	12.50
	2016	196	18	2.43	4.65	21.50	0.26	10.80
Series F	2021	60,824	2,951	1.05	1.12	-	-	20.61
	2020	43,282	2,294	1.05	1.12	-	-	18.87
	2019	20,539	1,315	1.27	1.42	-	-	15.61
	2018	14,345	1,161	1.23	1.39	-	-	12.36
	2017	3,929	309	1.25	2.56	-	-	12.72
	2016	36	3	1.30	3.67	-	-	10.87
Series I	2021	1	-	0.00	0.00	-	-	20.92
	2020	1	-	0.00	0.00	-	-	19.05
	2019	-	-	0.00	0.00	-	-	15.61
	2018	-	-	0.00	0.00	-	-	12.20
	2017	2,794	219	0.00	0.00	-	-	12.78
	2016	2,358	217	0.00	0.00	-	-	10.88
Series AH	2021	835	42	2.12	2.18	-	-	20.08
	2020	746	42	2.11	2.17	-	-	17.88
	2019	547	36	2.32	2.45	-	-	15.18
	2018	467	40	2.37	2.50	-	-	11.58
	2017	569	44	2.49	5.46	-	-	12.90
	2016	-	-	2.47	11.05	-	-	10.69
Series FH	2021	415	20	1.10	1.24	-	-	20.81
	2020	275	15	1.11	1.26	-	-	18.44
	2019	361	23	1.27	1.45	-	-	15.49
	2018	128	11	1.27	1.41	-	-	11.69
	2017	266	20	1.36	2.69	-	-	13.12
	2016	-	-	1.35	9.83	-	-	10.76
Series IH	2021	1	-	0.00	0.00	-	-	21.95
	2020	1	-	0.00	0.00	-	-	19.35
	2019	-	-	0.00	0.00	-	-	16.08
	2018	-	-	0.00	0.00	-	-	11.98
	2017	-	-	0.00	0.00	-	-	13.31
	2016	-	-	0.00	0.00	-	-	10.77

- The financial information presented in the Ratios and Supplemental Data table is derived from the Fund's Net Asset Value and is provided as at December 31 of the years shown.
- The management expense ratio ("MER") is calculated as the total management fees and operating expenses paid by each series of the Fund, including GST/HST and interest and excluding commissions and other portfolio transaction costs, and is expressed as a percentage of the average daily Net Asset Value of each series of the Fund on an annualized basis. Any management fee distributions paid by a series of the fund that effectively reduced management fees payable by some unitholders are not deducted from expenses to determine the overall MER of that series. The Manager, at its sole discretion, waives management fees or absorbs expenses. Such waivers and absorptions can be terminated at any time. The MERs of the Fund are shown both with and without the waiver and absorptions.
- Portfolio turnover rate is calculated at the Fund level based on the lesser of purchases or proceeds of sales of securities for the period, excluding cash, short term notes and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the period. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value of the Fund. The trading expense ratio is calculated at the Fund level and applies to all series of the Fund.

## MANAGEMENT FEES

Bridgehouse Asset Managers, the Manager, provides or arranges for investment management, distribution, marketing and promotion of the Fund. In consideration for the services provided, Bridgehouse Asset Managers receives a monthly management fee based on the daily average Net Asset Value of Series A, Series AH, Series F and Series FH. Management fees for Series I and Series IH are negotiated and paid directly by the unitholders of Series I and Series IH, not by the Fund.

For the six months period ended June 30, 2021, the Fund paid Bridgehouse Asset Managers management fees of \$515,449. Bridgehouse uses these management fees to pay for commission payments to registered brokers and dealers and general investment management expenses. The breakdown (commission payments / investment management, administration and other) as a proportion of the management fee for each Series are:

- Series A, AH (54% / 46%)
- Series F, FH (0% / 100%)
- Series I, IH (0% / 100%)

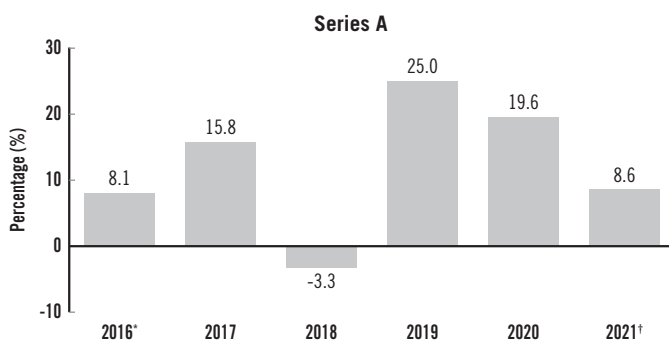
Commission payments represent cash commissions paid by Bridgehouse Asset Managers to registered brokers and dealers during the period and includes upfront deferred sales charge and trailing commissions. This amount may, in certain circumstances, exceed 100% of the fees earned by the Bridgehouse Asset Managers during the period. For new Funds or Series the amount presented may not be indicative of longer term operating periods.

## PAST PERFORMANCE

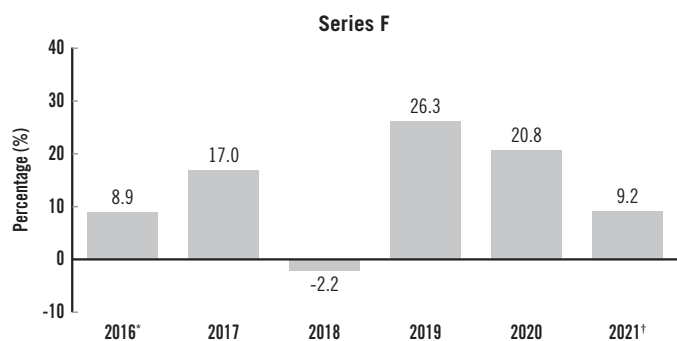
This section shows the historical performance for each series of the Fund for the six months ended June 30, 2021 and each of the previous annual periods ended December 31. Historical performance is based on the change in Net Asset Value per unit, assuming reinvestment of all distributions. Management fees and operating expenses have been taken into account before calculating performance, except in the case of Series I and Series IH units where the management fee is calculated outside of the Fund. Historical performance does not take into account the potential impact on returns of purchases, redemptions, distribution fees or other optional charges or income taxes payable by an investor. Keep in mind that past performance does not necessarily indicate how the Fund will perform in the future.

### Year-by-Year Returns (%)

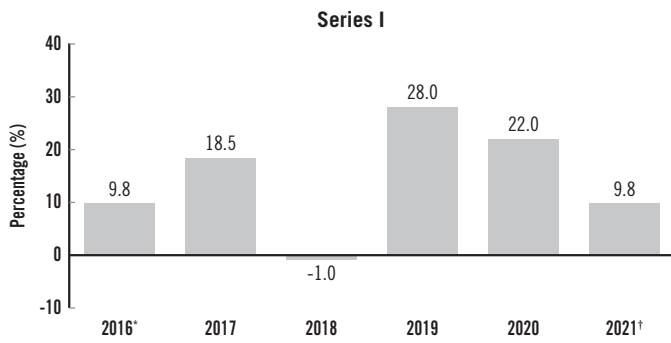
The bar chart shows the Fund's annual performance for each of the years shown. The bar chart shows how the performance of each series of the Fund has changed from year to year. It illustrates in percentage terms how much an investment in each series of the Fund made on January 1 of each year, or on the inception dates, would have grown or decreased by the last day of each financial year. 2021 data presented below is for the six-month period ended June 30, 2021.



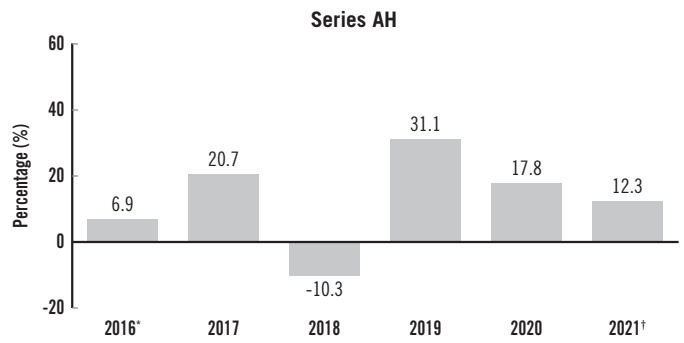
\*2016 Series A returns are from May 9, 2016  
 †Six-month return from January 1 to June 30, 2021.



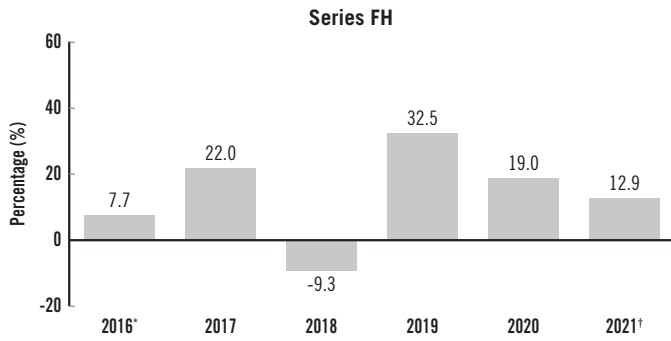
\*2016 Series F returns are from May 9, 2016  
 †Six-month return from January 1 to June 30, 2021.



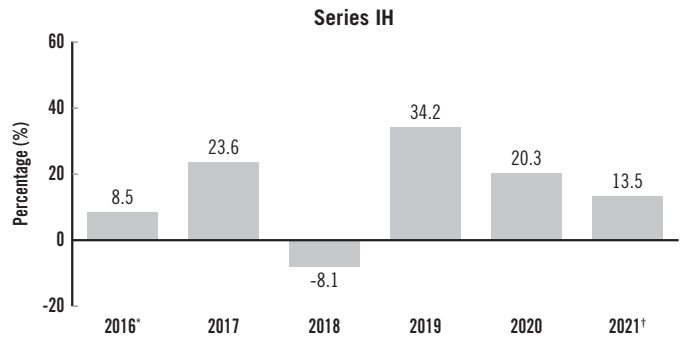
\*2016 Series I returns are from May 9, 2016  
 †Six-month return from January 1 to June 30, 2021.



\*2016 Series AH returns are from May 9, 2016  
 †Six-month return from January 1 to June 30, 2021.



\*2016 Series FH returns are from May 9, 2016  
 †Six-month return from January 1 to June 30, 2021.



\*2016 Series IH returns are from May 9, 2016  
 †Six-month return from January 1 to June 30, 2021.



## SUMMARY OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2021

### Top 25 Positions

The portfolio does not contain any short positions. The investment portfolio may change due to ongoing portfolio transactions of the investment fund. An updated listing is available on a quarterly basis.

Security	Fund (%)
1. Alphabet Inc. Cl. A	4.6
2. Accenture PLC Cl. A	4.1
3. S&P Global Inc.	3.9
4. Toei Animation Co., Ltd.	3.5
5. Intuit Inc.	3.4
6. Taiwan Semiconductor Manufacturing Company, Ltd. ADR	3.3
7. Zoetis Inc. Cl. A	3.1
8. Visa Inc. Cl. A	3.0
9. Adobe Inc.	3.0
10. Aon PLC Cl. A	2.8
11. HDFC Bank Limited ADR	2.7
12. Microsoft Corporation	2.6
13. IQVIA Holdings Inc.	2.5
14. Genmab A/S	2.5
15. Hexagon AB Series B	2.4
16. Thermo Fisher Scientific Inc.	2.4
17. The Estee Lauder Companies Inc. Cl. A	2.4
18. Partners Group Holding AG	2.4
19. Shimano Inc.	2.3
20. AIA Group Limited	2.2
21. National Bank of Canada	2.1
22. LG Household & Health Care, Ltd.	2.1
23. Intercontinental Exchange, Inc.	2.1
24. AMETEK, Inc.	2.1
25. Amphenol Corp. Cl. A	2.0
<b>% of Fund</b>	<b>69.5</b>
<b>Total Number of Companies</b>	<b>42</b>
<b>Total Net Asset Value (\$MM)</b>	<b>\$99</b>

### Asset Mix

Asset Class	Fund (%)
Global Equity	92.8
Canadian Equity	5.6
Cash & Cash Equivalent	1.4
Other Net Assets	0.2
<b>% of Total</b>	<b>100.0</b>

### Industry Exposure

Industry	Fund (%)
Software	9.0
IT Services	7.1
Commercial Banks	6.8
Insurance	6.6
Interactive Media & Services	6.5
Capital Markets	6.3
Professional Services	5.3
Personal Products	4.5
Electronic Equipment, Instruments & Components	4.4
Leisure Products	3.9
Electrical Equipment	3.7
Entertainment	3.5
Specialty Retail	3.3
Semiconductors & Semiconductor Equipment	3.3
Pharmaceuticals	3.1
Health Care Providers & Services	2.5
Biotechnology	2.5
Health Care Equipment & Supplies	2.4
Diversified Financial Services	2.1
Building Products	2.0
Machinery	2.0
Commercial Services & Supplies	1.9
Industrial Conglomerates	1.7
Beverages	1.5
Internet & Direct Marketing Retail	1.4
Food & Staples Retailing	1.1
Cash & Cash Equivalent	1.4
Other Net Assets	0.2
<b>% of Total</b>	<b>100.0</b>
<b>Total Number of Industries</b>	<b>26</b>

Note: Rounding to one decimal place may result in individual figures totalling more or less than 100%

## SUMMARY OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2021 (CONTINUED)

### Country Exposure

Country	Fund (%)
United States	45.8
Japan	8.9
United Kingdom	6.2
Canada	5.6
Sweden	4.4
Ireland	4.1
Hong Kong	3.6
Taiwan	3.3
India	2.7
Denmark	2.5
Switzerland	2.4
South Korea	2.1
Brazil	2.0
China	1.9
Netherlands	1.8
South Africa	1.1
Cash & Cash Equivalent	1.4
Other Net Assets	0.2
<b>% of Total</b>	<b>100.0</b>
<b>Total Number of Countries</b>	<b>16</b>

Note: Rounding to one decimal place may result in individual figures totalling more or less than 100%





Bridgehouse Funds are managed by Bridgehouse Asset Managers® and are available through registered dealers.

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