

Lazard

Emerging Markets Equity Fund

July 2022
Factsheet

Proven Relative Value Process
Value creation through bottom-up stock selection

Active Management in a Dynamic Universe
Seeks to capture the full opportunity set through diversification

Experienced Perspective
Lazard has over 20 years experience in emerging markets investing

Fund Facts

Number of stocks	74
Total Fund Size	\$208.2m
Inception Date	22 October 1997
Total Management Costs	1.15% p.a.
Index	MSCI Emerging Markets
Minimum Investment	\$20,000
Buy/Sell Spread	+0.35%/-0.35%
Distributions	Annually
APIR Code	LAZ0003AU

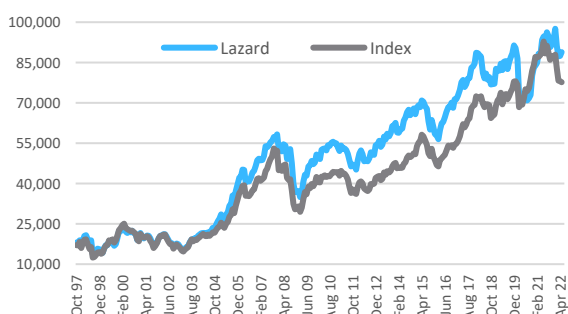
Investment Characteristics

	Lazard	Index
Forward Price/Earnings	7.1	11.4
Forward Return on Equity (%)	16.0	13.2
Price/Cash Flow	4.5	7.8
Dividend Yield (%)	6.8	3.2
Active Share (%)	84.5	-
3 Year Turnover (% pa)	26.3	-

Performance (%)

	Lazard	Index	Excess Return
1 Month	-0.3	-1.7	1.3
3 Months	-5.1	-4.7	-0.3
1 Year	-10.7	-15.8	5.1
3 Years (pa)	-1.0	0.5	-1.5
5 Years (pa)	1.5	3.7	-2.2
10 Years (pa)	5.6	7.2	-1.6
Since Inception (pa)	5.9	5.4	0.5

Growth of \$20,000



Allocations (%)

Sector	Lazard	MSCI EM	Overweight/Underweight
Communication Services	5.9	10.0	-4.1
Consumer Discretionary	9.9	13.8	-3.9
Consumer Staples	5.8	6.2	-0.4
Energy	10.0	5.1	4.8
Financials	25.8	21.5	4.3
Health Care	4.0	4.0	0.0
Industrials	4.0	5.8	-1.8
Information Technology	20.2	20.1	0.1
Materials	7.3	8.5	-1.2
Real Estate	2.2	1.9	0.3
Utilities	2.0	3.0	-1.1
Cash	2.9	-	2.9
Region			
China	24.2	32.0	-7.9
Korea	14.2	12.0	2.2
Brazil	13.0	5.2	7.8
South Africa	7.2	3.5	3.7
Russia	0.0	-	0.0
India	7.4	14.0	-6.5
Indonesia	4.6	1.9	2.7
Taiwan	10.7	14.8	-4.1
Mexico	3.8	2.1	1.7
Hungary	1.4	0.2	1.3
Thailand	1.4	1.9	-0.4
Other	9.0	12.4	-3.4
Cash	2.9	0.0	2.9

Top 5 Holdings (%)

	Lazard	Index
Petrobras Petroleo Brasileiro	3.6	0.4
China Construction Bank	3.5	0.9
Samsung Electronics	3.3	3.5
SK Hynix	3.1	0.6
BB Seguridade	2.9	0.1

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.

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ASSET MANAGEMENT

Commentary

In contrast to developed markets, emerging markets did not participate in the market recovery in July. This occurred primarily after the US Federal Reserve's seventy-five basis point increase in short-term interest rates, which convinced some investors that further hikes would be unlikely. Emerging markets central banks were also active in raising short-term interest rates. The MSCI EM Index fell by 1.7% over the month while the MSCI EAFE Index rose by 3.5%. Latin American shares rose by 2.7% while eastern European stocks ended the month almost unchanged and Asian equities fell by 2.7%.

The most important movement in the month was the close to eleven percent fall in Chinese equity prices, amid ongoing worries over property development, COVID-19 lockdowns, and technology company regulations. Elsewhere in Asia, most stock prices finished slightly down save for Taiwan and South Korea, where there were significant recoveries in hardware and semiconductor stock prices. Indian share prices rose by almost 8%, helped by new measures to cut taxes and attract foreign investment.

Markets in Europe were relatively stable in July with Hungarian shares finishing the month only 0.2% down after the spring pressures of the Russian invasion in Ukraine and European Union issues. Enthusiasm for South African stocks was muted due to weaker commodity prices. Equity prices in Gulf markets ended higher, aided by still high crude oil prices.

Contributors to Performance:

- Petrobras, a Brazilian energy company, announced a record-breaking quarter with hefty cash flow generation and a generous dividend payout.
- Shares of Korean semiconductor companies Samsung Electronics and SK Hynix, rebounded off of trough valuations as memory companies announced cuts to capital expenditure for 2023.

Detractors from Performance:

- Shares of China Vanke, a Chinese real estate developer, and A-Living, a Chinese real estate management company, declined as sentiment within the industry was weak amidst the recent mortgage-boycott crisis in the country.
- Second quarter results for Ping An Insurance, a Chinese insurance company, were weighed down by continued COVID-related lockdown in Chinese cities.
- GALP, a Portuguese energy company with exposure to Brazil and Africa, reported softer-than-expected second quarter production volumes.

Recent investor concerns about rising inflation and the possibility of a global recession have, in addition to geopolitical issues, further pressured capital markets, including most emerging markets. In spite of these legitimate risks, valuations across many emerging markets are relatively undemanding and there are reasons to believe that these countries can enjoy decent business conditions. As a result, the team remains constructive on fundamental opportunities in the short and longer term.

For more information, call us on 1800 825 287
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