

Lazard

Emerging Markets Equity Fund

Mar 2021
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	73
Total Fund Size	\$216.4m
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

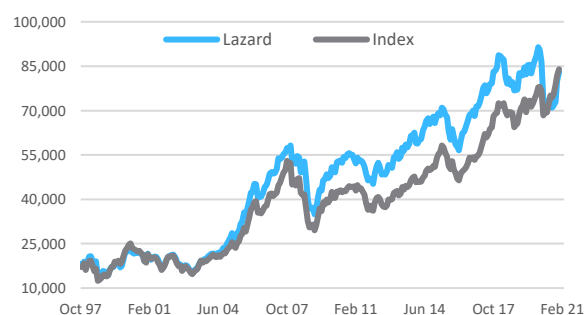
Investment Characteristics

	Lazard	Index
Forward Price/Earnings	10.1	15.9
Forward Return on Equity (%)	14.8	12.8
Price/Cash Flow	6.5	12.3
Dividend Yield (%)	3.5	1.9
Active Share (%)	83.5	-
3 Year Turnover (% pa)	21.8	-

Performance (%)

	Lazard	Index	Excess Return
1 Month	4.1	0.1	4.0
3 Months	6.4	3.6	2.8
1 Year	20.6	27.3	-6.7
3 Years (pa)	0.2	6.7	-6.6
5 Years (pa)	8.0	12.3	-4.3
10 Years (pa)	5.0	6.9	-1.9
Since Inception (pa)	6.5	6.5	0.1

Growth of \$20,000



Allocations (%)

Sector	Lazard	MSCI EM	Overweight/Underweight
Communication Services	6.9	11.7	-4.8
Consumer Discretionary	6.2	17.7	-11.4
Consumer Staples	7.0	5.6	1.4
Energy	8.3	4.8	3.4
Financials	29.0	18.2	10.8
Health Care	2.4	4.5	-2.1
Industrials	3.3	4.3	-1.0
Information Technology	20.8	20.9	-0.1
Materials	11.3	8.1	3.2
Real Estate	1.3	2.1	-0.8
Utilities	1.4	2.0	-0.6
Cash	2.0	-	2.0
Region			
China	18.0	37.9	-19.9
Korea	15.0	13.3	1.7
Brazil	6.2	4.5	1.7
South Africa	6.5	3.8	2.7
Russia	9.6	3.1	6.5
India	9.8	9.7	0.1
Indonesia	4.2	1.2	2.9
Taiwan	9.4	13.8	-4.4
Mexico	6.1	1.7	4.3
Hungary	2.1	0.2	1.9
Thailand	2.7	1.9	0.8
Other	8.6	8.8	-0.3
Cash	2.0	0.0	2.0

Top 5 Holdings (%)

	Lazard	Index
Samsung Electronics	4.4	4.3
SK hynix	4.2	0.8
China Construction Bank	3.8	1.0
Sberbank Russia	2.5	0.0
Novatek	2.3	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.

LAZARD
ASSET MANAGEMENT

Commentary

Optimism over the direction of expected economic growth, propelled by rising COVID-19 vaccinations, helped equity prices in the first quarter of 2021. The MSCI Emerging Markets Index rose by 3.6%, as measured in Australian dollar terms, over the quarter with increases of 4% and 3.5% in Eastern Europe and Asia, respectively. Volatile political events in Latin America resulted in a decline of 4.1%.

Contributors to Performance:

- Shares of Novatek Microelectronics, a Taiwanese manufacturer of integrated circuits, rose on expectations for a strong first half of 2021 in terms of sales and margins.
- Shares of Hon Hai Precision, a Taiwanese company offering manufacturing services to the technology industry, rose on the back of positive momentum for its electric vehicle platform after announcing a few recent joint ventures.
- Grupo Mexico, a Mexican mining company, benefited from a weaker peso and positive sentiment for base metals and copper price appreciation.
- UPL, an Indian manufacturer and distributor of agro chemicals, benefited from positive sentiment as global crop prices rose.
- China Merchants Bank, a Chinese bank, posted strong fourth quarter performance with an improving retail credit cost outlook.

Detractors from Performance:

- Shares of Banco do Brasil, a Brazilian bank, declined on rumors of a change in the CEO and government intervention of the proposed cost cutting plans.
- Brazilian insurance company BB Seguridade Participacoes reported weaker fourth quarter results and traded lower with the broader Brazilian market given the increase in political risk.
- Coway, a Korean manufacturer and distributor of air and water purifiers, announced results in line with expectations, but guided for flattish operating margins due to rising labor costs and increasing IT investments.
- Shares of Samsung Electronics, a Korean manufacture of electronic goods, underperformed after posting strong gains in 2020.
- Unilever, a global consumer goods company, reported weaker operating margin performance from an increase in marketing spending and COVID-19 related costs.

Our outlook for emerging markets equities remains positive, although interest rates remain a factor to watch. When bond yields rise gradually due to strong growth, emerging markets equities can outperform, particularly traditional value securities. Should yields rise sharply and suddenly, the asset class may weaken, as we witnessed in March.

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