

Lazard

Emerging Markets Equity Fund

Apr 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	74
Total Fund Size	\$214.6m
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

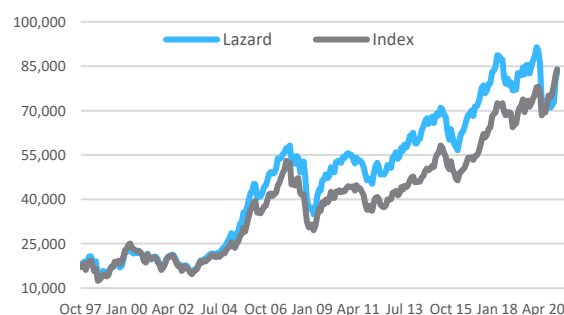
Investment Characteristics

	Lazard	Index
Forward Price/Earnings	9.6	14.9
Forward Return on Equity (%)	14.5	12.7
Price/Cash Flow	6.8	12.0
Dividend Yield (%)	3.7	1.8
Active Share (%)	83.8	-
3 Year Turnover (% pa)	21.0	-

Performance (%)

	Lazard	Index	Excess Return
1 Month	-0.1	1.1	-1.2
3 Months	5.2	1.0	4.2
1 Year	20.1	26.0	-6.0
3 Years (pa)	0.4	6.7	-6.3
5 Years (pa)	7.2	12.2	-5.0
10 Years (pa)	5.2	7.3	-2.0
Since Inception (pa)	6.5	6.5	0.0

Growth of \$20,000



Allocations (%)

Sector	Lazard	MSCI EM	Overweight/Underweight
Communication Services	6.9	11.7	-4.8
Consumer Discretionary	6.5	17.4	-10.9
Consumer Staples	6.5	5.5	1.0
Energy	8.7	4.7	4.0
Financials	28.8	17.9	10.9
Health Care	2.9	4.7	-1.8
Industrials	3.3	4.4	-1.1
Information Technology	21.8	21.2	0.6
Materials	9.9	8.6	1.4
Real Estate	1.2	2.0	-0.8
Utilities	1.6	1.9	-0.3
Cash	1.9	-	1.9
Region			
China	17.8	37.5	-19.7
Korea	15.1	13.4	1.7
Brazil	6.3	4.6	1.7
South Africa	5.7	3.7	2.0
Russia	10.3	3.0	7.3
India	9.4	9.4	0.0
Indonesia	4.1	1.2	2.9
Taiwan	10.3	14.6	-4.3
Mexico	5.4	1.7	3.7
Hungary	2.2	0.2	2.0
Thailand	2.9	1.8	1.0
Other	8.7	8.8	-0.2
Cash	1.9	-	1.9

Top 5 Holdings (%)

	Lazard	Index
Samsung Electronics	4.4	4.2
SK hynix	4.1	0.8
China Construction Bank	3.6	0.9
Sberbank Russia	2.6	0.0
Novatek	2.5	0.2

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.

Commentary

Following an uneven first quarter, in which technology and growth shares initially led the market higher and then economy-sensitive value stocks performed well and moderated the move, emerging markets ended modestly higher in April. The MSCI Emerging Markets Index rose by 1.1%, in Australian dollar terms, with equities rising by 2.2% in Latin America, 1.0% in Asia, and 0.2% in Eastern Europe.

Contributors to Performance:

- Shares of Sinopharm Group, a Chinese distributor of pharmaceuticals and medical devices, rose on expectations they would benefit from distributing vaccines within China and internationally.
- The management of Siam Cement, a Thailand-based diversified industrial with interests in cement, petrochemicals, paper, and building products, provided upbeat guidance for its petrochemical operations with higher prices and recovering demand, helped out by global supply constraints.
- Novatek Microelectronics, a Taiwanese designer and manufacturer of integrated circuits, reported strong first quarter results with record margins on the back of price hikes and robust demand for its products.
- Shares of GlobalWafers, a Taiwanese manufacturer of silicon and solar wafers, gained on expectations for strong sales of integrated circuits and rising prices as the world grapples with a global supply crunch.
- ASM Pacific, a manufacturer of semiconductor assembly and packaging equipment, reported strong first quarter results with management guiding for healthy bookings in 2021 and a recovery of margins.

Detractors from Performance:

- Shares of China Construction Bank, a Chinese bank, declined on concerns over the earnings recovery trajectory with net interest margins remaining under pressure as governments push to grow small and mid-sized business loans.
- Grupo Mexico, a Mexican metal mining company, experienced profit taking after a six-month period of strength in its shares.
- China Vanke, a Chinese real estate company, experienced margin pressure and a weaker sales growth outlook given a tight land bank and rising land costs.
- Anhui Conch, a Chinese cement company, was hurt by rising coal prices and delayed corresponding price rises for its products.
- Despite favorable industry trends in the first quarter, shares of Ping An Insurance, a Chinese provider of insurance services, experienced muted first quarter growth due to impairment charges for its China Fortune Land investments, and investors were further concerned about potential dilutive M&A in restructured assets.

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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