

# Lazard

## Emerging Markets Equity Fund

Sep 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	71
Total Fund Size	\$247.4m
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

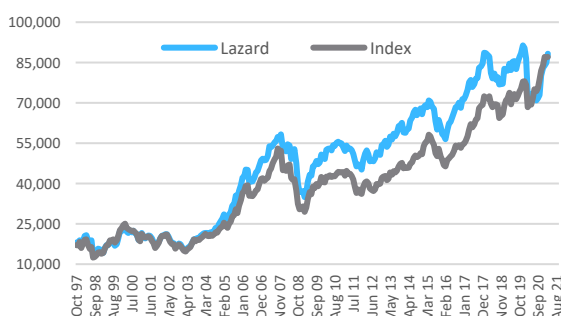
### Investment Characteristics

	Lazard	Index
Forward Price/Earnings	8.7	13.3
Forward Return on Equity (%)	16.0	13.5
Price/Cash Flow	5.8	9.8
Dividend Yield (%)	4.4	2.2
Active Share (%)	84.8	-
3 Year Turnover (% pa)	23.9	-

### Performance (%)

	Lazard	Index	Excess Return
1 Month	-1.5	-2.8	1.3
3 Months	0.1	-4.5	4.6
1 Year	32.1	17.3	14.8
3 Years (pa)	6.0	8.6	-2.7
5 Years (pa)	6.6	10.5	-3.9
10 Years (pa)	7.4	9.3	-1.9
Since Inception (pa)	6.7	6.4	0.3

### Growth of \$20,000



### Allocations (%)

Sector	Lazard	MSCI EM	Overweight/Underweight
Communication Services	8.0	10.4	-2.4
Consumer Discretionary	8.3	14.7	-6.4
Consumer Staples	5.9	5.9	0.0
Energy	11.5	5.9	5.6
Financials	28.5	19.5	9.0
Health Care	2.7	4.9	-2.3
Industrials	3.3	4.9	-1.6
Information Technology	18.8	20.9	-2.1
Materials	6.9	8.7	-1.7
Real Estate	2.9	2.1	0.8
Utilities	0.7	2.3	-1.6
Cash	2.6	-	2.6
<b>Region</b>			
China	20.5	34.0	-13.4
Korea	13.0	12.6	0.4
Brazil	7.4	4.4	2.9
South Africa	6.3	3.2	3.1
Russia	10.7	3.9	6.8
India	6.9	12.2	-5.3
Indonesia	4.8	1.4	3.5
Taiwan	9.8	14.7	-4.9
Mexico	5.0	1.9	3.0
Hungary	2.0	0.3	1.7
Thailand	1.9	1.6	0.3
Other	9.2	9.8	-0.7
Cash	2.6	0.0	2.6

### Top 5 Holdings (%)

	Lazard	Index
China Construction Bank	3.8	0.9
Samsung Electronics	3.7	3.8
Lukoil	3.1	0.5
SK hynix	3.1	0.6
Sberbank Russia	2.4	0.0

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

A combination of unusual changes in Chinese corporate policy and regulations, news of intensifying distress for heavily indebted Chinese property company Evergrande, and a spike in the long-term government bond yields drove emerging markets equities lower in the third quarter 2021. The MSCI Emerging Markets Index fell 4.5%, although regional performance was very different. Stocks markets in Latin America and emerging Asia were battered, falling more than 9% and 6%, respectively, while strong oil prices helped Eastern European stock markets rise impressively.

### Contributors to Performance:

- Russia-based energy company Gazprom rose due to a spike in gas prices.
- Mexico-based telecom company America Movil outperformed, as economic sentiment and profit outlooks increased in Mexico.
- Shares of India-based passive telecom infrastructure provider Indus Towers gained after the government announced a telecom relief package with a moratorium on adjusted gross return (AGR) and spectrum dues, improving the viability of one of Indus Tower's largest customers.
- Indonesian telecom services company Telkom Indonesia climbed, thanks to an improving domestic market, with both service revenues and margin trends improving.
- Chinese state-owned coal mining company China Shenhua gained after reporting strong year-over-year increases in coal sales and power generation.

### Detractors from Performance:

- Korea-based chipmaker SK Hynix traded lower amid concerns of memory demand slowdown.
- China-based insurer Ping An Insurance retreated after disclosing an ongoing regulatory probe into its past real estate transactions.
- Shares of Chinese property management company A-Living faltered on negative sentiment about the property market due to leverage issues surrounding developers and knock-on effects from increased regulatory scrutiny in China.

It is worth noting that emerging markets value stocks have outperformed growth stocks for the fourth consecutive quarter. Value stocks tend to be more economy sensitive, and we see the potential for the positive relative performance to continue if both GDP growth and earnings growth stay on the expected track in the fourth quarter and coming year.

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