

Lazard

Emerging Markets Equity Fund

Oct 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	70
Total Fund Size	\$236m
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

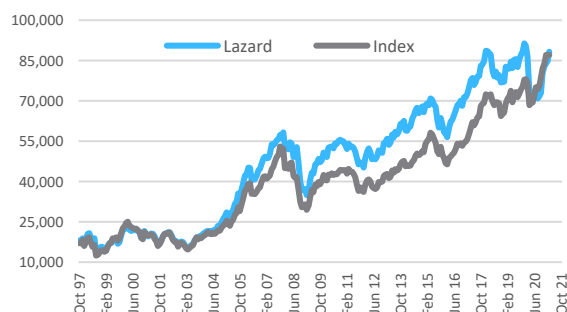
Investment Characteristics

	Lazard	Index
Forward Price/Earnings	8.6	13.2
Forward Return on Equity (%)	16.4	13.5
Price/Cash Flow	5.7	9.7
Dividend Yield (%)	4.8	2.4
Active Share (%)	85.1	-
3 Year Turnover (% pa)	23.8	-

Performance (%)

	Lazard	Index	Excess Return
1 Month	-4.3	-2.9	-1.4
3 Months	-2.4	-2.6	0.2
1 Year	24.3	9.4	14.9
3 Years (pa)	5.6	10.1	-4.5
5 Years (pa)	5.3	9.7	-4.4
10 Years (pa)	6.8	8.6	-1.8
Since Inception (pa)	6.5	6.3	0.2

Growth of \$20,000



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.

Allocations (%)

Sector	Lazard	MSCI EM	Overweight/Underweight
Communication Services	7.7	10.6	-2.9
Consumer Discretionary	8.8	15.5	-6.7
Consumer Staples	6.1	5.8	0.2
Energy	10.8	5.8	5.1
Financials	29.5	19.6	9.9
Health Care	2.6	4.6	-1.9
Industrials	3.1	4.7	-1.6
Information Technology	19.6	20.6	-1.1
Materials	7.1	8.5	-1.5
Real Estate	2.6	2.0	0.6
Utilities	0.7	2.2	-1.5
Cash	1.4	-	1.4
Region			
China	20.6	34.7	-14.2
Korea	13.1	12.2	0.9
Brazil	7.3	4.0	3.4
South Africa	6.2	3.1	3.1
Russia	11.2	4.1	7.1
India	6.6	12.0	-5.3
Indonesia	5.4	1.5	3.9
Taiwan	9.9	14.7	-4.8
Mexico	5.0	1.9	3.1
Hungary	2.0	0.3	1.8
Thailand	2.0	1.7	0.4
Other	9.3	10.0	-0.7
Cash	1.4	0.0	1.4

Top 5 Holdings (%)

	Lazard	Index
China Construction Bank	3.6	0.8
Samsung Electronics	3.6	3.6
Lukoil	3.3	0.5
SK hynix	3.1	0.6
Sberbank Russia	2.6	0.0

Commentary

Equity markets in the developing world finished October 2021 approximately 3% lower, as widely differing performance was witnessed by region. Eastern European and Middle Eastern stocks fell by more than 0.5% and Asian shares closed more than 2.5% lower. In contrast, Latin American equities slumped by roughly 9%, mainly on concerns over fiscal pressures in Brazil.

Contributors to Performance:

- Shares of Bank Mandiri gained on positive sentiment after the Indonesia-based lender reported improving loan growth in the second half of 2021 as the country's vaccination program gains momentum.
- Russian energy company Lukoil saw its stock price rise on expectations of continued earnings momentum on the back of rising oil prices and production growth.
- The rise in the stock price of Egypt-based lender Commercial International Bank was attributable to reports of normalizing provisions, improving credit growth, and a resumption of the cash dividend for shareholders.
- Shares of Sberbank traded higher after the Russian lender recorded record profits in September 2021 and surprised the market positively with its recent dividend announcement.

Detractors from Performance:

- Shares of China Vanke traded lower after the Chinese real estate development company reported slower volume growth, as well as margin pressures due to higher land costs.
- The decline in the stock price of China-based lender China Construction Bank was due to concerns over the slowing economy and the potential for deteriorating asset quality in the property sector.
- Shares of Indus Towers faltered after the India-based passive telecom infrastructure provider reported lower-than-expected tenancy ratios driven by higher-than-expected exits.
- Korea-based chipmaker Samsung Electronics saw its stock fall on concerns over fourth-quarter memory price weakness.

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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