

# Lazard

## Emerging Markets Equity Fund

Dec 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	\$241.9m
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

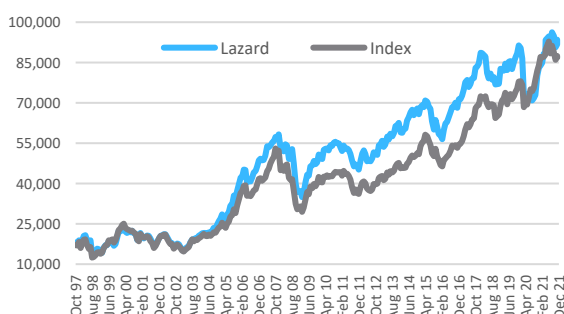
### Investment Characteristics

	Lazard	Index
Forward Price/Earnings	8.4	13.1
Forward Return on Equity (%)	16.5	13.5
Price/Cash Flow	5.4	9.3
Dividend Yield (%)	4.7	2.3
Active Share (%)	83.9	-
3 Year Turnover (% pa)	24.9	-

### Performance (%)

	Lazard	Index	Excess Return
1 Month	1.9	-0.6	2.5
3 Months	-1.4	-1.9	0.6
1 Year	12.6	3.4	9.2
3 Years (pa)	6.6	9.8	-3.2
5 Years (pa)	5.5	9.8	-4.3
10 Years (pa)	7.5	9.2	-1.6
Since Inception (pa)	6.6	6.3	0.3

### Growth of \$20,000



### Allocations (%)

Sector	Lazard	MSCI EM	Overweight/Underweight
Communication Services	7.5	10.7	-3.2
Consumer Discretionary	8.7	13.5	-4.9
Consumer Staples	5.8	5.9	-0.1
Energy	10.0	5.6	4.4
Financials	27.7	19.4	8.3
Health Care	2.4	4.2	-1.8
Industrials	3.1	5.1	-2.0
Information Technology	22.1	22.7	-0.6
Materials	8.0	8.6	-0.6
Real Estate	1.9	2.0	0.0
Utilities	0.7	2.4	-1.7
Cash	2.2	-	2.2
Region			
China	19.9	32.4	-12.5
Korea	13.9	12.8	1.0
Brazil	9.4	4.0	5.4
South Africa	5.9	3.2	2.7
Russia	7.2	3.6	3.6
India	7.0	12.5	-5.5
Indonesia	5.5	1.4	4.0
Taiwan	11.1	16.1	-5.0
Mexico	5.2	2.0	3.2
Hungary	1.7	0.2	1.5
Thailand	2.0	1.7	0.3
Other	9.0	10.1	-1.0
Cash	2.2	0.0	2.2

### Top 5 Holdings (%)

	Lazard	Index
Samsung Electronics	3.9	4.0
SK hynix	3.9	0.8
China Construction Bank	3.7	0.8
PT Telkom Indonesia	2.5	0.2
Novatek	2.2	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

Dragged down by poor visibility over Chinese internet regulations and rising ongoing coronavirus risks, equity markets in the developing world retreated modestly in the fourth quarter. The MSCI Emerging Markets Index fell 1.9%, with the sharpest declines recorded in Eastern Europe. The drops in Latin American and emerging Asian stock markets were comparatively small. Several issues dominated the quarter, including the emergence of a new strain of coronavirus called Omicron, which appears to be more contagious but also less deadly. Additionally, the US Federal Reserve signaled a reduction in its quantitative easing policy, which should result in less market liquidity. Lastly, many central banks continued to raise short-term interest rates as the global recovery materialized.

### Contributors to Performance:

- Korea-based chipmaker SK Hynix rose as spot memory prices rebounded.
- Taiwanese integrated circuits maker Novatek Microelectronics rebounded on bullish sentiment about the company's outlook for 2022.
- Quanta Computer, a Taiwanese manufacturer of notebook computers and related equipment, saw its stock price climb after reporting strong third-quarter margins and issuing upbeat fourth quarter guidance. The company was similarly upbeat about Cloud Service Provider server demand for 2022.
- Wiwynn traded higher on expectations that the Taiwan-based cloud information technology provider will benefit from its major customer Meta's announced aggressive capital expenditure program for next year.
- Telkom Indonesia climbed after the Indonesian telecom services company reported strong-third quarter results, with improving growth trends and easing competition. Shares received another boost on news of the successful listing of Telkom Indonesia's tower company, Mitratel.

### Detractors from Performance:

- A Chinese property management company A-Living saw its stock price fall on ongoing share-price overhang as a result of cash flow issues for its parent company, Agile Group.
- Russia-based lender Sberbank fell as part of a larger decline in Russian stocks due to macroeconomic concerns about lower oil prices and growing sanctions risk due to tensions on the Ukraine border.
- Russia-based telecom services company Mobile Telesystems faltered on concerns that the country may be weighing a potential invasion of Ukraine.
- GALP, a Portuguese energy company with assets in Latin America and Africa, saw its stock price retreat on falling oil prices amid the breakout of the Omicron stain of coronavirus.
- Shares of Indian telecom tower operator Indus Towers receded on profit-taking following a re-rating at the end of the third quarter.

While the first quarter of 2022 has some elements of déjà vu, we think weathering the current market uncertainties, from pandemic unknowns to political showdowns, should remain a leading driver for market participants. Preparing for likely uncertainty—and the potential for big shifts from pitfalls to opportunities—will require some new planning and could lead investors through the hardest parts with greater confidence. Nevertheless, the valuations of emerging markets stocks are generally inexpensive compared to other asset classes.

For more information, call us on 1800 825 287  
or visit [www.lazardassetmanagement.com](http://www.lazardassetmanagement.com)

### Disclaimer

The information in this Fact Sheet was prepared by Lazard Asset Management Pacific Co ABN 13 064 523 619, AFS License 238432, and should not be considered a recommendation to purchase, sell or hold any particular security. Securities and sectors mentioned in this Fact Sheet are presented to illustrate companies and sectors in which the Fund may invest. Holdings are subject to change daily. This Fact Sheet has been prepared without taking account of any investor's objectives, financial situation or needs. Investors should get professional advice as to whether investment in the strategy is appropriate having regard to their particular investment needs, objectives and financial circumstances before investing. Lazard has prepared a target market determination (TMD) for the Emerging Markets Equity Fund ("Fund") which sets out the class of consumers for whom the Fund, including the Fund's key attributes, would likely be consistent with their likely objectives, financial situation and needs. A copy of the TMD is available at [www.lazardassetmanagement.com](http://www.lazardassetmanagement.com), by contacting [investorqueries@lazard.com](mailto:investorqueries@lazard.com), or from their IDPS operator. It is recommended that investors consider whether their objectives, financial situation and needs are consistent with the target market of the Fund. Investors should obtain a copy of the current Product Disclosure Statement (PDS) for the Fund, available at [www.lazardassetmanagement.com](http://www.lazardassetmanagement.com), by contacting [investorqueries@lazard.com](mailto:investorqueries@lazard.com), or from their IDPS operator and should consider the PDS before making any decision about whether to acquire or to continue to hold the Fund. Neither Lazard nor any member of the Lazard Group, including Lazard Asset Management LLC and its affiliates guarantees in any way the performance of the strategy, repayment of capital from the strategy, any particular return from or any increase in the value of the strategy.

Certain information included herein is derived by Lazard in part from an MSCI index or indices (the "Index Data"). However, MSCI has not reviewed this product or report, and does not endorse or express any opinion regarding this product or report or any analysis or other information contained herein or the author or source of any such information or analysis. Neither MSCI nor any third party involved in or related to the computing or compiling of the Index Data makes any express or implied warranties, representations, or guarantees concerning the Index Data or any information or data derived therefrom, and in no event will MSCI or any third party have any liability for any direct, indirect, special, punitive, consequential, or any other damages (including lost profits) relating to any use of this information. Any use of MSCI data requires a license from MSCI. None of the Index Data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.