

# Lazard

## Emerging Markets Equity Fund

Jan 2022  
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	\$255.3m
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

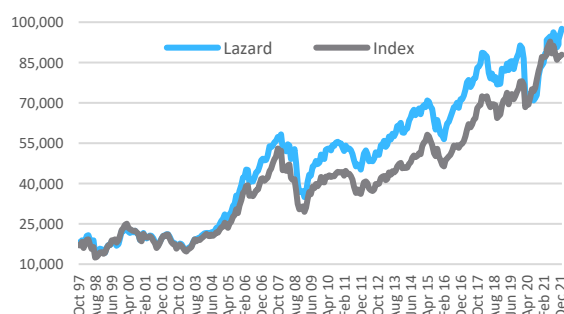
### Investment Characteristics

	Lazard	Index
Forward Price/Earnings	8.3	12.7
Forward Return on Equity (%)	16.7	13.6
Price/Cash Flow	5.4	8.9
Dividend Yield (%)	4.7	2.4
Active Share (%)	83.9	-
3 Year Turnover (% pa)	25.2	-

### Performance (%)

	Lazard	Index	Excess Return
1 Month	4.4	1.2	3.2
3 Months	7.6	2.2	5.4
1 Year	16.4	1.0	15.4
3 Years (pa)	5.6	8.4	-2.8
5 Years (pa)	6.4	9.9	-3.5
10 Years (pa)	7.2	8.5	-1.3
Since Inception (pa)	6.7	6.3	0.5

### Growth of \$20,000



### Allocations (%)

Sector	Lazard	MSCI EM	Overweight/Underweight
Communication Services	7.0	10.9	-3.9
Consumer Discretionary	8.7	13.1	-4.4
Consumer Staples	5.2	5.7	-0.5
Energy	10.6	5.8	4.8
Financials	28.7	20.8	7.9
Health Care	2.5	3.8	-1.3
Industrials	3.3	4.9	-1.6
Information Technology	19.9	21.8	-1.8
Materials	7.7	8.7	-1.0
Real Estate	2.2	2.1	0.1
Utilities	0.9	2.4	-1.5
Cash	3.3	-	3.3
<b>Region</b>			
China	20.2	32.1	-11.8
Korea	12.8	11.7	1.1
Brazil	10.9	4.6	6.3
South Africa	6.3	3.4	2.8
Russia	6.5	3.3	3.2
India	7.6	12.5	-5.0
Indonesia	5.4	1.5	3.9
Taiwan	10.1	16.1	-6.0
Mexico	4.5	2.0	2.6
Hungary	1.9	0.3	1.6
Thailand	2.0	1.7	0.3
Other	8.4	10.8	-2.4
Cash	3.3	-	3.3

### Top 5 Holdings (%)

	Lazard	Index
China Construction Bank	4.0	1.0
Samsung Electronics	3.6	3.8
SK hynix	3.5	0.7
Petrobras Petroleo Brasileiro	2.4	0.3
PT Telkom Indonesia	2.4	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.

**LAZARD**  
ASSET MANAGEMENT

## Commentary

Boosted by a weakened Australian dollar, emerging markets stock prices gained in January 2022 despite mounting anxiety about likely tightening monetary policy and decreases in global liquidity and growing diplomatic tensions over the Russian-Ukrainian border troop buildup. Stock markets in both the developed and developing world fell, with the latter outperforming the former. With the Australian dollar depreciating 2.7% against the US dollar in January 2022, the MSCI Emerging Markets Index climbed 1.2% in the month.

### Contributors to Performance:

- Brazilian energy company Petrobras, and GALP, a Portuguese energy company with assets in Latin America and Africa, saw their stock prices climb in sympathy with the gains in oil and gas prices.
- Shares of Chinese lender China Construction Bank rose after the Chinese government increased fiscal support for the economy and eased real estate restriction, which helped to alleviate asset quality concerns.
- Shares of Banco do Brasil traded higher on news that the Brazil-based lender generated stable and improving financial performance.
- Shares of BB Seguridade rebounded from recent weakness after the Brazilian insurer provided a constructive outlook for 2022.

### Detractors from Performance:

- The decline in the stock prices of Korea-based chipmakers SK Hynix and Samsung Electronics, and Taiwan-based display driver integrated circuits vendor Novatek Microelectronics were attributed to a global sell-off in technology companies due to the prospects of rising interest rates.
- Shares of Russia-based lender Sberbank continued to falter on geopolitical risks stemming from the country amassing troops along the Ukrainian border. The geopolitical situation related to Ukraine remains highly fluid and we continue to closely monitor developments.
- Mexican telecom company America Movil saw its stock price fall on concerns about the lack of clarity regarding a pay TV license with government regulators, who deferred their decision without providing a specific date for a verdict.

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.

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