Lazard
Emerging Markets Equity Fund

Feb 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	$237.4m
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

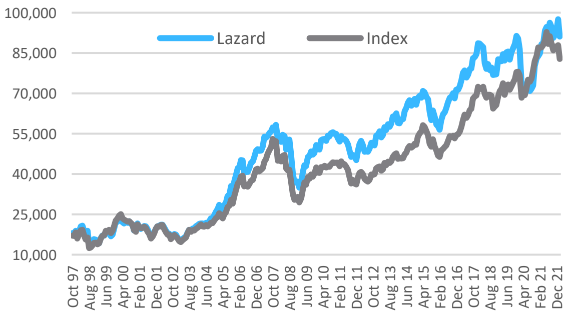
Investment Characteristics

	Lazard	Index
Forward Price/Earnings	8.0	12.5
Forward Return on Equity (%)	17.0	13.9
Price/Cash Flow	5.3	8.6
Dividend Yield (%)	4.6	2.5
Active Share (%)	83.9	-
3 Year Turnover (% pa)	26.1	-

Performance (%)

	Lazard	Index	Excess Return
1 Month	-6.7	-5.8	-0.9
3 Months	-0.8	-5.3	4.5
1 Year	7.4	-4.7	12.1
3 Years (pa)	3.4	5.3	-2.0
5 Years (pa)	4.6	8.2	-3.7
10 Years (pa)	5.9	7.4	-1.5
Since Inception (pa)	6.4	6.0	0.4

Growth of $20,000



Allocations (%)

Sector	Lazard	MSCI EM	Overweight/ Underweight
Communication Services	5.9	10.5	-4.6
Consumer Discretionary	9.0	12.5	-3.5
Consumer Staples	4.7	5.9	-1.2
Energy	8.9	5.2	3.8
Financials	29.1	21.0	8.1
Health Care	2.9	3.9	-0.9
Industrials	3.7	5.3	-1.6
Information Technology	21.2	21.8	-0.6
Materials	8.4	9.3	-1.0
Real Estate	2.2	2.1	0.0
Utilities	1.2	2.4	-1.2
Cash	2.8	-	2.8
Region			
China	21.9	31.8	-9.8
Korea	13.4	12.3	1.2
Brazil	12.1	5.0	7.1
South Africa	7.1	3.7	3.4
Russia	2.4	1.6	0.8
India	7.5	12.4	-4.8
Indonesia	4.8	1.6	3.2
Taiwan	10.6	16.1	-5.5
Mexico	5.0	2.1	2.9
Hungary	1.3	0.2	1.1
Thailand	2.3	1.9	0.4
Other	8.7	11.3	-2.6
Cash	2.8	0.0	2.8

Top 5 Holdings (%)

	Lazard	Index
China Construction Bank	4.1	1.0
SK hynix	3.7	0.7
Samsung Electronics	3.6	3.8
Petrobras Petroleo Brasileiro	2.7	0.4
Banco do Brasil	2.6	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

Russia's decision to invade Ukraine on 24 February 2022 dominated worldwide news and capital markets during the month. The MSCI Russia Index fell 54.1% (but did not reprice in the final two days because its source is the Moscow Exchange which was closed). There were a few neighboring markets which also experienced sizable declines but equities in emerging Asia fell 5.2% while in Latin America, they actually finished the month 1.8% higher. The MSCI Emerging Markets Index recorded a loss of 5.8%. One outcome of the invasion was the likely effects of sanctions would result in commodity price strength, which helped some energy and materials stocks outside Russia.

Southeast Asian markets with significant oil or commodity production finished strongly. Stock prices in South Korea rose marginally while Taiwanese share prices dipped, possibly due to investor concerns over its relationship with China.

The Russian invasion of Ukraine, which began across the main part of the country was met with immediate sanctions and united opposition by Western governments. Across the region encompassing Europe, the Middle East, and Africa (EMEA), commodity-rich markets such as South Africa, Saudi Arabia, Qatar, and the United Arab Emirates rose over the month, aided by the invasion's likely effect on Russian energy sanctions. In particular, sanctions on the Russian Central Bank had the effect of restricting the domestic Russian flow of money and was met with increasing capital regulations. This resulted in the Moscow Exchange being closed and had the effect of severely distorting performance. By sector, energy shares in Russia sustained the largest declines and resulted in the overall worst sector performance. However, consumer discretionary, and communications services also fared poorly. Materials and industrials were sectors with significantly better performance.

Contributors to Performance:

- Despite missing consensus expectations for fourth-quarter results, Vale saw its stock price climb on news that the Brazil-based miner remained on track with planned production increases in iron ore and copper and stood to benefit from the positive outlook for metal prices.
- Shares of Nedbank traded higher after the South Africa-based lender upgraded its profit projections for 2022.
- Grupo Mexico gained after the Mexican metal mining company produced strong operating results, thanks to supportive prices for copper and industrial metals.
- Banco do Brasil advanced after the Brazil-based lender provided upbeat guidance for profit growth in 2022.
- Shares of Petrobras advanced after the Brazil state-owned oil company reported robust fourth-quarter results, thanks to high oil prices and news of an increase in dividend payments to shareholders.

Detractors from Performance:

- Russia's stock market plunged at the end of the month as a result of the country's invasion of Ukraine and the subsequent stringent global sanctions regime. This adversely impacted positions in energy companies Lukoil and Gazprom, supermarket chain operator X5 Retail, lender Sberbank, and telecom company Mobile TeleSystems.

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.