

# 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

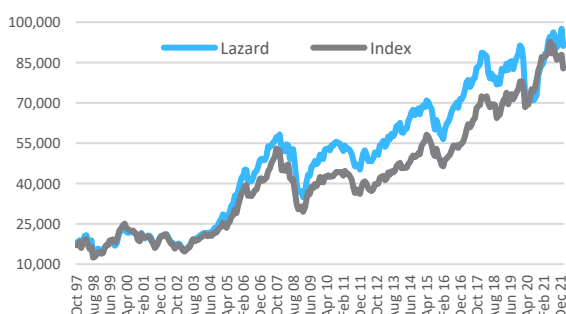
### Investment Characteristics

	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
<b>Region</b>			
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.

**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.