

Lazard

Emerging Markets Equity Fund

Apr 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	\$227.4m
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

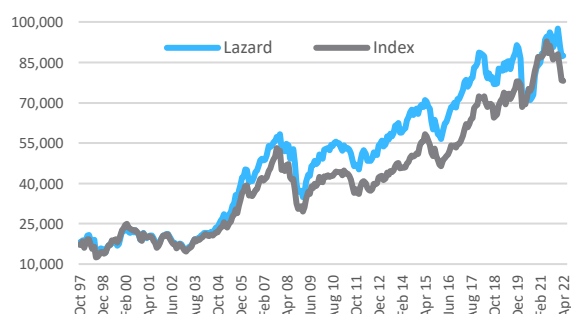
Investment Characteristics

	Lazard	Index
Forward Price/Earnings	7.8	12.0
Forward Return on Equity (%)	16.3	13.5
Price/Cash Flow	5.2	8.4
Dividend Yield (%)	5.1	2.8
Active Share (%)	84.2	-
3 Year Turnover (% pa)	27.2	-

Performance (%)

	Lazard	Index	Excess Return
1 Month	0.2	-0.2	0.4
3 Months	-10.4	-11.2	0.8
1 Year	-0.9	-11.2	10.3
3 Years (pa)	1.1	1.9	-0.9
5 Years (pa)	2.4	5.4	-3.0
10 Years (pa)	5.5	6.9	-1.4
Since Inception (pa)	6.2	5.7	0.5

Growth of \$20,000



Allocations (%)

Sector	Lazard	MSCI EM	Overweight/Underweight
Communication Services	5.0	10.3	-5.3
Consumer Discretionary	9.3	12.7	-3.5
Consumer Staples	5.1	6.0	-0.9
Energy	8.0	5.0	3.0
Financials	27.0	22.2	4.8
Health Care	3.8	3.8	0.1
Industrials	3.9	5.4	-1.5
Information Technology	21.6	20.5	1.1
Materials	8.2	9.2	-1.0
Real Estate	2.5	2.2	0.3
Utilities	1.7	2.7	-1.0
Cash	4.0	-	4.0
Region			
China	23.6	30.6	-7.0
Korea	13.7	12.5	1.2
Brazil	11.5	5.3	6.3
South Africa	7.1	3.7	3.4
India	7.4	13.6	-6.3
Indonesia	4.9	1.9	3.0
Taiwan	11.3	15.4	-4.2
Mexico	4.1	2.2	2.0
Hungary	1.4	0.2	1.2
Thailand	1.6	1.9	-0.2
Other	9.3	12.7	-3.4
Cash	4.0	-	4.0

Top 5 Holdings (%)

	Lazard	Index
China Construction Bank	4.2	1.0
Samsung Electronics	3.5	3.7
SK Hynix	3.4	0.7
Petrobras Petroleo Brasileiro	2.8	0.4
BB Seguridade	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

Pressured by the rising interest rate environment in many countries, concerns about the global economic recovery, and the ongoing fallout from the Russia-Ukraine conflict, the MSCI Emerging Markets Index declined 0.2% in April. Most emerging markets currencies ended the month weaker against the US dollar, as the Federal Reserve signaled upcoming increases in short-term interest rates.

After having benefitted from higher expectations of inflation and the surge in commodity prices following the Russian invasion of Ukraine, equity markets in Latin America were weak across the region. Brazilian and Colombian equity prices fell on political concerns as elections came into focus. Chilean shares suffered from lackluster interest in the drafting of a new constitution. Like most countries, Mexico and Peru recorded high inflation figures, which depressed their stock markets.

Several Eastern European markets, most prominently Poland and Hungary, received a second dose of negative returns after February's initial hit. Poland was adversely impacted by Russia's decision to cut energy exports to the country while Hungary experienced its own disagreement with the European Union over rule-of-law violations. South African share prices fell significantly due to serious flooding in the KwaZulu-Natal province, which interrupted port shipments and resulted in casualties. Turkey's stock market once again proved resilient despite the country suffering from hyperinflation of over 60%.

Contributors to Performance:

- Shares of Bank Mandiri traded higher after the Indonesia-based lender reported better-than-expected first-quarter earnings that demonstrated accelerating loan growth and improving asset quality.
- Shares of Astra International climbed after the Indonesia-based motor vehicle assembler and distributor reported strong first-quarter results, with all business segments performing well, especially four-wheelers and its mining subsidiary.
- Shares of cement company Anhui Conch gained as part of a larger rally in Chinese infrastructure stocks after President Xi Jinping pledged to step up construction to bolster China's economy.
- China-based real estate management company A-Living saw its stock price climb after the Chinese government announced measures to ease the real estate downturn.
- Shares of Tingyi rebounded following recent weakness as concerns about the Chinese instant noodle maker's margins were mitigated by guidance for price hikes.

Detractors from Performance:

- Shares of Grupo Mexico faltered on news that the Mexican miner was experiencing operational challenges at its Cujajone mine in Peru as a result of protest-related disruptions.
- Shares of China Merchants faltered on news that the Chinese lender's ex-President was under investigation by an anti-graft agency.
- Shares of lender OTP Bank declined as part of a larger decline in Hungarian stocks due to concerns that the European Union may halt funding to Hungary.

We believe, because of the war in Ukraine, worldwide economic growth could fall from our previous expectations of 4%-5% to 3%-4%. Global inflation is likely to rise at a faster rate, possibly as high as 4%, over the next five years. Emerging markets, particularly the more vulnerable economies where external financing needs are significant, may be pressured by a stronger US dollar as the Federal Reserve increases interest rates to tame inflation. However, many emerging markets countries are running current account surpluses or, if they have deficits, these are generally small. Our expectations, therefore, are that emerging markets stocks should still benefit from a rebound on global corporate, government and consumer spending, although the recovery is likely to be less strong than previously expected and likely to be more focused in economy-sensitive industries.

For more information, call us on 1800 825 287
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