

Lazard

Emerging Markets Equity Fund

Aug 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	74
Total Fund Size	\$209.8m
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

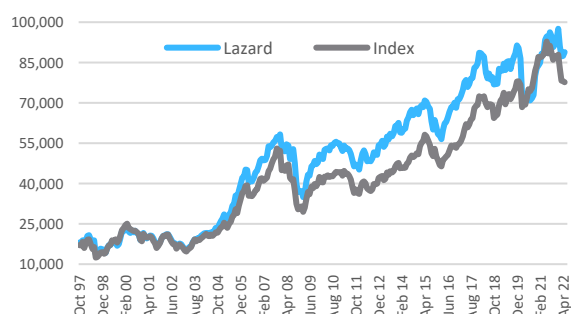
Investment Characteristics

	Lazard	Index
Forward Price/Earnings	7.1	11.5
Forward Return on Equity (%)	15.6	13.1
Price/Cash Flow	4.3	7.7
Dividend Yield (%)	7.1	3.2
Active Share (%)	84.9	-
3 Year Turnover (% pa)	27.4	-

Performance (%)

	Lazard	Index	Excess Return
1 Month	1.1	2.2	-1.1
3 Months	-5.6	-2.1	-3.5
1 Year	-12.8	-16.6	3.9
3 Years (pa)	0.5	2.1	-1.6
5 Years (pa)	1.2	3.6	-2.4
10 Years (pa)	5.4	7.2	-1.8
Since Inception (pa)	5.9	5.5	0.4

Growth of \$20,000



Allocations (%)

Sector	Lazard	MSCI EM	Overweight/Underweight
Communication Services	5.6	10.1	-4.5
Consumer Discretionary	9.4	14.2	-4.8
Consumer Staples	5.8	6.2	-0.4
Energy	11.0	5.3	5.7
Financials	26.0	21.6	4.4
Health Care	3.9	3.9	0.0
Industrials	4.0	5.8	-1.8
Information Technology	19.4	19.4	0.0
Materials	7.0	8.4	-1.4
Real Estate	2.2	1.9	0.3
Utilities	2.0	3.1	-1.1
Cash	3.6	-	3.6
Region			
China	23.7	32.1	-8.4
Korea	13.7	11.6	2.1
Brazil	13.3	5.3	8.0
South Africa	6.9	3.4	3.5
Russia	0.0	-	0.0
India	7.1	14.5	-7.4
Indonesia	5.1	2.0	3.1
Taiwan	10.6	14.6	-4.0
Mexico	3.7	2.0	1.7
Hungary	1.7	0.2	1.5
Thailand	1.8	2.0	-0.2
Other	8.9	12.5	-3.6
Cash	3.6	0.0	3.6

Top 5 Holdings (%)

	Lazard	Index
Petrobras Petroleo Brasileiro	3.7	0.4
China Construction Bank	3.5	0.9
Samsung Electronics	3.1	3.3
SK Hynix	2.9	0.6
BB Seguridade	2.9	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

Ongoing concerns over the possibility of global economic recession, coupled with high levels of inflation, continued to pressure returns in the developing world in August. However, the MSCI EM Index was up by more than 2% in Australian dollar terms over the month with Eastern European share prices falling nearly 9%. Stock prices in Asia and Latin America rose by 2% and 4.5% respectively. US Federal Reserve Governor Jerome Powell's comments in Jackson Hole, which reinforced the priority of defeating inflation and suggested more increases in US interest rates will be forthcoming, acted to further strengthen the US dollar against global currencies.

Significant equity price declines were witnessed in the Czech Republic and Poland as Russian gas supplies were reduced markedly for "urgent maintenance" reasons. In Turkey, share prices finished the month almost 25% higher despite severe inflationary pressures, but after another interest rate cut and a strong tourist season. Markets in the Gulf did not change dramatically over the month as crude oil prices were tempered by negative economic forecasts. South African stocks were hurt by lower metals prices.

Within Asia, the Chinese market rose by 2% as worries about the property market were offset by the announcement of a possible agreement regarding proposed US Congressional legislation to de-list Chinese stocks from US exchanges. Southeast Asian markets finished generally higher on robust inflation expectations while share prices in South Korea and Taiwan were adversely affected by investor concerns over semiconductor volumes.

In Latin America, Brazilian stock prices rose more than 8% as the presidential election moved into higher gear and economic indicators improved. Chilean share prices increased but more modestly as the new constitution is likely to be voted upon. In Mexico, the market fell by 3% after a higher-than-expected inflation reading.

Contributors to Performance:

- Petrobras, a Brazilian energy company, outperformed along with the rest of the energy sector.
- Banco do Brasil, a Brazilian bank, reported a strong beat in second quarter earnings and provided upbeat guidance regarding provisions and net interest income.
- The management of ENN Natural Gas, a Chinese integrated gas distribution company guided for strong profits from direct gas sales due to strong volumes and high prices.

Detractors from Performance:

- Shares of Lenovo, a Chinese manufacturer of desktop and laptop PCs and data servers, underperformed due to weak PC outlooks from Dell and HP, and an ongoing channel inventory correction.
- Indus Towers, an Indian operator of telecom towers, announced disappointing results due to debt provisioning for their customer, Vodafone Idea.
- Shares of Korean semiconductor manufacturers, Samsung Electronics and SK Hynix, both declined due to falling memory prices, mainly as a result of weakness in the smartphone and PC segments.

Recent investor concerns about rising inflation and the possibility of a global recession have, in addition to geopolitical issues, further pressured capital markets, including most emerging markets. In spite of these legitimate risks, valuations across many emerging markets are relatively undemanding and there are reasons to believe that these countries can enjoy decent business conditions. As a result, the team remains constructive on fundamental opportunities in the short and longer term.

For more information, call us on 1800 825 287
or visit www.lazardassetmanagement.com

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