Lazard
Emerging Markets Equity Fund

Jan 2023
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	75
Total Fund Size	$190.8m
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

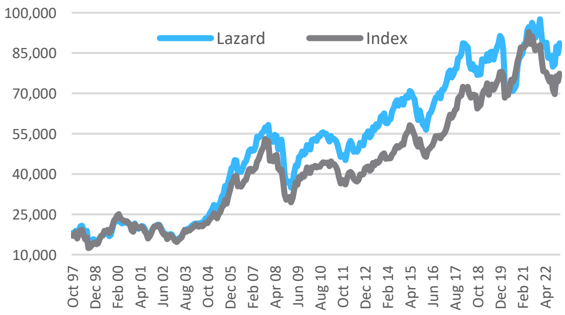
Investment Characteristics

	Lazard	Index
Forward Price/Earnings	7.8	12.8
Forward Return on Equity (%)	14.5	12.3
Price/Cash Flow	4.4	8.1
Dividend Yield (%)	6.3	3.2
Active Share (%)	82.5	-
3 Year Turnover (% pa)	29.8	-

Performance (%)

	Lazard	Index	Excess Return
1 Month	4.5	3.8	0.7
3 Months	9.8	10.9	-1.1
1 Year	-9.2	-12.1	2.9
3 Years (pa)	-0.7	-0.3	-0.4
5 Years (pa)	0.0	1.3	-1.3
10 Years (pa)	4.9	6.2	-1.2
Since Inception (pa)	6.1	5.5	0.6

Growth of $20,000



Allocations (%)

Sector	Lazard	MSCI EM	Overweight/ Underweight
Communication Services	5.0	10.4	-5.4
Consumer Discretionary	10.2	14.5	-4.4
Consumer Staples	5.9	6.2	-0.3
Energy	9.7	4.6	5.1
Financials	27.5	21.2	6.2
Health Care	3.7	4.0	-0.3
Industrials	3.7	5.9	-2.2
Information Technology	20.7	19.6	1.1
Materials	7.7	8.8	-1.1
Real Estate	2.0	1.9	0.1
Utilities	2.2	2.7	-0.5
Cash	1.8	-	1.8
Region			
China	24.8	33.5	-8.7
Korea	13.7	11.8	1.9
Brazil	11.6	5.2	6.4
South Africa	6.5	3.6	2.9
Russia	0.0	-	0.0
India	6.1	13.0	-6.9
Indonesia	4.1	1.8	2.3
Taiwan	12.0	14.4	-2.4
Mexico	4.6	2.5	2.1
Hungary	2.5	0.2	2.3
Thailand	2.3	2.1	0.1
Other	10.0	11.9	-1.9
Cash	1.8	0.0	1.8

Top 5 Holdings (%)

	Lazard	Index
China Construction Bank	3.4	0.9
Samsung Electronics	3.2	3.5
Taiwan Semiconductor Manufacturing	3.1	6.3
BB Seguridade	2.8	0.1
SK Hynix	2.8	0.6

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

Encouraging economic trends, with falling global inflation and the ongoing reopening of the Chinese economy, helped markets across the developing world generate strong returns in January. The MSCI Emerging Markets Index rose by 3.84% in Australian dollar terms with all regions registering similar results. Markets rose by 4.12% in Eastern Europe, 4.54% in Asia, and 5.74% in Latin America. Shares in the Gulf region were less buoyant on more reasonable expectations for crude oil prices.

The reopening of the Chinese economy continued rapidly after its initiation in December. COVID infections appeared to rise quickly in the major urban centers, but citizens made considerable use of restaurants, public transportation, and the outdoors as Chinese New Year celebrations began. This helped Chinese equities rise by almost 7.6% over the month and aided other regional markets such as Taiwan and South Korea, where trade in technology and other goods is expected to increase. Southeast Asian markets were also viewed as beneficiaries but climbed less. Indian shares were subjected to profit taking as investors scrutinized debt burdened Adani group companies.

Lower crude oil prices and signs of a stalemate in Ukraine helped Eastern European markets rally. Czech stocks experienced a particularly good month, rising by 12.72%. Turkish shares witnessed significant profit-taking after having enjoyed the best country return in the asset class in 2022 and as it approaches the presidential election. South African and Gulf states' equity markets finished higher but rose less than most of their neighbors due to a weak rand and less strength from crude oil and other commodity prices.

Latin American shares recorded very strong returns in January. Mexican stock prices rose sharply after having lagged regional rivals. Strong copper prices helped equities in Chile and Peru, despite considerable political unrest in the latter. Returns in Colombia and Brazil were more muted as crude oil prices weakened and President Lula da Silva's government began implementing policies.

Contributors to Performance:

- Shares of Taiwan-based chipmaker Taiwan Semiconductor Manufacturing Company gained on expectations of an expected recovery in demand for server chips.
- The gains in the stock prices of Korea-based chipmakers Samsung Electronics and SK Hynix were attributed to industrywide production cuts in memory chips to control supply and optimism that the global rate-hiking cycle was near its peak
- Shares of insurer Ping An advanced as part of larger gains made by Chinese stocks on optimism about the ongoing reopening of China's economy.

Detractors from Performance:

- Shares of Indus Towers declined after the India-based mobile tower instillation company reported a fourth-quarter loss.
- Shares of hygiene products maker Hengan International, instant noodles maker Tingyi, and pharmaceutical company Sinopharm all traded lower as the economic reopening in China spurred a market rotation to more cyclical areas of the market.
- Shares of lender Axis Bank fell as part of a larger decline in Indian financials stocks due to concerns about the indebtedness of the Adani Group on the Indian financial system.

We expect this recovery to continue if certain market factors persist, including relatively recovering growth, decelerating inflation, a weaker US dollar, and improving fundamentals. After the steep drop in equity markets overall in 2022, we believe that emerging markets equity is a mispriced asset class with attractive valuations compared to historical levels.

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