

# Lazard

## International Quality Growth

1Q22  
Factsheet

### Performance

(%; gross of fees; through 31 March 2022)

	3 Months	1 Year	Annualized		
			3 Years	5 Years	Since Inception (1 January 2016)
Lazard International Quality Growth	-8.42	-0.71	14.15	13.05	12.50
MSCI ACW ex-US Index	-5.44	-1.48	7.51	6.76	7.41

Performance is presented gross of fees and reported in US Dollars. Please refer to "GIPS® Standards Composite Information" for additional information, including net-of-fees results. The performance quoted represents past performance. Past performance is not a reliable indicator of future results.

### Strategy Description

International Quality Growth seeks to generate strong relative returns over a full market cycle by investing in "Compounders", the world's leading companies that can generate, and sustain, the highest levels of financial productivity (i.e., return on equity, return on capital, and cashflow return on investment). In this strategy, we focus mainly on identifying high quality companies that are able to reinvest a significant portion of their cash flows back into their business at similarly attractive rates of return. The strategy invests in non-US securities, including those from emerging markets.

### Investment Characteristics<sup>1,3</sup>

	Lazard	Index
Number of Securities	42	2,312
Weighted Average Market Cap (\$B)	98.8	94.4
Forward P/E	21.3	13.3
Forward ROE (%)	20.4	12.7
Turnover – Trailing 12 Months (%)	2.4	N/A

### Top Ten Holdings (%)<sup>2,3</sup>

	Lazard
ASML	4.9
Aon	4.1
Toromont	3.9
RELX	3.7
TSMC	3.6
Partners Group	3.4
LVMH	3.3
HDFC Bank	3.0
Pernod Ricard	2.9
Diageo	2.9

### Allocations (%)<sup>2,3</sup>

Region	Lazard	Index	Lazard	
			Underweight/Overweight	
Continental Europe	44.1	30.9	13.2	
United Kingdom	16.7	9.7	7.0	
Emerging Markets	16.6	28.5	-11.9	
North America	10.7	8.3	2.4	
Japan Markets	6.0	14.1	-8.1	
Middle East	2.4	0.5	1.9	
Asia X Japan	2.0	8.1	-6.1	
Cash & Equivalents	1.6	0.0	1.6	

  

Sector	Lazard	Index	Lazard	
			Underweight/Overweight	
Financials	22.5	20.6	1.9	
Industrials	18.3	12.2	6.1	
Information Technology	15.6	12.2	3.4	
Consumer Discretionary	13.3	11.1	2.2	
Consumer Staples	12.4	8.4	4.0	
Health Care	8.5	9.4	-0.9	
Communication Services	7.9	6.2	1.7	
Materials	0.0	8.9	-8.9	
Energy	0.0	5.4	-5.4	
Utilities	0.0	3.2	-3.2	
Real Estate	0.0	2.5	-2.5	
Cash & Equivalents	1.6	0.0	1.6	

## Notes

- Investment characteristics are based upon a portfolio that represents the proposed investment for a fully discretionary account. Forward Price/Earnings is defined as Price/Earnings NTM and Forward Return on Equity as Return on Equity NTM. "Forward-looking" figures represent expected returns. Expected returns do not represent a promise or guarantee of future results and are subject to change. Source: Lazard, FactSet, MSCI
- The allocations and specific securities mentioned are based upon a portfolio that represents the proposed investment for a fully discretionary account. Allocations and security selection are subject to change. The securities mentioned are not necessarily held by Lazard Asset Management for all client portfolios, and their mention should not be considered a recommendation or solicitation to purchase or sell these securities. It should not be assumed that any investment in these securities was, or will prove to be, profitable, or that the investment decisions we make in the future will be profitable or equal to the investment performance of securities referenced herein. There is no assurance that any securities referenced herein are currently held in the portfolio or that securities sold have not been repurchased. The securities mentioned may not represent the entire portfolio. Source: Lazard, FactSet, MSCI
- This information is for illustrative purposes only and is supplemental to the "GIPS® Standards Composite Information."
- Excludes cash. Cash is not viewed as a strategic asset.

## Important Information

Published on 19 April 2022.

Equity securities will fluctuate in price; the value of your investment will thus fluctuate, and this may result in a loss. Securities in certain non-domestic countries may be less liquid, more volatile, and less subject to governmental supervision than in one's home market. The values of these securities may be affected by changes in currency rates, application of a country's specific tax laws, changes in government administration, and economic and monetary policy. Emerging market securities carry special risks, such as less developed or less efficient trading markets, a lack of company information, and differing auditing and legal standards. The securities markets of emerging market countries can be extremely volatile; performance can also be influenced by political, social, and economic factors affecting companies in emerging market countries.

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<b>Benchmark:</b>	MSCI ACW ex-US Index
<b>Reporting Date:</b>	31 December 2021
<b>Composite Inception Date:</b>	01 January 2016
<b>Reporting Currency:</b>	U.S. Dollar

## Composite Description

The composite returns represent the total returns of all fully discretionary portfolios with an International Quality Growth mandate. The Lazard International Quality Growth strategy seeks to generate strong relative returns over a full market cycle. We seek to invest in companies which can sustain strong financial productivity while reinvesting in their businesses and which are trading at attractive valuations. The strategy typically invests in non-US companies, including those from emerging markets, with a market capitalization generally of \$3 billion or greater. The emerging markets equity allocation is implemented by investing in individual securities. The strategy is measured relative to the MSCI AC World ex-US index.

## Calculation of Performance Returns

Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. The composite returns are reported net of foreign withholding taxes on dividends, interest and capital gains. The composite returns presented represent past performance and is not a reliable indicator of future results, which may vary. A complete list and description of all Lazard composites and pooled funds is available upon request.

## Fee Schedule

Lazard's standard fee schedule for International Quality Growth accounts is 0.75% on the first \$100 million of assets and 0.50% on the balance. (This fee schedule may be presented in non-U.S. local currency equivalents based on prevailing exchange rates.) Unless otherwise noted, actual account fees, inclusive of performance-based fees and VAT (if applicable) are used in the construction of composite net of fee performance. For non-fee paying portfolios and sleeves of funds, net of fee performance has been calculated using the strategy's standard fee schedule.

## Benchmark Information

The MSCI ACW Index ex-US (ACW ex-US) is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. This composite's index is a subset of the official MSCI ACW, with the exclusion of the US. The index is compiled by MSCI Inc.

## GIPS Compliance and Verification Status

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	Calendar							Annualized			Composite Since Inception
	QTD	2021	2020	2019	2018	2017	2016	1 YR	3 YR	5 YR	
Lazard Rate of Return (%; Gross of Fees)	0.72	12.20	24.47	32.19	-10.99	35.22	2.59	12.20	22.67	17.31	14.72
Lazard Rate of Return (%; Net of Fees)	0.64	11.83	23.72	30.71	-11.66	34.20	1.82	11.83	21.83	16.48	13.90
Benchmark (%; Rate of Return)	1.82	7.82	10.65	21.51	-14.19	27.19	4.50	7.82	13.18	9.61	8.74
Composite Standard Deviation Gross (3-yr. Ann.)		14.84	16.14	11.10	11.54	N/A	N/A				
Benchmark Standard Deviation (3-yr. Ann.)		16.79	17.93	11.34	11.38	N/A	N/A				
# of Portfolios	4	4	3	2	1	1	1				
Composite Dispersion Gross (Asset Wtd. Std. Dev.)	0.06	0.42	0.09	0.29	N/A	N/A	N/A				
Composite Assets (USD Millions)	695.2	695.2	19.3	4.1	1.1	1.4	1.0				
Total Firm Assets (USD Billions)	222.1	222.1	213.0	205.5	177.2	206.6	168.0				

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