

Lazard Emerging Markets Fund

FACTSHEET / NOVEMBER 2011

FUND OBJECTIVE

The Emerging Markets Fund seeks to achieve total returns (includes income and capital appreciation and before the deduction of fees and taxes) that exceed those of the MSCI Emerging Markets Index by 3% per annum over rolling five-year periods.

PERFORMANCE*

<i>Fund</i>	<i>1 Month (%)</i>	<i>3 Months (%)</i>	<i>1 Year (%)</i>	<i>3 Years (% p.a.)</i>	<i>5 Years (% p.a.)</i>	<i>10 Years (% p.a.)</i>	<i>Since Inception (% p.a.)</i>
Emerging Markets (gross of fees)	-0.8	-3.8	-14.1	9.5	1.3	11.0	7.3
Emerging Markets (net of fees)	-0.9	-4.1	-15.1	8.1	0.1	9.8	6.2
MSCI Emerging Markets Index NDR	-3.6	-5.9	-17.4	6.2	-1.8	7.4	4.4

*Investments can go up and down. Past performance is not necessarily indicative of future performance. The net returns are calculated using the Fund's Net Asset Value unit price. Performance assumes reinvestment of all distributions. Please note that as of 1 April 2004 the benchmark was changed from the MSCI Emerging Markets Index GDR to the MSCI Emerging Markets Index NDR. The inception date is 22 October 1997.

THE FACTS as at 30 November 2011

<i>Largest Holdings</i>	<i>Fund (%)</i>	<i>MSCI EM (%)</i>	<i>Geographic Allocation</i>	<i>Fund (%)</i>	<i>MSCI EM (%)</i>
Redecard	3.9	0.2	Brazil	21.0	15.3
Cielo	3.9	0.2	Korea	13.3	15.1
Banco do Brasil	3.4	0.2	South Africa	10.9	8.0
Vale	2.6	2.3	Russia	8.9	7.0
Shinhan Financial	2.4	0.5	Indonesia	5.8	2.9
Philippine Long Distance Telephone	2.2	0.1	India	5.2	6.6
Samsung Electronics	2.2	3.3	Turkey	5.2	1.3
Telekomunikasi Indonesia	2.2	0.3	Mexico	5.0	4.8
KT&G	2.2	0.2	Taiwan	4.0	10.6
Sberbank	2.0	0.8	China	3.2	16.8
			Thailand	3.2	1.9
			Egypt	2.6	0.3
			Philippines	2.2	0.6
			Other	6.6	8.9
			Cash	3.0	-

*Total may not add to 100% due to rounding.


SELECTED PORTFOLIO STATISTICS as at 30 November 2011

<i>Sector Allocation</i>	<i>Fund (%)</i>	<i>MSCI EM (%)</i>	<i>The Facts</i>	
Consumer Discretionary	5.1	8.1	Number of stocks	84
Consumer Staples	13.4	7.8	Unit Price – Withdrawal	\$1.1354
Energy	7.3	14.6	Inception Date	22 October 1997
Financials	21.9	23.3	Total Fund Size	\$1,141.4m
Health Care	-	1.0	Capped ICR (I class)	1.20%
Industrials	7.6	6.5	Alpha (3-year)*	2.07%
Information Technology	16.7	12.8	Beta (3-year)*	0.93
Materials	13.3	13.7	Information Ratio (3-year)*	0.41
Telecommunication Services	9.7	8.5	Sharpe Ratio (3-year)*	0.19
Utilities	2.0	3.6		
Cash	3.0	-		

*As at 31 October 2011.

*Total may not add to 100% due to rounding.

COMMENTARY

Following September's market decline and October's sharp rebound, shares in emerging markets remained volatile in November, ending the month down. Shares in Eastern Europe rose modestly while those in Latin America and Asia fell.

Indian equities performed particularly poorly, weakened by the declining value of the rupee. Taiwanese and Chinese equities were also negatively affected by China's Purchasing Managers' Index (PMI), which indicated significant economic moderation. Thai shares, despite the effects of the widespread floods, finished unchanged.

In Latin America, Chilean, Colombian, and Brazilian shares performed the worst amid volatile commodity prices. Peruvian and Mexican shares rose, due to better-than-expected political trends in the former and more moderate risk aversion in the latter.

Elsewhere, higher crude oil prices bolstered Russian equities, while South African shares were aided by stable economic data. Share prices fell sharply in Poland and Egypt, due to investor concern over the euro, and the continuing riots over democracy in Cairo.

In this environment, the Lazard Emerging Markets Fund declined 0.9% (net of fees) over the month, outperforming the MSCI Emerging Markets Index, which declined 3.6%.

Mobile Telesystems, a Russian telecommunication services company, performed well after announcing strong results due to improving competitive dynamics. Shares in *Shoprite Holdings*, a South African retailer, benefited from decent consumption levels among South African consumers. Stock of

KT&G, a South Korean tobacco company, finished higher on the back of market share gains. *Korea Life Insurance*, a South Korean provider of life insurance products, performed well after announcing a share buyback program. Shares in *Sberbank*, a Russian bank, moved higher after the bank announced strong earnings results and positive guidance for 2012. Stock selection in Brazil and South Korea added value.

Banco do Brasil, a Brazilian bank, declined on concerns about the Brazilian economy. *HTC*, a Taiwanese designer and manufacturer of smartphones, traded lower after guiding down shipments amid stronger competition from *Apple* and *Samsung*, and also due to concerns over the ongoing legal battle with Apple. Shares of *Punjab National Bank*, an Indian bank, fell as a result of potentially slower growth, and the risk of increased credit costs. Stock in *Shinhan Financial Group*, a South Korean commercial bank, weakened amid concerns that increased regulatory measures in South Korea could dampen its loan growth and profitability. *Vale*, a Brazilian metals mining company, was negatively affected by concerns about the global economy and the potential impact on commodity prices.

Recent Activity and Outlook

There were no new purchases during the month, and we disposed of our holding in *Usiminas*, a Brazilian steel producer. We continue to be optimistic about emerging markets. Although share prices have increased since the October lows, strong levels of profitability have resulted in what we believe are compelling valuations.

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 contains general information only and does not take account of your individual objectives, financial situation or needs. A copy of the relevant Product Disclosure Statement is available at www.lazardnet.com or from your IDPS operator. You should get professional advice as to whether investment in the Fund is appropriate having regard to your particular investment needs, objectives and financial circumstances before investing. An investment in the Fund does not represent deposits or other liabilities of any member of the Lazard Group. Neither Lazard Pacific nor any member of the Lazard Group, including Lazard Asset Management LLC and its affiliates guarantees in any way the performance of the Fund, repayment of capital from the Fund, any particular return from or any increase in the value of the Fund. Only wholesale clients may invest directly in the Fund. Retail clients may only invest through an IDPS. This Fact Sheet must not be passed on to retail clients.