



# Lazard Global Active Funds plc

Annual Report and Financial Statements

For the year ended 31 March 2011





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# Directors and Other Information

## Registered Office

Riverside Two  
Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
IRELAND

## Manager

Lazard Fund Managers (Ireland) Limited  
Riverside Two  
Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
IRELAND

## Investment Managers

Lazard Asset Management Limited  
50 Stratton Street  
London W1J 8LL  
ENGLAND

*Lazard European Equity Fund*  
*Lazard Pan European Equity Fund*  
*Lazard UK Equity Fund*  
*Lazard Sterling High Quality Bond Fund*

Lazard Asset Management LLC  
30 Rockefeller Plaza  
New York NY 10020  
UNITED STATES OF AMERICA

*Lazard North American Equity Fund*  
*Lazard Emerging World Fund*  
*Lazard Emerging Markets Equity Fund*  
*Lazard Thematic Global Ex-Japan Fund*  
*Lazard Thematic Global Fund*  
*Lazard Global Classic Value Equity Fund*  
*Lazard Global High Quality Bond Fund*  
*Lazard Developing Markets Equity Fund*<sup>∞</sup>

Lazard Japan Asset Management K.K.  
ATT Annex 7th Floor  
2-11-7 Akasaka  
Minato-Ku, Tokyo  
JAPAN

*Lazard Japanese Equity Fund*

## Custodian

BNY Mellon International Bank Limited<sup>‡</sup>  
Riverside Two  
Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
IRELAND

<sup>‡</sup> Effective 1 July 2010, PNC International Bank Limited changed its name to BNY Mellon International Bank Limited

<sup>†</sup> Effective 1 July 2010, PNC Global Investment Servicing (Europe) Limited changed its name to BNY Mellon Investment Servicing (International) Limited.

<sup>∞</sup> Effective 4 October 2010, Lazard Developing Markets Equity Fund launched.

## Administrator and Registrar

BNY Mellon Investment Servicing (International) Limited<sup>†</sup>  
Riverside Two  
Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
IRELAND

## Directors

Michael Allen (British) (appointed 25 January 2011)  
Michael Chapman (British) (resigned 28 January 2011)  
John Donohoe (Irish)\*  
Andreas Hubner (German) (appointed 31 May 2011)  
Daniel Morrissey (Irish)\*  
William Smith (British)

## \* Independent Directors

All Directors are Non Executive

## Secretary

Wilton Secretarial Limited  
Fitzwilton House  
Wilton Place  
Dublin 2  
IRELAND

## Independent Auditors

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
One Spencer Dock  
North Wall Quay  
Dublin 1  
IRELAND

## Sponsoring Brokers

Goodbody Stockbrokers  
Ballsbridge Park  
Dublin 4  
IRELAND

## Legal Advisers as to Irish Law

William Fry  
Fitzwilton House  
Wilton Place  
Dublin 2  
IRELAND

## Tax Advisor as to United Kingdom Taxation

MacFarlanes LLP  
10 Norwich Street  
London EC4A 1BD  
ENGLAND

# Directors' Report

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The Board of Directors (the "Directors") present their annual report together with the audited financial statements for the year ended 31 March 2011. Lazard Global Active Funds plc (the "Company") is an open ended investment company with variable capital structured as an umbrella fund with segregated liability between sub funds, which at the year end had thirteen sub funds (2010: twelve) in existence.

## Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish Law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland. Irish company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of its profit or loss for that year. In preparing the financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Irish Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) ("UCITS"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The measures taken by the Directors to ensure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and the appointment of experienced administrators and service providers, BNY Mellon Investment Servicing (International) Limited. The books of account are held at the registered office of the Company. Under the UCITS Regulations, the Directors are required to entrust the assets of the Company to the Custodian for safe-keeping. In carrying out this duty, the Company has delegated custody of the Company's assets to BNY Mellon International Bank Limited.

Information published on the internet is accessible in many countries with different legal requirements. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Principal Activities

The Company commenced activities on 1 July 1996. The investment objectives of each sub fund within the Company are set out in the Prospectus. The Company has been approved by the Central Bank of Ireland as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended).

## Review of Business and Future Developments

The Investment Managers' Reports contain a review of the factors which contributed to the performance for the year. The Directors do not anticipate any changes in the structure of the Company or investment objectives of any of the sub funds in the immediate future.

## Risk Management Objectives and Policies

Information in relation to the Company's risk management objectives and policies are included in note 16 to the financial statements.

## Results and Dividends

The results and distributions for the year are set out in the Profit and Loss Account.

# Directors' Report (continued)

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## Directors

The names of the persons who were Directors of the Company during the year ended 31 March 2011 are set out below:

Michael Allen (appointed 25 January 2011)  
Michael Chapman (resigned 28 January 2011)  
John Donohoe\*  
Andreas Hubner (appointed 31 May 2011)  
Daniel Morrissey\*  
William Smith

\* *Independent Directors*

Except where noted above, all Directors served for the entire period.

As at 31 March 2011 and 31 March 2010, all of the Directors are Directors of the Manager of the Company, Lazard Fund Managers (Ireland) Limited.

## Directors' and Secretary's Interests

Michael Allen and William Smith are employees of the Investment Manager and Michael Chapman up to 28 January 2011 was an employee of the Investment Manager.

The Directors are not aware of any shareholding in the Company by any Director, the Secretary or their families during the year ended 31 March 2011 or 31 March 2010. Michael Allen, Michael Chapman and William Smith as employees of the Investment Manager have waived their rights to Directors' fees from the Company.

Directors' fees payable by the Company are disclosed in note 7 to the financial statements.

## Transactions Involving Directors

Daniel Morrissey is a Director of the Company and is also a partner of William Fry (the Company's legal advisers) and accordingly, had a beneficial interest under the Companies Act, 1990 in legal fees paid to William Fry amounting to USD65,552 (2010: USD93,931).

John Donohoe is a Director of the Company and is also a Director of Carne Global Financial Services Limited who provide consultancy services to the Manager, Lazard Fund Managers (Ireland) Limited.

The Directors are not aware of any other contracts or arrangements of any significance in relation to the business of the Company in which any Director had any beneficial interest as defined in the Companies Act, 1990 at any time during the years ended 31 March 2011 and 31 March 2010.

## UK Distributor Status

The Company has been certified for the year ended 31 March 2010. For the year ending 31 March 2011 the sub funds will apply to HMRC for Distributer Status as in prior years. Such status is granted retrospectively. With effect from 1 April 2011, an application is being made to HMRC for Offshore Fund Reporting Status. This is relevant to UK taxpayers.

# Directors' Report (continued)

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## Corporate Governance Statement

Although there is no specific statutory corporate governance code applicable to Irish collective investment schemes whose shares are admitted to trading on the Irish Stock Exchange, the Company is subject to corporate governance practices imposed by:

The Irish Companies Acts 1963 to 2009 which are available for inspection at the registered office of the Company and may also be obtained at [www.irishstatutebook.ie](http://www.irishstatutebook.ie).

The Articles of Association of the Company which are available for inspection at the registered office of the Company at Riverside Two, Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2, Ireland and at the Companies Registration Office in Ireland.

The Central Bank of Ireland (formerly the Irish Financial Services Regulatory Authority) in their UCITS Notices and Guidance Notes which can be obtained from the Central Bank of Ireland's website at: [www.centralbank.ie](http://www.centralbank.ie) and are available for inspection at the registered office of the Company.

The Irish Stock Exchange ("ISE") through the ISE Code of Listing Requirements and Procedures which can be obtained from the ISE's website at [www.ise.ie](http://www.ise.ie).

The Company does not apply additional corporate governance requirements beyond those required by the above.

### *Financial Reporting Process – description of main features*

On, 23 June 2011, The Board of Directors (the "Board") voluntarily adopted the Corporate Governance Code for Irish Domiciled Collective Investment Schemes as published by the Irish Funds Industry Association, as the Company's corporate governance code.

The Board is ultimately responsible for overseeing the establishment and maintenance of adequate internal control and risk management systems of the Company in relation to the financial reporting process. As the Company has no employees and all directors serve in a non executive capacity all functions including the preparation of the financial statements have been outsourced. The Company has appointed BNY Mellon Investment Servicing (International) Limited (the "Administrator") consistent with the regulatory framework applicable to investment fund companies such as the Company.

Subject to the supervision of the Board, the appointment of the Administrator is intended to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has procedures in place to ensure that all relevant books of account are properly maintained and are readily available, including production of annual and half yearly financial statements. The Board has appointed the Administrator to maintain the books and records of the Company.

The annual financial statements of the Company are required to be approved by the Board and filed with the Central Bank of Ireland and the Irish Stock Exchange. The statutory financial statements are required to be audited by independent auditors who report annually to the Board on their findings. The Board evaluates and discusses significant accounting and reporting issues as the need arises.

### *Risk Assessment*

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and for ensuring that processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board's appointment of an administrator independent of the investment manager to the Company and which is regulated by the Central Bank of Ireland is intended to mitigate though not eliminate the risk of fraud or irregularities which may impact the financial statements of the Company.

### *Monitoring*

During the period of these financial statements, the Board was responsible for the review and approval of the annual financial statements as set out in the Statement of Directors' Responsibilities. The statutory financial statements are required to be audited by independent auditors who report annually to the Board on their findings. The Board monitors and evaluates the independent auditor's performance, qualifications and independence. As part of its review procedures, the Board receives presentations from relevant parties including consideration of Irish accounting standards and their impact on the annual financial statements, and presentations and reports on the audit process. The Board evaluates and discusses significant accounting and reporting issues as the need arises.

# Directors' Report (continued)

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## Corporate Governance Statement (continued)

### *Capital structure*

No person has any special rights of control over the Company's share capital. There are no restrictions on voting rights.

For the appointment and replacement of directors, the Company is governed by its Articles of Association, Irish statute comprising the Companies Acts, 1963 to 2009 and the listing rules of The Irish Stock Exchange as applicable to investment funds. The Articles of Association themselves may be amended by special resolution of the shareholders.

### *Composition and operation of the board of directors*

There are currently four directors (refer to page 4 for details), all of whom are non executive. None of the Directors have entered into an employment or service contract with the Company. The Company has appointed Lazard Fund Managers (Ireland) Limited as its Manager pursuant to the Management Agreement. Under the terms of the Management Agreement, the Manager has responsibility for the management and administration of the Company's affairs and the distribution of the shares, subject to the overall supervision and control of the Directors. All related party transactions during the year are detailed in the notes to the financial statements. The Articles of Association do not provide for retirement of Directors by rotation.

However, the Directors may be removed by the shareholders by ordinary resolution in accordance with the procedures established under the Irish Companies Acts 1963 to 2009. The Board meets at least quarterly. There are no permanent sub-committees of the Board.

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. Subject to its supervision and direction the Board has delegated the day to day administration of the Company to the Administrator and the investment management and distribution functions to the Investment Managers. The Company has appointed BNY Mellon International Bank Limited as the custodian to the Company with responsibility for the safekeeping of the assets of the Company.

### *Shareholder meetings*

All general meetings of the Company shall be held in Ireland. In each year the Company shall hold a general meeting as its annual general meeting at which the audited financial statements of the Company will be presented (together with the Directors' and Auditors' Reports for the Company). Twenty-one days notice (excluding the day of posting and the day of the meeting) shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any shareholder. An ordinary resolution is a resolution passed by a majority of 50% or more of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. The Articles of Association provide that matters may be determined by a meeting of shareholders on a show of hands unless a poll is requested by five shareholders or by shareholders holding 10% or more of the shares or unless the Chairman of the meeting requests a poll. Each share gives the holder one vote in relation to any matters relating to the Company which are submitted to shareholders for a vote by poll.

## Independent Auditors

The independent auditors, PricewaterhouseCoopers have indicated their willingness to remain in office in accordance with Section 160(2) of the Companies Act, 1963.

### On behalf of the Board of Directors

**Director:**

**Director:**

**Date: 23 June 2011**

# Investment Managers' Report

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## Lazard European Equity Fund

Over the 12-month period under review, the Lazard European Equity Fund returned 5.73% in Euro terms against the FTSE World Europe ex UK Index of 8.30%.<sup>1</sup>

### Market Review

Continental European equities began the period under review with risk appetites decreasing as a consequence of the sovereign debt crisis on the periphery of Europe. In May, the European Union announced an unprecedented €750bn package to protect the Eurozone from defaults. However, the debt crisis continued to linger throughout the period. The most recent chapter was in March when, following the rejection of austerity measures and the resignation of the Prime Minister, the Portuguese Government called for the assistance of the ECB. This followed a bailout of the Irish economy in Q4 2010.

Despite ongoing concerns, investors' risk appetites returned in Q3 2010, as many believed the economic recovery in Europe was still on track. A great deal of the macro data suggested that recovery remained distinct from the sovereign debt issues on the periphery of the continent. Germany in particular has seen much news to cheer investors with manufacturing and employment data continuing to improve.

In the final three months of the period, the global economy witnessed a number of unexpected events, from the humanitarian and nuclear crises in Japan to the unrest in North Africa and the Middle East. However, European equities have remained robust, as leading economic indicators appear to be close to historical highs. Though there are still risks, there now appears to be evidence of self-sustaining economic growth.

### Portfolio Review

The sub fund underperformed its benchmark during the past 12 months. Stock selection in industrials and telecommunications detracted from performance, while stock selection in technology and consumer services helped returns.

In industrials, following a poor set of half-year results, shares of Irish building materials producer CRH fell after management conceded that the outlook for the company will remain difficult into 2011.

Shares of French automobile component manufacturer Valeo appreciated following the announcement that profits had beaten expectations. The company produced results above estimates throughout 2010, but saw the majority of its outperformance in the fourth quarter as the market finally began to price in the good news.

In consumer services, Portuguese food retailer Jeronimo Martins was additive to returns. The company has benefitted from the performance of its growing Polish supermarket chain Biedronka. We sold the position, taking profits, in Q1 2011. However, our holding in French supermarket chain Carrefour detracted from performance following disappointing sales and the poor performance of the company's Brazilian franchise.

Lastly, not holding BASF hurt performance, as shares of the German chemical company rose following approval from the European Union for the company to complete the purchase of food and cosmetics company Cognis Holding.

### Outlook

Despite a number of possible headwinds, including the re-emergence of sovereign debt issues and inflationary fears, economic indicators are generally pointing toward continued growth. As we move out of early recovery and into a slower, mid-cycle phase of economic growth, we expect the market to remain resilient in the face of macro pressures. Company earnings growth should also remain positive, though slightly weaker than the earnings momentum seen during the recovery period last year.

For many global investors, Europe had become a significant underweight and share prices are beginning to benefit as a result of positive fund flows from other asset classes. We still believe Europe is attractive from a bottom up perspective, as quality companies are undervalued and available on compelling valuations.

All data contained herein are sourced by Lazard Asset Management unless otherwise noted as at 31 March 2011.

<sup>1</sup> **Source:** Lipper Hindsight, Cumulative Growth, Bid Price to Bid Price, Gross Income Reinvested, Net of Fees, Euros, Retail Share Class to 31 March 2011.

**Fund Manager:** Aaron Barnfather, Barnaby Wilson and Team.

Figures refer to past performance and past performance is not a reliable indicator of future results.

**Lazard Asset Management Limited**  
**April 2011**

# Investment Managers' Report (continued)

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## Lazard Japanese Equity Fund

Over the 12 month period under review, the Lazard Japanese Equity Fund returned -11.20% against the Topix TR Index of -9.23%.<sup>1</sup>

### Market Review

The market was weak throughout most of the year, and a late recovery in share prices was adversely impacted by the Tohoku earthquake which hit Japan on 11 March. A generally positive trend in domestic economic activity was also interrupted as consumers reigned in expenditures nationwide on uncertainty for growth going forward. Supply bottlenecks created by the earthquake have damaged the prospects for exports near term, and this has created a level of earnings uncertainty which has been reflected in lower prices across most export oriented companies. In addition, the nuclear problems at the Fukushima Daiichi power plant led to lack of clarity on long term energy supply and damaged sentiment overall. In some ways it is surprising how resilient the market managed to be given the sheer magnitude of the disaster that struck Japan. In this sense, some investors were looking beyond the near term disruptions towards the prospect of higher growth rates coming from the rebuilding effort longer term.

Sectors that performed strongly over the year included oil & coal, rubber products and machinery. Sectors that performed less well over the year included electric power & gas, securities companies and marine transportation.

### Portfolio Review

The portfolio underperformed the index, primarily due to poor performance in information technology and industrials stocks.

An average underweight in Tokyo Electric Power helped performance. The company was in the portfolio until the end of 2010 when a decision by management to raise dilutive equity was deemed to be against shareholder objectives and the position was sold.

Japan Retail Fund Investment contributed to performance as its high dividend yield and Bank of Japan purchase of J-REITs as part of its quantitative easing initiative helped the share price. JX Holdings, Japan's largest oil refiner, responded positively to earnings growth driven by major cost reductions.

On the negative side Nomura Holdings was hurt by continued investor concern over the prospects for the domestic capital markets. Nintendo lagged on lower earnings as the company transitions to its new game platforms. Hitachi fell after the earthquake due to its exposure to nuclear energy.

### Outlook

The domestic oriented side of the market offers very low valuations but heretofore has lacked a catalyst to see sustainable earnings growth and unlock the value. While potential downside of this group was somewhat limited, upside potential was capped by a poor domestic economic growth dynamic. This has changed as a result of the Tohoku earthquake, and investors can now expect several years of above average growth rates on the rebuilding needs of northern Japan. In addition a review of energy policy offers opportunities in clean, alternative energy to nuclear which formed a cornerstone of Japan's energy plans. While the cyclical story looks highly compelling, the one major uncertainty remaining is whether the events of 11 March lead to positive changes on the political front and the emergence of leadership which can set policy that will enhance the prospects for Japan on a secular basis.

All data contained herein is sourced by Lazard Asset Management unless otherwise noted as at 31 March 2011.

<sup>1</sup> **Source:** Lipper Hindsight, Cumulative Growth, Bid Price to Bid Price, Gross Income Reinvested to 31 March 2011 in USD.

**Fund Manager:** Tim Griffen and Team.

Figures refer to past performance and past performance is not a reliable indicator of future results.

**Lazard Japan Asset Management K.K.**  
**April 2011**

# Investment Managers' Report (continued)

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## Lazard North American Equity Fund

Over the 12-month period under review, the Lazard North American Equity Fund returned 12.59% in US dollar terms against the S&P 500 Index return of 15.65%.<sup>1</sup>

### Market Review

The US stock market posted robust returns in the last twelve months, as economic growth continued to slowly improve. As the year progressed, the US economy was healing: GDP improved; many companies reported strong earnings and cash-rich balance sheets; manufacturing expanded; exports reverted to levels seen before the financial crisis; and retail sales returned to where they were before the recession began. In November, the US Federal Reserve Board (the Fed) announced a second round of quantitative easing, in which approximately \$600 billion of short- and long-term Treasuries will be purchased through the second quarter of 2011. However, concerns about the economy remain, as the unemployment rate continues to stagnate, home prices remain weak and the price of crude oil has risen.

News from abroad affected the market throughout the year, particularly the political turmoil in the Middle East and North Africa, the devastating earthquake and nuclear crisis in Japan and the geopolitical concerns about sovereign debt levels in Europe. Greece, Ireland and Portugal agreed to rescue packages from the European Union and the International Monetary Fund (IMF); however, the bailouts did not fully stem fears of contagion in other Eurozone countries.

Some of the best performing sectors in the S&P 500 Index during the last twelve months were energy, materials and industrials, a move largely driven by booming prices in commodities. Health care and consumer staples, generally considered defensive sectors, posted some of the lowest returns in the Index.

### Portfolio Review

During the past twelve months, the sub fund benefited from stock selection in the consumer discretionary sector. Shares of Autozone, a leading auto parts retailer, performed well on a series of strong quarterly earnings. Investors were also heartened as the company bought back shares. Stock selection and an underweight position in the financials sector also helped returns. Shares of Ameriprise Financial, a leading financial planning and services firm, gained as the company integrated its acquisition of Columbia Asset Management and margins increased in all divisions.

In contrast, stock selection in the information technology sector detracted from performance. Shares of Cisco, the leader in networking, declined as investors were disappointed with earnings. While the company's revenues have grown, margins have been under pressure, increasing uncertainty around the stock. Stock selection in the consumer staples sector also hurt returns. Shares of retailer Wal-Mart underperformed as the market focused on consumer names with more exposure to discretionary spending. The company also had slightly negative US year-on-year comparisons, largely due to food deflation.

### Outlook

In spite of the recent rally, we continue to see reason for optimism. If we consider equities versus fixed income instruments, the risk/reward remains asymmetric for much of the fixed income universe, especially considering the degree to which the US Federal Reserve and other central banks arguably are distorting yields downward. If quantitative easing is effective, the legitimate expectation should be for economic growth to put downward pressure on bond prices and upward pressure on yields. If quantitative easing fails, one could argue that credit quality concerns will resurface in a significant way as investors question what will lead to economic growth.

Regarding the equity universe, we believe the US is in a positive position as it is already enjoying meaningful real economic growth and seeing the early signs of job growth. To the extent this economic growth gains traction, there would likely be further legs to the upside story as demand recovers from newly re-employed workers. If the bet on growth in gross domestic product (GDP) works, deleveraging can proceed as the debt outstanding is divided by a bigger and bigger denominator of economic output.

All data contained herein are sourced by Lazard Asset Management unless otherwise noted as at 31 March 2011.

<sup>1</sup> **Source:** Lipper Hindsight, Cumulative Growth, Bid Price to Bid Price, Gross Income Reinvested, Net of Fees, in US dollar terms, Retail Share Class to 31 March 2011.

**Fund Manager:** Christopher Blake and Team.

Figures refer to past performance and past performance is not a reliable indicator of future results.

**Lazard Asset Management LLC**  
**April 2011**

# Investment Managers' Report (continued)

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## Lazard Pan European Equity Fund

Over the 12-month period under review, the Lazard Pan European Equity Fund returned 4.63% in EUR terms against the MSCI Europe Index return of 8.02%.<sup>1</sup>

### Market Review

Pan European equities began the period under review with risk appetites decreasing as a consequence of the sovereign debt crisis on the periphery of Europe. In May, the European Union announced an unprecedented €750bn package to protect the Eurozone from defaults. However, the debt crisis continued to linger throughout the period. The most recent chapter was in March when, following the rejection of austerity measures and the resignation of the Prime Minister, the Portuguese Government called for the assistance of the ECB. This followed a bailout of the Irish economy in Q4 2010.

Despite ongoing concerns, investors' risk appetites returned in Q3 2010, as many believed the economic recovery in Europe was still on track. A great deal of the macro data suggested that recovery remained distinct from the sovereign debt issues on the periphery of the continent. Germany in particular has seen much news to cheer investors with manufacturing and employment data continuing to improve. Though there are still risks, there now appears to be evidence of self-sustaining economic growth.

In the UK, macro data has been mixed with rising inflation and poor GDP weighing on investors' minds. However, UK equities made strong gains in the last six months of 2010 and recovered strongly from the market sell-off in March.

### Portfolio Review

The sub fund underperformed its benchmark during the period under review. Stock selection in the industrials sector and an underweight in telecommunications hurt performance. Stock selection amongst consumer discretionary and health care companies was additive to returns.

In consumer discretionary, Portuguese food retailer Jeronimo Martins was additive to returns. The company has benefitted from the performance of its growing Polish supermarket chain Biedronka. We sold the position, taking profits, in Q1 2011. However, our holding in French supermarket chain Carrefour detracted from performance following disappointing sales and the poor performance of the company's Brazilian franchise.

The sub fund benefitted from its holding in German car manufacturer BMW. The company is taking advantage of the growing luxury car market in emerging economies such as Brazil and China.

Shares of French automobile component manufacturer Valeo appreciated following the announcement that profits had beaten expectations. The company produced results above estimates throughout 2010, but saw the majority of its outperformance in the fourth quarter as the market finally began to price in the good news.

Lastly, not holding BASF hurt performance, as shares of the German chemical company rose following approval from the European Union for the company to complete the purchase of food and cosmetics company Cognis Holding.

### Outlook

Despite a number of possible headwinds, including the re-emergence of sovereign debt issues and inflationary fears, economic indicators are generally pointing toward continued growth. As we move out of the recovery phase and into a more typical cycle of economic growth, we expect the market to remain resilient in the face of macro pressures. Company earnings growth should also remain positive, though slightly weaker than the earnings momentum seen during the recovery period last year.

For many global investors, Europe had become a significant underweight and share prices are beginning to benefit as a result of positive fund flows from other asset classes. We still believe Europe is attractive from a bottom up perspective, as quality companies are undervalued and available on compelling valuations.

All data contained herein are sourced as at 31 March 2011 by Lazard Asset Management unless otherwise noted.

<sup>1</sup> **Source:** Lipper Hindsight, Cumulative Growth, Bid Price to Bid Price, Gross Income Reinvested, Net of Fees, in US dollar terms, Retail Share Class to 31 March 2011.

**Fund Manager:** Barnaby Wilson and Team.

Figures refer to past performance and past performance is not a reliable indicator of future results.

**Lazard Asset Management Limited**  
**April 2011**

**Lazard Global Active Funds plc**

**Year ended 31 March 2011**

# Investment Managers' Report (continued)

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## Lazard UK Equity Fund

Over the 12-month period under review, the Lazard UK Equity Fund returned 6.08% net of fees and in sterling, against the FTSE All-Share Index of 8.72%.<sup>1</sup>

### Market Review

The FTSE All-Share Index was up for the 12 months ending March 2011. Markets were volatile at the beginning of the period as sovereign debt concerns in Europe, the UK General Election resulting in a hung Parliament and BP's disastrous oil spill occupied the thoughts of commentators and investors alike. However, markets recovered in the second half of 2010, as investors reacted positively to encouraging macro data, Q3 earnings that continued to underpin analysts' forecasts and a fresh round of quantitative easing by the US Government.

The first quarter of the New Year was highly volatile as markets were rocked by both the humanitarian and nuclear crises in Northern Japan and the unrest in the Middle East and North Africa. Rising inflation and poor UK GDP figures also weighed on investors' minds. However, UK equities held onto the strong gains made in the previous six months, recovering strongly towards the end of March.

### Portfolio Review

The sub fund underperformed its benchmark during the period under review. Stock selection amongst consumer goods and telecommunications detracted from performance, while stock selection in industrials and financials helped returns.

Owning an underweight position in Vodafone detracted from relative returns as it outperformed the index by over 10% in the past 12 months. The defensive nature of its strong cashflow generation helped to buoy the share price, bolstered further by its holding in Verizon Wireless.

Stock selection in banks was additive to returns, as the sector had a volatile 12 months as a result of worries over European sovereign debt issues. We benefitted from being on average underweight Barclays (the stock was sold early in the period), but an overweight in Standard Chartered hurt returns.

In health care, our overweight in Shire was additive to returns as its share price rose significantly towards the end of the period, supported by an update for the final quarter of 2010, which showed strong top-line growth and gains in earnings.

Lastly, in industrials, conveyer belt manufacturer Fenner was additive to returns after reporting a six-fold increase in full-year profits.

### Outlook

In 2010 the market performed well and was given the perfect excuse to give all those gains away following the crises in Japan and the Middle East. However, the FTSE 100 is almost flat year-to-date, lending credence to the strong valuations underpinning the market. Share prices are strong enough to withstand macro shocks of the nature we have seen in the past three months. With earnings estimates remaining strong, we believe that there is still a great deal of scope for share price progression moving into the second quarter of 2011.

All data contained herein are sourced by Lazard Asset Management unless otherwise noted as at 31 March 2011.

<sup>1</sup> **Source:** Lipper Hindsight, Cumulative Growth, Bid Price to Bid Price, Gross Income Reinvested to 31 March 2011.

**Fund Manager:** Lloyd Whitworth and Team.

Figures refer to past performance and past performance is not a reliable indicator of future results.

**Lazard Asset Management Limited**  
**April 2011**

# Investment Managers' Report (continued)

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## Lazard Emerging World Fund

Over the 12-month period under review, the Lazard Emerging World Fund returned 18.65%, net of fees and in US dollar terms against the MSCI Emerging Markets Index return of 18.78%.<sup>1</sup>

### Market Review

Despite intermittent periods of optimism, followed by concern about global growth and inflation, shares in emerging markets experienced a strong 12 month period ending 31 March 2011. The strength was caused to a significant degree by world central banks' accommodative monetary policies. This was best exemplified by another phase of quantitative easing by the US Federal Reserve towards year-end, known as QE2. However, the strong demand for emerging markets over the last couple of years had created inflationary pressures which appeared to frighten investors from the asset class at the beginning of 2011, and, coupled with uprisings in several Middle Eastern countries, led to underperformance compared to developed markets. Due in part to the Japanese earthquake in March, emerging markets equities then outperformed equities in the industrialized countries. Although two countries, Hungary and Egypt, finished lower over the period, all other major developing markets rose, and in many cases recorded considerable gains.

### Portfolio Review

During the period, the Lazard Emerging World Fund benefited from overweight exposure and stock selection in the Philippines and Indonesia. The sub fund's largest holding, First Pacific, performed strongly, reflecting the high quality and good results from its investments in both the Philippines and Indonesia. While underweight Korea, stock selection helped returns as the Korean-focused investments, Korea Fund and Korea Equity Fund, outperformed significantly. The sub fund's commodity-related investments, ASA Gold & Precious Metals and Blackrock World Mining Trust, performed strongly. Underweight exposures to both Latin America and the Middle East also helped performance.

The sub fund's stock selection in China hurt performance the most, as several key investments focusing on China, including China Everbright and China Merchants China Direct Investments, performed poorly. Our underweight exposure to Africa, especially South Africa, hurt returns. In Europe, while the Fund's investments experienced strong absolute returns, investments in JPMorgan Russian Securities and Central Europe and Russia Fund, underperformed the regional market.

The sub fund's average discount narrowed by nearly 180 basis points over the 12-month period, which positively impacted performance.

### Outlook

We remain positive on emerging markets, particularly in the long term. While share prices have increased, strong levels of profitability have resulted in valuations not being excessive. Therefore, we believe investors with long-term objectives should maintain an exposure to this asset class.

All data contained herein are sourced by Lazard Asset Management unless otherwise noted as of 31 March 2011.

<sup>1</sup> **Source:** Lipper Hindsight, Bid to Bid Price, Gross Income Reinvested, Net of fees, in USD, Retail Share Class.

**Fund Manager:** Kun Deng and Team.

Figures refer to past performance and past performance is not a reliable indicator of future results.

**Lazard Asset Management LLC**  
**April 2011**

# Investment Managers' Report (continued)

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## Lazard Emerging Markets Equity Fund

Over the 12-month period under review, the Lazard Emerging Markets Equity Fund returned 13.69%, in US dollar terms, against the MSCI Emerging Markets Index return of 18.78%.<sup>1</sup>

### Market Review

Despite intermittent periods of optimism, followed by concern about global growth and inflation, shares in emerging markets experienced a strong 12-month year ending 31 March 2011. The strength was caused to a significant degree by world central banks' accommodative monetary policies. This was best exemplified by another phase of quantitative easing by the US Federal Reserve towards year-end, known as QE2. However, the strong demand for emerging markets over the last couple of years had created inflationary pressures which appeared to frighten investors from the asset class at the beginning of 2011, and, coupled with uprisings in several Middle Eastern countries, led to underperformance compared to developed markets. Due in part to the Japanese earthquake in March, emerging markets equities then outperformed equities in the industrialised countries. Although two countries, Hungary and Egypt, finished lower over the period, all other major developing markets rose, and in many cases recorded considerable gains. The MSCI Emerging Markets Index increased by over 18% over the 12-month period, as shares in Eastern Europe, the Middle East and Africa outperformed stocks in Asia and Latin America.

### Portfolio Review

Over the period, lower-than-index exposure to China and stock selection within the energy sector helped performance. In contrast, stock selection within the telecom services sector and within Korea detracted from returns. A lower-than-index exposure to the energy sector also hurt performance.

Top contributors included HTC, a Taiwanese smart phone designer and manufacturer, which performed well on the successful introduction of new products. Souza Cruz, a Brazilian tobacco company also performed well, benefiting from strong operating trends. First Quantum Minerals, a mining company with assets predominantly located in Zambia, performed well given strong copper prices and upgraded resource estimates.

Within Brazil, shares of Usiminas, a steel producer, fell due to concerns of lower steel prices and shares of Redecard, a credit card operator, declined following disappointing earnings results. Shares of Hon Hai Precision, a Taiwanese electronic manufacturing service, were weak due to concerns that their exposure to the PC industry would be hurt by competition from tablets and smart-phones.

### Outlook

Despite recent strength, we continue to be reasonably optimistic about emerging markets, especially in the long term. Very considerable investor inflows and corporate issuance somewhat temper our immediate term enthusiasm. We would advise long-term investors to consider maintaining an exposure in this arena, especially in more conservative strategies, and to consider adding on weakness.

All data contained herein are sourced by Lazard Asset Management unless otherwise noted as at 31 March 2011.

<sup>1</sup> **Source:** Lipper Hindsight, Cumulative Growth, Bid Price to Bid Price, Gross Income Reinvested, Net of Fees, in US dollar terms, Retail Share Class to 31 March 2011.

**Fund manager:** James Donald and Team.

Figures refer to past performance and past performance is not a reliable indicator of future results.

**Lazard Asset Management LLC**

**April 2011**

# Investment Managers' Report (continued)

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## Lazard Thematic Global Ex-Japan Fund

Over the 12-month period under review, the Lazard Thematic Global Ex Japan Fund returned 11.79% in US dollar terms against the MSCI World Ex Japan Index return of 15.46%.<sup>1</sup>

### Market Review

The debate in financial markets between resurgent economic growth, and its prospects in the context of monetary and fiscal policies in their different iterations around the world, continued as it has for the last 12 months. To this were added dramatic political developments in the Middle East and North Africa, and the natural and ensuing nuclear disasters in Japan. Company earnings have been strong, and markets so far have brushed off these events. But higher oil prices, rising inflation, higher interest rates, and tighter fiscal policies are all factors with which they may have to deal.

### Portfolio Review

The Portfolio produced positive returns, but underperformed the MSCI World Ex Japan Index for the year. The themes that showed the strongest portfolio contribution were National Platforms, Oil, Gold & Precious Metals and Intergenerational Assets. The weakest contributors amongst the themes were Antimatter and Emerging Markets Real Estate.

The rising price of oil continued to explain the positive performance of the Oil theme. Holdings in Canadian Natural Resources, Chevron, Apache, Cenovus Energy, Conoco Phillips and Occidental Petroleum rose particularly strongly. Marathon Oil advanced strongly on the announcement of a split between its upstream and downstream activities. Anadarko Petroleum, a participant in the Gulf of Mexico spill, fell sharply and the position was trimmed earlier in the year. Conoco Phillips was sold at the end of the period to raise cash for investments in Australian gas producer Woodside Petroleum and US gas producer EOG Resources. The investment case for these purchases is the possibility of higher natural gas prices as more gas-fired electricity generating capacity is built following the nuclear accident in Japan.

The strong gold price also explains performance of the Gold & Precious Metals theme. All holdings in the theme contributed positively, save Kinross Gold, which declined on the possibility that it may make an acquisition.

Relatively poor returns in some emerging markets especially after Chinese authorities undertook measures to dampen economic activity and control nascent inflation through higher reserve requirements of banks, price controls, and higher interest rates negatively impacted the performance of the Emerging Markets Real Estate theme. A large position in China Overseas Land accounted for much of the theme's decline. Brazilian housebuilder Cyrela Brazil, and Singaporean pan-Asian commercial real estate developer Capital Malls Asia, also detracted from returns. A position in Taiwanese real estate company Far Eastern New Century helped performance of the Emerging Markets Real Estate theme.

### Outlook

Faced with the reluctance of political institutions to change, we must ask exactly the same questions as we asked in recent quarters. Important political choices will determine the prospects for investors. Will the US administration be paralysed until the next presidential election? How will the debate between stimulus and austerity play out? Will Europe have the political will to remain a union? What would be the political and economic costs of doing so? Will the Remnimb exchange rate against the US dollar in particular remain managed? How will the tension between market forces and politically determined economic factors play out?

The real challenge is to existing global platforms. We believe they need to restructure their businesses around their huge cumulative information inventories. This may involve building out their knowledge networks or receding into content development and reducing the scope of their models. Practically, they need to know how to monetise their knowledge. Further, they will have to resolve how to share the rewards between the stakeholders: the network managers, scarce professional staff and disassociated capital.

All data contained herein are sourced by Lazard Asset Management unless otherwise noted as at 31 March 2011.

<sup>1</sup> **Source:** Lipper Hindsight, Cumulative Growth, Bid Price to Bid Price, Gross Income Reinvested, Net of Fees, in US dollar terms, Institutional Share Class to 31 March 2011.

Figures refer to past performance and past performance is not a reliable indicator of future results.

**Fund Managers:** Nicholas Bratt, Irene Cheng, William Holzer, and Andrew Norris.

Figures refer to past performance and past performance is not a reliable indicator of future results.

**Lazard Asset Management LLC**  
**April 2011**

# Investment Managers' Report (continued)

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## Lazard Thematic Global Fund

Over the 12-month period under review, the Lazard Thematic Global Fund returned 10.61% in US dollar terms against the MSCI World Index return of 14.03%.<sup>1</sup>

### Market Review

The debate in financial markets between resurgent economic growth, and its prospects in the context of monetary and fiscal policies in their different iterations around the world, continued as it has for the last 12 months. To this were added dramatic political developments in the Middle East and North Africa, and the natural and ensuing nuclear disasters in Japan. Company earnings have been strong, and markets so far have brushed off these events. But higher oil prices, rising inflation, higher interest rates, and tighter fiscal policies are all factors with which they may have to deal.

### Portfolio Review

The Portfolio produced positive returns, but underperformed the MSCI World Index for the year. The themes that showed the strongest portfolio contribution were National Platforms, Oil, Gold & Precious Metals and Intergenerational Assets. The weakest contributors amongst the themes were Antimatter and Emerging Markets Real Estate.

The rising price of oil continued to explain the positive performance of the Oil theme. Holdings in Canadian Natural Resources, Chevron, Apache, Cenovus Energy, Conoco Phillips and Occidental Petroleum rose particularly strongly. Marathon Oil advanced strongly on the announcement of a split between its upstream and downstream activities. Anadarko Petroleum, a participant in the Gulf of Mexico spill, fell sharply and the position was trimmed earlier in the year. Conoco Phillips was sold at the end of the period to raise cash for investments in Australian gas producer Woodside Petroleum and US gas producer EOG Resources. The investment case for these purchases is the possibility of higher natural gas prices as more gas-fired electricity generating capacity is built following the nuclear accident in Japan.

The strong gold price also explains performance of the Gold & Precious Metals theme. All holdings in the theme contributed positively, save Kinross Gold, which declined on the possibility that it may make an acquisition.

Relatively poor returns in some emerging markets especially after Chinese authorities undertook measures to dampen economic activity and control nascent inflation through higher reserve requirements of banks, price controls, and higher interest rates negatively impacted the performance of the Emerging Markets Real Estate theme. A large position in China Overseas Land accounted for much of the theme's decline. Brazilian housebuilder Cyrela Brazil, and Singaporean pan-Asian commercial real estate developer Capital Malls Asia, also detracted from returns. A position in Taiwanese real estate company Far Eastern New Century helped performance of the Emerging Markets Real Estate theme.

### Outlook

Faced with the reluctance of political institutions to change, we must ask exactly the same questions as we asked in recent quarters. Important political choices will determine the prospects for investors. Will the US administration be paralysed until the next presidential election? How will the debate between stimulus and austerity play out? Will Europe have the political will to remain a union? What would be the political and economic costs of doing so? Will the Remnimb exchange rate against the US dollar in particular remain managed? How will the tension between market forces and politically determined economic factors play out?

The real challenge is to existing global platforms. We believe they need to restructure their businesses around their huge cumulative information inventories. This may involve building out their knowledge networks or receding into content development and reducing the scope of their models. Practically, they need to know how to monetise their knowledge. Further, they will have to resolve how to share the rewards between the stakeholders: the network managers, scarce professional staff and disassociated capital.

All data contained herein are sourced by Lazard Asset Management unless otherwise noted as at 31 March 2011.

<sup>1</sup> **Source:** Lipper Hindsight, Cumulative Growth, Bid Price to Bid Price, Gross Income Reinvested, Net of Fees, in US dollar terms, Institutional Share Class to 31 March 2011.

**Fund Managers:** Nicholas Bratt, Irene Cheng, William Holzer, and Andrew Norris.

Figures refer to past performance and past performance is not a reliable indicator of future results.

**Lazard Asset Management LLC**  
**April 2011**

# Investment Managers' Report (continued)

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## Lazard Global Classic Value Equity Fund

Over the 12-month period under review, the Lazard Classic Global Value Equity Fund returned 4.08% in US dollar terms against the MSCI World Index return of 14.03%.<sup>1</sup>

### Market Review

The year ending 31 March 2011 was marked by volatility in global equity markets, and was challenging for the Lazard Global Classic Value Equity Fund. A natural disaster in Japan combined with portfolio-specific exposures contributed to the poor performance during the period under review.

The overriding factor impacting performance was the earthquake, resulting tsunami and nuclear crisis in Japan. Our primary concern and thoughts are with the people of Japan, as we address the possible economic and financial market implications from this disaster.

### Portfolio Review

Among those holdings which were affected most by the earthquake was Tokio Marine Holdings, an insurance company. Although we continue to study their specific potential liabilities, we are relieved to find that earthquake insurance is largely re-insured by the Japanese government. In short, the government underwrites a portion of the responsibility of earthquake insurance taken on by private-sector companies. In addition, private sector insurance companies have vast contingency loss reserves, which are believed to provide them with adequate ability to pay losses.

A position which helped performance during the year was Franco-Nevada, a gold royalty company we have mentioned in previous periods. As the spot price of gold reached new all-time highs during the first quarter of 2011, Franco-Nevada closed on its value accretive acquisition of Gold Wheaton, driving its shares to an all-time high in March.

The portfolio incurred a significant loss in Irish Life & Permanent. The Irish Central Bank released the results of its "stress test" for all of the country's banks during the first quarter of 2011, resulting in cataclysmic declines in the shares of Irish Life & Permanent, among other financials.

During the period, we liquidated our position in Fanuc, a world class Japanese company and a leader in factory automation systems and robotics, after significant gains since our opportunistic purchase during the trough of the market during the credit crisis. As Fanuc's share price rose toward a more appropriate valuation of its quality business, we had been selling shares into that recent strength.

### Outlook

Our investment strategy has the flexibility to take advantage of whatever market environment prevails through time. We believe our focus on capital preservation, combined with our experience in navigating these various market environments gives us the confidence to act in a prudent yet opportunistic fashion. We will continue to search for investment opportunities that we hope will enable us to generate consistent returns in the portfolio.

All data contained herein are sourced by Lazard Asset Management unless otherwise noted as at 31 March 2011.

<sup>1</sup> **Source:** Lipper Hindsight, Cumulative Growth, Bid Price to Bid Price, Gross Income Reinvested, Net of Fees, in US dollar terms, Institutional Share Class to 31 March 2011.

**Fund manager:** Matthew Haynes.

Figures refer to past performance and past performance is not a reliable indicator of future results.

**Lazard Asset Management LLC**  
**April 2011**

# Investment Managers' Report (continued)

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## Lazard Global High Quality Bond Fund

For the 12-month period under review, the Lazard Global High Quality Bond Fund returned 8.01%, in US dollar terms, against the Barclays Global Aggregate Bond Index return of 7.15%.<sup>1</sup>

### Market Review

Bond yields moved decisively lower over the Q2 and Q3 of 2010, driven in no small part by a combination of risk aversion and lingering skepticism about global economic stability. Interest rates in core countries dropped to new multi-year lows and yield curves flattened in most markets throughout the year, as fixed-income markets received robust capital flows. US, German, and UK longer-maturity bonds (10-years and longer) dropped significantly during the period.

Global interest rate markets started 2011 with a consolidative tone, as country-specific factors impacted direction and volatility. Rising yields in longer-maturity US Treasuries reflected stronger economic data, inflationary fears and, most importantly, fiscal concerns and looming supply. The euro curve also "repriced" and intermediate yields increased, bringing forward the potential for a rate hike as early as April.

Generally stronger economic data, in addition to the increased inflationary pressures, pushed rates higher in the UK and Scandinavia during the first quarter of 2011. Food and energy price pressures similar to 2008 also negatively impacted bonds in smaller developing and emerging markets, such as Indonesia, India and Korea, where rates moved sharply higher. In contrast, Australian and New Zealand rates dropped as worries over the impact of natural disasters temporarily interrupted their rate hike cycles.

Compared to rates and currencies, credit sectors finished the 12-month period with relative stability and continued to trade well with spreads generally tightening, especially higher yielding issues further down the credit spectrum. New issuance overall was easily absorbed, as flows into cash bonds are supportive. We believe excess carry through exposure to select spread product is an important theme this year, although sensitivity to yield curve positioning will be key.

### Portfolio Review

Over the year, the sub fund's country allocations, including an overweight exposure to Australia and New Zealand and an underweight position in peripheral Europe, added to performance. Diversified currency exposure and excess carry also helped returns. On the downside, an underweight position in financial corporate bonds detracted from performance.

### Outlook

We remain constructive on the potential for steady global growth in the coming year. However, we will be vigilant with regard to policy actions from countries that may be impacted by inflation or political pressures, keeping in mind that there are 17 elections scheduled this year in Africa alone. We will also be keenly watching developments in the United States over the next few months, including political battles over the debt ceiling and the beginning of the end of quantitative easing or "QE2," which will reduce some of the liquidity feeding the purchase of riskier assets.

The tragedy in Japan also creates additional uncertainty, but the tremendous liquidity injected by the Bank of Japan may also be seeping into riskier assets. We believe rebuilding efforts will ultimately increase economic activity, but with further negative fiscal implications. In contrast to many sovereign issuers, corporate balance sheets are generally in solid condition, underpinning our investments in select corporate bonds.

Similar to our theme of overweighting spread product (compared to government bonds) to potentially earn excess yield, we also believe the currency environment this year is conducive to focusing on "carry." In line with our long-term view on US dollar and Japanese yen weakness, we have reestablished overweight positions to select commodity-based currencies plus situations such as the British pound, where we expect a rate normalisation cycle to begin mid-year. Diversified currency exposure this year could provide an additional—and potentially uncorrelated—source of incremental return. As always, we seek diversified investments in global bond, credit and currency markets, with good underlying fundamentals and asymmetrical upside risk/reward profiles.

All data contained herein is sourced by Lazard Asset Management unless otherwise noted as at 31 March 2011.

<sup>1</sup> **Source:** Lipper Hindsight. Cumulative Growth, Bid Price to Bid Price, Gross Income Reinvested, net of fees, Retail Share Class, to 31 March 2011.

**Fund Manager:** Yvette Klevan and Team.

Figures refer to past performance and past performance is not a reliable indicator of future results.

**Lazard Asset Management LLC**  
**April 2011**

# Investment Managers' Report (continued)

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## Lazard Sterling High Quality Bond Fund

Over the 12-month period under review the Lazard Sterling High Quality Bond Fund returned 5.24% against the Markit iBoxx Sterling Overall Index return of 5.31%.<sup>1</sup>

### Market Review

The period under review began with an escalation of sovereign debt problems in peripheral Europe and a pickup in risk aversion from investors before markets picked up in the Q3. Concerns about the peripheral Eurozone countries' ability to reduce budget deficits led to a number of downgrades from credit rating agencies. The most recent chapter was in March when, following the rejection of austerity measures and the resignation of the Prime Minister, the Portuguese Government called for the assistance of the ECB. This followed a bailout of the Irish economy in Q4 2010.

Inflationary pressure increased during the period, with the CPI measure printing at 4.4% for February 2011, driven by higher energy costs and the recent rise in VAT. This outturn was significantly higher than the market was expecting, and also represented a steep increase from the 4.0% level reported in January. The Bank of England nevertheless kept the base interest rate unchanged at 0.50% throughout the six months, as well as not altering the £200 billion quantitative easing programme.

### Portfolio Review

The sub fund marginally underperformed its benchmark during the past six months.

In Q2 2010, within credit, performance was helped by our exposure to more defensive names in the utilities and telecoms sectors, such as Southern Water, Northern Gas Networks and Deutsche Telekom. Holdings of auto-maker BMW, and food retailer Tesco also made significant positive contributions to performance over the quarter. In terms of what hurt, our exposure to subordinated financial bonds (lower ranked debt in the financial capital structure) was, in the main, negative for performance in Q2 as this area of the market came under pressure.

In Q3 2010, within credit, performance was mainly driven by our exposure to subordinated financial debt (lower ranking bonds in the capital structure). Holdings of HBOS, Santander, Commerzbank, and Danske Bank Tier 1 bonds made a significant positive contribution to performance. In terms of what hurt, the portfolio was positioned to be slightly short duration at the overall level which resulted in moderate negative performance attribution given the environment of declining government bond yields.

In Q4 2010, performance was helped by having no exposure to Allied Irish Banks or Bank of Ireland. Elsewhere in financials, performance was aided by our holdings of Friends Provident subordinated debt. In non financials, corporate hybrid debt experienced a relatively positive quarter, so our holdings of names such as Siemens contributed positively towards performance. In terms of what hurt, at a sector level credit moderately underperformed gilts over the quarter, so our overweight position here cost us several basis points.

Given the outperformance of credit versus government bonds over Q1 2011, our overweight allocation to corporate bonds was supportive of performance. Drilling down into our credit holdings, our continued overweight positioning in subordinated financials was the main contributor to performance. Our Tier 1 holdings of HBOS, Banco Santander and Danske Bank all had a significant positive impact, as did our position in Lloyds Enhanced Capital notes (ECNs). In terms of what hurt, performance was negatively impacted by our underweight position in Citigroup, as well as by some of our longer-dated utilities exposure.

### Outlook

Corporate bonds have proved their worth over the last quarter under the sternest of examinations and we expect this trend to continue over the coming months. The comparative certainty of return offered by the asset class should continue to prove attractive in an increasingly uncertain global environment, and we continue to favour a significant allocation to high yield debt, which should provide greater protection against a rising rate environment.

All data contained herein are sourced by Lazard Asset Management unless otherwise noted as at 31 March 2011.

<sup>1</sup> **Source:** Lipper Hindsight. Cumulative Growth, Bid Price to Bid Price, Gross Income Reinvested, Net of Fees, Sterling, Retail Share Class to 31 March 2011.

**Fund Manager:** Thomas Hanson and Team.

Figures refer to past performance and past performance is not a reliable indicator of future results.

**Lazard Asset Management Limited**  
**April 2011**

# Investment Managers' Report (continued)

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## Lazard Developing Markets Equity Fund

### Investment Objective

The investment objective of the Lazard Developing Markets Equity Fund is to seek long term capital growth through investment in the equity and equity-related securities of companies domiciled, incorporated, listed or exercising the predominant part of their economic activity in, or having significant business operations in Developing Market Countries.

### Investment review

Since launch, the Lazard Developing Markets Equity Fund returned 2.35% against the MSCI Emerging Markets Index return of 5.48%<sup>1</sup>.

### Market Review

Share prices experienced mixed performance across the developing world in the 6 months ending 31 March 2011. The emerging markets initially experienced a resurgence at the end of 2010, aided to a significant degree by the US Federal Reserve's next phase of quantitative easing, known as QE2. However, the strong demand for emerging markets over the past couple of years has created inflationary pressures which appeared to frighten investors from the asset class at the beginning of 2011 and, coupled with uprisings in several Middle Eastern countries, led to underperformance compared to developed markets. Due in part to the Japanese earthquake in March, emerging markets equities then outperformed equities in the industrialised countries. The MSCI Emerging Markets Index increased by 7.8% over the six-month period, as shares in Eastern Europe rose dramatically more than in Asia or Latin America.

### Portfolio Review

The sub fund underperformed its benchmark during the period, as higher-than-index exposure in Taiwan and lower-than-index exposure in Korea detracted from performance. Stock selection in the consumer discretionary and telecom services sectors as well as in Brazil also hurt returns over the period.

Lower-than-index exposure to the consumer staples sector, as well as higher-than-index exposure in Russia helped performance. Stock selection within the industrials sector, as well as in South Africa, India and Korea, was also additive to performance.

Rosneft, a Russian integrated energy company, performed well following its announcement of exploration activities in the Arctic offshore area in a joint venture with BP in addition to rising oil prices.

Shares of Exxaro Resources, a South African mining company, increased because of rising coal and iron ore prices. Netease.com, an online gaming operator, appreciated following strong Q4 results and expectations of improved revenue from new game launches.

Shares of Cyrela, a Brazilian homebuilder, performed poorly after reporting declining margins due to rising labor costs. Pacific Rubiales, a Colombian oil and gas exploration and production company, also underperformed following weaker-than-expected year-end production volumes caused by pipeline capacity constraints as well as lower reported reserve numbers.

Lastly, shares of Synnex Technology International, a producer and distributor of computers and consumer electronics, declined over concerns that future growth rates for its handset and PC distribution will be lower.

### Outlook

We remain positive on emerging markets, particularly in the long term. While share prices have increased, strong levels of profitability have resulted in valuations not being excessive. Therefore, we believe investors with long-term objectives should consider maintaining exposure to this asset class.

All data contained herein are sourced by Lazard Asset Management unless otherwise noted as 31 March 2011.

<sup>1</sup> **Source:** Lipper Hindsight. Bid to Bid Price. Net Income Reinvested, Net of Fees, Sterling, Retail Share Class to 31 March 2011.

**Fund Manager:** Peter Gillespie, Kevin O'Hare and Team.

Figures refer to past performance and past performance is not a reliable indicator of future results.

**Lazard Asset Management LLC**  
**April 2011**

# Report of the Custodian

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## Report of the Custodian to the Shareholders

We have enquired into the conduct of Lazard Global Active Funds plc (the “Company”) for the year ended 31 March 2011, in our capacity as Custodian to the Company.

This report, including the opinion has been prepared for and solely for the shareholders in the Company, in accordance with the Central Bank of Ireland UCITS Notice 4, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

## Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Central Bank of Ireland’s UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period, in accordance with the provisions of the Company’s Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

## Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed

- i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations; and
- ii) otherwise in accordance with the Company’s constitutional documentation and the appropriate regulations.

## Opinion

In our opinion, the Company has been managed during the year, in all material respects:

- i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended, (the “Regulations”); and
- ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association and the Regulations.

**BNY Mellon International Bank Limited**

**Date: 23 June 2011**

# Independent Auditors' Report

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## Independent Auditors' Report to the Members of Lazard Global Active Funds plc (the "Company")

We have audited the financial statements of the Company for the year ended 31 March 2011 which comprise the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Net Assets attributable to Redeemable Participating Shareholders, the Portfolios of Investments and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland ("Generally Accepted Accounting Practice in Ireland") are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish Statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended). We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the Company has kept proper books of account; and
- whether the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, any information specified by law regarding Directors' remuneration and Directors' transactions is not disclosed and where practicable, include such information in our report.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

# Independent Auditors' Report (continued)

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## Opinion

In our opinion the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs at 31 March 2011 and of its results for the year then ended and have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended).

We have obtained all the information and explanations we consider necessary for the purposes of our audit.

In our opinion proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**Dublin**  
**Date: 23 June 2011**

# Portfolios of Investments

## Lazard European Equity Fund

Portfolio of Investments as at 31 March 2011

Shares	Fair Value EUR	% of Net Asset Value	Shares	Fair Value EUR	% of Net Asset Value
<b>Common Stock - 98.28%</b>			<b>Common Stock - 98.28% (continued)</b>		
<b>Belgium - 4.35%</b>			<b>Netherlands - 6.36%</b>		
70,060 InBev N.V.	2,816,061	3.07	36,720 ASML Holding N.V.	1,141,808	1.25
33,420 Umicore Group	1,169,032	1.28	289,230 ING Groep N.V.	2,583,113	2.82
	<b>3,985,093</b>	<b>4.35</b>	49,995 TNT N.V.	904,660	0.99
<b>Czech Republic - 0.96%</b>			53,730 Unilever N.V.	1,188,776	1.30
24,320 CEZ A/S	<b>878,575</b>	<b>0.96</b>		<b>5,818,357</b>	<b>6.36</b>
<b>Denmark - 2.72%</b>			<b>Norway - 2.81%</b>		
48,430 DSV A/S	843,684	0.92	109,400 Gjensidige Forsikring ASA	932,009	1.02
18,620 Novo Nordisk A/S	1,650,583	1.80	141,170 Telenor ASA	1,640,820	1.79
	<b>2,494,267</b>	<b>2.72</b>		<b>2,572,829</b>	<b>2.81</b>
<b>Finland - 3.29%</b>			<b>Poland - 0.82%</b>		
61,400 Fortum Oyj	1,471,144	1.61	69,160 Powszechna Kasa Oszczednosci Bank Polski S.A.	<b>749,539</b>	<b>0.82</b>
68,409 Sampo Oyj	1,539,203	1.68	<b>Portugal - 1.34%</b>		
	<b>3,010,347</b>	<b>3.29</b>	44,400 Galp Energia SGPS S.A.	670,662	0.73
<b>France - 30.94%</b>			151,760 Zon Multimedia Servicos de Telecomunicacoes e Multimedia SGPS S.A.	559,387	0.61
106,916 AXA S.A.	1,576,474	1.72		<b>1,230,049</b>	<b>1.34</b>
59,354 BNP Paribas S.A.	3,063,260	3.35	<b>Spain - 6.86%</b>		
35,902 Carrefour S.A.	1,121,578	1.23	51,618 Amadeus IT Holding S.A.	696,843	0.76
20,780 Christian Dior S.A.	2,062,415	2.25	204,352 Gestelevision Telecinco S.A.	1,650,142	1.80
23,340 Cie Generale des Etablissements Michelin SCA	1,391,064	1.52	24,740 Tecnicas Reunidas S.A.	1,049,471	1.15
56,260 Groupe Danone	2,593,305	2.83	163,040 Telefonica S.A.	2,880,102	3.15
10,760 Iliad S.A.	909,758	0.99		<b>6,276,558</b>	<b>6.86</b>
23,500 Pernod-Ricard S.A.	1,548,415	1.69	<b>Sweden - 3.70%</b>		
71,024 Sanofi-Aventis S.A.	3,513,912	3.84	53,920 JM AB	1,004,694	1.10
23,010 Technip S.A.	1,731,503	1.89	96,500 Swedbank AB	1,158,292	1.27
33,930 Thales S.A.	953,942	1.04	99,180 Volvo AB	1,223,559	1.33
66,020 Total S.A.	2,835,889	3.10		<b>3,386,545</b>	<b>3.70</b>
62,490 Valeo S.A.	2,571,777	2.82	<b>Switzerland - 10.82%</b>		
14,838 Vallourec S.A.	1,174,576	1.28	107,490 ABB Ltd.	1,806,032	1.97
63,180 Vivendi Universal S.A.	1,272,761	1.39	30,445 Julius Baer Group Ltd.	924,283	1.01
	<b>28,320,629</b>	<b>30.94</b>	92,090 Novartis AG	3,494,362	3.82
<b>Germany - 14.73%</b>			6,610 Syngenta AG	1,502,788	1.64
19,368 Allianz SE	1,922,274	2.10	173,626 UBS AG	2,179,334	2.38
37,250 Bayer AG	2,039,437	2.23		<b>9,906,799</b>	<b>10.82</b>
33,330 Bayerische Motoren Werke AG	1,960,471	2.14	<b>Total Common Stock - (Cost EUR81,678,424)</b>		
22,960 Metro AG	1,107,246	1.21		<b>89,966,920</b>	<b>98.28</b>
40,100 RWE AG	1,809,914	1.98	<b>Total Investments - (Cost EUR81,678,424)</b>		
37,710 Siemens AG	3,646,179	3.98		<b>89,966,920</b>	<b>98.28</b>
342,936 Sky Deutschland AG	998,973	1.09	Adjustment from bid market value to mid market value	477,373	0.52
	<b>13,484,494</b>	<b>14.73</b>	Other assets in excess of liabilities	1,095,525	1.20
<b>Ireland - 2.74%</b>			<b>Total Net Assets</b>	<b>91,539,818</b>	<b>100.00</b>
49,240 CRH PLC	798,673	0.87	<b>ALL SECURITIES ARE TRANSFERABLE SECURITIES DEALT IN ON A REGULATED MARKET OR LISTED ON A RECOGNISED EXCHANGE</b>		
33,930 Kerry Group PLC	892,698	0.98	<b>Analysis of Total Assets</b>		
243,630 Ryanair Holdings PLC	814,455	0.89	<b>% of Total Assets</b>		
	<b>2,505,826</b>	<b>2.74</b>	Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market		
<b>Italy - 5.84%</b>			Current assets		
88,866 Atlantia S.p.A.	1,436,075	1.57	<b>Total Assets</b>		
68,670 Buzzi Unicem S.p.A.	705,928	0.77	<b>100.00%</b>		
61,720 ENI S.p.A.	1,069,608	1.17			
292,941 Intesa Sanpaolo S.p.A.	611,661	0.67			
100,710 Prysmian S.p.A.	1,523,741	1.66			
	<b>5,347,013</b>	<b>5.84</b>			

# Portfolios of Investments (continued)

## Lazard Japanese Equity Fund Portfolio of Investments as at 31 March 2011

Shares	Fair Value JPY	% of Net Asset Value	Shares	Fair Value JPY	% of Net Asset Value		
<b>Common Stock - 96.62%</b>			<b>Common Stock - 96.62% (continued)</b>				
<b>Banks - 12.57%</b>			<b>Home Builders - 3.44%</b>				
1,409,300	Mitsubishi UFJ Financial Group, Inc.	541,171,200	3.40	378,000	Daiwa House Industry Co., Ltd.	385,938,000	2.43
4,880,700	Mizuho Financial Group, Inc.	671,096,250	4.23	120,500	Takamatsu Construction Group Co., Ltd.	161,289,250	1.01
1,124,500	Nomura Holdings, Inc.	484,097,250	3.04			<b>547,227,250</b>	<b>3.44</b>
700,000	Sumitomo Trust & Banking Co., Ltd.	301,700,000	1.90	<b>Internet - 1.50%</b>			
		<b>1,998,064,700</b>	<b>12.57</b>	3,193	Rakuten, Inc.	238,197,800	1.50
<b>Beverages - 2.77%</b>			<b>Machinery-Construction &amp; Mining - 1.59%</b>				
404,000	Kirin Holdings Co., Ltd.	441,370,000	2.77	89,800	Komatsu Ltd.	253,640,100	1.59
<b>Building Materials - 6.92%</b>			<b>Metal Fabricate/Hardware - 0.41%</b>				
123,000	Asahi Glass Co., Ltd.	128,473,500	0.81	164,700	Kitz Corp.	65,797,650	0.41
72,600	Daikin Industries Ltd.	180,846,600	1.14	<b>Miscellaneous Manufacturing - 1.08%</b>			
147,400	JS Group Corp.	317,720,700	2.00	74,100	Olympus Corp.	171,245,100	1.08
346,000	Nice Holdings, Inc.	74,563,000	0.47	<b>Office Furnishings - 0.58%</b>			
72,500	Rinnai Corp.	400,200,000	2.50	198,000	Okamura Corp.	92,268,000	0.58
		<b>1,101,803,800</b>	<b>6.92</b>	<b>Office/Business Equipment - 2.66%</b>			
<b>Chemicals - 6.87%</b>			<b>Oil &amp; Gas - 6.86%</b>				
559,000	Asahi Kasei Corp.	313,319,500	1.96	1,139,300	JX Holdings, Inc.	637,438,350	4.01
72,500	Hitachi Chemical Co., Ltd.	122,416,250	0.77	327,000	Osaka Gas Co., Ltd.	108,237,000	0.68
74,100	Nissan Chemical Industries Ltd.	63,726,000	0.40	913,000	Tokyo Gas Co., Ltd.	346,027,000	2.17
43,600	Shin-Etsu Chemical Co., Ltd.	179,850,000	1.13			<b>1,091,702,350</b>	<b>6.86</b>
1,177,000	Showa Denko KK	196,559,000	1.24	<b>Pharmaceuticals - 5.30%</b>			
823,000	Ube Industries Ltd.	217,683,500	1.37	90,500	Daiichi Sankyo Co., Ltd.	144,800,000	0.91
		<b>1,093,554,250</b>	<b>6.87</b>	107,000	Miraca Holdings, Inc.	341,330,000	2.14
<b>Cosmetics/Personal Care - 1.28%</b>			<b>Real Estate - 4.41%</b>				
98,000	Kao Corp.	203,203,000	1.28	3,629	Japan Retail Fund Investment Corp.	472,495,800	2.97
<b>Distribution/Wholesale - 1.97%</b>			<b>Retail - 3.67%</b>				
135,800	Mitsubishi Corp.	313,562,200	1.97	88,900	Aoyama Trading Co., Ltd.	117,970,300	0.74
<b>Diversified Financial Services - 1.72%</b>			<b>Software - 2.25%</b>				
35,230	ORIX Corp.	273,913,250	1.72	148,100	Izumi Co., Ltd.	175,276,350	1.10
<b>Electrical Components &amp; Equipment - 2.08%</b>			<b>Telecommunications - 5.07%</b>				
766,000	Hitachi Ltd.	331,678,000	2.08	386	KDDI Corp.	198,790,000	1.25
<b>Electronics - 4.19%</b>			<b>Toys/Games/Hobbies - 3.95%</b>				
8,200	Keyence Corp.	174,127,000	1.09	28,000	Nintendo Co., Ltd.	628,320,000	3.95
29,600	Nidec Corp.	212,824,000	1.34				
412,000	Toshiba Corp.	167,684,000	1.05	<b>Engineering and Construction - 5.52%</b>			
57,600	ULVAC, Inc.	112,723,200	0.71	91,000	Asunaro Aoki Construction Co., Ltd.	43,407,000	0.27
		<b>667,358,200</b>	<b>4.19</b>	725,000	Shimizu Corp.	267,525,000	1.68
<b>Entertainment - 0.70%</b>			<b>Hand/Machine Tools - 2.34%</b>				
93,000	Toho Co., Ltd.	111,042,000	0.70	84,000	Sho-Bond Holdings Co., Ltd.	185,808,000	1.17
<b>Engineering and Construction - 5.52%</b>			<b>Entertainment - 0.70%</b>				
1,861,000	Taisei Corp.	381,505,000	2.40	96,300	Makita Corp.	372,199,500	2.34
		<b>878,245,000</b>	<b>5.52</b>	<b>Hand/Machine Tools - 2.34%</b>			

# Portfolios of Investments (continued)

## Lazard Japanese Equity Fund (continued)

Portfolio of Investments as at 31 March 2011

Shares	Fair Value JPY	% of Net Asset Value
<b>Common Stock - 96.62% (continued)</b>		
<b>Transportation - 2.49%</b>		
24,700 East Japan Railway Co.	114,114,000	0.72
708,000 Sankyu, Inc.	282,492,000	1.77
	<b>396,606,000</b>	<b>2.49</b>
<b>Venture Capital - 2.43%</b>		
180,300 Jafco Co., Ltd.	<b>386,743,500</b>	<b>2.43</b>
<b>Total Common Stock - (Cost JPY16,444,115,411)</b>	<b>15,375,952,200</b>	<b>96.62</b>
<b>Total Investments - (Cost JPY16,444,115,411)</b>	<b>15,375,952,200</b>	<b>96.62</b>
Adjustment from bid market value to mid market value	–	–
Other assets in excess of liabilities	538,479,140	3.38
<b>Total Net Assets</b>	<b>15,914,431,340</b>	<b>100.00</b>

**ALL SECURITIES ARE TRANSFERABLE SECURITIES DEALT IN ON A REGULATED MARKET OR LISTED ON A RECOGNISED EXCHANGE**

Analysis of Total Assets	% of Total Assets
Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market	95.25%
Current assets	4.75%
<b>Total Assets</b>	<b>100.00%</b>

# Portfolios of Investments (continued)

## Lazard North American Equity Fund Portfolio of Investments as at 31 March 2011

Shares	Fair Value USD	% of Net Asset Value	Shares	Fair Value USD	% of Net Asset Value
<b>Common Stock - 98.09%</b>			<b>Common Stock - 98.09% (continued)</b>		
<b>Aerospace/Defense - 2.20%</b>			<b>Hand/Machine Tools - 1.01%</b>		
1,355 Raytheon Co.	68,360	2.20	410 Stanley Black & Decker, Inc.	31,492	1.01
<b>Banks - 8.57%</b>			<b>Healthcare-Products - 3.11%</b>		
2,270 Bank of America Corp.	30,486	0.98	590 Baxter International, Inc.	31,291	1.01
850 BB&T Corp.	23,558	0.76	555 Johnson & Johnson	32,919	1.06
1,485 JPMorgan Chase & Co.	68,934	2.21	825 Medtronic, Inc.	32,464	1.04
1,610 Morgan Stanley	43,824	1.41		<b>96,674</b>	<b>3.11</b>
815 State Street Corp.	36,732	1.18	<b>Housewares - 0.61%</b>		
1,980 Wells Fargo & Co.	63,182	2.03	985 Newell Rubbermaid, Inc.	19,079	0.61
	<b>266,716</b>	<b>8.57</b>	<b>Insurance - 2.17%</b>		
<b>Beverages - 2.61%</b>			465 Prudential Financial, Inc.	28,384	0.91
1,310 Molson Coors Brewing Co.	61,504	1.97	660 The Travelers Cos., Inc.	39,194	1.26
305 PepsiCo, Inc.	19,827	0.64		<b>67,578</b>	<b>2.17</b>
	<b>81,331</b>	<b>2.61</b>	<b>Internet - 3.27%</b>		
<b>Biotechnology - 2.51%</b>			725 AOL, Inc.	14,232	0.46
720 Amgen, Inc.	38,812	1.25	1,205 eBay, Inc.	38,120	1.22
925 Gilead Sciences, Inc.	39,326	1.26	85 Google, Inc.	49,475	1.59
	<b>78,138</b>	<b>2.51</b>		<b>101,827</b>	<b>3.27</b>
<b>Chemicals - 2.20%</b>			<b>Iron/Steel - 1.22%</b>		
540 Monsanto Co.	38,213	1.22	815 Nucor Corp.	37,983	1.22
815 The Dow Chemical Co.	30,379	0.98	<b>Media - 4.74%</b>		
	<b>68,592</b>	<b>2.20</b>	5,111 Comcast Corp.	118,448	3.81
<b>Coal - 1.19%</b>			9,280 Sirius XM Radio, Inc.	15,915	0.51
694 Consol Energy, Inc.	36,987	1.19	280 Viacom, Inc.	13,153	0.42
<b>Commercial Services - 3.90%</b>				<b>147,516</b>	<b>4.74</b>
445 Apollo Group, Inc.	18,421	0.59	<b>Mining - 1.11%</b>		
1,630 Corrections Corp. of America	39,691	1.27	640 Newmont Mining Corp.	34,637	1.11
945 Lender Processing Services, Inc.	30,358	0.98	<b>Miscellaneous Manufacturing - 3.78%</b>		
130 Mastercard, Inc.	32,945	1.06	510 Dover Corp.	33,160	1.07
	<b>121,415</b>	<b>3.90</b>	765 Honeywell International, Inc.	45,575	1.45
<b>Computers - 4.35%</b>			730 Illinois Tool Works, Inc.	39,073	1.26
900 EMC Corp.	24,242	0.78		<b>117,808</b>	<b>3.78</b>
680 IBM Corp.	111,275	3.57	<b>Oil &amp; Gas - 12.56%</b>		
	<b>135,517</b>	<b>4.35</b>	230 Apache Corp.	30,006	0.96
<b>Cosmetics/Personal Care - 1.62%</b>			490 Chevron Corp.	52,958	1.70
610 Avon Products, Inc.	16,949	0.54	2,126 ConocoPhillips	171,472	5.51
540 The Procter & Gamble Co.	33,456	1.08	350 Devon Energy Corp	32,062	1.03
	<b>50,405</b>	<b>1.62</b>	720 EQT Corp.	35,572	1.14
<b>Diversified Financial Services - 1.50%</b>			445 Halliburton Co.	22,028	0.71
760 Ameriprise Financial, Inc.	46,660	1.50	540 Noble Corp.	24,918	0.80
<b>Electric - 0.82%</b>			715 Valero Energy Corp.	21,958	0.71
445 Emerson Electric Co.	25,550	0.82		<b>390,974</b>	<b>12.56</b>
<b>Food - 1.71%</b>			<b>Packaging &amp; Containers - 2.04%</b>		
865 General Mills, Inc.	31,793	1.02	1,780 Ball Corp.	63,608	2.04
770 SYSCO Corp.	21,344	0.69	<b>Pharmaceuticals - 6.21%</b>		
	<b>53,137</b>	<b>1.71</b>	910 Merck & Co., Inc.	30,294	0.97
			8,010 Pfizer, Inc.	162,883	5.24
				<b>193,177</b>	<b>6.21</b>

# Portfolios of Investments (continued)

## Lazard North American Equity Fund (continued)

Portfolio of Investments as at 31 March 2011

Shares	Fair Value USD	% of Net Asset Value
<b>Common Stock - 98.09% (continued)</b>		
<b>Retail - 11.89%</b>		
268 AutoZone, Inc.	73,447	2.36
350 Darden Restaurants, Inc.	16,980	0.55
985 Lowe's Cos., Inc.	26,570	0.85
1,895 The Gap, Inc.	42,912	1.38
2,555 Walgreen Co.	102,187	3.28
2,065 Wal-Mart Stores, Inc.	108,113	3.47
	<b>370,209</b>	<b>11.89</b>
<b>Semiconductors - 3.34%</b>		
3,640 Intel Corp.	74,401	2.39
850 Texas Instruments, Inc.	29,525	0.95
	<b>103,926</b>	<b>3.34</b>
<b>Software - 4.69%</b>		
2,773 Microsoft Corp.	70,947	2.28
2,273 Oracle Corp.	75,112	2.41
	<b>146,059</b>	<b>4.69</b>
<b>Technology - Internet Services - 0.82%</b>		
1,410 Symantec Corp.	<b>25,458</b>	<b>0.82</b>
<b>Telecommunications - 1.14%</b>		
2,045 Cisco Systems, Inc.	<b>35,430</b>	<b>1.14</b>
<b>Transportation - 1.20%</b>		
540 Norfolk Southern Corp.	<b>37,241</b>	<b>1.20</b>
<b>Total Common Stock - (Cost USD2,540,892)</b>	<b>3,053,484</b>	<b>98.09</b>
<b>Total Investments - (Cost USD2,540,892)</b>	<b>3,053,484</b>	<b>98.09</b>
Adjustment from bid market value to mid market value	-	-
Other assets in excess of liabilities	59,415	1.91
<b>Total Net Assets</b>	<b>3,112,899</b>	<b>100.00</b>
<b>ALL SECURITIES ARE TRANSFERABLE SECURITIES DEALT IN ON A REGULATED MARKET OR LISTED ON A RECOGNISED EXCHANGE</b>		
<b>Analysis of Total Assets</b>	<b>% of Total Assets</b>	
Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market	96.85%	
Current assets	3.15%	
<b>Total Assets</b>	<b>100.00%</b>	

# Portfolios of Investments (continued)

## Lazard Pan European Equity Fund Portfolio of Investments as at 31 March 2011

Shares	Fair Value EUR	% of Net Asset Value	Shares	Fair Value EUR	% of Net Asset Value
<b>Common Stock - 99.55%</b>			<b>Common Stock - 99.55% (continued)</b>		
<b>Belgium - 3.13%</b>			<b>Norway - 2.79%</b>		
1,658 InBev N.V.	66,643	2.17	4,230 Gjensidige Forsikring ASA	36,037	1.18
842 Umicore Group	29,453	0.96	4,273 Telenor ASA	49,665	1.61
	<b>96,096</b>	<b>3.13</b>		<b>85,702</b>	<b>2.79</b>
<b>Czech Republic - 0.74%</b>			<b>Poland - 1.02%</b>		
626 CEZ A/S	22,615	0.74	2,880 Powszechna Kasa Oszczednosci Bank Polski S.A.	31,213	1.02
<b>Denmark - 1.82%</b>			<b>Portugal - 1.67%</b>		
631 Novo Nordisk A/S	55,935	1.82	2,294 Jeronimo Martins SGPS S.A.	26,025	0.84
<b>Finland - 2.80%</b>			6,870 Zon Multimedia Servicos de Telecomunicacoes e Multimedia SGPS S.A.	25,323	0.83
1,522 Fortum Oyj	36,467	1.19		<b>51,348</b>	<b>1.67</b>
2,202 Sampo Oyj	49,545	1.61	<b>Spain - 5.30%</b>		
	<b>86,012</b>	<b>2.80</b>	2,695 Amadeus IT Holding S.A.	36,383	1.19
<b>France - 15.59%</b>			3,450 Gestelevision Telecinco S.A.	27,859	0.91
2,720 AXA S.A.	40,111	1.31	10,390 International Consolidated Airlines Group	26,767	0.87
1,056 BNP Paribas S.A.	54,500	1.78	4,048 Telefonica S.A.	71,507	2.33
869 Carrefour S.A.	27,148	0.89		<b>162,516</b>	<b>5.30</b>
464 Christian Dior S.A.	46,052	1.50	<b>Sweden - 2.91%</b>		
1,165 Groupe Danone	53,700	1.75	1,340 JM AB	24,968	0.81
570 Pernod-Ricard S.A.	37,557	1.22	3,020 Swedbank AB	36,249	1.18
1,884 Sanofi-Aventis S.A.	93,212	3.03	2,280 Volvo AB	28,128	0.92
668 Technip S.A.	50,267	1.64		<b>89,345</b>	<b>2.91</b>
1,126 Valeo S.A.	46,341	1.51	<b>Switzerland - 8.01%</b>		
370 Vallourec S.A.	29,289	0.96	928 Julius Baer Group Ltd.	28,173	0.92
	<b>478,177</b>	<b>15.59</b>	2,693 Novartis AG	102,186	3.34
<b>Germany - 7.10%</b>			243 Syngenta AG	55,246	1.80
931 Bayerische Motoren Werke AG	54,761	1.79	4,777 UBS AG	59,961	1.95
1,000 RWE AG	45,135	1.47		<b>245,566</b>	<b>8.01</b>
850 Siemens AG	82,187	2.68	<b>United Kingdom - 34.75%</b>		
12,202 Sky Deutschland AG	35,544	1.16	1,030 Autonomy Corp. PLC	18,571	0.61
	<b>217,627</b>	<b>7.10</b>	8,630 Aviva PLC	42,398	1.38
<b>Ireland - 2.08%</b>			5,125 BG Group PLC	90,223	2.94
4,564 C&C Group PLC	14,559	0.47	2,723 British American Tobacco PLC	77,338	2.52
3,390 Kingspan Group PLC	21,449	0.70	7,524 Cairn Energy PLC	39,467	1.29
8,294 Ryanair Holdings PLC	27,727	0.91	3,317 The Capita Group PLC	27,963	0.91
	<b>63,735</b>	<b>2.08</b>	5,120 Essar Energy PLC	27,497	0.90
<b>Italy - 3.11%</b>			4,893 GlaxoSmithKline PLC	66,055	2.15
3,149 Autostrada Torino-Milano S.p.A.	33,505	1.09	7,801 Informa PLC	36,899	1.20
2,717 Buzzi Unicem S.p.A.	27,931	0.91	68,255 Lloyds TSB Group PLC	45,010	1.47
2,243 Prysmian S.p.A.	33,937	1.11	5,023 Michael Page International PLC	29,286	0.96
	<b>95,373</b>	<b>3.11</b>	6,900 Prudential PLC	55,310	1.81
<b>Netherlands - 6.73%</b>			2,276 Rio Tinto PLC	113,147	3.69
1,376 ASML Holding N.V.	42,787	1.40	3,721 Rockhopper Exploration PLC	10,456	0.34
7,184 ING Groep N.V.	64,160	2.09	1,600 SABMiller PLC	40,093	1.31
2,042 TNT N.V.	36,950	1.20	1,593 Shire PLC	32,737	1.07
2,824 Unilever N.V.	62,481	2.04	1,471 Spirax-Sarco Engineering PLC	32,368	1.06
	<b>206,378</b>	<b>6.73</b>	4,302 Standard Chartered PLC	78,957	2.57

# Portfolios of Investments (continued)

## Lazard Pan European Equity Fund (continued)

Portfolio of Investments as at 31 March 2011

Shares	Fair Value EUR	% of Net Asset Value
<b>Common Stock - 99.55% (continued)</b>		
<b>United Kingdom - 34.75%</b>		
31,462 TalkTalk Telecom Group PLC	49,189	1.60
61,279 Taylor Wimpey PLC	28,255	0.92
9,021 Tesco PLC	39,018	1.27
2,484 Tullow Oil PLC	40,810	1.33
14,151 WM Morrison Supermarkets PLC	44,329	1.45
	<b>1,065,376</b>	<b>34.75</b>
<b>Total Common Stock - (Cost EUR2,663,771)</b>	<b>3,053,014</b>	<b>99.55</b>
<b>Total Investments - (Cost EUR2,663,771)</b>	<b>3,053,014</b>	<b>99.55</b>
Adjustment from bid market value to mid market value	18,779	0.61
Liabilities in excess of other assets	(4,993)	(0.16)
<b>Total Net Assets</b>	<b>3,066,800</b>	<b>100.00</b>
<b>ALL SECURITIES ARE TRANSFERABLE SECURITIES DEALT IN ON A REGULATED MARKET OR LISTED ON A RECOGNISED EXCHANGE</b>		
<b>Analysis of Total Assets</b>	<b>% of Total Assets</b>	
Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market	98.34%	
Current assets	1.66%	
<b>Total Assets</b>	<b>100.00%</b>	

# Portfolios of Investments (continued)

## Lazard UK Equity Fund

Portfolio of Investments as at 31 March 2011

Shares	Fair Value GBP	% of Net Asset Value	Shares	Fair Value GBP	% of Net Asset Value
<b>Common Stock - 94.28%</b>			<b>Common Stock - 94.28% (continued)</b>		
<b>Advertising - 1.32%</b>			<b>Miscellaneous Manufacturing - 2.18%</b>		
106,220 Aegis Group PLC	151,682	1.32	30,250 Fenner PLC	108,870	0.94
<b>Aerospace/Defense - 0.82%</b>			13,830 IMI PLC	142,310	1.24
46,588 BBA Aviation PLC	94,620	0.82	<b>251,180</b>	<b>2.18</b>	
<b>Agriculture - 4.71%</b>			<b>Oil &amp; Gas - 20.58%</b>		
18,580 British American Tobacco PLC	464,779	4.03	16,439 BG Group PLC	254,887	2.21
9,080 New Britain Palm Oil Ltd.	78,043	0.68	149,208 BP PLC	677,330	5.88
<b>542,822</b>	<b>4.71</b>		88,348 Centrica PLC	287,308	2.48
<b>Banks - 10.45%</b>			23,420 Essar Energy PLC	110,777	0.96
76,402 HSBC Holdings PLC	489,660	4.25	13,270 John Wood Group PLC	84,530	0.73
375,737 Lloyds TSB Group PLC	218,228	1.89	7,303 Petrofac Ltd.	108,669	0.94
30,744 Standard Chartered PLC	496,977	4.31	10,150 Rockhopper Exploration PLC	25,121	0.22
<b>1,204,865</b>	<b>10.45</b>		30,073 Royal Dutch Shell PLC	679,498	5.88
<b>Beverages - 2.30%</b>			10,180 Tullow Oil PLC	147,305	1.28
11,680 Diageo PLC	138,291	1.20	<b>2,375,425</b>	<b>20.58</b>	
5,734 SABMiller PLC	126,549	1.10	<b>Pharmaceuticals - 4.81%</b>		
<b>264,840</b>	<b>2.30</b>		4,040 AstraZeneca PLC	115,645	1.00
<b>Commercial Services - 5.21%</b>			22,871 GlaxoSmithKline PLC	271,936	2.36
34,360 Cape PLC	169,051	1.47	9,225 Shire PLC	166,973	1.45
38,210 Experian PLC	294,790	2.56	<b>554,554</b>	<b>4.81</b>	
26,490 Michael Page International PLC	136,026	1.18	<b>Telecommunications - 6.89%</b>		
<b>599,867</b>	<b>5.21</b>		25,700 Inmarsat PLC	155,100	1.35
<b>Distribution/Wholesale - 1.62%</b>			104,830 TalkTalk Telecom Group PLC	144,351	1.25
8,910 Wolseley PLC	186,932	1.62	280,014 Vodafone Group PLC	494,085	4.29
<b>Diversified Financial Services - 1.07%</b>			<b>793,536</b>	<b>6.89</b>	
38,330 International Personal Finance PLC	123,231	1.07	<b>Venture Capital - 2.20%</b>		
<b>Food - 6.04%</b>			85,050 3i Group PLC	254,129	2.20
64,130 Compass Group PLC	359,127	3.11	<b>Total Common Stock - (Cost GBP9,871,723)</b>		
88,610 Tesco PLC	337,560	2.93	<b>10,869,568</b>	<b>94.28</b>	
<b>696,687</b>	<b>6.04</b>		<b>Total Investments - (Cost GBP9,871,723)</b>	<b>10,869,568</b>	<b>94.28</b>
<b>Insurance - 6.56%</b>			Adjustment from bid market value to mid market value	61,588	0.54
50,910 Aviva PLC	220,288	1.91	Other assets in excess of liabilities	597,589	5.18
28,822 Hiscox Ltd.	108,717	0.94	<b>Total Net Assets</b>	<b>11,528,745</b>	<b>100.00</b>
31,600 Prudential PLC	223,095	1.94	<b>ALL SECURITIES ARE TRANSFERABLE SECURITIES DEALT IN ON A REGULATED MARKET OR LISTED ON A RECOGNISED EXCHANGE</b>		
155,000 RSA Insurance Group PLC	203,670	1.77	<b>Analysis of Total Assets</b>		
<b>755,770</b>	<b>6.56</b>		<b>% of Total Assets</b>		
<b>Media - 3.67%</b>			Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market		
44,330 Informa PLC	184,679	1.60	Current assets		
21,670 Pearson PLC	238,370	2.07	<b>Total Assets</b>		
<b>423,049</b>	<b>3.67</b>		<b>100.00%</b>		
<b>Mining - 13.85%</b>					
3,560 Anglo American PLC	114,151	0.99			
35,840 Aquarius Platinum Ltd.	123,827	1.08			
31,870 London Mining PLC	119,513	1.04			
37,320 Petra Diamonds Ltd.	59,246	0.51			
16,164 Rio Tinto PLC	707,736	6.14			
32,400 Xstrata PLC	471,906	4.09			
<b>1,596,379</b>	<b>13.85</b>				

# Portfolios of Investments (continued)

## Lazard Emerging World Fund Portfolio of Investments as at 31 March 2011

Shares	Fair Value USD	% of Net Asset Value	Shares	Fair Value USD	% of Net Asset Value		
<b>Investment in Exchange Traded Collective Investment Funds - 99.79%</b>			<b>Investment in Exchange Traded Collective Investment Funds - 99.79% (continued)</b>				
<b>British Virgin Islands - 0.86%</b>			<b>United Kingdom - 47.72% (continued)</b>				
177,160	Macau Property Opportunities Fund Ltd.	<b>363,607</b>	0.86	318,508	Templeton Emerging Markets Investment Trust PLC	3,382,862	8.05
<b>Canada - 1.18%</b>			25,300	Trans Balkan Investments Ltd. †	1,632	-	
100,300	DPF India Opportunities Fund	<b>497,129</b>	1.18	236,135	Utilico Emerging Markets Ltd.	600,811	1.43
<b>Cayman Islands - 0.44%</b>					<b>20,055,836</b>	<b>47.72</b>	
110,022	Vinacapital Vietnam Opportunity Fund Ltd.	<b>186,817</b>	0.44	<b>United States - 36.19%</b>			
<b>Hong Kong - 11.16%</b>			48,735	Aberdeen Emerging Markets Telecommunications and Infrastructure Fund, Inc.	913,294	2.17	
586,000	China Everbright Ltd.	1,311,946	3.12	20,282	Aberdeen Latin America Equity Fund, Inc.	786,029	1.87
294,000	China Merchants China Direct Investments Ltd.	640,831	1.52	37,727	ASA Ltd.	1,187,835	2.82
3,057,600	First Pacific Co., Ltd.	2,738,947	6.52	36,957	The Central Europe and Russia Fund, Inc.	1,667,869	3.96
		<b>4,691,724</b>	<b>11.16</b>	56,960	The China Fund, Inc.	1,792,815	4.27
<b>Sweden - 1.20%</b>			12,631	First Trust Aberdeen Emerging Opportunity Fund	262,788	0.63	
36,960	East Capital Explorer AB	<b>505,767</b>	1.20	30,069	The Greater China Fund, Inc.	377,065	0.90
<b>Turkey - 1.04%</b>			46,620	JF China Region Fund, Inc.	712,820	1.70	
94,500	Haci Omer Sabanci Holding A/S	<b>438,723</b>	1.04	77,400	Korea Equity Fund, Inc.	1,043,739	2.48
<b>United Kingdom - 47.72%</b>			26,956	The Korea Fund, Inc.	1,286,206	3.06	
3,004	Aberdeen New Dawn Investment Trust PLC	41,196	0.10	11,296	Latin American Discovery Fund, Inc.	212,591	0.51
78,450	Aberdeen New Thai Investment Trust PLC	329,617	0.78	11,432	Malaysia Fund, Inc.	129,182	0.31
4,560	Aberdeen New Thai Investment Trust PLC (Subscriber Shares)	5,001	0.01	22,552	The Mexico Fund, Inc.	644,987	1.53
190,562	Advance Developing Markets Fund Ltd.	1,483,003	3.53	57,688	Morgan Stanley Emerging Markets Fund, Inc.	916,085	2.18
30,085	Advance Developing Markets Trust PLC	93,166	0.22	3,000	Morgan Stanley Frontier Emerging Markets Fund, Inc.	41,865	0.10
267,469	Advance Frontier Markets Fund Ltd. (Warrant)	199,599	0.47	34,983	The Singapore Fund, Inc.	512,326	1.22
39,950	Baring Emerging Europe PLC	603,922	1.44	83,911	The Taiwan Fund, Inc.	1,556,122	3.71
43,050	Baring Emerging Europe Trust †	-	-	44,000	Taiwan Greater China Fund	316,580	0.75
103,500	BlackRock World Mining Trust PLC	1,325,050	3.15	27,800	Templeton Dragon Fund, Inc.	849,012	2.02
22,229	The Eastern European Trust PLC	118,943	0.28			<b>15,209,210</b>	<b>36.19</b>
5,544	The Eastern European Trust PLC (Subscriber Shares)	2,906	0.01	<b>Total Investment in Exchange Traded Collective Investment Funds - (Cost USD33,869,360)</b>			
184,790	Edinburgh Dragon Trust PLC	713,826	1.70	<b>Total Investments - (Cost USD33,869,360)</b>			
96,720	Fidelity Asian Values PLC	311,220	0.74	Adjustment from bid market value to mid market value			
19,344	Fidelity Asian Values PLC (Subscriber Shares)	8,970	0.02	Other assets in excess of liabilities			
99,106	Genesis Emerging Markets Fund Ltd.	853,590	2.03	<b>Total Net Assets</b>			
250,000	Henderson TR Pacific Investment Trust PLC	758,569	1.80	<b>42,036,838</b>			
205,637	Infrastructure India PLC	260,363	0.62	<b>100.00</b>			
354,900	INVECO Asia Trust PLC	899,414	2.14	† Security is valued in good faith by the Directors.			
130,730	INVECO Asia Trust PLC (Subscriber Shares)	70,109	0.17	<b>ALL SECURITIES ARE NON-UCITS COLLECTIVE INVESTMENT SCHEMES</b>			
222,048	JPMorgan Asian Investment Trust PLC	834,829	1.99	<b>Analysis of Total Assets</b>			
49,040	JPMorgan Asian Investment Trust PLC (Subscriber Shares)	42,712	0.10	<b>% of Total Assets</b>			
237,310	JPMorgan Emerging Markets Investment Trust PLC	2,255,402	5.37	Collective investment schemes			
47,462	JPMorgan Emerging Markets Investment Trust PLC (Subscriber Shares)	102,196	0.24	Current assets			
19,540	JPMorgan Indian Investment Trust PLC (Subscriber Shares)	58,778	0.14	<b>Total Assets</b>			
143,268	JPMorgan Russian Securities PLC	1,679,932	4.00	<b>100.00%</b>			
418,733	New India Investment Fund PLC	1,659,736	3.95				
461,300	Pacific Assets Trust PLC	913,300	2.17				
115,568	Schroder AsiaPacific Fund PLC	411,851	0.98				
38,560	Schroder AsiaPacific Fund PLC (Subscriber Shares)	11,584	0.03				
44,608	Tau Capital PLC	21,747	0.06				

# Portfolios of Investments (continued)

## Lazard Emerging Markets Equity Fund

Portfolio of Investments as at 31 March 2011

Shares	Fair Value USD	% of Net Asset Value	Shares	Fair Value USD	% of Net Asset Value		
<b>Common Stock - 93.34%</b>			<b>Common Stock - 93.34% (continued)</b>				
<b>Argentina - 1.51%</b>			<b>Malaysia - 0.59%</b>				
241,961	YPF S.A. ADR	10,784,202	1.51	264,800	British American Tobacco Malaysia Bhd	4,196,688	0.59
<b>Bermuda - 0.83%</b>			<b>Mexico - 6.02%</b>				
3,898,000	Huabao International Holdings Ltd.	5,903,745	0.83	186,300	America Movil SAB de CV ADR	10,822,167	1.52
<b>Brazil - 20.24%</b>			120,600	Desarrolladora Homex SAB de CV ADR	3,286,350	0.46	
1,403,572	Banco do Brasil S.A.	25,471,674	3.57	91,470	Fomento Economico Mexicano SAB de CV ADR	5,364,716	0.75
280,900	Cia de Bebidas das Americas ADR	7,946,661	1.11	3,004,435	Grupo Mexico SAB de CV	11,314,647	1.58
203,400	Cia de Concessoes Rodoviaras	5,920,499	0.83	301,722	Grupo Televisa S.A. ADR	7,401,241	1.04
498,480	Cia Energetica de Minas Gerais ADR	9,610,694	1.35	763,800	Kimberly-Clark de Mexico SAB de CV	4,740,541	0.67
634,900	Cia Siderurgica Nacional S.A. ADR	10,577,434	1.48			<b>42,929,662</b>	<b>6.02</b>
2,445,700	Cielo S.A.	20,794,648	2.93	<b>Pakistan - 0.23%</b>			
42,300	Fertilizantes Fosfatados S.A.	410,331	0.06	102,228	Oil & Gas Development Co., Ltd. GDR	1,633,603	0.23
350,600	Natura Cosméticos S.A.	9,903,602	1.39	<b>Philippines - 1.86%</b>			
1,624,731	Redecard S.A.	23,955,487	3.36	247,700	Philippine Long Distance Telephone Co. ADR	13,256,904	1.86
639,000	Souza Cruz S.A.	6,665,778	0.94	<b>Russia - 4.92%</b>			
688,700	Vale S.A. ADR	22,961,258	3.22	24,250	Lukoil OAO ADR	1,736,300	0.24
		<b>144,218,066</b>	<b>20.24</b>	183,947	Magnit OAO GDR	5,573,594	0.78
<b>Canada - 1.68%</b>			676,450	Mobile Telesystems OJSC ADR	14,374,562	2.02	
93,400	First Quantum Minerals Ltd.	12,004,374	1.68	1,705,564	TNK-BP Holding	5,031,414	0.71
<b>China - 2.53%</b>			200,615	Uralkali GDR	8,317,498	1.17	
7,960,990	China Construction Bank Corp.	7,451,418	1.04			<b>35,033,368</b>	<b>4.92</b>
110,400	NetEase.Com ADR	5,463,696	0.77	<b>South Africa - 10.66%</b>			
848,500	Weichai Power Co., Ltd.	5,116,407	0.72	320,459	Bidvest Group Ltd.	7,082,562	0.99
		<b>18,031,521</b>	<b>2.53</b>	145,936	Kumba Iron Ore Ltd.	10,327,451	1.45
<b>Egypt - 2.41%</b>			300,741	Massmart Holdings Ltd.	6,213,069	0.87	
1,052,886	Commercial International Bank	5,812,615	0.82	1,176,237	Murray & Roberts Holdings Ltd.	4,641,085	0.65
127,396	Eastern Tobacco	2,230,524	0.31	318,995	Nedbank Group Ltd.	6,712,535	0.94
85,723	Egyptian Co. for Mobile Services	2,226,198	0.31	1,388,532	Pretoria Portland Cement Co., Ltd.	4,954,398	0.70
172,400	Orascom Construction Industries	6,933,262	0.97	1,792,465	Sanlam Ltd.	7,325,701	1.03
		<b>17,202,599</b>	<b>2.41</b>	544,786	Shoprite Holdings Ltd.	8,358,520	1.17
<b>France - 0.60%</b>			404,836	Standard Bank Group Ltd.	6,242,598	0.88	
113,076	CFAO S.A.	4,258,099	0.60	239,684	Tiger Brands Ltd.	6,236,281	0.87
<b>Hungary - 0.97%</b>			753,931	Truworths International Ltd.	7,887,565	1.11	
232,624	OTP Bank NyRt	6,890,952	0.97			<b>75,981,765</b>	<b>10.66</b>
<b>India - 6.61%</b>			<b>South Korea - 12.72%</b>				
708,971	Bank of India	7,600,830	1.07	31,628	Hite Brewery Co., Ltd.	3,143,155	0.44
199,242	Bharat Heavy Electricals Ltd.	9,167,947	1.29	33,329	Hyundai Mobis Co., Ltd.	9,997,933	1.40
71,400	Infosys Technologies Ltd. ADR	5,118,666	0.72	114,020	KB Financial Group, Inc.	6,022,312	0.84
562,172	Jindal Steel & Power Ltd.	8,790,280	1.23	1,352,091	Korea Life Insurance Co., Ltd.	9,405,850	1.32
600,247	Punjab National Bank Ltd.	16,423,173	2.30	196,650	KT&G Corp.	10,314,286	1.45
		<b>47,100,896</b>	<b>6.61</b>	52,758	NHN Corp.	9,272,398	1.30
<b>Indonesia - 5.34%</b>			112,331	Oriflame Cosmetics S.A.	5,799,768	0.81	
8,421,732	Bank Mandiri Tbk PT	6,562,389	0.92	15,460	Samsung Electronics Co., Ltd.	13,258,542	1.86
1,790,000	Perusahaan Gas Negara PT	800,722	0.11	350,591	Shinhan Financial Group Co., Ltd.	16,065,730	2.26
5,836,000	Semen Gresik Persero Tbk PT	6,097,062	0.86	213,098	Woongjin Coway Co., Ltd.	7,421,909	1.04
2,263,700	Tambang Batubara Bukit Asam Tbk PT	5,474,691	0.77			<b>90,701,883</b>	<b>12.72</b>
408,000	Telekomunikasi Indonesia Tbk PT ADR	13,688,399	1.91				
2,182,583	United Tractors Tbk PT	5,454,883	0.77				
		<b>38,078,146</b>	<b>5.34</b>				

# Portfolios of Investments (continued)

## Lazard Emerging Markets Equity Fund (continued)

Portfolio of Investments as at 31 March 2011

Shares		Fair Value USD	% of Net Asset Value
<b>Common Stock - 93.34% (continued)</b>			
<b>Taiwan - 5.42%</b>			
1,236,000	Delta Electronics, Inc.	4,922,451	0.69
1,304,544	Hon Hai Precision Industry Co., Ltd. GDR	9,281,828	1.30
151,693	HTC Corp.	5,937,541	0.83
806,431	MediaTek, Inc.	9,304,178	1.31
751,868	Taiwan Semiconductor Manufacturing Co., Ltd. ADR	9,165,271	1.29
		<b>38,611,269</b>	<b>5.42</b>
<b>Thailand - 2.14%</b>			
366,200	Banpu PCL	9,230,711	1.29
1,205,700	Kasikornbank PCL	5,184,949	0.73
69,700	Siam Cement Public Co., Ltd.	871,538	0.12
		<b>15,287,198</b>	<b>2.14</b>
<b>Turkey - 6.06%</b>			
1,800,173	Akbank TAS	8,791,053	1.23
1,233,469	KOC Holding A/S	5,766,576	0.81
2,218,377	Turkcell Iletisim Hizmet A/S	13,202,218	1.85
4,804,219	Turkiye Is Bankasi	15,421,798	2.17
		<b>43,181,645</b>	<b>6.06</b>
<b>Total Common Stock - (Cost USD583,852,098)</b>		<b>665,286,585</b>	<b>93.34</b>
<b>Preferred Stock - 1.98%</b>			
<b>Brazil - 1.98%</b>			
249,900	Ultrapar Participacoes S.A.	4,149,775	0.58
822,500	Usinas Siderurgicas de Minas Gerais S.A.	9,979,650	1.40
		<b>14,129,425</b>	<b>1.98</b>
<b>Total Preferred Stock - (Cost USD13,883,035)</b>		<b>14,129,425</b>	<b>1.98</b>
<b>Total Investments - (Cost USD597,735,133)</b>		<b>679,416,010</b>	<b>95.32</b>
Adjustment from bid market value to mid market value		(3,594,953)	(0.50)
Other assets in excess of liabilities		36,917,531	5.18
<b>Total Net Assets</b>		<b>712,738,588</b>	<b>100.00</b>

ADR - American Depositary Receipt

GDR - Global Depositary Receipt

**ALL SECURITIES ARE TRANSFERABLE SECURITIES DEALT IN ON A REGULATED MARKET OR LISTED ON A RECOGNISED EXCHANGE**

Analysis of Total Assets	% of Total Assets
Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market	94.35%
Current assets	5.65%
<b>Total Assets</b>	<b>100.00%</b>

# Portfolios of Investments (continued)

## Lazard Thematic Global Ex-Japan Fund

Portfolio of Investments as at 31 March 2011

Shares		Fair Value USD	% of Net Asset Value	Shares		Fair Value USD	% of Net Asset Value
<b>Common Stock - 95.13%</b>				<b>Common Stock - 95.13% (continued)</b>			
<b>Australia - 1.74%</b>				<b>Hong Kong - 9.68% (continued)</b>			
190,080	Newcrest Mining Ltd.	7,823,642	0.91	843,260	New World Department Store China Ltd.	590,647	0.07
145,600	Woodside Petroleum Ltd.	7,057,066	0.83	1,060,130	Parkson Retail Group Ltd.	1,453,764	0.17
		<b>14,880,708</b>	<b>1.74</b>	669,430	Sun Hung Kai Properties Ltd.	10,590,912	1.24
						<b>82,622,036</b>	<b>9.68</b>
<b>Brazil - 3.12%</b>				<b>India - 1.31%</b>			
635,200	Banco Santander Brasil S.A.	7,666,106	0.90	66,950	HDFC Bank Ltd. ADR	<b>11,211,447</b>	<b>1.31</b>
343,300	Cielo S.A.	2,906,266	0.34	<b>Isle of Man - 0.00%</b>			
349,600	Cyrela Brazil Realty S.A.	3,277,466	0.38	10,830	Hirco PLC	<b>7,249</b>	-
393,059	Itau Unibanco Holding S.A.	9,083,033	1.07	<b>Israel - 0.68%</b>			
252,500	Redecard S.A.	3,667,086	0.43	115,530	Teva Pharmaceutical Industries Ltd. ADR	<b>5,778,811</b>	<b>0.68</b>
		<b>26,599,957</b>	<b>3.12</b>	<b>Singapore - 2.50%</b>			
<b>Canada - 9.07%</b>				2,654,980	CapitaLand Ltd.	6,941,605	0.82
459,316	Barrick Gold Corp.	23,717,943	2.77	2,720,910	CapitaMalls Asia Ltd.	3,832,268	0.45
184,700	Canadian Natural Resources Ltd.	9,142,121	1.07	908,000	DBS Group Holdings Ltd.	10,533,593	1.23
305,930	Cenovus Energy, Inc.	12,051,645	1.41			<b>21,307,466</b>	<b>2.50</b>
173,320	EnCana Corp.	6,023,158	0.71	<b>South Africa - 1.35%</b>			
275,510	Goldcorp, Inc.	13,669,638	1.60	513,738	Gold Fields Ltd.	8,925,685	1.05
516,610	Kinross Gold Corp.	8,154,689	0.96	92,150	Impala Platinum Holdings Ltd. ADR	2,575,593	0.30
380,656	Yamana Gold, Inc.	4,705,928	0.55			<b>11,501,278</b>	<b>1.35</b>
		<b>77,465,122</b>	<b>9.07</b>	<b>Sweden - 1.22%</b>			
<b>Cayman Islands - 0.17%</b>				810,170	Telefonaktiebolaget LM Ericsson	<b>10,415,180</b>	<b>1.22</b>
587,460	Tingyi (Cayman Islands) Holding Corp.	<b>1,440,545</b>	<b>0.17</b>	<b>Switzerland - 5.04%</b>			
<b>China - 2.56%</b>				535,420	ABB Ltd.	12,998,364	1.52
961,190	China Life Insurance Co., Ltd.	3,616,399	0.42	155,687	Actelion Ltd.	9,002,223	1.05
2,145,710	China Minsheng Banking Corp. Ltd.	1,971,729	0.23	134,770	Foster Wheeler Ltd.	5,009,401	0.59
2,854,830	China Shenhua Energy Co., Ltd.	13,419,451	1.57	47,460	Lonza Group AG	4,005,556	0.47
3,479,217	Industrial & Commercial Bank of China	2,886,343	0.34	58,400	Swiss Reinsurance Co., Ltd.	3,319,414	0.39
		<b>21,893,922</b>	<b>2.56</b>	30,900	Zurich Financial Services AG	8,699,804	1.02
<b>France - 2.38%</b>						<b>43,034,762</b>	<b>5.04</b>
82,588	Air Liquide S.A.	11,059,997	1.30	<b>Taiwan - 4.43%</b>			
141,085	Groupe Danone	9,262,346	1.08	3,119,659	Cathay Financial Holding Co., Ltd.	5,137,281	0.60
		<b>20,322,343</b>	<b>2.38</b>	6,312,598	Chinatrust Financial Holding Co., Ltd.	5,361,302	0.63
<b>Germany - 3.81%</b>				4,821,834	Far Eastern New Century Corp.	7,448,415	0.87
72,696	Deutsche Boerse AG	5,574,266	0.65	1,852,000	Taiwan Fertilizer Co., Ltd.	5,450,856	0.64
40,150	Hochtief AG	4,317,385	0.51	625,123	Taiwan Semiconductor Manufacturing Co., Ltd. ADR	7,560,863	0.89
102,100	Metro AG	7,014,103	0.82	4,981,259	Uni-President Enterprises Corp.	6,822,308	0.80
50,860	SAP AG	3,124,188	0.37			<b>37,781,025</b>	<b>4.43</b>
90,790	Siemens AG	12,492,195	1.46	<b>United Kingdom - 10.76%</b>			
		<b>32,522,137</b>	<b>3.81</b>	183,623	Autonomy Corp. PLC	4,732,735	0.55
<b>Hong Kong - 9.68%</b>				237,570	British American Tobacco PLC	9,671,398	1.13
2,396,800	AIA Group Ltd.	7,369,770	0.86	331,320	GlaxoSmithKline PLC	6,395,277	0.75
1,275,240	Bank of East Asia Ltd.	5,420,782	0.63	947,038	National Grid PLC	9,107,607	1.07
7,747,160	China Overseas Land & Investment Ltd.	15,801,183	1.85	395,760	Pearson PLC	7,063,039	0.83
64,940	Hang Lung Group Ltd.	402,907	0.05	1,056,090	Prudential PLC	12,268,530	1.44
1,181,390	Hang Lung Properties Ltd.	5,177,473	0.61	163,560	Royal Dutch Shell PLC	5,985,888	0.70
5,074,689	Hong Kong & China Gas Co., Ltd.	12,137,409	1.42	259,337	SABMiller PLC	9,240,972	1.08
1,090,440	Hong Kong Exchanges & Clearing Ltd.	23,677,189	2.78				

# Portfolios of Investments (continued)

## Lazard Thematic Global Ex-Japan Fund (continued)

Portfolio of Investments as at 31 March 2011

Shares		Fair Value USD	% of Net Asset Value	Shares		Fair Value USD	% of Net Asset Value
<b>Common Stock - 95.13% (continued)</b>				<b>Common Stock - 95.13% (continued)</b>			
<b>United Kingdom - 10.76% (continued)</b>				<b>Total Common Stock - (Cost USD707,341,441)</b>			
358,203	Standard Chartered PLC	9,404,273	1.10			<b>812,200,480</b>	<b>95.13</b>
275,300	Unilever PLC	8,456,594	0.99			<b>812,200,480</b>	<b>95.13</b>
3,317,745	Vodafone Group PLC	9,541,192	1.12			Adjustment from bid market value to mid market value	-
		<b>91,867,505</b>	<b>10.76</b>			Other assets in excess of liabilities	41,583,294
						<b>Total Net Assets</b>	<b>853,783,774</b>
							<b>100.00</b>
<b>United States - 35.31%</b>				ADR - American Depositary Receipt			
1,380	A123 Systems, Inc.	9,612	-	<b>ALL SECURITIES ARE TRANSFERABLE SECURITIES DEALT IN ON A REGULATED MARKET OR LISTED ON A RECOGNISED EXCHANGE</b>			
116,160	Amgen, Inc.	6,261,604	0.74	<b>Analysis of Total Assets</b>			
76,320	Anadarko Petroleum Corp.	6,291,821	0.74	Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market			
105,670	Apache Corp.	13,785,707	1.60	Current assets			
161,100	Bristol-Myers Squibb Co.	4,263,520	0.50	<b>Total Assets</b>			
87,460	Bunge Ltd.	6,365,776	0.75	94.31%			
64,920	Charles River Laboratories International, Inc.	2,500,394	0.29	5.69%			
101,807	Chevron Corp.	11,003,301	1.29	<b>100.00%</b>			
411,220	Cisco Systems, Inc.	7,124,387	0.83				
24,450	CME Group, Inc.	7,413,851	0.87				
97,700	Covance, Inc.	5,345,167	0.63				
268,908	CVS Caremark Corp.	9,042,031	1.06				
635,130	EMC Corp.	17,107,226	2.00				
98,290	Entergy Corp.	6,683,229	0.78				
59,500	EOG Resources, Inc.	7,091,508	0.83				
141,480	Exelon Corp.	5,865,053	0.69				
139,710	Exxon Mobil Corp.	11,797,810	1.38				
76,660	Genzyme Corp.	5,828,077	0.68				
11,180	Google, Inc.	6,507,431	0.76				
88,740	IBM Corp.	14,521,414	1.70				
140,000	Johnson & Johnson	8,304,100	0.97				
170,260	Marathon Oil Corp.	9,016,970	1.06				
118,174	Mead Johnson Nutrition Co.	6,903,121	0.81				
233,260	Merck & Co., Inc.	7,765,225	0.91				
404,810	Microsoft Corp.	10,357,064	1.21				
138,720	Monsanto Co.	9,816,521	1.15				
181,510	Newmont Mining Corp.	9,823,321	1.15				
76,010	NextEra Energy, Inc.	4,177,890	0.49				
106,380	Occidental Petroleum Corp.	11,036,393	1.29				
557,740	Oracle Corp.	18,430,518	2.16				
423,392	Pfizer, Inc.	8,609,676	1.01				
293,250	Spectra Energy Corp.	8,001,326	0.94				
276,750	UnitedHealth Group, Inc.	12,560,299	1.47				
126,200	Verizon Communications, Inc.	4,853,652	0.57				
122,750	Visa, Inc.	9,109,278	1.07				
152,320	Wal-Mart Stores, Inc.	7,974,714	0.93				
		<b>301,548,987</b>	<b>35.31</b>				

# Portfolios of Investments (continued)

## Lazard Thematic Global Fund Portfolio of Investments as at 31 March 2011

Shares	Fair Value USD	% of Net Asset Value	Shares	Fair Value USD	% of Net Asset Value		
<b>Common Stock - 97.80%</b>			<b>Common Stock - 97.80% (continued)</b>				
<b>Australia - 1.39%</b>			<b>Hong Kong - 8.81% (continued)</b>				
379,890	Newcrest Mining Ltd.	15,636,172	0.65	1,358,740	New World Department Store China Ltd.	951,706	0.04
372,600	Woodside Petroleum Ltd.	18,059,497	0.74	4,635,870	Parkson Retail Group Ltd.	6,357,200	0.26
		<b>33,695,669</b>	<b>1.39</b>	1,565,570	Sun Hung Kai Properties Ltd.	24,768,557	1.02
						<b>213,368,376</b>	<b>8.81</b>
<b>Brazil - 2.91%</b>			<b>India - 1.24%</b>				
1,311,800	Banco Santander Brasil S.A.	15,831,861	0.65	179,650	HDFC Bank Ltd. ADR	<b>30,084,189</b>	<b>1.24</b>
1,154,300	Cielo S.A.	9,771,927	0.40	<b>Isle of Man - 0.00%</b>			
1,014,200	Cyrela Brazil Realty S.A.	9,508,028	0.39	153,533	Hirco PLC	<b>102,768</b>	-
1,009,740	Itau Unibanco Holding S.A.	23,333,662	0.97	<b>Israel - 0.58%</b>			
836,100	Redecard S.A.	12,142,776	0.50	278,870	Teva Pharmaceutical Industries Ltd. ADR	<b>13,949,077</b>	<b>0.58</b>
		<b>70,588,254</b>	<b>2.91</b>	<b>Japan - 11.34%</b>			
<b>Canada - 8.22%</b>			10,534	The Dai-ichi Life Insurance Co., Ltd.	15,928,812	0.66	
1,204,445	Barrick Gold Corp.	62,194,560	2.57	1,143,000	Daiwa House Industry Co., Ltd.	14,089,134	0.58
1,800	Barrick Gold Corp. (USD)	92,772	-	1,113,000	Daiwa Securities Group, Inc.	5,126,277	0.21
470,500	Canadian Natural Resources Ltd.	23,288,403	0.96	189,500	Fanuc Ltd.	28,757,878	1.19
783,970	Cenovus Energy, Inc.	30,883,299	1.28	367,900	JS Group Corp.	9,573,928	0.40
410,980	EnCana Corp.	14,282,239	0.59	1,986,000	Kajima Corp.	5,586,599	0.23
736,628	Goldcorp, Inc.	36,548,359	1.51	875,000	Mitsubishi Estate Co., Ltd.	14,815,737	0.61
1,477,489	Kinross Gold Corp.	23,322,164	0.96	3,649,000	Mitsubishi Heavy Industries Ltd.	16,828,661	0.69
684,667	Yamana Gold, Inc.	8,464,319	0.35	4,364,800	Mitsubishi UFJ Financial Group, Inc.	20,235,219	0.84
		<b>199,076,115</b>	<b>8.22</b>	937,000	Mitsui Fudosan Co., Ltd.	15,497,887	0.64
<b>Cayman Islands - 0.15%</b>			2,678,500	Nomura Holdings, Inc.	13,921,215	0.57	
1,444,540	Tingyi (Cayman Islands) Holding Corp.	<b>3,542,241</b>	<b>0.15</b>	773,400	Seven & I Holdings Co., Ltd.	19,757,508	0.82
<b>China - 2.44%</b>			1,535,000	Shimizu Corp.	6,838,283	0.28	
3,159,810	China Life Insurance Co., Ltd.	11,888,527	0.49	649,700	Sumitomo Mitsui Financial Group, Inc.	20,284,006	0.83
5,850,090	China Minsheng Banking Corp. Ltd.	5,375,746	0.22	700,000	Sumitomo Realty & Development Co., Ltd.	14,045,636	0.58
7,256,670	China Shenhua Energy Co., Ltd.	34,110,797	1.40	1,433,000	The Sumitomo Trust & Banking Co., Ltd.	7,456,513	0.31
9,472,919	Industrial & Commercial Bank of China	7,858,692	0.33	448,400	T&D Holdings, Inc.	11,089,550	0.46
		<b>59,233,762</b>	<b>2.44</b>	3,227,000	Toray Industries, Inc.	23,531,426	0.97
<b>France - 2.29%</b>			726,300	Yamato Holdings Co., Ltd.	11,298,292	0.47	
233,356	Air Liquide S.A.	31,250,590	1.29			<b>274,662,561</b>	<b>11.34</b>
369,075	Groupe Danone	24,230,076	1.00	<b>Singapore - 2.30%</b>			
		<b>55,480,666</b>	<b>2.29</b>	6,613,520	CapitaLand Ltd.	17,291,449	0.72
<b>Germany - 3.33%</b>			7,651,090	CapitaMalls Asia Ltd.	10,776,183	0.44	
182,731	Deutsche Boerse AG	14,011,655	0.58	2,384,000	DBS Group Holdings Ltd.	27,656,481	1.14
108,058	Hochtief AG	11,619,627	0.48			<b>55,724,113</b>	<b>2.30</b>
222,635	Metro AG	15,294,659	0.63	<b>South Africa - 1.49%</b>			
135,895	SAP AG	8,347,651	0.34	1,552,684	Gold Fields Ltd.	26,976,337	1.11
227,473	Siemens AG	31,299,009	1.30	318,118	Impala Platinum Holdings Ltd.	9,101,587	0.38
		<b>80,572,601</b>	<b>3.33</b>	1,350	Impala Platinum Holdings Ltd. ADR	37,733	-
<b>Hong Kong - 8.81%</b>						<b>36,115,657</b>	<b>1.49</b>
6,363,600	AIA Group Ltd.	19,567,033	0.81	<b>Sweden - 1.04%</b>			
2,946,950	Bank of East Asia Ltd.	12,526,876	0.52	1,965,003	Telefonaktiebolaget LM Ericsson	<b>25,261,193</b>	<b>1.04</b>
21,110,200	China Overseas Land & Investment Ltd.	43,056,572	1.78	<b>Switzerland - 4.58%</b>			
566,260	Hang Lung Group Ltd.	3,513,244	0.15	1,423,920	ABB Ltd.	34,568,435	1.43
2,212,610	Hang Lung Properties Ltd.	9,696,822	0.40	413,643	Actelion Ltd.	23,917,902	0.99
12,697,099	Hong Kong & China Gas Co., Ltd.	30,368,339	1.25	380,317	Foster Wheeler Ltd.	14,136,383	0.58
2,881,260	Hong Kong Exchanges & Clearing Ltd.	62,562,027	2.58				

# Portfolios of Investments (continued)

## Lazard Thematic Global Fund (continued)

Portfolio of Investments as at 31 March 2011

Shares	Fair Value USD	% of Net Asset Value	Shares	Fair Value USD	% of Net Asset Value			
<b>Common Stock - 97.80% (continued)</b>			<b>Common Stock - 97.80% (continued)</b>					
<b>Switzerland - 4.58% (continued)</b>			<b>United States - 31.58% (continued)</b>					
113,077	Lonza Group AG	9,543,536	0.39	560,483	Merck & Co., Inc.	18,658,479	0.77	
153,450	Swiss Reinsurance Co., Ltd.	8,721,989	0.36	1,076,818	Microsoft Corp.	27,550,389	1.14	
71,715	Zurich Financial Services AG	20,191,145	0.83	356,025	Monsanto Co.	25,194,109	1.04	
		<b>111,079,390</b>	<b>4.58</b>	494,508	Newmont Mining Corp.	26,762,773	1.10	
				157,790	NextEra Energy, Inc.	8,672,927	0.36	
<b>Taiwan - 4.52%</b>				274,912	Occidental Petroleum Corp.	28,520,745	1.18	
9,094,520	Cathay Financial Holding Co., Ltd.	14,976,353	0.62	1,453,078	Oracle Corp.	48,016,962	1.98	
20,270,438	Chinatrust Financial Holding Co., Ltd.	17,215,724	0.71	984,719	Pfizer, Inc.	20,024,261	0.83	
13,390,778	Far Eastern New Century Corp.	20,685,090	0.85	802,511	Spectra Energy Corp.	21,896,513	0.90	
4,746,700	Taiwan Fertilizer Co., Ltd.	13,970,615	0.58	673,186	UnitedHealth Group, Inc.	30,552,547	1.26	
1,766,304	Taiwan Semiconductor Manufacturing Co., Ltd. ADR	21,363,443	0.88	334,100	Verizon Communications, Inc.	12,849,486	0.53	
15,506,071	Uni-President Enterprises Corp.	21,237,040	0.88	294,246	Visa, Inc.	21,835,996	0.90	
		<b>109,448,265</b>	<b>4.52</b>	401,180	Wal-Mart Stores, Inc.	21,003,779	0.87	
<b>United Kingdom - 9.59%</b>						<b>765,212,155</b>	<b>31.58</b>	
472,380	Autonomy Corp. PLC	12,175,213	0.50	<b>Total Common Stock - (Cost USD2,148,285,837)</b>			<b>2,369,490,185</b>	<b>97.80</b>
588,274	British American Tobacco PLC	23,948,444	0.99	<b>Total Investments - (Cost USD2,148,285,837)</b>			<b>2,369,490,185</b>	<b>97.80</b>
748,542	GlaxoSmithKline PLC	14,448,671	0.60	Adjustment from bid market value to mid market value			-	-
2,417,393	National Grid PLC	23,247,914	0.96	Other assets in excess of liabilities			53,215,927	2.20
1,034,892	Pearson PLC	18,469,484	0.76	<b>Total Net Assets</b>			<b>2,422,706,112</b>	<b>100.00</b>
2,694,025	Prudential PLC	31,296,315	1.28	ADR - American Depositary Receipt				
415,472	Royal Dutch Shell PLC	15,205,239	0.63	<b>ALL SECURITIES ARE TRANSFERABLE SECURITIES DEALT IN ON A REGULATED MARKET OR LISTED ON A RECOGNISED EXCHANGE</b>				
651,442	SABMiller PLC	23,212,874	0.96	<b>Analysis of Total Assets</b>			<b>% of Total Assets</b>	
899,748	Standard Chartered PLC	23,622,013	0.98	Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market			96.95%	
693,701	Unilever PLC	21,308,928	0.88	Current assets			3.05%	
8,817,714	Vodafone Group PLC	25,358,038	1.05	<b>Total Assets</b>			<b>100.00%</b>	
		<b>232,293,133</b>	<b>9.59</b>					
<b>United States - 31.58%</b>								
5,820	A123 Systems, Inc.	40,536	-					
293,708	Amgen, Inc.	15,832,330	0.65					
221,891	Anadarko Petroleum Corp.	18,292,694	0.76					
273,083	Apache Corp.	35,626,408	1.48					
395,846	Bristol-Myers Squibb Co.	10,476,052	0.43					
220,458	Bunge Ltd.	16,046,036	0.66					
169,380	Charles River Laboratories International, Inc.	6,523,671	0.27					
260,529	Chevron Corp.	28,157,974	1.16					
1,025,514	Cisco Systems, Inc.	17,767,030	0.73					
63,940	CME Group, Inc.	19,388,207	0.80					
235,900	Covance, Inc.	12,906,089	0.53					
614,514	CVS Caremark Corp.	20,663,033	0.85					
1,657,587	EMC Corp.	44,647,105	1.85					
251,761	Entergy Corp.	17,118,490	0.70					
152,200	EOG Resources, Inc.	18,139,957	0.75					
356,356	Exelon Corp.	14,772,738	0.61					
375,531	Exxon Mobil Corp.	31,711,715	1.31					
175,167	Genzyme Corp.	13,317,071	0.55					
29,650	Google, Inc.	17,258,079	0.71					
225,051	IBM Corp.	36,827,346	1.52					
335,009	Johnson & Johnson	19,871,059	0.82					
399,996	Marathon Oil Corp.	21,183,788	0.87					
292,832	Mead Johnson Nutrition Co.	17,105,781	0.71					

# Portfolios of Investments (continued)

## Lazard Global Classic Value Equity Fund

Portfolio of Investments as at 31 March 2011

Shares	Fair Value USD	% of Net Asset Value	Shares	Fair Value USD	% of Net Asset Value						
<b>Common Stock - 91.75%</b>			<b>Common Stock - 91.75% (continued)</b>								
<b>Canada - 12.33%</b>			<b>United Kingdom - 8.15%</b>								
723,700	Eastern Platinum Ltd.	970,457	1.38	29,447	Anglo American PLC	1,523,448	2.17				
63,400	Franco-Nevada Corp.	2,317,048	3.29	950,125	Vodafone Group PLC	2,704,941	3.85				
382,000	Platinum Group Metals Ltd.	748,672	1.06	63,750	Xstrata PLC	1,498,118	2.13				
51,600	Power Corp. of Canada	1,529,185	2.17			<b>5,726,507</b>	<b>8.15</b>				
28,100	Teck Resources Ltd.	1,488,406	2.12	<b>United States - 24.49%</b>							
132,200	Yamana Gold, Inc.	1,625,483	2.31	58,400	Avon Products, Inc.	1,577,384	2.24				
		<b>8,679,251</b>	<b>12.33</b>	35,050	Berkshire Hathaway, Inc.	2,932,984	4.17				
<b>China - 1.74%</b>			50,000	Dr Pepper Snapple Group, Inc.	1,857,500	2.64					
1,188,000	Harbin Power Equipment Co., Ltd.	1,224,986	1.74	84,900	Microsoft Corp.	2,153,064	3.06				
<b>France - 3.82%</b>			92,600	Newell Rubbermaid, Inc.	1,769,586	2.52					
20,700	Total S.A.	1,264,478	1.80	33,000	Newmont Mining Corp.	1,801,140	2.56				
22,700	Vinci S.A.	1,423,451	2.02	84,700	Oracle Corp.	2,826,439	4.02				
		<b>2,687,929</b>	<b>3.82</b>	113,700	Pfizer, Inc.	2,309,247	3.28				
<b>Ireland - 4.43%</b>						<b>17,227,344</b>	<b>24.49</b>				
53,400	CRH PLC	1,231,741	1.75	<b>Total Common Stock - (Cost USD52,239,396)</b>			<b>64,537,806</b>	<b>91.75</b>			
48,100	DCC PLC	1,537,006	2.18	<b>Investment in Exchange Traded Collective Investment Funds - 2.77%</b>							
614,082	Irish Life & Permanent Group Holdings PLC	353,678	0.50	<b>United States - 2.77%</b>							
		<b>3,122,425</b>	<b>4.43</b>	13,950	SPDR Gold Trust	1,950,768	2.77				
<b>Italy - 2.65%</b>			<b>Total Investment in Exchange Traded Collective Investment Funds - (Cost USD-)</b>			<b>1,950,768</b>	<b>2.77</b>				
827,200	CIR-Compagnie Industriali Riunite S.p.A.	1,863,344	2.65	<b>Total Investments - (Cost USD52,239,396)</b>			<b>66,488,574</b>	<b>94.52</b>			
<b>Japan - 18.32%</b>			<b>Local Currency</b>	<b>Counterparty</b>	<b>Local Currency Buy/(Sell)</b>	<b>Exchange for USD</b>	<b>Maturity Date</b>	<b>Unrealised appreciation/(depreciation)</b>	<b>% of Net Asset Value</b>		
52,566	Astellas Pharma, Inc.	1,920,248	2.73								
20,500	Dydo Drinco, Inc.	779,361	1.11	<b>Forward Contracts</b>							
177,000	Ichiyoshi Securities Co., Ltd.	1,185,757	1.69	GBP	BNY Mellon	(3,293,024)	5,305,796	6/22/2011	12,524	0.02	
53,600	Kose Corp.	1,314,488	1.87	JPY	BNY Mellon	(666,694,382)	8,433,938	6/22/2011	382,089	0.54	
82,700	Meitec Corp.	1,628,611	2.32	<b>Unrealised appreciation</b>					<b>394,613</b>	<b>0.56</b>	
5,500	Nintendo Co., Ltd.	1,465,969	2.08	CAD	CIBC World Markets	(4,098,803)	4,144,613	6/22/2011	(78,128)	(0.11)	
202,000	PanaHome Corp.	1,285,935	1.83	EUR	CIBC World Markets	(7,670,819)	10,731,319	6/22/2011	(151,283)	(0.21)	
54,800	T Hasegawa Co., Ltd.	873,123	1.24	KRW	BNY Mellon	(1,261,120,200)	1,121,694	6/28/2011	(24,870)	(0.04)	
91,800	Tokio Marine Holdings, Inc.	2,422,803	3.45	<b>Unrealised depreciation</b>					<b>(254,281)</b>	<b>(0.36)</b>	
		<b>12,876,295</b>	<b>18.32</b>	<b>Net unrealised appreciation on forward contracts</b>					<b>140,332</b>	<b>0.20</b>	
<b>Netherlands - 5.55%</b>			<b>Financial assets and financial liabilities at fair value</b>						66,628,906	94.72	
29,821	Heineken Holding N.V.	1,437,425	2.04	<b>Adjustment from bid market value to mid market value</b>						557,488	0.79
24,800	Hunter Douglas N.V.	1,262,589	1.79	<b>Other assets in excess of liabilities</b>						3,155,202	4.49
46,987	TNT N.V.	1,209,104	1.72	<b>Total Net Assets</b>						<b>70,341,596</b>	<b>100.00</b>
		<b>3,909,118</b>	<b>5.55</b>	<b>ALL SECURITIES ARE TRANSFERABLE SECURITIES DEALT IN ON A REGULATED MARKET OR LISTED ON A RECOGNISED EXCHANGE EXCEPT FOR FORWARD CONTRACTS WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS DEALT ON A REGULATED MARKET AND NON-UCITS COLLECTIVE INVESTMENT SCHEMES</b>							
<b>Norway - 2.45%</b>			<b>Analysis of Total Assets</b>						<b>% of Total Assets</b>		
176,900	Orkla ASA	1,719,456	2.45	Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market						91.98%	
<b>South Korea - 2.59%</b>			Collective Investment Schemes						2.78%		
34,720	KT&G Corp.	1,821,063	2.59	Financial derivative instruments						0.56%	
<b>Switzerland - 4.06%</b>			Current assets						4.68%		
49,665	Nestle S.A.	2,856,836	4.06	<b>Total Assets</b>						<b>100.00%</b>	
<b>Taiwan - 1.17%</b>											
136,300	Siliconware Precision ADR	823,252	1.17								

# Portfolios of Investments (continued)

## Lazard Global High Quality Bond Fund

Portfolio of Investments as at 31 March 2011

		Coupon Rate %	Maturity Date	Fair Value USD	% of Net Asset Value			Coupon Rate %	Maturity Date	Fair Value USD	% of Net Asset Value
<b>Bonds - 99.00%</b>						<b>Bonds - 99.00% (continued)</b>					
<b>Australia - 1.75%</b>						<b>Luxembourg - 1.95%</b>					
100,000	New South Wales Treasury Corp.	5.000	2/25/2039	167,774	1.75	100,000	Enel Finance International S.A.	5.125	10/7/2019	101,055	1.05
<b>Bahamas - 0.98%</b>						50,000	Gaz Capital for Gazprom	6.580	10/31/2013	85,829	0.90
90,000	Commonwealth of the Bahamas	6.950	11/20/2029	93,421	0.98					186,884	1.95
<b>Bermuda - 1.65%</b>						<b>Mexico - 4.34%</b>					
150,000	Bermuda Government International Bond	5.603	7/20/2020	157,992	1.65	2,030,000	Mexican Bonos	9.500	12/18/2014	187,144	1.95
<b>Brazil - 0.97%</b>						900,000	Mexican Bonos	10.000	12/5/2024	89,586	0.94
60,000	Brazilian Government International Bond	8.500	9/24/2012	93,064	0.97	80,000	Mexico Government International Bond	6.750	2/6/2024	138,837	1.45
<b>Canada - 8.62%</b>										415,567	4.34
85,000	Honda Canada Finance, Inc.	5.675	9/26/2012	92,074	0.96	<b>Multi-National - 14.09%</b>					
100,000	Province of British Columbia Canada	3.700	12/18/2020	101,227	1.06	85,000	Asian Development Bank	5.250	5/13/2014	87,449	0.91
125,000	Province of Ontario	6.250	6/16/2015	100,576	1.05	170,000	Corp. Andina de Fomento	3.750	1/15/2016	170,678	1.78
65,000	Province of Ontario	8.500	12/2/2025	97,378	1.02	215,000	Council of Europe Development Bank	5.750	9/16/2014	222,819	2.33
165,000	Province of Ontario Canada	3.150	12/15/2017	163,853	1.71	1,090,000	European Bank for Reconstruction & Development	4.000	5/11/2017	193,430	2.02
95,000	Province of Quebec Canada	3.375	6/20/2016	136,074	1.42	205,000	European Investment Bank	6.250	4/15/2015	215,313	2.25
65,000	Shaw Communications, Inc.	5.650	10/1/2019	69,065	0.72	105,000	Inter-American Development Bank	7.250	5/24/2012	83,818	0.88
60,000	Suncor Energy, Inc.	6.500	6/15/2038	64,846	0.68	240,000,000	International Bank for Reconstruction & Development	2.300	2/26/2013	219,084	2.29
				825,093	8.62	1,000,000	International Bank for Reconstruction & Development	2.250	11/8/2013	156,008	1.63
<b>China - 2.33%</b>										1,348,599	14.09
84,000	China Government International Bond	4.750	10/29/2013	90,528	0.95	<b>Netherlands - 4.58%</b>					
90,000	China Government International Bond	4.250	10/28/2014	132,866	1.38	50,000	Deutsche Telekom International Finance BV	5.750	1/10/2014	76,214	0.80
				223,394	2.33	130,000	Netherlands Government Bond	4.000	7/15/2016	194,735	2.04
<b>Croatia - 1.56%</b>						50,000	Repsol International Finance BV	6.500	3/27/2014	76,853	0.80
100,000	Croatia Government International Bond	6.500	1/5/2015	149,508	1.56	60,000	RWE Finance BV	5.000	2/10/2015	90,271	0.94
<b>Czech Republic - 3.54%</b>										438,073	4.58
125,000	Czech Republic International Bond	4.500	11/5/2014	186,513	1.95	<b>Peru - 1.01%</b>					
100,000	Czech Republic International Bond	5.000	6/11/2018	151,911	1.59	60,000	Peruvian Government International Bond	7.500	10/14/2014	96,631	1.01
				338,424	3.54	<b>Poland - 4.65%</b>					
<b>Finland - 2.09%</b>						665,000	Poland Government Bond	5.250	10/25/2017	226,863	2.37
135,000	Finland Government Bond	3.875	9/15/2017	199,844	2.09	650,000	Poland Government Bond	5.750	9/23/2022	218,126	2.28
<b>France - 4.85%</b>										444,989	4.65
100,000	EDF S.A.	5.000	2/5/2018	150,960	1.58	<b>Qatar - 1.18%</b>					
120,000	France Government Bond OAT	4.750	4/25/2035	185,762	1.94	100,000	Qatar Government International Bond	6.550	4/9/2019	113,001	1.18
85,000	France Telecom S.A.	4.750	2/21/2017	127,294	1.33	<b>Singapore - 3.40%</b>					
				464,016	4.85	150,000	Temasek Financial I Ltd.	4.500	9/21/2015	161,203	1.68
<b>Germany - 5.01%</b>						100,000	Temasek Financial I Ltd.	5.125	7/26/2040	164,540	1.72
715,000	Denmark Government Bond	7.000	11/10/2024	184,290	1.93					325,743	3.40
1,080,000	Kreditanstalt fuer Wiederaufbau	4.000	12/15/2014	196,341	2.05	<b>South Africa - 1.57%</b>					
340,000	Kreditanstalt fuer Wiederaufbau zero coupon	4.18/2036	4/18/2036	98,774	1.03	1,035,000	South Africa Government Bond	8.250	9/15/2017	150,675	1.57
				479,405	5.01	<b>South Korea - 1.42%</b>					
<b>Japan - 1.14%</b>						130,000	Republic of Korea Bond	4.250	6/1/2013	135,886	1.42
100,000	Japan Finance Corp. for Municipal Enterprises	4.625	4/21/2015	109,007	1.14	<b>Spain - 0.89%</b>					
						50,000	Telefonica Emisiones SAU	5.888	1/31/2014	85,450	0.89

# Portfolios of Investments (continued)

## Lazard Global High Quality Bond Fund (continued)

Portfolio of Investments as at 31 March 2011

	Coupon Rate %	Maturity Date	Fair Value USD	% of Net Asset Value	Local Currency	Counterparty	Local Currency Buy/(Sell)	Exchange for USD	Maturity Date	Unrealised appreciation/(depreciation)	% of Net Asset Value		
<b>Bonds - 99.00% (continued)</b>					<b>Forward Contracts (continued)</b>								
<b>Sweden - 4.04%</b>					PLN	HSBC Bank USA	494,310	(170,999)	6/22/2011	2,726	0.03		
225,000		Svensk Exportkredit AB	7.625	6/30/2014	186,820	1.95	SGD	Morgan Stanley	19,061	(14,909)	6/22/2011	221	-
1,265,000		Sweden Government Bond	3.000	7/12/2016	200,199	2.09	<b>Unrealised appreciation</b>					<b>15,376</b>	<b>0.15</b>
					<b>387,019</b>	<b>4.04</b>	AUD	Citigroup Global Markets, Inc.	(239,925)	240,008	6/22/2011	(5,754)	(0.06)
<b>United Arab Emirates - 1.14%</b>					AUD	Citigroup Global Markets, Inc.	(229,552)	224,999	6/22/2011	(10,138)	(0.11)		
100,000		Emirate of Abu Dhabi	5.500	4/8/2014	<b>109,319</b>	<b>1.14</b>	CAD	HSBC Bank USA	(81,622)	82,000	6/22/2011	(2,090)	(0.02)
<b>United Kingdom - 6.89%</b>					CAD	HSBC Bank USA	(18,218)	18,666	6/22/2011	(103)	-		
50,000		Centrica PLC	5.125	12/10/2014	86,058	0.90	DKK	Citigroup Global Markets, Inc.	(608,011)	113,346	6/22/2011	(2,357)	(0.02)
50,000		National Grid PLC	6.125	4/15/2014	87,448	0.91	EUR	Morgan Stanley	(132,993)	185,000	6/22/2011	(3,677)	(0.04)
55,000		Rolls-Royce PLC	6.750	4/30/2019	101,448	1.06	GBP	Citigroup Global Markets, Inc.	(325,049)	519,897	6/22/2011	(2,593)	(0.03)
75,000		SABMiller PLC	4.500	1/20/2015	110,035	1.15	JPY	HSBC Bank USA	7,705,056	(96,000)	6/22/2011	(2,944)	(0.03)
50,000		Scottish & Southern Energy PLC	5.750	2/5/2014	86,709	0.91	JPY	HSBC Bank USA	141,814,316	(1,769,527)	6/22/2011	(56,797)	(0.60)
100,000		Standard Chartered PLC	3.850	4/27/2015	102,574	1.07	KRW	Standard Chartered Bank	(143,423,700)	126,913	4/13/2011	(4,163)	(0.04)
50,000		Tesco PLC	5.000	2/24/2014	85,640	0.89	MXN	Citigroup Global Markets, Inc.	(2,077,689)	170,498	6/22/2011	(3,031)	(0.03)
					<b>659,912</b>	<b>6.89</b>	NOK	HSBC Bank USA	(1,643,412)	287,460	6/22/2011	(8,982)	(0.09)
<b>United States - 13.36%</b>					NZD	Morgan Stanley	(3,002)	2,171	6/22/2011	(108)	-		
50,000		Air Products & Chemicals, Inc.	4.625	3/15/2017	73,477	0.77	NZD	Morgan Stanley	(486,163)	351,585	6/22/2011	(17,525)	(0.18)
65,000		Credit Suisse USA, Inc.	4.875	1/15/2015	70,072	0.73	PLN	HSBC Bank USA	(1,429,348)	485,776	6/22/2011	(16,569)	(0.17)
60,000		Daimler Finance North America LLC	6.500	11/15/2013	67,119	0.70	SEK	CIBC World Markets	(1,950,480)	302,357	6/22/2011	(6,878)	(0.07)
50,000		JPMorgan Chase & Co.	5.250	5/8/2013	74,407	0.78	ZAR	HSBC Bank USA	(828,318)	115,342	6/22/2011	(5,214)	(0.05)
60,000		McDonald's Corp.	6.300	10/15/2037	68,838	0.72	<b>Unrealised depreciation</b>					<b>(148,923)</b>	<b>(1.54)</b>
65,000		Morgan Stanley	3.750	3/1/2013	93,269	0.97	<b>Net unrealised depreciation on forward contracts</b>					<b>(133,547)</b>	<b>(1.39)</b>
125,000		Petrobras International Finance Co.	6.125	10/6/2016	138,798	1.45	Financial assets and liabilities at fair value through profit or loss					9,343,921	97.61
120,000		Seattle Washington	4.680	8/1/2024	115,109	1.20	Adjustment from bid market value to mid market value					-	-
60,000		Starbucks Corp.	6.250	8/15/2017	67,928	0.71	Other assets in excess of liabilities					228,947	2.39
145,000		State of Utah	3.539	7/1/2025	127,738	1.33	<b>Total Net Assets</b>					<b>9,572,868</b>	<b>100.00</b>
85,000		State of Washington	4.636	8/1/2022	83,727	0.87							
65,000		The Goldman Sachs Group, Inc.	5.125	10/16/2014	96,183	1.01							
195,000		University of Texas	6.276	8/15/2041	202,113	2.12							
					<b>1,278,778</b>	<b>13.36</b>							
<b>Total Bonds - (Cost USD9,042,288)</b>					<b>9,477,468</b>	<b>99.00</b>							
<b>Total Investments - (Cost USD9,042,288)</b>					<b>9,477,468</b>	<b>99.00</b>							

Local Currency	Counterparty	Local Currency Buy/(Sell)	Exchange for USD	Maturity Date	Unrealised appreciation/(depreciation)	% of Net Asset Value
<b>Forward Contracts</b>						
AUD	Citigroup Global Markets, Inc.	50,791	(50,000)	6/22/2011	2,027	0.02
EUR	Citigroup Global Markets, Inc.	121,181	(168,539)	6/22/2011	3,381	0.04
EUR	Morgan Stanley	69,666	(97,480)	6/22/2011	1,356	0.01
JPY	HSBC Bank USA	(7,254,632)	88,000	6/22/2011	384	-
KRW	Standard Chartered Bank	143,423,700	(130,119)	4/13/2011	957	0.01
MXN	Citigroup Global Markets, Inc.	694,585	(58,000)	6/22/2011	12	-
NZD	Morgan Stanley	58,326	(44,201)	6/22/2011	82	-
NZD	Morgan Stanley	133,333	(97,001)	6/22/2011	4,230	0.04

**ALL SECURITIES ARE TRANSFERABLE SECURITIES DEALT IN ON A REGULATED MARKET OR LISTED ON A RECOGNISED EXCHANGE EXCEPT FOR FORWARD CONTRACTS WHICH ARE FINANCIAL DERIVATIVE INSTRUMENTS DEALT ON A REGULATED MARKET**

Analysis of Total Assets	% of Total Assets
Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market	95.14%
Financial derivative instruments	0.15%
Current assets	4.71%
<b>Total Assets</b>	<b>100.00%</b>

# Portfolios of Investments (continued)

## Lazard Sterling High Quality Bond Fund

Portfolio of Investments as at 31 March 2011

	Coupon Rate %	Maturity Date	Fair Value GBP	% of Net Asset Value		Coupon Rate %	Maturity Date	Fair Value GBP	% of Net Asset Value				
<b>Bonds - 97.92%</b>					<b>Bonds - 97.92% (continued)</b>								
<b>Denmark - 1.81%</b>					<b>United Kingdom - 66.93% (continued)</b>								
324,000	Danske Bank A/S	5.563	Perpetual	283,500	1.81	349,000	Southern Water Services Finance Ltd.	6.640	3/31/2026	390,472	2.50		
<b>France - 5.17%</b>					100,000 Tesco PLC					5.000	2/24/2014	105,685	0.68
230,000	AXA S.A.	6.772	Perpetual	204,700	1.31	122,000	Tesco PLC	5.500	12/13/2019	130,150	0.83		
350,000	Credit Agricole S.A.	7.375	12/18/2023	366,209	2.35	750,000	UK Treasury Bill	5.000	9/7/2014	822,945	5.27		
232,000	France Telecom S.A.	5.625	1/23/2034	235,947	1.51	280,000	United Kingdom Gilt	4.500	3/7/2013	296,766	1.90		
				<b>806,856</b>	<b>5.17</b>	421,000	United Kingdom Gilt	4.000	9/7/2016	447,144	2.86		
<b>Germany - 3.84%</b>					910,000 United Kingdom Gilt					5.000	3/7/2018	1,013,149	6.49
563,000	KFW	5.000	6/9/2036	600,376	3.84	750,000	United Kingdom Gilt	4.750	3/7/2020	815,550	5.22		
<b>Italy - 1.30%</b>					440,000 United Kingdom Gilt					8.000	6/7/2021	600,006	3.84
200,000	Telecom Italia S.p.A.	6.375	6/24/2019	203,806	1.30	491,000	United Kingdom Gilt	5.000	3/7/2025	538,931	3.45		
<b>Jersey Channel Islands - 1.67%</b>					550,000 United Kingdom Gilt					4.750	12/7/2030	581,829	3.72
303,000	HBOS Capital Funding LP	6.461	Perpetual	260,580	1.67	600,000	United Kingdom Gilt	4.250	6/7/2032	593,214	3.80		
<b>Multi-National - 5.25%</b>					341,000 United Kingdom Gilt					4.250	3/7/2036	334,992	2.14
266,000	European Investment Bank	8.750	8/25/2017	343,270	2.20	376,000	United Kingdom Gilt	4.750	12/7/2038	400,748	2.57		
440,000	International Bank for Reconstruction & Development	5.375	1/15/2014	476,690	3.05	200,000	United Kingdom Gilt	4.250	12/7/2055	199,296	1.28		
				<b>819,960</b>	<b>5.25</b>	132,000	Wessex Water Services Finance PLC	5.750	10/14/2033	135,757	0.87		
<b>Netherlands - 4.29%</b>					<b>10,455,612 66.93</b>								
250,000	Deutsche Telekom International Finance BV	6.500	4/8/2022	274,505	1.76	<b>United States - 5.38%</b>							
44,000	E.ON International Finance BV	6.375	5/29/2012	46,298	0.30	432,000	GE Capital Trust V	5.500	9/15/2066	398,694	2.55		
76,000	RWE Finance BV	6.250	6/3/2030	81,660	0.52	100,000	Goldman Sachs Group, Inc.	6.125	5/14/2017	102,176	0.65		
259,000	Siemens Financieringsmaatschappij N.V.	6.125	9/14/2066	267,741	1.71	143,000	HSBC Finance Corp.	7.000	3/27/2012	149,004	0.96		
				<b>670,204</b>	<b>4.29</b>	200,000	SLM Student Loan Trust	5.150	9/17/2015	189,846	1.22		
<b>Spain - 2.28%</b>					<b>839,720 5.38</b>								
350,000	Santander Issuances S.A. Unipersonal	7.300	7/27/2019	355,949	2.28	<b>Total Bonds - (Cost GBP16,137,128) 15,296,563 97.92</b>							
<b>United Kingdom - 66.93%</b>					<b>Total Investments - (Cost GBP16,137,128) 15,296,563 97.92</b>								
330,000	Aviva PLC	6.125	Perpetual	274,725	1.75	Adjustment from bid market value to mid market value					80,130	0.51	
195,000	Bank of Scotland PLC	4.875	12/20/2024	184,346	1.18	Other assets in excess of liabilities					244,908	1.57	
50,000	Barclays Bank PLC	5.750	9/14/2026	45,414	0.29	<b>Total Net Assets 15,621,601 100.00</b>							
200,000	BMW UK Capital PLC	5.000	10/2/2017	211,451	1.35	<b>ALL SECURITIES ARE TRANSFERABLE SECURITIES DEALT IN ON A REGULATED MARKET OR LISTED ON A RECOGNISED EXCHANGE</b>							
130,000	Dignity Finance PLC	8.151	12/31/2030	160,030	1.02	<b>Analysis of Total Assets % of Total Assets</b>							
173,000	Enterprise Inns PLC	6.500	12/6/2018	154,835	0.99	Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market					96.82%		
327,000	Friends Provident PLC	6.875	Perpetual	274,680	1.76	Current assets					3.18%		
216,000	Land Securities Capital Markets PLC	5.425	3/31/2022	225,353	1.44	<b>Total Assets 100.00%</b>							
191,000	Lloyds TSB Bank PLC	6.375	4/15/2014	202,727	1.30								
100,000	Lloyds TSB Bank PLC	6.625	3/30/2015	101,775	0.65								
180,000	Northern Gas Networks Finance PLC	4.875	11/15/2035	159,358	1.02								
61,000	Pearson PLC	7.000	10/27/2014	67,932	0.43								
272,000	Royal Bank of Scotland PLC	6.375	4/29/2014	287,669	1.85								
122,000	Royal Bank of Scotland PLC	7.500	4/29/2024	130,687	0.84								
70,000	Segro PLC	5.250	10/21/2015	71,040	0.45								
114,000	Segro PLC	7.000	3/14/2022	120,399	0.78								
164,000	SL Finance PLC	6.546	Perpetual	146,370	0.94								
250,000	Southern Gas Network PLC	4.875	3/21/2029	230,187	1.47								

# Portfolios of Investments (continued)

## Lazard Developing Markets Equity Fund

Portfolio of Investments as at 31 March 2011

Shares	Fair Value USD	% of Net Asset Value	Shares	Fair Value USD	% of Net Asset Value		
<b>Common Stock - 97.77%</b>			<b>Common Stock - 97.77% (continued)</b>				
<b>Bermuda - 0.76%</b>			<b>Kazakhstan - 4.47%</b>				
30,500	Alliance Oil Co., Ltd.	578,597	0.76	172,262	Halyk Savings Bank Kazakhstanlyk GDR	1,732,956	2.29
<b>Brazil - 13.77%</b>			28,120	KazMunaiGas Exploration Production GDR	632,419	0.84	
37,100	Banco Bradesco S.A. ADR	769,825	1.02	82,334	Zhaikmunai LP GDR	1,016,001	1.34
68,439	Cia Hering S.A.	1,257,571	1.66			<b>3,381,376</b>	<b>4.47</b>
113,500	Cyrela Brazil Realty S.A.	1,077,997	1.42	<b>Luxembourg - 1.04%</b>			
73,400	Diagnosticos da America S.A.	935,678	1.24	8,200	Millicom International Cellular S.A.	788,512	1.04
91,400	Gerdau S.A. ADR	1,140,672	1.51	<b>Malaysia - 1.70%</b>			
173,100	Marcopolo S.A.	724,197	0.96	353,700	Genting Bhd	1,288,031	1.70
178,300	MRV Engenharia e Participacoes S.A.	1,429,467	1.89	<b>Mexico - 2.76%</b>			
66,005	Totvs S.A.	1,261,100	1.67	169,400	Corp. GEO SAB de CV	477,252	0.63
54,400	Vale S.A. ADR	1,813,696	2.40	341,300	Grupo Financiero Banorte SAB de CV	1,613,149	2.13
		<b>10,410,203</b>	<b>13.77</b>			<b>2,090,401</b>	<b>2.76</b>
<b>Canada - 2.20%</b>			<b>Netherlands - 1.13%</b>				
60,300	Pacific Rubiales Energy Corp.	1,667,588	2.20	20,358	X 5 Retail Group N.V. GDR	857,886	1.13
<b>Cayman Islands - 9.78%</b>			<b>Philippines - 1.47%</b>				
362,000	AAC Acoustic Technologies Holdings, Inc.	970,410	1.28	93,120	SM Investments Corp.	1,114,881	1.47
1,422,000	China State Construction International Holdings Ltd.	1,298,071	1.72	<b>Russia - 12.23%</b>			
29,996	Eurasia Drilling Co., Ltd. GDR	1,019,564	1.35	58,300	Gazprom OAO ADR	1,886,588	2.49
2,400,000	Geely Automobile Holdings Ltd.	888,677	1.17	77,648	Rosneft Oil Co. GDR	708,926	0.94
89,382	Globaltrans Investment PLC GDR	1,642,841	2.17	510,969	Sberbank of Russian Federation	1,890,585	2.51
1,791,000	Hidili Industry International Development Ltd.	1,581,950	2.09	66,025	TMK OAO GDR	1,391,807	1.84
		<b>7,401,513</b>	<b>9.78</b>	36,720	Uralkali GDR	1,522,411	2.01
<b>China - 9.92%</b>			<b>South Africa - 8.06%</b>				
2,420,000	Agricultural Bank of China Ltd.	1,365,904	1.81	179,587	Clicks Group Ltd.	1,136,319	1.50
1,281,110	China Construction Bank Corp.	1,199,108	1.58	85,055	Exxaro Resources Ltd.	2,086,069	2.76
396,500	China Merchants Bank Co., Ltd. Class H	1,090,931	1.44	68,598	MTN Group Ltd.	1,392,806	1.84
1,051,000	China National Materials Co., Ltd. Class H	943,189	1.25	96,152	Standard Bank Group Ltd.	1,482,670	1.96
10,115	China Petroleum & Chemical Corp. ADR	1,016,962	1.34			<b>6,097,864</b>	<b>8.06</b>
11,900	NetEase.Com ADR	588,931	0.78	<b>South Korea - 6.90%</b>			
129,000	Ping An Insurance Group Co. of China Ltd. Class H	1,305,284	1.72	5,965	Hyundai Mobis Co., Ltd.	1,789,363	2.36
		<b>7,510,309</b>	<b>9.92</b>	4,211	Samsung Electronics Co., Ltd. GDR	1,793,886	2.37
<b>Colombia - 1.27%</b>			<b>Taiwan - 6.86%</b>				
15,400	Bancolombia S.A. ADR	963,886	1.27	8,556	Samsung Engineering Co., Ltd.	1,641,524	2.17
<b>Hong Kong - 2.58%</b>			<b>Thailand - 1.26%</b>				
379,200	Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd.	970,201	1.28	159,800	PTT Exploration and Production PCL	956,791	1.26
377,200	Man Wah Holdings Ltd.	488,847	0.65				
361,500	Parkson Retail Group Ltd.	494,527	0.65				
		<b>1,953,575</b>	<b>2.58</b>				
<b>India - 3.48%</b>			<b>Indonesia - 2.72%</b>				
5,900	HDFC Bank Ltd. ADR	1,001,466	1.32	1,984,000	Bank Rakyat Indonesia Tbk PT	1,316,940	1.74
32,700	ICICI Bank Ltd. ADR	1,629,768	2.16	1,657,000	Perusahaan Gas Negara PT	741,227	0.98
		<b>2,631,234</b>	<b>3.48</b>			<b>2,058,167</b>	<b>2.72</b>

# Portfolios of Investments (continued)

## Lazard Developing Markets Equity Fund (continued)

Portfolio of Investments as at 31 March 2011

Shares	Fair Value USD	% of Net Asset Value
<b>Common Stock - 97.77% (continued)</b>		
<b>Turkey - 2.49%</b>		
208,007 Tofas Turk Otomobil Fabrikasi A/S	1,181,026	1.56
149,567 Turkiye Garanti Bankasi A/S	701,187	0.93
	<b>1,882,213</b>	<b>2.49</b>
<b>United States - 0.92%</b>		
16,700 NII Holdings, Inc.	<b>696,056</b>	<b>0.92</b>
<b>Total Common Stock - (Cost USD70,357,870)</b>	<b>73,994,497</b>	<b>97.77</b>
<b>Total Investments - (Cost USD70,357,870)</b>	<b>73,994,497</b>	<b>97.77</b>
Adjustment from bid market value to mid market value	( 437,036)	(0.58)
Other assets in excess of liabilities	2,125,412	2.81
<b>Total Net Assets</b>	<b>75,682,873</b>	<b>100.00</b>

**ALL SECURITIES ARE TRANSFERABLE SECURITIES DEALT IN ON A REGULATED MARKET OR LISTED ON A RECOGNISED EXCHANGE**

Analysis of Total Assets	% of Total Assets
Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market	95.63%
Current assets	4.37%
<b>Total Assets</b>	<b>100.00%</b>

# Financial Statements

## Profit and Loss Account for the year ended 31 March 2011

	Notes	Lazard European Equity Fund EUR	Lazard Japanese Equity Fund JPY	Lazard North American Equity Fund USD	Lazard Pan European Equity Fund EUR	Lazard UK Equity Fund GBP
<b>Income</b>						
Dividend Income and Bond Interest	3	2,459,170	379,615,551	311,833	86,915	341,630
Bank Interest		129	–	112	–	–
		<b>2,459,299</b>	<b>379,615,551</b>	<b>311,945</b>	<b>86,915</b>	<b>341,630</b>
<b>Net gain(loss) on financial assets and financial liabilities at fair value through profit or loss and foreign currencies</b>						
Net realised gain/loss on investments/currency	3	2,903,533	(562,301,195)	3,462,236	163,749	1,310,613
Net movement in unrealised gain/(loss) on investments/currency		1,177,026	(1,490,379,117)	(2,456,260)	(7,322)	(789,473)
		<b>4,080,559</b>	<b>(2,052,680,312)</b>	<b>1,005,976</b>	<b>156,427</b>	<b>521,140</b>
<b>Total Investment Gain/(Loss)</b>		<b>6,539,858</b>	<b>(1,673,064,761)</b>	<b>1,317,921</b>	<b>243,342</b>	<b>862,770</b>
<b>Expenses</b>						
Management fee	4	1,298,264	160,755,644	115,951	47,847	179,044
Administration, Transfer Agency & Custodian fee	5	163,455	31,581,178	41,501	15,502	25,081
Sub-Custodian fee		112,907	9,593,999	34,715	64,656	41,413
Other operating expenses		60,236	7,902,252	72,291	54,760	56,280
<b>Total Expenses</b>		<b>1,634,862</b>	<b>209,833,073</b>	<b>264,458</b>	<b>182,765</b>	<b>301,818</b>
Reimbursement from Manager	6	–	–	(87,582)	(75,093)	(54,551)
<b>Net Investment Income/(Deficit)</b>		<b>4,904,996</b>	<b>(1,882,897,834)</b>	<b>1,141,045</b>	<b>135,670</b>	<b>615,503</b>
<b>Finance costs</b>						
Distributions to Redeemable Participating shareholders	12	(1,055,292)	(687,451)	(106,244)	(32,022)	(119,193)
Interest paid		–	(2,084)	–	(45)	–
<b>Profit/(Loss) for the financial year</b>		<b>3,849,704</b>	<b>(1,883,587,369)</b>	<b>1,034,801</b>	<b>103,603</b>	<b>496,310</b>
Adjustment from bid market value to mid market value		477,373	–	–	18,779	61,588
Withholding taxes on dividends and other investment income		(362,042)	(26,573,088)	(89,758)	(12,836)	(1,109)
<b>Increase/(decrease) in net assets attributable to holders of Redeemable Participating shares from operations</b>		<b>3,965,035</b>	<b>(1,910,160,457)</b>	<b>945,043</b>	<b>109,546</b>	<b>556,789</b>

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the Profit and Loss Account.

The EUR, GBP and JPY Funds are translated in the total column at the average exchange rate as disclosed in Note 13.

The notes to the financial statements are an integral part of these financial statements.

\* Lazard Developing Markets Equity Fund launched 4 October 2010.

# Financial Statements (continued)

Lazard Emerging World Fund USD	Lazard Emerging Markets Equity Fund USD	Lazard Thematic Global Ex-Japan Fund USD	Lazard Thematic Global Fund USD	Lazard Global Classic Value Equity Fund USD	Lazard Global High Quality Bond Fund USD	Lazard Sterling High Quality Bond Fund GBP	Lazard Developing Markets Equity Fund USD	Total – Lazard Global Active Funds plc USD
581,624	17,234,639	13,249,124	49,500,758	1,634,385	505,553	751,048	201,744	92,715,893
601	8,383	15,157	33,717	1,515	-	-	-	74,548
<b>582,225</b>	<b>17,243,022</b>	<b>13,264,281</b>	<b>49,534,475</b>	<b>1,635,900</b>	<b>505,553</b>	<b>751,048</b>	<b>201,744</b>	<b>92,790,441</b>
1,487,707	27,813,008	102,262	(1,507,709)	2,993,783	816,389	(190,134)	779,733	35,171,026
5,218,423	38,313,337	86,519,485	241,020,296	(891,607)	(4,053)	520,706	3,630,582	355,042,211
<b>6,706,130</b>	<b>66,126,345</b>	<b>86,621,747</b>	<b>239,512,587</b>	<b>2,102,176</b>	<b>812,336</b>	<b>330,572</b>	<b>4,410,315</b>	<b>390,213,237</b>
<b>7,288,355</b>	<b>83,369,367</b>	<b>99,886,028</b>	<b>289,047,062</b>	<b>3,738,076</b>	<b>1,317,889</b>	<b>1,081,620</b>	<b>4,612,059</b>	<b>483,003,678</b>
525,252	5,159,729	-	23,249,234	673,561	120,937	92,169	249,991	34,178,786
87,040	705,894	834,924	2,178,847	134,509	36,773	42,232	44,759	4,775,308
40,016	1,126,468	287,824	919,685	30,036	20,590	17,140	90,967	2,988,634
97,716	97,470	63,145	68,635	65,565	75,030	51,861	36,409	989,191
<b>750,024</b>	<b>7,089,561</b>	<b>1,185,893</b>	<b>26,416,401</b>	<b>903,671</b>	<b>253,330</b>	<b>203,402</b>	<b>422,126</b>	<b>42,931,919</b>
(91,253)	-	-	-	(17,507)	(92,023)	(53,628)	(14,978)	(571,076)
<b>6,629,584</b>	<b>76,279,806</b>	<b>98,700,135</b>	<b>262,630,661</b>	<b>2,851,912</b>	<b>1,156,582</b>	<b>931,846</b>	<b>4,204,911</b>	<b>440,642,835</b>
-	(8,717,853)	(9,634,727)	(15,863,468)	(483,247)	(402,053)	(670,308)	-	(37,883,148)
-	-	-	-	-	(1,916)	(673)	(563)	(3,611)
<b>6,629,584</b>	<b>67,561,953</b>	<b>89,065,408</b>	<b>246,767,193</b>	<b>2,368,665</b>	<b>752,613</b>	<b>260,865</b>	<b>4,204,348</b>	<b>402,756,076</b>
-	(3,594,953)	-	-	557,488	-	80,130	(437,036)	(2,597,423)
(35,257)	(1,485,536)	(1,938,413)	(6,758,894)	(199,240)	(6,113)	-	(16,140)	(11,338,021)
<b>6,594,327</b>	<b>62,481,464</b>	<b>87,126,995</b>	<b>240,008,299</b>	<b>2,726,913</b>	<b>746,500</b>	<b>340,995</b>	<b>3,751,172</b>	<b>388,820,632</b>

On behalf of the Board of Directors

Director:

23 June 2011

Director:

23 June 2011

# Financial Statements (continued)

## Profit and Loss Account for the year ended 31 March 2010

	Notes	Lazard European Equity Fund EUR	Lazard Japanese Equity Fund JPY	Lazard North American Equity Fund USD	Lazard Pan European Equity Fund EUR	Lazard UK Equity Fund GBP
<b>Income</b>						
Dividend Income and Bond Interest	3	3,482,034	292,166,649	483,177	555,740	513,526
Bank Interest		–	–	164	–	–
		<b>3,482,034</b>	<b>292,166,649</b>	<b>483,341</b>	<b>555,740</b>	<b>513,526</b>
<b>Net gain on financial assets and financial liabilities at fair value through profit or loss and foreign currencies</b>						
Net realised (loss)/gain on investments/currency	3	(3,334,066)	(257,248,941)	(288,078)	(5,030,205)	(714,730)
Net movement in unrealised gain/(loss) on investments/currency		31,156,306	1,175,095,245	8,078,914	8,863,038	5,973,614
		<b>27,822,240</b>	<b>917,846,304</b>	<b>7,790,836</b>	<b>3,832,833</b>	<b>5,258,884</b>
<b>Total Investment Income</b>		<b>31,304,274</b>	<b>1,210,012,953</b>	<b>8,274,177</b>	<b>4,388,573</b>	<b>5,772,410</b>
<b>Expenses</b>						
Management fee	4	1,266,538	94,993,371	150,553	90,727	220,999
Administration, Transfer Agency & Custodian fee	5	156,677	17,731,658	52,595	21,295	31,671
Sub-Custodian fee		87,570	8,719,894	41,220	55,808	48,969
Other operating expenses		54,719	7,249,499	73,588	52,681	49,436
<b>Total Expenses</b>		<b>1,565,504</b>	<b>128,694,422</b>	<b>317,956</b>	<b>220,511</b>	<b>351,075</b>
Reimbursement from Manager	6	–	–	(84,258)	(65,788)	(47,131)
<b>Net Investment Income</b>		<b>29,738,770</b>	<b>1,081,318,531</b>	<b>8,040,479</b>	<b>4,233,850</b>	<b>5,468,466</b>
<b>Finance costs</b>						
Distributions to Redeemable Participating shareholders	12	(1,520,596)	(3,718,669)	(166,876)	(15,393)	(255,291)
Interest paid		(4,390)	(2,254)	–	(1,142)	(575)
<b>Profit for the financial year</b>		<b>28,213,784</b>	<b>1,077,597,608</b>	<b>7,873,603</b>	<b>4,217,315</b>	<b>5,212,600</b>
Adjustment from bid market value to mid market value		804,728	(3,443,200)	189,029	405,372	183,895
Withholding taxes on dividends and other investment income		(391,993)	(20,451,665)	(124,555)	(53,623)	(411)
<b>Increase in net assets attributable to holders of Redeemable Participating shares from operations</b>		<b>28,626,519</b>	<b>1,053,702,743</b>	<b>7,938,077</b>	<b>4,569,064</b>	<b>5,396,084</b>

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the Profit and Loss Account.

The EUR, GBP and JPY Funds are translated in the total column at the average exchange rate as disclosed in Note 13.

The notes to the financial statements are an integral part of these financial statements.

# Financial Statements (continued)

Lazard Emerging World Fund USD	Lazard Emerging Markets Equity Fund USD	Lazard Thematic Global Ex-Japan Fund USD	Lazard Thematic Global Fund USD	Lazard Global Classic Value Equity Fund USD	Lazard Global High Quality Bond Fund USD	Lazard Sterling High Quality Bond Fund GBP	Total – Lazard Global Active Funds plc USD
338,442	7,735,748	7,576,411	32,421,259	976,676	583,880	834,562	61,127,078
519	3,028	6,368	32,083	1,858	32	–	44,052
<b>338,961</b>	<b>7,738,776</b>	<b>7,582,779</b>	<b>32,453,342</b>	<b>978,534</b>	<b>583,912</b>	<b>834,562</b>	<b>61,171,130</b>
329,669	(11,187,109)	(6,141,969)	(39,855,503)	2,846,002	359,069	(538,146)	(70,537,695)
14,698,638	109,913,507	108,798,729	490,503,905	21,338,745	643,795	2,849,009	837,314,895
<b>15,028,307</b>	<b>98,726,398</b>	<b>102,656,760</b>	<b>450,648,402</b>	<b>24,184,747</b>	<b>1,002,864</b>	<b>2,310,863</b>	<b>766,777,200</b>
<b>15,367,268</b>	<b>106,465,174</b>	<b>110,239,539</b>	<b>483,101,744</b>	<b>25,163,281</b>	<b>1,586,776</b>	<b>3,145,425</b>	<b>827,948,330</b>
402,383	2,030,828	–	16,137,870	567,298	135,367	86,983	22,859,202
69,606	340,632	550,088	1,655,651	116,045	38,449	41,214	3,382,252
28,210	736,633	153,755	595,324	31,171	28,713	16,635	2,016,519
92,222	82,488	66,544	71,447	67,648	74,856	49,388	916,624
<b>592,421</b>	<b>3,190,581</b>	<b>770,387</b>	<b>18,460,292</b>	<b>782,162</b>	<b>277,385</b>	<b>194,220</b>	<b>29,174,597</b>
(99,770)	(7,653)	–	–	(35,503)	(94,983)	(53,087)	(575,236)
<b>14,874,617</b>	<b>103,282,246</b>	<b>109,469,152</b>	<b>464,641,452</b>	<b>24,416,622</b>	<b>1,404,374</b>	<b>3,004,292</b>	<b>799,348,969</b>
–	(3,204,439)	(5,435,713)	(11,148,808)	(173,647)	(374,838)	(1,049,587)	(24,800,014)
–	–	–	–	–	(1,289)	(2,144)	(13,477)
<b>14,874,617</b>	<b>100,077,807</b>	<b>104,033,439</b>	<b>453,492,644</b>	<b>24,242,975</b>	<b>1,028,247</b>	<b>1,952,561</b>	<b>774,535,478</b>
305,936	(208,405)	1,299,052	4,577,821	46,894	(81,046)	(123,589)	7,899,314
(16,037)	(552,031)	(1,126,457)	(4,566,772)	(142,428)	(9,499)	–	(7,388,937)
<b>15,164,516</b>	<b>99,317,371</b>	<b>104,206,034</b>	<b>453,503,693</b>	<b>24,147,441</b>	<b>937,702</b>	<b>1,828,972</b>	<b>775,045,855</b>

# Financial Statements (continued)

## Balance Sheet as at 31 March 2011

	Notes	Lazard European Equity Fund EUR	Lazard Japanese Equity Fund JPY	Lazard North American Equity Fund USD	Lazard Pan European Equity Fund EUR	Lazard UK Equity Fund GBP
<b>Current Assets</b>						
Cash at bank	14	1,858,875	556,049,607	50,374	16,060	632,969
Interest and dividends receivable		359,363	195,424,688	2,034	35,197	65,457
Receivable for investments sold		474,503	15,689,973	17,983	–	125,204
Subscriptions receivable		82,752	–	28,800	1,017	25,032
Financial assets at fair value through profit or loss		89,966,920	15,375,952,200	3,053,484	3,053,014	10,869,568
<b>Total current assets</b>		<b>92,742,413</b>	<b>16,143,116,468</b>	<b>3,152,675</b>	<b>3,105,288</b>	<b>11,718,230</b>
<b>Current Liabilities - amounts falling due within one year</b>						
Payable for investments purchased		1,397,043	21,397,943	–	–	140,982
Payable for shares redeemed		90,434	185,890,187	–	–	62,145
Expenses payable		192,491	21,396,998	39,776	57,267	47,946
Financial liabilities at fair value through profit or loss		–	–	–	–	–
<b>Total liabilities (excluding net assets attributable to Redeemable Participating shareholders)</b>		<b>1,679,968</b>	<b>228,685,128</b>	<b>39,776</b>	<b>57,267</b>	<b>251,073</b>
<b>Net assets attributable to Redeemable Participating shareholders at bid value</b>		<b>91,062,445</b>	<b>15,914,431,340</b>	<b>3,112,899</b>	<b>3,048,021</b>	<b>11,467,157</b>
Adjustment from bid market value to mid market value		477,373	–	–	18,779	61,588
<b>Net assets attributable to Redeemable Participating shareholders</b>		<b>91,539,818</b>	<b>15,914,431,340</b>	<b>3,112,899</b>	<b>3,066,800</b>	<b>11,528,745</b>
<b>Number of Redeemable Participating shares in issue:</b>						
Retail Class		48,823,673	7,809,863	2,179,398	3,079,102	6,119,970
X Class		–	10,609,549	–	–	–
Institutional Class		–	238,692,090	–	–	–
€ Institutional Distributing Class		–	–	–	–	–
Institutional Sterling Class		–	–	–	–	–
US\$ Institutional Accumulating Class		–	–	–	–	–
<b>Net Asset Value per Redeemable Participating share:</b>						
Retail Class	11	€ 1.8749	¥ 61.2615	\$ 1.4283	€ 0.9960	£ 1.8838
X Class	11	–	¥ 62.4543	–	–	–
Institutional Class	11	–	¥ 61.8930	–	–	–
€ Institutional Distributing Class	11	–	–	–	–	–
Institutional Sterling Class	11	–	–	–	–	–
US\$ Institutional Accumulating Class	11	–	–	–	–	–

The EUR, GBP and JPY Funds are translated in the total column at the Balance Sheet exchange rate as disclosed in Note 13.

The notes to the financial statements are an integral part of these financial statements.

\* Lazard Developing Markets Equity Fund launched 4 October 2010.

# Financial Statements (continued)

Lazard Emerging World Fund USD	Lazard Emerging Markets Equity Fund USD	Lazard Thematic Global Ex-Japan Fund USD	Lazard Thematic Global Fund USD	Lazard Global Classic Value Equity Fund USD	Lazard Global High Quality Bond Fund USD	Lazard Sterling High Quality Bond Fund GBP	Lazard Developing Markets Equity Fund USD	Total – Lazard Global Active Funds plc USD
256,231	32,770,225	40,414,542	36,176,162	2,942,576	299,529	149,324	3,193,535	126,759,480
24,858	3,315,228	1,636,855	7,319,629	339,963	169,122	275,977	97,392	16,381,522
–	4,548,489	6,911,748	17,836,614	–	–	77,725	56,923	30,563,701
39,181	55,748	–	13,320,914	–	–	–	34,466	13,638,611
41,948,813	679,416,010	812,200,480	2,369,490,185	66,883,187	9,492,844	15,296,563	73,994,497	4,417,015,522
<b>42,269,083</b>	<b>720,105,700</b>	<b>861,163,625</b>	<b>2,444,143,504</b>	<b>70,165,726</b>	<b>9,961,495</b>	<b>15,799,589</b>	<b>77,376,813</b>	<b>4,604,358,836</b>
51,995	2,768,514	7,218,180	18,664,673	–	189,888	–	705,352	32,071,642
67,785	112,900	–	251,713	–	–	207,900	423,784	3,669,615
112,465	890,745	161,671	2,521,006	127,337	49,816	50,218	127,768	4,802,997
–	–	–	–	254,281	148,923	–	–	403,204
<b>232,245</b>	<b>3,772,159</b>	<b>7,379,851</b>	<b>21,437,392</b>	<b>381,618</b>	<b>388,627</b>	<b>258,118</b>	<b>1,256,904</b>	<b>40,947,458</b>
<b>42,036,838</b>	<b>716,333,541</b>	<b>853,783,774</b>	<b>2,422,706,112</b>	<b>69,784,108</b>	<b>9,572,868</b>	<b>15,541,471</b>	<b>76,119,909</b>	<b>4,563,411,378</b>
–	(3,594,953)	–	–	557,488	–	80,130	(437,036)	(2,540,346)
<b>42,036,838</b>	<b>712,738,588</b>	<b>853,783,774</b>	<b>2,422,706,112</b>	<b>70,341,596</b>	<b>9,572,868</b>	<b>15,621,601</b>	<b>75,682,873</b>	<b>4,560,871,032</b>
1,078,383	–	–	–	–	70,226	47,874	–	–
–	–	5,009,824	–	–	–	–	–	–
394,728	5,550,740	–	10,975,405	6,982,241	–	97,382	–	–
–	–	–	–	–	–	–	4,310,209	–
–	–	–	4,939,117	–	–	–	–	–
–	–	–	–	–	–	–	1,186,620	–
\$ 28.4435	–	–	–	–	\$ 136.3152	£ 106.8427	–	–
–	–	\$ 170.4219	–	–	–	–	–	–
\$ 28.7889	\$ 128.4042	–	\$ 152.2485	\$ 10.0744	–	£ 107.8910	–	–
–	–	–	–	–	–	–	€ 10.3721	–
–	–	–	£ 94.3619	–	–	–	–	–
–	–	–	–	–	–	–	\$ 10.2029	–

On behalf of the Board of Directors

Director:

23 June 2011

Director:

23 June 2011

# Financial Statements (continued)

## Balance Sheet as at 31 March 2010

	Notes	Lazard European Equity Fund EUR	Lazard Japanese Equity Fund JPY	Lazard North American Equity Fund USD	Lazard Pan European Equity Fund EUR	Lazard UK Equity Fund GBP
<b>Current Assets</b>						
Cash at bank	14	1,741,707	220,343,178	47,262	38,384	341,377
Interest and dividends receivable		654,590	170,515,034	14,336	93,358	52,441
Receivable for investments sold		–	1,136,764	250,221	18,426	222,003
Subscriptions receivable		27,247	198,186,576	13,779	2,000	–
Financial assets at fair value through profit or loss		83,540,752	16,950,935,000	21,643,406	3,324,194	13,173,532
<b>Total current assets</b>		<b>85,964,296</b>	<b>17,541,116,552</b>	<b>21,969,004</b>	<b>3,476,362</b>	<b>13,789,353</b>
<b>Current Liabilities - amounts falling due within one year</b>						
Payable for investments purchased		304,782	–	–	30,555	164,256
Payable for shares redeemed		407,408	206,554,321	19,200	–	192,127
Expenses payable		155,383	19,272,612	40,110	33,414	41,481
Financial liabilities at fair value through profit or loss		–	–	–	–	–
<b>Total liabilities (excluding net assets attributable to Redeemable Participating shareholders)</b>		<b>867,573</b>	<b>225,826,933</b>	<b>59,310</b>	<b>63,969</b>	<b>397,864</b>
<b>Net assets attributable to Redeemable Participating shareholders at bid value</b>		<b>85,096,723</b>	<b>17,315,289,619</b>	<b>21,909,694</b>	<b>3,412,393</b>	<b>13,391,489</b>
Adjustment from bid market value to mid market value		–	–	–	–	–
<b>Net assets attributable to Redeemable Participating shareholders</b>		<b>85,096,723</b>	<b>17,315,289,619</b>	<b>21,909,694</b>	<b>3,412,393</b>	<b>13,391,489</b>
<b>Number of Redeemable Participating shares in issue:</b>						
Retail Class		47,423,986	9,827,011	4,484,146	3,550,833	7,470,789
X Class		–	–	12,307,338	–	–
Institutional Class		–	239,906,228	–	–	–
Institutional Sterling Class		–	–	–	–	–
<b>Net Asset Value per Redeemable Participating share:</b>						
Retail Class	11	€ 1.7944	¥ 69.0968	\$ 1.2686	€ 0.9610	£ 1.7925
X Class	11	–	–	\$ 1.3180	–	–
Institutional Class	11	–	¥ 69.3449	–	–	–
Institutional Sterling Class	11	–	–	–	–	–

The EUR, GBP and JPY Funds are translated in the total column at the Balance Sheet exchange rate as disclosed in Note 13.

The notes to the financial statements are an integral part of these financial statements.

# Financial Statements (continued)

Lazard Emerging World Fund USD	Lazard Emerging Markets Equity Fund USD	Lazard Thematic Global Ex-Japan Fund USD	Lazard Thematic Global Fund USD	Lazard Global Classic Value Equity Fund USD	Lazard Global High Quality Bond Fund USD	Lazard Sterling High Quality Bond Fund GBP	Total – Lazard Global Active Funds plc USD
2,890,276	8,306,941	30,085,547	134,367,753	3,275,294	818,075	327,356	185,568,882
14,051	2,153,612	806,988	5,063,523	236,707	241,499	334,099	11,952,514
–	2,344,308	1,148,356	3,760,548	–	–	–	7,877,555
129,217	12,392,365	–	54,096,238	–	–	–	68,791,705
31,882,341	333,626,279	431,950,368	1,950,320,720	63,489,779	13,317,133	18,899,864	3,193,647,923
<b>34,915,885</b>	<b>358,823,505</b>	<b>463,991,259</b>	<b>2,147,608,782</b>	<b>67,001,780</b>	<b>14,376,707</b>	<b>19,561,319</b>	<b>3,467,838,579</b>
351,258	2,555,949	–	110,897,406	–	375,488	–	114,882,497
63,419	170,413	–	79,302	–	–	–	3,384,539
61,811	429,122	95,831	1,926,310	103,014	37,323	30,238	3,263,675
–	–	–	–	34,920	72,847	–	107,767
<b>476,488</b>	<b>3,155,484</b>	<b>95,831</b>	<b>112,903,018</b>	<b>137,934</b>	<b>485,658</b>	<b>30,238</b>	<b>121,638,478</b>
<b>34,439,397</b>	<b>355,668,021</b>	<b>463,895,428</b>	<b>2,034,705,764</b>	<b>66,863,846</b>	<b>13,891,049</b>	<b>19,531,081</b>	<b>3,346,200,101</b>
–	–	–	–	–	–	–	–
<b>34,439,397</b>	<b>355,668,021</b>	<b>463,895,428</b>	<b>2,034,705,764</b>	<b>66,863,846</b>	<b>13,891,049</b>	<b>19,531,081</b>	<b>3,346,200,101</b>
1,158,156	–	–	–	–	106,984	50,698	–
–	–	2,994,713	–	–	–	–	–
276,476	3,092,997	–	9,945,465	6,908,013	–	135,082	–
–	–	–	4,741,046	–	–	–	–
\$ 23.9730	–	–	–	–	\$ 129.8423	£ 104.5351	–
–	–	\$ 154.9048	–	–	–	–	–
\$ 24.1429	\$ 114.9914	–	\$ 138.5627	\$ 9.6792	–	£ 105.3531	–
–	–	–	£ 91.4045	–	–	–	–

# Financial Statements (continued)

## Statement of Changes in Net Assets attributable to Redeemable Participating

	Lazard European Equity Fund EUR	Lazard Japanese Equity Fund JPY	Lazard North American Equity Fund USD	Lazard Pan European Equity Fund EUR	Lazard UK Equity Fund GBP
Opening net assets attributable to Redeemable Participating shareholders	85,096,723	17,315,289,619	21,909,694	3,412,393	13,391,489
Currency Adjustment	-	-	-	-	-
Proceeds from Redeemable Participating shares issued					
- Retail Class	24,226,754	1,602,930,971	1,241,167	78,945	1,363,693
- X Class	-	700,000,000	4,825	-	-
- Institutional Class	-	827,150,020	-	-	-
- € Institutional Distributing Class	-	-	-	-	-
- Institutional Sterling Class	-	-	-	-	-
- US\$ Institutional Accumulating Class	-	-	-	-	-
Payment for Redeemable Participating shares redeemed					
- Retail Class	(21,748,694)	(1,773,665,910)	(4,159,014)	(534,084)	(3,783,226)
- X Class	-	(5,000,000)	(16,828,816)	-	-
- Institutional Class	-	(842,112,903)	-	-	-
- € Institutional Distributing Class	-	-	-	-	-
- Institutional Sterling Class	-	-	-	-	-
- US\$ Institutional Accumulating Class	-	-	-	-	-
Increase/(Decrease) in net assets attributable to holders of Redeemable Participating shares from operations	3,965,035	(1,910,160,457)	945,043	109,546	556,789
<b>Net assets attributable to Redeemable Participating shareholders as at 31 March 2010</b>	<b>91,539,818</b>	<b>15,914,431,340</b>	<b>3,112,899</b>	<b>3,066,800</b>	<b>11,528,745</b>
<b>Redeemable Participating share transactions</b>					
Shares in issue as at 31 March 2010	47,423,986	249,733,239	16,791,484	3,550,833	7,470,789
Shares issued during the year					
- Retail Class	13,573,845	26,861,845	945,741	82,263	751,164
- X Class	-	10,691,838	3,746	-	-
- Institutional Class	-	11,998,833	-	-	-
- € Institutional Distributing Class	-	-	-	-	-
- Institutional Sterling Class	-	-	-	-	-
- US\$ Institutional Accumulating Class	-	-	-	-	-
Shares redeemed during the year					
- Retail Class	(12,174,158)	(28,878,992)	(3,250,488)	(553,994)	(2,101,983)
- X Class	-	(82,290)	(12,311,085)	-	-
- Institutional Class	-	(13,212,971)	-	-	-
- € Institutional Distributing Class	-	-	-	-	-
- Institutional Sterling Class	-	-	-	-	-
- US\$ Institutional Accumulating Class	-	-	-	-	-
<b>Shares in issue as at 31 March 2010</b>	<b>48,823,673</b>	<b>257,111,502</b>	<b>2,179,398</b>	<b>3,079,102</b>	<b>6,119,970</b>

The EUR, GBP and JPY Funds are translated in the total column at the average exchange rate for the period as disclosed in Note 13.

The notes to the financial statements are an integral part of these financial statements.

\* Lazard Developing Markets Equity Fund launched 4 October 2010.

# Financial Statements (continued)

## Shareholders for the year ended 31 March 2011

Lazard Emerging World Fund USD	Lazard Emerging Markets Equity Fund USD	Lazard Thematic Global Ex-Japan Fund USD	Lazard Thematic Global Fund USD	Lazard Global Classic Value Equity Fund USD	Lazard Global High Quality Bond Fund USD	Lazard Sterling High Quality Bond Fund GBP	Lazard Developing Markets Equity Fund USD	Total – Lazard Global Active Funds plc USD
34,439,397	355,668,021	463,895,428	2,034,705,764	66,863,846	13,891,049	19,531,081	–	3,346,200,101
–	–	–	–	–	–	–	–	33,374,300
519,943	–	331,601,896	–	–	278,387	781,650	–	387,895,998
–	–	–	–	–	–	–	–	8,194,825
5,632,703	353,999,340	–	233,833,192	1,243,686	–	1,070,641	–	606,052,922
–	–	–	–	–	–	–	60,547,402	60,547,402
–	–	–	272,317,381	–	–	–	–	272,317,381
–	–	–	–	–	–	–	12,042,704	12,042,704
(2,726,208)	–	(28,840,545)	–	–	(5,343,068)	(1,074,726)	–	(98,866,214)
–	–	–	–	–	–	–	–	(16,887,316)
(2,423,324)	(59,410,237)	–	(94,963,930)	(492,849)	–	(5,028,041)	–	(174,968,704)
–	–	–	–	–	–	–	(423,565)	(423,565)
–	–	–	(263,194,594)	–	–	–	–	(263,194,594)
–	–	–	–	–	–	–	(234,840)	(234,840)
6,594,327	62,481,464	87,126,995	240,008,299	2,726,913	746,500	340,995	3,751,172	388,820,632
<b>42,036,838</b>	<b>712,738,588</b>	<b>853,783,774</b>	<b>2,422,706,112</b>	<b>70,341,596</b>	<b>9,572,868</b>	<b>15,621,601</b>	<b>75,682,873</b>	<b>4,560,871,032</b>
1,434,632	3,092,997	2,994,713	14,686,511	6,908,013	106,984	185,780	–	
21,283	–	2,203,292	–	–	2,031	7,334	–	
–	–	–	–	–	–	–	–	
209,536	2,967,947	–	1,707,798	128,507	–	9,872	–	
–	–	–	–	–	–	–	4,339,627	
–	–	–	2,023,954	–	–	–	–	
–	–	–	–	–	–	–	1,209,927	
(101,056)	–	(188,181)	–	–	(38,789)	(10,158)	–	
–	–	–	–	–	–	–	–	
(91,284)	(510,204)	–	(677,859)	(54,279)	–	(47,572)	–	
–	–	–	–	–	–	–	(29,418)	
–	–	–	(1,825,882)	–	–	–	–	
–	–	–	–	–	–	–	(23,307)	
<b>1,473,111</b>	<b>5,550,740</b>	<b>5,009,824</b>	<b>15,914,522</b>	<b>6,982,241</b>	<b>70,226</b>	<b>145,256</b>	<b>5,496,829</b>	

# Financial Statements (continued)

## Statement of Changes in Net Assets attributable to Redeemable Participating

	Lazard European Equity Fund EUR	Lazard Japanese Equity Fund JPY	Lazard North American Equity Fund USD	Lazard Pan European Equity Fund EUR	Lazard UK Equity Fund GBP
Opening net assets attributable to Redeemable Participating shareholders	66,517,312	1,606,630,829	19,616,907	22,349,486	14,083,730
Currency Adjustment	-	-	-	-	-
Proceeds from Redeemable Participating shares issued					
- Retail Class	13,441,769	525,306,990	7,022,096	104,261	1,741,204
- X Class	-	-	970,009	-	-
- Institutional Class	-	16,937,301,559	-	-	8,776
- Institutional Sterling Class	-	-	-	-	-
Payment for Redeemable Participating shares redeemed					
- Retail Class	(23,488,877)	(1,797,344,372)	(8,958,161)	(23,610,418)	(7,376,468)
- X Class	-	-	(4,679,234)	-	-
- Institutional Class	-	(1,010,308,130)	-	-	(461,837)
- Institutional Sterling Class	-	-	-	-	-
Increase in net assets attributable to holders of Redeemable Participating shares from operations	28,626,519	1,053,702,743	7,938,077	4,569,064	5,396,084
<b>Net assets attributable to Redeemable Participating shareholders as at 31 March 2010</b>	<b>85,096,723</b>	<b>17,315,289,619</b>	<b>21,909,694</b>	<b>3,412,393</b>	<b>13,391,489</b>
<b>Redeemable Participating share transactions</b>					
Shares in issue as at 31 March 2009	53,369,705	29,588,696	22,465,901	35,131,284	11,305,096
Shares issued during the year					
- Retail Class	8,164,619	8,439,178	6,731,090	118,909	1,143,758
- X Class	-	-	917,159	-	-
- Institutional Class	-	255,152,499	-	-	5,986
- Institutional Sterling Class	-	-	-	-	-
Shares redeemed during the year					
- Retail Class	(14,110,338)	(28,200,863)	(8,685,145)	(31,699,360)	(4,697,327)
- X Class	-	-	(4,637,521)	-	-
- Institutional Class	-	(15,246,271)	-	-	(286,724)
- Institutional Sterling Class	-	-	-	-	-
<b>Shares in issue as at 31 March 2010</b>	<b>47,423,986</b>	<b>249,733,239</b>	<b>16,791,484</b>	<b>3,550,833</b>	<b>7,470,789</b>

The EUR, GBP and JPY Funds are translated in the total column at the average exchange rate for the period as disclosed in Note 13.  
The notes to the financial statements are an integral part of these financial statements.

# Financial Statements (continued)

## Shareholders for the year ended 31 March 2010

Lazard Emerging World Fund USD	Lazard Emerging Markets Equity Fund USD	Lazard Thematic Global Ex-Japan Fund USD	Lazard Thematic Global Fund USD	Lazard Global Classic Value Equity Fund USD	Lazard Global High Quality Bond Fund USD	Lazard Sterling High Quality Bond Fund GBP	Total – Lazard Global Active Funds plc USD
18,190,684	104,792,440	240,073,229	1,073,511,971	36,375,672	13,906,496	24,568,150	1,696,733,541
-	-	-	-	-	-	-	4,861,678
714,491	-	123,169,282	-	-	600,425	839,878	159,593,902
-	-	-	-	-	-	-	970,009
4,950,191	219,647,841	-	320,759,745	6,373,800	-	6,663,910	745,838,924
-	-	-	237,706,062	-	-	-	237,706,062
(2,188,928)	-	(3,553,117)	-	-	(1,553,574)	(910,034)	(115,454,305)
-	-	-	-	-	-	-	(4,679,234)
(2,391,557)	(68,089,631)	-	(49,461,351)	(33,067)	-	(13,459,795)	(153,101,975)
-	-	-	(1,314,356)	-	-	-	(1,314,356)
15,164,516	99,317,371	104,206,034	453,503,693	24,147,441	937,702	1,828,972	775,045,855
<b>34,439,397</b>	<b>355,668,021</b>	<b>463,895,428</b>	<b>2,034,705,764</b>	<b>66,863,846</b>	<b>13,891,049</b>	<b>19,531,081</b>	<b>3,346,200,101</b>
1,408,668	1,690,257	2,174,635	10,789,623	6,005,205	115,080	266,151	
32,521	-	-	-	-	4,650	8,364	
-	-	844,099	-	-	-	-	
228,509	2,130,154	-	2,504,755	906,356	-	64,725	
-	-	-	1,770,839	-	-	-	
(114,226)	-	-	-	-	(12,746)	(9,161)	
-	-	(24,021)	-	-	-	-	
(120,840)	(727,414)	-	(368,755)	(3,548)	-	(144,299)	
-	-	-	(9,951)	-	-	-	
<b>1,434,632</b>	<b>3,092,997</b>	<b>2,994,713</b>	<b>14,686,511</b>	<b>6,908,013</b>	<b>106,984</b>	<b>185,780</b>	

# Notes to the Financial Statements

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## 1. General

Lazard Global Active Funds plc (the “Company”) was incorporated on 10 April 1996 under the laws of the Republic of Ireland as a public limited company under the Companies Acts, 1963 to 2009. The Company is an open-ended investment company with variable capital structured as an umbrella fund with segregated liability between sub funds incorporated on 25 September 2006. The Company authorised by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) within the meaning of the UCITS Regulations, 2003 (as amended) and pursuant to those Regulations. The Company has listed certain of the Funds and share class on the Irish Stock Exchange.

As at 31 March 2011, there were thirteen active sub funds Lazard European Equity Fund, Lazard Japanese Equity Fund, Lazard North American Equity Fund, Lazard Pan European Equity Fund, Lazard UK Equity Fund, Lazard Emerging World Fund, Lazard Emerging Markets Equity Fund, Lazard Thematic Global Ex-Japan Fund, Lazard Thematic Global Fund, Lazard Global Classic Value Equity Fund, Lazard Global High Quality Bond Fund, Lazard Sterling High Quality Bond Fund and Lazard Developing Markets Equity Fund which currently have share classes in issue as detailed in Note 11.

A separate pool of assets (a “Portfolio”) is maintained for each sub fund, each being invested in accordance with the investment objective applicable to the sub fund to which the Portfolio relates.

## 2. Presentation of Financial Statements

The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss. For aggregation purposes, assets and liabilities in the financial statements have been translated to U.S. Dollar (“USD”) at the exchange rate at 31 March 2011. The amounts in the Profit and Loss Account have been translated to USD using the average rate for the year. All exchange rates are disclosed in Note 13.

The format and certain wording of the financial statements has been adapted from those contained in the Companies (Amendment) Act 1986 and Financial Reporting Standard 3: Reporting Financial Performance (“FRS 3”) so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company’s business as an investment company.

Other than as set out in the Profit and Loss Account, there are no other recognised gains or losses for the year, and thus a separate statement, as required by FRS 3, is not considered necessary. The results of operations arose solely from continuing operations.

The Company has availed of the exemption available to open-ended investment funds under Financial Reporting Standard 1: Cash Flow Statements (“FRS 1”) not to prepare a cash flow statement.

In the opinion of the Directors, the financial statements give the information required by the Companies Acts, 1963 to 2009 and all Regulations to be construed as one with those Acts and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended).

## 3. Significant Accounting Policies

All references to net assets throughout the financial statements refer to net assets attributable to holders of Redeemable Participating Shares unless otherwise stated.

The following is a summary of significant accounting policies adopted by the Company:

### Basis of Preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009, and all Regulations to be as construed as one with those Acts, including the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended).

Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board (“ASB”). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all reporting periods presented, unless otherwise stated, as a result of any changes to applicable financial reporting standards.

In accordance with FRS 26: Financial Instruments Measurement (“FRS 26”) and FRS 29: Financial Instruments Disclosures (“FRS 29”) the Company has designated its equity and fixed-income investments into the financial assets at fair value through profit or loss category. The Company has designated its derivatives as held for trading.

# Notes to the Financial Statements (continued)

## 3. Significant Accounting Policies (continued)

### Basis of Preparation (continued)

The Company is organised into one main business segment. No additional disclosure is included in relation to segment reporting, as the Company's activities are limited to one main business segment.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

### Investments at Fair Value

The Company classifies its investments in debt and equity securities as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as held for trading or designated by the Directors at fair value through profit or loss at inception. Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is for the Investment Manager and the Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Regular-way purchases and sales of investments are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Financial assets and financial liabilities at fair value through the profit or loss are initially recognised at fair value. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the Profit and Loss Account in the period in which they arise.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. Unlisted securities and thinly traded securities are valued in good faith by the Directors based on quotations received from third parties including relevant brokers. Valuations undertaken by Directors as at 31 March 2011 are disclosed in the Portfolio of Investments. No securities were valued in this manner as at 31 March 2010.

The fair value of collective investment schemes is based on the last available net asset value of the relevant fund at the balance sheet date as provided by the fund's administrator.

In accordance with the provisions of the Prospectus, investments listed on a recognised stock exchange or traded on any other regulated market are valued at mid market price at the relevant valuation point for the purpose of determining the net asset value per share. However, the accounting policy of the Company for the purpose of compliance with FRS 26 and for financial reporting purposes is to value its investments at relevant bid market prices on the balance sheet date.

All Redeemable Participating Shares issued by the Company provide the investors with the right to require redemption for cash at the value proportionate to the investors share in each sub fund's net assets at the redemption date. In accordance with FRS 25: Financial Instruments Disclosure and Presentation ("FRS 25") such instruments give rise to a financial liability for the present value of the redemption amount that would be payable at the balance sheet date if the shareholders exercised their rights to put the shares back to the Company. Consequently, where material, the differences described above adjust the carrying amount of the net assets attributable to redeemable participating shareholders and the movement in the adjustment from year to year is recognised in the Profit and Loss Account. The cumulative differences are included as "adjustments from bid market value to mid market value" on the Balance Sheet.

Mid market prices are at 12.00pm GMT on 31 March 2011. The impact of this is that for some sub funds mid market prices may be based on prices as at 30 March 2011 because some exchanges have not yet opened on 31 March due to the effect of time zones. All sub funds include investment transactions up to 31 March 2011. Current bid price values are at close of business on 31 March 2011 for all sub funds.

### Realised Gains and Losses on Sales of Investments

The computation of realised gains and losses on sales of investments is made on the basis of average cost.

# Notes to the Financial Statements (continued)

## 3. Significant Accounting Policies (continued)

### Forward Foreign Currency Exchange Contracts

A forward foreign currency exchange contract (“forward contract”) is a commitment to purchase or sell a foreign currency at a future date, at a negotiated rate. Forward contracts are used to seek to manage foreign currency risks and to tactically shift portfolio currency risk. Forward contracts are generally entered into as a hedge upon the purchase or sale of a security denominated in a foreign currency. The sub funds will realise a gain or loss upon the closing or settlement of the forward transaction. Unrealised appreciation or depreciation on forward contracts is reported in the Balance Sheet and Profit and Loss Account. Realised gains and losses are reported with all other foreign currency gains and losses in the Profit and Loss Account. Risks relating to forward contracts include the potential inability of the counterparty to meet the terms of the contract and unanticipated movements in the value of a foreign currency relative to the base currency of the sub funds.

### Dividend Income

Dividends on securities are recognised as income on the date that these securities are first quoted ex-dividend to the extent information thereon is reasonably available.

In accordance with Financial Reporting Standard 16: Current Tax (“FRS 16”) dividend income and bond interest income is to be reported gross of irrecoverable withholding tax, which is disclosed separately in the Profit and Loss Account, and net of any tax credits.

### Interest Income and Expense

Interest income and expense are recognised in the Profit and Loss Account for all debt instruments using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

### Foreign Exchange Translation

(a) Functional and presentation currency: Items included in the Company’s financial statements are measured using the currency of the primary economic environment in which it operates (the “functional currency”). This is the USD except for the Lazard Japanese Equity Fund which is JPY, Lazard European Equity Fund, and Lazard Pan European Equity Fund which are EUR and Lazard UK Equity Fund and Lazard Sterling High Quality Bond Fund which are GBP. The Company has adopted the functional currency of each sub fund as the presentation currency for these financial statements.

For the purpose of combining the financial statements of each sub fund to arrive at the consolidated figures, the financial assets and financial liabilities in the financial statements have been translated to USD at the exchange rate at 31 March 2011. The amounts in the Profit and Loss Account have been translated to USD using an average rate for the year. This has no effect on the net asset value per share attributable to the individual sub funds.

The currency adjustment of USD33,374,300 (2010: USD4,861,678) included in the “Statement of Changes in Net Assets attributable to Redeemable Participating shareholders” reflects the movement in exchange rates for the year. This is a notional amount which has no impact on the individual sub funds.

(b) Assets and liabilities other than those denominated in the functional currency of each sub fund are translated into the functional currency at the exchange rate ruling at the year end. Transactions in foreign currencies are translated into the functional currency at the exchange rates ruling at the dates of the transactions. The resulting gain or loss arising on translation of securities and other assets and liabilities is included in unrealised gains and losses on investments/currency. Forward exchange contracts which are outstanding at the year end are valued at forward rates. The resulting unrealised gain or loss is included in unrealised gains and losses on investments/currency. Realised gains and losses arising between the transaction and settlement dates on purchases or sales of securities denominated in the non-base currencies and on settled forward exchange contracts are included in realised gains and losses on investments/currency.

### Expenses

Expenses are accounted for on an accruals basis.

# Notes to the Financial Statements (continued)

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## 3. Significant Accounting Policies (continued)

### Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### Distribution Policy

The Directors are empowered to declare and pay dividends on any class of Shares in the Company. Each of the current sub funds aim to seek capital growth rather than a significant income return. However, the Company intends to declare a dividend, when necessary for the Company to obtain certification as a “distributing fund” for the purposes of Sections 757 to 764 of the United Kingdom Income and Corporation Taxes Act, 1988. Dividends, if declared, will only be paid out of a sub fund’s net investment income return (i.e. income from dividends, interest or otherwise, less that sub fund’s accrued expenses to be certified for the accounting period) and/or of capital gains (in accordance with the Articles) in any case where this is necessary in order for the Company to be certified as a “distributing fund”. Distributions to Redeemable Participating shareholders are classified as finance costs in the Profit and Loss Account.

## 4. Management Fee

The Company has appointed as Manager, Lazard Fund Managers (Ireland) Limited (the “Manager”). The Manager, is responsible to the Company for the day-to-day management of investments, is entitled to receive an annual fee at the rate of 1.00% per annum of the value of Net Assets attributable to the Institutional Class of each sub fund and 1.50% per annum of the value of the Net Assets attributable to the Retail Class of each sub fund, with the exception of Lazard Global High Quality Bond Fund and Lazard Sterling High Quality Bond Fund where the Manager is entitled to a charge of 0.75% per annum and 0.30% per annum of the Net Asset Value attributable to each of the Institutional Classes respectively and to a charge of 1.00% per annum of the Net Asset Value attributable to each of the Retail Classes.

There is no management fee charged to the assets attributable to the X Class of each sub fund with the exception of the Lazard North American Equity Fund where the entitlement is to a fee of 0.45% per annum of the Net Asset Value attributable to the X Class.

The Management Agreement provides that the appointment of the Manager will continue in force unless terminated by either party giving not less than 180 days notice. In certain circumstances, the Management Agreement may be terminated forthwith by notice in writing by either party to the other.

The fees charged net of reimbursements during the year were USD33,607,710 (2010: USD22,283,965). The fees owing to the Manager at 31 March 2011 are USD3,230,172 (2010: USD2,323,138). The fees of the Investment Manager are settled directly by the Manager.

## 5. Administration, Transfer Agency and Custody Fees

Total fees for Administration, Transfer Agency and Custody Services (including sub-custodian fees) for each sub fund are scaled based on the average net assets of the sub funds and are capped at 0.185% per annum of average net assets excluding out of pocket expenses with a minimum monthly fee of USD8,333 per month per sub fund. The fees charged during the year amount to USD7,763,942 (2010: USD5,398,771) and the fees (excluding out of pocket expenses) owing at 31 March 2011 amounts to USD1,038,829 (2010: USD637,476).

## 6. Reimbursement from Manager

Each sub fund shall bear its attributable proportion of the other expenses (exclusive of management and brokerage fees and other fees in acquiring and disposing of investments) of the Company subject to a cap of 0.30% per annum of the average net assets of the sub fund (apart from taxation liabilities). The Manager will be responsible for any expenses in excess of this limit. The fees reimbursed by the Manager during the year amounted to USD571,076 (2010: USD575,236).

## 7. Directors’ Fees

Directors’ fees accrued over the year were USD94,654 (2010: USD72,231), of which USD51,195 was outstanding at 31 March 2011 (2010: USD26,741).

# Notes to the Financial Statements (continued)

## 8. Auditors' Remuneration

Fees and expenses paid to the statutory auditors, PricewaterhouseCoopers, in respect of the financial year, entirely relate to the audit of the financial statements of the Company. There were no fees and expenses paid in respect of other assurance, tax advisory or non-audit services provided by the auditors for the years ended 31 March 2011 or 31 March 2010.

Auditors' remuneration for the year was USD139,579 (2010: USD122,392) of which USD139,579 was outstanding at 31 March 2011 (2010: USD122,392).

## 9. Taxation

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis the Company will not be liable to taxation in respect of its income and gains, other than on the occurrence of a chargeable event. Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares or on the ending of a 'relevant period', a 'relevant period' being an eight year period beginning with the acquisition of the shares by the shareholders and each subsequent period of eight years beginning immediately after the preceding relevant period.

A chargeable event does not include:

- a) any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland: or
- b) an exchange of shares representing a sub fund for another sub fund: or
- c) an exchange of shares arising on a qualifying amalgamation or reconstruction of a sub fund with another sub fund: or
- d) certain exchanges of shares between spouses and former spouses.

A chargeable event will not occur in respect of shareholders who are neither resident nor ordinarily resident in Ireland and who have provided the Company with a relevant declaration to that effect.

In the absence of an appropriate declaration, the Company will be liable to Irish Tax on the occurrence of a chargeable event. There were no chargeable events during the period under review.

Capital gains, dividends and interest received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by a sub fund or its shareholders.

No Irish tax will arise on the Company in respect of chargeable events for certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

## 10. Capital and Reserves

The Company has a variable share capital.

### Management Shares

On incorporation the authorised share capital of the Company was GBP40,000 divided in 40,000 Subscriber Shares of par value of GBP1 each, ("Equity shares") which were subsequently redeemed.

There is currently 1 subscriber share in issue and that is held by the Manager.

The subscriber shares do not form part of the net asset value of the Company.

### Redeemable Participating Shares

The Company has an authorised share capital of 500,000,000,000 unclassified shares of no par value which are available for issue as fully paid Participating Shares in each of the Company's sub funds ("Redeemable Participating Shares"). They may be redeemed by the Company at the request of the shareholder. The number of shares issued and redeemed during the year is set out in the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares.

Redeemable Participating Shares carry the right to a proportionate share in the assets of the Company and to any distributions that may be declared. The holder of the share is entitled to one vote each on a poll. Under FRS 25, the Redeemable Participating Shares are redeemable at the shareholder's option and are classified as financial liabilities.

# Notes to the Financial Statements (continued)

## 11. Net Asset Value – Historical information

The net asset value per share of any class of shares in a portfolio is determined by dividing the value of net assets of the sub fund by the total number of Redeemable Participating Shares in issue at the year end.

	Net Asset Value at 31 March 2011	Net Asset Value per Share at 31 March 2011	Net Asset Value at 31 March 2010	Net Asset Value per Share at 31 March 2010	Net Asset Value at 31 March 2009	Net Asset Value per Share at 31 March 2009
Lazard European Equity Fund Retail Class	€91,539,818	€1.8749	€85,096,723	€1.7944	€66,517,312	€1.2463
Lazard Japanese Equity Fund Retail Class	¥478,443,640	¥61.2615	¥679,015,452	¥69.0968	¥1,606,630,829	¥54.2988
Lazard Japanese Equity Fund X Class	¥662,611,555	¥62.4543	–	–	–	–
Lazard Japanese Equity Fund Institutional Class	¥14,773,376,145	¥61.8930	¥16,636,274,167	¥69.3449	–	–
Lazard North American Equity Fund Retail Class	\$3,112,899	\$1.4283	\$5,688,713	\$1.2686	\$5,549,605	\$0.8480
Lazard North American Equity Fund X Class	–	–	\$16,220,981	\$1.3180	\$14,157,302	\$0.8833
Lazard Pan European Equity Fund Retail Class	€3,066,800	€0.9960	€3,412,393	€0.9610	€22,349,486	€0.6362
Lazard UK Equity Fund Retail Class	£11,528,745	£1.8838	£13,391,489	£1.7925	£13,730,587	£1.2455
Lazard UK Equity Fund Institutional Class +	–	–	–	–	£353,143	£1.2579
Lazard Emerging World Fund Retail Class	\$30,673,049	\$28.4435	\$27,764,457	\$23.9730	\$16,006,851	\$12.9102
Lazard Emerging World Fund Institutional Class	\$11,363,789	\$28.7889	\$6,674,940	\$24.1429	\$2,183,833	\$12.9368
Lazard Emerging Markets Equity Fund Institutional Class	\$712,738,588	\$128.4042	\$355,668,021	\$114.9914	\$104,792,440	\$61.9979
Lazard Thematic Global Ex-Japan Fund X Class	\$853,783,774	\$170.4219	\$463,895,428	\$154.9048	\$240,073,229	\$110.3970
Lazard Thematic Global Fund Institutional Class	\$1,670,989,096	\$152.2485	\$1,378,240,167	\$138.5627	\$777,117,165	\$99.5096
Lazard Thematic Global Fund Institutional Sterling Class	£466,064,557	£94.3619	£433,345,866	£91.4045	£206,719,770	£69.3654
Lazard Global Classic Value Equity Fund Institutional Class	\$70,341,596	\$10.0744	\$66,863,846	\$9.6792	\$36,375,672	\$6.0574
Lazard Global High Quality Bond Fund Retail Class	\$9,572,868	\$136.3152	\$13,891,049	\$129.8423	\$13,906,496	\$120.8422
Lazard Sterling High Quality Bond Fund Retail Class	£5,114,990	£106.8427	£5,299,737	£104.5351	£4,724,173	£91.7408
Lazard Sterling High Quality Bond Fund Institutional Class	£10,506,611	£107.8910	£14,231,344	£105.3531	£19,843,977	£92.4453
Lazard Developing Markets Equity Fund € Institutional Distributing Class †	€44,705,904	€10.3721	–	–	–	–
Lazard Developing Markets Equity Fund US\$ Institutional Accumulating Class ‡	\$12,107,019	\$10.2029	–	–	–	–

‡ Lazard Developing Markets Equity Fund € Institutional Distributing Class and Lazard Developing Markets Equity Fund US\$ Institutional Accumulating Class launched on 4 October 2010.

+ Lazard UK Equity Fund Institutional Class launched on 27 June 2008, and subsequently ceased to trade on 9 November 2009.

# Notes to the Financial Statements (continued)

## 12. Distributions to Redeemable Participating shareholders

During the year ended 31 March 2011, distributions were paid on the following class of share:

Class	Date	Currency of Share Class	Amount (Class Currency)	Number of Shares	Rate/ Share
Lazard European Equity Fund - Retail Class	1-Oct-10	EUR	1,055,292	50,653,070	0.0208
Lazard Japanese Equity Fund - Retail Class	1-Apr-10	JPY	687,451	9,827,011	0.0700
Lazard North American Equity Fund - X Class	1-Apr-10	USD	70,705	12,307,339	0.0057
Lazard North American Equity Fund - X Class	1-Oct-10	USD	35,539	9,509,569	0.0037
Lazard Pan European Equity Fund - Retail Class	1-Apr-10	EUR	27,465	3,550,833	0.0077
Lazard Pan European Equity Fund - Retail Class	1-Oct-10	EUR	4,557	3,202,007	0.0014
Lazard UK Equity Fund - Retail Class	1-Apr-10	GBP	43,572	7,470,789	0.0058
Lazard UK Equity Fund - Retail Class	1-Oct-10	GBP	75,621	6,839,776	0.0111
Lazard Emerging Markets Equity Fund - Institutional Class	1-Apr-10	USD	1,980,627	3,092,997	0.6404
Lazard Emerging Markets Equity Fund - Institutional Class	1-Oct-10	USD	6,737,226	4,446,201	1.5153
Lazard Thematic Global Ex-Japan Fund - X Class	1-Apr-10	USD	2,370,425	2,994,713	0.7915
Lazard Thematic Global Ex-Japan Fund - X Class	1-Oct-10	USD	7,264,302	4,278,938	1.6977
Lazard Thematic Global Fund - Institutional Class	1-Oct-10	USD	9,344,807	10,887,992	0.8583
Lazard Thematic Global Fund - Sterling Institutional Class	1-Oct-10	GBP	3,376,716	6,246,682	0.5406
Lazard Thematic Global Fund - Institutional Class	1-Apr-10	USD	776,602	9,945,465	0.0781
Lazard Thematic Global Fund - Sterling Institutional Class	1-Apr-10	GBP	247,340	4,741,046	0.0522
Lazard Global Classic Value Equity Fund - Institutional Class	1-Oct-10	USD	483,247	6,919,997	0.0698
Lazard Global High Quality Bond Fund - Retail Class	1-Apr-10	USD	209,110	106,984	1.9546
Lazard Global High Quality Bond Fund - Retail Class	1-Oct-10	USD	192,943	105,249	1.8332
Lazard Sterling High Quality Bond Fund - Retail Class	1-Apr-10	GBP	83,665	50,698	1.6503
Lazard Sterling High Quality Bond Fund - Institutional Class	1-Apr-10	GBP	272,795	135,082	2.0195
Lazard Sterling High Quality Bond Fund - Retail Class	1-Oct-10	GBP	75,547	51,621	1.4635
Lazard Sterling High Quality Bond Fund - Institutional Class	1-Oct-10	GBP	238,301	129,061	1.8464

During the year ended 31 March 2010, distributions were paid on the following class of share:

Class	Date	Currency of Share Class	Amount (Class Currency)	Number of Shares	Rate/ Share
Lazard European Equity Fund - Retail Class	1-Oct-09	EUR	1,520,596	52,727,465	0.0288
Lazard Japanese Equity Fund - Retail Class	1-Apr-09	JPY	3,718,669	29,588,696	0.1257
Lazard North American Equity Fund - Retail Class	1-Apr-09	USD	7,593	6,438,201	0.0012
Lazard North American Equity Fund - X Class	1-Apr-09	USD	100,671	16,027,700	0.0063
Lazard North American Equity Fund - X Class	1-Oct-09	USD	58,612	12,256,845	0.0048
Lazard Pan European Equity Fund - Retail Class	1-Apr-09	EUR	11,148	35,131,284	0.0003
Lazard Pan European Equity Fund - Retail Class	1-Oct-09	EUR	4,245	3,626,591	0.0012
Lazard UK Equity Fund - Retail Class	1-Apr-09	GBP	102,123	11,024,357	0.0093
Lazard UK Equity Fund - Institutional Class	1-Apr-09	GBP	3,509	280,739	0.0125
Lazard UK Equity Fund - Retail Class	1-Oct-09	GBP	144,392	9,599,570	0.0150
Lazard UK Equity Fund - Institutional Class	1-Oct-09	GBP	5,267	279,402	0.0189
Lazard Emerging Markets Equity Fund - Institutional Class	1-Apr-09	USD	827,793	1,690,257	0.4897
Lazard Emerging Markets Equity Fund - Institutional Class	1-Oct-09	USD	2,376,646	1,775,916	1.3383
Lazard Thematic Global Ex-Japan Fund - X Class	1-Apr-09	USD	1,530,111	2,174,635	0.7036
Lazard Thematic Global Ex-Japan Fund - X Class	1-Oct-09	USD	3,905,602	2,574,486	1.5170
Lazard Thematic Global Fund - Institutional Class	1-Apr-09	USD	1,664,302	7,809,466	0.2131
Lazard Thematic Global Fund - Sterling Institutional Class	1-Apr-09	GBP	441,615	2,980,157	0.1482
Lazard Thematic Global Fund - Institutional Class	1-Oct-09	USD	6,319,948	8,680,351	0.7281
Lazard Thematic Global Fund - Sterling Institutional Class	1-Oct-09	GBP	1,571,110	3,476,270	0.4520
Lazard Global Classic Value Equity Fund - Institutional Class	1-Apr-09	USD	14,524	6,005,205	0.0024
Lazard Global Classic Value Equity Fund - Institutional Class	1-Oct-09	USD	159,123	6,882,758	0.0231
Lazard Global High Quality Bond Fund - Retail Class	1-Apr-09	USD	198,274	115,080	1.7229
Lazard Global High Quality Bond Fund - Retail Class	1-Oct-09	USD	176,564	103,295	1.7093
Lazard Sterling High Quality Bond Fund - Retail Class	1-Apr-09	GBP	120,871	51,495	2.3472
Lazard Sterling High Quality Bond Fund - Institutional Class	1-Apr-09	GBP	579,797	214,656	2.7010
Lazard Sterling High Quality Bond Fund - Retail Class	1-Oct-09	GBP	86,693	49,008	1.7690
Lazard Sterling High Quality Bond Fund - Institutional Class	1-Oct-09	GBP	262,226	117,505	2.2316

# Notes to the Financial Statements (continued)

## 13. Exchange Rates

The aggregate financial statements are prepared in U.S. Dollars. The following year end exchange rates have been used to translate assets and liabilities in other currencies to U.S. Dollars:

<b>Exchange Rates against US Dollar</b>	<b>31 March 2011</b>	<b>31 March 2010</b>
Australian Dollar	0.96660	0.91600
Brazilian Real	1.62775	1.78905
Canadian Dollar	0.96945	1.01575
Czech Koruna	n/a	25.44500
Danish Krone	5.24350	5.52875
Egyptian Pound	5.96850	5.50555
Euro	0.70319	0.74025
Hong Kong Dollar	7.78090	7.76380
Hungarian Forint	187.23720	197.83530
Indian Rupee	44.58000	44.98000
Israeli Shekel	3.48670	3.70405
Indonesian Rupiah	8,707.50000	9,099.50000
Japanese Yen	82.64463	93.45800
Malaysian Ringgit	3.02875	3.26200
Mexican Peso	11.88020	12.35580
New Zealand Dollar	0.76290	0.70930
Norwegian Krone	5.52110	5.94750
Polish Zloty	2.82430	2.86705
Singapore Dollar	1.26025	1.39960
South African Rand	6.79780	7.32875
South Korean Won	1,096.95000	1,131.45000
Sterling	0.62000	0.65863
Swedish Krona	6.27550	7.21105
Swiss Franc	0.91530	1.06075
Taiwan Dollar	29.40650	31.75800
Thai Baht	30.25500	32.34500
Turkish Lira	1.54225	1.52280

The following year end exchange rates have been used to translate assets and liabilities in other currencies to Euro:

<b>Exchange Rates against Euro</b>	<b>31 March 2011</b>	<b>31 March 2010</b>
Czech Koruna	24.54250	n/a
Danish Krone	7.45675	7.44500
Norwegian Krone	7.85160	8.00895
Polish Zloty	4.01645	n/a
Sterling	0.88170	0.88870
Swedish Krona	8.92440	9.71040
Swiss Franc	1.30165	1.42845
US Dollar	1.4221	1.35090

The following year end exchange rates have been used to translate assets and liabilities in other currencies to GBP:

<b>Exchange Rates against GBP</b>	<b>31 March 2011</b>	<b>31 March 2010</b>
USD	1.61290	1.51830

All assets and liabilities held in the JPY sub funds are denominated in JPY respectively.

# Notes to the Financial Statements (continued)

## 13. Exchange Rates (continued)

The following average exchange rates have been used to translate Profit and Loss Account balances in other currencies to U.S. Dollar:

Average Exchange Rates against US Dollar	31 March 2011	31 March 2010
Euro	0.75570	0.70730
Japanese Yen	85.47009	92.75577
Sterling	0.64250	0.62610

## 14. Cash

BNY Mellon International Bank Limited (formerly PNC International Bank Limited) (the “Custodian”) may utilise one or more Sub-Custodians for holding cash of the Company. As at 31 March 2011 and 31 March 2010 cash held by the Company is deposited with PFPC Trust Company as Sub-Custodian.

## 15. Efficient Portfolio Management

During the year, forward exchange contracts were entered into for the purposes of efficient portfolio management in order to hedge currency and market exposure. Gains and losses on these transactions are reflected in the Profit and Loss Account.

## 16. Risk Management Policies and Procedures

The Company’s investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and investors should refer to the Prospectus and Supplements for a more detailed discussion of the risks inherent in investing in the Company.

The Board of Directors (the “Directors”) review reporting from Lazard Asset Management Limited, Lazard Asset Management LLC and Lazard Japan Asset Management K.K. (the “Investment Managers”) on a quarterly basis and more frequently as required in relation to the sub funds’ performance and risk profile. The Investment Managers are also responsible for ensuring that the sub funds are managed within the terms of the sub funds’ investment guidelines and limits set out in the Prospectus’ and Supplements as well as the Investment Managers’ own internal investment guidelines and limits. The Directors delegate to Lazard Fund Managers (Ireland) Limited (the “Manager”) who in turn delegates to the Investment Managers responsibility for the monitoring and oversight of risk for the sub funds.

There is a Risk Management Unit responsible for overseeing the risk management process of the Investment Managers. The Unit has delegated the monitoring to the respective Head of Risk in the country of operation of the relevant Investment Manager. The Head of Risk, reports into the Oversight Committee. The Oversight Committee is the central management body for the Investment Managers investment platform. It reviews and monitors all sub funds to ensure they remain consistent with their stated goals and objectives in terms of product characteristics, performance and risk meaning that sub funds are managed in line with client expectations and their legal and constitutional regulations.

The following paragraphs outline procedures undertaken to manage the market, credit and liquidity risks of the Company. These are consistent with the risks that existed at 31 March 2010.

### Market Risk

Market risk arises mainly from uncertainty about future values of financial instruments held specifically from price, currency and interest rate movements. It represents the potential loss the Company might suffer through holding market positions in the face of market movements.

#### (i) Market Price Risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. The Company is exposed to market price risk arising from its investments in securities. By diversifying the portfolio, the risk that a price change of a particular investment will have a material impact on the Company is controlled. The Investment Managers manage the Company’s market risk on a daily basis in accordance with the Company’s investment objective, policies and core philosophy. The core philosophy of total performance measurement entails the active management of return, risk and cost. Relative-to-benchmark risk is controlled through the construction of diversified portfolios where exposures to certain market features (such as capitalisation or industry) are limited. All of the securities (excluding derivatives) were designated at fair value through profit or loss at the year end.

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Market Risk (continued)

#### (i) Market Price Risk (continued)

A factor that is used to assess an equity portfolio's market price risk is BETA, which expresses the portfolio's market price risk in comparison to that of the benchmark. A portfolio with a BETA of 1.5 has 50% more market price risk than its benchmark. In a rising market, a portfolio with a BETA of greater than 1.0 is more likely to outperform than underperform, while in a falling market, such a portfolio is more likely to underperform than outperform (ignoring all other factors).

The table below provides BETA's (predicted by BARRA's risk models, with the exception of the Lazard Emerging World Fund) and presents a scenario analysis, in which a -30% and +30% change is applied to each of the benchmarks against which each sub fund is managed. Some limitations of this sensitivity analysis are that the models are based on historical data and cannot take account of the fact that future markets price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns, the market price risk information is a relative estimate of risk rather than a precise and accurate number, the market price information represents a hypothetical outcome and is not intended to be predictive and future market conditions could vary significantly from those experienced in the past.

Based on the BETA values, estimated portfolio returns (and monetary losses) are provided:

#### Market falls by 30%

31 March 2011			Initial Value	Portfolio	New Value#	Gain/Loss#
	Currency	Beta	('000)	Return#	('000)	('000)
Lazard European Equity Fund	EUR	0.98	91,540	(29.3%)	64,674	(26,866)
Lazard Japanese Equity Fund	JPY	0.96	15,914,431	(28.7%)	11,352,453	(4,561,978)
Lazard North American Equity Fund	USD	0.98	3,113	(29.4%)	2,198	(915)
Lazard Pan European Equity Fund	EUR	0.97	3,067	(29.1%)	2,174	(893)
Lazard UK Equity Fund	GBP	0.96	11,529	(28.8%)	8,207	(3,322)
Lazard Emerging World Fund*	USD	0.97	42,037	(29.2%)	29,779	(12,258)
Lazard Emerging Markets Equity Fund	USD	0.94	712,739	(28.1%)	512,473	(200,266)
Lazard Thematic Global Ex-Japan Fund	USD	0.87	853,784	(26.0%)	632,222	(221,562)
Lazard Thematic Global Fund	USD	0.90	2,422,706	(27.1%)	1,766,330	(656,376)
Lazard Global Classic Value Equity Fund	USD	0.78	70,342	(23.5%)	53,813	(16,529)
Lazard Developing Markets Equity Fund	USD	1.05	75,683	(31.4%)	51,955	(23,728)

#### Market rises by 30%

31 March 2011			Initial Value	Portfolio	New Value#	Gain/Loss#
	Currency	Beta	('000)	Return#	('000)	('000)
Lazard European Equity Fund	EUR	0.98	91,540	29.3%	118,406	26,866
Lazard Japanese Equity Fund	JPY	0.96	15,914,431	28.7%	20,476,409	4,561,978
Lazard North American Equity Fund	USD	0.98	3,113	29.4%	4,028	915
Lazard Pan European Equity Fund	EUR	0.97	3,067	29.1%	3,960	893
Lazard UK Equity Fund	GBP	0.96	11,529	28.8%	14,851	3,322
Lazard Emerging World Fund*	USD	0.97	42,037	29.2%	54,295	12,258
Lazard Emerging Markets Equity Fund	USD	0.94	712,739	28.1%	913,005	200,266
Lazard Thematic Global Ex-Japan Fund	USD	0.87	853,784	26.0%	1,075,346	221,562
Lazard Thematic Global Fund	USD	0.90	2,422,706	27.1%	3,079,082	656,376
Lazard Global Classic Value Equity Fund	USD	0.78	70,342	23.5%	86,871	16,529
Lazard Developing Markets Equity Fund	USD	1.05	75,683	31.4%	99,411	23,728

\* BETA of Lazard Emerging World Fund derived from weighted average of historical BETA's of underlying fund holdings, using 2 years of weekly price returns.

# Estimation based on BETA only, ignoring all other factors.

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Market Risk (continued)

#### (i) Market Price Risk (continued)

For the purpose of comparison, the table below shows an equivalent analysis using valuations and BETA estimates as at 31 March 2010:

##### Market falls by 30%

31 March 2010	Currency	Beta	Initial Value ('000)	Portfolio Return#	New Value# ('000)	Gain/Loss# ('000)
Lazard European Equity Fund	EUR	0.99	85,097	(29.8%)	59,755	(25,342)
Lazard Japanese Equity Fund	JPY	0.99	17,315,290	(29.7%)	12,166,085	(5,149,205)
Lazard North American Equity Fund	USD	0.98	21,910	(29.5%)	15,451	(6,459)
Lazard Pan European Equity Fund	EUR	1.03	3,412	(30.8%)	2,360	(1,052)
Lazard UK Equity Fund	GBP	1.03	13,391	(30.8%)	9,261	(4,130)
Lazard Emerging World Fund*	USD	0.88	34,439	(26.5%)	25,323	(9,116)
Lazard Emerging Markets Equity Fund	USD	0.90	355,668	(26.9%)	259,860	(95,808)
Lazard Thematic Global Ex-Japan Fund	USD	0.86	463,895	(25.7%)	344,844	(119,051)
Lazard Thematic Global Fund	USD	0.90	2,034,706	(26.9%)	1,487,162	(547,544)
Lazard Global Classic Value Equity Fund	USD	0.80	66,864	(24.0%)	50,791	(16,073)

##### Market rises by 30%

31 March 2010	Currency	Beta	Initial Value ('000)	Portfolio Return#	New Value# ('000)	Gain/Loss# ('000)
Lazard European Equity Fund	EUR	0.99	85,097	29.8%	110,439	25,342
Lazard Japanese Equity Fund	JPY	0.99	17,315,290	29.7%	22,464,495	5,149,205
Lazard North American Equity Fund	USD	0.98	21,910	29.5%	28,369	6,459
Lazard Pan European Equity Fund	EUR	1.03	3,412	30.8%	4,464	1,052
Lazard UK Equity Fund	GBP	1.03	13,391	30.8%	17,521	4,130
Lazard Emerging World Fund*	USD	0.88	34,439	26.5%	43,555	9,116
Lazard Emerging Markets Equity Fund	USD	0.90	355,668	26.9%	451,476	95,808
Lazard Thematic Global Ex-Japan Fund	USD	0.86	463,895	25.7%	582,946	119,051
Lazard Thematic Global Fund	USD	0.90	2,034,706	26.9%	2,582,250	547,544
Lazard Global Classic Value Equity Fund	USD	0.80	66,864	24.0%	82,937	16,073

\* BETA of Lazard Emerging World Fund derived from weighted average of historical BETA's of underlying fund holdings, using 2 years of weekly price returns.

# Estimation based on BETA only, ignoring all other factors.

As at 31 March 2011 and 31 March 2010 the overall market exposures of the fixed income sub funds were as follows:

	Lazard Global High Quality Bond Fund		Lazard Sterling High Quality Bond Fund	
	2011	2010	2011	2010
	Fair Value	Fair Value	Fair Value	Fair Value
Securities designated at fair value through profit or loss	9,477,468	13,303,417	15,296,563	18,899,864
Derivative assets held for trading	15,376	13,716	-	-
Derivative liabilities held for trading	(148,923)	(72,847)	-	-
	<b>9,343,921</b>	<b>13,244,286</b>	<b>15,296,563</b>	<b>18,899,864</b>

#### (ii) Foreign Currency Risk

The Company may invest in securities denominated in currencies other than its functional currency (or, indeed, the currency of the investor). Furthermore, the sub funds may invest in forward exchange contracts in currencies for the purpose of implementing investment views as well as hedging. Consequently, the Company is exposed to risks that the exchange rate of its reporting currency relative to other currencies may change in a manner that has an adverse effect on the value of the portion of the Company's assets that are denominated in currencies other than its own currency. Currencies may also move in such a way as to cause losses on currency forward exchange contracts.

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Market Risk (continued)

#### (ii) Foreign Currency Risk (continued)

For portfolios in which currency risk is hedged out, the currency risk is managed by regular rebalancing of the currency forward contracts to maintain zero (or close to zero) currency exposure. For those portfolios for which currency exposure is a critical source of return, exposures are managed relative to the appropriate benchmark. For other portfolios, there is no explicit currency-management policy.

Four of the sub funds (Lazard Japanese Equity Fund, Lazard North American Equity Fund, Lazard Sterling High Quality Bond Fund and Lazard UK Equity Fund) invest only in securities denominated in the base currency of the portfolio, so bear no currency risk whatsoever.

The tables immediately below provide (for those portfolios that do not use forward contracts) the exposure to different currencies, and a currency-shock scenario that shows the impact of the base currency strengthening instantaneously by 5% (relative to all other currencies) as at 31 March 2011 and 31 March 2010:

31 March 2011	Base Currency	Exposure to securities denominated in Base Currency (%)	Exposure to securities not denominated in Base Currency (%)	Portfolio Return Expected if Base Currency strengthened by 5%
Lazard European Equity Fund	EUR	78.0	22.0	(1.1)%
Lazard Pan European Equity Fund	EUR	47.3	52.7	(2.6)%
Lazard Emerging World Fund	USD	37.9	62.1	(3.1)%
Lazard Emerging Markets Equity Fund	USD	30.7	69.3	(3.5)%
Lazard Thematic Global Ex-Japan Fund	USD	45.0	55.0	(2.8)%
Lazard Thematic Global Fund	USD	37.8	62.2	(3.1)%
Lazard Developing Markets Equity Fund	USD	3.0	97.0	(4.9)%

31 March 2010	Base Currency	Exposure to securities denominated in Base Currency (%)	Exposure to securities not denominated in Base Currency (%)	Portfolio Return Expected if Base Currency strengthened by 5%
Lazard European Equity Fund	EUR	72.4	27.6	(1.4)%
Lazard Pan European Equity Fund	EUR	44.2	55.8	(2.8)%
Lazard Emerging World Fund	USD	42.5	57.5	(2.9)%
Lazard Emerging Markets Equity Fund	USD	27.5	72.5	(3.6)%
Lazard Thematic Global Ex-Japan Fund	USD	49.4	50.6	(2.5)%
Lazard Thematic Global Fund	USD	42.0	58.0	(2.9)%

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Market Risk (continued)

#### (ii) Foreign Currency Risk (continued)

Two of the sub funds make use of forward contracts in currencies. The tables below provide details of the exposures (by weight) to each currency, along with the currency-shock scenario of the sub fund's base currency strengthening instantaneously by 5% (relative to all other currencies) as at 31 March 2011:

Lazard Global Classic Value Equity Fund	Equities	Cash	Currency Forwards	Total	Performance (USD) if Base Currency Strengthens by 5%
<b>31 March 2011</b>					
Canadian Dollar	12.4%	-	(6.0%)	6.4%	(0.3%)
Euro	16.5%	-	(15.5%)	1.0%	-
Hong Kong Dollar	1.8%	-	-	1.8%	-
Japanese Yen	18.7%	-	(11.5%)	7.2%	(0.4%)
Korean Won	2.6%	-	(1.6%)	1.0%	-
Norwegian Krone	2.4%	-	-	2.4%	(0.1%)
Sterling	8.1%	-	(7.5%)	0.6%	-
Swiss Franc	4.1%	-	-	4.1%	-
United States Dollar	28.5%	4.6%	42.4%	75.5%	-
<b>Total</b>	<b>95.1%</b>	<b>4.6%</b>	<b>0.3%</b>	<b>100.0%</b>	<b>(0.8%)</b>

Lazard Global High Quality Bond Fund	Bonds	Cash	Currency Forwards	Total	Performance (USD) if Base Currency Strengthens by 5%
<b>31 March 2011</b>					
Australian Dollar	6.3%	-	(5.1%)	1.2%	(0.1%)
Canadian Dollar	4.3%	-	(1.2%)	3.1%	(0.2%)
Danish Krone	2.2%	-	(1.4%)	0.8%	-
Euro	30.2%	(2.2%)	1.0%	29.0%	(1.5%)
Japanese Yen	-	-	20.4%	20.4%	(1.0%)
Korean Won	2.6%	-	-	2.6%	(0.1%)
Mexican Peso	3.3%	-	(1.4%)	1.9%	(0.1%)
New Zealand Dollar	4.5%	-	(2.7%)	1.8%	(0.1%)
Norwegian Krone	4.7%	-	(3.5%)	1.2%	(0.1%)
Polish Zloty	5.4%	-	(3.9%)	1.5%	(0.1%)
South African Rand	1.8%	-	(1.4%)	0.4%	-
Sterling	8.0%	-	(6.2%)	1.8%	(0.1%)
Swedish Krona	4.3%	-	(3.6%)	0.7%	-
United States Dollar	22.7%	3.6%	7.3%	33.6%	(1.7%)
<b>Total</b>	<b>100.3%</b>	<b>1.4%</b>	<b>(1.7%)</b>	<b>100.0%</b>	<b>(5.1%)</b>

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Market Risk (continued)

#### (ii) Foreign Currency Risk (continued)

The tables below detail the comparative information as at 31 March 2010:

<b>Lazard Global Classic Value Equity Fund</b>					
	<b>Equities</b>	<b>Cash</b>	<b>Currency Forwards</b>	<b>Total</b>	<b>Performance (USD) if Base Currency Strengthens by 5%</b>
<b>31 March 2010</b>					
Canadian Dollar	13.3%	-	(6.0%)	7.3%	(0.4%)
Euro	20.1%	-	(19.5%)	0.6%	-
Japanese Yen	25.6%	-	(23.3%)	2.3%	(0.1%)
Norwegian Krone	1.5%	-	-	1.5%	(0.1%)
Sterling	6.2%	-	(3.5%)	2.7%	(0.1%)
Swiss Franc	4.0%	-	(1.9%)	2.1%	-
United States Dollar	23.2%	5.2%	55.1%	83.5%	-
<b>Total</b>	<b>93.9%</b>	<b>5.2%</b>	<b>0.9%</b>	<b>100.0%</b>	<b>(0.7%)</b>
<b>Lazard Global High Quality Bond Fund</b>					
	<b>Bonds</b>	<b>Cash</b>	<b>Currency Forwards</b>	<b>Total</b>	<b>Performance (USD) if Base Currency Strengthens by 5%</b>
<b>31 March 2010</b>					
Australian Dollar	0.5%	-	(3.7%)	(3.2%)	0.2%
Canadian Dollar	3.4%	-	0.2%	3.6%	(0.2%)
Danish Krone	1.5%	-	(0.8%)	0.7%	-
Euro	32.3%	-	(1.6%)	30.7%	(1.5%)
Japanese Yen	1.9%	-	12.5%	14.4%	(0.7%)
Malaysian Ringgit	1.4%	-	-	1.4%	(0.1%)
Mexican Peso	3.7%	-	(1.0%)	2.8%	(0.1%)
New Zealand Dollar	3.0%	(1.0%)	-	2.0%	(0.1%)
Norwegian Krone	2.6%	-	(2.3%)	0.3%	-
Polish Zloty	6.0%	-	(4.3%)	1.7%	(0.1%)
Singapore Dollar	-	-	1.4%	1.4%	(0.1%)
South Korean Won	1.8%	-	-	1.8%	(0.1%)
Sterling	6.4%	-	(2.1%)	4.3%	(0.2%)
Swedish Krona	-	-	0.1%	0.1%	-
United States Dollar	33.3%	4.8%	(0.1%)	38.0%	-
<b>Total</b>	<b>97.8%</b>	<b>3.8%</b>	<b>(1.7%)</b>	<b>100.0%</b>	<b>(3.0%)</b>

A 5% weakening of the base currency (against the other currencies) would be expected to have an equal and opposite impact on the numbers shown in the above tables, on the basis that all other variables remain constant. The scenarios used in this section are hypothetical, and provided only to illustrate potential losses that could be caused through currency movements.

The amounts in the below table are based on the carrying value of financial assets and liabilities as at 31 March 2011 and 31 March 2010. All sub funds investing mainly in equities consist of primarily non-monetary assets and all sub funds investing mainly in bonds consist of primarily monetary assets.

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Market Risk (continued)

#### (ii) Foreign Currency Risk (continued)

	Investments March 2011 EUR	Hedging March 2011 EUR	TOTAL Exposure March 2011 EUR	Investments March 2010 EUR	Hedging March 2010 EUR	TOTAL Exposure March 2010 EUR
<b>Lazard European Equity Fund</b>						
Czech Koruna	878,575	-	878,575	-	-	-
Danish Krone	2,494,267	-	2,494,267	3,958,387	-	3,958,387
Norwegian Krone	2,572,829	-	2,572,829	2,543,137	-	2,543,137
Polish Zloty	749,539	-	749,539	-	-	-
Swedish Krona	3,386,545	-	3,386,545	647,956	-	647,956
Swiss Franc	9,906,799	-	9,906,799	16,287,891	-	16,287,891
	<b>19,988,554</b>	<b>-</b>	<b>19,988,554</b>	<b>23,437,371</b>	<b>-</b>	<b>23,437,371</b>
	EUR	EUR	EUR	EUR	EUR	EUR
<b>Lazard Pan European Equity Fund</b>						
Czech Koruna	22,615	-	22,615	24,908	-	24,908
Danish Krone	55,935	-	55,935	86,964	-	86,964
Norwegian Krone	85,702	-	85,702	108,000	-	108,000
Polish Zloty	31,213	-	31,213	-	-	-
Sterling	1,092,143	-	1,092,143	1,223,568	-	1,223,568
Swedish Krona	89,345	-	89,345	68,178	-	68,178
Swiss Franc	245,566	-	245,566	363,522	-	363,522
	<b>1,622,519</b>	<b>-</b>	<b>1,622,519</b>	<b>1,875,140</b>	<b>-</b>	<b>1,875,140</b>
	USD	USD	USD	USD	USD	USD
<b>Lazard Emerging World Fund</b>						
Canadian Dollar	497,129	-	497,129	169,746	-	169,746
Hong Kong Dollar	4,691,723	-	4,691,723	4,228,840	-	4,228,840
Sterling	20,198,098	-	20,198,098	15,837,826	-	15,837,826
Swedish Krona	505,767	-	505,767	-	-	-
Turkish Lira	438,723	-	438,723	-	-	-
	<b>26,331,440</b>	<b>-</b>	<b>26,331,440</b>	<b>20,236,412</b>	<b>-</b>	<b>20,236,412</b>
	USD	USD	USD	USD	USD	USD
<b>Lazard Emerging Markets Equity Fund</b>						
Brazilian Real	107,251,444	-	107,251,444	58,497,689	-	58,497,689
Canadian Dollar	12,004,374	-	12,004,374	4,639,813	-	4,639,813
Egyptian Pound	17,202,599	-	17,202,599	13,183,517	-	13,183,517
Euro	4,258,099	-	4,258,099	2,377,063	-	2,377,063
Hong Kong Dollar	18,471,569	-	18,471,569	2,261,827	-	2,261,827
Hungarian Forint	6,890,952	-	6,890,952	-	-	-
Indian Rupee	41,982,230	-	41,982,230	12,651,004	-	12,651,004
Indonesian Rupiah	24,389,746	-	24,389,746	14,390,356	-	14,390,356
Israeli Shekel	-	-	-	6,641,650	-	6,641,650
Malaysian Ringgit	4,196,688	-	4,196,688	2,004,760	-	2,004,760
Mexican Peso	16,055,189	-	16,055,189	5,476,278	-	5,476,278
South African Rand	75,981,765	-	75,981,765	49,355,564	-	49,355,564
South Korean Won	84,902,115	-	84,902,115	37,474,774	-	37,474,774
Swedish Krona	5,799,768	-	5,799,768	2,551,264	-	2,551,264
Taiwan Dollar	20,164,170	-	20,164,170	6,246,103	-	6,246,103
Thai Baht	15,287,198	-	15,287,198	6,368,448	-	6,368,448
Turkish Lira	43,181,645	-	43,181,645	24,841,005	-	24,841,005
	<b>498,019,551</b>	<b>-</b>	<b>498,019,551</b>	<b>248,961,115</b>	<b>-</b>	<b>248,961,115</b>

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Market Risk (continued)

#### (ii) Foreign Currency Risk (continued)

	Investments March 2011 USD	Hedging March 2011 USD	TOTAL Exposure March 2011 USD	Investments March 2010 USD	Hedging March 2010 USD	TOTAL Exposure March 2010 USD
<b>Lazard Thematic Global Ex-Japan Fund</b>						
Australian Dollar	14,880,708	-	14,880,708	3,365,097	-	3,365,097
Brazilian Real	26,599,958	-	26,599,958	14,221,618	-	14,221,618
Canadian Dollar	69,310,433	-	69,310,433	28,753,938	-	28,753,938
Danish Krone	-	-	-	2,739,766	-	2,739,766
Euro	58,830,368	-	58,830,368	29,783,036	-	29,783,036
Hong Kong Dollar	105,956,503	-	105,956,503	59,055,008	-	59,055,008
Singapore Dollar	21,307,466	-	21,307,466	12,932,438	-	12,932,438
South African Rand	8,925,686	-	8,925,686	3,866,065	-	3,866,065
Sterling	85,888,866	-	85,888,866	43,139,915	-	43,139,915
Swedish Krona	23,413,545	-	23,413,545	14,078,934	-	14,078,934
Swiss Franc	25,026,996	-	25,026,996	9,982,658	-	9,982,658
Taiwan Dollar	30,220,162	-	30,220,162	12,123,807	-	12,123,807
	<b>470,360,691</b>	<b>-</b>	<b>470,360,691</b>	<b>234,042,280</b>	<b>-</b>	<b>234,042,280</b>
	USD	USD	USD	USD	USD	USD
<b>Lazard Thematic Global Fund</b>						
Australian Dollar	33,695,669	-	33,695,669	10,097,638	-	10,097,638
Brazilian Real	70,588,254	-	70,588,254	65,255,733	-	65,255,733
Canadian Dollar	175,661,180	-	175,661,180	109,638,256	-	109,638,256
Danish Krone	-	-	-	11,650,334	-	11,650,334
Euro	151,258,506	-	151,258,506	112,202,197	-	112,202,197
Hong Kong Dollar	276,144,379	-	276,144,379	247,138,969	-	247,138,969
Japanese Yen	274,662,561	-	274,662,561	221,514,887	-	221,514,887
Singapore Dollar	55,724,113	-	55,724,113	51,702,320	-	51,702,320
South African Rand	36,077,924	-	36,077,924	25,280,560	-	25,280,560
Sterling	217,190,662	-	217,190,662	167,745,875	-	167,745,875
Swedish Krona	59,829,628	-	59,829,628	55,124,545	-	55,124,545
Swiss Franc	62,374,572	-	62,374,572	39,590,323	-	39,590,323
Taiwan Dollar	88,084,822	-	88,084,822	62,963,316	-	62,963,316
	<b>1,501,292,270</b>	<b>-</b>	<b>1,501,292,270</b>	<b>1,179,904,953</b>	<b>-</b>	<b>1,179,904,953</b>
	USD	USD	USD	USD	USD	USD
<b>Lazard Global Classic Value Equity Fund</b>						
Canadian Dollar	8,679,250	(4,144,613)	4,534,637	8,857,473	(4,018,706)	4,838,767
Euro	11,582,816	(10,731,319)	851,497	13,473,836	(13,205,989)	267,847
Hong Kong Dollar	1,224,987	-	1,224,987	-	-	-
Japanese Yen	12,876,295	(8,433,938)	4,442,357	17,120,797	(16,093,553)	1,027,244
Norwegian Krone	1,719,455	-	1,719,455	1,019,747	-	1,019,747
South Korean Won	1,821,063	(1,121,694)	699,369	-	-	-
Sterling	5,726,508	(5,305,796)	420,712	4,131,195	(2,311,280)	1,819,915
Swiss Franc	2,856,836	-	2,856,836	2,634,000	(1,216,671)	1,417,329
	<b>46,487,210</b>	<b>(29,737,360)</b>	<b>16,749,850</b>	<b>47,237,048</b>	<b>(36,846,199)</b>	<b>10,390,849</b>

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Market Risk (continued)

#### (ii) Foreign Currency Risk (continued)

	Investments March 2011 USD	Hedging March 2011 USD	TOTAL Exposure March 2011 USD	Investments March 2010 USD	Hedging March 2010 USD	TOTAL Exposure March 2010 USD
<b>Lazard Global High Quality Bond Fund</b>						
Australian Dollar	525,580	(415,007)	110,573	485,316	(418,496)	66,820
Canadian Dollar	359,743	(100,666)	259,077	452,375	27,169	479,544
Danish Krone	184,290	(113,346)	70,944	166,688	(94,403)	72,285
Euro	2,495,872	81,019	2,576,891	4,226,468	(183,329)	4,043,139
Japanese Yen	-	1,777,527	1,777,527	216,223	1,498,374	1,714,597
Malaysian Ringgit	-	-	-	162,764	-	162,764
Mexican Peso	276,731	(112,498)	164,233	424,706	(108,000)	316,706
New Zealand Dollar	371,214	(212,554)	158,660	507,487	4,909	512,396
Norwegian Krone	389,771	(287,460)	102,311	290,656	(271,800)	18,856
Polish Zloty	444,988	(314,777)	130,211	662,098	(502,997)	159,101
Singapore Dollar	-	14,909	14,909	-	157,212	157,212
South African Rand	150,675	(115,342)	35,333	-	-	-
South Korean Won	219,084	3,206	222,290	213,496	-	213,496
Sterling	1,089,733	(519,897)	569,836	1,103,902	(245,641)	858,261
Swedish Krona	356,207	(302,357)	53,850	155,206	16,514	171,720
Swiss Franc	-	-	-	-	130,576	130,576
	<b>6,863,888</b>	<b>(617,243)</b>	<b>6,246,645</b>	<b>9,067,385</b>	<b>10,088</b>	<b>9,077,473</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>			
<b>Lazard Developing Markets Equity Fund</b>						
Brazilian Real	6,686,009	-	6,686,009			
Canadian Dollar	1,667,588	-	1,667,588			
Hong Kong Dollar	12,597,099	-	12,597,099			
Indonesian Rupiah	2,058,167	-	2,058,167			
Malaysian Ringgit	1,288,031	-	1,288,031			
Mexican Peso	2,090,401	-	2,090,401			
Philippino Peso	1,114,881	-	1,114,881			
South African Rand	6,097,864	-	6,097,864			
South Korean Won	3,430,887	-	3,430,887			
Swedish Krona	578,597	-	578,597			
Thai Baht	956,791	-	956,791			
Turkish Lira	1,882,213	-	1,882,213			
Taiwan Dollar	4,151,139	-	4,151,139			
	<b>44,599,667</b>	<b>-</b>	<b>44,599,667</b>			

#### (iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing interest rates. The Company is exposed to interest rate risk through its investments in securities with fixed and floating rates of interest, held within the fixed income sub funds and its cash balances. The Investment Managers manage the Company's interest rate risk on a daily basis in accordance with the Company's investment objective, policies and core philosophy.

A bond's sensitivity to interest rates can be expressed in terms of modified duration, which gives the estimated percentage change (excluding the minus sign) in portfolio value, associated with a 1% increase in interest rates.

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

The table below provides modified duration numbers as at 31 March 2011 and at 31 March 2010 for each of the sub funds that bear interest rate risk. Also shown in the table is the estimated impact on the portfolio of a 1 basis point (0.01 of 1 per cent) increase in interest rates. The sensitivity analysis is based on a small parallel shift of the yield curve (interest rates of all maturities moving in unison).

31 March 2011	Currency	Portfolio Value ('000)	Modified Duration	Return expected if Interest Rates Rise by 1 Basis Point	
				(%)	Monetary
Lazard Global High Quality Bond Fund	USD	9,573	5.25	(0.053%)	(5,029)
Lazard Sterling High Quality Bond Fund	GBP	15,622	7.51	(0.075%)	(11,732)

  

31 March 2010	Currency	Portfolio Value ('000)	Modified Duration	Return expected if Interest Rates Rise by 1 Basis Point	
				(%)	Monetary
Lazard Global High Quality Bond Fund	USD	13,891	5.85	(0.058%)	(8,124)
Lazard Sterling High Quality Bond Fund	GBP	19,531	7.52	(0.075%)	(14,685)

This is a simplistic approximation of an important factor, with changes in steepness and twists in the yield curve also likely, which will have additional impacts on asset prices. Furthermore, this analysis is intended only to be used to estimate the impact of small movements in bond yields. This sensitivity analysis is hypothetical and not intended to be predictive.

The table below summarises the sub funds' exposure to interest rate risks for the year ended 31 March 2011:

	Less than 1 year	1 to 5 years	5 to 10 years	Greater than 10 years	Non interest bearing	Total
<b>Lazard Global High Quality Bond Fund</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Financial assets at fair value through profit or loss	15,376	4,556,781	2,819,829	2,100,858	-	9,492,844
Financial liabilities at fair value through profit or loss	(148,923)	-	-	-	-	(148,923)
Other net receivables	-	-	-	-	228,947	228,947
<b>Net assets attributable to Redeemable Participating shareholders</b>	<b>(133,547)</b>	<b>4,556,781</b>	<b>2,819,829</b>	<b>2,100,858</b>	<b>228,947</b>	<b>9,572,868</b>
<b>Lazard Sterling High Quality Bond Fund</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
Financial assets at fair value through profit or loss	149,004	2,669,373	3,777,480	8,700,706	-	15,296,563
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Other net receivables	-	-	-	-	244,908	244,908
Adjustment from bid market value to mid market value	-	-	-	-	-	80,130
<b>Net assets attributable to Redeemable Participating shareholders</b>	<b>149,004</b>	<b>2,669,373</b>	<b>3,777,480</b>	<b>8,700,706</b>	<b>244,908</b>	<b>15,541,471</b>
						<b>15,621,601</b>

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

The table below summarises the sub funds' exposure to interest rate risks for the year ended 31 March 2010:

	Less than 1 year	1 to 5 years	5 to 10 years	Greater than 10 years	Non interest bearing	Total
	USD	USD	USD	USD	USD	USD
<b>Lazard Global High Quality Bond Fund</b>						
Financial assets at fair value through profit or loss	300,651	5,655,854	5,005,299	2,355,329	-	13,317,133
Financial liabilities at fair value through profit or loss	(72,847)	-	-	-	-	(72,847)
Other net receivables	-	-	-	-	646,763	646,763
	<b>227,804</b>	<b>5,655,854</b>	<b>5,005,299</b>	<b>2,355,329</b>	<b>646,763</b>	<b>13,891,049</b>
<b>Lazard Sterling High Quality Bond Fund</b>						
Financial assets at fair value through profit or loss	819,920	2,835,961	5,860,167	9,383,816	-	18,899,864
Other net receivables	-	-	-	-	631,217	631,217
	<b>819,920</b>	<b>2,835,961</b>	<b>5,860,167</b>	<b>9,383,816</b>	<b>631,217</b>	<b>19,531,081</b>

#### Counterparty/Issuer Risk and Credit Risk

Credit risk is the risk that the counterparty or issuer to a financial instrument will fail to discharge an obligation or commitment that it has entered into with each sub fund. The Company is exposed to credit risk via the sub funds that invest in fixed-income securities. Furthermore, the sub funds are exposed to a credit risk to parties with whom they trade and will bear the risk of settlement default. Counterparty/issuer risk is monitored and managed by a formal counterparty or issuer exposure management program within the Investment Managers. The Investment Managers' approved list of counterparties is generally limited to the most highly rated and recognised dealers in their sectors. The Investment Managers perform ongoing monitoring of this list. Counterparty/issuer risk is monitored on an ongoing basis in the following manner:

- Approved broker selection - the trading system only permits trading with approved brokers. New brokers are added, subject to a formal review process that includes a review of the broker's creditworthiness, financial strength, ability to enter into legally enforceable arrangements and standing in the financial community.
- Broker monitoring - performed through a variety of ongoing activities, including the assessment of certain regulatory filings and financial statements.
- Measurement and monitoring of counterparty or issuer trade exposure - a daily review of outstanding positions is performed.

All transactions involving transferable securities are settled upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet their obligations.

The Company is exposed to a credit risk on the over the counter ("OTC") counterparties with whom it trades, that these counterparties may not perform their obligations and that settlement of transactions may not occur. All OTC counterparties must meet the following criteria as set out in the UCITS regulations namely:

- (i) A credit institution in accordance with UCITS Notices, or
- (ii) Have a minimum credit rating of A2 or equivalent, or in the opinion of the Investment Manager, an implied credit minimum rating of A2 or equivalent

Exposures to individual counterparties are limited to 10%/5% of Net Asset Value in the case of (i) above and 5% of Net Asset Value in the case of (ii) above.

All of the Company's securities are held with the Sub-Custodians via the Custodian. The sub fund's non-cash assets are segregated from the proprietary assets of the Custodian and the Sub-Custodian so that in the event of insolvency or bankruptcy those assets are protected to that extent and this further reduces counterparty risk.

However, in circumstances such as the insolvency of a Sub-Custodian or registrar, or retro-active application of legislation, the Company may not, in all cases, be able to establish title to investments made and may suffer losses as a result. The Company may find it impossible to enforce its rights against third parties.

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Counterparty/Issuer Risk and Credit Risk (continued)

In addition, as the Company may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Company which are traded in such markets and which have been entrusted to Sub-Custodians, in the circumstances where the use of such Sub-Custodians is necessary, may be exposed to risk in circumstances whereby the Custodian will have no liability.

While cash held by the Sub-Custodian is identifiable as belonging to the Company, the Company will be exposed to the credit risk of the financial institution where cash is deposited. In the event of insolvency of the financial institution, the Company will be treated as a general creditor of the financial institution in relation to cash holdings of the Company.

As at 31 March 2011 the ultimate parent company of both the Custodian and the Sub-Custodian, The Bank of New York Mellon Corp., had a Standard and Poor's credit rating of AA for long term deposits and a Standard and Poor's credit rating of A-1+ for short term deposits.

The extent of the Company's exposure to credit risk in respect of the financial statements approximates the carrying value as recorded in the Company's Balance Sheet. There were no past due or impaired assets as of 31 March 2011 or 31 March 2010.

Regarding the sub funds' investment in fixed income securities that carry credit risks, the table below provides a breakdown of each sub fund by credit rating, with investment grade being ratings above.

Rating	31 March 2011		31 March 2010	
	Lazard Global High Quality Bond Fund	Lazard Sterling High Quality Bond Fund	Lazard Global High Quality Bond Fund	Lazard Sterling High Quality Bond Fund
AAA	28.2%	54.8%	37.4%	58.5%
AA	11.0%	3.8%	12.4%	3.1%
A	44.6%	19.9%	37.7%	18.9%
BBB	16.2%	16.9%	12.5%	14.0%
BB	-	4.6%	-	3.3%
B	-	-	-	1.1%
C	-	-	-	1.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### Liquidity Risk

The Company's assets comprise mainly of realisable securities which can be readily sold. The main liability of the Company is the redemption of any shares that investors wish to sell. Shareholders have the right to require the Company to redeem their shares in the Company on any business day subject to restrictions set out in the prospectus. The Company has the ability to borrow in the short term to ensure settlement. No such borrowings have arisen during the year.

All financial liabilities of the Company as disclosed in the Balance sheet as at 31 March 2011 were due within 12 months (31 March 2010: 12 months).

### Fair values of financial assets and financial liabilities

All of the financial assets and financial liabilities of the sub funds are held at market value, which equates to fair value as determined in accordance with the accounting policies in Note 3. Valuations undertaken by Directors as at 31 March 2011 are disclosed in the Portfolio of Investments. There were a number of securities fair valued by Directors during the year ended 31 March 2011. Detail of these securities is disclosed in the fair value measurement section below. There were no valuations undertaken by the Directors during the year ended 31 March 2010.

### Fair Value Measurement

An investment is always categorised as level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and is specific to the investment.

FRS 29 Financial Instruments: Disclosures, requires enhanced disclosures about financial instruments carried at fair value and liquidity risk.

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Fair Value Measurement (continued)

Investments measured and reported at fair value are classified and disclosed in one of the following fair value hierarchy levels based on the significance of the inputs used in measuring its fair value:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the valuation date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices in active markets included within level 1 that are observable for the asset or liability, either directly or indirectly. Fair value is determined through the use of models or other valuation methodologies. Level 2 inputs include the following:

- a) Quoted prices for similar assets or liabilities in active markets.
- b) Quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
- c) Inputs other than quoted prices that are observable for the asset or liability (e.g. interest rate and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks and default rates).
- d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the Company's own assumptions about how market participants would be expected to value the asset or liability. Unobservable inputs are developed based on the best information available in the circumstances, other than market data obtained from sources independent of the Company and might include the Company's own data.

The following tables provide a breakdown of the financial instruments of each sub fund by valuation category at 31 March 2011:

	Level 1	Level 2	Level 3
<b>Lazard European Equity Fund</b>			
Financial assets at fair value through profit or loss	EUR	EUR	EUR
Common Stock	89,966,920	-	-
<b>Total</b>	<b>89,966,920</b>	-	-
<b>Lazard Japanese Equity</b>			
Financial assets at fair value through profit or loss	JPY	JPY	JPY
Common Stock	15,375,952,200	-	-
<b>Total</b>	<b>15,375,952,200</b>	-	-
<b>Lazard North American Equity Fund</b>			
Financial assets at fair value through profit or loss	USD	USD	USD
Common Stock	3,053,484	-	-
<b>Total</b>	<b>3,053,484</b>	-	-
<b>Lazard Pan European Equity</b>			
Financial assets at fair value through profit or loss	EUR	EUR	EUR
Common Stock	3,053,014	-	-
<b>Total</b>	<b>3,053,014</b>	-	-
<b>Lazard UK Equity Fund</b>			
Financial assets at fair value through profit or loss	GBP	GBP	GBP
Common Stock	10,869,568	-	-
<b>Total</b>	<b>10,869,568</b>	-	-
<b>Lazard Emerging World Fund</b>			
Financial assets at fair value through profit or loss	USD	USD	USD
Investment in Exchange Traded Collective Investment Funds	41,947,181	-	1,632
<b>Total</b>	<b>41,947,181</b>	-	<b>1,632</b>

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Fair Value Measurement (continued)

	Level 1	Level 2	Level 3
<b>Lazard Emerging Markets Equity Fund</b>			
Financial assets at fair value through profit or loss	USD	USD	USD
Common Stock	665,286,585	-	-
Preferred Stock	14,129,425	-	-
<b>Total</b>	<b>679,416,010</b>	-	-
<b>Lazard Thematic Global Ex-Japan Fund</b>			
Financial assets at fair value through profit or loss	USD	USD	USD
Common Stock	812,200,480	-	-
<b>Total</b>	<b>812,200,480</b>	-	-
<b>Lazard Thematic Global Fund</b>			
Financial assets at fair value through profit or loss	USD	USD	USD
Common Stock	2,369,490,185	-	-
<b>Total</b>	<b>2,369,490,185</b>	-	-
<b>Lazard Global Classic Value Equity Fund</b>			
Financial assets at fair value through profit or loss	USD	USD	USD
Common Stock	66,488,574	-	-
Forward Contracts	-	394,613	-
<b>Total</b>	<b>66,488,574</b>	<b>394,613</b>	-
Financial liabilities at fair value through profit or loss	USD	USD	USD
Forward Contracts	-	(254,281)	-
<b>Total</b>	-	<b>(254,281)</b>	-
<b>Lazard Global High Quality Bond Fund</b>			
Financial assets at fair value through profit or loss	USD	USD	USD
Bonds	-	9,477,468	-
Forward Contracts	-	15,376	-
<b>Total</b>	-	<b>9,492,844</b>	-
Financial liabilities at fair value through profit or loss	USD	USD	USD
Forward Contracts	-	(148,923)	-
<b>Total</b>	-	<b>(148,923)</b>	-
<b>Lazard Sterling High Quality Bond Fund</b>			
Financial assets at fair value through profit or loss	GBP	GBP	GBP
Bonds	-	15,296,563	-
<b>Total</b>	-	<b>15,296,563</b>	-
<b>Lazard Developing Markets Equity Fund</b>			
Financial assets at fair value through profit or loss	USD	USD	USD
Common Stock	73,994,497	-	-
<b>Total</b>	<b>73,994,497</b>	-	-

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Fair Value Measurement (continued)

During the year ended 31 March 2011 none of the sub funds instruments were transferred between levels except for Lazard Emerging Markets Equity Fund and Lazard Developing Markets Equity Fund. Both Lazard Emerging Market Equity Fund and Lazard Developing Markets Equity Fund held a number of Egyptian securities which were fair valued by Directors for a period during the year, due to the Egyptian market remaining closed for an extended period, however, as at 31 March 2011 these securities were valued using quoted market price from a recognised exchange. The table below presents the movement in level 3 instruments for the year ended 31 March 2011:

<b>Lazard Emerging World Fund</b>	<b>USD</b>
Opening Balance	-
Transfer into Level 3	1,632
Transfer out of Level 3	-
Movement in gains and losses recognised in the profit and loss account	-
<b>Closing Balance</b>	<b>1,632</b>
<b>Lazard Emerging Markets Equity Fund</b>	<b>USD</b>
Opening Balance	-
Transfer into Level 3	15,696,586
Transfer out of Level 3	(14,556,977)
Movement in gains and losses recognised in the profit and loss account	(1,139,609)
<b>Closing Balance</b>	<b>-</b>
<b>Lazard Developing Markets Equity Fund</b>	<b>USD</b>
Opening Balance	-
Transfer into Level 3	944,326
Transfer out of Level 3	(887,350)
Movement in gains and losses recognised in the profit and loss account	(56,976)
<b>Closing Balance</b>	<b>-</b>

The following tables provide a breakdown of the financial instruments of each sub fund by valuation category at 31 March 2010:

<b>Lazard European Equity Fund</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets at fair value through profit or loss	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Common Stock	83,540,752	-	-
<b>Total</b>	<b>83,540,752</b>	<b>-</b>	<b>-</b>
<b>Lazard Japanese Equity</b>	<b>JPY</b>	<b>JPY</b>	<b>JPY</b>
Financial assets at fair value through profit or loss	<b>JPY</b>	<b>JPY</b>	<b>JPY</b>
Common Stock	16,950,935,000	-	-
<b>Total</b>	<b>16,950,935,000</b>	<b>-</b>	<b>-</b>
<b>Lazard North American Equity Fund</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Financial assets at fair value through profit or loss	<b>USD</b>	<b>USD</b>	<b>USD</b>
Common Stock	21,643,406	-	-
<b>Total</b>	<b>21,643,406</b>	<b>-</b>	<b>-</b>
<b>Lazard Pan European Equity</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Financial assets at fair value through profit or loss	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Common Stock	3,324,194	-	-
<b>Total</b>	<b>3,324,194</b>	<b>-</b>	<b>-</b>
<b>Lazard UK Equity Fund</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
Financial assets at fair value through profit or loss	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
Common Stock	13,173,532	-	-
<b>Total</b>	<b>13,173,532</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements (continued)

## 16. Risk Management Policies and Procedures (continued)

### Fair Value Measurement (continued)

	Level 1	Level 2	Level 3
<b>Lazard Emerging World Fund</b>			
Financial assets at fair value through profit or loss	USD	USD	USD
Investment in Exchange Traded Collective Investment Funds	31,882,341	-	-
<b>Total</b>	<b>31,882,341</b>	-	-
<b>Lazard Emerging Markets Equity Fund</b>			
Financial assets at fair value through profit or loss	USD	USD	USD
Common Stock	323,815,328	-	-
Preferred Stock	9,810,951	-	-
<b>Total</b>	<b>333,626,279</b>	-	-
<b>Lazard Thematic Global Ex-Japan Fund</b>			
Financial assets at fair value through profit or loss	USD	USD	USD
Common Stock	431,950,368	-	-
<b>Total</b>	<b>431,950,368</b>	-	-
<b>Lazard Thematic Global Fund</b>			
Financial assets at fair value through profit or loss	USD	USD	USD
Common Stock	1,935,101,014	15,219,706	-
<b>Total</b>	<b>1,935,101,014</b>	<b>15,219,706</b>	-
<b>Lazard Global Classic Value Equity Fund</b>			
Financial assets at fair value through profit or loss	USD	USD	USD
Common Stock	62,795,239	-	-
Forward Contracts	-	694,540	-
<b>Total</b>	<b>62,795,239</b>	<b>694,540</b>	-
Financial liabilities at fair value through profit or loss	USD	USD	USD
Forward Contracts	-	34,920	-
<b>Total</b>	-	<b>34,920</b>	-
<b>Lazard Global High Quality Bond Fund</b>			
Financial assets at fair value through profit or loss	USD	USD	USD
Bonds	-	13,303,417	-
Forward Contracts	-	13,716	-
<b>Total</b>	-	<b>13,317,133</b>	-
Financial liabilities at fair value through profit or loss	USD	USD	USD
Forward Contracts	-	72,847	-
<b>Total</b>	-	<b>72,847</b>	-
<b>Lazard Sterling High Quality Bond Fund</b>			
Financial assets at fair value through profit or loss	GBP	GBP	GBP
Bonds	-	18,899,864	-
<b>Total</b>	-	<b>18,899,864</b>	-

There were no transfers between levels for the year ended 31 March 2010.

## 17. Soft Commission Arrangements

The Investment Managers for the Company, in accordance with common market practice for investment managers entered into dealing arrangements with brokers whereby part of the dealing commissions paid to them are used to discharge the cost of investment-related services supplied to them by the broker or by third parties. These services may be either market research or be related to the execution of trades on behalf of clients.

# Notes to the Financial Statements (continued)

## 17. Soft Commission Arrangements (continued)

The Investment Managers place business with these counterparties including transactions relating to the sub funds investments. The Investment Managers endeavour at all times to obtain best execution on all transactions for all clients, including the sub funds, and are satisfied that these arrangements are of benefit to the sub funds.

## 18. Related Party Transactions

All material related party transactions with the Manager and Directors are included in Notes 4, 6 and 7 to the financial statements.

Michael Allen and William Smith are employees of the Investment Manager as well as Directors of the Company. Michael Chapman up to 28 January 2011 was an employee of the Investment Manager as well as being a Director of the Company. Michael Allen, Michael Chapman and William Smith have waived all Directors' fees. All Directors of the Company are also Directors of the Manager.

Daniel Morrissey is a Director of the Company and is also a partner of William Fry Solicitors (the Company's legal advisers), accordingly, had a beneficial interest under the Companies Act, 1990 in legal fees paid to William Fry amounting to USD65,552 (2010: USD93,931).

John Donohoe who is a Director of Lazard Global Active Funds plc is also a Director of Carne Global Financial Services Limited who provide consultancy services to the Manager, Lazard Fund Managers (Ireland) Limited.

## 19. Significant Events

Effective 1 July 2010, PNC Global Investment Servicing (Europe) Limited changed its name to BNY Mellon Investment Servicing (International) Limited. Effective 1 July 2010, PNC International Bank Limited changed its name to BNY Mellon International Bank Limited. BNY Mellon Investment Servicing (International) Limited and BNY Mellon International Bank Limited are now each a subsidiary of The Bank of New York Mellon Corp.

A supplement for Lazard Developing Markets Equity Fund was issued on 1 October 2010. Lazard Developing Markets Equity Fund, a sub fund of the Company, was approved by the Central Bank of Ireland on 1 October 2010. The sub fund subsequently launched on 4 October 2010 with two share classes currently in issue, US\$ Institutional Accumulating Class and € Institutional Distributing Class.

## 20. Post Balance Sheet Events

Post year end dividend distributions were declared on 1 April 2011 as follows:

	Amount (Base Currency)	Number of Shares	Rate/ Share	Currency of Sub-Fund
Lazard Japanese Equity Fund - Retail Class	2,771,603	7,809,863	0.3549	JPY
Lazard UK Equity Fund - Retail Class	13,081	6,119,970	0.0021	GBP
Lazard Emerging Markets Equity Fund - Institutional Class	3,312,993	5,550,740	0.5969	USD
Lazard Thematic Global Ex-Japan Fund - X Class	4,685,650	5,009,824	0.9353	USD
Lazard Thematic Global Fund - Institutional Class	1,994,349	10,975,405	0.1817	USD
Lazard Thematic Global Fund - Institutional Sterling Class	545,698	4,939,117	0.1105	GBP
Lazard Global Classic Value Equity Fund - Institutional Class	67,424	6,982,241	0.0097	USD
Lazard Global High Quality Bond Fund - Retail Class	130,822	70,226	1.8629	USD
Lazard Sterling High Quality Bond Fund - Retail Class	72,227	47,874	1.5087	GBP
Lazard Sterling High Quality Bond Fund - Institutional Class	184,397	97,382	1.8935	GBP

Effective 31 May 2011, Andreas Hubner was appointed as director to the Company.

## 21. Approval of the Financial Statements

The annual financial statements were approved by the Board of Directors on 23 June 2011.

# Statements of Major Changes in Investments (unaudited)

## Lazard European Equity Fund

In accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 (as amended), a statement of largest changes in the composition of the Portfolios of Investments during the reporting year is provided to ensure that shareholders can identify changes in the investments held by the sub funds. These are defined as the aggregate purchases and sales of an investment (including maturities but excluding repurchase agreements, overnight discount notes and time deposits, which are employed chiefly as a means of seeking to ensure efficient portfolio management) exceeding 1.00% of the total value of purchases and sales for the year. At a minimum the largest 20 purchases and sales are listed. If a fund entered into less than 20 purchases or sales during the reporting year, then all transactions are presented.

ACQUISITIONS	COST	DISPOSALS	PROCEEDS
	EUR		EUR
Groupe Danone	4,500,560	Banco Santander S.A.	4,107,929
Telefonica S.A.	2,983,979	Credit Suisse Group AG	2,888,414
ING Groep N.V.	2,371,979	Unilever N.V.	2,643,008
ABB Ltd.	2,332,357	Roche Holding AG	2,605,695
Christian Dior S.A.	2,248,115	Daimler AG	2,554,957
Intesa Sanpaolo S.p.A.	2,135,040	Zurich Financial Services AG	2,449,567
Carrefour S.A.	2,117,189	Jeronimo Martins SGPS S.A.	2,116,905
Banco Santander S.A.	2,096,123	AP Moller - Maersk A/S	2,021,784
UBS AG	2,041,957	Groupe Danone	2,017,646
Amadeus IT Holding S.A.	2,006,847	UBS AG	1,877,670
BNP Paribas S.A.	1,968,449	E.ON AG	1,786,390
RWE AG	1,747,155	Deutsche Telekom AG	1,717,201
Deutsche Telekom AG	1,717,677	France Telecom S.A.	1,595,125
Pernod-Ricard S.A.	1,667,480	Amadeus IT Holding S.A.	1,576,571
Novartis AG	1,624,649	Umicore Group	1,490,383
Gestevisión Telecinco S.A.	1,500,224	Aker Solutions ASA	1,455,944
Cie Generale des Etablissements Michelin SCA	1,469,762	Cap Gemini S.A.	1,441,745
Technip S.A.	1,462,055	Symrise AG	1,418,826
Fortum Oyj	1,357,590	Intesa Sanpaolo S.p.A.	1,405,611
Vallourec S.A.	1,313,272	DSV A/S	1,363,065
Swedbank AB	1,242,129	ENI S.p.A.	1,319,050
Volvo AB	1,203,276	ArcelorMittal	1,225,253
Tecnicas Reunidas S.A.	1,172,242	Societe Generale	1,213,700
Unilever N.V.	1,095,004	Pandora A/S	1,098,968
JM AB	996,801	Ryanair Holdings PLC	1,051,394
Galp Energia SGPS S.A.	995,189	Terna Rete Elettrica Nazionale S.p.A.	1,038,508
Pandora A/S	904,010	ASM International N.V.	1,029,135
DSV A/S	901,513	CRH PLC	1,006,869
Banco Popular Espanol S.A.	896,656	Novo Nordisk A/S	967,325
Iliad S.A.	884,836	Vivendi Universal S.A.	963,050
TNT N.V.	883,106	Metro AG	913,288
InBev N.V.	875,733	Julius Baer Group Ltd.	890,083
SES S.A.	873,829	Gestevisión Telecinco S.A.	884,404
Ryanair Holdings PLC	872,562	SES S.A.	878,100
Gjensidige Forsikring ASA	868,450	Bayerische Motoren Werke AG	845,925
Daimler AG	861,806	Belgacom S.A.	833,958
Vivendi Universal S.A.	840,420	Novartis AG	820,438
E.ON AG	818,103	BNP Paribas S.A.	817,626
Sky Deutschland AG	790,374	Kerry Group PLC	808,773
Powszechna Kasa Oszczednosci Bank Polski S.A.	770,600	Banco Popular Espanol S.A.	763,401

# Statements of Major Changes in Investments (unaudited) (continued)

## Lazard Japanese Equity Fund

ACQUISITIONS	COST	DISPOSALS	PROCEEDS
	JPY		JPY
Mizuho Financial Group, Inc.	537,613,339	Panasonic Corp.	421,737,079
JX Holdings, Inc.	410,670,102	Tokyo Electric Power Co., Inc.	373,381,411
Hitachi Ltd.	404,534,168	Nipro Corp.	359,018,917
Tokyo Gas Co., Ltd.	379,026,197	JS Group Corp.	306,138,326
Nintendo Co., Ltd.	297,423,367	Konica Minolta Holdings, Inc.	289,276,906
ORIX Corp.	291,650,096	Shizuoka Bank Ltd.	279,218,831
Shionogi & Co., Ltd.	283,923,535	Shin-Etsu Chemical Co., Ltd.	273,415,908
Nomura Holdings, Inc.	230,900,224	Shimadzu Corp.	225,593,833
Toshiba Corp.	227,617,516	SECOM Co., Ltd.	218,373,671
Asahi Kasei Corp.	194,714,807	Panasonic Electric Works Co., Ltd.	207,727,985
Panasonic Corp.	185,684,531	KDDI Corp.	202,834,956
Nippon Telegraph & Telephone Corp.	181,104,234	Nippon Telegraph & Telephone Corp.	194,360,167
Canon, Inc.	180,075,306	Daiichi Sankyo Co., Ltd.	150,755,454
Kirin Holdings Co., Ltd.	172,728,342	Casio Computer Co., Ltd.	128,236,091
Asahi Glass Co., Ltd.	139,129,344	Komatsu Ltd.	125,710,747
Mitsubishi UFJ Financial Group, Inc.	133,331,292	NTT Data Corp.	117,210,255
Konami Corp.	108,700,173	Sho-Bond Holdings Co., Ltd.	116,042,693
Osaka Gas Co., Ltd.	101,110,964	Nidec Corp.	104,737,250
Seven & I Holdings Co., Ltd.	91,738,971	Nintendo Co., Ltd.	86,170,173
Japan Retail Fund Investment Corp.	91,601,479	Mitsubishi Corp.	83,999,322
KDDI Corp.	88,511,077	Mizuho Financial Group, Inc.	75,739,000
Tokyu Land Corp.	83,123,464	Taisei Corp.	75,257,022
East Japan Railway Co.	79,862,453	Rinnai Corp.	74,541,781
Kao Corp.	72,242,693	Mitsubishi UFJ Financial Group, Inc.	73,815,241
Keyence Corp.	65,450,769	JX Holdings, Inc.	69,720,263
		Okamura Corp.	68,576,002
		Kirin Holdings Co., Ltd.	61,837,272
		Kao Corp.	60,211,016

# Statements of Major Changes in Investments (unaudited) (continued)

## Lazard North American Equity Fund

ACQUISITIONS	COST	DISPOSALS	PROCEEDS
	USD		USD
Avon Products, Inc.	328,846	Pfizer, Inc.	1,132,353
ConocoPhillips	273,869	ConocoPhillips	1,121,678
The Gap, Inc.	269,895	Comcast Corp.	1,032,893
EQT Corp.	253,272	IBM Corp.	777,841
Pfizer, Inc.	246,607	Walgreen Co.	772,007
Monsanto Co.	224,158	Johnson & Johnson	742,302
General Mills, Inc.	221,539	Oracle Corp.	700,765
Stanley Black & Decker, Inc.	213,664	Wal-Mart Stores, Inc.	699,275
Intel Corp.	210,480	Ball Corp.	662,338
Mastercard, Inc.	200,431	Microsoft Corp.	595,783
Illinois Tool Works, Inc.	172,784	AutoZone, Inc.	592,634
Wal-Mart Stores, Inc.	166,241	JPMorgan Chase & Co.	484,579
Microsoft Corp.	166,041	Intel Corp.	479,549
The Dow Chemical Co.	161,059	Ameriprise Financial, Inc.	476,463
IBM Corp.	157,274	Raytheon Co.	475,210
Morgan Stanley	155,794	Hewlett-Packard Co.	459,551
Forest Laboratories, Inc.	153,688	Wells Fargo & Co.	433,760
Apollo Group, Inc.	151,501	eBay, Inc.	433,548
Beckman Coulter, Inc.	145,825	Chevron Corp.	411,376
Newell Rubbermaid, Inc.	143,365	Molson Coors Brewing Co.	410,332
Devon Energy Corp.	140,120	Mattel, Inc.	397,500
Darden Restaurants, Inc.	138,841	The Mosaic Co.	391,953
Nucor Corp.	115,512	McDonald's Corp.	367,040
Oracle Corp.	113,859	Honeywell International, Inc.	357,620
Big Lots, Inc.	112,978	The Travelers Cos., Inc.	352,188
Merck & Co., Inc.	97,423	Family Dollar Stores, Inc.	337,287
Molson Coors Brewing Co.	97,366	Dover Corp.	326,822
Lowe's Cos., Inc.	94,093	Caterpillar, Inc.	322,277
Google, Inc.	90,388	Cisco Systems, Inc.	319,249
Smart Technologies, Inc.	90,100	Google, Inc.	315,561
The Goldman Sachs Group, Inc.	88,609	NYSE Euronext	306,277
Amgen, Inc.	84,656	Avon Products, Inc.	293,256
Apache Corp.	80,213	Symantec Corp.	292,267
Comcast Corp.	79,195		
PepsiCo, Inc.	77,533		
eBay, Inc.	75,404		
State Street Corp.	74,813		
Bank of America Corp.	72,448		
The Mosaic Co.	70,862		

# Statements of Major Changes in Investments (unaudited) (continued)

## Lazard Pan European Equity Fund

ACQUISITIONS	COST	DISPOSALS	PROCEEDS
	EUR		EUR
HSBC Holdings PLC	127,568	HSBC Holdings PLC	122,019
Telefonica S.A.	74,196	Vodafone Group PLC	114,796
UBS AG	68,872	BP PLC	112,629
Royal Dutch Shell PLC	68,201	Banco Santander S.A.	97,199
ING Groep N.V.	60,702	Total S.A.	88,124
Groupe Danone	58,101	Credit Suisse Group AG	74,326
Rio Tinto PLC	56,144	Banco Bilbao Vizcaya Argentaria S.A.	73,010
Intesa Sanpaolo S.p.A.	53,356	Imperial Tobacco Group PLC	72,222
TalkTalk Telecom Group PLC	53,252	Barclays PLC	71,675
SABMiller PLC	51,450	Royal Dutch Shell PLC	70,366
Shire PLC	50,359	UBS AG	67,013
WM Morrison Supermarkets PLC	49,978	Bayer AG	66,305
Aviva PLC	48,457	E.ON AG	62,557
Christian Dior S.A.	48,446	Intesa Sanpaolo S.p.A.	59,541
RWE AG	43,560	Daimler AG	58,730
Cairn Energy PLC	43,496	BAE Systems PLC	49,498
Technip S.A.	42,627	Lloyds TSB Group PLC	47,223
Pernod-Ricard S.A.	41,044	Assa Abloy AB	46,407
Deutsche Telekom AG	40,560	Unilever N.V.	43,532
Swedbank AB	37,871	Deutsche Telekom AG	41,536
Tullow Oil PLC	37,145	Norsk Hydro ASA	41,111
Carrefour S.A.	37,058	Zurich Financial Services AG	38,142
Banco Popular Espanol S.A.	36,891	Sandvik AB	37,135
Amadeus IT Holding S.A.	36,182	CRH PLC	34,752
Novartis AG	32,733	Metro AG	34,445
Fortum Oyj	32,221	AMEC PLC	34,432
Gjensidige Forsikring ASA	31,920	Aker Solutions ASA	33,271
Powszechna Kasa Oszczednosci Bank Polski S.A.	31,865	ASM International N.V.	32,555
Weatherford International Ltd.	31,326	Banco Popular Espanol S.A.	31,262
Essar Energy PLC	31,320	Iliad S.A.	30,844
Iliad S.A.	29,723	DSV A/S	30,619
Vallourec S.A.	28,904	Cap Gemini S.A.	30,204
Volvo AB	27,780	Cairn Energy PLC	29,114
Sky Deutschland AG	27,431	Shire PLC	28,051
Zon Multimedia Servicos de Telecomunicacoes e Multimedia SGPS S.A.	25,861	International Power PLC	27,757
BP PLC	25,262	Weatherford International Ltd.	27,220
AMEC PLC	24,717	Jeronimo Martins SGPS S.A.	27,047
JM AB	24,127	BG Group PLC	26,846
Taylor Wimpey PLC	23,006	Pandora A/S	26,530
Pandora A/S	22,572	Novartis AG	26,428
Kingspan Group PLC	22,490	GlaxoSmithKline PLC	25,785
Autonomy Corp. PLC	22,245		

# Statements of Major Changes in Investments (unaudited) (continued)

## Lazard UK Equity Fund

ACQUISITIONS	COST	DISPOSALS	PROCEEDS
	GBP		GBP
SABMiller PLC	604,194	Royal Dutch Shell PLC	774,559
BP PLC	482,298	GlaxoSmithKline PLC	736,932
British American Tobacco PLC	454,264	Unilever PLC	556,111
Rio Tinto PLC	444,415	BHP Billiton PLC	514,293
Tesco PLC	387,426	Vodafone Group PLC	474,256
Compass Group PLC	377,975	Anglo American PLC	463,269
GlaxoSmithKline PLC	340,829	Barclays PLC	457,318
Barclays PLC	337,376	Imperial Tobacco Group PLC	452,492
Reckitt Benckiser Group PLC	311,193	SABMiller PLC	440,474
Prudential PLC	303,813	WM Morrison Supermarkets PLC	391,687
Vodafone Group PLC	288,412	BP PLC	386,593
3i Group PLC	275,138	HSBC Holdings PLC	386,274
AMEC PLC	256,180	Man Group PLC	360,785
Aviva PLC	239,414	Prudential PLC	359,611
AstraZeneca PLC	238,670	GKN PLC	351,499
Pearson PLC	232,043	Shire PLC	340,801
Essar Energy PLC	222,928	British American Tobacco PLC	337,639
Burberry Group PLC	215,629	AMEC PLC	315,355
RSA Insurance Group PLC	213,381	Croda International PLC	309,426
Inmarsat PLC	211,223	Standard Chartered PLC	301,136
British Airways PLC	207,978	Reckitt Benckiser Group PLC	290,382
Intercontinental Hotels Group PLC	205,625	Aggreko PLC	289,746
Wolseley PLC	191,577	BG Group PLC	283,355
HSBC Holdings PLC	183,015	Burberry Group PLC	268,544
GKN PLC	172,744	Intercontinental Hotels Group PLC	253,613
TalkTalk Telecom Group PLC	164,325	Rio Tinto PLC	226,674
Shire PLC	159,461	British Airways PLC	212,799
Aegis Group PLC	157,288	Lloyds TSB Group PLC	208,522
Cape PLC	157,158	BBA Aviation PLC	181,690
Informa PLC	156,329	IMI PLC	177,648
Britvic PLC	155,313	Shaftesbury PLC	174,959
Standard Chartered PLC	150,769	EasyJet PLC	172,154
Aquarius Platinum Ltd.	143,077	Britvic PLC	160,088
Diageo PLC	140,565	Arriva PLC	159,002
The Capita Group PLC	135,711	Centrica PLC	156,514
Michael Page International PLC	134,547	Informa PLC	153,488
International Personal Finance PLC	132,863	Tullow Oil PLC	152,912
TUI Travel PLC	132,444		
Premier Farnell PLC	127,264		

# Statements of Major Changes in Investments (unaudited) (continued)

## Lazard Emerging World Fund

ACQUISITIONS	COST	DISPOSALS	PROCEEDS
	USD		USD
Templeton Emerging Markets Investment Trust PLC	2,308,535	New India Investment Fund PLC	815,215
New India Investment Fund PLC	1,061,464	JPMorgan Indian Investment Trust PLC	646,359
The China Fund, Inc.	754,538	Templeton Dragon Fund, Inc.	335,353
Haci Omer Sabanci Holding A/S	434,744	New India Investment Trust PLC	207,617
East Capital Explorer AB	433,768	Advance Developing Markets Trust PLC	96,372
ASA Ltd.	376,712	Dragon Capital - Vietnam Enterprise Investments Ltd.	40,530
DPF India Opportunities Fund	290,312	The Eastern European Trust PLC	31,064
Infrastructure India PLC	199,981	Noah Holdings Ltd.	18,511
Utilico Emerging Markets Ltd.	198,127	Advance Developing Markets Fund Ltd.	15,235
The Taiwan Fund, Inc.	184,990		
Vinacapital Vietnam Opportunity Fund Ltd.	182,674		
Aberdeen New Thai Investment Trust PLC	108,215		
The Greater China Fund, Inc.	96,151		
INVESCO Asia Trust PLC (Subscriber Shares)	38,229		
Tau Capital PLC	21,439		
Noah Holdings Ltd. ADR	12,000		
Advance Frontier Markets Fund Ltd.	5,040		

# Statements of Major Changes in Investments (unaudited) (continued)

## Lazard Emerging Markets Equity Fund

ACQUISITIONS	COST	DISPOSALS	PROCEEDS
	USD		USD
Vale S.A., ADR	16,445,326	Lukoil OAO, ADR	12,617,587
Redecard S.A.	13,586,174	Taiwan Semiconductor Manufacturing Co. Ltd., ADR	7,746,891
Banco do Brasil S.A.	12,349,749	Israel Chemicals Ltd.	7,424,294
MediaTek, Inc.	11,200,570	Sanlam Ltd.	6,825,081
Cielo S.A.	11,053,077	HTC Corp.	6,669,589
YPF S.A.	10,259,146	Advanced Semiconductor Engineering, Inc.	5,517,198
Turkcell Iletisim Hizmet A/S	9,850,771	Souza Cruz S.A.	5,076,956
Punjab National Bank Ltd.	9,406,850	NetEase.Com, ADR	4,795,783
Bharat Heavy Electricals Ltd.	9,406,563	Shinhan Financial Group Co., Ltd.	4,106,301
Mobile Telesystems OJSC, ADR	9,285,569	Kumba Iron Ore Ltd.	4,081,363
Telekomunikasi Indonesia Tbk PT, ADR	8,985,435	Fomento Economico Mexicano SAB de CV, ADR	3,594,554
Shinhan Financial Group Co., Ltd.	8,766,707	Samsung Electronics Co., Ltd.	3,583,585
OTP Bank NyRt	8,040,905	Nedbank Group Ltd.	3,491,582
Cia Siderurgica Nacional S.A., ADR	7,987,120	OTP Bank NyRt	3,472,821
Cia de Bebidas das Americas, ADR	7,878,729	KOC Holding A/S	3,431,823
Hyundai Mobis Co., Ltd.	7,870,805	First Quantum Minerals Ltd.	3,146,068
Turkiye Is Bankasi	7,594,944	Standard Bank Group Ltd.	3,132,412
Korea Life Insurance Co., Ltd.	7,221,491	Bank Mandiri Tbk PT	3,049,497
Philippine Long Distance Telephone Co., ADR	7,186,328	Akbank TAS	2,907,310
Samsung Electronics Co., Ltd.	7,143,284	Uralkali, GDR	2,720,890
Bidvest Group Ltd.	7,033,152	NHN Corp.	2,639,058
China Construction Bank Corp.	6,682,009	Shougang Concord International Enterprises Co., Ltd.	2,381,909
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	6,228,152	Usinas Siderurgicas de Minas Gerais S.A.	2,247,494
Jindal Steel & Power Ltd.	5,948,635	Tiger Brands Ltd.	2,023,593
Usinas Siderurgicas de Minas Gerais S.A.	5,777,865	Magnit OAO GDR	1,747,180
KB Financial Group, Inc.	5,601,170	Ultrapar Participacoes S.A.	1,735,068
Akbank TAS	5,593,665	Hyundai Mobis Co., Ltd.	1,720,855
Huabao International Holdings Ltd.	5,475,572	Grupo Televisa S.A., ADR	1,673,897
Grupo Mexico SAB de CV	5,341,743	United Tractors Tbk PT	1,589,491
Kumba Iron Ore Ltd.	5,196,997	Punjab National Bank Ltd.	1,543,853
Delta Electronics, Inc.	5,073,699	Kasikornbank PCL	1,464,651
Weichai Power Co. Ltd.	4,990,457	TNK-BP Holding	1,431,018
First Quantum Minerals Ltd.	4,805,840	Indofood Sukses Makmur Tbk PT	1,356,524
Lukoil OAO, ADR	4,801,087		
Sanlam Ltd.	4,787,562		
Hon Hai Precision Industry Co., Ltd., GDR	4,760,737		
NHN Corp.	4,722,255		
Banpu PCL	4,658,572		
Cia Energetica de Minas Gerais, ADR	4,637,881		
KT&G Corp.	4,613,230		
Ultrapar Participacoes S.A.	4,507,638		
America Movil SAB de CV, ADR	4,309,725		

# Statements of Major Changes in Investments (unaudited) (continued)

## Lazard Thematic Global Ex-Japan Fund

ACQUISITIONS	COST	DISPOSALS	PROCEEDS
	USD		USD
Hong Kong Exchanges & Clearing Ltd.	8,096,749	ConocoPhillips	9,582,258
Barrick Gold Corp.	8,078,013	The Procter & Gamble Co.	7,613,170
SABMiller PLC	8,024,902	Anadarko Petroleum Corp.	7,550,111
Woodside Petroleum Ltd.	6,918,435	Henderson Land Development Co., Ltd.	4,639,626
EOG Resources, Inc.	6,899,727	Sanofi-Aventis S.A.	4,612,784
AIA Group Ltd.	6,802,430	Diageo PLC	4,568,822
China Overseas Land & Investment Ltd.	6,277,942	BP PLC	4,148,783
Cenovus Energy, Inc.	5,878,734	ABB Ltd.	3,352,311
Oracle Corp.	5,725,669	Vestas Wind Systems A/S	2,705,447
Groupe Danone	5,629,785	Newmont Mining Corp.	2,255,821
ABB Ltd.	5,435,319	Hochtief AG	1,782,475
EMC Corp.	5,324,459	Dr Pepper Snapple Group, Inc.	1,621,043
China Shenhua Energy Co., Ltd.	5,303,737	Charles River Laboratories International, Inc.	1,607,299
Kinross Gold Corp.	5,066,006	New World Department Store China Ltd.	573,343
IBM Corp.	4,920,179	Hong Kong Exchanges & Clearing Ltd.	355,707
Pearson PLC	4,847,212	Barrick Gold Corp.	310,475
Itau Unibanco Holding S.A.	4,832,700	China Overseas Land & Investment Ltd.	239,595
Apache Corp.	4,807,038	Oracle Corp.	231,915
Newmont Mining Corp.	4,782,967	EMC Corp.	189,064
Hong Kong & China Gas Co., Ltd.	4,760,674	Hong Kong & China Gas Co., Ltd.	184,898
Goldcorp, Inc.	4,748,564		
Verizon Communications, Inc.	4,680,838		
Occidental Petroleum Corp.	4,646,804		
Autonomy Corp. PLC	4,540,159		
HDFC Bank Ltd., ADR	4,466,576		
Actelion Ltd.	4,375,422		
Microsoft Corp.	4,292,383		
National Grid PLC	4,199,699		
Amgen, Inc.	4,165,555		
Sun Hung Kai Properties Ltd.	4,156,598		
Banco Santander Brasil S.A.	4,039,832		
Vodafone Group PLC	4,032,535		
Prudential PLC	4,025,528		
UnitedHealth Group, Inc.	3,861,104		
Siemens AG	3,839,177		
Visa, Inc.	3,814,219		
Exxon Mobil Corp.	3,777,499		
Standard Chartered PLC	3,711,133		
Far Eastern New Century Corp.	3,706,787		
Cisco Systems, Inc.	3,703,619		
CVS Caremark Corp.	3,702,028		
DBS Group Holdings Ltd.	3,672,637		
Canadian Natural Resources Ltd.	3,662,706		
Telefonaktiebolaget LM Ericsson	3,626,391		

# Statements of Major Changes in Investments (unaudited) (continued)

## Lazard Thematic Global Fund

ACQUISITIONS	COST	DISPOSALS	PROCEEDS
	USD		USD
SABMiller PLC	21,556,887	ConocoPhillips	25,607,817
AIA Group Ltd.	19,438,106	Anadarko Petroleum Corp.	25,317,364
Woodside Petroleum Ltd.	17,711,007	The Procter & Gamble Co.	20,918,551
EOG Resources, Inc.	17,654,297	Diageo PLC	17,476,648
Mitsubishi UFJ Financial Group, Inc.	14,745,162	BP PLC	14,961,793
Groupe Danone	14,514,211	Henderson Land Development Co., Ltd.	13,589,711
Verizon Communications, Inc.	13,498,329	Sanofi-Aventis S.A.	12,852,428
Sumitomo Mitsui Financial Group, Inc.	13,261,450	Hong Kong Exchanges & Clearing Ltd.	11,475,319
Autonomy Corp. PLC	13,018,461	ABB Ltd.	11,142,131
Kinross Gold Corp.	12,804,002	Vestas Wind Systems A/S	10,629,858
Cenovus Energy, Inc.	12,798,643	China Overseas Land & Investment Ltd.	7,954,463
Amgen, Inc.	9,938,405	Dr Pepper Snapple Group, Inc.	7,883,640
The Sumitomo Trust & Banking Co., Ltd.	9,534,459	Fanuc Ltd.	7,253,971
Swiss Reinsurance Co., Ltd.	9,531,918	Newmont Mining Corp.	6,897,830
Pearson PLC	9,476,990	Hochtief AG	5,292,413
National Grid PLC	8,726,492	Barrick Gold Corp.	5,156,585
SAP AG	8,724,988	Oracle Corp.	3,933,023
Hong Kong Exchanges & Clearing Ltd.	8,550,990	EMC Corp.	3,737,803
Barrick Gold Corp.	8,326,392	Charles River Laboratories International, Inc.	3,732,767
Itau Unibanco Holding S.A.	7,435,432	IBM Corp.	3,098,160
Vodafone Group PLC	7,386,075		
Goldcorp, Inc.	6,927,677		
Actelion Ltd.	6,907,868		
China Overseas Land & Investment Ltd.	6,599,363		
Occidental Petroleum Corp.	6,311,870		
Anadarko Petroleum Corp.	6,020,802		
Newmont Mining Corp.	5,956,819		
Oracle Corp.	5,613,423		
ABB Ltd.	5,562,502		

# Statements of Major Changes in Investments (unaudited) (continued)

## Lazard Global Classic Value Equity Fund

ACQUISITIONS	COST	DISPOSALS	PROCEEDS
	USD		USD
Pfizer, Inc.	2,006,627	Fanuc Ltd.	2,143,959
KT&G Corp.	1,841,448	SPDR Gold Trust	1,433,769
Newell Rubbermaid, Inc.	1,811,899	Sanofi-Aventis S.A.	1,412,190
Tokio Marine Holdings, Inc.	1,455,073	Aozora Bank Ltd.	1,298,198
Harbin Power Equipment Co., Ltd.	943,757	Mitsui Sumitomo Insurance Group Holdings, Inc.	1,212,547
Teck Resources Ltd.	845,409	Teck Resources Ltd.	1,190,652
Avon Products, Inc.	808,887	Tokio Marine Holdings, Inc.	759,644
Xstrata PLC	773,338	Eastern Platinum Ltd.	723,324
Siliconware Precision, ADR	704,606	Anglo American PLC	715,020
Anglo American PLC	683,470	The Procter & Gamble Co.	640,123
Irish Life & Permanent Group Holdings PLC	608,756	T Hasegawa Co., Ltd.	609,054
Orkla ASA	499,227	Xstrata PLC	490,700
Nintendo Co., Ltd.	382,402	Dydo Drinco, Inc.	423,091
Yamana Gold, Inc.	374,325	Kose Corp.	391,305
Astellas Pharma, Inc.	372,696	Power Corp. of Canada	383,999
CIR-Compagnie Industriali Riunite S.p.A.	342,178	CRH PLC	284,772
Total S.A.	325,674	Harbin Power Equipment Co., Ltd.	234,782
Kose Corp.	298,258	Nintendo Co., Ltd.	232,955
PanaHome Corp.	246,467	Platinum Group Metals Ltd.	206,211
		Hunter Douglas N.V.	137,583

# Statements of Major Changes in Investments (unaudited) (continued)

## Lazard Global High Quality Bond Fund

ACQUISITIONS	COST	DISPOSALS	PROCEEDS
	USD		USD
Finland Government Bond, 3.875% due 09/15/2017	516,585	FNMA, 5.375% due 06/12/2017	602,450
Czech Republic International Bond, 4.500% due 11/05/2014	472,419	Japan Finance Corp. for Municipal Enterprises, 4.625% due 04/21/2015	453,997
Council Of Europe Development Bank, 5.750% due 09/16/2014	315,279	United Kingdom Gilt, 5.000% due 03/07/2025	452,056
Bermuda Government International Bond, 5.603% due 07/20/2020	314,650	Treasury Corp. of Victoria, 6.000% due 10/17/2022	441,945
United Kingdom Gilt, 5.000% due 03/07/2025	283,677	Province of British Columbia Canada, 5.700% due 06/18/2029	361,392
Asian Development Bank, 6.250% due 03/05/2020	281,229	Finland Government Bond, 3.875% due 09/15/2017	340,316
Corp. Andina De Fomento, 3.750% due 01/15/2016	275,965	European Investment Bank, 4.625% due 04/15/2020	329,364
European Investment Bank, 6.250% due 04/15/2015	275,381	Asian Development Bank, 6.250% due 03/05/2020	317,210
European Bank For Reconstruction & Development, 4.000% due 05/11/2017	275,012	Inter-American Development Bank, 1.000% due 04/16/2018	311,680
Kreditanstalt fuer Wiederaufbau, 4.000% due 12/15/2014	271,910	Czech Republic International Bond, 4.500% due 11/05/2014	310,800
Enel Finance International S.A., 5.125% due 10/07/2019	201,287	European Investment Bank, 4.375% due 07/08/2015	307,907
Mexican Bonos, 9.500% due 12/18/2014	192,463	Norway Government Bond, 4.500% due 05/22/2019	306,130
Denmark Government Bond, 7.000% due 11/10/2024	184,233	Kingdom of Denmark, 3.125% due 03/17/2014	291,800
France Government Bond OAT, 4.750% due 04/25/2035	183,100	Bundesrepublik Deutschland, 4.750% due 07/04/2034	290,988
Bundesrepublik Deutschland, 4.000% due 07/04/2016	182,331	Province of Quebec Canada, 5.125% due 11/14/2016	287,162
Province Of Ontario Canada, 3.150% due 12/15/2017	164,517	Denmark Government Bond, 4.000% due 11/15/2015	286,794
New South Wales Treasury Corp., 5.000% due 02/25/2039	162,245	France Government Bond, 3.500% due 04/25/2015	264,513
Temasek Financial I Ltd., 5.125% due 07/26/2040	155,417	Austria Government Bond, 3.400% due 10/20/2014	258,573
International Bank For Reconstruction & Development, 2.250% due 11/08/2013	148,300	Mexican Bonos, 7.750% due 12/14/2017	243,115
State of Utah, 3.539% due 07/01/2025	146,863	Ireland Government Bond, 5.900% due 10/18/2019	238,851
Netherlands Government Bond, 4.000% due 07/15/2016	142,571	GDF Suez, 4.750% due 02/19/2013	238,378
Petrobras International Finance Co., 6.125% due 10/06/2016	140,000	Mexico (United Mexican States) Bond, 8.000% due 12/07/2023	235,919
Province of British Columbia Canada, 5.700% due 06/18/2029	137,469	European Union, 3.625% due 04/06/2016	232,455
South Africa Government Bond, 8.250% due 09/15/2017	134,385	FHLB, 5.125% due 08/14/2013	227,173
Canadian Government Bond, 5.750% due 06/01/2029	133,672	Banque Centrale de Tunisie, 4.350% due 08/15/2017	224,134
Sweden Government Bond, 3.000% due 07/12/2016	124,522	Maryland St, 4.200% due 03/01/2021	213,076
Seattle Washington, 4.680% due 08/01/2024	120,239	El Du Pont de Nemours & Co., 6.000% due 07/15/2018	200,673
Bundesrepublik Deutschland, 4.750% due 07/04/2034	116,533	Bundesrepublik Deutschland, 4.000% due 07/04/2016	188,938
FNMA, 5.375% due 06/12/2017	110,646	Malaysia Government International Bond, 7.500% due 07/15/2011	185,683
Japan Finance Corp. for Municipal Enterprises, 4.625% due 04/21/2015	110,431	Province of Ontario, 6.250% due 06/16/2015	185,227
Denmark Government Bond, 4.000% due 11/15/2015	109,718	Corp. Andina de Fomento, 8.125% due 06/04/2019	178,709
SabMiller PLC, 4.500% due 01/20/2015	105,320	International Bank for Reconstruction & Development, 2.750% due 07/06/2010	169,773
Standard Chartered PLC, 3.850% due 04/27/2015	102,414	Bermuda Government International Bond, 5.603% due 07/20/2020	166,248
Kreditanstalt Fuer Wiederaufbau, -% due 04/18/2036	100,250	Chile Government International Bond, 5.500% due 01/15/2013	162,148
Province Of British Columbia Canada, 3.700% due 12/18/2020	97,652	Bundesrepublik Deutschland, 4.250% due 01/04/2014	152,350
Honda Canada Finance, Inc., 5.675% due 09/26/2012	92,173	Atlantia S.p.A., 5.000% due 06/09/2014	150,954
Peruvian Government International Bond, 7.500% due 10/14/2014	91,904	Banque Centrale de Tunisie, 4.750% due 04/07/2011	144,020
European Union, 3.625% due 04/06/2016	91,248	Canadian Government Bond, 5.750% due 06/01/2029	140,862
State of Washington, 4.636% due 08/01/2022	91,117	France Government Bond, 4.000% due 10/25/2038	140,822
Mexican Fixed Rate Bonds, 10.000% due 12/05/2024	90,147	Finland Government Bond, 3.125% due 09/15/2014	140,615
National Grid PLC, 6.125% due 04/15/2014	86,156	Austria Government Bond, 3.900% due 07/15/2020	135,560
Tesco PLC, 5.000% due 02/24/2014	86,105	Poland Government International Bond, 5.625% due 11/18/2010	134,447
Asian Development Bank, 5.250% due 05/13/2014	85,195	Procter & Gamble Co., 4.600% due 01/15/2014	133,536

# Statements of Major Changes in Investments (unaudited) (continued)

## Lazard Sterling High Quality Bond Fund

ACQUISITIONS	COST	DISPOSALS	PROCEEDS
	GBP		GBP
United Kingdom Gilt, 4.250% due 06/07/2032	657,338	United Kingdom Gilt, 4.250% due 03/07/2011	664,186
United Kingdom Gilt, 4.750% due 12/07/2030	589,677	United Kingdom Gilt, 5.000% due 03/07/2018	663,497
UK Treasury Bill, 5.000% due 09/07/2014	387,548	United Kingdom Gilt, 8.000% due 06/07/2021	566,789
United Kingdom Gilt, 4.500% due 03/07/2013	297,284	United Kingdom Gilt, 4.000% due 09/07/2016	519,859
Aviva PLC, 6.125% Perpetual	289,575	United Kingdom Gilt, 4.750% due 03/07/2020	497,937
AXA S.A., 6.772% Perpetual	205,275	Tesco PLC, 5.200% due 03/05/2057	455,999
		European Investment Bank, 4.250% due 12/07/2010	400,000
		KFW, 4.750% due 12/07/2010	400,000
		United Kingdom Gilt, 4.250% due 12/07/2055	394,723
		United Kingdom Gilt, 5.000% due 03/07/2025	355,986
		United Kingdom Gilt, 4.250% due 06/07/2032	245,972
		DWR Cymru Financing Ltd., 6.907% due 03/31/2021	245,206
		The Unique Pub Finance Co. PLC, 5.659% due 06/30/2027	237,156
		Commerzbank Capital Fund Trust, 5.905% Perpetual	226,800
		KBC Bank N.V., 6.202% Perpetual	216,815
		Santander Finance Preferred S.A. Unipersonal, 11.300% Perpetual	155,366











