

# Lazard Thematic Global Fund

## Q4 2009 Institutional Factsheet

For Professional Investors Only

### Performance Data

Annualised Return<sup>1</sup> (in sterling % p.a.)

	Periods ended 31 December 2009					12 Months ended 31 December				
	3 months	YTD	1 year	3 years	S.I.*	2009	2008	2007	2006	2005
Lazard Thematic Global Fund	2.3	14.9	14.9	6.8	12.4	14.9	-8.9	16.4	7.5	N/A
MSCI World Index	3.2	16.5	16.5	1.2	6.4	16.5	-17.4	7.7	5.8	N/A
Relative Performance	-0.9	-1.6	-1.6	+5.6	+6.0	-1.6	+8.5	+8.7	+1.7	N/A

Source: Lazard Asset Management, Net Income Reinvested. Past performance is not a reliable indicator of future results.

<sup>1</sup>Performance data for periods less than 1 year is illustrated on a cumulative growth basis. All data in sterling and presented gross of fees. Please see 'Performance Disclosure Notes' for further details. \*S.I. - Since Inception, inception date is 31 January 2005.

### Snapshot

#### Objective\*

To achieve long-term capital growth by investing primarily in a diversified portfolio of established well-managed companies located around the world.

#### Benchmark

MSCI World Index

#### Fund Managers

Nicholas Bratt, Irene Cheng, William Holzer and Andrew Norris.

#### Strategy

8-12 themes in the portfolio, each represented by 8-12 stock holdings. Number of holdings is typically 80 - 120.

#### Inception Date

31 January 2005

#### Fund Size

US\$1,891.1m

#### Income Distribution Dates

14 April, 14 October

\*There is no assurance that the Thematic Global Fund's objectives or performance targets will be achieved.

### Top Ten Holdings

Stock	Fund (%)
Hong Kong Exchanges	2.6
China Overseas Land	2.3
Barrick Gold	2.2
Anadarko Petroleum	1.9
China Shenhua Energy	1.7
Oracle	1.6
ABB	1.6
Microsoft	1.5
IBM	1.4
Monsanto	1.3
<b>Total</b>	<b>18.1</b>
<b>Total Number of Holdings</b>	<b>125</b>

### Investment Commentary

#### Market Review

The preoccupations of the last few weeks of the year remained the same as those of the last few months. Money is cheap and stock prices are rising. Confidence in the global economic recovery is growing, albeit that base effect is playing a large role in this.

#### Portfolio Review

The strategy rose for the fourth quarter, but underperformed the MSCI World Index. It has also risen for the full calendar year, marginally outperforming the Index.

Under Assets of Choice/Global Platforms, Oracle, Visa, and Unilever (the latter on rapidly improving operating results) were of note as positive contributors for the reasons noted earlier. The most significant detractor was Lonza Group, as its earnings disappointed.

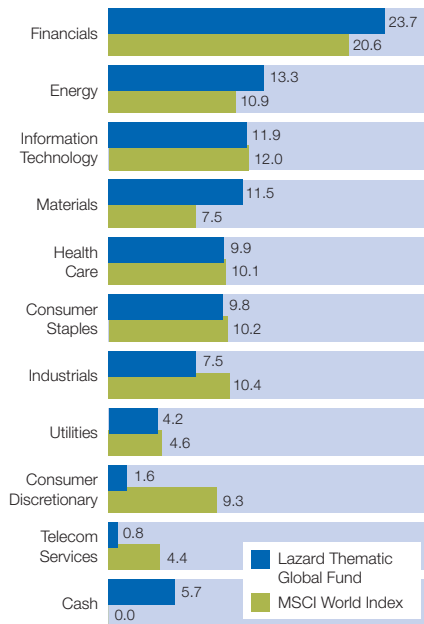
Weak Japanese equity markets were the proximate cause of the poor returns of the Antimatter theme. No stocks merit individual comment. However, our visit to Japan has convinced us that this theme has both asymmetry and diversification benefits for the strategy.

Benchmark relative sector analysis for the quarter reveals value subtracted in consumer staples due to an underweight exposure to developed-world retailers and a position in Seven & I Holdings in Japan, which declined over the quarter. The Intergenerational Assets holdings in the capital goods segment hurt returns, as did the materials sector due to holdings in the Gold theme and an underweight position in base metals. Value was added in the financials sector due to the Emerging Economies and National Platforms themes.

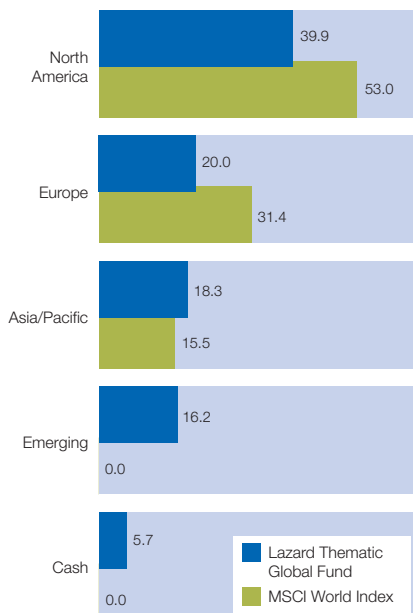
#### Outlook

Overall, the strategy has not changed since the last quarter, and adjustments in the course of the New Year will be refinements rather than changes to the strategy. We continue to position the strategy to deal with stresses in a changing financial system (Antimatter, Gold & Precious Metals). In this part of the strategy, we reaffirm our conviction in our exposure to Japan as a diversifying, asymmetric opportunity. We also continue to look for new cycle investments (Intergenerational Assets, Regulatory Change), and we maintain exposure to the Oil theme in a world where globalisation and competition for unevenly distributed natural resources are clear challenges.

## Sector Allocation



## Geographic Allocation



## Contact Details

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## Theme Weight and Impact

Theme	Weight as at 31/12/09	3 Month Theme Return £ (%)
Antimatter	7.76	-6.80
Assets of Choice/Global Platform	24.07	6.51
Emerging	16.15	1.84
Gold & Precious Metals	7.55	1.26
Intergenerational Assets	8.11	-1.49
National Platforms	8.19	6.55
Oil	12.62	4.88
Other	4.65	4.04
Regulatory Change	2.03	-4.20
Taiwan	3.27	2.91

## What Helped/Hurt in Q4 2009

Helped	Description
Visa	Posted good earnings
Oracle	Posted good earnings
Microsoft	Posted good earnings
UnitedHealth	Perceived beneficiary of US health care reform
Google	Posted good earnings

Hurt	Description
Seven & I	Weak Japanese equity markets and weak consumer spending
Kinross	Lower gold price
Actelion	Price correction on no significant news
T&D Holdings	Weak Japanese equity markets
Lonza Group	Announced a profits warning

Based on Contribution to return, in sterling

Source: Lazard Asset Management Limited

Portfolio information as at 31 December 2009.

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### Performance Disclosure Notes

The stated performance has been calculated by reference to London closing security prices and exchange rates for performance purposes only ("special closing prices"). The Fund's dealing valuation point and official NAV is calculated in accordance with the Prospectus and is struck at noon UK time. Investors would not have been able to deal at the closing prices and therefore these are indicative prices only and not to be relied on for purposes of valuation.

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