

PRODUCT PROFILE / 1Q 2011

International Equity Plus (ACW ex-U.S.)

STRATEGY DESCRIPTION

Lazard International Equity Plus (ACW ex-U.S.) seeks to generate strong relative returns over a long-term time horizon by investing in companies with strong financial productivity at attractive valuations. The strategy typically invests in 60-80 securities of non-U.S. companies, including those from emerging markets, with a market capitalization generally of \$3 billion or greater. The emerging markets equity allocation is implemented by investing in the Lazard Emerging Markets Equity Portfolio, a mutual fund.

PERFORMANCE (%) – AS OF MARCH 31, 2011

(%; Gross of fees)	3 Months	1 Year	Annualized Returns		
			3 Years	5 Years	10 Years
Lazard International Equity Plus (ACW ex-U.S.)	1.8	11.0	0.5	3.8	8.3
MSCI ACWI ex-U.S.	3.4	13.2	-0.9	3.6	7.4

Performance is preliminary and presented gross of fees. Please refer to the disclosure sections for additional performance information, including net-of-fees results. The performance quoted represents past performance. Past performance is not a reliable indicator of future results.

PORTFOLIO DRIVERS FIRST QUARTER 2011

Helped

- + Stock selection in the energy sector
- + Stock selection in the industrials sector
- + A low exposure to the materials sector

Hurt

- Stock selection in the information technology sector
- A low exposure to Canada
- Exposure to emerging markets

COMMENTARY¹

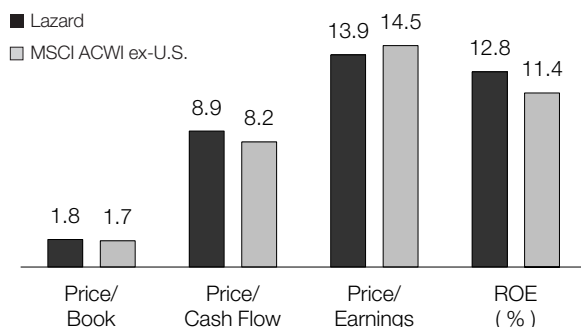
The first quarter of 2011 was eventful, volatile, and ultimately concluded with a meaningful increase in world equity markets. During the quarter, a number of negative events occurred: the Japanese earthquake, tsunami, and nuclear crisis; unrest and civil war in the Middle East and North Africa; and the ongoing sovereign debt problems of peripheral Europe, Portugal being the most recent focus. Additionally, commodity prices, including oil, rose, as did inflation in a number of emerging markets. However, these negative factors were more than offset by better-than-expected economic and corporate earnings growth in many areas.

Most indicators of economic activity are showing signs of stabilization or improvement, with very strong growth in emerging markets continuing to drive global GDP growth. We believe long-term economic growth around the world should not be affected by the tragedy in Japan. However, turmoil in the Middle East and North Africa has the potential to disrupt oil supply and cause weaker economic growth. The team continues to focus on stock selection, seeking to find stocks with sustainably high or improving returns trading at attractive valuations, and it remains confident that the strategy is positioned to perform well in a variety of market conditions.

PORTFOLIO PROFILE^{1,2}

	Lazard	MSCI ACWI ex-U.S.
Number of Securities	60	1,876
Current Dividend Yield (%)	2.7	2.8
Average Weighted Market Cap (\$ billions)	52.2	39.3
Turnover – Trailing 12 Months (%)	39.9	N/A

Geographic Allocation	Lazard Weighting%	MSCI ACWI ex-U.S. Weighting%
Continental Europe	28.6	30.0
United Kingdom	23.9	14.4
Middle East	0.0	0.5
Japan	17.6	13.8
Asia-Pacific ex-Japan	3.9	9.1
North America	1.6	8.4
Emerging Markets	24.4	23.9

Characteristics**Sector Allocation**

	Lazard Weighting%	MSCI ACWI ex-U.S. Weighting%
Financials	23.4	24.8
Consumer Discretionary	11.6	8.8
Information Technology	11.4	6.5
Consumer Staples	11.3	8.3
Energy	10.5	11.9
Materials	9.3	13.0
Industrials	8.3	11.0
Health Care	7.5	5.7
Telecom Services	5.6	5.8
Utilities	1.1	4.2

NOTES

- 1 The allocations mentioned are based upon a portfolio that represents the proposed investment for a fully discretionary account. Allocations are subject to change.
- 2 Investment characteristics are based upon a portfolio that represents the proposed investment for a fully discretionary account. Lazard Weighting % includes allocations attributable to investment through the Lazard Emerging Markets Equity Portfolio (Institutional). Source: Lazard, MSCI

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

ABOUT LAZARD ASSET MANAGEMENT

DIFFERENTIATING FEATURES

- Focus on security selection and portfolio construction
- Accounting validation process
- Internal global research resources
- Risk management
- Team approach to investing

FIRM OVERVIEW

Tracing its history back to 1848, Lazard has long maintained a pre-eminent position in the world's financial marketplace. Lazard Asset Management LLC, an indirect subsidiary of Lazard Ltd., is known for its global perspective on investing and years of experience with global, regional, and domestic portfolios. With more than 250 investment personnel worldwide, we offer investors of all types an array of equity, fixed income, and alternative investment solutions from our network of local offices in ten different countries. Our team-based approach to portfolio management helps us to deliver robust and consistent performance over time, and strong client relationships allow us to understand how to employ our capabilities to our clients' advantage.

INVESTMENT PHILOSOPHY

- **Pick securities, not markets.** Securities are evaluated individually, and capital is allocated to the most attractive. Each investment decision is backed by original research, strict accounting validation, and fundamental analysis.
- **Find relative value.** A careful analysis of valuation is predicated on a long-term view of financial productivity. Understanding that value is determined by the relationship between cost and reward, an emphasis is placed on strong fundamentals.
- **Manage risk.** Although it cannot be avoided, risk can be actively managed through an understanding of the cumulative risk resulting from individual investment decisions.
- **Stick to our discipline.** In the course of a complete market cycle, investment styles will fall in and out of favor. By remaining faithful to our approach, success can be measured with a long-term perspective.

INVESTMENT PROCESS

- **Analytical Framework.** Our analysts screen global databases consisting of thousands of companies, searching for those with a high return on capital and an attractive share price.
- **Accounting Validation.** Analysts use this process to examine a company's stated financial statistics (income statement, cash flow statement, balance sheet, and all related footnotes) to consider how accounting decisions and policies may affect reported financial productivity. They also try to identify and take advantage of pricing anomalies and discover opportunities, including hidden value per share and hidden risks.
- **Fundamental Analysis.** We conduct fundamental analysis to determine the sustainability of returns, to discover hidden value, and to identify a catalyst for price revaluation.
- **Analyst Recommendations and Portfolio Construction.** The sector team-based analysts will propose and defend stock recommendations to the product management teams, thereby identifying a group of undervalued securities that meet the teams' portfolio criteria. The product teams must agree on the merits of the stock in order for a purchase to occur.

SELL DISCIPLINE

Portfolios are reviewed on a daily basis, and an individual security is sold when:

1. price rises to a level that no longer reflects value (target valuation)
2. the underlying investment assumptions are no longer valid
3. company management changes direction
4. external events occur (e.g., increase in geo-political risk, changes in regulation, tax events)

Portfolio ideas are generally implemented equally for all fully discretionary portfolios with similar mandates.

ASSETS UNDER MANAGEMENT

As of December 31, 2010

Total Firm Assets:	\$140.6 billion
Total International Equity Plus (ACW ex-U.S.) Assets:	\$1.2 billion

Assets consist of Lazard Asset Management LLC (New York) and its affiliates, but do not include Lazard Frères Gestion in Paris.

DISCLOSURE NOTES

Composite Name:	Global Discounted Assets
Benchmark:	MSCI World/ACWI Linked Index
Reporting Date:	December 31, 2010
Composite Inception Date:	December 1, 1998
Reporting Currency:	U.S. Dollar

The composite returns represent the total returns of all fully discretionary, fee-paying portfolios with an International Equity Plus (ACW ex U.S.) mandate and a minimum of \$5 million in assets under management.

Lazard's account inclusion policy is first full month or the end of the month in which the account is fully invested. The returns of the individual portfolios within the composite are time-weighted, use trade date accounting, are based upon monthly portfolio valuations, and include the reinvestment of all earnings as of the payment date. The composite returns are asset-weighted based upon beginning period market values. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Composite returns are shown before taxes and the deduction of custody fees (except for mutual funds which includes all fees). The composite and benchmark returns are reported net of foreign withholding taxes on dividends, interest and capital gains. The composite returns presented represent past performance and is not a reliable indicator of future results, which may vary. From inception through March 1, 2005, this composite's name was World Equity ex-U.S. As of April 1, 2005, the composite name was changed to All Country World Equity ex-U.S. As of January 1, 2011, the composite name was changed to International Equity Plus (ACW ex U.S.).

Lazard's standard fee schedule for International Equity Plus (ACW ex U.S.) is 0.75% of the first \$100 million of assets and 0.50% of the balance. (This fee schedule may be presented in non-U.S. local currency equivalents based on prevailing exchange rates.) Actual account fees, inclusive of performance-based fees (if applicable) are used in the construction of composite net of fee performance unless otherwise noted. A complete list and description of all Lazard composites is available upon request.

The MSCI All Country World Index (ACWI) is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. This composite's index is a subset of the official MSCI ACWI, with the exclusion of the U.S. The Index is compiled by Morgan Stanley Capital International.

Lazard Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Lazard Asset Management has been independently verified for the period of January 1, 1993 through December 31, 2009. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. Lazard Asset Management is the "Firm" to which the GIPS Standards apply (Frankfurt office included in Firm definition as of January 1, 2003). GIPS is a registered trademark of CFA Institute. CFA Institute has not been involved in the preparation or review of this presentation. The composite creation date is November 2002.

	Calendar											Annualized					
	QTD	YTD	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1 YR	3 YR	5 YR	10 YR	Since Inception
Lazard Rate of Return (% Gross of Fees)	5.5	11.4	11.4	33.7	-38.9	14.3	25.5	17.7	21.4	36.5	-6.9	-19.0	11.4	-3.1	5.4	6.7	6.7
Lazard Rate of Return (% Net of Fees)	5.4	11.2	11.2	33.4	-39.1	14.1	25.3	17.5	21.3	36.2	-7.1	-19.2	11.2	-3.3	5.3	6.5	6.5
Benchmark (% Rate of Return)	7.2	11.2	11.2	41.4	-45.5	16.7	26.7	16.6	20.9	40.8	-15.0	-19.7	11.2	-5.0	4.8	5.5	5.5
Lazard Standard Deviation (% Gross of Fees)														24.7	20.2	17.6	16.9
Benchmark Standard Deviation (%)														27.3	22.4	19.2	18.6
# of Portfolios		6	6	5	5	5	5	5	6	7	6	<5					
Composite Dispersion (Asset Wtd. Std. Dev.)		0.15	0.15	0.29	0.42	0.28	0.22	0.08	0.41	0.49	0.40	0.07					
Composite Assets (USD billions)		1.6	1.6	1.6	1.2	2.1	2.0	1.6	1.4	1.3	0.5	0.2					
% of Firm Assets		1.2	1.2	1.4	1.5	1.6	2.0	2.1	1.9	1.9	0.9	0.3					
Total Firm Assets (USD billions)		140.6	140.6	116.5	79.8	126.9	97.7	77.6	76.5	69.1	51.6	62.5					

NOTES

Certain information included herein is derived by Lazard in part from an MSCI index or indices (the "Index Data"). However, MSCI has not reviewed this product or report, and does not endorse or express any opinion regarding this product or report or any analysis or other information contained herein or the author or source of any such information or analysis. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any Index Data or data derived therefrom. The MSCI Index Data may not be further redistributed or used as a basis for other indices or any securities or financial products.

© 2011 Lazard Asset Management LLC



Lazard Asset Management LLC

30 Rockefeller Plaza
New York, NY 10112-6300

www.LazardNet.com