

Lazard

International Equity Select with Emerging Markets ADR 1Q12

Summary

Lazard International Equity Select with Emerging Markets ADR seeks to generate strong relative returns over a full market cycle by investing in companies with strong and/or improving financial productivity at attractive valuations. The strategy typically invests in 40–70 U.S.-listed securities of non-U.S. companies, including those from emerging markets, with a market capitalization generally of \$5 billion or greater. The benchmark is the MSCI ACWI ex-U.S.

Investment Characteristics¹

	Lazard	MSCI AC World ex-U.S. Index	MSCI EAFE Index
Number of Securities	63	1,844	923
Weighted Average Market Cap (\$B)	54.5	44.8	49.5
Forward Price/Earnings	11.2	12.0	11.6
Forward Return on Equity (%)	16.2	12.2	11.3
Turnover – Trailing 12 Months (%)	27.7	N/A	N/A
Dividend Yield (%)	3.1	3.4	3.6
Free Cash Flow Yield (%)	9.5	7.7	8.3
Assets Under Management (\$B)*	2.7	N/A	N/A

* As of December 31, 2011. AUM is indicative of total assets in the International Equity Select with Emerging Markets strategy and includes International Equity Select with Emerging Markets, International Equity Select with Emerging Markets ADR, International Equity Select Plus ADR, and International Equity Select Plus ADR (ACW ex-U.S.) assets.

Quarterly Attribution¹

Helped

- Stock selection in the consumer discretionary sector
- Stock selection in the financials sector
- Stock selection in the emerging markets

Hurt

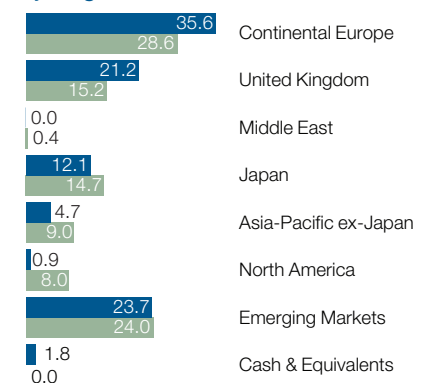
- High exposure to, and stock selection in, the health care sector
- High exposure to, and stock selection in, the consumer staples sector

Top Ten Holdings²

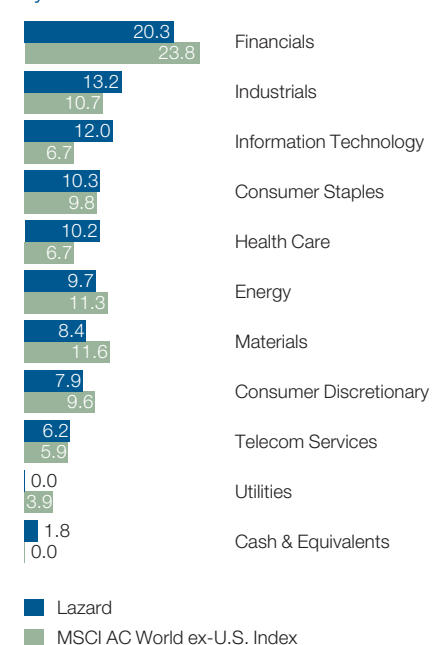
	Lazard (%)
Sanofi	3.5
Anheuser-Busch InBev (ADR)	3.3
SAP (ADR)	3.2
Taiwan Semiconductor Manufacturing (ADR)	3.0
Novartis (ADR)	3.0
British American Tobacco (ADR)	2.8
Royal Dutch Shell Cl A (ADR)	2.7
GlaxoSmithKline (ADR)	2.6
Unilever (ADR)	2.4
Fanuc	2.3

Allocations (%)²

By Region



By Sector



Holdings (%)²

Equity	98.2	Germany	6.5	Sweden	3.1
Cash and Equivalents	1.8	Bayerische Motoren Werke (ADR)		Assa Abloy (ADR)	
Australia	4.7	GEA Group (ADR)		Swedbank (ADR)	
BHP (ADR)		Merck (ADR)		Switzerland	3.9
Orica (ADR)		SAP (ADR)		Credit Suisse Group (ADR)	
Telstra (ADR)		Indonesia	2.6	Novartis (ADR)	
Belgium	3.3	Bank Mandiri (ADR)		Taiwan	3.0
Anheuser-Busch InBev (ADR)		Telekomunik Indonesia (ADR)		Taiwan Semiconductor Manufacturing (ADR)	
Brazil	6.5	Ireland	1.6	Thailand	1.8
Banco do Brasil (ADR)		Ryanair Holdings (ADR)		Kasikornbank Public (ADR)	
Cielo (ADR)		Italy	1.1	Turkey	2.2
MRV Engenharia (ADR)		Atlantia (ADR)		Koc Holding (ADR)	
Vale (ADR)		Japan	12.1	Turkcell Iletisim Hizmetleri (ADR)	
Canada	0.9	Canon (ADR)		Turkiye Garanti Bankasi (ADR)	
Potash Corporation of Saskatchewan		Daito Trust Construction (ADR)		United Kingdom	21.2
China	2.5	Fanuc (ADR)		BG Group (ADR)	
China Mobile (ADR)		JS Group (ADR)		British American Tobacco (ADR)	
Weichai Power (ADR)		Komatsu (ADR)		British Sky Broadcast Group (ADR)	
Finland	1.1	Sumitomo Mitsui Financial Group (ADR)		GlaxoSmithKline (ADR)	
Sampo (ADR)		Yahoo Japan (ADR)		Informa (ADR)	
France	11.2	Netherlands	3.8	Petrofac (ADR)	
AXA (ADR)		ING Groep NV (ADR)		Prudential (ADR)	
BNP Paribas (ADR)		Royal Dutch Shell CI A (ADR)		Rexam (ADR)	
Danone (ADR)		Russia	3.2	Tullow Oil (ADR)	
LVMH Moet Hennessy Louis Vuitton (ADR)		Mobile Telesystems (ADR)		Unilever (ADR)	
Sanofi (ADR)		Sberbank of Russia (ADR)		William Morrison Supermarket (ADR)	
Technip (ADR)		South Africa	1.9	Wolseley (ADR)	
Total (ADR)		Mr Price Group (ADR)		Xstrata (ADR)	
Valeo (ADR)		Standard Bank Group (ADR)			

Notes

- Investment characteristics and quarterly attribution are based upon a portfolio that represents the proposed investment for a fully discretionary account. Forward Price/Earnings is defined as Price/Earnings FY1 and Forward Return on Equity as Return on Equity NTM. These figures represent expected returns and expected returns do not represent a promise or guarantee of future results and are subject to change. Source: Lazard, MSCI
- The allocations and specific securities mentioned are based upon a portfolio that represents the proposed investment for a fully discretionary account. Allocations and security selection are subject to change. The securities mentioned are not necessarily held by Lazard for all client portfolios, and their mention should not be considered a recommendation or solicitation to purchase or sell these securities. It should not be assumed that any investment in these securities was, or will prove to be, profitable, or that the investment decisions we make in the future will be profitable or equal to the investment performance of securities referenced herein. There is no assurance that any securities referenced herein are currently held in the portfolio or that securities sold have not been repurchased. Please note that cash is not viewed as a strategic asset class. Source: Lazard, MSCI

Important Information

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