

Lazard

European Equity Select ADR 4Q11

Summary

Lazard European Equity Select 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 25–40 U.S.-listed securities of companies, with a market capitalization of approximately \$5 billion or greater, that are typically domiciled in those countries that comprise the MSCI Europe Index.

Investment Characteristics^{1,2}

	Lazard	MSCI Europe Index
Number of Securities	39	450
Current Dividend Yield (%)	3.2	4.2
Average Weighted Market Cap (\$B)	57.4	57.6
Price/Earning	11.5	11.2
Return-on-Earnings (%)	15.3	12.4

Quarterly Attribution¹

Helped

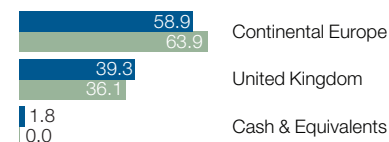
- Stock selection in the financials sector
- Stock selection in the consumer staples sector

Hurt

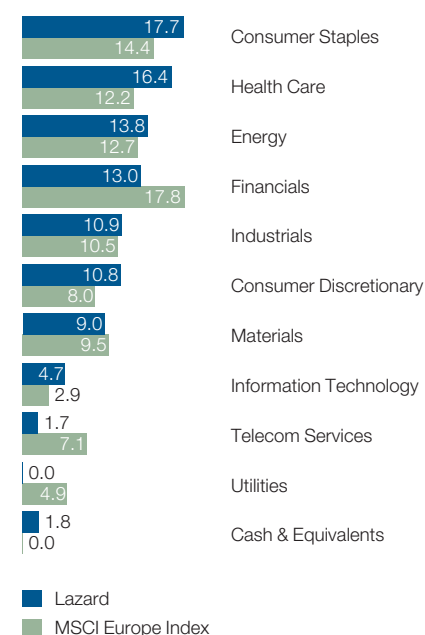
- Low exposure to the materials sector

Allocations (%)^{1,2}

By Region



By Sector



Holdings³

Equity	98.2	Germany	13.6	Switzerland	5.6
Cash and Equivalents	1.8	Bayer (ADR)		Julius Baer (ADR)	
		Bayerische Motoren Werke (ADR)		Novartis (ADR)	
Belgium	4.7	GEA Group (ADR)			
Anheuser-Busch InBev (ADR)		Merck KGaA		United Kingdom	39.3
		SAP (ADR)		BG Group (ADR)	
Finland	2.0	Siemens (ADR)		BHP Billiton (ADR)	
Sampo (ADR)				British American Tobacco (ADR)	
		Ireland	2.5	British Sky Broadcasting Group (ADR)	
France	18.3	Ryanair Holdings (ADR)		GlaxoSmithKline (ADR)	
AXA (ADR)				Informa (ADR)	
BNP Paribas (ADR)		Italy	1.7	Petrofac (ADR)	
Danone (ADR)		Atlantia (ADR)		Prudential (ADR)	
LVMH Moët Hennessy Louis Vuitton (ADR)				Rexam (ADR)	
Sanofi (ADR)		Netherlands	5.5	Tullow Oil (ADR)	
Technip (ADR)		ING Groep (ADR)		Unilever (ADR)	
Total (ADR)		Royal Dutch Shell (ADR)		Vodafone (ADR)	
Valeo (ADR)				William Morrison Supermarket (ADR)	
		Sweden	5.0	Wolseley (ADR)	
		Assa Abloy (ADR)		Xstrata (ADR)	
		Swedbank (ADR)			

Notes

- Investment characteristics and quarterly attribution are based upon a portfolio that represents the proposed investment for a fully discretionary account. Source: Lazard, MSCI
- The allocations mentioned are based upon a portfolio that represents the proposed investment for a fully discretionary account. Allocations are subject to change.
- The specific securities mentioned are based upon a portfolio that represents the proposed investment for a fully discretionary account. Security selection is 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.

Important Information

Published on January 20, 2012.

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.

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