

PRODUCT PROFILE / 1Q 2010

Global Core

STRATEGY DESCRIPTION

Lazard Global Core seeks to enhance returns by rotating through global bond and credit markets, taking currency risk when appropriate. The strategy invests in global investment grade government, agency/supranational, corporate, municipal, mortgage and asset-backed bonds. Overall credit quality is typically AA or greater. The strategy seeks to outperform benchmarks such as the Barclays Capital Global Aggregate Bond or Citigroup World Government Bond Index. Lazard's relative value approach is driven by our macro view of global interest rates, yield curves, sector spreads and currencies, combined with an opportunistic, but disciplined security selection process.

PERFORMANCE UPDATE (%) – AS OF MARCH 31, 2010

(%; Gross of fees)	3-Month	YTD	1-Year	Annualized Returns		
				3-Year	5-Year	Since Inception (10/1/99)
Lazard Global Core	0.98	0.98	12.45	7.27	5.46	5.98
Barclays Capital Global Aggregate Bond Index	-0.27	-0.27	10.23	6.49	4.93	5.99

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 2010

Helped	+ Country allocations: overweight Mexico, Norway, Poland, NZ ; underweight United States, Japan, Greece, Italy
	+ Term structure: longer maturities in non-core markets
	+ Sector allocation and security selection in the United States
	+ Diversified exposure in developing, non-core markets: local currency bonds and external debt in hard currencies
	+ Tactical currency exposure
Hurt	- Underweight long maturity financial bonds
	- Underweight Japanese yen during January

ABOUT LAZARD ASSET MANAGEMENT

LAZARD'S COMPARATIVE ADVANTAGE

- Competitive performance and rankings as team approaches eight-year anniversary
- Global footprint – Boutique team supported by global fixed income and equity resources
- Team-based decision making with a passion for seeking hidden value and contrarian ideas
- Currency expertise is a key driver of investment process
- Diversification of alpha to help manage risk
- Flexibility and willingness to customize client portfolios

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 235 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

Lazard seeks to enhance global fixed income returns through all market environments by rotating investments through global bond and credit markets, taking currency risk when appropriate. Underlying all investment strategies is the objective of providing capital preservation, liquidity, and strong performance over a market cycle.

INVESTMENT PROCESS

Assess Client Needs. The investment process is centered on the client's investment objectives. Performance goals and risk parameters as well as liquidity needs and the investment time horizon provide the ultimate guideline for portfolio construction.

Evaluate Market Fundamentals. Lazard's fixed income team continually evaluates the fundamental global market environment: economic cycles and policies; term structures; inter-market yield spreads; currency valuations and trends; supply and demand for capital. These

factors, and the way in which they are reflected in capital markets, drive portfolio strategies.

Utilize Active Management Tools. Lazard considers all active strategies in the construction of the client's portfolio. We take an integrated approach to mitigate downside risk by avoiding an over-reliance on any one source of potential return:

- **Country Allocation.** Over/underweightings are based on relative value approach driven by our macro-view and scenario analysis.
- **Yield Curve Positioning.** Investments are purposely positioned at specific points along the yield curve to take advantage of changing economic and interest rate cycles within each country.
- **Duration Exposure.** Total portfolio duration is based on fundamental macroeconomic outlook and is generally within one year of the benchmark.
- **Sector Allocation.** Sector exposures are based on relative value measures and thematic preferences, and the full complement of asset classes is utilized.
- **Security Selection.** Rigorous fundamental credit and structural analysis underpin the selection of issuers to include in the portfolio. Consideration of Lazard equity team research for quantitative and qualitative assessment adds value to our credit process.
- **Currency Exposure.** Baseline currency exposure is managed relative to the benchmark – tactical exposures are based on fundamental outlook and market positioning.

RISK MANAGEMENT

Lazard has a strong tradition of risk management, monitoring, and compliance. Exposures across all dimensions of the portfolio (interest rate, credit, currency, etc.) are monitored daily by the portfolio management team. Daily analysis of performance attribution is crucial to our risk monitoring process. Furthermore, scenario/break-even analysis, stress tests and correlation analysis are conducted to develop strategies and validate investment ideas. An independent risk management committee provides additional oversight via formal monthly meeting to review major risk exposures.

ASSETS UNDER MANAGEMENT

As of December 31, 2009

Total Firm Assets:	\$116.5 billion
Total Fixed Income Assets:	\$10.4 billion

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

PERFORMANCE DISCLOSURE

Reporting Currency:	U.S. Dollar			Calendar Periods	Lazard Return (%; Gross of Fees)	Lazard Return (%; Net of Fees)	Benchmark Return (%)	
Reporting Date:	December 31, 2009			QTD	-0.4	-0.5	-0.8	
Benchmark:	Barclays Capital Global Aggregate Bond Index			YTD	8.0	7.1	6.9	
Composite Inception Date:	October 1, 1999			2009	8.0	7.1	6.9	
	Annualized	Lazard Return (%; Gross of Fees)	Lazard Return (%; Net of Fees)	Benchmark Return (%)	2008	4.0	2.8	4.8
	1-Year	8.0	7.1	6.9	2007	10.1	8.7	9.5
	3-Years	7.3	6.2	7.0	2006	6.6	5.2	6.6
	5-Years	4.9	3.7	4.6	2005	-3.7	-4.9	-4.5
	10-Years	6.2	5.3	6.5	2004	9.8	8.4	9.3
	Since Inception	6.0	5.1	6.2	2003	12.3	11.4	12.5
					2002	15.7	15.6	16.5
					2001	0.1	-0.2	1.6
					2000	1.0	0.7	3.2

DISCLOSURE NOTES

The composite returns represent the total returns of all fully discretionary, fee-paying portfolios with a Global Core fixed income investment mandate with a minimum of \$10 million through December 31, 2006 and \$3 million thereafter. Lazard's account inclusion policy was a minimum of three months from inception through June 30, 2001, and then the earlier of the first full month or the end of the month in which the account is fully invested from July 1, 2001 to the present. The returns of the individual portfolios within the composite are time-weighted, 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 value. Additional information regarding policies for calculating and reporting returns is available upon request. Composite returns are shown before tax and the deduction of custody fees. Composite and benchmark returns are reported gross of foreign withholding taxes on dividends, interest and capital gains except for certain countries that trade net of withholding taxes. The composite returns presented represent past performance and is not a reliable indicator of future results, which may vary.

Lazard's standard fee schedule for Global Core accounts is 0.40% on the first \$50 million of assets, 0.30% on the next \$50 million and 0.25% of the balance. (This fee schedule may be presented in non-U.S. local currency equivalents based on prevailing exchange rates.) A complete list and description of all Lazard composites is available upon request.

As of September 1, 2008, the benchmark has been switched to the Barclays Capital Global Aggregate Bond Index from inception. Previously, the benchmark for this composite was a blend represented by the following: Citigroup World Government Bond Index from March 1, 2001 through June 30, 2001, and the Barclays Capital Global Aggregate Bond Index from July 1, 2001 to present. The reason for the change is to better represent the portfolio strategy, which has always included exposure to the credit sector within the broad market, as a strategic decision. The Barclays Capital Global Aggregate Bond Index is a broad-based fixed income index that includes investment grade government and non-government investments from both developed and emerging markets. Countries included in the Index have investment grade sovereign debt ratings. Less than 5% of the Index is emerging markets. As of September 30, 2009, this composite has changed its name from Global Core Fixed Income to Global Core.

Lazard has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS). Lazard Asset Management is the "Firm" to which the GIPS Standards apply (Frankfurt office included in Firm definition as of January 1, 2003). The Firm has been audited by an independent accounting firm through December 31, 2008 and the GIPS verification letter is available upon request. The composite creation date is March 2001.

The table below describes historical composite information:

Calendar Periods	# of Portfolios	Composite Dispersion (Asset Wtd Std. Dev.)	% of Firm Assets	Total Firm Assets (USD billions)
YTD 12/31/09	<5	N/A	0.1	116.5
2009	<5	N/A	0.1	116.5
2008	<5	N/A	<0.1	79.8
2007	<5	N/A	<0.1	126.9
2006	<5	N/A	<0.1	97.7
2005	<5	N/A	<0.1	77.6
2004	<5	N/A	<0.1	76.5
2003	<5	N/A	<0.1	69.1
2002	<5	N/A	<0.1	51.6
2001	<5	N/A	0.1	62.5
2000	<5	N/A	0.1	68.6

NOTES:

- The allocations, investment characteristics, 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. The securities mentioned may not represent the entire portfolio.

- Source: Lazard, Barclays Capital

An investment in bonds carries risk. If interest rates rise, bond prices usually decline. The longer a bond's maturity, the greater the impact a change in interest rates can have on its price. If you do not hold a bond until maturity, you may experience a gain or loss when you sell. Bonds also carry the risk of default, which is the risk that the issuer is unable to make further income and principal payments. Other risks, including inflation risk, call risk, and pre-payment risk, also apply. 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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