

PRODUCT PROFILE / 1Q 2011

Global Small Cap Equity

STRATEGY DESCRIPTION

Lazard Global Small Cap Equity 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, with a market capitalization of between \$300 million and \$5 billion, that are domiciled in those countries that comprise the MSCI World Small Cap Index.

PERFORMANCE (%) — AS OF MARCH 31, 2011

(%; Gross of fees)	3-Month	YTD	1-Year	Annualized Returns		
				3-Year	5-Year	10-Year
Lazard Global Small Cap Equity	3.4	3.4	25.4	2.7	4.8	11.2
MSCI World Small Cap Index	6.2	6.2	24.6	6.9	3.5	10.4

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	+	An underweight position and stock selection in the financials sector
	+	Stock selection in Ireland
Hurt	-	Stock selection in the consumer staples sector
	-	Stock selection in the information technology sector
	-	Stock selection in the United States and Japan

COMMENTARY¹

In spite of many disruptive events, global small-cap equities registered positive returns in each of the first three months of 2011. Macroeconomic data points were generally stronger at the start of the quarter and began to moderate throughout the period. Investors and central banks grew more concerned over inflation, particularly in energy prices. Geopolitically, tensions in the Middle East and North Africa continued to escalate throughout the period. The earthquake in Japan and ensuing disastrous events greatly upset the world's third largest economy, and many global industries are still assessing the impact.

The loss of electric power generating capacity may prolong the economic impact of recent disasters in Japan by disrupting industrial activity in the Tokyo region and domestic and global supply chains. Accordingly, we believe the consensus best-case scenario of a sharp slowdown in economic activity from April to June, with slowing conditions in July to September before a V-shaped recovery from October to December is likely to occur.

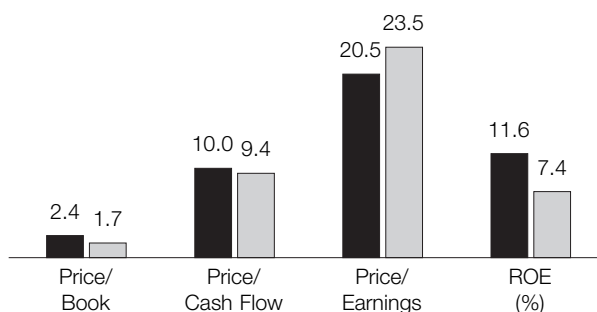
PORTFOLIO PROFILE^{1, 2}

	Lazard	MSCI World Small Cap Index
Number of Securities	81	4,558
Current Dividend Yield (%)	1.1	1.6
Average Weighted Market Cap (\$ billions)	2.2	2.2
Turnover - Trailing 12 Months (%)	53.8	N/A

Geographic Allocation	Lazard Weighting %	MSCI World Small Cap Index Weighting %
Continental Europe	21.1	14.7
United Kingdom	8.1	7.5
Middle East	0.0	0.4
Japan	8.2	8.9
Asia-Pacific ex-Japan	2.3	6.0
North America	58.7	62.5
Emerging Markets	1.7	0.0

Characteristics

- Lazard
- MSCI World Small Cap Index



Sector Allocation	Lazard Weighting %	MSCI World Small Cap Index Weighting %
Industrials	25.9	18.0
Information Technology	18.9	13.6
Consumer Discretionary	13.9	14.6
Financials	10.0	19.0
Energy	8.1	8.1
Materials	7.5	10.5
Health Care	6.8	8.3
Consumer Staples	6.4	4.1
Telecom Services	2.6	0.7
Utilities	0.0	3.3

NOTES:

- The allocations mentioned are based upon a portfolio that represents the proposed investment for a fully discretionary account. Allocations are subject to change.
- Investment characteristics are based upon a portfolio that represents the proposed investment for a fully discretionary account. 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.

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.

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.** Analysts propose and defend stock recommendations to the portfolio management teams, thereby identifying a group of undervalued securities that meet the teams' portfolio criteria. The portfolio teams must agree on the merits of the stock in order for a purchase to occur.

ASSETS UNDER MANAGEMENT

As of December 31, 2010

Total Firm Assets:	\$140.6 billion
Total Global Small Cap Equity Assets:	\$824.1 million

Assets include those of Lazard Asset Management LLC (New York) and its affiliates, but do not include those of Lazard Frères Gestion (Paris) or other asset management businesses of Lazard Ltd.

SELL DISCIPLINE

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

1. its stock price is no longer believed to reflect fair value;
2. substantial changes have occurred in the company's fundamentals; or
3. the investment thesis is no longer valid.

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

PERFORMANCE DISCLOSURE

Reporting Currency:	U.S. Dollars
Reporting Date:	March 31, 2011
Benchmark:	MSCI World Small Cap Index
Composite Inception Date	July 1, 1993

	Lazard Return (%; Gross of Fees)	Lazard Return (%; Net of Fees)	Benchmark Return (%)
Annualized			
1-Year	25.4	24.4	24.6
3-Year	2.7	1.9	6.9
5-Year	4.8	4.0	3.5
10-Year	11.2	10.3	10.4
Since Inception	11.2	10.4	7.9

Calendar Periods	Lazard Return (%; Gross of Fees)	Lazard Return (%; Net of Fees)	Benchmark Return (%)
QTD	3.4	3.2	6.2
YTD	3.4	3.2	6.2
2010	24.7	23.7	26.1
2009	47.6	46.4	44.1
2008	-47.1	-47.6	-41.9
2007	7.2	6.4	0.8
2006	32.3	31.0	17.2
2005	11.5	10.4	15.7
2004	27.6	26.4	24.3
2003	40.9	39.6	57.8
2002	-3.9	-4.5	-16.0
2001	3.5	2.8	0.8

DISCLOSURE NOTES

The composite returns represent the total returns of all fully discretionary, fee-paying portfolios with a Global Small Cap Equity investment mandate and a minimum of \$5 million in assets under management.

Lazard's account inclusion policy was a minimum of three months from inception through June 30, 2001, and then 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, 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.

Lazard's standard fee schedule for Global Small Cap accounts is 0.85% on the first \$100 million of assets and 0.65% 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 World Small Cap Index is a market capitalization weighted index calculated on a price change basis through December 31, 2000, and total return net of foreign withholding taxes thereafter. It consists of securities listed in 24 developed markets. The stocks have market capitalization ranging from U.S. \$200-1,500 million. The objective of the MSCI World Small Cap Index is to represent 40% of the small-cap universe within each country. This is accomplished by selecting securities in descending order of trading ratio for each industry, until 40% of the small cap universe is represented in the Index.

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 July 1993.

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 12/31/10	7	0.25	0.5	140.6
2010	7	0.25	0.5	140.6
2009	5	0.75	0.4	116.5
2008	6	0.49	0.4	79.8
2007	5	0.46	0.3	126.9
2006	<5	0.16	0.2	97.7
2005	<5	0.21	0.3	77.6
2004	<5	0.02	0.4	76.5
2003	<5	1.49	0.3	69.1
2002	<5	N/A	< 0.1	51.6
2001	<5	0.34	< 0.1	62.5