LAZARD

2Q

PRODUCT PROFILE / 2Q 2010

International Equity

STRATEGY DESCRIPTION

Lazard International 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 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 individual securities.

PERFORMANCE (%) — AS OF JUNE 30, 2010

				Annualized Returns		
(%; Gross of fees)	3-Month	YTD	1-Year	3-Year	5-Year	10-Year
Lazard International Equity	**-12.7**	**-11.8**	**7.6**	**-9.9**	**2.5**	**1.3**
MSCI EAFE Index	-14.0	-13.2	5.9	-13.4	0.9	0.2

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 SECOND QUARTER 2010

Helped	+	Stock selection in the information technology sector
	+	Stock selection in the financials sector
	+	Exposure to emerging markets
Hurt	-	Stock selection in the industrials sector
	-	Stock selection in the materials sector

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COMMENTARY[1]

International equity markets, along with the European currency, fell sharply during the second quarter, as sovereign debt concerns spread beyond Greece to other Eurozone countries. Despite the announcements of restrictive budget measures by most relevant governments and a large financial package by European authorities, borrowing costs continued to climb. European banks found it increasingly difficult to access the capital markets, raising fears of another financial crisis. Corporate earnings have shown an extremely strong recovery from the lows of early 2009, but signs of slowing growth momentum in China and the United States may put further pressure on equities.

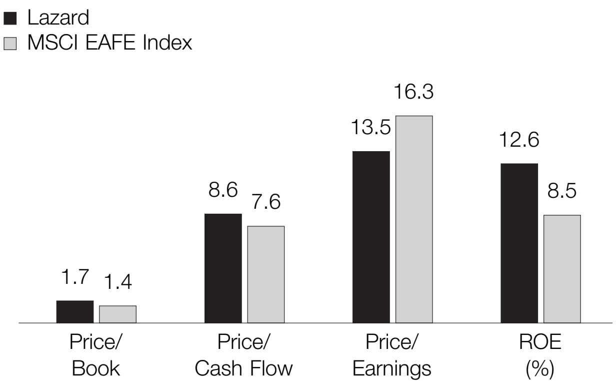
Recent events exposed the fragility at the heart of the single European currency and reminded investors that financial markets remain dependent on support from monetary authorities. Governments are beginning to take the difficult actions necessary to restore their fiscal positions; however, these actions are threatening the more optimistic forecasts for the pace of the economic recovery. Nevertheless, if policymakers are able to avert a relapse into recession, then, following recent declines, many equities appear to offer considerable value. The strategy team continues to focus on stock selection, seeking stocks with sustainably high or improving returns that are trading at attractive valuations.

PORTFOLIO PROFILE[1, 2]

	Lazard	MSCI EAFE Index
Number of Securities	76	964
Current Dividend Yield (%)	2.9	3.2
Average Weighted Market Cap ($ billions)	38.1	36.6
Turnover - Trailing 12 Months (%)	83.9	N/A

Geographic Allocation	Lazard Weighting %	MSCI EAFE Index Weighting %
Continental Europe	33.2	42.4
United Kingdom	28.1	21.0
Middle East	0.0	0.9
Japan	22.2	23.3
Asia-Pacific ex-Japan	4.8	12.5
North America	2.4	0.0
Emerging Markets	9.2	0.0

Characteristics



Sector Allocation	Lazard Weighting %	MSCI EAFE Index Weighting %
Financials	25.6	24.4
Information Technology	12.5	5.2
Consumer Discretionary	11.9	10.3
Industrials	10.0	12.3
Health Care	9.8	9.0
Consumer Staples	9.7	10.6
Energy	7.8	7.1
Materials	5.7	10.1
Telecommunication Services	5.2	5.6
Utilities	1.9	5.5

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. 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. 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 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

- **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 March 31, 2010	
Total Firm Assets:	$121.8 billion
Total International Equity Assets:	$3.7 billion

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:	June 30, 2010
Benchmark:	MSCI EAFE Index
Composite Inception Date	June 1, 1995

Annualized	Lazard Return (%; Gross of Fees)	Lazard Return (%; Net of Fees)	Benchmark Return (%)
1-Year	7.6	6.8	5.9
3-Year	-9.9	-10.5	-13.4
5-Year	2.5	1.9	0.9
10-Year	1.3	0.8	0.2
Since Inception	5.7	5.3	3.6

Calendar Periods	Lazard Return (%; Gross of Fees)	Lazard Return (%; Net of Fees)	Benchmark Return (%)
QTD	-12.7	-12.8	-14.0
YTD	-11.8	-12.1	-13.2
2009	27.1	26.2	31.8
2008	-37.3	-37.6	-43.4
2007	12.1	11.5	11.2
2006	24.1	23.6	26.3
2005	14.0	13.7	13.5
2004	17.0	16.7	20.2
2003	31.7	31.3	38.6
2002	-9.0	-9.4	-15.9
2001	-22.1	-22.4	-21.4
2000	-9.8	-10.1	-14.2

DISCLOSURE NOTES

The composite returns represent the total returns of all fully discretionary, fee-paying portfolios with an International Equity investment mandate and a minimum of $5 million in assets under management by Lazard Asset Management. Lazard International 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 of non-U.S. companies, including those from emerging markets, with a market capitalization generally of $3 billion or greater, that are domiciled in those countries that comprise the MSCI EAFE index. The emerging markets equity allocation is implemented by investing in individual securities. This mandate may include tactical exposure to emerging markets and smaller capitalization international equity.

Accounts are added to the composite on the earlier of the first full month under management or the last day 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 value. Additional information regarding policies for calculating and reporting returns is available upon request. Composite returns are shown before U.S. tax and the deduction of custody fees. The composite and benchmark returns are reported net of foreign withholding taxes on dividends, interest and capital gains. The assumed tax rate for the benchmark is that of a Luxembourg holding company and is based on the actual tax rate of each country. The composite returns presented represent past performance and is not a reliable indicator of future results, which may vary. As of April 1, 2010, this composite changed its name from International Equity with Emerging Markets Securities to International Equity.

Lazard's standard fee schedule for International Equity accounts 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.) A complete list and description of all Lazard composites is available upon request.

The MSCI Europe, Australasia, Far East Index is an arithmetic, market value-weighted average return net of dividends taxation which is derived from over 900 securities listed on the stock exchanges of countries in Europe, Australasia and the Far East. The Index is compiled by Morgan Stanley Capital International.

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 January 2002.

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 03/31/10	5	0.47	0.6	121.8
2009	5	1.65	1.1	116.5
2008	<5	0.53	1.3	79.8
2007	<5	0.10	1.6	126.9
2006	<5	N/A	2.5	97.7
2005	<5	N/A	2.7	77.6
2004	<5	N/A	0.9	76.5
2003	<5	N/A	0.9	69.1
2002	<5	N/A	1.6	51.6
2001	<5	0.22	1.3	62.5
2000	<5	0.19	1.4	68.6

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