

Lazard Quantitative Equity

EAFE Small Cap Equity Advantage 4Q11

Investment Objective and Strategy

Lazard Quantitative Equity - EAFE Small Cap Equity Advantage seeks to outperform the MSCI EAFE Small Cap Index by 4% with an active risk target of 4–7% per annum. The portfolio relies on a core, bottom-up approach to achieve these targets while avoiding unwanted top-down or macro exposures. Stocks are selected for the portfolio from an investment universe of approximately 1,700 developed market stocks using an active, quantitatively-based investment process that evaluates each company on a daily basis relative to global peers. Each company in the investable universe is measured daily in terms of its growth potential, valuation, market sentiment and financial quality. Portfolio risks are managed independently by maintaining exposures that are similar to the benchmark including region, industry, country, and beta. Expected annual turnover is between 60–80% and portfolio holdings range between 250–400 securities.

Top Five Holdings¹

| | Lazard (%) |
|------------------|------------|
| Lundin Petroleum | 1.5 |
| Petrofac | 1.3 |
| San-In Godo Bank | 1.1 |
| carsales.com | 1.1 |
| DuluxGroup | 1.1 |

Investment Characteristics/Statistics^{2,3}

| | Lazard | MSCI EAFE Small Cap Index |
|-----------------------------------|--------|---------------------------|
| Predicted Beta | 1.0 | N/A |
| Weighted Average Market Cap (\$B) | 1.7 | 1.4 |
| P/E | 11.0 | 14.4 |
| ROE (%) | 8.7 | 7.1 |
| Price/Cash Flow | 5.3 | 6.4 |
| Historical 3-year EPS Growth (%) | 16.0 | -3.9 |
| Operating Margin (%) | 16.9 | 13.8 |
| Predicted Tracking Error (%) | 2.3 | N/A |

Performance Data

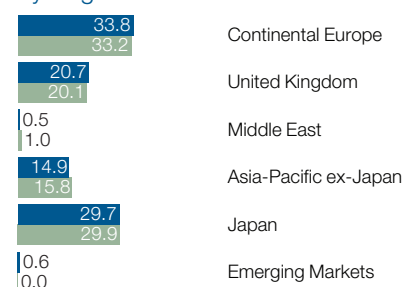
(%; gross of fees; through December 31, 2011)

| | 3 Months | 1 Year | 3 Years | Annualized Since Inception (January 1, 2008) |
|------------------------------------------------------------|----------|--------|---------|----------------------------------------------|
| Lazard Quantitative Equity EAFE Small Cap Equity Advantage | 0.83 | -10.85 | 16.35 | -5.03 |
| MSCI EAFE Small Cap Index | -0.56 | -15.94 | 14.62 | -5.49 |

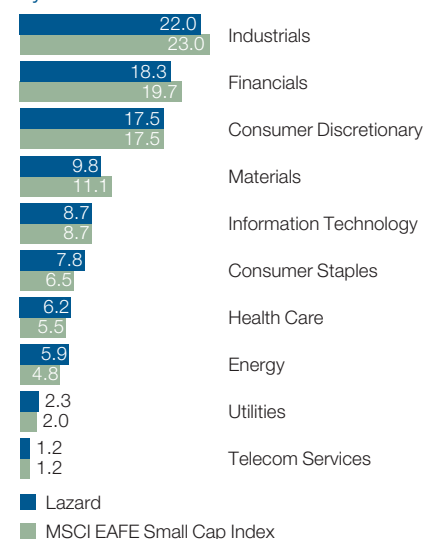
Performance is preliminary and presented gross of fees. Please refer to "GIPS® Composite Information" for the most recent final performance and additional information, including net-of-fees results. The performance quoted represents past performance. Past performance is not a reliable indicator of future results.

Allocations (%)^{1,2}

By Region



By Sector



Notes

- The allocations mentioned are based upon a portfolio that represents the proposed investment for a fully discretionary account. Allocations 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, MSCI
- Investment characteristics are based upon a portfolio that represents the proposed investment for a fully discretionary account. Source: Lazard, MSCI.

Important Information

Published on February 1, 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. 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.

A quantitative investment strategy relies on quantitative models and quantitative filters, which, if incorrect, may adversely affect performance.

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.

GIPS Composite Information

| | |
|--------------------------|--------------------------------------------------------------|
| Composite Name | Lazard Quantitative Equity – EAFE Small Cap Equity Advantage |
| Benchmark | MSCI EAFE Small Cap Index |
| Reporting Date | September 30, 2011 |
| Composite Inception Date | January 1, 2008 |
| Reporting Currency | U.S. Dollar |

Composite Description

The composite returns represent the total returns of all fully discretionary, fee-paying portfolios with an Lazard Quantitative Equity - EAFE Small Cap Equity Advantage investment mandate and a minimum of \$2 million in assets under management. Lazard Quantitative Equity - EAFE Small Cap Equity Advantage is a diversified strategy of small cap international stocks whose objective is to seek to outperform the MSCI EAFE Small Cap benchmark by 4-6% per annum with an active risk range of 4-7% per annum. Using a series of proprietary investment models, each stock is ranked relative to its industry peers based upon its growth potential, valuation, market sentiment and quality of earnings.

Calculation of Performance Returns

Lazard's account inclusion policy is the first full month or the end 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 values. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. For the calendar year ends, between 2008 and 2010, the following are the respective non-fee-paying account percentages of the composite, 100.0%, 100.0%, and 100.0%. For these accounts, net of fee performance has been calculated using the standard fee schedule for the Lazard Quantitative Equity - EAFE Small Cap Equity Advantage strategy. The composite returns are reported net of foreign withholding

taxes on dividends, interest and capital gains. Composite returns are shown before taxes and the deduction of custody fees (except for mutual funds which includes all fees). The composite returns presented represent past performance and is not a reliable indicator of future results, which may vary.

Fee Schedule

Lazard's standard fee schedule for EAFE Small Cap Equity Advantage accounts is 0.75% 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.

Benchmark Information

The MSCI EAFE Small Cap Index represents the small cap segment in 22 developed equity markets outside of North America. The Index is compiled by Morgan Stanley Capital International.

GIPS Compliance and Verification Status

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, 2010. 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 January 2008.

| | Calendar | | | | | | | | | | | Annualized | | | | | |
|---------------------------------------------|----------|--------|-------|-------|--------|------|------|------|------|------|------|------------|-------|------|------|-------|-----------------|
| | QTD | YTD | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 1 YR | 3 YR | 5 YR | 10 YR | Since Inception |
| Lazard Rate of Return (%; Gross of Fees) | -17.73 | -11.58 | 25.38 | 40.91 | -48.36 | — | — | — | — | — | — | — | 0.83 | 7.20 | — | — | -5.57 |
| Lazard Rate of Return (%; Net of Fees) | -17.89 | -12.08 | 24.44 | 39.82 | -48.86 | — | — | — | — | — | — | — | 0.07 | 6.38 | — | — | -6.34 |
| Benchmark (%; Rate of Return) | -18.59 | -15.47 | 22.04 | 46.78 | -47.01 | — | — | — | — | — | — | — | -5.50 | 5.64 | — | — | -5.70 |
| Composite Standard Deviation (3 yr. Ann.) | | 25.19 | 28.02 | — | — | — | — | — | — | — | — | — | | | | | |
| Benchmark Standard Deviation (3 yr. Ann.) | | 26.95 | 28.86 | — | — | — | — | — | — | — | — | — | | | | | |
| # of Portfolios | | 1 | 1 | 1 | 1 | — | — | — | — | — | — | — | | | | | |
| Composite Dispersion (Asset Wtd. Std. Dev.) | | N/A | N/A | N/A | N/A | — | — | — | — | — | — | — | | | | | |
| Composite Assets (USD millions) | | 3.2 | 4.4 | 3.6 | 2.5 | — | — | — | — | — | — | — | | | | | |
| Total Firm Assets (USD billions) | | 121.9 | 140.6 | 116.5 | 79.8 | — | — | — | — | — | — | — | | | | | |

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