

Performance Review

Returns (%; net of fees. As of March 31, 2012.)	QTD	1 Year	Annualized			Since Inception	Total Expense Ratio
			3 Years	5 Years	10 Years		
Lazard Emerging Markets Equity Portfolio (Institutional Shares) Inception: July 15, 1994	17.32	-2.75	27.19	6.27	16.53	8.67	1.14
Lazard Emerging Markets Equity Portfolio (Open Shares) Inception: January 8, 1997	17.21	-3.09	26.74	5.91	16.22	8.72	1.49
MSCI Emerging Markets Index	14.08	-8.80	25.07	4.67	14.13	Inst 6.61 Open 7.61	N/A

Morningstar Rating¹

	3 Years Out of 354	5 Years Out of 241	10 Years Out of 147	Overall Out of 354
Lazard Emerging Markets Equity Portfolio (Institutional Shares)	★★★★	★★★★★	★★★★★	★★★★★
Lazard Emerging Markets Equity Portfolio (Open Shares)	★★★★	★★★★	★★★★	★★★★

The performance quoted represents past performance. Past performance does not guarantee future results. The current performance may be lower or higher than the performance data quoted. An investor may obtain performance data current to the most recent month-end online at www.LazardNet.com. The investment return and principal value of the Portfolio will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. Returns reflect reimbursement of expenses as described in the prospectus. Had expenses not been reimbursed, returns would have been lower and the expense ratio would have been higher.

Commentary^{2,3}

The Lazard Emerging Markets Equity Portfolio outperformed the MSCI Emerging Markets Index in the first quarter. Stock selection in the financials and information technology sectors, as well as within Brazil, helped performance. However, stock selection in the energy and consumer discretionary sectors detracted from relative returns over the period.

Stock Highlights by Sector^{2,3}

Financials

(1.34% attribution effect)

Turkiye Is Bankasi (1.7% of the Portfolio), a Turkish bank, rebounded from prior weakness amid reduced concerns over a market regulator's potential investigation into claims of opposition party influence on Isbank's policies. Brazilian financial institution Banco do Brasil's (3.2% of the Portfolio) stock price strengthened as investors became more confident about economic growth. Sberbank (2.0% of the Portfolio), a Russian bank, rose amid strength in the Russian market as oil prices continued to rise.

Information Technology

(0.85% attribution effect)

Shares of Cielo (3.2% of the Portfolio) and Redecard (3.5% of the Portfolio), both Brazilian credit card processors, re-rated due to better-than-expected fourth-quarter results, as well as the tender offer to Redecard's minority shareholders from Itau.

Energy

(-0.28% attribution effect)

Shares in YPF (1.0% of the Portfolio), an Argentine energy company, retreated amid increasing pressure from the government, which

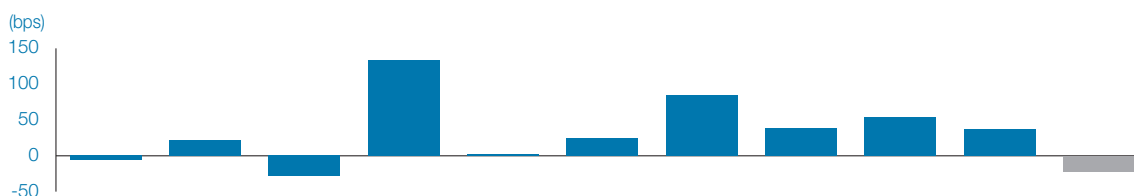
led to speculation of a possible nationalization or intervention.

Consumer Discretionary

(-0.06% attribution effect)

Grupo Televisa (0.9% of the Portfolio), a Mexican media company, had weak stock price performance due to speculation that its proposed purchase of Iusacell will not be approved. Hyundai Mobis (1.2% of the Portfolio) shares finished lower based upon weaker profit margins.

Value Added Analysis³ (January 1 to March 31, 2012)



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities	Cash	Total
Sector Allocation (bps)	8	-11	6	-1	2	7	20	11	-1	5	-22	26
Stock Selection (bps)	-14	32	-34	134	0	18	65	27	55	32		316
Total (bps)	-6	21	-28	134	2	25	85	38	54	37	-22	342

Market Review

After delivering strong performance in late 2011, equities in the developing world extended their strength into the first quarter of 2012, primarily due to improving growth in the world economy, as well as the European Central Bank's introduction of its Long Term Refinancing Operation (LTRO) to address European sovereign debt issues. The MSCI Emerging Markets Index increased just over 14%, with Eastern European markets faring better than Asian and Latin American shares.

In terms of sector performance, materials and telecom services performed relatively poorly. The health care, information technology, and industrials sectors outperformed the index.

Looking Ahead

We remain bullish on the outlook for emerging market equities over the medium and long term. However, in view of the recent sharp appreciation of share prices, we downgraded our short-term opinion to constructive from bullish in February, and maintain this stance.

Understanding Investment Risk

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.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The MSCI Emerging Markets Index consists of 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. The index is unmanaged and has no fees. One cannot invest directly in an index.

The Portfolio invests in stocks believed by Lazard to be undervalued, but that may not realize their perceived value for extended periods of time or may never realize their perceived value. The stocks in which the Portfolio invests may respond differently to market and other developments than other types of stocks.

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- 3 As of March 31, 2012. The value added analysis is provided for illustrative purposes only, as values are calculated based on returns gross of fees. Performance would have been lower if fees and expenses were included. Sector breakdowns may not sum to total due to rounding. "Stock Selection" represents the value added by the ability of the manager to select better performing stocks. "Sector Allocation" represents the value added by the manager's underweight and overweight positions to the various sectors. "Total" is the sum of the "Stock Selection" and "Sector Allocation" effects. The performance shown represents past performance. Past performance does not guarantee future results. Allocations are subject to change.

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