

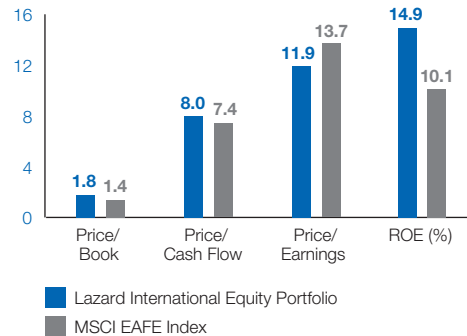


## Portfolio management team

Michael G. Fry  
 Michael A. Bennett  
 Michael Powers  
 John R. Reinsberg\*

\*As a Deputy Chairman of Lazard, Mr. Reinsberg is ultimately responsible for overseeing this portfolio. In addition to his oversight responsibility, Mr. Reinsberg is a member of the portfolio management team.

## Characteristics



	Lazard	MSCI EAFE Index
Number of holdings	70	923
Weighted average market cap (\$B)	49.2	49.5
Turnover rate (%; 1-year)	35.8	N/A
Beta (3-year)	Institutional	0.94
	Open	0.94
Standard deviation (%; 3-year)	Institutional	19.76
	Open	19.73
		20.60

Source: Lazard, MSCI

## Top Ten Holdings<sup>2</sup>

	Lazard (%)
Novartis	3.3
Anheuser-Busch InBev	3.1
Sanofi-Aventis	2.8
GlaxoSmithKline	2.7
Unilever	2.6
Royal Dutch Shell CI A	2.5
Rexam	2.3
Telstra	2.2
British American Tobacco	2.1
Sumitomo Mitsui Financial Group	1.9

For a complete list of holdings, please visit [www.LazardNet.com](http://www.LazardNet.com)

## Sector Allocation<sup>2</sup>

	Lazard (%)	MSCI EAFE Index (%)
Financials	19.9	22.6
Industrials	13.1	12.7
Consumer Discretionary	12.7	10.8
Health Care	10.3	9.3
Consumer Staples	9.6	11.2
Energy	9.3	8.5
Information Technology	8.2	4.8
Materials	8.0	10.2
Telecom Services	3.9	5.4
Utilities	1.1	4.3
Cash & Equivalents	3.7	N/A

Source: Lazard, MSCI

## Understanding Investment Risk

Beta is a relative measure of the sensitivity of a fund's return to changes in the benchmark's return. The beta of the fund versus its benchmark is the amount (and direction) the fund has historically moved when the benchmark moved by one unit.

Standard deviation measures the dispersion or "spread" of individual observations around their mean. Standard deviation of returns measures a fund's historical volatility, where a higher number is evidence of greater volatility (i.e., higher 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. 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.

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.

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States and Canada. The MSCI EAFE Index consists of 22 developed market country indices. The index is unmanaged and has no fees. One cannot invest directly in an index.

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