

Performance Record – As of December 31, 2009

Annualized returns net of fees in U.S. dollars (%)	QTD*	1-Year*	3-Year	5-Year	10-Year	Since Inception	Expense Ratio	
							Total	Net
Lazard Emerging Markets Equity Portfolio (Institutional Shares) Inception: July 15, 1994	5.82	69.82	5.60	16.76	11.54	8.78	1.17	N/A
Lazard Emerging Markets Equity Portfolio (Open Shares) Inception: January 8, 2004	5.71	69.14	5.23	16.43	11.22	8.93	1.54	N/A
MSCI Emerging Markets Index	8.55	78.51	5.11	15.51	9.78	Inst 6.91 Open 8.93	N/A	N/A

* Cumulative returns

Morningstar Rating ¹	(Institutional Shares)	3-Year -> ★ ★ ★ ★	5-Year -> ★ ★ ★ ★ ★	Overall -> ★ ★ ★ ★
	(Open Shares)	3-Year -> ★ ★ ★ ★	5-Year -> ★ ★ ★ ★ ★	Overall -> ★ ★ ★ ★
		Out of 259	Out of 195	Out of 259

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.

Performance Review²

The Lazard Emerging Markets Equity Portfolio lagged the MSCI Emerging Market Index in the fourth quarter. Stock selection in the telecom services sector helped performance. Conversely, stock selection in the consumer staples and information technology sectors, as well as in Brazil, hurt performance.

Quarterly Stock Highlights by Sector

Telecom Services (0.57% attribution effect)

Stock selection in the Telecom sector contributed to performance. Mobile Telesystems (2.2% of the Portfolio), a Russian Mobile operator, performed well due to a stabilizing ruble and prospects for improving usage. This positive performance was partially offset by exposure to Turkcel (1.7% of the Portfolio), a Turkish mobile operator, which saw its stock fall on the back of challenging regulatory conditions.

Industrials (0.07% attribution effect)

Stock selection in the Industrials sector contributed to performance. Companhia Concessoes Rodoviaras (CCR, 1.2% of

the Portfolio), a Brazilian tollroad operator, performed well due to excitement about upcoming public infrastructure auctions. This positive performance was partially offset by exposure to Murray & Roberts (1.5% of the Portfolio), a South African construction company, which saw its stock fall on challenging industry conditions.

Materials (0.03% attribution effect)

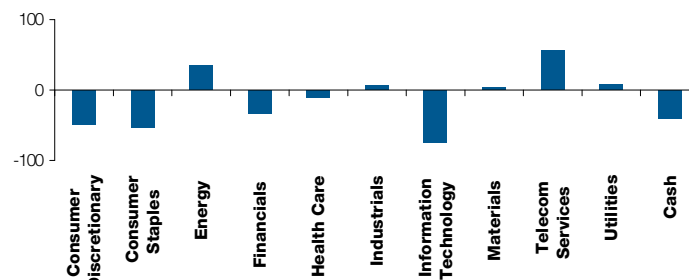
Stock selection in the materials sector contributed to Portfolio performance in the fourth quarter. Kumba Iron Ore (1.7% of the Portfolio), a South African iron ore company, saw its shares rise on impressive

industry trends.

Financials (-0.33% attribution effect)

Shares in Punjab National Bank (2.0% of the Portfolio), an Indian bank, rose after the company announced strong earnings. Despite this, overall stock selection in the sector, and in particular in Banks, detracted from relative performance. For example, Shinhan Financial Group (2.3% of the Portfolio), a South Korean banking firm, saw its shares fall on tighter regulatory policies.

Value Added Analysis³ – October 1 to December 31, 2009



Average Index Weight (%)	5.4	5.4	15.3	24.7	2.2	6.7	13.0	14.8	9.0	3.5	
Sector Allocation (bps)	1	49	3	5	-11	-3	6	-20	-21	4	-41
Stock Selection (bps)	-50	-102	32	-37	9	-80	23	78	4	4	
Total (bps)	-49	-54	35	-33	-11	7	-75	3	57	8	-41

Lazard Emerging Markets Equity Portfolio

Market Review²

Shares in developing markets experienced another upward move in the fourth quarter to end a remarkably strong year. For the year as a whole, the MSCI Emerging Markets Index increased by almost 79%, with Latin American equities significantly outperforming shares in Eastern Europe, the Middle East, Africa, and in Asia. Within Asia, some markets that had recently lagged, such as the Philippines, Taiwan, and China, performed relatively strongly. Indonesian and Indian equities continued to rise modestly, helped by positive economic conditions. Shares in South Korea and Thailand performed relatively poorly, with signs of weak performance in the technology industry in the former and the ongoing illness of the king, a figure of stability, in the latter. Within Latin America, Peruvian and Colombian shares significantly underperformed the other regional markets following a period of strong performance. Chilean and Mexican shares rallied on the first-round victory of Presidential candidate Sebastián Piñera as well as strong fundamentals and copper prices in the former and signs of an economic recovery in the latter. Brazilian and Argentinean equities delivered a powerful return over the quarter due to robust performance in the energy and materials sectors. Helped by steady energy prices and a stabilizing trend in oil production, Russian equities performed well in the Eastern European, Middle Eastern, and Africa region. Polish shares also rebounded from very weak performance earlier in the year, while equities in Egypt fell, as investors linked the market to the Dubai World refinancing crisis. Shares in Turkey rose sharply, based in part on optimism over the possibility of an agreement with the International Monetary Fund. South African equities experienced a strong period due to higher commodity prices and the translation effects of the strong rand. By sector, consumer staples, consumer discretionary, health care, and materials outperformed the Index. The utilities, financials, industrials, and telecom services sectors were the weakest performers over the quarter.

Looking Ahead

We continue to be reasonably optimistic about emerging markets in the medium and long term, but are neutral in the short term. While valuations are not excessive and many investors appear to want to increase their exposure to this asset class, it is markedly more expensive than it was 12 months ago. Therefore, we would advise long-term investors to maintain exposure to a conservative strategy in this arena, but not to be aggressive at this time.

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 23 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, 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.

NOTES

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² The securities identified should not be considered a recommendation or solicitation to purchase or sell these securities. It should not be assumed that any of the referenced securities were 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 discussed do not represent the Portfolio's entire holdings.

³ As of December 31, 2009. All returns in U.S. dollars. 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. "Index Weight" is the weight of a sector in the MSCI Emerging Markets Index. "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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