

# Lazard

## Global Equity Income 4Q11

### Investment Objective and Strategy

Lazard Global Equity Income seeks to outperform its benchmark while generating high current yield by investing in securities with high dividend yields often sourced from other Lazard strategies. The strategy typically invests in 60–100 securities across the market cap spectrum in both developed and emerging markets and is benchmarked to the MSCI All Country World Index.

### Top Ten Holdings<sup>1</sup>

	Lazard (%)
AT&T	4.2
Royal Dutch Shell CI A	3.5
Telstra	3.5
Atlantia	3.5
Total	3.1
Merck	3.0
Altria Group	2.4
Zurich Financial Services	2.3
Darden Restaurants	2.3
Banco do Brasil	2.2

### Investment Characteristics<sup>2,3</sup>

	Lazard	MSCI ACWI
Number of Securities	78	2,435
Weighted Average Market Cap (\$B)	46.6	64.6
Forward Price-to-Earnings	10.3	11.8
Return on Equity (%)	15.1	12.7
Free Cash Flow Yield (%)	12.9	8.5
Dividend Yield (%)	5.8	2.9
Net Debt/Capital (%)	39.5	34.2
Turnover – Trailing 12 Months (%)	75.6	N/A
Assets Under Management (\$M)*	370.3	N/A

\* As of September 30, 2011

### Performance Data

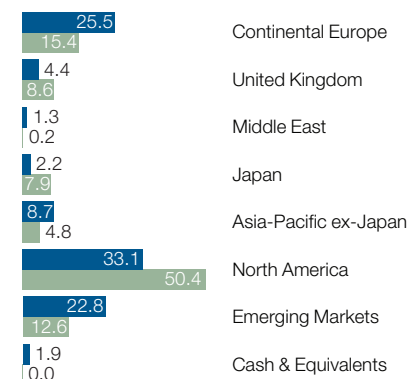
(%; gross of fees; through December 31, 2011)

	Annualized Returns				
	3 Months	1 Year	3 Years	5 Years	Since Inception (August 1, 2005)
Lazard Global Equity Income	7.37	-3.07	15.28	-1.42	3.95
MSCI ACW Index	7.18	-7.35	12.01	-1.93	2.57

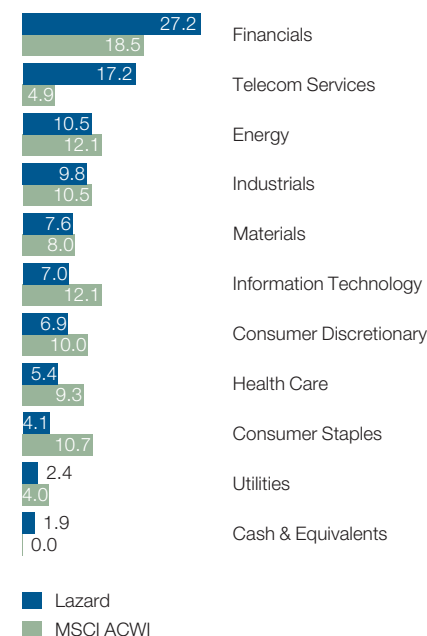
Performance is preliminary and presented gross of fees. Please refer to "GIPS® Composite Information" for the most recent final performance and additional information, including net-of-fees results. The performance quoted represents past performance. Past performance is not a reliable indicator of future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

### Allocations (%)<sup>1,2</sup>

#### By Region



#### By Sector



## Notes

- 1 The allocations and specific securities mentioned are based upon a portfolio that represents the proposed investment for a fully discretionary account. Allocations and security selection are subject to change. The securities identified above are not necessarily held by Lazard Asset Management 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 discussed may not represent the entire portfolio.
- 2 Source: Lazard, MSCI
- 3 Investment characteristics are based upon a portfolio that represents the proposed investment for a fully discretionary account. Forward looking figures represent expected returns. Expected returns do not represent a promise or guarantee of future results and are subject to change.

## Important Information

Published on January 30, 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. 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.

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 there from. 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 Global Equity Income
Benchmark	MSCI AC World Index
Reporting Date	September 30, 2011
Composite Inception Date	August 1, 2005
Reporting Currency	U.S. Dollar

### Composite Description

The composite returns represent the total returns of all fully discretionary, fee-paying portfolios with a Global Equity Income investment mandate and a minimum of \$5 million in assets under management through September 1, 2007, and no minimum thereafter for all assets.

### 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 composite inclusion criterion includes accounts that have the ability to purchase issuers' ordinary shares. These accounts may also invest in U.S. denominated equity securities of U.S. and non-U.S. companies. The returns of the individual portfolios within the composite are time-weighted, 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. Composite returns are shown before the deduction of taxes and custody fees (except for mutual funds which includes all fees). Lazard's Global Equity Income Composite includes all dedicated Global Equity Income portfolios and or the Global Equity Income segment of other Lazard balanced accounts. Each account's carve-out segment has its own actual separate cash accounting. For the calendar year ends, between 2006 and 2010, the following are the respective carve-out percentages of the composite, 100.0%, 100.0%, 68.0%, 64.0%, and 29.6%. Carve-out net of fee performance has been calculated using the standard fee schedule for the Global Equity Income strategy.

The composite and benchmark returns are reported net of foreign withholding taxes on dividends, interest and capital gains. 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 Global Equity Income 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.) 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 All Country World Index (ACWI) is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. 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 September 2006.

	Calendar										Annualized						
	QTD	YTD	2010	2009	2008	2007	2006	Aug 05– Dec 05	2004	2003	2002	2001	1 YR	3 YR	5 YR	10 YR	Since Inception
Lazard Rate of Return (%; Gross of Fees)	-15.88	-9.72	12.86	40.03	-41.55	4.00	29.52	6.32	—	—	—	—	-4.41	2.85	-0.68	—	2.92
Lazard Rate of Return (%; Net of Fees)	-15.32	-10.29	12.16	39.02	-42.27	3.31	28.64	6.01	—	—	—	—	-4.10	3.04	-1.48	—	2.11
Benchmark (%; Rate of Return)	-17.42	-13.56	12.67	34.63	-42.19	11.66	20.95	7.25	—	—	—	—	-6.01	0.59	-1.59	—	1.53
Composite Standard Deviation (3-yr. Ann.)		23.93	24.80	22.47	18.16	—	—	—	—	—	—	—					
Benchmark Standard Deviation (3-yr. Ann.)		23.38	24.49	22.34	17.97	—	—	—	—	—	—	—					
# of Portfolios		2	2	2	3	3	1	1	—	—	—	—					
Composite Dispersion (Asset Wtd. Std. Dev.)		0.12	0.69	N/A	0.22	N/A	N/A	N/A	—	—	—	—					
Composite Assets (USD Millions)		318.6	319.6	169.0	51.2	169.6	154.3	134.3	—	—	—	—					
Total Firm Assets (USD Billions)		121.9	140.6	116.5	79.8	126.9	97.7	77.6	—	—	—	—					