

# Lazard U.S. Mid Cap Equity - SMA

## Composite Disclosure Notes

The composite returns represent the total returns of all fully discretionary, fee-paying, separately managed account (SMA) portfolios with a U.S. Mid Cap Equity investment mandate and a minimum of \$25,000 in assets under management. Performance presented prior to January 1, 2006 represents the historical track record of Lazard's existing U.S. Mid Cap Equity GIPS compliant composite. This prior performance is considered supplemental for this separately managed account composite and also excludes accounts that Lazard historically considered to be non-discretionary. Historical and prospective net of fee composite performance returns are calculated using a 3.0% total fee assumption and is presented before tax. Actual SMA composite results from January 1, 2006 and forward contain all accounts with bundled fees. Gross of fee results from January 1, 2006 and forward are presented supplemental to compliant net of fee results, as no trading costs are included.

Lazard's account inclusion policy is the earlier of 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 value. Additional information regarding policies for calculating and reporting returns is available upon request. Program accounts remain static and are not rebalanced, whereas accounts included in the composite are actively rebalanced with respect to the model portfolio. This can result in wider dispersion among static accounts compared to the dispersion presented in this composite. Effective January 1, 2003, composite returns include mutual funds. Composite returns are shown before U.S. tax and the deduction of custody fees (except for mutual funds, which include all fees). The composite returns

**The table below describes historical composite information:**

Calendar Periods	# of Portfolios	Composite Dispersion (Asset Wtd Std. Dev.)	% of Firm Assets	Total Firm Assets (USD billions)
YTD 06/30/09	26	0.70	< 0.1	86.3
2008	41	0.70	< 0.1	79.8
2007	65	0.46	< 0.1	126.9
2006	67	0.52	< 0.1	97.7
2005	10	0.11	1.2	77.6
2004	9	0.34	1.0	76.5
2003	9	0.18	2.3	69.1
2002	7	0.17	0.6	51.6
2001	7	0.36	0.6	62.5
2000	5	0.98	0.4	68.6
1999	5	0.58	0.3	74.4

presented represent past performance and is not a reliable indicator of future results, which may vary.

The standard fee schedule for direct contracted relationships for Lazard's U.S. Mid Cap accounts is 0.6%. All-inclusive SMA fee schedules for each plan sponsor vary and are available through the plan sponsor. A complete list and description of all Lazard composites is available upon request.

The Russell Mid Cap Index comprises the smallest 800 stocks, as calculated using float, contained in the Russell 1000. The Russell 1000 represents the top one third of the largest 3,000 U.S.- domiciled companies.

Lazard has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS). Lazard Asset Management is the "Firm" to which the GIPS Standards apply (Frankfurt office included in Firm definition as of January 1, 2003). The Firm has been audited by an independent accounting firm through December 31, 2007 and the GIPS verification letter is available upon request. The composite creation date is January 2006.

# Lazard U.S. Mid Cap Equity - SMA Composite Performance Disclosure

Reporting Currency US Dollar  
Reporting Date Jun 30 2009  
Benchmark Russell Midcap Index

<b>Annualized</b>	<b>Lazard Rate of Return (Gross of Fees %)</b>	<b>Lazard Rate of Return (Net of Fees %)</b>	<b>Benchmark (Rate of Return %)</b>
1 Year	-23.9	-26.2	-30.4
3 Years	-8.6	-11.3	-9.3
5 Years	-0.4	-3.3	-0.1
10 Years	5.4	2.3	3.1
Since Inception	8.7	5.5	7.2

<b>Calendar Periods</b>	<b>Lazard Rate of Return (Gross of Fees %)</b>	<b>Lazard Rate of Return (Net of Fees %)</b>	<b>Benchmark (Rate of Return %)</b>
2nd Qtr. 09	21.4	20.5	20.8
YTD	10.1	8.5	10.0
2008	-36.7	-38.6	-41.5
2007	-1.6	-4.6	5.6
2006	15.5	12.0	15.3
2005	9.9	6.7	12.7
2004	26.3	22.6	20.2
2003	30.2	26.4	40.1
2002	-13.3	-15.8	-16.2
2001	14.6	11.3	-5.6
2000	25.9	22.3	8.2
1999	4.5	1.5	18.2

Inception of Lazard's U.S. Mid Cap Equity - SMA Composite is January 1, 1996. The performance quoted represents past performance. Past performance is not a reliable indicator of future results. Please see disclosure notes for additional information about this composite.