

PRODUCT PROFILE / 4Q 2009

U.S. Equity Concentrated

STRATEGY DESCRIPTION

Lazard U.S. Equity Concentrated invests in financially productive companies across the market capitalization spectrum, employing intensive fundamental analysis and accounting validation to identify investment opportunities. It seeks to outperform the S&P 500 Index by investing in companies that compound earnings and capital and by taking advantage of valuation anomalies. The strategy typically invests in 25-35 securities with a market capitalization of \$1 billion or greater.

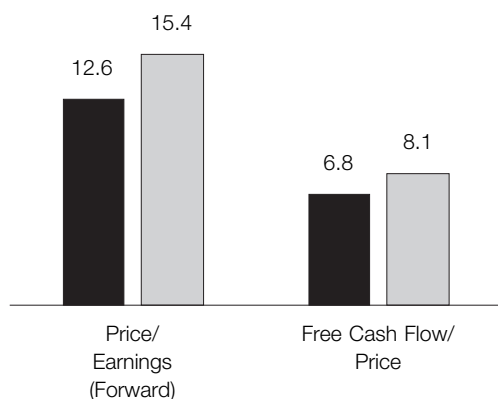
PERFORMANCE (%) — AS OF DECEMBER 31, 2009

(%; Gross of fees)	Annualized Returns					
	3-Month	YTD	1-Year	3-Year	5-Year	Since Inception (08/01/2003)
Lazard U.S. Equity Concentrated	8.1	46.7	46.7	-1.0	3.3	8.6
S&P 500 Index	6.0	26.5	26.5	-5.6	0.4	3.9

Performance is preliminary and presented gross of fees. Please refer to the disclosure sections for additional performance information, including net-of-fees results. The performance quoted represents past performance. Past performance is not a reliable indicator of future results.

PORTFOLIO PROFILE
Characteristics¹

- Lazard
- S&P 500 Index



	Lazard	S&P 500 Index
Number of Securities	21	500
Current Dividend Yield (%)	1.7	1.9
Average Weighted Market Cap (\$ billions)	46.7	80.9
Turnover - Trailing 12 Months (%)	85.7	N/A
Standard Deviation 5 Year (%)	16.5	15.9
Annualized Alpha 5 Year (%)	3.0	N/A

HOLDINGS²

Equity	99.0	Materials	12.2
Cash and Equivalents	1.0	Ball	
Health Care	32.0	Mosaic	
Johnson & Johnson		Newmont Mining	
Omnicare		Consumer Staples	9.2
Pfizer		Molson Coors Brewing	
Talecris Biotherapeutics Holdings		Walgreen	
Teleflex		Information Technology	7.3
Consumer Discretionary	20.0	eBay	
Apollo Group Cl A		Lexmark International Cl A	
Autozone		Microsoft	
Comcast Special Cl A		Energy	2.7
Mattel		Holly	
Industrials	15.6	Financials	0.0
Corrections Corporation of America		Telecommunication Services	0.0
Raytheon		Utilities	0.0
Spirit AeroSystems Holdings Cl A			

NOTES:

- Portfolio characteristics are based upon a representative portfolio that represents the proposed investment for a fully discretionary account. Source: Lazard, Standard & Poor's.
- The allocations and specific securities mentioned are based upon a representative 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. Please note that cash is not viewed as a strategic asset class.

Equity securities will fluctuate in price; the value of your investment will thus fluctuate, and this may result in a loss.

COMMENTARY²

Stocks rose to end the final quarter of 2009, as the economy continued to recover from one of the worst economic and financial crises in recent history. The events of 2009 largely eliminated the short-term risk of systemic failure that we faced only a year ago. The U.S. Federal Reserve's near-zero interest rate policy, combined with a fiscal deficit of approximately 10% of U.S. GDP, transformed the economic freefall to moderate growth quite quickly. This encouraged investors to buy into riskier assets. The economy appears to be pulling out of its recession, as it returned to growth following four consecutive quarters of contraction. The housing market also showed further signs of stabilization, as the U.S. Government extended its tax incentive program and maintained low borrowing costs for homebuyers. However, the recovery in consumer activity, a primary driver of the economy in the United States, remained uncertain amid the high unemployment rate. A deceleration of consumer credit volumes also pointed to the continued deleveraging of U.S. consumers.

By sector, materials, information technology, and consumer discretionary performed well for the quarter on the back of an improving economic outlook. Strong commodity prices boosted confidence in many commodity producers. The health care sector also performed strongly due to easing concerns over U.S. health care reform. A pick-up in mergers and acquisitions activity added confidence to the sector as well. Meanwhile, the more defensive consumer staples companies underperformed during the period. The financials sector also underperformed, as the expected arrival of more normalized earnings levels for banks was pushed further back amid continued deterioration in the credit markets.

During the quarter, performance was helped by stock selection in the industrials sector, as holdings such as Raytheon and Corrections Corp. of America performed well. Both companies reported better-than-expected earnings during the period. Corrections Corp. of America, an owner and operator of corrections facilities, benefited from increasing outsourcing trends and a large equity investment by a strategic buyer. Raytheon, a

defense company, outperformed as defense budget comments out of Washington were not as negative as some had feared. Stock selection in the materials sector also helped returns. Mosaic, a producer of potash used in farming, performed strongly, as investors expect a rebound in volumes now that Belarusian Potash Company has reached a contract price with China. Potash demand had weakened after farmers considerably reduced the use of this fertilizer amid the economic slowdown. We continue to believe Mosaic will perform well based on its strategic potash assets and the expectation that, as demand returns, pricing will also improve. Even at these low price levels, the company currently generates strong free cash flow and has a strong balance sheet. The strategy also benefited from a lack of holdings in the financials sector, as it was the only sector with negative returns for the quarter.

Conversely, stock selection in the consumer staples sector detracted from performance, as shares of Molson Coors Brewing declined despite its positive earnings for the third quarter. A decline in shipments due to poor weather disappointed investors. Stock selection in the consumer discretionary sector detracted from returns as well, as shares of Comcast lagged during the first two months of the quarter due to concerns over its potential acquisition of NBC Universal. While the stock rebounded sharply in December following the announcement of a deal, it was not enough to offset the earlier declines. We continue to view Comcast favorably due to the stability of its cable business, revenue growth, and strong cash flow generation. We also believe that Comcast currently trades at a discount valuation to its peers.

While conditions for investors have continued to improve throughout the most recent quarter and 2009 overall, we believe we will see both new opportunities and uncertainties in the quarters and years ahead. This environment demands that managers rely on forward-looking, fundamental research to make investment decisions. As the economy deleverages and recalibrates, we believe our focus on balance sheet strength, robust organic cash flows, and the resulting operational flexibility will continue to deliver strong results.

PERFORMANCE DISCLOSURE

Reporting Currency:	U.S. Dollars
Reporting Date:	December 31, 2009
Benchmark:	S&P 500 Index
Composite Inception Date	August 1, 2003

	Lazard Return (%; Gross of Fees)	Lazard Return (%; Net of Fees)	Benchmark Return (%)
Annualized			
1-Year	46.7	45.8	26.5
3-Year	-1.0	-1.6	-5.6
5-Year	3.3	2.7	0.4
10-Year	N/A	N/A	N/A
Since Inception	8.6	8.0	3.9

Calendar Periods	Lazard Return (%; Gross of Fees)	Lazard Return (%; Net of Fees)	Benchmark Return (%)
QTD	8.1	7.9	6.0
YTD	46.7	45.8	26.5
2009	46.7	45.8	26.5
2008	-36.3	-36.7	-37.0
2007	3.7	3.2	5.5
2006	15.3	14.7	15.8
2005	5.3	4.7	4.9
2004	26.3	25.7	10.9

DISCLOSURE NOTES

The composite represents the returns of all fully discretionary, fee-paying, portfolios with a U. S. Equity Concentrated investment mandate.

Lazard's account inclusion policy is 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. Composite returns are shown before tax and the deduction of custody fees. The composite returns presented represent past performance and is not a reliable indicator of future results, which may vary. Lazard's U.S. Equity Concentrated Composite product invests in a relatively small number of securities. Should any individual security held in this portfolio decline in value or underperform relative to the market, it may have a greater impact on the account's performance than if the account held a larger number of securities. An account invested using this strategy may experience more volatility.

Lazard's standard fee schedule for U.S. Equity Concentrated accounts is 0.75% of the first \$100 million of assets and 0.75% of the balance of the account (This fee schedule may be presented in non-U.S. local currency based on prevailing exchange rates.) A performance based fee arrangement is also available. A complete list and description of all Lazard composites is available upon request. This composite has changed its name from U.S. Strategic Equity Select as of October 2005 and as of September 2009 from U.S. Strategic Equity Concentrated to U.S. Equity Concentrated.

The S&P 500 Index is an index of 500 industrial, utility, transportation and financial companies of the U.S. markets (mostly NYSE issues). It is a capitalization-weighted index calculated on a total return basis with dividends reinvested.

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, 2008 and the GIPS verification letter is available upon request. The composite creation date is August 2003.

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 09/30/09	13	0.20	< 0.1	107.9
2008	7	0.18	< 0.1	79.8
2007	21	0.20	< 0.1	126.9
2006	26	0.32	< 0.1	97.7
2005	30	0.40	< 0.1	77.6
2004	13	0.57	< 0.1	76.5