

PRODUCT PROFILE / 4Q 2009

U.S. Mid Cap Equity

STRATEGY DESCRIPTION

Lazard U.S. Mid Cap Equity invests in financially productive mid-cap companies, employing intensive fundamental analysis and accounting validation to identify investment opportunities. It seeks to outperform the Russell Mid Cap Index by investing in companies that compound earnings and capital, as well as by taking advantage of valuation anomalies. The strategy typically invests in 50-70 securities of companies with a market capitalization of between \$1 billion and \$10 billion, or in the range of the Russell Midcap Index.

PERFORMANCE (%) — AS OF DECEMBER 31, 2009

(%; Gross of fees)	3-Month	YTD	1-Year	Annualized Returns		
				3-Year	5-Year	10-Year
Lazard U.S. Mid Cap Equity	6.5	40.1	40.1	-5.1	1.7	8.4
Russell Midcap Index	5.9	40.5	40.5	-4.6	2.4	5.0

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 DRIVERS FOURTH QUARTER 2009

Helped	+ Stock selection in the energy sector
	+ An underweight position and stock selection in the financials sector
	+ Stock selection in the health care sector
Hurt	- Stock selection in the consumer discretionary sector
	- Stock selection in the information technology sector

COMMENTARY¹

Stocks rose to end the final quarter of 2009, as the economy continued to recover from one of the worst 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 near-zero interest rate policy and large fiscal deficit contained the economic freefall, and the economy returned to growth. However, the recovery in consumer activity remained uncertain, and a deceleration of consumer credit volumes pointed to the continued deleveraging of U.S. consumers. By sector, materials, information technology, and health care performed well, while the more defensive consumer

staples companies underperformed along with the financials sector.

While conditions for investors have continued to improve, 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. As the economy deleverages and recalibrates, we believe our focus on balance sheet strength, robust organic cash flows, and the resulting operational flexibility will deliver strong results.

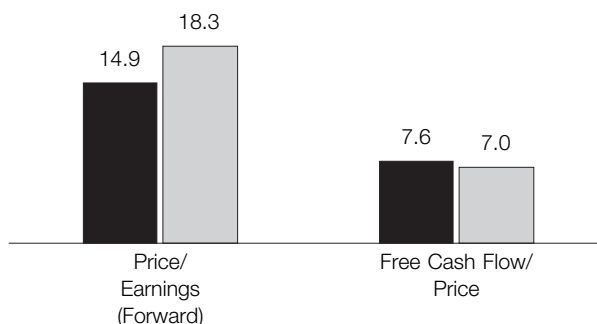
PORTFOLIO PROFILE^{1, 2}

	Lazard	Russell Midcap Index
Number of Securities	69	773
Current Dividend Yield (%)	1.5	1.6
Average Weighted Market Cap (\$ billions)	6.8	6.2
Turnover - Trailing 12 Months (%)	75.3	N/A

Sector Allocation	Lazard Weighting %	Russell Midcap Index Weighting %
Consumer Discretionary	17.5	14.9
Information Technology	15.9	15.4
Financials	14.5	18.4
Health Care	12.2	8.8
Industrials	12.0	12.7
Materials	10.0	6.3
Energy	8.0	7.2
Consumer Staples	6.3	6.8
Utilities	3.7	7.5
Telecommunication Services	0.0	1.9

Characteristics

- Lazard
- Russell Midcap Index

**NOTES:**

1 The allocations mentioned are based upon a representative portfolio that represents the proposed investment for a fully discretionary account. Allocations are subject to change.

2 Portfolio characteristics are based upon a representative portfolio that represents the proposed investment for a fully discretionary account. Source: Lazard, Russell Investments.

Equity securities will fluctuate in price; the value of your investment will thus fluctuate, and this may result in a loss. Mid-cap securities carry additional risks, their earnings may be less predictable, their share prices more volatile, and their securities less liquid than large-cap securities.

ABOUT LAZARD ASSET MANAGEMENT

DIFFERENTIATING FEATURES

- Focus on security selection and portfolio construction
- Accounting validation process
- Internal global research resources
- Risk management
- Team approach to investing

FIRM OVERVIEW

Tracing its history back to 1848, Lazard has long maintained a pre-eminent position in the world's financial marketplace. Lazard Asset Management LLC, an indirect subsidiary of Lazard Ltd., is known for its global perspective on investing and years of experience with global, regional, and domestic portfolios. With more than 235 investment personnel worldwide, we offer investors of all types an array of equity, fixed income, and alternative investment solutions from our network of local offices in ten different countries. Our team-based approach to portfolio management helps us to deliver robust and consistent performance over time, and strong client relationships allow us to understand how to employ our capabilities to our clients' advantage.

INVESTMENT PHILOSOPHY

- **Pick securities, not markets.** Securities are evaluated individually, and capital is allocated to the most attractive. Each investment decision is backed by original research, strict accounting validation, and fundamental analysis.
- **Find relative value.** A careful analysis of valuation is predicated on a long-term view of financial productivity. Understanding that value is determined by the relationship between cost and reward, an emphasis is placed on strong fundamentals.
- **Manage risk.** Although it cannot be avoided, risk can be actively managed through an understanding of the cumulative risk resulting from individual investment decisions.
- **Stick to our discipline.** In the course of a complete market cycle, investment styles will fall in and out of favor. By remaining faithful to our approach, success can be measured with a long-term perspective.

INVESTMENT PROCESS

- **Analytical Framework.** Our analysts screen global databases consisting of thousands of companies, searching for those with a high return on capital and an attractive share price.
- **Accounting Validation.** Analysts use this process to examine a company's stated financial statistics (income statement, cash flow statement, balance sheet, and all related footnotes) to consider how accounting decisions and policies may affect reported financial productivity. They also try to identify and take advantage of pricing anomalies and discover opportunities, including hidden value per share and hidden risks.
- **Fundamental Analysis.** We conduct fundamental analysis to determine the sustainability of returns, to discover hidden value, and to identify a catalyst for price revaluation.
- **Analyst Recommendations and Portfolio Construction.** Analysts propose and defend stock recommendations to the portfolio management teams, thereby identifying a group of undervalued securities that meet the teams' portfolio criteria. The portfolio teams must agree on the merits of the stock in order for a purchase to occur.

ASSETS UNDER MANAGEMENT

As of September 30, 2009

Total Firm Assets:	\$107.9 billion
Total U.S. Mid Cap Equity Assets:	\$3.2 billion

Assets include those of Lazard Asset Management LLC (New York) and its affiliates, but do not include those of Lazard Frères Gestion (Paris) or other asset management businesses of Lazard Ltd.

SELL DISCIPLINE

Portfolios are reviewed on a daily basis, and an individual security is sold when:

1. its stock price is no longer believed to reflect fair value;
2. substantial changes have occurred in the company's fundamentals; or
3. the investment thesis is no longer valid.

Portfolio ideas are generally implemented equally for all fully discretionary portfolios with similar mandates.

PERFORMANCE DISCLOSURE

Reporting Currency:	U.S. Dollars
Reporting Date:	December 31, 2009
Benchmark:	Russell Midcap Index
Composite Inception Date	January 1, 1996

	Lazard Return (%; Gross of Fees)	Lazard Return (%; Net of Fees)	Benchmark Return (%)
Annualized			
1-Year	40.1	39.5	40.5
3-Year	-5.1	-5.5	-4.6
5-Year	1.7	1.2	2.4
10-Year	8.4	7.8	5.0
Since Inception	10.2	9.7	8.8

Calendar Periods	Lazard Return (%; Gross of Fees)	Lazard Return (%; Net of Fees)	Benchmark Return (%)
QTD	6.5	6.4	5.9
YTD	40.1	39.5	40.5
2009	40.1	39.5	40.5
2008	-37.9	-38.2	-41.5
2007	-1.7	-2.2	5.6
2006	15.8	15.2	15.3
2005	9.9	9.2	12.7
2004	26.3	25.5	20.2
2003	30.2	29.6	40.1
2002	-13.3	-13.8	-16.2
2001	14.6	14.0	-5.6
2000	25.9	25.5	8.2

DISCLOSURE NOTES

The composite returns represent the total returns of all fully discretionary, fee-paying portfolios with a U.S. Mid Cap Equity investment mandate and a minimum of \$5 million through December 31, 2003, and no minimum thereafter for all assets invested by Lazard Asset Management.

Lazard's account inclusion policy was a minimum of three months from inception through June 30, 2001, and then the earlier of the first full month or the end of the month in which the account is fully invested from July 1, 2001 to the present. 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. 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 presented represent past performance and is not a reliable indicator of future results, which may vary.

Lazard's standard fee schedule for U.S. Mid Cap Equity 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.) 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, 2008 and the GIPS verification letter is available upon request. The composite creation date is January 1996.

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	8	0.60	2.9	107.9
2008	10	0.27	1.6	79.8
2007	10	0.23	1.5	126.9
2006	9	0.11	1.6	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