LAZARD

4Q

PRODUCT PROFILE / 4Q 2009

U.S. Strategic Equity

STRATEGY DESCRIPTION

Lazard U.S. Strategic Equity 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 55-70 securities of companies with a market capitalization of $1 billion or greater.

PERFORMANCE (%) — AS OF DECEMBER 31, 2009

				Annualized Returns		
(%; Gross of fees)	3-Month	YTD	1-Year	3-Year	5-Year	10-Year
Lazard U.S. Strategic Equity	**6.1**	**29.4**	**29.4**	**-4.9**	**1.7**	**2.2**
S&P 500 Index	6.0	26.5	26.5	-5.6	0.4	-0.9

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 DRIVERS FOURTH QUARTER 2009

Helped	+	Stock selection in the industrials sector
	+	Stock selection in the energy sector
Hurt	-	Stock selection in the consumer staples sector
	-	Stock selection in the consumer discretionary sector

12/09 IN12139

COMMENTARY[1]

Stocks rose during the quarter, as the economy continued to recover from financial crisis. The U.S. Federal Reserve's near-zero interest rate policy, combined with a fiscal deficit of approximately 10% of U.S. GDP, quickly transformed economic free fall to moderate growth, which encouraged investors to buy riskier assets. The economy appeared to be pulling out of recession and returned to growth following four consecutive quarters of contraction. The housing market showed further signs of stabilization. However, recovery in consumer activity, a primary U.S. economic driver, remained uncertain amid high unemployment. Consumer credit deceleration also pointed to continued deleveraging of U.S. consumers.

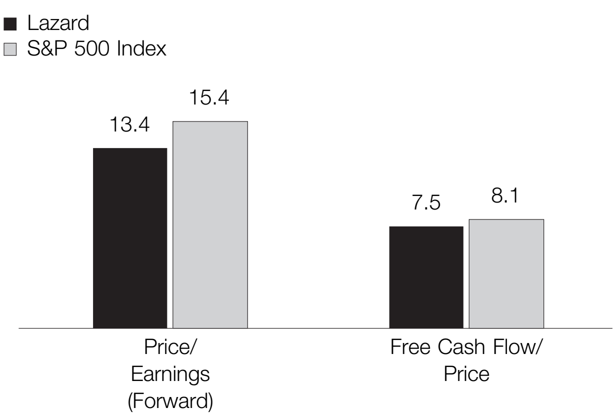
While conditions for investors kept improving throughout the quarter and 2009 overall, we believe we will see both new opportunities and uncertainties in the years ahead. As the economy deleverages and recalibrates, we believe our focus on balance sheet strength, robust organic cash flows, and operational flexibility will continue to deliver strong results.

PORTFOLIO PROFILE[1, 2]

	Lazard	S&P 500 Index
Number of Securities	65	500
Current Dividend Yield (%)	1.9	1.9
Average Weighted Market Cap ($ billions)	74.2	80.9
Turnover - Trailing 12 Months (%)	71.5	N/A

Sector Allocation	Lazard Weighting %	S&P 500 Index Weighting %
Information Technology	19.8	19.9
Health Care	14.7	12.6
Financials	13.1	14.4
Energy	11.4	11.5
Consumer Discretionary	11.3	9.6
Industrials	11.1	10.3
Consumer Staples	10.7	11.4
Materials	6.0	3.6
Telecommunication Services	1.0	3.2
Utilities	0.8	3.7

Characteristics



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, Standard & Poor's.

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

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. Strategic Equity Assets:	$8.2 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:	S&P 500 Index
Composite Inception Date	March 1, 1998

Annualized	Lazard Return (%; Gross of Fees)	Lazard Return (%; Net of Fees)	Benchmark Return (%)
1-Year	29.4	29.2	26.5
3-Year	-4.9	-5.0	-5.6
5-Year	1.7	1.5	0.4
10-Year	2.2	2.0	-0.9
Since Inception	5.5	5.3	2.3

Calendar Periods	Lazard Return (%; Gross of Fees)	Lazard Return (%; Net of Fees)	Benchmark Return (%)
QTD	6.1	6.1	6.0
YTD	29.4	29.2	26.5
2009	29.4	29.2	26.5
2008	-34.3	-34.5	-37.0
2007	1.3	1.2	5.5
2006	18.6	18.1	15.8
2005	6.6	6.3	4.9
2004	20.4	19.9	10.9
2003	30.0	29.4	28.7
2002	-17.1	-17.2	-22.1
2001	-3.0	-3.1	-11.9
2000	-8.9	-9.0	-9.1
Mar 98 - Dec 98	11.5	11.5	18.6

DISCLOSURE NOTES

The composite returns represent the total returns of all fully discretionary, fee-paying portfolios with a U.S. Strategic Equity investment mandate and a minimum of $5 million in assets under management by Lazard Asset Management. The strategic equity mandate allows for investment in U.S. stocks of various capitalization ranges.

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, based on monthly portfolio valuations, use trade date accounting, and include the reinvestment of all earnings as of the payment date. The composite returns are asset-weighted based upon beginning period market values and are presented before tax and the deduction of custody fees. Additional information regarding policies for calculating and reporting returns is available upon request. The composite returns presented represent past performance and is not a reliable indicator of future results, which may vary. This composite has changed its name from U.S. Multi Cap Equity as of October 2003.

Lazard's standard fee schedule for U.S. Strategic Equity accounts is 0.75% on 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 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 March 2002.

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	14	0.16	6.3	107.9
2008	15	0.16	7	79.8
2007	18	0.14	6.8	126.9
2006	12	0.36	0.9	97.7
2005	9	0.11	0.6	77.6
2004	5	0.08	0.2	76.5
2003	<5	0.09	< 0.1	69.1
2002	<5	0.13	0.1	51.6
2001	<5	0.22	0.1	62.5
2000	<5	0.17	< 0.1	68.6
1999	<5	N/A	< 0.1	74.4