

GIPS Composite Information

Lazard US Equity Concentrated

Benchmark: S&P 500 Index
Reporting Date: 31 December 2016
Composite Inception Date: 01 August 2003
Reporting Currency: U.S. Dollar

Composite Description

The composite represents the returns of all fully discretionary portfolios with a US Equity Concentrated investment mandate. The Lazard US Equity Concentrated strategy is a concentrated, all cap strategy designed to leverage the best ideas of the US Equity team. The strategy invests in financially productive companies across the market capitalization spectrum (generally greater than \$350 million), employing intensive fundamental analysis and accounting validation to identify investment opportunities. Certain information regarding the composite constituents has been revised to conform to composite construction guidelines.

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 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 values. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The percentage of composite non fee paying accounts for each annual period end are as follows: 2014 - 2008, 0.0%; 2007, 2.1%; 2006, 1.2%; 2005, 0.0%. In the current period, 0.0% of this composite comprises non fee paying accounts. For these accounts, net of fee performance has been calculated using the standard fee schedule for the U.S. Equity Concentrated strategy. Composite returns are shown before taxes and the deduction of custody fees (except for mutual funds which includes all fees). The composite returns presented represent past performance and is not a reliable indicator of future results, which may vary. Lazard's US 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. This composite has changed its name from US Strategic Equity Select as of October 2005 and as of September 2009, from US Strategic Equity Concentrated to US Equity Concentrated.

Fee Schedule

Lazard's standard fee schedule for US Equity Concentrated accounts is 0.75% of all assets (This fee schedule may be presented in non-US local currency 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 S&P 500 Index is an index of 500 industrial, utility, transportation and financial companies of the US markets (mostly NYSE issues). It is a capitalization-weighted index calculated on a total return basis with dividends reinvested.

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, 2015. 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 August 2003.

	Calendar											Annualized				
	QTD	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	1 YR	3 YR	5 YR	10 YR	Since Inception
Lazard Rate of Return (%; Gross of Fees)	-2.31	8.38	7.88	19.90	30.53	19.33	3.85	17.18	46.68	-36.25	3.67	8.38	11.92	16.90	9.92	11.91
Lazard Rate of Return (%; Net of Fees)	-2.45	7.73	7.21	19.13	29.64	18.62	3.42	16.54	45.82	-36.69	3.17	7.73	11.22	16.17	9.28	11.28
Benchmark (%; Rate of Return)	3.82	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00	5.49	11.96	8.87	14.66	6.95	8.49
Composite Standard Deviation (3-yr. Ann.)		10.97	10.17	9.00	11.51	13.49	17.28	21.34	20.33	15.99	8.97					
Benchmark Standard Deviation (3-yr. Ann.)		10.59	10.47	8.97	11.94	15.09	18.71	21.85	19.63	15.08	7.68					
# of Portfolios	155	155	118	92	89	55	16	14	16	10	23					
Composite Dispersion (Asset Wtd. Std. Dev.)	0.22	0.41	0.31	0.23	0.40	0.25	0.15	0.14	0.34	0.18	0.20					
Composite Assets (USD Millions)	4904.7	4904.7	2128.8	1085.1	852.2	317.6	139.6	120.9	40.8	6.9	65.5					
Total Firm Assets (USD Billions)	168.0	168.0	160.1	171.4	161.6	148.3	124.4	140.6	116.5	79.8	126.9					

Important Information

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.

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