

MANAGER PROFILE

LAZARD ASSET MANAGEMENT

Manager Background

- > Lazard Ltd is a New York Stock Exchange-listed, financial advisory and asset management firm. The company was established in 1848 as a merchant company, evolving later into a financial services business. Lazard Asset Management (Lazard) is the asset management subsidiary of Lazard Ltd and as at 30 June 2010¹ had more than 200 investment personnel and operates in 10 countries.
- > As at 30 September 2010¹, Lazard had approximately US\$143.6 billion in assets under management.

Lazard Quantitative Equity Global (ex-Australia) 130/30 Fund

- > This is a fund that utilises 30% leverage through its short positions to gain 130% long exposure. A basket of shares that equate to 30% of the fund size is sold short. The overall aim is to achieve total returns that outperform the MSCI World ex-Australia Index by 4-5% per annum over rolling three-year periods.
- > Quantitative management is a systematic management style that lends itself to tight risk controls. These tight risk controls allow the Fund to add value in an efficient, low-relative-risk manner.
- > Most of the quantitative equity team at Lazard has been together for at least six years.

Manager Attributes

- > Lazard provides investment management and advisory services to institutional clients, financial intermediaries, private clients and investment vehicles around the world.
- > Lazard manages a wide selection of equity, fixed income and alternative investments with the goal of producing superior risk-adjusted investment returns and providing investment solutions that are customised for their clients.
- > The Lazard Quantitative Equity Team is composed of nine individuals with 17 years average industry experience.
- > The Team has a practical market savvy approach which it applies to quantitative management.
- > It strives to avoid style biases in its quantitative process. This focus maximises its ability to add value to clients' portfolios.
- > Additionally, the Team has the ability to utilise the resources of Lazard's global research platform.

Note: As part of the changes being implemented to the Mid Term Growth Portfolio, NZ Funds Management will be redeeming its investment with this manager in November.

¹ This information is updated quarterly.