

Lazard European Alpha Fund

(A sub-fund of Lazard Investment Funds, a UK-based OEIC)



Performance Data

Annualised Return* (in GBP % p.a.)

	Periods ended 31 March 2014					12 Months ended 31 March				
	3 months	YTD	1 year	3 years	5 years	2014	2013	2012	2011	2010
Lazard European Alpha Fund	2.3	2.3	16.0	8.4	13.5	16.0	20.4	-8.8	5.4	40.2
Quartile	3	3	3	2	3	3	2	2	4	4
IMA Europe ex UK Sector	3.1	3.1	17.3	8.1	14.8	17.3	19.5	-10.0	8.3	45.7
FTSE Europe ex UK Index	3.0	3.0	17.3	7.0	14.4	17.3	18.0	-11.4	7.5	48.8

Source: Morningstar Direct, Bid to Bid Price, Net Income Reinvested, Net of Fees. Past performance is not a reliable indicator of future results. *Performance data for periods less than 1 year is illustrated on a cumulative growth basis.

Product Commentary

Market Review

European markets marginally appreciated during March, as positive economic data out of the euro zone was partially drowned out by continuing news flow on the annexation of Crimea from the Ukraine to Russia. Although a number of countries, including the US, have imposed sanctions on Russia, assurances that no further advance into Ukrainian territory would be made calmed markets towards the end of the month. The best performing indices in Europe were, for the most part, all in the southern markets of the euro zone, Spain, Greece and Italy, where economic activity is slowly, but steadily, gaining momentum.

Outlook

The steady recovery we are currently seeing in the euro zone is likely to continue and become increasingly self sustaining in the coming months, though this will also be reliant on global growth, particularly in the emerging markets, which have had a decidedly mixed start to the year. Although earnings outlooks have not lived up to expectations, we still believe there is room for share prices to rise, as the potential for further profit recovery in Europe still exceeds that globally and valuations are close to their historical average.

£100 Invested Over Three Years



Source: Morningstar Direct, Cumulative Growth, Bid to Bid Price, Net of fees, Net Income Reinvested to 31/03/2014 in GBP.

What Helped the Fund

- ▲ Overweight Turkiye Garanti Bankasi
- ▲ Overweight BMW
- ▲ Owing Petroleum Geo-Services

What Hurt the Fund

- ▼ Overweight BNP Paribas
- ▼ Owing Panalpina World Transport
- ▼ Owing Atramedia

Fund Information

Objective† To achieve capital growth at a rate greater than that of the FTSE World-Europe ex UK Index, measured in Sterling.

Benchmark FTSE Europe ex UK Index

Fund Managers Aaron Barnfather, Barnaby Wilson and team

Launch Date 27 August 1986

Fund Size £122.38m

Base Fund Currency £

Retail share class (£2,000 min)

NAV 576.50p

Current Yield 1.26%

Initial Charge 3.75%

Annual Management Charge 1.50%

Institutional share class (£200,000 min)

NAV 579.10p

Current Yield 1.70%

Initial Charge 0.00%

Annual Management Charge 1.00%

Sedol Codes

0846884 (Retail Income)

0846895 (Institutional Income)

B6267V8 (Retail Accumulation)

B7WP658 (Retail C [RDR] Accumulation)

B6S1MZ5 (Retail C [RDR] Income)

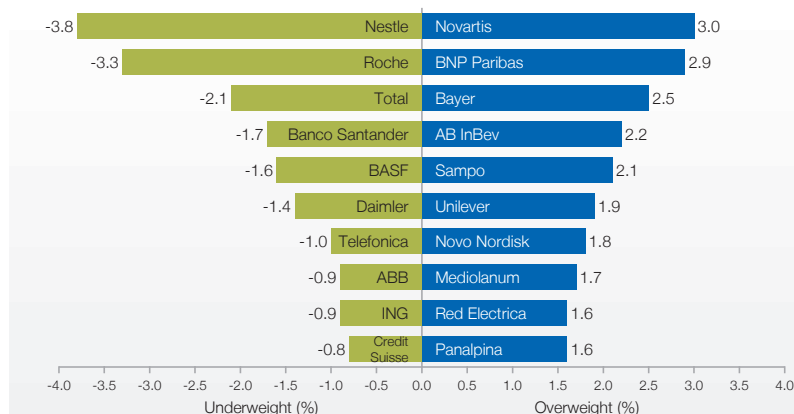
Income Distribution Dates

May, November

†There is no assurance that the Lazard European Alpha Fund's objectives or performance targets will be achieved. Current yield is the annual dividend divided by the current price.

Top Ten Positive/Negative Positions

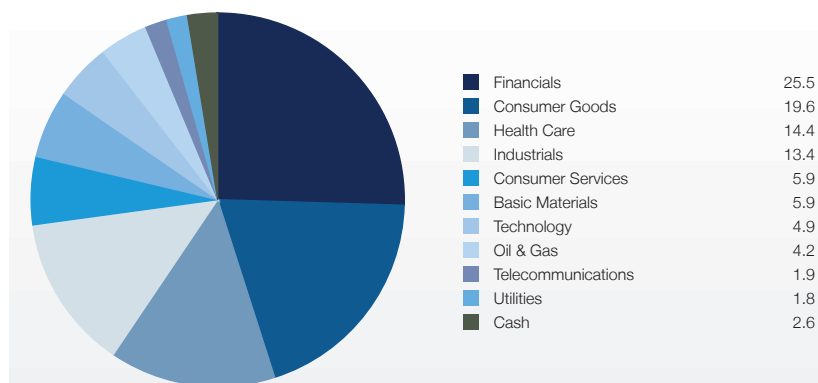
Relative to FTSE Europe ex UK Index



Top Ten Fund Holdings

	Fund (%)
Novartis	6.1
Bayer	4.3
BNP Paribas	4.1
AB InBev	3.5
Sanofi	3.3
Novo Nordisk	3.2
Unilever	2.9
Siemens	2.9
Sampo	2.5
Allianz	2.3
Total	35.1
Total Securities	60

Sector Breakdown



Contact Details

Lazard Asset Management Limited
50 Stratton Street, London W1J 8LL

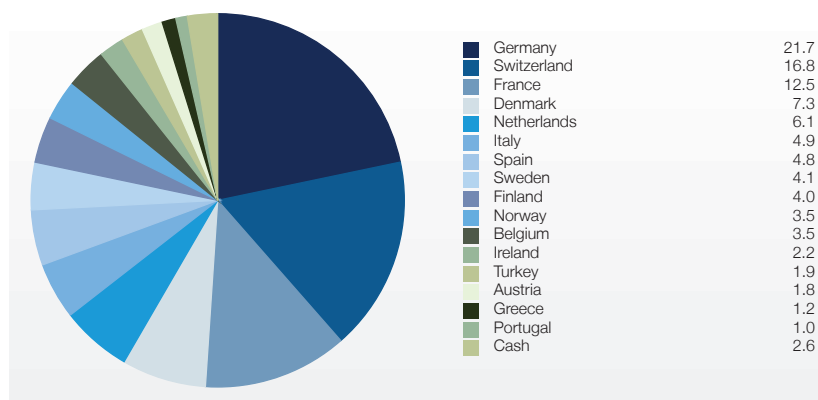
UK Support Desk
UK Telephone: 0800 374 810

Email
contactuk@lazard.com

Dealing and Administration
Telephone: 0870 606 6408

Website
lazardassetmanagement.co.uk

Geographic Breakdown



Technical Statistics†

Alpha (% p.a.) 3.04 "Alpha" represents the return of a portfolio that is attributable to the manager's investment decisions.

Beta 0.99 "Beta" measures a fund's sensitivity to movements in the overall market.

Tracking Error (% p.a.) 2.48 "Tracking error" measures the volatility of the difference between a portfolio's performance and the benchmark.

Information Ratio 1.12 "Information ratio" represents the value added of the manager (excess return) divided by the tracking error.

Sharpe Ratio 0.57 "Sharpe ratio" measures return in excess of the risk free rate for every unit of risk taken.

†Technical statistics calculated three years to 31/03/2014.
Tracking error shown is calculated using NAV data priced at midday and Index data priced at the close of day.

All data contained herein are sourced by Lazard Asset Management or affiliates unless otherwise noted. This is a financial promotion and is not intended to constitute investment advice. The Lazard European Alpha Fund is a sub-fund of Lazard Investment Funds, a UK-authorized Open Ended Investment Company ("OEIC") and UCITS. The Authorised Corporate Director of the Lazard European Alpha Fund is Lazard Fund Managers Limited, which is authorised and regulated by the Financial Conduct Authority ("FCA") and is a member of IMA. Copies of the Prospectus, Key Investor Information Document and Report and Accounts in English are available on request or at www.lazardassetmanagement.co.uk. Past performance is not a reliable indicator of future results. Investors are reminded that the value of shares and the income from them is not guaranteed and can fall as well as rise due to stock market movements. When you sell your investment you may get back less than you originally invested. Changes in the rate of exchange between the currency in which shares are denominated and the currency of investment may have the effect of causing the value of your investment to fluctuate. "Any yield quoted is gross and is not guaranteed. It is subject to fees, taxation and charges within the fund and the investor will receive less than the gross yield. In view of the concentrated nature of the fund, the level of risk is expected to be higher than for a fund with a broader range of investments and the net asset value may be more volatile. The information provided should not be considered a recommendation or solicitation to purchase, retain or sell any particular security. It should also not be assumed that any investment in these securities was or will be, profitable. Investing in equities may lead towards higher returns in the long term. However, considerable fluctuations can apply to equity prices resulting in a greater risk that you may not get your money back. This financial promotion is issued and approved by Lazard Asset Management Limited, 50 Stratton Street, London W1J 8LL. Lazard Asset Management Limited is incorporated in England and Wales with registered number 525667. It is authorised and regulated by the Financial Conduct Authority. The funds or securities referred to herein are not sponsored, endorsed, or promoted by the index providers, and the index providers bear no liability with respect to any such funds or securities or any index on which such funds or securities are based. The prospectus contains a more detailed description of the limited relationship the index providers have with the licensee and any related funds.