Performance Snapshot (as of September 30, 2011)

Q3 2011

Wherever there's opportunity, there's Lazard.SM

With Lazard Funds, you can pursue a range of investment strategies that address the demands of an ever-changing financial landscape. Ongoing global collaboration between research analysts and portfolio managers enables us to **capitalize on our local presence in markets around the world.**

				ANNUALIZED RETURNS (%)					EXPENSE RATIO (%)	
	Symbol	3 MO	1 YR	3 YR	5 YR	10 YR	Since Inception[1]		Total	Net
U.S. Equity										
Lazard U.S. Equity Value Portfolio										
Institutional	LEVIX	-17.12	-4.22	-1.70	-2.86	N/A	-0.20	9/30/05	2.76	0.75
Open	LEVOX	-17.15	-4.47	-2.00	-3.13	N/A	-0.46	9/30/05	7.28	1.05
Russell 1000 Value Index		-16.20	-1.89	-1.52	-3.53	N/A	-0.72			
Lazard U.S. Strategic Equity Portfolio										
Institutional	LZUSX	-14.20	0.85	0.27	-1.56	N/A	0.67	12/30/04	1.06	0.75
Open	LZUOX	-14.29	0.51	-0.05	-1.89	N/A	0.38	12/30/04	1.44	1.05
S&P 500 Index		-13.87	1.14	1.22	-1.18	N/A	1.03			
Lazard U.S. Mid Cap Equity Portfolio										
Institutional	LZMIX	-19.04	-5.75	2.04	-1.46	5.91	6.15	11/4/97	0.91	
Open	LZMOX	-19.09	-5.97	1.76	-1.71	5.62	5.84	11/4/97	1.17	
Russell Midcap Index		-18.90	-0.88	3.96	0.56	7.45	6.49			
Lazard U.S. Small-Mid Cap Equity Portfolio										
Institutional	LZSCX	-26.02	-9.87	4.24	0.42	6.00	9.45	10/30/91	1.00	
Open	LZCOX	-26.08	-10.14	3.90	0.08	5.72	5.49	1/30/97	1.34	
Russell 2000/2500 Linked Index[2]		-21.22	-2.22	2.25	0.05	6.69	5.60			

[1] Since inception returns of the benchmarks are calculated from the inception date of the institutional share class; if for a period of one year or less, the returns are not annualized.

[2] Comprised of the Russell 2000 Index from inception to August 24, 2008 and the Russell 2500 Index from August 25, 2008 to the present.

Lazard has entered into a contractual agreement to waive its fee and, if necessary, reimburse the Lazard U.S. Equity Value Portfolio through April 30, 2012, to the extent Total Expenses exceed 0.75% and 1.05% of the average daily net assets of the Portfolio's Institutional Shares and Open Shares, respectively, and from May 1, 2012 through April 30, 2021, to the extent such expenses exceed 1.10% and 1.40% of the average daily net assets of the Portfolio's Institutional Shares and Open Shares, respectively. Lazard has also entered into a contractual agreement to waive its fee and, if necessary, reimburse the Lazard U.S. Strategic Equity Portfolio through April 30, 2012, to the extent Total Expenses exceed 0.75% and 1.05% of the average daily net assets of each Portfolio's Institutional Shares and Open Shares, respectively. Expenses are exclusive of taxes, brokerage, interest on borrowings, fees and expenses of "Acquired Funds" and extraordinary expenses, and excluding shareholder redemption fees or other transaction fees. Each agreement can only be amended by agreement of The Lazard Funds, Inc. and Lazard to lower the net amount shown and will terminate automatically in the event of termination of the Investment Management Agreement between Lazard and The Lazard Funds, Inc., on behalf of each Portfolio, respectively.

The performance quoted represents past performance. Past performance does not guarantee future results. One cannot invest directly in an index. Mutual fund performance fluctuates and currently may be lower than stated. An investor may obtain performance data current to the most recent month-end online at LazardNet.com. The investment return and principal value of the portfolio will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. Returns reflect reimbursement of expenses as described in the prospectus. Had expenses not been reimbursed, returns would have been lower.

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	Symbol	3 MO	1 YR	ANNUALIZED RETURNS (%) 3 YR	5 YR	10 YR	Since Inception[1]		EXPENSE RATIO (%) Total	Net
Global Equity										
Lazard Global Listed Infrastructure Portfolio										
Institutional	GLIFX	-9.85	-1.22	N/A	N/A	N/A	1.20	12/31/09	1.35	1.30
Open	GLFOX	-9.99	-1.72	N/A	N/A	N/A	0.78	12/31/09	18.06	1.60
MSCI World Index		-16.61	-4.35	N/A	N/A	N/A	-1.08			
UBS Global 50/50 Infrastructure & Utilities Index (USD Hedged)[2]		-6.16	-1.34	N/A	N/A	N/A	-0.42			
International Equity										
Lazard International Equity Portfolio										
Institutional	LZIEX	-17.77	-7.82	0.49	-2.17	4.63	5.12	10/29/91	0.98	
Open	LZIOX	-17.80	-8.06	0.21	-2.46	4.34	3.26	1/23/97	1.29	
MSCI EAFE Index		-19.01	-9.36	-1.13	-3.46	5.03	4.42			
Lazard International Equity Select Portfolio										
Institutional	LZSIX	-17.57	-8.17	-1.59	-3.60	4.09	1.99	5/31/01	5.08	1.15
Open	LZESX	-17.70	-8.57	-1.94	-3.93	3.76	1.69	5/31/01	5.31	1.45
MSCI EAFE/ACWI ex-U.S. Linked Index[3]		-19.85	-10.81	-1.64	-3.75	4.87	2.77			
MSCI EAFE Index		-19.01	-9.36	-1.13	-3.46	5.03	2.93			
Lazard International Strategic Equity Portfolio										
Institutional	LISIX	-19.36	-10.06	1.63	-1.48	N/A	2.47	10/31/05	0.90	
Open	LISOX	-19.44	-10.35	1.34	-1.81	N/A	-0.28	2/3/06	1.20	
MSCI EAFE Index		-19.01	-9.36	-1.13	-3.46	N/A	0.49			
Lazard International Small Cap Equity Portfolio										
Institutional	LZISX	-16.98	-4.90	2.25	-4.26	7.51	5.82	12/1/93	1.21	1.13
Open	LZSMX	-17.12	-5.20	1.99	-4.53	7.18	5.09	2/13/97	1.49	1.43
MSCI EAFE Small Cap Index		-18.59	-5.50	5.64	-1.88	9.76	4.07			

[1] Since inception returns of the benchmarks are calculated from the inception date of the institutional share class; if for a period of one year or less, the returns are not annualized.

[2] As of March 31, 2011, the UBS Global 50/50 Infrastructure & Utilities Index benchmark was replaced with the UBS Global 50/50 Infrastructure & Utilities Index (USD Hedged).

[3] Comprised of the MSCI EAFE Index from inception to June 30, 2010 and the MSCI All Country World ex-U.S. Index from July 1, 2010 to the present.

Lazard has entered into a contractual agreement to waive its fee and, if necessary, reimburse the Global Listed Infrastructure Portfolio through April 30, 2021, to the extent Total Annual Portfolio Operating Expenses exceed 1.30% and 1.60% of the average daily net assets of the Portfolio's Institutional Shares and Open Shares, respectively. Lazard has also entered into a contractual agreement to waive its fee and, if necessary, reimburse the Lazard International Equity Select Portfolio through April 30, 2021, to the extent Total Expenses exceed 1.15% and 1.45% of the average daily net assets of each Portfolio's Institutional Shares and Open Shares, respectively. In addition, Lazard has entered into a contractual agreement to waive its fee and, if necessary, reimburse the Lazard International Small Cap Equity Portfolio through April 30, 2012, to the extent Total Expenses exceed 1.13% and 1.43% of the average daily net assets of each Portfolio's Institutional Shares and Open Shares, respectively. Expenses are exclusive of taxes, brokerage, interest on borrowings, fees and expenses of "Acquired Funds" and extraordinary expenses, and excluding shareholder redemption fees or other transaction fees. Each agreement can only be amended by agreement of The Lazard Funds, Inc. and Lazard to lower the net amount shown and will terminate automatically in the event of termination of the Investment Management Agreement between Lazard and The Lazard Funds, Inc., on behalf of each Portfolio, respectively.

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Performance Snapshot (as of September 30, 2011)

	Symbol	3 MO	1 YR	ANNUALIZED RETURNS (%) 3 YR	5 YR	10 YR	Since Inception[1]		EXPENSE RATIO (%) Total	Net
Emerging Markets Equity										
Lazard Emerging Markets Equity Portfolio										
Institutional	LZEMX	-20.62	-16.64	4.69	5.78	17.83	7.68	7/15/94	1.14	
Open	LZOEX	-20.68	-16.88	4.29	5.43	17.51	7.59	1/8/97	1.49	
MSCI Emerging Markets Index		-22.56	-16.15	6.27	4.87	16.07	5.73			
Lazard Developing Markets Equity Portfolio										
Institutional	LDMIX	-28.53	-22.26	7.34	N/A	N/A	7.34	9/30/08	1.67	1.30
Open	LDMOX	-28.67	-22.54	7.01	N/A	N/A	7.01	9/30/08	1.85	1.60
MSCI Emerging Markets Index		-22.56	-16.15	6.27	N/A	N/A	6.27			
Lazard Emerging Markets Equity Blend Portfolio										
Institutional	EMBIX	-24.35	-19.09	N/A	N/A	N/A	-3.69	5/28/10	6.24	1.35
Open	EMBOX	-24.43	-19.29	N/A	N/A	N/A	-3.99	5/28/10	6.06	1.65
MSCI Emerging Markets Index		-22.56	-16.15	N/A	N/A	N/A	-1.32			
Lazard Emerging Markets Multi-Strategy Portfolio										
Institutional	EMMIX	-14.99	N/A	N/A	N/A	N/A	-15.50	3/31/11	1.64	1.30
Open	EMMOX	-15.09	N/A	N/A	N/A	N/A	-15.60	3/31/11	1.94	1.60
MSCI Emerging Markets Index		-22.56	N/A	N/A	N/A	N/A	-23.45			
JPMorgan GBI-EM Global Diversified Index		-8.55	N/A	N/A	N/A	N/A	-4.94			
Lazard Emerging Markets Debt Portfolio[2]										
Institutional	LEDIX	-5.75	N/A	N/A	N/A	N/A	-1.47	2/28/11	1.22	1.10
Open	LEDOX	-5.93	N/A	N/A	N/A	N/A	-1.75	2/28/11	1.52	1.40
50% JPMorgan EMBI Global Diversified Index/50% JPMorgan GBI-EM Global Diversified Index		-5.33	N/A	N/A	N/A	N/A	0.42			

[1] *Since inception returns of the benchmarks are calculated from the inception date of the institutional share class; if for a period of one year or less, the returns are not annualized.*

[2] *The total expense ratio is based on estimated amounts for the Portfolio's current fiscal year.*

Lazard has entered into a contractual agreement to waive its fee and, if necessary, reimburse the Lazard Developing Markets Equity Portfolio through April 30, 2012, to the extent Total Expenses exceed 1.30% and 1.60% of the average daily net assets of each Portfolio's Institutional Shares and Open Shares, respectively. Lazard has also entered into a contractual agreement to waive its fee and, if necessary, reimburse the Lazard Emerging Markets Equity Blend Portfolio through April 30, 2012, to the extent Total Expenses exceed 1.35% and 1.65% of the average daily net assets of each Portfolio's Institutional Shares and Open Shares, respectively. In addition, Lazard has entered into a contractual agreement to waive its fee and, if necessary, reimburse the Lazard Emerging Markets Multi-Strategy Portfolio through April 30, 2012, to the extent Total Expenses exceed 1.30% and 1.60% of the average daily net assets of each Portfolio's Institutional Shares and Open Shares respectively. Lazard has also entered into a contractual agreement to waive its fee and, if necessary, reimburse the Lazard Emerging Markets Debt Portfolio through April 30, 2012, to the extent Total Expenses exceed 1.10% and 1.40% of the average daily net assets of each Portfolio's Institutional Shares and Open Shares, respectively. Expenses are exclusive of taxes, brokerage, interest on borrowings, fees and expenses of "Acquired Funds" and extraordinary expenses, and excluding shareholder redemption fees or other transaction fees. Each agreement can only be amended by agreement of The Lazard Funds, Inc. and Lazard to lower the net amount shown and will terminate automatically in the event of termination of the Investment Management Agreement between Lazard and The Lazard Funds, Inc., on behalf of each Portfolio, respectively.

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U.S. Fixed Income										
Lazard U.S. High Yield Portfolio										
Institutional	LZHYX	-4.20	1.41	7.94	5.18	6.19	3.38	1/2/98	0.80	0.55
Open	LZHOX	-4.45	1.12	7.63	4.92	5.89	2.76	2/24/98	1.13	0.85
BofA Merrill Lynch U.S. High Yield Master II Index		-6.31	1.32	13.68	6.94	8.57	6.07			
Lazard U.S. Municipal Portfolio[2]										
Institutional	UMNIX	1.59	N/A	N/A	N/A	N/A	3.25	2/28/11	0.52	0.40
Open	UMNOX	1.51	N/A	N/A	N/A	N/A	3.07	2/28/11	0.82	0.70
BofA Merrill Lynch 1-10 Year Municipal Securities Index		1.89	N/A	N/A	N/A	N/A	4.41			

[1] *Since inception returns of the benchmarks are calculated from the inception date of the institutional share class; if for a period of one year or less, the returns are not annualized.*

[2] *The total expense ratio is based on estimated amounts for the Portfolio's current fiscal year.*

Lazard has entered into a contractual agreement to waive its fee and, if necessary, reimburse the U.S. High Yield Portfolio through April 30, 2012, to the extent Total Expenses exceed 0.55% and 0.85% of the average daily net assets of each Portfolio's Institutional Shares and Open Shares, respectively. Lazard has also entered into a contractual agreement to waive its fee and, if necessary, reimburse the U.S. Municipal Portfolio through April 30, 2012, to the extent Total Expenses exceed 0.40% and 0.70% of the average daily net assets of each Portfolio's Institutional Shares and Open Shares, respectively. Expenses are exclusive of taxes, brokerage, interest on borrowings, fees and expenses of "Acquired Funds" and extraordinary expenses, and excluding shareholder redemption fees or other transaction fees. Each agreement can only be amended by agreement of The Lazard Funds, Inc. and Lazard to lower the net amount shown and will terminate automatically in the event of termination of the Investment Management Agreement between Lazard and The Lazard Funds, Inc., on behalf of each Portfolio, respectively.

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	Symbol	3 MO	1 YR	3 YR	5 YR	10 YR	Since Inception[1]		Total	Net
				ANNUALIZED RETURNS (%)					EXPENSE RATIO (%)	
Real Estate										
Lazard U.S. Realty Income Portfolio[2, 3]										
Institutional	LRIIX	N/A	N/A	N/A	N/A	N/A	0.66	9/26/11	1.77	1.16
Open	LRIOX	-12.48	-3.56	15.12	N/A	N/A	9.42	7/30/08	2.07	1.46
50% FTSE NAREIT All Equity REITS Index/50% Wells Fargo Hybrid and Preferred Securities REIT Index		-8.08	5.26	11.39	N/A	N/A	8.42			
Wells Fargo Hybrid and Preferred Securities REIT Index		-0.93	9.11	24.43	N/A	N/A	17.36			
Dow Jones U.S. Select Real Estate Securities Index		-14.92	1.64	-5.89	N/A	N/A	-5.58			
BofA Merrill Lynch Fixed Rate Preferred Securities Index		-3.12	1.94	15.21	N/A	N/A	2.98			
S&P 500 Index		-13.87	1.14	1.23	N/A	N/A	-1.73			
Lazard U.S. Realty Equity Portfolio[2, 4]										
Institutional	LREIX	N/A	N/A	N/A	N/A	N/A	-1.33	9/26/11	6.46	1.21
Open	LREOX	-17.99	1.89	N/A	N/A	N/A	27.28	12/31/08	6.76	1.51
FTSE NAREIT All Equity REITS Index		-15.07	0.93	N/A	N/A	N/A	16.96			
Dow Jones U.S. Select Real Estate Securities Index		-14.92	1.64	N/A	N/A	N/A	17.68			
S&P 500 Index		-13.87	1.14	N/A	N/A	N/A	10.89			
Lazard International Realty Equity Portfolio[2, 5]										
Institutional	LITIX	N/A	N/A	N/A	N/A	N/A	-1.30	9/26/11	13.30	1.31
Open	LITOX	-22.48	-17.74	N/A	N/A	N/A	20.11	12/31/08	13.60	1.61
FTSE EPRA/NAREIT Global ex-U.S. Index		-19.52	-14.98	N/A	N/A	N/A	12.85			
S&P Developed ex-U.S. Property Index		-17.52	-9.15	N/A	N/A	N/A	14.07			

[1] Since inception returns of the benchmarks are calculated from the inception date of the institutional share class; if for a period of one year or less, the returns are not annualized.

[2] The Lazard U.S. Realty Equity Portfolio, the Lazard U.S. Realty Income Portfolio and the Lazard International Realty Equity Portfolio (the "Portfolios") commenced operations after all of the assets of the investment companies advised by Grubb & Ellis Alesco Global Advisors, LLC, the Grubb & Ellis AGA U.S. Realty Fund, the Grubb & Ellis AGA Realty Income Fund and the Grubb & Ellis AGA International Realty Fund, respectively, (the "Predecessor Funds"), were transferred to the respective Portfolios in exchange for Open Shares of the Portfolios in a tax-free reorganization on September 23, 2011. The performance figures for the Portfolios' Open Shares in the performance table represent the performance of the Predecessor Funds' Class A shares prior to September 26, 2011.

[3] As of October 24, 2011 the 50% FTSE NAREIT All Equity REITs Index/50% Wells Fargo Hybrid and Preferred Securities REIT Index benchmark replaced the Wells Fargo Hybrid and Preferred Securities REIT Index. As of September 26, 2011 the Wells Fargo Hybrid and Preferred Securities REIT Index benchmark replaced the Dow Jones Select Real Estate Securities Index and the BofA Merrill Lynch Fixed Rate Preferred Securities Index benchmarks.

[4] As of September 26, 2011 the FTSE NAREIT All Equity REITs Index replaced the Dow Jones U.S. Select Real Estate Securities Index benchmark.

[5] As of September 26, 2011 the FTSE EPRA/NAREIT Global ex-U.S. Index replaced the S&P Developed ex-U.S. Property Index benchmark.

Lazard has entered into a contractual agreement to waive its fee and, if necessary to reimburse the Lazard U.S. Realty Income Portfolio through September 23, 2014, to the extent Total Expenses, excluding Acquired Fund Fees and Expenses, exceed 1.15% and 1.45% of the average daily net assets of the Portfolio's Institutional Shares and Open Shares, respectively. Lazard has also entered into a contractual agreement to waive its fee and, if necessary to reimburse the Lazard U.S. Realty Equity Portfolio through September 23, 2014, to the extent Total Expenses, excluding Acquired Fund Fees and Expenses, exceed 1.20% and 1.50% of the average daily net assets of the Portfolio's Institutional Shares and Open Shares, respectively. In addition, Lazard has entered into a contractual agreement to waive its fee and, if necessary to reimburse the Lazard International Realty Equity Portfolio through September 23, 2014, to the extent Total Expenses, excluding Acquired Fund Fees and Expenses, exceed 1.30% and 1.60% of the average daily net assets of the Portfolio's Institutional Shares and Open Shares, respectively. Expenses are exclusive of taxes, brokerage, interest on borrowings, fees and expenses of "Acquired Funds" and extraordinary expenses, and excluding shareholder redemption fees or other transaction fees. Each agreement can only be amended by agreement of The Lazard Funds, Inc. and Lazard to lower the net amount shown and will terminate automatically in the event of termination of the Investment Management Agreement between Lazard and The Lazard Funds, Inc., on behalf of each Portfolio, respectively.

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Tactical Asset Allocation										
Lazard Capital Allocator Opportunistic Strategies Portfolio										
Institutional	LCAIX	-10.44	-0.49	3.82	N/A	N/A	-0.76	3/26/08	1.80	1.49
Open	LCAOX	-10.50	-0.81	3.44	N/A	N/A	-0.97	3/31/08	2.08	1.79
MSCI World Index		-16.61	-4.35	-0.07	N/A	N/A	-5.14			
Global Asset Allocation Blended Index[2]		-6.34	2.41	4.88	N/A	N/A	0.88			

[1] *Since inception returns of the benchmarks are calculated from the inception date of the institutional share class; if for a period of one year or less, the returns are not annualized.*

[2] *The Global Asset Allocation Blended Index consists of a quarterly rebalanced, 60/40 split of the MSCI World (Net) Index and the Barclays Capital U.S. Aggregate Bond Index.*

Lazard has entered into a contractual agreement to waive its fee and, if necessary, to reimburse the Lazard Capital Allocator Opportunistic Strategies Portfolio through April 30, 2012, to the extent Total Expenses, excluding Acquired Fund Fees and Expenses, exceed 1.02% and 1.32% of the average daily net assets of the Portfolio's Institutional Shares and Open Shares, respectively. Expenses are exclusive of taxes, brokerage, interest on borrowings, fees and expenses of "Acquired Funds" and extraordinary expenses, and excluding shareholder redemption fees or other transaction fees. Each agreement can only be amended by agreement of The Lazard Funds, Inc. and Lazard to lower the net amount shown and will terminate automatically in the event of termination of the Investment Management Agreement between Lazard and The Lazard Funds, Inc., on behalf of each Portfolio, respectively.

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Understanding Investment Risk

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

Small- and mid-capitalization stocks may be subject to higher degrees of risk, their earnings may be less predictable, their prices more volatile, and their liquidity less than that of large-capitalization or more established companies' securities.

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.

Securities and instruments of infrastructure companies are more susceptible to adverse economic or regulatory occurrences affecting their industries. Infrastructure companies may be subject to a variety of factors that may adversely affect their business or operations, including additional costs, competition, regulatory implications, and certain other factors.

An investment in bonds carries risk. If interest rates rise, bond prices usually decline. The longer a bond's maturity, the greater the impact a change in interest rates can have on its price. If you do not hold a bond until maturity, you may experience a gain or loss when you sell. Bonds also carry the risk of default, which is the risk that the issuer is unable to make further income and principal payments. Other risks, including inflation risk, call risk, and pre-payment risk, also apply. High yield securities (also referred to as "junk bonds") inherently have a higher degree of market risk, default risk, and credit risk. The values of municipal securities can fluctuate and may be affected by adverse tax law, legislative or political changes, and by financial or other developments affecting municipal issuers and the municipal securities market generally. Future changes in the activity of an issuer may adversely affect the tax-exempt status of municipal securities. If a municipal security fails to meet certain regulatory requirements to maintain its exempt tax status, the interest received by the Portfolio from its investment in such security, and the related distributions to Portfolio shareholders, will be taxable. Additionally, certain securities comprising the Portfolio may be subject to the alternative minimum tax.

The performance of investments in real estate and real estate related securities may be determined to a great extent by the current status of the real estate industry in general, or by other factors (such as interest rates and the availability of loan capital) that may affect the real estate industry, even if other industries would not be so affected. The risks related to investments in realty companies include, but are not limited to: adverse changes in general economic and local market conditions; adverse developments in employment; changes in supply or demand for similar or competing properties; unfavorable changes in applicable taxes, governmental regulations and interest rates; operating or development expenses; and lack of available financing. An investment in REITs may be affected or lost if the REIT fails to comply with applicable laws and regulations, including tax regulations, specifically, the failure to qualify as a REIT under the Internal Revenue Code of 1986, as amended.

Investments in closed-end funds are non-redeemable and are subject to the same risks as other publicly-traded equity securities. Sometimes, however, there may be no public market for units of closed-end funds. The shares of closed-end funds, and exchange-traded funds ("ETFs") may trade at prices at, below, or above their most recent net asset value. There is no guarantee that a fund's discount will ever be narrowed or eliminated. Additionally, the performance of an ETF pursuing a passive index-based strategy may diverge from the performance of the index. Exchange-traded notes ("ETNs") may not trade in the secondary market, but typically are redeemable by the issuer. Unlike ETFs and closed-end funds, ETNs are not registered investment companies and thus are not regulated under the 1940 Act. In addition, as debt securities, ETNs are subject to the additional risk of the creditworthiness of the issuer. ETNs typically do not make periodic interest payments. An investment in these types of instruments is indirectly subject to all the risks associated with the investments made by the closed-end fund, ETF, or ETN.

Derivatives transactions, including those entered into for hedging purposes, may reduce returns or increase volatility. Derivatives can also be illiquid and highly sensitive to changes in the related currency, security or securities. As such, a small investment in certain derivatives could have a potentially large impact on the Portfolio's performance.

Certain Portfolios invest in stocks believed by Lazard to be undervalued, but that may not realize their perceived value for extended periods of time or may never realize their perceived value. The stocks in which the Portfolio invests may respond differently to market and other developments than other types of stocks.

Certain Portfolios invest in stocks believed by Lazard to have the potential for growth, but that may not realize such perceived potential for extended periods of time or may never realize such perceived growth potential. Such stocks may be more volatile than other stocks because they can be more sensitive to investor perceptions of the issuing company's growth potential. The stocks in which the Portfolio invests may respond differently to market and other developments than other types of stocks.

The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. (The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.)

The S&P 500 Index is a market capitalization-weighted index of 500 companies in leading industries of the U.S. economy.

The Russell Midcap Index includes approximately 800 of the smallest securities in the Russell 1000 Index, representing roughly 31% of the total market capitalization of Russell 1000 companies. (The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.)

The Russell 2000 Index includes approximately 2000 of the smallest securities in the Russell 3000 Index, representing roughly 10% of the total market capitalization of Russell 3000 companies. (The Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.)

The Russell 2500 Index measures the performance of the small- to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500 Index is a subset of the Russell 3000 Index. (The Russell 3000 Index measures the performance of approximately 3000 of the largest U.S. companies, representing approximately 98% of the investable U.S. equity market.) It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership.

The MSCI World Index is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance. The MSCI World Index consists of 24 developed market country indices.

UBS Global 50/50 Infrastructure & Utilities Index benchmark was replaced with the UBS Global 50/50 Infrastructure & Utilities Index (USD Hedged). The UBS Global 50/50 Infrastructure & Utilities Index (USD Hedged) tracks a 50% exposure to the global developed market utilities sector and a 50% exposure to the global developed-market infrastructure sector. The index is unmanaged, has no fees or costs and is not available for investment. The previous benchmark, the UBS Global 50/50 Infrastructure & Utilities Index, tracked the same sector exposure as described for the UBS Global 50/50 Infrastructure & Utilities Index (USD Hedged), but was unhedged.

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States and Canada. The MSCI EAFE Index consists of 22 developed market country indices.

The MSCI All Country World ex-U.S. Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. The MSCI ACWI ex-U.S. consists of 44 country indices comprising 23 developed and 21 emerging market country indices.

The MSCI EAFE Small Cap Index targets all companies with market capitalization below that of the companies in the MSCI EAFE Index and up to 99% coverage of the free-float adjusted market capitalization in each market (subject to minimum investability criteria and a universal minimum size range). The MSCI EAFE Small Cap Index consists of 22 developed market country indices.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The MSCI Emerging Markets Index consists of 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

Understanding Investment Risk (continued)

The JPM EMBI Global Diversified is a uniquely-weighted version of the EMBI Global. It limits the weights of those index countries with larger debt stocks by only including specified portions of these countries' eligible current face amounts of debt outstanding.

The JPM GBI-EM Global Diversified is a uniquely-weighted version of the GBI-EM Global. It limits the weights of those index countries with larger debt stocks by only including specified portions of these countries' eligible current face amounts of debt outstanding.

The BofA Merrill Lynch U.S. High Yield Master II Index is a broad-based index consisting of all U.S.-dollar-denominated high-yield corporate bonds with a minimum outstanding amount of $100 million and maturity of no less than one year.

The BofA Merrill Lynch 1-10 Year Municipal Securities Index is a subset of the BofA Merrill Lynch US Municipal Securities Index including all securities with a remaining term to final maturity less than 10 years. The BofA Merrill Lynch US Municipal Securities Index tracks the performance of U.S. dollar denominated investment grade tax-exempt debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market. Qualifying securities must have at least a one-year remaining term to final maturity, a fixed coupon schedule, and an investment grade rating.

The FTSE NAREIT All Equity REITs Index is a free-float adjusted market capitalization index that is designed to measure the performance of equity REITs across all industries, representing roughly 91% of the total market capitalization of the FTSE NAREIT U.S. Real Estate Index Series which also includes mortgage REITs.

The FTSE EPRA/NAREIT Global ex US Index is a free-float adjusted market capitalization index that is designed to measure the performance of REITs in both Developed and Emerging markets while excluding those listed or incorporated in the U.S. There are currently 46 countries eligible for inclusion in the index with 24 classified as Developed and 22 as Emerging.

The Wells Fargo Hybrid and Preferred Securities REIT Index tracks the performance of fixed-rate U.S. dollar-denominated preferred securities issued in the U.S. domestic market. Qualifying securities must have a par amount of $25, must have a fixed coupon or dividend schedule and must have a minimum amount outstanding of $50 million. The index includes preferred shares (perpetual preferred securities) and depository shares. The index is unmanaged and has no fees. One cannot invest directly in an index.

The BofA Merrill Lynch Fixed Rate Preferred Securities Index tracks the performance of fixed-rate U.S. dollar-denominated preferred securities issued in the U.S. domestic market. Qualifying securities must be rated investment grade, must be issued as public securities or through a 144a filing, must be issued in $25, $50, or $100 par/liquidation preference increments, must have a fixed coupon or dividend schedule, and must have a minimum amount outstanding of $100 million. The index includes preference shares (perpetual preferred securities), American Depository Shares/Receipts (ADS/R), domestic and Yankee trust preferred securities. The index is unmanaged and has no fees. One cannot invest directly in an index.

The Dow Jones U.S. Select Real Estate Securities Index measures the performance of publicly traded real estate securities. The index represents REIT and REOC securities traded in the United States The index only includes equity REITs (not mortgage or hybrid). To be eligible for inclusion, 75% of a company's total revenue must be derived from the ownership and operation of real estate assets and the company must have a minimum market cap of $200 million. The index is unmanaged and has no fees. One cannot invest directly in an index.

The S&P Developed Ex-U.S. Property Index measures the investable universe of publicly traded property companies within 22 developed countries (excluding the United States). To be eligible for inclusion, 60% of a company's revenue must come from real estate development, management, rental, and/or direct investment in physical property and the company must have a market cap of at least $100 million. The index is unmanaged and has no fees. One cannot invest directly in an index.

Indexes are unmanaged and have no fees. One cannot invest directly in an index.

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