

Lazard

Global Total Return and Income Fund

SEPTEMBER 2011

FUND OVERVIEW – AS OF SEPTEMBER 30, 2011

LGI Performance Review ¹	Share Price (%)	NAV (%)
1 Month	-9.6	-8.4
3 Month	-16.9	-14.7
1 Year	-7.8	-3.5
3 Year	4.0	-1.9
5 Year	-1.3	-1.5
Since Inception	1.9	3.5

CURRENT FUND DATA²

Total Net Assets	\$140.3 mm
Shares Outstanding	9,605,237
Net Asset Value Per Share	\$14.60
Share Price	\$12.83
Premium/Discount	-12.12%
Distribution Per Share	\$0.08766
Distribution Yield (on share price)	8.20%
52-Week High-Low Share Price	\$16.14/\$12.64
52-Week High-Low NAV	\$18.06/\$14.21
Total Leveraged Assets	\$169.8 mm
Leveraged Percentage	17.4%

RECENT DISTRIBUTION HISTORY

Payable Date	Distribution
November 23, 2011	\$0.08766
October 24, 2011	\$0.08766
September 23, 2011	\$0.08766
August 23, 2011	\$0.08766
July 22, 2011	\$0.08766
June 23, 2011	\$0.08766
May 23, 2011	\$0.08766

About the Fund

Portfolio Manager: Lazard Asset Management LLC

NYSE Symbol: LGI

First Day of Trading: 4/28/2004

Inception NAV: \$19.06

Inception Share Price: \$20.00

COMMENTARY

During September, the NAV return of Lazard Global Total Return & Income Fund fell 8.4%, less than the MSCI World Index loss of 8.6%. The year-to-date NAV loss of 9.1% is less than the Index fall of 12.2%. The since-inception 3.5% annualized NAV return has also outperformed the Index gain of 2.5%.

Global equity markets posted their fifth month of negative returns in September. Sovereign risk concerns remain one of the key focuses of capital markets, and there appears to be growing anxiety among investors that the crisis will spread beyond Greece, Portugal, and Italy to encompass other European countries that, until recently, were considered relatively safe. Markets were skeptical that political breakthroughs would materialize to resolve the euro crisis, and were further concerned about data suggesting a possible hard landing for China. The utilities, health care, telecom and information technology sectors outperformed, while energy, industrials and financial underperformed. The portfolio benefited from stock picking within the information technology and consumer discretionary sectors, and within the U.S., while stock picking within the energy sector detracted from performance.

Performance for the smaller, short duration emerging market currency and debt portion of the Fund has been negative for the year-to-date. However, it has been a positive contributor to performance since inception.

INVESTMENT OBJECTIVE

The Fund's objective is total return, consisting of capital appreciation and current income. The Fund seeks to achieve its objective by primarily investing in a portfolio of approximately 35 – 45 equity securities with a market cap of \$5 billion or greater, at the time of purchase, that are domiciled in those countries that comprise the MSCI World IndexSM. It seeks enhanced income by investing in short duration (typically below one year) emerging market forward currency contracts and other emerging market debt instruments.

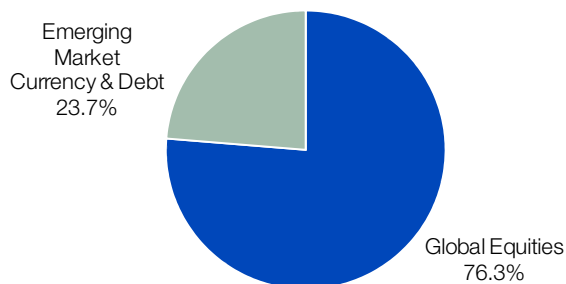
SELECTED PORTFOLIO STATISTICS^{4 5} – AS OF SEPTEMBER 30, 2011

Top 10 Global Equity Holdings	Dollar Value (\$mm)	Net Assets (%)	Dividend Yield (%)
Johnson & Johnson	6.6	4.7	3.6
Microsoft	5.6	4.0	3.0
Home Depot	5.4	3.9	3.0
International Business Machines	5.3	3.8	1.7
Singapore Telecom	5.2	3.7	12.8
Mitsubishi UFJ	4.7	3.3	3.7
Novartis	4.4	3.1	4.2
HSBC Holdings	4.3	3.1	4.6
Oracle	4.2	3.0	0.8
Roche Holdings	3.7	2.6	4.4

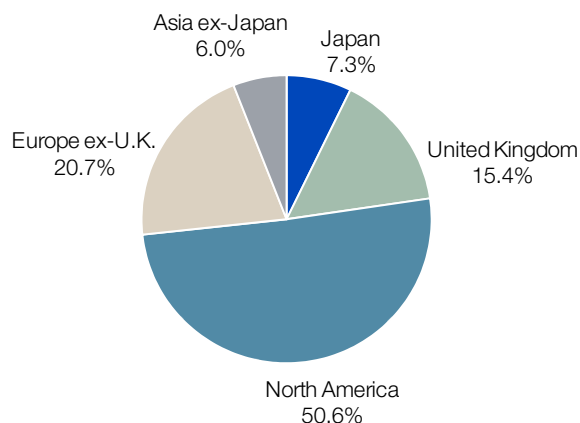
Global Equity Sector Weightings	(%)
Consumer Discretionary	6.7
Consumer Staples	11.2
Energy	11.3
Financials	15.7
Health Care	19.4
Industrials	6.8
Information Technology	21.8
Materials	3.1
Telecommunication Services	4.0
Utilities	0.0

Total LGI Allocation

(as a percentage of total leveraged assets)



Global Equity Regional Weightings⁵



EMERGING MARKET CURRENCY AND DEBT

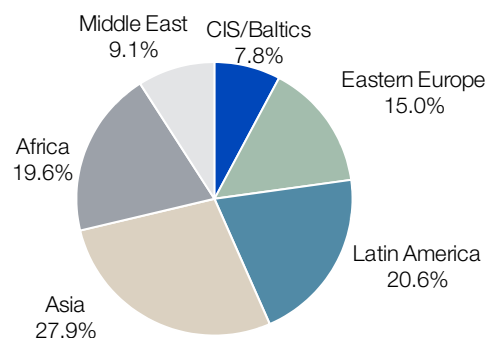
Investment Vehicle Allocation

Forwards	52.3%
Bonds	47.7%
Structured Notes	0.0%

Investment Characteristics

Average Duration	9 Months ⁶
Average Yield	9.2% ⁷

Regional Exposure



RISKS:

Past performance does not guarantee future results. Prices and yields will fluctuate with changes in market conditions. Distributions are subject to recharacterization for tax purposes after the end of the fiscal year. If the Fund pays distributions in excess of its net investment income, this excess could be a return of capital.

Risk factors include:

Investment and Market Risk. An investment in the Fund's Common Stock is subject to investment risk, including the possible loss of the entire principal amount invested. An investment in Common Stock represents an indirect investment in the Fund's portfolio investments. Their value, like other market investments, may move up or down, sometimes rapidly and unpredictably.

The Fund's Common Stock, at any point in time, may be worth less than the amount originally invested, even after taking into account the reinvestment of Fund dividends and distributions. The Fund's investment strategy includes purchasing investments that have embedded financial leverage, such as forward currency contracts, which magnifies the risk that you may lose money.

Leverage Risk. Using leverage is a speculative investment technique and involves certain risks. These include higher volatility of net asset value, the likelihood of more volatility in the market value of Common Stock and the possibility either that the Fund's return will fall if the interest rate on any borrowings rises, or that income will fluctuate because the interest rate of borrowings varies. If the market value of the Fund's portfolio declines, the leverage will result in a greater decrease in net asset value than if the Fund were not leveraged. Such greater net asset value decrease also will tend to cause a greater decline in the market price for Common Stock.

Non-U.S. Investments Risk. Global Equity investments will be in securities of non-U.S. issuers operating in developed countries and will not include securities of emerging market issuers. These investments involve special risks, including the following: less publicly available information about non-U.S. issuers or markets because of less rigorous disclosure or accounting standards or regulatory practices; many non-U.S. markets are smaller, less liquid and more volatile; the economies of non-U.S. countries may grow at slower rates than expected or may experience a downturn or recession; and the impact of economic, political, social or diplomatic events.

Investing in sovereign debt securities will expose the Fund to the direct or indirect consequences of political, social or economic changes in the emerging market countries that issue the securities. Many of these countries are also characterized by political uncertainty or instability. The ability and willingness of sovereign obligors in emerging market countries or the governmental authorities that control repayment of their debt to pay principal and interest on such debt when due may depend on general economic and political conditions within the relevant country. Countries in which the Fund intends to invest have historically experienced, and may continue to experience, high rates of inflation, high interest rates, exchange rate fluctuations, trade difficulties and extreme poverty and unemployment.

The market values of corporate debt securities are sensitive to individual corporate developments and changes in economic conditions. Emerging market issuers may be highly leveraged and may not have more traditional methods of financing available to them. Therefore, their ability to service their debt obligations during an economic downturn or during sustained periods of rising interest rates may be impaired, resulting in a higher risk of default.

Currency Risks. An investment in Common Stock, as measured in U.S. dollars, may change significantly when the values of the emerging market local currencies change relative to the U.S. dollar, thereby subjecting investors to currency risks. The currencies of emerging market countries may experience significant declines against the U.S. dollar, and significant devaluation may occur subsequent to investments in these currencies by the Fund. Other risks include the dependence on the Investment Manager's ability to predict movements in exchange rates and imperfect correlations between movements in exchange rates. The Fund may use currency hedging transactions which might result in a poorer overall performance for the Fund than if the Fund had not engaged in any hedging transactions.

Currency Investments could be adversely affected by delays in, or a refusal to grant, repatriation of funds or conversion of emerging market currencies. Forward currency contracts are highly volatile, and a relatively small price movement in a forward currency contract may result in substantial losses to the Fund.

Notes

- 1 Past performance does not guarantee future results. The NAV results are calculated using the Fund's Net Asset Value per share, and assumes reinvestment of all distributions. Periods greater than one year are annualized. The Fund's inception date was April 28, 2004.
- 2 Data is based on the Fund's holdings as of September 30, 2011 which are subject to change in the future. It is estimated that some portion of the distribution may constitute a return of capital.
- 3 Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liabilities whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for any other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI.
- 4 The identification of certain securities should not be considered a recommendation or solicitation to purchase or sell these securities. It should not be assumed that any investment in these securities was, or will be, profitable.
- 5 Allocations are as of September 30 2011 and are subject to change. Asia ex-Japan includes Australia.
- 6 A measure of the average cash-weighted term-to-maturity of the investment holdings. Duration is a measure of the price sensitivity of a bond to interest rate movements. Duration for a forward currency contract is equal to its term-to-maturity.
- 7 The quoted yield excludes the implicit cost of borrowing on the forward currency contracts.

The information provided in this material should not be considered a recommendation to purchase or sell any security. There is no assurance that any securities referenced herein will remain in the Fund's portfolio or that securities sold have not been repurchased. The securities discussed may not represent the Fund's entire portfolio.

It should not be assumed that any of the referenced securities were or will prove to be profitable, or that the investment decisions we make in the future will be profitable.

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