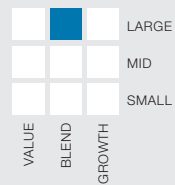


## Morningstar category<sup>1</sup>

Diversified Emerging Markets

## Morningstar style<sup>1</sup>



## Cusip

Institutional 52106N392  
Open 52106N418

## Symbol

Institutional EMBIX  
Open EMBOX

## Minimum initial investment

Institutional \$100,000  
Open \$2,500

## Inception date

Institutional 2010  
Open 2010

## Net assets

Institutional \$111.5 million  
Open \$29.7 million  
Total \$141.2 million

## Total annual operating expense ratio

Institutional 6.24%  
Open 6.06%

## Net expense ratio\*

Institutional 1.35%  
Open 1.65%

\* The net expenses reflect a contractual agreement by Lazard to waive its fee and, if necessary, to reimburse the Portfolio through April 30, 2012, to the extent the Total Annual Operating Expense Ratio exceeds 1.35% and 1.65% of the average daily net assets of the Portfolio's Institutional and Open Shares, respectively, 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. This 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 the Portfolio.

## Fund Overview

### Description

The Lazard Emerging Markets Equity Blend Portfolio is managed using a combination of growth at a reasonable price (or relative growth) and relative value investment strategies. The team realizes decisions between the strategies based on quantitative and qualitative analyses of the strategies themselves, as well as their appropriateness to current economic conditions. The team reviews the allocation of Portfolio assets between the strategies to align the weighting, typically within a 40%–60% range.\*\* By coupling these investment strategies, the team seeks to diversify emerging market exposure to achieve long-term capital appreciation.

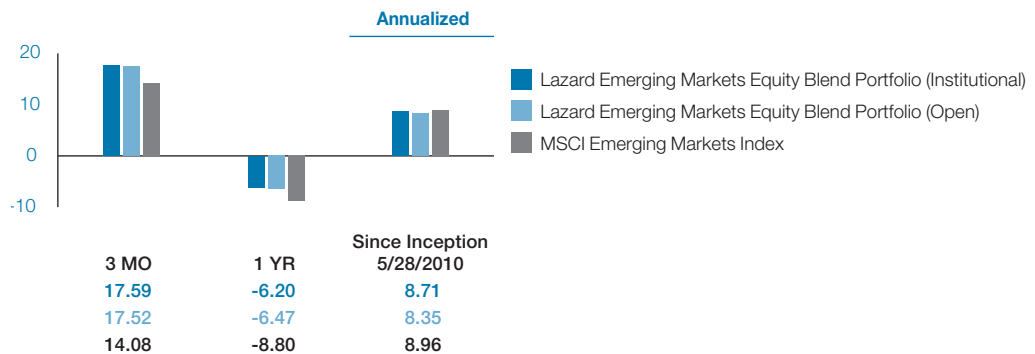
### Strategy

- Combines Lazard's relative value and relative growth investment styles.
- Periodically re-weights the allocation of capital between the two investment styles within a 40–60% range.\*\*
- Fundamental analysis considers sustainability of returns, while accounting validation examines companies' stated financial statistics.
- Quantitative research techniques are used to monitor economic contexts and risks associated with industry and country concentrations in order to ensure diversification.
- Leverages the strengths of Lazard's emerging markets platform.

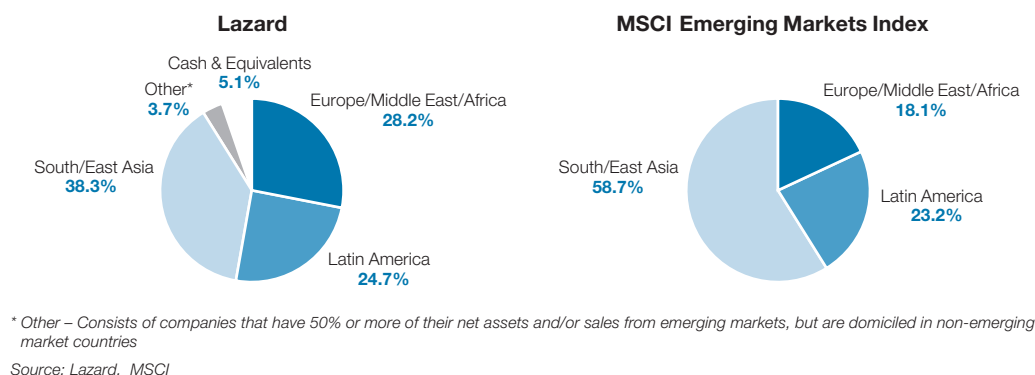
\*\*Allocations may change without prior notice.

## Performance Review

(%; net of fees. As of March 31, 2012.)



## Investment Style Allocation<sup>2</sup>



The performance quoted represents past performance. Past performance does not guarantee future results. The current performance may be lower or higher than the performance data quoted. An investor may obtain performance data current to the most recent month-end online at [www.LazardNet.com](http://www.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 and the expense ratio would have been higher.

## Portfolio management team

James M. Donald, CFA\*

Kevin O'Hare, CFA

Jai Jacob

\* As head of the Emerging Markets Group, Mr. Donald is ultimately responsible for overseeing this portfolio. In addition to his oversight responsibility, Mr. Donald is a member of the portfolio management team.

## Characteristics

	Lazard	MSCI Emerging Markets Index
Number of holdings	77	819
Weighted average market cap (\$B)	25.0	35.8
Investment Style	Growth	57.9
Allocation	Value	42.1
		N/A

Source: Lazard, MSCI

## Top Ten Holdings<sup>2</sup>

	Lazard (%)
Samsung Electronics	3.0
Standard Bank Group	2.4
Pacific Rubiales Energy	2.2
China State Construction International	2.1
Exxaro Resources (ADR)	2.0
Globaltrans Investment (GDR, RegS)	1.9
Agricultural Bank of China	1.9
MRV Engenharia e Participacoes	1.9
Sberbank	1.9
Hering	1.8

For a complete list of holdings, please visit [www.LazardNet.com](http://www.LazardNet.com)

## Sector Allocation<sup>2</sup>

	Lazard (%)	MSCI Emerging Markets Index (%)
Financials	21.9	23.8
Industrials	15.1	6.7
Information Technology	14.2	13.9
Energy	12.8	13.9
Consumer Discretionary	10.6	7.9
Materials	7.7	12.9
Telecom Services	6.3	8.0
Consumer Staples	5.1	8.0
Utilities	1.2	3.7
Health Care	0.0	1.0
Cash & Equivalents	5.1	N/A

Source: Lazard, MSCI

## Understanding Investment Risk

The Portfolio invests a portion of its assets 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 Portfolio invests a portion of its assets 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.

The Portfolio's ability to achieve its investment objective depends in part on Lazard's skill in determining the Portfolio's allocation between the investment strategies. Lazard's evaluations and assumptions underlying its allocation decisions may differ from actual market conditions.

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.

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. The index is unmanaged and has no fees. One cannot invest directly in an index.

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<sup>2</sup> Allocations and security selection are subject to change. The information provided in this list should not be considered a recommendation or solicitation to purchase or sell any particular security. It should not be assumed that any investment in these securities was, or will prove to be, profitable, or that the investment decisions we make in the future will be profitable or equal to the investment performance of securities referenced herein. There is no assurance that any securities referenced herein are currently held in the Portfolio or that securities sold have not been repurchased.

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