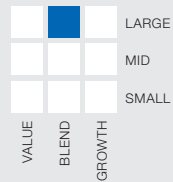


## Morningstar category<sup>1</sup>

Foreign Large Blend

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



## Cusip

Institutional 52106N665  
Open 52106N657

## Symbol

Institutional LZSIX  
Open LZESX

## Minimum initial investment

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

## Inception date

Institutional 2001  
Open 2001

## Net assets

Institutional \$4.0 million  
Open \$2.7 million  
Total \$6.7 million

## Total annual operating expense ratio

Institutional 5.08%  
Open 5.31%

## Net expense ratio\*

Institutional 1.15%  
Open 1.45%

\* The net expenses reflect a contractual agreement by Lazard to waive its fee and, if necessary, to reimburse the Portfolio through April 30, 2021, to the extent the Total Annual Operating Expense Ratio exceeds 1.15% and 1.45% 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 International Equity Select Portfolio seeks to generate strong relative returns over a long-term time horizon by investing in companies with strong financial productivity at attractive valuations. The Portfolio typically invests in equity securities of non-U.S. companies, including those from emerging markets (maximum of 30%), with a market capitalization generally of \$5 billion or greater.

### Strategy

- Bottom-up approach to stock selection, the hallmark of Lazard's relative-value investment style.
- Fundamental analysis considers sustainability of returns, while accounting validation examines companies' stated financial statistics.
- Screening seeks to identify companies that are attractively priced relative to their financial returns.
- Quantitative research techniques are used to monitor risks associated with industry and country concentrations in order to ensure diversification.

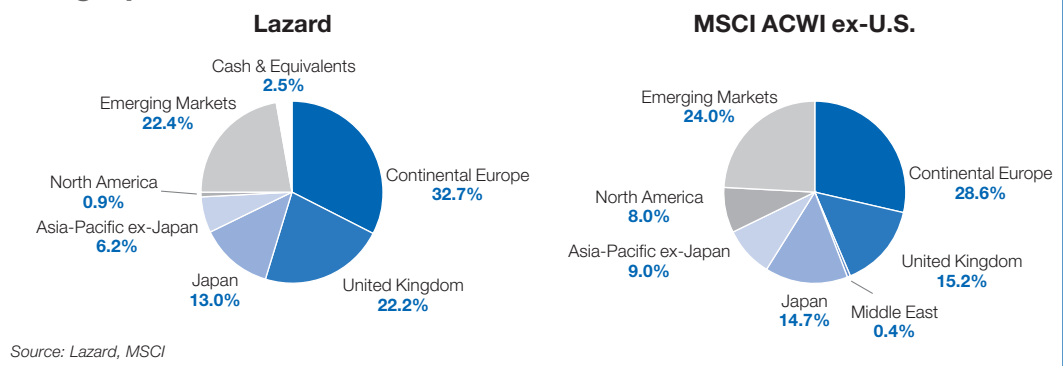
## Performance Review

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



■ Lazard International Equity Select Portfolio (Institutional) ■ MSCI EAFE/ACWI ex-U.S. Linked Index<sup>2</sup>  
■ Lazard International Equity Select Portfolio (Open)

## Geographic Allocation<sup>3</sup>



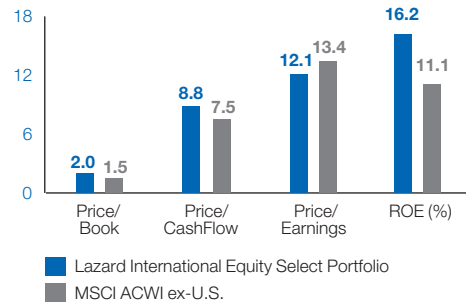
The performance quoted represents past performance. Past performance does not guarantee future results. The current performance may be lower or higher than the performance data quoted. An investor may obtain performance data current to the most recent month-end online at [www.LazardNet.com](http://www.LazardNet.com).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

Michael G. Fry  
 Michael A. Bennett  
 James M. Donald, CFA  
 Kevin Matthews, CFA  
 Michael Powers  
 John R. Reinsberg\*

\*As a Deputy Chairman of Lazard, Mr. Reinsberg is ultimately responsible for overseeing this portfolio but is not responsible for its day-to-day management.

## Characteristics



	Lazard	MSCI ACWI ex-U.S.
Number of holdings	67	1,844
Weighted average market cap (\$B)	51.4	44.8
Turnover rate (%; 1-year)	54.8	N/A
Beta (3-year)*	Institutional	0.92
	Open	0.93
Standard deviation (%; 3-year)*	Institutional	19.75
	Open	19.79

\*versus of MSCI EAFE/ACWI ex-U.S. Linked Index  
 Source: Lazard, MSCI

## Top Ten Holdings<sup>3</sup>

	Lazard (%)
SAP	3.2
Anheuser-Busch InBev	3.2
Novartis	3.0
British American Tobacco	2.7
Sanofi	2.6
GlaxoSmithKline	2.6
Unilever	2.4
Fanuc	2.3
Sberbank	2.1
Taiwan Semiconductor Manufacturing	2.1

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

## Sector Allocation<sup>3</sup>

	Lazard (%)	MSCI ACWI ex-U.S. (%)
Financials	20.5	23.8
Industrials	13.2	10.7
Consumer Staples	11.3	9.8
Consumer Discretionary	10.6	9.6
Information Technology	10.3	6.7
Health Care	9.3	6.7
Materials	8.4	11.6
Energy	8.1	11.3
Telecom Services	5.8	5.9
Utilities	0.0	3.9
Cash & Equivalents	2.5	0.0

Source: Lazard, MSCI

## Understanding Investment Risk

Beta is a relative measure of the sensitivity of a fund's return to changes in the benchmark's return. The beta of the fund versus its benchmark is the amount (and direction) the fund has historically moved when the benchmark moved by one unit.

Standard deviation measures the dispersion or "spread" of individual observations around their mean. Standard deviation of returns measures a fund's historical volatility, where a higher number is evidence of greater volatility (i.e., higher risk).

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

The MSCI All Country World ex-U.S. Index (MSCI ACWI ex-U.S.) 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 index is unmanaged and has no fees. One cannot invest directly in an index.

Published on April 24, 2012.

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<sup>2</sup> The Portfolio's benchmark, the MSCI EAFE/ACWI ex-U.S. Linked Index is 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.

<sup>3</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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