

Performance Review

Returns (%; net of fees. As of March 31, 2012.)	Annualized						Expense Ratio	
	QTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Total	Net*
Lazard International Equity Select Portfolio (Institutional Shares) Inception: May 31, 2001	12.66	1.93	16.81	-2.20	4.58	3.57	5.08	1.15
Lazard International Equity Select Portfolio (Open Shares) Inception: May 31, 2001	12.47	1.59	16.48	-2.52	4.27	3.27	5.31	1.45
MSCI EAFE/MSCI ACWI ex-U.S. Linked Index	11.23	-7.17	16.81	-3.67	5.61	4.01	N/A	N/A

* Reflects a contractual agreement by the Investment Manager to waive its fee and, if necessary, reimburse the Portfolio through April 30, 2021, to the extent Total Annual Portfolio Operating Expenses exceed 1.15% and 1.45% of the average daily net assets of the Portfolio's Institutional Shares 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 Fund and the Investment Manager to lower the net amount shown and will terminate automatically in the event of termination of the Investment Management Agreement between the Investment Manager and the Fund, on behalf of the Portfolio.

Morningstar Rating¹

	3 Years Out of 726	5 Years Out of 552	10 Years Out of 316	Overall Out of 726
Lazard International Equity Select Portfolio (Institutional Shares)	★★★	★★★★	★★★	★★★★
Lazard International Equity Select Portfolio (Open Shares)	★★★	★★★★	★★★	★★★★

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. 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.

Commentary²

The Lazard International Equity Select Portfolio outperformed the MSCI All Country World ex-U.S. Index in the first quarter.

Stock Highlights by Sector^{2,3}

Financials

(0.75% attribution effect)

Stock selection was led by positions in emerging market banks Sberbank (2.1% of the Portfolio) and Kasikornbank (1.8% of the Portfolio). The companies performed well following strong reported results and expectations of attractive growth.

Swedish lock manufacturer Assa Abloy (1.9% of the Portfolio). Ryanair benefited from strong European aviation yields as capacity continued to leave this market, while Assa Abloy reported results highlighting strong sales trends.

pharmaceutical Novartis's (3.0% of the Portfolio) Gilenya.

Consumer Staples

(-0.27% attribution effect)

Shares of Unilever (2.4% of the Portfolio) declined when the CEO indicated that investors should expect continued restructuring charges, and changed the core operating income definition to include restructuring charges.

Industrials

(0.41% attribution effect)

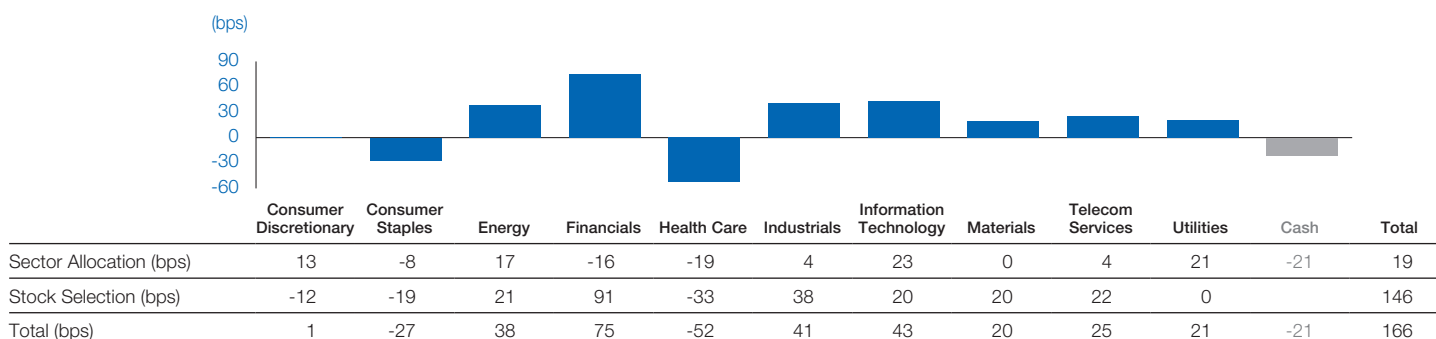
Stock selection was led by positions in Irish airline Ryanair (1.6% of the Portfolio) and

Health Care

(-0.52% attribution effect)

Within health care, the high exposure to one of the index's lagging sectors detracted from relative returns, as did company-specific news about U.K. pharmaceutical GlaxoSmithKline's (2.6% of the Portfolio) Relovair and Swiss

Value Added Analysis³ (January 1 to March 31, 2012)



Market Review

International equity markets rose significantly in the first quarter of 2012. While U.S. macroeconomic data remained relatively encouraging, the key driver of improved market sentiment was investor perception that the risk of a disorderly Eurozone collapse was significantly reduced. The Long-Term Refinancing Operation (LTRO) from the European Central Bank (ECB) in December 2011 and February 2012 has provided over a trillion dollars of three-year financing at 1% interest rates. This substantially eased financing issues for banks and, to some extent, Spanish and Italian sovereigns, as a material portion of the funds were ultimately reinvested in European sovereign bonds, which had rapid spread tightening. Japan was one of the strongest performers over the quarter, as recent Bank of Japan actions to weaken the yen favored exporters. These same efforts, however, also reduced the overall return for U.S. dollar-denominated investors as the yen was the sole currency to depreciate relative to the U.S. dollar during the quarter. Emerging markets also performed well, despite worries about a Chinese slow-down, as investors refocused on growth possibilities around the world. Not surprisingly, in this environment the best-performing sectors were the traditionally cyclical areas of the market. Financials, information technology, and consumer discretionary sectors performed particularly well, while the more defensive sectors of the market, particularly consumer staples, health care, and telecom services, lagged.

Looking Ahead

Corporate profitability and balance sheets appear to be strong. We believe that if this profitability can be sustained, despite an environment of low developed-market growth, then equity valuations overall do not appear unduly stretched. The ECB's LTRO facility has meaningfully reduced the tail risk of a disorderly deleveraging and recession in Europe, in our opinion. However, macroeconomic and political risks remain high. In our view, the United States has yet to meaningfully address its fiscal issue, while in China the response to slowing growth is unlikely to be another sizeable construction stimulus. The Eurozone is making some progress toward a lasting solution to its debt crisis, and we believe the structural reforms proposed in Italy and Spain are encouraging in the long term. Nevertheless, a year of austerity and transferring some national powers to Brussels could bear considerable political and economic risk.

The portfolio management team continues to focus on stock selection, seeking stocks with sustainably high or improving returns trading at attractive valuations.

Understanding Investment 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. 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 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 All Country World ex-U.S. Index consists of 44 country indices comprising 23 developed and 21 emerging market country indices.

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

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.

Published on May 1, 2012.

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- 2 The securities mentioned are not necessarily held by Lazard for all client portfolios, and their mention 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 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. The securities mentioned may not represent the entire Portfolio.
- 3 As of March 31, 2012. The value added analysis is provided for illustrative purposes only, as values are calculated based on returns gross of fees. Performance would have been lower if fees and expenses were included. Sector breakdowns may not sum to total due to rounding. "Stock Selection" represents the value added by the ability of the manager to select better performing stocks. "Sector Allocation" represents the value added by the manager's underweight and overweight positions to the various sectors. "Total" is the sum of the "Stock Selection" and "Sector Allocation" effects. The performance shown represents past performance. Past performance does not guarantee future results. Allocations are subject to change.

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The 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 present. Information and opinions presented have been obtained or derived from sources believed by Lazard to be reliable. Lazard makes no representation as to their accuracy or completeness. All opinions expressed herein are as of March 31, 2012 and are subject to change.

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