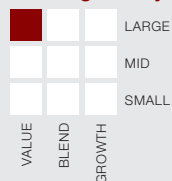


## Morningstar category<sup>1</sup>

Large Value

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



## Cusip

Institutional 52106N616  
Open 52106N574

## Symbol

Institutional LEVIX  
Open LEVOX

## Minimum initial investment

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

## Inception date

Institutional 2005  
Open 2005

## Net assets

Institutional \$12.2 million  
Open \$0.3 million  
Total \$12.5 million

## Total annual operating expense ratio

Institutional 2.76%  
Open 7.28%

## Net expense ratio\*

Institutional 0.75%  
Open 1.05%

\* 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 0.75% and 1.05% of the average daily net assets of the Portfolio's Institutional and Open Shares, respectively, and from May 1, 2012 through April 30, 2021, to the extent such expenses exceed 1.10% and 1.40% for 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

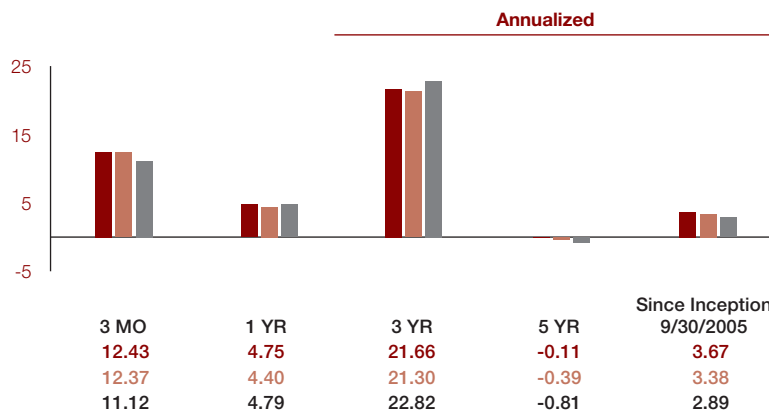
The Lazard U.S. Equity Value Portfolio seeks to outperform the benchmark and large-cap value peer group over a market cycle with low levels of risk. To this end, the portfolio managers will select a diversified group of stocks to create a portfolio with attractive returns and low risk and aim to maintain performance through different market environments.

### Strategy

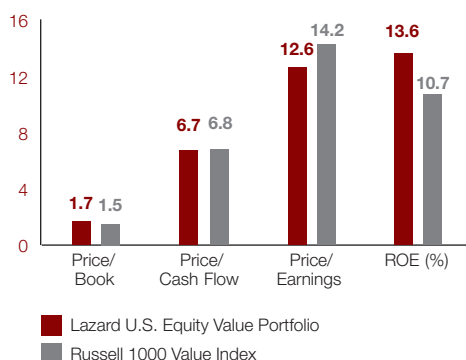
- Bottom-up approach to stock selection, the hallmark of Lazard's relative-value investment style.
- Fundamental analysis considers sustainability of returns, while accounting validation examines companies' stated financial statistics.
- Screening seeks to identify companies that are attractively priced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

## Performance Review

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



## Characteristics



	Lazard	Russell 1000 Value Index
Number of holdings	83	654
Weighted average market cap (\$B)	99.0	79.0
Turnover rate (%; 1-year)	47.7	N/A
Beta (3-year)	Institutional 1.02 Open 1.02	N/A
Standard deviation (%; 3-year)	Institutional 17.47 Open 17.43	16.92

Source: Lazard, Russell Investments

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**

J. Richard Tutino, CFA

Martin Flood

Andrew D. Lacey\*

Nicholas Sordoni, CFA

Ronald Temple, CFA

\*As a Deputy Chairman of Lazard, Mr. Lacey is ultimately responsible for overseeing this portfolio. In addition to his oversight responsibility, Mr. Lacey is a member of the portfolio management team.

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

	Lazard (%)
Pfizer	4.5
Wells Fargo	4.2
JPMorgan Chase	4.2
Cisco Systems	3.7
Chevron	3.6
AT&T	3.2
Intel	3.2
General Electric	3.0
Microsoft	2.1
Johnson & Johnson	2.0

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

**Sector Allocation<sup>2</sup>**

	Lazard (%)	Russell 1000 Value Index (%)
Financials	22.0	26.8
Health Care	17.8	12.3
Information Technology	13.0	9.1
Energy	12.5	11.6
Consumer Discretionary	9.3	9.3
Consumer Staples	8.6	7.7
Industrials	7.0	9.2
Materials	4.5	2.6
Telecom Services	3.2	4.4
Utilities	1.6	6.9
Cash & Equivalents	0.6	N/A

Source: Lazard, Russell Investments

**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.

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

Published on April 23, 2012.

<sup>1</sup> © 2012 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

<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.

Not a deposit. May lose value. Not guaranteed by any bank. Not FDIC insured. Not insured by any government agency.

**Please consider a fund's investment objectives, risks, charges, and expenses carefully before investing. For more complete information about The Lazard Funds, Inc. and current performance, you may obtain a prospectus or summary prospectus by calling 800-823-6300 or going to [www.LazardNet.com](http://www.LazardNet.com). Read the prospectus or summary prospectus carefully before you invest. The prospectus and summary prospectus contain investment objectives, risks, charges, expenses, and other information about the Portfolio and The Lazard Funds that may not be detailed in this document. The Lazard Funds are distributed by Lazard Asset Management Securities LLC.**

Lazard Asset Management LLC  
30 Rockefeller Plaza  
New York, NY 10112-6300

[www.LazardNet.com](http://www.LazardNet.com)

© 2012 Lazard Asset Management LLC

MF11132