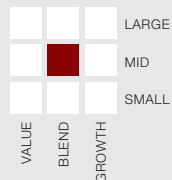


Morningstar category¹

Mid Blend

Morningstar style¹



Cusip

Institutional 52106N723
Open 52106N715

Symbol

Institutional LZMIX
Open LZMOX

Minimum initial investment

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

Inception date

Institutional 1997
Open 1997

Net assets

Institutional \$91.2 million
Open \$53.1 million
Total \$144.3 million

Total annual operating expense ratio

Institutional 0.91%
Open 1.17%

Fund Overview

Description

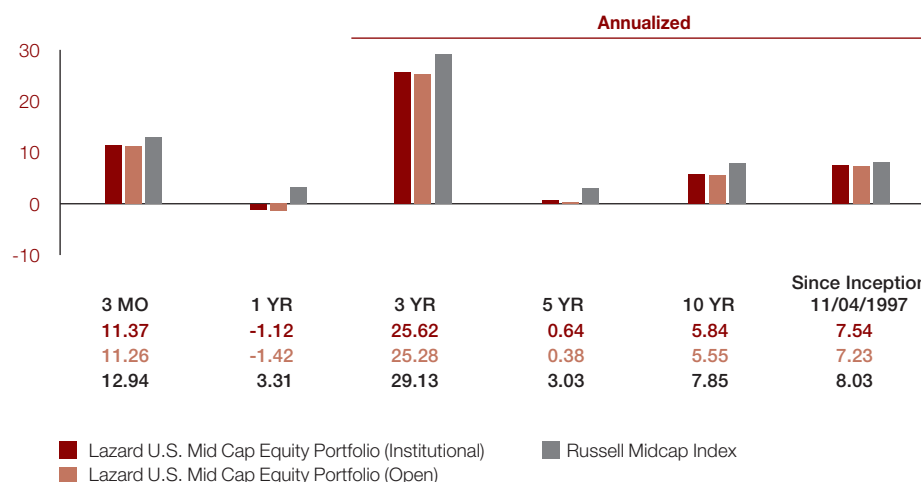
The Lazard U.S. Mid Cap Equity Portfolio seeks to generate strong returns and to outperform peers and the benchmark over a full market cycle. The Portfolio looks to invest in companies with high free cash flow, high return on equity, and low valuation.

Strategy

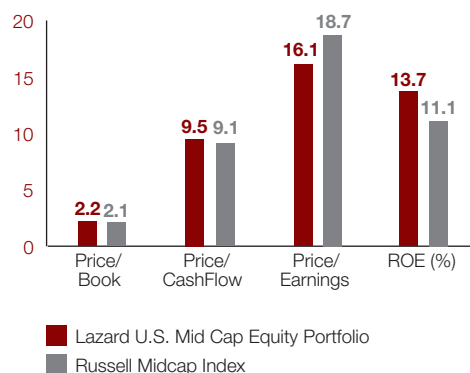
- Bottom-up approach to stock selection, the hallmark of Lazard's relative-value investment style.
- Fundamental analysis considers sustainability of returns, while accounting validation examines companies' stated financial statistics.
- Screening seeks to identify companies that are attractively priced 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 Midcap Index
Number of holdings	67	779
Weighted average market cap (\$B)	8.7	8.8
Turnover rate (%; 1-year)	88.6	N/A
Beta (3-year)	Institutional 0.90 Open 0.91	N/A
Standard deviation (%; 3-year)	Institutional 17.80 Open 17.84	19.42

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. 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.

Portfolio management team

Robert A. Failla, CFA
 Christopher H. Blake
 Daniel Breslin
 Martin Flood
 Andrew D. Lacey*

*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 Holdings²

	Lazard (%)
Ross Stores	3.4
Macy's	3.0
Autozone	3.0
Molson Coors Brewing	2.6
Eastman Chemical	2.5
Invesco	2.2
Autodesk	2.2
Ball	2.1
Xilinx	2.1
NetApp	2.1

For a complete list of holdings, please visit www.LazardNet.com

Sector Allocation²

	Lazard (%)	Russell Midcap Index (%)
Information Technology	20.5	13.7
Consumer Discretionary	18.8	16.2
Financials	15.6	19.5
Industrials	11.2	12.9
Health Care	10.4	9.7
Energy	6.8	7.5
Materials	6.6	6.6
Consumer Staples	5.7	6.3
Unassigned	1.6	0.0
Utilities	0.0	6.5
Telecom Services	0.0	1.2
Cash & Equivalents	2.8	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. Mid-cap securities carry additional risks, their earnings may be less predictable, their share prices more volatile, and their securities less liquid than large-cap securities.

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 Midcap Index includes approximately 800 of the smallest securities in the Russell 1000 Index, representing roughly 31% of the total market capitalization of Russell 1000 companies. (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.

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² 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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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. 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.

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