

Performance Review

	QTD	1 Year	Annualized	Expense Ratio	
			Since Inception	Total	Net*
Returns (%; net of fees. As of June 30, 2011.)					
Lazard Global Listed Infrastructure Portfolio (Institutional Shares) Inception: December 31, 2009	0.65	22.91	8.66	1.35	1.30
Lazard Global Listed Infrastructure Portfolio (Open Shares) Inception: December 31, 2009	0.44	22.40	8.25	18.06	1.60
MSCI World Index	0.47	30.51	11.46	N/A	N/A
UBS Global 50/50 Infrastructure & Utilities Index (USD hedged) ¹	0.76	11.54	3.82	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 1.30% and 1.60% 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.

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.

Commentary²

During the quarter, the Lazard Global Listed Infrastructure Portfolio was in line with both the MSCI World Index and UBS Global 50/50 Infrastructure & Utilities Index (USD Hedged).

Stock Highlights by Sector²

Airports

The Portfolio's holdings in airports were amongst the largest contributors to performance over the quarter. Both Fraport (4.6% of the Portfolio), which owns Germany's Frankfurt Airport, and Macquarie Airports or MAp Group (2.5% of the Portfolio), which owns Australia's Sydney airport (among stakes in several European airports), performed well. Shares of MAp rose after receiving a non-binding conditional proposal from the Ontario Teachers Pension Plan (OTPP) to swap their non-controlling interest in Brussels and Copenhagen Airports for OTPP's 11.2% stake in Sydney Airport, plus A\$850 million in cash. Should the deal go ahead, MAp would become a single asset vehicle, and this proposed simplification of the structure seemed to be well-received by investors.

Diversified Utilities

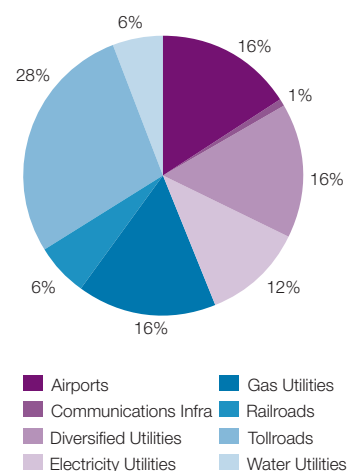
Shares of DUET (4.8% of the Portfolio) also contributed to returns. The company announced its entrance into a conditional agreement that would result in reducing its asset portfolio to stakes in four businesses. This would be done by increasing its stake in the Dampier Bunbury Pipeline and gas distribution company Multinet, and divesting its stake in WA Gas Networks. While the deal is highly conditional, if it goes through it will be value accretive for DUET.

Gas Utilities

Japanese gas utilities Tokyo Gas (5.1% of the Portfolio) and Osaka Gas (6.3% of the Portfolio) detracted from performance in the wake of the Great Eastern Japan earthquake in March. Given the disruption to the industry, there were concerns about gas sales volumes, which put pressure on the stocks. However, we believe that the Japanese gas companies will likely benefit from long-term growth prospects brought forward as the debate over Japan's energy mix intensifies.

Sector Allocation

The Portfolio is well diversified across sectors.



As of June 30, 2011. Allocations are subject to change.

Market Review

During the second quarter of 2011, stock markets were hampered by the same issues present in the second quarter of 2010, specifically concerns over the faltering U.S. economy and the European sovereign debt crisis. In the United States, weak economic data and the end of the second round of quantitative easing (dubbed "QE2") in late June led to ongoing uneasiness about the global outlook. During the month, the Greek Prime Minister secured parliamentary approval for the austerity measures necessary for a European Union relief package for Greece, and while markets responded well to this news, most major markets declined for the quarter.

Looking Ahead

While we remain cautious in our outlook for the macroeconomic environment, we believe that our focus on Preferred Infrastructure stocks (characterized by factors such as ownership of real assets, stable demand, pricing power, and manageable debt) is well positioned. We also believe that the defensive characteristics of the securities we invest in will likely provide protection in the case of a downturn, while many of our assets with patronage risk (such as airports, and to a lesser extent, toll roads) will likely benefit from any increase in global growth.

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.

Securities and instruments of infrastructure companies are more susceptible to adverse economic or regulatory occurrences affecting their industries. Infrastructure companies may be subject to a variety of factors that may adversely affect their business or operations, including additional costs, competition, regulatory implications and certain other factors.

The Portfolio seeks to substantially hedge foreign currency exposure back to the U.S. dollar. The Portfolio's total foreign currency exposure may not be fully hedged at all times. Irrespective of any foreign currency exposure hedging, the Portfolio may experience a decline in the value of its portfolio securities, in U.S. dollar terms, due solely to fluctuations in currency exchange rates.

Derivative transactions may reduce returns or increase volatility and a small investment in certain derivatives could have a potentially large impact on the Portfolio's performance. Because the Portfolio invests in a relatively smaller number of issuers than other investment portfolios, its net asset value could be more susceptible to adverse effects of any single corporate, economic, political, regulatory, or other occurrence.

The MSCI World Index is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance. The MSCI World Index consists of 24 developed market country indices. The index is unmanaged and has 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 July 18, 2011.

- 1 As of March 31, 2011, the UBS Global 50/50 Infrastructure & Utilities Index benchmark was replaced with the UBS Global 50/50 Infrastructure & Utilities Index (USD Hedged). The UBS Global 50/50 Infrastructure & Utilities Index (USD Hedged) tracks a 50% exposure to the global developed market utilities sector and a 50% exposure to the global developed market infrastructure sector. The index is unmanaged, has no fees or costs and is not available for investment. The previous benchmark, the UBS Global 50/50 Infrastructure & Utilities Index, tracked the same sector exposure as described for the UBS Global 50/50 Infrastructure & Utilities Index (USD Hedged), but was unhedged.
- 2 The securities identified should not be considered a recommendation or solicitation to purchase or sell these securities. It should not be assumed that any of the referenced securities were 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 discussed do not represent the Portfolio's entire holdings.

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