

Lazard Emerging Markets Equity Portfolio

	Institutional	Open	R6
Ticker	LZEMX	LZOEX	RLEMX
Benchmark	MSCI Emerging Markets Index		

4Q
2018

The Lazard Emerging Markets Equity Portfolio seeks long-term capital appreciation by investing in well-run, profitable companies that appear mispriced relative to their fundamentals. Valuation dislocations can occur for reasons including, but not limited to, misunderstood business models or near-term political and economic concerns.

1 Focused on Company Profitability

Disciplined stock selection and focus on company profitability* can help mitigate underperformance in down markets

* As measured by return on equity

2 Trades at More than a 25% Discount to Developed Markets

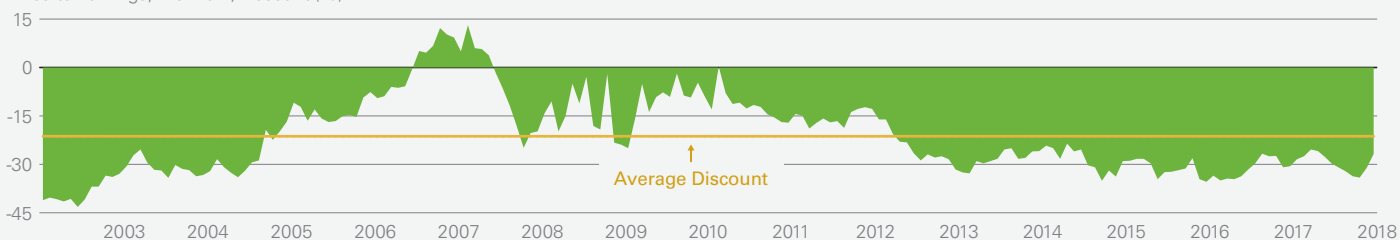
Emerging markets are supported by favorable age demographics, a growing middle class, and improving corporate governance and they trade at a discount to developed markets

3 Experienced Perspective

The investment team has more than 20 years of direct emerging markets experience complemented by their access to other experts on Lazard's renowned emerging markets platform

EM Trades at More than a 25% Discount to Developed Markets

Price to Earnings, Premium/Discount (%)



As of December 31, 2018

The chart represents the MSCI Emerging Markets Index valuation discount to the MSCI World Index.

Read about the material differences of these indices in the Understanding Investment Indices section on the back page.

Characteristics shown are calculated on a trailing 1-year basis.

Source: Lazard, MSCI

Performance Review (%; net of fees. As of December 31, 2018)

	Annualized																			
	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception 7/15/1994	Since Inception 1/8/1997	Since Inception 1/19/2015	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
Institutional	-5.55	-18.09	8.11	-0.67	7.25	6.20														
Open	-5.58	-18.32	7.83	-0.92	6.94		5.88													
R6	-5.55	-18.09	8.11																	0.12
Benchmark	-7.47	-14.58	9.25	1.65	8.02	5.14	5.65	2.62												

Minimum Initial Investment
Institutional: \$100,000
Open: \$2,500
R6: (see prospectus for details)

Net Assets
Institutional: \$7.6 billion
Open: \$1.0 billion
R6: \$0.2 billion
Total: \$8.8 billion

Total Expense Ratio
Institutional: 1.08%
Open: 1.34%
R6: 1.08%

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. Calendar year returns reflect only full-year performance. An investor may obtain performance data current to the most recent month-end online at www.lazardassetmanagement.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 of certain share classes reflect reimbursement of expense as described in the prospectus. Had expenses not been reimbursed, returns would have been lower and the expense ratio would have been higher.

Geographic Allocation²

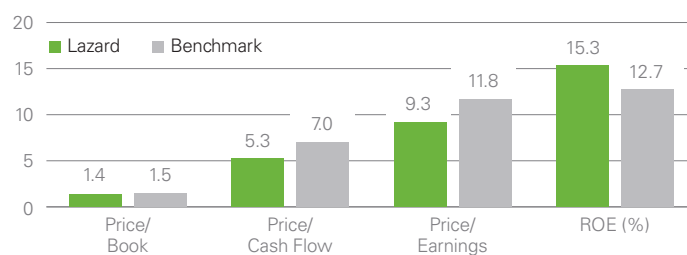
	Lazard (%)	Benchmark (%)
South/East Asia	59.1	73.3
Europe/Middle East/Africa	23.8	14.5
Latin America	14.2	12.2
Cash & Equivalents	2.9	0.0

Sector Allocation²

	Lazard (%)	Benchmark (%)
Financials	29.1	24.8
Information Technology	18.8	14.2
Communication Services	14.5	14.1
Energy	9.0	8.0
Consumer Discretionary	7.6	10.4
Consumer Staples	6.2	6.7
Materials	5.3	7.7
Industrials	4.8	5.5
Utilities	1.0	2.7
Health Care	0.8	2.8
Real Estate	0.0	3.0
Cash & Equivalents	2.9	0.0

Source: Lazard, FactSet, MSCI

Characteristics



	Lazard	Benchmark
Number of Holdings	74	1,125
Weighted Average Market Cap (\$B)	55.4	79.3
Turnover Rate (%; 1-year)	15.2	N/A
Beta (3-year)	Institutional	0.95
	Open	0.95
Standard Deviation (%; 3-year)	Institutional	14.84
	Open	14.85

Source: Lazard, FactSet, MSCI

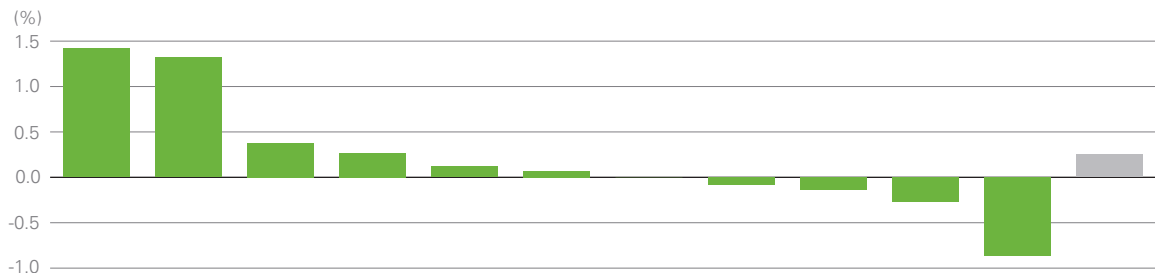
Beta is a relative measure of the sensitivity of a fund's return to changes in the benchmark's return. The beta of the fund versus its benchmark is the amount (and direction) the fund has historically moved when the benchmark moved by one unit. Standard deviation measures the dispersion or "spread" of individual observations around their mean. Standard deviation of returns measures a fund's historical volatility (i.e., where a higher number is evidence of greater volatility (i.e., higher risk)). Certain information included herein is derived by Lazard in part from an MSCI index or indices (the "Index Data"). However, MSCI has not reviewed this product or report, and does not endorse or express any opinion regarding this product or report or any analysis or other information contained herein or the author or source of any such information or analysis.

Top Ten Holdings²

	Lazard (%)	Sector	Country
China Construction Bank	5.0	Financials	China
Samsung Electronics	4.1	Information Technology	Korea
China Mobile	4.0	Communication Services	China
Banco do Brasil	3.9	Financials	Brazil
Taiwan Semiconductor Manufacturing	3.4	Information Technology	Taiwan
Sberbank	3.2	Financials	Russia
NetEase	2.8	Communication Services	China
SK hynix	2.6	Information Technology	Korea
Tata Consultancy Services	2.4	Information Technology	India
Axis Bank	2.3	Financials	India

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

Value Added Analysis³ (October 1 to December 31, 2018)



	Financials	Consumer Discretionary	Health Care	Industrials	Materials	Comm. Services	Utilities	Energy	Consumer Staples	Real Estate	Information Technology	Cash	Total
Sector Allocation (%)	0.23	0.16	0.21	-0.02	0.11	0.03	-0.14	-0.03	-0.01	-0.27	-0.36	0.25	0.16
Stock Selection (%)	1.19	1.16	0.17	0.29	0.01	0.04	0.15	-0.05	-0.13	0.00	-0.49		2.34
Total (%)	1.42	1.32	0.38	0.27	0.12	0.07	0.00	-0.08	-0.14	-0.27	-0.86	0.25	2.49

Stock Highlights^{2,3}

Helped

- Banco do Brasil (3.9% of the Portfolio), a Brazilian bank, continued its recent strong performance with more positive data in Brazil for loan growth, non-performing loans, and net interest margins, and optimism for economic reforms under the Bolsonaro administration.
- Within Brazil, BB Seguridade (1.7% of the Portfolio), an insurance company, and Petrobras Distribuidora (0.1% of the Portfolio), an operator of petrol stations, were both boosted by positive sentiment on the back of the election of market-friendly candidate, Jair Bolsonaro.
- CCR (1.1% of the Portfolio), a Brazilian toll-road operator, benefited from the continued recovery in light vehicle traffic and from positive sentiment from the election results.
- Bank Mandiri (2.0% of the Portfolio), an Indonesian bank, gained after the central bank governor vowed to maintain its pre-emptive policies focusing on economic and currency stability.

Hurt

- SK hynix (2.6% of the Portfolio), a Korean semiconductor manufacturer, and Samsung Electronics (4.1% of the Portfolio), a Korean manufacturer of electronic goods, were both hurt by falling memory chip prices.
- Sentiment for AAC Technologies (0.8% of the Portfolio), a Chinese manufacturer of smartphone components, was negatively affected by concerns over recent weakness in Apple smartphone sales.
- Shares of Taiwan Semiconductor Manufacturing (TSMC) (3.4% of the Portfolio), a Taiwanese manufacturer of semiconductors, were hurt by concerns over a broader slowdown in semiconductor demand.
- Shares of Baidu (1.1% of the Portfolio), a Chinese internet search engine, fell on concerns over slowing economic growth in China and increased regulatory scrutiny on the internet sector.

Emerging Markets Equity Portfolio Management Team



James M. Donald, CFA
Managing Director
Portfolio Manager/Analyst
and Head of Emerging
Markets
35 years of investment
experience



Rohit Chopra
Managing Director
Portfolio Manager/
Analyst
22 years of investment
experience



Monika Shrestha
Director
Portfolio Manager/
Analyst
21 years of investment
experience



John R. Reinsberg
Deputy Chairman
Portfolio Manager/
Analyst
37 years of investment
experience

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

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. 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 markets 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 markets countries can be extremely volatile; performance can also be influenced by political, social, and economic factors affecting companies in emerging markets 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.

Understanding Investment Indices

The MSCI Emerging Markets Index (the "EM Index") captures large and mid-cap representation across 24 emerging markets countries. With 1,125 constituents, the EM Index covers approximately 85% of the free float-adjusted market capitalization in each country. The MSCI World Index (the "World Index") similarly captures large- and mid-cap representation across 23 developed markets countries. With 1,633 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. In addition to the difference in representation in country type (namely, emerging and developed markets), the EM Index and World Index have varying exposures to MSCI factors that drive risk and return. For example, the World Index remains neutral across all MSCI factors with the exception of exposure to low size stocks (small companies). The EM Index similarly remains neutral across all MSCI factors with the exception of both exposure to low size and low volatility stocks. Note that country exposure across emerging and developed markets is materially different. For example, World Index exposure is across countries, including but not limited to, the United States, Japan, the United Kingdom, France, and Canada. EM Index exposure is across countries including, but not limited to, China, South Korea, Taiwan, India, and Brazil.

Notes

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- 3 As of December 31, 2018. The value added analysis is provided for illustrative purposes only and is relative to the MSCI Emerging Markets Index, 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" and "attribution effect" are 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.

Important Information

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