

Lazard Emerging Markets Equity Portfolio

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

1Q
2019

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 Focuses on Company Profitability

The team's disciplined stock selection and focus on company profitability* within the Portfolio is designed to help mitigate underperformance in down markets

* As measured by return on equity

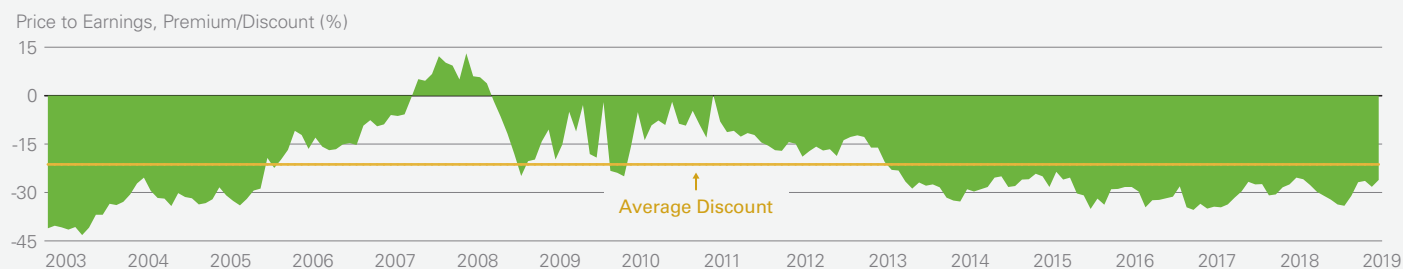
2 Trades at More than a 25% Discount to Developed Markets (see chart below)

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 Offers Long-Term Perspective

The 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



As of March 31, 2019

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 March 31, 2019)

	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			
Institutional	7.53	-13.69	7.72	0.87	8.27	6.45					
Open	7.44	-13.91	7.44	0.60	7.96		6.16				
R6	7.53	-13.69	7.73					1.86			
Benchmark	9.93	-7.41	10.68	3.68	8.94	5.49	6.03	4.80			
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Institutional	-18.09	28.02	20.52	-20.16	-4.16	-0.80	22.36	-17.75	22.81	69.82	-47.88
Open	-18.32	27.73	20.17	-20.33	-4.39	-1.14	22.03	-18.02	22.43	69.14	-48.09
R6	-18.09	28.02	20.52								
Benchmark	-14.58	37.28	11.19	-14.92	-2.19	-2.60	18.22	-18.42	18.88	78.51	-53.33

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

Net Assets
Institutional: \$7.8 billion
Open: \$1.1 billion
R6: \$0.2 billion
Total: \$9.2 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	59.0	74.4
Europe/Middle East/Africa	22.6	13.8
Latin America	12.9	11.8
Other*	1.8	0.0
Cash & Equivalents	3.7	0.0

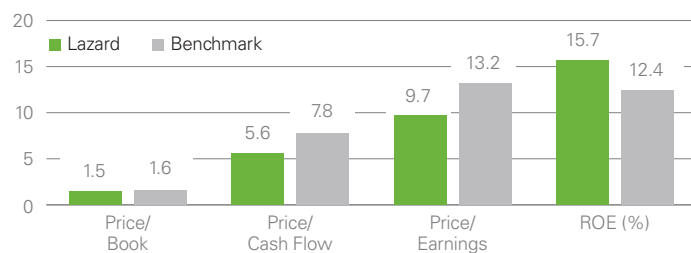
Sector Allocation²

	Lazard (%)	Benchmark (%)
Financials	27.5	24.2
Information Technology	19.2	14.6
Communication Services	12.6	12.3
Energy	10.6	8.1
Consumer Discretionary	7.0	13.4
Consumer Staples	6.6	6.4
Materials	5.9	7.4
Industrials	5.2	5.4
Utilities	1.0	2.5
Health Care	0.7	2.6
Real Estate	0.0	3.2
Cash & Equivalents	3.7	0.0

* "Other" consists of companies that have 50% or more of their net assets and/or sales from emerging markets, but are domiciled in non-emerging markets countries.

Source: Lazard, FactSet, MSCI

Characteristics



	Lazard	Benchmark
Number of Holdings	76	1,136
Weighted Average Market Cap (\$B)	57.8	95.7
Turnover Rate (%; 1-year)	16.7	N/A
Beta (3-year)	Institutional	1.02
	Open	1.02
Standard Deviation (%; 3-year)	Institutional	14.14
	Open	14.15

Source: Lazard, FactSet, MSCI

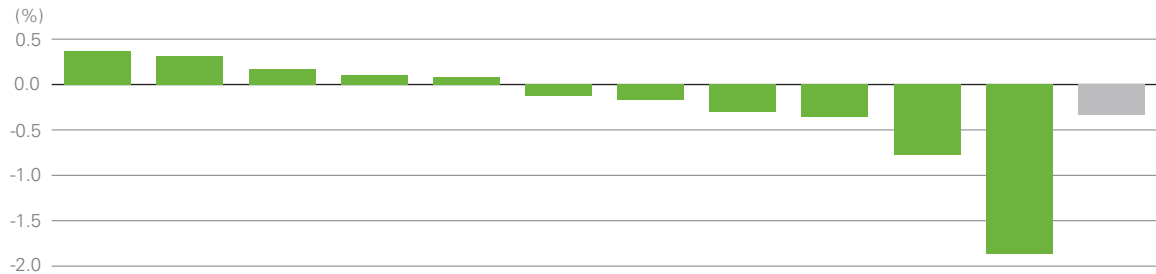
Beta is a relative measure of the sensitivity of a fund's return to changes in the benchmark's return. The beta of the fund versus its benchmark is the amount (and direction) the fund has historically moved when the benchmark moved by one unit. Standard deviation measures the dispersion or "spread" of individual observations around their mean. Standard deviation of returns measures a fund's historical volatility, 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	4.4	Financials	China
Samsung Electronics	4.4	Information Technology	Korea
Sberbank	3.6	Financials	Russia
Taiwan Semiconductor Manufacturing	3.4	Information Technology	Taiwan
Banco do Brasil	3.4	Financials	Brazil
SK hynix	3.0	Information Technology	Korea
NetEase	2.7	Communication Services	China
China Mobile	2.7	Communication Services	China
Axis Bank Limited	2.4	Financials	India
LUKOIL	2.0	Energy	Russia

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

Value Added Analysis³ (January 1 to March 31, 2019)

	Materials	Industrials	Energy	Utilities	Health Care	Consumer Staples	Real Estate	Financials	Information Technology	Comm. Services	Consumer Discretionary	Cash	Total
Sector Allocation (%)	0.05	-0.01	0.01	0.07	0.11	-0.02	-0.17	-0.10	0.08	-0.02	-0.49	-0.34	-0.82
Stock Selection (%)	0.32	0.32	0.16	0.03	-0.03	-0.11	0.00	-0.20	-0.44	-0.76	-1.38		-2.10
Total (%)	0.37	0.31	0.17	0.10	0.08	-0.13	-0.17	-0.30	-0.36	-0.78	-1.87	-0.34	-2.92

Stock Highlights^{2,3}

Helped

- Sberbank (3.6% of the Portfolio), a Russian bank, announced strong results and shares were also boosted by positive sentiment regarding Russia on the back of rising oil prices and the potential for the removal of some sanctions.
- Samsung Electronics (4.4% of the Portfolio) and SK hynix (3.0% of the Portfolio), a Korean manufacturer of electronic goods and a Korean semiconductor manufacturer, respectively, rebounded from weakness in 2018 as the market began to bottom-fish Asian technology stocks and on expectations that semiconductor sales would bottom in the first half of 2019.
- LUKOIL (2.0% of the Portfolio), a Russian integrated oil company finished higher along with the price of oil over the period.
- Weichai Power (2.0% of the Portfolio), a Chinese manufacturer of large diesel engines, issued a positive profit alert for 2018 and guided for stable markets in 2019.

Hurt

- Hero Motocorp (1.2% of the Portfolio), an Indian manufacturer and distributor of motorcycles, experienced margin compression as a result of tough market competition.
- Shoprite (1.1% of the Portfolio), a South African supermarket chain, fell after management issued a profit warning.
- Vodacom (0.9% of the Portfolio), a South African telecom services company, announced weak results and the market remained concerned about the lack of demand elasticity for data services.
- KB Financial Group (0.9% of the Portfolio), a Korean financial services company, reported weaker fourth quarter results due to higher-than-expected spending on its early retirement program and a weaker macroeconomic environment.
- Astra International (1.2% of the Portfolio), a diversified Indonesian company operating primarily across the automotive, heavy equipment and mining, and financial services segments, reported weaker fourth quarter results as election uncertainty and tighter monetary policy have weighed on commercial vehicle demand.

Emerging Markets Equity Portfolio Management Team



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



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



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



John R. Reinsberg
Deputy Chairman
Portfolio Manager/
Analyst
38 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 March 31, 2019. 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

Published on April 12, 2019.

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