

Lazard Global Total Return & Income Fund, Inc.

Presented By:
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Closed-End Fund and Global ETF
Conference
Metropolitan Club, New York

Lazard Asset Management



- Company originated as a partnership in 1848
- Private and independent
- Over 133 investment professionals / 26 languages

Current Environment

Many retail investors are overweight:

- **U.S. Dollar-denominated investments**
 - ◆ **U.S. Equities**
 - ◆ **U.S. Intermediate & longer-term fixed income investments**
- **Interest rate sensitive sectors of the market**

Current Environment

Investors are seeking:

- Yield
- Tax advantaged investments
- Equity participation with minimal downside risk
- Outperformance on a relative basis on the upside
- To defend absolutely on the downside

Current Environment:

Should Investors be Concerned?

Investor Risks:

- Beginning in 2002, traditional closed-end funds have been replaced by a variety of:
 - ◆ Fixed income funds
 - ◆ Yield-oriented funds
- Non-U.S. Dollar funds represent only 13% of the total net assets in closed-end funds*
- Interest rates are rising

*Source: Closed-End Fund Association and Citigroup as of 2/1/04

10-Year U.S. Treasury Yields

Yield to Maturity of 10-Year U.S. Treasury



As of April 30, 2004
Source: Merrill Lynch

Lazard Global Total Return & Income Fund

Portfolio Manager: Managed by Lazard Asset Management LLC

NYSE Symbol: LGI

First Day of Trading: 4/28/04

Inception NAV: \$19.06

Inception Share Price: \$20.00

What is LGI?

- **Seeks total return, consisting of capital appreciation and income**
- **Level monthly distributions**
- **Limited interest rate sensitivity**
- **Broadly diversified strategy**
 - ◆ **Invests in 30+ countries**
 - ◆ **Developed and emerging market exposures**
 - ◆ **Across industry sectors**

What is LGI?

- **Global Equity Securities**– Primarily focused on large-capitalization, developed market companies that are financially productive and that pay attractive dividends
- **Emerging Market Currency and Debt Instruments**– Seeks to enhance income by also investing in a highly diversified portfolio of short-duration, high-yielding, low correlating instruments
- **Unique Leveraging Strategy**– Allows greater flexibility and risk management

Allocating LGI to an Investment Portfolio

- **Low correlations can reduce volatility and enhance returns**
- **An attractive yield with limited interest rate sensitivity**
- **Potential tax advantages for long-term capital gains and dividends**
 - ◆ **International exposure in ADRs eligible for tax-benefits**

Global Equity Process

- **Seeks to invest in a concentrated portfolio of 35 – 45 large capitalization securities**
 - ◆ **Financially productive at inexpensive valuations**
 - ◆ **Companies with sustainable returns on capital**
 - ◆ **Good allocators of capital**
 - ◆ **Diversified across industry sectors**
 - ◆ **Companies domiciled in developed market countries that comprise the MSCI World Index**

- **Intensive fundamental analysis and accounting validation**

- **Stock selection and sectoral research drive performance**

- **Dividend yield of the MSCI World Index has increased almost 20% over the last 2 years***

* As of December 31, 2003.

Source: MSCI.

Lazard's View of Value

Lazard's universe focuses on companies that are financially productive yet inexpensively priced.

Valuation – What must we pay?

Price/Earnings
Price/Book
Price/Cash Earnings
Price/Sales



Lazard's Relative Value Investment Universe

Financial Productivity – What do we get?

Return on Equity
Cash Return on Equity
Operating Margins

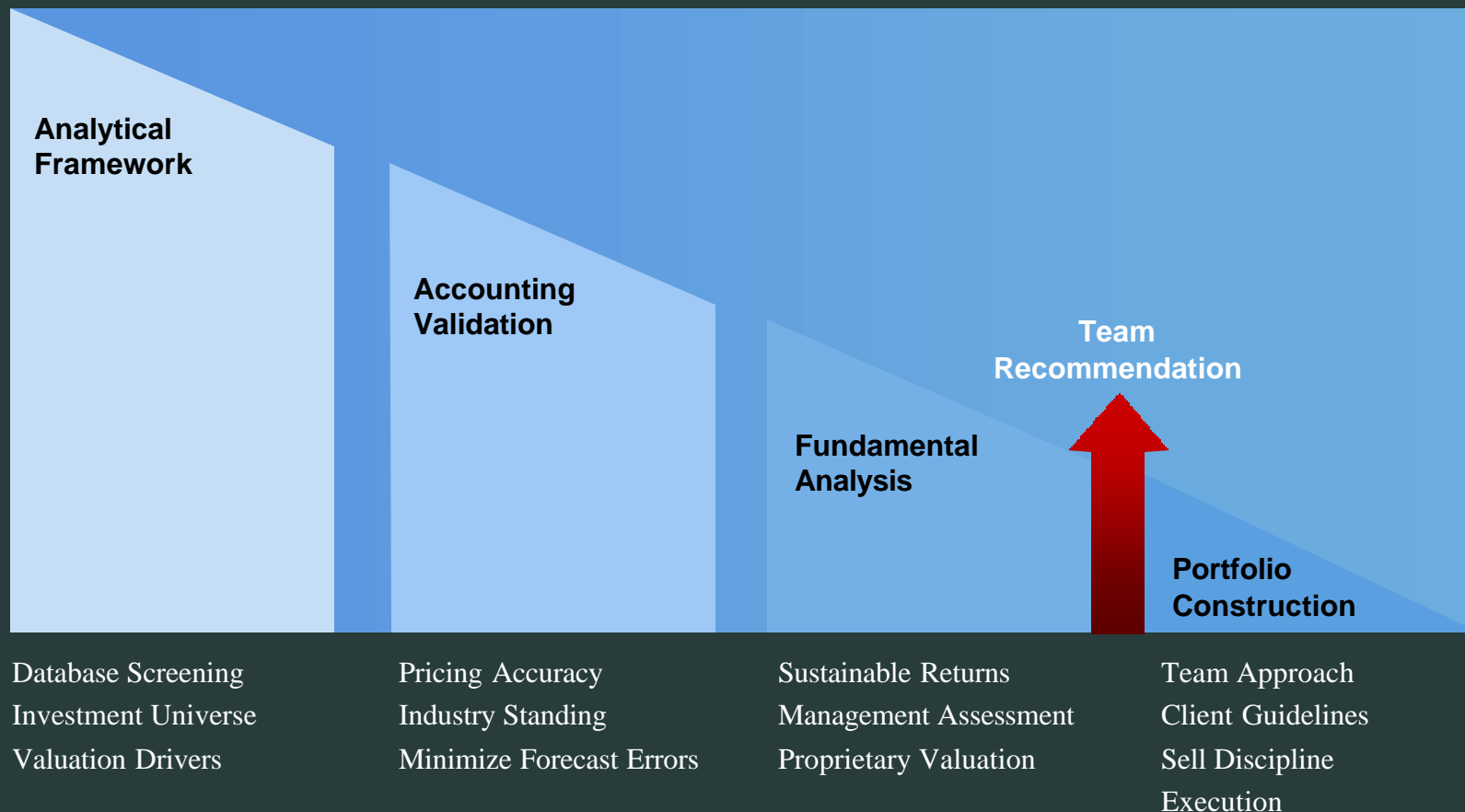
Source: Lazard Asset Management 2003

The data presented in this graph is only for conceptual purposes and is generally based on 20-year valuation averages. Valuations are subject to change on a daily basis.



Lazard's Investment Process

Lazard's four-part investment process for research and portfolio construction is presented here as sequential steps; in practice the process is neither static nor sequential, but ongoing.



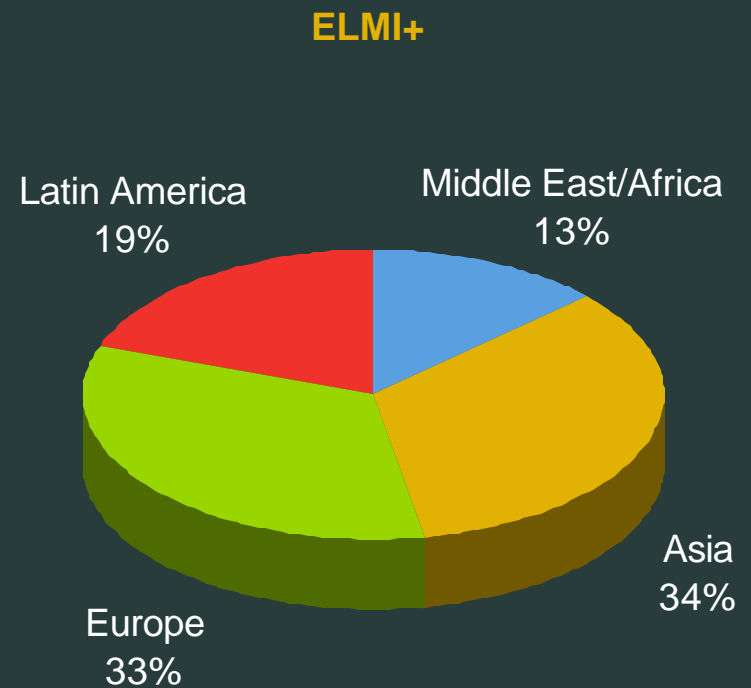
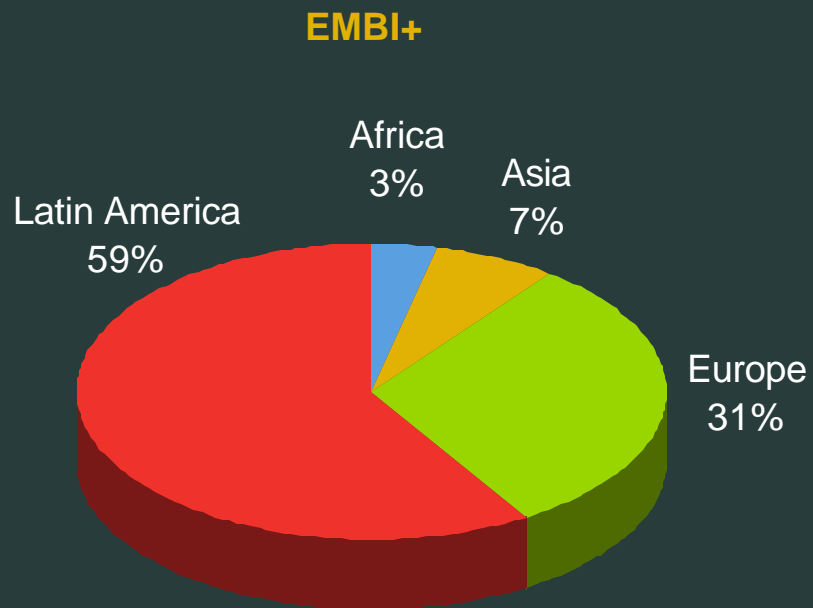
Emphasis on Total Return

- **Economic recovery**
- **Valuations at reasonable levels**
- **Currency factors**

This is Not Traditional Emerging Markets Debt

- **High yielding investments in EM local currency and debt products**
- **Evolving universe of 40+ emerging market countries**
- **High level of risk control:**
 - ◆ **Diversified currency exposure**
 - ◆ **Limited correlation**
 - ◆ **Short portfolio duration**
- **High Sharpe ratio**

The Regional Differences Between These Indices are Interesting

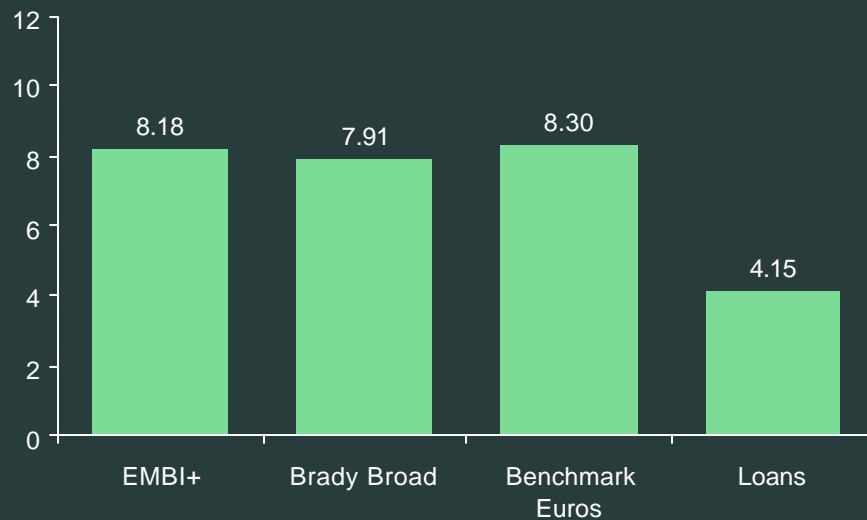


As of December 31, 2003
Source: JPMorgan

Interest Rates Also Look Relatively Attractive in the Present Environment

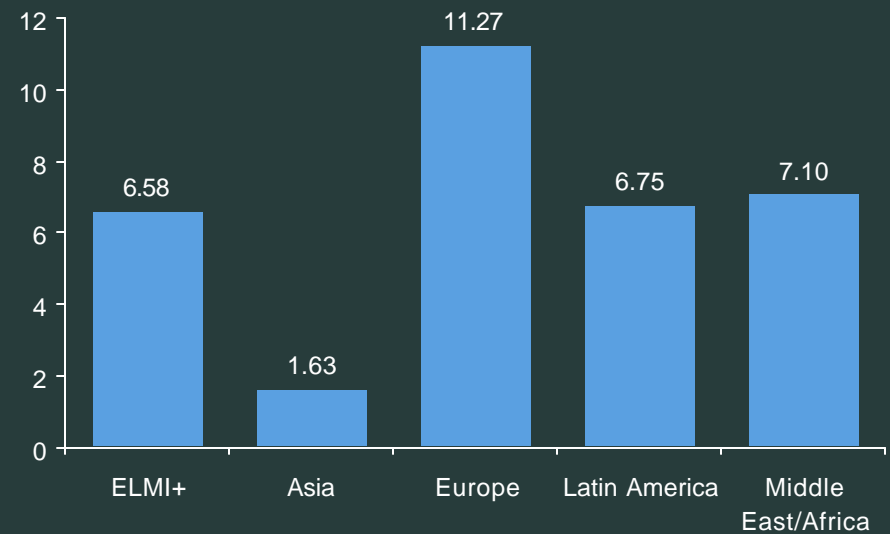
EMBI+

Interest Rates (%)



ELMI+

Interest Rates (%)



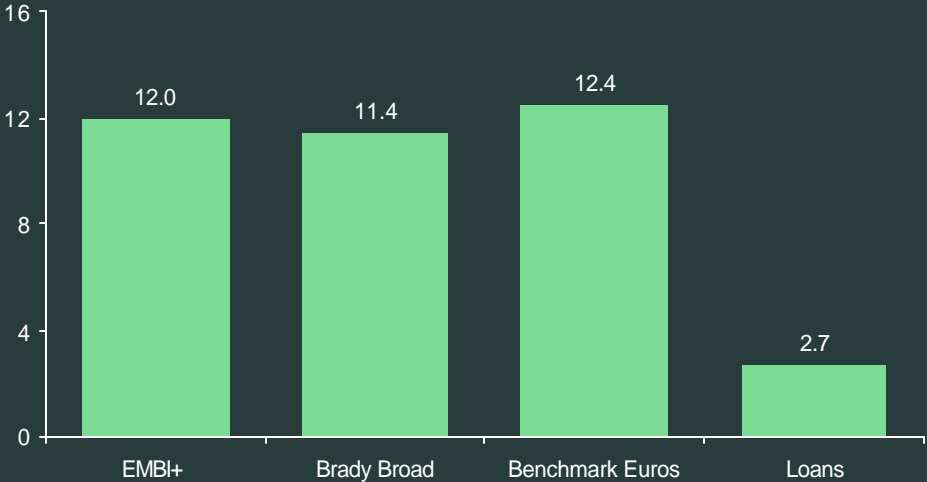
As of December 31, 2003
Source: JPMorgan

One Major Differentiating Factor is Duration...

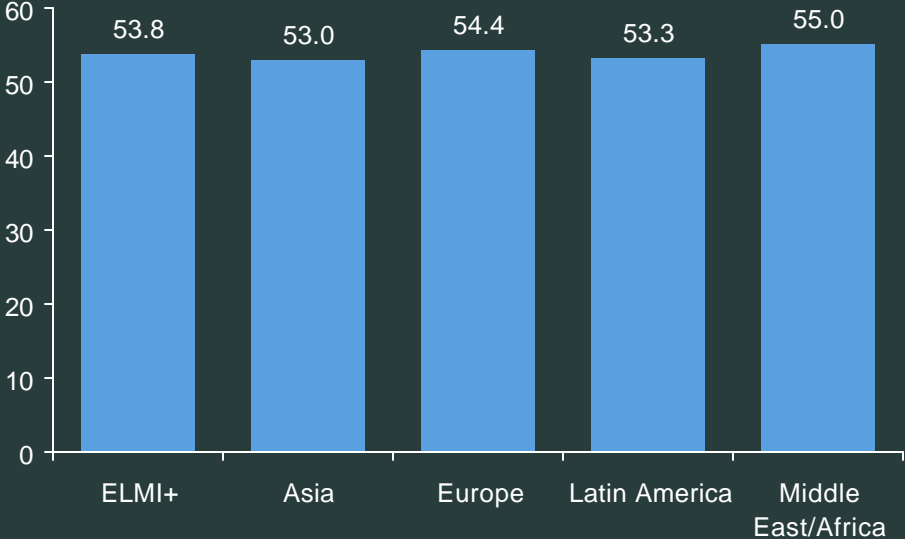
EMBI+

ELMI+

Average Life (Years)



Average Life (Days)



As of December 31, 2003
Source: JPMorgan



...Which Translates into Much Lower Volatility for Emerging Market Local Currency Debt

Annualized Standard Deviation

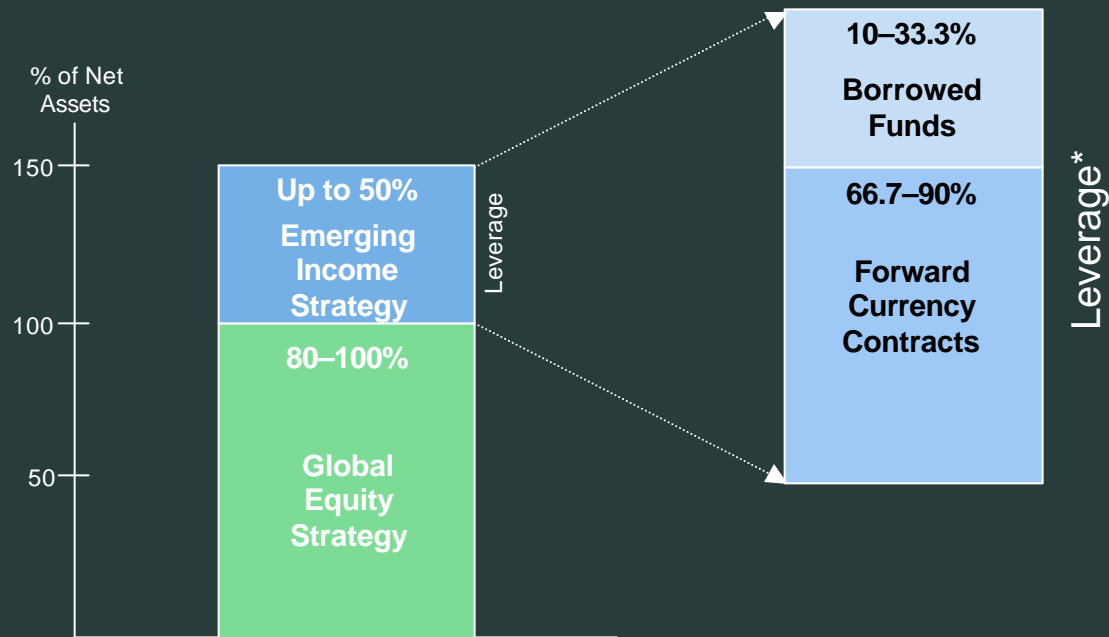
	<i>Trailing Years</i>			
	<i>1</i>	<i>3</i>	<i>5</i>	<i>10</i>
ELMI+	5.05%	4.54%	4.68%	6.44%
EMBI+	8.72%	12.44%	12.53%	17.56%

Lazard Total Return & Income Fund

Allocation to Currency Investments

- **Portfolio Manager will allocate exposure to Currency Investments using a variety of factors:**
 - ◆ **Estimated current dividend yield of Global Equity Investments**
 - ◆ **Estimated current income from Currency Investments**
 - ◆ **Economic and market conditions**
 - ◆ **Level monthly distribution policy**

Anticipated Asset Allocation and Emerging Income Leverage

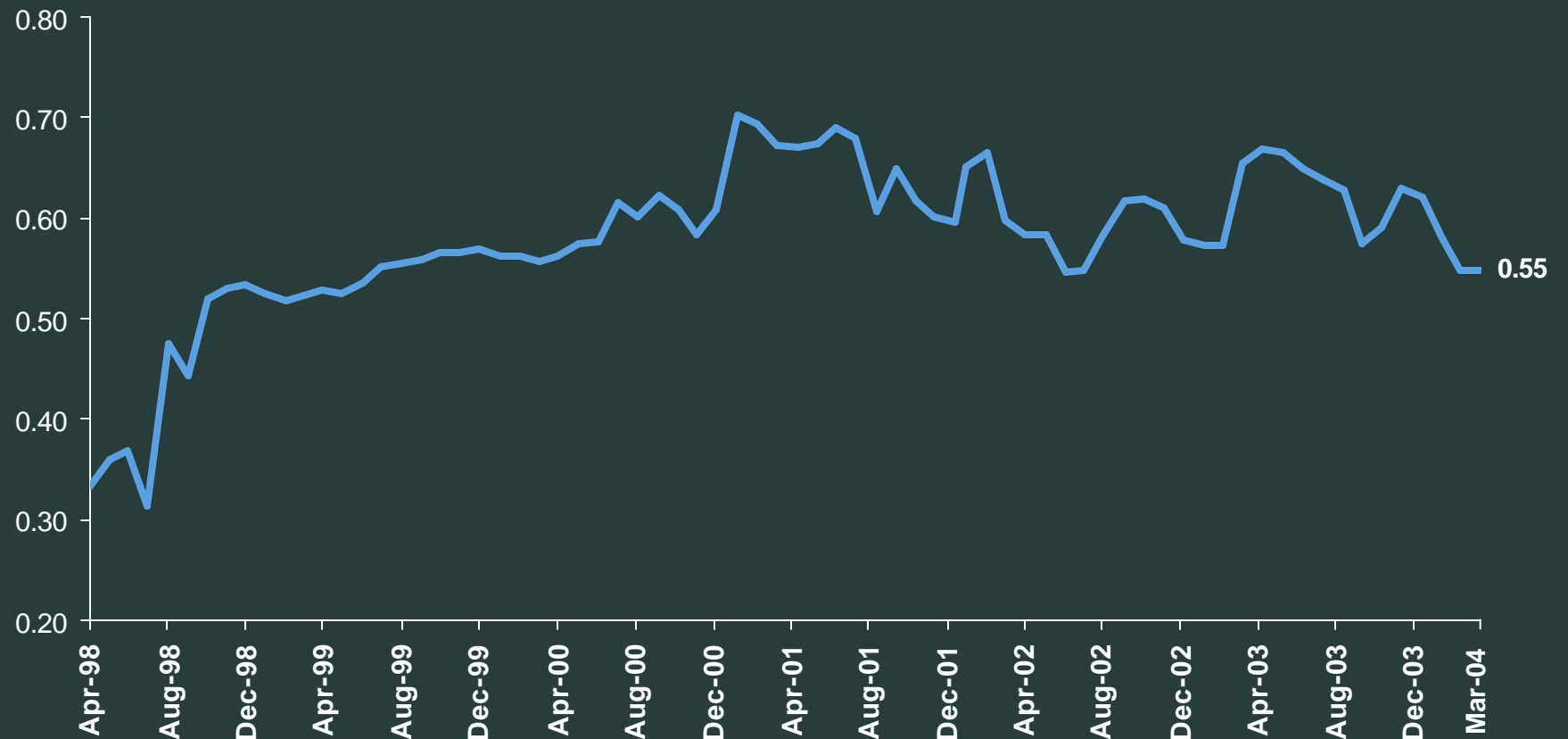


Leverage potential. To enhance the income potential for investors, the fund intends to employ financial leverage, of up to 50% of net assets, by investing in forward currency contracts and/or borrowings. This provides the portfolio manager with an opportunity to enhance yield through the emerging income portion of the Fund.

* Forward Currency Contracts and Borrowed Funds will comprise 100% of leverage. The Fund has reserved the right to issue preferred stock in the future, but does not currently intend to do so.

Low Correlation Between the Two Indices

Rolling 3-year Correlation of the MSCI World and ELMI+



As of March 31, 2004.
Source: Frank Russell.

Global Total Return & Income – Conclusions

- **Seeks total return consisting of capital appreciation and income**
- **Low historical correlation between the two underlying strategies**
- **Considerable long-term experience in global equity and emerging income investments**
- **A potentially attractive addition to a U.S. equity and fixed income portfolio**

Risk Factors

- **Investment and Market Risk.** An investment in the Fund's Common Stock is subject to investment risk, including the possible loss of the entire principal amount invested. An investment in Common Stock represents an indirect investment in the Fund's portfolio investments. Their value, like other market investments, may move up or down, sometimes rapidly and unpredictably. The Fund's Common Stock, at any point in time, may be worth less than the amount originally invested, even after taking into account the reinvestment of Fund dividends and distributions. The Fund's investment strategy includes purchasing investments that have embedded financial leverage, such as forward currency contracts, which magnifies the risk that you may lose money.
- **Leverage Risk.** Using leverage is a speculative investment technique and involves certain risks. These include higher volatility of net asset value, the likelihood of more volatility in the market value of Common Stock and the possibility either that the Fund's return will fall if the interest rate on any borrowings rises, or that income will fluctuate because the interest rate of borrowings varies. If the market value of the Fund's portfolio declines, the leverage will result in a greater decrease in net asset value than if the Fund were not leveraged. Such greater net asset value decrease also will tend to cause a greater decline in the market price for Common Stock.
- **Non-U.S. Investments Risk.** Global Equity investments will be in securities of foreign issuers operating in developed countries and will not include securities of emerging market issuers. These investments involve special risks, including the following: less publicly available information about non-U.S. issuers or markets because of less rigorous disclosure or accounting standards or regulatory practices; many non-U.S. markets are smaller, less liquid and more volatile; the economies of non-U.S. countries may grow at slower rates than expected or may experience a downturn or recession; and the impact of economic, political, social or diplomatic events. Investing in sovereign debt securities will expose the Fund to the direct or indirect consequences of political, social or economic changes in the emerging market countries that issue the securities. Many of these countries are also characterized by political uncertainty or instability. The ability and willingness of sovereign obligors in emerging market countries or the governmental authorities that control repayment of their debt to pay principal and interest on such debt when due may depend on general economic and political conditions within the relevant country. Countries in which the Fund intends to invest have historically experienced, and may continue to experience, high rates of inflation, high interest rates, exchange rate fluctuations, trade difficulties and extreme poverty and unemployment. The market values of corporate debt securities are sensitive to individual corporate developments and changes in economic conditions. Emerging market issuers may be highly leveraged and may not have more traditional methods of financing available to them. Therefore, their ability to service their debt obligations during an economic downturn or during sustained periods of rising interest rates may be impaired, resulting in a higher risk of default.
- **Currency Risks.** An investment in Common Stock, as measured in U.S. dollars, may change significantly when the values of the emerging market local currencies change relative to the U.S. dollar, thereby subjecting investors to currency risks. The currencies of emerging market countries may experience significant declines against the U.S. dollar, and significant devaluation may occur subsequent to investments in these currencies by the Fund. Other risks include the dependence on the Investment Manager's ability to predict movements in exchange rates and imperfect correlations between movements in exchange rates. The Fund may use currency hedging transactions which might result in a poorer overall performance for the Fund than if the Fund had not engaged in any hedging transactions. Currency Investments could be adversely affected by delays in, or a refusal to grant, repatriation of funds or conversion of emerging market currencies. Forward currency contracts are highly volatile, and a relatively small price movement in a forward currency contract may result in substantial losses to the Fund.

Please read the Prospectus carefully for more explanation of these and other risks.

