

LAZARD GLOBAL TOTAL RETURN & INCOME FUND INC  
Form N-CSRS  
September 06, 2017  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES**

Investment Company Act file number 811-21511

Lazard Global Total Return and Income Fund, Inc.

(Exact name of registrant as specified in charter)

30 Rockefeller Plaza

New York, New York 10112

(Address of principal executive offices) (Zip code)

Mark R. Anderson, Esq.

Lazard Asset Management LLC

30 Rockefeller Plaza

New York, New York 10112

(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 632-6000

Date of fiscal year end: 12/31

Date of reporting period: 6/30/17

ITEM 1. REPORTS TO STOCKHOLDERS.

Lazard Global Total Return  
and Income Fund, Inc.

Semi-Annual Report

June 30, 2017

**PRIVACY NOTICE**

**FACTS** What does Lazard do with your personal information?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number
  
- Assets and income

**What?**

- Account transactions
  
- Credit history
  
- Transaction history

When you are *no longer* our customer, we continue to share your information as described in this notice.

All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information, the reasons Lazard chooses to share, and whether you can limit this sharing.

**How?**

<b>Reasons we can share your personal information</b>	<b>Does Lazard share?</b>	<b>Can you limit this sharing?</b>
<b>For our everyday business purposes</b> — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> — to offer our products and services to you	No	We do not share
<b>For joint marketing with other financial companies</b>	No	We do not share
<b>For our affiliates’ everyday business purposes</b> — information about your transactions and experiences	Yes	No

**For our affiliates' everyday business purposes** — information about your creditworthiness **No**

We do not  
share

**For nonaffiliates to market to you**

No

We do not  
share

**Questions?** Call 800-823-6300 or go to <http://www.LazardNet.com>

**Who we are**

Who is providing this notice? Lazard Asset Management LLC, Lazard Asset Management (Canada), Inc. and Lazard Asset Management Securities LLC on their own behalf and on behalf of the funds they manage.

**What we do**

How does Lazard protect my personal information? To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We believe the measures also comply with applicable state laws. We collect your personal information, for example, when you:

- Open an account
- Seek advice about your investments

How does Lazard collect my personal information?

- Direct us to buy securities
- Direct us to sell your securities
- Enter into an investment advisory contract

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

Federal law gives you the right to limit only:

- Sharing for affiliates' everyday business purposes—information about your creditworthiness

Why can't I limit all sharing?

- Affiliates from using your information to market to you
- Sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

**Definitions**

Affiliates Companies related by common ownership or control. They can be financial and nonfinancial companies.

Nonaffiliates *Our affiliates may include financial companies whose names include "Lazard."*  
Companies not related by common ownership or control. They can be financial and nonfinancial companies.

Joint marketing *Lazard does not share information with nonaffiliates so they can market to you.*  
A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

*Lazard does not jointly market.*

*Lazard Global Total Return and Income Fund, Inc.*

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*Lazard Global Total Return and Income Fund, Inc.*

## **Investment Overview**

### **Dear Stockholders,**

We are pleased to present this report for Lazard Global Total Return and Income Fund, Inc. (“LGI” or the “Fund”), for the six month period ended June 30, 2017. LGI is a diversified, closed-end management investment company that began trading on the New York Stock Exchange (“NYSE”) on April 28, 2004. Its ticker symbol is “LGI.”

We believe that the Fund has provided investors with an attractive distribution return and diversification, backed by the extensive experience, commitment, and professional management of Lazard Asset Management LLC (the “Investment Manager” or “Lazard”).

### **Portfolio Update (as of June 30, 2017)**

For the six months ended June 30, 2017, the Fund’s net asset value (“NAV”) returned 17.2%, outperforming the 11.5% return of its benchmark, a linked index comprised of the MSCI World<sup>®</sup> Index, from inception through August 31, 2016, and the MSCI All Country World<sup>®</sup> Index (the “MSCI ACWI”) for all periods after August 31, 2016 (the “MSCI World/ACWI Linked Index”). Due to weaker performance during the years 2013 and 2015, the Fund’s NAV performance over longer time periods and since inception has lagged the benchmark. The since inception annualized return through June 30, 2017 was 6.5% versus 6.7% for the MSCI World/ACWI Linked Index for the same period. Shares of LGI ended the first six month period of 2017 with a market price of \$16.35, representing an 8.7% discount to the Fund’s NAV per share of \$17.90.

The Fund’s net assets were \$171.9 million as of June 30, 2017, with total leveraged assets (net assets plus line of credit outstanding and net notional value of forward currency contracts) of \$239.8 million, representing a 28.3% leverage rate. This leverage rate was higher than that at the end of 2016 (24.5%), but below the maximum permitted leverage rate of 33 %.

Within the global equity portfolio, stock selection in the financials and the industrials sectors contributed to performance in the first half of 2017. A lower-than-benchmark exposure to the energy sector and a higher-than-benchmark exposure to the information technology sector also added value. Conversely, stock selection in the information technology and consumer

discretionary sectors detracted from performance during the period.

Performance for the smaller, short duration<sup>1</sup> emerging markets currency and debt portion of the Fund was favorable in the first six months of 2017. While the emerging markets currency and debt portion of the Fund was a meaningful negative contributor to performance during the years 2013 and 2015, it has still contributed positively to performance since the Fund's inception.

As of June 30, 2017, 69.8% of the Fund's total leveraged assets consisted of global equities, 29.9% consisted of emerging market currency and debt instruments, and 0.3% consisted of cash and other assets.

### **Declaration of Distributions**

Pursuant to LGI's Level Distribution Policy, the Fund declares a monthly distribution equal to 6.25% (on an annualized basis) of the Fund's published NAV per share on the last business day of the previous year. This published NAV per share may differ from the NAV per share as of year-end shown elsewhere in this shareholder report, generally as the result of post year-end accounting and tax adjustments to the published NAV per share. The current monthly distribution rate per share is \$0.08183, representing a distribution rate of 6.0% based on the Fund's market price of \$16.35 as of the close of trading on the NYSE on June 30, 2017 (inclusive of returns of capital). It is currently estimated that, of the \$0.49098 distributed per share for the year-to-date through June 30, approximately \$0.11293 may represent a return of capital.

### **Additional Information**

Please note that available on [www.LazardNet.com](http://www.LazardNet.com) are frequent updates on the Fund's performance, press releases, distribution information, and a monthly fact sheet that provides information about the Fund's major holdings, sector weightings, regional exposures, and other characteristics, including the notices regarding the composition of monthly (and any additional) distributions required by Section 19(a) of the Investment Company Act of 1940, as amended (the "1940 Act"). You may also reach Lazard by phone at 1-800-823-6300.

*Lazard Global Total Return and Income Fund, Inc.*

## **Investment Overview (continued)**

On behalf of Lazard, we thank you for your investment in Lazard Global Total Return and Income Fund, Inc. and look forward to continuing to serve your investment needs in the future.

## **Message from the Portfolio Managers**

### **Global Equity Portfolio**

(69.8% of total leveraged assets)

The Fund's global equity portfolio is invested in approximately 60 to 80 US and non-US equity securities with, we believe, strong financial productivity at attractive valuations. Examples include Coca-Cola Company, an American multinational beverage manufacturer, retailer, and marketer; Daiwa House Industry, a Japanese-based company that constructs residential and commercial buildings; and Tencent Holdings, a Chinese investment holding company whose subsidiaries provide media, entertainment, payment systems, internet and mobile phone value-added services and operate online advertising services in China.

Companies held in the global equity portfolio are all based in both developed and emerging market regions around the world. As of June 30, 2017, 58.4% of the portfolio's stocks were based in North America, 13.7% were based in continental Europe (not including the United Kingdom), 10.6% were from the United Kingdom, 6.9% were from Japan, 6.9% were from Asia (not including Japan) and Australia, 1.9% were from Latin America, and 1.6% were from Africa and the Middle East. The global equity portfolio is similarly well diversified across a number of industry sectors. The top two sectors, by weight, as of June 30, 2017, were information technology (24.6% of the portfolio) and financials (19.4% of the portfolio). Other sectors in the portfolio included industrials, consumer staples, health care, consumer discretionary, materials, energy, and real estate. The average dividend yield on the securities held in the global equity portfolio was approximately 1.6% as of June 30, 2017.

### **Global Equity Markets Review**

Global stocks rallied in the first quarter of 2017, led by gains in emerging markets and Europe, and continued their climb in the second quarter of the year, marking their fifth consecutive quarter of gains. Emerging markets outperformed during the first half of the year as, broadly, the global economic recovery remained on

track, their currencies remained stable and economic data in China remained largely positive. Japan outperformed as the Bank of Japan kept policy unchanged, the yen remained stable and economic and corporate reports were strong. Europe outperformed for much of the period as elections results quelled fears of a spread of populism and the economy continued to show signs of an upswing, but in late June hawkish comments from the European Central Bank hurt share prices. The United Kingdom underperformed as the Prime Minister's call for snap elections delivered an unfavorable result. This occurred as the beginning of Brexit negotiations stoked further market uncertainty. Additionally, UK economic and consumer data showed signs of softening. The United States performed in line with the global benchmark as strong corporate earnings and softer, but positive, economic data helped offset political uncertainty. The Federal Reserve also announced that it would again raise short-term rates in June 2017, a decision that highlighted central bank officials' confidence that the economy was on strong footing. The ten-year US treasury yield declined during the latter part of the second quarter along with both the dollar index and crude oil.

### What Helped and What Hurt LGI

Stock selection in the financials sector contributed to performance in the first half of 2017. Shares of AIA Group, an Asian insurer and financial services company, rose as strong new business metrics increased potential for growth. We continue to like AIA Group as shares remain attractively valued and AIA has a dominant market position as the company's focus on health insurance is a distinguishing feature relative to its Chinese peers. Stock selection in the industrials sector and within Japan also helped relative performance. Shares of Recruit Holdings, a provider of information services in human resource, housing, bridal, travel, restaurants, beauty, automobiles and education sectors in Japan, climbed on an improving job search market, as the company reported sales that exceeded expectations. The position was sold during the period. Stock selection within the United States and a lower-than-benchmark exposure to the energy sector and a higher-than-benchmark exposure to the information technology sector also contributed to relative performance.

*Lazard Global Total Return and Income Fund, Inc.*

### **Investment Overview (continued)**

In contrast, stock selection in the consumer discretionary sector detracted from performance in the first half of the 2017. Shares of AutoZone, a US auto parts retailer, declined on concerns over slowing US auto sales, possible competition from Amazon and disappointing earnings. We like AutoZone, as it is a high-return company and we see sales reaccelerating. We believe concerns over business shifting to internet retailers is overdone and believe the company can continue mid to high single-digit revenue growth, leading to modest operating margin growth and earnings growth, after taking into account healthy share repurchases. A lower-than-benchmark exposure to the health care sector slightly detracted from performance in the first half of the 2017.

### **Emerging Market Currency and Debt Portfolio**

(29.9% of total leveraged assets)

The Fund also seeks income through investing in primarily high-yielding, short-duration emerging market forward currency contracts and local currency debt instruments. As of June 30, 2017, the portfolio consisted of forward currency contracts (73.7%) and sovereign debt obligations (26.3%). The average duration of the emerging market currency and debt portfolio decreased meaningfully during 2017, relative to the fourth quarter of 2016, with the June 30, 2017 duration at approximately 10 months, compared to 27 months at the end of 2016. The average yield decreased from 8.0%<sup>2</sup> on December 31, 2016 to 6.5% on June 30, 2017.

### **Emerging Market Currency and Debt Market Review**

During the first half of 2017, emerging local currency and debt markets extended their recovery, which began in early 2016, across a disparate set of countries. These included high-beta emerging markets and frontier markets, as well as low-yielding, low-beta current account surplus nations. Improving global deflation data, especially reflected in leading indicators,

has contributed to a recovery in emerging markets currency and local debt markets. Furthermore, emerging markets growth continues to show signs of improvement in both absolute terms and relative to developed markets. The International Monetary Fund reaffirmed this view in its biannual World Economic Outlook released in April. While the Federal Reserve continued its hiking cycle by raising rates by 0.25% in March and June 2017, the move did little to dampen emerging markets performance, which continued to be strong after these moves.

### **What Helped and What Hurt LGI**

Though all but one country provided positive contribution, top performers during the period included Mexico, Indonesia, Turkey, and several Frontier markets. In Mexico (+80 bps), the peso recovered from losses that followed Trump's election, as the market's bearish positioning receded, concerns regarding protectionist disruptions waned, and the central bank's pre-emptive rate-hiking cycle discouraged shorts against the peso. Indonesia added 46 bps on high yield and supportive fixed income inflows amid ongoing reform momentum and improved current account position. The Turkish central bank's tighter monetary stance in 2017 is supporting the lira with an effective funding rate up near 12%. Frontier markets combined to contribute 131 bps on an aggregate average exposure of 18% of NAV.

Only one market, the Philippines, detracted from year to date performance. The Philippines (-2 bps) lagged other markets due to its deteriorating trade balance and political risk surrounding President Duterte weighing on the peso. No exposure to low-yielding Taiwan and Singapore limited upside from uncharacteristically sharp currency appreciation. Material non-resident inflows into Taiwanese equities, a soft US dollar and markedly reduced currency intervention in Taiwan (perhaps pre-empting a "currency manipulator" label by the US administration) propelled gains.

*Lazard Global Total Return and Income Fund, Inc.*

**Investment Overview (continued)**

**Notes to Investment Overview:**

A measure of the average cash weighted term-to-maturity of the investment holdings. Duration is a measure of the price sensitivity of a bond to interest rate movements. Duration for a forward currency contract is equal to its term-to-maturity.

<sup>2</sup> The quoted yield does not account for the implicit cost of borrowing on the forward currency contracts, which would reduce the yield shown.

Total returns reflect reinvestment of all dividends and distributions. Past performance is not indicative, or a guarantee, of future results. Return for a period of less than one year is not annualized.

The performance data of the indices and other market data have been prepared from sources and data that the Investment Manager believes to be reliable, but no representation is made as to their accuracy. The MSCI World/ACWI Linked Index is an unmanaged index created by the Investment Manager, which links the performance of the MSCI World Index for all periods through August 31, 2016 (when the Fund changed the investment strategy in its Global Equity Strategy) and the MSCI ACWI for all periods thereafter. The MSCI World Index is a free float-adjusted market capitalization index that is designed to measure global developed markets equity performance. The MSCI World Index consists of 23 developed markets country indices. The MSCI ACWI is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indices comprising 23 developed and 23 emerging markets country indices. The indices are unmanaged, have no fees or costs and are not available for investment.

The views of the Investment Manager and the securities described in this report are as of June 30, 2017; these views and portfolio holdings may have changed subsequent to this date. Nothing herein should be construed as a recommendation to buy, sell, or hold a particular security. There is no assurance that the securities discussed herein will remain in the Fund at the time you receive this report, or that securities sold will not have been repurchased. The specific securities discussed may, in aggregate, represent only a small percentage of the Fund's holdings. It should not be assumed that securities identified and discussed were, or will be, profitable, or that the investment decisions made in the future will be profitable, or equal the investment performance of the securities discussed herein.

The views and opinions expressed are provided for general information only, and do not constitute specific tax, legal, or investment advice to, or recommendations for, any person. There can be no guarantee as to the accuracy of any outlooks for markets, sectors and securities as discussed herein.





*Lazard Global Total Return and Income Fund, Inc.***Investment Overview (continued)****Comparison of Changes in Value of \$10,000 Investment in LGI, MSCI ACWI and MSCI World/ACWI Linked Index\***

	Value at 6/30/17
LGI at Market Price	\$16,076
LGI at Net Asset Value	14,128
MSCI ACWI	14,396
MSCI World/ACWI Linked Index	14,779

**Average Annual Total Returns\*  
Periods Ended June 30, 2017**

	<b>One Year</b>	<b>Five Years</b>	<b>Ten Years</b>
Market Price	33.57%	10.70%	4.86%
Net Asset Value	24.03%	8.89%	3.52%
MSCI ACWI	18.78%	10.54%	3.71%
MSCI World/ACWI Linked Index	18.39%	11.42%	3.98%

Total returns reflect reinvestment of all dividends and distributions. The performance quoted represents past performance. Current performance may be lower or higher than the performance quoted. Past performance is not indicative, or a guarantee, of future results; the investment return, market price and net asset value of the Fund will fluctuate, so that Fund shares, when sold, may be worth more or less than their original cost. The returns do not reflect the deduction of taxes that a stockholder would pay on the Fund's distributions or on the sale of Fund shares.

Performance results do not include adjustments made for financial reporting purposes in accordance with accounting principles generally accepted in the United States of America ("GAAP"), also exclude adjustments related to reimbursed custodian out-of-pocket expenses (Note 4 in the Notes to Financial Statements), and may differ from amounts reported in the financial highlights.

As of September 1, 2016, the Fund changed the investment strategy in its Global Equity Strategy. The Fund invests in a portfolio of approximately 60 to 80 US and non-US equity securities, including American Depository Receipts. The Fund generally invests in securities of companies with market capitalizations greater than \$2 billion and may invest in emerging markets. As part of the change to the Fund's investment strategy, the Fund's benchmark index has been changed from the MSCI World Index to the MSCI ACWI.

The performance data of the indices have been prepared from sources and data that the Investment Manager believes to be reliable, but no representation is made as to their accuracy. The MSCI ACWI is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indices comprising 23 developed and 23 emerging markets country indices. The MSCI World/ACWI Linked Index is an unmanaged index created by the Investment Manager, which links the performance of the MSCI World Index for all periods through August 31, 2016 (when the Fund changed the investment strategy in its Global Equity Strategy) and the MSCI ACWI for all periods thereafter. The MSCI World Index is a free float-adjusted market capitalization index that is designed to measure global developed markets equity performance. The MSCI World Index consists of 23 developed markets country indices. The indices are unmanaged, have no fees or costs and are not available for investment.

*Lazard Global Total Return and Income Fund, Inc.***Investment Overview (concluded)****Ten Largest Equity Holdings  
June 30, 2017 (unaudited)**

Security	Fair Value	Percentage of Net Assets
Alphabet, Inc., Class A	\$4,764,610	2.8 %
Apple, Inc.	4,506,386	2.6
Microsoft Corp.	3,899,715	2.3
Zoetis, Inc.	3,481,428	2.0
The Coca-Cola Co.	3,422,503	2.0
Daiwa House Industry Co., Ltd.	3,383,830	2.0
Accenture PLC, Class A	3,190,944	1.9
Intercontinental Exchange, Inc.	3,104,832	1.8
Tencent Holdings, Ltd.	3,018,967	1.8
Shire PLC	3,010,145	1.8

**Portfolio Holdings Presented by Sector  
June 30, 2017 (unaudited)**

Sector	Percentage of Total Investments
Consumer Discretionary	5.7 %
Consumer Staples	10.3
Energy	2.1
Financials	17.1
Health Care	9.4
Industrials	16.1
Information Technology	21.7
Materials	4.2
Real Estate	1.8
Sovereign Debt	11.1
Short-Term Investments	0.5
Total Investments	100.0 %



*Lazard Global Total Return and Income Fund, Inc.***Portfolio of Investments****June 30, 2017 (unaudited)**

Description	Shares	Fair Value
Common Stocks—97.4%		
Australia—1.0%		
Link Administration Holdings, Ltd.	281,700	\$ 1,709,015
Brazil—1.9%		
Ambev SA	298,500	1,649,773
Cielo SA	211,680	1,571,834
		3,221,607
Canada—3.3%		
Canadian National Railway Co.	36,800	2,985,885
National Bank of Canada	64,700	2,720,613
		5,706,498
China—2.9%		
Alibaba Group Holding, Ltd. Sponsored ADR (a)	13,895	1,957,806
Tencent Holdings, Ltd.	84,600	3,018,967
		4,976,773
Denmark—2.1%		
Carlsberg A/S, Class B	19,527	2,090,371
Novo Nordisk A/S, Class B	33,166	1,422,657
		3,513,028
Finland—1.2%		
Sampo Oyj, A Shares	39,966	2,054,537
Germany—3.2%		
Continental AG	13,829	2,984,407
Symrise AG	36,415	2,580,127
		5,564,534
Hong Kong—1.5%		
AIA Group, Ltd.	359,600	2,628,367
Ireland—1.8%		
Shire PLC	54,636	3,010,145
Israel—0.9%		
Israel Discount Bank, Ltd., Class A (a)	572,600	1,507,325
Japan—6.7%		
AEON Financial Service Co., Ltd.	96,200	2,040,244
Daiwa House Industry Co., Ltd.	98,900	3,383,830
Kao Corp.	29,000	1,723,661
Ryohin Keikaku Co., Ltd.	10,600	2,649,421
TechnoPro Holdings, Inc.	44,400	1,789,270
		11,586,426
Netherlands—1.5%		
Wolters Kluwer NV	61,932	2,624,513
South Africa—0.7%		

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Description	Shares	Fair Value
Sanlam, Ltd.	228,696	1,132,774
Sweden—2.7%		
Assa Abloy AB, Class B	128,529	\$2,825,303
Hexagon AB, B Shares	39,500	1,878,918
		4,704,221
Switzerland—0.8%		
Julius Baer Group, Ltd.	27,300	1,438,762
Taiwan—1.3%		
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	65,200	2,279,392
United Kingdom—10.4%		
Ashtead Group PLC	94,091	1,951,717
British American Tobacco PLC	27,012	1,839,035
Coca-Cola European Partners PLC	34,845	1,417,146
Compass Group PLC	108,319	2,287,113
ConvaTec Group PLC	250,862	1,043,235
Diageo PLC	85,462	2,526,374
Prudential PLC	91,789	2,108,706
RELX NV	138,707	2,854,278
Unilever PLC	32,499	1,760,363
		17,787,967
United States—53.5%		
Accenture PLC, Class A	25,800	3,190,944
Alphabet, Inc., Class A (a)	5,125	4,764,610
Aon PLC	21,100	2,805,245
Apple, Inc.	31,290	4,506,386
Applied Materials, Inc.	37,415	1,545,614
AutoZone, Inc. (a)	2,800	1,597,288
Biogen, Inc. (a)	5,590	1,516,902
Cisco Systems, Inc.	54,750	1,713,675
Citigroup, Inc.	42,295	2,828,689
Comerica, Inc.	22,800	1,669,872
Commerce Bancshares, Inc.	22,485	1,277,822
Crown Holdings, Inc. (a)	31,055	1,852,741
DXC Technology Co.	17,735	1,360,629
Eaton Corp. PLC	24,600	1,914,618
eBay, Inc. (a)	26,300	918,396
EOG Resources, Inc.	14,600	1,321,592
Five Below, Inc. (a)	25,945	1,280,905
Honeywell International, Inc.	22,400	2,985,696
Intercontinental Exchange, Inc.	47,100	3,104,832
Johnson Controls International PLC	52,200	2,263,392
Kellogg Co.	15,700	1,090,522
Medtronic PLC	26,490	2,350,987
Microsoft Corp.	56,575	3,899,715
Molson Coors Brewing Co., Class B	23,900	2,063,526
Monsanto Co.	15,300	1,810,908
Motorola Solutions, Inc.	20,320	1,762,557
PPG Industries, Inc.	14,885	1,636,755

*The accompanying notes are an integral part of these financial statements.*

*Lazard Global Total Return and Income Fund, Inc.***Portfolio of Investments (continued)****June 30, 2017 (unaudited)**

Description	Shares	Fair Value
Quintiles IMS Holdings, Inc. (a)	27,300	\$2,443,350
Rockwell Automation, Inc.	16,110	2,609,176
S&P Global, Inc.	18,400	2,686,216
Schlumberger, Ltd.	38,900	2,561,176
Snap-on, Inc.	9,500	1,501,000
The Charles Schwab Corp.	57,800	2,483,088
The Coca-Cola Co.	76,310	3,422,503
Thermo Fisher Scientific, Inc.	14,900	2,599,603
United Technologies Corp.	22,060	2,693,747
Vantiv, Inc., Class A (a)	38,900	2,463,926
Visa, Inc., Class A	27,710	2,598,644
Welbilt, Inc. (a)	74,400	1,402,440
Zoetis, Inc.	55,810	3,481,428
		91,981,115
<b>Total Common Stocks</b>		<b>167,426,999</b>
(Cost \$146,064,695)		

Description	Principal Amount (000) (b)	Fair Value
Foreign Government Obligations—12.3%		
Brazil—1.8%		
Brazil NTN-B, 6.00%, 08/15/26	470	\$434,426
Brazil NTN-F: 10.00%, 01/01/21	2,739	828,183
10.00%, 01/01/27	6,330	1,855,238
		3,117,847
Egypt—2.1%		
Egypt Treasury Bills, 0.00%, 11/07/17	71,200	3,670,808
Indonesia—1.1%		
Indonesia Government Bonds: 8.25%, 07/15/21	10,321,000	813,773
8.375%, 09/15/26	13,313,000	1,099,013
		1,912,786
Malaysia—1.5%		
Malaysia Government Bonds:		



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3.314%, 10/31/17	4,740	1,104,783
4.24%, 02/07/18	6,300	1,476,410
		2,581,193

Description	Principal Amount (000) (b)	Fair Value
Mexico—1.7%		
Mexican Bonos:		
6.50%, 06/10/21	39,180	\$2,152,305
5.75%, 03/05/26	13,620	702,455
		2,854,760
Russia—1.1%		
Russia Government Bonds - OFZ,		
7.50%, 08/18/21	110,100	1,842,007
Turkey—2.0%		
Turkey Government Bonds:		
10.50%, 01/15/20	6,600	1,870,668
8.50%, 09/14/22	5,770	1,516,112
		3,386,780
Uganda—0.3%		
Uganda Government Bonds,		
16.375%, 09/05/19	1,594,900	463,164
Uruguay—0.7%		
Republica Orient Uruguay,		
5.00%, 09/14/18	35,795	1,281,333
<b>Total Foreign Government Obligations</b>		21,110,678
(Cost \$20,840,798)		

Description	Shares	Fair Value
Short-Term Investments—0.5%		
State Street Institutional Treasury Money Market Fund, Premier Class, 0.83% (7 day yield)	907,634	\$907,634
(Cost \$907,634)		
<b>Total Investments—110.2%</b>		\$189,445,311
(Cost \$167,813,127) (c), (d)		
Liabilities in Excess of Cash and Other Assets—(10.2)%		(17,555,055 )
Net Assets—100.0%		\$171,890,256

*The accompanying notes are an integral part of these financial statements.*

*Lazard Global Total Return and Income Fund, Inc.***Portfolio of Investments (continued)****June 30, 2017 (unaudited)**

Forward Currency Contracts open at June 30, 2017:

Currency Purchased	Quantity	Currency Sold	Quantity	Counterparty	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
ARS	17,859,670	USD	1,091,000	BNP	07/24/17	\$ —	\$ 26,861
ARS	36,782,075	USD	2,267,000	BNP	08/02/17	—	85,327
ARS	14,758,410	USD	879,000	CIT	09/29/17	—	30,135
ARS	15,975,240	USD	984,000	HSB	07/12/17	—	26,332
BRL	859,820	USD	260,000	CIT	07/17/17	—	1,142
CAD	1,161,488	USD	882,111	CIT	07/21/17	13,822	—
CLP	679,976,250	USD	1,013,000	BNP	07/06/17	11,302	—
CLP	545,694,000	USD	824,000	BNP	07/14/17	—	2,159
CLP	1,067,058,520	USD	1,606,000	BNP	07/24/17	622	—
CLP	640,202,400	USD	963,000	SCB	08/07/17	572	—
CNY	10,868,178	USD	1,571,000	HSB	07/26/17	30,173	—
CNY	8,121,692	USD	1,192,000	HSB	08/11/17	3,413	—
CNY	7,467,350	USD	1,091,000	SCB	09/05/17	6,389	—
COP	6,086,616,250	USD	2,003,000	CIT	07/31/17	—	12,936
COP	5,644,605,600	USD	1,928,000	HSB	08/11/17	—	85,223
CZK	38,618,541	EUR	1,469,000	BNP	08/28/17	11,855	—
CZK	61,888,911	EUR	2,342,946	CIT	08/02/17	31,149	—
CZK	81,202,455	EUR	3,043,000	CIT	02/27/18	89,417	—
DOP	38,626,840	USD	805,733	CIT	07/26/17	5,704	—
EGP	24,103,950	USD	1,266,962	CIT	02/28/18	—	15,420
EUR	3,031,639	CZK	81,202,455	CIT	02/27/18	—	102,563
EUR	295,000	RON	1,335,377	JPM	08/01/17	2,584	—
EUR	712,089	RON	3,247,197	JPM	08/01/17	273	—
EUR	416,000	USD	472,618	JPM	07/03/17	2,517	—
GHS	1,904,175	USD	403,000	BRC	07/17/17	27,070	—
GHS	1,895,700	USD	426,000	CIT	07/17/17	2,155	—
GHS	1,997,600	USD	440,000	SCB	08/31/17	—	1,453
HUF	128,716,640	EUR	416,000	JPM	07/03/17	869	—
HUF	232,106,080	USD	848,000	BNP	07/03/17	10,345	—
HUF	309,642,225	USD	1,069,650	BNP	08/29/17	78,016	—
HUF	701,668,240	USD	2,548,000	JPM	07/03/17	46,821	—
HUF	525,765,600	USD	1,928,000	JPM	08/03/17	18,600	—
HUF	525,090,800	USD	1,928,000	JPM	09/05/17	18,783	—
IDR	31,835,040,000	USD	2,287,000	HSB	04/26/18	26,819	—
IDR	9,290,380,000	USD	698,000	SCB	07/10/17	—	1,309
ILS	3,002,052	USD	849,320	BNP	07/03/17	11,274	—
INR	188,357,190	USD	2,877,000	SCB	07/24/17	29,945	—

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INR	85,201,890	USD	1,311,000	SCB	08/11/17	933	—
KRW	2,413,550,050	USD	2,147,000	JPM	07/12/17	—	37,383
KZT	550,842,400	USD	1,744,000	SCB	07/31/17	—	43,214
KZT	435,630,600	USD	1,332,000	SCB	08/28/17	4,339	—
MXN	35,649,329	USD	1,859,000	CIT	11/27/17	61,785	—
MYR	6,073,350	USD	1,425,000	JPM	07/17/17	—	10,895
PEN	3,383,729	USD	1,026,773	CIT	08/16/17	11,307	—
PEN	3,640,923	USD	1,107,000	SCB	07/21/17	13,297	—
PHP	128,170,480	USD	2,582,000	SCB	08/14/17	—	46,659
PLN	2,635,702	EUR	619,000	CIT	07/19/17	3,719	—
PLN	10,415,835	USD	2,798,000	JPM	07/19/17	12,604	—

*The accompanying notes are an integral part of these financial statements.*

*Lazard Global Total Return and Income Fund, Inc.*

**Portfolio of Investments (continued)**

**June 30, 2017 (unaudited)**

Forward Currency Contracts open at June 30, 2017 (concluded):

Currency Purchased	Quantity	Currency Sold	Quantity	Counterparty	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
RON	3,447,711	USD	857,000	CIT	08/01/17	\$ 7,438	\$ —
RON	4,457,577	USD	1,044,541	CIT	08/01/17	73,099	—
RON	6,701,337	USD	1,580,131	CIT	08/01/17	100,082	—
RON	6,576,340	USD	1,554,249	CIT	11/09/17	98,799	—
RSD	45,246,020	USD	428,000	BNP	09/05/17	—	1,102
RUB	28,566,790	USD	469,000	CIT	09/11/17	8,440	—
RUB	102,074,263	USD	1,738,322	CIT	09/11/17	—	32,344
RUB	37,721,860	USD	619,000	JPM	09/11/17	11,449	—
THB	86,976,008	USD	2,564,000	SCB	07/17/17	—	3,623
TRY	2,624,366	USD	732,000	CIT	09/05/17	601	—
TRY	2,953,055	USD	821,000	HSB	07/06/17	17,599	—
UGX	225,464,000	USD	61,890	SCB	08/28/17	—	352
USD	945,000	BRL	3,161,309	CIT	07/17/17	—	6,744
USD	856,000	CAD	1,161,488	CIT	07/21/17	—	39,933
USD	1,023,675	CLP	679,976,250	SCB	07/06/17	—	627
USD	2,182,892	EUR	1,941,004	CIT	08/28/17	—	40,174
USD	473,335	EUR	416,000	JPM	08/01/17	—	2,457
USD	407,362	GHS	1,904,175	CIT	07/17/17	—	22,707
USD	1,135,927	HUF	309,642,225	BNP	08/29/17	—	11,740
USD	3,891,196	HUF	1,062,490,960	JPM	07/03/17	—	37,974
USD	849,663	ILS	3,002,052	BNP	07/03/17	—	10,930
USD	1,737,000	JPY	192,248,172	CIT	08/30/17	23,742	—
USD	1,550,658	RON	6,576,340	CIT	08/01/17	—	98,215
USD	1,571,220	RON	6,576,340	CIT	11/09/17	—	81,829
USD	395,896	RUB	23,009,885	JPM	09/11/17	11,330	—
USD	838,579	TRY	2,953,055	CIT	07/06/17	—	20
USD	846,000	UGX	3,129,777,000	CIT	08/28/17	—	8,228
USD	579,000	UGX	2,196,147,000	CIT	09/14/17	—	16,927
USD	492,000	ZAR	6,421,240	SCB	08/18/17	4,817	—
ZAR	11,952,200	USD	898,000	CIT	07/17/17	13,730	—
ZAR	11,229,251	USD	844,000	SCB	08/18/17	7,970	—
Total gross unrealized appreciation/depreciation on Forward Currency Contracts						\$ 967,569	\$ 944,937

*The accompanying notes are an integral part of these financial statements.*



*Lazard Global Total Return and Income Fund, Inc.*

**Portfolio of Investments (concluded)**

**June 30, 2017 (unaudited)**

**Currency Abbreviations:**

ARS — Argentinian Peso  
 BRL — Brazilian Real  
 CAD — Canadian Dollar  
 CLP — Chilean Peso  
 CNY — Chinese Renminbi  
 COP — Colombian Peso  
 CZK — Czech Koruna  
 DOP — Dominican Republic  
 Peso  
 EGP — Egyptian Pound  
 EUR — Euro  
 GHS — Ghanaian Cedi

HUF — Hungarian Forint  
 IDR — Indonesian Rupiah  
 ILS — Israeli Shekel  
 INR — Indian Rupee  
 JPY — Japanese Yen  
 KRW — South Korean  
 Won  
 KZT — Kazakhstan Tenge  
 MXN — Mexican New  
 Peso  
 MYR — Malaysian Ringgit  
 PEN — Peruvian New Sol  
 PHP — Philippine Peso

**Counterparty Abbreviations:**

BNP — BNP Paribas SA  
 BRC — Barclays Bank PLC  
 CIT — Citibank NA  
 HSB — HSBC Bank USA NA  
 JPM — JPMorgan Chase Bank  
 NA  
 SCB — Standard Chartered Bank  
 UGX — Ugandan Shilling  
 USD — United States  
 Dollar  
 ZAR — South African  
 Rand

*The accompanying notes are an integral part of these financial statements.*

*Lazard Global Total Return and Income Fund, Inc.*

## Notes to Portfolio of Investments

**June 30, 2017 (unaudited)**

(a) Non-income producing security

(b) Principal amount denominated in respective country's currency.

For federal income tax purposes, the aggregate cost was \$167,813,127, aggregate gross unrealized appreciation (c) was \$24,320,757, aggregate gross unrealized depreciation was \$2,688,573 and the net unrealized appreciation was \$21,632,184.

(d) The Fund, at all times, maintains portfolio securities in sufficient amount to cover its obligations related to investments in forward currency contracts.

### Security Abbreviations:

ADR — American Depositary Receipt

NTN-B — Brazil Sovereign “Nota do Tesouro Nacional” Series B

NTN-F — Brazil Sovereign “Nota do Tesouro Nacional” Series F

### Portfolio holdings by industry\* (as a percentage of net assets):

Aerospace & Defense	1.6	%
Auto Components	1.7	
Banks	5.8	
Beverages	7.7	
Biotechnology	2.6	
Building Products	3.0	
Capital Markets	5.7	
Chemicals	3.5	
Communications Equipment	2.0	
Consumer Finance	1.3	
Containers & Packaging	1.1	
Electrical Equipment	2.6	
Electronic Equipment, Instruments & Components	1.1	
Energy Equipment & Services	1.5	
Food Products	0.6	
Health Care Equipment & Supplies	2.0	
Hotels, Restaurants & Leisure	1.3	
Industrial Conglomerates	1.7	
Insurance	6.2	
Internet Software & Services	6.2	
IT Services	7.5	
Life Sciences Tools & Services	2.9	
Machinery	1.7	
Multiline Retail	1.5	
Oil, Gas & Consumable Fuels	0.8	
Personal Products	2.0	
Pharmaceuticals	2.9	

Professional Services	4.2
Real Estate Management & Development	2.0
Road & Rail	1.7
Semiconductors & Semiconductor Equipment	2.2
Software	2.3
Specialty Retail	1.7
Technology Hardware, Storage & Peripherals	2.6
Tobacco	1.1
Trading Companies & Distributors	1.1
Subtotal	97.4
Foreign Government Obligations	12.3
Short-Term Investments	0.5
Total Investments	110.2%

\*Industry classifications may be different than those used for compliance monitoring purposes.

*The accompanying notes are an integral part of these financial statements.*



*Lazard Global Total Return and Income Fund, Inc.*

**Statement of Assets and Liabilities**

**June 30, 2017 (unaudited)**

**ASSETS**

Investments in securities, at fair value (cost \$167,813,127)	\$ 189,445,311
Foreign currency, at fair value (cost \$1,232,610)	1,230,638
Receivables for:	
Dividends and interest	980,695
Investments sold	706,079
Gross unrealized appreciation on forward currency contracts	967,569
Total assets	193,330,292

**LIABILITIES**

Payables for:	
Management fees	169,038
Investments purchased	1,738,828
Line of credit outstanding	18,500,000
Gross unrealized depreciation on forward currency contracts	944,937
Other accrued expenses and payables	87,233
Total liabilities	21,440,036
Net assets	\$ 171,890,256

**NET ASSETS**

Paid in capital (Note 2(g))	\$ 146,845,433
Undistributed (distributions in excess of) net investment income (loss) (Note 2(g))	(4,523,004 )
Accumulated net realized gain (loss)	7,917,449
Net unrealized appreciation (depreciation) on:	
Investments	21,628,754
Foreign currency translations and forward currency contracts	21,624
Net assets	\$ 171,890,256
Shares of common stock outstanding*	9,605,237
Net asset value per share	\$ 17.90
Market value per share	\$ 16.35

\*\$0.001 par value, 500,000,000 shares authorized for the Fund.

*The accompanying notes are an integral part of these financial statements.*



*Lazard Global Total Return and Income Fund, Inc.***Statement of Operations****For the Six Months Ended June 30, 2017 (unaudited)**

## INVESTMENT INCOME (LOSS)

## Income:

Dividends (net of foreign withholding taxes of \$117,352)	\$ 1,702,819
Interest (net of foreign withholding taxes of \$17,429)	1,023,223
Total investment income	2,726,042

## Expenses:

Management fees (Note 3)	944,032
Professional services	82,522
Custodian fees	39,739
Administration fees	37,313
Shareholders' reports	30,994
Shareholders' services	21,129
Shareholders' meeting	12,370
Directors' fees and expenses	5,240
Other	24,710
Total expenses before interest expense	1,198,049
Interest expense	188,697
Total expenses	1,386,746
Net investment income (loss)	1,339,296

## NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, FOREIGN CURRENCY TRANSACTIONS AND FORWARD CURRENCY CONTRACTS

## Net realized gain (loss) on:

Investments (net of foreign capital gains taxes of \$4,539)	5,960,012
Foreign currency transactions and forward currency contracts	1,957,528
Total net realized gain (loss) on investments, foreign currency transactions and forward currency contracts	7,917,540

## Net change in unrealized appreciation (depreciation) on:

Investments (includes net change in unrealized appreciation (depreciation) of foreign capital gains taxes of \$3,430)	16,452,653
Foreign currency translations and forward currency contracts	(61,492 )
Total net change in unrealized appreciation (depreciation) on investments, foreign currency translations and forward currency contracts	16,391,161
Net realized and unrealized gain (loss) on investments, foreign currency transactions and forward currency contracts	24,308,701
Net increase (decrease) in net assets resulting from operations	\$25,647,997

*The accompanying notes are an integral part of these financial statements.*



*Lazard Global Total Return and Income Fund, Inc.*

**Statements of Changes in Net Assets**

	<b>Six Months Ended June 30, 2017 (unaudited)</b>	<b>Year Ended December 31, 2016</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
Operations:		
Net investment income (loss)	\$1,339,296	\$3,908,390
Net realized gain (loss) on investments, foreign currency transactions and forward currency contracts	7,917,540	3,664,178
Net change in unrealized appreciation (depreciation) on investments, foreign currency translations and forward currency contracts	16,391,161	5,955,180
Net increase (decrease) in net assets resulting from operations	25,647,997	13,527,748
Distributions to Stockholders (Note 2(g)):		
From net investment income	(4,715,979 )	(7,424,533 )
Return of capital	—	(1,736,558 )
Net decrease in net assets resulting from distributions	(4,715,979 )	(9,161,091 )
Total increase (decrease) in net assets	20,932,018	4,366,657
Net assets at beginning of period	150,958,238	146,591,581
Net assets at end of period	\$171,890,256	\$150,958,238
* Includes undistributed (distributions in excess of) net investment income (loss) of (Note 2(g))	\$(4,523,004 )	\$(1,146,321 )
Transactions in Capital Shares:		
Common shares outstanding at beginning of period	9,605,237	9,605,237
Common shares outstanding at end of period	9,605,237	9,605,237

*The accompanying notes are an integral part of these financial statements.*

*Lazard Global Total Return and Income Fund, Inc.*

**Statement of Cash Flows**

**For the Six Months Ended June 30, 2017 (unaudited)**

**INCREASE (DECREASE) IN CASH AND FOREIGN CURRENCY**

Cash flows from operating activities:

Net increase (decrease) in net assets resulting from operations	\$25,647,997
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities (Increase) Decrease in dividends and interest receivable (Increase) Decrease in due from custodian	185,211
Accretion of bond discount and amortization of bond premium	17,048
Inflation index adjustment	(94,420 )
(Increase) Decrease in other accrued expenses and payables	(63,546 )
Net realized (gain) loss on investments, foreign currency transactions and forward currency contracts	(34,999 )
Net change in unrealized (appreciation) depreciation on investments, foreign currency translations and forward currency contracts	(7,917,540 )
Purchases of long-term investments	(16,391,161)
Proceeds from disposition of long-term investments	(46,171,114)
Purchase of short-term investments, net	55,889,622
Net cash provided by (used in) operating activities	(1,459,472 )
	9,607,626

Cash flows from financing activities:

Cash distributions paid (Note 2(g))	(4,715,979 )
Gross paydowns in line of credit balance	(6,000,000 )
Net cash provided by (used in) financing activities	(10,715,979)

Effect of exchange rate changes on cash	1,951,636
Net increase (decrease) in cash and foreign currency	843,283

Cash and foreign currency:

Beginning balance	387,355
Ending balance	\$1,230,638

Supplemental disclosure of cash flow information:

Cash paid during the period for interest	\$(219,054 )
--	--------------

*The accompanying notes are an integral part of these financial statements.*

*Lazard Global Total Return and Income Fund, Inc.***Financial Highlights****Selected data for a share of common stock outstanding throughout each period**

	Six Months Ended	Year Ended				
	6/30/17 <sup>†</sup>	12/31/16	12/31/15	12/31/14	12/31/13	12/31/12
Net asset value, beginning of period	\$ 15.72	\$15.26	\$17.82	\$19.95	\$17.42	\$15.49
Income (loss) from investment operations:						
Net investment income (loss)	0.14	0.40	<sup>^</sup> 0.39	0.37	0.39	0.41
Net realized and unrealized gain (loss)	2.53	1.01	(1.84)	(1.25)	3.23	2.70
Total from investment operations	2.67	1.41	(1.45)	(0.88)	3.62	3.11
Less distributions from (Note 2(g)):						
Net investment income	(0.49)	(0.77)	—	(0.08)	(1.06)	(0.59)
Net realized gains	—	—	—	(1.13)	—	(0.30)
Return of capital	—	(0.18)	(1.11)	(0.04)	(0.03)	(0.29)
Total distributions	(0.49)	(0.95)	(1.11)	(1.25)	(1.09)	(1.18)
Net asset value, end of period	\$ 17.90	\$15.72	\$15.26	\$17.82	\$19.95	\$17.42
Market value, end of period	\$ 16.35	\$13.74	\$13.08	\$15.81	\$17.62	\$15.09
Total Return based upon (a):						
Net asset value	17.16%	9.75%	<sup>^</sup> -8.58%	-4.69%	21.31%	20.69%
Market value	22.86%	13.02%	-10.78%	-3.63%	24.61%	22.06%
Ratios and Supplemental Data:						
Net assets, end of period (in thousands)	\$ 171,890	\$150,958	\$146,592	\$171,187	\$191,577	\$167,302
Ratios to average net assets (b):						
Net expenses	1.71%	1.72%	<sup>^</sup> 1.46%	1.51%	1.52%	1.59%
Total expenses	1.71%	1.73%	1.46%	1.51%	1.52%	1.59%
Net investment income (loss)	1.65%	2.69%	<sup>^</sup> 2.30%	1.89%	2.07%	2.51%
Portfolio turnover rate	27%	103%	16%	10%	35%	17%
Asset coverage per \$1,000 of loan outstanding (c)	\$ 10,291	\$7,162	\$11,180	\$13,013	\$14,253	\$12,574
Bank borrowing outstanding (in thousands)	\$ 18,500	\$24,500	\$14,400	\$14,250	\$14,455	\$14,455

Refer to Note 4 in the Notes to Financial Statements for discussion of prior period custodian out-of-pocket expenses that were reimbursed to the Fund in the current period. The amount of the reimbursement was on a per share basis at less than \$0.005 per share. There was a 0.07% impact on the total return of the Fund. There was a 0.01% impact on the net expenses and net investment income (loss) ratios of the Fund.

<sup>†</sup> Unaudited.

(a) Total return based on per share market price assumes the purchase of common shares at the closing market price on the business day immediately preceding the first day, and sales of common shares at the closing market price on the last day, of each period indicated; dividends and distributions are assumed to be reinvested in accordance with the Fund's Dividend Reinvestment Plan. The total return based on net asset value, or NAV, assumes the purchase of common shares at the "net asset value, beginning of period" and sales of common shares at the "net asset value, end of period", for each of the periods indicated; distributions are assumed to be reinvested at NAV. Past performance is not indicative, or a guarantee, of future results; the investment return, market price and net asset value of the Fund

will fluctuate, so that an investor's shares in the Fund, when sold, may be worth more or less than their original cost. The returns do not reflect the deduction of taxes that a stockholder would pay on the Fund's distributions or on the sale of Fund shares. Return for a period of less than one year is not annualized.

(b) Annualized for a period of less than one year.

Calculated as the sum of the Fund's Net Assets and Line of Credit outstanding, as both figures are shown on the

(c) Fund's Statement of Assets and Liabilities, then dividing that sum by the Line of Credit outstanding and multiplying the result by 1,000.

*The accompanying notes are an integral part of these financial statements.*



*Lazard Global Total Return and Income Fund, Inc.*

## Notes to Financial Statements

**June 30, 2017 (unaudited)**

### 1. Organization

Lazard Global Total Return and Income Fund, Inc. was incorporated in Maryland on January 27, 2004 and is registered under the 1940 Act, as a diversified, closed-end management investment company. The Fund trades on the NYSE under the ticker symbol LGI and commenced operations on April 28, 2004. The Fund's investment objective is total return, consisting of capital appreciation and income.

### 2. Significant Accounting Policies

The accompanying financial statements are presented in conformity with GAAP. The Fund is an investment company and therefore applies specialized accounting guidance in accordance with Accounting Standards Codification Topic 946. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of the financial statements:

*(a) Valuation of Investments*—Equity securities traded on a securities exchange or market, including exchange-traded option contracts, rights and warrants, are valued at the last reported sales price (for domestic equity securities) or the closing price (for foreign equity securities) on the exchange or market on which the security is principally traded or, for securities trading on the NASDAQ National Market System (“NASDAQ”), the NASDAQ Official Closing Price. If there is no available closing price for a foreign equity security, the last reported sales price is used. If there are no reported sales of a security on the valuation date, the security is valued at the most recent quoted bid price on such date reported by such principal exchange or market. Forward currency contracts generally are valued using quotations from an independent pricing service. Investments in money market funds are valued at the fund's NAV per share.

Bonds and other fixed-income securities that are not exchange-traded are valued on the basis of prices provided by independent pricing services which are based on, among other things, trading in securities with similar characteristics, brokers' quotations and/or a matrix system which considers such factors as other security prices, yields and maturities.

Calculation of the Fund's NAV may not take place contemporaneously with the determination of the prices of portfolio assets used in such calculation. Trading on Europe, Latin and South America and Far East securities exchanges and in over-the-counter markets ordinarily is completed well before the close of business on each business day in New York (*i.e.*, a day on which the NYSE is open). In addition, European or Far Eastern securities trading generally or in a

particular country or countries may not take place on all

business days in New York and on which the NAV of the Fund is calculated.

The Valuation Committee of the Investment Manager, which meets periodically under the direction of the Board of Directors (the “Board”), may evaluate a variety of factors to determine the fair value of securities for which market quotations are determined not to be readily available or reliable. These factors include, but are not limited to, the type of security, the value of comparable securities, observations from financial institutions and relevant news events. Input from the Investment Manager’s portfolio managers/analysts also will be considered.

If a significant event materially affecting the value of securities occurs between the close of the exchange or market on which the security is principally traded and the time when the Fund’s NAV is calculated, or when current market quotations otherwise are determined not to be readily available or reliable (including restricted or other illiquid securities such as certain derivative instruments), such securities will be valued at their fair value as determined by, or in accordance with procedures approved by, the Board. The fair value of non-US securities may be determined with the assistance of an independent pricing service using correlations between the movement of prices of such securities and indices of US securities and other appropriate indicators, such as closing market prices of relevant ADRs or futures contracts. Non-US securities may trade on days when the Fund is not open for business, thus affecting the value of the Fund’s assets on days when Fund stockholders may not be able to buy or sell Fund shares.

The effect of using fair value pricing is that the NAV of the Fund will reflect the affected securities’ values as determined in the judgment of the Board or its designee instead of being determined by the market. Using a fair value pricing methodology to price securities may result in a value that is different from the most recent closing price of a security and from the prices used by other investment companies to calculate their portfolios’ NAVs.

*(b) Portfolio Securities Transactions and Investment Income*—Portfolio securities transactions are accounted for on trade date. Realized gain (loss) on sales of investments are recorded on a specific identification basis. Dividend income is recorded on the ex-dividend date except for certain dividends from non-US securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Fund. Interest income, if any, is accrued daily. The Fund amortizes premiums and accretes discounts on fixed-income securities using the effective yield method.

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**June 30, 2017 (unaudited)**

The Fund may be subject to taxes imposed by non-US countries in which it invests. Such taxes are generally based upon income earned or capital gains (realized or unrealized). The Fund accrues and applies such taxes to net investment income, net realized gains and net unrealized gains concurrent with the recognition of income earned or capital gains (realized and unrealized) from the applicable portfolio securities.

As a result of several court cases in certain countries across the European Union, the Fund has filed tax reclaims for previously withheld taxes on dividends earned in those countries. These filings are subject to various administrative proceedings by the local jurisdictions' tax authorities within the European Union, as well as a number of related judicial proceedings. Uncertainty exists as to the ultimate resolution of these proceedings, the likelihood of receipt of these claims, and the potential timing of payment, and accordingly no amounts are reflected in the financial statements. Such amounts, if and when recorded, could result in an increase in the Fund's NAV per share.

*(c) Leveraging*—The Fund uses leverage to invest Fund assets in currency investments, primarily using forward currency contracts and by borrowing under a credit facility with State Street Bank and Trust Company ("State Street"), up to a maximum of 33 % of the Fund's total leveraged assets. If the assets of the Fund decline due to market conditions such that this 33 % threshold will be exceeded, leverage risk will increase.

If the Fund is able to realize a higher return on the leveraged portion of its investment portfolio than the cost of such leverage together with other related expenses, the effect of the leverage will be to cause the Fund to realize a higher net return than if the Fund were not so leveraged. There is no assurance that any leveraging strategy the Fund employs will be successful.

Using leverage is a speculative investment technique and involves certain risks. These include higher volatility of NAV, the likelihood of more volatility in the market value of the Fund's common stocks and, with respect to borrowings, 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 leveraged currency investments declines, the leverage will result in a greater decrease in NAV, or less of an increase in NAV, than if the Fund were not leveraged. To the extent that the Fund is required or elects to prepay any borrowings, the Fund may need to liquidate investments to fund such prepayments.

Liquidation at times of adverse economic conditions may result in capital losses and may reduce returns.

*(d) Foreign Currency Translation and Forward Currency Contracts*—The accounting records of the Fund are maintained in US dollars. Portfolio securities and other assets and liabilities denominated in a foreign currency are translated daily into US dollars at the prevailing rates of exchange. Purchases and sales of securities, income receipts and expense payments are translated into US dollars at the prevailing exchange rates on the respective transaction dates.

The Fund does not isolate the portion of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in their market prices. Such fluctuations are included in net realized and unrealized gain (loss) on investments. Net realized gain (loss) on foreign currency transactions and forward currency contracts represents net foreign currency gain (loss) from forward currency contracts, disposition of foreign currencies, currency gain (loss) realized between the trade and settlement dates on securities transactions, and the difference between the amount of dividends, interest and foreign withholding taxes recorded on the Fund's accounting records and the US dollar equivalent amounts actually received or paid. Net change in unrealized appreciation (depreciation) on foreign currency translations reflects the impact of changes in exchange rates on the value of assets and liabilities, other than investments in securities, during the period.

A forward currency contract is an agreement between two parties to buy or sell currency at a set price on a future date. Upon entering into these contracts, risks may arise from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of the foreign currency relative to the US dollar.

The US dollar value of forward currency contracts is determined using quotations provided by an independent pricing service. Daily fluctuations in the value of such contracts are recorded as unrealized appreciation (depreciation) on forward currency contracts. When the contract is closed, the Fund records a realized gain (loss) equal to the difference between the value at the time it was opened and the value at the time it was closed.

*(e) Inflation-Indexed Bonds*—Inflation-indexed bonds are fixed income securities whose principal value is periodically adjusted according to the rate of inflation. If the index measuring inflation rises or falls, the principal value of inflation-indexed bonds will be adjusted upward or downward, and consequently the interest payable on these securities (calculated with respect to a larger or smaller principal amount) will be increased or reduced, respectively. Any upward or

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downward adjustment in the principal amount of an inflation-indexed bond will be included as interest income in the Statement of Operations, even though investors do not receive their principal until maturity. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of US Treasury inflation-indexed bonds. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal.

(f) *Federal Income Taxes*—The Fund’s policy is to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code (the “Code”) and to distribute all of its taxable income, including any net realized capital gains, to stockholders. Therefore, no federal income tax provision is required.

At December 31, 2016, the Fund had no unused realized capital loss carryovers which, for federal income tax purposes, could be used to offset future realized capital gains.

Under current tax law, post-October capital losses or certain late-year ordinary losses, as defined by the Code, within the taxable year may be deferred and treated as occurring on the first day of the following tax year. For the tax year ended December 31, 2016, the Fund elected to defer such losses as follows:

	Late-Year
Post-October Capital Loss Deferral	Ordinary Loss Deferral
\$ —	\$(600,375)

Management has analyzed the Fund’s tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on tax returns filed for any open tax years (or expected to be taken on future tax returns). Open tax years are those that remain subject to examination and are based on each tax jurisdiction’s statute of limitations.

(g) *Dividends and Distributions*—The Fund intends to declare and to pay dividends monthly. Distributions to stockholders are recorded on the ex-dividend date. During any particular year, net realized gains from investment transactions in excess of available capital loss carryforwards would be taxable to the Fund, if not distributed. The Fund intends to declare and distribute these amounts, at least annually, to stockholders; however, to avoid taxation, a second distribution may be required.

Income and capital gains distributions are determined in accordance with federal income tax regulations which may differ from GAAP. These book/tax differences, which may result in distribution reclassifications, are primarily due to differing treatments of foreign currency and fixed-income transactions, and wash sales. The book/tax differences relating to stockholder distributions may result in reclassifications among certain capital accounts.

The Fund has implemented a level distribution policy to seek to maintain a stable monthly distribution, subject to oversight of the Fund's Board. Under the Fund's level distribution policy, the Fund intends to make regular monthly distributions at a fixed rate per share. If for any monthly distribution, net investment income and net realized short-term capital gain were less than the amount of the distribution, the difference would generally be distributed from the Fund's assets. In addition, in order to make such distributions, the Fund might have to sell a portion of its investment portfolio at a time when independent investment judgment might not dictate such actions.

In July 2010, the Investment Manager, on behalf of itself and the Fund, received an exemptive order from the U.S. Securities and Exchange Commission (the "SEC") facilitating the implementation of a distribution policy that may include multiple long-term capital gains distributions ("Managed Distribution Policy"). As a result, the Fund may, subject to the determination of its Board, implement a Managed Distribution Policy.

Concurrent with the monthly distributions paid throughout the period, the Fund issued notices pursuant to Section 19(a) of the 1940 Act (the "Section 19(a) Notices") each stating that the Fund had currently estimated that it had distributed more than its net investment income and realized capital gains. Based on these estimates, it is possible that some or all of the amounts distributed may represent a return of capital. The Section 19(a) Notices may also be viewed at [www.LazardNet.com](http://www.LazardNet.com).

The actual amounts and sources of distributions shown on the Section 19(a) Notices are only estimates and are not provided for tax reporting purposes. The actual amounts and sources of the cumulative distributions for tax reporting purposes will depend upon the Fund's investment experience during the year and may be subject to changes based on tax regulations. The Fund will send stockholders a Form 1099-DIV for the calendar year explaining how to report these distributions for federal income tax purposes.

*(h) Estimates*—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets



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resulting from operations during the reporting period. Actual results could differ from those estimates.

(i) *Net Asset Value*—NAV per share for the Fund is determined each day the NYSE is open for trading as of the close of regular trading on the NYSE (generally 4:00 p.m. Eastern time). The Fund will not treat an intraday unscheduled disruption in NYSE trading as a closure of the NYSE, and will price its shares as of 4:00 p.m., if the particular disruption directly affects only the NYSE. NAV per share is determined by dividing the value of the total assets of the Fund, less all liabilities, by the total number of Fund shares outstanding.

### **3. Investment Management Agreement**

The Fund has entered into a management agreement (the “Management Agreement”) with the Investment Manager. Pursuant to the Management Agreement, the Investment Manager regularly provides the Fund with investment research, advice and supervision and furnishes continuously an investment program for the Fund consistent with its investment objective and policies, including the purchase, retention and disposition of securities, and provides the Fund with administrative, operational and compliance assistance services.

The Fund has agreed to pay the Investment Manager an annual investment management fee of 0.85% of the Fund’s average daily “Total Leveraged Assets” (the Fund’s total assets including Financial Leverage (defined below)) for the services and facilities provided by the Investment Manager, payable on a monthly basis. For the six month period ended June 30, 2017, the effective annualized management fee, as a percentage of the Fund’s average net assets, was 1.16%.

The fee paid to the Investment Manager will be higher when the Investment Manager uses Currency Commitments (defined below) and Borrowings (defined below) (“Financial Leverage”) to make Currency Investments (defined below), rather than by reducing the percentage of “Net Assets” (the Fund’s assets without taking into account Financial Leverage) invested in Global Equity Investments for the purposes of making Currency Investments. “Global Equity Investments” refers to investments in the Fund’s global equity strategy consisting of approximately 60 to 80 US and non-US equity securities of companies (including those in emerging markets) with market capitalizations greater than \$2 billion. “Currency Investments” refers to investments in the Fund’s emerging income strategy, consisting of emerging market currencies (primarily by entering into forward currency contracts), or instruments whose value is derived from the performance of an underlying emerging market currency, but also may invest in debt obligations, including government,



government agency and corporate obligations and structured notes denominated in emerging market currencies. “Currency Commitments” are the aggregate financial exposures created by forward currency contracts in excess of that represented in the Fund’s Net Assets, and “Borrowings” refers to the borrowings under the Fund’s credit facility. Assuming Financial Leverage in the amount of 33 % of the Fund’s Total Leveraged Assets, the annual fee payable to the Investment Manager would be 1.28% of Net Assets (*i.e.*, not including amounts attributable to Financial Leverage).

The following is an example of this calculation of the Investment Manager’s fee, using very simple illustrations. If the Fund had assets of \$1,000, it could invest \$1,000 in Global Equity Investments and enter into \$500 in forward currency contracts (because the Fund would not have to pay money at the time it enters into the currency contracts). Similarly, the Fund could invest \$1,000 in Global Equity Investments, borrow \$500 and invest the \$500 in foreign currency denominated bonds. In either case, the Investment Manager’s fee would be calculated based on \$1,500 of assets, because the fee is calculated based on Total Leveraged Assets (Net Assets plus Financial Leverage). In our example, the Financial Leverage is in the form of either the forward currency contracts (Currency Commitments) or investments from Borrowings. The amount of the Financial Leverage outstanding, and therefore the amount of Total Leveraged Assets on which the Investment Manager’s fee is based, fluctuates daily based on changes in value of the Fund’s portfolio holdings, including changes in value of the currency involved in the forward currency contracts and foreign currency denominated bonds acquired with the proceeds of Borrowings. However, the Investment Manager’s fee will be the same regardless of whether Currency Investments are made with Currency Commitments or with Borrowings (without taking into account the cost of Borrowings).

**This method of calculating the Investment Manager’s fee is different than the way closed-end investment companies typically calculate management fees.** Traditionally, closed-end investment companies calculate management fees based on Net Assets plus Borrowings (excluding Financial Leverage obtained through Currency Commitments). The Investment Manager’s fee is different because the Fund’s leverage strategy is different than the leverage strategy employed by many other closed-end investment companies. Although the Fund may employ Borrowings in making Currency Investments, the Fund’s leverage strategy relies primarily on Currency Commitments, rather than relying exclusively on borrowing money and/or issuing preferred stock, as is the strategy employed by most closed-end investment companies. The Investment Manager’s fee would be lower if

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its fee were calculated only on Net Assets plus Borrowings, because the Investment Manager would not earn fees on Currency Investments made with Currency Commitments (forward currency contracts). Using the example above, where the Fund has assets of \$1,000 and invests \$1,000 in Global Equity Investments and \$500 in forward currency contracts, the following table illustrates how the Investment Manager's fee would be different if it did not earn management fees on these types of Currency Investments. A discussion of the most recent review and approval by the Fund's Board of the Management Agreement (including the method of calculating the Investment Manager's fee) is included under "Other Information—Board Consideration of Management Agreement."

	Fund's management fee based on Total Leveraged Assets (includes Currency Commitments)	Typical management fee formula, calculated excluding Currency Commitments
Beginning assets of \$1,000		
Global Equity Investments (Net Assets)	\$ 1,000	\$ 1,000
Currency Commitments	\$ 500	\$ 500
Assets used to calculate management fee	\$ 1,500	\$ 1,000
Management fee (0.85%)	\$ 12.75	\$ 8.50

*Investment Manager Fee Conflict Risk*—The fee paid to the Investment Manager for investment management services will be higher when the Fund uses Financial Leverage, whether through forward currency contracts or Borrowings, because the fee paid will be calculated on the basis of the Fund's assets including this Financial Leverage. Consequently, the Investment Manager may have a financial interest for the Fund to utilize such Financial Leverage, which may create a conflict of interest between the Investment Manager and the stockholders of the Fund.

The Fund has implemented procedures to monitor this potential conflict.

**4. Administration and Custody Agreements**

The Fund has entered into an administration agreement with State Street to provide certain administrative services. The Fund bears the cost of such services at a fixed annual rate of \$42,500, plus 0.02% of average daily net assets up to

\$1 billion and 0.01% of average daily net assets over \$1 billion.

State Street also serves as custodian for the Fund in accordance with a custodian agreement to provide certain custody services.

In December 2015, State Street announced that it had identified inconsistencies in the way in which clients were invoiced for custody out-of-pocket expenses from 1998

until 2015. The dollar amount difference between what was charged and what should have been charged, plus interest, was paid to the Fund in April 2017 as a reimbursement.

## **5. Directors' Compensation**

Certain Directors of the Fund are officers of the Investment Manager. Effective January 1, 2017, each Director who is not an affiliated person of the Investment Manager or any of its affiliates is paid by the Fund, The Lazard Funds, Inc., Lazard Retirement Series, Inc. and Lazard World Dividend & Income Fund, Inc. (collectively with the Fund, the "Lazard Fund Complex"), each a registered management investment company advised by the Investment Manager: (1) an annual retainer of \$210,000, (2) an additional annual fee of \$30,000 to the lead Independent Director (an "Independent Director" is a Director who is not an "interested person" (as defined in the 1940 Act) of the Fund), and (3) an additional annual fee of \$20,000 to the Audit Committee Chair. The Independent Directors may be paid additional compensation for participation on ad hoc committees or other work performed on behalf of the Board. The Independent Directors also are reimbursed for travel and other out-of-pocket expenses for attending Board and committee meetings. The Directors do not receive benefits from the Fund pursuant to any pension, retirement or similar arrangement. Independent Directors' fees are allocated among the portfolios in the Lazard Fund Complex at a rate of \$5,000 per portfolio with the remainder allocated based upon each portfolio's proportionate share of combined net assets. The Statement of Operations shows the Independent Directors' fees and expenses paid by the Fund.

## **6. Securities Transactions and Transactions with Affiliates**

Purchases and sales of portfolio securities (excluding short-term investments) for the period ended June 30, 2017 were \$47,909,942 and \$56,603,670, respectively.

For the period ended June 30, 2017, the Fund did not engage in any cross-trades in accordance with Rule 17a-7 under the 1940 Act, and no brokerage commissions were paid to affiliates of the Investment Manager or other affiliates of the Fund for portfolio transactions executed on behalf of the Fund.

**7. Line of Credit**

The Fund has a \$30 million Line of Credit Agreement (the “Agreement”) with State Street primarily to borrow to invest Fund assets in Currency Investments. The Fund may borrow the lesser of \$30 million or 33 % of its Total Leveraged Assets. Interest on borrowings is payable at the higher of the Federal Funds rate or the reserve adjusted LIBOR rate plus 0.95%, on an annualized basis. Under the Agreement,

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the Fund has agreed to pay a 0.15% per annum fee on the unused portion of the commitment (0.25% per annum if the unused portion is equal to or exceeds 25% of the committed line amount), payable quarterly in arrears. During the period ended June 30, 2017, the Fund had borrowings under the Agreement as follows:

Average Daily Loan Balance*	Maximum Daily Loan Outstanding	Weighted Average Interest Rate
\$24,400,552	\$24,500,000	1.81%

\* For the 181 days borrowings were outstanding.

Management believes that the fair value of the liabilities under the line of credit is equivalent to the recorded amount based on its short term maturity and interest rate, which fluctuates with LIBOR. The line of credit outstanding as of June 30, 2017 is categorized as Level 2 (see Note 10).

**8. Investment Risks**

*(a) Non-US Securities Risk*—The Fund’s performance will be influenced by political, social and economic factors affecting the non-US countries and companies in which the Fund invests. Non-US securities carry special risks, such as less developed or less efficient trading markets, political instability, a lack of company information, differing auditing and legal standards, and, potentially, less liquidity.

*(b) Emerging Market Risk*—Emerging market countries generally have economic structures that are less diverse and mature, and political systems that are less stable, than those of developed countries. The economies of countries with emerging markets may be based predominantly on only a few industries, may be highly vulnerable to changes in local or global trade conditions, and may suffer from extreme debt burdens or volatile inflation rates. The securities markets of emerging market countries have historically been extremely volatile. These market conditions may continue or worsen. Significant devaluation of emerging market currencies against the US dollar may occur subsequent to acquisition of investments denominated in emerging market currencies.

(c) *Foreign Currency Risk*— Investments denominated in currencies other than US dollars may experience a decline in value, in US dollar terms, due solely to fluctuations in currency exchange rates. The Fund’s currency investments could be adversely affected by delays in, or a refusal to grant, repatriation of funds or conversion of emerging market currencies. The Investment Manager does not intend to actively hedge the Fund’s foreign currency exposure.

(d) *Fixed-Income and Debt Securities Risk*—The market value of a debt security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic con-

ditions, changes in the outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The debt securities market can be susceptible to increases in volatility and decreases in liquidity. Liquidity can decline unpredictably in response to overall economic conditions or credit tightening.

Prices of bonds and other debt securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect debt securities and, accordingly, will cause the value of the Fund’s investments in these securities to decline. Interest rate risk is usually greater for fixed-income securities with longer maturities or durations. A rise in interest rates (or the expectation of a rise in interest rates) may result in periods of volatility, decreased liquidity and increased redemptions, and, as a result, the Fund may have to liquidate portfolio securities at disadvantageous prices. Risks associated with rising interest rates are heightened given that interest rates in the US and other countries are at or near historic lows.

The Fund’s investments in lower-rated, higher-yielding securities (“junk bonds”) are subject to greater credit risk than its higher-rated investments. Credit risk is the risk that the issuer will not make interest or principal payments, or will not make payments on a timely basis. Non-investment grade securities tend to be more volatile, less liquid and are considered speculative. If there is a decline, or perceived decline, in the credit quality of a debt security (or any guarantor of payment on such security), the security’s value could fall, potentially lowering the Fund’s share price. The prices of non-investment grade securities, unlike investment grade debt securities, may fluctuate unpredictably and not necessarily inversely with changes in interest rates. The market for these securities may be less liquid and therefore these securities may be harder to value or sell at an acceptable price, especially during times of market volatility or decline.

Some fixed-income securities may give the issuer the option to call, or redeem, the securities before their maturity. If securities held by the Fund are called during a time of declining interest rates (which is typically the case when issuers exercise options to call outstanding securities), the Fund may have to reinvest the proceeds in an investment offering a lower yield (and the Fund may not fully benefit from any increase in the value of its portfolio holdings as a result of declining interest rates).

(e) *Inflation-Indexed Security Risk*—Interest payments on inflation-indexed securities can be unpredictable and will vary as the principal and/or interest is periodically adjusted based on the rate of inflation. If the index measuring inflation falls, the interest payable on these securities will be



*Lazard Global Total Return and Income Fund, Inc.*

## **Notes to Financial Statements (continued)**

**June 30, 2017 (unaudited)**

reduced. The US Treasury has guaranteed that, in the event of a drop in prices, it would repay the par amount of its inflation-indexed securities. Inflation-indexed securities issued by corporations generally do not guarantee repayment of principal. Any increase in the principal amount of an inflation indexed security will be considered taxable ordinary income, even though investors do not receive their principal until maturity. As a result, the Fund may be required to make annual distributions to stockholders that exceed the cash the Fund received, which may cause the Fund to liquidate certain investments when it is not advantageous to do so. Also, if the principal value of an inflation indexed security is adjusted downward due to deflation, amounts previously distributed may be characterized in some circumstances as a return of capital.

*(f) Derivatives and Hedging Risk*—Derivatives transactions, including those entered into for hedging purposes (*i.e.*, seeking to protect Fund investments), may increase volatility, reduce returns, limit gains or magnify losses, perhaps substantially, particularly since most derivatives have a leverage component that provides investment exposure in excess of the amount invested. Over-the-counter swap agreements, forward currency contracts, writing or purchasing over-the-counter options on securities, indexes and currencies and other over-the-counter derivatives transactions are subject to the risk of default by the counterparty and can be illiquid. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. These derivatives transactions, as well as the exchange-traded futures and options in which the Fund may invest, are subject to many of the risks of, and can be highly sensitive to changes in the value of, the related index, currency, security or other reference asset. As such, a small investment could have a potentially large impact on the Fund's performance. In fact, many derivatives may be subject to greater risks than those associated with investing directly in the underlying or other reference asset. Derivatives transactions incur costs, either explicitly or implicitly, which reduce returns, and costs of engaging in such transactions may outweigh any gains or any losses averted from hedging activities. Successful use of derivatives, whether for hedging or for other investment purposes, is subject to the Investment Manager's ability to predict correctly movements in the direction of the relevant reference asset or market and, for hedging activities, correlation of the derivative instruments used with the investments seeking to be hedged. Use of derivatives transactions, even if entered into for hedging purposes, may cause the Fund to experience losses greater than if the Fund had not engaged in such transactions.

## **9. Contractual Obligations**

The Fund enters into contracts in the normal course of business that contain a variety of indemnification provisions. The Fund's maximum exposure under these arrangements is unknown. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

## **10. Fair Value Measurements**



Fair value is defined as the price that the Fund would receive to sell an asset, or would pay to transfer a liability, in an orderly transaction between market participants at the date of measurement. The Fair Value Measurements and Disclosures provisions of GAAP also establish a framework for measuring fair value, and a three-level hierarchy for fair value measurement that is based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer, broadly, to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's own assumptions about the assumptions that market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The fair value measurement level within the fair value hierarchy for the assets and liabilities of the Fund is based on the lowest level of any input that is significant to the overall fair value measurement. The three-level hierarchy of inputs is summarized below:

- Level 1—unadjusted quoted prices in active markets for identical assets and liabilities
- Level 2—other significant observable inputs (including unadjusted quoted prices for similar assets and liabilities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of assets and liabilities)

Changes in valuation technique may result in transfers into or out of the current assigned level within the hierarchy.

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in these securities.

*Lazard Global Total Return and Income Fund, Inc.***Notes to Financial Statements (continued)****June 30, 2017 (unaudited)**

The following table summarizes the valuation of the Fund's assets and liabilities by each fair value hierarchy level as of June 30, 2017:

Description	Unadjusted Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2017
Assets:				
Common Stocks*				
Australia	\$—	\$1,709,015	\$ —	\$1,709,015
Brazil	3,221,607	—	—	3,221,607
Canada	5,706,498	—	—	5,706,498
China	1,957,806	3,018,967	—	4,976,773
Denmark	—	3,513,028	—	3,513,028
Finland	—	2,054,537	—	2,054,537
Germany	—	5,564,534	—	5,564,534
Hong Kong	—	2,628,367	—	2,628,367
Ireland	—	3,010,145	—	3,010,145
Israel	—	1,507,325	—	1,507,325
Japan	—	11,586,426	—	11,586,426
Netherlands	—	2,624,513	—	2,624,513
South Africa	—	1,132,774	—	1,132,774
Sweden	—	4,704,221	—	4,704,221
Switzerland	—	1,438,762	—	1,438,762
Taiwan	2,279,392	—	—	2,279,392
United Kingdom	1,417,146	16,370,821	—	17,787,967
United States	91,981,115	—	—	91,981,115
Foreign Government Obligations*	—	21,110,678	—	21,110,678
Short-Term Investments	907,634	—	—	907,634
Other Financial Instruments†				
Forward Currency Contracts	—	967,569	—	967,569
<b>Total</b>	<b>\$107,471,198</b>	<b>\$82,941,682</b>	<b>\$ —</b>	<b>\$190,412,880</b>
Liabilities:				
Other Financial Instruments†				
Forward Currency Contracts	\$—	\$(944,937 )	\$ —	\$(944,937 )

\* Please refer to Portfolio of Investments and Notes to Portfolio of Investments for portfolio holdings by country and industry.

† Other financial instruments are derivative instruments which are valued at their respective unrealized appreciation (depreciation).

In connection with the implementation of fair value pricing procedures with respect to non-US securities (see Note 2(a)), certain equity securities can transfer from Level 1 to Level 2 as a result of fair value pricing procedures and would revert to Level 1 when the fair value pricing procedures are no longer used. Accordingly, a significant portion of the Fund's investments are categorized as Level 2 investments. The Fund recognizes all transfers between levels as though they were transferred at the beginning of the reporting period.

During the period ended June 30, 2017, securities valued at \$42,114,622 were transferred from Level 1 to Level 2.

There were no other transfers into or out of Levels 1, 2 or 3 during the period ended June 30, 2017.

For further information regarding security characteristics see Portfolio of Investments.

## 11. Derivative Instruments

The Fund may use derivative instruments, including forward currency contracts, to gain exposure to the local currency and interest rates of emerging markets or to hedge certain types of currency exposure.

During the period ended June 30, 2017, the approximate average monthly notional exposure for derivative instruments was as follows:

**Forward currency contracts \$96,900,000**

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**Notes to Financial Statements (continued)**

**June 30, 2017 (unaudited)**

The following table summarizes the fair value of derivative instruments on the Statement of Assets and Liabilities as of June 30, 2017:

	<b>Fair Value</b>
<u>Asset Derivatives</u>	
Foreign Exchange Risk:	
Gross unrealized appreciation on forward currency contracts	\$967,569
<u>Liability Derivatives</u>	
Foreign Exchange Risk:	
Gross unrealized depreciation on forward currency contracts	\$944,937

The effect of derivative instruments on the Statement of Operations for the period ended June 30, 2017 was:

	Amount
<u>Realized Gain (Loss) on Derivatives</u>	
Foreign Exchange Risk:	
Net realized gain (loss) on foreign currency transactions and forward currency contracts	\$1,925,137
<u>Net Change in Unrealized Appreciation (Depreciation) on Derivatives</u>	
Foreign Exchange Risk:	
Net change in unrealized appreciation (depreciation) on foreign currency translations and forward currency contracts	\$(55,600)

See Note 2(d) and the Portfolio of Investments for additional disclosures about derivative instruments.

As of June 30, 2017, the Fund held derivative instruments that are eligible for offset in the Statement of Assets and Liabilities and are subject to master netting arrangements. A master netting arrangement is an agreement between two counterparties who have multiple contracts with each other that provides for the net settlement of all contracts, as well as any cash collateral, through a single payment in the event of default on, or termination of, any one contract.

The required information for the Fund is presented in the below table, as of June 30, 2017:

Description	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Assets and Liabilities	Net Amounts of Assets Presented in the Statement of Assets and Liabilities
Forward Currency Contracts	\$967,569	\$ —	\$967,569

**Amounts Not Offset in the Statement of Assets and Liabilities**

Counterparty	Net Amounts of Assets Presented in the Statement of			Net Amounts of Derivative Assets
	Assets and Liabilities	Financial Instruments	Collateral Received	
Barclays Bank PLC	\$27,070	\$—	\$ —	\$27,070
BNP Paribas SA	123,414	(123,414)	—	—
Citibank NA	544,989	(509,317)	—	35,672
HSBC Bank USA NA	78,004	(78,004 )	—	—
JPMorgan Chase Bank NA	125,830	(88,709 )	—	37,121
Standard Chartered Bank	68,262	(68,262 )	—	—
Total	\$967,569	\$ (867,706)	\$ —	\$ 99,863

*Lazard Global Total Return and Income Fund, Inc.***Notes to Financial Statements (concluded)****June 30, 2017 (unaudited)**

Description	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Assets and Liabilities	Net Amounts of Liabilities Presented in the Statement of Assets and Liabilities
Forward Currency Contracts	\$944,937	\$ —	\$944,937

Counterparty	Net Amounts of Liabilities Presented in the Statement of Assets and Liabilities	Amounts Not Offset in the <u>Statement of Assets and Liabilities</u>		Net Amounts of Derivative Liabilities
		Financial Instruments	Collateral Pledged	
BNP Paribas SA	\$ 138,119	\$(123,414)	\$ —	\$ 14,705
Citibank NA	509,317	(509,317)	—	—
HSBC Bank USA NA	111,555	(78,004 )	—	33,551
JPMorgan Chase Bank NA	88,709	(88,709 )	—	—
Standard Chartered Bank	97,237	(68,262 )	—	28,975
Total	\$944,937	\$(867,706)	\$ —	\$ 77,231

**12. Common Stock**

At June 30, 2017, there were 500 million shares authorized (\$0.001 par value). During the period ended June 30, 2017 and year ended December 31, 2016, there were no shares issued. On November 9, 2016, the Fund announced that the Board authorized a stock repurchase program permitting open market purchases of the Fund's common stock on the NYSE. The principal purpose of the stock repurchase program is to enhance stockholder value by increasing the Fund's NAV per share without creating a meaningful adverse effect on the Fund's expense ratio (although there can be no assurance that repurchasing shares will enhance stockholder value or increase the market value of Fund shares). The Board has authorized the repurchase, through November 30, 2017, of an aggregate of up to 5% of the Fund's outstanding shares in open-market transactions. The Board has delegated to the Investment Manager discretion to determine the amount and timing of repurchases of shares, in accordance with the best interests of the Fund, subject to various factors, including the limitations imposed by the federal securities laws governing the repurchase of an issuer's

stock by the issuer and the ability of the Fund to raise cash to repurchase shares of the Fund's common stock in a tax-efficient manner and general market conditions. During the period ended June 30, 2017, there were no shares repurchased.

### **13. Accounting Pronouncements**

In November 2016, the Financial Accounting Standards Board (the "FASB") issued a new Accounting Standards Update No. 2016-18, "Statement of Cash Flows (Topic 230), Restricted Cash, a consensus of the FASB's Emerging

Issues Task Force" ("ASU 2016-18"). ASU 2016-18 requires that a statement of cash flows explains the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in ASU 2016-18 do not provide a definition of restricted cash or restricted cash equivalents. ASU 2016-18 is effective for interim and annual reporting periods beginning after December 15, 2017. Management is currently evaluating the impact, if any, of applying this provision.

In October 2016, the SEC adopted new rules and amended existing rules (together, "final rules") intended to modernize the reporting and disclosure of information by registered investment companies. In part, the final rules amend Regulation S-X and require standardized, enhanced disclosure about derivatives in investment company financial statements, as well as other amendments. The compliance date for the amendments to Regulation S-X is for periods ending after August 1, 2017. The Investment Manager does not expect that the adoption of the amendments to Regulation S-X will have a material impact on the Fund's financial statements and related disclosures.

### **14. Subsequent Events**

Management has evaluated subsequent events affecting the Fund through the issuance of the financial statements and has determined that there were no subsequent events that required adjustment or disclosure.

*Lazard Global Total Return and Income Fund, Inc.*

## **Proxy Voting Results**

**(unaudited)**

The Annual Meeting of Stockholders was held on April 21, 2017, to vote on the following proposal. The proposal received the required number of votes of stockholders and was adopted.

### **Election of the following Directors:**

- one Class I Director, to serve for a one-year term expiring at the 2018 Annual Meeting and until his successor is duly elected and qualified; and
- three Class III Directors, each to serve for a three-year term expiring at the 2020 Annual Meeting and until his or her successor is duly elected and qualified.

Director	For	Withhold Authority
Ashish Bhutani	8,145,678	213,100
Franci J. Blassberg	8,126,807	231,971
Nathan A. Paul	8,157,491	201,287
Richard Reiss, Jr.	8,142,912	215,867



*Lazard Global Total Return and Income Fund, Inc.*

## **Dividend Reinvestment Plan**

**(unaudited)**

Unless you elect to receive distributions in cash (*i.e.*, opt-out), all dividends, including any capital gain distributions, on your common stock will be automatically reinvested by Computershare, Inc., as dividend disbursing agent (the “Plan Agent”), in additional common stock under the Fund’s Dividend Reinvestment Plan (the “Plan”). You may elect not to participate in the Plan by contacting the Plan Agent. If you do not participate, you will receive all distributions in cash, paid by check mailed directly to you by the Plan Agent.

Under the Plan, the number of shares of common stock you will receive will be determined on the dividend or distribution payment date, as follows:

If the common stock is trading at or above net asset value at the time of valuation, the Fund will issue new shares at (1) a price equal to the greater of (i) net asset value per common share on that date or (ii) 95% of the common stock’s market price on that date.

If the common stock is trading below net asset value at the time of valuation, the Plan Agent will receive the dividend or distribution in cash and will purchase common stock in the open market, on the NYSE or elsewhere, for the participants’ accounts. It is possible that the market price for the common stock may increase before the Plan Agent has completed its purchases. Therefore, the average purchase price per share paid by the Plan Agent may (2) exceed the market price at the time of valuation, resulting in the purchase of fewer shares than if the dividend or distribution had been paid in common stock issued by the Fund. The Plan Agent will use all dividends and distributions received in cash to purchase common stock in the open market within 30 days of the valuation date. Interest will not be paid on any uninvested cash payments.

You may withdraw from the Plan at any time by giving written notice to the Plan Agent. If you withdraw or the Plan is terminated, you will receive whole shares in your account

under the Plan and you will receive a cash payment for any fraction of a share in your account. If you wish, the Plan Agent will sell your shares and send you the proceeds, minus an initial \$15 service fee plus \$0.12 per share being liquidated (for processing and brokerage expenses).

The Plan Agent maintains all stockholders’ accounts in the Plan and gives written confirmation of all transactions in the accounts, including information you may need for tax records. Shares of common stock in your account will be held by the Plan Agent in non-certificated form. Any proxy you receive will include all common stock you have received under the Plan.

There is no brokerage charge for reinvestment of your dividends or distributions in newly-issued shares of common stock. However, all participants will pay a pro rata share of brokerage commissions incurred by the Plan Agent when it makes open market purchases.

Automatically reinvesting dividends and distributions does not mean that you do not have to pay income taxes due upon receiving dividends and distributions.

If you hold your common stock with a brokerage firm that does not participate in the Plan, you will not be able to participate in the Plan and any dividend reinvestment may be effected on different terms than those described above. Consult your financial advisor for more information.

The Fund reserves the right to amend or terminate the Plan if, in the judgment of the Board, the change is warranted. There is no direct service charge to participants in the Plan (other than the service charge when you direct the Plan Agent to sell your common stock held in a dividend reinvestment account); however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants. Additional information about the Plan may be obtained from the Plan Agent at P.O. Box 30170, College Station, Texas 77842-3170.

*Lazard Global Total Return and Income Fund, Inc.*

**Board of Directors and Officers Information**

(unaudited)

Name (Age) Address <sup>(1)</sup>	Position(s) with the Fund (Since) and Term <sup>(2)</sup>	Principal Occupation(s) and Other Public Company Directorships Held During the Past Five Years <sup>(2)</sup>
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**Board of  
Directors:**

**Class I – Directors with Term Expiring in 2018**

**Independent  
Director<sup>(3)</sup>:**

Robert M. Solmson (69)	Director (September 2004)	Fairwood Capital, LLC, a private investment corporation engaged primarily in real estate and hotel investments, <i>President</i> (2008 - present)
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**Interested  
Director<sup>(4)</sup>:**

Nathan A. Paul (44)	Director (April 2017)	Chief Business Officer (since April 2017) and Managing Director of the Investment Manager  General Counsel of the Investment Manager (2002 - March 2017)
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**Class II – Directors with Term Expiring in 2019**

**Independent  
Directors<sup>(3)</sup>:**

Kenneth S. Davidson (72)	Director (February 2004)	Davidson Capital Management Corporation, an investment manager, <i>President</i> (1978 - present)  Landseer Advisors LLC, an investment manager, <i>Senior Advisor</i> (2012 - 2014)  Aquiline Holdings LLC, an investment manager, <i>Partner</i> (2006 - 2012)
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College Retirement Equities Fund (eight accounts), *Trustee* (2007 - present)

TIAA-CREF Funds (68 funds) and TIAA-CREF Life Funds (11 funds),  
*Trustee* (2007 - present)

Nancy A. Eckl (54) Director  
(February 2007)

TIAA Separate Account VA-1, *Member of the Management Committee*  
(2007 - present)

American Beacon Advisors, Inc. (“American Beacon”) and certain funds  
advised by American Beacon, *Vice President* (1990 - 2006)

New York University School of Law, *Dean and Eric M. and Laurie B. Roth*  
*Professor of Law* (2013 - present)

Trevor W. Morrison Director  
(46) (April 2014)

Columbia Law School, *Professor of Law* (2008 - 2013)

Class III – Directors with Term Expiring in 2020

**Independent  
Directors<sup>(3)</sup>:**

Debevoise & Plimpton LLP, a law firm, *Of Counsel* (2013 - present);  
previously, *Partner* (through 2012)

Franci J. Blassberg Director  
(63) (August 2014)

University of California, Berkeley School of Law, *Lecturer* (Spring 2017)

Cornell Law School, *Visiting Professor of Practice* (2015 - 2016);  
previously, *Distinguished Practitioner in Residence* (Fall 2013 and Fall  
2014)

Richard Reiss, Jr. Director  
(73) (February 2004)

Georgica Advisors LLC, an investment manager, *Chairman* (1997 - present)

Resource America, Inc., a real estate asset management company, *Director*  
(2016 - present)

O'Charley's, Inc., a restaurant chain, *Director* (1984 - 2012)

**Interested  
Director<sup>(4)</sup>:**

Investment Manager, *Chief Executive Officer* (2004 - present)

Ashish Bhutani (57) <sup>Director</sup>  
(July 2005)

Lazard Ltd, *Vice Chairman and Director* (2010 - present)

<sup>(1)</sup> The address of each Director of the Fund is Lazard Asset Management LLC, 30 Rockefeller Plaza, New York, New York 10112-6300.

<sup>(2)</sup> Each Director, other than Mr. Paul, serves as a Director for each of the funds in the Lazard Fund Complex (comprised of, as of July 31, 2017, 40 active investment portfolios). Mr. Paul also serves as a Director of Lazard World Dividend & Income Fund, Inc.

<sup>(3)</sup> "Independent Directors" are not "interested persons" (as defined in the 1940 Act) of the Fund.

<sup>(4)</sup> Messrs. Bhutani and Paul are "interested persons" (as defined in the 1940 Act) of the Fund because of their positions with the Investment Manager.

*Lazard Global Total Return and Income Fund, Inc.***Board of Directors and Officers Information (concluded)****(unaudited)**

<b>Name (Age) Address<sup>(1)</sup></b>	<b>Position(s) with the Fund (Since) and Term<sup>(2)</sup></b>	<b>Principal Occupation(s) During the Past Five Years</b>
<b>Officers<sup>(3)</sup>:</b>		
Christopher Snively (32)	Chief Financial Officer (March 2016)	Senior Vice President of the Investment Manager (since November 2015)  Assurance Manager at PricewaterhouseCoopers LLP (2008 - November 2015)
Stephen St. Clair (58)	Treasurer (February 2004)	Vice President of the Investment Manager
Mark R. Anderson (47)	Chief Compliance Officer (September 2014), Vice President and Secretary (February 2017)	Managing Director (since February 2017, previously Director), General Counsel (since April 2017) and Chief Compliance Officer (since September 2014) of the Investment Manager  Senior Vice President, Counsel and Deputy Chief Compliance Officer of AllianceBernstein L.P. (2004 - August 2014)
Tamar Goldstein (42)	Assistant Secretary (February 2009)	Director (since February 2016, previously Senior Vice President), and Director of Legal Affairs (since July 2015) of the Investment Manager  Senior Vice President, Legal and Compliance, of the Investment Manager (since September 2015)
Shari L. Soloway (35)	Assistant Secretary (November 2015)	Vice President and Associate General Counsel of GE Asset Management (July 2011 - September 2015)
Cesar A. Trelles (42)	Assistant Treasurer (December 2004)	Vice President of the Investment Manager

<sup>(1)</sup> The address of each officer of the Fund is Lazard Asset Management LLC, 30 Rockefeller Plaza, New York, New York 10112-6300.

- (2) Each officer serves for an indefinite term, until his or her successor is elected and qualifies or until his or her earlier resignation or removal. Each officer serves in the same capacity for the other funds in the Lazard Fund Complex.
- (3) In addition to Nathan A. Paul, Chief Executive Officer and President, whose information is included in the Class I Interested Director section.

*Lazard Global Total Return and Income Fund, Inc.*

## **Other Information**

**(unaudited)**

### **Proxy Voting**

A description of the policies and procedures used to determine how proxies relating to Fund portfolio securities are voted is available (1) without charge, upon request, by calling (800) 823-6300 or (2) on the SEC's website at <http://www.sec.gov>.

The Fund's proxy voting record for the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling (800) 823-6300 or (2) on the SEC's website at <http://www.sec.gov>. Information as of June 30 each year will generally be available by the following August 31.

### **Form N-Q**

The Fund files a complete schedule of its portfolio holdings for the first and third quarters of its fiscal year with the SEC on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330.

### **Board Consideration of Management Agreement**

At a meeting of the Board held on June 6-7, 2017, the Board considered the approval, for an additional annual period, of the Management Agreement between the Fund and the Investment Manager. The Independent Directors were assisted in their review by independent legal counsel, who advised the Board on relevant legal standards and met with the Independent Directors in executive session separate from representatives of the Investment Manager.

### **Services Provided**

Representatives of the Investment Manager discussed with the Board the Investment Manager's written presentation provided in advance of the meeting addressing, among other matters, the nature, extent and quality of services that the Investment Manager provides the Fund, including a discussion of the Investment Manager and its clients (of which the



Lazard Funds complex of 40 active funds comprises approximately \$33 billion, and the Fund and the other publicly-traded closed-end fund managed by the Investment Manager comprise approximately \$245 million, of the approximately \$215 billion of total assets under the management of the Investment Manager and its global affiliates as of March 31, 2017). The Investment Manager's representatives stated that the Investment Manager believes that the Fund and its shareholders continue to be able to obtain significant benefits as a result of the resources and support of the Investment Manager's global research, portfolio management, operations, technology, legal and com-

pliance infrastructure. The Directors also considered information provided by the Investment Manager regarding its personnel, resources, financial condition and experience.

The Directors considered the various services provided by the Investment Manager including the Investment Manager's research and portfolio management capabilities and oversight of day-to-day operations, including supervision of fund accounting and administration-related services and assistance in meeting legal and regulatory requirements. The Directors also considered the Investment Manager's infrastructure and agreed that the Fund benefits from the services and infrastructure provided by the Investment Manager. The Directors accepted management's assertion that such services and infrastructure are greater than those typically provided to a \$33 billion fund complex not managed by a large, global firm such as the Investment Manager.

#### Comparative Fee, Expense Ratio and Performance Information

The Directors reviewed comparative fee and expense ratio (each through December 31, 2016) and performance (through March 31, 2017) information prepared by Strategic Insight, an independent provider of investment company data, noting the limitations of the Strategic Insight comparison group (the "Group") as further discussed below, and broader Morningstar category (the "Category"). They noted the methodology and assumptions used by Strategic Insight, including that certain comparisons ranked each Portfolio in a quintile of the applicable Group or Category (with the first quintile being the most favorable quintile and the fifth quintile being the least favorable).

*Advisory Fees and Expense Ratios.* The Directors also discussed the management fees paid to the Investment Manager (referred to in the Strategic Insight materials as "advisory fees") and expense ratios for the Fund and the comparisons provided by Strategic Insight, which compared the contractual (gross) advisory fee and expense ratio for the Fund to its Group and Category medians (for the Group on both an unleveraged ("common assets") and leveraged ("managed assets") basis).

In reviewing Strategic Insight's analysis, it was noted that the gross advisory fee and expense ratio were below the Group medians for common and managed assets (in the case of the expense ratio, including investment-related expenses). The Directors noted management's explanation regarding the lack of comparability of funds within the Group due to what the Investment Manager believes is a unique strategy of achieving leverage through currency investments, employed by the Fund and another closed-end fund advised by the Investment Manager.



*Lazard Global Total Return and Income Fund, Inc.*

**Other Information (continued)**

**(unaudited)**

*Performance.* Strategic Insight's performance analyses compared the Fund's performance to those of the funds in the Group and Category over one-, three-, five- and ten-year periods ended March 31, 2017.

The Directors considered that the Fund's performance (based on net asset value) was in the fifth and fourth quintile of the Group for the three- and five-year periods, respectively, although ranking in the first and third quintiles in the one- and ten-year periods, respectively (in the one-year period, ranking highest in the Group and Category).

Representatives of the Investment Manager stated that the Fund's strategy changed in 2016 to include emerging markets investments, noting that the Fund's performance has continued to improve in 2017, and also that no funds in the Group or Category pursued a strategy similar to that of the Fund's strategy of investing in global equity securities and in emerging markets currencies primarily through forward currency contracts and debt obligations denominated in emerging markets currencies. They also were advised that the Investment Manager did not manage any funds, separate accounts or other accounts with investment objectives, policies and strategies similar to those of the Fund.

Fee Calculation

The Board considered that the method of calculating management fees is based on the Fund's Total Leveraged Assets, pursuant to which the management fee borne by stockholders will increase to the extent the Investment Manager makes Currency Investments by incurring Financial Leverage rather than reducing the percentage of Net Assets invested in Global Equity Investments for the purposes of making Currency Investments, and considered the potential advantages of increased investment exposure through Financial Leverage. The Board considered the economic equivalence, and the similarities, from an investment management perspective, of Currency Investments (1) made with Currency Commitments and (2) made with the proceeds of Borrowings.

The Board considered that (1) this method of calculating management fees is different than the way closed-end investment companies typically calculate management fees, (2) traditionally closed-end funds calculate management fees based on Net Assets plus Borrowings (excluding Financial Leverage obtained through Currency Commitments) and (3) the Investment Manager's fee would be lower if its fee were calculated only on Net Assets plus Borrowings, because the Investment Manager would not earn fees on Currency Investments made with Currency Commitments (forward currency contracts or other derivative instruments whose value is derived from the performance of an underlying emerging market currency). The

Board considered that the Investment Manager's fee is different because the Fund's leverage strategy is different than the strategy employed by many other leveraged closed-end investment companies—that although the Fund may employ Borrowings in making Currency Investments, the Fund's leverage strategy relies primarily on Currency Commitments rather than relying exclusively on borrowing money and/or issuing preferred stock. The Board considered the Fund's use of Currency Commitments for leverage (rather than relying exclusively on borrowing money and/or issuing preferred stock) and the Investment Manager's belief that forward currency contracts, or other derivative instruments

whose value is derived from the performance of an underlying emerging market currency, often offer a more attractive way to gain exposure to emerging market interest rate opportunities and currencies than investments in debt obligations and the fact that there might not be a viable debt market in certain emerging market countries. The Board also considered the Investment Manager's view that foreign currency contracts present less counterparty and custody risks and the Investment Manager's extensive expertise with these instruments, as discussed in detail in previous Board meetings.

Procedures adopted by the Investment Manager to evaluate possible conflicts of interest that may arise from the fee calculation methodology, include the following: (1) no less frequently than monthly, decisions regarding the amount of the Fund's allocation to Currency Investments must be reviewed by a Managing Director of the Investment Manager not involved in the decision-making process and the Fund's Chief Compliance Officer, and that such review be documented to include the basis therefor, documentation to be retained for six years, the first two years in an easily accessible place, (2) the Investment Manager must provide the Board with a quarterly report regarding these decisions and the reasons therefor and (3) the Investment Manager must deliver a quarterly certification to the Board, signed by a Managing Director of the Investment Manager and the Fund's or the Investment Manager's Chief Compliance Officer (as applicable), that the procedures had been complied with during the previous quarter. The Investment Manager's representatives stated that such procedures had been followed and that the Investment Manager would continue to follow those procedures.

#### Investment Manager Profitability and Economies of Scale

The Directors reviewed information prepared by the Investment Manager concerning profits realized by the Investment Manager and its affiliates resulting from the Management Agreement, calculated using the actual revenues received for the calendar year ended December 31, 2016 and the Investment Manager's cost allocation

*Lazard Global Total Return and Income Fund, Inc.*

**Other Information (concluded)**

**(unaudited)**

methodology to compute an estimate of the Fund's costs to the Investment Manager. The Investment Manager's representatives reviewed with the Board information provided on the Investment Manager's brokerage practices and the Fund's brokerage allocation, commission payments and soft dollar commissions and benefits. The Investment Manager's representatives stated that neither the Investment Manager nor its affiliates receive any other significant indirect benefits from the Investment Manager acting as investment adviser to the Fund.

The profitability percentages were within ranges determined by relevant court cases not to be so disproportionately large that they bore no reasonable relationship to the services rendered. Representatives of the Investment Manager stated that the Investment Manager believed the profits are not unreasonable in light of the services provided and other factors. The Directors considered the Investment Manager's estimated profitability with respect to the Fund as part of their evaluation of whether the Fund's fee under the Management Agreement, considered in relation to the mix of services provided by the Investment Manager, including the nature, extent and quality of such services, and evaluated profitability in light of the relevant circumstances for the Fund, supported the renewal of the Management Agreement. It was noted that, because the Fund is a closed-end fund without daily inflows and outflows of capital, there were not at this time significant economies of scale to be realized by the Investment Manager in managing the Fund's assets.

At the conclusion of these discussions, each of the Directors expressed the opinion that he or she had been furnished with such information as may reasonably be necessary to make an informed business decision with respect to evaluation of the renewal of the Management Agreement. Based on its discussions and considerations as described above, the Board made the following conclusions and determinations.

• The Board concluded that the nature, extent and quality of the services provided by the Investment Manager are adequate and appropriate, noting the benefits of advisory and research services and other services and infrastructure (as discussed above) associated with an approximately \$215 billion global asset management business.

• The Board generally was satisfied with the Fund's improved performance in the most recent measurement period, but agreed to continue to closely monitor performance.

• The Board concluded that the Fund's fee paid to the Investment Manager supported the renewal of the Management Agreement in light of the considerations discussed above.

The Board determined that because the Fund is a closed-end fund without daily inflows and outflows of capital the

• Fund's fee schedule is reasonable in light of current economies of scale considerations and that there were not at this time significant economies of scale to be realized by the Investment Manager.

In evaluating the Management Agreement, the Board relied on the information described above as well as other information provided by the Investment Manager, in addition to information received on a routine and regular basis throughout the year relating to the operations of the Fund and the investment management and other services provided under the Management Agreement, including information on the investment performance of the Fund in comparison to similar funds and a benchmark performance index; general market outlook as applicable to the Fund; and compliance reports. The Board also relied on its previous knowledge, gained through meetings and other interactions with the Investment Manager, of the Fund and the services provided to the Fund by the Investment Manager. The Board considered these conclusions and determinations in their totality and determined to approve the Management Agreement. In deciding whether to vote to approve the Management Agreement, each Director may have accorded different weights to different factors so that each Director may have had a different basis for his or her decision.

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**Lazard Global Total Return and Income Fund, Inc.**

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<http://www.LazardNet.com>

**Investment Manager**

Lazard Asset Management LLC  
30 Rockefeller Plaza  
New York, New York 10112-6300  
Telephone: 800-823-6300

**Custodian**

State Street Bank and Trust Company  
One Iron Street  
Boston, Massachusetts 02210

**Transfer Agent and Registrar**

Computershare Trust Company, N.A.  
P.O. Box 43010  
Providence, Rhode Island 02940-3010

**Dividend Disbursing Agent**

Computershare, Inc.  
P.O. Box 30170  
College Station, Texas 77842-3170

**Independent Registered Public Accounting Firm**

Deloitte & Touche LLP  
30 Rockefeller Plaza  
New York, New York 10112-0015

**Legal Counsel**

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Eleven Times Square  
New York, New York 10036-8299  
<http://www.proskauer.com>

This report is intended only for the information of stockholders of Lazard Global Total Return and Income Fund, Inc.

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ITEM 2. CODE OF ETHICS.

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. INVESTMENTS

Not applicable.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no material changes to the procedures by which shareholders may recommend nominees to the Registrant's Board of Directors during the period covered by this report.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The Registrant's principal executive and principal financial officers have concluded, based on their evaluation of the Registrant's disclosure controls and procedures as of a date within 90 days of the filing date of this report, that the Registrant's disclosure controls and procedures are reasonably designed to ensure that information required to be disclosed by the Registrant on Form N-CSR is recorded, processed, summarized and reported within the required time periods and that information required to be disclosed by the Registrant in the reports that it files or submits on Form N-CSR is accumulated and communicated to the Registrant's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes to the Registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

(a)(1) Not applicable.

(a)(2) Certifications of principal executive and principal financial officers as required by Rule 30a-2(a) under the Investment Company Act of 1940.

(a)(3) Not applicable.

(b) Certifications of principal executive and principal financial officers as required by Rule 30a-2(b) under the Investment Company Act of 1940.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Lazard Global Total Return and Income Fund, Inc.

By /s/ Nathan A. Paul  
Nathan A. Paul  
Chief Executive Officer

Date September 6, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By /s/ Nathan A. Paul  
Nathan A. Paul  
Chief Executive Officer

Date September 6, 2017

By /s/ Christopher Snively  
Christopher Snively  
Chief Financial Officer

Date September 6, 2017