

LAZARD GLOBAL TOTAL RETURN & INCOME FUND INC  
Form N-CSRS  
September 06, 2007

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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)

Nathan A. Paul, 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: 6/30/07

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ITEM 1. REPORTS TO STOCKHOLDERS.

## LAZARD ASSET MANAGEMENT

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# Lazard Global Total Return & Income Fund, Inc. Semi-Annual Report

JUNE 30, 2007

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

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**Please consider the Fund's investment objective, risks, charges and expenses carefully before investing. For more complete information about the Fund, you may obtain the prospectus by calling 800-828-5548, or online, at [www.LazardNet.com](http://www.LazardNet.com). Read the prospectus carefully before you invest. The prospectus contains investment objective, risks, charges, expenses and other information about the Fund, which may not be detailed in this report.**

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

## **Investment Overview**

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### **Dear Shareholder,**

We are pleased to present the semi-annual report for Lazard Global Total Return & Income Fund, Inc. ("LGI" or the "Fund"), for the period ended June 30, 2007. The Fund 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."

The Fund has been in operation for a little over three years, and we are pleased with LGI's performance for the second quarter of 2007 and since its inception. We believe that the Fund has provided investors with an attractive yield 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, 2007)**

For the second quarter of 2007, the Fund's Net Asset Value ("NAV") performance rose 6.6%, slightly ahead of the Morgan Stanley Capital International (MSCI®) World® Index (the "Index") return of 6.5%. For the year-to-date through June 30, 2007, the Fund's NAV return of 6.9% trailed the Index return of 9.2%. However, the Fund's since inception annualized NAV return of 16.3% has outperformed the Index return of 15.8%. Shares of LGI ended the second quarter of 2007 with a market price of \$21.82, representing an 11.8% discount to the Fund's NAV of \$24.75. The Fund's net assets were \$237.7 million as of June 30, 2007, with total leveraged assets of \$330.4 million, representing 28.1% leverage.

We believe that LGI's investment thesis remains sound as demonstrated by the Fund's favorable NAV performance since the Fund's inception. Second quarter performance was enhanced by stock selection in the technology, and telecom services sectors, while returns were hurt by stock selection in the health care sector as well as from lack of exposure to mining stocks. Returns for the smaller, short-duration<sup>1</sup> emerging market currency and debt portion of the Fund were strong in the second quarter and have been a meaningful positive contributor to performance for the year-to-date and since inception.

As of June 30, 2007, 63.3% of the Fund's total leveraged assets consisted of global equities and 35.4% consisted of emerging markets currency and debt instruments, while the remaining 1.3% consisted of cash and other assets.

### **Declaration of Dividends**

Pursuant to LGI's managed distribution policy, the Fund's Board of Directors has declared a monthly dividend distribution of \$0.1042 per share on the Fund's outstanding stock each month since inception. The Fund continues to maintain this distribution level. In addition, in September and December of 2006, the Fund also made two additional, required distributions of accumulated income and net realized capital gains. The cumulative distributions for the last 12 months ended June 30, 2007 totaled \$2.339 per share. There was no return of capital in 2006 and the Fund has not returned capital to investors since its inception. The \$2.339 distribution represents a market yield of 10.7% (including capital gains), based on the share price of \$21.82 at the close of NYSE trading on June 30, 2007.

### **Additional Information**

Please note that available on [www.LazardNet.com](http://www.LazardNet.com) are frequent updates on the Fund's performance, press releases, and a monthly fact sheet that provides information about the Fund's major holdings, sector weightings, regional exposures, and other characteristics. You may also reach Lazard by phone at 1-800-828-5548.

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

**Message from the Portfolio Managers**

**Global Equity Portfolio  
(63.3% of total leveraged assets)**

The Fund's global equity portfolio is invested primarily in equity securities of large, well-known global companies with strong financial productivity at attractive valuations. Examples include GlaxoSmithKline, a global research-based pharmaceutical company based in the United Kingdom; Bank of America, a holding company that provides banking and non-banking financial services and products in the United States and internationally; Nokia Corp., the Finnish manufacturer of mobile telephones; and Total SA, the

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

## **Investment Overview** (continued)

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French-based energy supplier that explores for, produces, refines, transports, and markets oil and natural gas.

Companies held in the global equity portfolio are all based in developed-market regions around the world. As of June 30, 44.0% of these stocks were based in North America, 25.6% were based in Continental Europe (not including the United Kingdom), 21.5% were from the United Kingdom, and 8.9% were from Japan. The global equity portfolio is similarly well diversified across a number of industry sectors. The top two sectors, by weight, at June 30, were financials (28.1%), which includes banks, insurance companies, and financial services companies, and information technology (17.5%), a sector that encompasses industries involved in the design, development, installation, and implementation of information systems and applications, including hardware, software, IT services, and media-related companies. Other sectors in the portfolio include consumer discretionary, consumer staples, energy, health care, industrials, and telecommunications services. The average dividend yield on the global equity portfolio was approximately 2.3% as of June 30, 2007.

### Global Equity Market Review

Global equity markets proved to be strong early in the quarter, rising steadily and ending the first two months with solid gains. Stocks rallied, despite a sharp rise in government bond yields, as earnings reports continued to exceed investors' expectations. Merger activity provided a further boost to stocks. Even a sharp selloff in the Chinese market, reminiscent of the decline that triggered the early March weakness in the markets, failed to derail the rally. However, stocks experienced increased volatility in June, as the rise in interest rates accelerated and investors became increasingly cautious following the news of potential hedge fund losses in the U.S. subprime mortgage market. In addition, high commodity prices coupled with a weaker U.S. dollar and a tight labor market have put pressure on consumer prices, reducing the likelihood that the U.S. Federal Reserve will reduce interest rates in the near term. Concerns about the future of the housing and subprime mortgage markets remain sources of uncertainty that surround the outlook for the economy. On a regional basis, European stocks outperformed in the second quarter, driven by strength in the European economy. U.S. stocks performed in line with the broad global markets, while Japanese stocks lagged significantly amid concerns about the country's economic recovery. From a sector perspective, energy stocks performed well during the quarter, as the price of oil crept back above \$70 per barrel. Cyclical sectors, such as industrials and materials, performed well, and technology shares were also among the best-performing stocks, after an extended period of underperformance. Defensive groups, such as health care and consumer staples, lagged. In addition, interest-rate-sensitive sectors, such as utilities and financials, also lagged, as interest rates around the world spiked during the quarter.

### What Helped and What Hurt LGI

In the second quarter of 2007, the Fund's global equity portfolio performance was enhanced by solid stock selection in the information technology sector. First Data was acquired by a private-equity firm, which boosted returns. Shares of Nokia also performed well, as the company continued to gain market share that was being driven by its new handset products. Holdings in the telecom services sector also posted gains with Vodafone reporting better-than-expected earnings, as consolidation in the industry highlighted the strategic value of these businesses. In contrast, stock selection in health care detracted from performance, as Sanofi-Aventis and GlaxoSmithKline experienced setbacks related to regulatory approval for new products and patent litigation on existing products. A lack of exposure to mining companies also hurt returns, as these stocks continued to perform well amid stubbornly high commodity prices. However, we believe the valuations in the group imply an extended period of commodity prices that are well above historical norms.

### **Emerging Market Currency and Debt Portfolio (35.4% of total leveraged assets)**

The Fund also seeks enhanced income through investing in high-yielding, short-duration (typically, under one year) emerging market forward currency contracts and local currency debt instruments. As of June 30, 2007, this portfolio consisted primarily of forward currency contracts (79.2%), and a smaller allocation to sovereign debt obligations (17.2%) and structured notes



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*Lazard Global Total Return & Income Fund,*

## **Investment Overview** (continued)

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(3.6%) . The average duration of the emerging market currency and debt portfolio was approximately six months, as of June 30, with an average yield of 7.3% <sup>2</sup>.

As of June 30, the Fund's emerging market currency and debt holdings were highly diversified across 28 countries within Africa (21.6%), Asia (20.8%), Latin America (19.0%), the Middle East (12.8%), the Commonwealth of Independent States and Baltic countries (12.6%), and Eastern Europe (12.1%) .

### Emerging Market Currency and Debt Market Review

By the end of the second quarter, global equity, debt, and currency markets were unnerved by sub-prime mortgage worries emanating from the United States, and credit markets had begun to falter. Meanwhile, Chinese growth powered ahead, with GDP up 11.9% year-over-year in the second quarter, while Chinese inflation accelerated sharply in June, to a nearly three-year high of 4.4% year-over-year. The macroeconomic data prompted concerns that the Chinese economy is overheating; however, the authorities are still not allowing much renminbi appreciation, preferring to use other monetary policy tools. While the second quarter of 2007 saw the fastest pace of Chinese currency gains since the July 2005 revaluation, the 1.5% quarterly move is neither sufficient to make a dent in the domestic growth/inflation mix, nor is it likely to satisfy the protectionist contingent in the U.S. Congress.

With liquidity conditions tightening slowly and recent signs of credit strains appearing, particularly in the sub-prime U.S. mortgage market, spikes of volatility are likely to arise more frequently. The scope of the sub-prime mortgage situation is unknown, as is the impact of tightening credit conditions on the U.S. consumer and leveraged global capital flows. The robust balance of payments within many of the portfolio's currency and debt positions could prove to be especially valuable in this period. We retain a positioning bias in fundamentally sound countries and low correlation frontier markets that we expect will outperform under such conditions. Our exposure to credit risk remains low, as we are capturing similar levels of compensation in the currency forward market, while incurring considerably fewer (duration, convertibility, liquidity, credit, regulatory, etc.) risks.

### What Helped and What Hurt LGI

Nearly every position in the Fund's emerging market currency and debt portfolio contributed to its strong positive performance in the second quarter. Holdings in six Latin American countries were strong contributors, particularly those in Colombia and Brazil. Within Europe, local-market gains were led by Romania, Hungary, and Poland. However, the Fund's emerging market currency and debt portfolio took profits on its remaining Romanian leu position during the pronounced second quarter rally, amid concerns about the country's imbalanced growth profile. Active management added particular value in Hungarian currency and local rates, as the portfolio realized a return that was more than twice the money market return. The portfolio's Polish zloty position also performed very well. Rising domestic inflation prompted the onset of central bank tightening, boosting the zloty, which is fundamentally supported by a healthy FDI-financed external deficit and excellent GDP growth dynamics. The portfolio also benefited from timely anticipation of the mid-May Kuwaiti dinar revaluation. Kuwait's move toward greater currency flexibility (dropping its U.S. dollar peg in favor of a managed "currency basket") has increased the probability of currency policy liberalization in the United Arab Emirates as well. Clearly, the abundance of petrodollar liquidity, domestic political concern over rising inflation, and the maintenance of U.S. dollar-pegged, undervalued currencies throughout the Gulf serve little purpose other than to perpetuate and, arguably, exacerbate existing imbalances. Israel and Singapore were minor detractors from overall performance in the second quarter.



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*Lazard Global Total Return & Income Fund,*

**Investment Overview** (continued)

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**Notes to Investment Overview:**

- 1 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.
- 2 The quoted yield does not account for the implicit cost of borrowing on the forward currency contracts, which would reduce the yield shown.

All returns reflect reinvestment of all dividends and distributions. Past performance is not indicative, nor a guarantee, of future results. The performance data of the Index 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 Index represents market value-weighted average returns of selected securities listed on the stock exchanges of Europe, Australasia and the Far East, New Zealand, Canada, and the United States. The Index is unmanaged, has no fees or costs and is not available for investment.

The views of the Fund's management and the portfolio holdings described in this report are as of June 30, 2007; 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 investment. There is no assurance that the portfolio holdings discussed herein will remain in the Fund at the time you receive this report, or that portfolio holdings sold will not have been repurchased. The specific portfolio holdings discussed may in aggregate represent only a small percentage of the Fund's holdings. It should not be assumed that investments identified and discussed were, or will be, profitable, or that the investment decisions we make in the future will be profitable, or equal the performance of the investments 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 the outlooks for markets, sectors and securities as discussed herein. You should read the Fund's prospectus for a more detailed discussion of the Fund's investment objective, strategies, risks and fees.

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

**Investment Overview** (continued)

**Comparison of Changes in Value of \$10,000 Investment in  
LGI and MSCI World Index\* (unaudited)**

**Average Annual Total Returns\***

**Periods Ended June 30, 2007**

**(unaudited)**

	<b>One Year</b>	<b>Since Inception**</b>
Market Price	23.77%	10.77%
Net Asset Value	22.99	16.28
MSCI World Index	23.59	15.84

\* All 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, nor 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.

The performance data of the Index has been prepared from sources and data that the Investment Manager believes to be reliable, but no representation is made as to its accuracy. The Index represents market value-weighted average returns of selected securities listed on the stock exchanges of Europe, Australasia and the Far East, New Zealand, Canada, and the United States. The Index is unmanaged, has no fees or costs and is not available for investment.

\*\* The Fund's inception date was April 28, 2004.

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

## **Investment Overview** (concluded)

### **Ten Largest Equity Holdings** **June 30, 2007 (unaudited)**

<b>Security</b>	<b>Value</b>	<b>Percentage of Net Assets</b>
Microsoft Corp.	\$9,619,008	4.05%
Exxon Mobil Corp.	8,815,788	3.71
International Business Machines Corp.	8,493,675	3.57
Diageo PLC Sponsored ADR	8,422,641	3.54
Oracle Corp.	7,878,087	3.31
JPMorgan Chase & Co.	7,214,011	3.03
HSBC Holdings PLC Sponsored ADR	7,002,051	2.95
Bank of America Corp.	6,756,598	2.84
Heineken NV ADR	6,598,800	2.78
The Home Depot, Inc.	6,512,425	2.74

### **Portfolio Holdings Presented by Sector** **June 30, 2007 (unaudited)**

<b>Sector</b>	<b>Percentage of Total Investments</b>
Consumer Discretionary	2.5%
Consumer Staples	10.7
Emerging Markets Debt Obligations	9.2
Energy	9.2
Financials	22.2
Health Care	9.9
Industrials	3.5
Information Technology	13.8
Telecommunication Services	7.2
Short-Term Investments	11.8
Total Investments	100.0%

Lazard Global Total Return &amp; Income Fund, Inc.

**Portfolio of Investments****June 30, 2007 (unaudited)**

Description	Shares	Value
<b>Common Stocks</b> 88.0%		
<b>Finland</b> 2.3%		
Nokia Oyj Sponsored ADR (c)	192,800	\$ 5,419,608
<b>France</b> 5.1%		
Sanofi-Aventis ADR	105,200	4,236,404
Societe Generale Sponsored ADR	72,000	2,649,600
Total SA Sponsored ADR	64,000	5,182,720
<b>Total France</b>		12,068,724
<b>Italy</b> 1.1%		
Eni SpA Sponsored ADR (c)	36,350	2,629,923
<b>Japan</b> 7.8%		
Canon, Inc. Sponsored ADR (d)	44,700	2,621,208
Hoya Corp. Sponsored ADR (d)	54,300	1,781,040
Mitsubishi UFJ Financial Group, Inc. ADR (d)	323,100	3,560,562
Mitsui Sumitomo Insurance Co., Ltd. ADR	17,600	2,254,602
Nomura Holdings, Inc. ADR (d)	332,600	6,459,092
Sumitomo Mitsui Financial Group, Inc. ADR (d)	209,100	1,923,720
<b>Total Japan</b>		18,600,224
<b>Netherlands</b> 2.8%		
Heineken NV ADR	225,600	6,598,800
<b>Singapore</b> 2.0%		
Singapore Telecommunications, Ltd. ADR (d)	217,400	4,858,890
<b>Sweden</b> 1.0%		
Telefonaktiebolaget LM Ericsson Sponsored ADR	61,900	2,469,191
<b>Switzerland</b> 10.3%		
Credit Suisse Group Sponsored ADR	73,400	5,208,464
Nestle SA Sponsored ADR	34,400	3,290,360
Novartis AG ADR	78,900	4,423,923
Roche Holding AG Sponsored ADR .	46,200	4,102,560
UBS AG (c)	75,900	4,554,759
Zurich Financial Services AG ADR	92,500	2,839,750
<b>Total Switzerland</b>		24,419,816
<b>United Kingdom</b> 18.9%		
Barclays PLC Sponsored ADR	67,800	3,782,562
BP PLC Sponsored ADR	69,600	5,020,944
Cadbury Schweppes PLC Sponsored ADR	112,700	6,119,610

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Diageo PLC Sponsored ADR (c)	101,100	8,422,641
GlaxoSmithKline PLC Sponsored ADR (d)	80,200	4,200,074
HSBC Holdings PLC Sponsored ADR (d)	76,300	7,002,051
Tesco PLC Sponsored ADR (c)	153,200	3,868,300
Vodafone Group PLC Sponsored ADR (d)	191,712	6,447,275
<b>Total United Kingdom</b>		<b>44,863,457</b>
<b>United States</b> 36.7%		
Bank of America Corp. (c)	138,200	6,756,598
Bristol-Myers Squibb Co. (c)	92,600	2,922,456
Cisco Systems, Inc. (a), (c)	220,400	6,138,140
ConocoPhillips	32,900	2,582,650
Exxon Mobil Corp. (c)	105,100	8,815,788
General Electric Co. (c)	116,300	4,451,964
International Business Machines Corp. (d)	80,700	8,493,675
Johnson & Johnson	104,300	6,426,966
JPMorgan Chase & Co. (c)	148,896	7,214,011
Mellon Financial Corp. (c)	103,600	4,558,400
Microsoft Corp. (c)	326,400	9,619,008
Oracle Corp. (a), (c)	399,700	7,878,087
The Home Depot, Inc. (c)	165,500	6,512,425
United Technologies Corp. (c)	68,900	4,887,077
<b>Total United States</b>		<b>87,257,245</b>
<b>Total Common Stocks</b> (Identified cost \$162,177,733)		<b>209,185,878</b>

Description	Principal Amount (000) (e)	Value
<b>Foreign Government Obligations</b> 8.4%		
<b>Costa Rica</b> 1.0%		
Costa Rican Bono de Estabilizacion Monetaria, 0.00%, 10/10/07	639,500	1,210,507
Costa Rican Titulos de Propiedad, 0.00%, 10/10/07	660,000	1,249,312
<b>Total Costa Rica</b>		<b>2,459,819</b>
<b>Egypt</b> 3.5%		
Central Bank of Egypt Certificate of Deposit, 0.00%, 07/04/07	7,000	1,228,003
Egypt Treasury Bills:		
0.00%, 07/24/07	8,400	1,465,739
0.00%, 07/31/07	4,000	696,636
0.00%, 08/07/07	3,325	577,986
0.00%, 10/23/07	22,900	3,900,141
0.00%, 10/30/07	2,650	450,498
<b>Total Egypt</b>		<b>8,319,003</b>

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

Lazard Global Total Return &amp; Income Fund, Inc.

**Portfolio of Investments** (continued)

June 30, 2007 (unaudited)

Description	Principal Amount (000) (e)	Value
<b>Ghana</b> 0.2%		
Ghanaian Government Bond, 13.50%, 03/30/10	4,200,000	\$ 468,233
<b>Hungary</b> 1.0%		
Hungarian Government Bonds:		
9.50%, 02/12/09	200,510	1,143,130
6.50%, 08/12/09	205,770	1,119,220
<b>Total Hungary</b>		2,262,350
<b>Mexico</b> 1.1%		
Mexican Bonos:		
8.00%, 12/24/08	12,370	1,153,790
9.00%, 12/20/12	15,450	1,514,370
<b>Total Mexico</b>		2,668,160
<b>Turkey</b> 1.6%		
Turkish Government Bonds:		
0.00%, 11/26/08	2,516	1,515,201
0.00%, 02/04/09	1,769	1,033,756
14.00%, 01/19/11	1,782	1,345,318
<b>Total Turkey</b>		3,894,275
<b>Total Foreign Government Obligations</b>		
(Identified cost \$19,646,092)		20,071,840
<b>Structured Notes</b> 1.8%		
<b>Brazil</b> 1.6%		
Citibank Brazil Inflation-Linked Bond NTN-B:		
6.75%, 05/18/09 (f)	927	1,150,328
6.60%, 08/17/10 (f)	1,029	1,313,882
6.40%, 05/18/15 (f)	989	1,262,508
<b>Total Brazil</b>		3,726,718
<b>Colombia</b> 0.2%		
Citibank Colombia TES Credit Linked Unsecured Note,		
10.05%, 04/27/12 (f)	397	503,343
<b>Total Structured Notes</b>		4,230,061
(Identified cost \$3,320,285)		
<b>Short-Term Investments</b> 13.1%		
<b>Collateral for Securities on Loan</b> 12.2%		
State Street Navigator Securities		

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Lending Prime Portfolio, 5.27% (g), (h)	29,020,640	\$ 29,020,640
	<b>Principal Amount (000)</b>	<b>Value</b>
<b>Description</b>		
<b>Repurchase Agreement</b> 0.9%		
State Street Bank and Trust Co., 3.70%, 07/02/07 (Dated 06/29/07, collateralized by \$1,730,000 United States Treasury Bond, 8.00%, 11/15/21, with a value of \$2,218,725) Proceeds of \$2,172,670 (c)	\$2,172	2,172,000
<b>Total Short-Term Investments</b> (Identified cost \$31,192,640)		31,192,640
<b>Total Investments</b> 111.3% (Identified cost \$216,336,750) (b)		\$ 264,680,419
<b>Liabilities in Excess of Cash and Other Assets</b> (11.3)%		(26,964,139)
<b>Net Assets</b> 100.0%		\$ 237,716,280

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



Lazard Global Total Return &amp; Income Fund,

**Portfolio of Investments** (continued)

June 30, 2007 (unaudited)

Forward Currency Purchase Contracts open at June 30, 2007:

Forward Currency Purchase Contracts	Expiration Date	Foreign Currency	U.S. \$ Cost on Origination Date	U.S. \$ Current Value	Unrealized Appreciation	Unrealized Depreciation
AED	07/23/07	4,278,870	\$ 1,166,000	\$ 1,165,235	\$ □	\$ 765
AED	08/23/07	4,277,588	1,166,000	1,165,274	□	726
AED	09/25/07	4,398,891	1,199,000	1,198,619	□	381
ARS	10/04/07	576,275	185,000	185,237	237	□
ARS	10/24/07	1,759,210	568,000	564,340	□	3,660
ARS	10/29/07	1,803,219	583,000	578,166	□	4,834
ARS	10/30/07	2,519,737	814,000	807,822	□	6,178
ARS	10/31/07	2,519,737	814,000	807,741	□	6,259
ARS	01/28/08	1,738,490	559,000	552,643	□	6,357
BRL	09/20/07	2,352,609	1,047,000	1,209,029	162,029	□
BRL	09/20/07	5,583,770	2,483,000	2,869,554	386,554	□
BRL	10/05/07	993,450	444,000	509,647	65,647	□
BRL	10/30/07	1,305,901	586,000	668,242	82,242	□
BWP	07/09/07	3,952,612	651,000	639,156	□	11,844
BWP	08/21/07	4,415,024	716,999	708,285	□	8,714
COP	07/23/07	3,204,630,000	1,485,000	1,633,868	148,868	□
COP	07/23/07	895,230,000	420,000	456,430	36,430	□
COP	07/24/07	1,045,971,000	489,000	533,244	44,244	□
EUR	07/03/07	970,000	1,306,687	1,310,167	3,480	□
EUR	08/06/07	970,000	1,312,022	1,311,677	□	345
GHC	07/16/07	3,393,000,000	360,000	365,410	5,410	□
GHC	07/24/07	5,426,964,580	573,130	583,921	10,791	□
GHC	08/14/07	7,032,704,000	752,000	754,787	2,787	□
GHC	08/27/07	9,923,540,000	1,049,000	1,063,365	14,365	□
GHC	09/11/07	2,833,050,000	303,000	303,026	26	□
GHC	09/13/07	5,521,023,000	584,854	590,391	5,537	□
GHC	10/22/07	7,809,180,000	829,000	830,337	1,337	□
GHC	12/18/07	2,521,680,000	266,000	265,710	□	290
HUF	08/21/07	241,108,000	1,264,000	1,320,663	56,663	□
IDR	07/16/07	25,373,040,000	2,881,663	2,806,141	□	75,522
IDR	07/18/07	6,325,275,000	697,000	699,479	2,479	□
IDR	08/13/07	5,175,990,000	578,000	571,471	□	6,529
IDR	10/22/07	6,141,420,000	669,000	675,426	6,426	□
IDR	12/13/07	5,441,655,000	597,000	596,890	□	110
IDR	12/21/07	5,088,340,000	566,000	557,909	□	8,091
ILS	03/11/08	4,837,117	1,177,000	1,147,708	□	29,292
ILS	06/11/08	4,726,500	1,150,000	1,123,916	□	26,084
INR	08/17/07	10,299,440	248,000	252,183	4,183	□
INR	08/20/07	10,424,030	251,000	255,188	4,188	□
INR	11/23/07	49,663,080	1,206,000	1,207,412	1,412	□

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INR	12/07/07	27,859,570	683,000	676,623	□	6,377
INR	12/12/07	46,883,700	1,130,000	1,138,239	8,239	□
KWD	07/16/07	325,808	1,126,000	1,131,595	5,595	□
KWD	10/31/07	695,984	2,408,999	2,423,690	14,691	□
KZT	07/30/07	72,325,440	594,000	592,920	□	1,080
KZT	08/02/07	93,035,600	745,000	762,752	17,752	□
KZT	08/09/07	76,622,000	617,173	628,277	11,104	□
KZT	08/29/07	72,325,440	594,000	593,292	□	708

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

Lazard Global Total Return &amp; Income Fund, Inc.

**Portfolio of Investments** (continued)

June 30, 2007 (unaudited)

Forward Currency Purchase Contracts open at June 30, 2007 (continued):

Forward Currency Purchase Contracts	Expiration Date	Foreign Currency	U.S. \$ Cost on Origination Date	U.S. \$ Current Value	Unrealized Appreciation	Unrealized Depreciation
KZT	09/10/07	68,641,200	\$ 552,000	\$ 563,106	\$ 11,106	\$ □
KZT	12/24/07	62,765,550	513,000	515,173	2,173	□
MUR	11/30/07	20,422,857	636,999	638,471	1,472	□
MUR	01/03/08	10,966,640	342,000	340,993	□	1,007
MXN	02/29/08	4,469,248	406,000	407,935	1,935	□
MXN	03/31/08	4,261,246	376,000	388,136	12,136	□
MYR	07/12/07	1,789,968	523,000	518,775	□	4,225
MYR	07/18/07	2,546,928	736,000	738,388	2,388	□
MYR	07/23/07	3,090,378	908,000	896,172	□	11,828
MYR	08/13/07	2,124,752	622,000	616,774	□	5,226
MYR	11/13/07	3,345,688	995,000	975,425	□	19,575
MYR	11/14/07	3,065,099	914,000	893,663	□	20,337
MYR	12/28/07	2,083,015	605,000	608,607	3,607	□
MYR	03/28/08	2,071,520	605,000	607,844	2,844	□
NGN	07/10/07	154,130,070	1,189,000	1,209,037	20,037	□
NGN	07/17/07	156,655,070	1,210,000	1,228,844	18,844	□
NGN	09/07/07	178,977,600	1,380,999	1,382,154	1,155	□
NGN	10/05/07	170,564,000	1,313,739	1,305,083	□	8,656
NGN	12/05/07	59,552,000	461,005	455,666	□	5,339
PEN	08/14/07	1,964,505	610,000	621,114	11,114	□
PEN	08/16/07	1,640,209	516,000	518,609	2,609	□
PHP	07/20/07	40,789,840	862,000	881,746	19,746	□
PHP	07/26/07	81,745,920	1,774,000	1,766,967	□	7,033
PHP	08/10/07	44,384,140	958,000	959,208	1,208	□
PHP	09/12/07	52,357,500	1,125,000	1,130,902	5,902	□
PLN	07/12/07	3,940,497	1,382,000	1,415,200	33,200	□
PLN	08/21/07	9,000,000	3,215,089	3,235,177	20,088	□
PLN	02/22/08	3,607,628	1,287,000	1,299,509	12,509	□
RUB	08/27/07	56,586,000	2,163,073	2,201,697	38,624	□
RUB	11/07/07	46,639,980	1,738,999	1,816,079	77,080	□
RUB	02/01/08	11,541,000	434,768	449,629	14,861	□
RUB	02/26/08	93,798,230	3,637,000	3,654,728	17,728	□
RUB	09/19/08	21,264,250	725,000	827,257	102,257	□
SGD	07/05/07	1,395,226	919,000	912,611	□	6,389
SGD	07/10/07	2,137,085	1,419,000	1,398,425	□	20,575
SGD	07/10/07	1,071,331	697,936	701,037	3,101	□
SGD	07/23/07	415,714	271,000	272,315	1,315	□
SGD	08/02/07	1,379,176	902,000	904,165	2,165	□
SGD	08/27/07	1,382,563	910,000	908,176	□	1,824
SGD	08/27/07	805,779	526,000	529,299	3,299	□

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SKK	07/06/07	38,355,275	1,525,000	1,541,744	16,744	
SKK	07/25/07	23,305,128	924,000	937,332	13,332	
SKK	08/28/07	28,422,713	1,111,000	1,144,492	33,492	
SKK	09/13/07	26,704,972	1,043,000	1,075,836	32,836	
TRY	08/21/07	2,254,337	1,699,000	1,693,734		5,266
TRY	08/21/07	394,560	294,000	296,442	2,442	
TZS	10/16/07	503,740,750	383,000	393,220	10,220	
TZS	11/02/07	440,525,000	335,000	342,661	7,661	

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

Lazard Global Total Return & Income Fund, Inc.

## Portfolio of Investments (concluded)

June 30, 2007 (unaudited)

Forward Currency Purchase Contracts open at June 30, 2007 (concluded):

Forward Currency Purchase Contracts	Expiration Date	Foreign Currency	U.S. \$ Cost on Origination Date	U.S. \$ Current Value	Unrealized Appreciation	Unrealized Depreciation
TZS	11/07/07	460,863,000	\$ 351,000	\$ 358,109	\$ 7,109	\$ □
TZS	01/18/08	320,348,000	238,000	244,762	6,762	□
TZS	01/22/08	324,000,000	240,000	247,262	7,262	□
TZS	02/05/08	385,792,000	274,000	293,218	19,218	□
TZS	02/06/08	516,304,000	368,000	392,298	24,298	□
TZS	04/16/08	722,085,000	529,000	537,692	8,692	□
TZS	04/21/08	554,182,000	400,999	412,077	11,078	□
TZS	04/30/08	745,327,886	547,230	552,791	5,561	□
TZS	06/11/08	440,778,720	323,000	323,057	57	□
UAH	07/12/07	4,143,000	824,084	827,993	3,909	□
UAH	09/17/07	7,640,000	1,514,581	1,529,697	15,116	□
UGX	09/10/07	479,650,000	265,000	298,469	33,469	□
UGX	11/16/07	801,453,000	463,000	493,067	30,067	□
UGX	01/11/08	745,554,000	411,000	454,034	43,034	□
UGX	02/29/08	403,326,000	231,000	243,322	12,322	□
UGX	05/30/08	410,025,000	231,000	243,136	12,136	□
Total Forward Currency Purchase Contracts			\$ 96,781,028	\$ 98,363,638	\$ 1,904,036	\$ 321,426

Forward Currency Sale Contracts open at June 30, 2007:

Forward Currency Sale Contracts	Expiration Date	Foreign Currency	U.S. \$ Cost on Origination Date	U.S. \$ Current Value	Unrealized Appreciation	Unrealized Depreciation
BRL	09/28/07	378,029	\$ 193,000	\$ 194,079	\$ □	\$ 1,079
BWP	07/09/07	3,952,612	633,410	639,156	□	5,746
BWP	08/21/07	4,415,024	702,576	708,285	□	5,709
EUR	07/03/07	970,000	1,310,470	1,310,167	303	□
SGD	07/05/07	1,395,226	910,348	912,611	□	2,263
TZS	07/11/07	406,753,900	323,000	326,029	□	3,029
Total Forward Currency Sale Contracts			\$ 4,072,804	\$ 4,090,327	303	17,826
Gross unrealized appreciation/depreciation on Forward Currency Contracts					\$ 1,904,339	\$ 339,252

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

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

## Notes to Portfolio of Investments

June 30, 2007 (unaudited)

- (a) Non-income producing security.
- (b) For federal income tax purposes, the aggregate cost was \$216,336,750, aggregate gross unrealized appreciation was \$51,112,856, aggregate gross unrealized depreciation was \$2,769,187, and the net unrealized appreciation was \$48,343,669.
- (c) Segregated security for forward currency contracts.
- (d) Security or portion thereof is out on loan.
- (e) Principal amount denominated in respective country's currency unless otherwise specified.
- (f) Pursuant to Rule 144A under the Securities Act of 1933, these securities may only be traded among qualified institutional buyers. At June 30, 2007, these securities amounted to 1.8% of net assets and are not considered to be liquid. Principal amount denominated in U.S. dollars. Interest rate shown reflects current yield as of June 30, 2007.
- (g) Rate shown reflects 7 day yield as of June 30, 2007.
- (h) Represents security purchased with cash collateral received for securities on loan.

### Security Abbreviations:

ADR □ American Depositary Receipt  
 NTN-B □ Brazil Sovereign □Nota do Tesouro Nacional□  
 TES □ Titulos de Tesoreria

### Currency Abbreviations:

AED □ United Arab Emirates Dirham	MUR □ Mauritian Rupee
ARS □ Argentine Peso	MXN □ Mexican Peso
BRL □ Brazilian Real	MYR □ Malaysian Ringgit
BWP □ Botswana Pula	NGN □ Nigerian Naira
COP □ Colombian Peso	PEN □ Peruvian New Sol
EUR □ Euro	PHP □ Philippine Peso
GHC □ Ghanaian Cedi	PLN □ Polish Zloty
HUF □ Hungarian Forint	RUB □ Russian Ruble
IDR □ Indonesian Rupiah	SGD □ Singapore Dollar
ILS □ Israeli Shekel	SKK □ Slovenska Koruna
INR □ Indian Rupee	TRY □ New Turkish Lira
KWD □ Kuwaiti Dinar	TZS □ Tanzanian Shilling
KZT □ Kazak Tenge	UAH □ Ukranian Hryvnia
	UGX □ Ugandan Shilling

### Portfolio holdings by industry (as percentage of net a

#### Industry

Alcohol & Tobacco  
 Banking  
 Computer Software  
 Drugs  
 Energy Integrated  
 Financial Services  
 Food & Beverages  
 Insurance  
 Manufacturing  
 Medical Products  
 Retail  
 Semiconductors & Components  
 Technology  
 Technology Hardware  
 Telecommunications  
 Subtotal  
 Foreign Government Obligations  
 Structured Notes  
 Collateral for Securities on Loan  
 Repurchase Agreement  
 Total Investments

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



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

## **Statement of Assets and Liabilities**

**June 30, 2007 (unaudited)**

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### **ASSETS**

Investments in securities, at value (cost \$216,336,750 and includes \$29,020,640 in collateral for securities on loan, at value)	\$ 264,680,419
Cash	579
Foreign currency, at value (cost \$3,726)	3,730
Receivables for:	
Dividends and interest	804,376
Income from securities loaned	15,277
Gross appreciation on forward currency contracts	1,904,339
Total assets	267,408,720

### **LIABILITIES**

Payables for:	
Management fees	229,347
Accrued directors' fees	3,436
Amounts due upon return of securities on loan	29,020,640
Gross depreciation on forward currency contracts	339,252
Other accrued expenses and payables	99,765
Total liabilities	29,692,440
Net assets	\$