LAZARD GLOBAL TOTAL RETURN & INCOME FUND INC
Form N-30B-2
December 23, 2008

LAZARD ASSET MANAGEMENT

SEPTEMBER 30, 2008

Lazard Global Total Return & Income Fund, Inc.
Investment Overview

Dear Shareholders,

We are pleased to present this third quarter report for Lazard Global Total Return & Income Fund, Inc. (“LGI” or the “Fund”), for the period ended September 30, 2008. 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.”

The Fund has been in operation for almost four-and-a-half years. Thus far in 2008, the Fund’s Net Asset Value (“NAV”) performance has defended well versus the benchmark in a period of extraordinary global market weakness. We are similarly pleased with LGI’s favorable NAV returns over the last year and since 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 September 30, 2008)

For the third quarter of 2008, the Fund’s NAV decreased 7.6%, comfortably outperforming the Morgan Stanley Capital International (MSCI®) World® Index (the “Index”) loss of 15.3% . Similarly, for the year-to-date, the Fund’s NAV has fallen 17.7%, defending well versus the Index loss of 24.2% . The Fund’s since inception annualized NAV return of 7.3% has also comfortably outpaced the Index, which has declined by 4.4% in this time period. Shares of LGI ended the third quarter of 2008 with a market price of $14.68, representing a 23.6% discount to the Fund’s NAV of $19.21. The Fund’s net assets were $184.5 million as of September 30, 2008, with total leveraged assets of $259.0 million, representing 28.8% leverage.

We believe that LGI’s investment thesis remains sound, as demonstrated by the Fund’s favorable NAV performance this year and since inception. The Fund’s defensive characteristics and positioning enabled it to deliver strong relative performance with both security selection and sector allocation having significant positive effects. In particular, an underweight exposure to the materials sector, and good stock selection in the financials and information technology sectors added value. Furthermore, following on from a very strong year in 2007, the smaller, short-duration[1] emerging market currency and debt portion of the Fund has actually managed to produce modest positive performance this year despite a challenging global market environment. This portfolio has been a meaningful positive contributor to performance for the Fund since inception.

As of September 30, 2008, 68.5% of the Fund’s total leveraged assets consisted of global equities and 31.2% consisted of emerging market currency and debt instruments, while the remaining 0.3% consisted of cash and other net 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 December of 2006, and in September and December of 2007, the Fund made additional required distributions of accumulated income and net realized capital gains. The cumulative distributions for the last 12 months ended September 30, 2008 totaled $1.53 per share. There was no return of capital in 2007, and the Fund has not returned capital to investors since its inception. The current distribution yield is 8.5%, based on the annualized current distribution and the share price of $14.68 at the close of NYSE trading on September 30, 2008.

Additional Information

Please note that available on 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.

Lazard Global Total Return & Income Fund, Inc.

Investment Overview (continued)

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
(68.5% 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., a Finland-based manufacturer of mobile telephones; and Total SA, a French 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 September 30, 2008, 44.9% of these stocks were based in North America, 25.3% were based in Continental Europe (not including the United Kingdom), 19.1% were from the United Kingdom, 7.9% were from Japan, and 2.8% were from the rest of Asia (not including Japan). The global equity portfolio is similarly well diversified across a number of industry sectors. The top two sectors, by weight, at September 30, were financials (24.5%), which includes banks, insurance companies, and financial services companies, and information technology (17.9%), 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, telecommunication services, materials, and utilities. The average dividend yield on the global equity portfolio was approximately 3.0% as of September 30, 2008.

Global Equity Markets Review

Financial markets experienced virtually unprecedented turbulence in September. Subsequent to the initial emergence of the problems in the credit markets just over one year prior, the quarter saw a global credit crisis entering its most damaging phase to date. Substantial declines were experienced across the world's stock markets, reflected in a 15.3% fall in the MSCI World Index over the quarter. The crisis in the banking system, caused by a shortage of liquidity and widespread concern about the quality of assets held by banks, led to a number of widely publicized episodes in the financials sector across the United States and Europe, including the collapse or forced sale of a number of former heavyweight financial institutions, such as investment banks Lehman Brothers and Merrill Lynch, and direct intervention in distressed financial systems by a number of national governments. Worries of a global economic slowdown also sparked a major decline in prices for a range of commodities, including oil. The West Texas Intermediate crude oil spot price peaked at $140 per barrel before sliding to $101 per barrel by the end of the period. Elsewhere, the price of gold climbed sharply towards the end of the quarter. The period concluded with the unexpected rejection of the U.S. Government's Emergency Economic Stabilization Act by the House of Representatives, which prompted one of the largest-ever one-day falls in the history of the U.S. stock market. The legislation, which was intended to shore up the ailing U.S. financial system, remained under intense discussion at the close of the quarter.

What Helped and What Hurt LGI

The Fund's defensive characteristics and positioning enabled it to deliver strong relative performance over this unprecedented quarter. Both our security selection and sector allocation had significant positive effects. Although there are inevitably many stories to touch upon in such a volatile quarter, there were two key drivers of our outperformance: an underweight exposure to the materials sector, and positive stock selection in the financials and information technology sectors. We

Lazard Global Total Return & Income Fund, Inc.
Investment Overview (continued)

have long questioned valuations and the sustainability of returns in the materials sector, most notably with regard to mining companies. Our very limited exposure to the sector proved highly beneficial in a quarter that saw the materials sector fall significantly. Our stock selection within the sector also added value. In the information technology sector, where we retain a substantial overweight exposure, a number of holdings added considerable value. Major software producer Microsoft was the best performer, benefiting from its robust balance sheet and significant free-cash-flow generation. The portfolio was hurt by stock selection within the consumer staples and within France.

Emerging Market Currency and Debt Portfolio (31.2% of total leveraged assets)

The Fund also seeks enhanced income through investing in primarily high-yielding, short-duration (typically, under one year) emerging market forward currency contracts and local currency debt instruments. As of September 30, 2008, this portfolio consisted primarily of forward currency contracts (58.5%) and a smaller allocation to sovereign debt obligations (30.5%) and structured notes (11.0%) . The average duration of the emerging market currency and debt portfolio was approximately 10.9 months, as of September 30, with an average yield of 11.3% .2

Emerging Market Currency and Debt Market Review Global de-leveraging was the dominant theme of the third quarter. However, falling equity markets in both developing and emerging markets, a severe correction in energy and other commodity prices, and risk aversion were also major components of the global markets third quarter result. Inflation is no longer a key concern. Policy focus has shifted toward preserving growth in most countries, given the marked deterioration in global economic growth prospects. The TED Spread (Treasury Eurodollar spread) reached levels not seen since the 1970s. U.S. dollar and yen cash is king, with the unwinding of risk positions funded in these particular currencies.

The portfolios performance is primarily derived from two sources of return: yield and currency. During the quarter, many emerging market money markets posted negative returns, some substantial, as the rapid pace of emerging market currency depreciation overwhelmed even the substantial rise in interest rates at the short of inter-bank yield curves on the back of global inter-bank funding pressures. The aggregate interest rate on the portfolios positions rose by approximately 5% since the second quarter to nearly 12% by the end of September; however, this yield cushion was partially eroded by the historically high TED spread, which reduced the actual realized yield of the portfolio to approximately 8.3% . Still, the Funds short duration exposures benefited from the spike in short term yields, presenting a compelling reinvestment opportunity (on a selective basis) as maturing positions came due.

What Helped and What Hurt LGI

There were notable emerging market local currency headlines during the quarter, including the collapse of the South Korean won, which lost one-third of its value during August and September. Fortunately, the portfolio had no exposure to the Korean won. The portfolio also successfully avoided other local currency markets that suffered substantial third quarter losses such as South Africa, Taiwan, Thailand, Romania, to name a few. Elsewhere, light positioning in Chile and Colombia limited losses. Performance was helped by the fact that Eastern European and CIS/Baltic exposure had been significantly reduced earlier in the year. We anticipated deterioration in Eurozone data (relative to the U.S.), partly owing to the ECBs stubborn maintenance of a tight monetary stance. CIS/Baltic and Emerging European markets are vulnerable to decline in European demand for their exports. We also extended duration where the risk premia warranted, and benefited from the subsequent yield curve rallies. FX-hedged longer duration positions in Colombia and Mexicos interest rate markets contributed positively to performance, despite weakness in the currency markets of these countries. Elsewhere, increased exposures to Turkey, which benefited from seasonal summer tourism inflows, and to Israel, which gains on reverse domestic institutional fund repatriation (in times of global equity market distress), helped perfor-

Lazard Global Total Return & Income Fund, Inc.

Investment Overview (continued)

mance. The portfolio's ongoing significant exposure to "frontier" countries" generated continued alpha owing to their favorably low correlation with global risk appetite trends, limited stock of foreign investor involvement, and policy-influenced currency regimes. This characteristic contrasts sharply with the liquid emerging markets, which have attracted record amounts of foreign equity/currency/debt investor inflows in recent years, and hence are suffering substantial selling pressure as the foreign capital withdraws, en masse. Most of the portfolio's losses were attributable to several countries where the impact of global de-leveraging, foreign capital outflow, and credit market distress was most pronounced. This includes Brazil, Russia, India, Malaysia, and the Hungarian fixed income market. Portfolio performance was detracted by the global liquidity unwind which led to pronounced dollar strength versus most emerging market currencies.

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 September 30, 2008; 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.

Please consider the Fund's investment objective, risks, charges and expenses carefully before investing.

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 September 30, 2008
(unaudited)

	One Year	Since Inception**
Market Price	(28.90)%	0.54%
Net Asset Value	(18.46)	7.27
MSCI World Index	(26.05)	4.35

* 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
September 30, 2008 (unaudited)

Security	Value	Percentage of Net Assets
Microsoft Corp.	$8,711,616	4.7%
Exxon Mobil Corp.	8,162,066	4.4
Oracle Corp.	8,117,907	4.4
Johnson & Johnson	7,225,904	3.9
Diageo PLC Sponsored ADR	6,961,746	3.8
JPMorgan Chase & Co.	6,953,443	3.8
International Business Machines Corp.	6,865,552	3.7
HSBC Holdings PLC Sponsored ADR	6,167,329	3.3
Cisco Systems, Inc.	4,972,224	2.7
Singapore Telecommunications, Ltd. ADR	4,880,630	2.7

Lazard Global Total Return & Income Fund, Inc.

Portfolio of Investments

September 30, 2008 (unaudited)

Description	Shares	Value
Common Stocks96.2%		
Finland2.0%		
Nokia Corp. Sponsored ADR (c)	192,800	$ 3,595,720
France6.7%		
GDF Suez Sponsored ADR	75,981	3,723,069
Sanofi-Aventis ADR	105,200	3,457,924
Societe Generale Sponsored ADR	72,000	1,231,920
Total SA Sponsored ADR	64,000	3,883,520
Total France		12,296,433
Ireland1.1%		
CRH PLC Sponsored ADR	98,300	2,095,756
Italy1.0%		
Eni SpA Sponsored ADR	36,350	1,924,733
Japan7.6%		
Canon, Inc. Sponsored ADR	44,700	1,687,425
Hoya Corp. Sponsored ADR	73,500	1,447,950
Mitsubishi UFJ Financial Group, Inc. ADR	528,000	4,614,720
Nomura Holdings, Inc. ADR	332,600	4,350,408
Sumitomo Mitsui Financial Group, Inc. ADR	321,200	1,968,956
Total Japan		14,069,459
Netherlands2.4%		
Heineken NV ADR	225,600	4,487,184
Singapore2.7%		
Singapore Telecommunications, Ltd. ADR	217,400	4,880,630
Sweden0.6%		
Telefonaktiebolaget LM Ericsson Sponsored ADR	123,800	1,167,434
Switzerland10.5%		
Credit Suisse Group Sponsored ADR	73,400	3,543,752
Nestle SA Sponsored ADR (c)	86,000	3,680,800
Novartis AG ADR	78,900	4,169,076

Roche Holding AG Sponsored ADR	46,200	3,571,260
UBS AG (a)	107,587	1,887,076
Zurich Financial Services AG ADR	92,500	2,571,500
Total Switzerland		19,423,464
United Kingdom18.4%		
Barclays PLC Sponsored ADR	82,328	2,033,502
BP PLC Sponsored ADR	97,100	4,871,507
Cadbury PLC Sponsored ADR	72,128	2,952,920
Diageo PLC Sponsored ADR (c)	101,100	6,961,746
GlaxoSmithKline PLC Sponsored ADR	80,200	3,485,492
HSBC Holdings PLC Sponsored ADR	76,300	6,167,329
Tesco PLC Sponsored ADR	153,200	3,171,240
Vodafone Group PLC Sponsored ADR (c)	191,712	4,236,835
Total United Kingdom		33,880,571
United States43.2%		
Bank of America Corp. (c)	138,200	4,837,000
Bank of New York Mellon Corp.	103,600	3,375,288
Bristol-Myers Squibb Co.	92,600	1,930,710
Cisco Systems, Inc. (a), (c)	220,400	4,972,224
ConocoPhillips	32,900	2,409,925
Dr Pepper Snapple Group, Inc. (a)	54,096	1,432,462
Exxon Mobil Corp.	105,100	8,162,066
General Electric Co. (c)	116,300	2,965,650
International Business Machines Corp.	58,700	6,865,552
Johnson & Johnson (c)	104,300	7,225,904
JPMorgan Chase & Co. (c)	148,896	6,953,443
Microsoft Corp.	326,400	8,711,616
Oracle Corp. (a), (c)	399,700	8,117,907
The Home Depot, Inc.	165,500	4,284,795
United Technologies Corp. (c)	68,900	4,138,134
Wyeth	88,900	3,283,966
Total United States		79,666,642
Total Common Stocks		
(Identified cost $177,792,071)		177,488,026

See Notes to Portfolio of Investments.

Lazard Global Total Return & Income Fund, Inc.
Portfolio of Investments (continued)
September 30, 2008 (unaudited)

Description	Principal Amount (000) (d)	Value
Foreign Government Obligations13.1%		
Brazil1.2%		
Brazil NTN-F:		
10.00%, 07/01/10	2,641	$ 1,296,367
10.00%, 01/01/12	2,000	965,043
Total Brazil		2,261,410
Egypt3.9%		
Egypt Treasury Bills:		
0.00%, 10/28/08	25,800	4,676,118
0.00%, 11/18/08	2,850	512,723
0.00%, 12/23/08	2,975	528,681
0.00%, 02/24/09	1,500	260,839
0.00%, 03/03/09	6,725	1,166,635
Total Egypt		7,144,996
Ghana0.3%		
Ghanaian Government Bonds:		
13.50%, 03/30/10	420	318,313
14.00%, 03/07/11	310	223,470
Total Ghana		541,783
Hungary1.8%		
Hungarian Government Bonds:		
6.00%, 10/12/11	81,400	429,648
7.25%, 06/12/12	451,400	2,446,854
5.50%, 02/12/14	87,700	438,279
Total Hungary		3,314,781
Israel0.3%		
Israel Government Bond,		
7.00%, 04/29/11	2,001	604,655
Mexico1.5%		
Mexican Bonos:		
9.00%, 12/20/12	13,145	1,230,136
7.75%, 12/14/17	17,000	1,487,743
Total Mexico		2,717,879
Peru1.1%		

Peru Bono Soberano,		
12.25%, 08/10/11	5,584	2,059,668
Poland0.2%		
Polish Government Bond,		
6.25%, 10/24/15	879	371,096
Turkey2.6%		
Turkish Government Bonds:		
0.00%, 10/07/09	3,230	2,127,229
14.00%, 01/19/11	3,570	2,544,622
Total Turkey		4,671,851
Uganda0.2%		
Uganda Government Bond,		
10.00%, 04/01/10	676,000	387,344
Total Foreign Government Obligations		
(Identified cost $25,203,888)		24,075,463
Structured Notes3.8%		
Brazil2.3%		
Citigroup Funding, Inc. Brazil Inflation-Indexed Currency and Credit Linked Unsecured Notes NTN-B:		
9.50%, 05/18/09 (e)	927	1,260,104
9.40%, 08/17/10 (e)	1,029	1,352,218
8.80%, 05/18/15:		
Series LTCLN0335 (e)	989	1,239,507
Series LTCLN0948 (e)	365	388,378
Total Brazil		4,240,207
Colombia1.5%		
Citigroup Funding, Inc. Colombia TES Credit Linked Unsecured Note,		
12.01%, 04/27/12 (e)	397	425,778
JPMorgan Chase & Co. Colombian Peso Linked Notes:		
10.77%, 11/14/10 (e)	1,200	1,041,120
11.92%, 03/05/15 (e)	1,638	1,285,830
Total Colombia		2,752,728
Total Structured Notes		
(Identified cost $6,531,542)		6,992,935

See Notes to Portfolio of Investments.

Lazard Global Total Return & Income Fund, Inc.

Portfolio of Investments (continued)

September 30, 2008 (unaudited)

Description	Principal Amount (000) (d)	Value
Corporate Bond0.8%		
United States0.8%		
JPMorgan Chase & Co., 9.28%, 06/20/11 (Identified cost $1,668,786) (e)	40,000	$ 1,538,039
Supranationals0.4%		
African Development Bank, 12.00%, 10/19/08 (f)	460	374,903
European Investment Bank, 12.25%, 02/26/10 (g)	1,375,000	373,461
Total Supranationals (Identified cost $778,931)		748,364
Total Investments114.3% (Identified cost $211,975,218) (b)		**$ 210,842,827**
Liabilities in Excess of Cash and Other Assets(14.3)%		**(26,364,753)**
Net Assets100.0%		**$ 184,478,074**

See Notes to Portfolio of Investments.

Lazard Global Total Return & Income Fund, Inc.

Portfolio of Investments (continued)

September 30, 2008 (unaudited)

Forward Currency Purchase Contracts open at September 30, 2008:

Forward Currency Purchase Contracts	Expiration Date	Foreign Currency	U.S. $ Cost on Origination Date	U.S. $ Current Value	Unrealized Appreciation	Unrealized Depreciation
AED	10/29/08	7,726,000	$ 2,103,572	$ 2,103,797	$ 225	$ —
AED	11/17/08	5,257,000	1,431,255	1,431,586	331	—
ARS	10/20/08	1,536,003	486,000	486,472	472	—
ARS	10/20/08	1,556,975	490,000	493,114	3,114	—
ARS	10/20/08	1,555,212	492,000	492,555	555	—
BRL	11/13/08	1,887,502	1,093,000	984,192	—	108,808
CLP	12/17/08	510,449,250	951,000	919,867	—	31,133
CNY	06/24/09	13,508,603	2,094,000	1,947,002	—	146,998
CNY	09/08/09	2,953,900	436,000	425,983	—	10,017
COP	10/02/08	400,331,700	201,000	182,879	—	18,121
COP	10/02/08	1,408,704,000	704,000	643,523	—	60,477
COP	11/04/08	874,800,000	400,000	397,671	—	2,329
EUR	10/06/08	689,000	979,552	969,974	—	9,578
EUR	10/06/08	577,000	835,208	812,301	—	22,907
EUR	10/06/08	403,146	625,207	567,550	—	57,657
EUR	10/13/08	1,033,000	1,456,840	1,455,300	—	1,540
EUR	10/14/08	1,121,000	1,580,946	1,579,437	—	1,509
EUR	10/28/08	1,311,732	1,854,853	1,850,823	—	4,030
GHC	10/20/08	561,300	473,272	478,150	4,878	—
GHC	11/28/08	865,700	728,397	720,055	—	8,342
GHC	12/22/08	155,000	127,993	127,111	—	882
HUF	10/20/08	64,732,000	375,759	375,764	5	—
IDR	10/14/08	10,310,220,000	1,098,000	1,092,147		