

Product Description:

Bank Loans

INVESTMENT PHILOSOPHY

Lord Abbett's Bank Loan philosophy is based on the following beliefs. First, a disciplined investment process emphasizing asset rich companies and credible management teams enhances returns while reducing risk. Second, rigorous loan and capital structure analysis, in the context of changing industry conditions are critical to valuation of bank loan securities. Third, a diversified portfolio of floating rate loans can generate attractive income and opportunity for capital appreciation.

INVESTMENT PROCESS

The investment process starts with an assessment of economic and capital market conditions to develop an outlook for the overall bank loan market and a perspective for each industry within that universe. The inputs to this assessment include macro economic factors, industry specific data, credit availability and default trends. The conclusions derived from this analysis help the team shape the portfolio's current credit positioning and identify favored industries for further research.

The team focuses its research within the most liquid segment of the bank loan universe (generally companies with EBITDA greater than \$50 million). The team then applies the ABC's of credit investing—Asset analysis, Balance sheet evaluation and Cash flow coverage to this narrowed universe. Investment candidates qualifying for further research include those that have asset protection, are adequately capitalized and can generate sufficient cash flow to cover debt service requirements through a full market cycle. This credit analysis also includes modeling worst case scenarios to stress test each company's ability to meet future financial obligations.

Within this universe of investment candidates, the team undertakes rigorous fundamental analysis of each company including the quality of management, relative market position and industry dynamics. The team further deepens their understanding of each company's capital structure by utilizing their expertise in analyzing bond and loan covenants to gain insight into the company's future financial flexibility. In addition, the team's extensive experience in managing high yield assets provides superior access to company management thereby enriching the overall quality of their analysis.

PORTFOLIO CONSTRUCTION

Utilizing their extensive bank loan experience, the team constructs portfolios with three main goals: to be optimally positioned along the credit curve, to maximize exposure across favored industries and to select loans with the most attractive structural features (i.e. LIBOR floors, deleveraging triggers, and financial covenants). The team avoids excessive concentration by limiting the sector, industry and position weightings. Our portfolios are well diversified with 150 - 200 issuers.

RISK MANAGEMENT

The investment team regularly ranks the portfolio holdings by performance since the bottom decile performers have historically been a disproportionate source of risk. Underperforming loans are scrutinized to determine whether each loan merits continued inclusion in the portfolio. An important contributor of superior investment returns is the early interdiction of credit deterioration, eliminating complacency and the emotion attached to a particular loan.

INVESTMENT STRATEGY

The product seeks to provide a high level of income with low exposure to interest rate risk through investing in a variety of non-investment-grade loans with an emphasis on senior floating rate loans.

KEY INVESTMENT PROFESSIONALS

Investment Team Member	Title/Position	Years of Securities Industry Experience
Christopher J. Towle, CFA	Partner & Director	32 years
Joel G. Serebransky	Portfolio Manager	32 years
Michael Lesesne, Jr.	Partner & Director of Credit Research	23 years
Thomas J. McDonald III	Client Portfolio Manager	37 years

SCHEDULE OF FEES

All fees for Lord Abbett accounts are based on market value:

0.50%	on the first	\$50 million
0.45%	on the next	\$50 million
0.40%	on assets over	\$100 million

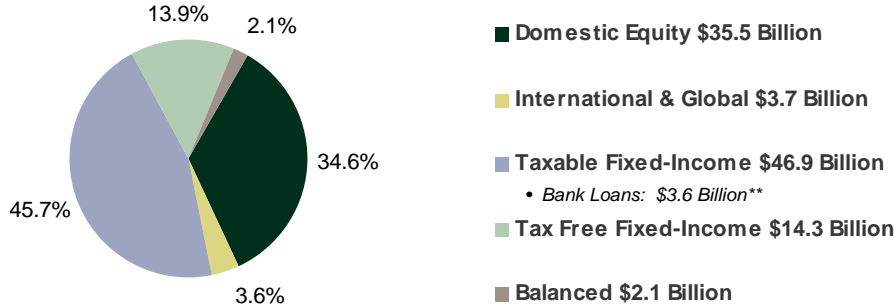
Minimum account size is \$50 million.

Bank Loans

All Information as of September 30, 2011

ASSETS UNDER MANAGEMENT

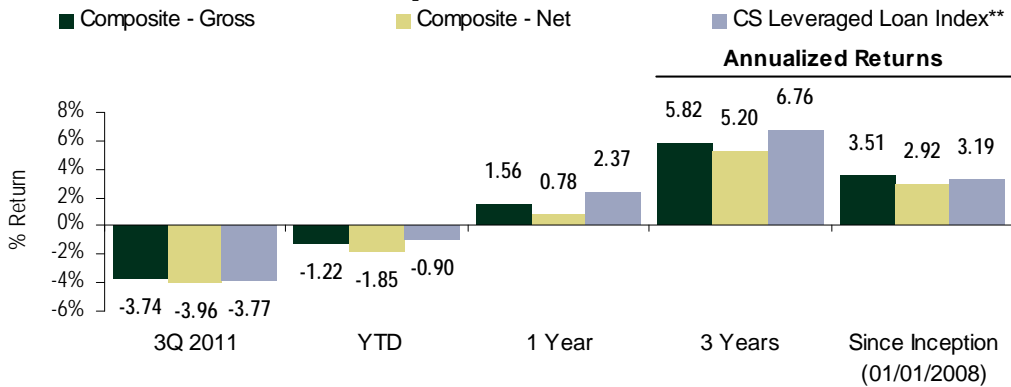
\$102.5 Billion Assets Under Management*



*Includes \$2.9 billion for which Lord Abbett provides investment models to managed account sponsors.
 **A percentage of these assets may be included in another classification.

PERFORMANCE RESULTS

Lord Abbett Bank Loans Institutional Composite*



*Please see Important Information for additional information regarding the effect of fees on performance.

**Source: Credit Suisse

Past performance is not indicative of future results.

PORTFOLIO CHARACTERISTICS

	Representative Bank Loans Portfolio*	CS Leveraged Loan Index
Average Price	\$93.78	\$90.35
Number of Issues	389	1,541
Average Cash	1.5%	N/A

*The representative portfolio information reflects an individually managed institutional account that Lord Abbett deems to be representative of the portfolio composition for the investment strategy at the date shown above. Portfolios are actively managed and portfolio characteristics may change significantly over time.

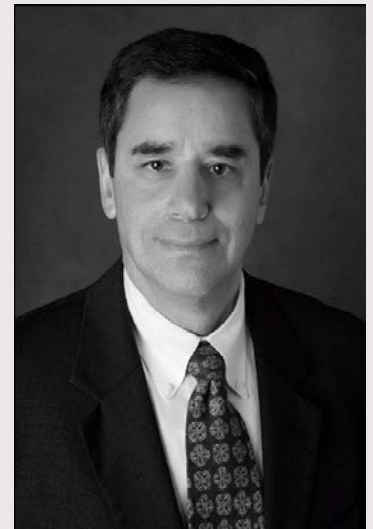
MARKET OUTLOOK

We have adopted a more cautious stance, as we believe macroeconomic concerns and market volatility will remain in place throughout the remainder of the year. There is currently a high level of uncertainty in the market, which has led to a flight to quality across asset classes. We feel that our portfolio and loans in general are well positioned for future conditions. Within the portfolio, we have trimmed some higher-beta names. We continue to favor issuers with good asset protection, and we typically buy at the top of the capital structure.

During the quarter, the loan market experienced large redemptions, which led to a technical liquidity strain; however, by quarter-end, the market had calmed. Credit conditions remain favorable, with credit markets continuing to experience a benign credit environment, with healthy fundamentals and low default rates. We believe that, going forward, loans should benefit from their superior position in the capital structure. There continues to be a global shortage of yield, which we expect will add to interest in the asset class as investors seek income.

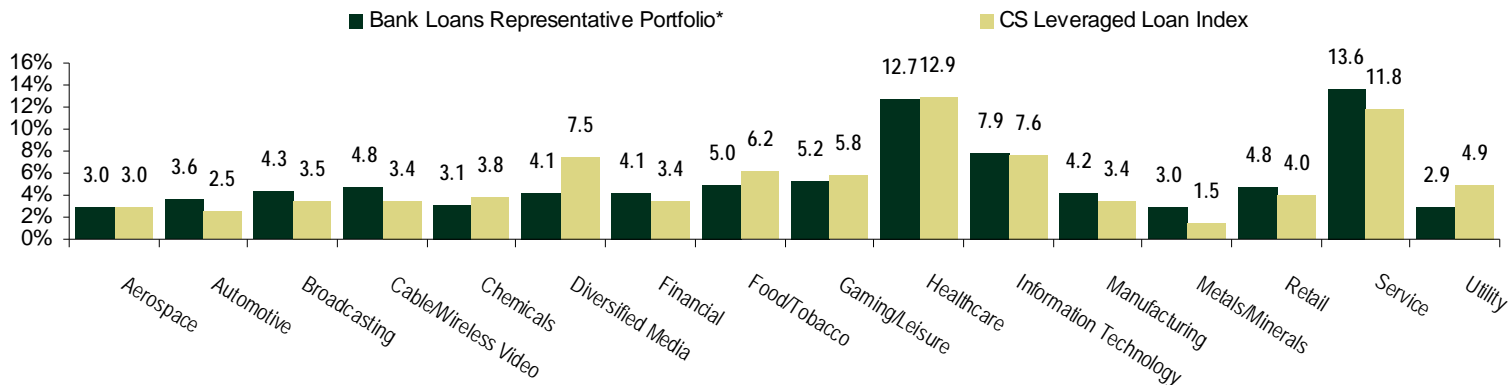


Christopher J. Towle, CFA
Partner & Director



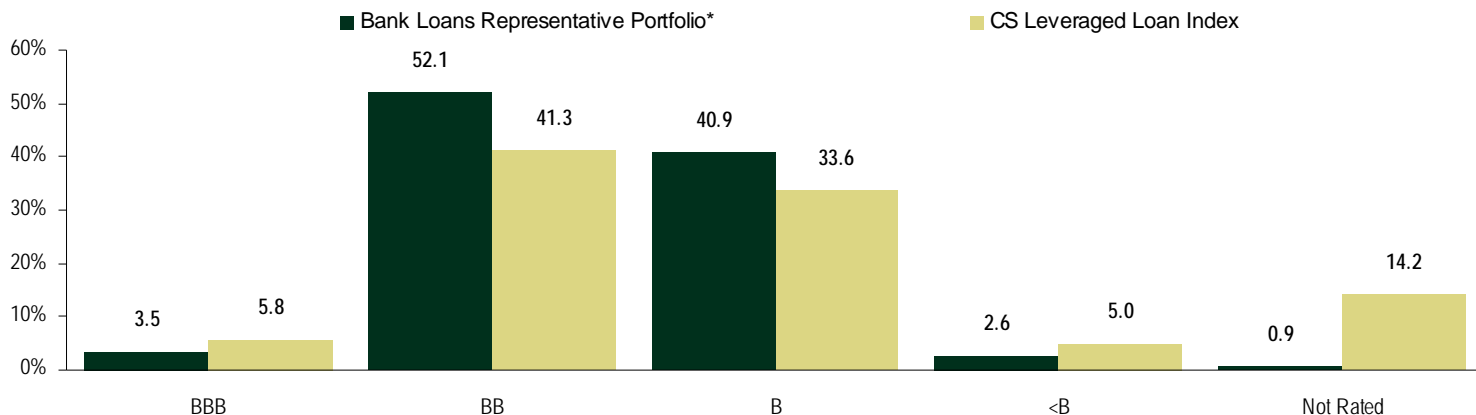
Joel G. Serebransky
Portfolio Manager

KEY SECTOR ALLOCATION



Key sector allocations are defined as sectors having a market value weighting greater than 3%.

CREDIT QUALITY DISTRIBUTION



Ratings provided by Standard & Poor's and Moody's. Where S&P and Moody's rate a security differently, Lord Abbett uses the higher credit rating. Ratings range from AAA (highest) to D (lowest). Bonds rated BBB or above are considered investment grade. Credit ratings BB and below are lower-rated securities (junk bonds). High-yielding, non investment grade bonds (junk bonds) involve higher risks than investment grade bonds. Adverse conditions may affect the issuer's ability to pay interest and principal on these securities. A portion of the portfolio's securities are not rated. *The representative portfolio information reflects an individually managed institutional account that Lord Abbett deems to be representative of the portfolio composition for the investment strategy at the date shown above. Portfolios are actively managed and portfolio characteristics may change significantly over time.

IMPORTANT INFORMATION

Lord, Abbett & Co. LLC's Bank Loan Institutional Composite (the "Composite") is comprised of all fully discretionary portfolios managed on behalf of institutional investors investing primarily in floating rate senior loans. The Composite's assets as of December 31, 2010 were \$2,954 million, which represented 2.8% of the firm's total assets. Performance results are expressed in U.S. dollars and reflect reinvestment of any dividends and distributions. Cash flows are adjusted on a time-weighted basis and an account is revalued in the event a cash flow equals or exceeds 10%. To receive a complete list and description of Lord Abbett's composites and/or a presentation that adheres to the GIPS® standards, please visit the firm's website at www.lordabbett.com or contact Lord Abbett's Performance Measurement Group at (201) 827-2783.

Lord Abbett claims compliance with the Global Investment Performance Standards ("GIPS®"). The CFA Institute has not been involved with or reviewed Lord Abbett's claim of compliance. For GIPS® purposes, Lord Abbett defines the Firm as all assets managed by the Firm, including mutual funds (all classes of shares), separate/institutional accounts, individual accounts and separately managed accounts managed by Lord, Abbett & Co. LLC. This definition of the firm does not include any hedge fund or separately managed program accounts where Lord Abbett does not have the records so long as it is impossible for Lord Abbett to have the records (within the meaning of relevant GIPS interpretations). The Credit Suisse Leveraged Loan Index is designed to mirror the investable universe of the U.S. dollar-denominated leveraged loan market. The CS Leveraged Loan Index is an unmanaged, trader-priced index that tracks leveraged loans. The CS Leveraged Loan Index, which includes reinvested dividends, has been taken from published sources.

The performance of the Composite is shown net and gross of advisory fees, and reflects the deduction of transaction costs. The deduction of advisory fees and expenses (and the compounding effect thereof over time) will reduce the performance results and, correspondingly, the return to an investor. For all periods through December 31, 2010, net performance of the Composite reflects the deduction of a "model" advisory fee, calculated as the highest advisory fee, borne by any account (without giving effect to any performance fee that may be applicable) in the Composite (an annual rate of 0.50% of assets) and other expenses (including trade execution expenses). For all periods beginning January 1, 2011, net performance for the Composite is calculated by deducting the actual advisory fee borne by each account in the Composite and other expenses (including trade execution expenses and performance incentive fees). Portfolio incentive fees are applied on a cash basis in the period in which they are paid. The effect of fees and expenses on performance will vary with the relative size of the fee and account performance. For example, if \$10 million were invested and experienced a 10% compounded annual return for 10 years, its ending dollar value, without giving effect to the deduction of the advisory fee, would be \$25,937,425. If an advisory fee of 0.50% of average net assets per year for the 10-year period were deducted, the annual total return would be 9.46% and the ending dollar value would be \$24,782,276. The management fee schedule is as follows: 0.50% on the first \$50 million, 0.45% on the next \$50 million, and 0.40% on all assets over \$100 million. Certain securities held in portfolios contained in this composite may have valuations determined using both subjective observable and subjective unobservable inputs. The Firm's valuation hierarchy does not materially differ from the hierarchy in the GIPS Valuation Principles.

For the periods from 1993 to 2010, Lord, Abbett & Co. LLC has been verified by Deloitte & Touche. A copy of the verification report is available upon request. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request.

Past performance is not indicative of future results. Differences in account size, timing of transactions and market conditions prevailing at the time of investment may lead to different results among accounts. Differences in the methodology used to calculate performance also might lead to different performance results than those shown. The Composite performance is compared to that of an unmanaged index, which does not incur management fees, transaction costs or other expenses associated with a managed account.