

Product Description:

Core Plus

INVESTMENT PHILOSOPHY

We believe that returns in excess of the benchmark can be achieved while remaining duration neutral. Interest rate anticipation is inherently risky and is therefore avoided. As a consequence, detailed fundamental and quantitative research is used to uncover relative value in market sectors and specific securities. Value in the fixed income market can be determined by understanding global economic and financial market conditions and sector and security specific analytics. Rigorous quantitative research and fundamental credit research determine whether a sector and a security are genuinely attractive or only perceived to be misvalued. Diversification and continual monitoring are employed to manage portfolio risk.

INVESTMENT PROCESS

At Lord Abbett our goal is to consistently provide our clients with premium returns at the lowest attainable level of risk. This dual purpose - high relative returns and controlled risk - is actively pursued via a research-intensive investment approach. Diversified portfolios are constructed with undervalued securities from fundamentally attractive sectors.

The process begins with a thorough understanding of global economic and financial market conditions so that we may evaluate the opportunities and risks presented across different segments of the fixed income market. The team meets regularly to filter all of this information through our “research lens” which incorporates both fundamental and quantitative elements. Fundamentally, we attempt to understand the prospects of various industries, given our analysis of economic and financial market conditions, and the regulatory environment. For those industries we find attractive, we then conduct extensive credit research on the companies within the industry to evaluate the company’s financial prospects. Additionally, we look at market pricing of those securities to determine their relative value. On the quantitative side, our research includes econometric modeling that is used to quantify security value and portfolio risk. Both types of research provide us with an information advantage.

A team of fixed income professionals, each specializing in a particular sector of the fixed income market, jointly manages each portfolio. The team is comprised of both sector specialists and quantitative and fundamental analysts.

The results of our quantitative and fundamental research are discussed at formal meetings of the investment team held three times a week as well as during informal team discussions. The team reviews relevant research and current market conditions to determine the optimal portfolio structure that includes sector, security and term structure selection.

PORTFOLIO CONSTRUCTION

Because sector weightings are a result of our strategic decisions, the portfolio will at times be over or under weighted various industries and sectors. Portfolio managers select securities that offer the best relative value while contributing to optimal portfolio diversification. The portfolio includes allocations to high yield and emerging market fixed income securities. The maximum exposure to emerging market securities is 15% and the maximum to high yield is 20%. The portfolio will always be invested in a minimum of 75% investment grade securities.

Individual security weightings are calibrated to the credit quality of the investment. For example, there is no limit on the weighting of an individual Treasury or Agency security. However, for other securities, we would generally not hold more than benchmark +/- 3% in the highest rated securities (AAA) and no more than benchmark +/- 0.25% in below investment grade securities (BB or below). Additionally, the overall credit rating of our portfolio is usually AA. We will typically construct a portfolio of 300–350 securities.

INVESTMENT STRATEGY

The product seeks to produce a high risk- adjusted total return with the goal of exceeding the return of the Barclays Capital Universal Bond Index over a full market cycle.

SELL DISCIPLINE

Our decisions to sell portfolio holdings are primarily driven by the assessment as to whether a particular security optimally expresses an overall strategy. A sale usually occurs when a security appreciates to fair value or when new information weakens the prognosis of a particular industry or company.

KEY INVESTMENT PROFESSIONALS

Investment Team Member	Title/Position	Years of Securities Industry Experience
Robert A. Lee	Partner & Director	21 years
Walter H. Prah, PhD	Partner & Director	26 years
Jerald M. Lanzotti, CFA	Partner, Portfolio Manager	22 years
Andrew H. O' Brien, CFA	Partner, Portfolio Manager	14 years
Thomas J. McDonald III	Client Portfolio Manager	37 years
Patricia E. Lynn, CFA	Client Portfolio Manager	18 years

SCHEDULE OF FEES

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

0.40%	on the first	\$10 million
0.30%	on the next	\$15 million
0.25%	on the next	\$25 million
0.20%	on the next	\$50 million
0.175%	on the next	\$150 million
0.15%	on the next	\$250 million
0.125%	on assets over	\$500 million

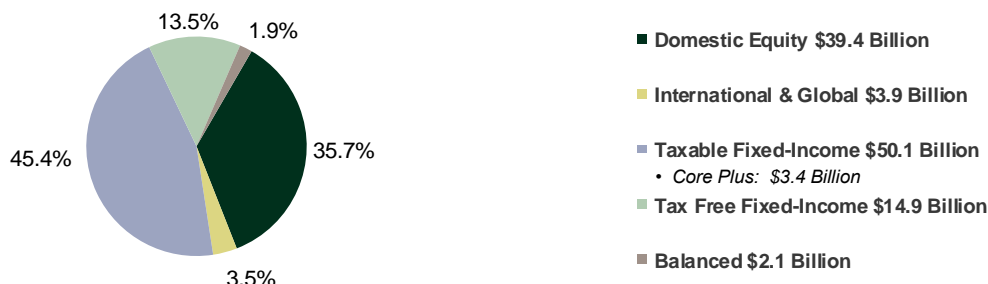
Minimum account size is generally \$40 million.

Core Plus

All Information as of December 31, 2011

ASSETS UNDER MANAGEMENT

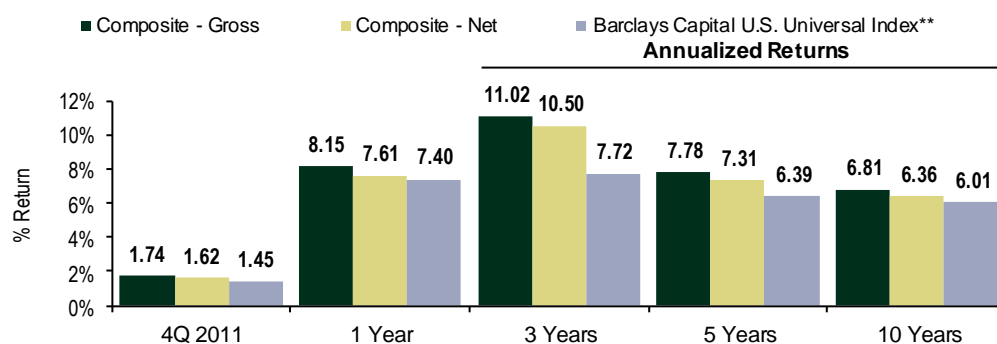
\$110.4 Billion Assets Under Management*



*Includes \$2.9 billion for which Lord Abbett provides investment models to managed account sponsors.

PERFORMANCE RESULTS

Lord Abbett Core Plus Fixed Income Institutional Composite*



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

**Source: Barclays Capital

Past performance is not indicative of future results.

PORTFOLIO CHARACTERISTICS

Core Plus Representative

Portfolio*

Barclays U.S. Universal Index

Effective Duration	4.8 years	4.7 years
Average Life	7.1 years	7.0 years

*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

European sovereign debt woes continue to roil the financial markets. The EU member states have had difficulty agreeing on appropriate measures to keep several peripheral nations from defaulting on their debt and, consequently, jeopardizing the common currency. Investors continue to fear contagion and the potential damaging impact on the global economy, which continues to be weak. Recession is likely in Europe, and growth in some of the leading emerging markets, notably China, is decelerating. U.S. prospects have improved, albeit modestly, as recent economic indicators have more consistently signaled that gross domestic product (GDP) growth should remain moderately positive. The Fed has reaffirmed its intention to keep official interest rates near zero at least through mid-2013, and has indicated that more quantitative easing will be applied if deemed necessary.

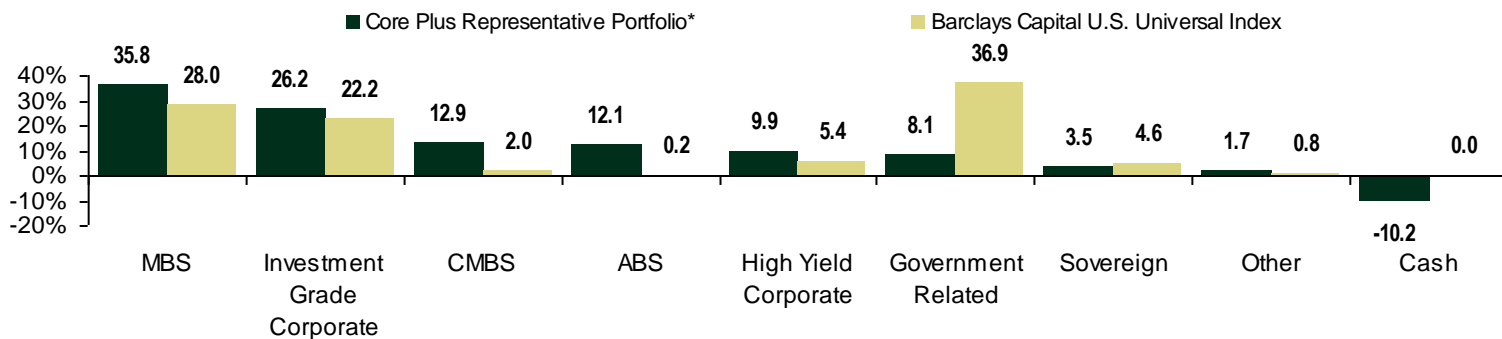
As was widely expected, the congressional "supercommittee" failed in late November to reach agreement on deficit reduction. Consequently, as matters now stand, mandatory spending cuts, amounting to \$1.2 trillion over 10 years, will go into effect starting in 2013. Legislative progress on deficit reduction appears unlikely in the current highly partisan climate, especially with the presidential election looming in 2012. While market volatility has remained heightened, credit spreads have generally narrowed from their widest levels reached in early October in response to improving economic data. Spreads continue to be historically wide, however, so we continue to look for attractive opportunities to add to our credit-sector exposure.

The credit quality of the securities in a portfolio are assigned by a nationally recognized statistical rating organization (NRSRO), such as Standard & Poor's, Moody's, or Fitch, as an indication of an issuer's creditworthiness. 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.



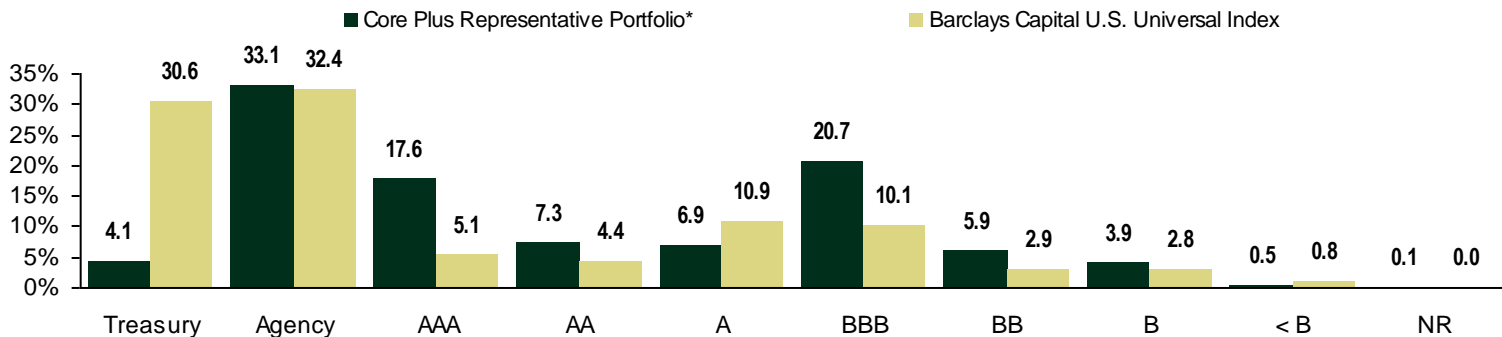
Robert A. Lee
Partner & Director

SECTOR ALLOCATION



"Other" may include municipal bonds and non-index holdings. Allocations are reported as of the date a security transaction is initiated; however, certain transactions may not settle until several days later. Accordingly, cash may appear as a negative allocation as a result of forward settling instruments, such as currency forwards, certain mortgage-backed securities, and treasury futures.

CREDIT QUALITY DISTRIBUTION



Ratings (other than U.S. Treasury securities or securities issued or backed by U.S. agencies) provided by Standard & Poor's, Moody's, and Fitch. Where the rating agencies rate a security differently, Lord Abbett uses the median, but if there are only two ratings, the lower rating is used. 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.

IMPORTANT INFORMATION

Lord, Abbett & Co. LLC's Core Plus Fixed Income Institutional Composite (the "Composite") is comprised of all fully discretionary portfolios managed on behalf of institutional investors investing primarily in various types of fixed-income securities, including securities issued by the U.S. government, its agencies and instrumentalities, mortgage-backed and other asset-backed securities, investment and non-investment grade corporate debt, senior loans, convertible securities and high yield securities, including securities by non-U.S. entities and denominated currencies other than U.S. dollars. The Composite's assets as of December 31, 2010 were \$3.2 billion, which represented 3.0% 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 Barclays Capital U.S. Universal Index represents the union of the U.S. Aggregate Index, the U.S. High-Yield Corporate Index, the 144A Index, the Eurodollar index, the Emerging Markets Index, the non-ERISA portion of the CMBS Index, and the CMBS High-Yield Index. The index covers U.S. dollar-denominated, taxable bonds that are related either investment-grade or below investment-grade.

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. 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 0.40% of average net assets per year for the 10-year period were deducted, the annual total return would be 9.56% and the ending dollar value would be \$25,009,531. The management fee schedule is as follows: 0.40% on the first \$10 million, 0.30% on the next \$15 million, 0.25% on the next \$25 million, 0.20% on the next \$50 million, 0.175% on the next \$150 million, 0.15% on the next \$250 million, and 0.125% on all assets over \$500 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. Portfolios in this composite may have sector weights that vary significantly from the Index.

Any portfolio with a market value of less than \$200,000,000 will be excluded from the composite if the portfolio has an aggregate monthly inflow/outflow equal to or above 15% of the portfolio's beginning monthly balance. Portfolios removed from composites will be treated as new accounts, and will adhere to the standard composite inclusion policy before being re-introduced to the composite. 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.

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