

Product Description:

Intermediate Municipal Bond Fixed Income

INVESTMENT PHILOSOPHY

Lord Abbett's municipal bond investment philosophy is based upon the following beliefs. First, intensive analysis of markets, bond structures, and credits will lead to strong long-term performance. In addition, a consistent relative value approach will outperform a duration timing approach (based on interest rate anticipation) over the long term. Also, an active management approach can exploit the anomalies of the municipal market to deliver a more attractive balance of tax free income and capital appreciation than a buy and hold approach. Our significant market presence, which allows access to a wide range of securities and institutional pricing, provides better value to our clients.

INVESTMENT PROCESS

Lord Abbett's Municipal team follows an investment process that focuses on creating strong portfolio structures based upon an analytical assessment of market dynamics. The team analyzes the current shape of the yield curve to determine the maturity range with the best relative value. This determination is made within the context of the historical performance of the yield curve and the current economic environment. The portfolio is structured around a targeted duration/maturity range. Using sophisticated quantitative tools, the team seeks to determine the optimal maturity term structure (bullet or barbell) by modeling alternative yield curve scenarios over a range of time horizons. Specific bond characteristics such as call protection, coupon, and price levels (discount, par or premium bonds) are then targeted for investment. Utilizing the expertise of the credit research analysts, the best relative value across the highest range of the credit spectrum is identified. Within the constraints of available supply, the team targets sectors of the municipal market which exhibit attractive fundamentals. Intensive credit research is then conducted to develop a credit opinion on each issue through in-depth financial analysis and examining the details of security features, such as credit enhancements and bond holder protection. The team seeks to uncover attractive situations not fully appreciated by other investors.

SELL DISCIPLINE

There are several focuses of our sell discipline including portfolio realignment, credit and sector decisions and security structure decisions.

Regarding portfolio realignment, we will sell securities to keep a portfolio structure in our targeted credit quality and maturity range. Regarding credit decisions, there will be situations in which we believe a specific credit should be removed from a portfolio. These changes can be due to a negative outlook on a credit or sector, viewing a credit as having more downside risk than upside potential, or due to finding other investments in the market that are more attractive on a relative value basis. Regarding security structures decisions, based upon market movements we may want to change the characteristics of the portfolio. Reasons may arise such as wanting more call protection or desiring a higher average coupon. In these cases, we will sell individual securities to reach these targets.

INVESTMENT STRATEGY

The product seeks to provide the investor with federal tax-exempt income and attractive total return through exposure to intermediate municipal bonds.

KEY INVESTMENT PROFESSIONALS

Key Investment Team Member	Title/Position	Years of Securities Industry Experience
Daniel S. Solender, CFA	Partner & Director	25 years
Daniel T. Vande Velde	Portfolio Manager	21 years
Joseph Gulli	Director of Municipal Bond Research	20 years
Thomas J. McDonald III	Client Portfolio Manager	37 years

SCHEDULE OF FEES

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

0.30%	on the first	\$10 million
0.25%	on the next	\$15 million
0.20%	on the next	\$75 million
0.15%	on assets over	\$100 million

Minimum account size is generally \$10 million.

The value of the portfolio will change as interest rates fluctuate. As interest rates rise, the prices of debt securities tend to fall; as rates fall, prices tend to rise.