

Product Description: International Core EAFE Plus

INVESTMENT PHILOSOPHY

The international capital markets are often inefficient in their pricing of individual companies and groups of companies. Lord Abbett believes that a disciplined, analytical and patient approach, based on independent fundamental analysis, can be applied to determine the intrinsic value of a company, thus the degree to which the market is mispricing a given security. We believe that global sector research is the most effective way to uncover companies that are selling at a substantial discount to our bottom-up fair value assessment.

As a core philosophy based on analyzing long-term business value, this strategy avoids a one-dimensional approach that emphasizes a certain type of company. We focus on disciplined research to add value in all market conditions. Companies within a sector are valued on a consistent basis globally. This philosophy complements the increasing integration of world capital markets by approaching investment decisions according to global market sectors without imposing the limitations created by a single local-market view of risk and return.

INVESTMENT PROCESS

Lord Abbett's International Core process is driven by intrinsic value analysis. We seek to determine the long-term business value of companies. Transparency, repeatability and risk-control are stressed at all levels in the decision-making process. Our potential universe is approximately 1,100 – 1,200 companies, all non-U.S. firms with a market cap greater than U.S. \$2.5 billion and average daily trading volume above U.S. \$10 million. The initial screens winnow the universe from thousands of stocks to approximately 400 candidates based on market capitalization, daily trading volume, financial statement analysis, growth potential, valuation parameters and management interviews.

Our team regularly reviews and monitors the universe by global sector to eliminate companies that are either too small, illiquid, leveraged or excessively valued. Individual companies are analyzed with consistent sector valuation models to estimate intrinsic value and set an 18-month fair value price target. Each investment opportunity is also assessed for its sector, macro and specific company risk factors. Each fair value target and the associated risk tier is entered into a proprietary database for comparison and ranking with other securities. Global sector and economic analysis, fundamental security analysis and frequent company management interviews all contribute to our calculation of a company's fair value and risk assessment.

Price targets are established using a combination of discounted cash flow analysis (DCF) and a suite of unique sector-specific valuation methodologies which the team has developed over 10 years. To allow for meaningful global comparisons, our DCF model inputs are standardized. There are approximately 300 securities with fair value targets in the proprietary database. Every day the team compares each entry's relative attractiveness and risk to the market's view, looking for advantageous anomalies. Portfolio managers and sector specialists constantly discuss how these investment opportunities fit into the current investment strategies and macro environment.

INVESTMENT STRATEGY

The product seeks to outperform the MSCI Europe Australia and Far East Index (EAFE) over a three- to five-year period with equal or less volatility.

PORTFOLIO CONSTRUCTION

Security weights are primarily determined by the magnitude of the discrepancy between the market price and our fair value target, factoring in our risk assessment. The higher the discount, the larger the holding, all else being equal. Positions are increased or decreased based upon company and economic factors that either reinforce or detract from the investment strategies. As a separate input, we analyze industry and sector prospects as well as regional and country macro-economic developments in order to ensure that our strategies are consistently applied and that the underlying factors incorporated in a company's fair value target are also consistent with the team's overall strategic investment view. Other factors that will limit a portfolio position showing high potential return are liquidity and risk management guidelines based on overall sector and regional exposure levels for the portfolio. The strategy's primary emphasis is to add value through stock selection and industry selection and allocation, while keeping an appropriate level of risk control for the portfolio. Portfolios are typically diversified over 80-110 positions.

SELL DISCIPLINE

As a fundamentally-driven investment strategy, the sell discipline is centered on our fair-value assessment versus the market's view. The team stays true to its discipline and will seek to sell positions as the market price approaches the fair value price target. Other developments that can trigger a sale are (1) a negative fundamental change within a company, industry or country; (2) a deviation by company management from its business plan; or (3) a repositioning of the portfolio to capitalize on better opportunities that arise. We monitor the database to identify securities with low or negative potential returns on a daily basis.

KEY INVESTMENT PROFESSIONALS

Investment Team Member	Title/Position	Years of Securities Industry Experience
Vincent J. McBride	Partner & Director	25 years
Harold E. Sharon	Partner & Director	29 years
Scott T. Lewis	Client Portfolio Manager	30 years

SCHEDULE OF FEES

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

0.75%	on the first	\$25 million
0.60%	on the next	\$25 million
0.40%	on the next	\$200 million
0.35%	on the next	\$250 million
Negotiable	on assets over	\$500 million

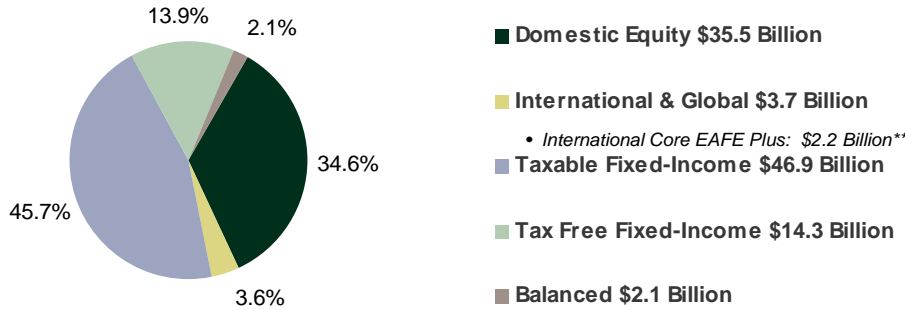
Minimum account size is generally \$25 million.

International Core - EAFE Plus

All Information as of September 30, 2011

ASSETS UNDER MANAGEMENT

\$102.5 Billion Assets Under Management*

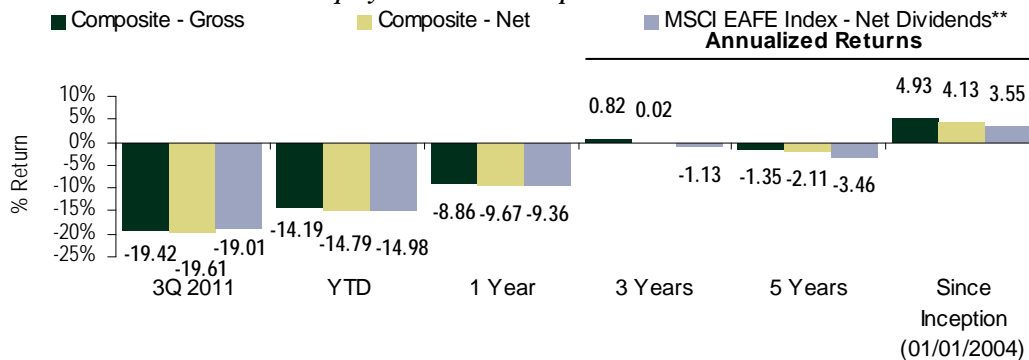


*Includes \$2.9 billion for which Lord Abbett provides investment models to managed account sponsors.

**A percentage of these assets may be included in another classification.

PERFORMANCE RESULTS

Lord Abbett International Core Equity Institutional Composite - EAFE Plus*



*Please see Important Information for additional information regarding the effect of fees on performance. ** Source: MSCI. Past performance is not indicative of future results.

TEN LARGEST REPRESENTATIVE PORTFOLIO HOLDINGS*

Company	% of Total	Company	% of Total
Novartis AG Registered Shares	2.5	InBev NV/SA	2.0
Tullow Oil plc	2.4	Telenor ASA	1.9
Vodafone Group plc	2.2	Honda Motor Co., Ltd.	1.8
GlaxoSmithKline plc	2.2	Nippon Telegraph & Telephone	1.8
East Japan Railway Co.	2.0	Nestle S.A.	1.8
Total	20.6%		

*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 as of the date shown above and does not represent all of the securities purchased, sold or recommended for client accounts. The client should not assume that an investment in the securities identified was or will be profitable. Portfolios are actively managed and portfolio characteristics may change significantly over time.

MARKET OUTLOOK

While we do not dismiss the possibility of a financial dislocation, our two main concerns are a slowdown in global growth and the sustainability of sovereign debt. The growth scare that hit markets in July may improve some in the second half of 2011, but will certainly lead to a lower growth rate than the market expects in 2012. Risk assets, such as cyclical equities, commodities, and emerging markets, have been adjusting to this new scenario. As for the sustainability of sovereign debt, there are signs the European (and U.S.) governments are finally showing the necessary behavior, albeit still moving slowly, to contain the crisis once and for all. There is clearly far more work to be done, and the workout will be lengthy, but hidden by all the financial tabloid hysteria is signs of a safety net being put in place. Given this, one needs to be fully cautious as an investor, but at the same time not abandon all risky assets. We must recognize that this correction in the markets has been indiscriminate. We believe there are some valuations that are now back down to decade-lows, and we believe that there are some fundamentally very attractive businesses that likely will come roaring back when the proverbial "worst-case scenario" fails to occur. As is usually the case in the midst of a severe market reversal, we believe the investor who can analytically identify the mispriced opportunities and comfortably make that investment, with a good margin of safety built in, will potentially do well, as hysteria relapses into the common range of investor worry.

As we noted in last quarter's outlook, we had been moving earlier in the summer to a more defensive posture, and the July U.S. GDP report spurred us to move even faster. Early in the quarter, we sold holdings in more cyclically exposed industries, such as energy, industrials, and metals, as well as lowered emerging markets and mid cap companies. We sought opportunities in the utilities, telecoms, health care, and consumer staples sectors, which are all less purely reliant on cyclical growth. Given these moves, we were generally more exposed to the traditionally defensive sectors of the world economy. As it stands now, we are comfortable with the overall cyclical position versus defensive position of the portfolio. The news flow is extremely dynamic, and the investment environment is highly volatile, so we will, as always, look to interpret the signals and make the necessary shifts to stay ahead of the news flow and capitalize on any opportunities should the environment shift quickly. At this point, we recognize that some markets and stocks are discounting the absolute worst-case scenario, which in all probability will not occur. Therefore, valuations sitting at decade-lows are reason enough to start sifting through the market losers looking for a few gems.

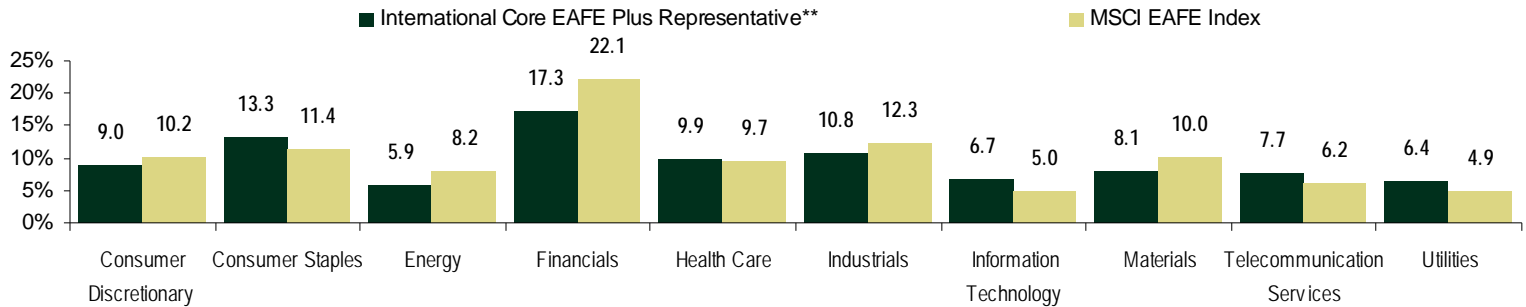


Harold E. Sharon
Partner & Director



Vincent J. McBride
Partner & Director

SECTOR ALLOCATION*



Strongest 3Q11 Portfolio Sectors

Telecommunication Services (-8%)

Health Care (-12%)

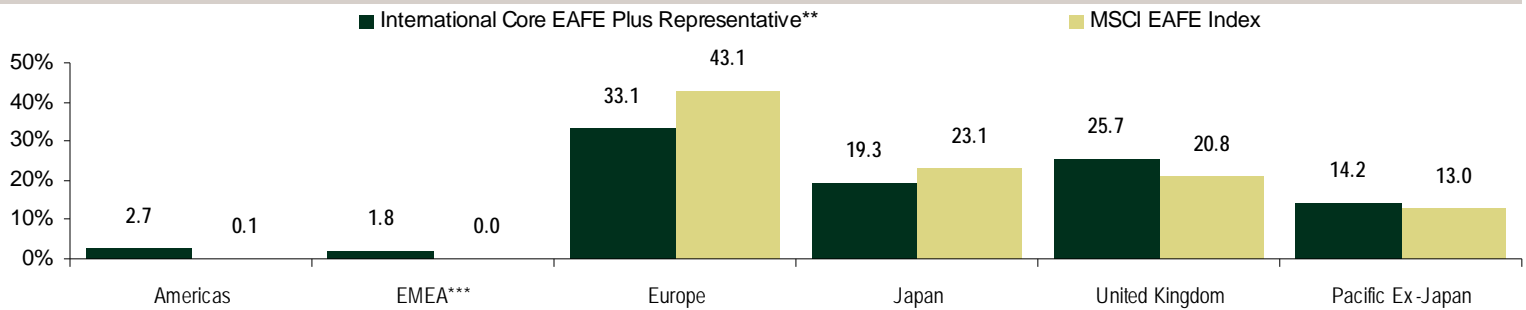
Percentage shown reflects the performance of a particular sector. Past performance is not indicative of future results.

Weakest 3Q11 Portfolio Sectors

Industrials (-24%)

Materials (-24%)

REGIONAL ALLOCATION



*Source Wilshire. GICS sectors. **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 as of the date shown above and does not represent all of the securities purchased, sold or recommended for client accounts. The client should not assume that an investment in the securities identified was or will be profitable. Portfolios are actively managed and portfolio characteristics may change significantly over time. Regional classifications of countries are defined by Lord Abbett. Country classifications of securities are defined by Lord Abbett, therefore in some instances country classifications of index constituents may not be consistent with the MSCI country classification. ***EMEA consists of the emerging market countries of Europe, the Middle East & Africa (Czech Republic, Hungary, Poland, Russia, Turkey, Jordan, Egypt, Morocco, and South Africa).

IMPORTANT INFORMATION

Lord, Abbett & Co. LLC's International Core Equity Institutional Composite (the "Composite") is comprised of all fully discretionary portfolios managed on behalf of institutional investors investing primarily in large-capitalization equity securities of developed markets, excluding the U.S. and Canada, that Lord Abbett deems to be undervalued on a relative basis or to have long-term growth potential, or both. The Composite's assets as of December 31, 2010 were \$1,552 million, which represented 1.5% 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 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 0.75% 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 0.75% of average net assets per year for the 10-year period were deducted, the annual total return would be 9.19% and the ending dollar value would be \$24,222,249. The management fee schedule is as follows: 0.75% on the first \$25 million, 0.60% on the next \$25 million, 0.40% on the next \$200 million, 35% on the next \$250 million, and negotiable 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. Lord Abbett claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Lord Abbett has been independently verified for the periods 1993 through 2010. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The International Core Equity composite has been examined for the periods 2004 through 2009. The verification and performance examination reports are available upon request.

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. As of May 27, 2010, the MSCI EAFE Index consisted of the following 22 developed market country indexes: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. The MSCI EAFE Index is calculated with both gross and net dividends. The MSCI EAFE Index with Gross Dividends approximates the maximum possible dividend reinvestment. The amount reinvested is the entire dividend distributed to individuals resident in the country of the company, but does not include tax credits. The MSCI EAFE Index with Net Dividends approximates the minimum possible dividend reinvestment. The dividend is reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. MSCI uses withholding tax rates applicable to Luxembourg holding companies, as Luxembourg applies the highest rates. Portfolios in the Composite use exchange rates as of 4:00 P.M. Eastern Time. The indices use exchange rates as of 4:00 P.M. Greenwich Mean Time. Portfolios in this composite may have investment exposure to sectors that are not included in the Index.

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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