

Product Description:

International Small Cap Core

INVESTMENT PHILOSOPHY

We believe: (1) International small cap companies offer significant investment opportunities due to a lack of research coverage; (2) A global perspective of companies and an understanding of their business models are crucial to exploiting market inefficiencies; and (3) On-site company research is essential for long term investment success. As a result of these beliefs, the majority of the team's time is spent meeting with company management.

We view the small- to mid-cap international equity markets as offering three types of opportunities: (1) "Best of Breed" companies, which may never develop into large companies, but offer compelling valuations and are expected to continue to dominate their market niche; (2) Future market leaders in early- to mid-stage industries with the potential for explosive growth; and (3) "Fallen Angels," defined as previously larger companies, operating in established markets, that may have suffered a temporary impairment in their business model, but are exhibiting a current turnaround catalyst(s).

INVESTMENT PROCESS

Lord Abbett's international small cap core investment process seeks to identify and capture the capital appreciation potential of well-managed small- to medium-sized foreign companies with improving fundamentals. Quantitative screens, fundamental research, valuation analysis and risk control help us to select those stocks which we believe have the most attractive risk adjusted return and appreciation potential.

From a starting universe of approximately 2,100 stocks, we employ quantitative and thematic research to narrow the investable universe. Our quantitative tools include screens for liquidity, abnormal trading volume increases, and market capitalization (typically less than US\$5 billion). We also look at industry specific valuation metrics, such as P/E, dividend yield, P/CF, P/B, earnings growth, and sales growth. Concurrently, we develop a thematic approach to supplement our quantitative screens. These themes are often identified through meetings with company management and discussions with industry contacts. As a result, approximately 250 stocks are identified as candidates for further research.

Fundamental research is used to determine potential upside and clearly identify catalysts which will unlock the return potential over the next 12 to 18 months. We believe strong management capability, a logical business plan, and solid product positioning are key components for a company's success. We look at company and industry-specific events, conduct valuation work, communicate with industry analysts, and spend considerable time visiting company management, competitors, and suppliers, as well as attending industry conferences. After meeting with company management and relevant third parties, we develop price targets for those stocks we believe to have the most opportunity. These price targets are established using a combination of discounted cash flow analysis (DCF) and sector-specific valuation methodologies developed by the team.

INVESTMENT STRATEGY

The product seeks to identify and capture the capital appreciation potential of well-managed small- to medium-sized foreign companies with improving fundamentals.

PORTFOLIO CONSTRUCTION

The strategy's primary emphasis is to add value through stock selection, while keeping an appropriate level of risk control. Position sizes will ultimately depend on conviction levels and potential upside. As we build confidence in management's ability to execute, we will often increase a stock weighting. We also analyze macroeconomic, industry, and country-specific issues that will influence a stock's potential upside. Typically, the portfolio is constructed with initial positions of 0.5% - 1.5%, depending on liquidity. Individual stock positions are generally less than 5% of the portfolio's total market value. At times, we may limit portfolio positions due to liquidity constraints and risk management guidelines. We manage risk at the portfolio and stock level, which includes monitoring liquidity, sector and regional weightings. Sector weightings are no more than 25% or 1.5 times the benchmark weighting. Emerging markets exposure is generally no more than 25% of the portfolio. Portfolios are diversified over 80 - 110 positions.

SELL DISCIPLINE

As a fundamentally driven investment strategy, our 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 a position as a stock achieves the price target. Other developments that can trigger a sale include: fundamental changes within a company, industry or country; the inability of a company's management to execute its business plan; or when research uncovers a more attractive alternative.

KEY INVESTMENT PROFESSIONALS

Investment Team Member	Title/Position	Years of Securities Industry Experience
Todd D. Jacobson, CFA	Portfolio Manager	24 years
A. Edward Allinson, CFA	Portfolio Manager	27 years
Scott T. Lewis	Client Portfolio Manager	30 years

SCHEDULE OF FEES

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

0.95%	on the first	\$25 million
0.80%	on the next	\$25 million
0.75%	on the next	\$50 million
0.70%	on assets over	\$100 million

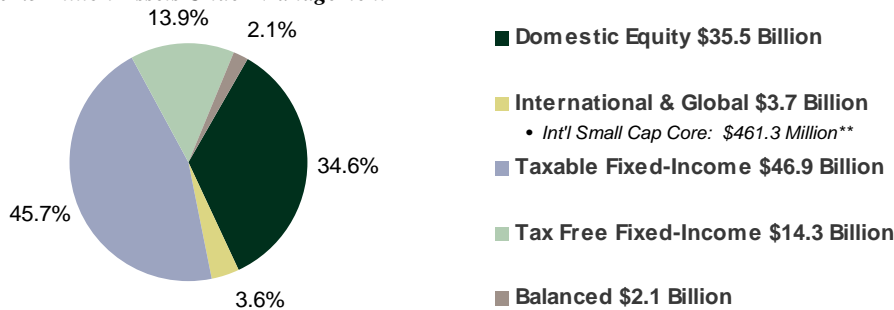
Minimum account size is \$10 million.

International Small Cap Core Equity

All Information as of September 30, 2011

ASSETS UNDER MANAGEMENT

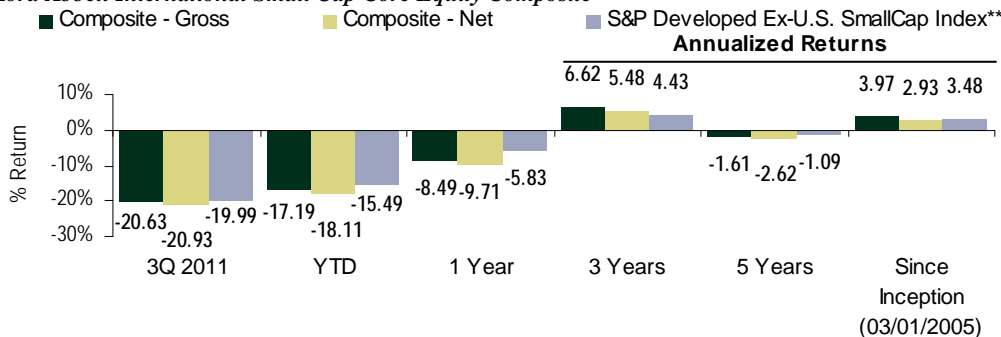
\$102.5 Billion Assets Under Management*



*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 Small Cap Core Equity Composite*



*Please see Important Information for additional information regarding the effect of fees on performance.
 **Source Standard & Poor's.
 Past performance is not indicative of future results.

TEN LARGEST REPRESENTATIVE PORTFOLIO HOLDINGS*

Company	% of Total	Company	% of Total
FP Corp.	2.4	Incitec Pivot Ltd.	1.6
Gemalto NV	2.2	Elia System Operator SA/NV	1.6
Don Quijote Co., Ltd.	2.0	Axfood AB	1.6
Gerresheimer AG	1.8	Benesse Holdings, Inc.	1.5
Rheinmetall AG	1.7	MTU Aero Engines Holding AG	1.5
		Total	17.9%

*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

With a slowdown in July's U.S. GDP numbers and the sharp revision downward of June's numbers, August once again became the cruellest month for equities. A significant reduction of global growth expectations became consensus over the quarter, leading to one of the worst quarterly performances for stocks on record. We took the opportunity to further reduce our exposures to late cycle industrials and increase our stable growth holdings, such as consumer staples. The Fall calendar is full of sovereign debt events increasing the focus on this ongoing crisis. Europe reaching an agreement on its debt restructuring needs would be a major catalyst for markets. The recent correction has increased the relative value of equities to their historical averages and on many factors we look at, such as our longer-term discounted cash flow model. Both the market and companies are now very attractively valued. In fact, in many cases companies are trading close to their 2009 lows. And unlike 2008 and 2009, corporate balance sheets are now strong, profits have recovered, dividend paying ability is high, and investment plans are well funded. We are busier than ever searching for value and updating valuation price targets. We would describe ourselves as "leaning forward" toward these opportunities.

However, we are realistic that global financial stress will continue to overshadow the market. Europe which has employed the "muddle through" approach to the eurozone's debt crisis so far is under global pressure to move faster. For a new world growth cycle to truly kick off, we will still need a stable U.S. consumer, modest and inflation-controlled emerging market growth, and a permanent, workable solution to the sovereign debt crisis in Europe that does not strangle the countries the monetary authorities are trying to help. A tall order and one which will not happen overnight.

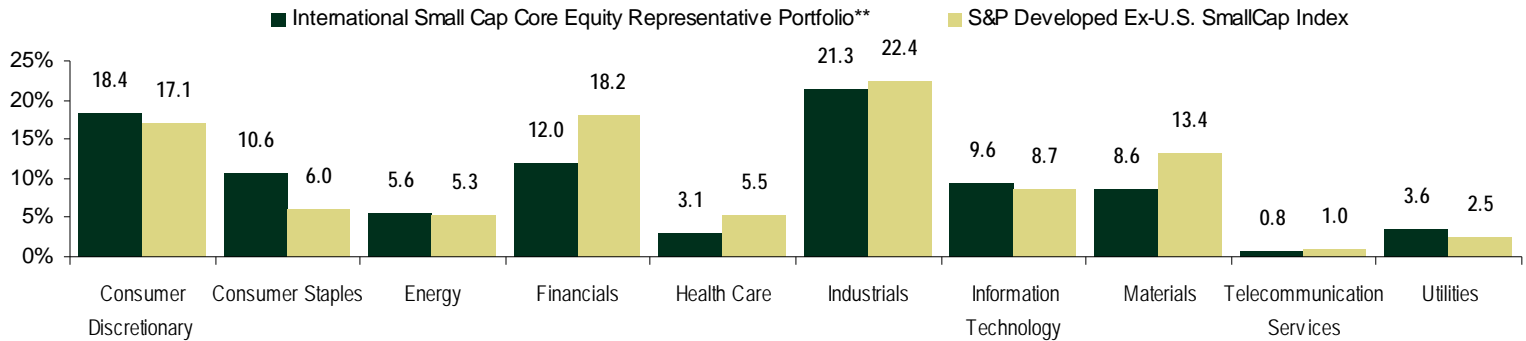


Todd D. Jacobson, CFA
Portfolio Manager



A. Edward Allinson, CFA
Portfolio Manager

SECTOR ALLOCATION*



Strongest 3Q11 Portfolio Sectors

Telecommunication Services (+6%)

Health Care (-5%)

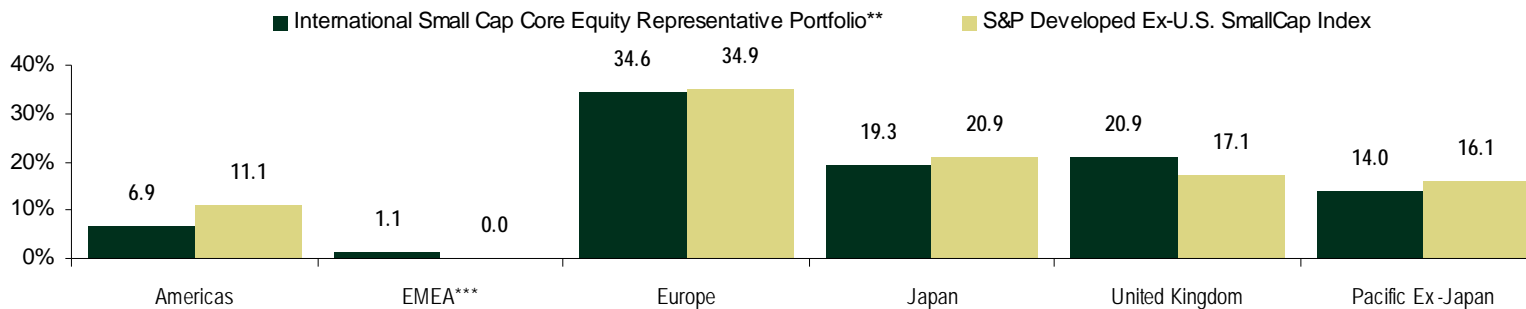
Percentage shown reflects the performance of a particular sector. Past performance is not indicative of future results.

Weakest 3Q11 Portfolio Sectors

Industrials (-27%)

Financials (-26%)

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 S&P 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 Small Cap Core Equity Institutional Composite (the "Composite") is comprised of all fully discretionary equity portfolios managed on behalf of institutional investors investing primarily in small-capitalization equity securities of non U.S. companies. The Composite's assets as of December 31, 2010 were \$447 million, which represented 0.4% 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 S&P Developed Ex-U.S. SmallCap® Index is a component of the S&P Developed Broad Market Index (BMI). The BMI is a float-weighted index that spans 22 countries and includes the listed shares of all companies with an available market capitalization (float) of at least \$100 million at the annual reconstitution, using end of July data. Portfolios in the Composite use exchange rates as of 4:00 P.M. Eastern Standard Time. The indices use exchange rates as of 4:00 P.M. Greenwich Mean Time.

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 0.95% 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 0.95% of average net assets per year for the 10-year period were deducted, the annual total return would be 8.97% and the ending dollar value would be \$23,784,456. The management fee schedule is as follows: 0.95% on the first \$25 million, 0.80% on the next \$25 million, 0.75% on the next \$50 million, and 0.70% 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.