

Product Description: International Value

INVESTMENT PHILOSOPHY

We believe that undervalued stocks, which offer high and sustainable dividends, have the potential to produce strong total returns. 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, as well as to identify quality companies with durable cash flow, likely to pay consistent dividends to investors.

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. 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. As companies within particular sectors or countries may be more apt to pay a dividend to investors, we are cognizant that high-dividend portfolios require risk management guidelines and sector diversification.

INVESTMENT PROCESS

The team screens for high dividend yield companies with an emphasis on dividend sustainability. Dividend candidates include “fallen angels”, stable growth/high free cash flow companies, and foreign national subsidiaries that pay 100% of earnings back to the parent in the form of dividends. Through extensive interviews with company executives in over 1,000 management meetings each year, the team creates a bottom-up view of key global issues affecting industry sectors. This mosaic is enriched with a view of the economic, government and regulatory issues impacting each sector. Through synthesizing the key issues and critical success factors for relevant high yielding sectors, potential investment ideas emerge for consideration amongst the team.

These ideas are thoughtfully developed and evaluated based on the team’s experience and insight, resulting in a short-list of companies designated for further in-depth research and review. Screened companies are fundamentally researched by interviewing management, understanding industry dynamics, and analyzing financial statements in order to determine cash flow projections. Detailed financial models are developed for each selected company and loaded into a proprietary database for possible portfolio selection. These models are used to validate dividend sustainability. Selected companies are compared and further evaluated using valuation models to produce price target estimates. Valuation models are sector specific utilizing metrics based on historical research. Final investment candidates are stocks the team believes are currently selling at a discount to the estimate of their intrinsic value, relative to an assigned level of risk.

PORTFOLIO CONSTRUCTION

Based on the judgment of the portfolio manager, the portfolio is prudently constructed by balancing exposures to industries and countries within the context of their risk management framework. This results in a portfolio of high dividend yielding stocks with the potential for above average total return. Individual stock positions are generally less than 5% of the portfolio’s total market value. Industry weightings are no more than 25% of the portfolio. Maximum general emerging markets exposure is 20% of the portfolio. Exposure to emerging market subsidiaries of multi-national companies is limited to 10% of the portfolio. Portfolios are typically diversified over 70-90 positions.

INVESTMENT STRATEGY

*The product seeks to
outperform the MSCI All
Country Ex-U.S. Value Index
over a full market cycle.*

SELL DISCIPLINE

Securities are continuously monitored and evaluated for sale when:

- Price appreciation exceeds estimated business value/price target.
- Fundamental changes occur to company, industry or country factors.
- A sector or country level exceeds risk management guidelines.

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

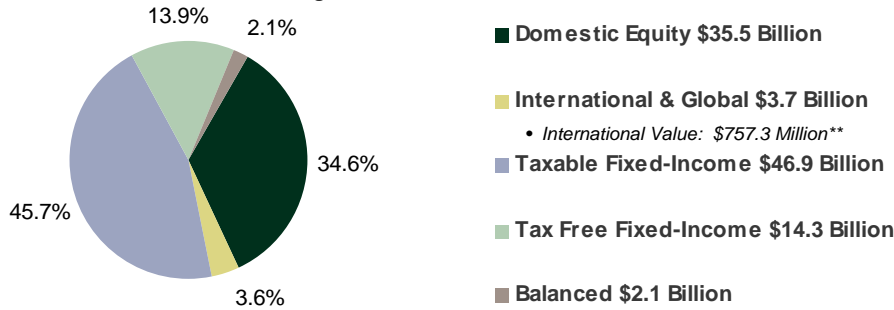
Minimum account size is generally \$25 million.

International Value

All Information as of September 30, 2011

ASSETS UNDER MANAGEMENT

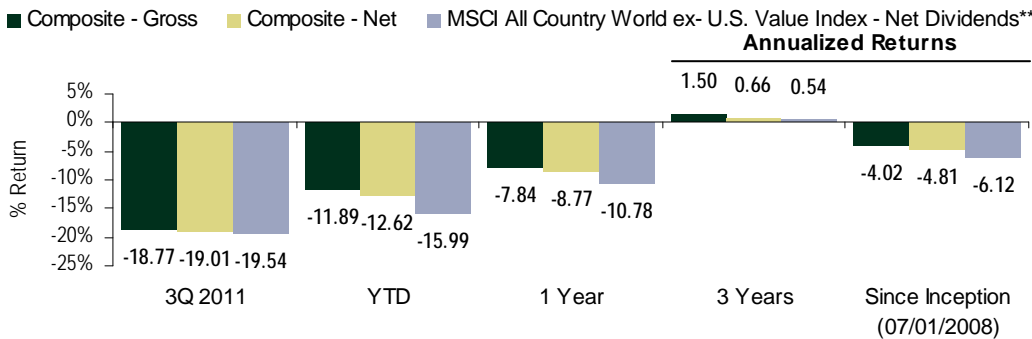
\$102.5 Billion Assets Under Management*



*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 Value Equity Institutional Composite*



*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
Vodafone Group plc	1.9	KT&G Corp.	1.7
E. ON AG	1.9	Tele2 AB	1.7
National Grid plc	1.8	GlaxoSmithKline plc	1.7
Telenor ASA	1.8	ASX Ltd.	1.7
Spark Infrastructure Group	1.8	Telstra Corporation Ltd.	1.7
Total		Total	17.7%

*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 initial market expectations. 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 into place. We believe there are some valuations, now back down to decade-lows, and we believe that there are some fundamentally 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. Dividend investing is attracting a lot of investor attention. From our standpoint, dividends have always been an important driver to global equity returns. Given the recent pullback in equity markets, dividend yields look very attractive versus history and high-grade corporate bonds. We continue to focus the portfolio on companies that combine low relative valuation and above average dividend yields.

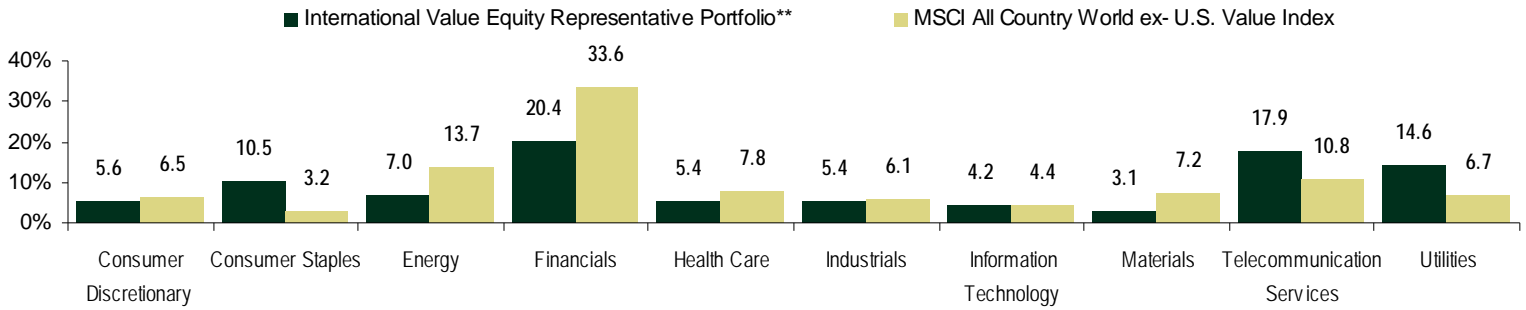


Vincent J. McBride
Partner & Director



Harold E. Sharon
Partner & Director

SECTOR ALLOCATION*



Strongest 3Q11 Portfolio Sectors

Consumer Staples (-8%)

Health Care (-11%)

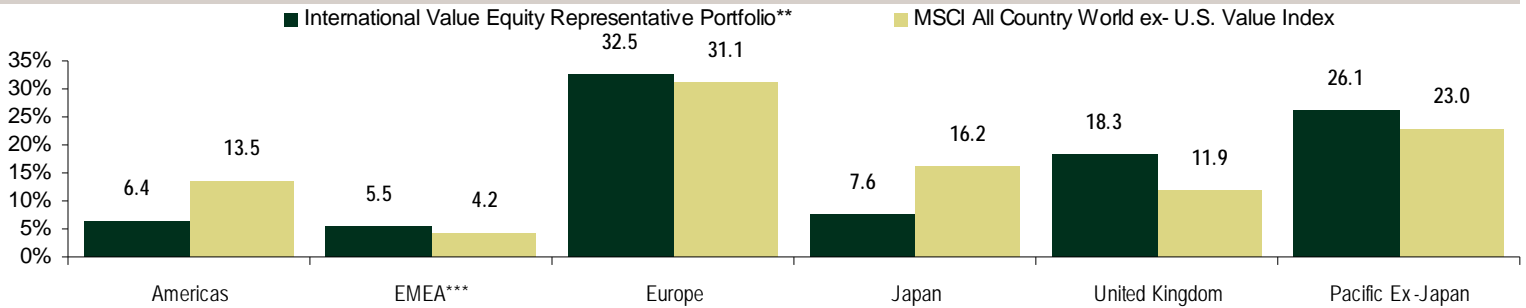
Percentage shown reflects the performance of a particular sector. *Past performance is not indicative of future results.*

Weakest 3Q11 Portfolio Sectors

Consumer Discretionary (-31%)

Materials (-27%)

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 includes emerging market countries of Europe, the Middle East & Africa.

IMPORTANT INFORMATION

Lord, Abbett & Co. LLC's International Value Equity Institutional Composite (the "Composite") is comprised of all fully discretionary portfolios, managed on behalf of institutional investors, investing primarily in dividend paying equity securities of non U.S. companies in all capitalization ranges that Lord Abbett deems to be undervalued on a relative basis. The Composite's assets as of December 31, 2010 were \$496 million, which represented 0.5% 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 MSCI ACWI (All Country World Index) Ex-U.S. Value Index is subset of the MSCI ACWI Index. The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. As of 5/27/2010, the MSCI ACWI consisted of 45 country indexes, comprising 24 developed and 21 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. The MSCI ACWI Ex-U.S. Value Index is calculated with both gross and net dividends. The MSCI ACWI Ex-U.S. Value 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 ACWI Ex-U.S. Value 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 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 0.75% 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.

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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