

# Product Description:

## Large Cap Core Equity

### INVESTMENT PHILOSOPHY

The Large Cap Core strategy is driven by the belief that attractive risk adjusted rewards are achieved by discovering overlooked opportunities through rigorous, fundamental analysis, and experienced judgment; selecting attractive securities, regardless of style, with solid profit growth prospects and an identifiable catalyst for security appreciation; and constructing a portfolio with the flexibility to tilt its style emphasis depending on the anticipated market environment.

### INVESTMENT PROCESS

The portfolio management team, together with the research analysts, identifies potential catalysts for investment candidates by monitoring changes in company developments, industry dynamics, and the economic environment. They seek to find individual securities that have solid profit growth prospects that may benefit from revenue growth and/or margin expansion, leading to strong relative earnings growth. Selected investment candidates are further researched by analyzing the potential impact of industry trends, product cycles, legislative actions and regulatory changes on future business prospects. Selected companies are further evaluated to help gauge investment expectations and determine risk/reward characteristics. Models aid in determining stock valuations based on normalized earnings and company growth characteristics relative to measures of profitability, capital reinvestment and stability of growth. The team constructs a diversified portfolio of 90 to 120 individual securities based on the strength of their convictions, their perception of market sentiment and, in their judgment, how far the portfolio should tilt toward a particular style. In order to maintain prudent diversification, the team assesses and reduces the portfolio's exposure to the potential impact of negative scenarios. The objective is to create a blended portfolio of value and growth securities that offer the best risk/reward profile, regardless of investment style.

### PORTFOLIO CONSTRUCTION

The team constructs a diversified portfolio of 90 to 120 individual securities based on the strength of their convictions, their perception of market sentiment and, in their judgment, how far the portfolio should tilt toward a particular style. In order to maintain prudent diversification, the team assesses and reduces the portfolio's exposure to the potential impact of negative scenarios. The objective is to create a blended portfolio of value and growth securities that offer the best risk/reward profile, regardless of investment style. After careful consideration of each of these portfolio components, the portfolio management team selects a group of stocks to be held across all accounts. Individual security positions typically range from 1 – 3%, with a maximum position of 5%. Exceptions are made when a client's individual investment guidelines prevent inclusion of a particular stock or group of stocks. However, it is Lord Abbett's objective to ensure that the best thinking of the investment team is similarly reflected in all client portfolios. Portfolio sector weights are a function of our bottom-up stock selection as well as portfolio risk management considerations; however, broad sector guidelines are also evaluated so that the resulting portfolio reflects adequate diversification relative to the benchmark.

### SELL DISCIPLINE

A sale of a stock may be triggered when a catalyst is no longer valid because a catalyst is fulfilled and anticipated security price is achieved; there is a fundamental change to the company, industry or economic environment; or there is a deterioration in quantitative measures. Securities may also be sold to control risk exposures or when a security reaches more than 5% of portfolio. We anticipate our process will result in average annual turnover rates of 50%. We prefer to sell into strength as other investors recognize a stock's potential. Depending on the urgency of the sell decision and the size of the position we hold, the position may be eliminated entirely or simply reduced to limit our exposure to the specific holding.

## INVESTMENT STRATEGY

*The product seeks to outperform the Russell 1000®*

*Index over a full market cycle.*

## KEY INVESTMENT PROFESSIONALS

<b>Investment Team Member</b>	<b>Title/Position</b>	<b>Years of Securities Industry Experience</b>
Daniel H. Frascarelli, CFA	Partner & Director	28 years
Randy M. Reynolds, CFA	Portfolio Manager	15 years
Frank T. Timons	Portfolio Manager	12 years
Chuck F. Hofer, CFA	Partner, Client Portfolio Manager	35 years

## SCHEDULE OF FEES

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

0.60%	on the first	\$20 million
0.50%	on the next	\$30 million
0.35%	on the next	\$50 million
0.25%	on the next	\$100 million
0.20%	on assets over	\$200 million

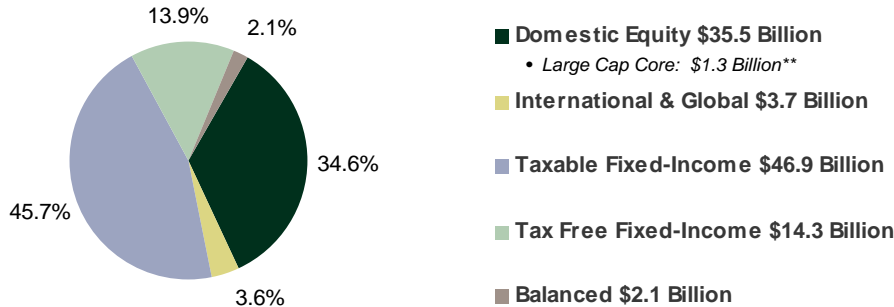
Minimum account size is generally \$20 million.

# Large Cap Core Equity

All Information as of September 30, 2011

## ASSETS UNDER MANAGEMENT

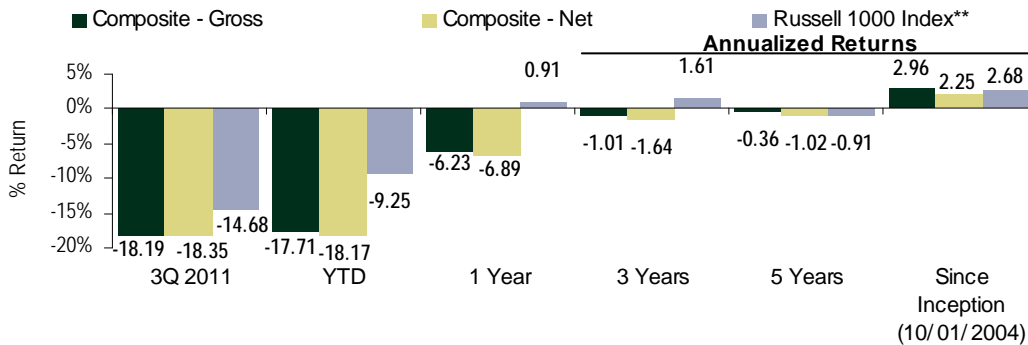
\$102.5 Billion Assets Under Management\*



\*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 Large Cap Core Institutional Composite\*



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

## MARKET OUTLOOK

We continue to invest in companies that we believe are positioned for strong revenue and earnings growth and that are capable, in our view, of maintaining their strong competitive positions. Materials remains an overweight, as we anticipate positive global demand. Health care also is an overweight, with an emphasis on companies that likely would benefit from the expected increase in the usage of generic drugs and biotechnology. Energy is now an overweight, where natural gas producers and services companies are benefiting from the development of natural gas shale properties. Although we are overweight banks, financials is now an underweight, particularly within property casualty insurance companies. We continue to have difficulty finding good risk/reward opportunities in the relatively defensive sectors, so we remain underweight utilities and consumer staples.



Daniel H. Frascarelli, CFA  
Partner & Director

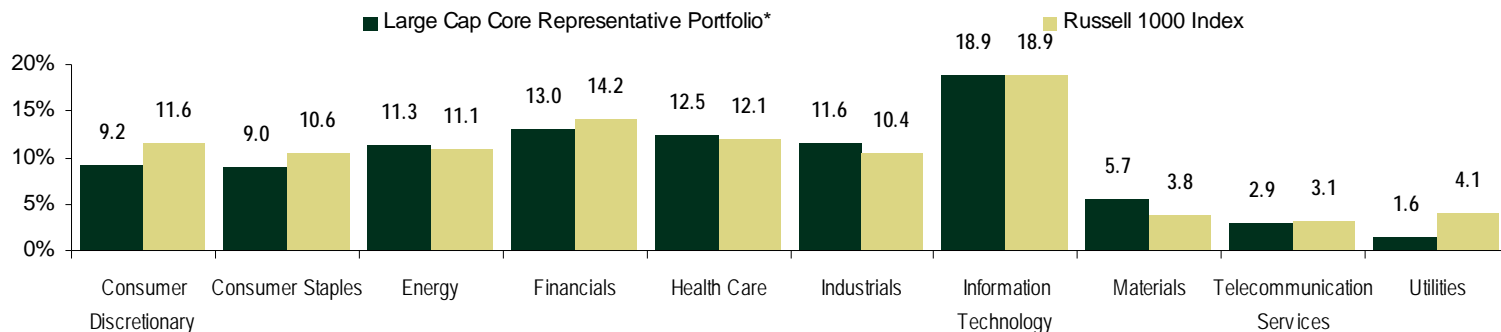


Randy M. Reynolds, CFA  
Portfolio Manager



Frank Timons  
Portfolio Manager

## SECTOR ALLOCATION



### Strongest 3Q11 Portfolio Sectors

Utilities (+3%)

Consumer Staples (-3%)

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

### Weakest 3Q11 Portfolio Sectors

Materials (-31%)

Financials (-28%)

## TEN LARGEST REPRESENTATIVE PORTFOLIO HOLDINGS\*

Company	% of Total	Company	% of Total
Apple, Inc.	4.9	Pfizer, Inc.	1.9
Johnson & Johnson, Inc.	2.2	QUALCOMM, Inc.	1.8
Google, Inc.	2.2	Union Pacific Corp.	1.8
Exxon Mobil Corp.	2.0	Coca-Cola Co.	1.7
Procter & Gamble Co.	2.0	Microsoft Corp.	1.6
		<b>Total</b>	<b>22.1%</b>

\* 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.

## IMPORTANT INFORMATION

Lord, Abbett & Co. LLC's Large Cap Core Equity Tax-Exempt Institutional Composite (the "Composite") is comprised of all fully discretionary portfolios managed on behalf of institutional investors investing primarily in large-capitalization equity securities that Lord Abbett deems to be undervalued on a relative basis or to have long-term growth potential, or both. Effective January 1, 2000, only accounts with an initial value of \$10 million or more are included in the composite. The Composite's assets as of December 31, 2010 were \$1,733 million, which represented 1.6% 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](http://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 Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the Russell 3000 Index. The Russell 1000® Index, which includes reinvested dividends, has been obtained from published sources.

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 0.60% 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 0.60% of average net assets per year for the 10-year period were deducted, the annual total return would be 9.35% and the ending dollar value would be \$24,556,882. The management fee schedule is as follows: 0.60% on the first \$20 million, 0.50% on the next \$30 million, 0.35% on the next \$50 million, 0.25% on the next \$100 million, and 0.20% on all assets over \$200 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.