

Product Description:

Long 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 can lead to strong long-term performance. In addition, a consistent relative value approach can 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 preservation than a buy and hold approach.

INVESTMENT PROCESS

Lord Abbett's Municipal team follows an investment process that focuses on creating optimal 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). Specific bond characteristics such as call protection, coupon, and price levels (discount, par or premium bonds) are then targeted for investment. The team targets sectors of the municipal market which exhibit attractive fundamentals from both a credit and valuation perspective. 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. Overall, 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 rebalancing, 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 structure decisions, the portfolio might be adjusted to alter call protection or to move between the premium and discount priced bonds based upon optimizing the relative value of their trading relationship.

INVESTMENT STRATEGY

The product seeks to provide the investor with federal tax-exempt income and attractive total return through exposure to a portfolio with an average maturity between 15 and 25 years.

KEY INVESTMENT PROFESSIONALS

Key Investment Team Member	Title/Position	Years of Securities Industry Experience
Daniel S. Solender, CFA	Partner & Director	25 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.

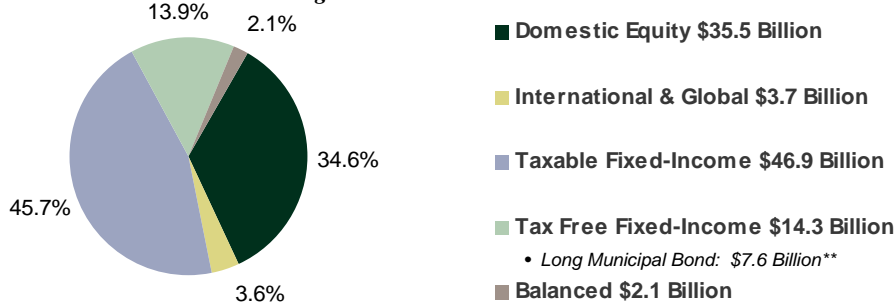
The value of the portfolio will change as interest rates fluctuate. As interest rates rise, the prices of debt securities tend to fall; as rates fall, prices tend to rise.

Long Municipal Bond

All Information as of September 30, 2011

ASSETS UNDER MANAGEMENT

\$102.5 Billion Assets Under Management*

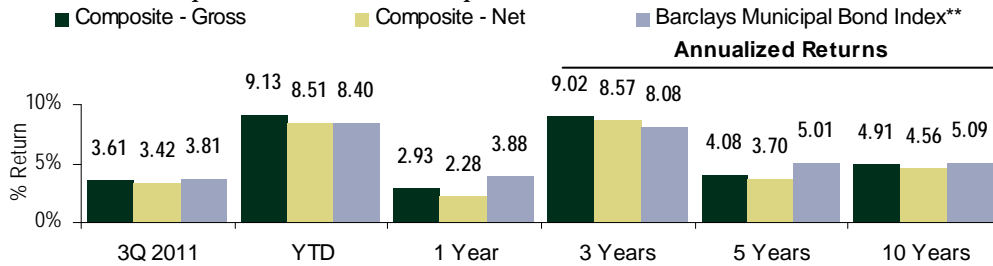


*Includes \$2.9 billion for which Lord Abbett provides investment models to managed account sponsors.

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

PERFORMANCE RESULTS

Lord Abbett Municipal Bond Institutional Composite*



*Please see Important Information for additional information regarding the effect of fees on performance.

**Source: Barclays Capital

Past performance is not indicative of future results.

PORTFOLIO CHARACTERISTICS

Representative Long Municipal

Bond Portfolio*

Barclays Municipal Bond Index

Average Price	\$100.67	\$107.17
Average Coupon	5.9%	4.9%
Average Maturity	19.9 years	13.5 years
Modified Duration	7.2 years	5.2 years

*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 at the date shown above. Portfolios are actively managed and portfolio characteristics may change significantly over time.

MARKET OUTLOOK

Municipal demand has begun to pick up recently, although it is uncertain whether the increase in demand will continue. Although intermediate bonds have experienced consistent demand most of this year, there has not been as much interest in the longer end of the curve. Going forward municipal yields remain relatively attractive compared to other fixed income markets. This has the potential to increase demand, unless the markets again become unstable causing another flight to quality. While supply might increase in coming months from the pace seen in the first three quarters of the year, it is likely to lag last year's issuance, as there are fewer infrastructure projects in the face of economic uncertainty and municipalities continue trying to limit borrowing. Some additional supply could stem from borrowers' refunding outstanding issues to benefit from lower rates.

Due to the Fed's statement that short rates will likely be kept near zero for as long as another two years, the yield curve is likely to remain quite steep. With longer maturities having much higher yields and strong potential returns due to the steepness of the yield curve, we would expect longer maturities to outperform, unless there is an unexpected and significant increase in rates. We also anticipate that some stabilization in the global financial markets and a better tone in the U.S. economy could reverse the flight to quality and lead municipal bonds to outperform Treasuries.

Although already at levels that were wider than historical averages, credit spreads between lower- and higher-rated bonds widened during the quarter. Expectations are that these spreads should tighten when the economy improves and sovereign issues in Europe become less severe. Credit quality has been stable, with only minor downgrades and reduced numbers of defaults from high-yield bonds, which should also lead to spread tightening in the future, although the timing is uncertain.

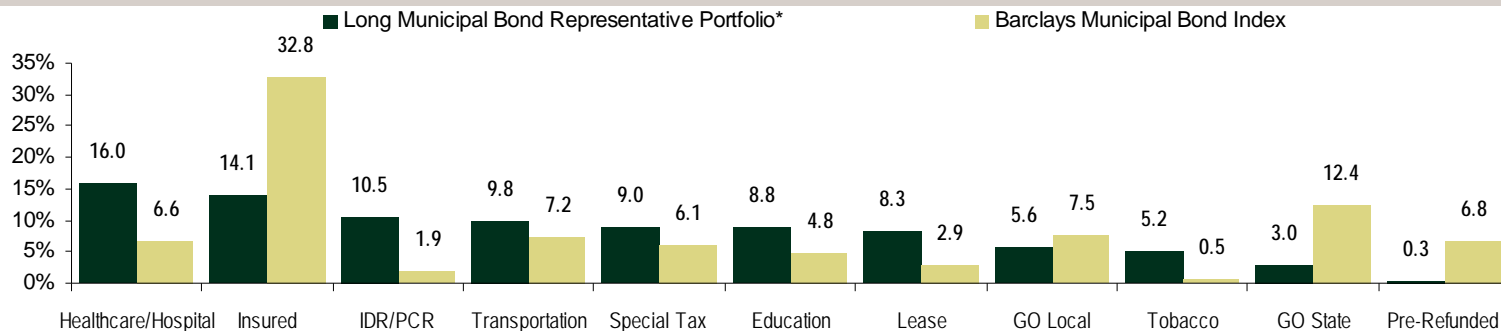
During the coming quarter, there will be considerable focus on discussions in Washington concerning proposed changes in the amount of tax exemption afforded by municipal bonds. The congressional "Super Committee" has been tasked with finding, by late November, an additional \$1.5 trillion in debt savings over the next 10 years and this topic is expected to be part of their discussions. There is much healthy skepticism that any bipartisan agreement can be reached.

States have been successful in balancing their budgets as the economy has been slowing and as proceeds from the federal stimulus plan ended. Many jobs and services have been cut in order to meet the lower level of revenues compared to several years ago. Going forward, if state revenues fail to meet projections, midyear spending cuts might prove to be necessary. So far, states appear committed to continue making the adjustments required to maintain their fiscal health.



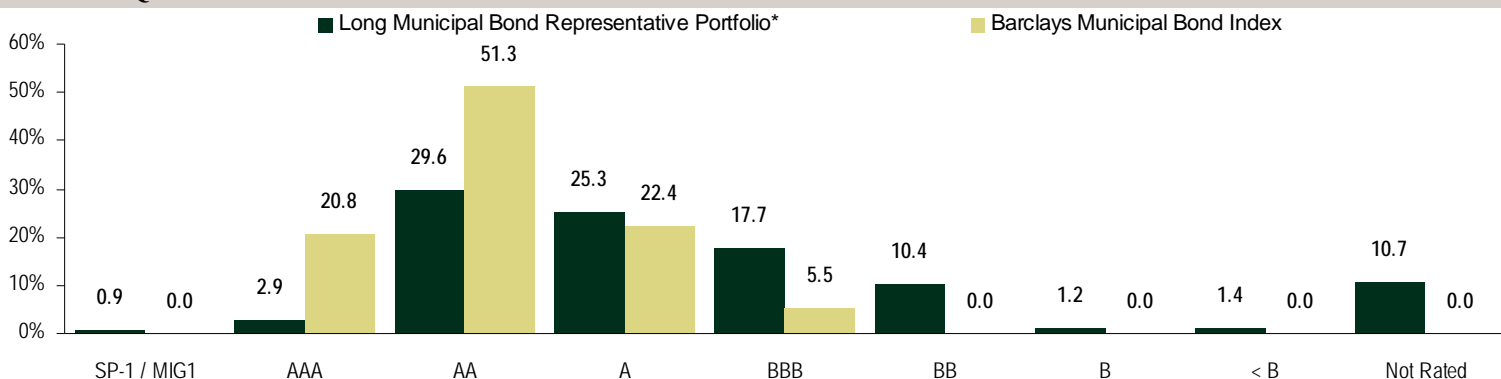
Daniel S. Solender, CFA
Partner & Director

KEY SECTOR ALLOCATION



Key sector allocations are defined as sectors having a market value weighting greater than 5%.

CREDIT QUALITY DISTRIBUTION



Ratings provided by Standard & Poor's and Moody's. Where S&P and Moody's rate a security differently, Lord Abbett uses the higher credit rating. Ratings range from AAA (highest) to D (lowest). Bonds rated BBB or above are considered investment grade. Credit ratings BB and below are lower-rated securities (junk bonds). High-yielding, non investment grade bonds (junk bonds) involve higher risks than investment grade bonds. Adverse conditions may affect the issuer's ability to pay interest and principal on these securities. A portion of the portfolio's securities are not rated. *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 at the date shown above. Portfolios are actively managed and portfolio characteristics may change significantly over time.

IMPORTANT INFORMATION

Lord, Abbett & Co. LLC's Municipal Bond Institutional Composite (the "Composite") is comprised of all fully discretionary portfolios managed for individual investors investing primarily in municipal securities with ratings of A or higher by one or more nationally recognized statistical rating organizations or deemed to be of equivalent quality and with portfolios maintaining an intermediate- to long-term average weighted stated maturity under normal circumstances. The Composite's assets as of December 31, 2010 were \$1,691 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 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 Barclays Capital Municipal Bond Index is a broad measure of the municipal bond market with maturities of at least one year. To be included in this index, bonds must have a minimum credit rating of at least Baa, an outstanding par value of at least \$3 million and be issued as part of a transaction of at least \$50 million. The index includes both zero coupon bonds and bonds subject to the alternative minimum tax. The Barclays Capital Municipal Bond Index data 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 0.30% 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 0.30% of average net assets per year for the 10-year period were deducted, the annual total return would be 9.67% and the ending dollar value would be \$25,238,659. The management fee schedule is as follows: 0.30% on the first \$10 million, 0.25% on the next \$15 million, 0.20% on the next \$75 million, 0.15% 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. 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 LLP. 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.