



Lord Abbett Core Fixed Income Strategy Second Quarter 2026 Performance Commentary

MARKET REVIEW

Market performance in the second quarter was shaped by a resilient economic backdrop, evolving geopolitical developments, and a meaningful shift in monetary policy expectations. While artificial intelligence (AI) remained a dominant theme, fixed income markets were mainly affected by the ongoing US-Iran conflict which contributed to elevated energy prices and increased inflationary pressures. However, the eventual June ceasefire helped ease inflation concerns and stabilize oil markets. U.S. economic data continued to point to solid growth, supported by solid labor markets and consumer spending, despite inflation remaining above the U.S. Federal Reserve's (Fed) target. Against this backdrop, Fed officials adopted a more hawkish tone, culminating in June's FOMC meeting, where Chairman Kevin Warsh emphasized price stability and markets shifted from expecting further rate cuts to modest rate hikes.

Over the quarter, investment grade corporate² credit spreads tightened by 14 basis points (bps), commercial mortgage-backed securities (CMBS)³ spreads tightened by 9 bps, and asset-backed securities (ABS)⁴ spreads tightened by 9 bps. The 2-Year U.S. Treasury yield increased from 3.79% to 4.14% and the 10-Year U.S. Treasury yield moved higher from 4.30% to 4.44%¹.

PORTFOLIO REVIEW

Security selection within agency mortgage-backed securities (MBS) was the primary contributor to relative performance. Over the quarter, we maintained the portfolio's allocation to agency MBS, increasing MBS pools while decreasing the allocation to To-Be-Announced securities.

Security selection within investment grade corporate bonds also contributed to relative performance, mainly within the Consumer sector. Over the period, we modestly increased the portfolio's investment grade corporate allocation, mainly within the Technology and Financial sectors.

The portfolio's yield curve positioning was the primary detractor from relative performance. In particular, the portfolio's underweight to longer maturity bonds led to a negative impact on relative returns as the yield curve flattened over the quarter.

An allocation to non-agency mortgage-backed securities (MBS) also led to a negative impact on relative returns. Within the sector, we reduced the portfolio's allocation to Prime Jumbo securities and increased exposure to Non-Qualified Mortgage (Non-QM) securities, where we saw more compelling relative value.

OUTLOOK

At the close of the second quarter, U.S. Treasury yields across the curve remain elevated relative to most of the past decade. This elevated starting point enhances expected return potential and improves the risk/reward trade-off, as higher yields can help mitigate the impact of further rate volatility.

Three primary forces have shaped markets since the start of the year. AI disruption risk continues to emerge as a longer-term theme, with markets increasingly pricing in its potential impact on future earnings of certain industries and businesses. The U.S.-Iran conflict has added to market volatility through higher oil prices, renewed inflation pressures, and rising Treasury yields. More recently, resilient economic growth, a stronger labor market, and persistent inflation have reduced the urgency for the Federal Reserve to ease policy.



In response to the evolving impact of AI, we have been reducing exposure to sectors and positions most directly exposed to first-order AI disruption risks, including software and other technology issuers, as well as adjacent areas such as business development companies and life insurers. With respect to the Iran conflict, markets have priced out many of the initial tail risks as conditions have stabilized over the quarter.

In terms of monetary policy, the June Fed meeting reinforced the Committee's focus on price stability and reflected a higher projected near-term inflation path. As a result, the probability of a rate hike has increased. We believe the Fed's reaction function has become more inflation-sensitive, and front-end rate volatility is likely to remain elevated.

Against this backdrop, we maintain a balanced risk posture. While the macro environment remains relatively supportive and corporate earnings have been resilient, tighter credit spreads and greater uncertainty around the path of rates align with a closer-to-home approach to duration and credit risk. We see attractive relative value in high quality securitized credit products, including higher-rated collateralized loan obligations, shorter-average-life ABS and select areas of non-agency MBS. Within corporates, we favor industries that may benefit from AI-related investment, such as power generation companies and utilities, as well as areas we believe are more insulated from AI disruption, including energy, high-quality industrials, and money center and capital markets banks.

In general, we believe markets like these offer great opportunities for active managers. There are multiple levers that can be employed to potentially generate excess returns (including optimal sector/industry/rating/security positioning, duration, and yield curve positioning, etc.) in this environment.

¹Factset as of 06/30/2026

²As represented by the ICE BofA US Corporate Index as of 06/30/2026

³As represented by the Bloomberg US CMBS Index as of 06/30/2026

⁴As represented by the Bloomberg US Aggregate Securitized ABS Index as of 06/30/2026

As of June 30, 2026: Average annual net total returns were: one year: 4.09%; three years: 4.66%; five years: 0.34%; and ten years: 1.85%. The returns of the Bloomberg US Aggregate Bond Index were: one year: 3.79%; three years 4.16%; five years: 0.08%; and ten years: 1.54%.*

**Reflects the representative account of the Lord Abbett Core Fixed Income Strategy.*

Past performance is not a reliable indicator or guarantee of future results.

The holdings identified as contributors or detractors relative to the strategy's benchmark, the Bloomberg U.S. Aggregate Bond Index, do not represent all of the securities purchased, sold, or recommended for advisory clients. The calculation methodology for determining the holdings that contributed most positively and negatively to the model portfolio's performance for the period as well as a list of the contribution of each holding in the portfolio to the portfolio's performance are available upon request.

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Risks to Consider: The strategy discussed is subject to the general risks associated with investing in fixed income securities, including market, credit, liquidity, and interest rate risk. The value of an investment in fixed income securities will change as interest rates fluctuate in response to market movements. When interest rates rise, the prices of fixed income securities are likely to decline, and when interest rates fall, the prices of fixed income securities tend to rise. The strategy may invest in Treasury Inflation Protected Securities and other inflation-indexed securities, which are subject to greater inflation rate and interest rate volatility. The strategy may invest in foreign or emerging market securities, which may be adversely affected by economic, political, or regulatory factors and subject to currency volatility and greater liquidity risk. The strategy may invest in derivatives, which are subject to greater liquidity, leverage, and counterparty risk. These factors can adversely affect performance.

The views and information discussed in this commentary are as of June 30th, 2026, are subject to change, and may not reflect the views of the firm as a whole. The views expressed regarding the markets are at a specific point in time, are opinions only, and should not be relied upon as a forecast, research, or investment advice regarding a particular investment or the markets in general. Information discussed should not be considered a recommendation to purchase or sell securities.

The Global Investment Performance Standards (GIPS®) compliant performance results shown represent the investment performance record for the Lord, Abbett & Co. LLC (Lord Abbett) **Core Fixed Income Institutional Composite**. This composite is comprised of all fully discretionary portfolios managed on behalf of institutional investors investing primarily in various types of fixed-income securities, including securities issued by the U.S. government, its agencies and instrumentalities, mortgage-backed and other asset-backed securities, investment grade corporate debt, U.S.-dollar denominated investment-grade debt of non-U.S. issuers, senior loans and derivatives. Effective February 1, 2022, only accounts with a value of \$100 million or more are included in the composite. Effective November 2017, only accounts with a value of \$40 million or more are included in the composite. Effective July 2014, only accounts with an initial value of \$50 million or more are included in the composite. Effective January 2018, accounts funded on or before the 15th of the month will be included in the Composite effective the first day of the first following month. Accounts funded after the 15th of the month will be included effective on the first day of the second following month. Prior to January 2018, other than registered investment companies



sponsored by Lord Abbett, accounts opened/funded on or before the 15th day of the month were included in the Composite effective the first day of the second following month and accounts opened/funded after 15th of the month were included effective on the first day of the third following month. Registered investment companies sponsored by Lord Abbett are included in the Composite in the first full month of management. Closed accounts are removed from the Composite after the last full month in which they were managed in accordance with applicable objectives, guidelines, and restrictions. Performance results are expressed in U.S. dollars and reflect reinvestment of any dividends and distributions. The Composite was created in 1999 and inception in 1998. A list of all composite and pooled fund investment strategies offered by the firm, with a description of each strategy, is available upon request. The type of portfolios in which each strategy is available (segregated account, limited distribution pooled fund, or broad distribution pooled fund) is indicated in the description of each strategy. Policies for valuing investments, calculating performance, and preparing GIPS Report are available upon request.

For GIPS® purposes, the firm is defined as Lord, Abbett & Co. LLC ("Lord Abbett"). Total Firm Assets are the aggregate fair value of all discretionary and non-discretionary assets for which the Firm has investment management responsibility. Accordingly, Total Firm Assets include, but are not limited to, mutual funds (all classes of shares), privately placed investment funds, non-U.S. domiciled investment funds, separate/institutional portfolios, individual portfolios and separately managed accounts ("Wrap Fee/SMA Portfolios") managed by Lord Abbett. Total Firm Assets also include any collateralized, structured investment vehicle, such as a collateralized debt obligation or collateralized loan obligation, for which Lord Abbett has been appointed as the collateral manager. For the period prior to January 1, 2000, the definition of the Firm does not include any hedge fund or SMA program accounts where Lord, Abbett & Co. LLC did not have the records so long as it is impossible for Lord, Abbett & Co. LLC to have the records (within the meaning of relevant GIPS® standards interpretations). Total Firm Assets also exclude separately managed program accounts that involve model delivery.

The number of portfolios and total assets in the Composite, and the percentage of total "firm" assets represented by the Composite at the end of each calendar year for which performance information is provided are as follows:

Calendar Year Ended	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
# of Portfolios	5	5	5	5	7	9	9	7	7	8
Total Assets (\$M)	\$6,685	\$5,700	\$4,669	\$3,149	\$3,246	\$3,342	\$2,686	\$2,009	\$3,758	\$3,791
Percentage of Firm Assets	2.73%	2.64%	2.40%	1.63%	1.28%	1.50%	1.32%	1.12%	2.41%	2.82%
Total Firm Assets (\$M)	\$245,281	\$216,055	\$194,188	\$192,949	\$254,075	\$222,535	\$204,031	\$161,055	\$156,110	\$134,565
Dispersion	N/A	N/A	N/A	N/A	0.07	0.08	0.05	N/A	0.14	0.07
Lord Abbett Core Fixed Income Institutional Composite (Gross Annual)	7.68%	2.45%	6.31%	-13.07%	-0.34%	8.57%	8.55%	0.12%	4.10%	3.32%
Lord Abbett Core Fixed Income Institutional Composite Gross (3 year Annualized Return)	5.46%	-1.80%	-2.70%	-2.02%	5.51%	5.67%	4.20%	2.50%	2.51%	3.45%
Lord Abbett Core Fixed Income Institutional Composite Gross (3 year Annualized Ex-Post Standard Deviation)	5.86%	7.56%	6.98%	5.90%	3.70%	3.70%	2.75%	2.74%	2.72%	2.95%
Lord Abbett Core Fixed Income Institutional Composite (Net Annual)	7.38%	2.17%	6.01%	-13.31%	-0.62%	8.27%	8.25%	-0.16%	3.81%	3.03%
Lord Abbett Core Fixed Income Institutional Composite Net (3 year Annualized Return)	5.16%	-2.08%	-2.98%	-2.29%	5.22%	5.38%	3.90%	2.21%	2.22%	3.16%
Bloomberg U.S Aggregate Bond Index (Annual)	7.30%	1.25%	5.53%	-13.01%	-1.54%	7.51%	8.72%	0.01%	3.54%	2.65%
Bloomberg U.S Aggregate Bond Index (3 year Annualized Return)	4.66%	-2.41%	-3.31%	-2.71%	4.79%	5.34%	4.03%	2.06%	2.24%	3.03%
Bloomberg U.S Aggregate Bond Index (3 year Annualized Ex-Post Standard Deviation)	6.06%	7.83%	7.24%	5.85%	3.40%	3.40%	2.91%	2.88%	2.82%	3.03%
Supplemental Information:*										
Number of Portfolios Managed in Style*	22	21	21	21	21	21	20	18	17	19
Total Assets Managed in Style*	\$7,764	\$6,515	\$5,433	\$3,847	\$3,827	\$3,837	\$2,956	\$2,343	\$4,147	\$4,374

Dispersion is represented by the asset-weighted standard deviation, a measure that explains deviations of gross portfolio rates of return from the asset-weighted composite return. Only portfolios that have been managed within the Composite style for a full year are included in the asset-weighted standard deviation calculation. The measure may not be meaningful (N/A) for composites consisting of five or fewer portfolios or for periods of less than a full year.

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. Net performance of the Composite as presented in the table on the previous page 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 0.28% of assets) and other expenses (including trade execution expenses). **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 0.28% of average net assets per year for the 10-year period were deducted, the annual total return would be 9.69% and the ending dollar value would be \$25,284,711. The separate account management fee schedule is as follows: 0.28% on the first \$50 million, 0.20% on the next \$100 million, 0.16% on the next \$350 million, and 0.14% on all assets over \$500 million. The Pooled Fund management fee schedule is as follows: 0.19% on the first \$50 million, 0.17% on the next \$50 million, 0.15% on the next \$100 million, 0.13% on the next \$250 million, 0.11% on the next \$500 million, and 0.09% on all assets over \$1 billion. The Pooled Fund expense ratio is 0.27%. Net-of-fee performance reflects the deduction of the highest applicable institutional advisory fee that would be charged to a new institutional client account based on the current fee schedule for this strategy. The composite includes one or more registered investment companies sponsored by Lord Abbett ("Lord Abbett Funds") that are subject to fees and expenses that would be inapplicable to an institutional client account. Therefore, the actual performance of Lord Abbett Fund accounts included in the composite may be lower than the net-of-fee composite performance presented. Fees and expenses applicable to the Lord Abbett Funds are disclosed in each Fund's Prospectus, which is available upon request. Past performance does not guarantee future results. 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 sector weights that vary significantly from the Index. Any portfolio with a market value of less than \$200 million will be excluded from the composite if the portfolio has an aggregate monthly inflow/outflow equal to or above 15% of the portfolio's beginning monthly balance. Portfolios removed from composites will be treated as new accounts, and will adhere to the standard composite inclusion policy before being re-introduced to the composite.

*Supplemental information includes accounts managed in Lord Abbett's Core Fixed Income Style by not included in the Composite due to the existence of certain investment restrictions that have a material effect on implementation of Lord Abbett's investment strategies.

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The Bloomberg U.S. Aggregate Bond Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

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