



Lord Abbett brings more than 30 years of municipal bond-investing experience to help you meet the challenges of today's market by offering a suite of professionally managed Municipal Ladder portfolios.

A ladder portfolio is structured in a way that allows investors to potentially benefit from a rising interest-rate environment through the reinvestment of proceeds from maturing bonds at higher prevailing market rates.

To locate the Lord Abbett Muni-Ladder Interest Rate Scenario tool, go to the Resources section of LordAbbett.com.

The tool allows investors to create hypothetical scenarios using six maturity ranges to gain an understanding of how these portfolios may perform in different interest-rate environments.

You can find helpful information for each respective field by clicking on any of the tool tips.

To create a hypothetical scenario, simply input an initial investment amount. I'll keep the default \$1,000,000

Next, select the maturity range. I'll choose the 1-10 year range

Then select the desired geographical orientation of your portfolio; national, for the most geographically diverse portfolio, or one of the state specific options. I'll select NY

Now input the investor's annual taxable income and tax filing status. I'll keep the default, maximum and married filing jointly

The chart on the top right has dynamically adjusted to reflect the estimated annual and cumulative income. The chart below will reflect the estimated percent or dollar annual and cumulative returns. This information is provided in both chart and table formats.

The tool uses the income and tax-related information provided to generate a hypothetical portfolio yield as well as a taxable-equivalent yield, located below the charts.

Finally, you are given the option to input a custom rising rate scenario by selecting a percentage rate increase and the number of years over which that increase will take place. The default assumption is for no increase in interest rates.

To change interest rate assumptions, enter the assumed interest rate increase and the duration in years it will take effect.

For example, a 1.00% increase in interest rates over 2 years will assume rates increase by 50 basis points per year. Notice that, under this scenario, the cumulative income is higher over the 10 year period relative to a scenario where interest rates do not change.

In addition, your cumulative return is higher. This is not to say that rising rates are not a headwind to the bonds in this portfolio. It is simply illustrating that the ladder structure is designed to potentially benefit from a higher rate environment over the long term as proceeds from maturing bonds are reinvested at higher market rates.

Even if we assume an interest rate increase of 5% over 2 years, a fairly aggressive assumption, you will notice that although the cumulative return is negative over the short term, longer term return estimates are still higher relative to a scenario where interest rates do not rise at all.

You can select a PDF report version of the scenario in order to save or print it.

To learn more about professionally managed Municipal Ladder portfolios, simply enter your zip code and your firm's channel and you'll find contact information for the Lord Abbett representative in your area.



Year	Cumulative Total Return	Annual Total Return
Year 1	0.52%	0.52%
Year 2	1.55%	1.03%
Year 3	5.18%	3.57%
Year 4	8.93%	3.57%
Year 5	12.82%	3.57%
Year 6	16.84%	3.57%
Year 7	21.01%	3.56%
Year 8	25.31%	3.56%
Year 9	29.77%	3.56%
Year 10	34.38%	3.55%

Year	Cumulative Total Return	Annual Total Return
Year 1	-7.11%	-7.11%
Year 2	-11.08%	-4.27%
Year 3	-4.34%	7.58%
Year 4	2.91%	7.58%
Year 5	10.71%	7.58%
Year 6	19.09%	7.57%
Year 7	28.08%	7.55%
Year 8	37.73%	7.54%
Year 9	48.09%	7.52%
Year 10	59.19%	7.50%