



# MARKET MONITOR

## U.S. MARKET ANALYSIS

For the week ended Friday, November 4, 2016

### EQUITY

YTD			SIZE	
VALUE	BLEND	GROWTH		
6.42	3.82	1.40		LARGE
8.64	4.67	0.66		MEDIUM
9.32	3.69	-1.75	SMALL	

10/28/2016 – 11/04/2016			SIZE	
VALUE	BLEND	GROWTH		
-1.59	-1.85	-2.10		LARGE
-1.71	-1.63	-1.53		MEDIUM
-1.76	-2.01	-2.27	SMALL	

### FIXED INCOME

YTD			QUALITY	
SHORT	INTERMED	LONG		
1.35	3.07	10.45		HIGH
1.73	5.15	12.59		MEDIUM
12.27	13.89	26.69	LOW	

10/28/2016 – 11/04/2016			QUALITY	
SHORT	INTERMED	LONG		
0.13	0.31	0.89		HIGH
0.12	0.24	0.41		MEDIUM
-0.55	-1.07	-1.55	LOW	

Russell 1000® Value

Russell 1000®

Russell 1000® Growth

Barclays Capital 1-3 Govt

Barclays Capital Intmtdt Govt

Barclays Capital Long Govt

Russell Midcap® Value

Russell Midcap®

Russell Midcap® Growth

Barclays Capital 1-3 Govt/Cr

Barclays Capital Aggregate

Barclays Capital Long Govt/Cr

Russell 2000® Value

Russell 2000®

Russell 2000® Growth

Barclays Capital HY Loans

Barclays Capital Intmtdt HY

Barclays Capital Long HY

**Past performance is no guarantee of future results.** All indexes are unmanaged, include reinvestment of dividends and interest income, and are not available for direct investment. The style boxes shown are of equity and fixed-income indexes and are not representative of any fund or any particular investment. Please refer to "Important Information" regarding index information.

Equities	Friday Close 11/04/2016	Previous Friday Close 10/28/2016	YTD Change	Weekly Change
Dow Jones Industrial Average	17,888.3	18,161.2	2.7%	-1.5%
S&P 500 Index	2,085.2	2,126.4	2.0%	-1.9%
Nasdaq Composite	5,046.4	5,190.1	0.8%	-2.8%
Russell 2000	1,163.4	1,187.6	2.4%	-2.0%

Source: Dow Jones, Standard & Poor's, Nasdaq, and Russell Investments.

Interest Rates (percent, per annum)	Friday	Previous Friday	One Year Ago
Fed Funds Rate	0.25	0.25	0-0.25
10-Year Treasury	1.78	1.85	2.23
30-Year 'AAA' Rated GO Municipal	2.57	2.63	3.15

Source: Bloomberg Financial Markets.

The municipal market is volatile and can be significantly affected by adverse tax, legislative, or political changes, and the financial condition of the issuers of municipal securities. Interest-rate increases can cause the price of a debt security to decrease.

Treasuries are debt securities issued by the U.S. government and secured by its full faith and credit. Income from Treasury securities is exempt from state and local taxes.

Indexes are not available for direct investment.

Please refer to "Important Information" regarding index information.

## IMPORTANT INFORMATION

**Past performance is no guarantee of future results.** Current performance may be higher or lower than the performance data quoted. The historical data on page 1 are an illustration of commonly used economic indicator indexes and do not depict or predict the performance of any Lord Abbett mutual fund or any investment. All indexes are unmanaged and do not reflect reinvestment of dividends and distributions, deduction of management fees, or operating expenses. An investor cannot invest directly in an index.

**A Note about Risk:** The value of investments in equity securities will fluctuate in response to general economic conditions and to changes in the prospects of particular companies and/or sectors in the economy. The value of investments in fixed-income securities will change as interest rates fluctuate. As interest rates fall, the prices of debt securities tend to rise, and as interest rates rise, the prices of debt securities tend to fall. Investments in high-yield securities (sometimes called junk bonds) carry increased risks of price volatility, illiquidity, and the possibility of default in the timely payment of interest and principal. Income from municipal securities may be subject to the alternative minimum tax. Federal, state, and local taxes may apply. There is a risk that a bond issued as tax-exempt may be reclassified by the IRS as taxable, creating taxable rather than tax-exempt income. Bonds may also be subject to other types of risk, such as call, credit, liquidity, interest-rate, and general market risks. No investing strategy can overcome all market volatility or guarantee future results.

While municipal bonds are backed by municipalities, U.S. government securities, such as U.S. Treasury bills, are considered less risky since they are backed by the U.S. government. High-yielding, non-investment-grade bonds (junk bonds) involve higher risk than investment-grade bonds. Adverse conditions may affect the issuer's ability to pay interest and principal on these securities.

A CD guarantees your principal, offers a fixed rate of return, and is FDIC-insured, typically up to \$250,000.

Taxable-equivalent yield is the pretax yield that a taxable bond needs to possess for its yield to be equal to that of a tax-free municipal bond. It does not reflect state and local income taxes or the alternative minimum tax, if any, and will vary based on each investor's tax bracket.

An investment in a money market fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

The credit quality ratings of the securities in a portfolio are assigned by a nationally recognized statistical rating organization (NRSRO), such as Standard & Poor's, Moody's, or Fitch, as an indication of an issuer's creditworthiness. 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. Credit quality distributions breakdown is not an S&P credit rating or an opinion of S&P as to the creditworthiness of the portfolio.

Foreign securities generally pose greater risk than domestic securities, including greater price fluctuations and higher transaction costs. Foreign investments also may be affected by changes in currency rates or currency controls. With respect to certain foreign countries, there is a possibility of nationalization, expropriation, or confiscatory taxation, imposition of withholding or other taxes, and political or social instability that could affect investments in those countries. The securities markets of emerging countries tend to be less liquid, to be especially subject to greater price volatility, to have a smaller market capitalization, and to have less government regulation, and may not be subject to as extensive and frequent accounting, financial, and other reporting requirements as securities issued in more developed countries. Further, investing in the securities of issuers located in certain emerging countries may present a greater risk of loss resulting from problems in security registration and custody or substantial economic or political disruptions. Foreign currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by supply and demand in the foreign exchange markets and relative merits of investments in different countries, actual or perceived changes in interest rates, and other complex factors. Currency exchange rates also can be affected unpredictably by intervention (or the failure to intervene) by U.S. or foreign governments or central banks, or by currency controls or political developments.

The Barclays 1-3 Year U.S. Treasury Index is an unmanaged index of public obligations of the U.S. Treasury with a remaining maturity of one to three years.

The Barclays 1-3 Year Municipal Bond Index is the one- to three-year component of the Barclays Municipal Bond Index, which is an unmanaged index composed of long-term, tax-exempt bonds with a minimum credit rating of Baa.

The Barclays AAA CMBS 7+ Year Index is a custom index created by selecting the 7+ Year AAA component of the Barclays U.S. CMBS Investment Grade Index. The Barclays U.S. CMBS Investment Grade Index measures the market of conduit and fusion corporate mortgage-backed security deals with a minimum current deal size of \$300 million.

The Russell 1000<sup>®</sup> Value and Growth indexes are market capitalization-weighted indexes of larger-value and larger-growth companies, respectively. The Russell 2000<sup>®</sup> Index is a market capitalization-weighted index of smaller-company stocks. The Russell 2000<sup>®</sup> Value and Growth indexes are market capitalization-weighted indexes of smaller-value and smaller-growth companies, respectively. The Russell Midcap<sup>®</sup> Index measures the performance of the 800 smallest companies in the Russell 1000<sup>®</sup> Index. The Russell Midcap<sup>®</sup> Value Index measures the performance of the 800 smallest companies in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap Growth Index measures the performance of the 800 smallest companies in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth values.

The Russell 3000<sup>®</sup> Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

Barclays Municipal Bond Index: A broad-based, total return index. The Index comprises 8,000 actual bonds. The bonds are all investment-grade, fixed-rate, long-term maturities (greater than two years) and are selected from issues larger than \$50 million dated since January 1984. Bonds are added to the Index and weighted and updated monthly, with a one-month lag.

The Barclays Government Bond Index is a market value-weighted index composed of all publicly issued, nonconvertible, domestic debt of the U.S. government or any agency thereof, quasi-federal corporations, or corporate debt guaranteed by the U.S. government. The Barclays 1 to 3 Year Government/Credit Bond Index is a subset of the Barclays Government/Credit Bond Index containing securities with maturities between one and three years. The index is an unmanaged index that is designed to represent a combination of the Government Bond Index and the Corporate Bond Index and includes U.S. government Treasury and agency securities, corporate bonds, and Yankee bonds. Barclays Municipal Long Bond Index: A total-return benchmark designed for long-term municipal assets. The index includes bonds with a minimum credit rating of BAA3, bonds issued as part of a deal of at least \$50 million, with an amount outstanding of at least \$5 million, and a maturity of 22 years or greater, and bonds that have been issued after December 31, 1990.

The Barclays Aggregate Bond Index represents securities that are U.S. domestic, taxable, nonconvertible, and dollar-denominated. The index covers the 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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