



Lord Abbett Credit Opportunities Fund

Fourth Quarter 2024 Performance Commentary

PERFORMANCE REVIEW

During the fourth quarter of 2024, the Lord Abbett Credit Opportunities Fund (the Fund) returned +1.21%, reflecting performance at the net asset value (NAV) of Class I shares with all distributions reinvested. The primary contributors to the Strategy’s total return were Collateralized Loan Obligations (CLO) and U.S. High Yield Bonds, while the Strategy’s Convertible Bond, and Emerging Market allocations were modest detractors.

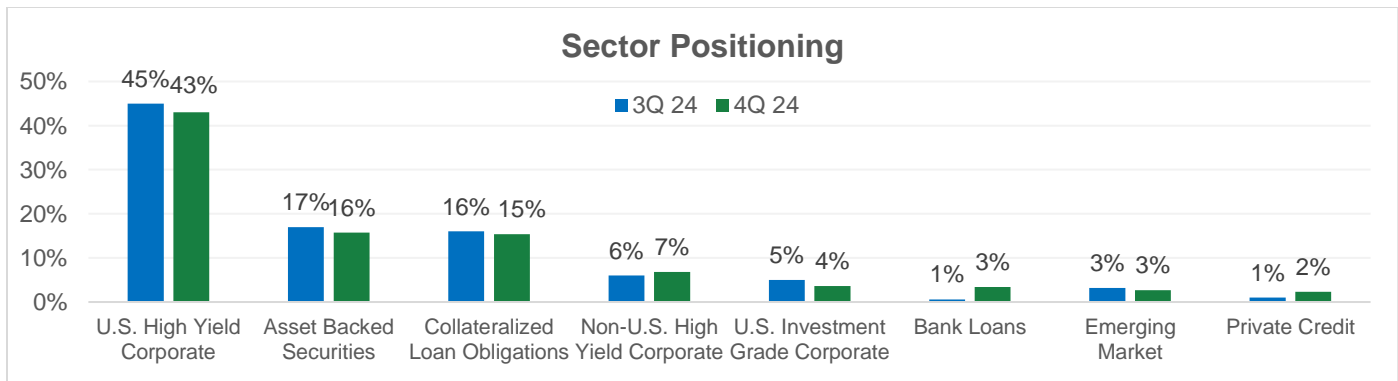
STRATEGY OVERVIEW

Credit Opportunities is a multi-asset fixed income strategy designed and managed to generate strong risk-adjusted total returns. The strategy is built on a foundation of over five decades of experience managing multisector and leveraged credit portfolios. We construct a concentrated, high conviction portfolio by identifying idiosyncratic credit ideas through proprietary research. Individual positions are sized in a manner that will impact portfolio returns while ensuring sufficient diversification and rigorous risk management to mitigate outsized negative impacts. It is implemented within a multisector framework with the flexibility to find dislocated credits in virtually any sector of the fixed income markets.

We currently view the portfolio as representing two broad investment strategies: enhanced carry in which the return is based primarily on income with some price appreciation, and total return investments, where our expectation is for catalyst-driven price appreciation to provide a higher proportion of the expected return.

The enhanced carry strategy acts as the ballast to the portfolio, targeting higher quality investments that may offer reasonable downside protection while providing extra income over instruments in the broader market. These investments typically either have a lower sensitivity to macro events, structural protections, or collateral that protect the investment. Our investment view is centered around a thesis that the market has mispriced the credit, allowing us to potentially generate excess return versus market expectations.

We view total return investments as an expression of event optionality, where price appreciation is a larger part of the story. As with enhanced carry investments, we believe the market is underpricing the probability of positive events, creating a discounted option for the portfolio. The total return strategy of the Fund focuses on fundamentally sound investments where there is potential to pull expected returns into a shorter period.





MARKET REVIEW

Fixed income markets were mixed in the fourth quarter. While U.S. T-Bill rates declined, longer maturity Treasury yields rose significantly, resulting in a yield curve steepening, leading to a decline of more than 3% for the Bloomberg U.S. Aggregate Bond Index over the quarter. However, credit was more resilient, with lower-rated corporate bonds outperforming higher-quality, more duration sensitive securities. Markets were driven by the November presidential election, which saw a surge in investor optimism due to expectations of stronger economic growth, improved corporate profits, and a more favorable regulatory environment. There were several bearish factors, however, including uncertainties regarding the incoming administration's policy proposals, debt and deficit concerns, and strong dollar headwinds. Economic data was mixed, with a rebound in November nonfarm payrolls but stalled progress on inflation. The U.S. Federal Reserve (the Fed) cut rates by 25 basis points in November and December. Although, the Fed adopted a more hawkish stance, projecting fewer rate cuts for 2025 than previously anticipated.

U.S. high yield bonds finished modestly higher amid this environment, gaining just +0.16%.² The asset class benefitted from a modest contraction in spreads², breaching 300 bps and reaching their tightest levels since June 2007.² This contraction, along with higher carry, helped offset a higher movement in yields. Within high yield, lower-quality credit led the way with CCCs up +2.32%, outperforming both Bs and BBs which returned +0.34% and -0.52%, respectively.³ Default volume remained relatively benign amid resilient economic activity. The par-weighted U.S. high yield bond default rate finished the quarter around 1.47% over the last twelve months, which is more than 140 bps lower than it was at the start of the year.⁴ Bank loans performed well, with the Morningstar LSTA US Leveraged Loan Index up +2.27%. Performance in securitized product sectors were mixed during the quarter. Overall, asset-backed securities (ABS) were flat although subsector performance varied. Commercial Mortgage-Backed Securities (CMBS) were down as higher borrowing costs were a headwind. Lower quality Collateralized Loan Obligations (CLO) were modestly positive while higher quality (AAA) tiers were modestly negative.

PORTFOLIO RECAP AND POSITIONING

The largest contributors to Fund performance over the quarter were allocations to Collateralized Loan Obligations (CLOs) and High Yield Corporates. While we continue to believe both CLO debt and equity offer attractive portfolio benefits, the Fund's CLO allocation continues to be based on bottom-up research. We identify idiosyncratic opportunities through our wide footprint in the space with over \$7 billion in CLO assets, strong relationships, and specialized resources within our fixed income platform. We continue to see compelling value in certain CLO mezzanine opportunities relative to tight spreads on high yield bonds.

Within corporates, various holdings contributed to returns across a diverse set of sectors and industries, including Energy, Communications, Finance, Transportation, Chemicals, and Building Materials. Energy remains the largest sector allocation, although it has declined from its high in September. Following the widening that occurred in the third quarter, we captured post-election gains by trimming select positions as spreads on our holdings tightened through December. Within the energy sector, the Fund continues to emphasize higher quality exploration and production companies that we feel offer enhanced carry opportunities.

The Fund's allocation to select issuers within the communications sector also contributed to performance over the quarter. A linear TV network benefitted from a multiyear contract renewal with a large broadband communications services provider, striving to mitigate customer attrition via a shift from cable to streaming platforms. The TV network secured a stable stream of revenue and should increase the number of subscribers through the provider's customer base. This move aligns with the industry trend of bundling streaming services within traditional cable packages.



Within the Transportation sector, a private jet rental company experienced an increase in working capital that markets extrapolated as a long-term issue. Our research analysts, however, determined it was a transitory issue and added exposure to the name, recognizing the company's ability to deliver as they demonstrated operational improvements in their core business.

The fund's allocation to select Convertible and Emerging Market Bonds detracted from the performance during the period. In these situations, the Fund's interval structure enables us to weather short-term volatility and take a longer-term view on a credit where we have a differentiated view compared to the broader market.

OUTLOOK

We continue to focus on idiosyncratic opportunities within corporate and securitized sectors. With possible regulatory tailwinds under the Trump administration, we continue to favor down-the-capital-stack, event-driven ideas. Overall, we believe that the portfolio's bottom-up construction, focus on fundamental credit selection, and fidelity to valuations will continue to perform in the current environment. As high yield spreads grind tighter, the strategy continues to be less constructive on generic credit risk, and flexibility has been built into the portfolio to seize upon any potential dislocations arising from year-end illiquidity.

¹Source: ICE Data Indices, LLC. As represented by the ICE BofA US High Yield Constrained Index as of 12/31/2024.

²Source: ICE Data Indices, LLC. As represented by the ICE BofA U.S. High Yield BB Index, the ICE BofA U.S. High Yield B Index and the ICE BofA U.S. High Yield CCC & Lower Index as of 12/31/2024.

³Factset as of 12/31/2024.

⁴Source: J.P Morgan

PERFORMANCE AS OF 12/31/2024

	4Q24	1 Year	3 Years	5 Years	Since Inception*
Credit Opportunities Fund Class I	1.21%	10.90%	4.06%	7.59%	7.54%

Gross Expense Ratio: 1.68%

Net Expense Ratio: 1.68%

Adjusted Expense Ratio: 1.42%**

*Fund Incepted on February 22, 2019

**Adjusted Expense Ratio excludes certain investment expenses, such as the interest expense from borrowing in certain underlying funds.

The net expense ratio takes into account contractual fee waivers/expense reimbursements that currently are scheduled to remain in place through 04/30/2025. For periods when fees and expenses were waived and/or reimbursed, the Fund benefited by not bearing such expenses. Without such fee waivers/reimbursements, performance would have been lower.

Reflects the percent change in net asset value (NAV) of Class I shares and includes the reinvestment of all distributions. Average Annual Total Returns are based on changes in the net asset value and assume reinvestment of all distributions and do not reflect deduction of any front-end sales charges which are not applicable for Class I shares, if these charges were included returns would be lower. Returns for less than one year are not annualized. Instances of high double-digit returns were achieved primarily during favorable market conditions and may not be sustainable over time.

	Credit Opportunities Fund I-Share
Average Price	\$93.41
Yield to Maturity	10.00%





30-Day SEC Yield	6.08%
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30-Day SEC Yield is unsubsidized.

Performance data quoted reflect past performance and are no guarantee of future results. Current performance may be higher or lower than the performance quoted. The investment return and principal value of an investment in the Fund will fluctuate so that shares, on any given day or when redeemed, may be worth more or less than their original cost. You can obtain performance data current to the most recent month end by calling Lord Abbett at (888) 522-2388 or referring to our website at lordabbett.com.

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The Fund is structured as an unlisted closed-end interval fund. Limited liquidity is provided to shareholders only through the Fund's quarterly offers to repurchase between 5% and 25% of its outstanding shares at net asset value, subject to applicable law and approval of the Board of Trustees. The Fund currently expects to offer to repurchase 5% of outstanding shares per quarter. There is no secondary market for the Fund's shares and none is expected to develop. There is no guarantee that an investor will be able to tender all or any of their requested Fund shares in a periodic repurchase offer. Investors should consider shares of the Fund to be an illiquid investment.

Although the Fund may impose a repurchase fee of up to 2.00% on shares accepted for repurchase by the Fund that have been held for less than one year, the Fund does not currently intend to impose such a fee. Please refer to the Fund's prospectus for additional information.

The Fund's ability to be fully invested and achieve its investment objective may be affected by the need to fund repurchase obligations. In addition, the fees and costs associated with investing in an interval fund may be significantly greater than those of other fund structures.

A Note about Risk: The Fund is subject to the general risks associated with investing in debt securities, including market, credit, liquidity, and interest rate risk. The Fund may invest in high-yield, lower-rated securities, sometimes called junk bonds. These securities carry increased risks of price volatility, illiquidity, and the possibility of default in the timely payment of interest and principal. The Fund may invest in debt securities of stressed and distressed issuers as well as in defaulted securities and debtor-in-possession financings. Distressed and defaulted instruments generally present the same risks as investment in below investment grade instruments. However, in most cases, these risks are of a greater magnitude because of the uncertainties of investing in an issuer undergoing financial distress. The Fund 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 Fund may invest in derivatives, which are subject to greater liquidity, leverage, and counterparty risk. These factors can affect Fund performance.

Because of the risks associated with the Fund's ability to invest in high yield securities, loans and related instruments and mortgage-related and other asset-backed instruments, foreign (including emerging market) securities (and related exposure to foreign currencies), and the Fund's ability to use leverage, an investment in the Fund should be considered speculative and involving a high degree of risk, including the risk of a substantial loss of investment.

The Fund's portfolio is actively managed and is subject to change.

The portfolio weights shown in parenthesis within the Portfolio Impact section are based on the average weight during the quarter.

Carry is defined as the return (or premia) accruing to an investor from holding (being long) a higher yielding security over a lower yielding security, assuming prices remain constant.

Basis points (bps) refers to a common unit of measure of interest rates and other percentages. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

Yield-to-worst refers to the lesser of a bond's (a) yield-to-maturity or (b) the lowest yield-to-call calculated on each scheduled call date.





The 30-Day Standardized Yield represents net investment income earned by a fund over a 30-day period. It is expressed as an annual percentage rate using a method of calculation adopted by the Securities and Exchange Commission (SEC). Yields for other share classes will vary.

Asset-Backed Security (ABS) is a financial security backed by a loan, lease or receivables against assets other than real estate and mortgage-backed securities. For investors, asset-backed securities are an alternative to investing in corporate debt.

Collateralized Loan Obligation (CLO) is a special purpose vehicle (SPV) with securitization payments in the form of different tranches. Financial institutions back this security with receivables from loans. Collateralized loan obligations are the same as collateralized mortgage obligations (CMOs) except for the assets securing the obligation. CLOs allow banks to reduce regulatory capital requirements by selling large portions of their commercial loan portfolios to international markets, reducing the risks associated with lending.

The credit quality of the debt 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). Securities rated 'BBB' or above are considered investment grade. Credit ratings 'BB' and below are lower-rated securities (junk bonds). High-yielding, non-investment-grade loans and bonds (junk bonds) involve higher risks than investment-grade securities. Adverse conditions may affect the issuer's ability to pay interest and principal on these securities.

The views and information discussed in this commentary are as of December 31, 2024, are subject to change, and may not reflect the views of the firm as a whole. The views expressed in market commentaries 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.

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Investors should carefully consider the investment objectives, risks, charges, and expenses of the Lord Abbett Funds. This and other important information is contained in the fund's summary prospectus and/or prospectus. To obtain a prospectus or summary prospectus on any Lord Abbett mutual fund, contact your investment professional, Lord Abbett Distributor LLC at (888) 522-2388 or visit us at lordabbett.com. Read the prospectus carefully before you invest.

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