



HEALTH CARE FUND

MARKET REVIEW

- The S&P 500 returned 12.15% while the MSCI ACWI returned 12.93% during the fourth quarter of 2020. The health care sector underperformed (MSCI ACWI Health Care Index returned 7.41%) the broader markets as investors' focus shifted towards 2021 and an environment beyond COVID-19 issues stymieing economic growth.
- The strong results generated by broad markets were driven by the U.S. election outcome, the approval of two COVID Vaccines, an agreement on a Phase 4 stimulus package and the prospects of returning to a normal global environment by the second half of 2021. On December 11, 2020 the FDA granted emergency use authorization (EUA) for the Pfizer COVID Vaccine which was followed by an EUA approval for the Moderna COVID vaccine on December 18th. Later in the month, the President signed a \$900 Billion stimulus package.

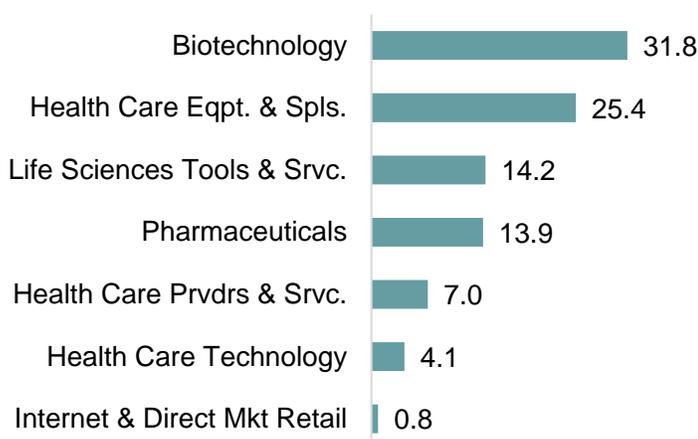
MANAGER OUTLOOK

- As investors look towards 2021, COVID vaccine deployment and a rebound to normal economic activity are creating optimism among investors. Nearer term, investors continue to grapple with rising COVID infections and hospitalizations in the U.S. which is leading to an increasing death rate and increased mobility restrictions globally. With this backdrop, the Fund continues to be invested in innovation through Biotechnology, Health Care Equipment and Supplies, Life Science Tools and Diagnostics, and Health Care Technology. While Pharmaceuticals and Healthcare Providers and Services remain underweight.
- With the anticipation of large industry conferences and the seasonality of the biotechnology sector, we increased the Fund's biotechnology exposure. We also added modestly to the Fund's Healthcare Providers and Services exposure to take advantage of the re-opening theme and low valuations. However, overall, the Fund's sub-sector positioning remains the same. We continue to play several broad themes within health care such as Targeted Diagnostics and Therapies, Expansion of Bio-manufacturing, Advancements in Diabetes Care, and Minimally Invasive Surgery improvements.
- We have remained focused on our core principles as we monitor and adjust to the ever-changing environment caused by COVID-19 and the dynamic political landscape.

CONTRIBUTORS / DETRACTORS

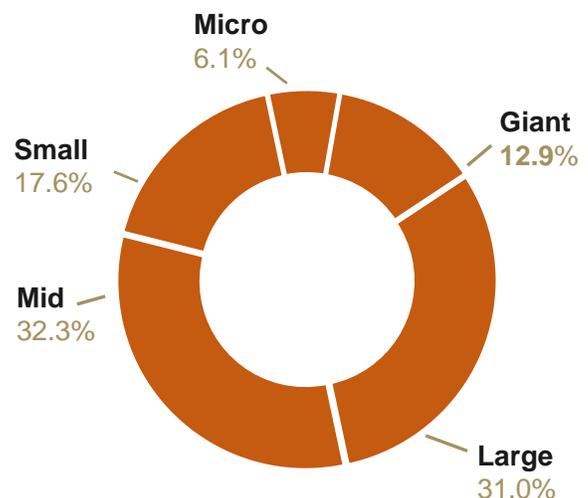
- The Fund returned 14.03%, reflecting performance at the net asset value (NAV) of Class A shares with all distributions reinvested for the quarter ended December 31, 2020. The Fund's benchmark, the MSCI ACWI Health Care Index (Net), returned 7.41% in the same period.
- The Fund's position in Pacific Biosciences of California Inc. (0.7%), a developer and manufacturer of biopharmaceutical products, contributed to relative performance. Pacific Biosciences benefited from the ramp up in COVID-19 testing and increased spending on health care research. The U.S.' s increased funding to the National Institute of Health should also provide a tailwind.
- During the period, the Fund's position in Twist BioScience Corp. (1.4%), a developer of synthetic biology tools, contributed as the company continued to execute well, and has played a role in COVID-19 vaccines coming to market.
- The Fund's underweight to health care behemoth Johnson & Johnson (1.0%) detracted from relative performance. We continue to have a preference for innovative small and mid-sized companies with strong product pipelines.
- The Fund's position in Vertex Pharmaceuticals, Inc. (2.2%), which develops small molecule drugs for patients with serious diseases, detracted from relative performance. Shares of Vertex declined as the company's Alfa-1 Antitrypsinase Deficiency treatment was terminated. While this is a setback for Vertex, we believe the company continues to boast a robust discovery engine that has led to a strong pipeline of potential treatments.

INDUSTRY WEIGHTS



Source Wilshire Atlas. Portfolio data as of 12/31/2020

MARKET CAPITALIZATION BREAKDOWN



PERFORMANCE AS OF 12/31/2020

| | 4Q20 | 1 Year | Since Inception ³ |
|--|--------|--------|------------------------------|
| Net Asset Value (without sales charge) | 14.03% | 37.13% | 31.82% |
| Maximum Offering Price (with 5.75% sales charge) | 7.46 | 29.22 | 26.41 |
| MSCI ACWI Health Care Index (Net) | 7.41 | 14.87 | 20.49 |
| Morningstar Health Fund Average | 14.70 | 27.63 | 15.39 |

Expense Ratios Gross: 9.00% Net: 1.03%

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.

¹S&P Index. ²MSCI AWCI. ³Since Inception as of 7/31/2019.

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, including market, liquidity, currency, and political risks. Because the Fund invests a significant portion of its assets in securities issued by health care-related companies, developments affecting the health care industry will likely have a disproportionate impact on the Fund. The Fund engages in active and frequent trading of its securities, which may result in increased transaction fees, reduced investment performance, and higher taxes. 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. The fund performance history at this time is very limited; therefore, performance achieved during its initial period of investment operation may not be replicated over longer periods and may not be indicative of how the Fund will perform in the future. The Fund's portfolio is actively managed and is subject to change.

New Fund Risk: The Fund is newly organized. There can be no assurance that the Fund will reach or maintain a sufficient asset size to effectively implement its investing strategy

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The portfolio weights shown in parenthesis are based on the average portfolio weight during the quarter for each security.

Performance reflects the reinvestment of all distributions. Certain purchases of Class A shares without a sales charge are subject to a contingent deferred sales charge (CDSC). The CDSC is not reflected in the performance shown. If sales charges, including any applicable CDSC had been included, performance would have been lower. Returns for less than one year are not annualized. If applicable, instances of high double-digit returns were achieved primarily during favorable market conditions and may not be sustainable over time.

Expense ratio information: The net expense ratio is based on estimates for the current fiscal year and takes into account contractual fee waivers/expense reimbursements that currently are scheduled to remain in place through 02/28/2021. 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.

The MSCI ACWI Health Care Index includes large and mid cap securities across 23 Developed Markets (DM) and 26 Emerging Markets (EM) countries. All securities in the index are classified in the Health Care as per the Global Industry Classification Standard.

Indexes are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment.

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Morningstar Health Average is based on a universe of funds with similar investment objectives as the Fund.

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