



MULTI-ASSET INCOME FUND

MARKET REVIEW

- Risk assets generally rallied during the quarter, but experienced a setback in May, as heightened U.S.-China trade tensions and global growth concerns roiled markets. Dovish U.S. Federal Reserve (“Fed”) posture and optimism towards reaching a trade deal during the G20 Summit talks contributed to a rally in June. The U.S. equity market, as defined by the S&P 500 Index, experienced the strongest June performance since 1955, returning over 7%.¹
- Rates fell sharply across the yield curve, with the front-end of the curve experiencing a larger drop than the long-end of the curve. The 2-year Treasury and 10-year Treasury yields finished the quarter at 1.75% and 2.00%, respectively.²
- Fixed income markets were positive across the board. The general U.S. bond market, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index, was positive for the quarter (+3.08%).³ A sharp decline in rates led to positive returns for Treasuries, while the decline in rates along with tightening credit spreads led to positive returns within the investment grade credit space. High yield corporate bonds experienced positive returns, although spreads widened slightly during the period due to weakness in the CCC segment.⁴
- Emerging Market corporate bonds (as measured by the JP Morgan CEMBI Broad Diversified Index⁵) and sovereign bonds (as measured by the JP Morgan EMBIG Diversified Index⁶) outperformed the U.S. bond market returning 3.50% and 4.08% during the quarter, respectively.

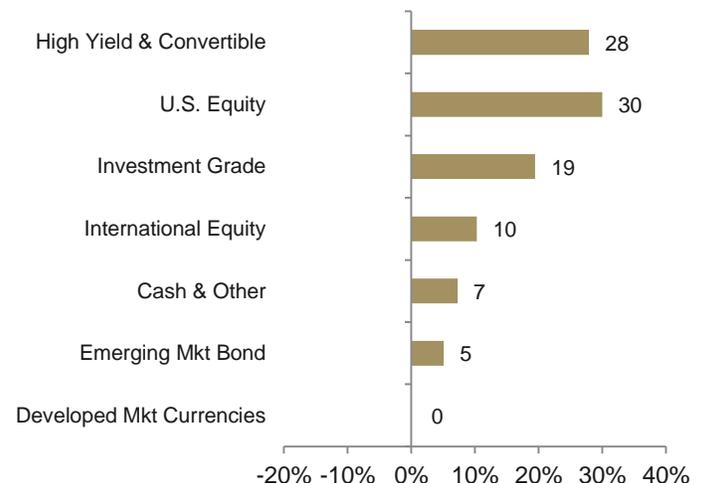
PORTFOLIO REVIEW

- The Fund returned 2.62%, reflecting relative performance at the net asset value (NAV) of Class A shares with all distributions reinvested, for the quarter ended June 30, 2019. The Fund’s benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index, returned 3.08% in the same period.
- The Fund’s holdings in U.S. large growth stocks contributed to relative performance. During the second quarter, the equity market wrestled with trade war worries but continued to advance as interest rates fell. Additionally, macro fundamentals remained largely supportive as the unemployment rate stood at 3.6% in May 2019.
- The Fund’s holdings in convertible bonds contributed to relative performance, as the asset class experienced equity-like performance during the quarter.
- The Fund’s holdings in high yield securities contributed to relative performance as risk assets rallied, continuing to produce the strong performance seen since the beginning of 2019.
- The allocation to short duration bonds detracted from relative performance, as this category underperformed the Fund’s benchmark. Specifically, our exposure to inflation-focused bonds and ultra-short bonds had the largest negative impact on relative performance. Inflation expectations fell considerably during the quarter, primarily due to the decline in oil prices, fears of a slowing global economy, and the U.S.-China trade conflict.

STRATEGY POSITIONING & OUTLOOK

- Risk assets continued their rally with only the month of May, as an outlier, showing signs of weakness following an announcement that the U.S. would move forward with tariff increases on imports from China. In Emerging Markets, during the month of April, concerns over supply and an announcement by the Trump Administration ending waivers on Iranian oil sanctions sent the commodity’s price notably higher.
- Given weaker economic data from around the globe, risks to the trade outlook, and persisting low inflation, the U.S. Federal Reserve (Fed) and the European Central Bank (ECB) signaled monetary stimulus in June. This reversed the softness in May, leading risk assets such as equities and credit to experience a rally.
- Credit spreads continued to tighten after widening significantly at the tail end of 2018. We believe there is still room to tighten further given valuations are well below recent peaks. Thus, the risk/reward profile of risk assets such as convertibles, high yield bonds and stocks continues to be relatively attractive.
- We increased the portfolio’s allocation towards large cap equities and investment grade bonds this quarter. The portfolio’s allocation to small cap equities, high yield bonds and convertible bonds was reduced while we maintained the portfolio’s exposure to international equity and emerging market bonds.

ASSET CLASS



As of 06/30/2019. The percentages shown are based on individual securities owned in one or more of the underlying funds as well as derivatives held directly by the Fund or in underlying funds. The percentages shown may not directly correspond with calculations utilized to meet prospectus requirements. Derivatives are valued at their net notional value and are included in the allocation to the asset class that they synthetically replicate. Long and short positions are netted.

PERFORMANCE AS OF 06/30/2019

	2Q19	1 Year	3 Years	5 Years	10 Years
Net Asset Value (without sales charge)	2.62%	3.79%	6.30%	3.31%	7.63%
Maximum Offering Price (with 2.25% sales charge)	0.34	1.46	5.49	2.84	7.38
Bloomberg Barclays U.S. Aggregate Bond Index	3.08	7.87	2.31	2.95	3.90
Lipper Mixed Asset Target Allocation Conservative Funds Average ⁷	2.62	5.38	4.94	3.39	6.31

Expense Ratio: 1.17%

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.

¹ S&P 500 Index ² U.S Department Of The Treasury "Daily Treasury Yield Curve Rates" ³ Bloomberg Barclays Aggregate Bond Index ⁴ BofA Merrill Lynch US High Yield Constrained Index ⁵ JP Morgan CEMBI Broad Diversified Index ⁶ JP Morgan EMBIG Diversified Index ⁷ Source: Lipper Analytical Services.

A Note about Risk: The Fund invests in underlying funds that may engage in a variety of investment strategies involving certain risks; the Fund is subject to the particular risks of an underlying fund in proportion to a respective investment. Because the Fund will be more heavily invested in fixed-income funds than equity funds, it will be more affected by interest rate risk, credit risk, liquidity risk, and other risks associated with debt securities. These risks are greater for high yield debt securities. The underlying funds' equity investments are subject to greater risk and market volatility than fixed income investments. Foreign investing, especially in developing countries, carries additional risks, such as currency and market volatility, and political and social instability. The Fund is subject to the risks associated with derivatives, which may be different from and greater than the risks associated with investing directly in securities and other investments. These factors can affect Fund performance.

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

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.

The Bloomberg Barclays U.S. Aggregate Bond Index is an index of U.S dollar-denominated, investment-grade U.S. government and corporate securities, and mortgage pass-through securities, and asset-backed securities.

Lipper Mixed Asset Target Allocation Conservative Funds Average is based on a universe of funds with similar investment objectives as the Fund. Peer group averages include the reinvested dividend and capital gains, if any, and exclude sales charges.

Indexes are unmanaged, do not reflect the deduction of fees or expenses, and an investor cannot invest directly in an index.

The views and information discussed in this commentary are as of June 30, 2019, 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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