



SHORT DURATION TAX FREE FUND

MARKET REVIEW

- The municipal market, as represented by the Bloomberg Barclays Municipal Bond Index, returned -0.35% during the first quarter of 2021.
- During the quarter, within the investment grade range, lower tiers outperformed their higher quality counterparts. The high yield segment of the municipal bond market, as represented by the Bloomberg Barclays High Yield Municipal Index, returned 2.11% during the quarter, continuing its impressive rebound from the massive market sell-off one year prior.
- In terms of maturities, during the first quarter, bonds with maturities of 6 years and longer underperformed shorter credits. Municipals underperformed Treasuries as rates rose in February, resetting ratios from all-time tight levels.
- The municipal market closed the first quarter of the year with inflows from mutual funds and exchange-traded funds (ETFs) of \$31.7 billion. This includes more than \$16 billion in inflows from long-term funds, \$5.5 billion from high yield funds, and \$7.1 billion in intermediate funds, according to JP Morgan.
- The latest available data from the United States Census Bureau showed 4Q20 combined tax revenues for property, sales and gross receipts, and income taxes increasing 6.8% to \$426.4 billion from \$399.3 billion in the same quarter of 2019.

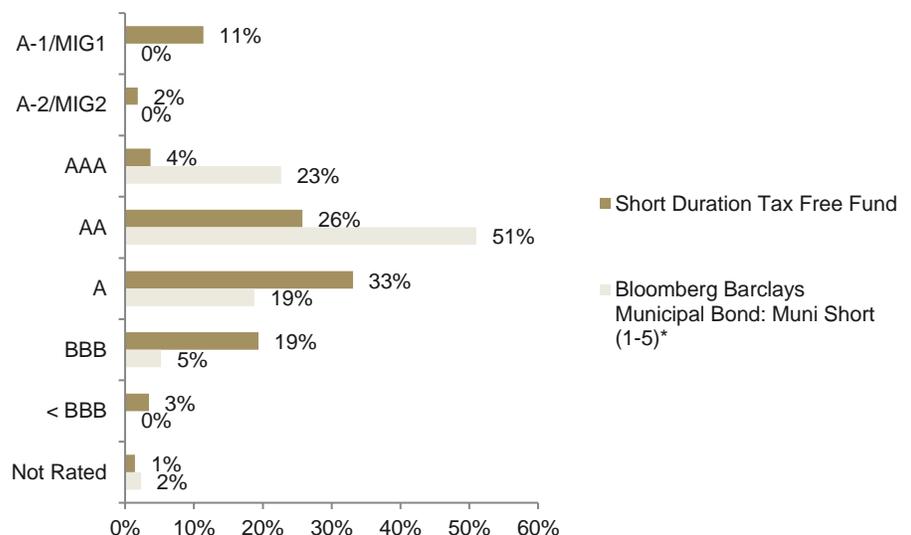
PORTFOLIO REVIEW

- The Fund returned 0.00%, reflecting performance at the net asset value (NAV) of class A Shares with all distributions reinvested, for the quarter ended March 31, 2021. The Fund's benchmark, the Bloomberg Barclays Municipal Bond 1-5 Year Index, returned 0.08% during the same period.
- As yields increased during the quarter, our slightly longer duration versus the benchmark detracted from relative performance.
- An overweight to variable rate demand notes (VRDNs) detracted from relative performance as yields on money market securities remained low during the quarter.
- As lower quality credits rallied during the quarter, the Fund's allocation to 'BBB' and lower rated bonds led to a positive impact on relative performance.
- An underweight to pre-refunded bonds contributed to relative performance as these high-quality bonds were unable to participate in the demand for incremental yield.

STRATEGY POSITIONING & OUTLOOK

- The portfolio is overweight bonds maturing in less than one year. These positions represent a sizable weighting in variable rate demand notes which typically exhibit low volatility and strong liquidity. These securities are always priced at par, and therefore, do not have the duration risk of fixed coupon bonds.
- The strong underlying credit quality of the municipal market and the ability of issuers in different sectors to respond to the challenges posed by the economic damage caused by the virus supported the recovery since the market sell-off.
- On top of the overall strength displayed last year, municipalities are receiving significant support from the U.S. government under the American Rescue Plan (ARP) signed into law by President Joe Biden on March 11, 2021.
- We expect these funds to go beyond recovery and likely prove stimulative. Further, as the economy continues to reopen, and consumer confidence continues to improve, we believe investors' perceptions of higher credit quality and lower default risk for the broad municipal market will strengthen.

CREDIT QUALITY BREAKDOWN



*Source: Bloomberg, As of 03/31/2021

PERFORMANCE AS OF 03/31/2021

| | 1Q21 | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|--|-------|-------|--------|---------|---------|----------|
| Class A Share at NAV (without sales charge) | 0.00% | 0.00% | 3.77% | 2.43% | 1.52% | 1.55% |
| Maximum Offering Price (with 2.25% sales charge) | -2.27 | -2.27 | 1.41 | 1.65 | 1.06 | 1.32 |
| Bloomberg Barclays Municipal Bond: Muni Short (1-5) ¹ | 0.08 | 0.08 | 3.33 | 2.74 | 1.85 | 1.81 |
| Morningstar Municipal National Short Funds Average ² | 0.01 | 0.01 | 3.01 | 2.24 | 1.55 | 1.60 |

Expense Ratio: Net: 0.65%, Gross: 0.66%

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.

¹Source: Bloomberg. ²Source: Morningstar

A Note about Risk: The value of an investment in the Fund will change as interest rates fluctuate in response to market movements. When interest rates rise, the prices of debt securities are likely to decline, and when interest rates fall, the prices of debt securities tend to rise. 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. A portion of the income derived from the Fund's portfolio may be subject to the alternative minimum tax. Any capital gains realized may be subject to taxation. 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. In addition, the Fund is subject to other types of risks such as call, credit, and general market risks. The Fund may invest in bonds of issuers in Puerto Rico and other U.S. territories, commonwealths, and possessions, and may be affected by local, state, and regional factors. These may include, for example, economic or political developments, erosion of the tax base, and the possibility of credit problems. Stockholders should consult their tax advisors for more specific information on taxation. These factors can affect Fund performance.

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

Credit Quality Breakdown: Ratings provided by Standard & Poor's, Moody's, and Fitch. Where the rating agencies rate a security differently, Lord Abbett uses the higher credit rating. For a security with both a short-term and a long-term rating, Lord Abbett has categorized the security in the chart above using its short-term rating only. 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. A portion of the portfolio's securities are not rated. A-1/MIG1, A-2/MIG2 and A-3/MIG3 designations denote securities with less than a three-year maturity as well as superior (A-1/MIG1), strong (A-2/MIG2) and favorable (A-3/MIG3) credit quality. The credit quality breakdown is not an S&P credit rating or an opinion of S&P as to the creditworthiness of such portfolio. Credit quality allocation reflects market value weightings.

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: For the period from February 1, 2021 through January 31, 2022, Lord, Abbett & Co. LLC ("Lord Abbett") has contractually agreed to waive its fees and reimburse expenses to the extent necessary to limit total net annual operating expenses, excluding any applicable 12b-1 fees, acquired fund fees and expenses, interest-related expenses, taxes, expenses related to litigation and potential litigation, and extraordinary expenses, to an annual rate of 0.42% for Class F3 and to an annual rate of 0.45% for each other class. This agreement may be terminated only by the Fund's Board of Directors.

The Bloomberg Barclays Municipal Bond Short 1-5 Year Index is the Muni Short 1-5 year component of the Municipal Bond index, a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. The index is a broad measure of the municipal bond market with maturities of at least one year. An index is unmanaged, does not reflect the deduction of fees or expenses, and is not available for direct investment.

Bloomberg Barclays Index Information:

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Morningstar Municipal National Short Funds Average is based on a universe of funds with similar investment objectives as the Fund. Peer group averages are based on all share classes in the category, and include the reinvested dividend and capital gains, if any, and exclude sales charges.

The views and information discussed in this commentary are as of March 31, 2021, 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.

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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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