



MULTI-ASSET BALANCED OPPORTUNITY FUND

MARKET REVIEW

- The U.S. bond market, as measured by the Bloomberg Barclays Aggregate Bond Index, was positive for the quarter, returning 2.90%.¹ The U.S. Treasury component of the Aggregate Index returned 0.48% during the quarter. Investment grade corporate bonds² returned approximately 9.65% and experienced significant spread tightening amid the rebound following the volatility in March. The market recovery was largely a result of the massive fiscal and monetary policy support, the push to reopen the U.S. economy, signs that global economic activity may be bottoming, hopes for a vaccine, and commentary from several corporations that indicated stabilization in April and May.
- High yield bonds³ posted positive performance in the second quarter. High yield spreads tightened 232 basis points from March month-end levels to 645 basis points at the end of June. Within the asset class, higher quality segments of the high yield market modestly outperformed lower quality tiers. Bank loans⁴ also posted positive returns for the quarter, modestly outperforming the high yield market.
- Following the selloff in March, investors' confidence in the market was lifted by the U.S. Federal Reserve's (the Fed) stimulus measures which were implemented as a result of the coronavirus-related volatility. Over the second quarter, the Fed expanded its balance sheet to more than \$7 trillion. The bond market was lifted following the announcement of an additional \$2.3 trillion of further credit support by expanding the Primary Market Corporate Credit Facility (PMCCF), the Secondary Market Corporate Credit Facility (SMCCF), and the Term Asset-Backed Securities Loan Facility (TALF). Most notably, the expanded measures included the purchase of select fallen angels, or bonds that have seen their ratings move below investment grade. In both the April and June meetings, the Fed, as expected, held rates steady in the 0.00 - 0.25% range and Fed Chairman Jerome Powell suggested more fiscal support could be needed.
- The S&P 500 returned 20.54% during the second quarter of 2020.⁵ The market staged an incredible recovery that was spurred by the loosening of stay-at-home provisions by certain states and a global economic recovery that seemed to be progressing sooner than investors had anticipated. However, June brought concerns of a resurgence in virus cases.

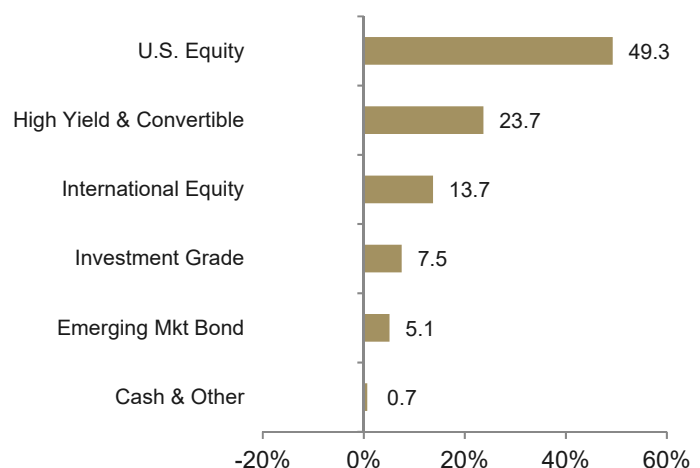
PORTFOLIO REVIEW

- The Fund returned 18.41%, reflecting relative performance at the net asset value (NAV) of Class A shares with all distributions reinvested, for the quarter ended June 30, 2020. The Fund's benchmark, the Russell 1000® Index, returned 21.82% in the same period.
- The Fund's holdings in U.S. large growth stocks contributed to relative performance. Growth stocks led the rush during this quarter's rebound, reflecting increased investor appetite for innovative companies which benefitted from a shift in consumer behaviors due to COVID-19 induced lockdowns.
- The Fund's holdings in convertible bonds contributed to relative performance, as the asset class allowed for equity-like performance during the quarter's strong rally, outperforming the higher quality segment of the fixed income market.
- The allocation to short duration bonds detracted from relative performance. The asset class underperformed as future rate expectations remained low and as investors searched for yield in higher yielding instruments. Additionally, the 3-month London Interbank Offered Rate (LIBOR) fell significantly during the period, resulting in lower coupon income generated by securities with floating rate coupons tied to the rate.
- Generally speaking, the Fund's allocation to core fixed income credit detracted from relative performance as this quarter's strong market rebound favored riskier asset classes.

STRATEGY POSITIONING & OUTLOOK

- Within U.S. equities generally, we have created a barbell positioning between innovative growth and deep value strategies. We believe innovative companies will displace vulnerable, aging business models, while deep value stocks have historically outperformed during periods of recovery after a recession.
- Credit spreads have fallen well off their peaks this quarter. However, we believe that there is room to tighten further, as spreads are still above long term averages. Thus, the risk/reward profile of risk assets such as convertibles, bank loans, and high yield bonds continues to be relatively attractive.
- We are constructive on Emerging Markets and non-U.S. developed markets, primarily in Asia. As the first nation to begin to recover from the coronavirus pandemic, China's economic reopening has looked convincing and the industrial economy has picked up robustly. There remains heightened uncertainty around the U.S.'s ability to eliminate the virus, as a second wave of infections has afflicted multiple states.

ASSET CLASS



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. As of 6/30/2020.

PERFORMANCE AS OF 06/30/2020

	2Q20	YTD	1 Year	3 Years	5 Years	10 Years
Net Asset Value (without sales charge)	18.41%	-1.57%	3.50%	4.39%	4.43%	7.46%
Maximum Offering Price (with 2.25% sales charge)	15.78	-3.80	1.19	3.60	3.95	7.22
Russell 1000® Index	21.82	-2.81	7.48	10.64	10.47	13.97
Morningstar Allocation – 30% to 50% Equity ⁶	13.13	-3.58	2.30	5.04	5.22	7.88

Expense Ratio: 1.25%

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.

¹As represented by the Bloomberg Barclays Aggregate Bond Index as of 06/30/2020. ²As represented by the ICE BofAML U.S. Corporate (A-BBB) as of 06/30/2020. ³As represented by the ICE BofAML U.S. High Yield Constrained Index as of 06/30/2020. ⁴As represented by the Credit Suisse Leveraged Loan Index as of 06/30/2020. ⁵S&P Dow Jones, Index Dashboard: U.S. June 30, 2020. ⁶Source: Morningstar.

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. Performance of an underlying fund may be lower than the performance of the asset class it represents. 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. Investments in small and/or mid-sized company stocks typically involve greater risk, particularly in the short term, than those in larger, more established companies. Investments in either growth or value stocks may shift in and out of favor for long periods of time, depending on market and economic conditions. The Fund is subject to the risks associated with fixed income securities that are generally subject to interest rate risk, credit risk, and liquidity risk. These risks are greater for high yield fixed income securities. Foreign securities may pose greater risks than domestic securities, including greater price fluctuation, less government regulation, and higher transaction costs. Foreign investments also may be affected by changes in currency rates or currency controls. Investing internationally involves risks not associated with investing solely in the United States, such as currency fluctuation, political risk, differences in accounting and the limited availability of information. In addition, 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.

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The Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000 Index.

Morningstar Allocation – 30% to 50% Equity 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. Source: Morningstar, Inc.

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

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