CONVERTIBLE FUND

MARKET REVIEW

Equity Index Performance	2Q24	YTD
S&P 500 Index	4.28%	15.29%
Russell 1000® Index	3.57%	14.24%
Russell 2000® Index	-3.28%	1.73%
Russell 3000® Growth Index	7.80%	19.90%
Russell 3000® Value Index	-2.25%	6.18%
MSCI ACWI Index	2.87%	11.30%
MSCI ACWI Ex-US Index	0.96%	5.69%
MSCI EAFE Index	-0.42%	5.34%
Fixed Income Index Performance	**2Q24**	**YTD**
Bloomberg Aggregate Index Return	0.07%	-0.71%
Bloomberg U.S. Corporate Investment Grade Bond Index Return	-0.09%	-0.49%
ICE BofA U.S. High Yield Constrained Index Return	1.09%	2.60%
Credit Suisse Leveraged Loan Index	2.52%	4.51%
ICE BofA U.S. Convertible Index Return	-0.17%	2.20%

Source: Factset. As of 06/30/2024. **Past performance is not a reliable indicator or guarantee of future results.** Due to market volatility, the market may not perform in a similar manner in the future. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment. The index data provided is not representative of any Lord Abbett product.

- In the second quarter, U.S. large cap stocks rallied, with the S&P 500 returning 4.28%. Small cap stocks[1] lagged over the period, returning -3.28%. The soft-landing narrative gained traction in the quarter as continued disinflation was accompanied by some signs of gradual economic slowdown. There was increasing attention on the health of the consumer given weaker retail sales reports and numerous corporate updates about the challenges of an uncertain macro environment. The softer economic data also led to some market repricing toward a more dovish U.S. Federal Reserve (Fed) outlook, with markets pricing in a 67% chance of a September rate cut as of the end of the quarter.[2]

PORTFOLIO REVIEW

- The Fund returned 0.40%, reflecting performance at the net asset value (NAV) of Class I shares with all distributions reinvested for the quarter ended June 30, 2024. The Fund's benchmark, the ICE BofA U.S. Convertible Index[3], returned -0.17% during the same period.
- Security selection within the Health Care sector contributed to relative performance over the period. Shares of Insmed, Inc., a biopharmaceutical company, rose after the company announced positive phase 3 trial results for their drug to treat inflammation in the lung.
- Within the Consumer Discretionary sector, shares of Royal Caribbean Cruises Ltd., a global cruise line operator, rallied as the company continues to benefit from strong bookings numbers and overall demand following the pandemic-induced lockdowns.
- Conversely, within the Consumer Discretionary sector, not owning Rivian Automotive, Inc., an electric vehicle manufacturer, during the first half of the quarter detracted from relative performance as the stock rallied after the company announced a partnership with Volkswagen. Although we initiated position later in the quarter, missing the initial rally weighed on relative performance.

- Security selection with the Industrials sector also detracted from relative performance. Shares of Lyft, Inc., a ride sharing service, fell amid concerns about the strength of the consumer. The stock has also faced recent headwinds stemming from general excitement around Tesla's robotaxi plan and how that could potentially impact Lyft's business.

STRATEGY POSITIONING & OUTLOOK

- Looking ahead, there are several reasons why we are bullish on the outlook for convertible bonds. First, the environment for small- and mid-cap companies continues to improve amid encouraging inflation data, earnings resiliency, and the increased prospect for a "soft landing" for the U.S. economy. Should this trend continue, and the underlying equities of convertible issuers continue to rally, their bonds' embedded conversion options will move closer to being "in-the-money"—enabling convertible bonds to capture an increasing proportion of any prospective equity upside.
- Second, as a result the Fed's aggressive rate hiking cycle, new issuance has been strong thus far in 2024. Notably, while non-rated securities continue to make up a large portion of primary issuance volume, investment-grade issuance has also been elevated as convertible bonds have provided an attractive alternative to the higher borrowing costs associated with "straight" (non-convertible) debt. We have also seen increaing diversification, with a large portion of new issuance coming from less-traditional convertible-bond sectors, such as Utilities, Financials, and Communication Services. Should we remain in a "higher-for-longer" interest-rate environment, we believe this accelerated pace of issuance can continue as both the convertible and high yield markets navigate through challenging maturity schedules over the next several years.
- Lastly, the convertible market delta has been range-bound in the mid-40s and remains near the post-global financial crisis lows. This is noteworthy, as forward returns have historically been favorable when market delta is at these lower levels. Also, given that nearly half of the market is considered "bond-like" (delta below 0.40), we believe the asset class's lower equity sensitivity may appeal to investors who are concerned about volatility in the stock market.

PERFORMANCE AS OF 06/30/2024

	2Q24	YTD	1 Year	3 Years	5 Years	10 Years
Net Asset Value – Class I	0.40%	5.09%	8.12%	-4.74%	9.04%	7.73%
ICE BofA U.S. Convertible Index	-0.17	2.20	6.33	-2.20	9.47	8.18
Morningstar Convertible Funds Average[4]	0.02	2.76	6.70	-2.60	7.57	6.80

Gross & Net Expense Ratio: 0.90%

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]*As represented by the Russell 2000® Index as of 06/30/2024.*

[2]*Factset as of 06/30/2024*

[3]*The ICE BofA All Convertibles Index contains issues U.S. dollar-denominated that have a greater than $50 million aggregate market value. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and an investor cannot invest directly in an index.*

[4]*Morningstar Convertible 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.*

A Note about Risk: Convertible securities are subject to the risks affecting both equity and fixed income securities, including market, credit, liquidity, and interest rate risk. Convertible securities tend to be more volatile than other fixed income securities, and the markets for convertible securities may be less liquid than markets for common stocks or bonds. The Fund may invest substantially in high yield, lower-rated securities. 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 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's portfolio is actively managed and is subject to change.

The credit quality of the 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). 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.

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The performance table above is based on Class I shares. 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. Returns for less than one year are not annualized.

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