



AFFILIATED FUND

MARKET REVIEW

- The S&P 500 returned 20.54% during the second quarter of 2020.¹ The market staged a robust 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.
- During the quarter, the U.S. Federal Reserve (Fed) expanded its balance sheet to more than \$7 trillion. In both the April and June Federal Open Market Committee (FOMC) meetings, the Fed, held rates steady in the 0.00 - 0.25% range and Fed Chairman Jerome Powell suggested more fiscal support could be needed.²
- Growth and Momentum factors continued to lead the way this year, outperforming during the first and second quarter of 2020; however, the value factor came into favor during periods of the market rally as more cyclical companies rebounded.³

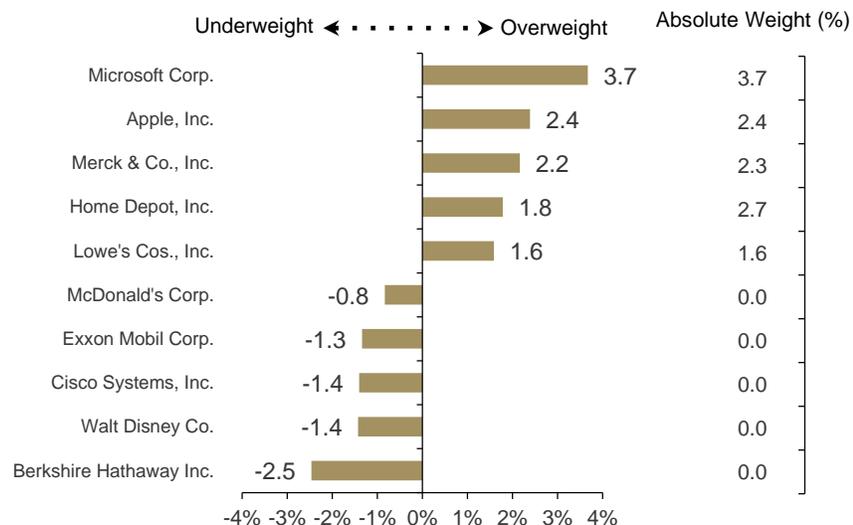
PORTFOLIO REVIEW

- The Fund returned 15.58%, reflecting 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® Value Index, returned 14.31% in the same period.
- Security selection within the information technology sector contributed to relative performance. Shares of Apple, Inc. (1.9%), an electronics company, rose over the quarter as the company heads into a product cycle of 5G iPhone, the services segment of the business continued to outperform, and AirPods sales remained relatively robust.
- Security selection within the financials sector contributed to relative performance. Within the financials sector, Ameriprise Financial, Inc. (1.1%), a financial planning, asset management, and insurance services provider, contributed most to relative performance. Shares of Ameriprise rose following the release of 1Q20 earnings. Despite potential COVID-related headwinds, the company's flows and margins held up relatively well. Further, the company increased its dividend, which demonstrated management's conviction surrounding the company's capital and liquidity position.
- Security selection within communication services detracted from relative performance. Within the sector, Verizon Communications, Inc. (1.9%), a telecommunications company, detracted from relative performance as the closure of retail stores impacted its consumer business segment.
- Security selection within and an overweight allocation to the health care sector detracted from relative performance. Within the health care sector, the Fund's allocation to Merck & Co., Inc. (2.5%), a multinational pharmaceutical company, detracted most from relative performance. Shares of Merck rose over the quarter but by less than the broader market as the company issued a revision on its 2020 EPS guidance, which was severe relative to the broader pharmaceutical group.

STRATEGY POSITIONING & OUTLOOK

- Consistent with our investment approach, which seeks to achieve excess returns through a focus on security selection, we continue to find opportunities consisting of undervalued securities that we believe will drive relative performance in the future.
- Microsoft Corp. (3.7%), a software developer, is the Fund's largest overweight position relative to its benchmark, the Russell 1000® Value Index, as of June 30, 2020. We believe Microsoft is attractively positioned for a generational shift to cloud computing thanks to a massive ecosystem, installed bases in Office, and omnipresence in large enterprises.
- Merck & Co., Inc. (2.3%), a health solutions provider, is another of the Fund's largest overweight positions relative to the benchmark. We believe that Merck is well positioned in the growing immune-oncology space with Keytruda, which has continued to gain momentum as follow on studies have shown effectiveness in multiple cancers.
- The Fund is also overweight relative to the benchmark in Home Depot, Inc. (2.7%), one of the largest home improvement retailers. We believe Home Depot operates a business model that is highly resistant to disruption and well positioned to continue gaining share of total retail sales given its e-commerce capabilities, investments in delivery and fulfillment, and leadership position among both DIY and professional customers.

TOP ACTIVE POSITION WEIGHTS



Portfolio Breakdown as of 06/30/2020.

Source: Wilshire. Active weights reflect over/under relative to the Russell 1000® Value Index. Absolute weight is based on percentage of the Fund. Holdings are included for informational purposes only and are not a recommendation to buy, sell, or hold any security. The Fund's portfolio active weight positions should not be relied upon as a complete listing of a fund's holdings. Please refer to www.lordabbett.com for a complete list of holdings of the Fund, including the securities discussed above, to the extent they are held by the Fund.

PERFORMANCE AS OF 06/30/2020

	2Q20	1 Year	3 Years	5 Years	10 Years
Net Asset Value (without sales charge)	15.58%	-9.07%	1.81%	4.92%	9.57%
Maximum Offering Price (with 5.75% sales charge)	8.92	-14.29	0.18	3.69	8.92
Russell 1000® Value Index	14.29	-8.84	1.82	4.64	10.41
Lipper Equity Income Funds Category Average	15.43	-5.32	3.34	5.47	9.98

Expense Ratio: 0.71%

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 Dow Jones, Index Dashboard: U.S. June 30, 2020. ²FOMC Meeting Statement – June 2020. ³ FactSet as if June 30, 2020.

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. Larger companies may be unable to respond quickly to certain market developments and may have slower rates of growth as compared to smaller successful companies. A company's dividend payments may vary over time, and there is no guarantee that a company will pay a dividend at all. Investments in value stocks can continue to be undervalued for long periods of time if the market fails to recognize the company's intrinsic worth. These factors can adversely affect Fund performance.

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

The portfolio weights shown in parenthesis in the Strategy Positioning & Outlook section are based on the portfolio weight at the end of the quarter for each security. The portfolio weights shown in parenthesis in the Portfolio Review section 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.

The Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment.

Lipper Equity Income 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 June 30, 2020, 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.

The information provided is not directed at any investor or category of investors and is provided solely as general information about Lord Abbett's products and services and to otherwise provide general investment education. None of the information provided should be regarded as a suggestion to engage in or refrain from any investment-related course of action as neither Lord Abbett nor its affiliates are undertaking to provide impartial investment advice, act as an impartial adviser, or give advice in a fiduciary capacity. If you are an individual retirement investor, contact your financial advisor or other fiduciary about whether any given investment idea, strategy, product or service may be appropriate for your circumstances.

The Fund amended its strategy on June 11, 2013.

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.

NOT FDIC INSURED-NO BANK GUARANTEE-MAY LOSE VALUE