LORD ABBETT®

FUND COMMENTARY – 2Q20

SHORT DURATION INCOME FUND

MARKET REVIEW

- The U.S. bond market, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index[1], was positive for the quarter, returning +2.90%. The U.S. Treasury component of the Aggregate Index returned 0.48% during the quarter. In contrast, investment grade corporate bonds[2], returned approximately +8.98% and experienced significant spread tightening amid the rebound following the volatility in March. The market recovery was largely a result of the massive U.S. 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.
- Following the sharp selloff in the first quarter, high yield bonds[3] 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 loans[4] 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 bonds reduced down to 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.

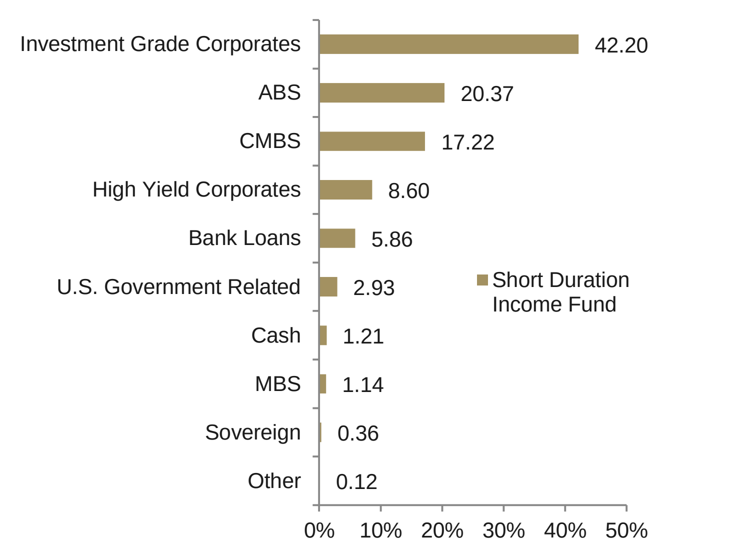
PORTFOLIO REVIEW

- The Fund returned 5.89%, 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 ICE BofAML 1-3 Year U.S. Corporate Index,[5] returned 4.39% during the same period.
- Security selection within investment-grade corporate bonds was the largest contributor to performance over the quarter. Specifically, selection within the energy and banking sector contributed. Oversold names that we held through March bounced back to lead performance in the second quarter.
- An allocation to short-term, high yield-to-call paper also contributed to performance. Within the portfolio's high yield allocation, energy led performance as we held on to what we believe to be high quality energy producers in strong regions. Oil prices rose over the quarter amid optimism surrounding global demand and lower output due in part to the OPEC+ production agreement.
- The largest detractor from relative performance came from the portfolio's allocation to commercial mortgage-backed securities (CMBS). Despite holding an up-in-quality bias, the allocation detracted as CMBS continued to lag in the recovery. Commercial real estate valuation uncertainty and the shutdown nature of COVID-19, especially in hotel and retail properties, acted as a headwind to the asset class.
- Also detracting from performance was an allocation to high quality asset-backed securities (ABS). The asset class underperformed the rally in corporate credit over the quarter, after holding up relatively well to the COVID-19 sell off in March.

STRATEGY POSITIONING & OUTLOOK

- Over the quarter, we reduced the portfolio's allocation to securitized products – both ABS and CMBS. We sold a modest amount of ABS as we believed investment grade corporate credit had better relative value after the first quarter market selloff. Regarding CMBS, we reduced the portfolio's position to become more in line with the overall market and allocate to areas of the market which we believe would continue to receive more direct support from the Fed.
- We used the sales of securitized products and increased our allocation to corporate credit. Notably, we added to technology, healthcare, and consumer discretionary investment grade corporate bonds. We also began to add modestly to high yield at the end of the quarter, as we believe the asset class may continue to benefit from the easing of restrictions, lower rates, and a search-for-yield environment.
- We believe valuations currently are fair given an expected resumption of economic activity in 2021, albeit a slow and modest one. We believe that the environment that the Fed has created of low volatility and perpetually lower rates will be supportive of a search-for-yield environment where spread valuations can tighten further.

SECTOR WEIGHTS



"Other" may include non-index holdings. Sector allocations exclude cash therefore Fund percentage allocations may not equal 100%. As of 6/30/2020.

PERFORMANCE AS OF 6/30/2020

	2Q20	1 Year	3 Years	5 Years	10 Years
Net Asset Value (without sales charge)	5.89%	1.64%	2.53%	2.39%	2.95%
Maximum Offering Price (with 2.25% sales charge)	3.53	-0.71	1.75	1.93	2.70
ICE BofAML1-3 Year U.S. Corporate Index [5]	4.39	4.58	3.42	2.80	2.65
Lipper Short Investment Grade Debt Funds Average [6]	4.10	2.75	2.42	2.04	1.93

Expense Ratio: 0.60%

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 Bloomberg Barclays U.S. Aggregate Bond Index as of 6/30/2020 [2]As represented by the Bloomberg Barclays U.S. Corporate Investment Grade Index as of 6/30/2020 [3]As represented by the BofAML U.S. High Yield Index as of 6/30/2020 [4]As represented by the Credit Suisse Leveraged Loan Index as of 6/30/2020 [5] ICE BofAML1-3 Year U.S. Corporate Index [6] Lipper Short Investment Grade Debt Funds Average

---

A Note about Risk: The Fund is subject to the general risks associated with investing in debt securities, including market, credit, liquidity, and interest rate risk. The value of an investment will change as interest rates fluctuate and in response to market movements. When interest rates fall, the prices of debt securities tend to rise, and when interest rates rise, the prices of debt securities are likely to decline. Debt securities are subject to credit risk, which is the risk that the issuer will fail to make timely payments of interest and principal to the Fund. The Fund may invest in high yield, lower-rated debt securities, sometimes called junk bonds and may involve greater risks than higher rated debt 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.

Performance with sales charges reflects the reinvestment of all distributions and includes initial maximum sales charge. 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. Instances of high double-digit returns were achieved primarily during favorable market conditions and may not be sustainable over time.

The ICE BofAML 1-3 year U.S. Corporate Index is an unmanaged index comprised of U.S. dollar denominated investment grade corporate debt securities publicly issued in the U.S. domestic market with between one and three year remaining to final maturity. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and an investor cannot invest directly in an index.

Lipper Short Investment Grade Debt Funds Category 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.

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. Information discussed should not be considered a recommendation to purchase or sell securities.

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.

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