



DIVIDEND GROWTH FUND

MARKET REVIEW

Index Performance	4Q23	YTD
S&P 500 Index	11.69%	26.29%
Russell 1000® Index	11.96%	26.53%
Russell 2000® Index	14.03%	16.93%
Russell 3000® Growth Index	14.09%	41.21%
Russell 3000® Value Index	9.83%	11.66%
MSCI ACWI Index	11.15%	22.81%
MSCI ACWI Ex-US Index	9.82%	16.21%
MSCI EAFE Index	10.47%	18.85%

Source: Factset. **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.

- U.S. equity markets surged in the fourth quarter of 2023, with most major indexes registering double-digit gains. Small cap stocks¹ outperformed large cap stocks² (14.0% vs 12.0%, respectively), while growth³ outperformed value⁴ (14.1% vs 9.8%, respectively). The narrative for the quarter revolved around a meaningful easing of financial conditions, which was driven by several factors – including a dovish pivot from the U.S. Federal Reserve (Fed) and the continued expectations of a soft landing, backed by falling inflation data, a strong labor market, a resilient consumer, and better corporate earnings.⁵
- That said, despite the overall optimism, concerns persisted over the period. Notably, the outlook for the economy continued to be a primary topic of debate as investors weighed the possibility of premature policy pivot and the lagged effects of the rate tightening cycle. The impacts of disinflation on corporate pricing power, revenue growth, and operating leverage were also flagged as a bearish talking point.⁵

PORTFOLIO REVIEW

- The Fund returned 10.39%, reflecting performance at the net asset value (NAV) of Class I shares with all distributions reinvested for the quarter ended December 31, 2023. The Fund's benchmark, the S&P 500 Index⁶, returned 11.69% during the same period.
- Security selection within the Communication Services sector was one of the largest detractors from relative performance over the period. As an example, the Fund's position in Comcast Corporation (2.1%), which engages in the provision of video, Internet, and phone services, detracted from relative performance. Comcast's underperformance reflected a near-term outlook for broadband subscriber losses. Despite the short-term decision to pull back on promotional activity in favor of maximizing profit growth, the long-term growth prospects should be supported by continued buildout and upgrade of Comcast's network.
- The Fund's overweight position in Oracle Corporation (1.6%), which engages in the provision of products and services that address aspects of corporate information technology environments, including applications and infrastructure technologies., detracted from relative performance. Shares fell after the company reported second quarter earnings where revenue fell short of consensus expectations.
- Conversely, security selection within the Materials sector was one of the largest contributors to performance. As an example, the Fund's position in CRH Plc (1.6%), which manufactures and distributes building materials and products for the construction industry, contributed to relative performance. Shares rallied after the company reported strong third



quarter earnings including significant contributions from pricing as the secular growth in U.S. infrastructure spending remains a meaningful tailwind to results. The company also announced an acquisition of attractive cement assets that complement its leading position in Texas and divestiture of European lime assets that help further shift its mix towards the U.S.

- The Fund's position in Lam Research Corporation (2.4%), which engages in the design, manufacture, marketing, refurbishment, and provision of semiconductor processing equipment used in the fabrication of integrated circuits, also contributed to relative performance over the period. The semi-conductor industry broadly had a strong fourth quarter on renewed artificial intelligence (AI) enthusiasm following strong financial results reported by AI-driven companies, plus high-profile industry events including AMD's 'AI Day' in early December that highlighted a shockingly strong \$400M TAM for AI accelerators by 2027. Lam Research Corporation outperformed the sector and industry in the quarter as it is among the important enablers of the capacity needed to satisfy this demand. It also benefitted from the ongoing cyclical recovery in memory, and expectations for a strong 2024 and 2025 in this key market.

For informational purposes only, the specific investments shown represent only the top contributors and detractors for the relevant performance time period. The selection criteria used to determine the top contributors and detractors remains the same across performance measurement periods.

PORTFOLIO POSITIONING & OUTLOOK

- As of the end of the period, the Fund's largest active overweight relative to the S&P 500 Index is Mastercard Incorporated (4.2%), a payment-processing corporation. We believe the company is attractively valued given the resiliency of the business model during an economic downturn, along with continued cross-border travel recovery in coming quarters.
- The Fund is overweight relative to the benchmark in UnitedHealth Group Incorporated (3.3%), a company that engages in the provision of health care coverage, software, and data consultancy services. We believe the company is attractively valued with a strong management team that has deployed cash wisely.
- We expect the disinflationary environment of 2023 to continue into 2024, but the fact that interest rates are now well above the artificially low levels of the last decade demands a continued emphasis on quality to identify winners in the equity market. Operational and financial flexibility should enable well-positioned companies to gain market share, return excess cash to shareholders, and generate above-market returns over the business cycle.
- In our view, more-profitable businesses have the agility to help them adapt to today's increasingly uncertain environment, invest more strategically in their businesses, and seek out attractive M&A opportunities to enhance their existing businesses.

Top Active Position Weights





Portfolio Breakdown as of 12/31/2023.

Source: Wilshire. Active weights reflect over/under relative to the S&P 500 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 12/31/2023

	4Q23	1 Year	3 Years	5 Years	10 Years
Net Asset Value – Class I	10.39%	16.65%	8.41%	13.37%	10.43%
S&P 500 Index	11.69%	26.29%	10.00%	15.69%	12.03%
Lipper Equity Income Funds Category Average⁷	9.69%	11.40%	8.70%	10.96%	8.27%

Expense Ratio: 0.67%

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 Russell 2000® Index as of 12/31/23.

²As represented by the Russell 1000® Index as of 12/31/23.

³As represented by the Russell 3000® Growth Index as of 12/31/23.

⁴As represented by the Russell 3000® Value Index as of 12/31/23.

⁵Factset

⁶The S&P 500® Index is widely regarded as the standard for measuring large cap U.S. stock market performance. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment.

⁷Lipper 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.

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. Mid cap company stocks tend to be more volatile and may be less liquid than large cap company stocks. Mid cap companies typically experience a higher risk of failure than large cap companies. However, 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. 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.

The Fund changed its investment strategy on 09/27/2012.



The views and information discussed in this commentary are as of December 31, 2023, 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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