LORD ABBETT

FUND COMMENTARY – 3Q20

CORE FIXED INCOME FUND

MARKET REVIEW

- The U.S. bond market, as measured by the Bloomberg Barclays Aggregate U.S. Bond Index, was positive for the quarter, returning 0.62%.[1] The U.S. Treasury component of the Aggregate Index returned 0.18% during the quarter. Following the market bounce back in the second quarter, risk assets continued to rally in the first two months of the third quarter on the back of optimistic earnings reports for 2Q2020 and particularly strong gains in technology issues even as coronavirus cases continued to rise as several vaccine candidates entered Phase 3 trials, boosting overall sentiment. Investment grade corporate bonds[2] returned approximately 1.67% and experienced significant spread tightening early in the quarter before widening amid the rebound in volatility in September. Most risk assets fell meaningfully in September as market sentiment was driven lower amid political volatility related to the Supreme Court of the U.S. (SCOTUS) vacancy, heightened COVID-19 concerns in Europe, flaring U.S.-China tensions related to national security concerns, and heightened uncertainty leading up to the U.S. Presidential election.
- High yield bonds[3] posted positive performance in the third quarter. High yield spreads tightened 103 basis points from June month-end levels to 542 basis points at the end of September. Within the asset class, lower quality segments of the high yield market outperformed higher quality tiers. Bank loans[4] also posted positive returns for the quarter, performing in line with the high yield market.
- Over the third quarter, the U.S. Federal Reserve (Fed) announced a new approach to setting monetary policy, whereby the Fed will seek inflation that averages 2% over time. Under this new policy shift, the Fed will allow inflation to moderately overshoot the 2% goal following periods of weakness. Additionally, the new approach permits labor-market gains to reach more workers. The policy shift came about following years of too-low inflation.

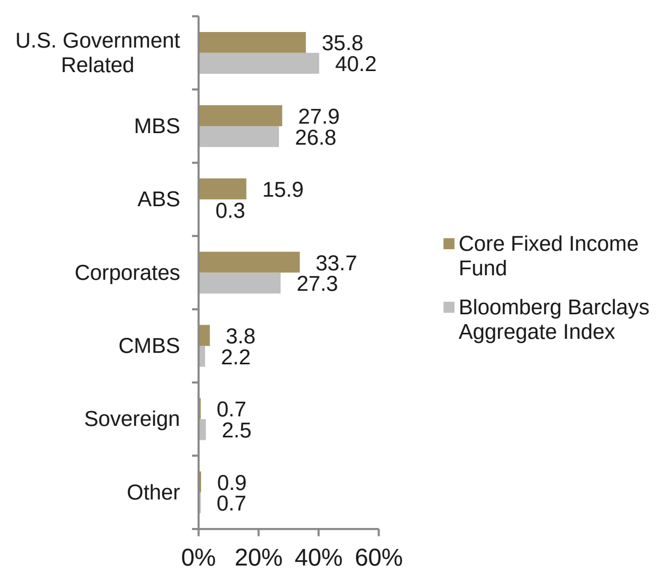
PORTFOLIO REVIEW

- The Fund returned 1.33%, reflecting performance at the net asset value (NAV) of Class A shares with all distributions reinvested for the quarter ended September 30, 2020. The Fund's benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index[5], returned 0.62% during the same period.
- An overweight to and security selection within investment-grade corporate bonds contributed to relative performance. High grade corporate credit posted positive returns over the quarter on the back of the Fed's purchasing programs and state re-opening guidelines. The portfolio's positive contribution from security selection was driven by the financial, consumer cyclical, and consumer non-cyclical sectors.
- Security selection within mortgage-backed securities (MBS), specifically an up-in-coupon positioning, has contributed to performance.
- A modest allocation to cash and cash equivalents detracted from performance as risk assets posted positive returns.
- Also detracting over the period was the portfolio's allocation to asset-backed securities (ABS). We continue to favor high quality ABS that are backed by credit cards and auto loans, and we have avoided areas of the market that have been more directly exposed to the impact of the coronavirus, such as container and aircraft ABS. High quality ABS lagged other fixed income sectors during the quarter.

STRATEGY POSITIONING & OUTLOOK

- Over the quarter the largest change in the portfolio composition was an increase in the U.S. Treasury allocation as spreads in riskier sectors tightened and we continue to prioritize and emphasize liquidity within the portfolio.
- We decreased the portfolio's allocation to investment grade corporate credit. Specifically, we reduced the portfolio's allocation to high quality corporate bonds in July and August as spreads had tightened significantly since their March wides.
- We feel valuations are attractive compared to underlying economic fundamentals. The Fed continues to provide an environment of significantly low volatility, negative real yields, and support to maintain market liquidity.

SECTOR WEIGHTS



*Source: Bloomberg Barclays. "Other" may include non-index holdings. Sector allocations exclude cash therefore Fund percentage allocations may not equal 100%. As of 9/30/2020

PERFORMANCE AS OF 9/30/2020

	3Q20	YTD	1 Year	3 Years	5 Years	10 Years
Net Asset Value (without sales charge)	1.33%	6.71%	6.58%	4.74%	3.80%	3.48%
Maximum Offering Price (with 2.25% sales charge)	-0.99	4.35	4.15	3.95	3.33	3.25
Bloomberg Barclays U.S. Aggregate Bond Index [5]	0.62	6.79	6.98	5.24	4.18	3.64
Morningstar Core Bond Funds Average [6]	0.94	6.50	6.66	4.88	3.94	3.49

Expense Ratio: 0.64%

[1]*As represented by the Bloomberg Barclays U.S. Aggregate Bond Index as of 09/30/2020.* [2]*As represented by the ICE BofA U.S. Corporate (A-BBB) as of 09/30/2020.* [3]*As represented by the ICE BofA U.S. High Yield Constrained Index as of 09/30/2020.* [4]*As represented by the Credit Suisse Leveraged Loan Index as of 09/30/2020* [5] **The Bloomberg Barclays U.S. Aggregate Bond Index** is an index of U.S dollar-denominated, investment-grade U.S. government and corporate securities, and mortgage pass-through securities, and asset-backed securities. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and an investor cannot invest directly in an index. [6] *Morningstar Core Bond Funds Average*

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.

A Note about Risk: The Fund is subject to the general risks associated with investing in fixed income securities, including market, credit, liquidity, and interest rate risk. The value of an investment in the Fund will change as interest rates fluctuate in response to market movements. When interest rates rise, the prices of debt securities are likely to decline, and when interest rates fall, the prices of debt securities tend to rise. The Fund may invest in Treasury Inflation Protected Securities and other inflation-indexed securities, which are subject to greater inflation rate and interest rate volatility. 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 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 Bloomberg Barclays U.S. Aggregate Bond Index is an index of U.S dollar-denominated, investment-grade U.S. government and corporate securities, and mortgage pass-through securities, and asset-backed securities. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and an investor cannot invest directly in an index.

Morningstar Core Bonds Funds Average invests in investment-grade U.S. fixed-income issues, including government, corporate, and securitized debt.

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