# GLOBAL EQUITY FUND

## MARKET REVIEW

| Index Performance | 1Q24 | YTD |
|---|---|---|
| S&P 500 Index | 10.56% | 10.56% |
| Russell 1000® Index | 10.30% | 10.30% |
| Russell 2000® Index | 5.18% | 5.18% |
| Russell 3000® Growth Index | 11.23% | 11.23% |
| Russell 3000® Value Index | 8.62% | 8.62% |
| MSCI ACWI Index | 8.26% | 8.26% |
| MSCI ACWI Ex-US Index | 4.66% | 4.66% |
| MSCI EAFE Index | 5.81% | 5.81% |

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.

- Global equity and bond markets experienced strong performance in the first quarter following a late 2023 rally sparked by expectations for Federal Reserve (Fed) rate cuts and easing concerns around the path of inflation. The MSCI World Index returned +8.20%[1]. Emerging Markets, as measured by the MSCI Emerging Markets Index[2], returned +2.37%, underperforming the world's developed equity markets. Within EM, poor performance in China was counterbalanced by strong performance in Latin American countries. In February, Japanese equity markets, specifically the Nikkei 225 Index, surpassed records previously reached in 1989. In the U.S., the big story of the quarter was whether the market would continue to rally despite the recent repricing of Fed expectations. This was driven by several factors, including stronger than expected GDP growth in the fourth quarter which is expected to continue in Q1, positive labor market indicators, and the Conference Board's Leading Economic Index (LEI) turning positive for the first time in 23 months. However, these factors resulted in continued sticky core services inflation, which increased in January and February.[4]

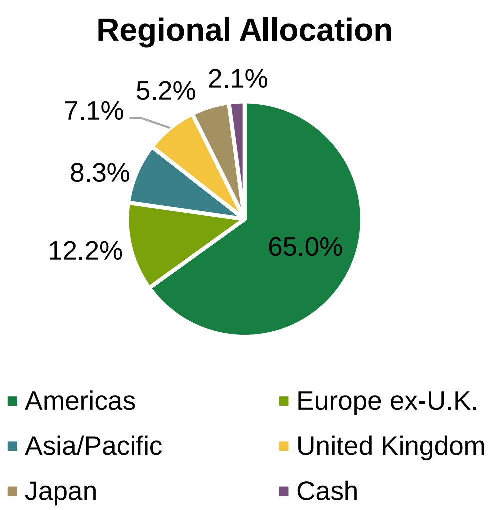
## PORTFOLIO REVIEW

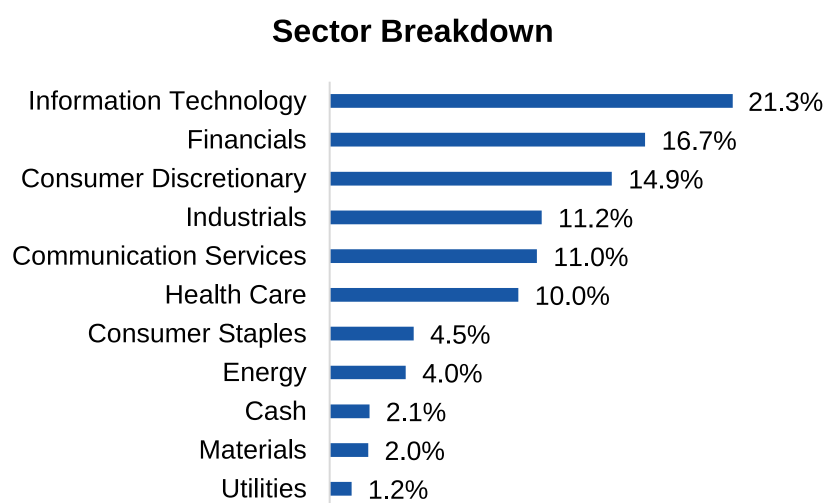
- The Fund returned 10.83%, reflecting performance at the net asset value (NAV) of Class I shares with all distributions reinvested for the quarter ended March 31, 2024. The Fund's benchmark, the MSCI All Country World Index[**], returned 8.20% during the same period.
- Security selection within the Information Technology sector contributed to relative returns over the period. Nvidia Corporation (3.74%), which has been a portfolio overweight for the past several quarters, continued to post strong performance in the first quarter. The company's fourth quarter earnings, which the market was watching closely, beat expectations across the board. Additionally, the company offered strong forward guidance for the rest of 2024. The portfolios positioning in the Communication Services, Meta Platforms Inc (3.81%), contributed to relative performance. In February, Meta hit new all-time highs on the back of strong earnings. The company has been prioritizing capital efficiency and embracing trends in Artificial Intelligence (A.I.) which have benefited both its top and bottom line.
- Security selection within Adobe Inc (1.56%) detracted from relative performance during the period. Adobe shares sold off in mid-March as the company reported a weak outlook on first quarter sales, fueled by concerns that new AI startups are challenging certain parts of their business model. Additionally, the portfolios positioning in Apple Inc (1.26%) was a detractor for the period. The company announced tepid sales in China, which came as a result of cooling consumer spending in the region. With that being said, the company also reported stronger iPhone sales during the holiday period, and a return to revenue growth, which helped to counteract worries over China sales.

*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 AND OUTLOOK

- We continue to implement a barbell approach between Innovation Growth and Quality Value companies. Following strong performance in 2023, there are several themes that we continue to favor from a sector and country standpoint. The semiconductor industry continues to show signs of recovery, which is particularly beneficial for non-U.S. companies. After a challenging 2023, marked by inventory adjustments and reduced consumer electronics demand, 2024 promises a rebound, especially for north Asian firms central to the personal computer (PC) and smartphone supply chains. Factors like chip restocking, a revival in electronics markets, and sustained demand for AI chips fuel this optimism. Chipmakers with sufficient scale and a global footprint are well-positioned to benefit from these trends, in our view, thanks to their investment in research and specialized manufacturing.
- Additionally, we remain excited about the scope for change in Japan. Following years of deflation/low inflation, Japan is experiencing its strongest bout of inflation in 30 years. Rising wages and consumer prices, coupled with a significantly weaker yen, provide hope that Japan can change its nominal growth rate. Another encouraging sign is the fact that many Japanese companies have been asked by the Tokyo Stock Exchange to share their plans to raise profitability and returns for the next several years. Additionally, many Japanese companies continue to hoard cash, with net cash positions on their balance sheets, and Japanese households, who hold 50% of their financial assets in cash and equivalents, have not yet moved out of cash into stocks and bonds.
- Meanwhile, disinflation in other parts of the world has driven investors to begin reallocating into risk assets, and we believe Japan will follow. While a high government debt-to-gross domestic product ratio, and an aging and shrinking population, highlight a few of the current challenges, we believe that if current trends persist, Japan has significant potential for a long period of outperformance. With that said, there are still notable risks globally, including the ongoing wars in the Middle East and Ukraine, uneven economic recovery across regions, and shifting monetary policies. Therefore, despite several encouraging signs, we remain committed to focusing on investing in financially strong, resilient businesses that are capable of weathering economic headwinds. We believe that quality metrics, such as strong return on equity, free cash flow, and prudent balance sheet management, paired with long-term competitive advantages and pricing power, will prove to be key factors allowing companies to outperform.




*Portfolio Breakdown as of 03/31/2024. Regional Allocation and Sector Breakdown source: Lord Abbett.*

## Performance as of 03/31/2024

| | 1Q24 | YTD | 1 Year | 3 Years | 5 Years | Since Inception* |
|---|---|---|---|---|---|---|
| **Net Asset Value – Class I** | 10.83% | 10.83% | 28.14% | 7.79% | 12.73% | 11.65% |
| **MSCI All Country World Index** | 8.20% | 8.20% | 23.22% | 6.96% | 10.92% | 10.23% |
| **Morningstar Global Large-Stock Blend[3***]** | 7.43% | 7.43% | 19.30% | 5.98% | 9.72% | 9.12% |

*Since Inception Date: 1/17/2017

***Morningstar Global Large-Stock Blend category returns as of 03/31/2024, latest available data

**Expense Ratios:** Gross: 2.30% Net: 0.65%

**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.**

*[**]The MSCI ACWI (All Country World Index) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment.*
*[1]Factset as represented by the MSCI World Index as of 03/31/24.*
*[2]As represented by the MSCI Emerging Markets Index as of 03/31/24.*
*[3]Morningstar Global Large-Stock Blend: Global large-stock blend portfolios invest in a variety of international stocks and typically skew towards large caps that are fairly representative of the global stock market in size, growth rates, and price. Global large stock blend portfolios have few geographical limitations. It is common for these portfolios to invest the majority of their assets in developed markets, with the remainder divided among the globe's emerging markets. These portfolios are not significantly overweight U.S. equity exposure relative to the Morningstar Global Market Index and maintain at least a 20% absolute U.S. exposure.*
*[4]Trading Economics*

**A Note about Risk:** The Fund invests primarily in foreign small and mid-cap company stocks, which tend to be more volatile and less liquid than U.S. or large cap company stocks. Foreign securities generally pose greater risks than domestic securities, including greater price fluctuations and higher transaction costs. Foreign investments may be affected by changes in currency rates or currency controls. With respect to certain foreign countries, there is a possibility of nationalization, expropriation or confiscatory taxation, imposition of withholding or other taxes, and political or social instability that could affect investments in those countries. These risks can be greater in the case of emerging country securities. Small and mid-cap companies may have more limited product lines, markets, or financial resources and typically experience a higher risk of failure than large cap companies. The Fund is subject to the risks associated with derivatives, which may be different from and greater than the risks associated with investing directly in securities and other investments. These factors can affect Fund performance.

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

The portfolio weights shown in parenthesis are based on the average portfolio weight during the quarter for each security.

**Expense ratio information:** The net expense ratio takes into account contractual fee waivers/expense reimbursements that currently are scheduled to remain in place through 02/28/2025. For periods when fees and expenses were waived and/or reimbursed, the Fund benefited by not bearing such expenses. Without such fee waivers/reimbursements, performance would have been lower.

Indexes are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment.

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.



The views and information discussed in this commentary are as of March 31, 2024, 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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