



# GLOBAL EQUITY RESEARCH FUND

## MARKET REVIEW

- International markets returned 16.3% during the second quarter, as measured by the MSCI ACWI ex USA Index. Emerging Markets, as measured by the MSCI EM Index, returned 18.1% during the quarter and outperformed developed equity markets, as represented by the MSCI EAFE Index (15.2%) by 3.0%. In the past 12 months, Emerging Markets have outperformed developed markets by 1.5%.<sup>1</sup> U.S. equity markets, as measured by the S&P 500 Index, rose 20.54%.
- European and Asia Purchasing Managers' Indexes (PMIs) rose during the quarter. Quarter end readings in the Eurozone indicated stabilizing economic activity as Eurozone economies emerged from COVID-19 induced lockdowns. In China, the first economy to lift regional COVID-19 lockdowns, PMIs continued to rise into expansion territory. Most other Asian regional economies saw PMIs bottom in April and move toward readings consistent with stabilizing economic activity in May and June.<sup>2</sup>
- The U.S. 10-year Treasury bond yield remained subdued over the quarter, ending the period at 0.65%. Global inflation is expected to remain muted, as the shape of the global economic recovery remains uncertain.
- Most of the world's central banks were swift to ease monetary policy at the onset of COVID-19 related disruptions. Significant fiscal and monetary support measures remain in place in most geographies. Forward looking commentary suggests most policy makers continue to favor an accommodative policy stance in the coming quarters.<sup>2</sup>

## PORTFOLIO REVIEW

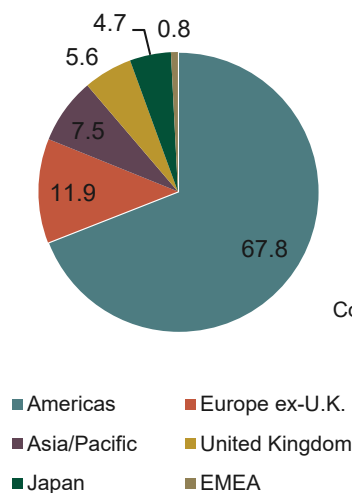
- The Fund returned 21.84%, reflecting performance at the net asset value (NAV) of Class A shares with all distributions reinvested, for the quarter ended June 30, 2020. The Fund's benchmark, the MSCI All Country World Index, returned 19.22% in the same period.
- Security selection within the information technology sector contributed to relative performance. The Fund's position in Shopify, Inc. (1.5%), a cloud-based e-commerce company, rose as the company's volumes skyrocketed during COVID-19 lockdowns globally, accelerating the trend for online shopping.
- Security selection within the industrials sector contributed to performance as shares of SCS Transportation (0.7%) rose. Shares of the U.S.-based trucking transportation company rose as optimism around economic reopening sparked hope for rising demand.
- Security selection within the health care sector detracted from relative performance. The Fund's position in Merck & Co., Inc. (1.9%) detracted most. Shares of the U.S.-based pharmaceutical company underperformed amid a competitive overhang, when Roche presented data on their lung cancer drug, which was seen as a potential challenger to Merck's flagship Keytruda franchise.
- Security selection within the consumer staples sector detracted from relative performance. Shares of Philip Morris Int'l, Inc. (1.6%), a U.S.-based tobacco company, fell as strict lockdowns in a range of Developing and Emerging international markets weighed on tobacco consumption and limited the ability for face-to-face marketing of the company's IQOS heated tobacco products.

## STRATEGY POSITIONING & OUTLOOK

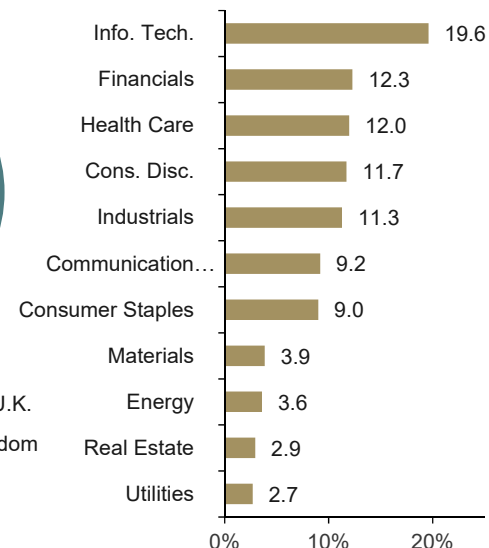
- Walmart, Inc. (2.3%), an American retail and wholesale business company, is the portfolio's largest overweight stock position relative to its benchmark. We believe the company has made numerous positive changes in recent years which will be beneficial in the long-run, such as upgrading the management team and building a more agile, innovative and nimble corporate culture.
- The Fund is overweight, relative to the benchmark, in Sanwa Holdings, Corp. (1.6%), a Japanese building materials company which manufactures, installs, and maintains commercial shutters and garage doors. Stricter commercial buildings standards stipulating increased fire safety specifications for commercial shutters are expected to drive an upgrade cycle in the medium term. Management's continuing shift towards the more defensive maintenance services business and highly reputable installation services create a strong value proposition for the customer.
- Samsung Electronics Co., Ltd. (2.0%), a South Korean electronics and computer peripherals manufacturing company, is another of the Fund's overweight positions relative to its benchmark. We believe the company should enjoy a period of undersupply and a revival in demand from mobile devices, datacenters, and autos. We also believe that management will continue to embrace a more shareholder friendly capital return policy.
- Key risks include the clear tradeoff between economic recovery and the spread of Covid-19, the shape of the ongoing U.S. social crisis/2020 U.S. Presidential election, and Sino-US relations.

### REGIONAL/SECTOR WEIGHTS\*

#### Regional Allocation



#### Sector Allocation



Portfolio Breakdown as of 06/30/2020

\*Regional Allocation source: Lord Abbett and Bloomberg. Sector Breakdown source: Wilshire. Sector allocations exclude cash therefore Fund percentage allocations may not equal 100%.

## PERFORMANCE AS OF 06/30/2020

	2Q20	YTD	1 Year	3 Year	Since Inception <sup>4</sup>
Net Asset Value (without sales charge)	21.84%	-4.70%	4.00%	6.37%	7.87%
Maximum Offering Price (with 5.75% sales charge)	14.81	-10.19	-2.02	4.28	6.04
MSCI All Country World Index	19.22	-6.25	2.11	6.13	8.00
Lipper Global Multi-Cap Core Funds Average <sup>3</sup>	26.20	4.45	12.80	10.95	13.07

**Expense Ratios:** Gross: 4.20%; Net: 0.90%

**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.**

<sup>1</sup>Source: MSCI <sup>2</sup>Source: Trading Economics, <sup>3</sup>Source: Lipper Analytical Services <sup>4</sup>Inception Date: 01/18/2017.

**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 and/or sectors in the economy. The foreign securities in which the Fund primarily invests generally pose greater risks than domestic securities, including greater price fluctuations and higher transaction costs. Foreign investments also 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. Investments in either growth or value stocks may shift in and out of favor for long periods of time, depending on market and economic conditions. 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. The Fund may invest in exchange-traded funds ("ETFs"), investments in ETFs are subject to a variety of risks, including the risks associated with a direct investment in the underlying securities that the ETF holds.

**New Fund Risk:** The Fund is newly organized. There can be no assurance that the Fund will reach or maintain a sufficient asset size to effectively implement its investing strategy.

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 portfolio weights at the end of the quarter. 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.

**Expense ratio information:** The net expense ratio takes into account contractual fee waivers/expense reimbursements that currently are scheduled to remain in place through 02/28/2022. 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.

Effective May 15, 2018, the Lord Abbett Global Core Equity Fund changed its name to the Lord Abbett Global Equity Research Fund.

**The MSCI All Country World 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.

MSCI Index Information:

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

**Lipper Global Multi-Cap Growth Funds Average** is based on universes of funds with the same investment objective. The Lipper Global Multi-Cap Growth Funds Average reflects the performance of mutual funds that, by portfolio practice, invest in a variety of market capitalization ranges without concentrating 75% of their equity assets in any one market capitalization range over an extended period of time. 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. Source: Lipper Analytical Services.

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.

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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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