INFLATION FOCUSED FUND

MARKET REVIEW

- The U.S. bond market, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index, 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.

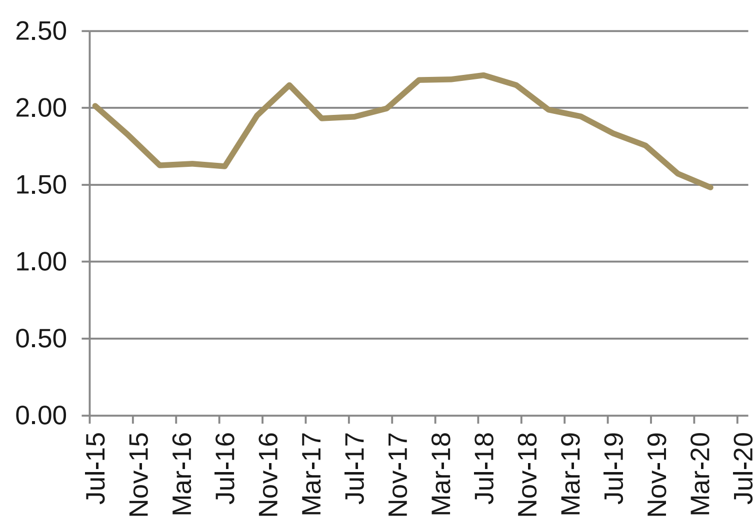
PORTFOLIO REVIEW

- The Fund returned 10.55%, 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 Bloomberg Barclays U.S. 1-5 Year TIPS Index,[5] returned 2.97% during the period.
- The Fund's exposure to Consumer Price Index ("CPI") swaps contributed to performance during the quarter. Consumer prices rose during the period, primarily due to increases in oil prices driven by the gradual re-opening of the economy
- 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

- This strategy combines a short-term bond portfolio with an overlay of CPI swaps in order to hedge against inflation over a full market cycle.
- 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.

5-YEAR BREAKEVEN INFLATION RATE (%)



Source: Federal Reserve Bank of St. Louis as of 6/30/2020.

PERFORMANCE AS OF 6/30/2020

	2Q20	1 Year	3 Years	5 Years	Since Inception*
Net Asset Value (without sales charge)	10.55%	-4.13%	-0.13%	-0.03%	0.02%
Maximum Offering Price (with 2.25% sales charge)	8.08	-6.26	-0.88	-0.49	-0.23
Bloomberg Barclays U.S. 1-5 Year TIPS Index[5]	2.97	3.67	2.75	2.06	1.27
Lipper Inflation Protected Bond Funds Average[6]	5.14	5.96	3.81	2.78	N/A

Expense Ratio: 0.69% *inception date 4/29/2011

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 [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] Bloomberg Barclays U.S. 1-5 Year TIPS Index [6] Lipper Inflation Protected Bond Funds Average

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A Note about Risk: Although the Fund invests in inflation-linked investments, there is no guarantee that the Fund will generate returns that exceed the rate of inflation in the U.S. over time. During periods of deflation or when inflation is lower than anticipated, the Fund is likely to underperform funds that hold fixed income securities similar to those held by the Fund but do not hold inflation-linked investments. The Fund may invest substantially in inflation-linked derivatives and other types of derivatives and is exposed to the risk that the value of a derivative instrument does not move in correlation to the value of an underlying security, market index or interest rate, or moves in an opposite direction than anticipated by the Fund. Investing in derivatives also involves greater liquidity, leverage, and counterparty risk. Because derivatives may involve a small amount of cash relative to the total amount of the transaction, the magnitude of losses from derivatives may be greater than the amount originally invested by the Fund. In addition, the Fund must also be able to correctly forecast market movements and other factors to be successful with its derivatives investments. The Fund is subject to the general risks associated with investing in fixed income securities, including market, credit, liquidity, and interest rate risk. These factors can affect the Fund's 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 **Bloomberg Barclays U.S. 1-5 Year TIPS Index** (also known as Bloomberg Barclays 1-5 Year U.S. Inflation-Linked Treasury Index) is an unmanaged index comprised of U.S. Treasury Inflation Protected Securities with at least $1 billion in outstanding face value and a remaining term to final maturity of at least 1 year and less than 5 years. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and an investor cannot invest directly in an index.

The **Lipper Inflation Protected Bonds Funds** category invests primarily in inflation-indexed fixed income securities. Inflation-linked bonds are fixed income securities that are structured to provide protection against inflation. 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.

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