



Small Cap Value Fund

Small Cap Value

INVESTMENT PHILOSOPHY: We believe successful investing requires the identification of high quality companies with stable to improving business trends whose equity trades at high normalized free cash flow yields.

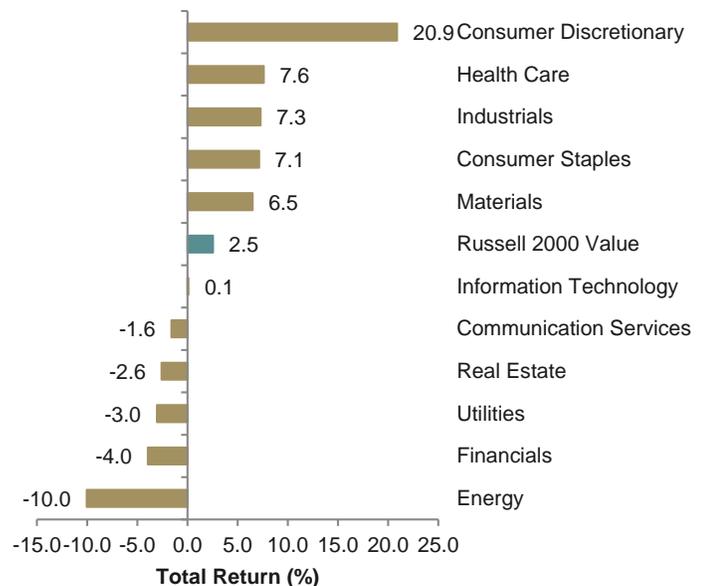
MARKET REVIEW

- The S&P 500 returned 8.93% during the third quarter of 2020, bringing the year-to-date total to 5.57%.¹ The market continued its recovery from the March lows as the economy recovered more rapidly than expected and incrementally positive news on development of a vaccine COVID-19 was announced.
- However, increasing fears over a resurgence of COVID-19 cases and stretched valuations contributed to a selloff during the month of September. Furthermore, investors contended with an ever present wall of worry that included the upcoming U.S. Presidential Election, and political disagreement on a second round of fiscal stimulus measures in the U.S, just to name a few.
- Despite a volatile end to the quarter, Growth and Momentum factors continued to lead the way, while large cap stocks also saw a continuation in their market leadership during the quarter.²

RELATIVE PERFORMANCE

- The Fund returned -1.12%, 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 Russell 2000 Value® Index returned 2.56% in the same period.
- Within the Russell® 2000 Value Index, consumer discretionary and health care posted the largest gains. The consumer discretionary sector rallied due to healthy sales for retailers and homebuilders. Energy shares underperformed as oil prices remained stubbornly low on both production and demand concerns.
- The Fund's holdings of ProSight Global, Inc. (1.7%), an insurance company, was the largest contributor to relative performance. Shares of ProSight rose following an announcement that Jonathan Riz, former CEO of Validus' U.S. Insurance operations, was teaming up with Towerbrook to make a bid to take over the company.
- The Fund's holding of Malibu Boats, Inc. (1.5%), a recreational powerboats manufacturer, detracted from relative performance. Shares of Malibu fell over the uncertainty of what the upcoming boat show season will look like due to the pandemic. These shows allow the company to interact with large customers and dealers and would be a major disappointment if they are canceled. Additionally, market uncertainty and volatility at the end of the quarter put pressure on companies that sell big ticket discretionary items.

INDEX SECTOR PERFORMANCE

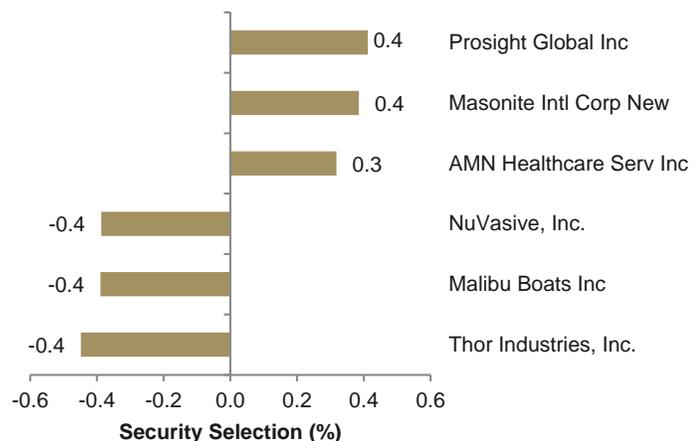


Source: Wilshire. Russell 2000 Value Index performance for the quarter ended September 30, 2020.

NEW & EXITED POSITIONS & PERFORMANCE

- The Fund employs a fundamental, bottom-up individual stock selection strategy that focuses on quality companies with compelling valuation over a long term horizon.
- We initiated a position in shares of IMXI International Money Express, Inc. (1.4%), a cross border money transfer company that focuses on the U.S.-to- Latin American border. We believe that while their business slowed with the onset of COVID-19, it has since come back strongly which further illustrates the money transfer is a durable business. Further, we believe that IMXI can continue to take share in its current country footprint and has ample room to add agents in under penetrated states like Texas and California.
- We also initiated a position in shares of Flagstar Bancorp, Inc. (0.9%), a bank-based mortgage financing company. We believe Flagstar is well-positioned to take advantage of the secular growth in the U.S. housing market and the low mortgage financing supply.
- We sold the Fund's position in Sixth Street Specialty Lending, Inc. (0%), a private equity fund, in favor of more attractive investment alternatives, consistent with our normalized free cash flow methodology.
- We also sold the Fund's position in East West Bancorp, Inc. (0%), a regional bank, in favor of more attractive investment alternatives, consistent with our normalized free last flow framework.

TOP CONTRIBUTORS AND DETRACTORS



Source: Wilshire. Security Selection % reflects the effect of the individual stock's performance relative to the Fund's benchmark, the Russell 2000 Value Index, for the period. Individual holdings and their effect on Fund performance may change significantly over time. Investors should consider the overall performance of the Fund before making a decision on whether or not to invest in the Fund. Breakdown as of 09/30/2020.

PERFORMANCE AS OF 09/30/2020

	3Q20	1 Year	3 Years	5 Years	10 Years
Net Asset Value (without sales charge)	-1.12%	-19.36%	-5.79%	1.42%	5.35%
Maximum Offering Price (with 5.75% sales charge)	-6.84	-24.01	-7.63	0.23	4.73
Russell 2000 Value Index	2.56	-14.88	-5.13	4.11	7.09
Morningstar Small Value Funds Average	3.04	-14.26	-5.51	2.67	6.44

Expense Ratio: 1.20%

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 S&P 500 Index: September 30, 2020. ²S&P Dow Jones, Factor Dashboard: Third Quarter 2020

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 and small cap company stocks tend to be more volatile and may be less liquid than large cap company stocks. Mid and small cap companies typically experience higher risk of failure than large cap companies. Investments in value stocks can continue to be undervalued for long periods of time if the market fails to recognize the company's intrinsic worth. These factors can adversely affect Fund performance.

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

The Fund weights shown in parenthesis within the New and Exited Positions and Performance section are based on the ending Fund weight during the quarter for each security. The Fund weights shown in parenthesis within the Relative Performance section are based on the average 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.

The Russell 2000 Value[®] Index measures the performance of those stocks of the Russell 2000 Index with lower price-to-book ratios and lower relative forecasted growth rates. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and an investor cannot invest directly in an index.

Morningstar Small Value 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.

The views and information discussed in this commentary are as of September 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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