



Small Cap Value Fund

High Quality 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.

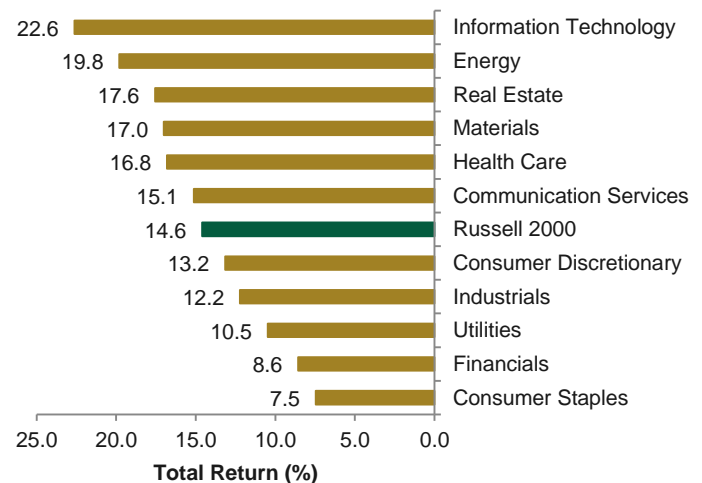
MARKET REVIEW

- The U.S. equity market, as measured by the S&P 500 Index, saw a rebound in the first quarter and rose 13.65%, marking the best quarter since 2009. Value underperformed growth and large cap stocks underperformed small cap stocks during the quarter.¹
- The market rally ensued despite a host of headwinds, including mixed economic data and, more specifically, the lower than expected increase in February's U.S. nonfarm payroll, the longest government shutdown in history, mounting concerns of a global economic slowdown, continued trade tensions between the U.S. and China, and the inversion of the yield curve.²
- The March Federal Open Market Committee (FOMC) meeting resulted in a major shift in the direction of U.S. monetary policy for the foreseeable future as rates went unchanged and expectations for 2019 rate hikes shifted from two to zero.³

RELATIVE PERFORMANCE

- The Fund returned 12.41%, reflecting performance at the net asset value (NAV) of Class A shares with all distributions reinvested, for the quarter ended March 31, 2019. The Fund's benchmark, the Russell 2000® Index⁴ returned 14.58% in the same period.
- Each sector within the Russell 2000® Index finished in positive territory, with the information technology and energy sectors posting the largest gains and the consumer staples sector lagging.
- The Fund's holding of Charles River Laboratories, Inc., a U.S. firm specializing in a variety of pre-clinical and clinical laboratory services, contributed to relative performance. Shares of Charles River Laboratories rose after the company announced it had entered into an agreement with Toxys to offer access to ToxTracker in North America. ToxTracker is a suite of assays that identify toxic properties of chemicals that have been associated with increased cancer risks.
- The Fund's holding of Valvoline, Inc., an engine and automotive maintenance products and services provider, also detracted from relative performance. The firm's stock price fell more than 20% following the release of first quarter results, where the North American lubricant unit disappointed the market.

NOTABLE INDEX SECTOR PERFORMANCE

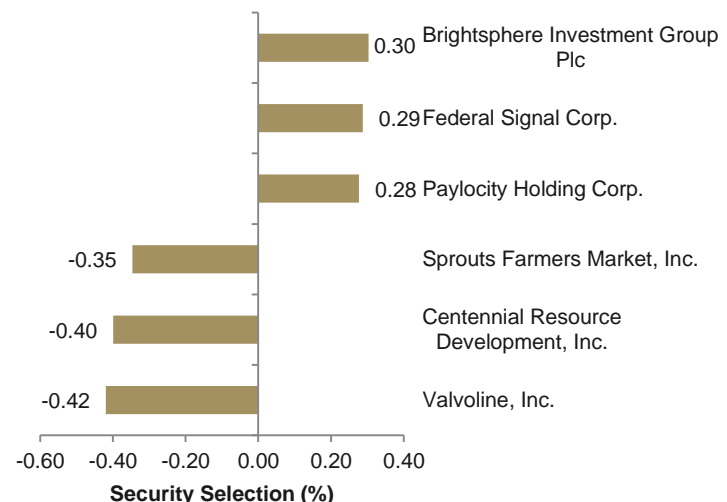


Source: Wilshire. Russell 2000 Index performance for the quarter ended March 31, 2019.

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 Lundin Mining Corporation (1.4%), a Canadian-based copper, zinc and nickel miner. We expect output at its largest copper mine to reaccelerate. Furthermore, the company's large net cash levels can provide considerable downside protection in adverse economic scenarios.
- We purchased shares of Alamo Group Inc. (1.6%), a manufacturer of specialty trucks. Alamo Group's management has been an astute acquirer of businesses at reasonable prices and we believe Alamo's business exhibits low cyclicality and trades at an attractive valuation.
- We sold the Fund's position in Advanced Drainage Systems, Inc. (0%), a plastic corrugated pipes and other drainage products producer, and Aptargroup, Inc. (0%), a consumer product dispensing manufacturer. Both sales were consistent with our normalized free cash 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 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 03/31/2019.

PERFORMANCE AS OF 03/31/2019

	1Q19	1 Year	3 Years	5 Years	10 Years
Net Asset Value (without sales charge)	12.41%	0.33%	7.84%	4.83%	12.88%
Maximum Offering Price (with 5.75% sales charge)	5.97	-5.44	5.74	3.60	12.21
Russell 2000 Index ⁴	14.58	2.05	12.92	7.05	15.36
Lipper Small-Cap Core Funds Average ⁵	13.48	0.09	10.06	5.78	14.58

Expense Ratio: 1.18%

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 Russell 3000 Value, Russell 3000 Growth, Russell 1000, Russell 2000.

² Carew, Sinéad. "U.S. Investors Seek Comfort in Flood of Data." Reuters, Thomson Reuters, 31 Mar. 2019.

³ "Federal Reserve Issues FOMC Statement." Board of Governors of the Federal Reserve System. March 2019.

⁴Source: Russell.

⁵Source: Lipper Analytical Services.

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 Fund 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[®] Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and an investor cannot invest directly in an index.

Lipper Small-Cap Core 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 March 31, 2019, 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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