LORD ABBETT®

Fund Commentary **1Q24**

SHORT DURATION HIGH YIELD FUND

MARKET REVIEW

Fixed Income Market Review		
Yields and Spreads	**12/31/2023**	**3/31/2024**
2 Year U.S. Treasury Yield	4.25%	4.62%
10 Year U.S. Treasury Yield	3.88%	4.20%
2-10 U.S. Treasury Yield Spread	-37	-42
Bloomberg U.S. Corporate Investment Grade Bond Index Spread (OAS)	99	90
ICE BofA U.S. High Yield Constrained Index Spread (OAS)	339	315
Returns	**QTD**	**YTD**
Bloomberg Aggregate Index Return	-0.78%	-0.78%
Bloomberg U.S. Corporate Investment Grade Bond Index Return	-0.40%	-0.40%
Bloomberg U.S. CMBS Index Return	2.22%	2.22%
Bloomberg U.S. ABS Index Return	0.68%	0.68%
Bloomberg U.S. MBS Index Return	-1.04%	-1.04%
ICE BofA U.S. High Yield Constrained Index Return	1.49%	1.49%
Credit Suisse Leveraged Loan Index	2.52%	2.52%
ICE BofA U.S. Convertible Index Return	2.34%	2.34%

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.

- Fixed income market performance was mixed in the first quarter. Yields rose across the curve in response to a hawkish repricing of expected rate cuts from the U.S. Federal Reserve (Fed) as inflation readings since the start of the year have slowed their progress to the Fed's target. Changes in Fed expectations caused softer performance in duration-sensitive sectors such as Treasuries and investment grade credit, both of which exhibited negative returns. Credit outperformed rate-sensitive assets due to meaningful compression in spreads, which counter-acted rising yields. Credit was supported by several tailwinds, including resilient economic activity. Specifically, economic growth in the U.S. improved in the fourth quarter of 2023, with GDP growth registering 3.4%, above the 2.0% consensus, with consumer spending as a primary driver. There was also positive sentiment regarding labor market dynamics, with payrolls up 229K in January and 275K in February.[1]

- U.S. High Yield continued to exhibit positive returns, gaining +1.49% over the quarter.[2] Performance corresponded with continued strong economic performance, which supported a risk-on environment, as well as robust capital market activity allowing for refinancing of upcoming maturities and other liquidity needs. Lower-quality credit led the way with CCCs up +3.25%, outperforming both Bs and BBs which returned +1.46% and +1.19%, respectively.[3] From a sector standpoint, Super Retail, Publishing/Printing and Paper were the top performing segments of the high yield market. In contrast, Cable/Satellite TV, Telecommunications and Broadcasting lagged. High yield issuance registered its largest quarterly total since 2021 with roughly $80 billion in new supply relative to $40 billion over the same time last year.[4] Despite positive performance in high yield in the first quarter, the trailing 12-month default rate crept higher to 2.59%; however, this rate continues to be below the long-term average default rate of 3.1%.[4]

FUND REVIEW

- The Fund returned 2.23%, 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 ICE BofA HY US Corp Cash Pay BB-B 1-5Yrs USD Index*, returned 1.42% during the same period.

- Among the primary contributors to relative performance was security selection within the B rating tier. Within this allocation, the Fund was underweight or void several larger capital structures that actually lagged in high yield, contributing to relative performance. These issuers were primarily in sectors such as Media that have underperformed given their levered financial profiles which have been headwinds as interest rates remained elevated. An overweight allocation to CCC credit also contributed to relative performance over the quarter. CCCs performed well over the quarter as spreads continued to compress reflecting a more resilient U.S. economy that supported a risk-on environment. Within this allocation, the Fund was overweight several issuers that exhibited positive quarterly earnings reports or were beneficiaries of positive capital market activity, including several issuers within the Healthcare sector, specifically Health Services and Health Facilities subsectors.

- Security selection within sectors such as Energy and Basic Industry also contributed to relative performance. This was reflected in overweight positions to several issuers in E&P and Metals and Mining subsectors that benefited from tailwinds such as higher commodity prices and overall strong economic performance. Modest allocations to bank loans and convertible bonds also contributed as both sectors broadly outperformed U.S. high yield credit over the quarter.

- Security selection within the Transportation sector was a detractor from relative performance over the quarter. The Fund was specifically overweight select issuers in the Airline subsector that underperformed as they faced headwinds from a blockage in corporate action. Performance was also affected by several Air Transportation companies that issued poor outlooks. Security selection within the Utilities sector also detracted, as overweight positions in the Electric Generation subsector came under pressure due to idiosyncratic concerns that led to weaker investor confidence around the company's financial profile. Security selection within the Real Estate sector also detracted from relative performance as the Fund was overweight select positions to Real Estate Investment Trusts (REITs) that underperformed amid a return to higher interest rates over the quarter.

FUND POSITIONING

- **We continued to add to the Fund's allocation in lower-rated credits.**

  We believe that exposure to lower-rated credit currently offer sthe best relative value given the recent compression in spreads across high yield ratings tiers as well as the overall strength of the economy. We added to select CCC positions throughout the quarter in sectors such as Healthcare and Basic Industry. While we are still constructive on credit in general given the resilience in the U.S. economy, we do remain vigilant on adding to companies in sectors that may be more susceptible to default risk as interest rates remain higher for longer. We have funded these purchases with higher-rated, call constrained BBs where we view valuations are tight. The Fund is now overweight allocation to CCCs relative to the benchmark, while underweight BBs.

- **The Fund continued to be primarily overweight Basic Industry and Energy sectors.**

  We remain constructive in the Basic Industry and Energy sectors as a result of improving credit quality, stickier inflation, and positive cyclicality. We also view the potential for ongoing merger & acquisition activity as an added potential tailwind for these sectors. Within Basic Industry, the primary overweights continue to be Metals and Mining and Chemicals, the latter of which have benefited from meaningful destocking of inventories over the last several months. Within Energy, we remain focused on E&P and Oil Field Services subsectors, but with a renewed focus on offshore energy as an attractive opportunity to find relative value. The Fund also continues to be overweight sectors such as Financial Services and Banking. Conversely, the Fund finished the quarter underweight sectors such as Real Estate, Capital Goods, and Leisure.

- **The Fund maintained modest exposure to off-benchmark sectors.**

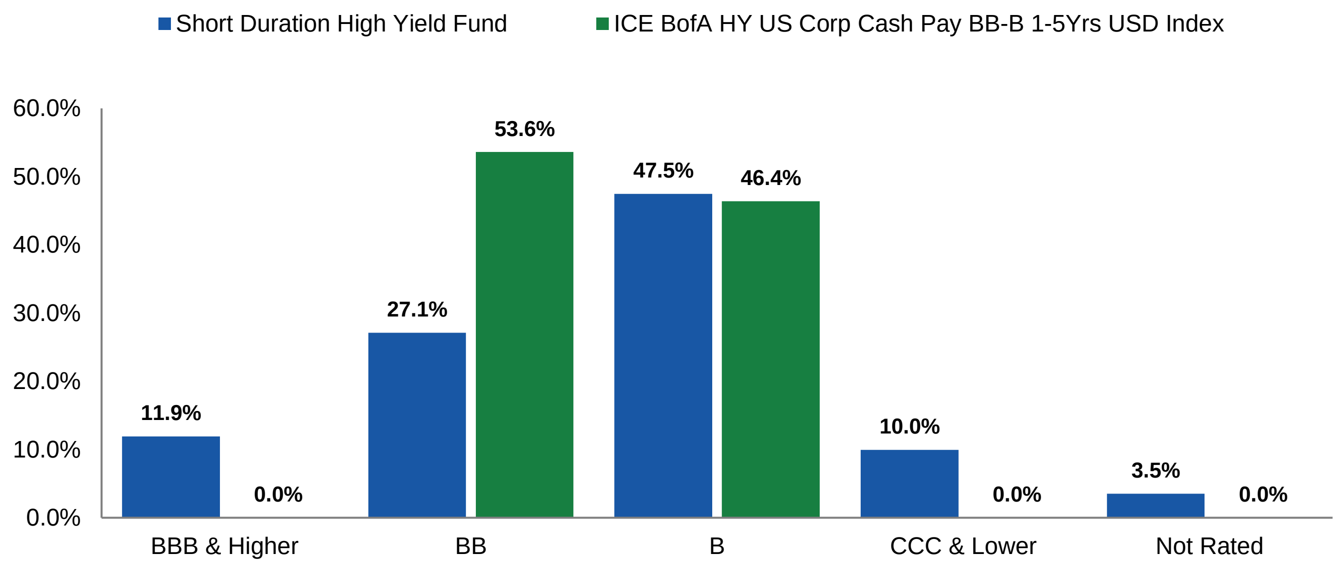
  We generally believe that select exposures to non-high yield sectors can offer attractive risk-reward opportunities, potential portfolio diversification benefits, and avenues for liquidity. While the Fund has the flexibility to toggle allocations to off-benchmark asset classes, such as bank loans and convertible bonds, we continue to view traditional high yield corporate bonds as broadly attractive relative value compared to other sectors.

OUTLOOK

- **We view short duration high yield as an opportunity to capture high-quality carry.**

  We remain constructive in short dated high yield credit considering the overall resilience of the U.S. macroeconomy and evolving reflationary environment. Inflation has been stickier than anticipated and may remain above the Fed's target, which could cause elevated rate and risk-asset volatility prolonging higher-for-longer bond yields, particularly at the short-end of the yield curve. However, the default outlook for 2024 is expected to be manageable and similar to, if not modestly better than in 2023. Despite the presence of higher policy rates, high yield bond issuers' balance sheets have remained robust, and we believe that the corporate sector will maintain financial discipline, with high yield companies possibly benefitting from strategic mergers and acquisitions by higher-rated companies. Looking ahead, we are focused on maintaining a cyclical approach in the Fund and targeting down-in-quality securities, with emphasis on commodities, consumer cyclicals, and sectors benefiting from the potential for modestly lower financing rates in the year ahead.

CREDIT QUALITY DISTRIBUTION



*Index Data Source: ICE Data Indices, LLC. Due to rounding, the percentage allocation of the portfolio breakdown may not equal 100%. Portfolio breakdown as of 03/31/2024.

Performance as of 03/31/2024

	1Q24	1 Year	3 Years	Since Inception*
Net Asset Value	2.23%	11.71%	3.88%	7.02%
ICE BofA HY US Corp Cash Pay BB-B 1-5Yrs USD Index	1.42%	9.92%	3.44%	6.44%
Morningstar Category Average[5]	1.67%	10.40%	2.07%	4.70%

Expense Ratio: 0.45%.

Inception Date as of April 22, 2024.

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 ICE BofA HY U.S. Corp, Cash Pay, BB-B 1-5 YR USD Index consists of BB-B rated U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market with maturities of 1 to 5 years.

[1]Factset.

[2]As represented by the ICE BofA U.S. High Yield Constrained Index as of 03/31/2024.

[3]As represented by the ICE BofA U.S. High Yield BB Constrained Index, the ICE BofA U.S. High Yield B Constrained Index, and the ICE BofA U.S. High Yield CCC & Lower Constrained Index as of 03/31/2024.

[4]J.P Morgan, as of 03/31/2024.

[5]Source: Morningstar. Morningstar High Yield Funds: High-yield bond Funds concentrate on lower-quality bonds, which are riskier than those of higher-quality companies. These Funds generally offer higher yields than other types of Funds, but they are also more vulnerable to economic and credit risk. These Funds primarily invest in U.S. high-income debt securities where at least 65% or more of bond assets are not rated or are rated by a major agency such as Standard & Poor's or Moody's at the level of BB (considered speculative for taxable bonds) and below.

A Note about Risk: The Fund is subject to the general risks associated with investing in debt securities, including market, credit, liquidity, and interest rate risk. The Fund invests primarily in high-yield, lower-rated securities, sometimes called junk bonds. These securities carry increased risks of price volatility, illiquidity, and the possibility of default in the timely payment of interest and principal. The Fund may invest in foreign or emerging market securities, which may be adversely affected by economic, political, or regulatory factors and subject to currency volatility and greater liquidity risk. The Fund may invest in derivatives, which are subject to greater liquidity, leverage, and counterparty risk. These factors can affect Fund performance.

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

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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.

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