



ULTRA SHORT BOND FUND

MARKET REVIEW

- The U.S. bond market, as measured by the Bloomberg Barclays Aggregate Bond Index, was positive for the quarter (+2.27%). The sharp decline in rates led to positive returns for Treasuries and duration-sensitive assets, with investment grade corporate bonds¹ returning 3.07% during the period.
- High yield corporate bonds (1.22%)² experienced positive returns with modest spread compression, although weakness in the CCC segment continued. Bank loans (0.92%)³ posted positive returns but underperformed the high yield market as a result of rapidly declining rates and expectations of further interest-rate cuts this year. The U.S. equity market, as defined by the S&P 500, returned 1.70% during the third quarter of 2019.
- Fears of a slowdown fueled a flight to safety that drove long-term yields around the world to record lows in August. The yield on the 10-year U.S. Treasury bond fell to multi-year lows while the 30-year Treasury yield reached all-time lows during the month before experiencing a rebound in September. The 2- and 10-year portion of the curve inverted for the first time in over ten years, extending recessionary fears.

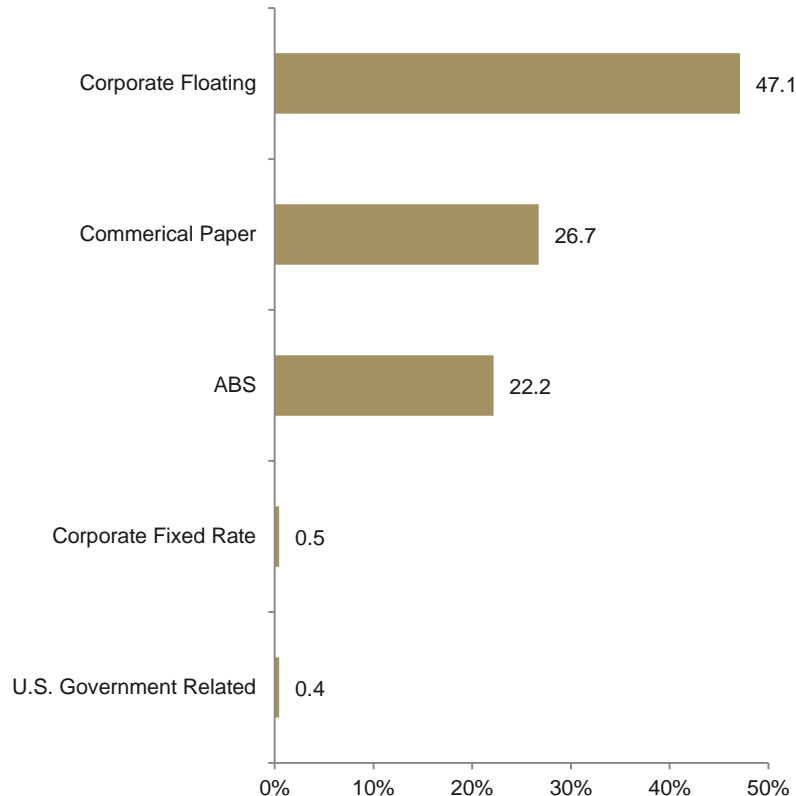
PORTFOLIO REVIEW

- The Fund returned 0.59%, reflecting performance at the net asset value (NAV) of Class A shares with all distributions reinvested, for the quarter ended September 30, 2019. The Fund's benchmark, the ICE BofAML U.S. Treasury Bill Index,⁴ returned 0.56% during the same period.
- The Fund maintains diversified exposure beyond the Treasury securities represented within its benchmark. The Fund is strategically allocated to short-term investment grade bonds with floating rate coupons, commercial paper, and asset-backed securities ("ABS"), as we believe these sectors offer attractive risk-adjusted carry opportunities and diversified benefits.
- The Fund's allocation to high quality floating rate notes contributed to relative performance. Floating rate notes presented attractive carry opportunities, allowing us to capture additional yield over traditional U.S. Treasury Bills.
- The spike in short-term borrowing costs during September allowed us to capture higher yields within the commercial paper space, contributing to the Fund's relative performance.
- The Fund's allocation to ABS modestly dragged on performance. While the ABS within the Fund produced positive absolute returns, it lagged the benchmark, detracting from relative performance.

STRATEGY POSITIONING & OUTLOOK

- The 3-month London Interbank Offered Rate ("LIBOR") declined during the period, ending the quarter at 2.09%, 23 basis points lower than levels seen last quarter. Falling LIBOR rates can result in lower coupon income generated by the strategy as a large portion of the Fund is allocated to securities with floating rate coupons that are tied to LIBOR.
- We increased the Fund's allocation to corporate floating rate notes. Given the inversion in the yield curve, we consider floating rate notes to be attractive, as they offer an additional pickup in yield. We also participated in a few new floating rate issues, particularly within the automotive and banking sector, that we have found attractive.
- We reduced the Fund's allocation to ABS. While we remain attracted to the sector, mainly within the auto-loan and credit card receivable space, and believe ABS offer liquidity and relatively attractive risk-adjusted returns, we reinvested proceeds of maturing bonds into corporate floaters.
- While we reduced the Fund's commercial paper exposure during the quarter, we remain constructive on the sector. Within the quarter, we modestly extended the duration of our holdings by reinvesting proceeds from maturing issues into paper that matures in more than one month.
- Despite the recent curve flattening, we believe there will continue to be a heightened level of volatility within the markets due to the mixed messaging from the U.S. Federal Reserve, fears of a global recession, and trade tensions. We continue to emphasize liquidity and flexibility within the Fund and are tactically adjusting risk exposure based on valuations and spread volatility relative to its underlying fundamentals.

SECTOR WEIGHTS



Sector allocations exclude cash therefore Fund percentage allocations may not equal 100%. As of 9/30/2019.

PERFORMANCE AS OF 9/30/2019

	3Q19	YTD	1 Year	Since Inception ⁶
Net Asset Value (without sales charge)	0.59%	2.20%	2.61%	1.93%
ICE BofAML U.S. Treasury Bill Index ⁴	0.56	1.86	2.45	1.56
Lipper Ultra-Short Obligation Funds Average ⁵	0.65	2.44	2.74	1.88

Expense Ratios: Gross: 0.49%; Net: 0.42%

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.

¹As represented by the ICE BofAML U.S. Corporate Index as of 9/30/2019. ²As represented by the ICE BofAML U.S. High Yield Constrained Index as of 9/30/2019. ³As represented by the Credit Suisse Leveraged Loan Index as of 9/30/2019. ⁴ICE Data Indices, LLC. ⁵Lipper Analytical Services. ⁶Inception Date: October 17, 2016.

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 value of an investment in the Fund will change as interest rates fluctuate in response to market movements. When interest rates rise, the prices of debt securities are likely to decline, and when interest rates fall, the prices of debt securities tend to rise. Debt securities are subject to credit risk, which is the risk that the issuer will fail to make timely payments of interest and principal to the Fund. 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. Although the Fund may invest in money market securities, this is not a money market fund. These factors can affect Fund performance. Past performance is no guarantee of future results.

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

There is no up-front commission on purchases of the Lord Abbett Ultra Short Bond Fund, but a contingent deferred sales charge (CDSC) will be charged on shares exchanged from a Lord Abbett -sponsored fund that are subject to a CDSC and that are subsequently redeemed. The average annual total return figures include changes in net asset value, reinvested dividends, and capital gain distribution.

Expense ratio information: The net expense ratio takes into account a contractual management fee waiver/expense reimbursement agreement that currently is scheduled to remain in place through 03/31/2020. 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.

The ICE BofAML U.S. Treasury Bill Index tracks the performance of US dollar denominated US Treasury Bills publicly issued in the US domestic market. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and an investor cannot invest directly in an index.

Lipper Ultra-Short Obligation Funds Category Average is based on a universe of funds with similar investment objectives as the Fund. Peer group averages include the reinvested dividend and capital gains, if any, and exclude sales charges.

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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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