



VALUE OPPORTUNITIES FUND

High Quality Small and Mid Cap

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.

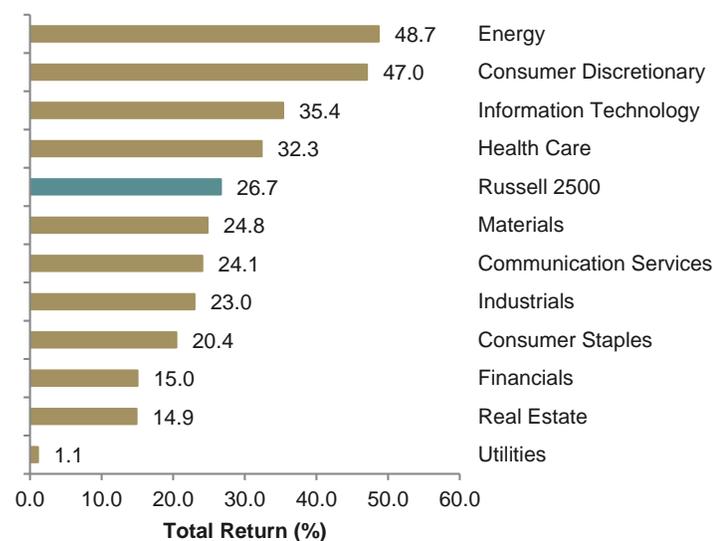
MARKET REVIEW

- The S&P 500 returned 20.54% during the second quarter of 2020.¹ The market staged a robust recovery that was spurred by the loosening of stay-at-home provisions by certain states and a global economic recovery that seemed to be progressing sooner than investors had anticipated. However, June brought concerns of a resurgence in virus cases.
- During the quarter, the U.S. Federal Reserve (Fed) expanded its balance sheet to more than \$7 trillion. In both the April and June Federal Open Market Committee (FOMC) meetings, the Fed, held rates steady in the 0.00 - 0.25% range and Fed Chairman Jerome Powell suggested more fiscal support could be needed.²
- Growth and Momentum factors continued to lead the way this year, outperforming during the first and second quarter of 2020; however, the value factor came into favor during periods of the market rally as more cyclical companies rebounded.³

RELATIVE PERFORMANCE

- The Fund returned 21.65%, 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 Russell 2500® Index, returned 26.57% in the same period.
- Within the Russell® 2500 Index, every sector finished in positive territory. The energy sector rebounded as oil prices rose over the quarter amid optimism surrounding global demand and lower output due in part to the OPEC+ production agreement.
- The Fund's position in Discover Financial Services (1.1%), a direct banking and payment services provider, contributed to relative performance. While customer spending activity was projected to be significantly lower in the second quarter, year-over-year, there was meaningful sequential improvement in May relative to April, which buoyed shares of Discover.
- The Fund's position in the Cooper Companies, Inc. (1.5%), a medical device company, detracted from relative performance. While shares rose modestly over the quarter, the company performed worse than the broader market. Shares came under pressure after the company reported second quarter earnings, where management estimated that COVID-19 headwinds represented a \$110 million setback.

INDEX SECTOR PERFORMANCE

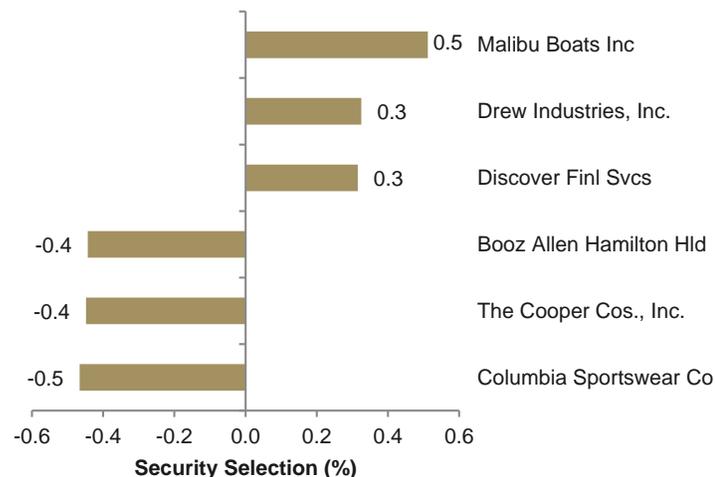


Source: Wilshire. Russell 2500 Index performance for the period ended June 30, 2020.

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.
- Given our longer-term orientation and the focus we place on normalized free cash flow, we believe we have a unique ability to look through some of the shorter-term impacts on companies due to the global pandemic, and we continue to look for opportunities amid the volatility. As a result, we have been able to methodically upgrade the Fund in areas that have been particularly impacted by adhering to our process.
- We initiated a position in shares of Discover Financial Services (1.6%), a direct banking and payment services company. We view Discover Financial as a proven consumer lender in the prime U.S. consumer general purpose credit card segment. While the company will likely face COVID-19 related credit losses, we believe this is a temporal headwind and will not impair the company's ability to continue to earn high normalized returns over the medium to long term.
- We sold the Fund's position in CMS Energy Corp. (0%), a utilities company. The sale was 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 2500 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 06/30/2020.

PERFORMANCE AS OF 06/30/2020

	2Q20	1 Year	3 Years	5 Years	10 Years
Net Asset Value (without sales charge)	21.65%	-1.89%	1.59%	3.34%	9.20%
Maximum Offering Price (with 5.75% sales charge)	14.66	-7.51	-0.40	2.12	8.56
Russell 2500® Index	26.57	-4.70	4.08	5.41	11.46
Lipper Mid-Cap Core Funds Average	20.90	-7.62	1.32	3.21	9.49

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 S&P Dow Jones, *Index Dashboard: U.S. June 30, 2020.* ² FOMC Meeting Statement – June 2020. ³ Factset.

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 portfolio weights shown in parenthesis within the New and Exited Positions section are based on the ending portfolio weight during the quarter for each security. The portfolio 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 2500™ Index is a market cap weighted index that includes the smallest 2,500 companies covered in the Russell 3000 Index. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment.

Lipper Mid-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 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.

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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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