



MICRO CAP GROWTH FUND

MARKET REVIEW

- The equity markets rallied during the first quarter with the S&P 500 returning 6.17% as coronavirus cases and hospitalization trends improved, vaccine distribution ramped up and the central bank continued to provide liquidity.¹
- The market continued the pro-cyclical rotation as energy and financials led returns and consumer staples and technology lagged during the quarter. Further, the Value factor outperformed Growth by the largest margin in two decades.²
- S&P 500 earnings increased nearly 4% in Q4-2020 versus expectations for a nearly 9% decline at the start of earnings season in mid-January. Additionally, 79% of S&P 500 companies reported actual earnings per share (EPS) above estimated EPS.

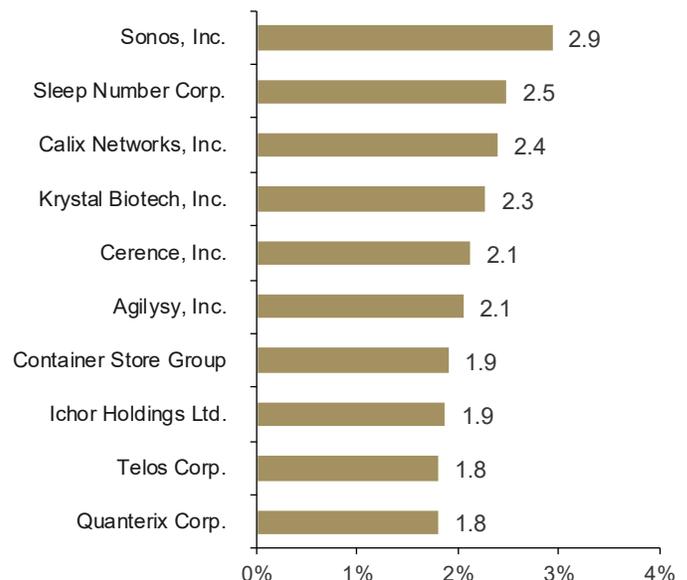
PORTFOLIO REVIEW

- The Fund returned 12.36%, reflecting performance at the net asset value (NAV) of Class I shares with all distributions reinvested, for the quarter ended March 31, 2021. The Fund's benchmark, the Russell Microcap® Growth Index, returned 16.86% in the same period.
- Trupanion, Inc. (1.1%), an animal medical insurance provider, detracted from relative performance during the period. Despite reporting strong growth and retention, shares of Trupanion declined alongside other growth stocks as investors rotated towards cyclical value stocks. We remain constructive on Trupanion as the company continues to invest to expand its members and green space in the U.S. with strong partnerships.
- The Fund's position in Pulmonx Corp. (0.9%), a provider of interventional pulmonology treatments for obstructive lung diseases, detracted from relative performance. Shares of Pulmonx declined as the company continued to experience a slow down due to Covid. We believe there will be a backlog of patients that will drive volume acceleration at Pulmonx as the economy reopens and Covid subsides.
- The Fund's position in Five Prime Therapeutics, Inc. (0.3%), a clinical stage oncology company, contributed. We believed Five Prime Therapeutics was undervalued given the commercial opportunity of bemarituzumab (an anti-FGFR2b antibody) earlier in the quarter. Additionally, the company was rewarded as management agreed to be acquired by Amgen for a large premium.
- The Fund's position in Sonos, Inc. (2.3%), a designer of home sound systems, contributed during the period. Shares of Sonos surged as the company reported strong results during the period. Additionally, the company announced the launch of a portable speaker and confirmed an auto product with Audi as the first partner.

STRATEGY POSITIONING & OUTLOOK

- The complexion of the market has changed since 2021 began. COVID-19 continues to diminish as a market force, and the focus is now on a strong economic recovery in its wake. Rates have risen significantly, and this has driven a leadership change from secular growth to value. The news on the economy is good and the U.S. Federal Reserve remains supportive. We believe inflation will remain low over the intermediate term, but conditions are set for a near term jump.
- We have adjusted the portfolio to reflect the magnitude of the increase in interest rates and the degree to which the market has begun to discount a stronger than expected economic recovery. Most of the changes were related to these reflation and reopening developments.
- We remain structurally bullish on the outlook for growth equities. In our view, there is a long runway for innovation. The dual forces of the tech revolution and low interest rates create the backdrop for good performance over the coming years.
- We remain focused on identifying companies with sound business models, favorable industry conditions, potential competitive advantages, and competent management teams. We continue to assess market sentiment and momentum factors to balance risk and opportunity.

TOP 10 FUND HOLDINGS



Portfolio Holdings as of 03/31/2021.

*Source: Wilshire. Absolute weight is based on percentage of the Fund. Holdings are included for informational purposes only and are not a recommendation to buy, sell, or hold any security. The Fund's portfolio active weight positions should not be relied upon as a complete listing of a fund's holdings.

PERFORMANCE AS OF 03/31/2021

	1Q21	1 Year	3 Years	5 Years	10 Years
Net Asset Value - Class I Shares	12.36%	166.50%	38.41%	35.50%	21.04%
Russell Microcap® Growth Index	16.86%	123.08%	19.72%	18.82%	12.46%

Expense Ratio: 1.08%

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.

¹S&P 500 Index. ²S&P Dow Jones, Factor Dashboard: First Quarter 2021.

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 and/or sectors in the economy. Investments in micro-cap companies generally pose greater risks than those larger, more established companies, and may have less experienced management and unproven track records. These factors affect Fund performance.

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

The portfolio weights shown in parenthesis are based on the average portfolio weight during the quarter for each security.

Net Asset Value (NAV): the net asset value performance above shows the Fund's average annual total returns of Class I shares with all distributions reinvested. Class I shares are not subject to sales charges.

Russell Microcap® Growth Index measures the performance of those Russell Microcap companies with higher price-to-book ratios and higher forecasted growth values. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment.

Class I shares are available only to institutional investors and certain others, including retirement plans, as described in the prospectus.

The views and information discussed in this commentary are as of March 31, 2021, 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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