



NATIONAL TAX FREE FUND

MARKET REVIEW

- The municipal market, as represented by the Bloomberg Barclays Municipal Bond Index, returned 1.2% during the third quarter of 2020.
- During the quarter, within the investment grade range, lower tiers outperformed their higher quality counterparts. The high yield segment of the municipal bond market, as represented by the Bloomberg Barclays High Yield Municipal Index, returned 3.1% during the quarter, continuing its impressive rebound from the massive market sell-off in mid-March.
- In terms of maturities, during the third quarter, bonds with maturities of 6 years and longer outperformed shorter credits. Investor sentiment gradually improved in July and August due to the emergence of attractive entry opportunities following coronavirus-related headwinds earlier in the year.
- The municipal market closed the third quarter of 2020 with combined weekly and monthly outflows of \$117 million, marking the first outflows after 19 consecutive periods of inflows. Year-to-date inflows remained at \$20.2 billion. Long- and intermediate-term funds generated \$4.5 billion and \$1.4 billion of fund flows through the year-to-date period, respectively, according to Lipper.
- The latest available data from the United States Census Bureau showed 2Q20 combined tax revenues for property, sales and gross receipts, and income taxes decreasing 16.5% to \$335.1 billion from \$401.1 billion in the same quarter of 2019.

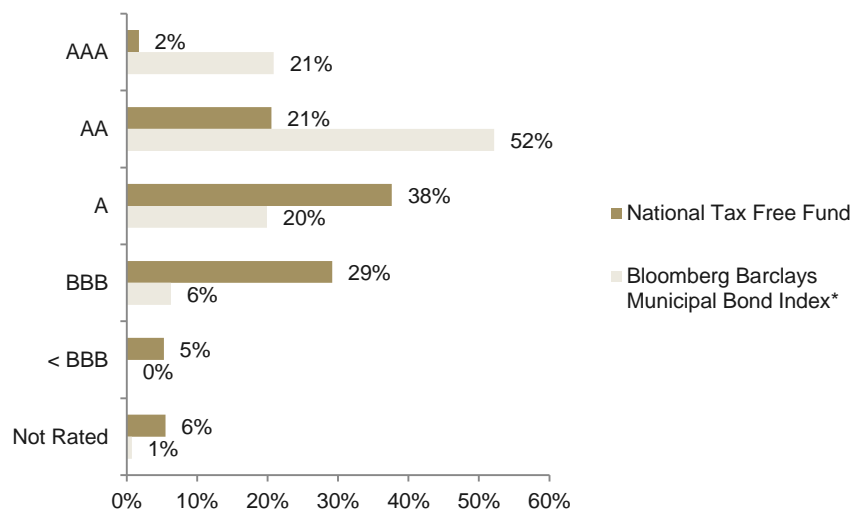
PORTFOLIO REVIEW

- The Fund returned 1.56%, reflecting performance at the net asset value (NAV) of class A Shares with all distributions reinvested, for the quarter ended September 30, 2020. The Fund's benchmark, the Bloomberg Barclays Municipal Bond Index, returned 1.23% during the same period.
- Our longer duration relative to the benchmark led to a positive impact on relative performance as yields decreased across the curve during the quarter.
- As lower quality credits recovered during the quarter, the Fund's allocation to 'BBB' rated bonds led to a positive impact on relative performance.
- Security selection in the transportation sector detracted from relative performance as airport revenue credits continued to face headwinds related to the coronavirus and the decline in travel volumes.
- An overweight to the leasing sector detracted from relative performance. More specifically, our exposure to New Jersey credits led to headwinds during the quarter.

STRATEGY POSITIONING & OUTLOOK

- Relative to its benchmark, the Bloomberg Barclays Municipal Bond Index, the portfolio is underweight bonds in the 1- to 15-year maturity range, while maintaining an overweight to longer maturity bonds.
- The Fund is overweight the industrial development sector which stands to benefit from better-than-expected corporate earnings and the Federal Reserve's support for the corporate bond market.
- In the upcoming Presidential election, we believe if the Republican party maintains control of the Executive Branch, the Affordable Care Act may come under renewed pressure, potentially leading to higher numbers of uninsured patients and more unpaid hospital bills. Conversely, if Democrats win the election, we believe certain provisions of the Affordable Care Act may be reinstated, leading to fewer unpaid bills and more proactive care.
- We believe infrastructure will be a key focus for Washington after the election, regardless of the outcome. This may lead to an increase in municipal bond supply. While yields may face upward pressure as a result, we believe the market is likely to absorb the elevated levels of supply.

CREDIT QUALITY BREAKDOWN



*Source: Bloomberg, As of 09/30/2020

PERFORMANCE AS OF 09/30/2020

	3Q20	YTD	1 Year	3 Years	5 Years	10 Years
Class A Share at Net Asset Value (without sales charge)	1.56%	1.40%	2.06%	4.19%	4.11%	4.56%
Maximum Offering Price (with 2.25% sales charge)	-0.75	-0.87	-0.23	3.41	3.64	4.32
Bloomberg Barclays Municipal Bond Index ¹	1.23	3.33	4.09	4.28	3.84	3.99
Morningstar Muni National Long Funds Average ²	1.49	2.45	2.85	4.01	3.83	4.13

Expense Ratios: 0.77%

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.

¹Source: Bloomberg Barclays ²Source: Morningstar.

A Note about 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. High-yielding non-investment grade bonds involve higher risk than investment grade bonds. Adverse conditions may affect the issuer's ability to pay interest and principal on those securities. A portion of the income derived from the Fund's portfolio may be subject to the alternative minimum tax. Any capital gains realized may be subject to taxation. Federal, state, and local taxes may apply. There is a risk that a bond issued as tax-exempt may be reclassified by the IRS as taxable, creating taxable rather than tax-exempt income. In addition, the Fund is subject to other types of risks, such as call, credit, liquidity, interest rate, and general market risks. The Fund may invest in bonds of issuers in Puerto Rico and other U.S. territories, commonwealths, and possessions, and may be affected by local, state, and regional factors. These may include, for example, economic or political developments, erosion of the tax base, and the possibility of credit problems. Stockholders should consult with their tax advisors for more specific information on taxation. The Fund's portfolio is actively managed and is subject to change.

Credit Quality Breakdown: Ratings provided by Standard & Poor's, Moody's, and Fitch. Where the rating agencies rate a security differently, Lord Abbett uses the higher credit rating. Ratings range from AAA (highest) to D (lowest). Bonds rated BBB or above are considered investment grade. Credit ratings BB and below are lower-rated securities (junk bonds). High-yielding, non investment grade bonds (junk bonds) involve higher risks than investment grade bonds. Adverse conditions may affect the issuer's ability to pay interest and principal on these securities. A portion of the portfolio's securities are not rated. Breakdown is not an S&P credit rating or an opinion of S&P as to the creditworthiness of such portfolio. Ratings apply to the credit worthiness of the issuers of the underlying securities and not the fund or its shares. Ratings may be subject to change.

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.

Expense ratio information: The net expense ratio takes into account deductions for certain interest and related expenses from certain of the Fund's investments. Under accounting rules, the Fund recognized additional income in an amount that directly offsets these interest and related expenses. Therefore, the Fund's total returns and net asset value were not affected by such interest and related expenses.

The Bloomberg Barclays Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. An index is unmanaged, does not reflect the deduction of fees or expenses, and is not available for direct investment.

Morningstar Muni National Long 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.

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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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