LORD ABBETT®

Fund Commentary **1Q24**

SHORT DURATION INCOME 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 (As of 3/31/24)**	**YTD (As of 3/31/24)**
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 markets were mixed in the first quarter as the market adjusted expectations of future interest rate cuts by the U.S. Federal Reserve. U.S. Treasuries moved higher across most of the curve with the yield on the 2-year note up 37 basis points (bps) to 4.62% and the yield on the 10-year note up 32 bps to 4.20%. Economic growth remained strong, with the initial reading of Q4 GDP coming in at 3.4% surpassing the consensus estimate of 2.0%, driven by consumer spending and a strong labor market. However, concerns included sticky core services inflation, contraction in ISM manufacturing, and dampened pricing power.[1]
- Over the quarter, credit spreads generally compressed with short-term investment grade corporate[2] spreads tightening by 12 bps, short-term asset-backed securities (ABS)[3] spreads tightening by 11 bps and short-term commercial mortgage-backed securities (CMBS)[4] spreads tightening by 42 bps.

PORTFOLIO REVIEW

- The Fund returned 1.01%, reflecting performance at the net asset value (NAV) of Class I shares with all distributions reinvested, for the quarter ended March 31st, 2024. The Fund's benchmark, the ICE BofA 1-3 Year U.S. Corporate Index[5] returned 0.86% during the same period.
- Security selection within investment grade corporate bonds was the primary contributor to relative returns, primarily within the Consumer, Financial and Energy sectors. Within Energy, we find attractive relative value, particularly in issues where we believe improving fundamentals are not appropriately reflected in credit ratings. Over the quarter, we increased the portfolio's allocation to investment grade corporates, mainly within the Energy and Insurance sectors.
- The portfolio's allocation to investment grade bank loans also contributed to relative performance given the continued risk-on dynamic and technical tailwinds within the sector. We continue to favor shorter-tenor, higher quality securities and have found compelling opportunities in which loans are trading at wider spreads compared to equivalent bond debt. Bank loans

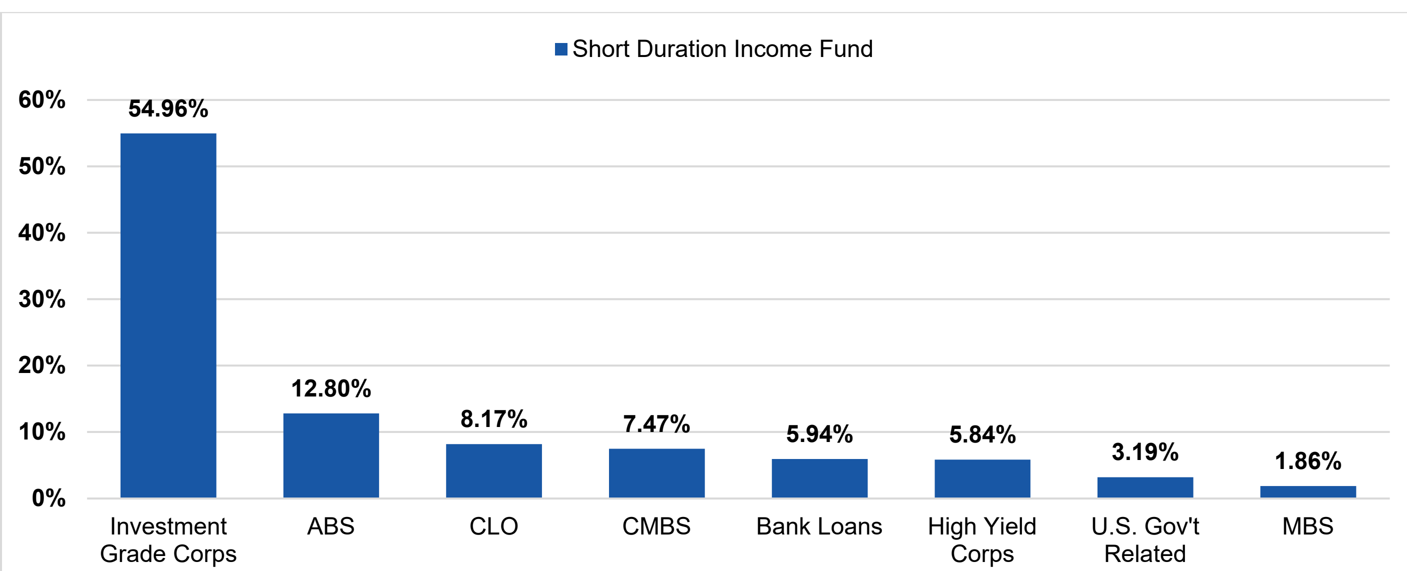
were the largest increase over the quarter as we grew more comfortable with interest rates remaining higher for longer, while economic growth continued to come in at healthy levels.

- Allocations to asset-backed securities (ABS) and Collateralized Loan Obligations (CLO) also contributed to relative returns given the asset classes' greater carry and some spread compression. We continue to favor high-quality ABS within the auto sector, focusing on newly originated loans with superior underwriting. Over the quarter, we decreased the portfolio's allocation to some ABS deals with tighter credit spreads to pursue attractive relative value opportunities in other sectors. The portfolio's CLO allocation is primarily composed of highly rated securities with short average lives and low spread volatility.
- The portfolio's allocation to commercial mortgage-backed securities (CMBS) detracted from relative performance, particularly within single-asset, single borrower (SASB) securities, as concerns about commercial real estate fundamentals continue to weigh on parts of the market. We remain cautious about certain segments of the market and continued to reduce the portfolio's overall exposure to CMBS over the period.

OUTLOOK

- We believe the opportunity set for fixed income remains compelling, as Treasury yields across the curve are near the most elevated levels in over a decade. Higher bond yields bring higher return expectations and a more attractive risk/reward dynamic for investors, as the enhanced carry can provide protection should rates continue to rise.
- Strong fundamentals and elevated yields make the investment-grade corporate segment look particularly compelling. Credit spreads have tightened, given a resilient U.S. economy, but overall investment-grade corporate yields are near the highest levels since the Great Financial Crisis. Balance sheets remain healthy, while leverage continues to be manageable, as corporate America has acted prudently over the last few years. Revenues have held up over the last year, and more importantly, companies have shown the ability to pass along higher costs to maintain margins.
- We have moved towards a more balanced risk posture and have added to segments of the market we believe will perform well in an environment in which inflation remains sticky and nominal growth continues to come in at healthy levels.
- While we've observed some consumer weakening at the end of 2023, the U.S. consumer has shown resilience in the new year. Income levels, for example, continue to experience growth in 2024, unemployment remains below 4% and modestly above the 50-year low experienced in 2023, and consumer spending has come in well above expectations. In terms of real estate, we find compelling value in CMBS, but remain cautious due to the many headwinds. While stress is likely to increase on more vulnerable properties, we will continue to focus on high quality, liquid deals.

Sector Allocation as of 3/31/2024



*Source: Lord Abbett. "Other" may include non-index holdings. Sector allocations exclude cash therefore Fund percentage allocations may not equal 100%. As of 3/31/2024

Performance as of 3/31/2024

	1Q24	1 Year	3 Years	5 Years	10 Years
Net Asset Value	1.01%	4.75%	0.74%	1.87%	2.10%
ICE BofA 1-3 Year U.S. Corporate Index [5]	0.86%	5.22%	0.76%	1.99%	1.94%
Morningstar Short-Term Bond Funds Average [6]	0.87%	4.90%	0.48%	1.68%	1.60%

Expense Ratios: 0.39%.

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]Factset as of 3/31/2024

[2]As represented by the ICE BofA US Corporate (1-3 Y) Index as of 3/31/2024

[3]As represented by the Bloomberg US ABS Composite (1-3 Y) Index as of 3/31/2024

[4]As represented by the Bloomberg US CMBS Investment Grade (1-3.5 Y) Index as of 3/31/2024

[5]The ICE BofA 1-3 year U.S. Corporate Index is an unmanaged index comprised of U.S. dollar denominated investment grade corporate debt securities publicly issued in the U.S. domestic market with between one and three year remaining to final maturity. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and an investor cannot invest directly in an index.

[6]Short-term bond portfolios within the Morningstar Short-Term Bond Category invest primarily in corporate and other investment-grade U.S. fixed-income issues and typically have durations of 1.0 to 3.5 years. These portfolios are attractive to fairly conservative investors, because they are less sensitive to interest rates than portfolios with longer durations. Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index in determining duration assignment. Short-term is defined as 25% to 75% of the three-year average effective duration of the MCBI.

A Note about Risk: The Fund is subject to the general risks associated with investing in fixed income 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. The Fund may invest in high yield, lower-rated debt securities, sometimes called junk bonds and may involve greater risks than higher rated debt securities. 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 portfolio is actively managed and is subject to change.

The credit quality of the securities in a portfolio are assigned by a nationally recognized statistical rating organization (NRSRO), such as Standard & Poor's, Moody's, or Fitch, as an indication of an issuer's creditworthiness. 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.

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.

An **asset-backed security (ABS)** is a type of financial investment that is collateralized by an underlying pool of assets—usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, or receivables.

Mortgage-backed securities (MBS) are variations of asset-backed securities that are formed by pooling together mortgages exclusively.

Commercial mortgage-backed securities (CMBS) are fixed-income investment products that are backed by mortgages on commercial properties rather than residential real estate.

A **collateralized loan obligation (CLO)** is a single security backed by a pool of debt. Collateralized loan obligations (CLO) are often backed by corporate loans with low credit ratings or loans taken out by private equity firms to conduct leveraged buyouts.