



LORD ABBETT®

## BOND DEBENTURE FUND

### *Market & Product Opportunity*

SEPTEMBER 30, 2018

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## AT A GLANCE

- Independent, privately held firm
- 54 partners
- Assets under management: \$169.3 billion\*
- 164 investment professionals with an average of 17 years of industry experience

## INVESTMENT-LED. INVESTOR-FOCUSED.

### OUR FIRM

A singular focus on the management of money since 1929

### OUR MISSION

Delivering superior long-term investment performance and a client experience that exceeds expectations

### OUR DIFFERENTIATORS

- Independent Perspective
- Commitment to Active Management
- Intelligent Product Design

Data as of 09/30/2018.

\*Includes approximately \$1.6 billion for which Lord Abbett provides investment models to managed account sponsors.



# A WORLD OF NEGATIVE INTEREST RATES

## YIELDS ON VARIOUS MATURITIES OF DEVELOPED-NATION GOVT. BONDS

(AS OF 09/30/2018)

| Country       | 1 Year | 2 Year | 3 Year | 4 Year | 5 Year | 6 Year | 7 Year | 8 Year | 9 Year | 10 Year | 15 Year | 20 Year | 30 Year |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|
| Switzerland   | -0.91  | -0.73  | -0.66  | -0.50  | -0.39  | -0.29  | -0.18  | -0.13  | -0.08  | 0.01    | 0.34    | 0.49    | 0.60    |
| Japan         | -0.13  | -0.12  | -0.10  | -0.08  | -0.07  | -0.03  | 0.01   | 0.04   | 0.08   | 0.12    | 0.36    | 0.65    | 0.90    |
| Germany       | -0.62  | -0.53  | -0.41  | -0.26  | -0.09  | 0.01   | 0.12   | 0.24   | 0.35   | 0.47    | 0.72    | 0.87    | 1.08    |
| Netherlands   |        | -0.56  | -0.43  | -0.26  | -0.07  | 0.08   | 0.22   | 0.34   | 0.47   | 0.58    | 0.81    | 0.89    | 1.09    |
| Denmark       |        | -0.54  |        |        | -0.08  |        |        | 0.17   |        | 0.40    |         | 0.82    |         |
| Austria       | -0.59  | -0.46  | -0.34  | -0.22  | 0.00   | 0.17   | 0.34   | 0.34   | 0.58   | 0.67    | 1.06    | 1.12    | 1.42    |
| Finland       | -0.57  | -0.49  | -0.41  | -0.15  | 0.03   | 0.10   | 0.32   | 0.42   | 0.60   | 0.72    | 1.02    |         | 1.26    |
| Ireland       | -0.56  | -0.44  |        | -0.10  | 0.02   | 0.27   | 0.49   | 0.69   |        | 0.98    | 1.45    | 1.61    | 1.77    |
| France        | -0.54  | -0.36  | -0.19  | -0.02  | 0.17   | 0.23   | 0.38   | 0.53   | 0.62   | 0.80    | 1.19    | 1.29    | 1.66    |
| Sweden        |        | -0.46  |        | -0.14  | 0.10   |        | 0.28   |        | 0.45   | 0.63    | 1.03    | 1.31    |         |
| Belgium       | -0.54  | -0.45  | -0.32  | -0.15  | 0.11   | 0.21   | 0.39   | 0.55   | 0.70   | 0.83    | 1.21    | 1.46    | 1.71    |
| Spain         | -0.31  | -0.19  | 0.03   | 0.20   | 0.52   | 0.79   | 1.02   | 1.21   | 1.37   | 1.50    | 1.97    | 2.08    | 2.58    |
| Italy         | 0.68   | 1.01   | 1.57   | 1.98   | 2.23   | 2.67   | 2.81   | 2.81   | 2.99   | 3.14    | 3.31    | 3.54    | 3.72    |
| United States | 2.57   | 2.82   | 2.88   |        | 2.95   |        | 3.02   |        |        | 3.06    |         |         | 3.21    |

- Approximately \$6T in global debt now trades at yields below zero
- U.S. fixed income offers relatively high yields versus the rest of the developed world

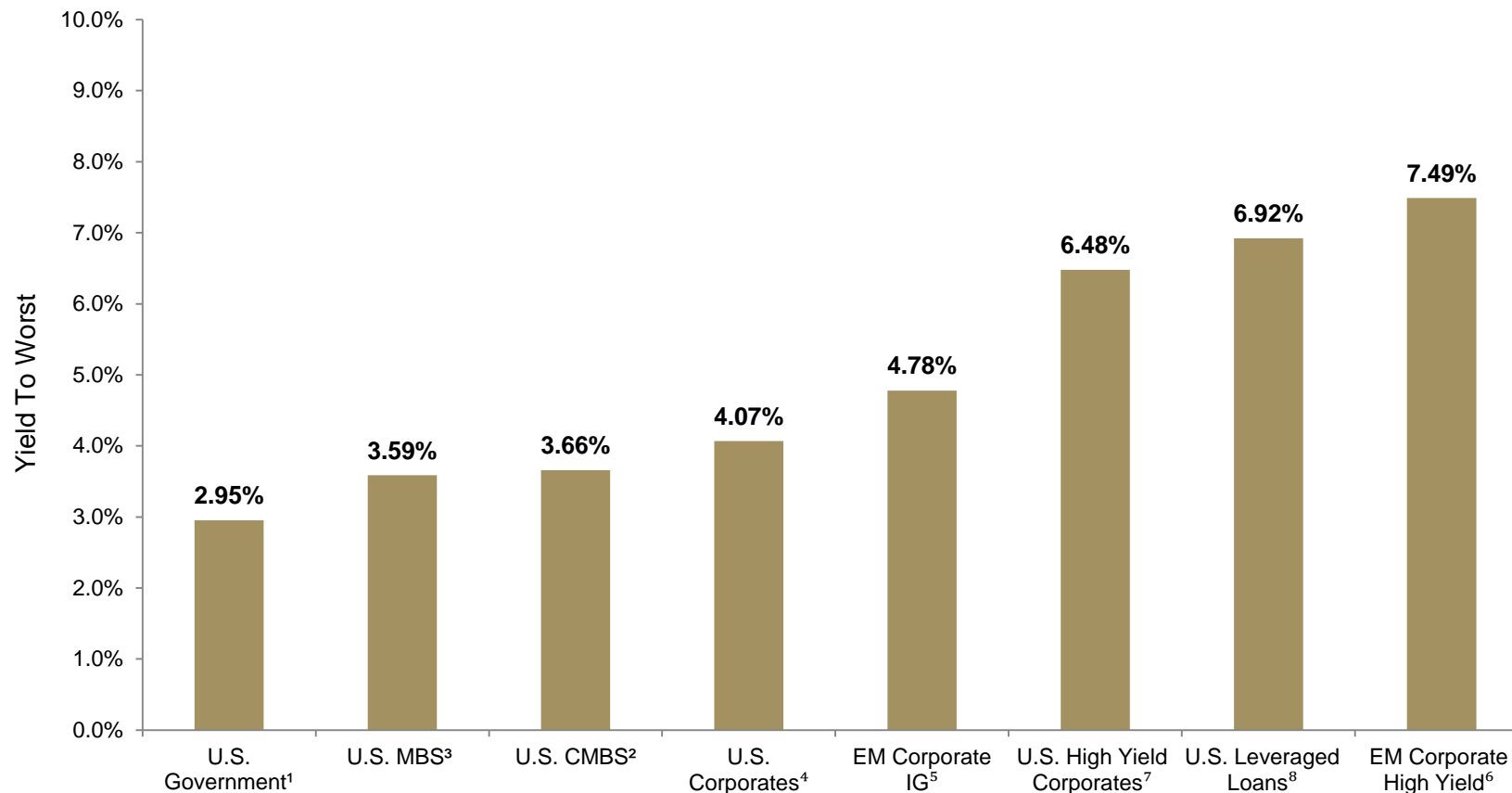
Source: Bloomberg and U.S. Treasury Department. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only and does not represent any specific portfolio managed by Lord Abbett or any particular investment.



# MULTIPLE SOURCES OF INCOME

## FIXED-INCOME INDEX YIELDS

(AS OF 09/30/2018)



<sup>1</sup>Bloomberg Barclays U.S. Government Index

<sup>3</sup>Bloomberg Barclays U.S. MBS Index

<sup>5</sup>J.P. Morgan CEMBI Investment Grade

<sup>7</sup>Credit Suisse U.S. High Yield Index

<sup>2</sup>Bloomberg Barclays Investment Grade CMBS Index

<sup>4</sup>Bloomberg Barclays U.S. Corporate Baa-Rated Index

<sup>6</sup>JP Morgan CEMBI Non-Investment Grade Index

<sup>8</sup>Credit Suisse Leveraged Loan Index

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# THE BENEFITS OF FLEXIBILITY: BOND RETURNS VARY BY YEAR

## U.S. FIXED-INCOME SECTOR RETURNS

(AS OF 09/30/2018)

| 2008                 | 2009                | 2010                | 2011               | 2012                | 2013                | 2014               | 2015                | 2016                | 2017               | YTD                 |
|----------------------|---------------------|---------------------|--------------------|---------------------|---------------------|--------------------|---------------------|---------------------|--------------------|---------------------|
| 13.74<br>Treasury    | 58.21<br>High Yield | 15.12<br>High Yield | 13.56<br>TIPS      | 15.81<br>High Yield | 7.44<br>High Yield  | 7.46<br>Corporates | 1.51<br>MBS         | 17.13<br>High Yield | 7.50<br>High Yield | 4.36<br>Lev. Loans  |
| 9.26<br>Agency       | 44.87<br>Lev. Loans | 9.98<br>Lev. Loans  | 9.81<br>Treasury   | 9.82<br>Corporates  | 6.15<br>Lev. Loans  | 6.08<br>MBS        | 1.25<br>ABS         | 9.88<br>Lev. Loans  | 6.42<br>Corporates | 2.57<br>High Yield  |
| 8.34<br>MBS          | 24.71<br>ABS        | 9.00<br>Corporates  | 8.15<br>Corporates | 9.43<br>Lev. Loans  | -0.27<br>ABS        | 5.97<br>Aggregate  | 1.01<br>Agency      | 6.11<br>Corporates  | 4.25<br>Lev. Loans | 0.52<br>ABS         |
| 5.24<br>Aggregate    | 18.68<br>Corporates | 6.54<br>Aggregate   | 7.84<br>Aggregate  | 6.98<br>TIPS        | -1.38<br>Agency     | 5.05<br>Treasury   | 0.84<br>Treasury    | 4.68<br>TIPS        | 3.54<br>Aggregate  | -0.54<br>Agency     |
| -2.35<br>TIPS        | 11.41<br>TIPS       | 6.31<br>TIPS        | 6.23<br>MBS        | 4.21<br>Aggregate   | -1.41<br>MBS        | 3.64<br>TIPS       | 0.55<br>Aggregate   | 2.65<br>Aggregate   | 3.01<br>TIPS       | -0.84<br>TIPS       |
| -4.94<br>Corporates  | 5.93<br>Aggregate   | 5.87<br>Treasury    | 5.14<br>ABS        | 3.66<br>ABS         | -1.53<br>Corporates | 3.58<br>Agency     | -0.38<br>Lev. Loans | 2.03<br>ABS         | 2.47<br>MBS        | -1.07<br>MBS        |
| -12.72<br>84ABS      | 5.89<br>MBS         | 5.85<br>ABS         | 4.98<br>High Yield | 2.59<br>MBS         | -2.02<br>Aggregate  | 2.45<br>High Yield | -0.68<br>Corporates | 1.67<br>MBS         | 2.31<br>Treasury   | -1.60<br>Aggregate  |
| -26.16<br>High Yield | 1.53<br>Agency      | 5.37<br>MBS         | 4.82<br>Agency     | 2.16<br>Agency      | -2.75<br>Treasury   | 2.06<br>Lev. Loans | -1.44<br>TIPS       | 1.39<br>Agency      | 2.06<br>Agency     | -1.67<br>Treasury   |
| -28.75<br>Lev. Loans | -3.57<br>Treasury   | 4.36<br>Agency      | 1.82<br>Lev. Loans | 1.99<br>Treasury    | -8.61<br>TIPS       | 1.88<br>ABS        | -4.47<br>High Yield | 1.04<br>Treasury    | 1.55<br>ABS        | -2.33<br>Corporates |

### RANGE FROM HIGHEST TO LOWEST RETURNS

|       |       |       |       |       |       |      |      |       |      |      |
|-------|-------|-------|-------|-------|-------|------|------|-------|------|------|
| 42.49 | 61.78 | 10.76 | 11.74 | 13.82 | 16.05 | 5.58 | 4.28 | 16.09 | 5.95 | 6.69 |
|-------|-------|-------|-------|-------|-------|------|------|-------|------|------|

Source: Bloomberg Barclays Live and Credit Suisse. Sector returns shown are Bloomberg Barclays indexes as follows: U.S. Aggregate Bond Index, U.S. MBS Fixed Rate Index, U.S. Corporate Investment Grade Index, Municipal Bond Index, U.S. Corporate High Yield Index, U.S. Treasury Index, U.S. TIPS Index, ABS Index, and U.S. Agency Index. Credit Suisse Leveraged Loan Index used for leveraged loans. **Past performance is not a reliable indicator or guarantee of future results.** Current performance may be higher or lower than the performance data quoted. This historical table is an illustration of the most commonly used indexes representative of various sectors of the bond market and does not depict or predict the performance of any specific portfolio managed by Lord Abbett or any particular investment. Please note not all sectors are represented nor is this an asset allocation recommendation. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment.



# A LONG HISTORY OF STRONG RETURNS IN CREDIT INVESTING

## BOND DEBENTURE FUND

CLASS A SHARE TICKER: LBNDX

### A Pioneer in Multi-Sector

Over four decades of multi-sector bond investing, emphasizing rigorous credit research.

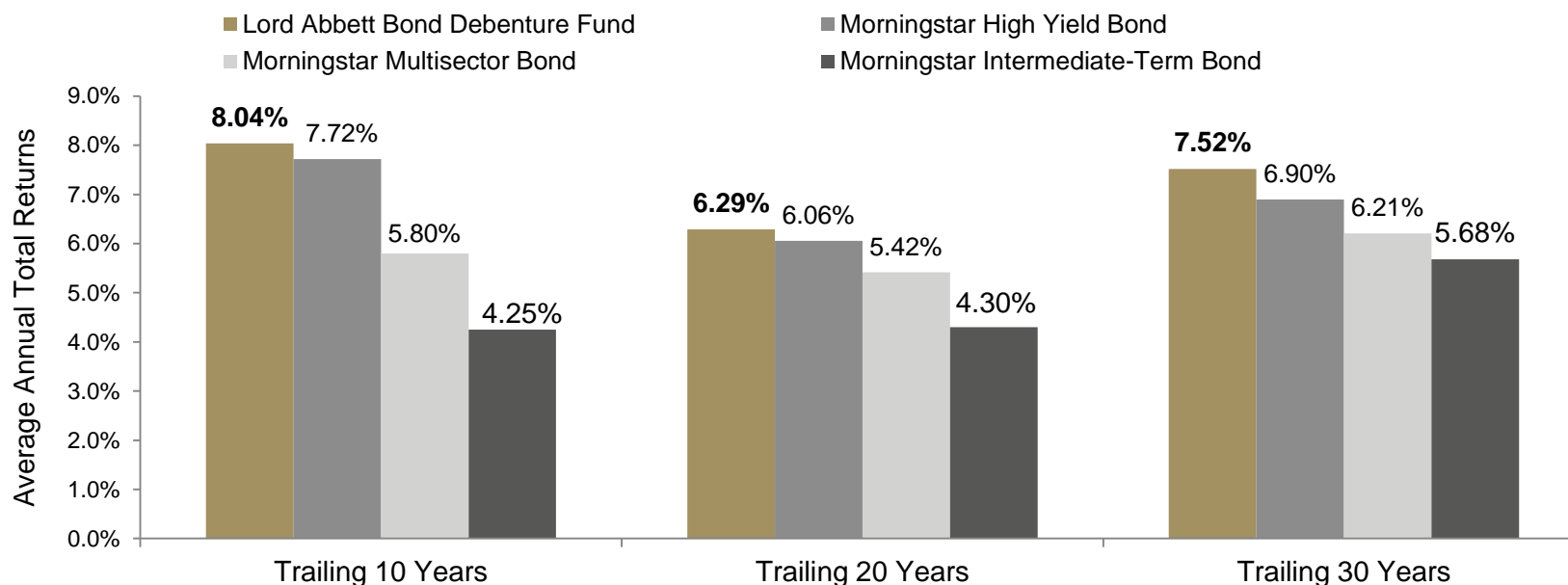
### A Flexible Approach

The flexibility to adjust allocations to take advantage of opportunities as market conditions change.

### Time-Tested Results

A long track record illustrates performance in many market environments.

## OUTPERFORMING OVER TIME



Data as of 09/30/2018.

Source: Morningstar and Lord Abbett.

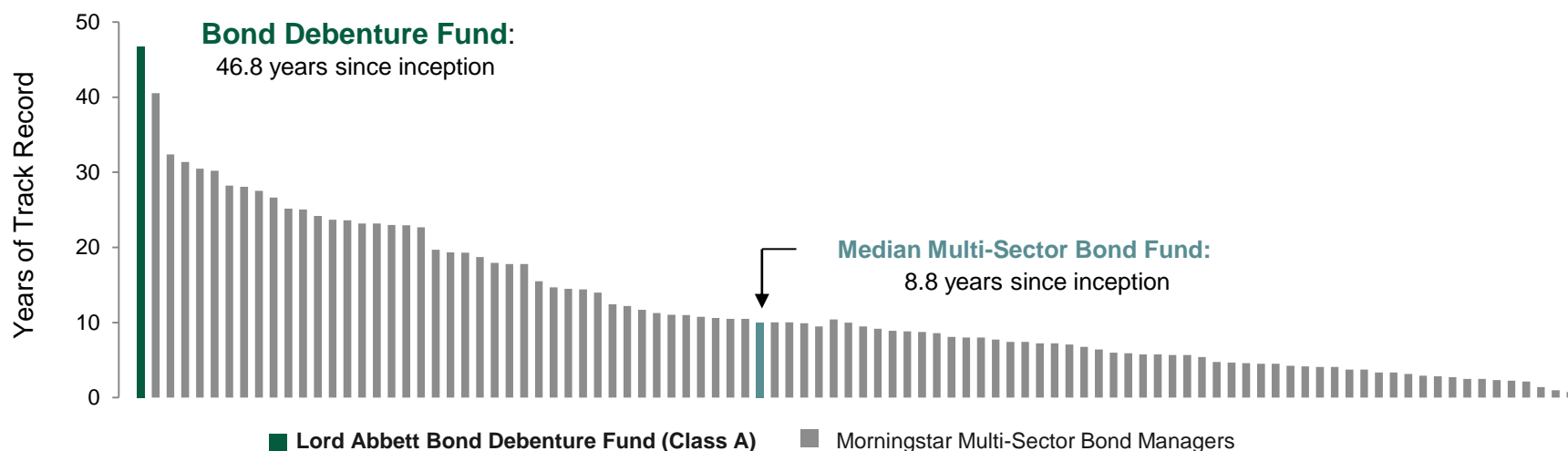
**Past performance is not a reliable indicator or guarantee of future results.** Sharp market fluctuations can materially change the character of a mutual fund's track record. It is possible that during any given time frame within the periods shown above the Fund may have had negative performance.



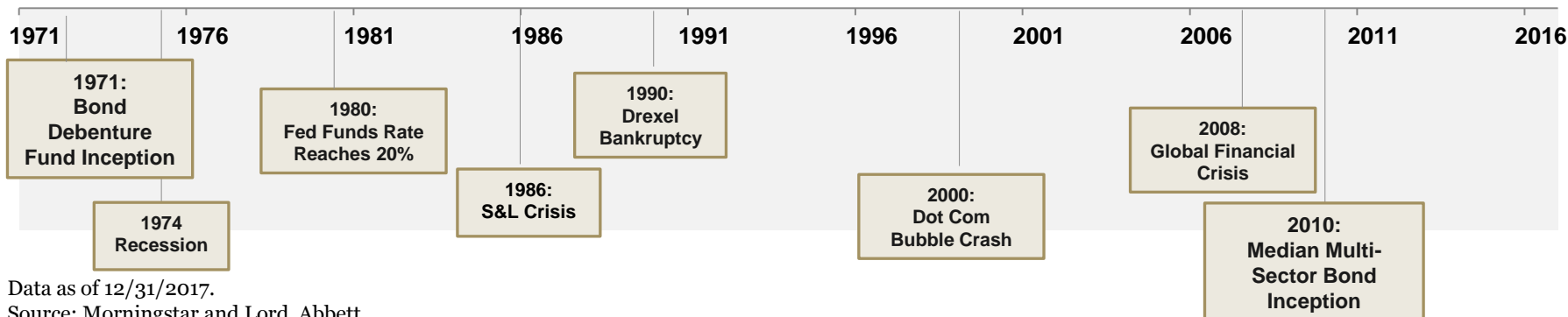
# A LONG HISTORY IN CREDIT

## LORD ABBETT BOND DEBENTURE FUND:

- Over 45 years of investing in high yield and leveraged credit
- Longest track record in the Multi-Sector Bond Category



## Few managers have navigated through as many crises



Data as of 12/31/2017.

Source: Morningstar and Lord Abbett.

**Past performance is not a reliable indicator or guarantee of future results.** Sharp market fluctuations can materially change the character of a mutual fund's track record. It is possible that during any given time frame within the periods shown above the Fund may have had negative performance.

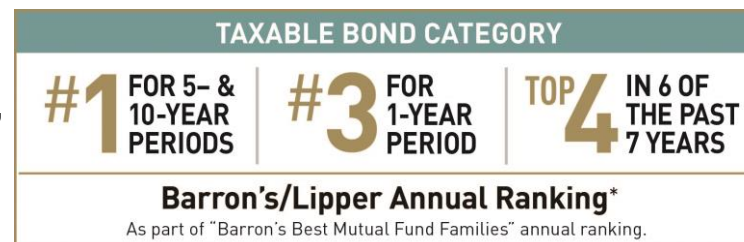


# BOND DEBENTURE: A PIONEER IN MULTI-SECTOR BOND INVESTING

*History & Experience*

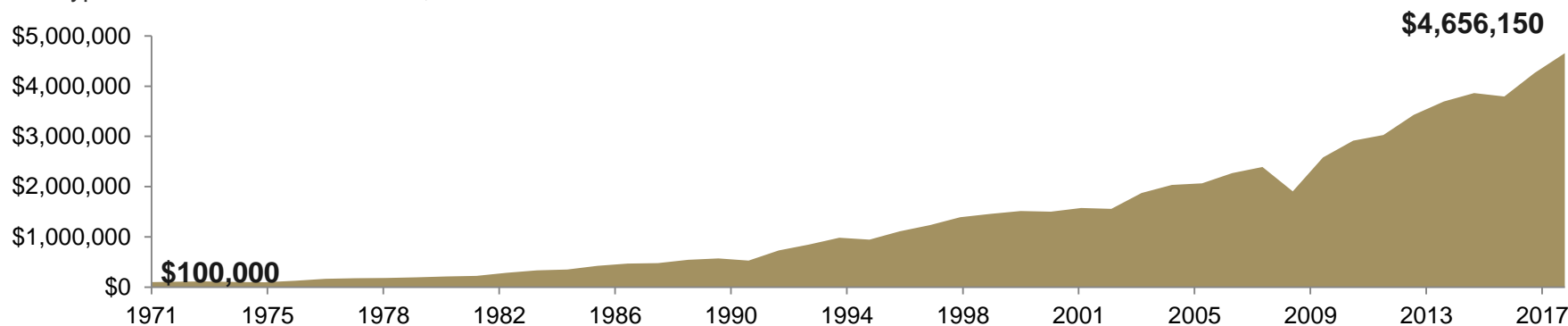
## AN EXPERIENCED, TENURED TEAM:

- Managed by Steven F. Rocco, CFA, Partner & Director, who has 17 years of industry experience
- Supported by more than 60 investment professionals who average 14 years industry experience



## A HISTORY OF GROWING WEALTH:

A hypothetical investment of \$100,000 in the Bond Debenture Fund



Based on hypothetical Class A share investment of \$100,000 on 04/01/1971, at net asset value and includes the reinvestment of all distributions. Data as of 12/31/2017.

\*Among 59 qualifying fund families. Based on net total return of the one-year period ending 12/31/2017. **Barron's Best Mutual Fund Families**, March 10, 2018, Lord Abbett Funds ranked 3 out of 59, 1 out of 54, and 1 out of 50 mutual fund families within the taxable bond category for the 1-, 5- and 10- year periods ending 12/31/2017, respectively. Barron's Best Mutual Fund Families, February 11, 2017, Lord Abbett Funds ranked #1 in the Taxable Bond Category among 61 fund families based on the net total return of the one-year period ending 12/31/2016, respectively. Barron's Best Mutual Fund Families, February 6, 2016, #21 in the Taxable Bond Category among 67 fund families based on the net total return of the one-year period ending 12/31/2015. Barron's Best Mutual Fund Families, February 7, 2015, #1 in the Taxable Bond Category among 65 fund families. Based on the net total return of the one-year period ending 12/31/2014. Barron's Best Mutual Fund Families, February 8, 2014, #3 in the Taxable Bond Category among 64 fund families. Based on the net total return of the one-year period ending 12/31/2013. Barron's Best Mutual Fund Families, February 11, 2013, #2 in the Taxable Bond Category among 62 fund families. Based on the net total return of the one-year period ending 12/31/2012. Barron's Best Mutual Fund Families, February 6, 2012, #4 in the Taxable Bond Category among 58 fund families. Based on the net total return of the one-year period ending 12/31/2011.

The **Bond Debenture Fund Class A share rankings** within the Lipper Multi-Sector Income Bond Funds Average as of 09/30/2018 for the one-year period was 10% (29/315); five-year, 4% (7/205); and 10-year, 10% (10/110). Source: Lipper Analytic Services. Lipper Fund Average ranking reflect all share classes within the category and are based on total return and do not reflect the effect of sales charges.

**Past performance is not a reliable indicator or guarantee of future results.**

**Please see "Important Performance and Other Information" regarding Barron's rankings.**

Sharp market fluctuations can materially change the character of a mutual fund's track record. It is possible that during any given time frame within the periods shown above the Fund may have had negative performance.

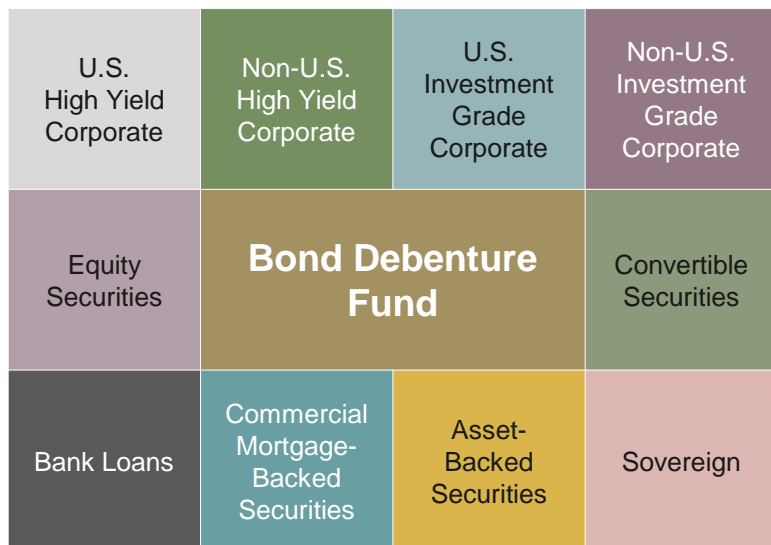




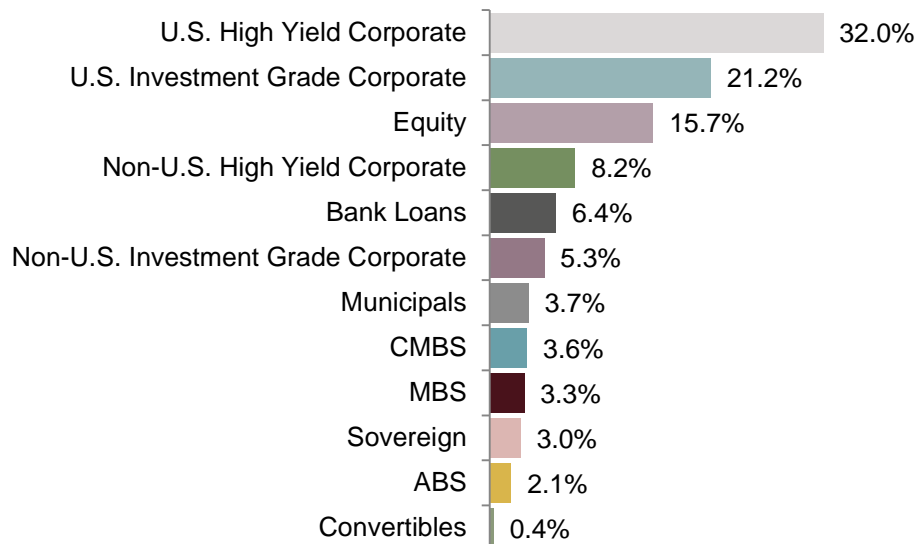
# BOND DEBENTURE: A MULTI-SECTOR APPROACH

*Flexible Approach*

## FLEXIBILITY TO INVEST IN MULTIPLE ASSET CLASSES



## CURRENT PORTFOLIO ALLOCATION (AS OF 09/30/2018)



The Fund's portfolio is actively managed and subject to change. Allocations are reported as of the date a security transaction is initiated; however, certain transactions may not settle until several days later. "Other" and cash are excluded.

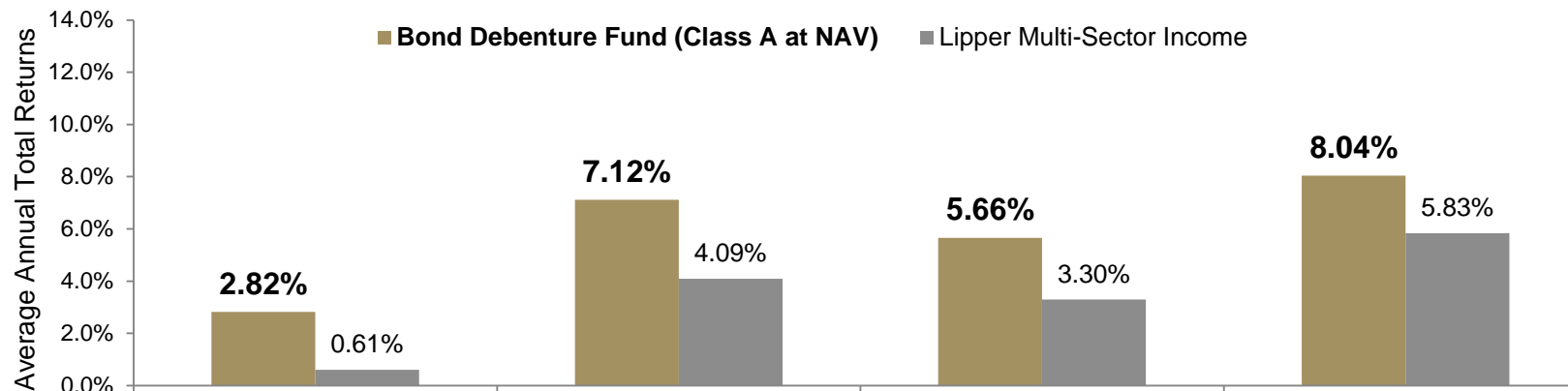


# STRONG LONG-TERM PERFORMANCE RELATIVE TO MULTI-SECTOR PEERS

*Time-Tested Results*

## BOND DEBENTURE FUND VS. LIPPER MULTI-SECTOR INCOME CATEGORY

(AS OF 09/30/2018)



| 1 Year                                  | 3 Years                                | 5 Years                               | 10 Years                                |
|---|--|---------------------------------------|---|
| 10 <sup>th</sup> percentile<br>(29/315) | 6 <sup>th</sup> percentile<br>(15/268) | 4 <sup>th</sup> percentile<br>(7/205) | 10 <sup>th</sup> percentile<br>(10/110) |

## COMPETITIVE EXPENSES

**Bond Debenture Fund**

0.80%

Lipper Category Average

1.08%

Percentile Rank\*  
in Category

8<sup>th</sup> in Lipper

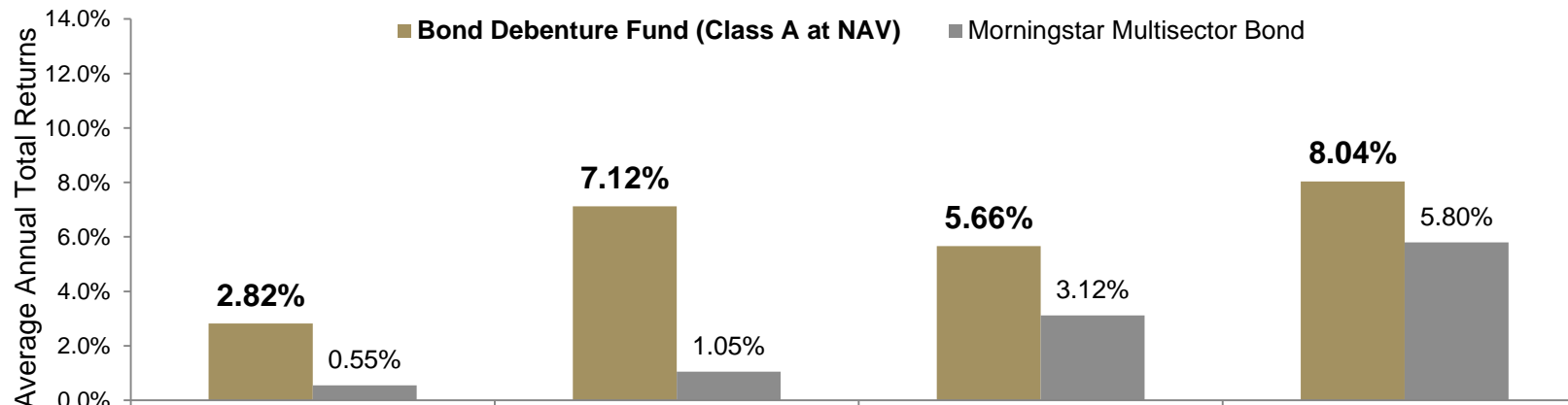
Source: Lipper. Lipper category average returns are based on all share classes within the category and include the reinvested dividends and capital gains, if any, and exclude sales charges.\*Based on most recent prospectus. **Past performance is not a reliable indicator or guarantee of future results. Current performance may be higher or lower than the performance data 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 the 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 lordabbett.com.**



# STRONG LONG-TERM PERFORMANCE RELATIVE TO MULTI-SECTOR PEERS

*Time-Tested Results*

## BOND DEBENTURE FUND VS. MORNINGSTAR MULTISECTOR BOND CATEGORY (AS OF 09/30/2018)



| 1 Year                                  | 3 Years                                | 5 Years                               | 10 Years                                |
|---|--|---------------------------------------|---|
| 10 <sup>th</sup> percentile<br>(27/319) | 3 <sup>rd</sup> percentile<br>(13/278) | 2 <sup>nd</sup> percentile<br>(4/215) | 11 <sup>th</sup> percentile<br>(14/132) |

## COMPETITIVE EXPENSES

**Bond Debenture Fund**

Morningstar Category Average



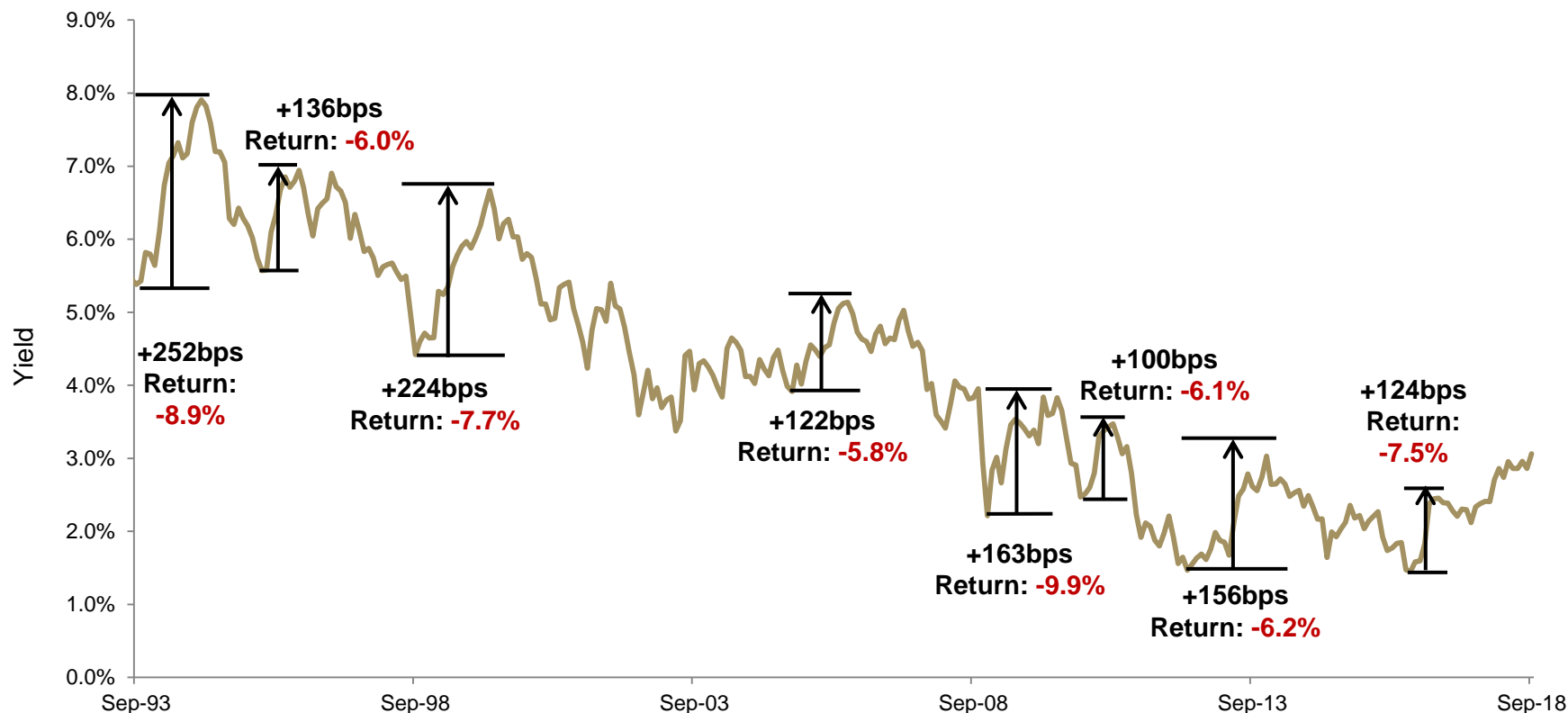
|                                 |
|---------------------------------|
| Percentile Rank*<br>in Category |
| 4 <sup>th</sup> in Morningstar  |

Source: Morningstar. Morningstar category average returns are based on all share classes within the category and include the reinvested dividends and capital gains, if any, and exclude sales charges. Rankings in the Morningstar Funds Category reflect all share classes within the category and are based on total return and do not reflect the effect of sales charges.\*Based on most recent prospectus. Bond Debenture Class A Fund expense ratio ranking within the Morningstar MultiSector Bond Category was 3 out of 57. Peer group averages are based on a universe of funds with similar investment objectives as the Fund. **Past performance is not a reliable indicator or guarantee of future results. Current performance may be higher or lower than the performance data 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 the 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 lordabbett.com.**



# NEGATIVE U.S. TREASURY RETURNS WHEN YIELDS ROSE +100 BPS

## EIGHT PERIODS OF GREATER THAN 100 BPS RISE IN 10-YEAR U.S. TREASURY YIELD\* (09/30/1993 – 09/30/2018)



**Although U.S. Treasury yields have been on a downward trend over the past few decades, there have been several periods of rising rates in the U.S. Treasury bond market.**

Source: Bloomberg, Morningstar.

10-Year Treasury yield as represented by the Bloomberg Generic 10-Year United States Government Note. 10-Year Treasury Performance as represented by the FTSE 10 Year Treasury Bond Index.\*Rise of 100bps must have occurred within a 16-month time period. Bps represents a basis point. One basis point equals 0.01%. Yield is the annual interest received from a bond and is typically expressed as a percentage of the bond's market price. **Past performance is not a reliable indicator or guarantee of future results.** Performance during other periods may have been different. Other indexes may not have performed in the same manner under similar conditions. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment. For illustrative purposes only and does not represent any specific portfolio managed by Lord Abbett or any particular investment.



# CREDIT HAS DONE WELL WHEN U.S. TREASURY YIELDS HAVE RISEN

## INDEX RETURNS DURING THE EIGHT PERIODS OF GREATER THAN 100 BPS RISE IN THE 10-YEAR U.S. TREASURY YIELD (MONTH-END ANNUALIZED RETURNS)

| Period                  | 10-Year U.S. Treasury <sup>1</sup> | Bloomberg Barclays Aggregate <sup>2</sup> | IG Corporate Floating Rate Notes <sup>3</sup> | Short-Term Corporates <sup>4</sup> | Floating Rate Loans <sup>5</sup> | High Yield Bonds <sup>6</sup> | Convertible Bonds <sup>7</sup> | S&P 500 <sup>8</sup> |
|-------------------------|------------------------------------|---|---|------------------------------------|----------------------------------|-------------------------------|--------------------------------|----------------------|
| 09/30/1993 – 11/30/1994 | -8.9%                              | -3.0%                                     | -   | 2.1%                               | 11.3%                            | 1.2%                          | -2.7%                          | 1.8%                 |
| 01/31/1996 – 08/31/1996 | -6.0%                              | -1.8%                                     | -   | 1.7%                               | 4.8%                             | 3.1%                          | 5.4%                           | 3.9%                 |
| 09/30/1998 – 01/31/2000 | -7.7%                              | -0.6%                                     | -   | 4.2%                               | 4.9%                             | 3.7%                          | 41.4%                          | 28.3%                |
| 06/30/2005 – 06/30/2006 | -5.8%                              | -0.8%                                     | 4.6%  | 2.3%                               | 6.7%                             | 4.7%                          | 9.4%                           | 8.6%                 |
| 12/31/2008 – 12/31/2009 | -9.9%                              | 5.9%                                      | 8.8%  | 21.3%                              | 44.9%                            | 57.5%                         | 49.1%                          | 26.5%                |
| 08/31/2010 – 03/31/2011 | -6.1%                              | -0.8%                                     | 1.6%  | 2.3%                               | 7.4%                             | 10.3%                         | 19.2%                          | 27.8%                |
| 07/31/2012 – 12/31/2013 | -6.2%                              | -1.1%                                     | 1.8%  | 3.2%                               | 7.0%                             | 9.5%                          | 22.9%                          | 25.7%                |
| 06/30/2016 – 12/31/2016 | -7.5%                              | -2.5%                                     | 1.2%  | 0.6%                               | 5.4%                             | 7.5%                          | 8.3%                           | 8.1%                 |

During periods of sharply rising U.S. Treasury yields, credit sensitive sectors of the bond market, such as High Yield Bonds, Floating Rate Loans, and Convertible Bonds, historically have done well.

<sup>1</sup>FTSE 10 Year Treasury Bond Index

<sup>3</sup>Bloomberg Barclays U.S. Floating Rate Note Index

<sup>5</sup>Credit Suisse Leveraged Loan Index

<sup>7</sup>ICE BofA Merrill Lynch All Convertibles All Qualities Index

<sup>2</sup>Bloomberg Barclays U.S. Aggregate Bond Index

<sup>4</sup>ICE BofA Merrill Lynch U.S. Corporate BBB-Rated 1-3 Year Index

<sup>6</sup>ICE BofA Merrill Lynch U.S. High Yield Constrained Index

<sup>8</sup>S&P 500 Index

**Past performance is not a reliable indicator or guarantee of future results. Performance during other time periods may have been different or negative. Other indexes may not have performed in the same manner under similar conditions.** Source: Morningstar. For illustrative purposes only and does not represent any specific portfolio managed by Lord Abbett or any particular investment. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment.



# BOND DEBENTURE: STRONG RETURNS DURING PERIODS OF RISING RATES

## Time-Tested Results

### RETURNS WHEN THE 10-YEAR U.S. TREASURY YIELD ROSE MORE THAN 100 BPS (MONTH-END ANNUALIZED RETURNS)

| Period                | 10-Year U.S. Treasury <sup>1</sup> | Bloomberg Barclays U.S. Aggregate Bond Index | Lord Abbett Bond Debenture Fund <sup>2</sup> |
|-----------------------|------------------------------------|--|--|
| 09/30/1993–11/30/1994 | -8.9%                              | -3.0%  | -0.6%  |
| 01/31/1996–08/31/1996 | -6.0%                              | -1.8%  | 3.2%   |
| 09/30/1998–01/31/2000 | -7.7%                              | -0.6%  | 6.1%   |
| 06/30/2005–06/30/2006 | -5.8%                              | -0.8%  | 4.1%   |
| 12/31/2008–12/31/2009 | -9.9%                              | 5.9%   | 35.4%  |
| 08/31/2010–03/31/2011 | -6.1%                              | -0.8%  | 11.1%  |
| 07/31/2012–12/31/2013 | -6.2%                              | -1.1%  | 9.3%   |
| 06/30/2016–12/31/2016 | -7.5%                              | -2.5%  | 6.0%   |

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**A flexible approach, with a focus on credit-sensitive sectors of the bond market, has allowed the Bond Debenture Fund to generate attractive returns relative to government bonds during periods of rising U.S. Treasury yields.**

<sup>1</sup> FTSE Treasury Benchmark 10-Year Index.

<sup>2</sup> Returns based on 'A' share class at NAV.

Source: Morningstar.

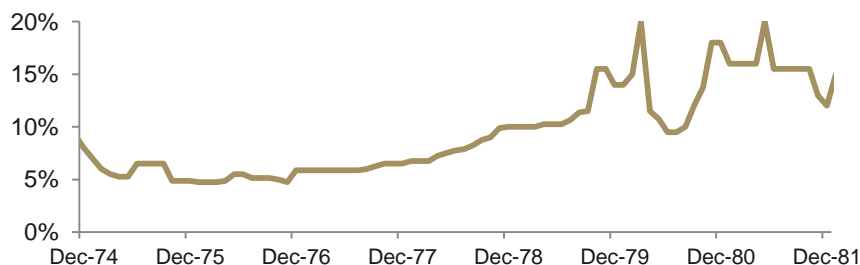
The Bond Debenture Fund's performance at net asset value excludes sales charges. If sales charges, including any applicable contingent deferred sales charge (CDSC) had been included, performance would have been lower. **Past performance is not a reliable indicator or guarantee of future results.** Current 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 lordabbett.com. Other indexes may not have performed in the same manner under similar conditions. Performance during other time periods may have been different or negative. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment.



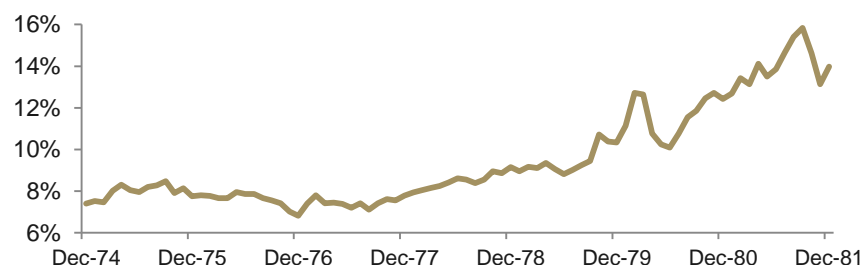
### BOND DEBENTURE IN THE BOND MARKET ENVIRONMENT OF 1975–1981

- Beginning in 1975, the Federal Funds Target Rate rose from a low of 4.75% to a record peak of 20.0%.
- The 10-Year U.S. Treasury Bond yield spiked over 900 basis points, from a low of 6.8% to a peak of 15.8%.
- The Bond Debenture Fund's** flexible investment strategy significantly outperformed U.S. government bonds, generating positive returns in every year.

FED FUNDS RATE



10-YEAR U.S. TREASURY YIELD 1975-1981



| 1975-1981              | U.S. Government Bonds <sup>1</sup> | Bond Debenture Fund <sup>2</sup> |
|------------------------|------------------------------------|----------------------------------|
| Average Annual Returns | 2.75%                              | <b>12.56%</b>                    |

**The performance data quoted reflect past performance and are no guarantee of future results.** Sharp market fluctuations can materially change the character of a mutual fund's track record. It is possible that during any given time frame within the periods shown above the Fund may have had negative performance.

Source: Bloomberg.

<sup>1</sup> U.S. government bonds represented by the Ibbotson Long-Term Government Bond Index. Ibbotson data are unmanaged total returns, reflect the reinvestment of dividends and capital gains, and bear no management fees or operating expenses and are not available for direct investment.

<sup>2</sup> Class A share average annual returns at net asset value (NAV) with distributions reinvested. If sales charges had been included, returns would have been lower.

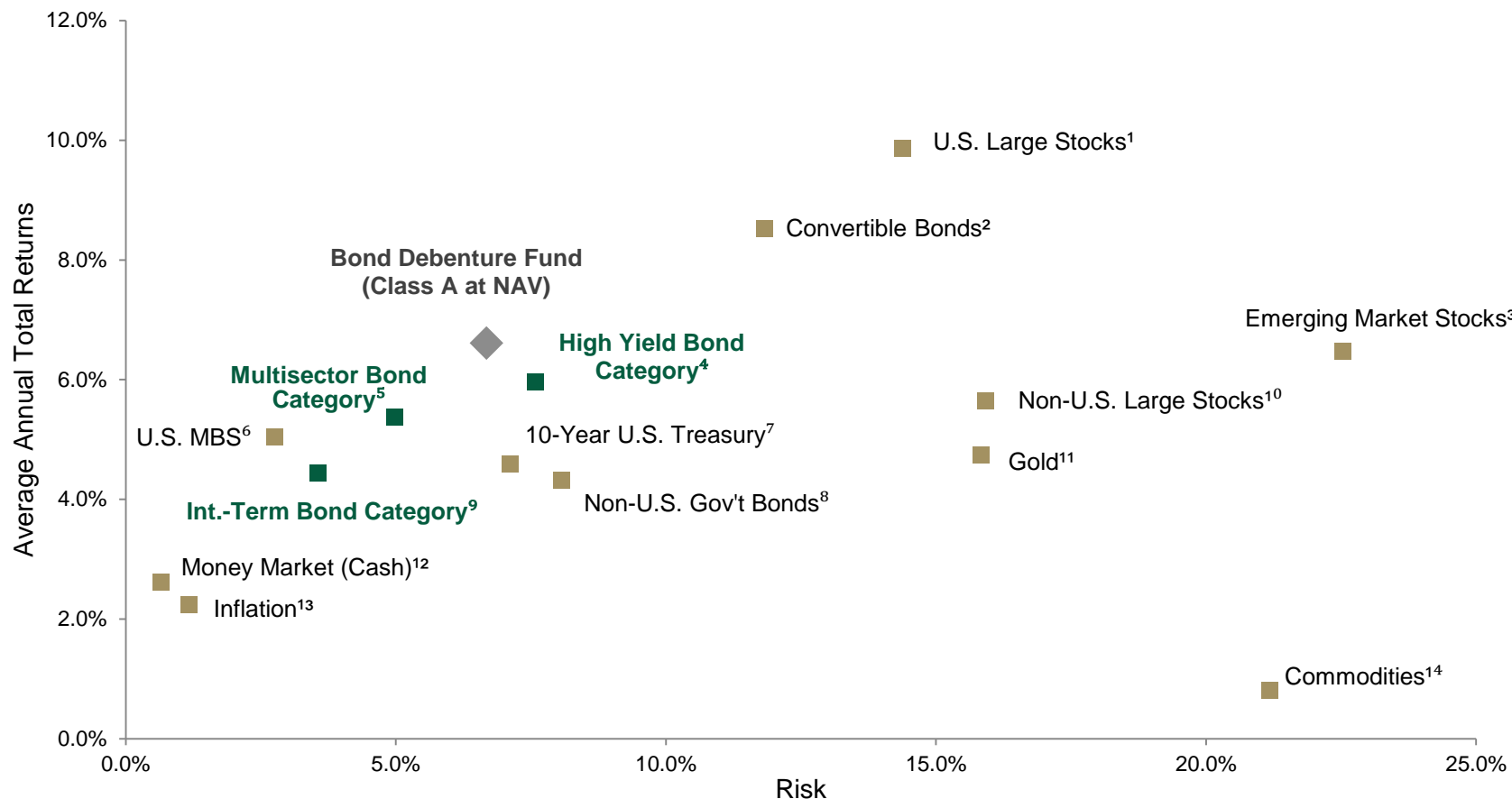


# BOND DEBENTURE: ATTRACTIVE LONG TERM RISK/REWARD

*Time-Tested Results*

## RISK/REWARD OVER THE LAST 25 YEARS

(AS OF 09/30/2018)



**The Bond Debenture Fund has higher returns than most major bond categories and less than half the volatility of U.S. stocks.**

Source: Zephyr. **Past performance is no guarantee of future results. Current performance may be higher or lower than the performance quoted.** <sup>1</sup>Russell 1000 Index. <sup>2</sup>ICE BofAML All Convertible All Qualities Index. <sup>3</sup>MSCI EM GR Index. <sup>4</sup>Morningstar U.S. OE High Yield Bond Category. <sup>5</sup>Morningstar U.S. OE Multisector Bond Category. <sup>6</sup>Bloomberg Barclays U.S. MBS Index. <sup>7</sup>FTSE Treasury Benchmark, 10 Yr. <sup>8</sup>FTSE WGBI Non-USD. <sup>9</sup>Morningstar U.S. OE Intermediate-Term Bond Category. <sup>10</sup>MSCI EAFE GR Index. <sup>11</sup>S&P GSCI Gold. <sup>12</sup>ICE BofAML U.S. Treasury Bill 3 Mon. <sup>13</sup>IA SBBI U.S. Inflation. <sup>14</sup>S&P GSC Index. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment.





## PORTFOLIO COMBINATIONS

LORD ABBETT

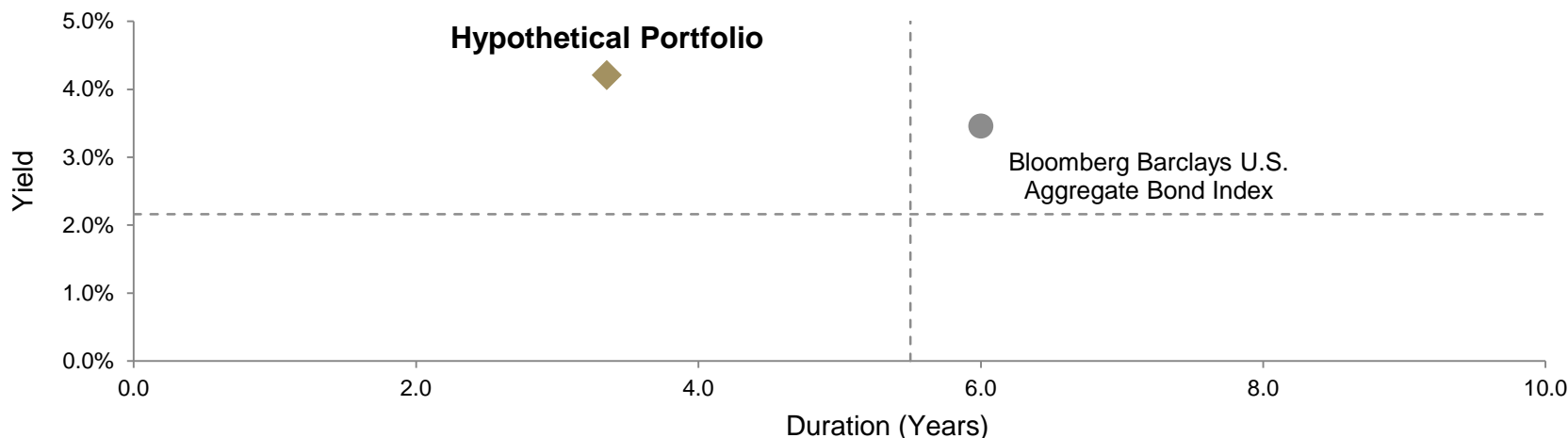


# HIGHER INCOME POTENTIAL WITH LESS INTEREST RATE RISK

## AN EQUAL BLEND OF BOND DEBENTURE AND SHORT DURATION INCOME

YIELD VERSUS DURATION (AS OF 09/30/2018)

A hypothetical portfolio of 50% Bond Debenture Fund with 50% Short Duration Income Fund produces a portfolio with **higher income potential** and **lower duration** than the Bloomberg Barclays U.S. Aggregate Bond Index.



|                           | Bond Debenture Fund<br>(Class A: LBNDX) | Short Duration Income Fund<br>(Class A: LALDX) | Hypothetical<br>Portfolio<br>(Equal Blend) | Bloomberg Barclays<br>U.S. Aggregate Bond<br>Index |
|---------------------------|---|--|--|--|
| Dividend Yield            | 4.43%                                   | 3.99%  | <b>4.2%</b>                                | 3.46%  |
| Effective Duration        | 4.7 Years                               | 2.0 Years                                      | <b>3.3 Years</b>                           | 6.0 Years  |
| 30-Day Standardized Yield | 4.01%                                   | 2.84%  | -  | -  |

Source: Lord Abbett and Bloomberg Barclays.

**Past performance is not a reliable indicator or guarantee of future results.** Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment. Neither diversification nor asset allocation can guarantee a profit or protect against loss in declining markets.



# BOND DEBENTURE: PERFORMANCE THROUGH THE YEARS

## BOND DEBENTURE FUND CALENDAR YEAR RETURNS

CLASS A SHARE RETURNS AT NET ASSET VALUE (AS OF 12/31/2017)

| 1971* | 1972  | 1973  | 1974  | 1975  | 1976  | 1977  | 1978   | 1979  | 1980  | 1981  | 1982  | 1983  | 1984 | 1985  |       |      |  |
|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|------|-------|-------|------|--|
| 7.7%  | 6.3%  | -9.8% | -5.1% | 29.6% | 30.9% | 7.0%  | 2.8%   | 7.0%  | 8.9%  | 5.3%  | 27.5% | 16.9% | 5.0% | 21.0% |       |      |  |
|       |       |       |       |       |       |       |        |       |       |       |       |       |      |       |       |      |  |
|       |       |       |       |       |       |       |        |       |       |       |       |       |      |       |       |      |  |
| 1986  | 1987  | 1988  | 1989  | 1990  | 1991  | 1992  | 1993   | 1994  | 1995  | 1996  | 1997  | 1998  | 1999 | 2000  |       |      |  |
| 10.6% | 1.9%  | 13.8% | 5.1%  | -7.6% | 38.3% | 16.0% | 16.0%  | -3.9% | 17.5% | 11.2% | 12.7% | 4.8%  | 3.9% | -0.9% |       |      |  |
|       |       |       |       |       |       |       |        |       |       |       |       |       |      |       |       |      |  |
| 2001  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008   | 2009  | 2010  | 2011  | 2012  | 2013  | 2014 | 2015  | 2016  | 2017 |  |
| 4.9%  | -1.1% | 20.3% | 8.6%  | 1.6%  | 9.9%  | 5.3%  | -20.3% | 35.4% | 12.9% | 3.9%  | 13.2% | 7.8%  | 4.5% | -1.7% | 12.4% | 9.2% |  |

## AVERAGE ANNUAL TOTAL RETURNS

(AS OF 09/30/2018)

|                            |  | 1 Year | 3 Years | 5 Years | 10 Years |
|----------------------------|--|--------|---------|---------|----------|
| Bond Debenture Fund        | Class A share at Net Asset Value (without sales charge)        | 2.82%  | 7.12%   | 5.66%   | 8.04%    |
|                            | Class A at Maximum Offering Price (2.25% maximum sales charge) | 0.50%  | 6.33%   | 5.18%   | 7.79%    |
|                            | Class F share  | 2.91%  | 7.18%   | 5.76%   | 8.23%**  |
| Short Duration Income Fund | Class A share at Net Asset Value (without sales charge)        | 1.16%  | 2.20%   | 2.05%   | 4.16%    |
|                            | Class A at Maximum Offering Price (2.25% maximum sales charge) | -1.15% | 1.43%   | 1.60%   | 3.92%    |

\*Return for the period of 04/01/1971 – 12/31/1971, the inception date of the Fund.

Reflects the percentage change in net asset value (NAV) of Class A shares with distributions reinvested and without sales charges deducted. If sales charges including any applicable contingent deferred sales charge (CDSC) had been included, returns would have been lower.

**Past performance is not a reliable indicator or guarantee of future results.** Current performance may be higher or lower than the performance data quoted.

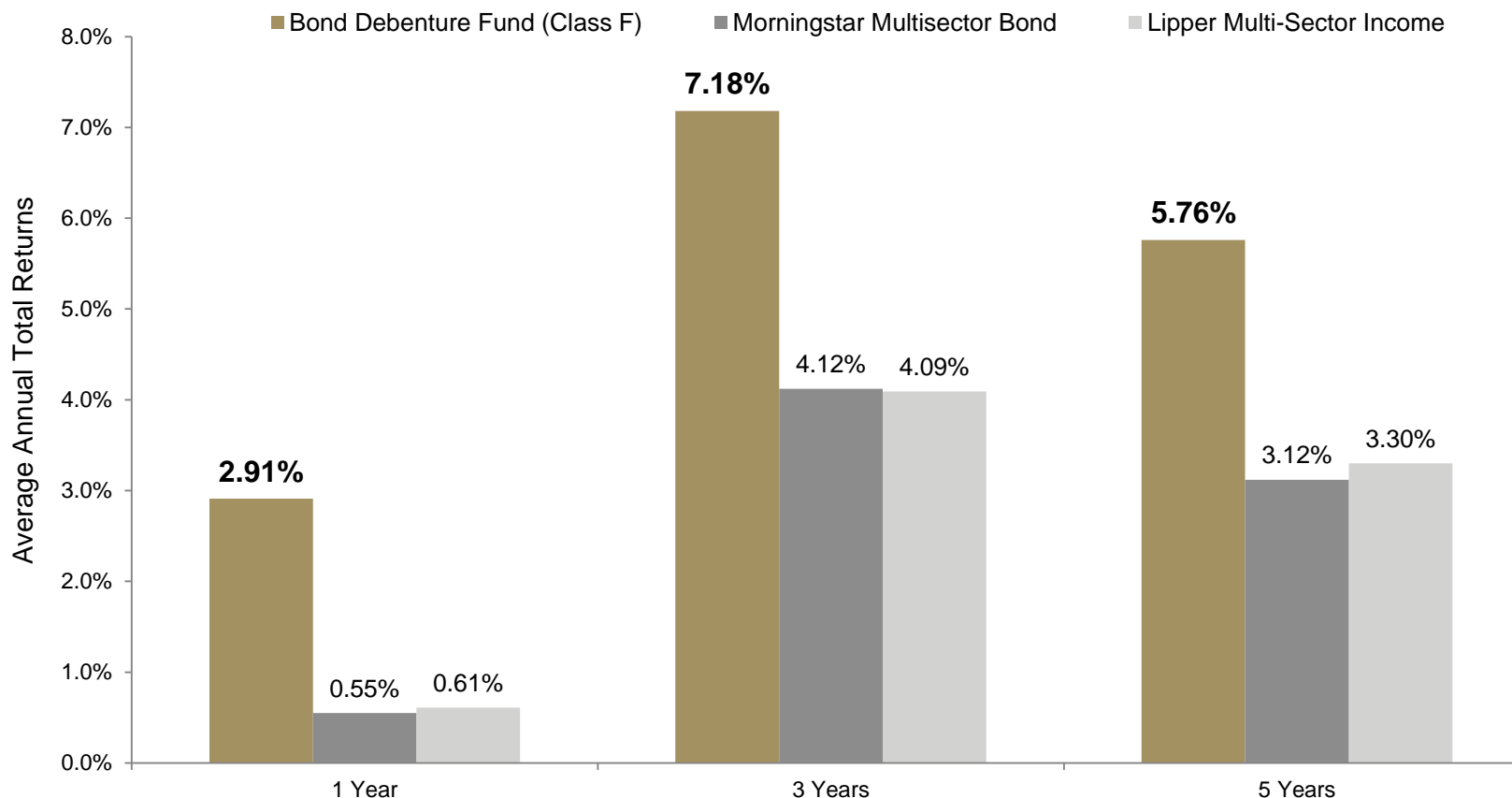
The investment return and principal value of an investment in the Fund will fluctuate so that shares, on any given day or when redeemed, may be worth more or less than the original cost. You can obtain performance data current to the most recent month-end by calling Lord Abbett at 888-522-2388 or referring to lordabbett.com.



# BOND DEBENTURE: STRONG PERFORMANCE VERSUS ITS PEERS

## BOND DEBENTURE FUND (CLASS F SHARE) VS. ITS PEERS

(AS OF 09/30/2018)



**Past performance is not a reliable indicator or guarantee of future results.** Current performance may be higher or lower than the performance data 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 the 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 [lordabbett.com](http://lordabbett.com).



# IMPORTANT INFORMATION

## Morningstar Information

**The Morningstar Intermediate-Term Bond Average** represents funds that focus on corporate, government, foreign, or other issues with an average duration of greater than or equal to 3.5 years but less than or equal to six years, or an average effective maturity of more than four years but less than 10 years.

**The Morningstar Multisector Bond Average** represents funds that seek income by diversifying their assets among several fixed-income sectors, usually U.S. government obligations, U.S. corporate bonds, foreign bonds, and high-yield U.S. debt securities.

**The Morningstar High-Yield Bond Average** represents funds with at least 65% of assets in bonds rated below BBB.

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Fund rankings within the Morningstar Multi Sector Bond Category, which may change monthly, are based on total returns calculated by the ranking entity. Rankings do not take into account sales charges, if applicable, but include reinvestment of dividends and capital gains, if any. Morningstar total return percentile rankings for the specified periods are relative to all funds that have the same investment categories. The highest (or most favorable) percentile rank is 1, and the lowest (or least favorable) percentile rank is 100.

## Lipper Information

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Fund Rankings within the Lipper Multi-Sector Income Funds Average include the reinvested dividends and capital gains, if any, and exclude sales charges. Rankings are based on total return and do not reflect the effect of sales charges. Each Fund is ranked within a universe of funds similar in investment objective. Source: © Reuters 2018. All Rights Reserved. Lipper Analytical Services, Inc. is an independent mutual fund research and rating service. Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper.

**Lipper Multi-Sector Income Funds 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. Rankings are based on total return and do not reflect the effect of sales charges. Each Fund is ranked within a universe of funds similar in investment objective.

**Lipper Category Average** - Peer group averages are based on universes of funds with the same investment objectives. The average return for the peer group is based on the returns of each individual fund within the group for the period shown. This average assumes reinvestment of dividends.

## Barron's Information

\*Among 59 qualifying fund families. Based on net total return of the one-year period ending 12/31/2017. Barron's Best Mutual Fund Families, March 10, 2018, Lord Abbett Funds ranked 3 out of 59, 1 out of 54, and 1 out of 50 mutual fund families within the taxable bond category for the 1-, 5- and 10- year periods ending 12/31/2017, respectively. Barron's Best Mutual Fund Families, February 11, 2017, Lord Abbett Funds ranked #1 in the Taxable Bond Category among 61 fund families based on the net total return of the one-year period ending 12/31/2016, respectively. Barron's Best Mutual Fund Families, February 6, 2016, #21 in the Taxable Bond Category among 67 fund families based on the net total return of the one-year period ending 12/31/2015. Barron's Best Mutual Fund Families, February 7, 2015, #1 in the Taxable Bond Category among 65 fund families. Based on the net total return of the one-year period ending 12/31/2014. Barron's Best Mutual Fund Families, February 8, 2014, #3 in the Taxable Bond Category among 64 fund families. Based on the net total return of the one-year period ending 12/31/2013. Barron's Best Mutual Fund Families, February 11, 2013, #2 in the Taxable Bond Category among 62 fund families. Based on the net total return of the one-year period ending 12/31/2012. Barron's Best Mutual Fund Families, February 6, 2012, #4 in the Taxable Bond Category among 58 fund families. Based on the net total return of the one-year period ending 12/31/2011.



# IMPORTANT INFORMATION

Barron's, "Best Fund Families of 2017," March 10, 2018. Barron's rankings are based on asset-weighted returns in five categories — US equity funds; world equity funds; mixed equity funds; taxable bond funds; and tax-exempt funds. To be included for Lipper/Barron's Fund Survey, each fund in the survey must have had at least three funds in Lipper's general equity category, one world equity category, one mixed-asset, two taxable-bond funds and one national tax-exempt bond fund. Rankings also take into account an individual fund's performance within its Lipper peer universe. Each fund's return was measured against those of all funds in its Lipper category, resulting in a percentile ranking which was then weighted by asset size, relative to the fund family's other assets in its general classification. Lipper calculated each fund's net total return for the year ended December 31, 2017, minus the effects of 12b-1 fees and sales charges. Barron's Fund Family Rankings are awarded annually.

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## Index Information

Indexes are unmanaged, do not reflect the deduction of fees or expenses, and an investor cannot invest directly in an index.

The **FTSE 10 Year Treasury Bond Index** is a broad measure of the performance of the medium-term U.S. Treasury securities.

The **Bloomberg Barclays U.S. Aggregate Bond Index** represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. Total return comprises price appreciation/depreciation and income as a percentage of the original investment.

**Performance data quoted is historical. Past performance is no guarantee of future results. Current performance may be higher or lower than the performance data quoted. The investment return and principal value of an investment in any fund will fluctuate as the prices of the individual securities in which they invest fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Different investments carry different risk.**



# IMPORTANT INFORMATION

## A Note about Risk

**Bond Debenture Fund:** 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 your investment will change as interest rates fluctuate and in response to market movements. When interest rates fall, the prices of debt securities tend to rise, and when interest rates rise, the prices of debt securities are likely to decline. Longer-term debt securities are usually more sensitive to interest-rate changes; the longer the maturity of a security, the greater the effect a change in interest rates is likely to have on its price. The Fund may make substantial investments in high-yield debt securities and may invest in senior loans which may be primarily below-investment-grade. High-yield securities, sometimes called junk bonds, carry increased risks of price volatility, illiquidity, and the possibility of default in timely payment of interest and expenses. 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. Convertible securities are subject to the risks affecting both equity and fixed-income securities, including market, credit, liquidity, and interest rate risk. These factors can affect Fund performance.

**Short Duration Income Fund:** 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 will change as interest rates fluctuate and in response to market movements. When interest rates fall, the prices of debt securities tend to rise, and when interest rates rise, the prices of debt securities are likely to decline. 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 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.

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# IMPORTANT INFORMATION

## Glossary

**Dividend yield** is a financial ratio that shows how much a mutual fund pays out in dividends each year relative to its Net Asset Value (NAV). The dividend yield is calculated by annualizing the last dividend and dividing it by the fund's NAV.

The **30-day standardized yield** is an estimate of a mutual fund's net investment income measured over a 30-day period. It is expressed as an annual percentage rate using a method of calculation adopted by the Securities and Exchange Commission (SEC). In absence of the fee waiver, 30-day standardized yield would have been lower. Yields for other share classes will vary.

**Standard deviation** is a measure of volatility. Applied to an asset's return, it provides a measure of the range of those returns. A higher standard deviation means a greater range of returns.

**Duration** is a measure of the sensitivity of the price of a fixed-income asset to a change in interest rates and is expressed in years.

**Effective Duration** is the change in the value of a fixed-income security that will result from a 1% change in market interest rates.

**Treasury yield** is the return on investment on the U.S. government's debt obligations such as bonds, notes and bills.

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