

SLOW GROWTH: Alternative Investments to Consider

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What Types of Risks to Expect:

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. The value of investments in fixed income securities will change as interest rates fluctuate. As interest rates fall, the prices of debt securities tend to rise, and as rates rise, prices tend to fall. Investments in high-yield securities carry increased risks of price volatility, illiquidity, and the possibility of default in the timely payment of interest and principal. Lower-rated investments may be subject to greater price volatility than higher-rated investments. Moreover, the specific collateral used to secure a loan may decline in value or become illiquid, which would adversely affect the loan's value. Senior loans are subject to increased credit and liquidity risks. In addition, bonds are subject to other types of risks, such as call, credit, liquidity, interest rate, and general market risks. The longer the maturity of a security, the greater the effect a change in interest rates is likely to have on its price. Investing in international securities generally poses greater risk than investing in domestic securities, including greater price fluctuations and higher transaction costs. Special risks are inherent to international investing, including those related to currency fluctuations and foreign, political, and economic events. These risks can be greater in the case of emerging country securities. No investing strategy can overcome all market volatility or guarantee future results.



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 or Lord Abbett Distributor LLC at (888) 522-2388, or visit us at www.lordabbett.com/advisor. Read the prospectus carefully before investing.



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January: **Great Expectations**

Hope for 4% GDP Growth

- ✓ Consumption, Business Investment, Jobs
- ✓ Exports, Growth in Developing Countries
- ✓ Oil at \$80-\$90 / b

* Source: U.S. Commerce Department

May: 2011 Economic Reality

Accepting 2½ % GDP Growth

- ✓ Headwinds of Commodity Prices
- ✓ Austerity of Peripheral Europe
- ✓ Restrictive Policies in EMG

* Source: U.S. Commerce Department

Alternatives for a Slow-Growth Environment

High Yield:

Slow growth may allow both attractive income and credit improvement.

Bank Loans:

Restrictive lending standards may enable attractive income, low volatility in an investment that adjusts to higher short rates.

EMG Currency:

Captures the rate adjustment and currency appreciation associated with tighter monetary policy.

Convertible Securities:

Income with an option on equity market strength.

* Source: U.S. Commerce Department

High Yield Spreads

JP Morgan Global High Yield Bond Spreads (as of 04/30/2011)



Past performance is no guarantee of future results.

Source: JPMorgan, Moody's

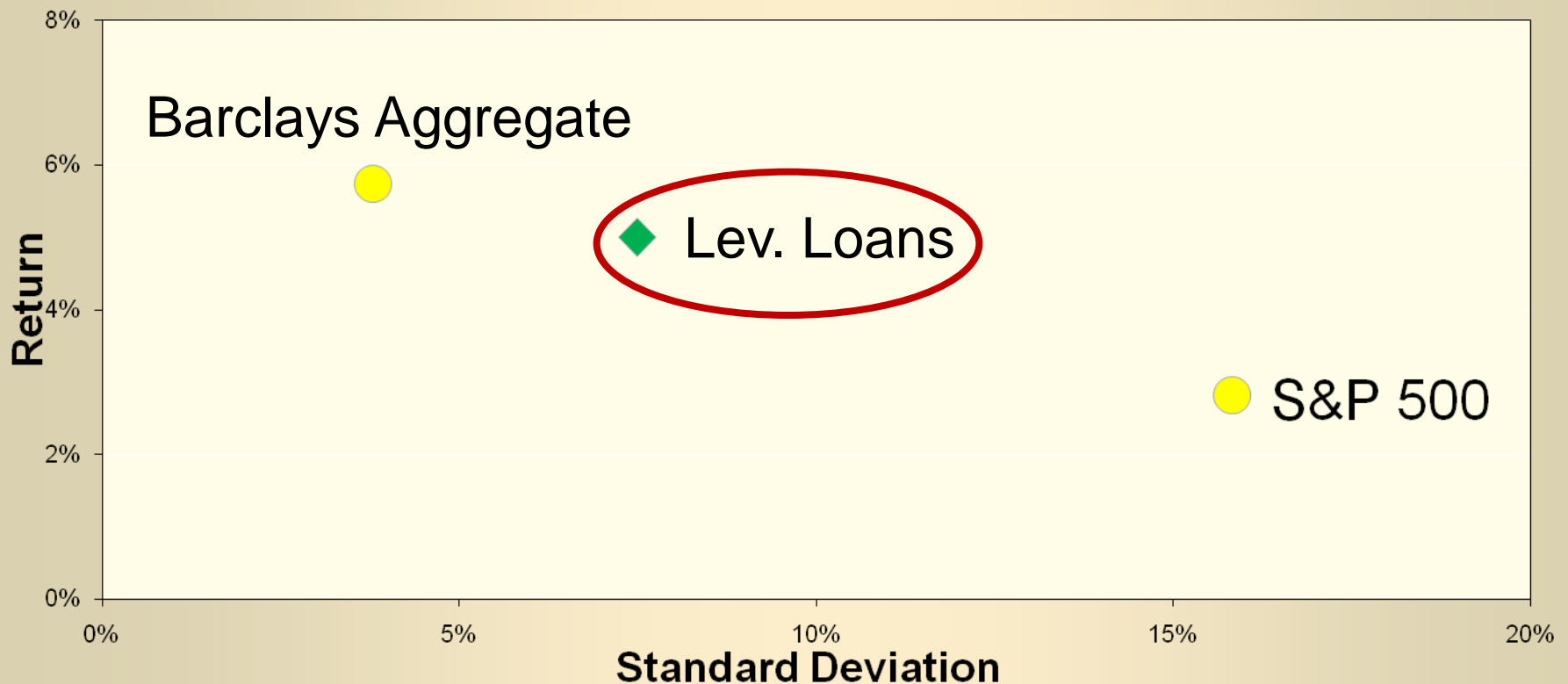
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BANK LOANS: Historical Risk/Return

Risk / Return (10 year ended 4/20/11)



Sources: Barclays, S&P, & Morningstar.

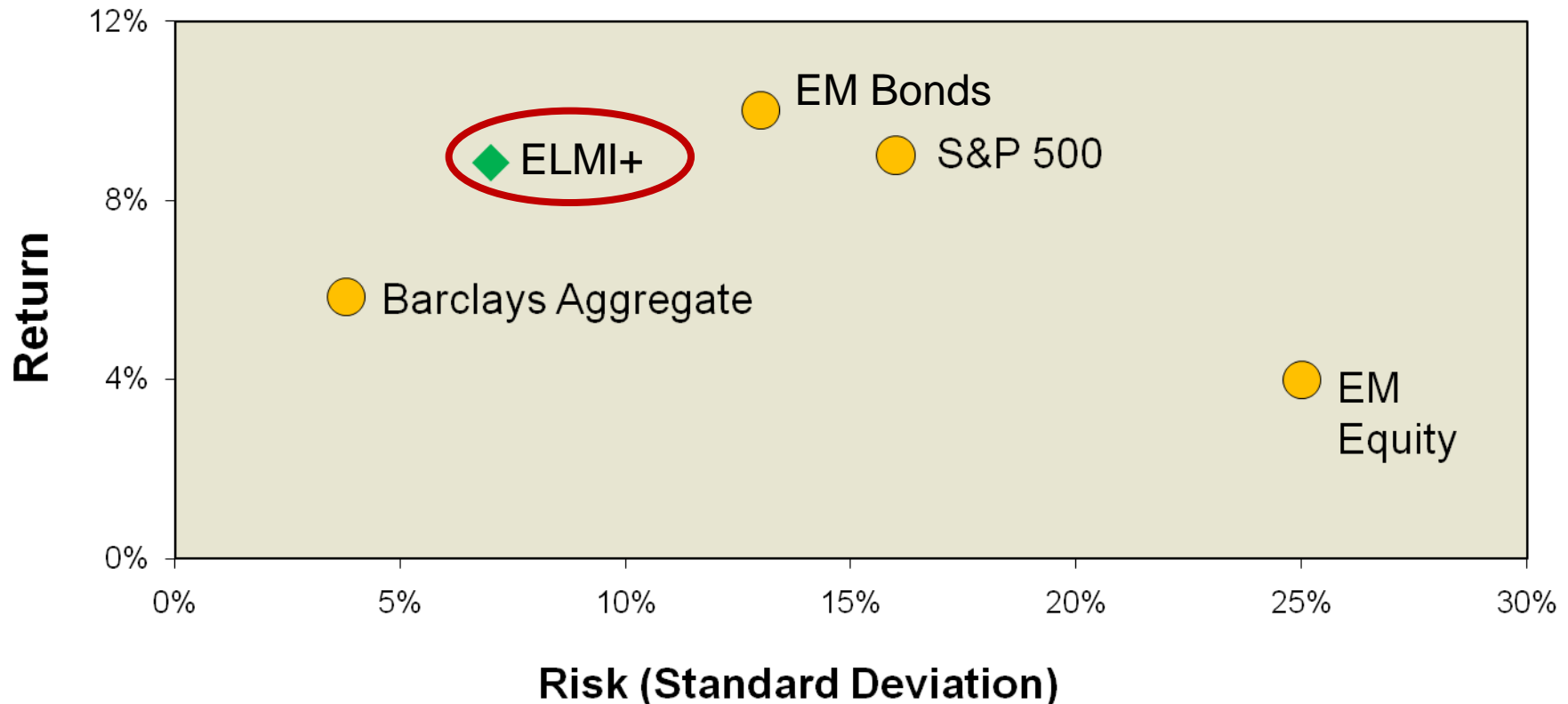
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Emerging Currencies: Risk / Return

Risk / Return (01/01/94 – 3/31/2011)



Sources: JP Morgan, MSCI, Barclays, S&P, Merrill Lynch & Morningstar..

•EMLI+ Index Inception date: 1/1/94. **Performance quoted above is historical. Past Performance is no guarantee of future results.**

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CONVERTIBLES: Historical Risk/Return



10 years ended 4/30/2011	Return	Risk	Sharpe Ratio
S&P 500 [®] Index	3.29%	15.98%	0.15
BofA Merrill Lynch All Convertible Index	6.14%	12.74%	0.37

Source: BofA Merrill Lynch, Standard & Poor's, and Morningstar.

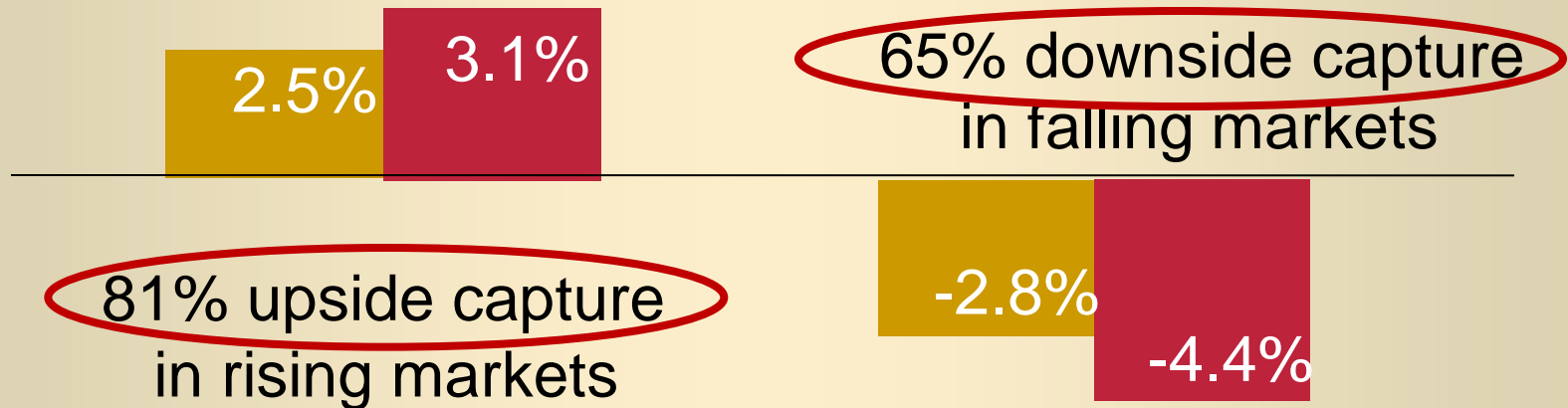
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CONVERTIBLES: Unique Characteristic

Convertibles historically have participated more fully in advancing markets than in declining markets.



■ BofA Merrill Lynch All Convertible Index
■ S&P 500[®] Index

Source: Bank of America Merrill Lynch, Standard & Poor's, and Morningstar. Data are monthly.

Performance quoted above is historical. Past performance is no guarantee of future results. Current performance may be higher or lower than the performance data quoted. This historical chart depicts the characteristics of the Merrill Lynch All Convertible Index, when compared to traditional equity securities, represented by the S&P Index.

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