



# MULTI-SECTOR INCOME FUND - I SHARE

## FUND DETAILS

Base Currency: USD  
 Available Currencies: USD, GBP, GBP Hedged, EUR, EUR Hedged  
 Legal Structure: UCITS IV  
 Domicile: Ireland  
 Inception Date: 05/01/2015  
 Dividend Frequency: Monthly  
 Minimum Initial Investment: USD 1,000,000  
 Total Net Assets: USD 58.4 million

## PORTFOLIO CHARACTERISTICS\*

Average Coupon: 6.1%  
 Average Effective Duration: 4.6 Years  
 Number of Issues: 683  
 Average Maturity: 9.4 Years

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

## YIELD

Portfolio Yield: 4.80%

The portfolio yield is a hypothetical 30-day annualized yield for the Fund based upon the current market value of the Fund's holdings. Portfolio yield does not take any account fees, expenses of the Fund, or sales charges. The dividend yield of the Fund will be lower than the portfolio yield.

## LORD ABBETT U.S. MUTUAL FUND FAMILY AWARD



## THOMSON REUTERS LIPPER FUND AWARD 2016

## BEST FUND (CLASS I SHARE) OVER 10 YEARS

MULTI-SECTOR GRADE INCOME FUNDS

Please refer to page 3 for important information on Lord Abbett U.S. Mutual Fund Family Awards.

## INVESTMENT-LED. INVESTOR-FOCUSED.

Lord, Abbett & Co. LLC ("Lord Abbett"), the Investment Manager, is an independent, privately held firm that has maintained a singular focus on the management of money since 1929. As an investment-led, investor-focused firm, Lord Abbett's approach is characterized by active management, rigorous research, comprehensive risk management, and client service that exceeds expectations. Lord Abbett manages approximately USD 135.9 billion in assets<sup>†</sup> across a full range of commingled funds, institutional, and separately managed accounts; this includes approximately USD 10.6 billion in multi sector assets (as of 30/09/2016).

<sup>†</sup>Includes USD 1.2 billion for which Lord Abbett provides investment models to managed account sponsors.

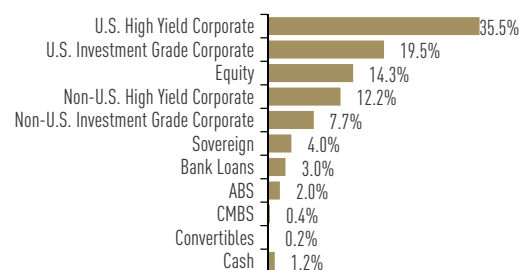
## INVESTMENT OBJECTIVE

The Fund seeks to deliver high current income and long-term growth of capital by investing primarily in a variety of fixed income securities and select equity-related securities.

## PORTFOLIO POSITIONING (AS OF 09/30/2016)

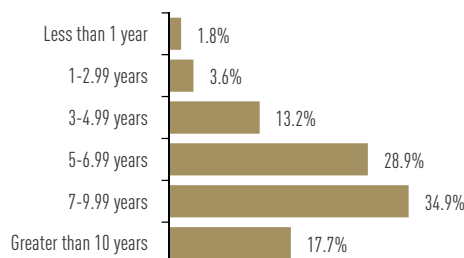
- Despite negative returns for US Treasury bonds, most major categories of U.S. fixed income posted positive returns for the third quarter of 2016. High yield credit outperformed investment grade bonds, driven by continued stability in commodity prices and the search for yield. In the United States, the Federal Reserve (Fed) remained cautious and opted not to hike interest rates, though it offered a relatively hawkish message foreshadowing a potential hike in December. Despite a subsequent spike following the announcement, volatility for the most part has remained subdued.
- Within the credit-sensitive portion of the portfolio, we added to our positions in the energy sector, as the bonds continued the strong rally fueled by recovering oil prices. The portfolio continues to be defensively positioned in the healthcare and telecom sectors. Concerns relating to the pharmaceutical industry and a loss of earnings momentum in hospitals drove the decision to underweight health care in the beginning of the year, while competitive pressures within the telecom space compelled an underweight therein.
- The portfolio's allocation to **bank loans** and **high yield bonds** should help mitigate its sensitivity to rising interest rates. These asset classes historically have demonstrated negative correlation with U.S. Treasury securities in certain past periods of rising rates.

## PORTFOLIO BREAKDOWN

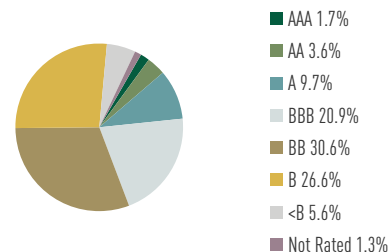


Allocations are reported as of the date a security transaction is initiated; however, certain transactions may not settle until several days later.

## MATURITY BREAKDOWN



## CREDIT QUALITY DISTRIBUTION<sup>1</sup>



<sup>1</sup>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.

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

Important disclosure located on the following pages.

## INVESTMENT TEAM LEADERS

**Steven F. Rocco, CFA, Partner & Portfolio Manager**  
15 Years Industry Experience

**Andrew H. O'Brien, CFA, Partner & Portfolio Manager**  
18 Years Industry Experience

**Kewjin Yuoh, Partner & Portfolio Manager**  
22 Years Industry Experience

**Leah G. Traub, Ph.D., Partner & Portfolio Manager**  
15 Years Industry Experience

**Robert A. Lee, Partner & Chief Investment Officer**  
25 Years Industry Experience

## SUPPORTED BY:

52 Investment Professionals  
13 Years Average Industry Experience

TEN LARGEST HOLDINGS  
(AS OF 31/08/2016)

Entergy Arkansas, Inc.	1.5%
Amazon.com, Inc.	1.2%
Government of Jamaica	0.7%
Sabine Pass Liquefaction LLC	0.6%
Neptune Finco Corp.	0.6%
S.C. Johnson & Son, Inc.	0.6%
Siemens Financial Services, Inc.	0.5%
Boardwalk Pipelines L.P.	0.5%
Frontier Communications Corp.	0.5%
MGM Resorts International	0.5%

## GLOSSARY OF TERMS

**Effective Duration** is the change in the value of a fixed income security that will result from a 1% change in interest rates, taking into account anticipated cash flow fluctuations from mortgage prepayments, puts, adjustable coupons, and potential call dates. Duration is expressed as a number of years, and generally, the larger a duration, the greater the interest-rate risk or reward for a portfolio's underlying bond prices. Where applicable, certain investments, such as common or preferred stock, convertible bonds and convertible preferred stock, ETFs, ADRs, and CPI swaps and related futures, are excluded from these calculations. **Average Maturity** is the length of time until the average security in a portfolio will mature or be redeemed by its issuer in proportion to its dollar value. Indicating a portfolio's sensitivity to general market interest rate changes, a longer average maturity implies greater relative portfolio volatility. **Average Coupon** is the weighted average coupon for all the securities in a portfolio. A bond's coupon is the annual rate of interest on a bond's face value that the issuer agrees to pay the holder. Please refer to page 4 for index definitions.

## PERFORMANCE (%) AS OF 30/09/2016

	1 MONTH	3 MONTHS	YTD	1 YEAR	SINCE INCEPTION (05/01/2015)
Class I (acc) USD	0.45	4.82	11.69	11.47	6.09
Barclays U.S. Aggregate Bond Index**	-0.06	0.46	5.80	5.19	3.30

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 net asset value performance above shows the Fund's average annual total returns excluding sales charges. Returns for periods of less than one year are not annualized. If sales charges had been included, performance would have been lower. 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.

The Fund is newly-organized and has a limited performance history. The information provided below reflects the historical performance results of the Lord Abbett Multi Sector Institutional Composite (the "Composite"). Although the Fund is managed by the same investment team and utilizes a similar investment process as the accounts in the Composite, the performance of the Fund may differ significantly from the performance presented below. There may be differences in performance/portfolio composition between the composite and UCITS due to UCITS restrictions.

## HISTORICAL RETURNS: MULTI-SECTOR FIXED INCOME INSTITUTIONAL COMPOSITE

## AVERAGE ANNUAL TOTAL RETURNS (%) AS OF 30/09/2016

	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Multi-Sector Fixed Income Institutional Composite					
Gross of Fees	11.70	10.86	6.49	8.98	7.85
Net of Fees	11.03	9.98	5.67	8.10	6.97
Custom Multi-Sector Blended Index***	11.28	10.71	5.64	8.04	7.12

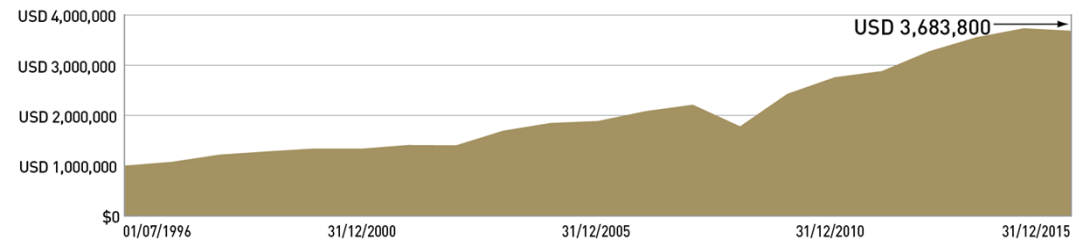
Returns for periods less than one year are not annualized.

## CALENDAR YEAR TOTAL RETURNS (%)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Multi-Sector Fixed Income Institutional Composite										
Gross of Fees	-0.97	5.41	8.94	14.18	4.89	14.00	36.92	-19.17	6.63	10.75
Net of Fees	-1.72	4.60	8.02	13.22	4.02	13.06	35.78	-19.84	5.75	9.82
Custom Multi-Sector Blended Index***	-1.89	4.58	8.74	13.12	3.17	13.76	44.58	-22.50	3.85	9.87

\*\*Source: Barclays. \*\*\*Source: BofA Merrill Lynch/Barclays/J.P. Morgan/S&P. The Custom Multi-Sector Blended Index consists of the following: 60% BoA Merrill Lynch U.S. High Yield Constrained/20% BoA Merrill Lynch All Convertible Index/20% Barclays U.S. Aggregate Bond Index through 01/31/2015, 50% BoA Merrill Lynch U.S. High Yield Index/30% Barclays U.S. Aggregate Bond Index/10% S&P 500 TR Index/10% J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified (CEMBI BD) from 02/01/2015 to present. Lord Abbett believes the new blended index is more representative of the investment strategy based on the strategy's increased exposure to investment grade securities and equity and reduced exposure to convertible securities. Performance data quoted reflect past performance and are no guarantee of future results. The performance information provided above is supplemental to the Multi-Sector Fixed Income Institutional Composite presentation, which is included at the end of this document, and is subject to change. Current performance may be higher or lower than the performance quoted.

## GROWTH OF USD 1,000,000



Based on a hypothetical investment of USD 1,000,000 on 01/07/1996. The performance results are shown net of advisory fees and reflect the deduction of transaction costs. The performance information provided above is supplemental to the Multi-Sector Fixed Income Institutional Composite presentation, which is included at the end of this document, and is subject to change. Data as of 31/12/2015.

## SHARE CLASS INFORMATION

FUND CLASS	BLOOMBERG TICKER	CUSIP	ISIN	INCEPTION	MANAGEMENT FEE	TOTAL EXPENSE RATIO (%)
Class I (acc) USD	LAMTIUA	G5642L307	IE00BS7K1388	05/01/2015	0.60%	0.70%
Class I (acc) EUR	LAMTIEA	G5642L315	IE00BS7K1495	05/01/2015	0.60%	0.70%
Class I (acc) GBP	LAMTIGA	G5642L323	IE00BS7K1503	05/01/2015	0.60%	0.70%
Class I Hedged (acc) GBP	LAMTGAH	G5642L349	IE00BS7K1727	05/01/2015	0.60%	0.75%
Class I Hedged (acc) EUR	LAMTEAH	G5642L331	IE00BS7K1610	05/01/2015	0.60%	0.75%

Additional share classes are available upon request. The Total Expense Ratio in the table represents the net expense ratio, which takes into account a management fee waiver whereby Lord Abbett has agreed to waive a portion of its management fee. Lord Abbett may stop the management fee waiver at its discretion. For periods when the waiver is in place, the Fund may benefit by not bearing these expenses. Without such management fee waiver, performance will be lower. Please see the Fund's prospectus for additional information.

## Lord Abbett U.S. Mutual Fund Family Awards

**Although each UCITS Fund is managed by the same investment team and utilizes a similar investment process as its corresponding U.S. Mutual Fund, the performance of the UCITS Funds may differ significantly from the performance of the U.S. Mutual Funds, and the UCITS Funds may not perform as well relative to their peers.**

Barron's/Lipper Annual Ranking: Among 67 fund families. Based on net total return of the one-year period ending 12/31/2015. Barron's Best Mutual Fund Families, February 6, 2016, Lord Abbett Funds ranked 21 out of 67, 1 out of 58, and 1 out of 52 mutual fund families within the taxable bond category for the 1-, 5- and 10- year periods ending 12/31/2015, respectively. 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. Performance of the Lord Abbett U.S. mutual funds represented by the Barron's/Lipper Annual Ranking may have been negative during other time periods not shown.

Barron's Best Mutual Fund Families rankings are based on asset weighted returns in funds in five categories: U.S. equity, world equity, mixed asset, taxable bond, and tax-exempt. Rankings also take into account an individual fund's performance within its Lipper peer group. Lipper calculated each fund's net total return for the year ended December 31, 2015, minus the effects of 12b-1 fees and sales charges. Each fund in the survey was given a percentile ranking with 100 the highest and 1 the lowest in its category. That ranking measured how a fund compared with its peer "universe," as tracked by Lipper, not just the funds in the survey. Individual fund scores were then multiplied by the 2015 weighting of their general classification as determined by the entire Lipper universe of funds. The process is repeated for the five- and ten-year rankings as well. Those fund scores were then totaled, creating an overall score and ranking for each fund family in each category.

Lipper Fund Award: Lord Abbett Bond Debenture Fund (Class I Share: LBNYX) awarded Best Multi-Sector Income Fund by Lipper; ranked best within the category of a total of 94 funds for the highest risk-adjusted returns for the 10-year period ended 11/30/2015. Lipper Awards are granted annually to the funds in each Lipper classification that achieve the highest score for Consistent Return, a measure of funds' historical risk-adjusted returns, measured in local currency, relative to peers. Winners are selected using the Lipper Leader rating for Consistent Return for funds with at least 36 months of performance history as of 11/30/2015. Awards are presented for the highest Lipper Leader for Consistent Return within each eligible classification over 3, 5, or 10 years. Other share classes may have different performance and expense characteristics. Class I shares are only available to institutional investors and certain others, including retirement plans. For additional information on each Class share, see the Fund's current prospectus. Lipper awards are not intended to predict future results. Past performance is no guarantee of future results.

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## Important Information for Investors

The Lord Abbett Multi-Sector Income Fund is a sub-fund of Lord Abbett Passport Portfolios plc, an open-ended investment company with variable capital constituted as an umbrella fund with segregated liability between its sub-funds under the laws of Ireland (registered number 534227), and is authorized and regulated by the Central Bank of Ireland as an Undertaking for Collective Investments in Transferable Securities ("UCITS").

Authorization of the Lord Abbett Passport Portfolios plc by the Central Bank of Ireland is not an endorsement or guarantee nor is the Central Bank of Ireland responsible for the contents of any marketing material or the Fund's prospectus. Authorization by the Central Bank of Ireland shall not constitute a warranty as to the performance of the Lord Abbett Passport Portfolios plc and the Central Bank of Ireland shall not be liable for the performance of the Lord Abbett Passport Portfolios plc.

Shares of the Funds are only available for certain non-U.S. persons in select transactions outside the United States, or, in limited circumstances, otherwise in transactions which are exempt in reliance on Regulation S from the registration requirements of the United States Securities Act of 1933, as amended and such other laws as may be applicable. This document does not constitute an offer to subscribe for shares in the Fund. The Funds are registered for public offer and sale only in the Republic of Ireland and have been passported for public offer and sale in Austria, Denmark, Finland, France, Germany, Luxembourg, the Netherlands, Norway, Spain, Sweden and the United Kingdom. In addition, the Funds have been passported in Italy for offer and sale only to professional investors. Fund shares may be otherwise sold on a private placement basis depending on the jurisdiction. This document should not be used or distributed in any jurisdiction, other than those listed above, where registration for distribution is required. Lord Abbett Distributor LLC ("LAD") is authorized by the Fund to facilitate the distribution of shares in certain jurisdictions through dealers, referral agents, sub-distributors and other financial intermediaries. Any entity forwarding this material, which is produced by LAD in the United States, to other parties takes full responsibility for ensuring compliance with applicable securities laws in connection with its distribution.

**A Note about Risk:** The Fund is subject to the general risks and considerations associated with investing in debt securities. 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 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. Non-U.S. investments in which the Fund may invest present increased market, liquidity, currency, political, information, and other risks. These factors can affect Fund performance. As it is a newly organized fund, the Fund's performance at this time is very limited. The Fund's performance achieved during its initial period of investment operation may not be replicated over longer periods and may not be indicative of how the Fund will perform in the future.

**Note to Singapore Investors:** Lord Abbett Passport Portfolios plc (the "Company") and the offer of shares of each sub-fund of the Company do not relate to a collective investment scheme which is authorized under Section 286 of the Securities and Futures Act, Ch. 289 of Singapore ("SFA") or recognized under Section 287 of the SFA, and shares in each sub-fund of the Company are not allowed to be offered to the retail public. Pursuant to Section 305 of the SFA, read in conjunction with Regulation 32 of and the Sixth Schedule to the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 (the "Regulations"), the Lord Abbett Strategic Income Fund, the Lord Abbett High Yield Fund, the Lord Abbett Short Duration Income Fund, the Lord Abbett Total Return Fund, the Lord Abbett Emerging Markets Corporate Debt Fund and the Lord Abbett Multi-Sector Income Fund have been entered into the list of restricted schemes maintained by the Monetary Authority of Singapore for the purposes of the offer of shares in such sub-funds made or intended to be made to relevant persons (as defined in section 305(5) of the SFA), or, the offer of shares in such sub-funds made or intended to be made in accordance with the conditions of section 305(2) of the SFA. These materials do not constitute an offer or solicitation by anyone in Singapore or any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

**Note to Australia Investors:** Lord Abbett Passport Portfolios plc has not been authorized for offer and sale to the retail public by Australian Securities Investment Commission ("ASIC") and is only offered to "wholesale" investors (i.e., institutional investors) in Australia.

This material is for informational purposes only and is not intended to be investment advice. Lord Abbett believes that the information contained herein is based on underlying sources and data that is reliable but makes no guarantee as to its adequacy, accuracy, timeliness or completeness. Opinions contained herein reflect the judgment of Lord Abbett and are subject to change at any time. Lord Abbett does not undertake any obligation or responsibility to update such opinions.

**Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund. This and other important information is contained in the Fund's prospectus, fund supplements, and KIDs. Read these documents carefully before you invest. To obtain a prospectus, fund supplement, and KIDs for any Lord Abbett fund, contact your investment professional, Lord Abbett Distributor LLC at (888) 522-2388, or visit us at [www.passportportfolios.com](http://www.passportportfolios.com).**

## END NOTES TO PERFORMANCE

The Global Investment Performance Standards (GIPS®) compliant performance results shown represent the investment performance record for the Lord, Abnett & Co. LLC (Lord Abnett) **Multi-Sector Fixed Income Institutional Composite**. This composite is comprised of all fully discretionary portfolios investing potentially in multiple sectors of the fixed income market, including high yield, investment-grade, bank loans, and convertible securities, along with equity-related securities. Other than registered investment companies sponsored by Lord Abnett, accounts opened/funded on or before the 15th of the month will be included in the Composite effective on the first day of the second following month. Accounts opened/funded after the 15th of the month will be included in the Composite effective on the first day of the third following month. Registered investment companies sponsored by Lord Abnett are included in the Composite in the first full month of management. Closed accounts are removed from the Composite after the last full month in which they were managed in accordance with applicable objectives, guidelines, and restrictions. Performance results are expressed in U.S. dollars and reflect reinvestment of any dividends and distributions. The Composite was created in 2014. A complete list of Lord Abnett composites and a description of their investment strategies is available on request. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

For GIPS® purposes, Lord Abnett defines the firm as all assets managed by the firm, including mutual funds (all classes of shares), separate/institutional accounts, individual accounts, and separately managed accounts managed by Lord Abnett. This definition of the firm does not include any hedge fund or separately managed program accounts where Lord Abnett does not have the records so long as it is impossible for Lord Abnett to have the records (within the meaning of relevant GIPS® interpretations). No alteration of the Composite as presented has occurred because of changes in personnel or other reasons at any time. Leverage has not been used in the portfolios included within the Composite. There has been no linkage with simulated or model portfolios.

The number of portfolios and total assets in the Composite, and the percentage of total "firm" assets represented by the Composite at the end of each calendar year for which performance information is provided are as follows:

Calendar Year Ended	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
# of Portfolios	4	3	3	3	3	4	4	5	5	5
Total Assets (\$M)	\$10,782	\$11,441	\$10,877	\$10,891	\$9,872	\$10,977	\$10,891	\$7,401	\$10,210	\$10,482
Percentage of Firm Assets	8.69%	8.42%	8.01%	8.53%	9.19%	10.30%	12.25%	10.52%	9.27%	9.34%
Total Firm Assets (\$M)	\$124,007	\$135,945	\$135,786	\$127,753	\$107,449	\$106,528	\$88,895	\$70,347	\$110,201	\$112,193
Dispersion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lord Abnett Multi-Sector Fixed Income Institutional Composite (Gross Annual)	-0.97%	5.41%	8.94%	14.18%	4.89%	14.00%	36.92%	-19.17%	6.63%	10.75%
Lord Abnett Multi-Sector Fixed Income Institutional Composite Gross (3 year Annualized Return)	4.38%	9.45%	9.27%	10.94%	17.86%	8.06%	5.68%	-1.54%	6.57%	7.52%
Lord Abnett Multi-Sector Fixed Income Institutional Composite Gross (3 year Annualized Ex-Post Standard Deviation)	4.93%	4.53%	6.26%	6.77%	8.46%	12.48%	12.19%	10.25%	4.21%	3.64%
Lord Abnett Multi-Sector Fixed Income Institutional Composite (Net Annual)	-1.36%	4.99%	8.51%	13.73%	4.47%	13.55%	36.39%	-19.50%	6.21%	10.31%
Lord Abnett Multi-Sector Fixed Income Institutional Composite Net (3 year Annualized Return)	3.97%	9.02%	8.84%	10.50%	17.40%	7.63%	5.26%	-1.93%	6.15%	7.09%
Custom Multi-Sector Blended Index (Annual)	-1.89%	4.58%	8.74%	13.12%	3.17%	13.76%	44.58%	-22.50%	3.85%	9.87%
Custom Multi-Sector Blended Index (3 year Annualized Return)	3.72%	8.76%	8.27%	9.91%	19.28%	8.43%	5.18%	-4.01%	5.32%	7.14%
Custom Multi-Sector Blended Index (3 year Annualized Ex-Post Standard Deviation)	4.59%	4.24%	5.66%	6.14%	8.91%	14.10%	13.92%	11.37%	3.88%	3.52%

Dispersion is represented by the asset-weighted standard deviation, a measure that explains deviations of portfolio rates of return from the asset-weighted composite return. Only portfolios that have been managed within the Composite style for a full year are included in the asset-weighted standard deviation calculation. The measure may not be meaningful (N/A) for composites consisting of five or fewer portfolios or for periods of less than a full year.

The performance of the Composite is shown net and gross of advisory fees, and reflects the deduction of transaction costs. The deduction of advisory fees and expenses (and the compounding effect thereof over time) will reduce the performance results and, correspondingly, the return to an investor. For all periods, the table on the previous page includes net performance for the Composite and reflects the effect of the deduction of the actual advisory fee borne by each account in the Composite and other trading expenses and performance incentive fees. Portfolio incentive fees are applied on a cash basis in the period in which they are paid. The effect of fees and expenses on performance will vary with the relative size of the fee and account performance. **For example, if \$10 million were invested and experienced a 10% compounded annual return for 10 years, its ending dollar value, without giving effect to the deduction of the advisory fee, would be \$25,937,425. If an advisory fee of 0.40% of average net assets per year for the 10-year period were deducted, the annual total return would be 9.56% and the ending dollar value would be \$25,009,531.** The management fee schedule is as follows: 0.40% on the first \$50 million, 0.31% on the next \$100 million, 0.29% on the next \$100 million, 0.26% on the next \$250 million and 0.25% on all assets over \$500 million. Certain securities held in portfolios contained in this composite may have valuations determined using both subjective observable and subjective unobservable inputs. The Firm's valuation hierarchy does not materially differ from the hierarchy in the GIPS Valuation Principles.

Certain securities held in portfolios contained in this composite may have valuations determined using both subjective observable and subjective unobservable inputs. The Firm's valuation hierarchy does not materially differ from the hierarchy in the GIPS Valuation Principles. Portfolios in this composite may be managed against an internal index that is constructed utilizing sectors and sub-sectors of publicly available indices. The weights of the sectors and sub-sectors of the internal index may vary over time and differ materially from the sectors and weightings of the benchmark Index.

Lord Abnett claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Lord, Abnett & Co. LLC has been independently verified for the periods 1993 through 2015. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

The Custom Multi-Sector Blended Index consists of the following: 60% BoA ML U.S. High Yield Constrained/20% BoA ML All Convertible/20% Barclays U.S. Aggregate Bond Index through 1/31/2015, 50% BoA ML U.S. High Yield Index/30% Barclays U.S. Aggregate Bond Index/10% S&P 500 TR/10% JPM CEMBI Broad Diversified from 2/1/2015 to present. Lord Abnett believes the new blended index from 2/1/2015 is more representative of the investment strategy based on the strategy's increased exposure to investment grade securities and equity and reduced exposure to convertible securities. The blended index is calculated on a monthly basis and returns have been obtained from published sources. The benchmarks have not been examined by Deloitte & Touche LLP.

Past performance is not a reliable indicator or a guarantee of future results. Differences in account size, timing of transactions, and market conditions prevailing at the time of investment may lead to different results among accounts. Differences in the methodology used to calculate performance also might lead to different performance results than those shown. Composite performance is compared to that of an unmanaged index, which does not incur management fees, transaction costs, or other expenses associated with a managed account.

The **BofA Merrill Lynch U.S. High Yield Index** tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$100 million. In addition, qualifying securities must have risk exposure to countries that are members of the FX-G10, Western Europe or territories of the US and Western Europe. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. Original issue zero coupon bonds, 144a securities (both with and without registration rights), and pay-in-kind securities are included in the index. Callable perpetual securities are included provided they are at least one year from the first call date. Fixed-to-floating rate securities are included provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those legacy issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Securities issued or marketed primarily to retail investors, equity-linked securities, securities in legal default, hybrid securitized corporates, euro dollar bonds (USD securities not issued in the US domestic market), taxable and tax-exempt US municipal securities and DRD-eligible securities are excluded from the index. Index constituents are capitalization-weighted based on their current amount outstanding times the market price plus accrued interest. The **BofA Merrill Lynch U.S. High Yield Constrained Index** is a capitalization-weighted index of all US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$100 million. The index caps individual issuer at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. The face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. The **BofA Merrill Lynch All Convertibles, All Qualities Index** is an unmanaged index designed to measure the performance of the convertible securities market. The index consists of U. S. dollar denominated convertible securities not currently in bankruptcy with a greater than \$50 million aggregate market value. The issues are U.S. dollar-denominated, sold into the U.S. market and publicly traded in the United States. The **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. The **S&P 500® Index** is widely regarded as the standard for measuring large cap U.S. stock market performance and includes a representative sample of leading companies in leading industries. The **J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified (CEMBI BD)** is a market capitalization weighted index that tracks total returns of US dollar-denominated debt instruments issued by corporate entities in Emerging Markets countries. The index limits the current face amount allocations of the bonds in the CEMBI Broad by constraining the total face amount outstanding for countries with larger debt stocks.

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