

Global Economic Outlook

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Agenda



Economic Dislocations

Inflation Assessment

Investing in an Inflationary Environment

Assessment of Real Economy

The Humpty Dumpty Economy



Unbalanced consumer demand

Unbalanced labor market

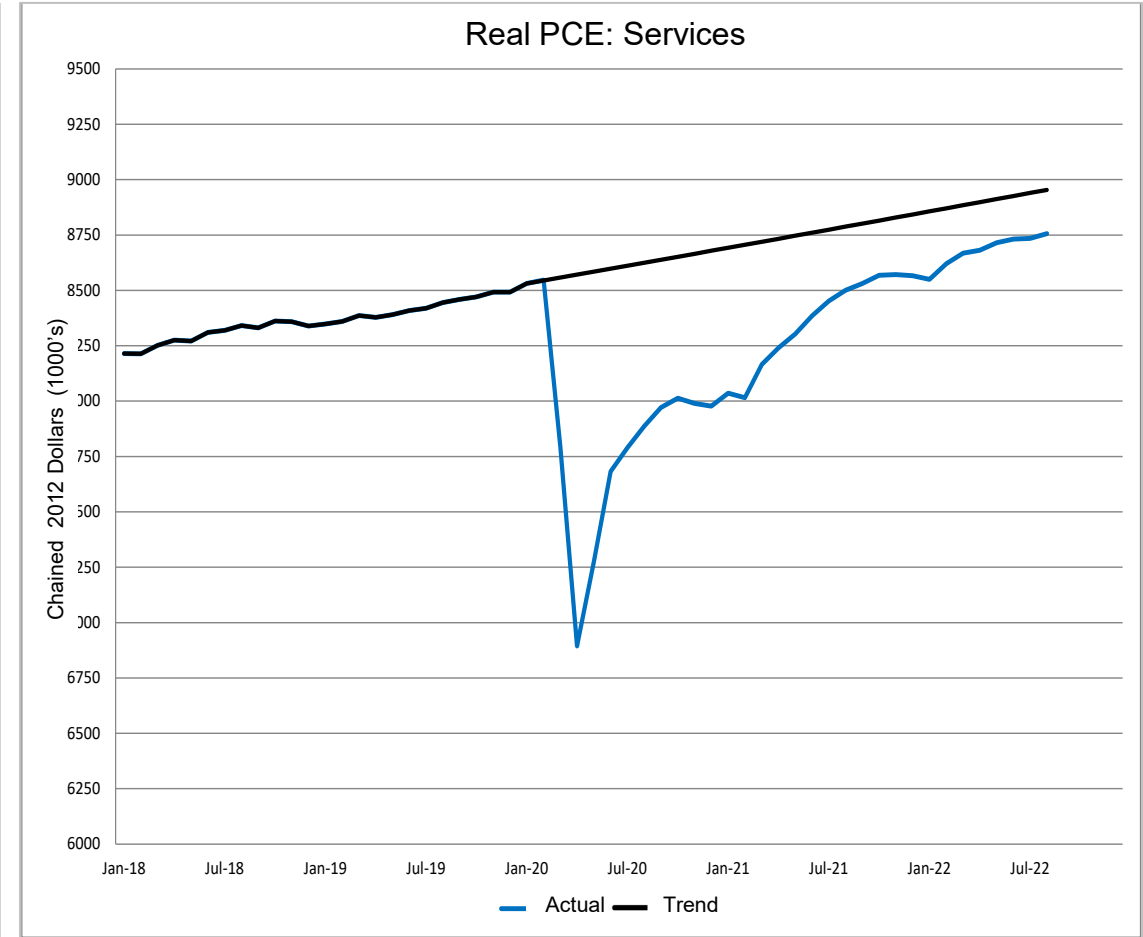
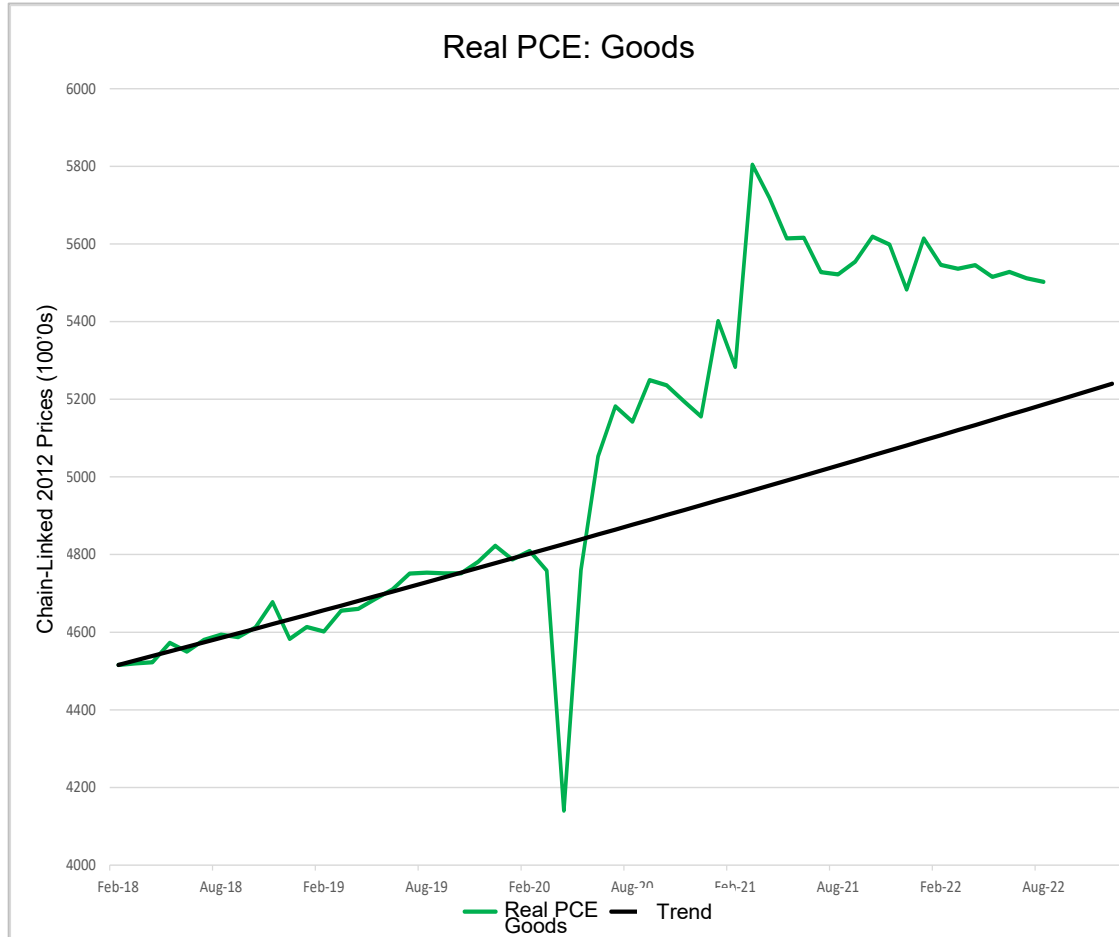
Unbalanced Housing Market

Unbalanced External Demand

Elevated uncertainty



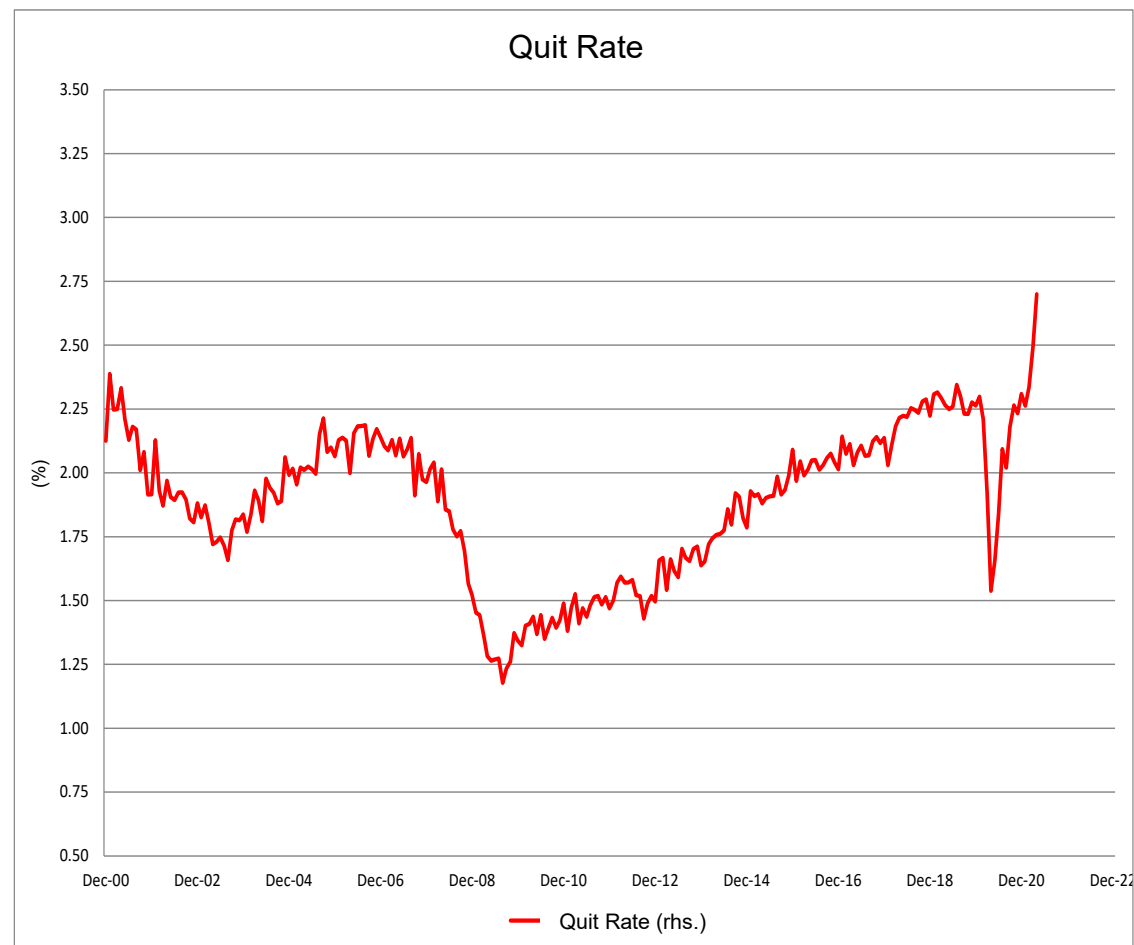
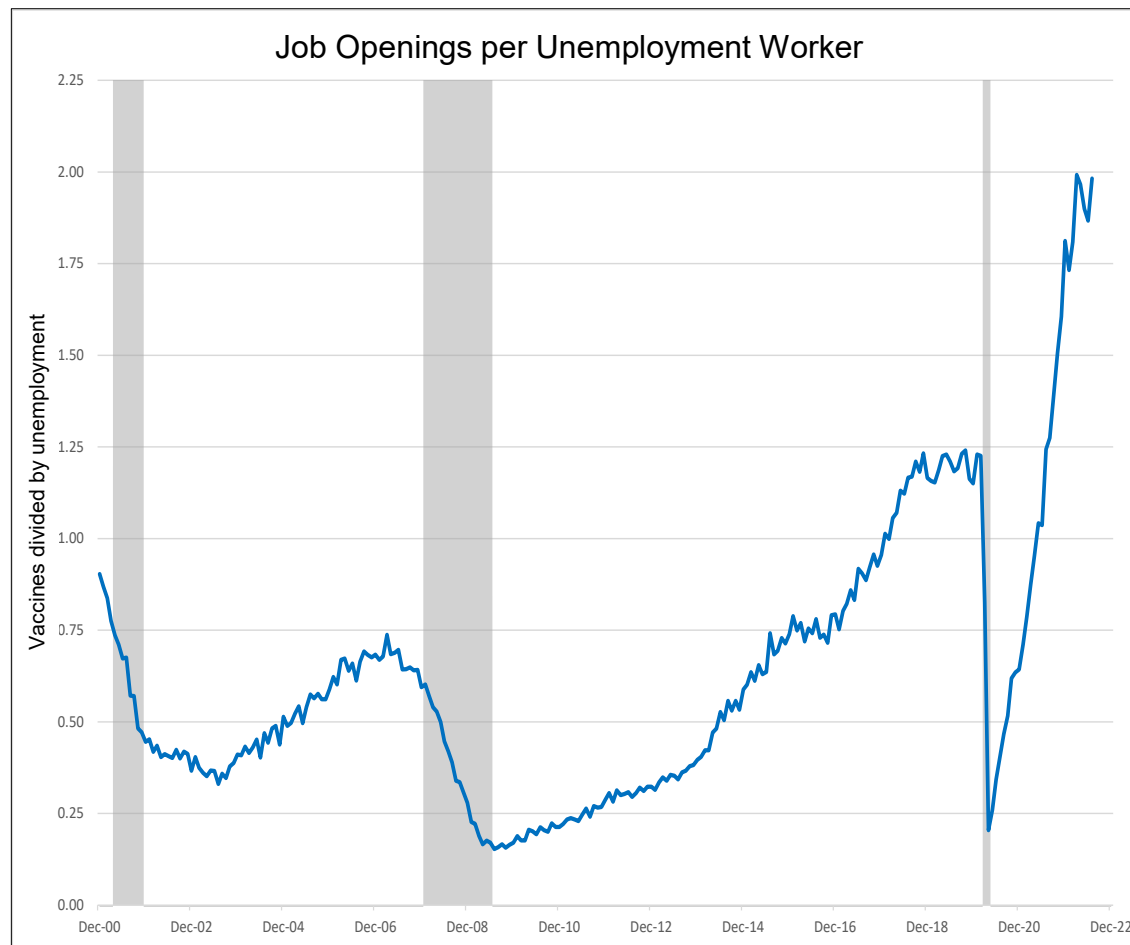
Unbalanced U.S. Consumer Demand



Source: Bloomberg and Lord Abbett. As of 8/31/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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. PCE stands for Personal Consumption Expenditures.

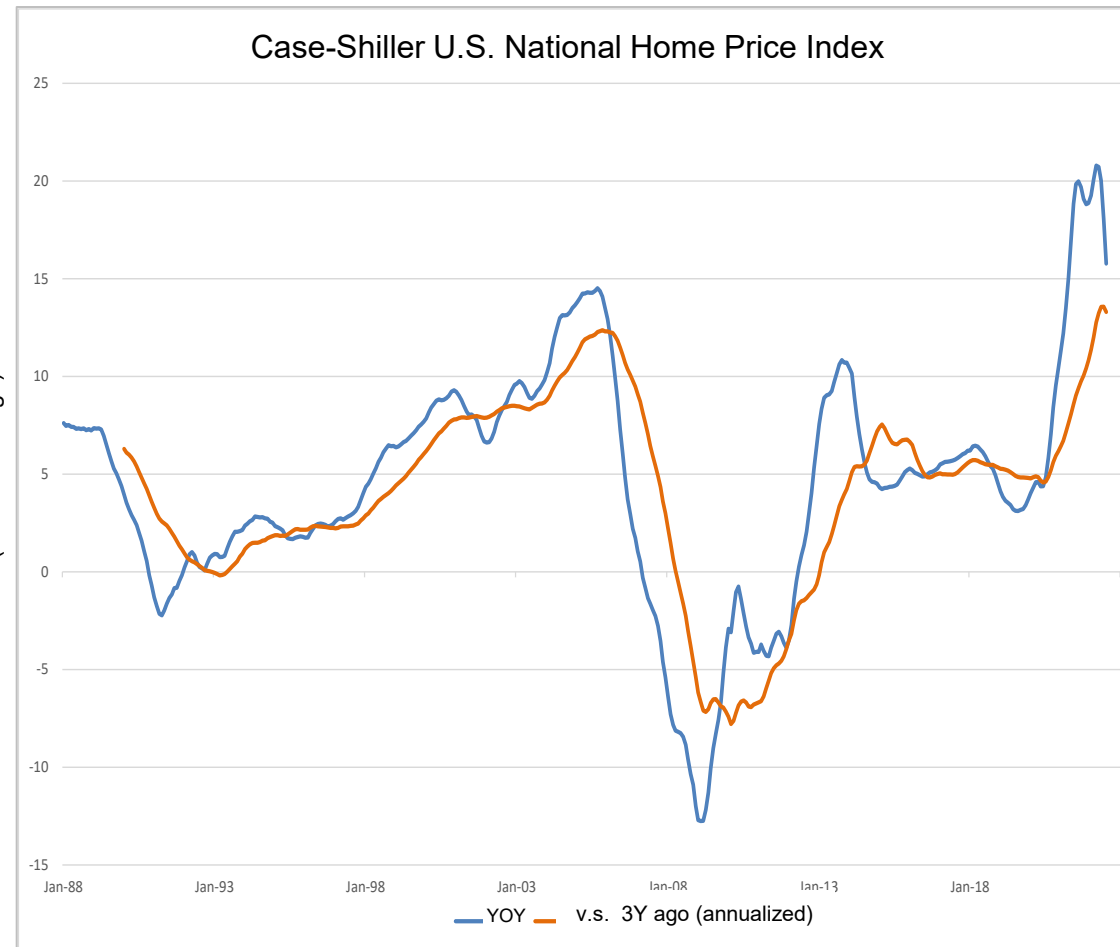
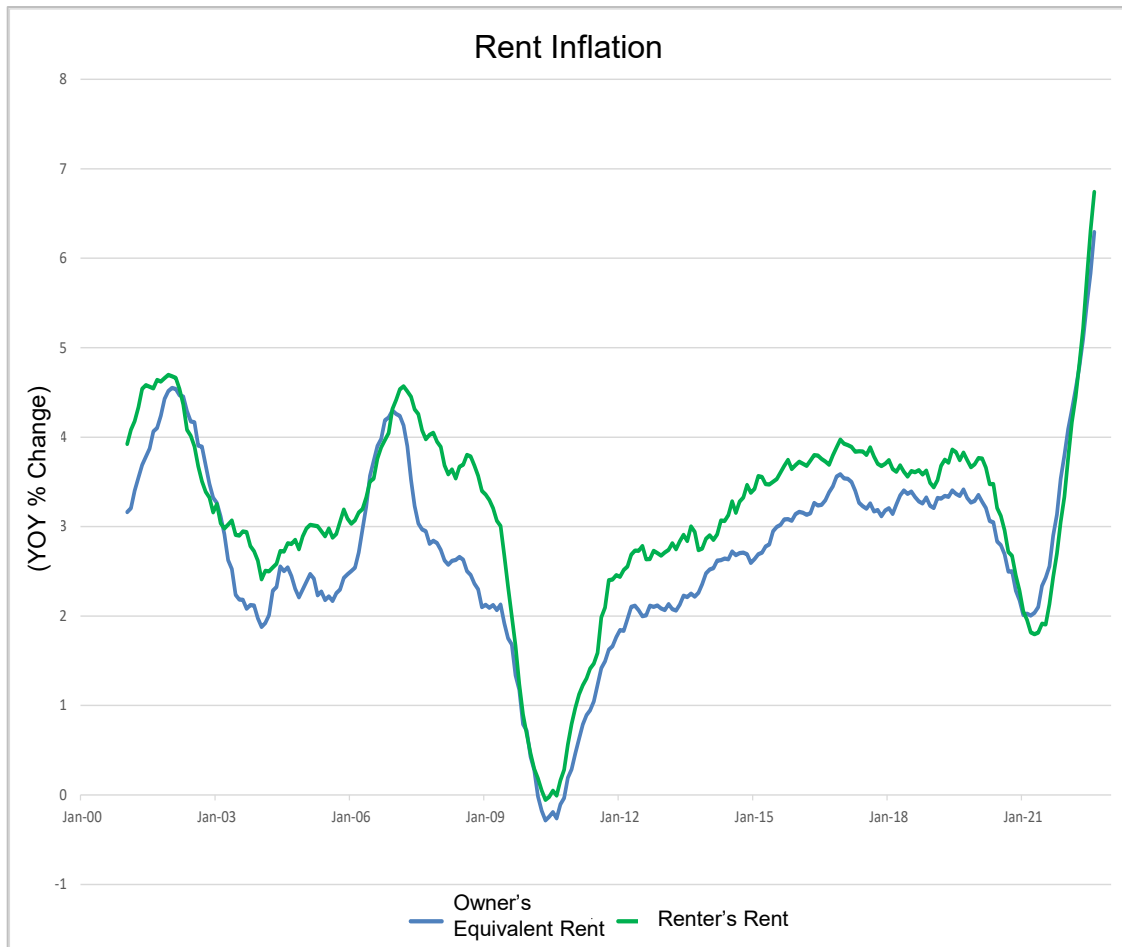


Unbalanced U.S. Labor Market: Excess Demand





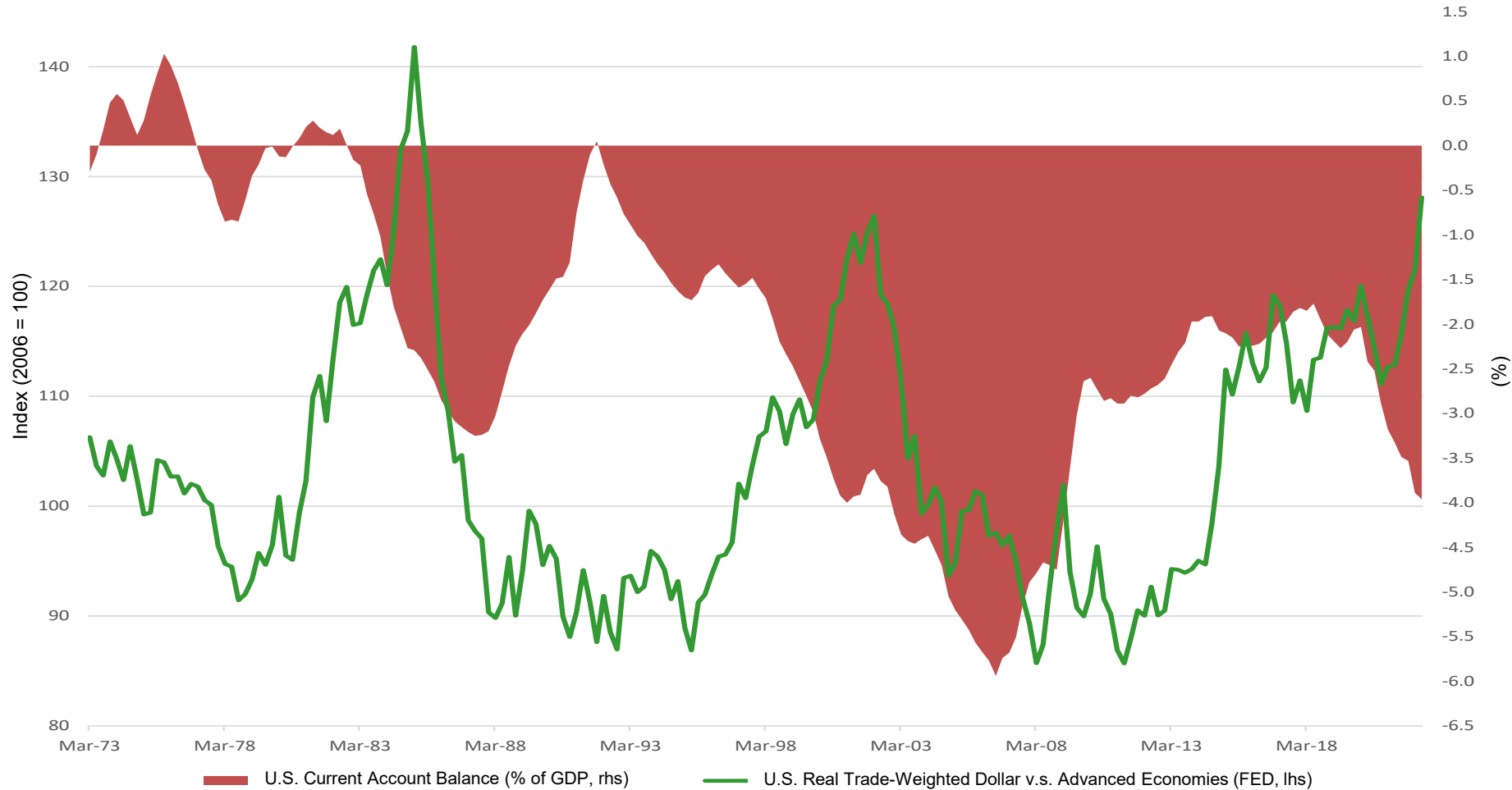
Unbalanced U.S. Housing Market: Excess Demand





Unbalanced External Demand: Requires Large Capital Inflows

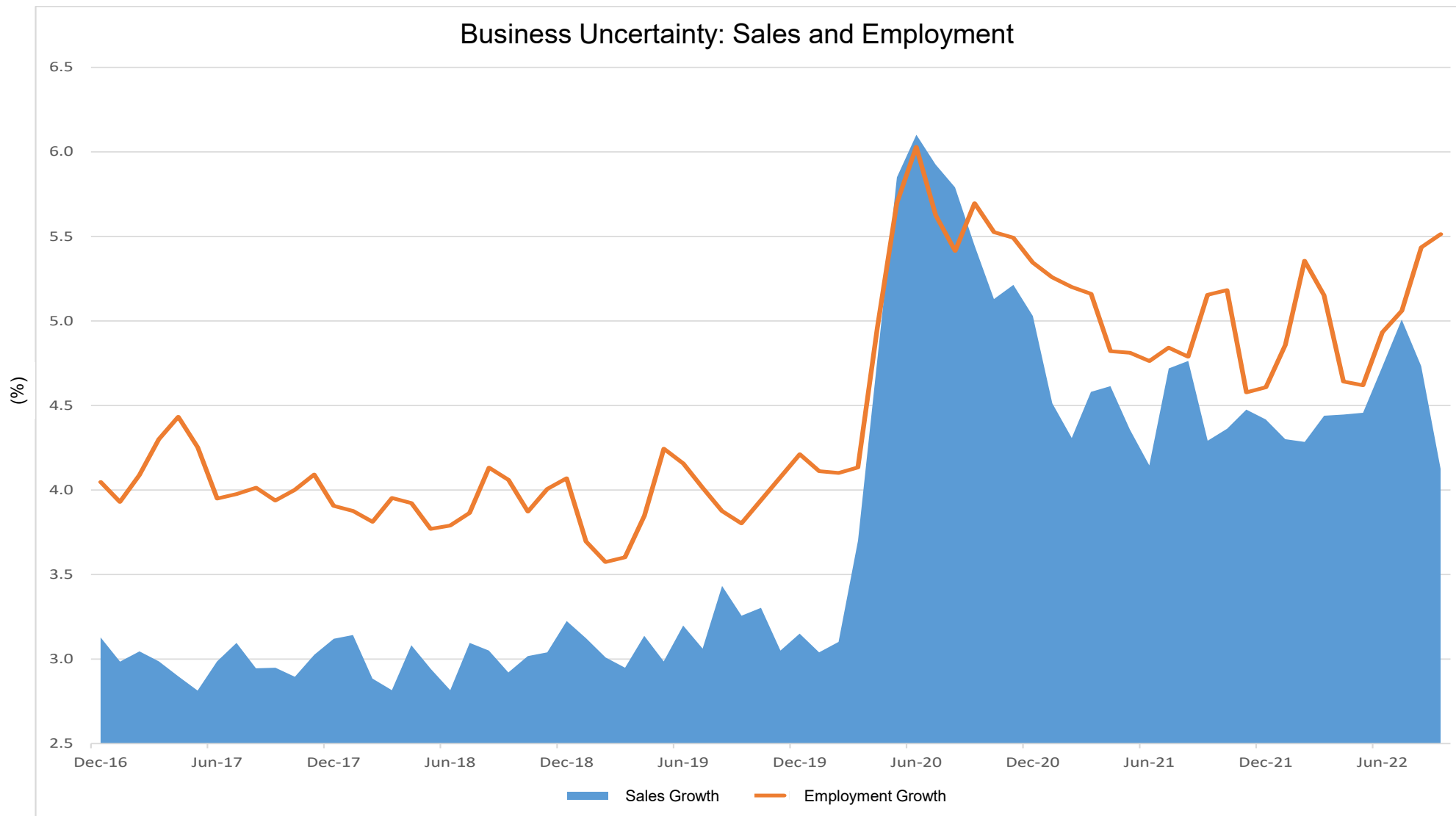
USD and U.S. Current Account Balance



Source: Bloomberg and Lord Abbett. As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



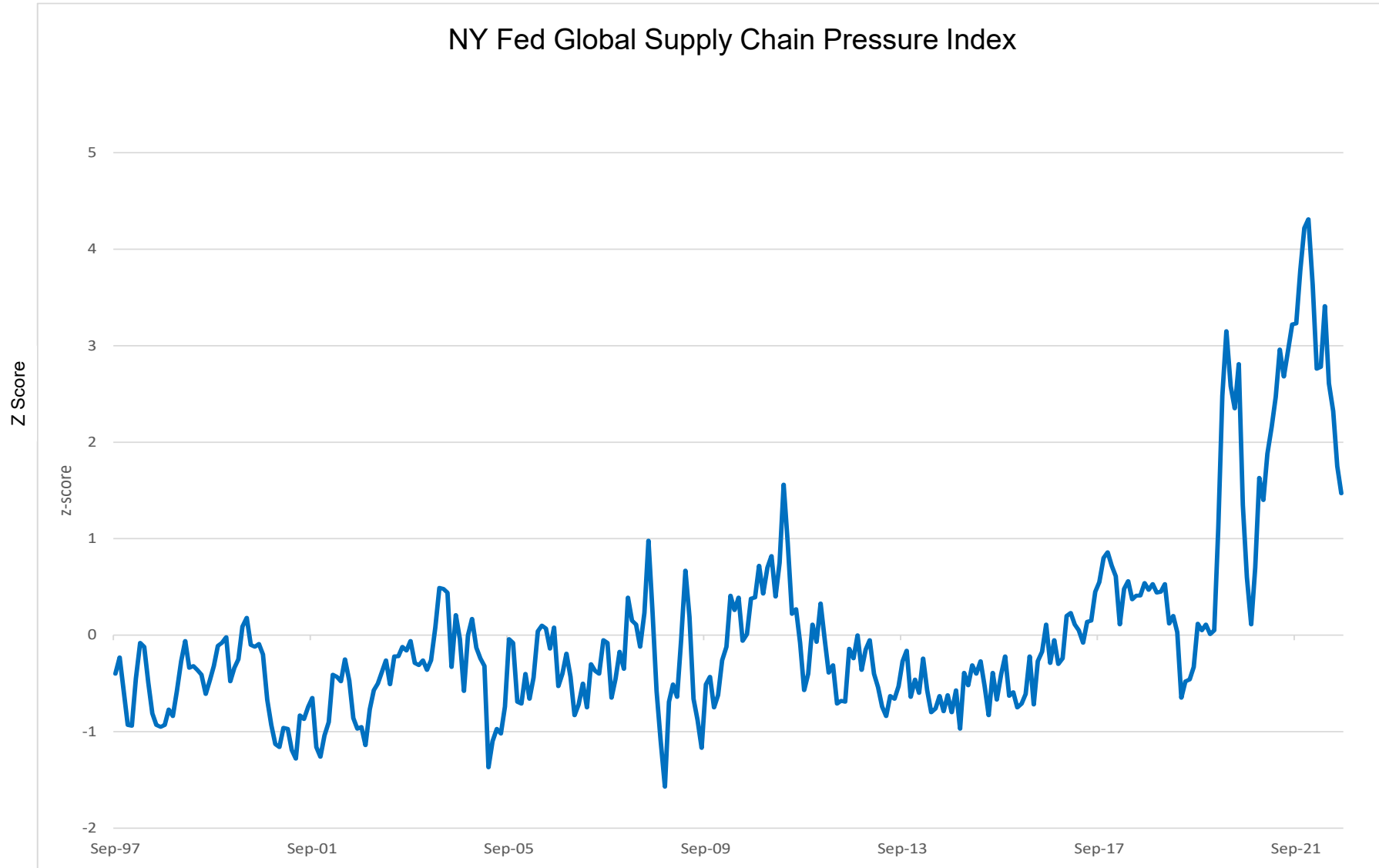
Elevated Uncertainty: Adjustment Delayed



Source: Source: The Atlanta Fed/Chicago Booth/Stanford Survey of Business and Lord Abbett. As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



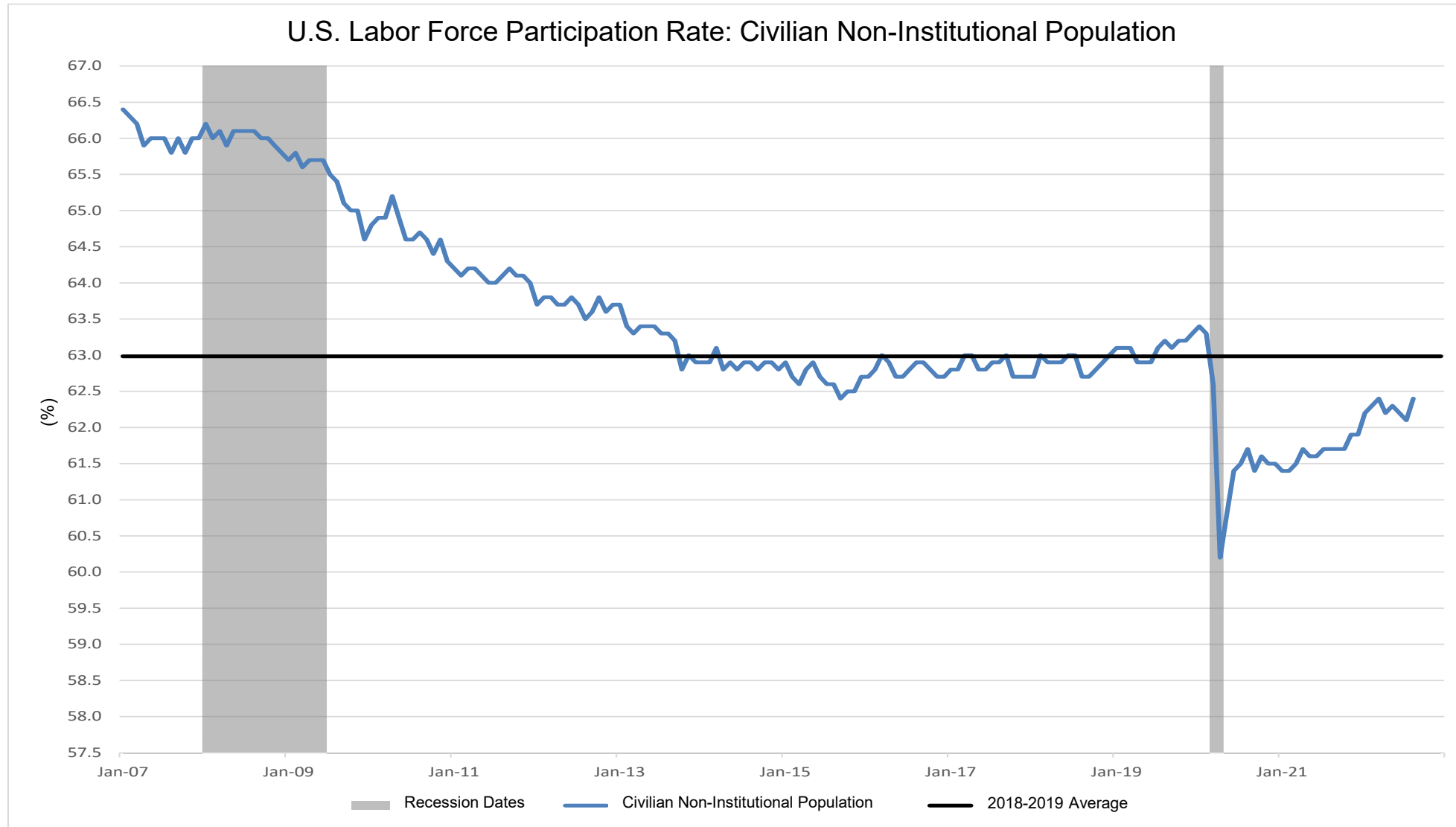
Partial Adjustment: Supply Chains Returning to Normal Gradually



Source: Federal Reserve Bank of New York and Lord Abbett. As of 8/31/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



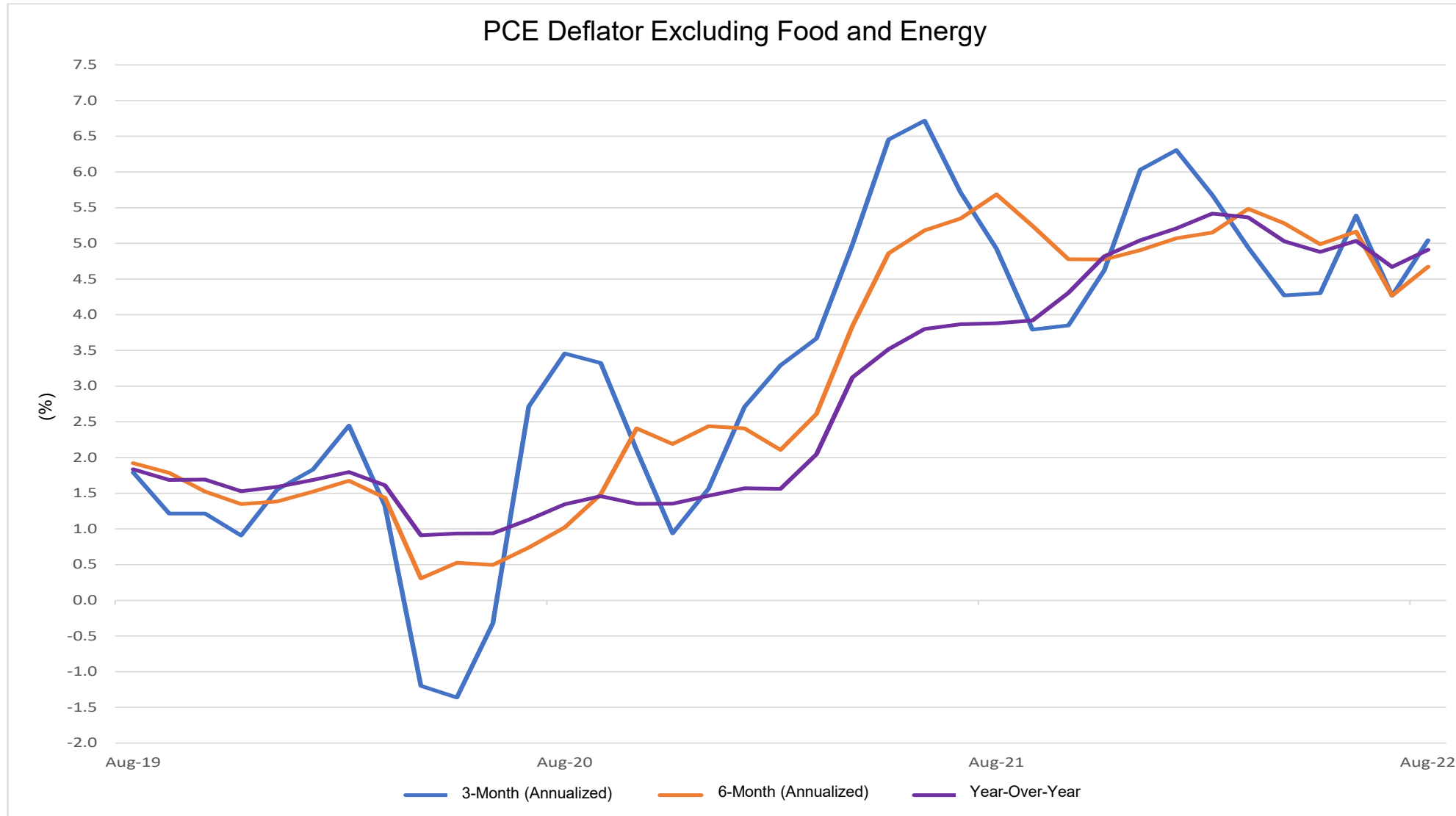
Partial Adjustment: Labor Supply Remains Depressed



Source: Bloomberg and Lord Abbett. As of 8/31/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



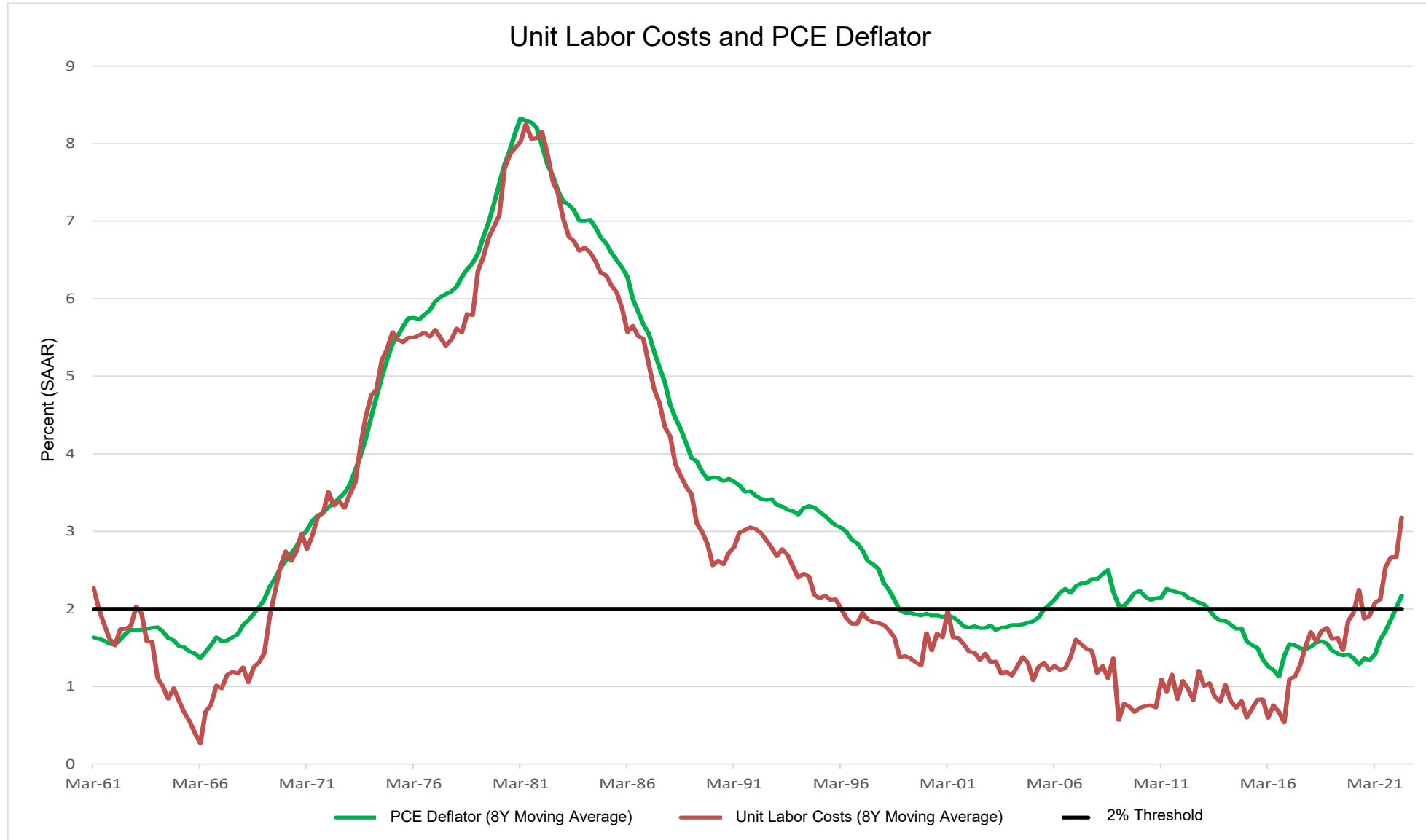
Core Inflation Stubbornly High



Source: Bloomberg and Lord Abbett. As of 8/31/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



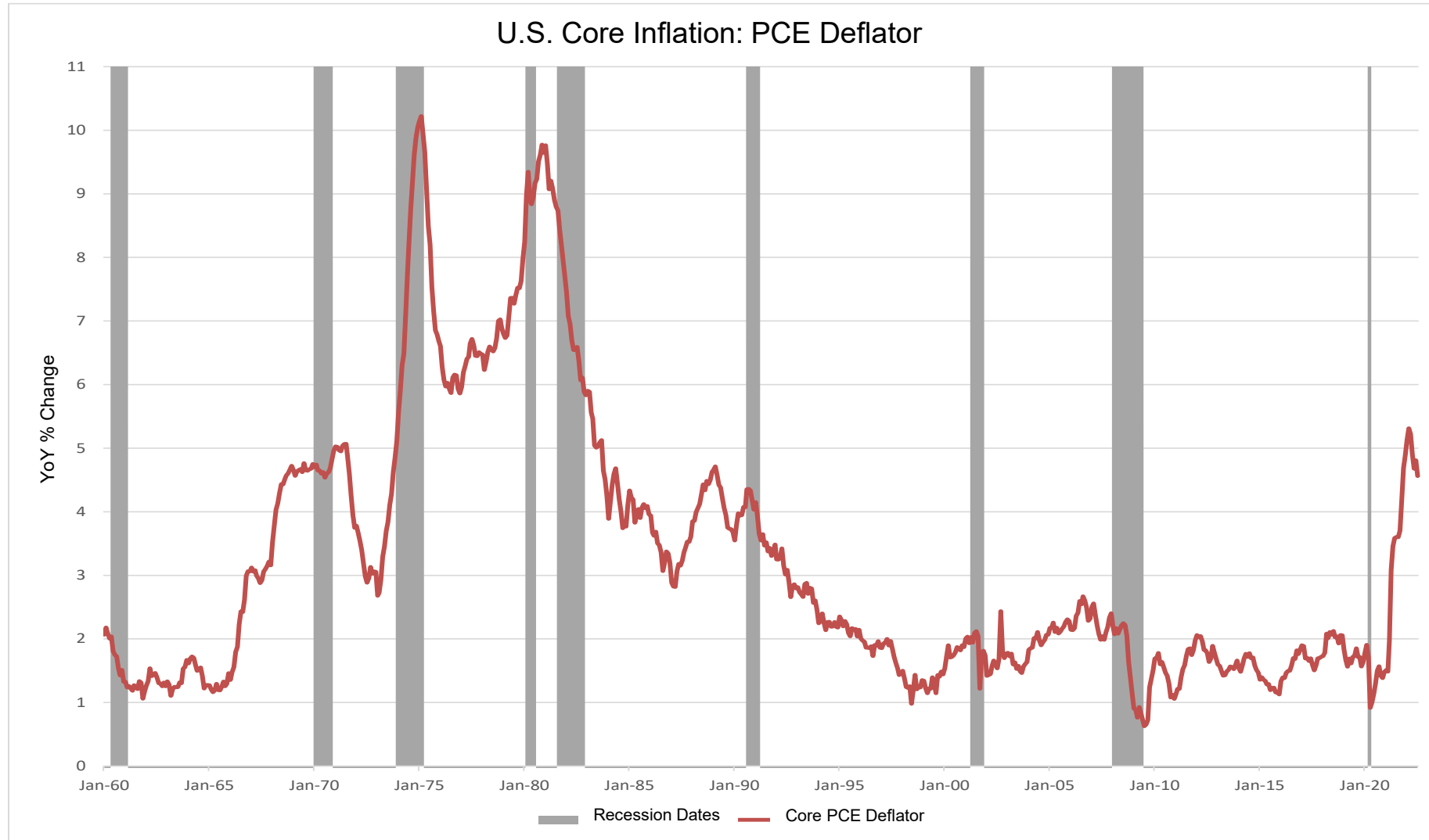
Increasing Inflation Pressure Since 2016



Source: Bloomberg and Lord Abbett. As of 6/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



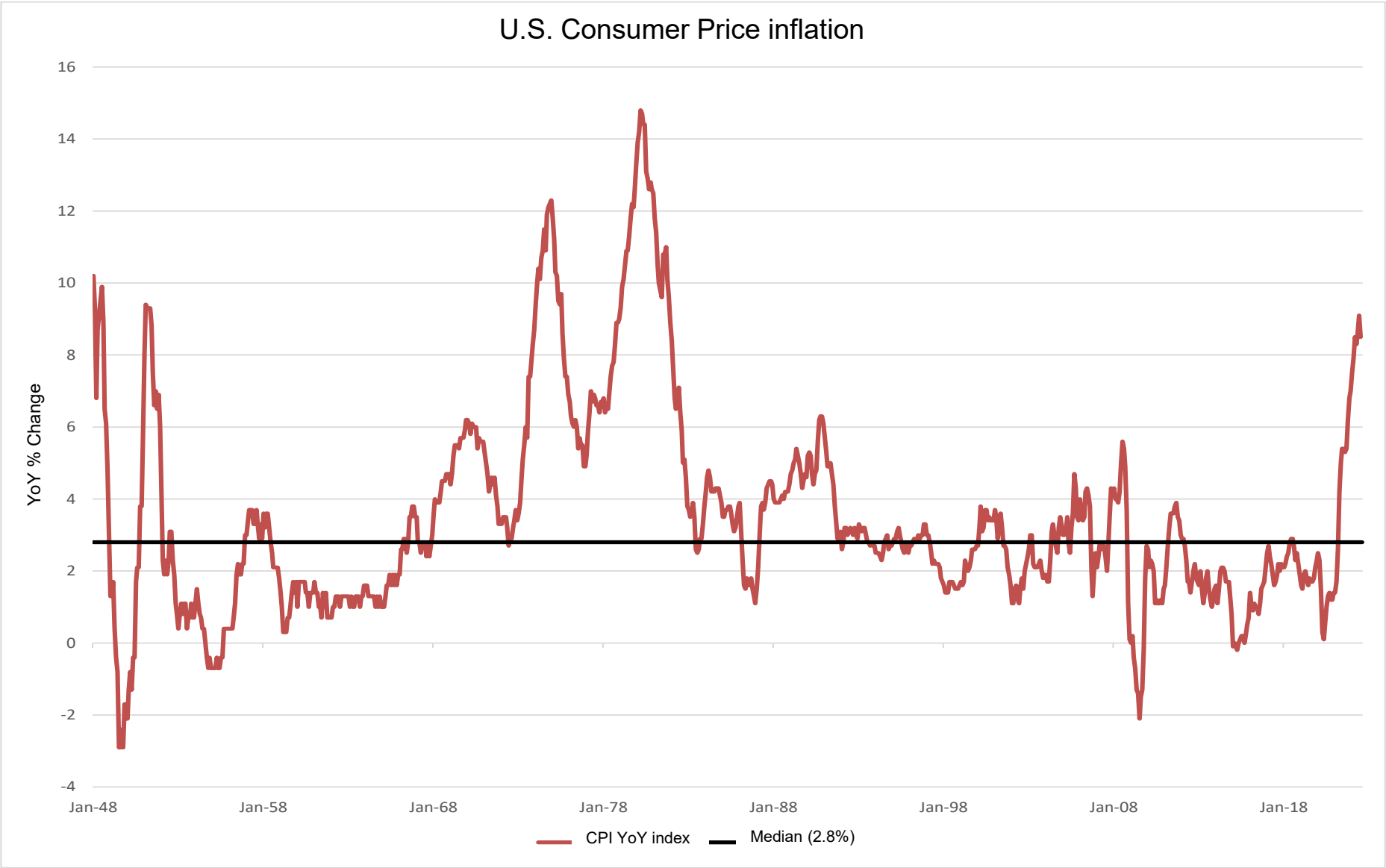
Immaculate Dissipation (?): Major Decelerations in Core Inflation Haven't Happened Without a Recession Trigger



Source: Bloomberg and Lord Abbett. As of 8/31/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



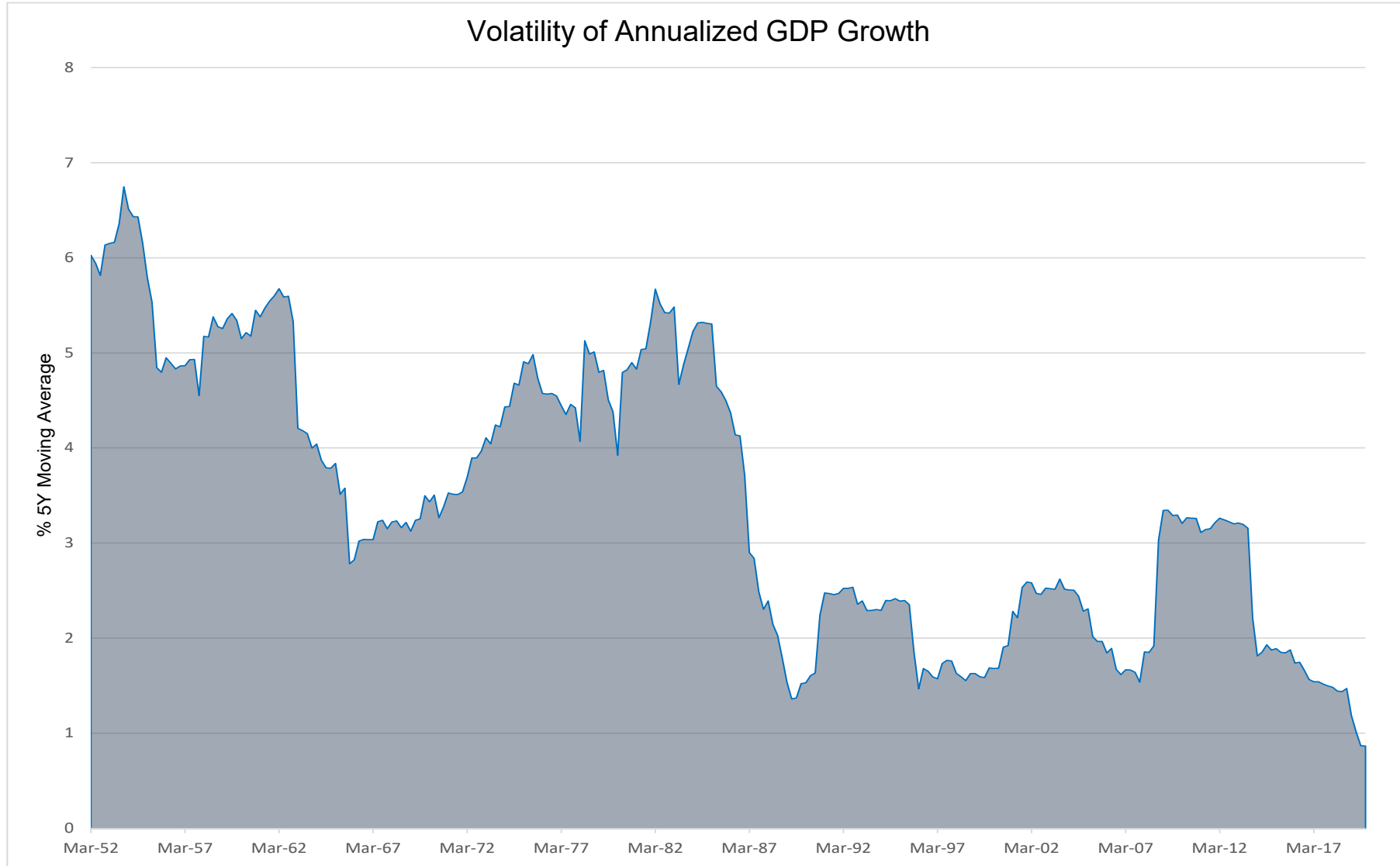
Three Inflation Eras Since the Early 1950's



Source: Bloomberg and Lord Abbett. As of 8/31/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



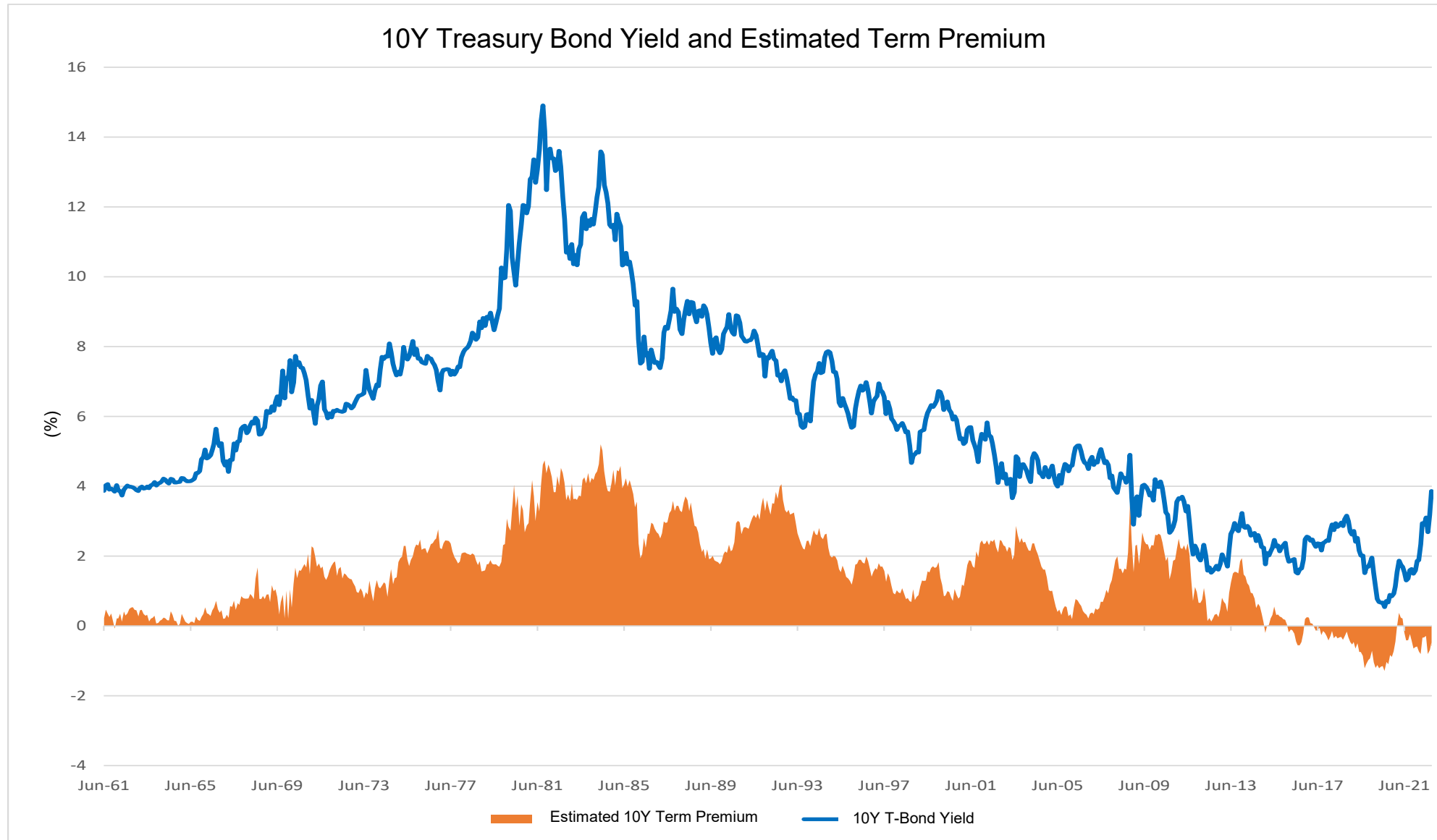
Economic Volatility: Real GDP Growth



Source: Bloomberg and Lord Abbett. As of 6/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



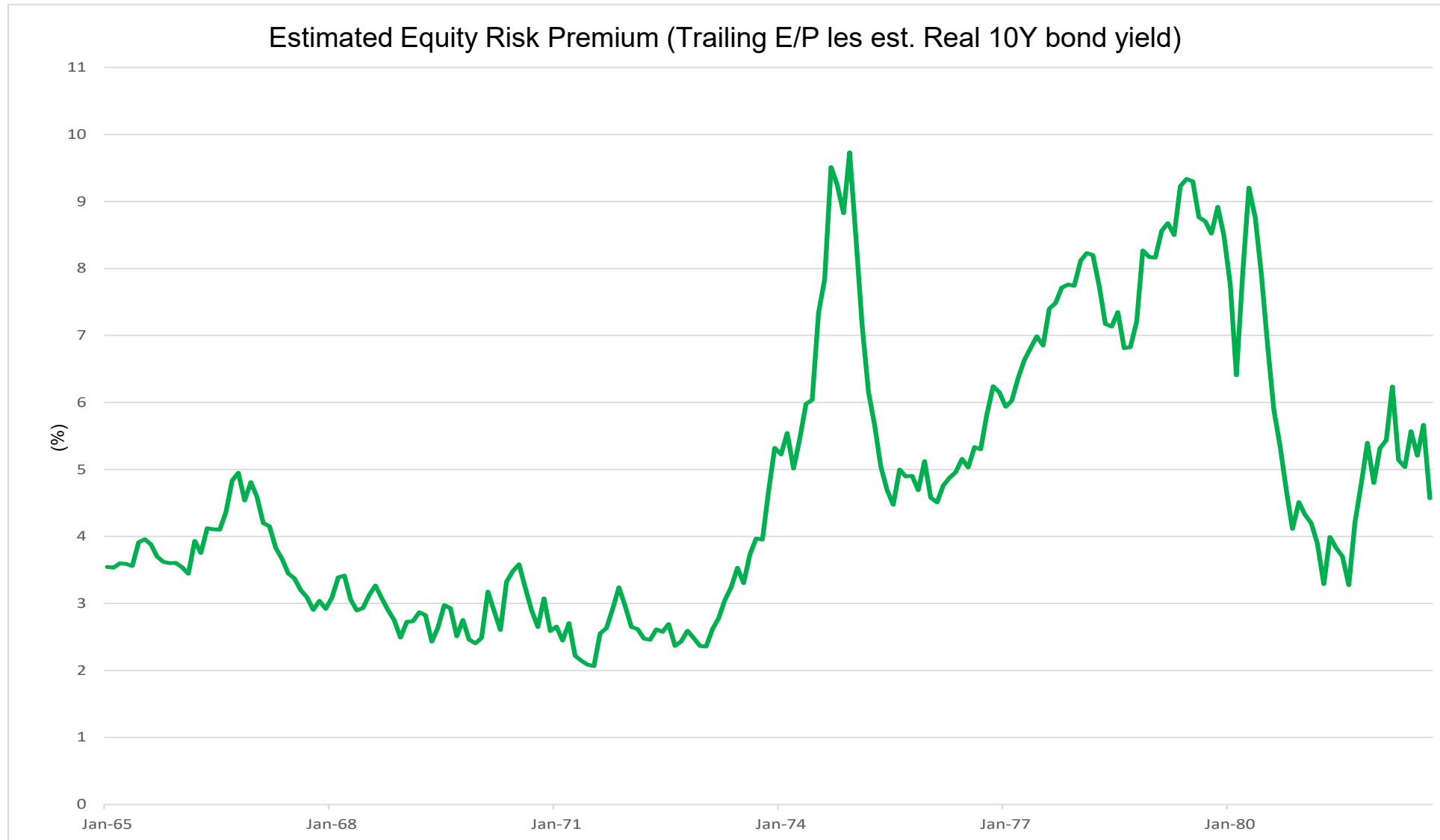
The Bond Risk Premium Widened as Inflation Accelerated



Source: Bloomberg and Lord Abbett. As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



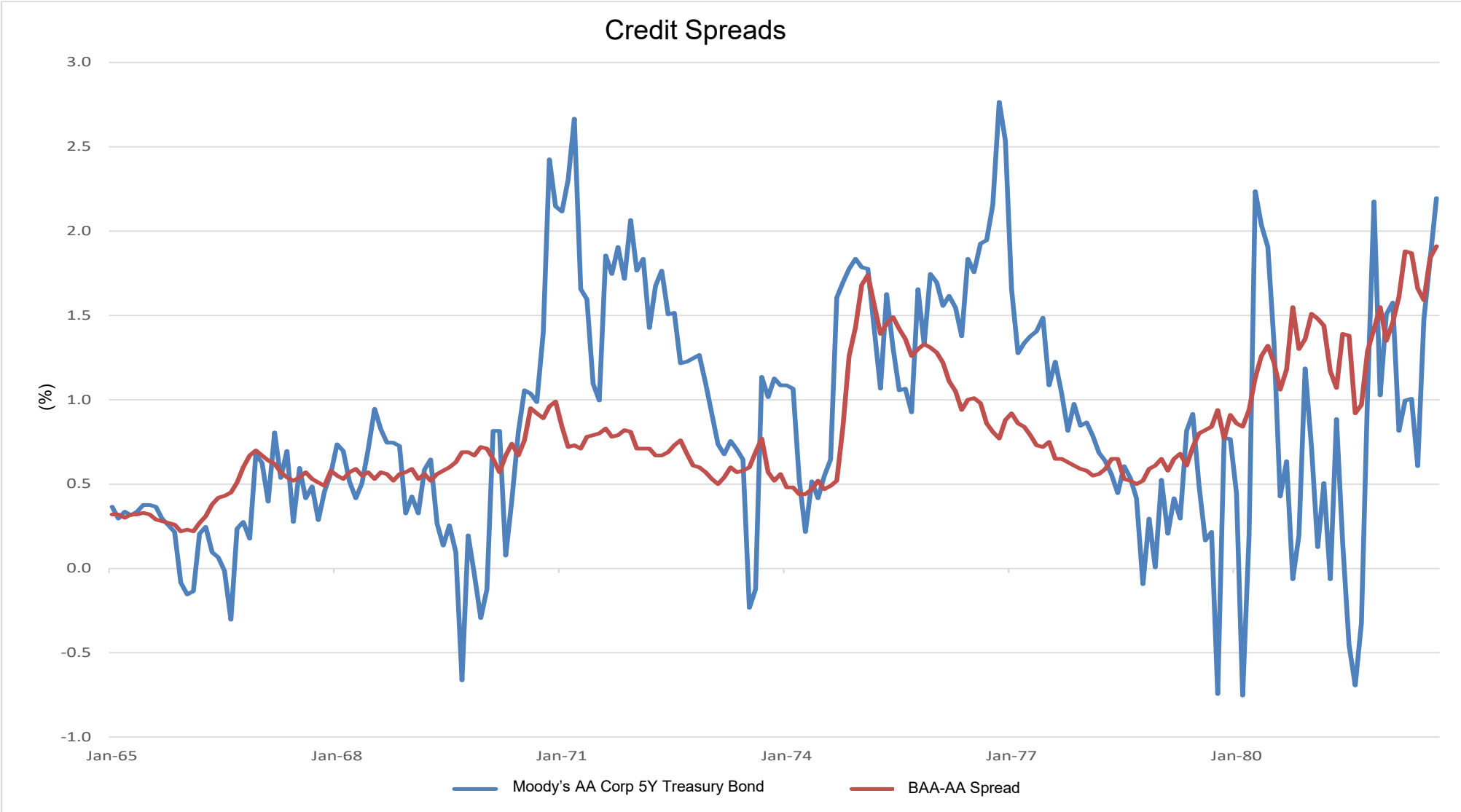
The Equity Risk Premium Also Rose



Source: Robert Shiller and Lord Abbett. As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



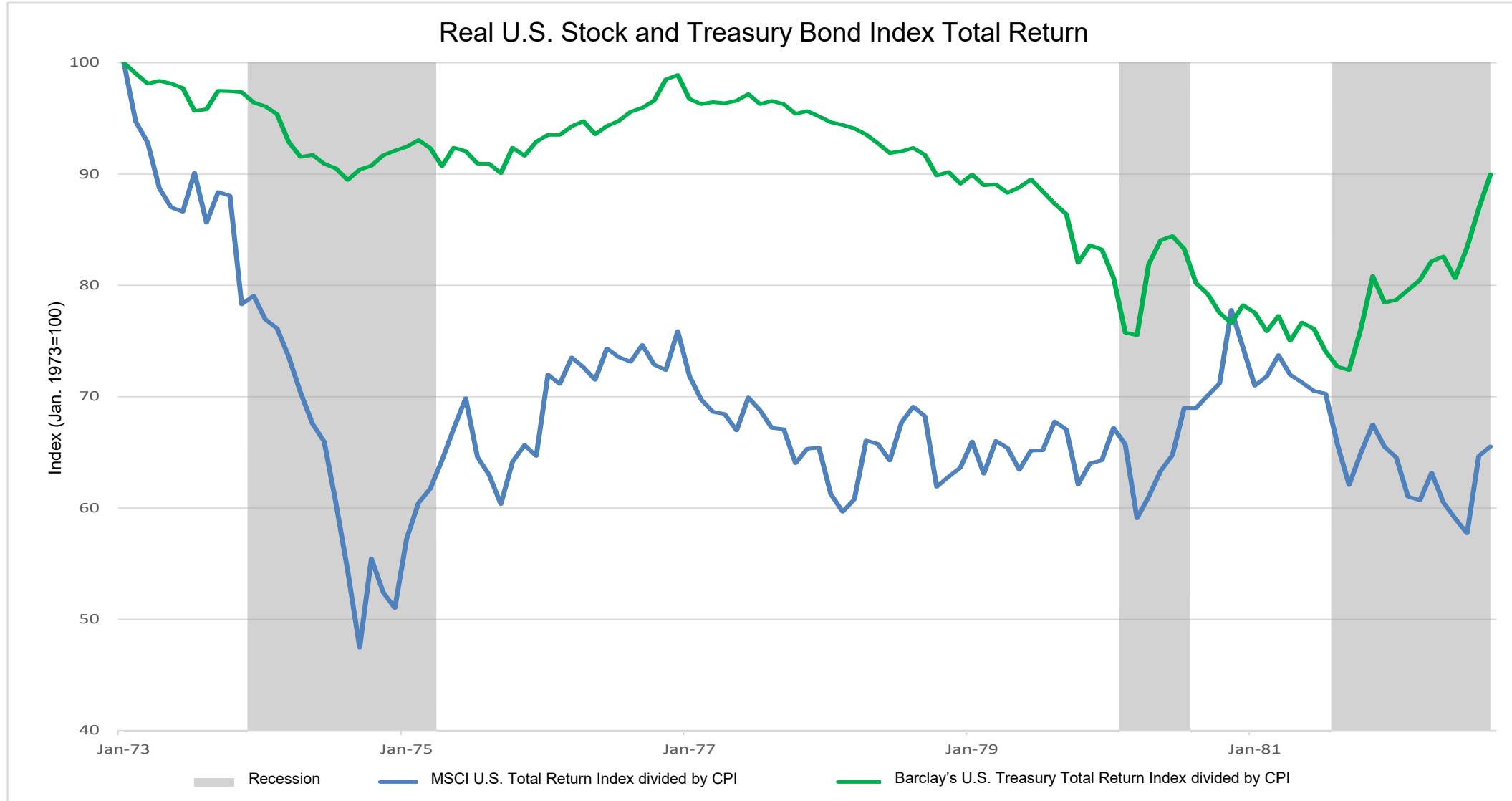
Credit and Quality Spreads Widened



Source: Bloomberg and Lord Abbett. As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



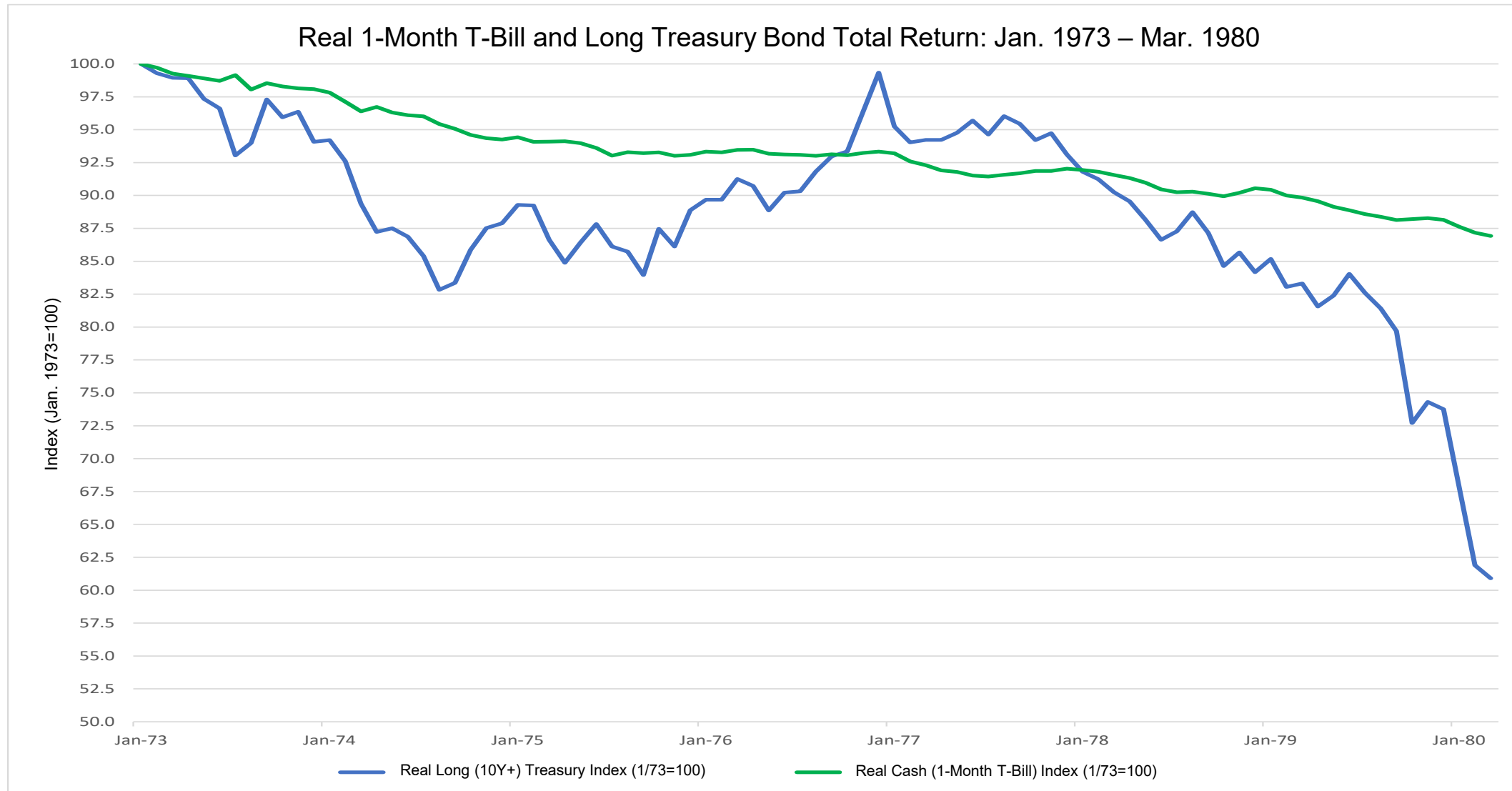
Stocks And Risk-free Bonds Both Delivered Negative Real Returns



Source: Bloomberg and Lord Abbett. As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



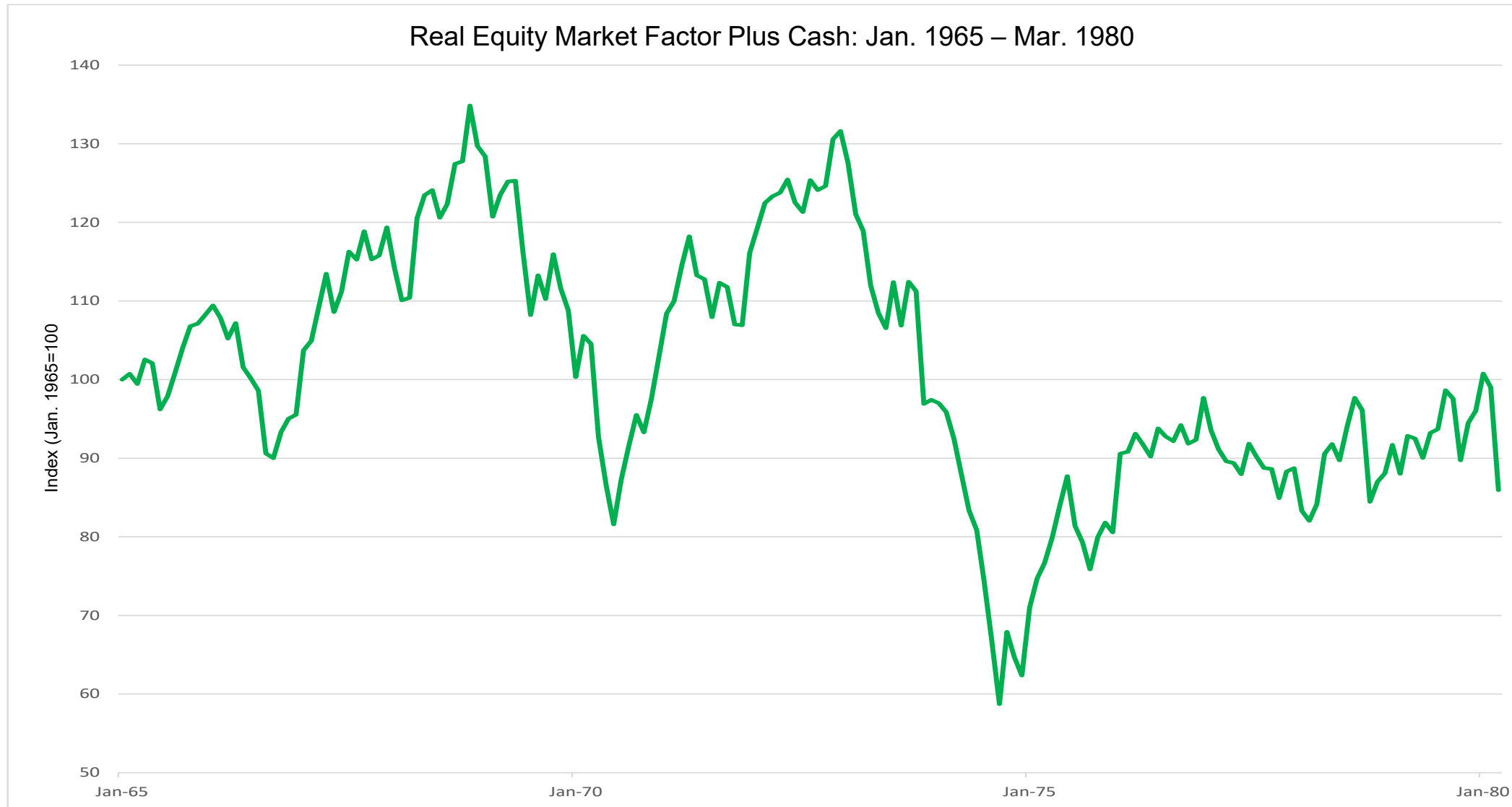
Shorter Duration Assets Lose Less in Inflationary Times



Source: Bloomberg and Lord Abbett. As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



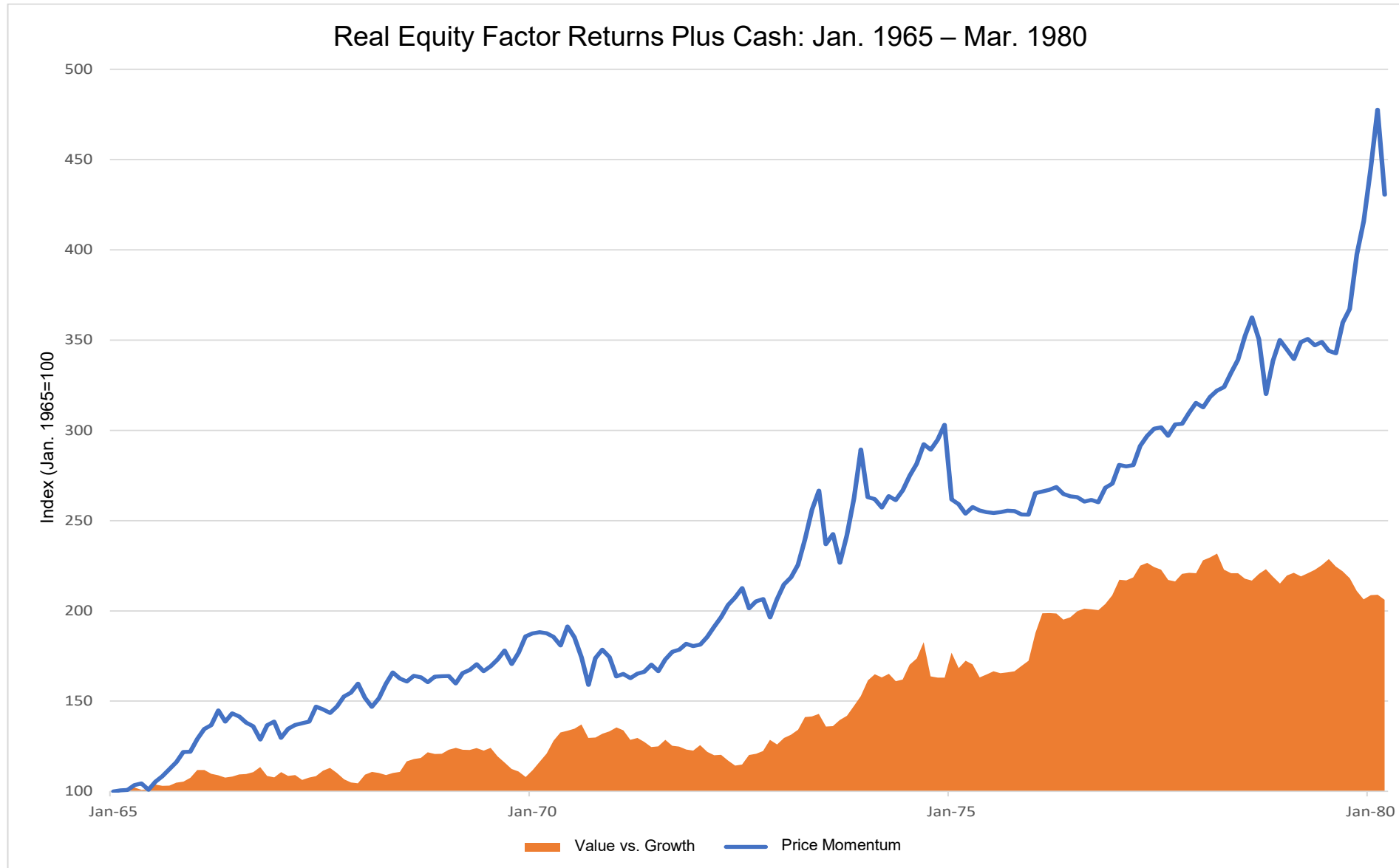
Real Equity Market Risk (Beta) Factor Return



Source: Fama French database , Bloomberg and Lord Abbett. As of 7/31/2022 **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



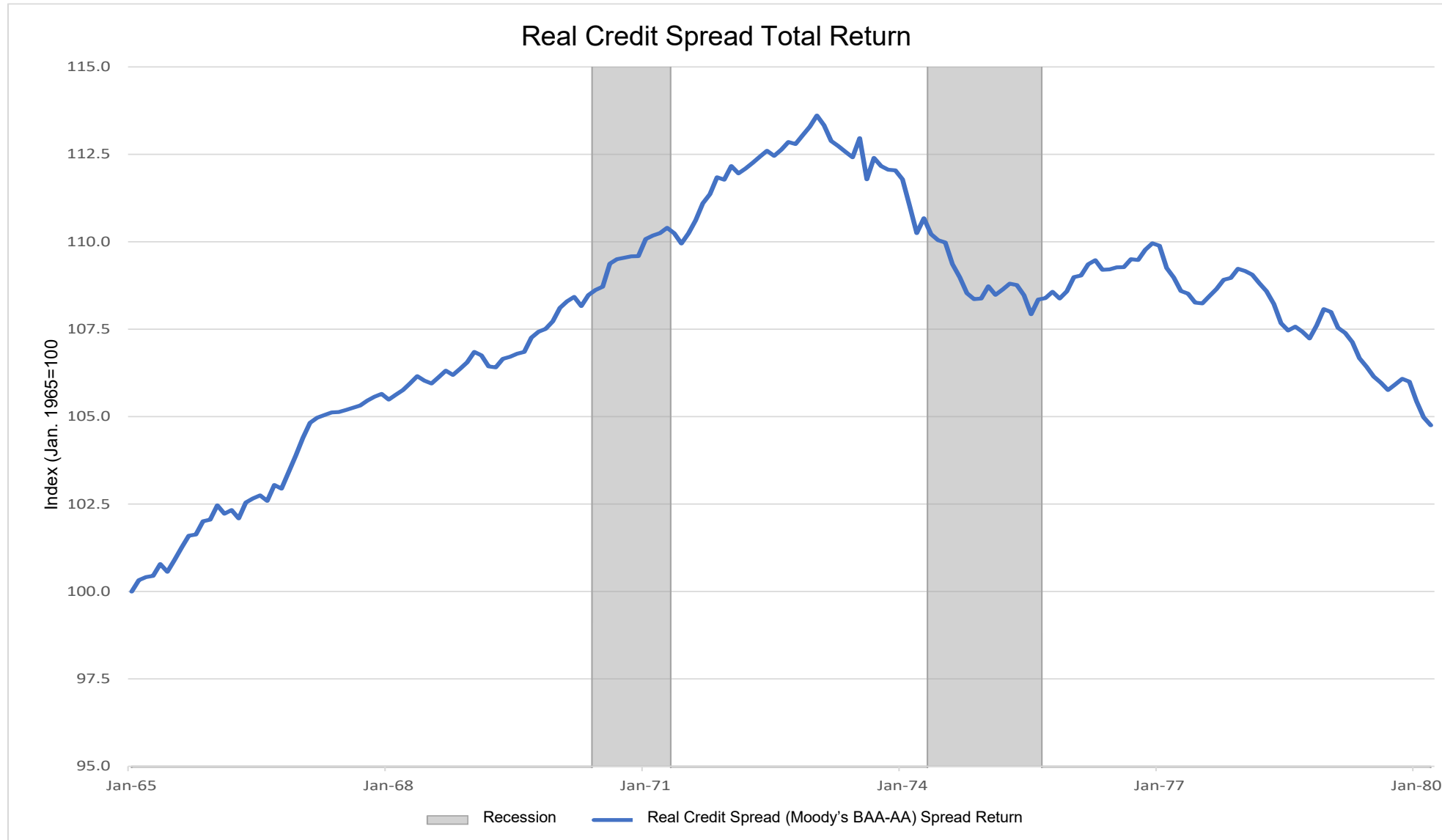
Real Price Momentum and Value Equity Factor Returns



Source: Fama French database , Bloomberg and Lord Abbett. As of 7/31/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



Credit Spreads Deliver Added Return But Carry Economic Risk.



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Additional Ideas



Long Volatility

Collect Liquidity Premiums/Exploit Dislocations

Real Assets (Housing and Select Commodities)

Recipe for Recession

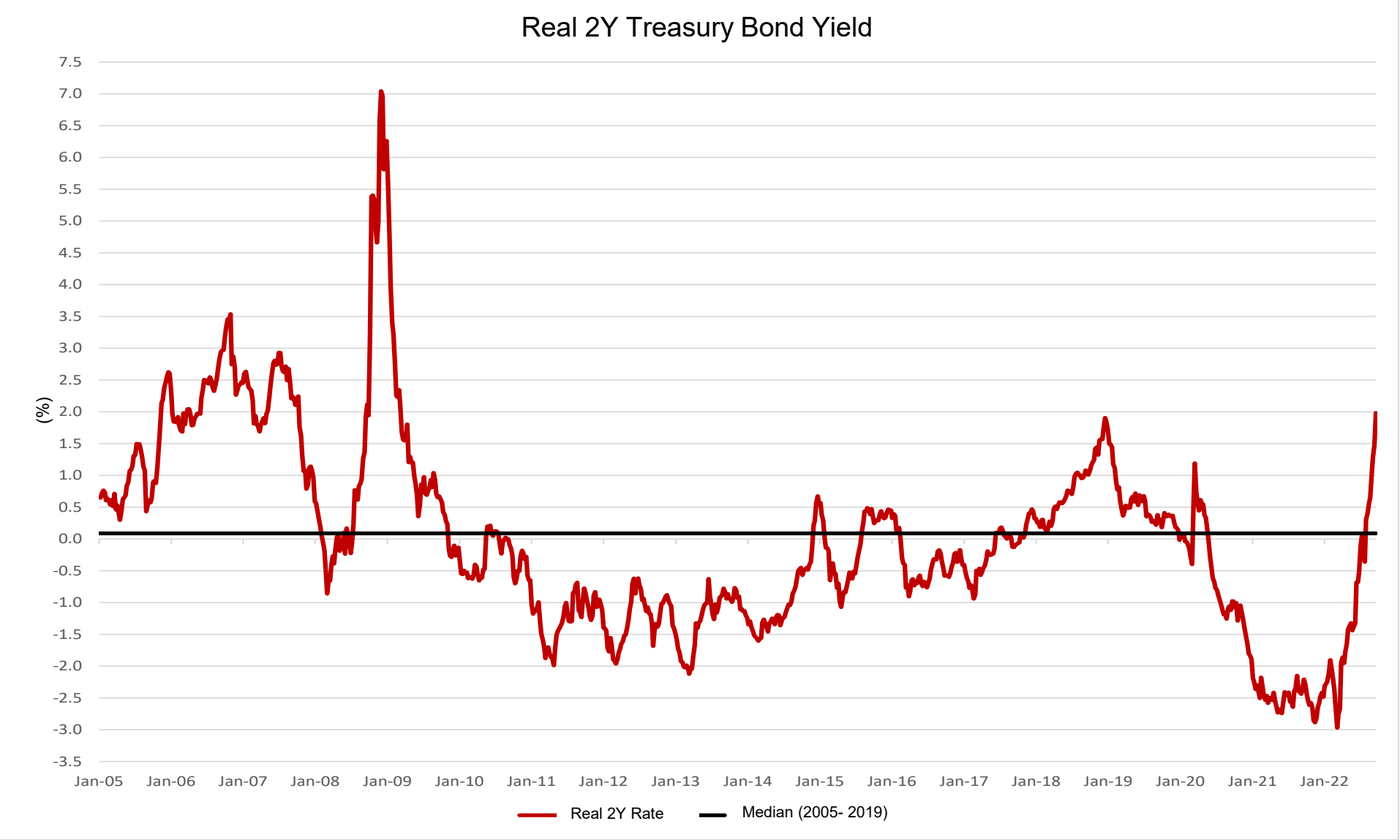


Below-trend GDP growth

Additional shock => has often originated in rising energy prices



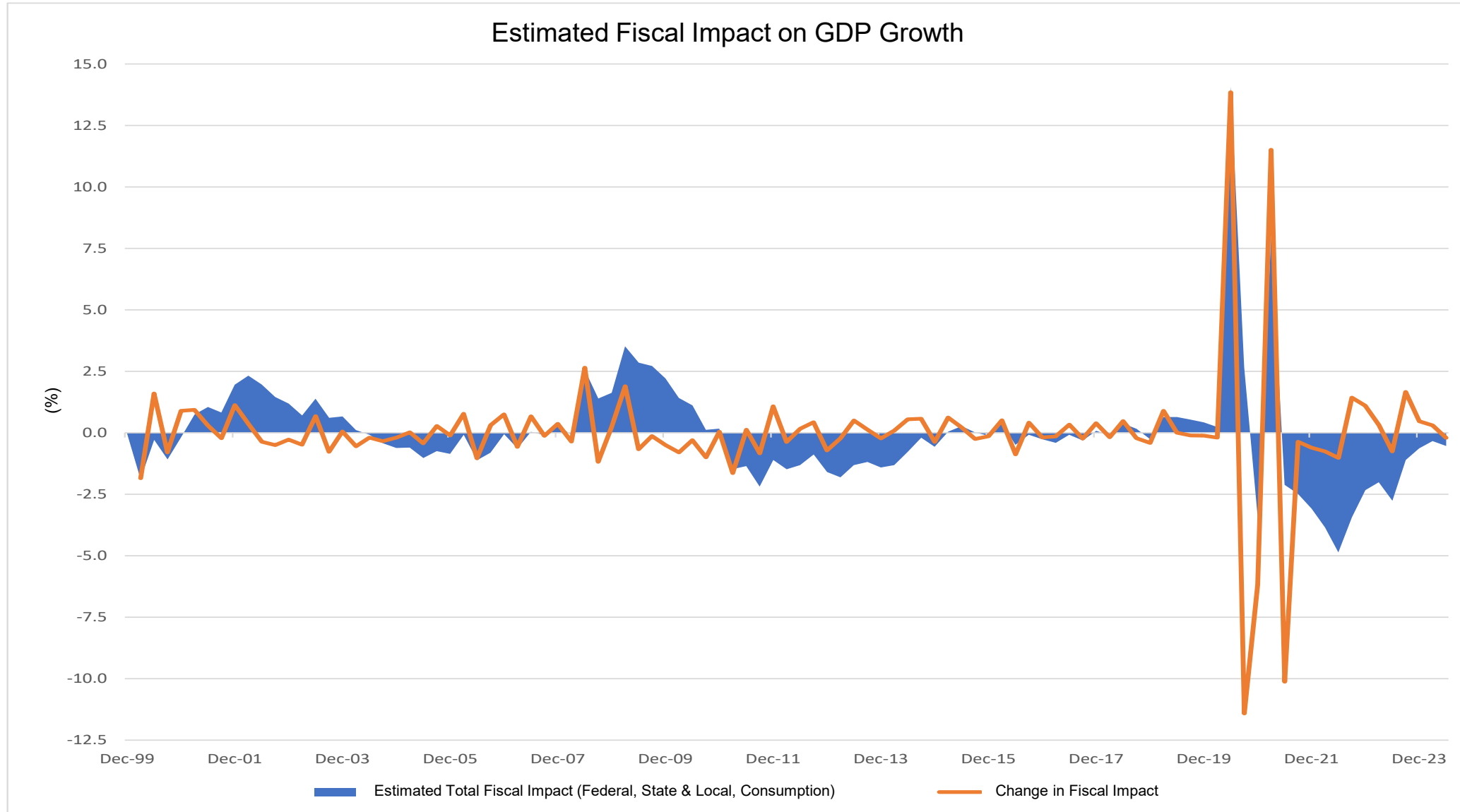
Extremely Aggressive Fed Tightening



Source: Bloomberg and Lord Abbett. As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



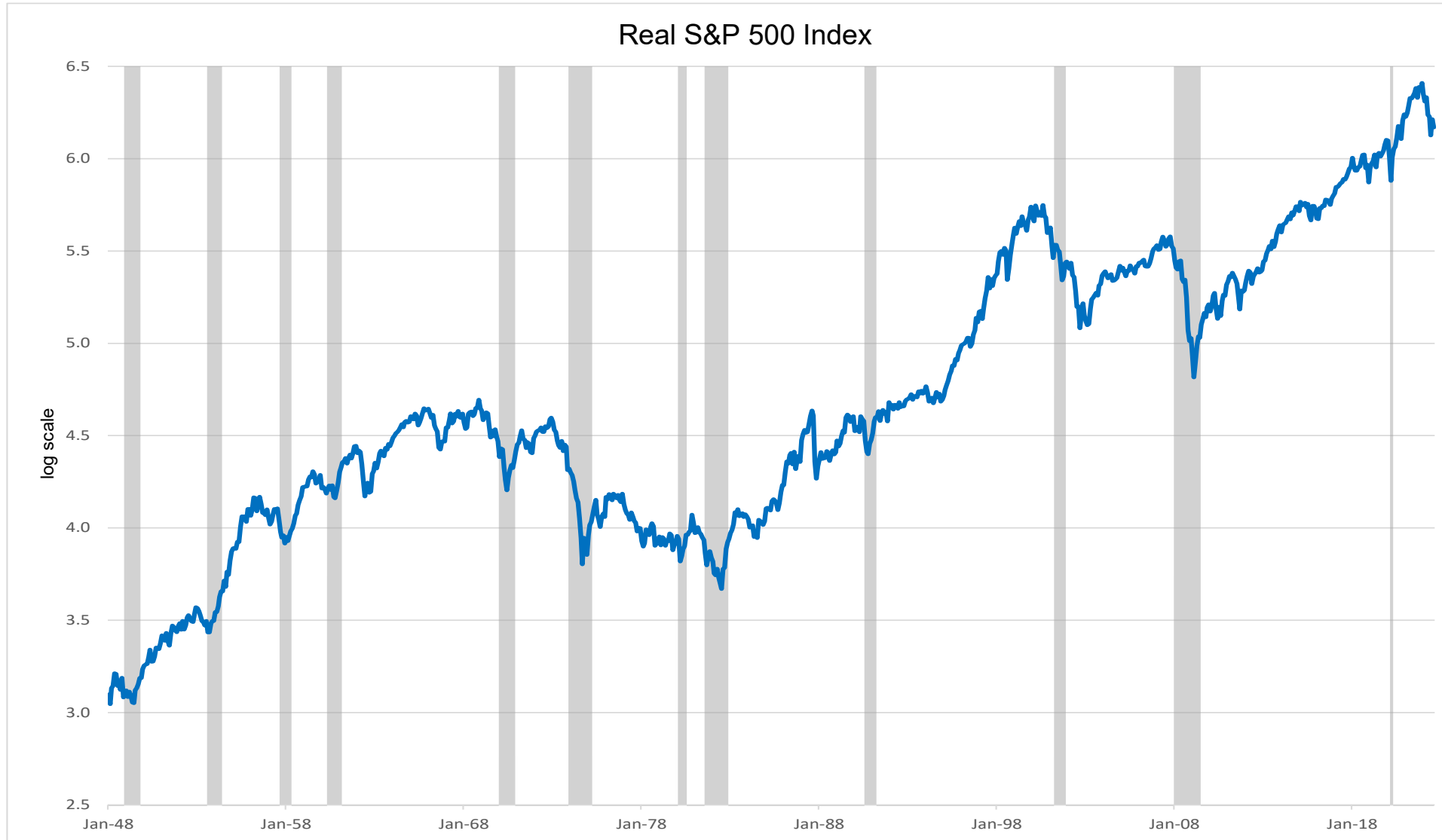
Fiscal Impulse Set to Turn Modestly Negative in Early 2023



Source: Hutchins Center, Brookings Institution and Lord Abbett As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



Stocks Won't Always Hit Bottom Until a Recession Happens



Source: Bloomberg and Lord Abbett. As of 9/30/2022. **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. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment.

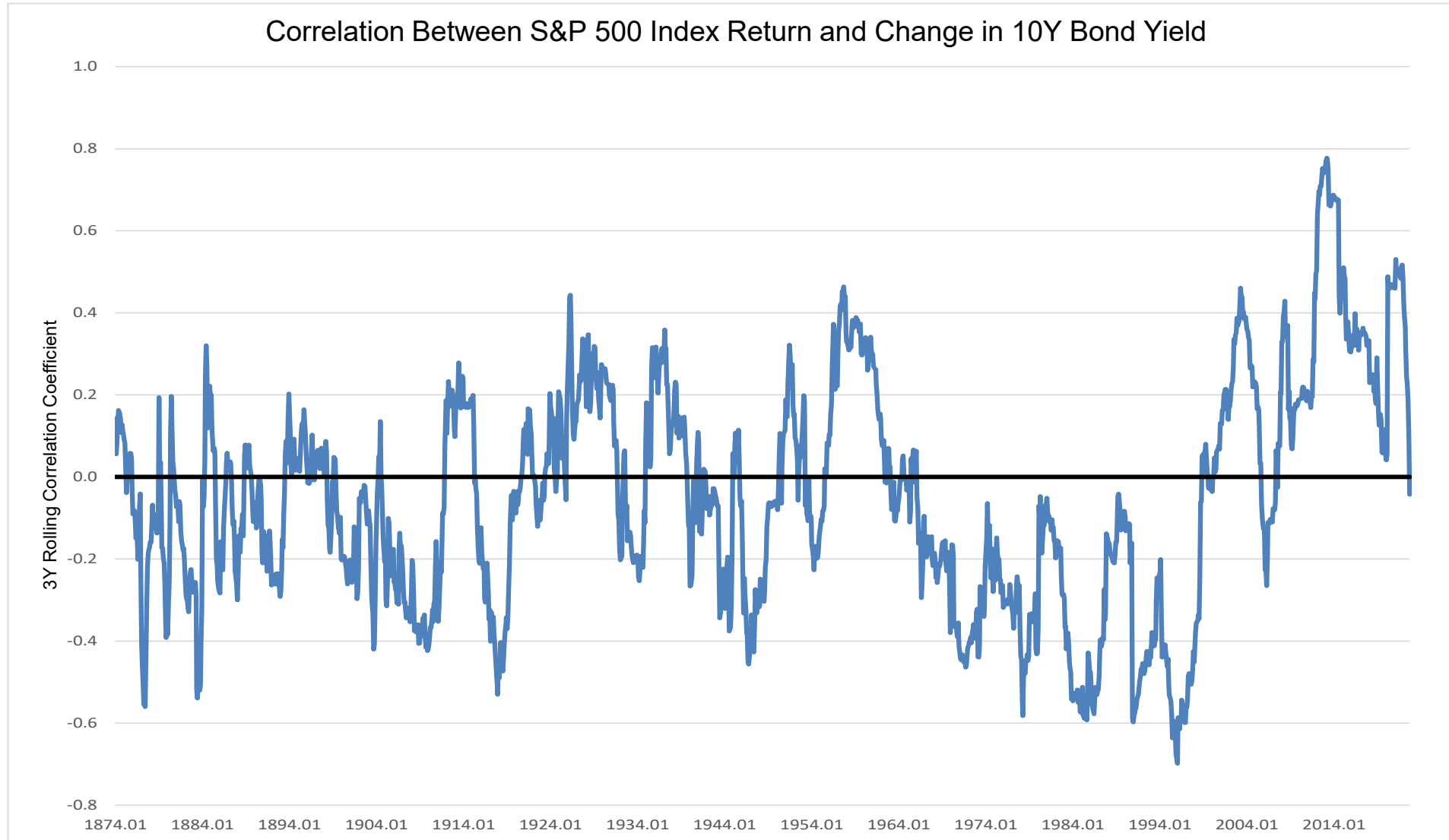


Appendix





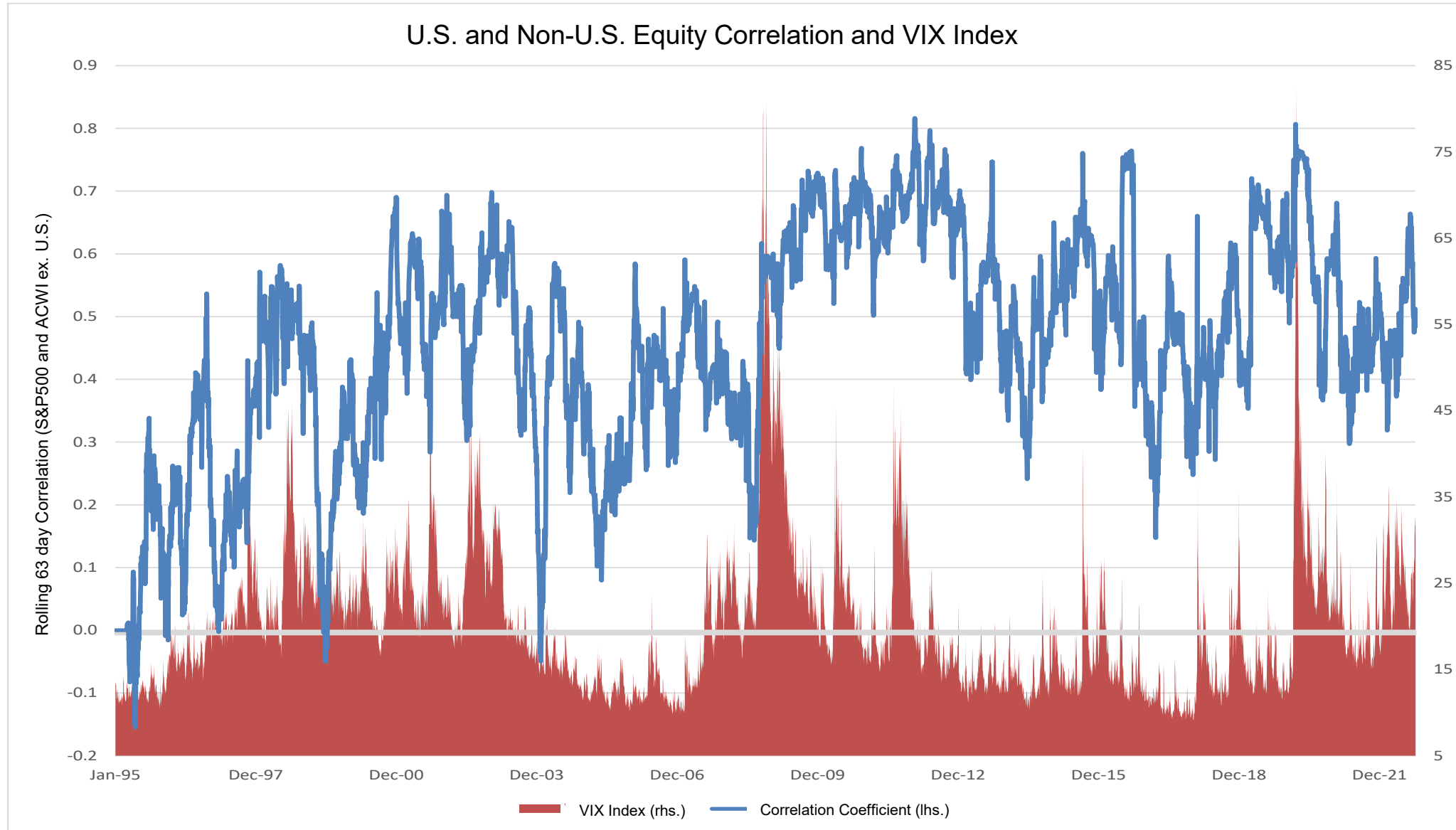
U.S. Equity Return-Bond Yield Correlation



Source: Robert Shiller and Lord Abbett. As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



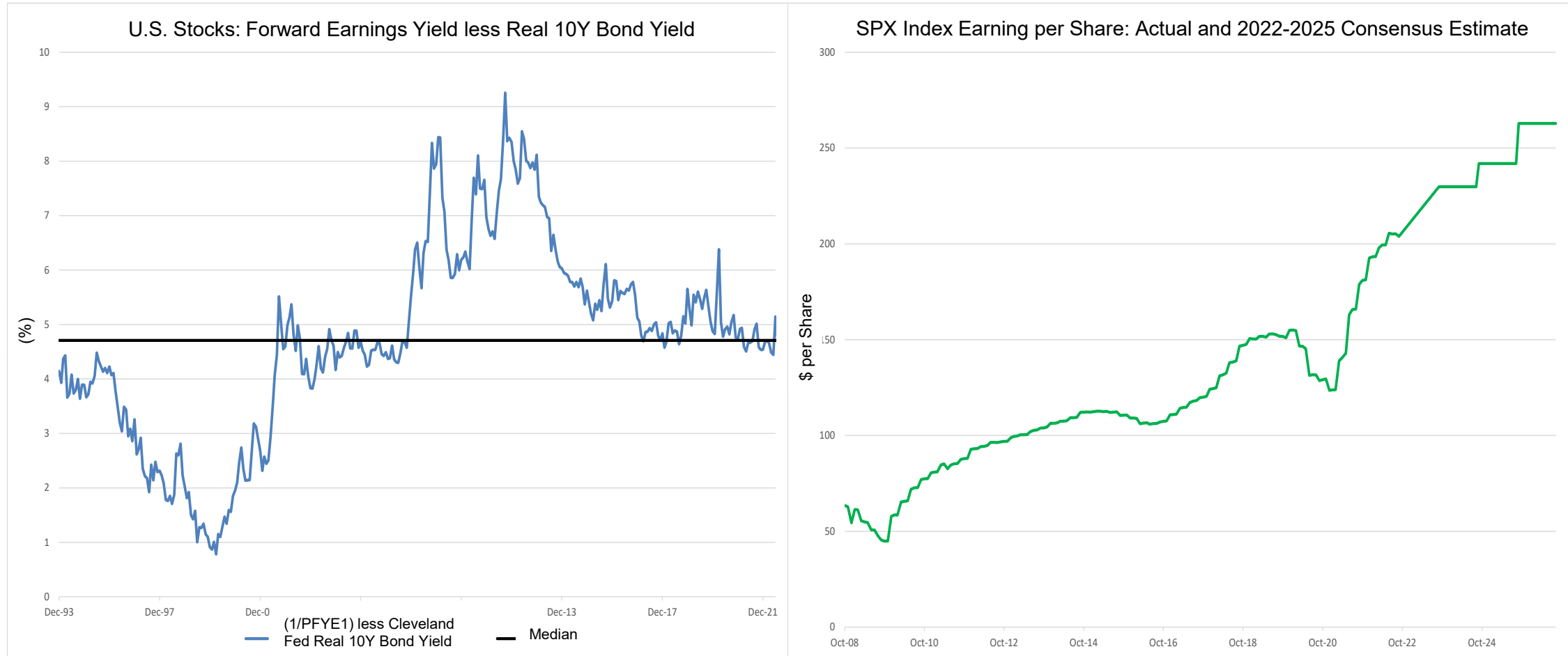
Cross-Border Return Correlations Tend to Rise During Crisis Periods



Source: Bloomberg and Lord Abbett. As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



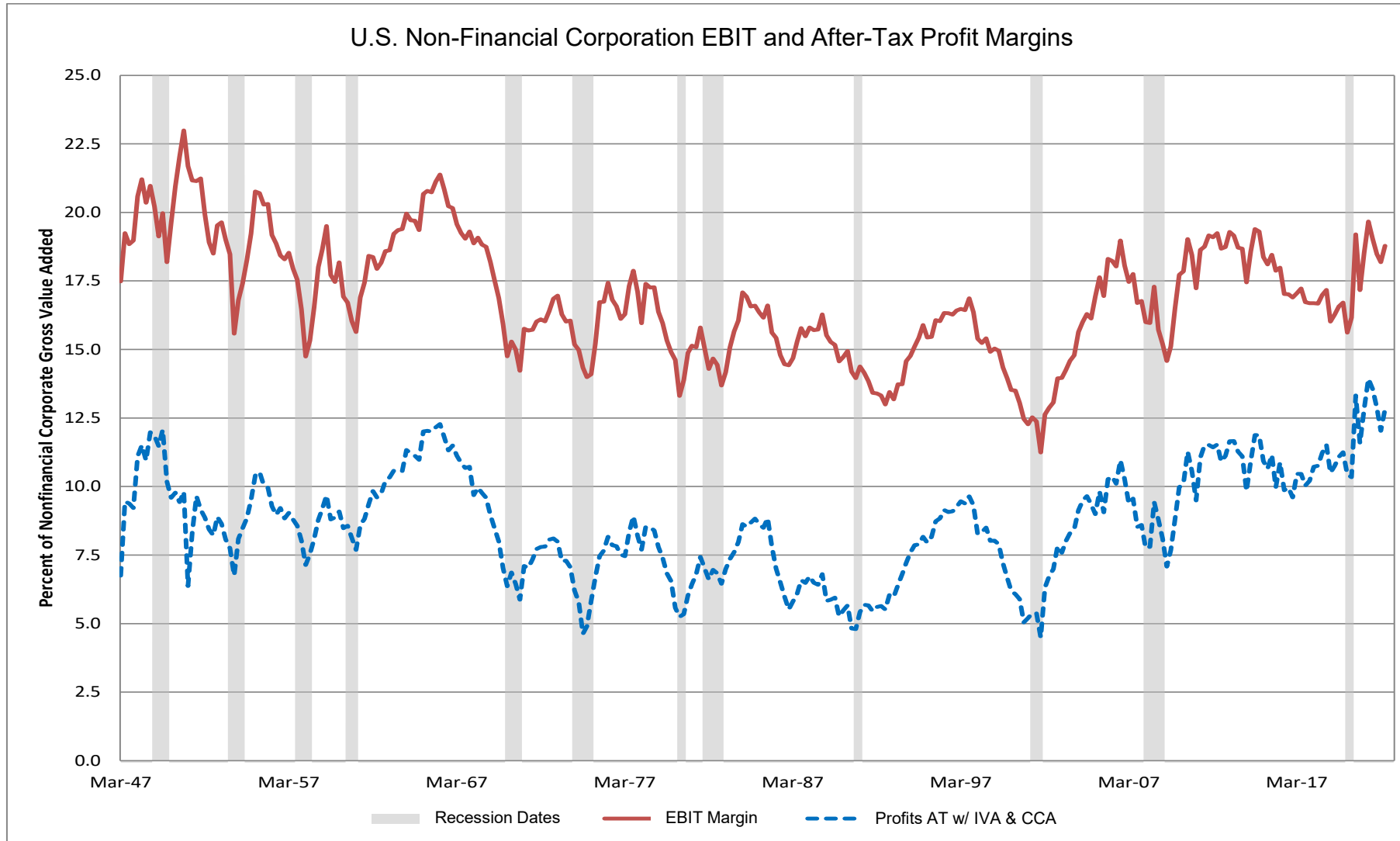
U.S. Stocks Trading at Fair Value vs. Bonds Based on Current Earning Expectations



Source: J.P. Morgan, "The Earnings Landscape" September 29, 2022, Bloomberg, and Lord Abbett. As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



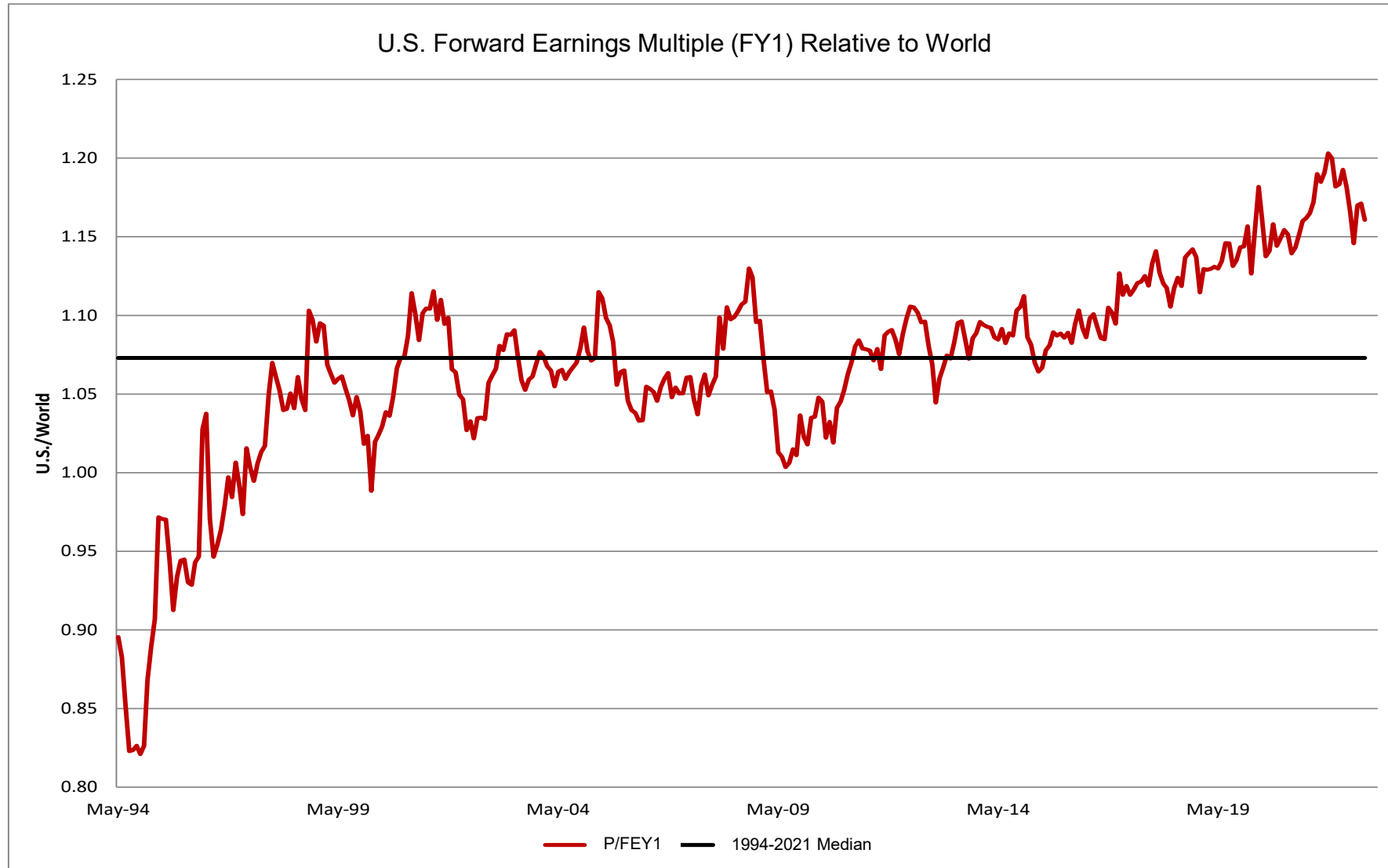
U.S. Margins and Profitability are Highly Elevated



Source: Bloomberg and Lord Abbett. As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



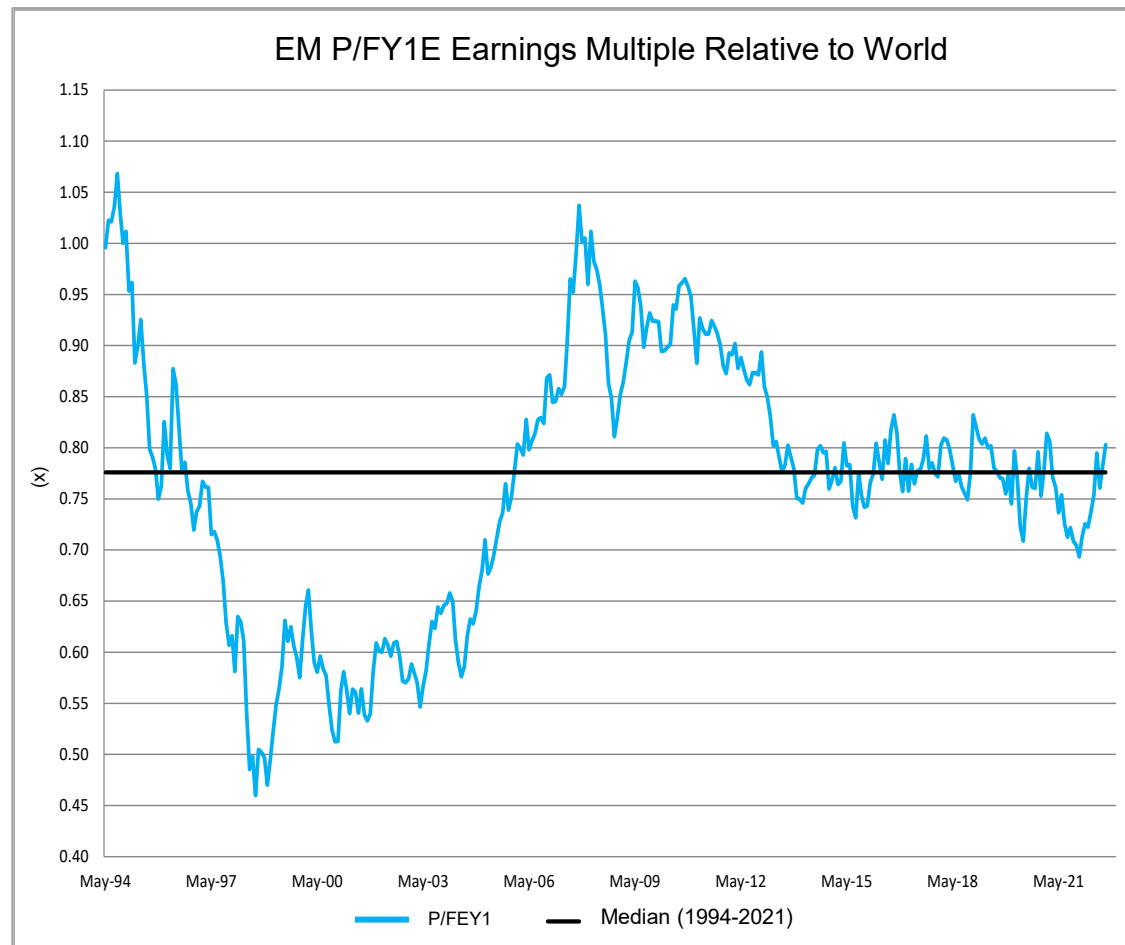
U.S. Stocks Trading at a Wide Premium



Source: J.P. Morgan, “The Earnings Landscape” and Lord Abbett. As of 9/29/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



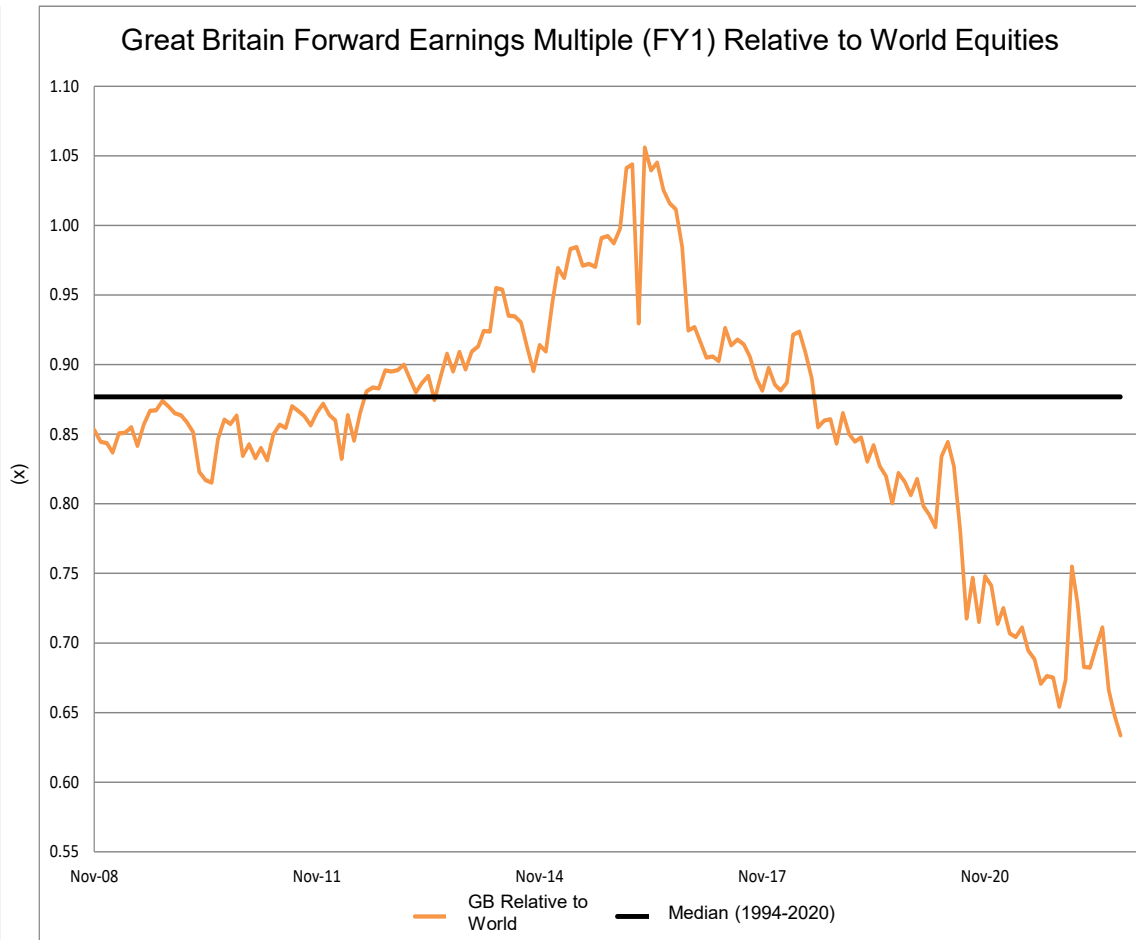
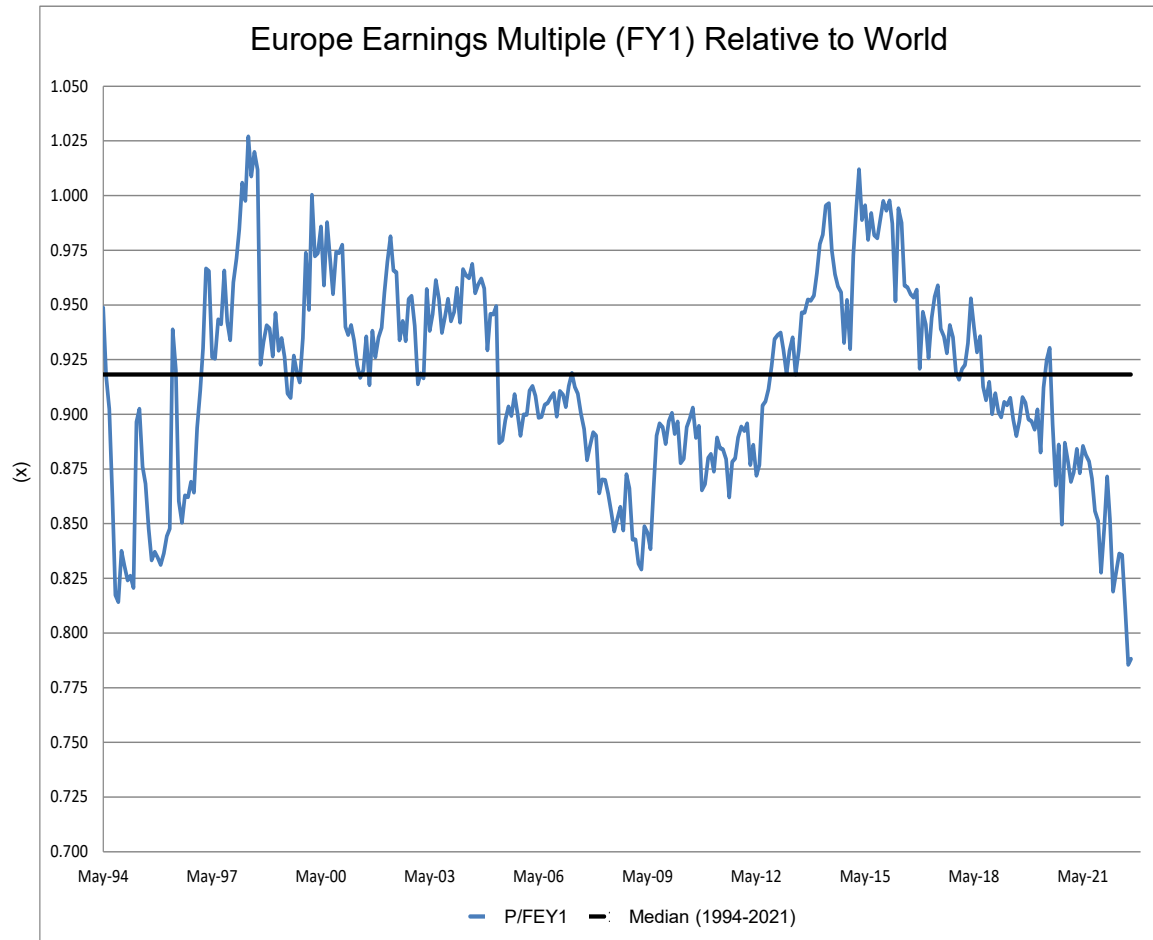
Emerging Market Stocks: Average Valuation But Latin America at a Relative Discount



Source: J.P. Morgan, “The Earnings Landscape” and Lord Abbett. As of 9/29/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.

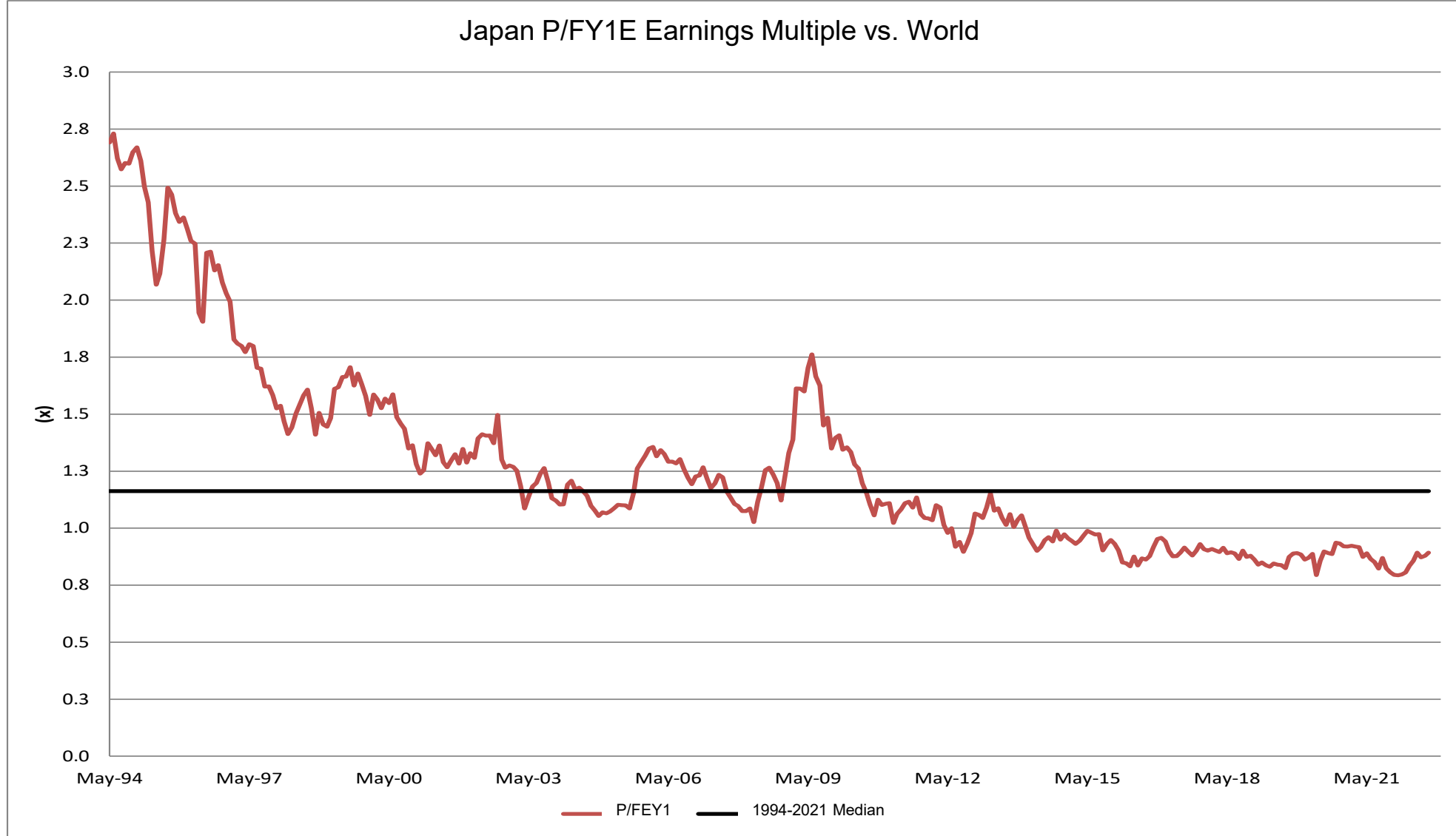


Europe and Great Britain Trading at Steep Discounts





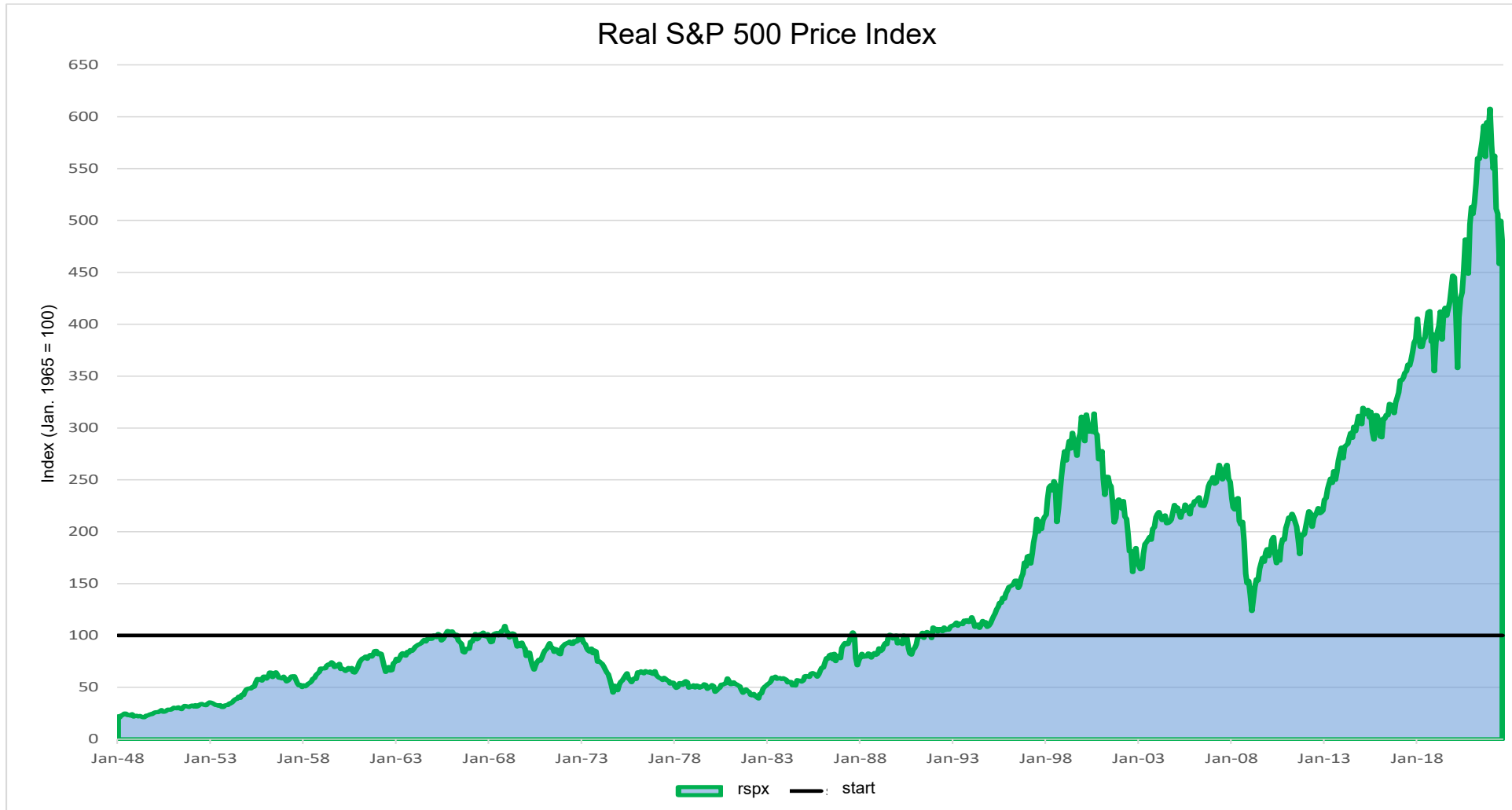
Japan Valuation Low as Usual



Source: J.P. Morgan, "The Earnings Landscape" and Lord Abbett. As of 9/29/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



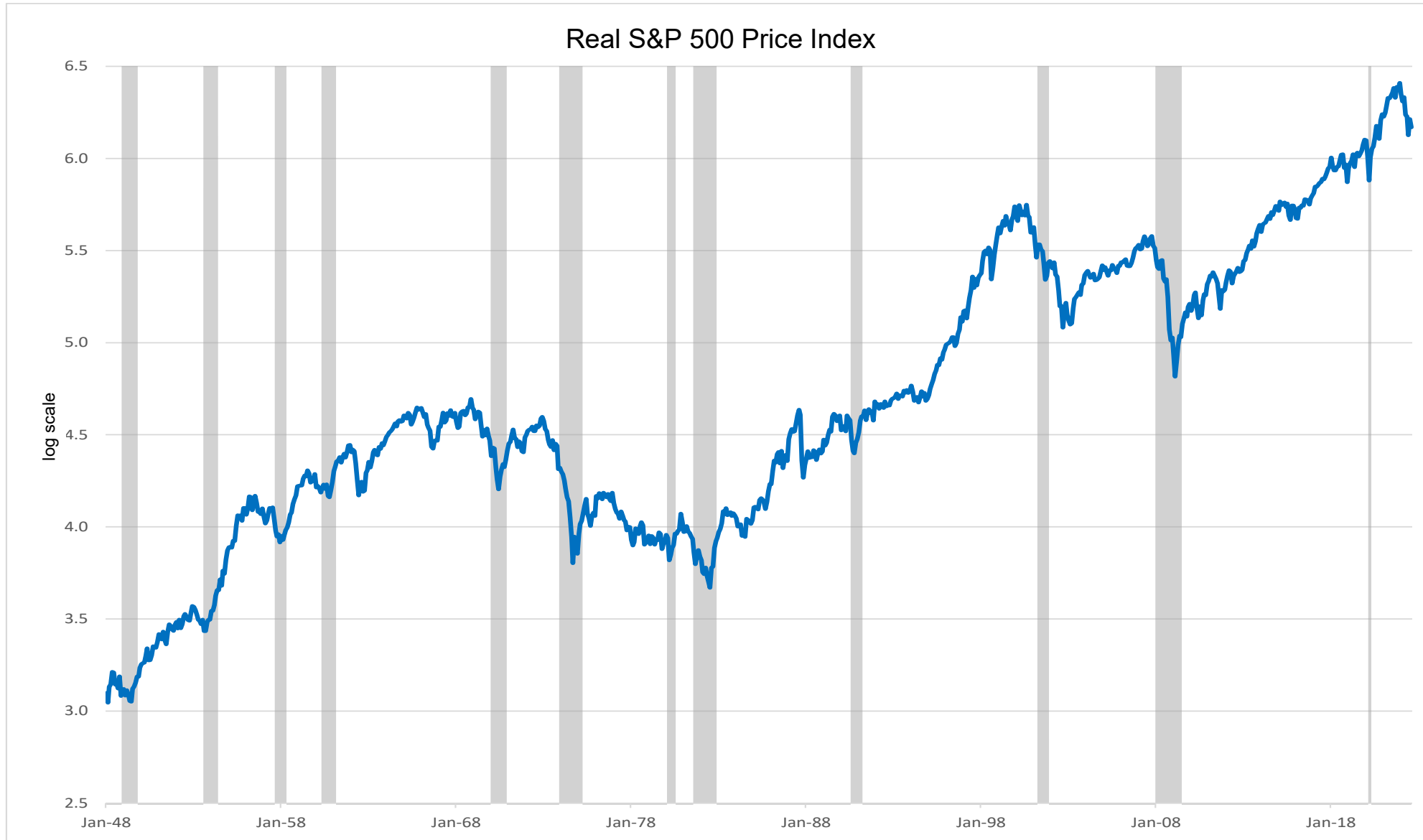
Heightened Uncertainty About Earnings Growth and Less Value Attached to Future Vs. Present Cash Flows Lowers Asset Prices. It Took 27 Years for U.S. Stock Prices to Recover From the 1965-1980 Inflation Shock in Real Terms.



Source: Bloomberg and Lord Abbett. As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



Accelerating Inflation: Zero Real Return



Source: Bloomberg and Lord Abbett. As of 9/30/2022. **Past performance is not a reliable indicator or guarantee of future results.** For illustrative purposes only. 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.



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