



LORD ABBETT®

LORD ABBETT ANNUAL REPORT

Lord Abbett
Series Fund—Bond Debenture Portfolio

For the fiscal year ended December 31, 2017

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Lord Abbett Series Fund – Bond Debenture Portfolio Annual Report

For the fiscal year ended December 31, 2017



From left to right: James L.L. Tullis, Independent Chairman of the Lord Abbett Funds and Daria L. Foster, Director, President, and Chief Executive Officer of the Lord Abbett Funds.

Dear Shareholders: We are pleased to provide you with this overview of the performance of Lord Abbett Series Fund – Bond Debenture Portfolio for the fiscal year ended December 31, 2017. On this page, and the following pages, we discuss the major factors that influenced fiscal year performance. For additional information about the Fund, please visit our website at www.lordabbett.com, where you also can access the quarterly commentaries that provide updates on the Fund's performance and other portfolio related updates.

Thank you for investing in Lord Abbett mutual funds. We value the trust that you place in us and look forward to serving your investment needs in the years to come.

Best regards,

A handwritten signature in cursive script that reads "Daria L. Foster".

Daria L. Foster
Director, President and Chief Executive Officer

For the fiscal year ended December 31, 2017, the Fund returned 9.21%, reflecting performance at the net asset value (NAV) of Class VC shares, with all distributions reinvested, compared to its benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index¹ which returned 3.54% over the same period.

During the 12-month period the leveraged credit sectors of the U.S. fixed income market, including high yield bonds and loans, experienced positive returns, outperforming traditional government

related and investment grade securities. Despite some episodes of heightened volatility, high yield corporate spreads continued to compress during the period and returns within the high yield market were driven primarily by the lower quality segment, as CCC rated bonds meaningfully outperformed the broader market for the 12-month period.

As it has in the past, the Fund maintained a significant allocation to high yield bonds, as we remained positive on the high yield market from a fundamental

perspective. The Fund's exposure to high yield bonds contributed to relative performance, as the high yield market significantly outperformed investment grade bonds, as represented by the Fund's benchmark the Bloomberg Barclays U.S. Aggregate Bond Index.

The Fund maintained an allocation to equities throughout the period, which also contributed to relative performance, as the asset class outperformed fixed income segments of the market, including the Bloomberg Barclays U.S. Aggregate Bond Index.

¹ The Bloomberg Barclays U.S. Aggregate Bond Index is an index of U.S. dollar-denominated, investment-grade U.S. government and corporate securities, and mortgage pass-through securities, and asset-backed securities. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and an investor cannot invest directly in an index.

Unless otherwise specified, indexes reflect total return, with all dividends reinvested. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment.

Important Performance and Other Information
Performance data quoted in the following pages reflect past performance and are no guarantee of future results. Current performance may be higher or lower than the performance quoted. The investment return and principal value of an investment in the Fund will fluctuate so that shares, on any given day or when redeemed, may be worth more or less than their original cost. You can obtain performance data current to the most recent month end by calling Lord Abbett at 888-522-2388 or referring to www.lordabbett.com.

During certain periods shown, expense waivers and reimbursements were in place. Without such expense waivers and reimbursements, the Fund's returns would have been lower.

The Fund's modest allocation to government-related and securitized products detracted from performance, as these securities lagged risk assets during the period.

The Fund's portfolio is actively managed and, therefore, its holdings and the weightings of a particular issuer or particular sector as a percentage of portfolio assets are subject to change. Sectors may include many industries.

The annual commentary above discusses the views of the Fund's management and various portfolio holdings of the Fund as of December 31, 2017. These views and portfolio holdings may have changed after this date. Information provided in the commentary is not a recommendation to buy or sell securities. Because the Fund's portfolio is actively managed and may change significantly, the Fund may no longer own the securities described above or may have otherwise changed its position in the securities. For more recent information about the Fund's portfolio holdings, please visit www.lordabbett.com.

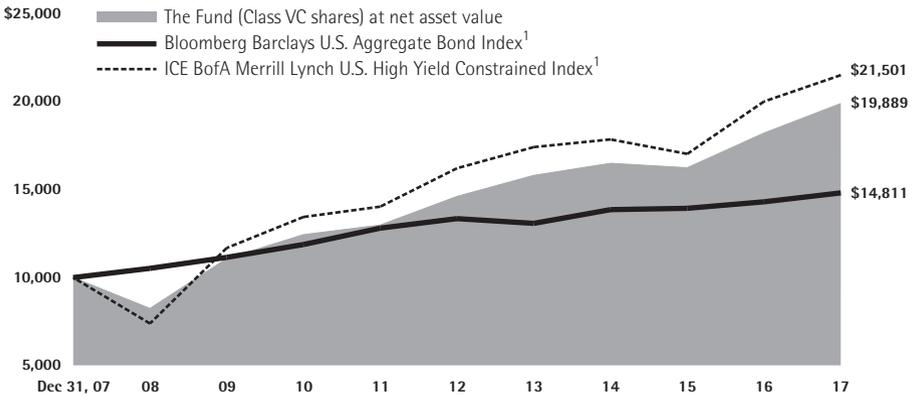
A Note about Risk: See Notes to Financial Statements for a discussion of investment risks. For a more detailed discussion of the risks associated with the Fund, please see the Fund's prospectus.

Mutual funds are not insured by the FDIC, are not deposits or other obligations of, or guaranteed by, banks, and are subject to investment risks including possible loss of principal amount invested.

The Fund serves as an underlying investment vehicle for variable annuity contracts and variable life insurance policies.

Investment Comparison

Below is a comparison of a \$10,000 investment in Class VC shares with the same investment in the Bloomberg Barclays U.S. Aggregate Bond Index and the ICE BofA Merrill Lynch U.S. High Yield Constrained Index, assuming reinvestment of all dividends and distributions. The Fund's shares are sold only to insurance company separate accounts that fund certain variable annuity and variable life contracts. This line graph comparison does not reflect the sales charges or other expenses of these contracts. If those sales charges and expenses were reflected, returns would be lower. The graph and performance table below do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. During certain periods, expenses of the Fund have been waived or reimbursed by Lord Abbett; without such waiver or reimbursement of expenses, the Fund's returns would have been lower. **Past performance is no guarantee of future results.**



Average Annual Total Returns for the Periods Ended December 31, 2017

	1 Year	5 Years	10 Years
Class VC	9.21%	6.36%	7.12%

¹ Performance for each unmanaged index does not reflect any fees or expenses. The performance of each index is not necessarily representative of the Fund's performance.

Expense Example

As a shareholder of the Fund, you incur ongoing costs, including management fees; expenses related to the Fund's services arrangements with certain insurance companies; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (July 1, 2017 through December 31, 2017).

The Example reflects only expenses that are deducted from the assets of the Fund. Fees and expenses, including sales charges applicable to the various insurance products that invest in the Fund, are not reflected in this Example. If such fees and expenses were reflected in the Example, the total expenses shown would be higher. Fees and expenses regarding such variable insurance products are separately described in the prospectus related to those products.

Actual Expenses

The first line of the table on the following page provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading titled "Expenses Paid During Period 7/1/17 – 12/31/17" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table on the following page provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	<u>Beginning Account Value</u>	<u>Ending Account Value</u>	<u>Expenses Paid During Period[†]</u>
	<u>7/1/17</u>	<u>12/31/17</u>	<u>7/1/17 - 12/31/17</u>
Class VC			
Actual	\$1,000.00	\$1,042.40	\$4.63
Hypothetical (5% Return Before Expenses)	\$1,000.00	\$1,020.67	\$4.58

[†] Net expenses are equal to the Fund's annualized expense ratio of 0.90%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect one-half year period).

Portfolio Holdings Presented by Sector

December 31, 2017

Sector*	%**
Asset Backed	1.86%
Automotive	1.84%
Banking	8.74%
Basic Industry	9.97%
Capital Goods	3.53%
Consumer Goods	3.45%
Energy	12.10%
Financial Services	4.09%
Foreign Government	3.81%
Healthcare	6.59%
Insurance	2.38%
Leisure	4.21%
Media	3.36%
Municipal	3.97%
Real Estate	1.47%
Retail	5.48%
Services	3.22%
Technology	6.90%
Telecommunications	2.90%
Transportation	3.14%
U.S. Government	1.44%
Utility	4.33%
Repurchase Agreement	1.22%
Total	100.00%

* A sector may comprise several industries.

** Represents percent of total investments.

Schedule of Investments

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
LONG-TERM INVESTMENTS 99.38%				
ASSET-BACKED SECURITIES 1.92%				
Automobiles 0.11%				
TCF Auto Receivables Owner Trust 2016-1A B ⁺	2.32%	6/15/2022	\$ 979	\$ 964,024
Westlake Automobile Receivables Trust 2016-3A B ⁺	2.07%	12/15/2021	277	276,180
<i>Total</i>				<u>1,240,204</u>
Other 1.81%				
ALM XIX Ltd. 2016-19A C ⁺	5.709% (3 Mo. LIBOR + 4.35%) [#]	7/15/2028	462	475,152
ALM XVIII Ltd. 2016-18A C ⁺	5.709% (3 Mo. LIBOR + 4.35%) [#]	7/15/2027	500	515,353
AMMC CLO XII Ltd. 2013-12A DR ⁺	4.11% (3 Mo. LIBOR + 2.47%) ^{#(a)}	11/10/2030	391	393,625
Anchorage Capital CLO 8 Ltd. 2016-8A D ⁺	5.578% (3 Mo. LIBOR + 4.20%) [#]	7/28/2028	250	253,845
Anchorage Capital CLO 9 Ltd. 2016-9A D ⁺	5.359% (3 Mo. LIBOR + 4.00%) [#]	1/15/2029	1,150	1,177,136
Apex Credit CLO Ltd. 2015-2A B1 ⁺	3.753% (3 Mo. LIBOR + 2.40%) [#]	10/19/2026	1,500	1,501,565
Ascentium Equipment Receivables Trust 2016-2A B ⁺	2.50%	9/12/2022	417	415,210
BlueMountain CLO Ltd. 2016-1A D ⁺	6.163% (3 Mo. LIBOR + 4.80%) [#]	4/20/2027	500	508,882
Conn Funding II LP 2017-B C ⁺	5.95%	11/15/2022	2,250	2,273,600 ^(b)
Engs Commercial Finance Trust 2016-1A A2 ⁺	2.63%	2/22/2022	832	828,109
Guggenheim 5180-2 CLO LP 2015-1A A2B ⁺	4.012% (3 Mo. LIBOR + 2.55%) [#]	11/25/2027	2,500	2,507,979
Jamestown CLO VII Ltd. 2015-7A BR ⁺	3.017% (3 Mo. LIBOR + 1.65%) ^{#(a)}	7/25/2027	1,202	1,203,006
KKR Financial CLO Ltd. 2013-2A C ⁺	5.113% (3 Mo. LIBOR + 3.75%) [#]	1/23/2026	500	501,285
Marble Point CLO XI Ltd. 2017-2A A ⁺	2.793% (3 Mo. LIBOR + 1.18%) ^{#(a)}	12/18/2030	1,800	1,802,610
Regatta III Funding Ltd. 2014-1A CR ⁺	4.659% (3 Mo. LIBOR + 3.30%) [#]	4/15/2026	400	402,931
Regatta IV Funding Ltd. 2014-1A DR ⁺	4.667% (3 Mo. LIBOR + 3.30%) [#]	7/25/2026	1,300	1,300,761
Sound Point CLO XI Ltd. 2016-1A D ⁺	6.013% (3 Mo. LIBOR + 4.65%) [#]	7/20/2028	2,000	2,045,240
Voya CLO Ltd. 2016-2A C ⁺	5.607% (3 Mo. LIBOR + 4.25%) [#]	7/19/2028	750	760,662
Voya CLO Ltd. 2017-4A A1 ⁺	2.514% (3 Mo. LIBOR + 1.13%) ^{#(a)}	10/15/2030	1,059	1,062,121
West CLO Ltd. 2014-2A BR ⁺	3.111% (3 Mo. LIBOR + 1.75%) ^{#(a)}	1/16/2027	459	459,542

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Other (continued)				
Westcott Park CLO Ltd. 2016-1A D ⁺	5.713%			
	(3 Mo. LIBOR + 4.35%)*	7/20/2028	\$ 850	\$ 861,103
<i>Total</i>				<u>21,249,717</u>
<i>Total Asset-Backed Securities (cost \$22,092,665)</i>				<u>22,489,921</u>
			Shares (000)	
Common Stocks 14.62%				
Aerospace/Defense 0.30%				
Huntington Ingalls Industries, Inc.			7	1,744,887
Mercury Systems, Inc.*			35	1,805,825
<i>Total</i>				<u>3,550,712</u>
Air Transportation 0.20%				
Allegiant Travel Co.			7	1,121,937
Wizz Air Holdings plc ^{+(*)} (c)			GBP 26	1,263,568
<i>Total</i>				<u>2,385,505</u>
Auto Loans 0.15%				
Credit Acceptance Corp.*			5	1,734,823
Auto Parts & Equipment 0.09%				
Chassis Holdings, Inc.			59	1,085,419
Automakers 0.10%				
Oshkosh Corp.			13	1,199,566
Banking 0.72%				
BOK Financial Corp.			7	634,146
Cullen/Frost Bankers, Inc.			12	1,119,426
LegacyTexas Financial Group, Inc.			28	1,201,128
Northern Trust Corp.			12	1,177,303
Sberbank of Russia PJSC ADR			120	2,026,877
SVB Financial Group*			10	2,290,712
<i>Total</i>				<u>8,449,592</u>
Beverages 0.79%				
Brown-Forman Corp. Class B			36	2,447,673
Constellation Brands, Inc. Class A			5	1,223,307
Monster Beverage Corp.*			19	1,178,396
Remy Cointreau SA ^(c)			EUR 20	2,710,690
Treasury Wine Estates Ltd. ^(c)			AUD 142	1,767,632
<i>Total</i>				<u>9,327,698</u>

See Notes to Financial Statements.

Schedule of Investments (continued)

December 31, 2017

Investments	Shares (000)	Fair Value
Brokerage 0.10%		
Cboe Global Markets, Inc.	10	\$ 1,200,798
Building Materials 0.21%		
Owens Corning	27	<u>2,465,923</u>
Chemicals 0.55%		
Potash Corp. of Saskatchewan, Inc. (Canada) ^(d)	117	2,413,345
Venator Materials plc (United Kingdom) ^(d)	51	1,128,695
Versum Materials, Inc.	30	1,149,883
Westlake Chemical Corp.	17	<u>1,761,900</u>
<i>Total</i>		<u>6,453,823</u>
Discount Stores 0.40%		
Amazon.com, Inc.*	1	1,160,114
Dollar Tree, Inc.*	11	1,178,371
Wal-Mart Stores, Inc.	24	<u>2,370,593</u>
<i>Total</i>		<u>4,709,078</u>
Diversified Capital Goods 0.10%		
Rockwell Automation, Inc.	6	<u>1,169,461</u>
Electric: Integrated 0.67%		
El Paso Electric Co.	29	1,596,405
IDACORP, Inc.	18	1,657,727
NextEra Energy, Inc.	11	1,734,021
Pampa Energia SA ADR*	25	1,678,636
Public Service Enterprise Group, Inc.	23	<u>1,189,650</u>
<i>Total</i>		<u>7,856,439</u>
Electronics 0.49%		
Keyence Corp. ^(c)	JPY 2	1,106,090
Littelfuse, Inc.	6	1,117,287
Nintendo Co., Ltd. ^(c)	JPY 3	1,213,525
Rogers Corp.*	7	1,194,322
Trimble, Inc.*	29	<u>1,161,857</u>
<i>Total</i>		<u>5,793,081</u>
Energy: Exploration & Production 1.06%		
Carrizo Oil & Gas, Inc.*	57	1,206,108
Chaparral Energy, Inc.*	12	291,648
Chaparral Energy, Inc. Class A*	59	1,386,955
Concho Resources, Inc.*	8	1,196,202

Schedule of Investments (continued)

December 31, 2017

Investments	Shares (000)	Fair Value
Energy: Exploration & Production (continued)		
Continental Resources, Inc.*	74	\$ 3,917,979
Extraction Oil & Gas, Inc.*	58	831,654
Jagged Peak Energy, Inc.*	65	1,018,788
Peabody Energy Corp.	— ^(e)	10,613
SM Energy Co.	58	1,274,016
Templar Energy LLC Class A Units	46	101,682
WildHorse Resource Development Corp.*	67	1,232,734
<i>Total</i>		<u>12,468,379</u>
Food: Wholesale 0.31%		
Costco Wholesale Corp.	6	1,191,168
Hormel Foods Corp.	32	1,169,938
TreeHouse Foods, Inc.*	25	1,231,752
<i>Total</i>		<u>3,592,858</u>
Forestry/Paper 0.10%		
Potlatch Corp.	23	1,138,419
Gaming 0.87%		
Aristocrat Leisure Ltd. ^(c)	AUD 71	1,300,097
Caesars Entertainment Corp.*	88	1,114,389
Penn National Gaming, Inc.*	80	2,498,599
Scientific Games Corp. Class A*	44	2,257,149
VICI Properties, Inc.*	29	597,759
Wynn Resorts Ltd.	14	2,423,144
<i>Total</i>		<u>10,191,137</u>
Hotels 0.10%		
Hilton Grand Vacations, Inc.*	29	1,195,575
Investments & Miscellaneous Financial Services 0.71%		
Ameriprise Financial, Inc.	14	2,344,956
BlackRock, Inc.	2	1,182,560
Federated Investors, Inc. Class B	34	1,215,680
SEI Investments Co.	16	1,178,576
T. Rowe Price Group, Inc.	23	2,379,183
<i>Total</i>		<u>8,300,955</u>
Machinery 0.63%		
Deere & Co.	16	2,459,085
DMG Mori Co., Ltd. ^(c)	JPY 55	1,130,253

See Notes to Financial Statements.

Schedule of Investments (continued)

December 31, 2017

Investments	Shares (000)	Fair Value
Machinery (continued)		
Gardner Denver Holdings, Inc.*	37	\$ 1,249,302
Komatsu Ltd. ^(c)	JPY 35	1,270,311
Terex Corp.	26	<u>1,245,330</u>
<i>Total</i>		<u>7,354,281</u>
Media: Content 0.10%		
Netflix, Inc.*	6	<u>1,189,192</u>
Medical Products 0.05%		
Align Technology, Inc.*	3	<u>572,806</u>
Metals/Mining (Excluding Steel) 0.22%		
Sumitomo Metal Mining Co. Ltd. ^(c)	JPY 57	<u>2,603,785</u>
Monoline Insurance 0.19%		
FNF Group	29	1,144,984
MGIC Investment Corp.*	76	<u>1,065,968</u>
<i>Total</i>		<u>2,210,952</u>
Non-Electric Utilities 0.16%		
Aqua America, Inc.	48	<u>1,873,860</u>
Oil Field Equipment & Services 0.15%		
RPC, Inc.	70	<u>1,776,097</u>
Oil Refining & Marketing 0.16%		
HollyFrontier Corp.	37	<u>1,896,677</u>
Pharmaceuticals 0.78%		
Bio-Rad Laboratories, Inc. Class A*	5	1,145,616
Bluebird Bio, Inc.*	15	2,628,222
Blueprint Medicines Corp.*	39	2,933,675
Juno Therapeutics, Inc.*	27	1,221,828
Loxo Oncology, Inc.*	14	<u>1,187,191</u>
<i>Total</i>		<u>9,116,532</u>
Printing & Publishing 0.10%		
S&P Global, Inc.	7	<u>1,144,975</u>
Real Estate Development & Management 0.15%		
CoStar Group, Inc.*	6	<u>1,779,027</u>
Real Estate Investment Trusts 0.15%		
Goodman Group ^(c)	AUD 260	<u>1,705,272</u>

Schedule of Investments (continued)

December 31, 2017

Investments	Shares (000)	Fair Value
Restaurants 0.30%		
Dunkin' Brands Group, Inc.	19	\$ 1,237,824
McDonald's Corp.	7	1,159,400
Shake Shack, Inc. Class A*	26	1,122,207
<i>Total</i>		3,519,431
Software/Services 1.05%		
2U, Inc.*	18	1,165,051
Black Knight, Inc.*	13	556,952
Blackbaud, Inc.	17	1,620,503
FleetCor Technologies, Inc.*	9	1,751,690
InterXion Holding NV (Netherlands)* ^(d)	10	603,090
MSCI, Inc.	9	1,157,208
Rheinmetall AG ^(c)	EUR 5	619,671
Snap, Inc. Class A*	36	531,190
Tableau Software, Inc. Class A*	16	1,105,539
Twitter, Inc.*	81	1,940,560
VMware, Inc. Class A*	10	1,263,978
<i>Total</i>		12,315,432
Specialty Retail 1.21%		
Canada Goose Holdings, Inc. (Canada)* ^(d)	43	1,349,190
Children's Place, Inc. (The)	9	1,293,615
Columbia Sportswear Co.	17	1,250,712
Five Below, Inc.*	18	1,200,127
Kering ^(c)	EUR 4	1,796,765
Maisons du Monde SA ^(c)	EUR 16	709,264
Moncler SpA ^(c)	EUR 56	1,752,640
Ollie's Bargain Outlet Holdings, Inc.*	25	1,307,287
Polaris Industries, Inc.	9	1,140,708
Skechers U.S.A., Inc. Class A*	33	1,244,936
VF Corp.	16	1,176,674
<i>Total</i>		14,221,918
Support: Services 0.53%		
Ashtead Group plc ^(c)	GBP 46	1,233,788
Bright Horizons Family Solutions, Inc.*	13	1,200,192
ManpowerGroup, Inc.	9	1,172,823
TopBuild Corp.*	17	1,316,361
Total System Services, Inc.	16	1,242,425
<i>Total</i>		6,165,589

See Notes to Financial Statements.

Schedule of Investments (continued)

December 31, 2017

Investments		Shares (000)	Fair Value
Technology Hardware & Equipment 0.21%			
Marvell Technology Group Ltd.		50	\$ 1,074,874
Tokyo Electron Ltd. ^(c)		JPY 8	<u>1,352,921</u>
<i>Total</i>			<u>2,427,795</u>
Transportation: Infrastructure/Services 0.10%			
Landstar System, Inc.		11	<u>1,170,813</u>
Trucking & Delivery 0.36%			
Knight-Swift Transportation Holdings, Inc.	27		1,184,812
Old Dominion Freight Line, Inc.	23		3,001,182
<i>Total</i>			<u>4,185,994</u>
<i>Total Common Stocks</i> (cost \$151,846,041)			<u>171,499,669</u>

	Interest Rate	Maturity Date	Principal Amount (000)	
CONVERTIBLE BONDS 0.30%				
Automakers 0.10%				
Tesla, Inc.	1.25%	3/1/2021	\$ 1,035	<u>1,121,681</u>
Investments & Miscellaneous Financial Services 0.10%				
Square, Inc. [†]	0.375%	3/1/2022	709	<u>1,159,658</u>
Software/Services 0.10%				
RealPage, Inc. [†]	1.50%	11/15/2022	976	<u>1,212,680</u>
<i>Total Convertible Bonds</i> (cost \$3,582,358)				<u>3,494,019</u>

	Dividend Rate		Shares (000)	
CONVERTIBLE PREFERRED STOCKS 0.25%				
Personal & Household Products 0.20%				
Stanley Black & Decker, Inc.	5.375%		19	<u>2,381,350</u>
Software/Services 0.05%				
Mandatory Exchangeable Trust [†]	5.75%		3	<u>565,167</u>
<i>Total Convertible Preferred Stocks</i> (cost \$2,388,060)				<u>2,946,517</u>

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
FLOATING RATE LOANS^(f) 3.20%				
Advertising 0.15%				
Southern Graphics, Inc. 1st Lien Initial Term Loan	-(g)	12/8/2022	\$ 1,507	\$ 1,516,992
Southern Graphics, Inc. Delayed Draw Term Loan	-(g)	12/31/2022	243	<u>244,926</u>
<i>Total</i>				<u>1,761,918</u>
Building Materials 0.13%				
Zodiac Pool Solutions LLC 1st Lien Tranche B1 Term Loan	5.693% (3 Mo. LIBOR + 4.00%)	12/20/2023	1,514	<u>1,524,153</u>
Department Stores 0.10%				
Neiman Marcus Group, Inc. Other Term Loan	4.642% (3 Mo. LIBOR + 3.25%)	10/25/2020	1,456	<u>1,193,017</u>
Electric: Generation 0.48%				
EFS Cogen Holdings I LLC Advanced Term Loan B	4.95% (3 Mo. LIBOR + 3.25%)	6/28/2023	503	508,048
Lightstone Holdco LLC Refinanced Term Loan B	6.069% (3 Mo. LIBOR + 4.50%)	1/30/2024	2,521	2,536,457
Lightstone Holdco LLC Refinanced Term Loan C	6.069% (3 Mo. LIBOR + 4.50%)	1/30/2024	161	161,964
Sandy Creek Energy Associates, L.P. Term Loan	5.693% (3 Mo. LIBOR + 4.00%)	11/9/2020	1,547	1,300,697
Viva Alamo LLC Term Loan B	5.819% (3 Mo. LIBOR + 4.25%)	2/20/2021	1,182	<u>1,170,487</u>
<i>Total</i>				<u>5,677,653</u>
Electronics 0.10%				
EXC III Holding Corp. 1st Lien Initial Term Loan	5.161% (3 Mo. LIBOR + 7.50%)	12/1/2025	1,141	<u>1,151,874</u>
Energy: Exploration & Production 0.15%				
California Resources Corp. Initial Term Loan	-(g)	12/31/2022	589	587,896
Chief Exploration & Development LLC 2nd Lien Term Loan	7.959% (3 Mo. LIBOR + 6.50%)	5/16/2021	1,179	<u>1,162,299</u>
<i>Total</i>				<u>1,750,195</u>
Gaming 0.30%				
Cowlitz Tribal Gaming Authority Term Loan B	12.069% (1 Mo. LIBOR + 10.50%)	12/6/2021	2,182	2,449,716 ^(h)
Stars Group, Inc. (The) 1st Lien Initial Term Loan B3 (Netherlands) ^(d)	5.193% (3 Mo. LIBOR + 3.50%)	8/1/2021	1,106	<u>1,113,688</u>
<i>Total</i>				<u>3,563,404</u>

See Notes to Financial Statements.

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Health Services 0.10%				
Genoa, a QoL Healthcare Company, LLC 1st Lien Amendment No. 1 Term Loan	4.819% (1 Mo. LIBOR + 3.25%)	10/28/2023	\$ 1,095	\$ 1,103,628
Investments & Miscellaneous Financial Services 0.07%				
VFH Parent LLC Initial Term Loan	5.135% (3 Mo. LIBOR + 3.75%)	12/30/2021	861	869,478
Media: Diversified 0.11%				
UFC Holdings, LLC 2nd Lien Term Loan	9.052% (1 Mo. LIBOR + 7.50%)	8/18/2024	1,231	1,255,109
Metals/Mining (Excluding Steel) 0.06%				
Oxbow Carbon LLC 2nd Lien Initial Term Loan	10.50% (3 Mo. LIBOR + 7.50%)	1/4/2024	650	652,438
Personal & Household Products 0.14%				
Britax US Holdings, Inc. Initial Dollar Term Loan	5.193% (3 Mo. LIBOR + 3.50%)	10/15/2020	1,896	1,614,488
Real Estate Development & Management 0.09%				
Capital Automotive L.P. 2nd Lien Initial Tranche B Term Loan	7.57% (1 Mo. LIBOR + 6.00%)	3/24/2025	1,051	1,082,920
Recreation & Travel 0.24%				
Intrawest Resorts Holdings, Inc. Term Loan B1	4.819% (3 Mo. LIBOR + 3.25%)	7/31/2024	2,088	2,106,928
Kingpin Intermediate Holdings LLC 1st Lien Term Loan	5.73% (3 Mo. LIBOR + 4.25%)	6/29/2024	679	687,360 ^(h)
<i>Total</i>				2,794,288
Software/Services 0.08%				
Misys Ltd 2nd Lien Dollar Term Loan	8.729% (3 Mo. LIBOR + 7.25%)	6/13/2025	965	970,307
Specialty Retail 0.56%				
Bass Pro Group, LLC Term Loan B	— ^(g)	9/25/2024	1,731	1,728,499
Container Store, Inc. Term Loan B	8.693% (3 Mo. LIBOR + 7.00%)	8/18/2021	899	873,345
Forterra Finance, LLC Term Loan	— ^(g)	10/25/2023	1,267	1,188,708
J.C. Penney Corp., Inc. 2016 Term Loan B	5.729% (3 Mo. LIBOR + 0.425%)	6/23/2023	1,295	1,214,005

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Specialty Retail (continued)				
PetSmart, Inc. Tranche B2 Term Loan	4.57%			
	(1 Mo. LIBOR + 3.00%)	3/11/2022	\$ 1,965	\$ 1,578,615
<i>Total</i>				<u>6,583,172</u>
Support: Services 0.03%				
Pike Corp. 2017 Initial Term Loan	5.07%			
	(3 Mo. LIBOR + 3.50%)	9/20/2024	328	<u>333,550</u>
Telecommunications: Satellite 0.05%				
Intelsat Jackson Holdings S.A. Tranche Term Loan B5 (Luxembourg) ^(d)	– ^(g)	1/2/2024	602	<u>609,402</u>
Transportation: Infrastructure/Services 0.26%				
Uber Technologies, Inc. Term Loan B	5.552%			
	(3 Mo. LIBOR + 4.00%)	7/13/2023	2,984	<u>3,006,644</u>
<i>Total Floating Rate Loans (cost \$36,927,667)</i>				<u>37,497,638</u>
FOREIGN BONDS^(c) 0.45%				
France 0.21%				
CMA CGM SA [†]	5.25%	1/15/2025	EUR 657	787,844
CMA CGM SA [†]	6.50%	7/15/2022	EUR 1,377	<u>1,737,916</u>
<i>Total</i>				<u>2,525,760</u>
Netherlands 0.24%				
Hema Bondco I BV [†]	6.25% (3 Mo. Euribor + 6.25%) [*]	7/15/2022	EUR 2,291	<u>2,812,733</u>
<i>Total Foreign Bonds (cost \$4,971,412)</i>				<u>5,338,493</u>
FOREIGN GOVERNMENT OBLIGATIONS 3.47%				
Argentina 0.89%				
City of Buenos Aires ^{†(d)}	7.50%	6/1/2027	1,275	1,422,262
City of Buenos Aires ^{†(d)}	8.95%	2/19/2021	1,125	1,251,563
Province of Santa Fe ^{†(d)}	6.90%	11/1/2027	1,521	1,614,009
Provincia de Mendoza ^{†(d)}	8.375%	5/19/2024	2,025	2,263,059
Provincia of Neuquen ^{†(d)}	7.50%	4/27/2025	540	579,150
Provincia of Neuquen ^{†(d)}	8.625%	5/12/2028	719	808,566
Republic of Argentina ^(d)	7.50%	4/22/2026	2,208	<u>2,503,099</u>
<i>Total</i>				<u>10,441,708</u>
Australia 0.33%				
Australian Government ^(c)	4.25%	4/21/2026	AUD 2,084	1,828,570
Queensland Treasury Corp. ^{†(c)}	4.00%	6/21/2019	AUD 2,500	<u>2,007,947</u>
<i>Total</i>				<u>3,836,517</u>

See Notes to Financial Statements.

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Bahamas 0.29%				
Commonwealth of Bahamas ^{†(d)}	5.75%	1/16/2024	\$ 1,100	\$ 1,150,930
Commonwealth of Bahamas ^{†(d)}	6.00%	11/21/2028	2,200	<u>2,299,000</u>
<i>Total</i>				<u>3,449,930</u>
Bermuda 0.23%				
Government of Bermuda [†]	4.138%	1/3/2023	1,350	1,422,387
Government of Bermuda [†]	4.854%	2/6/2024	1,175	<u>1,277,965</u>
<i>Total</i>				<u>2,700,352</u>
Canada 0.21%				
Province of British Columbia Canada ^(c)	2.85%	6/18/2025	CAD 3,000	<u>2,453,007</u>
Cayman Islands 0.04%				
Cayman Islands Government [†]	5.95%	11/24/2019	\$ 425	<u>459,045</u>
Ghana 0.14%				
Republic of Ghana ^{†(d)}	7.875%	8/7/2023	1,541	<u>1,697,396</u>
Greece 0.16%				
Hellenic Republic ^{†(c)}	4.375%	8/1/2022	EUR 1,500	<u>1,869,605</u>
Honduras 0.21%				
Honduras Government ^{†(d)}	6.25%	1/19/2027	\$ 2,300	<u>2,465,830</u>
Jamaica 0.35%				
Government of Jamaica ^(d)	6.75%	4/28/2028	2,373	2,696,321
Government of Jamaica ^(d)	8.00%	3/15/2039	1,110	<u>1,364,701</u>
<i>Total</i>				<u>4,061,022</u>
Nigeria 0.08%				
Republic of Nigeria ^{†(d)}	6.50%	11/28/2027	857	<u>895,807</u>
Senegal 0.15%				
Republic of Senegal ^{†(d)}	6.25%	5/23/2033	1,661	<u>1,758,095</u>
Sri Lanka 0.20%				
Republic of Sri Lanka ^{†(d)}	6.20%	5/11/2027	2,209	<u>2,336,501</u>
United Arab Emirates 0.10%				
Abu Dhabi Government International ^{†(d)}	3.125%	5/3/2026	1,255	<u>1,241,282</u>
Uruguay 0.09%				
Republic of Uruguay ^{†(c)}	8.50%	3/15/2028	UYU 30,282	<u>1,057,655</u>
<i>Total Foreign Government Obligations (cost \$38,491,810)</i>				<u>40,723,752</u>

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
GOVERNMENT SPONSORED ENTERPRISES PASS-THROUGH 1.45%				
Federal National Mortgage Assoc. ⁽ⁱ⁾ (cost \$17,124,134)	3.50%	TBA	\$16,600	\$ 17,054,477
HIGH YIELD CORPORATE BONDS 69.02%				
Advertising 0.19%				
Clear Channel Worldwide Holdings, Inc.	6.50%	11/15/2022	1,579	1,612,554
Lamar Media Corp.	5.75%	2/1/2026	566	606,327
<i>Total</i>				<u>2,218,881</u>
Aerospace/Defense 0.78%				
Bombardier, Inc. (Canada) ^{†(d)}	7.50%	12/1/2024	1,068	1,086,690
Bombardier, Inc. (Canada) ^{†(d)}	8.75%	12/1/2021	1,010	1,116,050
Bombardier, Inc.(Canada) ^{†(d)}	7.50%	3/15/2025	4,079	4,129,988
Huntington Ingalls Industries, Inc. [†]	3.483%	12/1/2027	1,711	1,708,861
Huntington Ingalls Industries, Inc. [†]	5.00%	11/15/2025	1,048	1,123,980
<i>Total</i>				<u>9,165,569</u>
Air Transportation 0.56%				
Air Canada (Canada) ^{†(d)}	7.75%	4/15/2021	1,140	1,305,300
Air Canada 2015-2 Class A Pass-Through Trust (Canada) ^{†(d)}	4.125%	6/15/2029	818	859,111
American Airlines 2013-2 Class B Pass-Through Trust [†]	5.60%	1/15/2022	647	670,626
Azul Investments LLP [†]	5.875%	10/26/2024	3,049	3,037,566
Latam Finance Ltd. [†]	6.875%	4/11/2024	656	685,520
<i>Total</i>				<u>6,558,123</u>
Auto Parts & Equipment 0.72%				
Allison Transmission, Inc. [†]	5.00%	10/1/2024	1,250	1,292,188
American Axle & Manufacturing, Inc. [†]	6.25%	4/1/2025	2,056	2,169,080
American Axle & Manufacturing, Inc. [†]	6.50%	4/1/2027	2,296	2,436,630
Gates Global LLC/Gates Global Co. [†]	6.00%	7/15/2022	1,617	1,661,467
International Automotive Components Group SA (Luxembourg) ^{†(d)}	9.125%	6/1/2018	257	254,591
TI Group Automotive Systems LLC (United Kingdom) ^{†(d)}	8.75%	7/15/2023	584	629,260
<i>Total</i>				<u>8,443,216</u>
Automakers 0.70%				
BMW US Capital LLC [†]	2.80%	4/11/2026	1,199	1,173,195
Tesla, Inc. [†]	5.30%	8/15/2025	7,365	7,061,194
<i>Total</i>				<u>8,234,389</u>

See Notes to Financial Statements.

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Banking 8.13%				
ABN AMRO Bank NV (Netherlands) ^{†(d)}	4.75%	7/28/2025	\$ 3,251	\$ 3,457,438
Ally Financial, Inc.	8.00%	11/1/2031	901	1,175,805
American Express Credit Corp.	3.30%	5/3/2027	1,891	1,920,659
ANZ New Zealand Int'l Ltd. (United Kingdom) ^{†(d)}	2.125%	7/28/2021	1,510	1,480,189
Associated Banc-Corp.	4.25%	1/15/2025	1,000	1,030,940
Astoria Financial Corp.	3.50%	6/8/2020	1,393	1,399,122
Australia & New Zealand Banking Group Ltd. (United Kingdom) ^{†(d)}	6.75% (USD Swap + 5.17%) [#]	–(i)	1,415	1,613,100
Banco de Bogota SA (Colombia) ^{†(d)}	4.375%	8/3/2027	900	900,000
Banco de Bogota SA (Colombia) ^{†(d)}	6.25%	5/12/2026	1,000	1,080,800
Banco de Galicia y Buenos Aires SA (Argentina) ^{†(d)}	8.25% (5 Yr Treasury Note CMT + 7.16%) [#]	7/19/2026	1,000	1,116,200
Banco do Brasil SA [†]	6.25% (10 Yr Treasury Note CMT + 4.40%) [#]	–(i)	1,983	1,829,318
Banco General SA (Panama) ^{†(d)}	4.125%	8/7/2027	2,275	2,277,685
Banco Mercantil del Norte SA (Mexico) ^{†(d)}	7.625% (10 Yr Treasury Note CMT + 5.35%) [#]	–(i)	1,077	1,183,354
Banistmo SA (Panama) ^{†(d)}	3.65%	9/19/2022	1,390	1,376,100
Bank of America Corp.	4.45%	3/3/2026	2,201	2,352,798
Bank of Montreal (Canada) ^(d)	3.803% (USSW5 + 1.43%) ^{#(k)}	12/15/2032	2,220	2,197,534
BankUnited, Inc.	4.875%	11/17/2025	2,525	2,688,121
BNP Paribas SA (France) ^{†(d)}	6.75% (5 Yr Swap rate + 4.92%) [#]	–(i)	1,817	1,971,445
Citigroup, Inc.	4.45%	9/29/2027	1,473	1,560,868
Citizens Financial Group, Inc.	4.35%	8/1/2025	831	865,539
Comerica, Inc.	3.80%	7/22/2026	1,258	1,278,219
Commonwealth Bank of Australia (Australia) ^{†(d)}	4.50%	12/9/2025	973	1,020,003
Compass Bank	3.875%	4/10/2025	2,100	2,109,490
Credit Suisse Group AG (Switzerland) ^{†(d)}	7.50% (5 Yr Swap rate + 4.60%) [#]	–(i)	1,075	1,230,821
Fifth Third Bancorp	8.25%	3/1/2038	1,708	2,614,111
First Republic Bank	4.625%	2/13/2047	1,161	1,245,575
Goldman Sachs Group, Inc. (The)	3.50%	11/16/2026	1,520	1,530,081
Goldman Sachs Group, Inc. (The)	6.75%	10/1/2037	2,100	2,814,370
Home BancShares, Inc.	5.625% (3 Mo. LIBOR + 3.58%) [#]	4/15/2027	2,396	2,513,404
HSBC Holdings plc (United Kingdom) ^(d)	4.25%	8/18/2025	3,671	3,812,202
Intesa Sanpaolo SpA (Italy) ^{†(d)}	5.71%	1/15/2026	3,212	3,388,439
Intesa Sanpaolo SpA (Italy) ^{†(d)}	7.70% (5 Yr Swap rate + 5.46%) [#]	–(i)	2,717	2,954,737
Itau Unibanco Holding SA [†]	6.125% (BADLAR + 3.98%) [#]	–(i)	1,186	1,186,709

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Banking (continued)				
JPMorgan Chase & Co.	3.54% (3 Mo. LIBOR + 1.38%) [#]	5/1/2028	\$ 1,306	\$ 1,329,845
JPMorgan Chase & Co.	3.90%	7/15/2025	1,150	1,206,460
JPMorgan Chase & Co.	6.75% (3 Mo. LIBOR + 3.78%) [#]	– ⁽ⁱ⁾	1,688	1,913,770
Lloyds Banking Group plc (United Kingdom) ^(d)	7.50%			
	(5 Yr Swap rate + 4.76%) [#]	– ⁽ⁱ⁾	1,519	1,725,964
Macquarie Bank Ltd. (United Kingdom) ^{†(d)}	6.125%			
	(5 Yr Swap rate + 3.70%) [#]	– ⁽ⁱ⁾	1,794	1,868,003
Macquarie Group Ltd. (Australia) ^{†(d)}	6.00%	1/14/2020	725	772,729
Manufacturers & Traders Trust Co.	3.40%	8/17/2027	526	532,622
Morgan Stanley	3.125%	7/27/2026	2,144	2,116,476
Morgan Stanley	3.625%	1/20/2027	2,026	2,075,324
Morgan Stanley	4.00%	7/23/2025	937	981,810
National Savings Bank (Sri Lanka) ^{†(d)}	5.15%	9/10/2019	950	964,155
People's United Bank NA	4.00%	7/15/2024	1,100	1,112,281
Popular, Inc.	7.00%	7/1/2019	1,625	1,698,125
Royal Bank of Scotland Group plc (United Kingdom) ^(d)	5.125%	5/28/2024	584	620,152
Royal Bank of Scotland Group plc (United Kingdom) ^(d)	6.10%	6/10/2023	1,517	1,672,171
Royal Bank of Scotland Group plc (United Kingdom) ^(d)	6.125%	12/15/2022	506	555,140
Royal Bank of Scotland Group plc (United Kingdom) ^(d)	7.50% (5 Yr Swap rate + 5.80%) [#]	– ⁽ⁱ⁾	2,235	2,369,100
Royal Bank of Scotland Group plc (United Kingdom) ^(d)	8.625% (5 Yr Swap rate + 7.60%) [#]	– ⁽ⁱ⁾	1,571	1,773,266
SVB Financial Group	3.50%	1/29/2025	999	1,002,718
Toronto–Dominion Bank (The) (Canada) ^(d)	3.625%			
	(5 Yr Swap rate + 2.21%) [#]	9/15/2031	750	748,974
Turkiye Garanti Bankasi AS (Turkey) ^{†(d)}	5.25%	9/13/2022	1,150	1,175,588
UBS AG	7.625%	8/17/2022	606	709,444
UBS Group AG (Switzerland) ^(d)	7.00%			
	(5 Yr Swap rate + 4.87%) [#]	– ⁽ⁱ⁾	1,000	1,135,000
UniCredit SpA (Italy) ^(d)	6.375% (5 Yr Swap rate + 5.51%) [#]	5/2/2023	1,149	1,163,752
Washington Mutual Bank ^(l)	6.875%	6/15/2011	1,250	125 ^(m)
Wells Fargo & Co.	4.90%	11/17/2045	1,759	1,993,800
Zenith Bank plc (Nigeria) ^{†(d)}	7.375%	5/30/2022	900	938,880
<i>Total</i>				95,330,850

See Notes to Financial Statements.

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Beverages 0.43%				
Bacardi Ltd.†	2.75%	7/15/2026	\$ 1,149	\$ 1,105,843
Brown-Forman Corp.	4.50%	7/15/2045	1,572	1,782,240
PepsiCo, Inc.	3.60%	3/1/2024	1,653	1,734,482
PepsiCo, Inc.	4.25%	10/22/2044	419	463,118
<i>Total</i>				5,085,683
Brokerage 0.21%				
E*TRADE Financial Corp.	3.80%	8/24/2027	1,167	1,165,188
Freedom Mortgage Corp.†	8.125%	11/15/2024	1,255	1,281,669
<i>Total</i>				2,446,857
Building & Construction 1.24%				
Ashton Woods USA LLC/Ashton Woods Finance Co.†	6.75%	8/1/2025	1,087	1,091,076
Ashton Woods USA LLC/Ashton Woods Finance Co.†	6.875%	2/15/2021	1,023	1,047,296
Beazer Homes USA, Inc.	6.75%	3/15/2025	705	746,419
Boral Finance Pty Ltd. (Australia) ^(d)	3.75%	5/1/2028	1,306	1,318,021
ITR Concession Co. LLC†	5.183%	7/15/2035	785	831,940
Lennar Corp.	4.75%	11/15/2022	1,304	1,374,090
Lennar Corp.	4.75%	5/30/2025	830	865,275
PulteGroup, Inc.	5.00%	1/15/2027	1,959	2,054,501
PulteGroup, Inc.	6.375%	5/15/2033	2,250	2,531,250
Toll Brothers Finance Corp.	5.625%	1/15/2024	1,000	1,101,250
William Lyon Homes, Inc.	5.875%	1/31/2025	1,500	1,535,625
<i>Total</i>				14,496,743
Building Materials 1.05%				
Builders FirstSource, Inc.†	5.625%	9/1/2024	752	785,426
FBM Finance, Inc.†	8.25%	8/15/2021	1,003	1,070,703
Hillman Group, Inc. (The)†	6.375%	7/15/2022	1,311	1,314,278
James Hardie International Finance DAC (Ireland) ^(d)	4.75%	1/15/2025	485	491,063
Lennox International, Inc.	3.00%	11/15/2023	1,081	1,068,668
Martin Marietta Materials, Inc.	4.25%	7/2/2024	1,146	1,206,851
Owens Corning	4.30%	7/15/2047	1,763	1,741,517
Standard Industries, Inc.†	5.00%	2/15/2027	1,121	1,149,025
Standard Industries, Inc.†	5.375%	11/15/2024	934	980,980
Standard Industries, Inc.†	6.00%	10/15/2025	1,786	1,915,485
U.S. Concrete, Inc.	6.375%	6/1/2024	552	594,780
<i>Total</i>				12,318,776

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Cable & Satellite Television 1.34%				
CCO Holdings LLC/CCO Holdings Capital Corp.†	5.125%	5/1/2027	\$ 2,134	\$ 2,107,325
CCO Holdings LLC/CCO Holdings Capital Corp.†	5.75%	2/15/2026	1,575	1,639,969
CCO Holdings LLC/CCO Holdings Capital Corp.†	5.875%	4/1/2024	1,785	1,865,325
CSC Holdings LLC†	10.875%	10/15/2025	2,647	3,149,930
DISH DBS Corp.	7.75%	7/1/2026	3,658	3,859,190
UPCB Finance IV Ltd.†	5.375%	1/15/2025	1,929	1,951,955
Ziggo Secured Finance BV (Netherlands) ^{†(d)}	5.50%	1/15/2027	1,122	1,123,402
<i>Total</i>				15,697,096
Chemicals 1.32%				
Albemarle Corp.	5.45%	12/1/2044	1,524	1,803,523
CF Industries, Inc.†	4.50%	12/1/2026	1,640	1,712,231
Chemours Co. (The)	5.375%	5/15/2027	647	671,262
Chemours Co. (The)	7.00%	5/15/2025	1,380	1,504,200
GCP Applied Technologies, Inc.†	9.50%	2/1/2023	459	510,638
Halcyon Agri Corp. Ltd. (Singapore) ^(d)	4.50%			
	(H15T2Y + 8.31%) [#]	– ⁽ⁱ⁾	758	754,033
Kraton Polymers LLC/Kraton Polymers Capital Corp.†	10.50%	4/15/2023	1,025	1,163,375
Olin Corp.	5.125%	9/15/2027	1,992	2,101,560
Sociedad Quimica y Minera de Chile SA (Chile) ^{†(d)}	4.375%	1/28/2025	1,092	1,138,410
TPC Group, Inc.†	8.75%	12/15/2020	1,133	1,138,665
Tronox Finance LLC†	7.50%	3/15/2022	1,772	1,856,170
Westlake Chemical Corp.	3.60%	8/15/2026	1,108	1,116,105
<i>Total</i>				15,470,172
Consumer/Commercial/Lease Financing 1.00%				
Nationstar Mortgage LLC/Nationstar Capital Corp.	6.50%	7/1/2021	892	907,053
Navient Corp.	5.00%	10/26/2020	964	979,665
Navient Corp.	6.125%	3/25/2024	3,319	3,377,082
Navient Corp.	6.75%	6/25/2025	2,669	2,749,070
Quicken Loans, Inc.†	5.25%	1/15/2028	3,532	3,495,620
TMX Finance LLC/TitleMax Finance Corp.†	8.50%	9/15/2018	189	173,880
<i>Total</i>				11,682,370
Department Stores 0.35%				
Kohl's Corp.	5.55%	7/17/2045	2,288	2,241,109
Macy's Retail Holdings, Inc.	4.375%	9/1/2023	1,868	1,886,287
<i>Total</i>				4,127,396

See Notes to Financial Statements.

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Discount Stores 0.79%				
Amazon.com, Inc. [†]	4.25%	8/22/2057	\$ 2,075	\$ 2,272,354
Amazon.com, Inc.	4.80%	12/5/2034	4,062	4,778,610
Amazon.com, Inc.	5.20%	12/3/2025	1,950	2,241,559
<i>Total</i>				9,292,523
Diversified Capital Goods 0.80%				
BCD Acquisition, Inc. [†]	9.625%	9/15/2023	1,561	1,721,002
Griffon Corp.	5.25%	3/1/2022	1,163	1,180,445
Siemens Financieringsmaatschappij NV (Netherlands) ^{†(d)}	3.25%	5/27/2025	1,235	1,256,461
SPX FLOW, Inc. [†]	5.625%	8/15/2024	873	923,198
SPX FLOW, Inc. [†]	5.875%	8/15/2026	1,465	1,560,225
Valmont Industries, Inc.	5.25%	10/1/2054	2,656	2,756,919
<i>Total</i>				9,398,250
Electric: Distribution/Transportation 0.20%				
Oklahoma Gas & Electric Co.	4.15%	4/1/2047	960	1,046,191
Pennsylvania Electric Co. [†]	3.25%	3/15/2028	1,334	1,315,008
<i>Total</i>				2,361,199
Electric: Generation 1.06%				
Acwa Power Management & Investments				
One Ltd. (United Arab Emirates) ^{†(d)}	5.95%	12/15/2039	1,386	1,424,725
Calpine Corp.	5.75%	1/15/2025	1,886	1,798,772
Dynegy, Inc. [†]	8.125%	1/30/2026	1,517	1,663,011
Infraestructura Energetica Nova SAB de CV (Mexico) ^{†(d)}	4.875%	1/14/2048	766	738,233
Minejesa Capital BV (Netherlands) ^{†(d)}	4.625%	8/10/2030	2,170	2,223,284
NSG Holdings LLC/NSG Holdings, Inc. [†]	7.75%	12/15/2025	1,763	1,943,755
Talen Energy Supply LLC	4.60%	12/15/2021	1,287	1,184,040
TerraForm Power Operating LLC [†]	5.00%	1/31/2028	1,486	1,472,998
<i>Total</i>				12,448,818
Electric: Integrated 1.68%				
Aegea Finance Sarl (Brazil) ^{†(d)}	5.75%	10/10/2024	1,132	1,154,640
Arizona Public Service Co.	2.95%	9/15/2027	1,333	1,314,123
El Paso Electric Co.	5.00%	12/1/2044	1,953	2,161,595
Emera, Inc. (Canada) ^(d)	6.75% (3 Mo. LIBOR + 5.44%) [#]	6/15/2076	916	1,035,080
Enel Finance International NV (Netherlands) ^{†(d)}	3.625%	5/25/2027	2,137	2,126,802
Entergy Arkansas, Inc.	4.95%	12/15/2044	1,909	2,000,350
Entergy Mississippi, Inc.	2.85%	6/1/2028	625	605,752

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Electric: Integrated (continued)				
Indianapolis Power & Light Co.†	4.05%	5/1/2046	\$ 2,203	\$ 2,298,890
Louisville Gas & Electric Co.	4.375%	10/1/2045	1,017	1,133,347
Monongahela Power Co.†	3.55%	5/15/2027	942	961,992
NRG Energy, Inc.†	5.75%	1/15/2028	1,059	1,072,237
Puget Sound Energy, Inc.	7.02%	12/1/2027	314	405,637
Rochester Gas & Electric Corp.†	3.10%	6/1/2027	1,113	1,102,749
Southern California Edison Co.	3.90%	3/15/2043	1,000	1,053,636
Southern California Edison Co.	4.00%	4/1/2047	1,237	1,330,812
<i>Total</i>				19,757,642
Electronics 1.41%				
Applied Materials, Inc.	4.35%	4/1/2047	2,370	2,662,923
Corning, Inc.	4.375%	11/15/2057	2,595	2,585,459
Nokia OYJ (Finland) ^(d)	4.375%	6/12/2027	928	919,648
NVIDIA Corp.	3.20%	9/16/2026	2,872	2,885,187
Qorvo, Inc.	7.00%	12/1/2025	2,479	2,779,579
Trimble, Inc.	4.75%	12/1/2024	3,132	3,384,274
Xilinx, Inc.	2.95%	6/1/2024	1,345	1,337,468
<i>Total</i>				16,554,538
Energy: Exploration & Production 5.44%				
Alta Mesa Holdings LP/Alta Mesa Finance Services Corp.	7.875%	12/15/2024	1,563	1,721,254
Anadarko Petroleum Corp.	6.60%	3/15/2046	1,740	2,244,384
Bill Barrett Corp.	7.00%	10/15/2022	1,042	1,066,748
Bill Barrett Corp.	8.75%	6/15/2025	548	608,280
California Resources Corp.†	8.00%	12/15/2022	1,484	1,229,865
Carrizo Oil & Gas, Inc.	6.25%	4/15/2023	1,916	1,997,430
Centennial Resource Production LLC†	5.375%	1/15/2026	1,155	1,179,544
CNX Resources Corp.	8.00%	4/1/2023	1,091	1,172,280
CNX Resources Corp.	5.875%	4/15/2022	740	759,425
Concho Resources, Inc.	4.875%	10/1/2047	2,658	2,915,919
Continental Resources, Inc.	3.80%	6/1/2024	3,564	3,537,270
Continental Resources, Inc.	4.50%	4/15/2023	4,919	5,029,677
Eclipse Resources Corp.	8.875%	7/15/2023	1,322	1,363,312
Endeavor Energy Resources LP/EER Finance, Inc.†	5.50%	1/30/2026	849	865,980
EP Energy LLC/Everest Acquisition Finance, Inc.†	8.00%	11/29/2024	1,138	1,180,675
EP Energy LLC/Everest Acquisition Finance, Inc.†	8.00%	2/15/2025	437	321,195
Gulfport Energy Corp.	6.00%	10/15/2024	259	260,295
Gulfport Energy Corp.	6.375%	5/15/2025	327	329,861

See Notes to Financial Statements.

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Energy: Exploration & Production (continued)				
Gulfport Energy Corp.†	6.375%	1/15/2026	\$ 658	\$ 664,580
Halcon Resources Corp.†	6.75%	2/15/2025	1,097	1,146,365
Hilcorp Energy I LP/Hilcorp Finance Co.†	5.00%	12/1/2024	2,553	2,540,235
Jonah Energy LLC/Jonah Energy Finance Corp.†	7.25%	10/15/2025	1,853	1,869,214
Kosmos Energy Ltd.†	7.875%	8/1/2021	1,175	1,207,313
MEG Energy Corp. (Canada) ^{†(d)}	6.375%	1/30/2023	1,661	1,420,155
MEG Energy Corp. (Canada) ^{†(d)}	6.50%	1/15/2025	1,354	1,342,153
MEG Energy Corp. (Canada) ^{†(d)}	7.00%	3/31/2024	3,196	2,712,605
Murphy Oil Corp.	6.875%	8/15/2024	517	553,190
Newfield Exploration Co.	5.625%	7/1/2024	3,041	3,284,280
Oasis Petroleum, Inc.	6.875%	3/15/2022	1,100	1,131,625
PT Saka Energi Indonesia (Indonesia) ^{†(d)}	4.45%	5/5/2024	948	964,259
Range Resources Corp.	4.875%	5/15/2025	2,379	2,307,630
Range Resources Corp.	5.875%	7/1/2022	726	744,150
Sanchez Energy Corp.	6.125%	1/15/2023	2,564	2,185,810
SM Energy Co.	6.50%	1/1/2023	1,867	1,913,675
Southwestern Energy Co.	7.75%	10/1/2027	1,714	1,831,837
SRC Energy, Inc.†	6.25%	12/1/2025	1,455	1,495,012
Texaco Capital, Inc.	8.625%	11/15/2031	1,223	1,881,577
Ultra Resources, Inc.†	7.125%	4/15/2025	918	919,148
WPX Energy, Inc.	6.00%	1/15/2022	1,242	1,304,100
YPF SA (Argentina) ^{†(d)}	6.95%	7/21/2027	1,361	1,448,104
YPF SA (Argentina) ^{†(d)}	7.00%	12/15/2047	1,180	1,172,330
<i>Total</i>				63,822,741
Food & Drug Retailers 0.10%				
Ingles Markets, Inc.	5.75%	6/15/2023	1,158	1,178,265
Food: Wholesale 1.08%				
Arcor SAIC (Argentina) ^{†(d)}	6.00%	7/6/2023	890	946,738
Chobani LLC/Chobani Finance Corp., Inc.†	7.50%	4/15/2025	1,312	1,395,640
Cosan Luxembourg SA (Luxembourg) ^{†(d)}	7.00%	1/20/2027	1,664	1,797,120
Kernel Holding SA (Ukraine) ^{†(d)}	8.75%	1/31/2022	1,185	1,308,117
Lamb Weston Holdings, Inc.†	4.625%	11/1/2024	1,299	1,344,465
McCormick & Co., Inc.	4.20%	8/15/2047	613	647,979
MHP SE (Ukraine) ^{†(d)}	7.75%	5/10/2024	1,597	1,734,981
Pilgrim's Pride Corp.†	5.875%	9/30/2027	1,148	1,185,310
Post Holdings, Inc.†	5.75%	3/1/2027	1,235	1,259,700
Simmons Foods, Inc.†	5.75%	11/1/2024	1,095	1,086,787
<i>Total</i>				12,706,837

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Foreign Sovereign 0.14%				
Instituto Costarricense de Electricidad (Costa Rica) ^{†(d)}	6.375%	5/15/2043	\$ 1,801	\$ 1,669,563
Forestry/Paper 0.55%				
Klabin Finance SA (Luxembourg) ^{†(d)}	4.875%	9/19/2027	1,313	1,299,214
Norbord, Inc. (Canada) ^{†(d)}	6.25%	4/15/2023	1,991	2,182,634
Rayonier AM Products, Inc. [†]	5.50%	6/1/2024	1,145	1,146,431
Rayonier, Inc.	3.75%	4/1/2022	1,262	1,278,682
West Fraser Timber Co. Ltd. (Canada) ^{†(d)}	4.35%	10/15/2024	600	590,622
<i>Total</i>				6,497,583
Gaming 1.62%				
CRC Escrow Issuer LLC/CRC Finco, Inc. [†]	5.25%	10/15/2025	2,286	2,315,261
Eldorado Resorts, Inc.	6.00%	4/1/2025	552	579,600
Everi Payments, Inc. [†]	7.50%	12/15/2025	1,494	1,484,662
GLP Capital LP/GLP Financing II, Inc.	5.375%	4/15/2026	704	756,800
International Game Technology plc [†]	6.50%	2/15/2025	593	665,643
Jacobs Entertainment, Inc. [†]	7.875%	2/1/2024	1,033	1,107,892
MGM Growth Properties Operating Partnership LP/MGP Finance Co-Issuer, Inc.	5.625%	5/1/2024	544	582,080
MGM Resorts International	6.00%	3/15/2023	3,631	3,930,557
MGM Resorts International	7.75%	3/15/2022	416	475,280
Mohegan Gaming & Entertainment [†]	7.875%	10/15/2024	2,065	2,124,369
Penn National Gaming, Inc. [†]	5.625%	1/15/2027	1,226	1,275,040
River Rock Entertainment Authority ^(l)	9.00%	11/1/2018	431	104,518
Scientific Games International, Inc.	10.00%	12/1/2022	1,460	1,607,825
Station Casinos LLC [†]	5.00%	10/1/2025	1,110	1,118,325
Wynn Macau Ltd. (Macau) ^{†(d)}	5.50%	10/1/2027	823	834,316
<i>Total</i>				18,962,168
Gas Distribution 1.74%				
Andeavor Logistics LP/Tesoro Logistics Finance Corp.	6.25%	10/15/2022	398	422,764
Blue Racer Midstream LLC/Blue Racer Finance Corp. [†]	6.125%	11/15/2022	1,057	1,104,565
Cheniere Corpus Christi Holdings LLC	5.125%	6/30/2027	1,162	1,204,878
Cheniere Corpus Christi Holdings LLC	5.875%	3/31/2025	1,059	1,149,677
Cheniere Corpus Christi Holdings LLC	7.00%	6/30/2024	1,017	1,159,380
Dominion Energy Gas Holdings LLC	3.60%	12/15/2024	1,175	1,202,093
Energy Transfer Equity LP	5.875%	1/15/2024	347	366,085
Florida Gas Transmission Co. LLC [†]	4.35%	7/15/2025	1,895	2,026,737

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Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Gas Distribution (continued)				
IFM US Colonial Pipeline 2 LLC [†]	6.45%	5/1/2021	\$ 1,400	\$ 1,537,124
LBC Tank Terminals Holding Netherlands BV (Belgium) ^{†(d)}	6.875%	5/15/2023	1,419	1,484,629
National Fuel Gas Co.	3.95%	9/15/2027	1,975	1,970,497
NGPL PipeCo LLC [†]	4.875%	8/15/2027	1,339	1,394,234
Rockies Express Pipeline LLC [†]	5.625%	4/15/2020	1,600	1,684,000
Rockies Express Pipeline LLC [†]	6.875%	4/15/2040	1,360	1,536,800
Southern Star Central Corp. [†]	5.125%	7/15/2022	1,145	1,190,800
Williams Cos., Inc. (The)	3.70%	1/15/2023	543	543,000
Williams Cos., Inc. (The)	4.55%	6/24/2024	457	476,422
<i>Total</i>				20,453,685
Health Facilities 1.97%				
Ascension Health	3.945%	11/15/2046	1,017	1,077,133
CHS/Community Health Systems, Inc.	8.00%	11/15/2019	1,203	1,025,557
Dignity Health	3.812%	11/1/2024	675	697,389
HCA, Inc.	5.25%	4/15/2025	1,612	1,708,720
HCA, Inc.	5.25%	6/15/2026	763	810,687
HCA, Inc.	5.50%	6/15/2047	1,683	1,683,000
HCA, Inc.	5.875%	3/15/2022	1,715	1,839,337
HCA, Inc.	7.05%	12/1/2027	390	430,950
HCA, Inc.	7.50%	2/15/2022	2,467	2,781,542
HCA, Inc.	7.58%	9/15/2025	552	634,800
HCA, Inc.	7.69%	6/15/2025	1,240	1,410,500
HCA, Inc.	8.36%	4/15/2024	261	309,938
Kindred Healthcare, Inc.	8.75%	1/15/2023	1,190	1,267,350
Memorial Sloan-Kettering Cancer Center	4.20%	7/1/2055	2,978	3,225,668
New York & Presbyterian Hospital (The)	4.063%	8/1/2056	1,770	1,862,635
NYU Hospitals Center	4.368%	7/1/2047	1,191	1,285,286
RegionalCare Hospital Partners Holdings, Inc. [†]	8.25%	5/1/2023	1,034	1,096,040
<i>Total</i>				23,146,532
Health Services 0.81%				
ASP AMC Merger Sub, Inc. [†]	8.00%	5/15/2025	1,405	1,355,825
inVentiv Group Holdings, Inc./inVentiv Health, Inc./inVentiv Health Clinical, Inc. [†]	7.50%	10/1/2024	596	646,660
Jaguar Holding Co. II/Pharmaceutical Product Development LLC [†]	6.375%	8/1/2023	1,109	1,122,863
MPH Acquisition Holdings LLC [†]	7.125%	6/1/2024	1,034	1,103,795
Polaris Intermediate Corp. PIK 8.5% [†]	8.50%	12/1/2022	1,603	1,667,120

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Health Services (continued)				
Sterigenics-Nordion Holdings LLC [†]	6.50%	5/15/2023	\$ 1,483	\$ 1,549,735
West Street Merger Sub, Inc. [†]	6.375%	9/1/2025	2,006	2,021,045
<i>Total</i>				9,467,043
Hotels 0.30%				
ESH Hospitality, Inc. [†]	5.25%	5/1/2025	1,095	1,108,688
Hilton Domestic Operating Co., Inc.	4.25%	9/1/2024	1,254	1,269,675
Hilton Grand Vacations Borrower LLC/Hilton Grand Vacations Borrower, Inc. [†]	6.125%	12/1/2024	1,070	1,172,987
<i>Total</i>				3,551,350
Insurance Brokerage 0.30%				
Alliant Holdings Intermediate LLC/Alliant Holdings Co-Issuer [†]	8.25%	8/1/2023	1,639	1,725,048
Farmers Insurance Exchange [†]	4.747%			
	(3 Mo. LIBOR + 3.23%) ^{†(k)}	11/1/2057	1,750	1,759,275
<i>Total</i>				3,484,323
Insurance-Reinsurance 0.36%				
Berkshire Hathaway, Inc.	2.75%	3/15/2023	907	913,436
Berkshire Hathaway, Inc.	3.125%	3/15/2026	907	917,988
Validus Holdings Ltd.	8.875%	1/26/2040	1,581	2,342,725
<i>Total</i>				4,174,149
Integrated Energy 1.26%				
Cenovus Energy, Inc. (Canada) ^(d)	6.75%	11/15/2039	2,678	3,244,944
Exxon Mobil Corp.	3.043%	3/1/2026	2,101	2,135,138
Hess Corp.	4.30%	4/1/2027	552	554,225
Hess Corp.	5.80%	4/1/2047	602	671,814
Petrobras Global Finance BV (Netherlands) ^(d)	5.625%	5/20/2043	2,500	2,243,475
Petrobras Global Finance BV (Netherlands) ^(d)	7.375%	1/17/2027	1,200	1,323,600
Petroleos Mexicanos (Mexico) ^(d)	5.50%	6/27/2044	1,275	1,176,137
Shell International Finance BV (Netherlands) ^(d)	6.375%	12/15/2038	2,473	3,451,922
<i>Total</i>				14,801,255
Investments & Miscellaneous Financial Services 1.54%				
Cboe Global Markets, Inc.	3.65%	1/12/2027	874	901,635
FMR LLC [†]	5.35%	11/15/2021	800	873,182
GrupoSura Finance SA [†]	5.50%	4/29/2026	1,015	1,102,544
Moody's Corp. [†]	3.25%	1/15/2028	2,326	2,303,658
MSCI, Inc. [†]	5.75%	8/15/2025	1,338	1,443,368

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Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Investments & Miscellaneous Financial Services (continued)				
Neuberger Berman Group LLC/Neuberger Berman Finance Corp.†	4.50%	3/15/2027	\$ 1,938	\$ 2,041,595
Neuberger Berman Group LLC/Neuberger Berman Finance Corp.†	4.875%	4/15/2045	4,097	4,189,989
OM Asset Management plc (United Kingdom) ^(d)	4.80%	7/27/2026	1,571	1,629,031
S&P Global, Inc.	6.55%	11/15/2037	1,391	1,868,328
Unifin Financiera SAB de CV SOFOM ENR (Mexico) ^{†(d)}	7.25%	9/27/2023	1,100	1,156,155
VFH Parent LLC/Orchestra Co-Issuer, Inc.†	6.75%	6/15/2022	550	580,250
<i>Total</i>				18,089,735
Life Insurance 0.73%				
Lincoln National Corp.	3.625%	12/12/2026	1,176	1,201,957
Northwestern Mutual Life Insurance Co. (The)†	3.85%	9/30/2047	2,206	2,240,051
Nuveen Finance LLC†	4.125%	11/1/2024	1,453	1,535,382
Teachers Insurance & Annuity Association of America†	4.27%	5/15/2047	1,889	2,000,878
Teachers Insurance & Annuity Association of America†	4.90%	9/15/2044	1,424	1,631,283
<i>Total</i>				8,609,551
Machinery 0.09%				
Xylem, Inc.	3.25%	11/1/2026	1,004	1,000,345
Managed Care 0.91%				
Anthem, Inc.	3.65%	12/1/2027	1,434	1,464,245
Centene Corp.	4.75%	1/15/2025	1,797	1,832,940
Centene Corp.	6.125%	2/15/2024	2,044	2,166,640
Kaiser Foundation Hospitals	4.15%	5/1/2047	2,048	2,216,549
WellCare Health Plans, Inc.	5.25%	4/1/2025	2,829	2,991,667
<i>Total</i>				10,672,041
Media: Content 1.17%				
Activision Blizzard, Inc.	3.40%	9/15/2026	1,101	1,116,001
AMC Networks, Inc.	4.75%	8/1/2025	1,741	1,730,119
Gray Television, Inc.†	5.125%	10/15/2024	151	151,000
Gray Television, Inc.†	5.875%	7/15/2026	481	494,227
iHeartCommunications, Inc.	9.00%	3/1/2021	3,492	2,514,240
Netflix, Inc.	4.375%	11/15/2026	1,705	1,675,162
Netflix, Inc.†	4.875%	4/15/2028	1,307	1,282,494
Netflix, Inc.	5.875%	2/15/2025	1,661	1,768,965

Schedule of Investments (continued)

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Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Media: Content (continued)				
Sirius XM Radio, Inc.†	5.00%	8/1/2027	\$ 1,792	\$ 1,805,440
Sirius XM Radio, Inc.†	6.00%	7/15/2024	1,075	1,139,500
<i>Total</i>				13,677,148
Media: Diversified 0.25%				
21st Century Fox America, Inc.	4.75%	11/15/2046	2,576	2,991,453
Medical Products 0.66%				
Boston Scientific Corp.	7.00%	11/15/2035	1,785	2,312,104
Fresenius Medical Care US Finance II, Inc.†	4.75%	10/15/2024	1,613	1,722,790
Ortho-Clinical Diagnostics, Inc./Ortho-Clinical Diagnostics SA†	6.625%	5/15/2022	2,325	2,348,250
Stryker Corp.	4.625%	3/15/2046	644	733,662
Teleflex, Inc.	4.625%	11/15/2027	641	648,885
<i>Total</i>				7,765,691
Metals/Mining (Excluding Steel) 4.16%				
Alcoa Nederland Holding BV (Netherlands) ^{†(d)}	6.75%	9/30/2024	2,477	2,712,315
Aleris International, Inc.†	9.50%	4/1/2021	1,184	1,255,040
Alliance Resource Operating Partners LP/ Alliance Resource Finance Corp.†	7.50%	5/1/2025	1,363	1,453,299
Anglo American Capital plc (United Kingdom) ^{†(d)}	4.00%	9/11/2027	1,321	1,313,881
Anglo American Capital plc (United Kingdom) ^{†(d)}	4.75%	4/10/2027	2,386	2,500,297
Cleveland-Cliffs, Inc.†	5.75%	3/1/2025	2,458	2,353,535
Corp. Nacional del Cobre de Chile (Chile) ^{†(d)}	4.50%	8/1/2047	910	981,581
First Quantum Minerals Ltd. (Canada) ^{†(d)}	7.25%	4/1/2023	1,150	1,242,000
Freeport-McMoRan, Inc.	3.55%	3/1/2022	4,670	4,629,137
Freeport-McMoRan, Inc.	3.875%	3/15/2023	4,941	4,941,000
Glencore Funding LLC†	4.00%	3/27/2027	1,958	1,969,009
Grinding Media, Inc./Moly-Cop AltaSteel Ltd.†	7.375%	12/15/2023	686	738,273
Hudbay Minerals, Inc. (Canada) ^{†(d)}	7.25%	1/15/2023	1,039	1,106,535
Imperial Metals Corp. (Canada) ^{†(d)}	7.00%	3/15/2019	1,037	979,965
Indika Energy Capital III Pte Ltd. (Singapore) ^{†(d)}	5.875%	11/9/2024	1,182	1,186,401
Indo Energy Finance II BV (Netherlands) ^{†(d)}	6.375%	1/24/2023	1,408	1,450,467
Kinross Gold Corp. (Canada) ^(d)	5.125%	9/1/2021	1,175	1,230,812
Kinross Gold Corp. (Canada) ^(d)	5.95%	3/15/2024	1,322	1,455,852
Lundin Mining Corp. (Canada) ^{†(d)}	7.875%	11/1/2022	964	1,036,300
Mirabela Nickel Ltd. (Australia) ^{(d)(l)}	1.00%	9/10/2044	15	2 ^(m)
New Gold, Inc. (Canada) ^{†(d)}	6.375%	5/15/2025	481	511,063
Novelis Corp.†	5.875%	9/30/2026	1,000	1,022,500

See Notes to Financial Statements.

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Metals/Mining (Excluding Steel) (continued)				
Novelis Corp.†	6.25%	8/15/2024	\$ 974	\$ 1,022,700
Peabody Energy Corp.†	6.00%	3/31/2022	1,099	1,144,334
Peabody Energy Corp.†	6.375%	3/31/2025	2,810	2,932,937
Peabody Energy Corp. ^(l)	10.00%	3/15/2022	1,310	131 ^(m)
Rain CII Carbon LLC/CII Carbon Corp.†	7.25%	4/1/2025	2,127	2,321,089
Rain CII Carbon LLC/CII Carbon Corp. ^{†(c)}	8.50%	1/15/2021	EUR 475	586,855
Samarco Mineracao SA (Brazil) ^{†(d)(l)}	4.125%	11/1/2022	\$ 1,620	1,109,700
Teck Resources Ltd. (Canada) ^{†(d)}	8.50%	6/1/2024	1,169	1,323,892
Vedanta Resources plc (India) ^{†(d)}	6.125%	8/9/2024	2,272	2,323,938
<i>Total</i>				<u>48,834,840</u>
Monoline Insurance 0.35%				
Acrisure LLC/Acrisure Finance, Inc.†	7.00%	11/15/2025	2,449	2,366,371
Fidelity National Financial, Inc.	5.50%	9/1/2022	406	448,313
MGIC Investment Corp.	5.75%	8/15/2023	1,204	1,319,885
<i>Total</i>				<u>4,134,569</u>
Multi-Line Insurance 0.15%				
American International Group, Inc.	4.70%	7/10/2035	1,576	1,747,084
Non-Electric Utilities 0.12%				
Brooklyn Union Gas Co. (The)†	3.407%	3/10/2026	1,368	1,397,343
Oil Field Equipment & Services 1.60%				
Abu Dhabi Crude Oil Pipeline LLC (United Arab Emirates) ^{†(d)}	4.60%	11/2/2047	2,329	2,401,828
Enso plc (United kingdom) ^(d)	4.50%	10/1/2024	1,035	874,575
Enso plc (United kingdom) ^(d)	5.20%	3/15/2025	1,368	1,169,640
Eterna Capital Pte Ltd. PIK 6.00% (Singapore) ^(d)	6.00%	12/11/2022	70	73,541 ^(b)
Eterna Capital Pte Ltd. PIK 8.00% (Singapore) ^(d)	8.00%	12/11/2022	252	243,549 ^(b)
Forum Energy Technologies, Inc.	6.25%	10/1/2021	1,300	1,309,750
National Oilwell Varco, Inc.	3.95%	12/1/2042	2,614	2,321,090
Precision Drilling Corp. (Canada) ^(d)	5.25%	11/15/2024	1,804	1,709,290
Precision Drilling Corp. (Canada) ^(d)	6.50%	12/15/2021	182	186,322
Precision Drilling Corp. (Canada) ^(d)	7.75%	12/15/2023	553	583,415
Rowan Cos., Inc.	4.75%	1/15/2024	1,114	985,890
Rowan Cos., Inc.	7.375%	6/15/2025	553	567,516
Transocean Phoenix 2 Ltd.†	7.75%	10/15/2024	921	1,011,619
Transocean Proteus Ltd.†	6.25%	12/1/2024	899	946,303

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Oil Field Equipment & Services (continued)				
Transocean, Inc.†	7.50%	1/15/2026	\$ 1,992	\$ 2,044,888
Unit Corp.	6.625%	5/15/2021	1,136	1,150,200
Weatherford International Ltd.	9.875%	2/15/2024	1,071	1,143,292
<i>Total</i>				18,722,708
Oil Refining & Marketing 0.65%				
Andeavor	4.50%	4/1/2048	1,092	1,107,899
Citgo Holding, Inc.†	10.75%	2/15/2020	1,985	2,138,838
HollyFrontier Corp.	5.875%	4/1/2026	876	976,012
Marathon Petroleum Corp.	4.75%	9/15/2044	1,042	1,091,926
Raizen Fuels Finance SA (Luxembourg) ^{†(d)}	5.30%	1/20/2027	1,051	1,102,289
Tupras Turkiye Petrol Rafinerileri AS (Turkey) ^{†(d)}	4.50%	10/18/2024	1,168	1,156,537
<i>Total</i>				7,573,501
Packaging 0.87%				
BWAY Holding Co.†	7.25%	4/15/2025	3,369	3,486,915
Crown Cork & Seal Co., Inc.	7.375%	12/15/2026	1,295	1,515,150
Pactiv LLC	7.95%	12/15/2025	1,152	1,310,400
Plastipak Holdings, Inc.†	6.25%	10/15/2025	1,732	1,788,290
Sealed Air Corp.†	6.875%	7/15/2033	1,850	2,159,875
<i>Total</i>				10,260,630
Personal & Household Products 0.53%				
FGI Operating Co. LLC/FGI Finance, Inc.	7.875%	5/1/2020	1,582	359,905
Gibson Brands, Inc.†	8.875%	8/1/2018	1,725	1,457,625
Mattel, Inc.	2.35%	8/15/2021	2,885	2,584,787
Mattel, Inc.†	6.75%	12/31/2025	839	852,382
SC Johnson & Son, Inc.†	4.75%	10/15/2046	805	942,520
<i>Total</i>				6,197,219
Pharmaceuticals 1.11%				
Johnson & Johnson	2.90%	1/15/2028	4,318	4,328,561
Pfizer, Inc.	5.60%	9/15/2040	1,578	2,058,076
Valeant Pharmaceuticals International, Inc.†	5.625%	12/1/2021	2,885	2,830,906
Valeant Pharmaceuticals International, Inc.†	7.00%	3/15/2024	1,332	1,428,570
Valeant Pharmaceuticals International, Inc.†	7.50%	7/15/2021	1,451	1,481,834
Zoetis, Inc.	3.95%	9/12/2047	889	909,619
<i>Total</i>				13,037,566

See Notes to Financial Statements.

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Property & Casualty 0.33%				
Allstate Corp. (The)	4.20%	12/15/2046	\$ 1,244	\$ 1,361,815
Arch Capital Finance LLC	4.011%	12/15/2026	1,507	1,571,430
Chubb INA Holdings, Inc.	3.35%	5/3/2026	876	894,722
<i>Total</i>				<u>3,827,967</u>
Rail 0.39%				
Central Japan Railway Co. (Japan) ^{†(d)}	4.25%	11/24/2045	1,524	1,691,519
Rumo Luxembourg Sarl (Luxembourg) ^{†(d)}	7.375%	2/9/2024	1,659	1,789,397
Watco Cos. LLC/Watco Finance Corp. [†]	6.375%	4/1/2023	1,072	1,114,880
<i>Total</i>				<u>4,595,796</u>
Real Estate Development & Management 0.23%				
Country Garden Holdings Co. Ltd. (China) ^(d)	4.75%	9/28/2023	1,076	1,071,535
Kaisa Group Holdings Ltd. (China) ^(d)	9.375%	6/30/2024	1,663	1,624,837
<i>Total</i>				<u>2,696,372</u>
Real Estate Investment Trusts 0.64%				
Alexandria Real Estate Equities, Inc.	3.95%	1/15/2028	1,627	1,664,200
Digital Realty Trust LP	3.70%	8/15/2027	1,132	1,142,195
Digital Realty Trust LP	4.75%	10/1/2025	989	1,076,669
Goodman US Finance Four LLC [†]	4.50%	10/15/2037	1,137	1,178,002
Goodman US Finance Three LLC [†]	3.70%	3/15/2028	769	764,454
VEREIT Operating Partnership LP	3.95%	8/15/2027	1,748	1,730,946
<i>Total</i>				<u>7,556,466</u>
Real Estate Management & Development 0.22%				
Ontario Teachers' Cadillac Fairview Properties Trust (Canada) ^{†(d)}	3.875%	3/20/2027	2,539	2,597,938
Recreation & Travel 0.83%				
Cedar Fair LP/Canada's Wonderland Co./Magnum Management Corp./Millennium Op [†]	5.375%	4/15/2027	1,144	1,204,060
LTF Merger Sub, Inc. [†]	8.50%	6/15/2023	591	628,676
Royal Caribbean Cruises Ltd.	3.70%	3/15/2028	1,186	1,177,346
Royal Caribbean Cruises Ltd.	7.50%	10/15/2027	2,950	3,812,314
Silversea Cruise Finance Ltd. [†]	7.25%	2/1/2025	1,587	1,717,928
Viking Cruises Ltd. [†]	5.875%	9/15/2027	1,144	1,166,880
<i>Total</i>				<u>9,707,204</u>
Restaurants 0.73%				
Arcos Dorados Holdings, Inc. (Uruguay) ^{†(d)}	5.875%	4/4/2027	1,199	1,270,532
Arcos Dorados Holdings, Inc. (Uruguay) ^{†(d)}	6.625%	9/27/2023	880	986,269

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Restaurants (continued)				
KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC [†]	4.75%	6/1/2027	\$ 762	\$ 781,050
KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC [†]	5.00%	6/1/2024	1,610	1,664,338
McDonald's Corp.	3.70%	1/30/2026	2,699	2,817,474
Seminole Hard Rock Entertainment, Inc./Seminole Hard Rock International LLC [†]	5.875%	5/15/2021	975	994,500
<i>Total</i>				<u>8,514,163</u>
Software/Services 2.58%				
Alibaba Group Holding Ltd. (China) ^(d)	3.125%	11/28/2021	2,150	2,178,966
Alibaba Group Holding Ltd. (China) ^(d)	4.20%	12/6/2047	426	444,260
Alibaba Group Holding Ltd. (China) ^(d)	4.40%	12/6/2057	747	779,591
Autodesk, Inc.	3.50%	6/15/2027	2,322	2,281,581
Citrix Systems, Inc.	4.50%	12/1/2027	1,722	1,750,561
First Data Corp. [†]	5.75%	1/15/2024	2,996	3,122,581
j2 Cloud Services LLC/j2 Global Co-Obligor, Inc. [†]	6.00%	7/15/2025	1,095	1,157,962
Match Group, Inc. [†]	5.00%	12/15/2027	1,154	1,174,195
Microsoft Corp.	3.30%	2/6/2027	2,122	2,190,742
Microsoft Corp.	4.00%	2/12/2055	3,817	4,091,147
Oracle Corp.	4.375%	5/15/2055	2,565	2,872,160
Rackspace Hosting, Inc. [†]	8.625%	11/15/2024	1,065	1,139,550
Solera LLC/Solera Finance, Inc. [†]	10.50%	3/1/2024	1,010	1,141,280
Sophia LP/Sophia Finance, Inc. [†]	9.00%	9/30/2023	700	743,750
VeriSign, Inc.	4.625%	5/1/2023	872	899,250
VeriSign, Inc.	5.25%	4/1/2025	1,593	1,742,344
Visa, Inc.	3.15%	12/14/2025	477	488,012
VMware, Inc.	3.90%	8/21/2027	2,091	2,114,345
<i>Total</i>				<u>30,312,277</u>
Specialty Retail 0.76%				
Alimentation Couche-Tard, Inc. (Canada) ^(d)	4.50%	7/26/2047	1,095	1,143,310
Brookstone Holdings Corp. PIK 10.00%	10.00%	7/7/2021	44	2,409 ^(b)
Claire's Stores, Inc. [†]	9.00%	3/15/2019	1,464	962,580
Hot Topic, Inc. [†]	9.25%	6/15/2021	1,564	1,493,620
Midas Intermediate Holdco II LLC/Midas Intermediate Holdco II Finance, Inc. [†]	7.875%	10/1/2022	1,475	1,493,438
Rent-A-Center, Inc.	4.75%	5/1/2021	960	912,000
Tapestry, Inc.	4.125%	7/15/2027	1,682	1,697,562
Tiffany & Co.	4.90%	10/1/2044	1,133	1,146,934

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Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Specialty Retail (continued)				
VF Corp.	6.00%	10/15/2033	\$ 8	\$ 10,037
<i>Total</i>				8,861,890
Steel Producers/Products 0.51%				
Allegheny Technologies, Inc.	5.95%	1/15/2021	235	240,875
Allegheny Technologies, Inc.	7.875%	8/15/2023	849	918,508
ArcelorMittal (Luxembourg) ^(d)	6.125%	6/1/2025	2,346	2,712,562
Joseph T Ryerson & Son, Inc. [†]	11.00%	5/15/2022	815	913,819
Steel Dynamics, Inc. [†]	4.125%	9/15/2025	604	610,040
Steel Dynamics, Inc.	5.00%	12/15/2026	502	532,120
<i>Total</i>				5,927,924
Support: Services 2.70%				
AECOM	5.125%	3/15/2027	1,418	1,447,991
AECOM	5.875%	10/15/2024	999	1,087,112
Ahern Rentals, Inc. [†]	7.375%	5/15/2023	1,190	1,124,550
Ashtead Capital, Inc. [†]	4.375%	8/15/2027	1,393	1,417,378
BakerCorp International, Inc.	8.25%	6/1/2019	507	468,975
BlueLine Rental Finance Corp./BlueLine Rental LLC [†]	9.25%	3/15/2024	1,040	1,112,800
Brand Industrial Services, Inc. [†]	8.50%	7/15/2025	1,787	1,880,817
Brink's Co. (The) [†]	4.625%	10/15/2027	1,509	1,482,592
Cleveland Clinic Foundation (The)	4.858%	1/1/2114	1,100	1,239,624
Cloud Crane LLC [†]	10.125%	8/1/2024	990	1,118,700
GW Honos Security Corp. (Canada) ^{†(d)}	8.75%	5/15/2025	1,182	1,273,605
H&E Equipment Services, Inc. [†]	5.625%	9/1/2025	1,122	1,175,295
IHS Markit Ltd. (United kingdom) ^{†(d)}	4.00%	3/1/2026	1,698	1,704,367
Jurassic Holdings III, Inc. [†]	6.875%	2/15/2021	1,467	1,254,285
Marble II Pte Ltd. (Singapore) ^{†(d)}	5.30%	6/20/2022	2,199	2,235,816
Metropolitan Museum of Art (The)	3.40%	7/1/2045	1,350	1,304,740
Monitronics International, Inc.	9.125%	4/1/2020	1,185	989,475
Prime Security Services Borrower LLC/Prime Finance, Inc. [†]	9.25%	5/15/2023	1,601	1,781,112
Ritchie Bros Auctioneers, Inc. (Canada) ^{†(d)}	5.375%	1/15/2025	1,130	1,169,550
Sotheby's [†]	5.25%	10/1/2022	837	863,366
United Rentals North America, Inc.	4.625%	10/15/2025	1,138	1,149,380
United Rentals North America, Inc.	4.875%	1/15/2028	1,328	1,337,960
United Rentals North America, Inc.	5.875%	9/15/2026	755	810,681
Weight Watchers International, Inc. [†]	8.625%	12/1/2025	2,134	2,235,365
<i>Total</i>				31,665,536

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Technology Hardware & Equipment 0.81%				
CDW LLC/CDW Finance Corp.	5.50%	12/1/2024	\$ 1,425	\$ 1,556,813
Dell International LLC/EMC Corp.†	6.02%	6/15/2026	2,552	2,817,805
Dell International LLC/EMC Corp.†	7.125%	6/15/2024	3,055	3,345,964
Western Digital Corp.	10.50%	4/1/2024	1,489	1,729,101
<i>Total</i>				9,449,683
Telecommunications: Satellite 0.40%				
Intelsat Connect Finance SA (Luxembourg) ^{†(d)}	12.50%	4/1/2022	1,225	1,078,000
Intelsat Jackson Holdings SA (Luxembourg) ^(d)	7.25%	10/15/2020	1,719	1,624,455
Intelsat Jackson Holdings SA (Luxembourg) ^(d)	7.50%	4/1/2021	2,183	1,997,445
<i>Total</i>				4,699,900
Telecommunications: Wireless 1.31%				
GTH Finance BV (Netherlands) ^{†(d)}	7.25%	4/26/2023	1,939	2,184,051
SBA Communications Corp.	4.875%	9/1/2024	663	682,890
Sprint Corp.	7.625%	2/15/2025	3,410	3,580,500
Sprint Corp.	7.875%	9/15/2023	1,686	1,799,805
T-Mobile USA, Inc.	6.375%	3/1/2025	2,386	2,558,985
T-Mobile USA, Inc.	6.50%	1/15/2026	4,228	4,624,375
<i>Total</i>				15,430,606
Telecommunications: Wireline Integrated & Services 1.17%				
Equinix, Inc.	5.875%	1/15/2026	4,621	4,973,351
GCI, Inc.	6.875%	4/15/2025	1,480	1,583,600
IHS Netherlands Holdco BV (Netherlands) ^{†(d)}	9.50%	10/27/2021	1,050	1,133,333
Uniti Group LP/Uniti Group Finance, Inc./ CSL Capital LLC	8.25%	10/15/2023	1,578	1,526,715
West Corp.†	8.50%	10/15/2025	1,201	1,191,993
Wind Tre SpA (Italy) ^{†(d)}	5.00%	1/20/2026	2,186	2,089,816
WTT Investment Ltd. (Hong Kong) ^{†(d)}	5.50%	11/21/2022	1,168	1,191,088
<i>Total</i>				13,689,896
Transportation: Infrastructure/Services 0.79%				
Adani Ports & Special Economic Zone Ltd. (India) ^{†(d)}	4.00%	7/30/2027	1,579	1,569,425
Aeropuertos Dominicanos Siglo XXI SA (Dominican Republic) ^{†(d)}	6.75%	3/30/2029	1,200	1,318,500
Autopistas del Sol SA (Costa Rica) ^{†(d)}	7.375%	12/30/2030	1,418	1,516,917
Autoridad del Canal de Panama (Panama) ^{†(d)}	4.95%	7/29/2035	1,000	1,118,750
Delhi International Airport Ltd. (India) ^{†(d)}	6.125%	10/31/2026	1,706	1,816,890
DP World Ltd. (United Arab Emirates) ^{†(d)}	6.85%	7/2/2037	1,030	1,270,539
Stena AB (Sweden) ^{†(d)}	7.00%	2/1/2024	677	639,342
<i>Total</i>				9,250,363

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Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Trucking & Delivery 0.10%				
XPO CNW, Inc.	6.70%	5/1/2034	\$ 1,155	\$ 1,206,975
<i>Total High Yield Corporate Bonds (cost \$781,005,212)</i>				809,706,965
MUNICIPAL BONDS 4.29%				
Air Transportation 0.09%				
Miami Dade Cnty, FL	3.982%	10/1/2041	970	993,930
Education 1.12%				
California St Univ	3.899%	11/1/2047	2,675	2,822,526
Ohio Univ	5.59%	12/1/2114	1,000	1,201,300
Permanent University Fund - Texas A&M University System	3.66%	7/1/2047	7,640	7,651,002
Univ of California Bd of Regents	6.548%	5/15/2048	1,000	1,421,690
<i>Total</i>				13,096,518
General Obligation 1.37%				
California	7.55%	4/1/2039	1,000	1,577,630
Chicago Transit Auth, IL	6.899%	12/1/2040	1,000	1,358,760
Chicago, IL	5.432%	1/1/2042	2,292	2,212,926
Chicago, IL	6.314%	1/1/2044	2,167	2,315,244
District of Columbia	5.591%	12/1/2034	1,445	1,789,286
Honolulu City & Cnty, HI	5.418%	12/1/2027	740	876,944
Los Angeles Unif Sch Dist, CA	5.75%	7/1/2034	1,000	1,277,910
New York City	5.985%	12/1/2036	1,134	1,467,192
Ohio St Univ	4.048%	12/1/2056	676	728,120
Pennsylvania	5.45%	2/15/2030	1,336	1,583,494
The Bd of Governors of the Univ of North Carolina	3.847%	12/1/2034	855	926,623
<i>Total</i>				16,114,129
Government Guaranteed 0.05%				
City & County of San Francisco CA	5.45%	6/15/2025	460	535,284
Lease Obligation 0.06%				
Wisconsin	3.294%	5/1/2037	790	756,212
Miscellaneous 0.59%				
Dallas Convention Center Hotel Dev Corp., TX			1,960	2,668,834
Pasadena Public Fing Auth			2,945	4,304,883
<i>Total</i>				6,973,717

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
Tax Revenue 0.65%				
Massachusetts Sch Bldg Auth	5.715%	8/15/2039	\$ 2,220	\$ 2,833,697
Memphis-Shelby County Industrial Development Board, TN	7.00%	7/1/2045	1,225	1,303,633
New York City Indl Dev Agy [†]	11.00%	3/1/2029	2,585	3,523,225
<i>Total</i>				7,660,555
Transportation: Infrastructure/Services 0.19%				
Chicago Transit Auth, IL	6.20%	12/1/2040	330	430,591
Port of Seattle, WA	3.571%	5/1/2032	650	658,827
Port of Seattle, WA	3.755%	5/1/2036	1,105	1,130,967
<i>Total</i>				2,220,385
Utilities 0.17%				
San Antonio, TX	5.718%	2/1/2041	1,480	1,991,384
<i>Total Municipal Bonds (cost \$48,577,067)</i>				50,342,114
NON-AGENCY COMMERCIAL MORTGAGE-BACKED SECURITY 0.38%				
Caesars Palace Las Vegas Trust 2017-VICI D [†] (cost \$4,421,759)	4.354% ^{†(a)}	10/15/2034	4,354	4,448,033
	Dividend Rate		Shares (000)	
PREFERRED STOCK 0.03%				
Energy: Exploration & Production				
Templar Energy LLC Units (cost \$387,546)	Zero Coupon		39	368,169
<i>Total Long-Term Investments (cost \$1,111,815,731)</i>				\$1,165,909,767

Schedule of Investments (continued)

December 31, 2017

Investments	Interest Rate	Maturity Date	Principal Amount (000)	Fair Value
SHORT-TERM INVESTMENTS 1.40%				
FOREIGN GOVERNMENT OBLIGATION 0.17%				
Uruguay				
Uruguay Treasury Bill ^(c) (cost \$2,023,057)	Zero Coupon	5/4/2018	UYU 58,901	\$ 1,981,978
REPURCHASE AGREEMENT 1.23%				
Repurchase Agreement dated 12/29/2017, 0.54% due 1/2/2018 with Fixed Income Clearing Corp. collateralized by \$12,225,000 of U.S. Treasury Bond at 7.875% due 2/15/2021; value: \$14,756,895; proceeds: \$14,466,016 (cost \$14,465,148)				
			\$14,465	<u>14,465,148</u>
<i>Total Short-Term Investments</i> (cost \$16,488,205)				<u>16,447,126</u>
<i>Total Investments in Securities</i> 100.78% (cost \$1,128,303,936)				<u>1,182,356,893</u>
<i>Liabilities in Excess of Other Assets</i> ^(d) (0.78%)				<u>(9,135,662)</u>
<i>Net Assets</i> 100.00%				<u>\$1,173,221,231</u>

AUD Australian dollar.

CAD Canadian dollar.

EUR euro.

GBP British pound.

JPY Japanese yen.

UYU Uruguayan Peso.

ADR American Depositary Receipt.

BADLAR Banco de la Republica Argentina.

LIBOR London Interbank Offered Rate.

PIK Payment-in-kind.

Units More than one class of securities traded together.

⁺ Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and, unless registered under such Act or exempted from registration, may only be resold to qualified institutional buyers.

[#] Variable rate security. The interest rate represents the rate in effect at December 31, 2017.

^{*} Non-income producing security.

^(a) Interest rate is based on the weighted average interest rates of the underlying mortgages within the mortgage pool.

^(b) Level 3 Investment as described in Note 2(o) in the Notes to Financials. Security valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of such Level 3 investments.

^(c) Investment in non-U.S. dollar denominated securities.

^(d) Foreign security traded in U.S. dollars.

^(e) Amount is less than \$1,000.

^(f) Floating Rate Loans in which the Fund invests generally pay interest at rates which are periodically re-determined at a margin above the London Interbank Offered Rate ("LIBOR") or the prime rate offered by major U.S. banks. The rate(s) shown is the rate(s) in effect at December 31, 2017.

^(g) Interest rate to be determined.

^(h) Floating Rate Loans categorized as Level 3 are valued based on a single quotation obtained from a dealer. Accounting principles generally accepted in the United States of America do not require the Fund to create quantitative unobservable inputs that were not developed by the Fund. Therefore, the Fund does not have access to unobservable inputs and cannot disclose such inputs in the valuation.

Schedule of Investments (continued)

December 31, 2017

- (i) To-be-announced ("TBA"). Security purchased on a forward commitment basis with an approximate principal and maturity date. Actual principal and maturity will be determined upon settlement when the specific mortgage pools are assigned.
- (j) Security is perpetual in nature and has no stated maturity.
- (k) Variable Rate is Fixed to Float: Rate remains fixed until designated future date.
- (l) Defaulted (non-income producing security).
- (m) Level 3 Investment as described in Note 2(o) in the Notes to Financials. Security fair valued by the Pricing Committee.
- (n) Liabilities in Excess of Other Assets include net unrealized appreciation/depreciation on open forward foreign currency exchange contracts, futures contracts and swaps as follows:

Centrally Cleared Credit Default Swaps on Indexes – Buy Protection at December 31, 2017⁽¹⁾:

Referenced Index	Central Clearing party	Fund Pays	Termination Date	Notional Amount	Notional Value	Payments Upfront ⁽²⁾	Unrealized Depreciation ⁽³⁾
Markit CDX. NA.IG.29 ⁽⁴⁾⁽⁵⁾	Credit Suisse	1.00%	12/20/2022	\$ 12,998,000	\$ 13,307,723	\$ (265,992)	\$ (43,731)
Markit CDX. NA.IG.28 ⁽⁴⁾⁽⁵⁾	Credit Suisse	1.00%	6/20/2022	81,136,000	82,943,995	(1,298,219)	(509,776)
Markit CDX. NA.EM.28 ⁽⁶⁾⁽⁷⁾	Credit Suisse	1.00%	12/20/2022	39,101,670	38,750,011	1,497,815	(1,146,156)
				<u>\$133,235,670</u>	<u>\$135,001,729</u>	<u>\$ (66,396)</u>	<u>\$(1,699,663)</u>

- (1) If the Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and make delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities.
- (2) Upfront payments received by Central Clearinghouse are presented net of amortization (See Note 2(m)).
- (3) Total unrealized appreciation on Credit Default Swaps on Indexes amounted to \$0. Total unrealized depreciation on Credit Default Swaps on Indexes amounted to \$1,699,663.
- (4) Central Clearinghouse: Chicago Mercantile Exchange (CME).
- (5) The Referenced Index is for Centrally Cleared Credit Default Swaps on Indexes, which is comprised of a basket of investment grade issuers.
- (6) Central Clearinghouse: Intercontinental Exchange (ICE).
- (7) The Referenced Index is for Credit Default Swaps on Indexes, which is comprised of a basket of emerging markets sovereign Issuers. (See Note 2(m)).

Schedule of Investments (continued)

December 31, 2017

Open Forward Foreign Currency Exchange Contracts at December 31, 2017:

Forward Foreign Currency Exchange Contracts	Transaction Type	Counterparty	Expiration Date	Foreign Currency	U.S. \$ Cost on Origination Date	U.S. \$ Current Value	Unrealized Appreciation
Danish krone	Buy	Barclays Bank plc	1/10/2018	2,166,000	\$ 344,034	\$ 349,244	\$ 5,210
Danish krone	Buy	J.P. Morgan	1/10/2018	2,189,000	348,532	352,953	4,421
Danish krone	Buy	J.P. Morgan	1/10/2018	3,645,000	581,129	587,717	6,588
euro	Buy	Barclays Bank plc	2/16/2018	263,000	311,440	316,360	4,920
euro	Buy	Deutsche Bank AG	2/16/2018	782,000	927,940	940,661	12,721
euro	Buy	Standard Chartered Bank	2/16/2018	295,000	349,698	354,853	5,155
euro	Buy	State Street Bank and Trust	2/16/2018	780,000	925,771	938,255	12,484
euro	Buy	UBS AG	2/16/2018	361,000	430,334	434,244	3,910
Swiss franc	Buy	J.P. Morgan	1/5/2018	572,000	582,758	587,038	4,280
Swiss franc	Buy	J.P. Morgan	1/5/2018	201,000	205,040	206,284	1,244
Swiss franc	Buy	State Street Bank and Trust	1/5/2018	457,000	466,569	469,015	2,446
British pound	Sell	State Street Bank and Trust	1/19/2018	258,941	350,135	349,787	348
Swiss franc	Sell	Barclays Bank plc	1/5/2018	1,230,000	1,270,370	1,262,337	8,033
<i>Unrealized Appreciation on Forward Foreign Currency Exchange Contracts</i>							<u>\$71,760</u>

Schedule of Investments (continued)

December 31, 2017

Forward Foreign Currency Exchange Contracts	Transaction Type	Counterparty	Expiration Date	Foreign Currency	U.S. \$ Cost on Origination Date	U.S. \$ Current Value	Unrealized Depreciation
British pound	Sell	J.P. Morgan	1/19/2018	616,000	\$ 812,222	\$ 832,117	\$ (19,895)
British pound	Sell	State Street					
		Bank and Trust	1/19/2018	265,000	348,594	357,972	(9,378)
British pound	Sell	State Street					
		Bank and Trust	1/19/2018	432,000	583,130	583,562	(432)
British pound	Sell	State Street					
		Bank and Trust	1/19/2018	73,500	98,924	99,287	(363)
British pound	Sell	State Street					
		Bank and Trust	1/19/2018	140,000	188,566	189,117	(551)
Danish krone	Sell	Barclays Bank plc	1/10/2018	8,000,000	1,268,174	1,289,915	(21,741)
euro	Sell	Barclays Bank plc	2/16/2018	391,000	468,618	470,330	(1,712)
euro	Sell	State Street					
		Bank and Trust	2/16/2018	500,000	583,971	601,445	(17,474)
euro	Sell	State Street					
		Bank and Trust	2/16/2018	13,900,000	16,455,822	16,720,181	(264,359)
euro	Sell	State Street					
		Bank and Trust	2/16/2018	586,000	698,481	704,894	(6,413)
Japanese yen	Sell	Barclays Bank plc	1/26/2018	633,000,000	5,580,953	5,623,724	(42,771)
Japanese yen	Sell	J.P. Morgan	1/26/2018	26,272,000	232,749	233,407	(658)
Japanese yen	Sell	J.P. Morgan	1/26/2018	145,284,000	1,286,340	1,290,738	(4,398)
Japanese yen	Sell	State Street					
		Bank and Trust	1/26/2018	39,648,000	350,291	352,242	(1,951)
Japanese yen	Sell	State Street					
		Bank and Trust	1/26/2018	119,226,000	1,053,340	1,059,232	(5,892)
<i>Unrealized Depreciation on Forward Foreign Currency Exchange Contracts</i>							<u>\$(397,988)</u>

Open Futures Contracts at December 31, 2017:

Type	Expiration	Contracts	Position	Notional Amount	Notional Value	Unrealized Appreciation
U.S. 10-Year Treasury Note	March 2018	1,061	Short	\$(131,988,847)	\$(131,613,734)	\$375,113
U.S. Ultra Treasury Bond	March 2018	95	Short	(12,743,071)	(12,688,437)	54,634
U.S. Long Bond	March 2018	986	Short	(151,232,890)	(150,858,000)	374,890
<i>Totals</i>				<u>\$(295,964,808)</u>	<u>\$(295,160,171)</u>	<u>\$804,637</u>

Type	Expiration	Contracts	Position	Notional Amount	Notional Value	Unrealized Depreciation
U.S. 2-Year Treasury Note	March 2018	207	Long	\$ 44,385,667	\$ 44,320,641	\$ (65,026)
U.S. 5-Year Treasury Note	March 2018	1,875	Long	218,922,537	217,807,618	(1,114,919)
Ultra Long U.S. Treasury Bond	March 2018	11	Short	(1,838,441)	(1,844,219)	(5,778)
<i>Totals</i>				<u>\$261,469,763</u>	<u>\$260,284,040</u>	<u>\$(1,185,723)</u>

See Notes to Financial Statements.

Schedule of Investments (continued)

December 31, 2017

The following is a summary of the inputs used as of December 31, 2017 in valuing the Fund's investments carried at fair value⁽¹⁾:

Investment Type ⁽²⁾	Level 1	Level 2	Level 3	Total
Asset-Backed Securities				
Other	\$ -	\$ 18,976,117	\$ 2,273,600	\$ 21,249,717
Remaining Industries	-	1,240,204	-	1,240,204
Common Stocks ⁽³⁾				
Air Transportation	1,121,937	1,263,568	-	2,385,505
Auto Parts & Equipment	-	1,085,419	-	1,085,419
Banking	6,422,715	2,026,877	-	8,449,592
Beverages	4,849,376	4,478,322	-	9,327,698
Electronics	3,473,466	2,319,615	-	5,793,081
Energy: Exploration & Production	12,064,436	403,943	-	12,468,379
Gaming	8,891,040	1,300,097	-	10,191,137
Machinery	4,953,717	2,400,564	-	7,354,281
Metals/Mining (Excluding Steel)	-	2,603,785	-	2,603,785
Real Estate Investment Trusts	-	1,705,272	-	1,705,272
Software/Services	11,695,761	619,671	-	12,315,432
Specialty Retail	10,672,513	3,549,405	-	14,221,918
Support: Services	4,931,801	1,233,788	-	6,165,589
Technology Hardware & Equipment	1,074,874	1,352,921	-	2,427,795
Remaining Industries	75,004,786	-	-	75,004,786
Convertible Bonds	-	3,494,019	-	3,494,019
Convertible Preferred Stocks				
Personal & Household Products	2,381,350	-	-	2,381,350
Software/Services	-	565,167	-	565,167
Floating Rate Loans				
Advertising	-	1,761,918	-	1,761,918
Building Materials	-	1,524,153	-	1,524,153
Department Stores	-	1,193,017	-	1,193,017
Electric: Generation	-	5,677,653	-	5,677,653
Electronics	-	1,151,874	-	1,151,874
Energy: Exploration & Production	-	1,750,195	-	1,750,195
Gaming	-	1,113,688	2,449,716	3,563,404
Health Services	-	1,103,628	-	1,103,628
Investments & Miscellaneous				
Financial Services	-	869,478	-	869,478
Media: Diversified	-	1,255,109	-	1,255,109
Metals/Mining (Excluding Steel)	-	652,438	-	652,438
Personal & Household Products	-	1,614,488	-	1,614,488
Real Estate Development & Management	-	1,082,920	-	1,082,920
Recreation & Travel	-	2,106,928	687,360	2,794,288
Software/Services	-	970,307	-	970,307
Specialty Retail	-	6,583,172	-	6,583,172
Support: Services	-	333,550	-	333,550
Telecommunications: Satellite	-	609,402	-	609,402
Transportation: Infrastructure/Services	-	3,006,644	-	3,006,644

Schedule of Investments (continued)

December 31, 2017

Investment Type ⁽²⁾	Level 1	Level 2	Level 3	Total
Foreign Bonds	\$ -	\$ 5,338,493	\$ -	\$ 5,338,493
Foreign Government Obligations	-	42,705,730	-	42,705,730
Government Sponsored Enterprises				
Pass-Through	-	17,054,477	-	17,054,477
High Yield Corporate Bonds				
Banking	-	95,330,725	125	95,330,850
Metals/Mining (Excluding Steel)	-	48,834,707	133	48,834,840
Oil Field Equipment & Services	-	18,405,618	317,090	18,722,708
Specialty Retail	-	8,859,481	2,409	8,861,890
Remaining Industries	-	637,956,677	-	637,956,677
Municipal Bonds	-	50,342,114	-	50,342,114
Non-Agency Commercial				
Mortgage-Backed Security	-	4,448,033	-	4,448,033
Preferred Stock	-	368,169	-	368,169
Repurchase Agreement	-	14,465,148	-	14,465,148
Total	\$147,537,772	\$1,029,088,688	\$5,730,433	\$1,182,356,893
Other Financial Instruments				
Centrally Cleared Credit Default Swap				
Assets	\$ -	\$ -	\$ -	\$ -
Liabilities	-	(1,699,663)	-	(1,699,663)
Forward Foreign Currency Exchange Contracts				
Assets	-	71,760	-	71,760
Liabilities	-	(397,988)	-	(397,988)
Futures Contracts				
Assets	804,637	-	-	804,637
Liabilities	(1,185,723)	-	-	(1,185,723)
Total	\$ (381,086)	\$ (2,025,891)	\$ -	\$(2,406,977)

⁽¹⁾ Refer to Note 2(o) for a description of fair value measurements and the three-tier hierarchy of inputs.

⁽²⁾ See Schedule of Investments for fair values in each industry and identification of foreign issuers and/or geography. The table above is presented by Investment Type. Industries are presented within an Investment Type should such Investment Type include securities classified as two or more levels within the three-tier fair value hierarchy. Each level 3 security is identified on the Schedule of Investment along with the valuation technique utilized.

⁽³⁾ Securities in the amount of \$4,540,867 were transferred from Level 1 to Level 2 during the fiscal year ended December 31, 2017, due to a change in valuation technique. As of December 31, 2017, the Fund utilized adjusted valuations (as described in Note 2(a)), which resulted in Level 2 inputs. As of December 31, 2016, the Fund utilized the last sale or official closing price on the exchange or system on which the securities are principally traded, which resulted in Level 1 inputs.

Schedule of Investments (concluded)

December 31, 2017

The following is a reconciliation of investments with unobservable inputs (Level 3) that were used in determining fair value:

	Asset-Backed Securities	Common Stocks	Floating Rate Loans	High Yield Corporate Bonds	Non-Agency Commercial Mortgage-Backed Securities
Balance as of					
January 1, 2017	\$ 1,057,410	\$ 18,476	\$ 765,335	\$ 6,521	\$ 63,006
Accrued Discounts (Premiums)	2	-	22,471	9	(616)
Realized Gain (Loss)	-	(184,855)	(4,676)	-	(10,306)
Change in Unrealized					
Appreciation					
(Depreciation)	23,898	166,379	63,748	(8,982)	3,697
Purchases	2,249,700	-	688,733	322,209	-
Sales	-	-	(790,860)	-	(55,781)
Transfers into Level 3	-	-	2,392,325	-	-
Transfers out of Level 3	(1,057,410)	-	-	-	-
Balance as of					
December 31, 2017	\$ 2,273,600	\$ -	\$ 3,137,076	\$319,757	\$ -
Change in unrealized appreciation/depreciation for the year ended December 31, 2017 related to Level 3 investments held at December 31, 2017	\$ 23,898	\$ -	\$ 59,602	\$ (8,982)	\$ -

Statement of Assets and Liabilities

December 31, 2017

ASSETS:

Investments in securities, at fair value (cost \$1,128,303,936)	\$1,182,356,893
Deposits with brokers for derivatives collateral	5,401,326
Receivables:	
Interest and dividends	13,175,966
Investment securities sold	2,433,271
Capital shares sold	2,304,378
From advisor (See Note 3)	19,493
Unrealized appreciation on forward foreign currency exchange contracts	71,760
Prepaid expenses and other assets	5,975
Total assets	1,205,769,062

LIABILITIES:

Payables:	
Investment securities purchased	27,245,511
Management fee	487,650
Capital shares reacquired	404,440
Variation margin on futures contracts	332,810
Directors' fees	142,474
Fund administration	39,572
Variation margin for centrally cleared credit default swap agreements	1,309,673
To Bank	1,262,062
Unrealized depreciation on forward foreign currency exchange contracts	397,988
Accrued expenses	925,651
Total liabilities	32,547,831

NET ASSETS	\$1,173,221,231
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COMPOSITION OF NET ASSETS:

Paid-in capital	\$1,114,654,666
Undistributed net investment income	110,404
Accumulated net realized gain on investments, futures contracts, swaps and foreign currency related transactions	6,806,619
Net unrealized appreciation on investments, futures contracts, swaps and translation of assets and liabilities denominated in foreign currencies	51,649,542
Net Assets	\$1,173,221,231
Outstanding shares (200 million shares of common stock authorized, \$.001 par value)	94,751,471
Net asset value, offering and redemption price per share (Net assets divided by outstanding shares)	\$12.38

Statement of Operations

For the Year Ended December 31, 2017

Investment income:

Dividends (net of foreign withholding taxes of \$49,117)	\$ 1,903,871
Interest and other (net of foreign withholding taxes of \$4,910)	54,655,194
Interest earned from Interfund Lending (See Note 11)	261
Total investment income	56,559,326

Expenses:

Management fee	5,561,682
Non 12b-1 service fees	2,813,390
Shareholder servicing	1,206,394
Fund administration	449,927
Reports to shareholders	103,143
Professional	96,885
Custody	72,550
Directors' fees	31,419
Other	60,532
Gross expenses	10,395,922
Expense reductions (See Note 9)	(10,277)
Fees waived and expenses reimbursed (See Note 3)	(262,281)

Net expenses	10,123,364
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Net investment income	46,435,962
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Net realized and unrealized gain (loss):

Net realized gain on investments	54,252,097
Net realized loss on futures contracts	(5,804,820)
Net realized loss on foreign currency exchange contracts	(1,524,163)
Net realized loss on swap contracts	(1,511,322)
Net realized gain on foreign currency related translations	36,421
Net change in unrealized appreciation/depreciation on investments	10,225,785
Net change in unrealized appreciation/depreciation on futures contracts	(1,516,229)
Net change in unrealized appreciation/depreciation on foreign currency exchange contracts	(443,457)
Net change in unrealized appreciation/depreciation on swap contracts	(1,283,037)
Net change in unrealized appreciation/depreciation on translation of assets and liabilities denominated in foreign currencies	7,177

Net realized and unrealized gain	52,438,452
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Net Increase in Net Assets Resulting From Operations	\$98,874,414
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Statements of Changes in Net Assets

INCREASE IN NET ASSETS	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
Operations:		
Net investment income	\$ 46,435,962	\$ 44,967,399
Net realized gain (loss) on investments, futures contracts, swaps and foreign currency related transactions	45,448,213	(4,832,421)
Net change in unrealized appreciation/depreciation on investments, futures contracts, swaps and translation of assets and liabilities denominated in foreign currencies	6,990,239	77,190,459
Net increase in net assets resulting from operations	98,874,414	117,325,437
Distributions to shareholders from:		
Net investment income	(47,823,337)	(47,075,516)
Net realized gain	(11,266,291)	-
Total distributions to shareholders	(59,089,628)	(47,075,516)
Capital share transactions (See Note 14):		
Proceeds from sales of shares	146,613,258	148,838,089
Reinvestment of distributions	59,089,628	47,075,515
Cost of shares reacquired	(138,899,244)	(177,659,555)
Net increase in net assets resulting from capital share transactions	66,803,642	18,254,049
Net increase in net assets	106,588,428	88,503,970
NET ASSETS:		
Beginning of year	\$1,066,632,803	\$ 978,128,833
End of year	\$ 1,173,221,231	\$1,066,632,803
Undistributed (distributions in excess of) net investment income	\$ 110,404	\$ (133,148)

Financial Highlights

Per Share Operating Performance:

	Investment operations:				Distributions to shareholders from:		
	Net asset value, beginning of period	Net investment income ^(a)	Net realized and unrealized gain (loss)	Total from investment operations	Net investment income	Net realized gain	Total distributions
12/31/2017	\$11.94	\$0.52	\$ 0.58	\$ 1.10	\$(0.53)	\$(0.13)	\$(0.66)
12/31/2016	11.14	0.52	0.83	1.35	(0.55)	-	(0.55)
12/31/2015	11.89	0.47	(0.65)	(0.18)	(0.49)	(0.08)	(0.57)
12/31/2014	12.31	0.54	(0.01)	0.53	(0.61)	(0.34)	(0.95)
12/31/2013	12.21	0.62	0.39	1.01	(0.65)	(0.26)	(0.91)

^(a) Calculated using average shares outstanding during the period.

^(b) Total return does not consider the effects of sales charges or other expenses imposed by an insurance company and assumes the reinvestment of all distributions.

Ratios to Average Net Assets:Supplemental Data:

Net asset value, end of period	Total return (%) ^(b)	Total expenses after waivers and/or reimbursements (%)	Total expenses (%)	Net investment income (%)	Net assets, end of period (000)	Portfolio turnover rate (%)
\$12.38	9.21	0.90	0.92	4.13	\$1,173,221	121
11.94	12.13	0.90	0.93	4.41	1,066,633	120
11.14	(1.53)	0.90	0.94	3.91	978,129	116
11.89	4.35	0.90	0.93	4.26	913,108	90
12.31	8.17	0.90	0.93	4.89	861,130	50

Notes to Financial Statements

1. ORGANIZATION

Lord Abbett Series Fund, Inc. (the "Company") is registered under the Investment Company Act of 1940, as amended (the "Act"), as a diversified, open-end management investment company and was incorporated under Maryland law in 1989. The Company consists of twelve separate portfolios. This report covers Bond-Debenture Portfolio (the "Fund").

The Fund's investment objective is to seek high current income and the opportunity for capital appreciation to produce a high total return. The Fund has Variable Contract class shares ("Class VC Shares"), which are currently issued and redeemed only in connection with investments in, and payments under, variable annuity contracts and variable life insurance policies issued by life insurance and insurance-related companies.

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) **Investment Valuation**—Under procedures approved by the Fund's Board of Directors (the "Board"), Lord, Abbett & Co. LLC ("Lord Abbett"), the Fund's investment manager, has formed a Pricing Committee to administer the pricing and valuation of portfolio investments and to ensure that prices utilized reasonably reflect fair value. Among other things, these procedures allow the Fund to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.

Securities actively traded on any recognized U.S. or non-U.S. exchange or on The NASDAQ Stock Market LLC are valued at the last sale price or official closing price on the exchange or system on which they are principally traded. Events occurring after the close of trading on non-U.S. exchanges may result in adjustments to the valuation of foreign securities to reflect their fair value as of the close of regular trading on the New York Stock Exchange. The Fund may utilize an independent fair valuation service in adjusting the valuations of foreign securities. Unlisted equity securities are valued at the last quoted sale price or, if no sale price is available, at the mean between the most recently quoted bid and asked prices. Exchange traded options and futures contracts are valued at the last sale price in the market where they are principally traded. If no sale has occurred, the mean between the most recently quoted bid and asked prices is used.

Fixed income securities are valued based on evaluated prices supplied by independent pricing services, which reflect broker/dealer supplied valuations and the independent pricing services' own electronic data processing techniques. Exchange traded options and futures contracts are valued at the last sale price in the market where they are principally traded. If no sale has occurred, the mean between the most recently quoted bid and asked prices is used. Floating rate loans are valued at the average of bid and ask quotations obtained from dealers in loans on the basis of prices supplied by independent pricing services. Forward foreign currency exchange contracts are valued using daily forward exchange rates. Swaps are valued daily using independent pricing services or quotations from broker/dealers to the extent available.

Notes to Financial Statements (continued)

Securities for which prices are not readily available are valued at fair value as determined by the Pricing Committee. The Pricing Committee considers a number of factors, including observable and unobservable inputs, when arriving at fair value. The Pricing Committee may use related or comparable assets or liabilities, recent transactions, market multiples, book values, yield curves, broker quotes, observable trading activity, option adjusted spread models and other relevant information to determine the fair value of portfolio investments. The Board or a designated committee thereof regularly reviews fair value determinations made by the Pricing Committee and may employ techniques such as reviewing related market activity, reviewing inputs and assumptions, and retrospectively comparing prices of subsequent purchases and sales transactions to fair value determinations made by the Pricing Committee.

Short-term securities with 60 days or less remaining to maturity are valued using the amortized cost method, which approximates fair value.

- (b) **Security Transactions**—Security transactions are recorded as of the date that the securities are purchased or sold (trade date). Realized gains and losses on sales of portfolio securities are calculated using the identified-cost method.
- (c) **Investment Income**—Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis as earned. Discounts are accreted and premiums are amortized using the effective interest method and are included in Interest and other income on the Statement of Operations. Withholding taxes on foreign dividends have been provided for in accordance with the applicable country's tax rules and rates.
- (d) **Income Taxes**—It is the policy of the Fund to meet the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all taxable income and capital gains to its shareholders. Therefore, no income tax provision is required.

The Fund files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Fund's filed U.S. federal tax returns remains open for the fiscal years ended December 31, 2014 through December 31, 2017. The statutes of limitations on the Company's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

- (e) **Expenses**—Expenses incurred by the Company that do not specifically relate to an individual fund are generally allocated to the funds within the Company on a pro rata basis by relative net assets.
- (f) **Foreign Transactions**—The books and records of the Fund are maintained in U.S. dollars and transactions denominated in foreign currencies are recorded in the Fund's records at the rate prevailing when earned or recorded. Asset and liability accounts that are denominated in foreign currencies are adjusted daily to reflect current exchange rates and any unrealized gain (loss) is included in Net change in unrealized appreciation/depreciation on futures contracts, swaps and translation of assets and liabilities denominated in foreign currencies on the Fund's Statement of Operations. The resultant exchange gains and losses upon settlement of such transactions are included in Net realized loss on futures contracts, swaps and foreign currency related transactions on the Fund's Statement of Operations. The Fund does not isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the changes in market prices of the securities.

Notes to Financial Statements (continued)

The Fund uses foreign currency exchange contracts to facilitate transactions in foreign-denominated securities. Losses from these transactions may arise from changes in the value of the foreign currency or if the counterparties do not perform under the contracts' terms.

- (g) **Forward Foreign Currency Exchange Contracts**—The Fund may enter into forward foreign currency exchange contracts in order to reduce exposure to changes in foreign currency exchange rates on foreign portfolio holdings, or gain or reduce exposure to foreign currency solely for investment purposes. A forward foreign currency exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated rate. The contracts are valued daily at forward exchange rates and any unrealized gain (loss) is included in Net change in unrealized appreciation/depreciation on futures contracts, swaps and translation of assets and liabilities denominated in foreign currencies on the Fund's Statement of Operations. The gain (loss) arising from the difference between the U.S. dollar cost of the original contract and the value of the foreign currency in U.S. dollars upon closing of such contracts is included in Net realized loss on futures contracts, swaps and foreign currency related transactions on the Fund's Statement of Operations.
- (h) **Futures Contracts**—The Fund may purchase and sell futures contracts to enhance returns, to attempt to economically hedge some of its investment risk, or as a substitute position in lieu of holding the underlying asset on which the instrument is based. At the time of entering into a futures transaction, an investor is required to deposit and maintain a specified amount of cash or eligible securities called "initial margin." Subsequent payments made or received by the Fund called "variation margin" are made on a daily basis as the market price of the futures contract fluctuates. The Fund will record an unrealized gain (loss) based on the amount of variation margin. When a contract is closed, a realized gain (loss) is recorded equal to the difference between the opening and closing value of the contract.
- (i) **When-Issued, Forward Transactions or To-Be-Announced ("TBA") Transactions**—The Fund may purchase portfolio securities on a when-issued or forward basis. When-issued, forward transactions or TBA transactions involve a commitment by a fund to purchase securities, with payment and delivery ("settlement") to take place in the future, in order to secure what is considered to be an advantageous price or yield at the time of entering into the transaction. During the period between purchase and settlement, the fair value of the securities will fluctuate and assets consisting of cash and/or marketable securities (normally short-term U.S. Government or U.S. Government sponsored enterprise securities) marked to market daily in an amount sufficient to make payment at settlement will be segregated at the Fund's custodian in order to pay for the commitment. At the time the Fund makes the commitment to purchase a security on a when-issued basis, it will record the transaction and reflect the liability for the purchase and fair value of the security in determining its net asset value ("NAV"). The Fund, generally, has the ability to close out a purchase obligation on or before the settlement date rather than take delivery of the security. Under no circumstances will settlement for such securities take place more than 120 days after the purchase date.
- (j) **TBA Sale Commitments**—The Fund may enter into TBA sale commitments to hedge its positions or to sell mortgage-backed securities it owns under delayed delivery arrangements. Proceeds of TBA sale commitments are not received until the contractual settlement date. During the time a TBA sale commitment is outstanding, equivalent deliverable securities, or an offsetting TBA purchase commitment deliverable on or before the sale commitment date, are held as "cover" for the transaction. Unsettled TBA sale commitments are valued at the current

Notes to Financial Statements (continued)

market value of the underlying securities, according to the procedures described under "Investment Valuation" above. The contract is adjusted to market value daily and the change in market value is recorded by the Fund as unrealized appreciation (depreciation). If the TBA sale (purchase) commitment is closed through the acquisition of an offsetting purchase (sale) commitment, the Fund realizes a gain or loss from the sale of the securities based upon the unit price established at the date the commitment was entered into.

- (k) **Mortgage Dollar Rolls**—The Fund may enter into mortgage dollar rolls in which the Fund sells mortgage-backed securities for delivery in the current month and simultaneously contracts with the same counterparty to repurchase similar (same type, coupon and maturity) but not identical securities on a specified future date. During the roll period, the Fund loses the right to receive principal (including prepayments of principal) and interest paid on the securities sold.
- (l) **Repurchase Agreements**—The Fund may enter into repurchase agreements with respect to securities. A repurchase agreement is a transaction in which a fund acquires a security and simultaneously commits to resell that security to the seller (a bank or securities dealer) at an agreed-upon price on an agreed-upon date. The Fund requires at all times that the repurchase agreement be collateralized by cash, or by securities of the U.S. Government, its agencies, its instrumentalities, or U.S. Government sponsored enterprises having a value equal to, or in excess of, the value of the repurchase agreement (including accrued interest). If the seller of the agreement defaults on its obligation to repurchase the underlying securities at a time when the fair value of these securities has declined, the Fund may incur a loss upon disposition of the securities.
- (m) **Credit Default Swaps**—The Fund may enter into credit default swap contracts in order to hedge credit risk or for speculation purposes. As a seller of a credit default swap contract ("seller of protection"), the Fund is required to pay the notional amount or other agreed-upon value of a referenced debt obligation to the counterparty in the event of a default by or other credit event involving the referenced issuer, obligation or index. In return, the Fund receives from the counterparty a periodic stream of payments over the term of the contract.

As a purchaser of a credit default swap contract ("buyer of protection"), the Fund would receive the notional amount or other agreed upon value of a referenced debt obligation from the counterparty in the event of default by or other credit event involving the referenced issuer, obligation or index. In return, the Fund would make periodic payments to the counterparty over the term of the contracts, provided no event of default has occurred.

These credit default swaps may have as a reference obligation corporate or sovereign issuers or credit indices. These credit indices are comprised of a basket of securities representing a particular sector of the market. During the fiscal year, the Fund entered into credit default swaps based on CMBX indexes, CDX indices and single issuers, which are comprised of a basket of commercial mortgage-backed securities, a basket of investment grade securities, a basket of emerging markets sovereign issuers and a corporate issuer, respectively.

Credit default swaps are fair valued based upon quotations from counterparties, brokers or market-makers and the change in value, if any, is recorded as an unrealized appreciation or depreciation. For a credit default swap sold by the Fund, payment of the agreed-upon amount made by the Fund in the event of default of the referenced debt obligation is recorded as the cost of the referenced debt obligation purchased/received. For a credit default swap purchased by the Fund, the agreed-upon amount received by the Fund in the event of default of the referenced debt obligation is recorded as proceeds from sale/delivery of the referenced debt

Notes to Financial Statements (continued)

obligation and the resulting gain or loss realized on the referenced debt obligation is recorded as such by the Fund.

Any upfront payments made or received upon entering a credit default swap contract would be amortized or accreted over the life of the swap and recorded as realized gains or losses. Collateral, in the form of cash or securities, may be required to be held in segregated accounts with the custodian bank or broker in accordance with the swap agreement. The value and credit rating of each credit default swap where the Fund is the seller of protection, are both measures of the current payment/performance risk of the swap. As the value of the swap changes as a positive or negative percentage of the total notional amount, the payment/performance risk may decrease or increase, respectively. The maximum potential amount of future payments (undiscounted) that the Fund as a seller of protection could be required to make under a credit default swap agreement would be an amount equal to the notional amount of the agreement. These potential amounts would be partially offset by any recovery values of the respective referenced obligations, upfront payments received upon entering into the agreement, or net amounts received from the settlement of buy protection credit default swap agreements entered into by the Fund for the same referenced entity or entities.

Entering into credit default swaps involves credit and market risk. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates, and that Lord Abbett does not correctly predict the creditworthiness of the issuers of the reference obligation on which the credit default swap is based. For the centrally cleared credit default swaps, there was minimal counterparty risk to the Fund, since such credit default swaps entered into were traded through a central clearinghouse, which guarantees against default.

- (n) **Floating Rate Loans**—The Fund may invest in floating rate loans, which usually take the form of loan participations and assignments. Loan participations and assignments are agreements to make money available to U.S. or foreign corporations, partnerships or other business entities (the "Borrower") in a specified amount, at a specified rate and within a specified time. A loan is typically originated, negotiated and structured by a U.S. or foreign bank, insurance company or other financial institution (the "Agent") for a group of loan investors ("Loan Investors"). The Agent typically administers and enforces the loan on behalf of the other Loan Investors in the syndicate and may hold any collateral on behalf of the Loan Investors. Such loan participations and assignments are typically senior, secured and collateralized in nature. The Fund records an investment when the Borrower withdraws money and records interest as earned. These loans pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. These base lending rates are generally the prime rate offered by a designated U.S. bank or London InterBank Offered Rate ("LIBOR").

The loans in which the Fund invests may be subject to some restrictions on resale. For example, the Fund may be contractually obligated to receive approval from the Agent and/or Borrower prior to the sale of these investments. The Fund generally has no right to enforce compliance with the terms of the loan agreement with the Borrower. As a result, the Fund assumes the credit risk of the Borrower, the selling participant and any other persons interpositioned between the Fund and the Borrower ("Intermediate Participants"). In the event that the Borrower, selling participant or Intermediate Participants become insolvent or enter into bankruptcy, the Fund may incur certain costs and delays in realizing payment or may suffer a loss of principal and/or interest.

Notes to Financial Statements (continued)

Unfunded commitments represent the remaining obligation of the Fund to the Borrower. At any point in time, up to the maturity date of the issue, the Borrower may demand the unfunded portion. Until demanded by the Borrower, unfunded commitments are not recognized as an asset on the Statement of Assets and Liabilities. Unrealized appreciation/depreciation on unfunded commitments presented on the Statement of Assets and Liabilities represents mark to market of the unfunded portion of the Fund's floating rate notes. As of December 31, 2017, the Fund had unfunded loan commitments:

Itron Inc., 2017 Bridge Loan	\$1,158,000
Centene Corp. Bridge Loan	3,340,000
<u>Total</u>	<u>\$4,498,000</u>

(o) **Fair Value Measurements**—Fair value is defined as the price that the Fund would receive upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk—for example, the risk inherent in a particular valuation technique used to measure fair value (such as a pricing model) and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The three-tier hierarchy classification is determined based on the lowest level of inputs that is significant to the fair value measurement, and is summarized in the three broad Levels listed below:

- Level 1 – unadjusted quoted prices in active markets for identical investments;
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

A summary of inputs used in valuing the Fund's investments and other financial instruments as of December 31, 2017 and, if applicable, Level 1/Level 2 transfers and Level 3 rollforwards for the fiscal year then ended is included in the Fund's Schedule of Investments.

Changes in valuation techniques may result in transfers into or out of an assigned level within the three-tier hierarchy. All transfers between different levels within the three-tier hierarchy are deemed to have occurred as of the beginning of the reporting period. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

3. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Management Fee

The Company has a management agreement with Lord Abbett, pursuant to which Lord Abbett supplies the Fund with investment management services and executive and other personnel,

Notes to Financial Statements (continued)

provides office space and pays for ordinary and necessary office and clerical expenses relating to research and statistical work and supervision of the Fund's investment portfolio.

The management fee is based on the Fund's average daily net assets at the following annual rate:

First \$1 billion	.50%
Over \$1 billion	.45%

For the fiscal year ended December 31, 2017, the effective management fee, net of waivers, was at an annualized rate of .47% of the Fund's average daily net assets.

In addition, Lord Abbett provides certain administrative services to the Fund pursuant to an Administrative Services Agreement in return for a fee at an annual rate of .04% of the Fund's average daily net assets.

During the fiscal year ended December 31, 2017 and continuing through April 30, 2018, Lord Abbett has contractually agreed to waive its fees and reimburse expenses to the extent necessary to limit total net annual operating expenses to an annual rate of .90%. This agreement may be terminated only upon the approval of the Board.

The Company, on behalf of the Fund, has entered into services arrangements with certain insurance companies. Under these arrangements, certain insurance companies will be compensated up to .25% of the average daily NAV of the Fund's Class VC Shares held in the insurance company's separate account to service and maintain the Variable Contract owners' accounts. This amount is included in Non 12b-1 service fees on the Statement of Operations. The Fund may also compensate certain insurance companies, third-party administrators and other entities for providing recordkeeping, sub-transfer agency and other administrative services to the Fund. This amount is included in Shareholder servicing on the Statement of Operations.

Two Directors and certain of the Company's officers have an interest in Lord Abbett.

4. DISTRIBUTIONS AND CAPITAL LOSS CARRYFORWARDS

Dividends from net investment income, if any, are declared and paid at least semi-annually. Taxable net realized gains from investment transactions, reduced by allowable capital loss carryforwards, if any, are declared and distributed to shareholders at least annually. The capital loss carryforward amount, if any, is available to offset future net capital gains. Dividends and distributions to shareholders are recorded on the ex-dividend date. The amounts of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP. These book/tax differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the components of net assets based on their federal tax basis treatment; temporary differences do not require reclassification. Dividends and distributions that exceed earnings and profits for tax purposes are reported as a tax return of capital.

The tax character of distributions paid during the fiscal years ended December 31, 2017 and 2016 was as follows:

	Year Ended 12/31/2017	Year Ended 12/31/2016
Distributions paid from:		
Ordinary income	\$55,855,286	\$47,075,516
Net long-term capital gains	3,234,342	–
Total distributions paid	\$59,089,628	\$47,075,516

Notes to Financial Statements (continued)

As of December 31, 2017, the components of accumulated gains on a tax-basis were as follows:

Undistributed ordinary income – net	\$ 7,105,534
Undistributed long-term capital gains	1,672,887
Total undistributed earnings	8,778,421
Temporary differences	(142,473)
Unrealized gains – net	49,930,617
Total accumulated gains – net	\$58,566,565

As of December 31, 2017, the aggregate unrealized security gains and losses on investments and other financial instruments based on cost for U.S. federal income tax purposes were as follows:

Tax cost	\$1,130,022,861
Gross unrealized gain	61,039,858
Gross unrealized loss	(11,112,803)
Net unrealized security gain	\$ 49,927,055

The difference between book-basis and tax-basis unrealized gains (losses) is attributable to the tax treatment of certain securities, forward currency contracts, futures, swaps, amortization of premium and wash sales.

Permanent items identified during the fiscal year ended December 31, 2017 have been reclassified among the components of net assets based on their tax basis treatment as follows:

Undistributed Net Investment Income	Accumulated Net Realized Gain
\$1,630,927	\$(1,630,927)

The permanent differences are primarily attributable to the tax treatment of foreign currency transactions, certain securities, premium amortization, certain distributions, and principal paydown gains and losses.

5. PORTFOLIO SECURITIES TRANSACTIONS

Purchases and sales of investment securities (excluding short-term investments) for the fiscal year ended December 31, 2017 were as follows:

U.S. Government Purchases	Non-U.S. Government Purchases	U.S. Government Sales	Non-U.S. Government Sales
\$220,070,606	\$1,188,332,857	\$203,165,074	\$1,140,619,750

The Fund is permitted to purchase and sell securities ("cross-trade") from and to other Lord Abbett funds or client accounts pursuant to procedures approved by the Board in compliance with Rule 17a-7 under the Act (the "Rule"). Each cross-trade is executed at a fair market price in compliance with provisions of the Rule. For the fiscal year ended December 31, 2017, the Fund engaged in cross-trades purchases of \$2,219,524 and sales of \$19,814,409, which resulted in net realized gains of \$959,076.

Notes to Financial Statements (continued)

6. DISCLOSURES ABOUT DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Fund entered into forward foreign currency exchange contracts for the fiscal year ended December 31, 2017 (as described in note 2(g)). A forward foreign currency exchange contract reduces the Fund's exposure to changes in the value of the currency it will deliver (or settle in cash) and increases its exposure to changes in the value of the currency it will receive (or settle in cash) for the duration of the contract. The Fund's use of forward foreign currency exchange contracts involves the risk that Lord Abbett will not accurately predict currency movements, and the Fund's returns could be reduced as a result. Forward foreign currency exchange contracts are subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedged positions, that the U.S. dollar will decline relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time. The Fund's risk of loss from counterparty credit risk is the unrealized appreciation on forward foreign currency exchange contracts and deposits with brokers as collateral.

The Fund entered into U.S. Treasury futures contracts for the fiscal year ended December 31, 2017 (as described in note 2(h)) to economically hedge against changes in interest rates. The Fund bears the risk of interest rates moving unexpectedly, in which case the Fund may not achieve the anticipated benefits of the futures contracts and realize a loss. There is minimal counterparty credit risk to the Fund since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees futures against default.

The Fund entered into credit default swaps for the fiscal year ended December 31, 2017 (as described in note 2(m)) to economically hedge credit risk. Credit default swaps involve the exchange of a fixed rate premium for protection against the loss in value of an underlying security within the index in the event of a defined credit event, such as payment default or bankruptcy. Under a credit default swap one party acts as a guarantor by receiving the fixed periodic payment in exchange for the commitment to purchase the underlying security at par if the defined credit event occurs. The Fund's maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract.

As of December 31, 2017, the Fund had the following derivatives at fair value, grouped into appropriate risk categories that illustrate the Fund's use of derivative instruments:

Asset Derivatives	Interest Rate Contracts	Foreign Currency Contracts	Credit Contracts
Forward Foreign Currency Exchange Contracts ⁽¹⁾	-	\$ 71,760	-
Futures Contract ⁽²⁾	\$ 804,637	-	-
Liability Derivatives			
Forward Foreign Currency Exchange Contracts ⁽³⁾	-	\$ 397,988	-
Futures Contracts ⁽²⁾	\$1,185,723	-	-
Centrally Cleared Credit Default Swap Contracts ⁽⁴⁾	-	-	\$1,699,663

⁽¹⁾ Statements of Assets and Liabilities location: Unrealized appreciation on forward foreign currency exchange contracts.

⁽²⁾ Statements of Assets and Liabilities location: Includes cumulative unrealized appreciation/depreciation of futures contracts as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

⁽³⁾ Statements of Assets and Liabilities location: Unrealized depreciation on forward foreign currency exchange contracts.

⁽⁴⁾ Statements of Assets and Liabilities location: Includes cumulative unrealized appreciation/depreciation of centrally cleared swap contracts as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

Notes to Financial Statements (continued)

Transactions in derivative instruments for the year ended December 31, 2017, were as follows:

	Interest Rate Contracts	Forward Currency Contracts	Credit Contracts
Net Realized Gain (Loss)			
Credit Default Swaps Contracts ⁽¹⁾	–	–	\$ (1,511,322)
Forward Foreign Currency Exchange Contracts ⁽²⁾	–	\$(1,524,163)	–
Futures Contracts ⁽³⁾	\$(5,804,820)	–	–
Net Change in Unrealized Appreciation/Depreciation			
Credit Default Swaps Contracts ⁽⁴⁾	–	–	\$ (1,283,037)
Forward Foreign Currency Exchange Contracts ⁽⁵⁾	–	\$ (443,457)	–
Futures Contracts ⁽⁶⁾	\$(1,516,229)	–	–
Average Number of Contracts/Notional Amounts*			
Credit Default Swaps Contracts ⁽⁷⁾	–	–	\$80,603,205
Forward Foreign Currency Exchange Contracts ⁽⁷⁾	–	\$27,615,707	–
Futures Contracts ⁽⁸⁾	2,572	–	–

* Calculated based on the number of contracts or notional amounts for the fiscal year ended December 31, 2017.

(1) Statements of Operations location: Net realized gain (loss) on swap contracts.

(2) Statements of Operations location: Net realized gain (loss) on foreign currency exchange contracts.

(3) Statements of Operations location: Net realized gain (loss) on future contracts.

(4) Statements of Operations location: Net Change in unrealized appreciation/depreciation on swap contracts.

(5) Statements of Operations location: Net change in unrealized appreciation/depreciation on foreign currency exchange contracts.

(6) Statements of Operations location: Net change in unrealized appreciation/depreciation on future contracts.

(7) Amount represents notional amounts in U.S. dollars.

(8) Amount represents number of contracts.

7. DISCLOSURES ABOUT OFFSETTING ASSETS AND LIABILITIES

The Financial Accounting Standards Board ("FASB") requires disclosures intended to help better assess the effect or potential effect of offsetting arrangements on a fund's financial position. The following tables illustrate gross and net information about recognized assets and liabilities eligible for offset in the statement of assets and liabilities; and disclose such amounts subject to an enforceable master netting agreement or similar agreement, by counterparty. A master netting agreement is an agreement between a fund and a counterparty which provides for the net settlement of amounts owed under all contracts traded under that agreement, as well as cash collateral, through a single payment by one party to the other in the event of default on or termination of any one contract. The Fund's accounting policy with respect to balance sheet offsetting is that, absent an event of default by the counterparty or a termination of the agreement, the master netting agreement does not result in an offset of reported amounts of financial assets and liabilities in the statement of assets and liabilities across transactions between the Fund and the applicable counterparty:

Description	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Assets and Liabilities	Net Amounts of Assets Presented in the Statement of Assets and Liabilities
Forward Foreign Currency			
Exchange Contracts	\$ 71,760	\$ –	\$ 71,760
Repurchase Agreements	14,465,148	–	14,465,148
Total	\$14,536,908	\$ –	\$14,536,908

Notes to Financial Statements (continued)

Counterparty	Net Amounts of Assets Presented in the Statement of Assets and Liabilities	Amounts Not Offset in the Statement of Assets and Liabilities			Net Amount ^(b)
		Financial Instruments	Cash Collateral Received ^(a)	Securities Collateral Received ^(a)	
Barclays Bank plc	\$ 18,163	\$(18,163)	\$ -	\$ -	\$ -
Deutsche Bank AG	12,721	-	-	-	12,721
Fixed Income Clearing Corp.	14,465,148	-	-	(14,465,148)	-
J.P. Morgan Chase	16,533	(16,533)	-	-	-
Standard Chartered Bank	5,155	-	-	-	5,155
State Street Bank and Trust	15,278	(15,278)	-	-	-
UBS AG	3,910	-	-	-	3,910
Total	\$14,536,908	\$(49,974)	\$ -	\$(14,465,148)	\$21,786

Description	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Assets and Liabilities	Net Amounts of Liabilities Presented in the Statement of Assets and Liabilities	
Forward Foreign Currency				
Exchange Contracts	\$397,988		\$ -	\$397,988
Total	\$397,988		\$ -	\$397,988

Counterparty	Net Amounts of Liabilities Presented in the Statement of Assets and Liabilities	Amounts Not Offset in the Statement of Assets and Liabilities			Net Amount ^(b)
		Financial Instruments	Cash Collateral Pledged ^(a)	Securities Collateral Pledged ^(a)	
Barclays Bank plc	\$ 66,224	\$(18,163)	\$ -	\$ -	\$ 48,061
J.P. Morgan Chase	24,951	(16,533)	-	-	8,418
State Street Bank and Trust	306,813	(15,278)	-	-	291,535
Total	\$397,988	\$(49,974)	\$ -	\$ -	\$348,014

^(a) Collateral disclosed is limited to an amount not to exceed 100% of the net amount of assets (liabilities) presented in the Statement of Assets and Liabilities, for each respective counterparty.

^(b) Net amount represents the amount owed to the Fund by the counterparty as of December 31, 2017.

8. DIRECTORS' REMUNERATION

The Company's officers and two Directors, who are associated with Lord Abbett, do not receive any compensation from the Company for serving in such capacities. Independent Directors' fees are allocated among all Lord Abbett-sponsored funds based on the net assets of each fund. There is an equity-based plan available to all Independent Directors under which Independent Directors must defer receipt of a portion of, and may elect to defer receipt of an additional portion of Directors' fees. The deferred amounts are treated as though equivalent dollar amounts had been invested in the funds. Such amounts and earnings accrued thereon are included in Directors' fees on the Statement of Operations and in Directors' fees payable on the Statement of Assets and Liabilities and are not deductible for U.S. federal income tax purposes until such amounts are paid.

Notes to Financial Statements (continued)

9. EXPENSE REDUCTIONS

The Company has entered into an arrangement with its transfer agent and custodian, whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's expenses.

10. LINE OF CREDIT

Effective August 28, 2017, the Fund and certain other funds managed by Lord Abbett (collectively, the "Participating Funds") entered into an amended syndicated line of credit facility with various lenders for \$600 million (the "Facility"), whereas State Street Bank and Trust Company ("SSB") participates as a lender and as agent for the lenders. The Facility is to be used for temporary or emergency purposes as an additional source of liquidity to satisfy redemptions. The Participating Funds are subject to graduated borrowing limits of one-third of Fund assets (if Fund assets are less than \$750 million), \$250 million, \$300 million, or \$350 million, based on past borrowings and likelihood of future borrowings.

Prior to August 28, 2017, the Funds and certain other funds managed by Lord Abbett participated in a \$550 million syndicated line of credit facility, based on the same terms as described above.

During the fiscal year ended December 31, 2017, the Fund did not utilize the Facility.

11. INTERFUND LENDING PROGRAM

Pursuant to an exemptive order issued by the U.S. Securities and Exchange Commission ("SEC exemptive order"), certain registered open-end management investment companies managed by Lord Abbett, including the Fund, participate in a joint lending and borrowing program (the "Interfund Lending Program"). The SEC exemptive order allows the Funds to borrow money from and lend money to each other for temporary or emergency purposes subject to the limitations and conditions.

During the fiscal year ended December 31, 2017, the Fund participated as a lender in the Interfund Lending Program. The average amount loaned and interest rate were \$4,958,199 and 1.01%, respectively. The Fund earned interest of \$261, which is included in the Statement of Operations. There were no interfund loans outstanding as of December 31, 2017.

12. CUSTODIAN AND ACCOUNTING AGENT

SSB is the Company's custodian and accounting agent. SSB performs custodial, accounting and recordkeeping functions relating to portfolio transactions and calculating the Fund's NAV.

13. INVESTMENT RISKS

The Fund is subject to the general risks and considerations associated with investing in debt securities and to the changing prospects of individual companies and/or sectors in which the Fund invests. The value of an investment will change as interest rates fluctuate and in response to market movements. When interest rates rise, the prices of debt securities are likely to decline; when rates fall, such prices tend to rise. Longer-term debt securities are usually more sensitive to interest rate changes. There is also the risk that an issuer of a debt security will fail to make timely payments of principal or interest to the Fund, a risk that is greater with high-yield securities (sometimes called "lower-rated bonds" or "junk bonds") in which the Fund may substantially invest. Some issuers, particularly of high-yield securities, may default as to principal and/or interest payments after the Fund purchases its securities. A default, or concerns in the market about an increase in risk of default, may result in losses to the Fund. High-yield securities are subject to

Notes to Financial Statements (continued)

greater price fluctuations, as well as additional risks. The market for below investment grade securities may be less liquid, which may make such securities more difficult to sell at an acceptable price, especially during periods of financial distress, increased market volatility, or significant market decline.

The Fund is subject to the risk of investing in securities issued or guaranteed by the U.S. Government or its agencies and instrumentalities (such as the Government National Mortgage Association ("Ginnie Mae"), the Federal National Mortgage Association ("Fannie Mae"), or the Federal Home Loan Mortgage Corporation ("Freddie Mac")). Unlike Ginnie Mae securities, securities issued or guaranteed by U.S. Government-related organizations such as Fannie Mae and Freddie Mac are not backed by the full faith and credit of the U.S. Government and no assurance can be given that the U.S. Government would provide financial support to its agencies and instrumentalities if not required to do so by law. Consequently, the Fund may be required to look principally to the agency issuing or guaranteeing the obligation.

The asset backed securities and mortgage-related securities in which the Fund may invest may be particularly sensitive to changes in prevailing interest rates and economic conditions, including delinquencies and/or defaults. These changes can affect the value, income and/or liquidity of such positions. When interest rates are declining, the value of these securities with prepayment features may not increase as much as other fixed income securities. Early principal repayment may deprive the Fund of income payments above current market rates. Alternatively, rising interest rates may cause prepayments to occur at a slower-than-expected rate, extending the duration of a security and typically reducing its value. The payment rate will thus affect the price and volatility of a mortgage-related security. In addition, the Fund may invest in non-agency asset backed and mortgage-related securities, which are issued by private institutions, not by government sponsored enterprises.

The Fund may invest up to 20% of its net assets in equity securities, the value of which fluctuates in response to movements in the equity securities market in general, changing prospects of individual companies in which the Fund invests, or an individual company's financial condition.

The Fund may invest in convertible securities, which have both equity and fixed income risk characteristics, including market, credit, liquidity, and interest rate risks. Generally, convertible securities offer lower interest or dividend yields than non-convertible securities of similar quality and less potential for gains or capital appreciation in a rising equity securities market than equity securities. They tend to be more volatile than other fixed income securities, and the market for convertible securities may be less liquid than the markets for stocks or bonds. A significant portion of convertible securities have below investment grade credit ratings and are subject to increased credit and liquidity risks.

Due to the Fund's investment exposure to foreign companies and American Depositary Receipts, the Fund may experience increased market, industry and sector, liquidity, currency, political, information and other risks. The securities of foreign companies also may be subject to inadequate exchange control regulations, the imposition of economic sanctions or other government restrictions, higher transaction and other costs, and delays in settlement to the extent they are traded on non-U.S. exchanges or markets.

The Fund is subject to the risks associated with derivatives, which may be different from and greater than the risks associated with directly investing in securities. Derivatives may be subject to risks such as liquidity risk, leveraging risk, interest rate risk, market risk, and credit risk. Illiquid securities may

Notes to Financial Statements (concluded)

lower the Fund's returns since the Fund may be unable to sell these securities at their desired time or price. Derivatives also may involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the value of the underlying asset, rate or index. Whether the Fund's use of derivatives is successful will depend on, among other things, the Fund's ability to correctly forecast market movements and other factors. If the Fund incorrectly forecasts these and other factors, the Fund's performance could suffer. The Fund's use of derivatives could result in a loss exceeding the amount of the Fund's investment in these instruments.

The Fund may invest up to 15% of its net assets in floating rate or adjustable rate senior loans, including bridge loans, novations, assignments, and participations, which are subject to increased credit and liquidity risks. Senior loans are business loans made to borrowers that may be U.S. or foreign corporations, partnerships or other business entities. The senior loans in which the Fund invests may consist primarily of senior loans that are rated below investment grade or, if unrated, deemed by Lord Abbett to be equivalent to below investment grade securities. Below investment grade senior loans, as in the case of high-yield debt securities, or junk bonds, are usually more credit sensitive than interest rate sensitive, although the value of these instruments may be impacted by broader interest rate swings in the overall fixed income market. Below investment grade senior loans may be affected by interest rate swings in the overall fixed income market. In addition, senior loans may be subject to structural subordination.

These factors can affect the Fund's performance.

14. SUMMARY OF CAPITAL TRANSACTIONS

Transactions in shares of capital stock were as follows:

	Year Ended December 31, 2017	Year Ended December 31, 2016
Shares sold	11,707,991	12,721,182
Reinvestment of distributions	4,788,463	3,949,141
Shares reacquired	(11,090,027)	(15,163,582)
Increase	5,406,427	1,506,741

Report of Independent Registered Public Accounting Firm

To the Board of Directors of Lord Abbett Series Fund, Inc. and the shareholders of Bond-Debenture Portfolio:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of the Bond-Debenture Portfolio, one of the portfolios constituting the Lord Abbett Series Fund, Inc. (the "Fund"), as of December 31, 2017, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Bond-Debenture Portfolio of the Fund as of December 31, 2017, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2017, by correspondence with the custodian, brokers and agent banks; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

DELOITTE & TOUCHE LLP
New York, New York
February 15, 2018

We have served as the auditor of one or more Lord Abbett Family of Funds' investment companies since 1932.

Basic Information About Management

The Board is responsible for the management of the business and affairs of the Company in accordance with the laws of the State of Maryland. The Board elects officers who are responsible for the day-to-day operations of the Fund and who execute policies authorized by the Board. The Board also approves an investment adviser to the Fund and continues to monitor the cost and quality of the services the investment adviser provides, and annually considers whether to renew the contract with the adviser. Generally, each Director holds office until his/her successor is elected and qualified or until his/her earlier resignation or removal, as provided in the Company's organizational documents.

Lord Abbett, a Delaware limited liability company, is the Fund's investment adviser. Designated Lord Abbett personnel are responsible for the day-to-day management of the Fund.

Interested Directors

Ms. Foster and Mr. Sieg are affiliated with Lord Abbett and are "interested persons" of the Fund as defined in the Act. Ms. Foster and Mr. Sieg are directors/trustees of each of the 12 investment companies in the Lord Abbett Family of Funds, which consist of 61 portfolios or series. Ms. Foster is an officer of the Lord Abbett Family of Funds.

Name, Address and Year of Birth	Current Position and Length of Service with the Company	Principal Occupation and Other Directorships During the Past Five Years
Daria L. Foster ⁽¹⁾ Lord, Abbett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 (1954)	Director and President since 2006; Chief Executive Officer since 2012	Principal Occupation: Managing Partner of Lord Abbett, joined Lord Abbett in 1990. Other Directorships: None.
Douglas B. Sieg ⁽¹⁾ Lord, Abbett & Co. LLC 90 Hudson Street Jersey City, NJ 07302 (1969)	Director since 2016	Principal Occupation: Partner (since 2001) and Head of Client Services (since 2013), formerly Director of Marketing and Relationship Management, joined Lord Abbett in 1994. Other Directorships: None.

Independent Directors

The following Independent Directors also are directors/trustees of each of the 12 investment companies in the Lord Abbett Family of Funds, which consist of 61 portfolios or series.

Name, Address and Year of Birth	Current Position and Length of Service with the Company	Principal Occupation and Other Directorships During the Past Five Years
Eric C. Fast Lord, Abbett & Co. LLC c/o Legal Dept. 90 Hudson Street Jersey City, NJ 07302 (1949)	Director since 2014	Principal Occupation: Chief Executive Officer of Crane Co., an industrial products company (2001–2014). Other Directorships: Currently serves as director of Automatic Data Processing, Inc. (since 2007) and Regions Financial Corporation (since 2010). Previously served as a director of Crane Co. (1999–2014).

⁽¹⁾ Daria L. Foster, Managing Partner of Lord Abbett, a member of the Board, and the Chief Executive Officer and President of the Lord Abbett Family of Funds, will retire from her positions with Lord Abbett and the Lord Abbett Family of Funds effective March 31, 2018. Douglas B. Sieg, Partner and head of Client Services at Lord Abbett, and a member of the Board, will succeed Ms. Foster effective April 1, 2018.

Basic Information About Management (continued)

Name, Address and Year of Birth	Current Position and Length of Service with the Company	Principal Occupation and Other Directorships During the Past Five Years
Evelyn E. Guernsey Lord, Abbett & Co. LLC c/o Legal Dept. 90 Hudson Street Jersey City, NJ 07302 (1955)	Director since 2011	Principal Occupation: CEO, Americas of J.P. Morgan Asset Management (2004–2010). Other Directorships: None.
Julie A. Hill Lord, Abbett & Co. LLC c/o Legal Dept. 90 Hudson Street Jersey City, NJ 07302 (1946)	Director since 2004	Principal Occupation: Owner and CEO of The Hill Company, a business consulting firm (since 1998). Other Directorships: Currently serves as director of Anthem, Inc., a health benefits company (since 1994).
Franklin W. Hobbs Lord, Abbett & Co. LLC c/o Legal Dept. 90 Hudson Street Jersey City, NJ 07302 (1947)	Director since 2001	Principal Occupation: President and CEO of Ribbon Communications (since 2017) and Advisor of One Equity Partners, a private equity firm (since 2004). Other Directorships: Currently serves as director of Ribbon Communications (since 2017), director and Chairman of the Board of Ally Financial Inc., a financial services firm (since 2009), and as director of Molson Coors Brewing Company (since 2002).
Kathleen M. Lutito Lord, Abbett & Co. LLC c/o Legal Dept. 90 Hudson Street Jersey City, NJ 07302 (1963)	Director since 2017	Principal Occupation: President and Chief Investment Officer of CenturyLink Investment Management Company (since 2006). Other Directorships: None
James M. McTaggart Lord, Abbett & Co. LLC c/o Legal Dept. 90 Hudson Street Jersey City, NJ 07302 (1947)	Director since 2012	Principal Occupation: Independent management advisor and consultant (since 2012); Vice President, CRA International, Inc. (doing business as Charles River Associates), a global management consulting firm (2009–2012); Founder and Chairman of Marakon Associates, Inc., a strategy consulting firm (1978–2009); and Officer and Director of Trinum Group, a holding company (2007–2009). Other Directorships: Blyth, Inc., a home products company (2004–2015).
Karla M. Rabusch Lord, Abbett & Co. LLC c/o Legal Dept. 90 Hudson Street Jersey City, NJ 07302 (1959)	Director since 2017	Principal Occupation: President and Director of Wells Fargo Funds Management, LLC (2003–2017); President of Wells Fargo Funds (2003–2016). Other Directorships: None.
Mark A. Schmid Lord, Abbett & Co. LLC c/o Legal Dept. 90 Hudson Street Jersey City, NJ 07302 (1959)	Director since 2016	Principal Occupation: Vice President and Chief Investment Officer of the University of Chicago (since 2009). Other Directorships: None.

Basic Information About Management (continued)

Name, Address and Year of Birth	Current Position and Length of Service with the Company	Principal Occupation and Other Directorships During the Past Five Years
James L.L. Tullis Lord, Abnett & Co. LLC c/o Legal Dept. 90 Hudson Street Jersey City, NJ 07302 (1947)	Director since 2006; Chairman since 2017	Principal Occupation: CEO of Tullis-Dickerson and Co. Inc., a venture capital management firm (since 1990); CEO of Tullis Health Investors Inc. (since 2012). Other Directorships: Currently serves as director of Crane Co. (since 1998).

Officers

None of the officers listed below have received compensation from the Company. All of the officers of the Company also may be officers of the other Lord Abbett Funds and maintain offices at 90 Hudson Street, Jersey City, NJ 07302. Unless otherwise indicated, the position(s) and title(s) listed under the "Principal Occupation During the Past Five Years" column indicate each officer's position(s) and title(s) with Lord Abbett. Each officer serves for an indefinite term (i.e., until his or her death, resignation, retirement, or removal).

Name and Year of Birth	Current Position with the Company	Length of Service of Current Position	Principal Occupation During the Past Five Years
Daria L. Foster (1954)	President and Chief Executive Officer	Elected as President in 2006 and Chief Executive Officer in 2012	Managing Partner of Lord Abbett, joined Lord Abbett in 1990.
Sean J. Aurigemma (1969)	Executive Vice President	Elected in 2010	Portfolio Manager, joined Lord Abbett in 2007.
Jeff D. Diamond (1960)	Executive Vice President	Elected in 2008	Portfolio Manager, joined Lord Abbett in 2007.
Todd D. Jacobson (1966)	Executive Vice President	Elected in 2005	Partner and Associate Director, joined Lord Abbett in 2003.
Robert A. Lee (1969)	Executive Vice President	Elected in 2010	Partner and Chief Investment Officer, and was formerly Deputy Chief Investment Officer and Director of Taxable Fixed Income, joined Lord Abbett in 1997.
David J. Linsen (1974)	Executive Vice President	Elected in 2008	Partner and Director, joined Lord Abbett in 2001.
Thomas B. Maher (1967)	Executive Vice President	Elected in 2010	Partner and Portfolio Manager, joined Lord Abbett in 2003.
Justin C. Maurer (1969)	Executive Vice President	Elected in 2010	Partner and Portfolio Manager, joined Lord Abbett in 2001.

Basic Information About Management (continued)

Name and Year of Birth	Current Position with the Company	Length of Service of Current Position	Principal Occupation During the Past Five Years
Vincent J. McBride (1964)	Executive Vice President	Elected in 2010	Partner and Director, joined Lord Abbett in 2003.
Andrew H. O'Brien (1973)	Executive Vice President	Elected in 2010	Partner and Portfolio Manager, joined Lord Abbett in 1998.
F. Thomas O'Halloran, III (1955)	Executive Vice President	Elected in 2010	Partner and Portfolio Manager, joined Lord Abbett in 2001.
Marc Pavese (1972)	Executive Vice President	Elected in 2016	Partner and Portfolio Manager, joined Lord Abbett in 2008.
Walter H. Prah (1958)	Executive Vice President	Elected in 2012	Partner and Director, joined Lord Abbett in 1997.
Jeffrey Rabinowitz (1972)	Executive Vice President	Elected in 2017	Portfolio Manager, joined Lord Abbett in 2017 and was formerly a Managing Director and Portfolio Manager/Technology Analyst at Jennison Associates LLC (2014–2017) and Managing Director and Portfolio Manager/Technology Analyst at Goldman Sachs Asset Management (1999–2014).
Steven F. Rocco (1979)	Executive Vice President	Elected in 2014	Partner and Portfolio Manager, joined Lord Abbett in 2004.
A. Edward Allinson (1961)	Vice President	Elected in 2011	Portfolio Manager, joined Lord Abbett in 2005.
Matthew R. DeCicco (1977)	Vice President	Elected in 2003	Portfolio Manager, joined Lord Abbett in 1999.
Brooke A. Fapohunda (1975)	Vice President and Assistant Secretary	Elected in 2014	Partner and Deputy General Counsel, joined Lord Abbett in 2006.
John K. Forst (1960)	Vice President and Assistant Secretary	Elected in 2005	Partner and Deputy General Counsel, joined Lord Abbett in 2004.
Bernard J. Grzelak (1971)	Chief Financial Officer and Vice President	Elected in 2017	Partner and Chief Operations Officer, and was formerly Director of Fund Administration, joined Lord Abbett in 2003.
Lawrence H. Kaplan (1957)	Vice President and Secretary	Elected in 1997	Partner and General Counsel, joined Lord Abbett in 1997.

Basic Information About Management (concluded)

Name and Year of Birth	Current Position with the Company	Length of Service of Current Position	Principal Occupation During the Past Five Years
Linda Y. Kim (1980)	Vice President and Assistant Secretary	Elected in 2016	Counsel, joined Lord Abbett in 2015 and was formerly an Associate at Strock & Strock & Lavan LLP (2007–2015).
Joseph M. McGill (1962)	Chief Compliance Officer	Elected in 2014	Partner and Chief Compliance Officer, joined Lord Abbett in 2014 and was formerly Managing Director and the Chief Compliance Officer at UBS Global Asset Management (2003–2013).
A. Edward Oberhaus, III (1959)	Vice President	Elected in 1998	Partner and Director, joined Lord Abbett in 1983.
Noah Petrucci (1970)	Vice President	Elected in 2013	Portfolio Manager, joined Lord Abbett in 2012.
Lawrence B. Stoller (1963)	Vice President and Assistant Secretary	Elected in 2007	Partner and Senior Deputy General Counsel, joined Lord Abbett in 2007.
Leah G. Traub (1979)	Vice President	Elected in 2016	Partner and Portfolio Manager, joined Lord Abbett in 2007.
Arthur K. Weise (1970)	Vice President	Elected in 2010	Partner and Portfolio Manager, joined Lord Abbett in 2007.
Kewjin Yuoh (1971)	Vice President	Elected in 2012	Partner and Portfolio Manager, joined Lord Abbett in 2010.
Scott S. Wallner (1955)	AML Compliance Officer	Elected in 2011	Assistant General Counsel, joined Lord Abbett in 2004.
Christian J. Kelly (1975)	Treasurer	Elected in 2017	Director of Fund Administration, joined Lord Abbett in 2009.

Please call 888-522-2388 for a copy of the statement of additional information, which contains further information about the Company's Directors. It is available free upon request.

Approval of Advisory Contract

The Board, including all of the Directors who are not "interested persons" of the Company or of Lord Abbett, as defined in the Investment Company Act of 1940, as amended (the "Independent Directors"), annually considers whether to approve the continuation of the existing management agreement between the Fund and Lord Abbett (the "Agreement"). In connection with its most recent approval, the Board reviewed materials relating specifically to the Agreement, as well as numerous materials received throughout the course of the year, including information about the Fund's investment performance compared to the performance of appropriate benchmarks. Before making its decision as to the Fund, the Board had the opportunity to ask questions and request further information, taking into account its familiarity with Lord Abbett gained through its meetings and discussions. These meetings and discussions included reviews of Fund performance conducted by members of the Contract Committee, the deliberations of the Contract Committee, and discussions between the Contract Committee and Lord Abbett's management. The Independent Directors also met with their independent legal counsel in various private sessions at which no representatives of management were present.

The materials received by the Board included, but were not limited to: (1) information provided by Morningstar, Inc. ("Morningstar") regarding the investment performance of the Fund compared to the investment performance of certain funds with similar investment styles as determined by Morningstar, based, in part, on the Fund's Morningstar category (the "performance peer group"), and the investment performance of two appropriate benchmarks; (2) information provided by Morningstar regarding the expense ratios, contractual and actual management fee rates, and other expense components for the Fund and certain funds in the same Morningstar category, with generally the same or similar share classes and operational characteristics, including asset size (the "expense peer group"); (3) certain supplemental investment performance information provided by Lord Abbett; (4) information provided by Lord Abbett on the expense ratios, management fee rates, and other expense components for the Fund; (5) sales and redemption information for the Fund; (6) information regarding Lord Abbett's financial condition; (7) an analysis of the relative profitability of the Agreement to Lord Abbett; (8) information provided by Lord Abbett regarding the investment management fee schedules for Lord Abbett's other advisory clients maintaining accounts with a similar investment strategy as the Fund; and (9) information regarding the personnel and other resources devoted by Lord Abbett to managing the Fund.

Investment Management Services Generally. The Board considered the investment management services provided by Lord Abbett to the Fund, including investment research, portfolio management, and trading, and Lord Abbett's commitment to compliance with all applicable legal requirements. The Board also observed that Lord Abbett was solely engaged in the investment management business and accordingly did not experience the conflicts of interest that may result from being engaged in other lines of business. The Board considered the investment advisory services provided by Lord Abbett to other clients, the fees charged for the services, and the differences in the nature of the services provided to the Fund and other Lord Abbett Funds, on the one hand, and the services provided to other clients, on the other. After reviewing these and related factors, the Board concluded that the Fund was likely to continue to benefit from the nature, extent and quality of the investment services provided by Lord Abbett under the Agreement.

Investment Performance. The Board reviewed the Fund's investment performance in relation to that of the performance peer group and two appropriate benchmarks as of various periods ended August 31, 2017. The Board observed that the Fund's investment performance was above the median of the performance peer group for the one-, three-, five-, and ten-year periods. The Board

Approval of Advisory Contract (continued)

further considered Lord Abbett's performance and reputation generally, the performance of other Lord Abbett-managed funds overseen by the Board, and the willingness of Lord Abbett to take steps intended to improve performance when necessary. After reviewing these and related factors, the Board concluded that the Fund's investment performance was reasonable and supported the continuation of the Agreement.

Lord Abbett's Personnel and Methods. The Board considered the qualifications of the personnel providing investment management services to the Fund, in light of its investment objective and discipline. Among other things, the Board considered the size, experience, and turnover of Lord Abbett's investment management staff, Lord Abbett's investment methodology and philosophy, and Lord Abbett's approach to recruiting, training, and retaining investment management personnel.

Nature and Quality of Other Services. The Board considered the nature, quality, costs, and extent of compliance, administrative, and other services performed by Lord Abbett and the nature and extent of Lord Abbett's supervision of third party service providers, including the Fund's transfer agent and custodian.

Expenses. The Board considered the expense level of the Fund and the expense levels of the expense peer group. It also considered how the expense level of the Fund related to those of the expense peer group and the amount and nature of the fees paid by shareholders. The Board observed that the net total expense ratio of the Fund was below the median of the expense peer group. After reviewing these and related factors, the Board concluded, within the context of its overall approval of the Agreement, that the expense level of the Fund was reasonable and supported the continuation of the Agreement.

Profitability. The Board considered the level of Lord Abbett's operating margin in managing the Fund, including a review of Lord Abbett's methodology for allocating its costs to its management of the Fund. It considered whether the Fund was profitable to Lord Abbett in connection with the Fund's operation, including the fee that Lord Abbett receives from the Fund for providing administrative services to the Fund. The Board also considered the profits realized from other business segments of Lord Abbett, which may benefit from or be related to the Fund's business. The Board considered Lord Abbett's profit margins excluding Lord Abbett's marketing and distribution expenses. The Board also considered Lord Abbett's profit margins, without those exclusions, in comparison with available industry data and how those profit margins could affect Lord Abbett's ability to recruit and retain investment personnel. The Board recognized that Lord Abbett's overall profitability was a factor in enabling it to attract and retain qualified investment management personnel to provide services to the Fund. After reviewing these and related factors, the Board concluded, within the context of its overall approval of the Agreement, that Lord Abbett's profitability with respect to the Fund was not excessive.

Economies of Scale. The Board considered the extent to which there had been economies of scale in managing the Fund, whether the Fund's shareholders had appropriately benefited from such economies of scale, and whether there was potential for realization of any further economies of scale. The Board concluded that the existing management fee schedule, with its breakpoint in the level of the management fee, adequately addressed any economies of scale in managing the Fund.

Other Benefits to Lord Abbett. The Board considered the amount and nature of the fees paid by the Fund and the Fund's shareholders to Lord Abbett for services other than investment advisory services. The Board also considered the revenues and profitability of Lord Abbett's investment

Approval of Advisory Contract (concluded)

advisory business apart from its mutual fund business, and the intangible benefits enjoyed by Lord Abbett by virtue of its relationship with the Fund. The Board observed that the Distributor receives 12b-1 fees from certain of the Lord Abbett Funds as to shares held in accounts for which there is no other broker of record, may retain a portion of the 12b-1 fees it receives, and receives a portion of the sales charges on sales and redemptions of some classes of shares of the Lord Abbett Funds. In addition, the Board observed that Lord Abbett accrues certain benefits for its business of providing investment advice to clients other than the Lord Abbett Funds, but that business also benefits the Funds. The Board also noted that Lord Abbett, as disclosed in the prospectus of the Fund, has entered into revenue sharing arrangements with certain entities that distribute shares of the Fund. The Board also took into consideration the investment research that Lord Abbett receives as a result of Fund brokerage transactions.

Alternative Arrangements. The Board considered whether, instead of approving continuation of the Agreement, it might be in the best interests of the Fund to implement one or more alternative arrangements, such as continuing to employ Lord Abbett, but on different terms. After considering all of the relevant factors, the Board unanimously found that continuation of the Agreement was in the best interests of the Fund and its shareholders and voted unanimously to approve the continuation of the Agreement. In considering whether to approve the continuation of the Agreement, the Board did not identify any single factor as paramount or controlling. Individual Directors may have evaluated the information presented differently from one another, giving different weights to various factors. This summary does not discuss in detail all matters considered.

Householding

The Company has adopted a policy that allows it to send only one copy of the Fund's prospectus, proxy material, annual report and semiannual report to certain shareholders residing at the same "household." This reduces Fund expenses, which benefits you and other shareholders. If you need additional copies or do not want your mailings to be "household," please call Lord Abbett at 888-522-2388 or send a written request with your name, the name of your fund or funds and your account number or numbers to Lord Abbett Family of Funds, P.O. Box 219336, Kansas City, MO 64121.

Proxy Voting Policies, Procedures and Records

A description of the policies and procedures that Lord Abbett uses to vote proxies related to the Fund's portfolio securities, and information on how Lord Abbett voted the Fund's proxies during the 12-month period ended June 30 are available without charge, upon request, (i) by calling 888-522-2388; (ii) on Lord Abbett's Website at www.lordabbett.com; and (iii) on the Securities and Exchange Commission's ("SEC") Website at www.sec.gov.

Shareholder Reports and Quarterly Portfolio Disclosure

The Fund is required to file its complete schedule of portfolio holdings with the SEC for its first and third fiscal quarters on Form N-Q. Copies of the filings are available without charge, upon request on the SEC's Website at www.sec.gov and may be available by calling Lord Abbett at 888-522-2388. You can also obtain copies of Form N-Q by visiting the SEC's Public Reference Room in Washington, DC (information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330).

Tax Information

For corporate shareholders, 2% of the Fund's ordinary income distributions qualified for the dividends received deduction.

Additionally, of the distribution paid to the shareholders during the year ended December 31, 2017, \$8,031,949 and \$3,234,342, respectively, represent short-term capital gains and long-term capital gains.

Lord Abnett Privacy Policy

Your privacy is important to us. We respect every individual's right to privacy and security of information that personally identifies you or your account with us. That is why we are committed to our Privacy Policy, which is outlined below.

We safeguard, according to strict standards of security and confidentiality, any nonpublic personal information our customers share with us. We do not sell personal information to anyone.

In order to properly execute your transactions, we may collect personal information, such as your name, address and social security number, from the applications or other forms that you complete, through your use of our Website, and from market research companies. We also may collect information about your transactions with us or others, such as your account balance and investment and transaction history.

We may share nonpublic personal information with companies that provide services to us, such as transfer agents, printers, technology vendors and others, for your benefit and for the administration of our business. We require these companies to protect the confidentiality of your nonpublic personal information and to use it only for the purposes for which we disclosed the information.

We do not otherwise share nonpublic personal information we collect about you or any of our customers with anyone, except as required or permitted by law.

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We protect the integrity and privacy of your information in a number of ways. We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to our customers. We maintain physical, electronic and procedural safeguards to guard your nonpublic personal information.

The accuracy of your personal information is important. If you need to correct or update your personal or account information, please call us at 800-821-5129. We will be happy to review, correct or update your personal or account information.

Note: If you invest in the Lord Abnett Family of Funds through an account that is controlled by another financial institution, such as a bank or broker-dealer, the other financial institution's Privacy Policy may apply to you.

This Privacy Notice is being provided on behalf of the following entities:

Lord Abnett Family of Funds
Lord, Abnett & Co. LLC
Lord Abnett Distributor LLC

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