

Lord Abbett Growth and Income Portfolio

GROWTH & INCOME
(STOCKS)



Risk: Moderate
Investment Style *: Large Value

In an age of consolidation within financial services, Lord, Abbett & Co. continues its long tradition of excellence as an independent partnership. Money management, built on in-depth proprietary research, is the firm's only business. As of June 30, 2002, assets under management totaled approximately \$46.6 billion, consisting of wrap-fee programs, insurance annuity accounts, a family of mutual funds and separately managed equity, fixed-income and balanced accounts for corporations, institutions, individuals, endowments and foundations.

Investment Adviser

Lord, Abbett & Co. (Lord Abbett)

Portfolio Manager

Uses a team of investment managers and analysts acting together to manage the Portfolio's investments. The investment management team is headed by Robert G. Morris, W. Thomas Hudson and Eli Salzmann. Mr. Morris, Partner and Director of Equity Investments, joined Lord Abbett in 1991. Mr. Hudson, Partner and Investment Manager, joined Lord Abbett in 1982. Mr. Salzmann, Partner and Director of Institutional Equity Investments, joined Lord Abbett in 1997.

Investment Objective

Seeks long-term growth of capital and income without excessive fluctuations in market value.

Strategy

Primarily purchases equity securities of large, seasoned, U.S. and multinational companies which Lord Abbett, the Portfolio's investment adviser, believes are undervalued. May invest in equity securities such as common stocks, convertible bonds, convertible preferred stocks and warrants and similar instruments. Under normal circumstances, will invest at least 80 percent of net assets in equity securities of large companies with market capitalizations of at least \$5 billion at the time of purchase. This market capitalization may vary in response to changes in the markets. In selecting investments, the Portfolio attempts to invest in securities selling at reasonable prices

in relation to Lord Abbett's assessment of their potential value. While there is the risk that an investment may never reach what Lord Abbett thinks is its full value, or may go down in value, the emphasis on large, seasoned company value stocks may limit the Portfolio's downside risk because value stocks are believed to be underpriced, and large, seasoned company stocks tend to be less volatile than the stocks of smaller companies. The Portfolio generally sells a stock when Lord Abbett thinks it seems less likely to benefit from the current market and economic environment, shows deteriorating fundamentals, or has reached the Portfolio's valuation target.

Principal Risks

The Portfolio is subject to the general risks and considerations associated with equity investing, as well as the particular risks associated with value stocks. The value of an investment will fluctuate in response to movements in the stock market in general and to the changing prospects of individual companies in which the Portfolio invests. Large value stocks may perform differently than the market as a whole and other types of stocks, such as small company stocks and growth stocks. This is because different types of stocks tend to shift in and out of favor depending on market and economic conditions. The market may fail to recognize the intrinsic value of particular value stocks for a long time. In addition, if the Portfolio's assessment of a company's value or prospects for exceeding earnings

FUND FACTS¹

Inception date: **December 11, 1989**

Investment advisory fee for period ended December 31, 2001: **0.50%**

Other Expenses: **0.47%**

Total fund annual expenses for period ended December 31, 2001: **0.97%**

expectations or market conditions is wrong, the Portfolio could suffer losses or produce poor performance relative to other funds, even in a rising market. An investment in the Portfolio is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Portfolio is not a complete investment program and may not be appropriate for all investors. Investments in the Portfolio could lose money.

Important Information

*Determined using Fund Company and/or Morningstar Category information.

(1) The Company may receive compensation from each of the funds or the funds' affiliates based on an annual percentage of the average net assets held in that fund by the Company. The percentage paid may vary from one fund company to another. For certain funds, some of this compensation may be paid out of 12b-1 fees or service fees that are deducted from fund assets. Any such fees deducted from fund assets are disclosed in this Fund Expense Table and the fund prospectuses. The Company may also receive additional compensation from certain funds for administrative, recordkeeping or other services provided by the Company to the funds or the funds' affiliates. These additional payments are made by the funds or the funds' affiliates to the Company and do not increase, directly or indirectly, the fees and expenses shown above. See 'Fees - Fund Expenses' for additional information. If the fund is offered through a retirement program, other fees and expenses may be charged under that program. More information is included in the enrollment material.

The Lord Abbett Growth and Income Portfolio has entered into an arrangement with its custodian pursuant to which any daily uninvested cash balances among the Portfolio's assets are used to reduce the Portfolio's custody fees. For the fiscal year ended December 31, 2001, this reduction was less than

0.01% of the Portfolio's average daily net assets. 'Other Expenses' also includes 0.25% for a non 12b-1 service fee arrangement.

If you participate in a retirement plan under Internal Revenue Code Sections 403(b) or 457 that is not subject to ERISA and is funded by an annuity contract through ILIAC's Variable Annuity Accounts B and C, this material must be accompanied by the current Portfolio Update, Performance Update, and a Prospectus Summary for the contract. You can obtain a free copy of the prospectus for the fund and/or the separate account prior to making an investment decision or at any time by calling your local representative or 1-800-262-3862. If a different toll-free number is shown on the first page of the Prospectus Summary, please call that number. Read carefully before investing.

Securities are offered through ING Financial Advisers, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.



PORTFOLIO UPDATE

Lord Abbett Growth and Income Portfolio

AS OF SEPTEMBER 30, 2002 (shown in percentages)

Fund Facts

Market Benchmark ¹	S&P 500 Index
Total Net Assets	\$215.4 million
Beta*	0.90

Top Ten Holdings

Exxon Mobil Corp.	4.4
Deere & Co.	2.8
Target Corp.	2.5
Citigroup Inc.	2.5
American Intl. Group	2.5
Mellon Financial Corp.	2.4
Wells Fargo & Co.	2.4
Apple Computer, Inc.	2.3
International Paper Co.	2.2
Wachovia Corp.	2.1

Top Industries/Sectors

Financials	20.1
Consumer Discretionary	17.0
Industrials	15.1
Materials	9.7
Information Technology	9.3
Energy	8.6
Consumer Staples	7.0
Health Care	5.1
Telecomm Services	2.9
Utilities	2.3

Asset Allocation

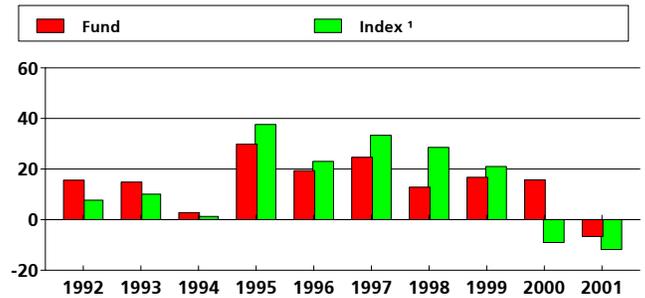
US Equities	97.3
Cash & Equivalents	2.7
Derivatives	

Average annual total returns

	Qtr [†]	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Fund	-19.26	-15.40	-3.77	1.24	10.02	N/A
Index ¹	-17.28	-20.67	-12.96	-1.68	8.97	N/A

[†] Return Not Annualized

Calendar year returns for periods ended 12/31



Fund	15.54	14.82	2.78	29.82	19.39	24.66	12.88	16.74	15.78	-6.72
Index ¹	7.62	10.08	1.32	37.58	22.96	33.36	28.57	21.04	-9.11	-11.88

¹The Standard & Poor's (S&P) 500 Index is considered to be representative of the stock market in general. The S&P 500 returns assume reinvestment of all dividends. Please note that indexes are unmanaged and their returns do not take into account any of the fees and expenses of the mutual funds to which they are compared. Individuals cannot invest directly in any index.

*Beta is a means of measuring the volatility of a security or portfolio of securities in comparison with the market as a whole. A beta of 1 indicates that the security's price will move with the market. A beta higher than 1 indicates that the price will be more volatile than the market and a beta of less than 1 means that it will be less volatile.

Results are historical and are not intended to portray future performance. Investment return and the principal value of an investment will fluctuate so that, when sold, an investment may be worth more or less than the original cost.

Important Information

Average annual total returns and calendar year returns are net of all fund expenses, but do not include retirement plan charges which, if included, would reduce the total return. Performance results assume reinvestment of all earnings and do not include the deduction of any fund sales charges, which are waived under the terms of this retirement program.