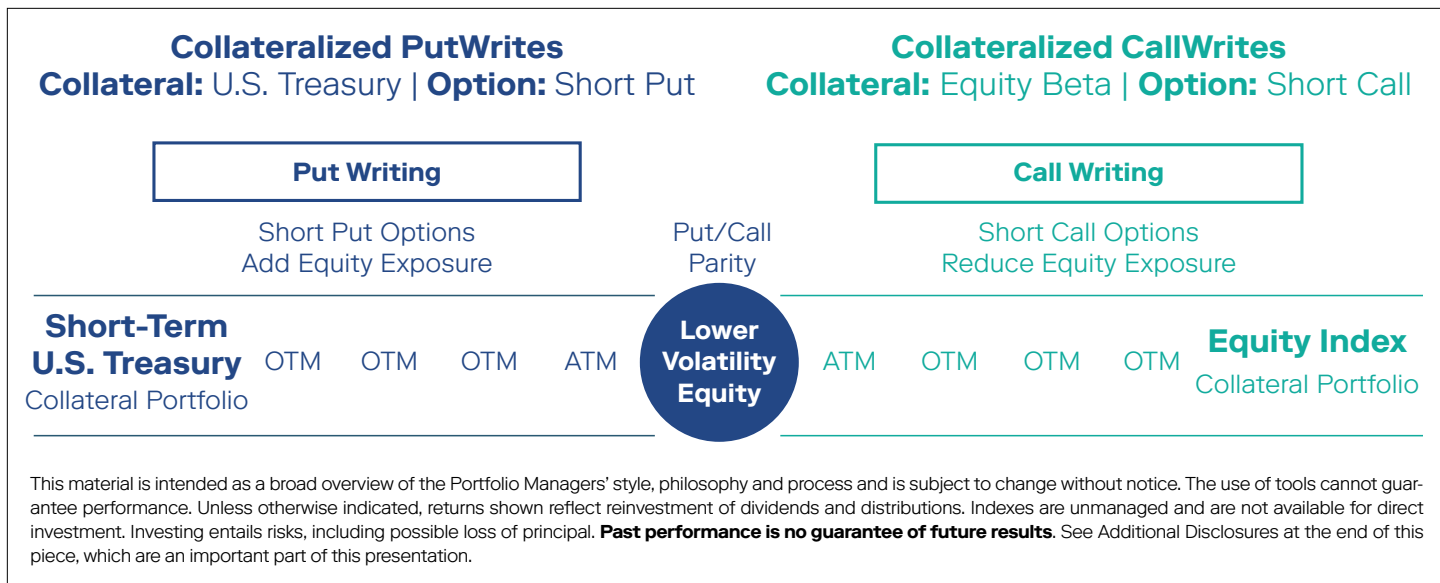

Options Strategies Simplified: Comparing PutWrite and BuyWrite Strategies

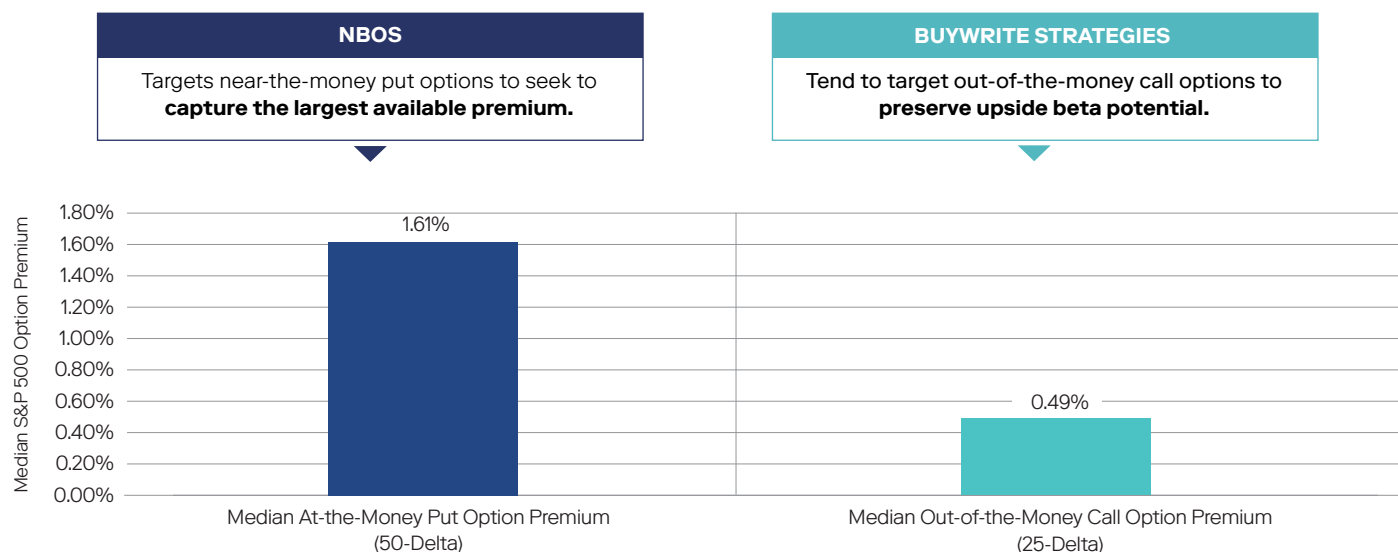
Investors often turn to options strategies like putwrite and buywrite to seek to generate income and mitigate risk, but we believe these strategies offer distinct approaches that can complement one another effectively within a portfolio. While many buywrite strategies focus on reducing risk by trading upside potential for premium income, putwrite strategies typically embrace risk by underwriting downside exposure, earning premiums that compensate for this assumption. Together, these strategies can provide diversified exposures—one using options to seek to emphasize risk mitigation and the other to seek to capitalize on risk-taking—allowing, in our view, investors to achieve a balanced approach to income potential and equity market participation across varying market environments.



- Higher Potential Premiums in PutWrite:** A fully collateralized at-the-money putwrite strategy tends to collect higher premiums than an out-of-the-money buywrite strategy (the most common implementation) because selling puts involves taking on the same downside risk of the reference asset underlying the option and investors are generally willing to overpay for short-term risk mitigation. On the other hand, selling calls is a form of risk reduction—essentially trying to cap the collateral (equity beta) upside in exchange for a modest income. Investors aren't generally overpaid for reducing risk, which is why, historically, selling an out-of-the-money (OTM) call generates significantly lower premiums compared to selling a put.

Unlock the Potential for Higher Premiums with a PutWrite

Puts vs. Calls: Median S&P 500 Index Option Premiums (January 2005 - June 2026)

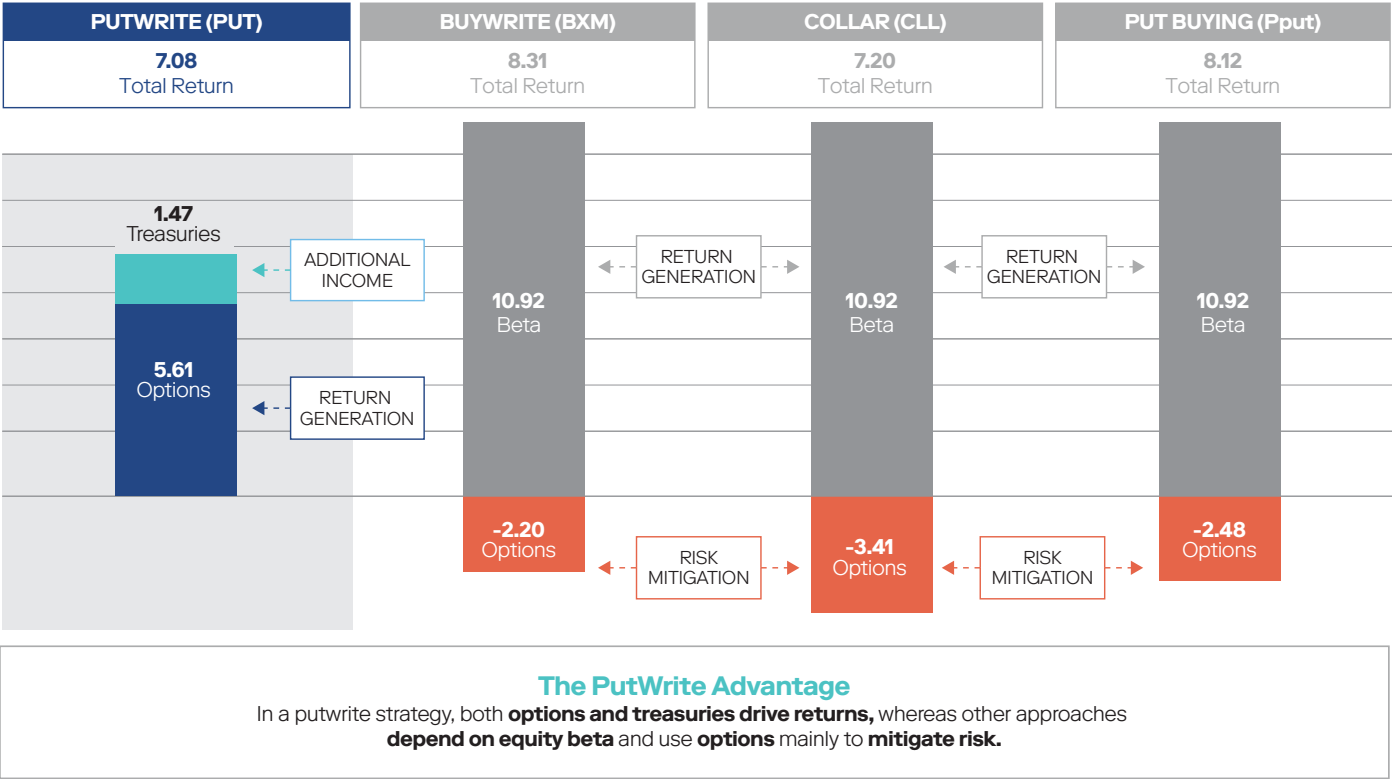


Source: iVolatility. Implied volatility premiums are sourced from iVolatility. Premium yields are calculated as the option premium divided by the option strike price. BuyWrite Strategies, also known as a covered call, involve purchasing a stock and simultaneously selling out-of-the-money call options on the same stock to generate additional income from the option premiums. The use of tools cannot guarantee performance. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. **Past performance is no guarantee of future results.** See Additional Disclosures at the end of this piece, which are an important part of this presentation. The information above is not intended to represent the performance of any product but rather serves as an example to help illustrate the Portfolio Managers' views on how they would expect a putwriting strategy to perform relative to the performance of a sample buywrite strategy. Nothing herein is intended to predict any performance or returns of any product or strategy and the strategy may not perform in line with expectations. Nothing herein constitutes a prediction or projection of future events or future market or economic behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed or any historical results.

2. **Different Roles of Options:** Options can either be a tool for taking risk or for reducing risk. In many fully collateralized putwrite strategies, options are a form of risk-taking—they are the primary source of return, supplemented by income from the short-duration U.S. Treasury portfolio that collateralizes the strategy. In contrast, many buywrite strategies (and other common option strategies) use options primarily for risk reduction of the equity collateral, which dominates the return. In these cases, options act as a hedge, rather than a potential source of returns, meaning the premium collected is generally smaller than the right tail traded away. This structural difference—risk-taking vs. risk-reduction—is what we believe makes these two strategies effective complements in a portfolio.

Know Your Source: Using Cboe Option Indexes

Decomposing returns of common option strategies¹(July 2007 - June 2026)



1. Option strategies are represented by the following indexes: PutWrite by the Cboe S&P 500 PutWrite Index; BuyWrite by the Cboe S&P 500 30-Delta BuyWrite Index; Collar by the Cboe S&P 500 Zero-Cost Put Spread Collar Index; and Put Buying by the Cboe S&P 500 5% Put Protection Index. All option strategies are decomposed into two parts: collateral and option exposures. For the BuyWrite, Collar, and Put Buying strategies, the collateral is the beta exposure, represented by the S&P 500 Index. For the PutWrite strategy, collateral is represented by U.S. Treasuries, specifically the ICE BofA 0-3 Month US Treasury Bill Index. Index data sourced from Bloomberg LP and is gross of fees unless stated otherwise. Selected time period reflects longest common history of indexes. **The information above is not intended to represent the performance of any product but rather serves as an example to help illustrate the Portfolio Managers' views on how they would expect a putwriting strategy to perform relative to the performance of a sample of each of a buywrite, collar and put buying strategy. Nothing herein is intended to predict any performance or returns of any product or strategy and the strategy may not perform in line with expectations.** This material is intended as a broad overview of the Portfolio Managers' style, philosophy and process and is subject to change without notice. The use of tools cannot guarantee performance. Unless otherwise indicated, returns shown reflect reinvestment of dividends and distributions. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. **Past performance is no guarantee of future results.** See Additional Disclosures at the end of this piece, which are an important part of this presentation.

3. **Options in Different Market Scenarios:** Investors may be inclined to use a single option strategy for their desired allocation, but as outlined above, the role and value of the actual option strategies can differ dramatically based on the strategy and market environment (see charts below).

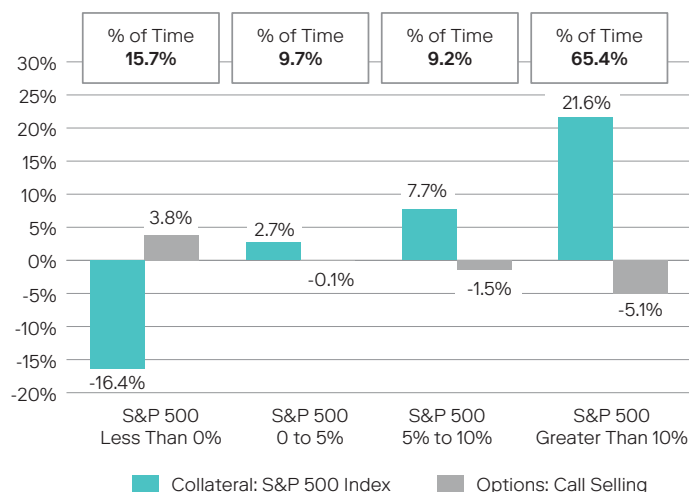
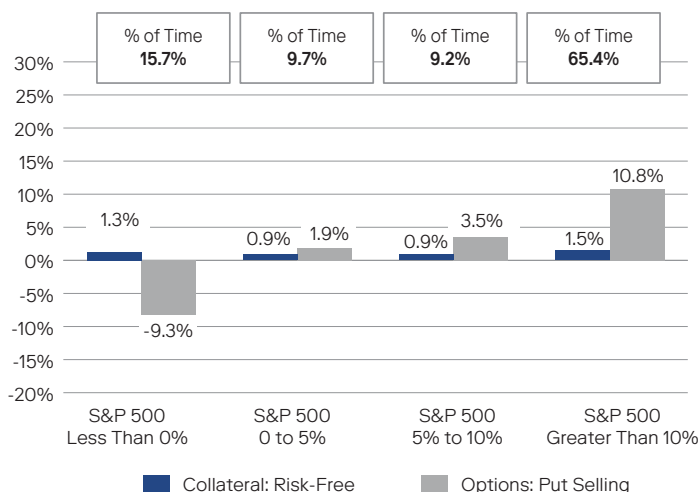
- BuyWrite Strategies:** A buywrite (as represented by the Cboe S&P 500 30-Delta BuyWrite Index, "BXMD") accepts a premium in exchange for trading away the right tail. In down, flat, and modestly up markets, this strategy historically keeps the premium without incurring a right tail deficit. However, in strong up markets, the premium collected historically has often failed to offset the value of the right tail that was sold, resulting in a net loss from the option. This is a structural challenge for buywrite strategies, as markets historically have tended to trend higher over time and do not typically overcompensate for hedging risk. Notice buywrite strategies involve **"competing"** exposures, combining both long and short market exposures.
- PutWrite Strategies:** A putwrite (as represented by the Cboe S&P 500 PutWrite Index, "PUT") holds risk-free collateral (e.g. U.S. Treasuries) and collects a premium for assuming downside risk (long equity risk). The premium compensates for underwriting the market's downside, while the collateral generates additional income. Unlike buywrite strategies, putwrite strategies rely on options as a fully collateralized tool to assume risk, creating **"complementary"** exposures with both long U.S. Treasury and long equity market exposure.

We believe these strategies, as represented by the above Cboe Indexes, complement one another by providing distinct approaches to gaining exposure to the same asset: putwrite strategies assume risk by underwriting the index, while buywrite strategies focus on long equity positions and use options to mitigate risk.

Average 1-Year Rolling Returns by S&P 500 Index Return Scenario

Return Decomposition: Cboe S&P 500 **PutWrite** Index
July 2007 – June 2026

Return Decomposition: Cboe S&P 500 30-Delta **BuyWrite** Index
July 2007 – June 2026



The portfolio composition, strategy, risks and fees and expenses, and accordingly the performance, of alternative products such as actively managed options strategies may differ significantly from other traditional asset class offerings, including equities and fixed income products and from passive strategies. In up markets, the Fund typically will not participate in the full gain of the underlying index above the premium collected.

Index data sourced from Bloomberg LP and is gross of fees unless stated otherwise. Selected time period reflects longest common history of indexes. This material is intended as a broad overview of the Portfolio Managers' style, philosophy and process and is subject to change without notice. The use of tools cannot guarantee performance. **Nothing herein constitutes a prediction or projection of future events or future market or economic behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed or any historical results.**

Unless otherwise indicated, returns shown reflect reinvestment of dividends and distributions. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. **Past performance is no guarantee of future results.**



Glossary of Terms

The S&P 500 consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index (stock price times number of shares outstanding), with each stock's weight in the Index proportionate to its market value. The "500" is one of the most widely used benchmarks of U.S. equity performance. As of September 16, 2005, S&P switched to a float-adjusted format, which weights only those shares that are available to investors, not all of a company's outstanding shares. The value of the index now reflects the value available in the public market.

The Cboe S&P 500 PutWrite Index (PUT) is designed to track the performance of an index option putwriting strategy that sells a sequence of one-month, at-the-money S&P 500 Index puts and invest cash at one- and three-month Treasury Bill rates. The number of puts sold varies from month to month, but is limited so that the amount held in Treasury Bills can finance the maximum possible loss from final settlement of the SPX puts, i.e., put options are fully collateralized.

This material is presently solely for educational and informational purposes. Nothing herein is intended to represent any strategy or product and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. Any analogy to insurance products used herein is solely for illustrative purposes. Options strategies are not insurance products and do not protect or guarantee against any losses. Options involve investment strategies and risks different from those associated with ordinary portfolio securities transactions. By writing put options, an investor assumes the risk of declines in the value of the underlying instrument and the risk that it must purchase the underlying instrument at an exercise price that may be higher than the market price of the instrument, including the possibility of a loss up to the entire strike price of each option it sells but without the corresponding opportunity to benefit from potential increases in the value of the underlying instrument. The investor will receive a premium from writing options, but the premium received may not be sufficient to offset any losses sustained from exercised put options.

The portfolio composition, strategy, risks and fees and expenses, and accordingly the performance, of alternative products such as actively managed options strategies may differ significantly from other traditional asset class offerings, including equities and fixed income products and from passive strategies. In up markets, option put-writing strategies typically will not participate in the full gain of the underlying index above the premium collected.

The Cboe S&P 500 Index inceptioned in June 2007 with historical backtested data available since June 30, 1986; the Cboe MSCI EAFE PutWrite Index and Cboe MSCI Emerging Markets PutWrite Index were introduced in June 2019 with historical backtested data available since March 1, 2006; the Cboe S&P 500 2% OTM PutWrite Index inceptioned in March 2019 with historical backtested data available since June 30, 1986. No recommendation or advice is being given as to whether any investment or strategy is suitable for a particular investor. Information is obtained from sources deemed reliable, but there is no representation or warranty as to its accuracy, completeness or reliability. All information is current as of the date of this material and is subject to change without notice. Any views or opinions expressed may not reflect those of the firm as a whole. Certain products and services may not be available in all jurisdictions or to all client types. The use of tools cannot guarantee performance. Diversification does not guarantee profit or protect against loss in declining markets. As with any investment, there is the possibility of profit as well as the risk of loss. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Unless otherwise indicated, returns shown reflect reinvestment of dividends and distributions. **Past performance is no guarantee of future results.**

This material is being issued on a limited basis through various global subsidiaries and affiliates of Neuberger Berman Group LLC. Please visit www.nb.com/disclosure-global-communications for the specific entities and jurisdictional limitations and restrictions.

The 'Neuberger' name and logos, and the 'Neuberger Berman Investment Advisers LLC' name, are registered service marks of Neuberger Berman Group LLC.

NEUBERGER

1290 Avenue of the Americas
New York, NY 10104-0001
neuberger.com