



# The Straus Group

*Tradition • Focus • Achievement*

NEUBERGER	BERMAN
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## THE STRAUS GROUP

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*Tradition*

*Focus*

*Achievement*

## ABOUT NEUBERGER BERMAN

Founded in 1939, Neuberger Berman is a private, independent, employee-owned investment manager. The firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity and hedge funds—on behalf of institutions, advisors and individual investors globally. With offices in 20 countries, Neuberger Berman’s team is more than 2,000 professionals. Tenured, stable and long-term in focus, the firm fosters an investment culture of fundamental research, independent thinking and manages \$304 billion in client assets.

## ACTIVE MANAGERS WHO STAND APART

The Straus Group is a team of active investors dedicated to building client wealth through investments in undervalued U.S. equities. Rich in history, our team was founded in 1947 and is led by renowned investor Marvin Schwartz, who has been with Neuberger Berman since 1961. Our portfolio managers are primarily focused on investment research—the foundation of our investment discipline. Our team is well known for its hard work, consistent long-term approach and history of delivering results for clients over many decades.

## *The Straus Group at a Glance*

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### **INVESTMENT EXPERIENCE AND RESEARCH EXPERTISE**

- Rich team history from 1947 when founded by Philip Straus
- Over \$9 billion in assets under management for individuals, families and institutions, including numerous multigenerational family clients
- Senior Portfolio Managers average 41 years of industry experience across a variety of sectors

### **CLIENT-FOCUSED**

- Hands-on, customized investment solutions for clients
- Direct interaction with portfolio manager
- Partner with our clients' trusted advisors to create multidimensional solutions that can incorporate investment, financial and tax planning, and trust and charitable giving strategies

### **DISCIPLINED INVESTMENT PROCESS**

- Fundamentals-based approach to U.S. mid-cap and large-cap value investing
- Disciplined investment process that relies heavily on proprietary research and meetings with company management
- Focus on identifying undervalued companies with strong financial characteristics and shareholder-focused managements

## *Finding Opportunity in Undervalued Companies*

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At its core, we believe equity management should be about investing in businesses. In the near term, a stock may move up and down based on broader macro concerns, but eventually its fundamentals will prove essential to equity performance.

We are opportunists in the best sense of the word, looking for stocks poised for favorable growth, providing healthy cash flows and demonstrating strong balance sheets that also trade at discounts to what we consider to be fair value. If there is a catalyst to realizing value—such as a potential takeover—so much the better.

There are no shortcuts to real insights. We spend thousands of hours on research each year—and draw on multiple sources of information, including company meetings, outside research reports and analysis from Neuberger Berman's Global Equity Research team.

We have skin in the game. Our investment interests are aligned with our clients, who are always our priority.





## *Sizing Up the Straus Group Advantage*

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### *Relevance*

We use the same raw materials today that for years have been the source of our long-term performance—we invest in strong companies with growing earnings, free cash flow, and a history of shareholder-focused management. We don't get involved in fads. We apply a craft of investing that has withstood the test of time, and which we think will remain relevant for years to come.

*Consider this:* We are researchers—each of us. We emphasize deep fundamental understanding of every security we own or choose not to own. Working with the Straus Group means working with investors who are deeply engaged with managements, industry trends and company particulars at an uncommonly detailed level.

### *Esteem*

Our clients come to us not through media advertisements, but as a result of our reputation, which has developed over many years by virtue of our history of service and our long-term track record. Our approach has not changed, and our focus remains on the fundamental building blocks of investing. We are also transparent; as a client, you know what you own and why. We believe this helps to cement trust that has kept many clients and families with us for decades and across generations.

*Consider this:* Every portfolio reflects our best thinking and our clients' unique circumstances. We design portfolios that seek capital appreciation and can be tailored to address client-specific income needs.

### *Familiarity*

The capital markets have seen many “new paradigms” turn into “the same old story” whether in technology, leveraged real estate or derivatives. So, in our view, it reflects common sense and prudence to focus on medium to large, established companies with demonstrably successful businesses. We bring all our expertise and research to bear in assessing this universe, in seeking opportunities to capitalize on what we consider to be the mispricing of sound assets.

*Consider this:* We know what we own, not because it's easier, but because we value reliable knowledge of our investments above all else. From hundreds of in-person management meetings each year, to thousands of financial statements and business documents analyzed, we are research-driven. Significant businesses that can demonstrate their fundamental strengths or potential, in the context of changing markets, are inherently more interesting to us.



"PEOPLE LOOK FOR 'SECRET FORMULAS' IN ASSET MANAGEMENT, BUT REALLY THERE ARE NO SECRETS. FOR US, WHAT MAKES THINGS HAPPEN IS HARD WORK. IF YOU WANT TO ACHIEVE STRONG EQUITY RETURNS ON A LONG-TERM BASIS, WE BELIEVE YOU NEED DISCIPLINE, PROCESS AND A WILLINGNESS TO PUT IN LONG HOURS, DAY AFTER DAY, YEAR AFTER YEAR."

MARVIN C. SCHWARTZ  
SENIOR PORTFOLIO MANAGER, TEAM LEADER

## *Building Your Trust*

### NO CLIENT IS THE SAME

An individual may ask us to manage all of his or her assets for growth. The creator of a trust may seek current income and long-term appreciation for heirs. A foundation may want us to manage the value segment of its overall portfolio. So we must cater to a variety of needs.

### WE GET TO KNOW YOU

We ask many questions and develop an understanding of your unique circumstances before we construct a portfolio. This allows us to offer the appropriate portfolio to suit your needs within the context of our value discipline.

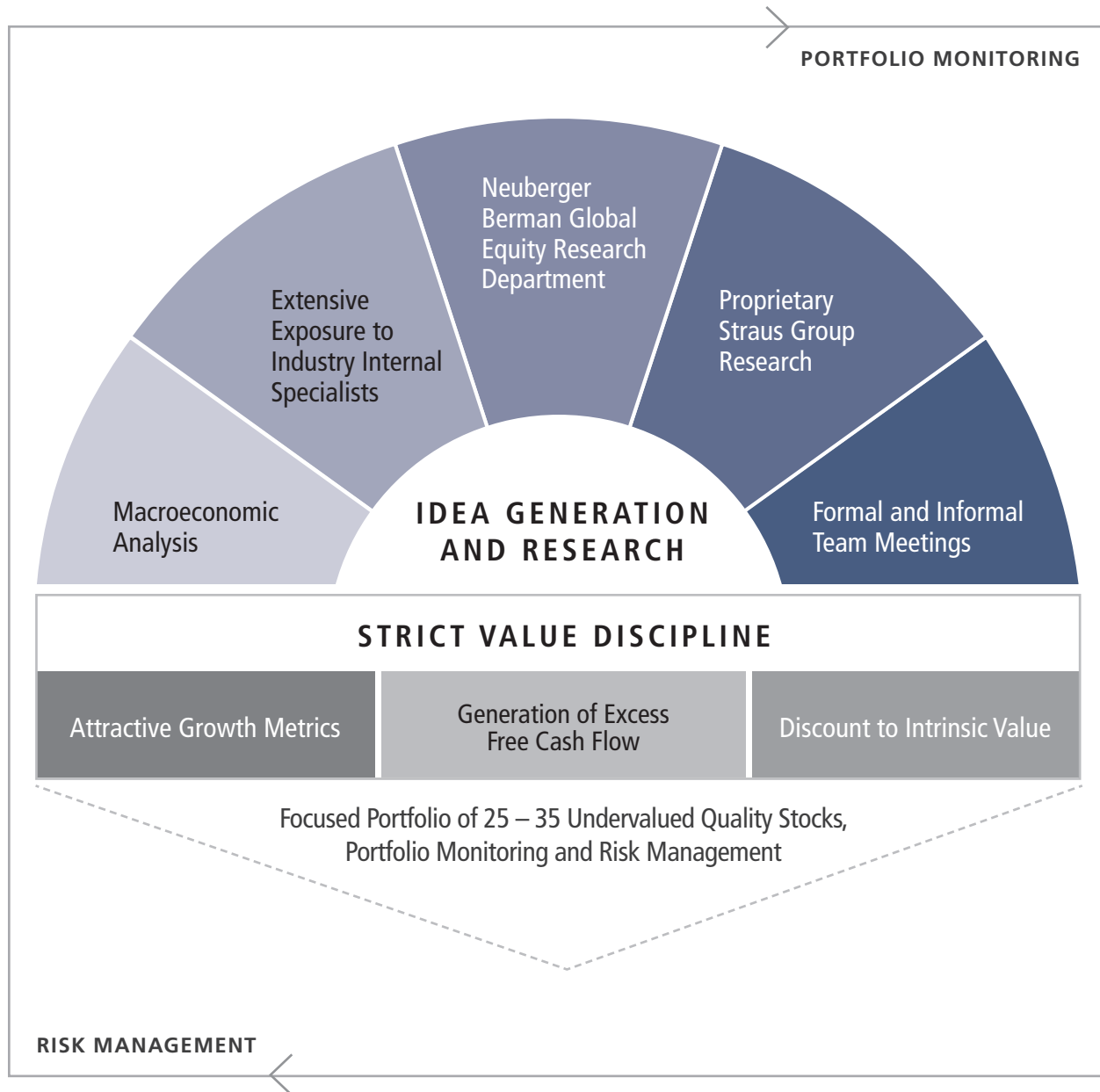
### WE ARE TRANSPARENT

We are not shy about communicating. When we speak to clients, we discuss our clear perspectives on the markets and on our investment positioning. If you have questions about your account, we are highly responsive in getting you the answers you need.

### WE ARE IN THIS FOR THE LONG HAUL

We are not momentum investors or short-term traders. Rather, we focus on long-term capital appreciation over the lifetime of our portfolios. Our combination of service, respect, customization, communication and focus on performance strengthens our bond with clients who trust us with their precious assets. We value our many long-term, multigenerational relationships.

## *A Rigorous, Continuous Research Process*



## *Team Biographies*

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**MARVIN C. SCHWARTZ**

**MARVIN C. SCHWARTZ** | *Team Leader and Senior Portfolio Manager*

Marvin joined the firm in 1961 and, with Philip Straus, established the Straus Group in 1967. Marvin is involved in many philanthropic activities including the Metropolitan Opera, The Central Park Conservancy, Emory University, Baruch College, The New York Philharmonic Orchestra, Beth Israel Medical Center, The New York Botanical Gardens, Neuberger Berman Museum of Art, Historic Hudson, and Westchester Land Trust. Marvin holds a BBA from Baruch College of the City University of New York.



**RICHARD J. GLASEBROOK, II**

**RICHARD J. GLASEBROOK, II, CFA** | *Managing Director and Senior Portfolio Manager*

Richard joined the firm in 2003. Previously, he was a managing director for Oppenheimer Capital. He was also a managing director at Delafield Asset Management Company, where his clients included foundations and schools. Prior to that, Richard worked at Central National Corporation, a family office in New York, after having spent six years in the Trust and Investment division at Morgan Guaranty Trust Company. Richard earned a BA from Kenyon College and an MBA from Harvard Business School.



**DAVID I. WEINER**

**DAVID I. WEINER** | *Managing Director and Senior Portfolio Manager*

David joined the firm in 1994. Previously, he was a portfolio manager for First Manhattan Co. Before that, David was an analyst for Delafield Asset Management and EM Warburg Pincus Co. He earned a BA from City University of New York, Queens College.



**HENRY RAMALLO**

**HENRY RAMALLO** | *Managing Director and Senior Portfolio Manager*

Henry joined the firm in 1993. Before joining the Straus Group in 2003, he served as a Portfolio Manager for the Weismann Group for five years and prior was an assistant tax manager for the firm. Previously, Henry was a tax accountant for Grant Thornton and Spicer & Oppenheim. In addition, he was an aerospace engineer for Grumman Aerospace. Henry earned a BS from NYU Polytechnic University and an MBA from PACE University.

**STEVE ALBANESI**  
*Senior Portfolio Associate*

**MAUREEN BOWEN**  
*Administrative Coordinator*

**EVELYN ENCISO**  
*Supervisor & Senior Trading Associate*

**ROSE GALLUZZO**  
*Portfolio Associate*

**MARY GATTUSO**  
*Senior Portfolio Associate*

**ALLYSON HOROWITZ**  
*Trading Associate*

**ALISON LAGE**  
*Senior Portfolio Associate*

**JEAN PANKO**  
*Senior Portfolio Associate*

**EILEEN PELLEGRINO**  
*Senior Portfolio Associate*



**STEPHANIE J. STIEFEL, CPA** | *Managing Director and Head of Client Development*

Stephanie joined Neuberger Berman in 1990. Prior to her current position, she served as Head of Wealth Management, leading a team providing high net worth individuals and families with discretionary investment management and trust services. Prior to joining the firm, Stephanie worked for Arthur Andersen & Co. as a CPA, personal financial planner and senior tax manager, specializing in tax consultation, financial planning and family wealth issues. She earned a BA from Queens College and is a Certified Public Accountant. She serves on the Board of the Faculty of Arts and Sciences at New York University and is a Trustee on the Board at Queens College. She previously served as the Head of the Investment Committee at Queens College, and was a member of the Central Synagogue Board of Directors and the Jewish Communal Fund Board. 2018 marks Stephanie's fourth consecutive year on the Barron's Top 100 Women Financial Advisor list, all of which have been in the top 5. Stephanie has also appeared as a guest on CNBC's "Power Lunch."



**STEPHANIE J.  
STIEFEL**

**CHARLIE W. SCHWARTZ** | *Senior Vice President and Associate Portfolio Manager*

Charlie joined the firm in 2009. He is an associate portfolio manager and senior research analyst for the Straus Group. Previously, he was a Research Associate in Neuberger Berman's Global Equity Research Department covering the energy, technology/media and materials sectors. Prior to joining the firm, he was an associate in the Portfolio Advisor Group of Lehman Brothers. Charlie earned a BA from the Goizueta Business School at Emory University.



**CHARLIE  
SCHWARTZ**

**TAYLOR L. GLASEBROOK** | *Senior Vice President and Associate Portfolio Manager*

Taylor joined the firm in 2015. As an associate portfolio manager and senior research analyst for The Straus Group, Taylor helps oversee the team's equity portfolios and the sourcing and researching of investment ideas. Prior to joining the firm, Taylor worked at Citadel, where he was a senior member of a team managing a \$1 billion+ U.S. equity long/short fund with a focus on the industrials sector. Before that, he was an analyst with Level Global Investors and an associate in the equity research department at Bear, Stearns & Co, Inc. Taylor received his BS degree from Vanderbilt University's College of Arts and Sciences and has over 13 years of investment experience.



**TAYLOR L.  
GLASEBROOK**

**JOSHUA A. BRONSTEIN, CFA** | *Vice President and Wealth Advisor*

Joshua joined the firm in 2017. As a Wealth Advisor, Joshua works closely with his clients to create investment strategies that are customized to meet their unique financial objectives. Prior to joining Neuberger Berman, Joshua was an Investment Advisor with JP Morgan Private Bank where he managed discretionary portfolios and created bespoke tactical investment solutions for high net worth individuals and institutions. Joshua received an MBA from the NYU Stern School of Business, a BS from the Pennsylvania State University and has 12 years of financial services experience. He serves on the junior board of the East Harlem Tutorial Program and is a member of the NYU Stern Alumni Finance Council and the Young Leadership Circle for the UJA-Federation of New York. He was recently ranked among the Forbes 2018 Top Next-Generation Wealth Advisors.



**JOSHUA A.  
BRONSTEIN**

**COURTNEY PEREZ, CFP®**

*Senior Portfolio Associate*

**ALLISON PETRILLO**

*Portfolio Associate*

**MARIA PRAINITO**

*Senior Portfolio Associate*

**DONNA RAFFANELLO**

*Senior Trading Associate*

**CAROLINE SHAPIRO**

*Portfolio Associate*

**PATRICIA YANEZ**

*Senior Portfolio Associate*

## *A Tradition of Looking Ahead*

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*Q. You consider free cash flow to be a key company characteristic. Why?*

**Marvin C. Schwartz, Team Leader and Senior Portfolio Manager:** We believe cash flow is one of the most realistic indicators of how a company is really doing and isn't affected by accounting manipulation. When a company has a demonstrated history of generating free cash flow—above and beyond its immediate business needs—that is a very positive and compelling sign. Of course, what the company does with that cash flow is also very important. We believe that managements should first use excess cash to make prudent capital and productivity-enhancing investments. Beyond that, they may increase dividends, make acquisitions or buy back stock. Of these, we tend to frown upon major acquisitions, but we favor buybacks because of their positive impact on earnings per share and dividend increases, which return cash directly to shareholders.

*Q. Sometimes stocks are discounted for a reason. How do you seek to identify value?*

**Richard J. Glasebrook, II, CFA, Managing Director and Senior Portfolio Manager:** We believe it's important to have some kind of catalyst in a value stock. In some cases, the extent of the discount makes us believe that a company could be a buyout candidate and, in fact, many of our holdings have been acquired over the years. In the energy field, oil companies are looking for new sources of supply and so they may find proven domestically based exploration companies to be especially attractive. Other situations may involve misunderstandings or excessive pessimism about a stock, and so the trigger for value could be a gradual shift in sentiment.

*Q. What's your approach to risk management?*

**David I. Weiner, Managing Director and Senior Portfolio Manager:** We draw a distinction between risk and market volatility. We seek to mitigate risk by investing in high-quality, underleveraged companies that can survive in difficult economic environments and have the potential to grow over time. We seek to make volatility our friend by taking advantage of down markets to upgrade the quality of our portfolio holdings, buying securities that might have sold at too high a price/earnings multiple for us in a stronger market environment.

*Q. What other attributes do you look for?*

**Henry Ramallo, Managing Director and Senior Portfolio Manager:** Overall quality is important to us. We look for companies that are growing their earnings, stay focused on their margins, have strong balance sheets, are not over-levered, and have a history of generating free cash flow. Their management teams should be prudent and highly focused. They should have a track record of creating shareholder wealth through share buybacks and dividends, both over medium and long-term time horizons. Most important, the price needs to be right! Because we want to buy solid companies that we believe are deeply discounted in the marketplace—perhaps by 20%, 30% or more.

## *Continuing to Innovate and Deliver for Clients*

*Q. The team's roots are in serving affluent individuals. How has that influenced you?*

**Stephanie J. Stiefel, CPA, Managing Director and Head of Client Development:** A key factor to remember about high-net-worth clients is the importance of customization and individual attention. Performance is crucial, but people also want to achieve other objectives, which can vary tremendously. Overseeing assets, transferring wealth to heirs, maintaining tax sensitivity and advancing philanthropic goals—all require close monitoring and, in such instances, we often work with the Neuberger Berman Trust Company and the clients' other advisors to make such ideas become a reality. Another point simply relates to service levels. When someone trusts you with their personal wealth, you need to get the details right, to be proactive in communicating with them and responsive when they are looking for answers. It's a habit we've developed over time which applies to all our client relationships, whether with individuals or institutions.

*Q. How do disruptive technologies impact your investment philosophy?*

**Charlie W. Schwartz, Senior Vice President and Associate Portfolio Manager:** As investors, we continually study the rapidly changing world around us. Armed with additional insights, we apply them to our steadfast approach of seeking out high-quality businesses with strong management teams, developing an understanding of how innovations will impact specific companies or entire industries, and, just as important, what this will mean for intrinsic value. Technology is a key focus for our team, and we are constantly searching for businesses that will sustain growth and focus on returning capital to shareholders in a meaningful way.

*Q. What are your views on engaging with company management and how important is that in the investment process?*

**Taylor L. Glasebrook, Senior Vice President and Associate Portfolio Manager:** At our core, we believe that engaging with the management of our portfolio companies is critical to decisions on allocating our clients' capital. From hundreds of in-person management meetings each year, to thousands of financial statements and business documents analyzed, we are first and foremost a research-driven team, and our meetings with managements help both to build our conviction and to reinforce our investment theses. We firmly believe that how company management teams allocate capital drives how they add value. By maintaining a close dialogue, we hope to better understand their underlying motivations, and, where appropriate, provide our perspective. It is through this symbiotic relationship that we expect to increase the likelihood of positive investment outcomes for our clients.

*Q. How do you think about the client experience?*

**Joshua A. Bronstein, CFA, Vice President and Wealth Advisor:** Client service is essential to our business. We want each of our clients, no matter the size of their balance sheet or net worth, to feel comfortable and at ease knowing that their financial security is in good hands. Every situation is unique and we adapt to the specific circumstances to best serve our clients' needs. Our paramount objective is that our clients' asset allocation reflects their investment objective and risk profile. When working with clients, we ensure that their financial house is in good order and we look to add value where we can.

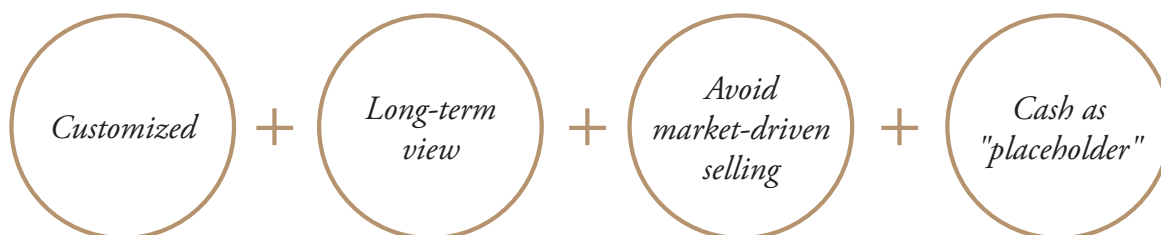
“TO MAKE AN INVESTMENT MEANS TO DEFER CONSUMPTION TODAY. THAT’S WHAT INVESTING IS BY DEFINITION. SO THE QUESTION IS WHERE TO PUT YOUR DOLLARS. WE CHOOSE TO INVEST IN BUSINESSES WE TRULY UNDERSTAND, WHICH WE HAVE SPENT YEARS ANALYZING AND ASSESSING ITS INTRINSIC VALUE. STRUCTURED VEHICLES, WITH ALL THEIR BELLS AND WHISTLES, MAY SEEM APPEALING, BUT WOULD ADD A DEGREE OF COMPLEXITY TO OUR PORTFOLIOS THAT WOULD UNDERMINE WHAT WE ARE TRYING TO ACHIEVE.”

## *Where Value and Experience Come Together*

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We believe that portfolios of stocks selling at relatively low multiples of earnings and cash flow tend to outperform over the long term. As such, our research focuses on identifying undervalued companies with strong financial characteristics and shareholder-focused managements. We draw ideas from many sources, including our own proprietary research, Neuberger Berman’s Global Equity Research department outside analysis of companies and macroeconomic trends, and myriad contacts across many industries. A key part of this effort is to meet and speak with company managements on a regular basis. When building customized portfolios, we limit the number of holdings so clients can benefit from our best thinking. We tend to stay heavily invested, believing that market timing is generally unsuccessful, and seek to mitigate downside risk through our valuation focus, close monitoring of portfolio holdings and thoughtful sell discipline.

### PORTFOLIO POSITIONING/CONSTRUCTION





"I'M A BIG BELIEVER IN THE IMPORTANCE OF EXPERIENCE. IT'S SAID THAT IT TAKES ABOUT 10,000 HOURS TO MASTER AN INSTRUMENT, TO BECOME A GREAT SHORTSTOP, TO DEVELOP INTO A CHAMPION BOXER. I BELIEVE THINGS ARE NO DIFFERENT IN THE PORTFOLIO MANAGEMENT BUSINESS."

*Marvin C. Schwartz, Team Leader and  
Senior Portfolio Manager: Developing a Path to Success*

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Typically, the renowned practitioners have great teachers. I was lucky enough to learn from one of the very best—Philip Straus, the founder of our portfolio management group. He pulled me from the Research Department (where I'd started in 1961) and made me his partner in 1966. My other portfolio manager partners and marketing associates have had similar learning periods, here and elsewhere, to grow into accomplished investors by virtue of careful training and extended real-life experience, which we all apply to our value investment discipline.

There's really no substitute for experience. When the market declines sharply, it's natural to panic, but essential that you don't—that you look beneath the surface and understand whether what's happening is simply a passing phase or an issue that could permanently impair the intrinsic value of your portfolio holdings. On the flipside, you have to be constantly reevaluating your choices. Throughout the various stock market phases, it's always important to retain your humility—if you don't, the market is liable to make you wish you had!





## THE STRAUS GROUP

*Manages over \$9 billion in assets for individuals, families, institutions and charitable organizations*

*The senior investment team members have an average of 41 years of industry experience*

*Fundamental, research-driven approach*

*Concentration on high-quality businesses*

*Strict risk management process*

*Dedicated to outstanding, personalized client service*

*Committed to long-term client relationships*

*Customized wealth management*

## VISIT WEBSITE [WWW.NB.COM/STRAUS](http://WWW.NB.COM/STRAUS)

We look forward to working with you to build a portfolio that can help you achieve your long-term goals. To learn more about our investment approach, please contact the Straus Group at 212.476.9094, [strausinfo@nb.com](mailto:strausinfo@nb.com).



This material is intended as a broad overview of the portfolio managers' current style, philosophy and process. This material is presented solely for informational purposes and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. 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. Third-party economic or market estimates discussed herein may or may not be realized and no opinion or representation is being given regarding such estimates. Certain products and services may not be available in all jurisdictions or to all client types. 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.**

The portfolio managers of the Straus Group may make both collective and independent investment decisions for client portfolios. As a result, portfolios will experience greater dispersion (e.g., variation in individual portfolio manager's investment performance) than they otherwise would, had all investment decisions been made collectively. Dispersion can also be impacted by factors including, but not limited to, individual client investment objectives and guidelines, tax considerations, firm and regulatory trading restrictions, allocation of investment opportunities, order of execution, and method and timing of funding. The Straus Group manages accounts that may have concentrated holdings. A strategy that invests a higher percentage of its assets in any one issuer could increase the risk of loss and volatility, because the value of issue holdings would be more susceptible to adverse events affecting that issuer.

This material is general in nature and is not directed to any category of investors and should not be regarded as individualized, a recommendation, investment advice or a suggestion to engage in or refrain from any investment-related course of action. Neuberger Berman is not providing this material in a fiduciary capacity and has a financial interest in the sale of its products and services. Investment decisions and the appropriateness of this material should be made based on an investor's individual objectives and circumstances and in consultation with his or her advisors. This material may not be used for any investment decision in respect of any U.S. private sector retirement account unless the recipient is a fiduciary that is a U.S. registered investment adviser, a U.S. registered broker-dealer, a bank regulated by the United States or any State, an insurance company licensed by more than one State to manage the assets of employee benefit plans subject to ERISA (and together with plans subject to Section 4975 of the Internal Revenue Code, "Plans"), or, if subject to Title I of ERISA, a fiduciary with at least \$50 million of client assets under management and control, and in all cases financially sophisticated, capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies. This means that "retail" retirement investors are expected to engage the services of an advisor in evaluating this material for any investment decision. If your understanding is different, we ask that you inform us immediately.

Representative portfolio information (characteristics, holdings, weightings, etc.) is based upon the manager's composite or a representative composite account. Representative accounts are selected based on such factors as size, length of time under management and amount of restrictions. Attribution is based upon equity only performance. Client accounts are individually managed and may vary significantly from composite performance and representative portfolio information.

Accolades referenced are issued by independent third-parties and may be based on a wide-range of criteria, which may include assets under management, revenue generated and satisfaction/quality assessments. Information regarding specific criteria is available upon request and generally may be found on such third-party's website. Third-party accolades referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Third-party accolades are not indicative of the past or future performance of any Neuberger Berman product or service.

Barron's rankings are based on a proprietary formula that has three major components: assets managed, revenues produced and quality of practice. Investment returns are not a component of rankings as returns are dictated largely by the risk tolerances of clients.

All information is as of June 30, 2018. Firm data, including employee and assets under management figures, reflect collective data for the various affiliated investment advisers that are subsidiaries of Neuberger Berman Group LLC (the "firm"), including, but not limited to, Neuberger Berman Investment Advisers LLC, Neuberger Berman Investment Advisers LLC, NB Alternative Investment Management LLC, and NB Alternatives Advisers LLC. Firm history dates back to the 1939 founding of Neuberger & Berman (the predecessor to Neuberger Berman Group LLC).

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