The Kamen Group

A Penchant for Quality, A Dedication to Value
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ABOUT NEUBERGER BERMAN

Founded in 1939, Neuberger Berman is a private, 100% independent, employee-owned investment manager. From offices in 35 cities worldwide, 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 more than 600 investment professionals and over 2,000 employees in total, Neuberger Berman has built a diverse team of individuals united in their commitment to delivering compelling investment results for our clients over the long term. That commitment includes active consideration of environmental, social and governance factors. Our culture has afforded us enviable retention rates among our senior investment staff and has earned us a citation from Pensions & Investments as a Best Place to Work in Money Management for six consecutive years.

ABOUT THE KAMEN GROUP

The Kamen Group manages assets for individuals, families, institutions and charitable organizations through a research-driven, value-focused approach. With over $2.5 billion in assets under management, we provide thoughtful, customized portfolio solutions that seek to generate returns consistent with client goals.
A Pechant for Quality, a Dedication to Value

The Kamen Group’s goal is to prudently generate wealth for our clients. Our disciplined investment process is focused on building portfolios of high-quality companies that are selling at a discount relative to their intrinsic value. We favor businesses characterized by sustainable competitive advantages, strong management, superior balance sheets and high returns on capital.

We construct portfolios through in-depth, fundamental research of individual companies. Quantitative analysis drives our valuation discipline. Often contrarian, we are drawn to stocks when they may have fallen out of favor due to short-term events or are otherwise available at attractive valuations. We strive to remain analytically objective, focusing on both the potential return and the risk of each investment.

“EVERY INVESTMENT DECISION WE MAKE IS BASED ON EXTENSIVE, CAREFUL RESEARCH AND IS CONTINUOUSLY REVIEWED FOR ITS SUITABILITY IN PORTFOLIOS.”

A Disciplined and Replicable Investment Process

1. **Assess Universe of Potential Securities**
   - We favor businesses characterized by leading industry positions, sustainable competitive advantages and high returns on capital.

2. **Conduct Fundamental Analysis**
   - We examine companies from the bottom up, carefully analyzing cash flows, income statements and balance sheets.

3. **Engage in Active Dialogue with Management**
   - Meeting regularly with senior management of companies is a requirement, not an option.

4. **Apply Valuation Discipline with Metrics**
   - We establish an upside target and downside risk for each investment. We define a “strong buy” as one that presents significantly more upside potential than downside risk.
A CONVERSATION WITH: MICHAEL KAMEN

Q: What role does your background as a securities analyst play in your investment approach?

My experience as an analyst gave me expertise in many industries and the ability to identify the critical issues to examine when reviewing a company. It also provided me with the skills necessary to build a successful investment approach for our team that is grounded in deep, fundamental research. In this way, our approach is very granular in its focus, very thorough, very analytical.

Q: What would you say is the core of your investment philosophy?

Simply put, we have always maintained a clear, consistent and disciplined methodology. This means not wavering in our standards or watering-down our investment criteria to suit the theme of the day. We emphasize high-quality companies that are market leaders in growing industries, and we are firm believers that stock prices are ultimately driven by the values of the underlying business, although sometimes it can take a while. Acquiring solid businesses at attractive prices is, we believe, the ideal strategy for pursuing superior long-term returns. We only make investments that meet our strict criteria.

Q: Is there diversity within a value methodology?

Value can appear in several guises. At times, when investors are seeking risk, value can be found in stocks that are conservative, representing stable companies that generally do not have volatile earnings. At other times, when investors become risk averse, value can be found in stocks that are less predictable, such as technology stocks and cyclically driven stocks whose earnings can be more volatile. Value is created when stock prices are dislocated from intrinsic worth. What’s important is to recognize when and where value is present and to invest accordingly.

We Emphasize a Diversified Portfolio of Stocks with Compelling Characteristics

STRONG COMPETITIVE POSITION
We are attracted to companies that possess leading market positions, brand recognition, technology advantages, significant scale and low costs. These attributes can result in superior business performance through economic cycles.

SUPERIOR MANAGEMENT
We seek capable and trustworthy management. We evaluate them in our frequent interactions and on the results they deliver.

RECORD OF PROFITABILITY
Companies with sustained operating histories of revenue and earnings growth with significant future potential are attractive to us.

SOLID CASH FLOW
We are drawn to companies with strong cash flows available for reinvestment in the business and/or distribution to shareholders.

BALANCE SHEET STRENGTH
Low debt levels relative to assets and equity provide companies with financial flexibility and a cushion against economic dislocations.

SHAREHOLDER ORIENTATION
We favor management whose interests are closely aligned with shareholders and whose actions reflect an ownership mentality.
A CONVERSATION WITH: STUART POLLAK

Q: How important is the research effort to the Kamen Group?
We devote a significant portion of our group’s resources to conducting original research. Over half the team are involved in these efforts. An active dialogue with management is an integral part of our research process and we meet directly with the management teams of every company we invest in. We value the relationships and insight we derive from these executives. We then conduct in-depth analysis, including reviewing relevant financial information, listening to earnings calls and conference presentations, financial modeling, and ultimately presenting our ideas within the team in written form. We also have access to a very broad range of information from across Wall Street and internally, but always form our own independent conclusions.

Q: How does the Kamen Group interact with the internal research department at Neuberger Berman?
In addition to the resources within our group, we benefit from the insight of the approximately 35 research professionals within Neuberger Berman’s global equity research department. While we conduct our own independent work on each security that is purchased, we value the insight that the firm’s research analysts provide. We often work closely in conducting research with the firm’s analysts, who specialize to a greater degree. The firm’s centralized research effort can also serve as an important source of new investment ideas.

Q: What do we hope to accomplish from our research?
Through our research work, we seek to identify securities that may provide superior rewards relative to the potential risks. We rank these securities daily, and portfolios are actively managed to consider the attractiveness of existing and potential security positions. Ultimately, we aim to utilize our research efforts to prudently grow client assets.
A CONVERSATION WITH: LEE TAWIL

Q: How much diversification do you feel is appropriate for your portfolios?
Generally, our portfolios hold 40 to 45 individual stock positions. We think this provides a sensible level of
diversification while still allowing for concentration in our highest conviction ideas. We are realistic in recognizing that
in an uncertain world, expectations for an individual stock position may not ultimately be realized. We believe solid
risk-adjusted returns can be produced through a strong overall batting average and a reasonable number of “at bats.” In
addition, keeping a prudently concentrated portfolio enables us to carry out the rigorous research that is crucial to each
investment decision.

Q: Is there a culture that defines the Kamen group?
We have a great culture of collaboration. It is fully embraced by the entire team and implemented throughout all we do
for clients. We set high standards for ourselves, including a strong work ethic, and aspire to excellence in every aspect of
our business. Our portfolio managers and research analysts are committed to working together to generate sustainable
investment performance. Our client relations specialists are unified in their commitment to consistently deliver first-rate
client service.

Q: What’s your approach to working with clients?
Our approach to working with clients is one of partnership. By that I mean forming a relationship that allows us to have
a full understanding of who they are, their goals and concerns, their comfort with risk and their expectations of us. Our
most rewarding outcome is to participate in the financial success of a client we have come to know.

How We Build Portfolios and Monitor Risk

The Kamen Group’s portfolio construction and risk management process emphasizes diversification and adherence to a defined sell
discipline. Portfolios are built one security at a time, leveraging the team’s deep knowledge base and exhaustive due diligence.

PORTFOLIO CONSTRUCTION
Our stocks are broadly diversified across sectors. A typical portfolio consists of
approximately 40 to 45 securities.

FOCUS ON RISK MANAGEMENT
We strive to remain analytically objective, focusing on both the potential return
and the risk of each investment. Portfolio holdings and position sizes are carefully
monitored in an effort to manage risk.

STRICT SELL DISCIPLINE
Typically, we will exit a position if the stock becomes too expensive, we lose confidence
in the company’s business strategy or management’s execution, or if our investment
thesis is otherwise compromised.

TAX EFFICIENCY
Investments are made with a long-term orientation and a focus on tax efficiency for taxable accounts. Our investment
horizon is multi-year. To maximize tax efficiency, we seek to offset capital gains by recognizing losses at year-end where
appropriate.

FIXED INCOME ALLOCATION
For clients who desire balanced accounts, we invest in fixed income
securities with an emphasis on high-quality corporate, municipal
and preferred securities. Allocation to fixed income is driven by
client income needs and risk tolerance. The balance between fixed
income and equities is tailored to each individual client.
Committed to an Outstanding Client Experience

Understanding the Full Financial Picture
We take the time to listen. We take the time to understand. Getting to know our clients, their needs and concerns, and overall asset picture enables us to effectively deliver an exceptional client experience with the most suitable investment solutions. We provide access to sophisticated wealth planning designed to align the structuring of client portfolios with their financial objectives. We also cultivate long-term relationships with the families of our clients, engaging the next generation at the individual stages of their lives. Together with the resources of the Neuberger Berman Trust Company N.A., we offer guidance for trusts and estate planning, addressing our clients’ full financial picture.

Client-Centric Portfolio Management
For more than two decades, we have been privileged by the individuals, families and institutions who have selected The Kamen Group to manage their assets. A comfort level with our investment approach, its consistency, our track record and our highly responsive approach to service underscores the value we place in relationships. We build tailored portfolios based on individual investment objectives. Because many of our clients are individuals and families, we consider the impact of taxes on portfolio returns and, as a result, tend to invest with a longer-term time horizon and seldom take short-term gains.

ACCESSIBLE
Our nine-member team is dedicated to working with clients every step of the way as we strive to deliver investment excellence.

RESPONSIVE
Our client service team is experienced and versatile, able to promptly address a broad range of client needs.

KNOWLEDGEABLE
Our client associates average over a decade of experience at Neuberger Berman.
**Team Biography**

“We never lose sight of who we serve. Every member of our team shares the same level of commitment to providing outstanding results and service.”

**MICHAEL W. KAMEN, CFA | Managing Director, Senior Portfolio Manager**

Michael began his investment management career in 1974 as a securities analyst for Chemical Bank and joined Neuberger Berman in 1981. Michael earned a BA from Columbia University and an MBA from New York University. He has been awarded the Chartered Financial Analyst designation.

**LEE J. TAWIL, CFA | Managing Director, Portfolio Manager**

Lee has over 29 years of industry experience and joined Neuberger Berman in 2003 after holding various investment banking positions with Citigroup. Lee earned a BS and an MBA from the Wharton School of the University of Pennsylvania. He has been awarded the Chartered Financial Analyst designation.

**STUART POLLAK | Managing Director, Portfolio Manager**

Stuart has over 16 years of industry experience and joined Neuberger Berman in 2006 after working as an analyst at Straus Asset Management. Stuart earned a BS from the University of Maryland and an MBA from New York University.

**LUKE SOMERS | Managing Director, Senior Research Analyst**

Luke has over 16 years of industry experience and joined Neuberger Berman in 2019 after working at Citadel Global Equities as a Portfolio Manager. Luke earned a BS from Georgetown University.

**Additional Team Members**

**THERESA PELLEGRINO-SIMON**
Vice President, Fixed Income Portfolio Manager

**JULIANNA MICHAEL, CFA**
Vice President, Research Analyst

**WENDY CHIN, CFP**
Vice President, Client Relationship Manager

**ANNIE BUDHUA**
Client Associate

**ANNA MIKALEF**
Client Associate
THE KAMEN GROUP

Manages over $2.5 billion in assets for individuals, families, institutions and charitable organizations

The investment team members have an average of 25 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

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To learn more about our investment approach, please visit www.nb.com/kamen or contact Michael Kamen at 212.476.5827, mkamen@nb.com, or Lee Tawil at 212.476.9023, ltawil@nb.com
This material is intended as a broad overview of the portfolio manager’s 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. 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.

Firm data is as of March 31, 2019 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).

Tax, trust and estate planning are services offered by Neuberger Berman Trust Company N.A., an affiliate of Neuberger Berman Investment Advisers LLC

Neuberger Berman Investment Advisers LLC is a registered investment adviser. The “Neuberger Berman” name and logo are registered service marks of Neuberger Berman Group LLC.