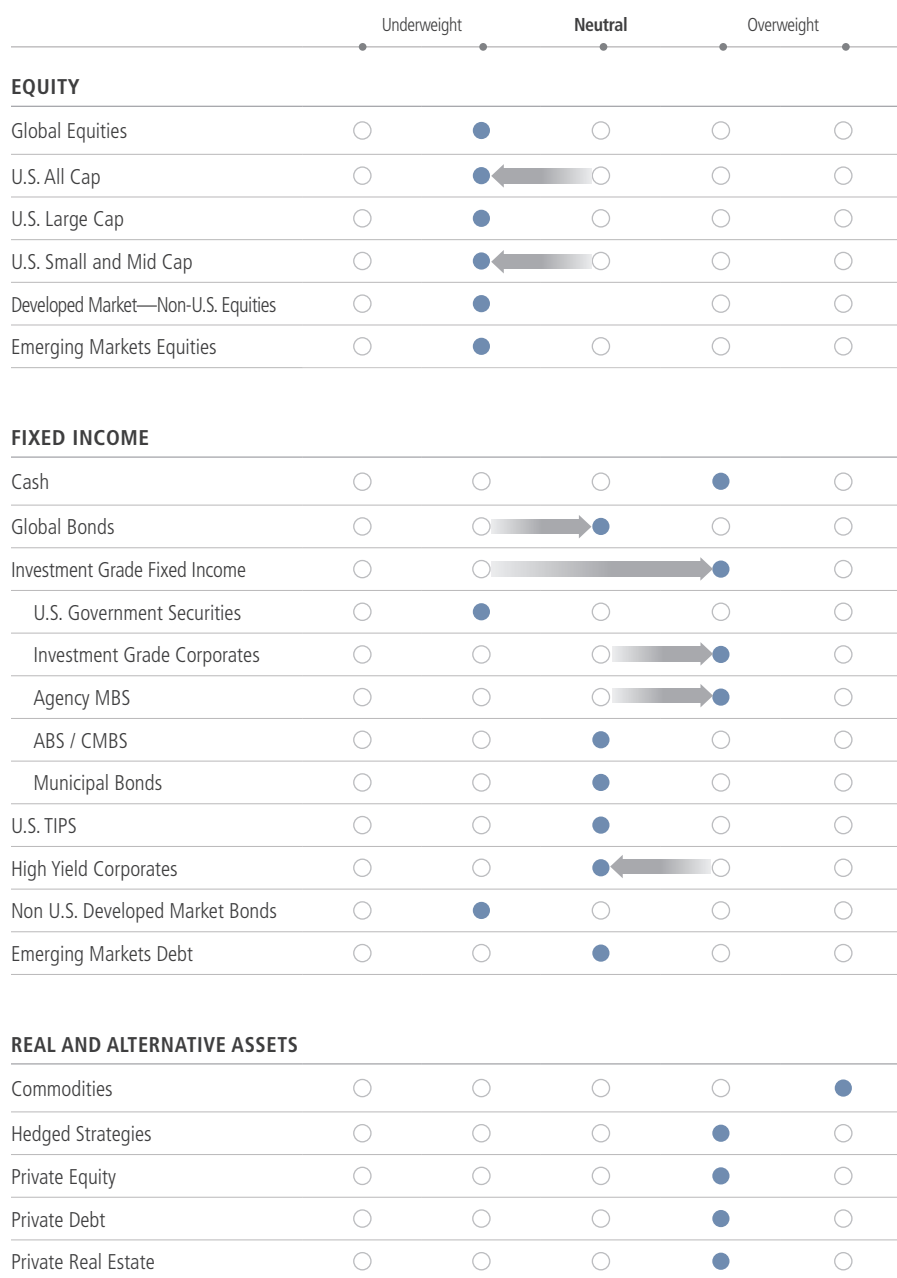


MARKET VIEWS:

Based on 12-Month Outlook for Each Asset Class



About the Asset Allocation Committee

Neuberger Berman’s Asset Allocation Committee meets every quarter to poll its members on their outlook for the next 12 months on each of the asset classes noted and, through debate and discussion, to refine our market outlook. The panel covers the gamut of investments and markets, bringing together diverse industry knowledge, with an average of 29 years of experience.

Committee Members

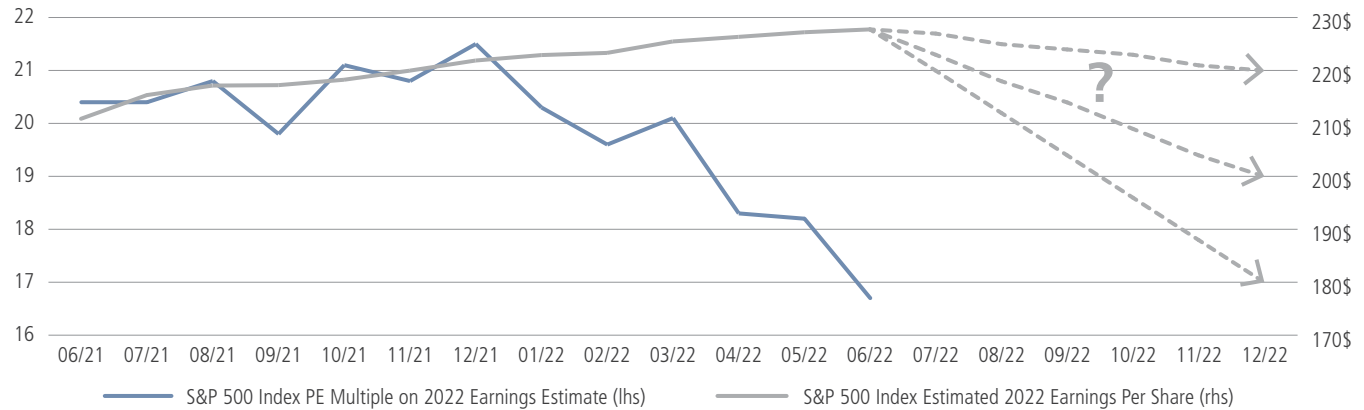
- Joseph V. Amato**
Co-Chair, President and Chief Investment Officer—Equities
- Erik L. Knutzen, CFA, CAIA**
Co-Chair, Chief Investment Officer—Multi-Asset Class
- Ashok Bhatia, CFA**
Deputy Chief Investment Officer—Fixed Income
- Thanos Bardas, PhD**
Senior Portfolio Manager, Head of Global Rates
- Timothy F. Creedon, CFA**
Director of Global Equity Research
- Tokufumi Kato, PhD**
Senior Portfolio Manager—Multi-Asset Class
- Hakan Kaya, PhD**
Senior Portfolio Manager—Quantitative and Multi-Asset Class
- David G. Kupperman, PhD**
Co-Head, NB Alternative Investment Management
- Ugo Lancioni**
Head of Global Currency
- Suzanne F. Peck**
Head of Investments—Private Wealth Management
- Raheel Siddiqui**
Senior Research Analyst—Global Equity Research
- Robert Surgent**
Senior Portfolio Manager—Multi-Asset Class
- Brad Tank**
Chief Investment Officer—Fixed Income
- Anthony D. Tutrone**
Global Head of Alternatives

As of 3Q 2022. Views shown reflect near-term tactical asset allocation views and are based on a hypothetical reference portfolio. Nothing herein constitutes a recommendation, investment advice or a suggestion to engage in or refrain from any investment-related course of action. See disclosures at the end of this publication, which include additional information regarding the Asset Allocation Committee and the views expressed.

Into the Inflationary Slowdown

Whether or not the economy falls into a technical recession, we believe equity investors are going to feel like they're in one, as the valuation adjustment of the first half of 2022 is followed by downward revisions to earnings forecasts in the second half. Credit markets are closer to pricing for a recession, while government bond yields have risen with tighter central bank policy. That means the Asset Allocation Committee (AAC) now sees more yield potential in fixed income, but remains cautious in equities, and continues to favor commodities, uncorrelated strategies and cash to help mitigate potential volatility and seek opportunistic investments.

VALUATION MULTIPLES HAVE ADJUSTED, BUT NOT EARNINGS ESTIMATES



Source: FactSet. Data as of June 24, 2022. Earnings estimate are FactSet's calculation of consensus earnings per share for the S&P 500 Index over the calendar year 2022. For illustrative purposes only. Nothing herein constitutes a prediction or projection of future events or future market behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed. 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.**

EQUITY

- The AAC has now downgraded the entire equity complex to an underweight view.
- The substantial sell-off of the first half of 2022 has been almost entirely due to a valuation adjustment: earnings estimates have barely moved, and we believe they will be revised downward meaningfully in the second half of the year.
- The AAC continues to favor lower beta equity exposure for defensiveness and reduced exposure to rising rates; value over growth, with a defensive tilt via high-quality, income-oriented stocks; and energy and financials over consumer and industrial sectors, due to its anticipation of an inflationary economic slowdown.

FIXED INCOME

- The AAC upgraded its view on investment grade from underweight to overweight while downgrading its view on high yield to neutral.
- The AAC believes that yields are close to their cycle peaks, and sees a bigger income and diversification role for investment grade.
- When stress-tested for a full recession, which is a worse outlook than our current base case, the outlook for high yield defaults remains relatively benign; but recession risk heightens the need for selectivity and a focus on quality amid potential near-term price volatility.

REAL AND ALTERNATIVE ASSETS

- The AAC maintained its overweight view on Hedged Strategies, for diversification and to reflect the higher volatility environment.
- The AAC maintained its overweight view on private markets in recognition of the operational flexibility it offers over public equities: we increasingly favor businesses with strong pricing power, low fixed-labor and commodity costs, and real asset exposures such as real estate and infrastructure.
- The AAC maintained its strong overweight view on commodities: while prices have risen rapidly in the first half of 2022, we regard the supply and demand issues besetting many commodity sectors, particularly a decade of underinvestment, as structural and supportive of prices over a long cycle to come.

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The views expressed herein are generally those of Neuberger Berman's Asset Allocation Committee, which comprises professionals across multiple disciplines, including equity and fixed income strategists and portfolio managers. The Asset Allocation Committee reviews and sets long-term asset allocation models, establishes preferred near-term tactical asset class allocations and, upon request, reviews asset allocations for large, diversified mandates. Tactical asset allocation views are based on a hypothetical reference portfolio. The views and recommendations of the Asset Allocation Committee may not reflect the views of the firm as a whole, and Neuberger Berman advisors and portfolio managers may recommend or take contrary positions to the views and recommendations of the Asset Allocation Committee. The Asset Allocation Committee views do not constitute a prediction or projection of future events or future market behavior. This material may include estimates, outlooks, projections and other "forward-looking statements." Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed.

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