

Municipal Cash Management

Strategy Focus

- Tax-exempt and taxable municipal bond management focused on high-quality securities and liquidity while seeking to generate reliable income and risk mitigation to protect principal.
- A highly customized approach designed to meet each client's unique needs.
- Portfolios guided by experienced portfolio managers, supported by a dedicated team of seasoned analysts.

Investors Who May Benefit From Our Tax-Exempt Municipal Strategies:

Any investor who is subject to state and federal income taxes and whose investment objective includes preservation of capital and liquidity may benefit from one of our Cash Management Tax-Exempt Fixed Income strategies. Residents of states with high personal income taxes may see additional advantages:

Seeks a high degree of principal protection with the generation of income

Seeks a highly liquid investment that makes investors' capital readily available

Seeks a dependable stream of income that is generally exempt from federal and state income taxes

Investors Who May Benefit from our Taxable Municipal Strategies:

Any investor who resides in a low to zero federal income tax bracket and whose investment objective includes preservation of capital and liquidity may benefit from one of our Taxable Municipal Cash Management Fixed Income strategies. This can include investors with no or relatively low levels of taxable income, retirement accounts, foundations and not-for-profit organizations (NFPOs).

Seeks a high degree of principal protection with the generation of income

Seeks a highly liquid investment that makes investors' capital readily available

Seeks a dependable stream of taxable income that is competitive with other available taxable fixed income instruments

Potential Benefits of Taxable Municipal Bonds:

- High credit quality profile with low cumulative historical defaults (versus 10yr US Corporates)
- Low correlation to US IG Corporates
- Idiosyncratic risk unique to the individual municipality
- Compelling and stable OAS relative to IG Corporate bonds
- Protected generally from event risk (M&A and LBO activity)
- Level debt service, self-amortizing structure

Municipal Cash Management

High-Quality, Tax-Exempt and or Taxable Income

The Cash Management Fixed Income strategies are individually constructed for investors who desire liquidity and competitive tax-exempt or taxable income with elements of risk mitigation to seek principal protection. We believe that over the long term, a consistently applied relative value approach offers an advantage over a market-timing strategy.

A Disciplined Approach

Each of the Cash Management Municipal Fixed Income strategies concentrates on seeking sound municipal sectors and securities with high relative value and strong credit ratings. We search the primary market for investment grade securities that we believe display a sound general obligation profile or essential purpose nature for revenue bonds. Many essential purpose revenue bonds generally demonstrate solid revenue streams and strong debt service coverage. We are also active participants in the secondary market, employing the same disciplined approach as we search for market inefficiencies.

Focus on Research

Municipal research is an essential component of the investment process that can be used to build and retain credibility by matching the suitability of specific municipal bonds with their investment objectives. Through research, the process incorporates technical and fundamental support data and other relevant information to assess structure, credit and relative value. Monoline bond insurance is much less prevalent in today's market. Even when bonds are insured, our credit analysis entails looking through the insurance and subjecting the underlying credit to the same rigorous credit process otherwise applied to uninsured bonds.

A primary objective is to capitalize on the inefficiencies and complexities of the municipal bond market and pursue value at any given point in time without compromising credit quality.

Unique Portfolio Management

Individual portfolios are constructed for the income and liquidity needs of each investor. We do not maintain an inventory of municipal bonds, but instead create portfolios from what we consider to be high-quality securities available in the marketplace. For greater diversification, we choose from among carefully researched general obligation, essential service revenue and pre-refunded issues with a goal to preserve principal. We generally seek bonds with a premium coupon structure because of their tendency to retain value in a rising rate environment.

Tax-exempt portfolios can also be customized to client preferences. National portfolios offer a larger universe of bonds for selection,

which may produce better total return prospects. In effect, the portfolio manager is not constrained by the client's state tax status and can focus solely on individual bond characteristics, geographic preference and relative value. Conversely, state-focused portfolios have geographic preference for bonds issued by a client's state of residence, but the primary selection consideration is individual bond characteristics.

We believe that when buying or selling municipal obligations, our institutional strength can add further value to client portfolios. Competitive pricing and block trading with an extensive broker-dealer network help us to achieve best execution for our clients in their tax-exempt portfolios.

We conduct transactions only through our approved list of national and regional municipal bond dealers, which we monitor continuously. Securities may also be sold when there are better opportunities to increase income and/or increase total return.

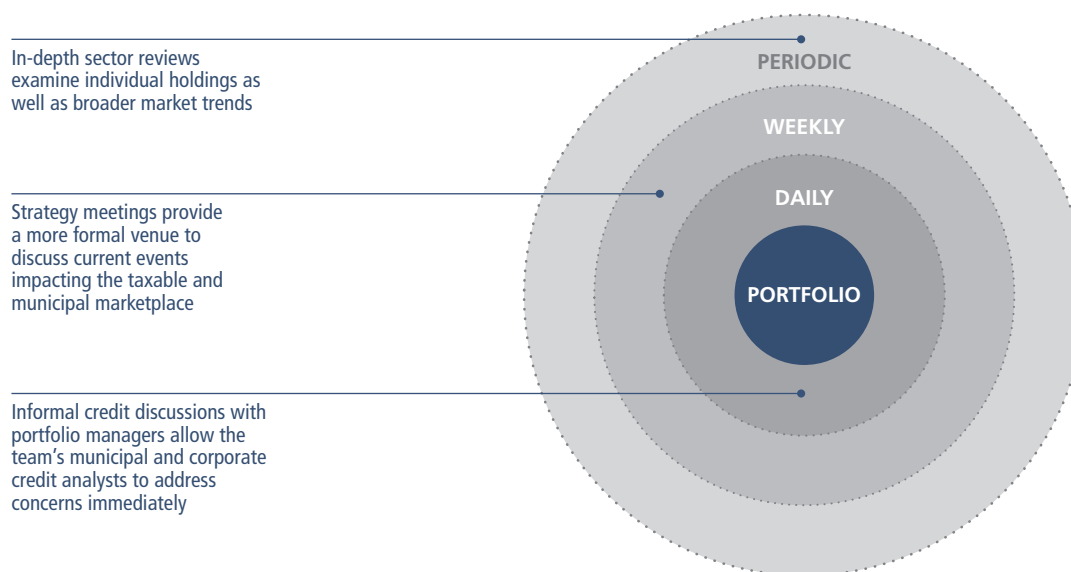
Liquidity to Meet Client Requirements

Depending on the strategy chosen, a cash management client may have all or a portion of their account invested in variable rate demand obligations ("VRDOs"). VRDOs are securities that have generally either a daily or weekly rate reset with a daily and/or weekly put option. VRDOs traditionally price at par (100%). Given that the securities typically have a feature that allows them to be put at par (100%) in either one or five business days, they provide our clients with a source of liquidity to meet their cash requirements. This structure, which typically requires that the tender agent purchase the security at par, is often referred to as a "hard put" in the marketplace. In addition, only higher rated VRDOs are generally purchased in clients' accounts.

Ongoing Risk Management

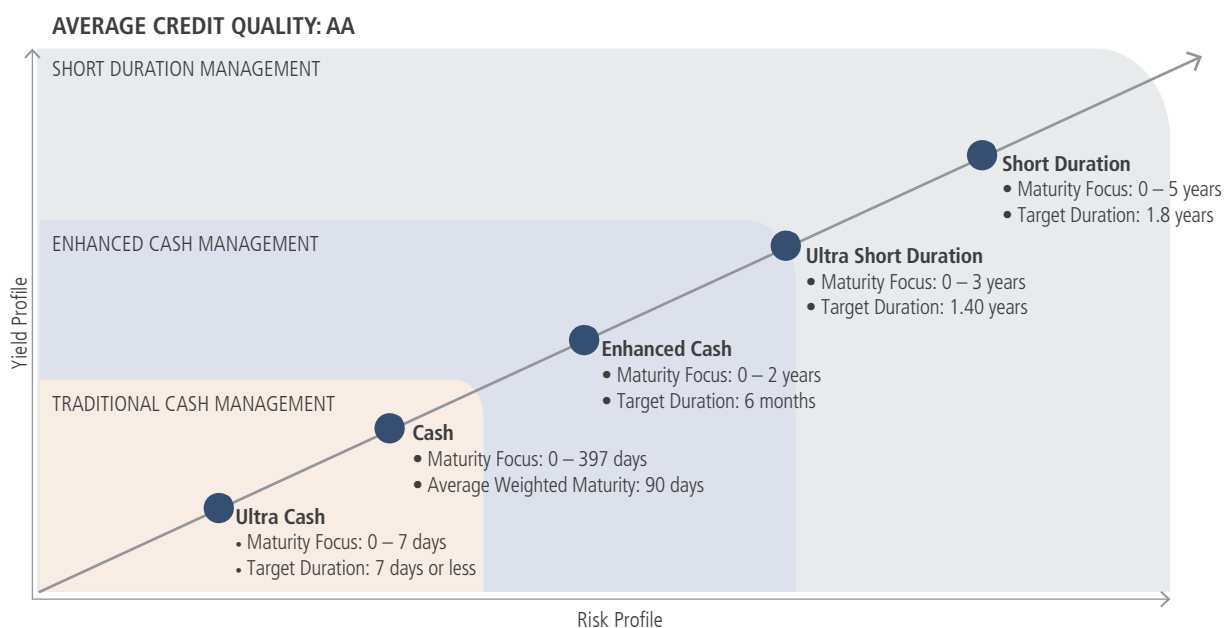
We seek to control risk in clients' portfolios through a disciplined credit research process and prudent levels of diversification in terms of issuer, sector and, when possible, geographic location. In addition, constant communication between the research and portfolio management teams is fundamental to our risk management effort.

Proactive Credit Surveillance Designed to Enhance Total Return Potential



Separately Managed Strategies

The Municipal Investment Management Team offers a broad range of strategies* to help meet its clients' diverse needs. Below are the general characteristics of each strategy.



*Can be customized to meet specific client's objectives and risk parameters.

Experienced Portfolio Management

We are committed to providing quality investment products, advice and solutions to create value for our institutional clients. Our portfolio managers are supported by almost 100 money managers, research analysts and associates.



KRISTIAN J. LIND
Managing Director
Senior Portfolio Manager
20 Years of Industry Experience



PETER MOUKIOS
Senior Vice President
Portfolio Manager
38 Years of Industry Experience

This material is intended as a broad overview of the portfolio managers' style, philosophy and process and is subject to change without notice. The portfolio managers' views may differ from those of other portfolio managers as well as the views of Neuberger Berman LLC and Neuberger Berman Investment Advisers LLC. Of course, all accounts are managed based upon each client's needs and objectives.

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A bond's value may fluctuate based on interest rates, market conditions, credit quality and other factors. You may have a gain or a loss if you sell your bonds prior to maturity. Of course, bonds are subject to the credit risk of the issuer. If sold prior to maturity, municipal securities are subject to gains/losses based on the level of interest rates, market conditions and the credit quality of the issuer. Income may be subject to the alternative minimum tax ("AMT") and/or state and local taxes, based on the investor's state of residence.

Neither Neuberger Berman nor its employees provide tax or legal advice. You should contact a tax advisor regarding the suitability of tax-exempt investments in your portfolio. All investors are strongly urged to consult their own tax or legal advisors with respect to the impact on their personal situation of any potential strategy or investment.

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Neuberger Berman
1290 Avenue of the Americas
New York, NY 10104-0001

www.nb.com