



NEUBERGER BERMAN

## Custom Direct Investing (NB CDI)<sup>™</sup>

Take control of your investment experience

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## What is NB CDI™?

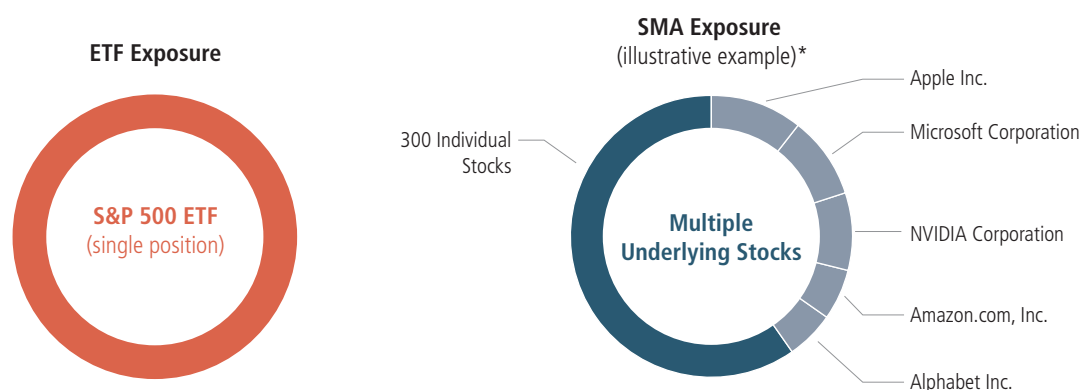
Neuberger Berman Custom Direct Investing™ is a platform enabling advisors and clients to take control of the investment experience, seeking to maximize after-tax wealth and invest in what matters to you. By investing through a separately managed account (SMA), client portfolios are tailored to each investor with active tax management and incorporation of personal values.



## Using SMAs to meet investor needs

Separately Managed Accounts (SMAs) are portfolios of individual stocks held in the client's name, allowing for customization and tax management specific to that client's investment objectives.

Our NB CDI™ SMAs enable clients to invest directly in dozens of Neuberger Berman strategies while also offering a level of personalization not possible through mutual funds and exchange-traded funds (ETFs) that can result in improved after-tax outcomes. Investors have continued to take notice of the benefits SMAs offer, reflected in total managed account flows seeing double-digit asset growth year-over-year.



\*These securities represent the largest holdings in the S&P 500 as of December 2024. This material is intended as a broad overview of the portfolio managers' style, philosophy and investment process and is subject to change without notice. Portfolio managers' views may differ from those of other portfolio managers as well as the views of Neuberger Berman. Neuberger Berman nor its employees provide tax or legal advice. 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. The use of tools cannot guarantee performance. **Past performance is no guarantee of future results.**

## Which clients benefit from an NB CDI™ SMA?

1	Those in high tax brackets or with material tax liabilities	Account-level loss harvesting and gain deferral optimized for client tax rates and liabilities
2	Those holding appreciated stock who want to make a change	Reduce the cost of change with personalized, tax-efficient transitions
3	Those who own a concentrated stock	Tailor equity portfolio to build around concentration risk
4	Those who want to incorporate personal values into investments	Portfolios can remove or increase exposure for individual values

## What makes us different?

Our key platform differentiators provide an elevated client experience



### Breadth of Strategies

Tax optimization and customization across a **full suite of active, core, quantitative and hedged strategies**



### More Frequent Loss Harvesting

Seek to **optimize client portfolios for tax-management every two weeks**, with potential for more frequent trading

Provides ~28 bps of additional tax alpha each year versus rebalancing every four weeks\*



### Timely Client Reporting

Receive **monthly after-tax reporting** to showcase the client portfolio results

For clients with multiple accounts, after-tax results can be calculated across the entire household



### Values-Based Investing

**Personal values solutions** leveraging a dedicated 12+ person Stewardship and Sustainable Investing Group and 50+ person Neuberger Berman Global Equity Research Department



### Real-Time Account Management

Digital portal offers advisors **instant access to account information and account customization**

# Explore our offerings

The NB CDI™ platform offers custom SMAs across core exposure, fundamental active models, and quantitative factor portfolios to maximize after-tax returns for a client's entire equity allocation at reasonable account minimums.

## Core & Factor Tilt Strategies

Offering exposure to broad equities across the market cap spectrum and geographic regions

## Quantitative Strategies

Proprietary quantitative portfolios developed by NB Quantitative team with decades of investment experience

## Active Strategies

Longstanding active equity strategies in partnership with the NB equity teams

## Specialized Strategies

Exposures designed to fill specific equity allocation buckets and client objectives

### NB CDI™ Core Strategies (Benchmark)

US Large Cap Core (S&P 500)

US All Cap Core (Russell 3000)

US Large Cap Broad Core (Russell 1000)

International ADR Core (S&P ADR)

US Large Cap Value Core (Russell 1000 Value)

International ADR Broad Core (MSCI EAFE)

US Mid Cap Core (S&P 400)

Global ADR Broad Core (MSCI ACWI)

US SMID Core (Russell 2500)

Global ISG Moderate Allocation

US Small Cap Core (S&P 600)

US Large Cap Core Shariah

US Small Cap Broad Core (Russell 2000)

Europe Large Cap Core Shariah

### NB CDI™ Active Equity Strategies

US Large Cap Active Growth

US All Cap REIT

US Large Cap Disciplined Growth

US Disruptors

US Large Cap Durable Growth

US All Cap Opportunities

US Large Cap Research Opportunities

International ADR Focus

US Large Cap Sustainable

Emerging Markets ADR Focus

US Small Cap Genesis

Global Equity ADR Data Science Integrated

US Small Cap Intrinsic Value

Global Equity ADR Sustainable

US Small Cap Growth Discovery

Global Equity ADR Multi-Thematic

US All Cap Impact

Global Equity ADR Climate Innovation

US All Cap Equity Income

### NB CDI™ Quantitative Strategies

US Systematic Equity

US Systematic Value

International ADR Systematic Value

Global ADR Systematic Value

Emerging Markets ADR Systematic

US High Quality Dividend

International ADR High Quality Dividend

### NB CDI™ Factor Tilt Strategies

US Large Cap Climate Tilt

US Large Cap Income Tilt

US Large Cap Quality Tilt

US Large Cap Value Tilt

US Large Cap Growth Tilt

### NB CDI™ Specialized Strategies

Real Asset Diversified

Hedged Equity

As of December 31, 2024. A tilt strategy is a type of strategy that includes a core holding of stocks that mimic a benchmark type index, to which additional securities are added to help tilt the strategy toward outperforming the market. NB CDI™ Strategies are not passive strategies and do not seek to replicate the performance of the benchmark. This material is intended as a broad overview of the portfolio managers' style, philosophy and investment process and is subject to change without notice. Portfolio managers' views may differ from those of other portfolio managers as well as the views of Neuberger Berman. Neuberger Berman nor its employees provide tax or legal advice. 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. The use of tools cannot guarantee performance. **Past performance is no guarantee of future results.** See Additional Disclosures at the end of this presentation.



## Continual support throughout the client journey

A full suite of client reporting and analysis is available, including monthly after-tax performance at the account level, or for clients with multiple NB CDI™ accounts, after-tax results aggregated across accounts into a household report.

### Reporting and Services

The NB CDI™ platform offers a wide array of resources to improve the client investment experience



#### Monthly After-Tax Reporting

Monthly PDF report detailing client tax alpha, incorporating federal and state client-specific tax rates



#### Tax Transition Analysis

Analyze the tax impact and risk implications of transitioning as assets in-kind transfer vs. cash funding



#### Charitable Gifting Reports

Help clients maximize charitable gifting efforts with an optimization-based list of appreciated securities



#### Personal Values Reporting

Transparent detail of how client's personal values have been implemented in the investment portfolio

## Neuberger Berman—investing for you and with you

**\$508 bn**

AUM invested for clients globally

**100%**

Independent, employee-owned

**100%**

Deferred cash compensation directly linked to team and firm strategies

#### GLOBAL CAPABILITIES

Offices across 26 countries, with 21 portfolio management centers

#### BREADTH OF INDEPENDENT PERSPECTIVE

750 investment professionals connected across public and private markets, equity, fixed income, alternatives and real estate

#### EXPERIENCED AND STABLE

25+ year average industry experience for lead PMs: 96% annualized retention rate or senior investment professionals<sup>1</sup>

#### DEEP RESOURCES<sup>2</sup>

Extensive fundamental research, data science capabilities, innovative Stewardship and Sustainable Investing Group approach and sophisticated risk management

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The consideration of wash sales pursuant to Internal Revenue Code 1091 in this account is limited to any activity and/or ownership in this account only, and does not consider any ownership (either by you or a related party) or transactions that may occur in other accounts whether held at Neuberger Berman or elsewhere. Neuberger Berman does not provide legal or tax advice. Please consult with your tax advisor to determine the implication of this and any other investment accounts.

Tax Alpha is defined as net after-tax excess returns minus net pre-tax excess returns. Excess returns are portfolio returns minus benchmark returns.

Tracking Error is simply the standard deviation of a portfolio's relative returns (relative to some benchmark). Whereas the standard risk measure of standard deviation measures the absolute return volatility, tracking error measures the volatility of the return differences between the portfolio and the benchmark over time. A portfolio that is actively managed in an aggressive manner would have a large amount of tracking error versus its index, whereas a portfolio that is more constrained to look like its index (an index fund being the extreme) would have smaller amounts of tracking error.

ESG Factor is driven by an underlying/natural tilt toward higher ESG rated securities through our foundational Quality and Low Risk factors. Breton Hill has developed proprietary ESG portfolio construction methodologies for dedicated ESG portfolios. Breton Hill holds ESG research as a high priority long-term research focus, and continues to commit extensive efforts and resources in developing standalone ESG portfolios and enhancing ESG exposure in standard strategies. At the firm level, Breton Hill continues work closely with the dedicated ESG team at Neuberger Berman to build proprietary ESG factor.

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