



# Neuberger Berman Annual Report

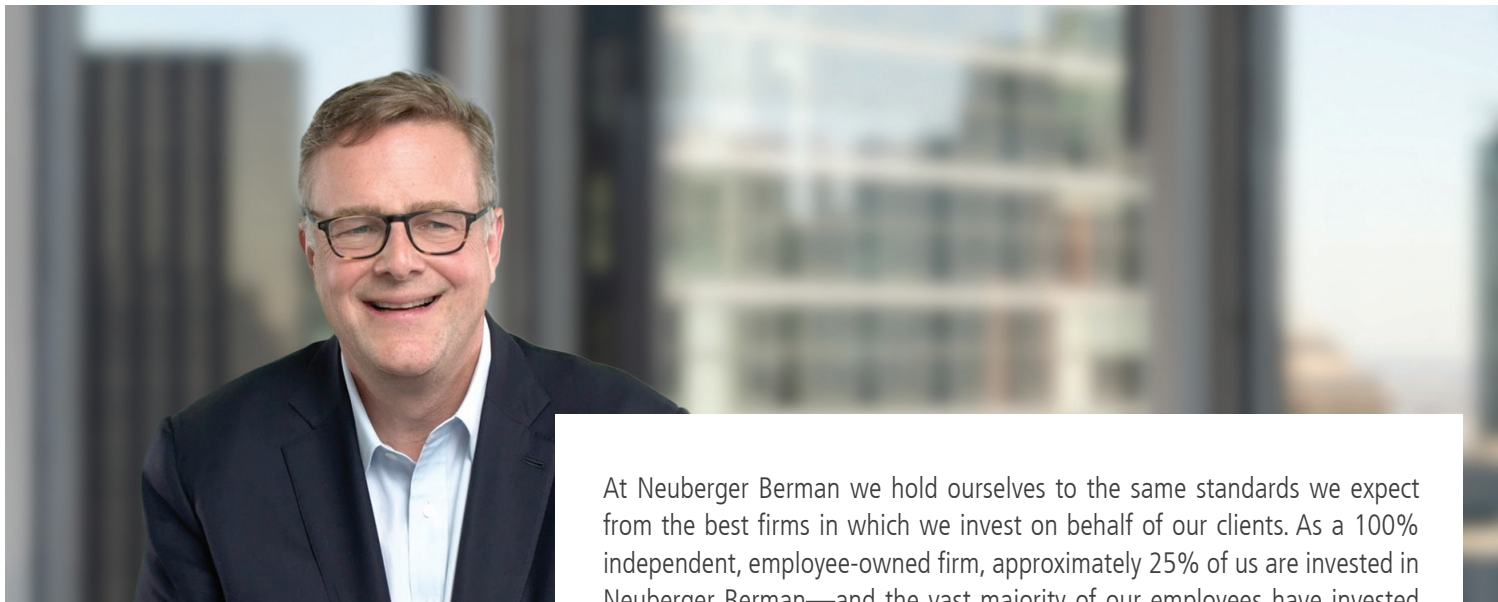
July 2022

NEUBERGER	BERMAN
-----------	--------

Neuberger Berman, founded in 1939, 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, real estate and hedge funds—on behalf of institutions, advisors and individual investors globally. With offices in 25 countries, Neuberger Berman’s diverse team has over 2,500 professionals. For eight consecutive years, the company has been named first or second in *Pensions & Investments’* Best Places to Work in Money Management survey (among those with 1,000 employees or more). In 2020, the PRI named Neuberger Berman a Leader, a designation awarded to fewer than 1% of investment firms for excellence in Environmental, Social and Governance (ESG) practices. The PRI also awarded Neuberger Berman an A+ in every eligible category for our approach to ESG integration across asset classes. The firm manages \$460 billion in client assets as of December 31, 2021. For more information, please visit our website at [www.nb.com](http://www.nb.com).

**TABLE OF CONTENTS**

A MESSAGE FROM OUR CEO	1	BOARD MEMBERS	16
NEUBERGER BERMAN AT A GLANCE	2	COMMITTEE MEMBERS	17
A CULTURE THAT DRIVES US	8	NEUBERGER BERMAN FOUNDATION	
STRONG FOUNDATIONS CAN WEATHER		BOARD MEMBERS	18
THE COMING STORM	10	NEWEST MANAGING DIRECTORS	20
OUR INVESTMENT PLATFORM	13	FOCUS ON FINANCIAL RISK MANAGEMENT	22
ESG INVESTING: THE JOURNEY CONTINUES	14		



**GEORGE H. WALKER**  
Chairman and Chief Executive Officer

## *A Message From Our CEO*

At Neuberger Berman we hold ourselves to the same standards we expect from the best firms in which we invest on behalf of our clients. As a 100% independent, employee-owned firm, approximately 25% of us are invested in Neuberger Berman—and the vast majority of our employees have invested their personal capital alongside our clients. But if we could, would we include our own firm in clients' portfolios?

All of our strategies are distinct, but when it comes to selecting businesses for investment, there are certain qualities that we tend to seek. We have performance standards: does a business have a clear idea of the niche it occupies, a sustainable competitive advantage, and the ability to continually invest for the future? We have sustainability standards: does a business recognize the financial consequences of the broader impact it has on society and the environment, and work to enhance that impact? And we have ethical standards: does a business have a healthy corporate culture?

On these fundamental counts, Neuberger Berman continued to make solid progress in the past year.

### **Delivering and Sustaining Performance**

If one could have just one measure to assess the quality of an asset management firm, it might be whether their clients entrusted it with more or fewer of their irreplaceable assets—so let's look at organic growth excluding market impact, measured in revenue terms. Last year, Neuberger Berman attracted net client flows that grew revenues by 12%. Among those publicly listed asset managers that we consider our peers, no broad active manager was able to match that performance. Client retention was also strong, at 83%, and materially higher amongst our institutional and private clients. We consider much of that success a result of the exceptional work we did to deliver compelling investment performance and maintain client communication even during the worst of the COVID-19 crisis. Our growth rate probably isn't sustainable, but we continued to see solid growth in early 2022.

# NEUBERGER BERMAN AT A GLANCE<sup>1</sup>

## OFFICES IN

---

25

COUNTRIES

## INVESTMENT PROFESSIONALS

---

648

## CLIENT PROFESSIONALS

---

657

## NUMBER OF EMPLOYEE OWNERS

---

660

(+85 IN 2021)

Flows reward (or punish) investment performance. In 2021, 84% of our institutional-oriented public market equity and fixed-income assets under management were ahead of their benchmarks over three years, just as the majority of our private equity funds continue to handily outperform their vintage-year benchmarks in terms of net multiple on invested capital.<sup>2</sup>

That performance reflects added value from active management—from both established and new teams. Eli Salzmänn's Large Cap Value team has captured the biggest flows to date in 2022. For sure, investors have recently been rotating from growth exposure to value. But we believe that many have been coming to Eli's team because they maintained attractive returns through a tough decade for value investing, without drifting from their value discipline. As an example of one of our newer capabilities, on the other side of the world, two years after coming to Neuberger Berman, our Japan Equity team continues to outpace its benchmark by uncovering what they believe are "hidden gems" in the Japanese small- and mid-cap market, and engaging closely with Japanese management teams in seeking to enhance sustainability, governance and financial performance.

We are convinced that that kind of active management will be critical if investors are seeking to achieve their return targets over the coming period, where we anticipate higher expected volatility due to the profound shift in fiscal and monetary policy and the slowing global economy. We face the first true cyclical economic slowdown for 20 years and an inflation rate unseen for 40 years. The war in Ukraine is a geopolitical shock that arguably poses the greatest threat to globalization and strategic alignment since the end of the Cold War 30 years ago. These headwinds are hitting us at a time when core government bond yields remain close to historic lows around the world and equity multiples remain high—implying low return outlooks and high portfolio correlations even if we were moving into the best of times.

Investors are responding to these challenges by seeking ever more sophisticated strategies and portfolios that make increasingly complex demands on their asset management partners.

We see institutional investors turning to more flexible, "go anywhere" fixed income strategies that can take advantage of less liquid and private credit markets, as well as niches such as corporate hybrids, European bank loans and U.S. mortgages. Few asset managers have the breadth of platform and integration of credit capabilities in both public and private markets to respond to that demand.

<sup>1</sup> As of December 31, 2021 vs. December 31, 2020, unless otherwise noted. Number of employee owners is approximate.

<sup>2</sup> Institutional-oriented equity and fixed income assets under management ("AUM") includes the firm's equity and fixed income institutional separate account ("ISA"), registered fund, and managed account/wrap ("MAG") offerings and are based on the overall performance of each individual investment offering against its respective benchmark. High net worth/private asset management ("HNW") AUM is excluded. If HNW AUM were included, the percentage of AUM outperforming the 3-year benchmark would have been 74%. AUM outperformance results are asset-weighted so individual offerings with the largest amount of assets under management have the largest impact on the results. All performance data for NB Private Equity funds, private equity indices data is as of December 31, 2021. Results are shown gross of fees. Individual offerings may have experienced negative performance during certain periods of time. See additional disclosures at the end of this material for additional information regarding the Private Equity methodology and the AUM outperformance statistics shown (including 3-, 5- and 10-yr statistics for institutional-oriented equity and fixed income). 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.**



Fewer still can do all of this while also setting the portfolio on a science-based pathway to net-zero emissions by 2050, as we were asked to do on a £1.3 billion mandate from the U.K.'s Brunel Pension Partnership last year.

When investors are seeking to squeeze every last drop of return from their portfolios, taxes matter. We think our focus on after-tax returns is one of the reasons for our high private client retention rate. That's why we have spent

almost three years building a proprietary, cloud-based, custom-indexing platform, to our own demanding specifications—while many of our toughest competitors are seeking to achieve something similar through acquisition. The platform enables private clients to build customized portfolios from a broad range of our investment strategies but also, critically, unlike with commingled products, it allows clients to choose tax-efficient versions of those strategies for the first time. Average tax alpha across our tax-managed strategies in 2021 was some three percentage points, so we view broadening the availability of our tax-managed strategies as an important innovation.

Our entry into the actively managed exchange traded fund (ETF) market in April 2022 was another innovation that opened our platform to a broader base of individual investors. The Next Generation Connected Consumer (NBCC), Carbon Transition & Infrastructure (NBCT) and Disrupters (NBDS) funds are now bringing our popular, \$18 billion thematic investing capabilities to a whole new audience.

In addition, we continue to add great new investment teams when we find them—capabilities added within the past five years generated 16% of run-rate revenue in 2021, and our long-term target is to maintain that at 10%-plus. Innovation for the benefit of clients matters.

## 2021

### AUM

**\$460 Billion**

(DEC 31, 2021)

### FIXED INCOME

**\$191 Billion**

### EQUITIES

**\$143 Billion**

### ALTERNATIVES

**\$127 Billion**

(INCL COMMITMENTS)

### ADJUSTED EBITDA\*

**\$490 Million**

### NET AUM FLOW\*

**+\$46 Billion**

\*Excludes the Dyal Capital Partners business, which the firm sold on May 19, 2021. Including the Dyal Capital Partners business through May 19, 2021, the 2021 Adjusted EBITDA would be \$556 million and 2021 Net AUM Flow would be +\$48 billion.

## 2020

### AUM

**\$405 Billion**

(DEC 31, 2020)

### FIXED INCOME

**\$179 Billion**

### EQUITIES

**\$117 Billion**

### ALTERNATIVES

**\$110 Billion**

(INCL COMMITMENTS)

### ADJUSTED EBITDA

**\$488 Million**

### NET AUM FLOW

**+\$13 Billion**

From retail and high-net-worth individual investors, we see growing interest in private equity. It's an asset class that has long been difficult for individuals to access, and which typically comes with terms and conditions that are burdensome to such investors. Last year, we created and launched products for a wider group of investors in the U.S. and Europe, again drawing on the breadth of our private markets platform and on our long experience building customized strategies for large institutional investors. This experience helped us solve many of the legal, structuring and administrative challenges that these products pose, and we were able to make liquidity, cash flow and the investment lifetime friendlier for individual investors by leveraging the full suite of global private credit, secondaries and co-investments.

Our Japan Equity, Global Sustainable Equity, China Equity and Almanac private real estate teams have spent the past year or two settling in, and in October, they were joined by a new team dedicated to managing portfolios of Private Placement Debt, led by Frank LaTorraca. This team has long experience of not only managing Private Placements for global insurance companies, but also arranging and structuring transactions on the sell side of the market. That experience brings to us critical skills and longstanding market relationships—with agent banks in North America, Europe, Asia and Australia, with major debt sponsors in private equity, private debt, real estate and infrastructure, and with the sports teams, leagues and associations that are an idiosyncratic but important source of Private Placement deal flow. This team is a critical

# \$460 Billion\*

Assets Under Management Globally

# 100%

Independent, Employee-owned Structure

## Top-ranked



Ranked 1st (among organizations with over 1,000 employees) by *Pensions & Investments* in their 2021 “Best Places to Work in Money Management” survey, where we have finished in the top two since 2014.



## 3,162

equity company engagements held

## 1,463

credit company engagements held

## A+ Awarded Top Score

In the most recent UN-backed Principles for Responsible Investment (PRI) assessment report for its overarching approach to ESG strategy and governance and integration across asset classes\*

addition to our growing Insurance Solutions capability. Investors tend to gain access to Private Placement transactions through the asset management divisions of large life insurers, but that means taking on deals that were chosen to suit the insurance asset manager’s balance sheet rather than their own, and it usually involves only the larger, syndicated end of the opportunity set. We see a real gap in the market for a seasoned, independent manager—especially one backed by Neuberger Berman’s global credit research capability and extensive private equity and credit networks.

We have the ability to do all of this—keeping our capabilities innovative and relevant, enhancing our operational technology, expanding our global footprint in markets like China and the Middle East—because employee ownership means that we do not have a parent company or unaffiliated shareholders demanding cash before we get a chance to reinvest it or distribute it to the employees who are driving great client outcomes. Around 60% of our revenues pay the salaries and benefits of our employees and approximately another 15% goes back into the business—we believe that is as much as five times the proportion of some of our peers who have to feed the mouths of independent shareholders or corporate parents. With

industry revenues and margins under pressure as we enter a period of greater uncertainty, we can expect competitors to shelve more investments. As they do so, we aim to continue to expand our capabilities and to enhance the technology and infrastructure that supports our mission to sustain performance in client portfolios.

### Prioritizing and Promoting Sustainability

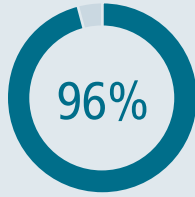
One of the most important ways we invest to sustain performance is in continuing to enhance our environmental, social and governance (ESG) analytics and our sustainable investing capabilities.

We have a longstanding belief that material ESG factors are an important driver of long-term investment returns from both an opportunity and a risk-mitigation perspective. We also believe that sustainable portfolios are at least as much about engaging with company management teams to improve performance as they are about crunching data to identify today’s best-in-class businesses. Heightened market volatility, soaring inflation, rising geopolitical tensions and slowing economic growth do not change this outlook or deflect our attention away from these factors—if anything, the opposite is the case.

\*Data as of December 31, 2021 unless otherwise noted. \*Please refer to disclosures on page 24, which are an important part of this publication.



**2,500+**  
Employees  
Worldwide



Annualized retention rate of senior investment professionals at MD and SVP level since becoming an independent company in 2009

**NB VOTES**

Disclosed votes in advance of **62** shareholder meetings in 2021.

## Best Places to Work for LGBTQ+ Equality



Received a score of 100 on the Human Rights Campaign Foundation's (HRC) 2022 Corporate Equality Index (CEI)



## Named to PRI 2020 Leaders' Group

A designation awarded to fewer than 1% of investment managers globally, for our efforts on climate change\*

That said, sustainable investing is becoming more challenging. That's partly because clients are becoming more demanding and more questioning, which we welcome. But it's also due to regulatory requirements from various jurisdictions around the globe becoming more rigid. It is legitimate to try to rein in the marketing Wild West that has prevailed for too long in sustainable investment, and to require more transparency for consumers. But there is danger in pushing the pendulum too far in the other direction by trying to define sustainable investment products simply by the companies they hold rather than the processes they follow or the engagement the managers undertake. This, in turn, could amplify the flows that we see into mechanical, passive ESG products, which in our view do not deliver the best outcomes for clients or for society and the environment. Just as Walmart emerged as one of the winners of the dotcom transition, despite assessments that it was likely to be a loser, we think many of the companies that will stand to gain most from having a big, positive impact on society and the environment over the coming decades are precisely those that improve the most because they are nimble and self-aware enough to engage with investors like ourselves on a pathway to sustainability. The transition is key. Will net zero be a reality sooner if we can invest only in Tesla rather than capitalizing on and encouraging the net-zero transitions at BMW, Ford and GM?

This is why we continue to expand the most visible aspect of our commitment to engagement—our [NB Votes web page](#), the market-leading initiative that we launched in 2020 to publicize our voting intentions ahead of shareholder meetings. The page offers details from 62 Annual General Meetings in 2021 alone. It shows how engagement is not only about encouraging change among laggards, but also making great businesses realize even more of their potential. It also shows that voting is not necessarily about winning, but about raising awareness and gathering support behind material factors at the heart of our broader engagement efforts. Good examples are our vote that Berkshire Hathaway should begin reporting its climate-related risks and opportunities, and our vote against the compensation package awarded to the CEO of General Electric—both companies and leadership teams that we admire, and both votes that we failed to carry on the day, but where we saw the outcomes we applauded soon afterward.

Genuinely prioritizing and promoting sustainability in investing is difficult. Regulators can constrict it with their urge to draw rigid lines. Media outlets can discourage it with clickbait talking points and “gotcha” headlines. Competitors don't always support or advocate for it because it is difficult and expensive, and the rewards often come slowly. Doing the sustainable

thing is rarely doing the easiest thing—but we firmly believe it is the path to competitive long-term investment returns, so it doesn't surprise us that so many of our clients demand even greater focus on material ESG factors in their portfolios.



From left to right:  
Larry Zicklin, Roy Neuberger, Dick Cantor and Marvin Schwartz

## Nurturing Our Culture

Those clients also want to know that we uphold the same standards in-house that we promote in portfolio companies.

To us, that means the way we nurture our corporate culture, and a key indicator for that is our employee retention rate, which stood at 93% in 2021. That's slightly below our long-term target of 95% and also down on our score for 2020, but in context it is still an impressive number.

In 2020, in the midst of a global pandemic, it was very difficult to switch employers and there was very little appetite to do so as people prioritized job security. In 2021, as the economy recovered, labor markets tightened sharply, employees' savings mounted and much of the fear lifted: wages rose, and the "Great Resignation" got underway as more and more employees chose the quickest way to get a meaningful bump in their pay. As our Data Science team writes in a [recent paper](#), the Great Resignation looks likely to persist among highly skilled workers, whose income and savings remain high: they observe that wage growth started with "job switchers" in June 2021, and started to spread to "job stayers" in November, "highlighting the urgency of retention." They conclude that companies like us that rely on highly skilled workers should "emphasize high cultural/DEI standards for talent retention in addition to compensation."

We think our retention record indicates the success we have achieved in doing that over the years. We were recognized as the top firm with over 1,000 employees in the *Pensions & Investments Best Places to Work in Money Management* survey for 2021, continuing our record of placing first or second for the eighth consecutive year. In November, the *Financial Times* named Neuberger Berman as a Leader in Diversity for the second consecutive year; we also improved our rankings and placed among the highest larger asset managers included in its survey.

Looking at our own measures, we improved the score on our Equity, Inclusion and Diversity (EID) Index again last year, reaching 71% and gradually closing in on our long-term target of 85%-plus, largely through recruitment, retention and promotion initiatives. We are also making real progress



beneath the headline statistics: three years ago, the data from our survey suggested that our colleagues from historically marginalized groups were not receiving the same training or mentoring as others in the firm, whereas the data in our most recent survey suggests that some of those groups, such as African American and other Black employees, now feel even more engaged on this score than the White-male cohort that has historically given us the highest marks. There is a lot of hard work to do—71% is not where we want to be on our EID Index and there are still some colleagues who do not feel that they can bring their authentic self to work—but we are making measurable progress and approaching this with real urgency and commitment. The goal is to raise our engagement scores for every individual, and not to have any group feel less included or supported.

One of the outstanding signs of the strength of Neuberger Berman's culture is that, even as the face of the firm changes to reflect the diversity of the society and the world in which it operates, it retains a core of wise, long-serving employees and associates who have carried the firm's values through several of phases of its 83-year history, and who remain closely engaged long after they officially occupy a desk here. Nothing encapsulates that culture like the photograph on the previous page.

In the middle, there's the co-founder himself, Roy Neuberger. To the left, we see Larry Zicklin, who recently stepped down from his position on our board, leaving his seat in the capable hands of Michele Docharty. Larry joined Neuberger Berman as a partner way back in 1969, was chair of its executive committee beginning in 1974 and became chair of the board after the firm's IPO in 1999, until the business was bought by Lehman Brothers in 2003. He rejoined the board when Neuberger Berman became independent again in 2008. He insists he will still need an office here in New York and will attend every board dinner—he seems determined to remain just as engaged with the firm as he was on his first day 53 years ago. To the right in the photo we see someone with an even longer unbroken tenure at the firm: Marvin Schwartz, renowned value investor and leader of the Straus Group, who has just completed his 60th year with Neuberger Berman. We have been blessed with extraordinary mentors at the firm and we cherish their continued engagement.

Between Roy and Marvin we see our dear friend and former partner, Richard "Dick" Cantor, who sadly passed away last fall. Dick joined the firm in 1973

as a portfolio manager, but it was Larry Zicklin who encouraged him to take the lead in starting Neuberger Berman's institutional business in 1977—it was a critical moment for the firm, and it defined Dick's career until he retired following the IPO in 1999. It was Dick's integrity, honesty and trustworthiness that formed the bedrock to the success of our institutional business in its first 20 years, essential qualities that we all seek to emulate each and every day. He will be missed.

## Our Great Responsibility

Those high standards bring me back to the questions I started with at the top of this message. Would we include Neuberger Berman in our clients' portfolios?

Do we have a clear idea of the niche we occupy, and a sustainable competitive advantage that enables us to continually invest for the future? We do. Our focus on research-driven active management, across a broad platform of strategies touching virtually every region and every market in the world, public and private, has enabled us to deliver compelling results to our clients through multiple cycles; while our independence and employee ownership enable us to invest, even in the tough times, to keep our research capabilities at the cutting edge.

Do we recognize the impact we have on society and the environment, and work to enhance it? We do. We work hard to make Neuberger Berman a welcoming and rewarding place to be employed; and we believe in the importance of sustainability to long-term investment results, and the power of engagement to enhance sustainable business activity.

And does our business have a healthy corporate culture? It has for 83 years, starting with its founders. It is the great responsibility of every one of us to ensure that this culture is handed on, burnished and enhanced. The past two years, which introduced unanticipated challenges tied to the pandemic and other disruptive industry forces and yet were also among our most successful, convince me that we will.

Thank you for your partnership.



# *A Culture That Drives Us*

**HEATHER P. ZUCKERMAN**, Chief of Staff

While COVID presented challenges in a virtual environment, we saw an opportunity to re-envision how we seek to enhance client outlooks—for example, increasing cross-firm connectivity and real-time client engagement—and address strategic priorities, such as in the area of equity, inclusion and diversity, where we further leveled the playing field and pursued a broader candidate pool. Innovation during this challenging period would not be possible without guidance provided by our business principles as well as the quality and hard work of our people.

## 01

### **OUR CLIENTS COME FIRST**

---

“Reflecting on our work with clients during the pandemic, it was our deep connectivity—the ability to listen to concerns and address them with solutions—that truly made a difference. We knew our clients needed market insights and ongoing guidance to help navigate the many unknowns in the investment landscape. By staying close, we built on our strongest relationships and developed new relationships by our adherence to this all-important principle—clients always come first.”



**LESLEY NURSE**

Head of Global  
Consultant Relations

## 02

### **WE ARE PASSIONATE ABOUT INVESTING**

---

“Our focus on delivering for clients is front and center across all the decisions we make. As we expand geographically, we’re benefitting from having deep on-the-ground knowledge. When we hire, we ask whether an individual can collaborate and help us all improve as investors. The capabilities we’ve been building—such as in the quantitative space, multi-asset class, or sustainable investing—have their roots in trying to deliver better outcomes for clients.”



**ASHOK BHATIA**

Deputy CIO – Fixed Income

## 03

### **WE CONTINUOUSLY IMPROVE AND INNOVATE**

---

“To improve and innovate, we collaborate and leverage each other’s expertise. When we think about innovative solutions for our clients, we generally focus on long-term value creation over short-term volatility. While long term is often made up of multiple short terms, we need to constantly challenge our thinking. When everyone looks left, we are also looking right to see what opportunities we might be missing.”



**YT BOON**

Head of Thematic – Asia

# 04

## ALIGNMENT IS ESSENTIAL

---

"Alignment—the simple concept that clients and their objectives come first—is our north star and what we focus on when making decisions in our ever-evolving industry. Our alignment with clients extends to our time horizons, too, which is a hugely important element of alignment. Rather than tripping over each other—or worse, our clients—in attempting to meet a quarterly target of some sort, we can plan for the long term."



**VANESSA ROSENTHAL**  
COO – Institutional Equities  
and Multi-Asset

# 05

## WE INVEST IN OUR PEOPLE

---

"We believe in looking holistically as we invest in our people. Whether it is in-house or external training programs, sharing best practices or identifying rotation opportunities, we focus on what individuals need to be successful and thrive at our firm for the long term. As we continue to grow our footprint, we foster truly global collaboration to help ensure our teams can build direct personal connections and work seamlessly together."



**JOANA ROCHA SCAFF**  
Head of Europe Private Equity

# 06

## OUR CULTURE IS KEY TO OUR LONG-TERM SUCCESS

---

"Over the course of my nearly 30 years at the firm, I often get asked why I have stayed with Neuberger Berman for so long, and culture always comes to mind. A passion for the work we do for clients permeates the firm, and I personally have always deeply valued the ability to bring my whole, authentic self to work every day. Importantly, we all have a voice—the firm truly listens—and the opportunity to contribute, whether it is enhancing work efficiencies, developing new innovative strategies or advancing our Equity, Inclusion and Diversity efforts."



**JOHN MCGOVERN**  
Treasurer, Fund Services



## *Strong Foundations Can Weather the Coming Storm*

By remaining focused on our core capabilities and adhering to our core beliefs, we aim to deliver investment programs that advance client objectives as market conditions change.

**JOSEPH V. AMATO**, President & Chief Investment Officer—Equities

**ANDREW S. KOMAROFF**, Chief Operating Officer & Head of Global Client Coverage

After a decades-long golden era for market returns and owners of capital, even with its periodic market shocks, recent years have brought a succession of events that make it increasingly clear that we are living through some major changes in world politics, the global economy and financial markets. We have developed our investment platform with a diversity of strategies, tools and perspectives to navigate this changing landscape, all rooted in our 80+ years of investment experience.

### Populism, Technological Revolution and Financial Market Extremes

Since the Great Financial Crisis, we have seen protectionism, economic populism and nationalism rewarded at the ballot box. We have seen democracies chastened and autocracies emboldened around the world. We have seen the most important economic relationship underpinning globalization, that between the U.S. and China, come under strain. The European Union has faced financial fragility in the south, Brexit in the west and threats to the rule of law and core values in the east. Russia's invasion of Ukraine is a grave threat to the post-Cold War strategic alignment. And the COVID-19 pandemic continues to raise profound questions, not only about our global supply chains, but also about how we structure our governments and administrations.

Against this backdrop, we have seen the emergence of two forceful secular trends: the technology-driven disruption of a more data-driven and connected world, and new urgency on climate change and the implications of a low-emissions economy.

A decade after the iPhone put the internet and social media into everyone's pocket, enhanced connectivity was already disrupting the way we shop, work, learn, communicate, travel and entertain ourselves. The pandemic jolted this revolution forward.

When delegates met to negotiate the Paris Agreement on climate in 2015, the world was on a trajectory toward global temperatures of 4°C to 6°C above pre-industrial levels. The commitments made since then, and at the COP26 conference last year, would cut that warming in half. The invasion of Ukraine and the subsequent sanctions against Russia place a major short-term obstacle before those commitments, highlighting the challenges of this energy transition. It also strengthens the case against reliance on fossil fuels in pursuit of energy security worldwide, and for mitigation of climate change.

This political, social and technological change has been accompanied by unprecedented financial market extremes, from negative interest rates, enormous central bank balance sheets and swelling government debt to stretched equity and bond market valuations. All of this was sustainable—some would say appropriate—when the world was worried that slow growth might tip into deflation. But the inflationary pressures inherent in the events and trends described above have suddenly erupted in 2022, shattering the complacency of that view.

Central banks have turned hawkish in an effort to get ahead of the inflation curve, leading to a substantial sell-off in both equity and bond markets. Combined with China's ongoing battle with COVID-19, which is stalling its economic growth, this broad tightening of financial conditions is raising concerns that we are heading into another recession.



## A New Era for Asset Management

Slowing growth and volatile markets are not optimal conditions for the asset management industry generally, but they present a great opportunity to differentiate from the competition.

Declining interest rates, loosening financial conditions, the “buy-the-dip” feedback loop between investors and central banks—all of this led to high valuations in equity indices that were increasingly dominated by mega-cap, technology-oriented growth companies. For years, investors gravitated toward low-cost indexing solutions that were making the one key active decision for them: go for growth.

Signs that this was unsustainable began to appear in 2021, as market behavior became much more speculative. The curtain appears to have come down decisively on this era during the first half of 2022.

This is when commitment to our fundamental beliefs in active management, fundamental research, valuation discipline and engagement, combined with our breadth of expertise across multiple investment styles, shows its added value.

## Core Capabilities, Core Beliefs

For example, our Large Cap Value and Intrinsic Value capabilities performed well over the past several years, even when their style was out of vogue, and they are now benefitting from investors’ major rotation out of speculative growth exposures. Importantly, they sustained this performance without drifting from their core style and competence, maintaining their value discipline even as many competitors added “growthy” stocks to their portfolios in order not to lag the broader market.

Similarly, clients have long benefitted from individual strategies from across the breadth of our fixed income platform—encompassing full-market and short-duration global high yield and investment grade bonds, U.S. and European bank loans, U.S. municipal bonds, U.S. mortgages, securitized products and more. Our focus on fundamental credit analysis has helped even when credit risk was not the major determining factor in markets and when declining interest rates floated all boats. Today, as both rates and recession risks rise, we think these credit selection skills will come back to the fore. But

we have also tapped into growing demand for multi-asset strategies that have the flexibility to allocate across our entire platform—and indeed into the illiquid and semi-liquid credit managed by our private markets teams—in search of the most attractive yield-to-risk ratios. As traditional 60/40 portfolios have been hit by losses in both equities and interest rate-sensitive government bonds, clients increasingly seek to replace at least some of the latter with fixed income strategies that are more diversified in themselves and more diversifying alongside other portfolio assets.

The same story can be told across the breadth of our investment platform: we manage portfolios with unwavering consistency, based upon the objectives articulated to clients and our core capabilities.

This disciplined approach to investment is not at odds with ongoing innovation. In fact, innovation is at the heart of what we do. But that innovation is always client-led and solutions-oriented. It’s rooted firmly in the things we know we do best: fundamental research, active and engaged investing, and giving our teams autonomy and the resources they need to use it.

Four recent and ongoing innovations illustrate our approach on the next page.

## Strengthening Our Foundations

For a long time now, many asset managers have shown little concern about a lack of diversity or excessive pro-cyclicality in their businesses, strategies and products. Faced with the relentless advance of low-cost, passive index solutions, they have often chased assets by embracing the very momentum that has been driving beta returns higher rather than building a genuinely differentiated offering for investors.

By contrast, Neuberger Berman has always followed its core beliefs when building its capabilities. Even our most innovative strategy launches are rooted firmly in the things we know we do best. And we’ve taken care to strengthen those foundations while the economic and market weather has been fair.

We believe that positions our clients for the potential market volatility associated with this shift into a new era for the economy and investing, making us ready for the potentially stormy conditions ahead.



01

## THEMATIC INVESTING

An active approach to equities, grown directly out of our research hub, that seeks opportunities geared to long-term economic and market themes.

Already innovative in its origins in our research hub, client dialogue led us to launch our first active ETFs to bring this capability to our U.S. clients in a liquid, transparent vehicle.

02

## THE INTERSECTION OF PUBLIC AND PRIVATE

Neuberger Berman has market-leading credit and private markets platforms—portfolios that can invest freely across the liquidity spectrum, from high yield bonds through mortgages and bank loans to private credit, bring these two capabilities together.

Many clients are now seeking to maximize return potential while meeting risk and liquidity objectives by categorizing investments according to asset class and fundamental economic exposure, rather than putting them into arbitrary “liquidity buckets”.



03

## DEMOCRATIZATION OF PRIVATE EQUITY

A robust, global platform that has extensive access to deal flow and a successful investment history of diversified private portfolios.

A combination of product-structuring expertise, deep and broad experience in private markets and a clear understanding of the needs of investors has allowed us to develop accessible vehicles that bring private markets investments to a wider set of investors.

04

## ESG AND CLIMATE FOCUS

Our ESG products and initiatives have their origins not in top-down directives, but in our traditional research and analysis and the work we have done in close partnership with our clients.

We have developed a strategy for net-zero credit investing with a major institutional asset owner, and worked with several clients to build our Climate Strategic Asset Allocation model for customizing climate-transition multi-asset portfolios.



# Our Investment Platform

**FIRM ASSETS UNDER MANAGEMENT \$460bn\***

MULTI-ASSET STRATEGIES						
PUBLIC MARKETS \$364bn	EQUITIES		FIXED INCOME	HEDGE FUNDS & LIQUID ALTERNATIVES		REAL ASSETS
	FUNDAMENTAL	QUANTITATIVE		FUNDAMENTAL	QUANTITATIVE	
	Global U.S. EAFE / Japan Emerging Markets – China Thematic Strategies MLPs	Global U.S. Emerging Markets Custom Beta	Global Investment Grade Global Non-Investment Grade Emerging Markets Municipals Multi-Sector Currency	Hedge Funds Liquid Alternatives	Options Global Macro Risk Parity Risk Premia	Commodities Diversified Real Assets Global REITs U.S. REITs Long/Short Real Estate – Almanac
	\$143bn		\$191bn	\$27bn		\$4bn
PRIVATE MARKETS \$96bn	PRIVATE EQUITY		PRIVATE CREDIT	SPECIALTY ALTERNATIVES		PRIVATE REAL ASSETS
	Primaries Co-Investments Secondaries Specialty Strategies		Private Debt Credit Opportunities Special Situations Residential Loans Specialty Finance European Private Loans Private Placement	Hedge Fund Co-Investments Insurance-Linked Strategies Late Stage Pre-IPO SPACs		Private Real Estate – Almanac Real Estate Secondaries Infrastructure
	\$70bn		\$15bn	\$5bn		\$6bn
ESG INTEGRATION   GLOBAL RESEARCH CAPABILITIES   DATA SCIENCE						

\*Firm AUM as of December 31, 2021. Figures may not sum up due to rounding.





## *ESG Investing: The Journey Continues*

In the midst of a rapidly evolving economic and market environment, we maintain our view that understanding and considering material environmental, social and governance issues is crucial to an investment manager's potential success in managing client assets.

We see ESG investing as resting on four pillars: 1) data that draws on fundamental and alternative sources of analysis, 2) the integration of ESG considerations across our investment strategies, 3) effective engagement to encourage best practices by issuers and 4) impact through that engagement, rather than the avoidance of certain companies or sectors.

Along these lines, we are increasingly drawing on data science to fine-tune our ESG analysis; we have expanded our ESG integration by offering of new sustainable and impact-focused strategies across a multitude of asset classes; we have increased the impact of our proxy voting through our NB Votes advance-disclosure initiative; and we have inaugurated the NB ESG Advisory Council to leverage expertise from academia, non-profits and asset owners in seeking to enhance our practices on net zero and other key sustainability issues.



## ADVANCING TOWARD NET ZERO

We recognize the impact of climate change and the urgent need to accelerate the sustainable transition toward global net-zero emissions. We have long been committed to identifying and managing climate risks across our business and investment platform.

In March 2019, we released our first Climate-Related Corporate Strategy in line with the recommendations of the Taskforce on Climate-Related Disclosures. Since then, we have made substantial investments in data-driven climate scenario analysis capabilities, instituted a Thermal Coal Involvement policy and expanded the number of climate-focused engagements we carry out with portfolio companies. In November 2021, we joined the Net Zero Asset Managers Initiative, which has the goal of achieving net-zero emissions by 2050 or sooner.

## ACTIVE ENGAGEMENT

We believe that engaging with issuers is essential to being a long-term active owner, and that interaction on ESG topics can improve issuers' performance and risk profile. Our engagement emerges organically from the investment diligence process, but we also seek to ensure that the same attention and intensity are sustained throughout our ownership. Beyond basic notions of accountability and openness to our ideas, we are seeking higher levels of transparency and more granular reporting around practices and outcomes.

In 2021, we conducted 3,162 equity and 1,463 fixed income engagements across our entire platform. In these interactions, we have been proactive and open about the standards and progress we expect—something that issuers have come to appreciate as they seek to improve their practices, reduce negative impacts on portfolios and enhance their attractiveness to investors overall. While most of our engagement is done through one-on-one meetings with management, we also find the proxy voting process to be an important mechanism to make our voice heard.



Inaugurated in 2020, our NB Votes program seeks to amplify our voice by pre-announcing a select array of our voting choices, balanced across issues and votes in support of and against management recommendations. The program underscores our commitment to bringing more transparency into the proxy voting decision-making process.

The 2021 proxy season showcased important trends in shareholder engagement and active measures to improve company disclosures and policies around a range of issues. We disclosed key votes and supporting rationales at 62 of our portfolio companies, double the amount disclosed in 2020. With the additional proposals we saw increases in shareholder support. Moreover, the array of matters expanded, with an increased focus on environmental and social issues. We were the first large<sup>1</sup> U.S. asset manager to provide regular advanced disclosure, and we encourage others to do the same to help create a better-functioning proxy system.

<sup>1</sup> Large defined as AUM \$100B or greater.

# Board Members



George H. Walker ●  
Chairman and Chief Executive Officer, Neuberger Berman



Grainne Alexander ●  
Independent Non-Executive Director of the Board  
Formerly Chief Executive, F&C Management (F&C Ireland)



Joseph V. Amato ● ●  
President, Neuberger Berman; Chief Investment Officer—Equities



Sharon Bowen ●  
Director, Intercontinental Exchange, Inc.



Michael J. Cosgrove ●  
Formerly Executive, General Electric Company and Trustee, GE's Pension and Benefits Plan



Robert W. D'Alelio ●  
Portfolio Manager, Small Cap



Michele Docharty ●  
Independent Director, Neuberger Berman Group  
Formerly Partner, Goldman Sachs



Alexander J. Duncan ●  
Director, Operations and Infrastructure, Neuberger Berman



Marc Gary ●  
Formerly Executive Vice President and General Counsel, Fidelity Investments



Martha C. Goss ●  
Formerly Corporate Treasurer and Enterprise Risk Officer, The Prudential Insurance Company of America



Michelle S. Green ●  
General Counsel of EMEA and Latin America, Neuberger Berman



Steven A. Kandarian ●  
Formerly Chairman, President and CEO, MetLife  
Formerly Executive Director, Pension Benefit Guaranty Corporation (PBGC)



Michael M. Knetter ●  
President and CEO, University of Wisconsin Foundation  
Formerly Dean, School of Business, University of Wisconsin



Deborah C. McLean ●  
Adjunct Professor, Columbia University School of International and Public Affairs



George W. Morriss ●  
Formerly Executive Vice President and CFO, People's Bank, CT



Tom D. Seip ●  
Independent Non-Executive Chairman of the Board  
Formerly Senior Executive, The Charles Schwab Corporation



James G. Stavridis ●  
Operating Executive, The Carlyle Group  
Formerly Admiral, United States Navy



Richard B. Worley ●  
Founder, Managing Director and Partner, Permit Capital Group, LLC  
Formerly CEO and CIO, Morgan Stanley Investment Management

## Not pictured:

Naomi Daly ●  
Independent Non-Executive Director of the Board  
Formerly Independent Director and Senior Executive, MPMF Fund Management (Ireland) Limited

Tom Finlay ●  
Independent Non-Executive Director of the Board  
Formerly Bank of Ireland Asset Management  
Formerly a Barrister by profession

# Committee Members



Joseph V. Amato ●



Robert J. Arancio ●



William A. Arnold ●



Jonathan H. Bailey ●



William A. Braverman ●



Anne F. Brennan ●



Brad E. Cetron ●



Jose Cosio ●



Timothy F. Creedon ●



Robert W. D'Alelio ●



Kenneth deRegt ●



Margaret E. Gattuso ●



Richard J. Glasebrook ●



Charles C. Kantor ●



Matthew W. Kaplan ●



Gregory J. Khost ●



Scott E. Kilgallen ●



Andrew S. Komaroff ●



J. Douglas Kramer ●



Jacques G. Lilly ●



Patrick Liu ●



Patrick C. Lomelo ●



Stephanie B. Luedke ●



Joseph Lynch ●



Matthew H. Malloy ●



Richard S. Nackenson ●



Lesley D. Nurse ●



Ryo Ohira ●



Vanessa M. Rosenthal ●



Conrad A. Saldanha ●



Marvin C. Schwartz ●



Brien P. Smith ●



David Stonberg ●



Brad C. Tank ●



Anthony D. Tutrone ●



Gorky Urquieta ●



Judith M. Vale ●



Dik van Lomwel ●



Francis Verdier ●



George H. Walker ●



Heather P. Zuckerman ●

# *Neuberger Berman Foundation Board Members*

The Neuberger Berman Foundation (NBF) partners with nonprofits globally that provide support services to at-risk and underserved children and youth, from birth to early adulthood. Our grantees support their children and families through programs that include academic support, workforce development, healthcare, housing and food security, and after-school programming. In addition to funding, we support our partners by leveraging the time and talent of our employee volunteers and leaders.



Maria Angelov  
President,  
Neuberger Berman Foundation



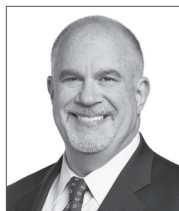
Chrystelle M. Charles-Barral  
Managing Director, Head of  
Investment Risk EMEA & Asia,



Brian C. Jones  
Managing Director, Portfolio  
Manager, REIT Group



Jennifer L. Laird  
Managing Director, Global  
Head of Client Service &  
Client Reporting



David Pedowitz  
Managing Director, Senior  
Portfolio Manager, Bolton Group  
(and Foundation Treasurer)



Allison J. Saloy  
Senior Vice President,  
Relationship Manager,  
Broker Dealer NBIA



Sean Williamson  
Managing Director, Head of  
Employee Platform



Stephen Wright  
Managing Director, Head of  
Operational Risk & AMGO



Patricia Miller Zollar  
Managing Director, Private  
Equity



Heather P. Zuckerman  
Managing Director, Chief  
of Staff





“As a firm, we take the word ‘responsibility’ in corporate social responsibility seriously, and recognize the unique position we are in to make the world a better place.”

**MARIA ANGELOV**  
President, Neuberger Berman Foundation

# Neuberger Berman's Newest Managing Directors



John D. Abendroth  
Investment Management – CHI



Shrinkhala K. Basnet  
Client Coverage – NY



Manuela A. Cattaneo  
Operating Platform – NY



Terisa L. Cerasoli  
Operating Platform – NY



Christen Crim  
Investment Management – NY



Kai Cui  
Investment Management – NY



Lori Cuneo  
Investment Management – NY



Chuck M. Devereux  
Investment Management – PHL



Jeannette T. Donkervoet  
Investment Management – NY



Alexander J. Duncan  
Operating Platform – LON



Michelle H. Dunne  
Client Coverage – LON



Barry J. Giarraputo  
Operating Platform – NY



Jason P. Goldberg  
Client Coverage – LA



James C. Graeber  
Investment Management – NY



James F. Gribbin  
Operating Platform – NY



Daniel P. Hanson  
Investment Management – NY



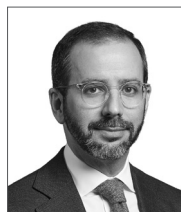
Sebastian Hou  
Investment Management – TPE



William Hui  
Client Coverage – SHA



Ahmed Husain  
Client Coverage – LON



Chaim "CJ" Jaskoll  
Operating Platform – NY



Manuel M. Kalbreier  
Client Coverage – LON



Haik A. Kevorkian  
Investment Management – NY



Nikhil A. Krishnan  
Investment Management – NY



Jennifer L. Laird  
Client Coverage – CHI



Paul W. Lanks  
Client Coverage – NY



Frank G. LaTorraca  
Investment Management – PHL



Li Li  
Investment Management – SHA



Judy J. Marcus  
Investment Management – NY





J. Michael McCarthy  
Investment Management – NY



John M. McGovern  
Operating Platform – NY



Louay Mikdashi  
Investment Management – NY



Joshua A. Miller  
Investment Management – DAL



Francesco Moglia  
Operating Platform – LUX



H. Kaan Nazli  
Investment Management – LON



Gabriel Ng  
Investment Management – SG



Philip M. Nolan  
Client Coverage – NY



Thomas Obaseki  
Client Coverage – CHI



Samuel V. Petrucci  
Client Coverage – NY



Lauren B. Rahaghi  
Client Coverage – NY



Matthew S. Roche  
Operating Platform – NY



Shinji Sato  
Client Coverage – TYO



Renos G. Savvides  
Investment Management – NY



Raheel Siddiqui  
Investment Management – NY



David M. Smith  
Client Coverage – NY



Michael R. Smith  
Investment Management – BOS



Hari Srinivasan  
Investment Management – NY



Bonnie G. Stanfield  
Client Coverage – CHI



Ramez S. Toubassy  
Investment Management – LA



Shawn M. Trudeau  
Investment Management – NY



Roger H. Tulcin  
Client Coverage – NY



Nicole S. Vettise  
Investment Management – LON



Jason Vintiadis  
Investment Management – NY



Leo A. Viola  
Operating Platform – NY



Robert K. Ward  
Client Coverage – NY



Scott Woodcock  
Investment Management – NY

Note: this includes newly hired and newly appointed Managing Directors from July 1, 2021 through June 6, 2022.



**WILLIAM A. ARNOLD**  
Chief Financial Officer

**ANNE F. BRENNAN**  
Chief Risk Officer

## *Focus on Financial Risk Management*

Fostering prudent risk management in our operational and financial practices is central to our mission. It is a comprehensive process, requiring both long-term planning and tactical flexibility to allow the firm to manage unexpected shocks, whether from economic downturns, market fluctuations or digital hazards. It involves investing prudently in our business, our platform and our people while maintaining a conservative balance sheet to weather difficult times when they arise.

2021 was largely a year of recovery from the pandemic as economic growth surged and financial markets rebounded to set records. The current year has posed new challenges from a risk perspective. From the Ukraine war to inflation to monetary policy to fear of recession, many elements have been reflected in extreme market volatility. As an organization, we need to be prepared for the potential impacts of these risks and others.

In our product offering, we support a broad array of investment strategies customized for varied client needs in multiple investment environments. For our employees, we reinforce our drive for retention and satisfaction—which are essential in serving our clients. This means not only providing attractive compensation, but also continually enriching our culture and fostering hybrid work arrangements that help enhance morale and productivity. Building on our work during the pandemic, we see our digital infrastructure accelerating efficiency and collaboration.

Overall, we have deepened our capabilities, bolstered our resources, improved technology and reinforced our diversified and stable investment platform. We believe such steps are likely to drive greater long-term stability and provide expanded opportunities for clients. Moreover, we are continually assessing the objectives and long-term strategy of our investment, client coverage, operating and support teams. This will help to ensure we are properly allocating resources and capital for the long term.



## SUMMARY FINANCIAL INFORMATION

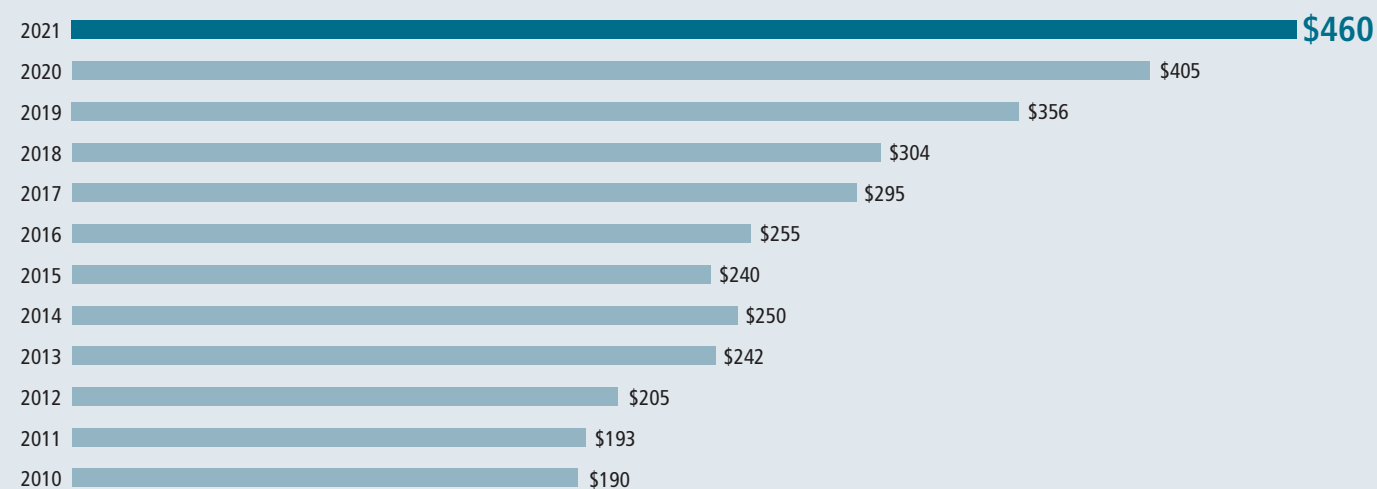
(U.S. Dollars in Millions) December 2021

Cash and Cash Equivalents (includes \$2.1M of segregated cash)	\$858.7
Investments	876.1
Receivables	542.0
Goodwill and Other Intangibles	419.6
Other Assets	178.2
<b>Total Assets</b>	<b>\$2,874.7</b>
Senior Notes Payable	\$600.0
Accrued Compensation and Benefits	745.5
Accrued Expenses and Other Liabilities	740.1
<b>Total Liabilities</b>	<b>\$2,085.7</b>
Equity <sup>1</sup>	789.0
<b>Total Liabilities and Equity</b>	<b>\$2,874.7</b>
<b>Net Revenues</b>	<b>\$2,219.3</b>

<sup>1</sup>Equity includes \$9.1M of non-controlling interests from employee investments held indirectly by employees.

## ASSETS UNDER MANAGEMENT

(U.S. Dollars in Billions)



All information is as of December 31, 2021, unless otherwise indicated.

Firm assets under management (AUM), as of December 31, 2021, include \$146.7 billion in Equity assets, \$190.6 billion in Fixed Income assets and \$123.2 billion in Alternatives assets.

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"). Firm history and timelines include the history and business expansions of all firm subsidiaries, including predecessor entities and acquisition entities. Investment professionals referenced include portfolio managers, research analysts/associates, traders, product specialists and team-dedicated economists/strategists.

This material is provided for informational purposes only and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. 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. Neuberger Berman, as well as its employees, does not provide tax or legal advice. You should consult your accountant, tax adviser and/or attorney for advice concerning your particular circumstances. 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. The firm, its employees and advisory accounts may hold positions of any companies discussed. 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. Neuberger Berman products and services may not be available in all jurisdictions or to all client types. Investing entails risks, including possible loss of principal. Investments in hedge funds and private equity are speculative and involve a higher degree of risk than more traditional investments. Investments in hedge funds and private equity are intended for sophisticated investors only. Indexes are unmanaged and are not available for direct investment. **Past performance is no guarantee of future results.**

The information in this material may contain projections, market outlooks or other forward-looking statements regarding future events, including economic, asset class and market outlooks or expectations, and is only current as of the date indicated. There is no assurance that such events, outlook and expectations will be achieved, and actual results may be significantly different than that shown here. The duration and characteristics of past market/economic cycles and market behavior, including any bull/bear markets, is no indication of the duration and characteristics of any current or future be market/economic cycles or behavior. Information on historical observations about asset or

sub-asset classes is not intended to represent or predict future events. Historical trends do not imply, forecast or guarantee future results. Information is based on current views and market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons.

Discussions of any specific sectors and companies are for informational purposes only. The firm, its employees and advisory accounts may hold positions of any companies discussed. Specific securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients. It should not be assumed that any investments in securities, companies, sectors or markets identified and described were or will be profitable. Any discussion of environmental, social and governance (ESG) factor and ratings are for informational purposes only and should not be relied upon as a basis for making an investment decision. ESG factors are one of many factors that may be considered when making investment decisions.

**Institutional-Oriented Equity and Fixed Income AUM Benchmark Outperformance Note:**

Institutional-oriented equity and fixed income assets under management ("AUM") includes the firm's equity and fixed income institutional separate account ("ISA"), registered fund, and managed account/wrap ("MAG") offerings and are based on the overall performance of each individual investment offering against its respective benchmark offerings and are based on the overall performance of each individual investment offering against its respective benchmark. High net worth/private asset management ("HNW") AUM is excluded. For the period ending June 30, 2022, the percentage of total institutional-oriented equity AUM outperforming the benchmark was as follows: Since Inception: 82%; 10-year: 82%; 5-year: 79%; and 3-year: 72%; and total institutional-oriented fixed income AUM outperforming was as follows: Since Inception: 96%, 10-year: 83%; 5-year: 82%; and 3-year: 70%. If HNW AUM were included, total equity AUM outperforming the benchmark was as follows: Since Inception: 82%; 10-year: 58%; 5-year: 60%; and 3-year: 58%; and total fixed income AUM outperforming was as follows: Since Inception: 95%; 10-year: 83%; 5-year: 81%; and 3-year: 69%. Equity and Fixed Income AUM outperformance results are asset-weighted so individual offerings with the largest amount of assets under management have the largest impact on the results. As of 06/30/2022, six equity teams/strategies accounted for approximately 52% of the total firm equity (ISA, MAG and mutual fund combined) assets reflected, and nine strategies accounted for approximately 50% of the total firm fixed income (ISA, MAG and mutual fund combined) assets reflected. Performance for the individual offerings reflected are available upon request. AUM for multi-asset strategies, balanced and alternative (including long-short equity or fixed income) offerings, as well as AUM for hedge fund, private equity and other private investment vehicle offerings are not reflected in the AUM outperformance results shown. AUM outperformance is based on gross of fee returns. Gross of fee returns do not reflect the deduction of investment advisory fees and other expenses. If such fees and expenses were reflected, AUM outperformance results would be lower. Investing entails risk, including possible loss of principal. **Past performance is no guarantee of future results.**

**Private Equity Outperformance Note:** The performance information includes all funds, both commingled and custom, managed by NB Alternatives Advisers LLC with vintage years of 2010 – 2019, with the exception of a closed-end, public investment company registered under the laws of Guernsey (the “Funds”). Accounts that are only monitored are excluded. Please note that funds without a comparable benchmark are excluded (this includes certain commingled funds with unique investment objectives, certain specialty strategies and private debt funds).

Percentages are based on the number of funds, calculated as the total number of funds whose performance exceeds their respective benchmarks divided by the total number of all funds with vintage years of 2010 through 2019. Performance is measured by net IRR, MOIC and DPI, and is compared to the respective index’s median net IRR, MOIC and DPI, respectively. The Burgiss Secondary Index was used for secondary-focused funds; the Burgiss Buyout Index was used for U.S. and Developed Europe co-investment-focused funds; The Burgiss European Buyout Index was used for direct Italian Investment Strategies; the Burgiss Fund of Funds Index was used for commingled funds and custom portfolios comprised of primaries, secondaries and co-investments.

The Burgiss indices data is as of December 31, 2021, which is the most recent data available. The benchmark relies on Limited Partners reporting data for compilation and as such is subject to the quality of the data provided. The median net multiple of the Burgiss Fund of Funds Index is presented for each vintage year as of September 30, 2021, the most recent available.

**ESG Thematic, Sustainable or Impact Strategy:** ESG Thematic strategies have been identified as meeting the Febelfin Quality Standard for Financial Products. For more information please visit <https://www.towardssustainability.be/en/quality-standard>. Sustainable strategies seek to improve financial return through ESG considerations and focus on sustainability leaders, while Impact strategies seek financial returns and positive social and environmental outcomes.

**ESG Integrated Strategy:** These strategies consider the valuation implications of ESG risks and opportunities alongside traditional factors in the investment process.

**Febelfin Sustainability Designation:** Febelfin is a quality standard for socially responsible financial products that seeks to provide a practical interpretation of what it could mean for a financial product to be called socially responsible or sustainable. In doing so, it determines a floor (minimum norm) for all such products and an aspirational and prominent label. For more information on Febelfin, refer to this link: [https://www.febelfin.be/sites/default/files/2019-02/quality\\_standard\\_-\\_sustainable\\_financial\\_products.pdf](https://www.febelfin.be/sites/default/files/2019-02/quality_standard_-_sustainable_financial_products.pdf).

**Principles for Responsible Investment (PRI) Scores:** PRI has delayed publication of 2021 scores. These scores referenced remain the most recently issued. PRI grades are based on information reported directly by PRI signatories, of which investment managers totaled 1,924 for 2020, 1,119 for

2019, 1,120 for 2018 and 935 for 2017. All signatories are eligible to participate and must complete a questionnaire to be included. The underlying information submitted by signatories is not audited by the PRI or any other party acting on its behalf. Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module houses a variety of indicators that address specific topics of responsible investment. Signatories’ answers are then assessed, and results are compiled into an Assessment Report. The Assessment Report includes indicator scores—summarizing the individual scores achieved and comparing them to the median; section scores—grouping similar indicator scores together into categories (e.g. policy, assurance, governance) and comparing them to the median; module scores—aggregating all the indicator scores within a module to assign one of six performance bands (from E to A+). Awards and ratings 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. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf. While every effort has been made to produce a fair representation of performance, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this report.

The year 2020 represented the first year that asset managers became eligible for PRI Leader designation, which formerly included asset owners only. The new designation was awarded to only 20 of the 2100+ investment manager PRI signatories. The Leaders’ Group showcases signatories at the cutting edge of responsible investment, and highlights trends in what they are doing. PRI uses signatories’ reporting responses and assessment data to identify those that are doing excellent work in responsible investment—across their organizations and with a focus on a given theme each year. The 2020 theme was climate reporting. Information about PRI Leader is sourced entirely from PRI and Neuberger Berman makes no representations, warranties or opinions based on that information.

Philanthropic & Family Governance Advisory Services and related materials are provided as a courtesy and are for informational and discussion purposes only. Neuberger Berman is not acting in a fiduciary capacity or recommending any specific governance structures or philanthropic or charitable activities. Recipients of Philanthropic & Family Governance Advisory Services should consult their own tax or legal advisors before implementing any governance structure or philanthropic or charitable activities.

This material is being issued on a limited basis through various global subsidiaries and affiliates of Neuberger Berman Group LLC. Please visit [www.nb.com/disclosure-global-communications](http://www.nb.com/disclosure-global-communications) for the specific entities and jurisdictional limitations and restrictions.

**FIRM HEADQUARTERS**

New York  
800.223.6448

**REGIONAL HEADQUARTERS**

Hong Kong  
+852 3664 8800  
  
London  
+44 20 3214 9000  
  
Shanghai  
+86 21 5203 7700  
  
Tokyo  
+81 3 5218 1930

**PORTFOLIO MANAGEMENT CENTERS**

Atlanta	New York
Bermuda	Paris
Boston	Philadelphia
Buenos Aires	San Francisco
Chicago	Shanghai
Dallas	Singapore
Hong Kong	The Hague
London	Taipei
Los Angeles	Tokyo
Milan	Toronto

**OFFICES**

**AMERICAS**

Atlanta  
Bermuda  
Bogota  
Boston  
Buenos Aires  
Chicago  
Dallas  
Los Angeles  
Morristown  
New York  
Philadelphia  
San Francisco  
São Paulo  
Tampa  
Toronto  
West Palm Beach  
Wilmington

**EUROPE,  
MIDDLE EAST  
& AFRICA**

Dubai  
Dublin  
Frankfurt  
London  
Luxembourg  
Madrid  
Milan  
Paris  
Rome  
Stockholm  
Tel Aviv  
The Hague  
Zurich

**ASIA PACIFIC**

Hong Kong  
Melbourne  
Seoul  
Shanghai  
Singapore  
Sydney  
Taipei  
Tokyo

NEUBERGER	BERMAN
-----------	--------

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

**[www.nb.com](http://www.nb.com)**