

# Neuberger Berman Small Cap Intrinsic Value Team

---

**PORTFOLIO MANAGER:** Benjamin H. Nahum

Direct exposure to regional banks in our client accounts was minimal going into the weekend of March 10<sup>th</sup>. In our view, regional banks will likely be facing more stringent capital requirements, higher regulations and greater cost of funding. In turn, their ability to offer investors attractive dividends and share repurchases could be impaired, which we believe would make them less attractive investments.

We continue to monitor the space but given our small exposure we do not feel compelled to form our longer-term view during a period of heightened volatility and price discovery.

The bigger issue for our strategy, in our view, is the economic reverberations given our pro cyclical bias, particularly if the current deposit outflow crisis results in greater systemic risks and heightens the odds of a harder landing. On the flip side, as we saw in the first two months of the year, we believe the prospect of a softer landing and supportive earnings data would be indicative of a more positive environment for our strategy.

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. Investment decisions and the appropriateness of this material should be made based on an investor's individual objectives and circumstances and in consultation with his or her advisors. 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. This material may include estimates, outlooks, projections and other "forward-looking statements." Due to a variety of factors, actual events may differ significantly from those presented. Neuberger Berman products and services may not be available in all jurisdictions or to all client types. Diversification does not guarantee profit or protect against loss in declining markets. 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.**

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

The "Neuberger Berman" name and logo are registered service marks of Neuberger Berman Group LLC.