

# Neuberger Berman Rachlin Midstream Infrastructure No K-1

## Portfolio Highlights

### Key Features

- Seeks to manage for capital appreciation and income through investments in midstream infrastructure companies
- Invests in publicly traded general partnerships, utilities with midstream exposure, C-corps and renewables similar in structure to MLP's
- Concentrated portfolio typically of 15-25 names. Does not generate K-1's or UBTI
- Managed by a dedicated portfolio management team with \$3.1 billion in AUM with over 23 years experience managing midstream infrastructure strategies

## Management Team

### Douglas A. Rachlin

Portfolio Manager, Managing Director

### Paolo R. Frattaroli

Portfolio Manager, Managing Director

### Helen Ryoo, CFA

Portfolio Manager, Managing Director

### Robert J. Russo

Associate Portfolio Manager, Senior Vice President

### Dan W. Smith

Research Analyst, Senior Vice President

### Kyle A. Jones, CFA

Portfolio Administrator

## Investment Performance (%)<sup>1</sup>

	QTD	YTD	Annualized Returns (Period Ended 6/30/2020)			
			1 Year	3 Years	5 Years	Since Inception (12/1/2012)
NB Rachlin Midstream Infrastructure No K-1 (Gross of Fees)	29.85	-19.19	-18.22	-2.75	-2.67	1.38
NB Rachlin Midstream Infrastructure No K-1 (Net of Fees)	28.89	-20.38	-20.60	-5.58	-5.51	-1.57
Alerian MLP Index	50.18	-35.71	-41.43	-16.79	-12.85	-6.94
S&P 500 Index	20.54	-3.08	7.51	10.73	10.73	13.19

Past performance is no guarantee of future results.

Fee schedule: maximum fee 300 bps annually; 75 bps quarterly.

Gross of Fees returns are shown as supplemental on a "pure" gross basis and do not reflect the deduction of trading costs or any other expenses.

## Portfolio Characteristics

	NB Rachlin Midstream Infrastructure No K-1	Alerian MLP
Weighted Average Capitalization (\$Mil)	23,383	11,415
P/E FY1 (x)	17.59	10.18
Price/Cash Flow	7.02	3.04
Dividend Yield	6.56	15.24
3-Year Risk Analysis		
	NB Rachlin Midstream Infrastructure No K-1	Alerian MLP
Standard Deviation	26.71	44.51
Beta	0.56	1.00
Alpha	4.71	-
Sharpe Ratio	-0.17	-0.41

## Top Ten Holdings (%)

Williams Companies, Inc.	10.41
Cheniere Energy, Inc.	9.39
NextEra Energy Partners LP	8.68
ONEOK, Inc.	8.55
Targa Resources Corp.	6.48
Pembina Pipeline Corporation	6.47
Clearway Energy, Inc. Class C	5.67
Atlantica Sustainable Infrastructure plc	5.54
Plains GP Holdings LP Class A	4.99
Dominion Energy Inc	4.98
<b>Total</b>	<b>71.15</b>

## Industry Weightings (%)

	NB Rachlin Midstream Infrastructure No K-1	Alerian MLP
Oil Gas & Consumable Fuels	57.56	100.00
Independent Power and Renewable Electricity Producers	19.89	0.00
Multi-Utilities	15.70	0.00
Electric Utilities	4.42	0.00
Cash	2.43	0.00

Source: FactSet and Neuberger Berman.

<sup>1</sup>This Portfolio is available only through a wrap fee or similar program sponsored by a third-party intermediary ("Sponsor") that has engaged Neuberger Berman Investment Advisers LLC ("NBIA") to manage certain of the Sponsor's client accounts on a discretionary basis or to provide the Sponsor with recommendations in the form of model portfolio. Please refer to the attached GIPS® compliant composite presentation, which reflects NBIA's calculations with respect to the Portfolio that are not specific to any Sponsor or client account ("Composite"). Specific client account performance is reflected in the official books and records maintained by the Sponsor or other custodian selected by the Sponsor or client. Performance reflects reinvestment of any dividends and distributions. Representative portfolio information (characteristics, holdings, weightings, etc.) is based upon the Composite. Gross return is shown as supplemental and does not reflect the deduction of advisory fees and other expenses. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results.

Please see Additional Disclosures on page 2, which are a required part of this factsheet.

## Investment Performance Disclosure Statement

	Composite		Benchmark		Composite					3 Year Standard Deviation		
	Total Return (% Gross of Fees)	Total Return (% Net of Fees)	Alerian MLP Index (%)	S&P 500 Index (%)	No. of Accounts	Market Value (\$, m)	Total Firm Assets (\$, bn)	% of Firm Assets	Internal Dispersion	Composite (%)	Alerian MLP Index (%)	S&P 500 Index (%)
YTD Jun-2020	-19.19	-20.38	-35.71	-3.08	86	44.4	--	--	--	26.71	44.51	16.71
2019	22.24	18.68	6.56	31.49	69	41.6	355.8	0.01	0.33	13.31	17.70	11.93
2018	-12.53	-15.08	-12.42	-4.38	41	23.7	340.1	0.01	0.28	12.91	18.10	10.80
2017	5.37	2.30	-6.52	21.83	10	10.9	295.2	0.00	--	13.96	19.06	9.92
2016	27.03	23.33	18.31	11.96	13	12.9	255.2	0.01	--	15.21	19.95	10.59
2015	-29.86	-31.90	-32.59	1.38	8	2.2	240.4	0.00	--	14.71	18.54	10.47
2014	7.94	4.79	4.80	13.69	12	28.0	250.0	0.01	--	--	--	--
2013	25.96	22.29	27.58	32.39	12	29.0	241.7	0.01	0.76	--	--	--
1 Month 2012	0.60	0.35	-3.12	0.91	7	12.4	205.0	0.01	--	--	--	--

### Compliance Statement

Neuberger Berman Group LLC ("NB", "Neuberger Berman" or the "Firm") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Neuberger Berman has been independently verified for the period January 1, 2011 to December 31, 2019. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation. The verification reports are available upon request.

The GIPS® firm definition was redefined effective January 1, 2011. For prior periods there were two separate firms for GIPS® firm definition purposes and such firms were independently verified for the periods January 1, 1997 to December 31, 2010 and January 1, 1996 to December 31, 2010, respectively.

### Definition of the Firm

The firm is currently defined for GIPS® purposes as Neuberger Berman Group LLC, ("NB", "Neuberger Berman" or the "Firm"), and includes the following subsidiaries: Neuberger Berman Investment Advisers LLC, Neuberger Berman Europe Ltd., Neuberger Berman Asia Ltd., Neuberger Berman East Asia Ltd., Neuberger Berman Singapore Pte. Ltd., Neuberger Berman Taiwan Ltd., Neuberger Berman Australia Pty. Ltd., Neuberger Berman Trust Company N.A., Neuberger Berman Trust Company of Delaware N.A., NB Alternatives Advisers LLC and Neuberger Berman Breton Hill LLC.

### Policies

Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

### Composite Description

The Managed Account Group ("MAG") Rachlin Midstream Infrastructure [No K-1] Composite (the "Composite") includes Neuberger Berman's calculations with respect to all wrap fee or similar client accounts of third-party intermediaries (each, a "Sponsor") that are managed on a discretionary basis by Neuberger Berman in the MAG Rachlin Midstream Infrastructure [No K-1] investment style ("MAG Portfolio"). The Composite is not specific to any Sponsor or client account. Specific client account performance is reflected in the official books and records maintained by the Sponsor or other custodian selected by the Sponsor or the client. The MAG Portfolio is available only through Sponsors that have engaged Neuberger Berman to manage client accounts on a discretionary basis or to provide non-discretionary investment recommendations in the form of a model portfolio. The MAG Portfolio seeks a diversified portfolio of equity securities providing an above-average level of current income and the opportunity for capital appreciation. The MAG Portfolio is diversified among common stocks. The MAG Portfolio is restricted from investments in Master Limited Partnerships (MLPs). The Composite was created in September 2017 and the performance inception date is December 2012. From December 2012 to October 2017, the performance track record includes the performance of the Rachlin Midstream Infrastructure Private Asset Management strategy.

### Primary Benchmark Description

The benchmark is the Alerian MLP Index (the "Index"). The index is a capped, float-adjusted, capitalization-weighted index that measures the performance of energy Master Limited Partnerships (MLPs). The index's constituents represent approximately 85% of total float-adjusted market capitalization. Effective after market close on September 29, 2017, individual constituents were capped at a 10% weight.

### Secondary Benchmark Description

The benchmark is the S&P 500 Index (the "Index"). The index is a capitalization weighted index comprised of 500 stocks chosen for market size, liquidity, and industry group representation. The S&P 500 Index is constructed to represent a broad range of industry segments in the U.S. economy. The S&P 500 Index focuses on the large-cap segment of the market with over 80% coverage of US equities. Criteria for inclusion include financial stability (minimize turnover in the index), screening of common shares to eliminate closely held companies, and trading activity indicative of ample liquidity and efficient share pricing. Companies in merger, acquisition, leveraged-buy-outs, bankruptcy (Chapter 11 filing or any shareholder approval of recapitalization which changes a company's debt-to-equity ratio), restructuring, or lack of representation in their representative industry groups are eliminated from the index.

### Reporting Currency

Valuations are computed and performance is reported in U.S. Dollars.

### Fees

Pure "gross" returns, are presented as supplemental information, and do not reflect the deduction of any trading costs. Fees, or expenses, are presented for comparison purposes only. The Separately Managed Account ("SMA") fee charged by each sponsor typically include all charges for trading costs, portfolio management, custody and other administrative fees. Net returns are calculated by subtracting the hypothetical highest SMA fee charged by each sponsor (300 bps on an annual basis, or 75 bps quarterly) from the "pure" gross composite return.

### Fee Schedule

The standard fee schedule in effect is as follows: 3.00% on total assets.

### Internal Dispersion

Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios that were in the Composite for the entire year. Internal dispersion is not calculated if the Composite does not contain at least 6 portfolios for the entire year.

### Annualized Standard Deviation

The three-year annualized standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period. The standard deviation is not required for periods prior to 2011.

### Additional Disclosures

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. Third-party economic, market or security estimates or forecasts discussed herein may or may not be realized and no opinion or representation is being given regarding such estimates or forecasts. Certain products and services may not be available in all jurisdictions or to all client types. Unless otherwise indicated, returns shown reflect reinvestment of dividends and distributions. 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.**

Representative portfolio information (characteristics, holdings, weightings, etc.) is based upon the manager's composite account. For non-UMA accounts, client accounts are individually managed and may vary significantly from composite performance and composite portfolio information. For UMA accounts, accounts are not individually managed and portfolio allocations, actual account holdings, characteristics and performance will vary from composite performance and composite portfolio information, depending on the size of an account, cash flows within an account, client-imposed investment restrictions on an account, the timing of client investments, market, and other factors that may be outside of Neuberger Berman's control. 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 identified and described were or will be profitable.

Due to investment in a limited number of sector, industry, or sub-sector of the market, the Portfolio's performance will be especially sensitive to developments that significantly affect those sectors, industries, or subsectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The industries that constitute a sector may all react in the same way to economic, political or regulatory events.

Small- and mid-capitalization stocks are more vulnerable to financial risks and other risks than stocks of larger companies. They also trade less frequently and in lower volume than larger company stocks, so their market prices tend to be more volatile. Large-cap stocks are subject to all the risks of stock market investing, including the risk that they may lose value.

Weighted average market capitalization: Market capitalization is the price of the security multiplied by the number of shares. The weighted average market capitalization is the sum of the market caps divided by the percentage weight of the holdings.

Price-to-earnings ratio (P/E): The Price to earnings ratio is calculated by dividing the price of the security by the earnings per share. The higher the PE ratio the more the investor is willing to pay for earnings. A higher PE ratio would imply that earnings will grow higher in the future.

Price-to-cash flow ratio: Similar to the P/E ratio, price-to-cash flow provides a measure of relative value for a company. It is equal to the current price per share divided by annual cash flow per share. This measure deals with cash flow, therefore, the effects of depreciation and other non-cash factors are removed.

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.

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