

Neuberger Berman KSE Group Portfolio

Portfolio Highlights

Key Features

NB KSE Group believes a stock's risk / reward profile becomes increasingly attractive when investor expectations are low, but catalysts for positive change exist. Management ownership of a meaningful equity stake can enhance the probability that management and shareholder objectives remain congruent.

Emotions, in the short term, can significantly influence market volatility and individual stock prices, creating opportunities for favorable entry points or additions to core positions.

The group screens for stocks believed to be undervalued relative to expected future growth rates. Ideally, the group invests in companies with low debt, attractive dividend yield, strong positions in the markets they serve, and a 15% or better estimated earnings growth potential. There must also be a clearly defined catalyst: a change in management, a transaction, or new product that can improve the company's growth prospects and potentially change investor sentiment.

There is no substitute for looking management in the eye and watching how they answer questions. The portfolio managers draw upon their combined years of experience on Wall Street to assess and dissect management presentations at visits to companies, internal Neuberger Berman meetings and meetings hosted by outside brokerage firms, as well as from publicly disseminated information.

Management Team

Michael N. Emmerman

Managing Director, Senior Portfolio Manager

Brooke Johnson

Managing Director, Portfolio Manager

Richard Wesolowski

Senior Vice President, Associate Portfolio Manager

Michelle B. Stein

Managing Director, Senior Advisor

Investment Performance (%)¹

	QTD	YTD	Annualized Returns (Period Ended 3/31/2020)			
			1 Year	3 Years	5 Years	10 Years
NB KSE Group (Gross of Fees)	-13.47	-13.47	-3.89	3.72	2.67	6.50
NB KSE Group (Net of Fees)	-14.10	-14.10	-6.69	0.70	-0.32	3.40
S&P 500® Index	-19.60	-19.60	-6.98	5.10	6.73	10.53
S&P 500®/Citigroup Value Index	-25.34	-25.34	-12.20	0.05	3.45	8.18

Past performance is no guarantee of future results.

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

Portfolio Characteristics

	NB KSE Group	S&P 500 Index
5 Year EPS Growth (%)	15.85	16.99
Price/Book	1.91	2.92
Price/Cash Flow	7.68	11.11
Dividend Yield (%)	2.47	2.28
Beta (SPX)	0.63	1.00
PEG Ratio (FY2)	1.36	1.44

Sector Weightings (%)

	NB KSE Group	S&P 500 Index
Communication Services	8.09	10.74
Consumer Discretionary	0.00	9.80
Consumer Staples	5.57	7.79
Energy	0.00	2.65
Financials	2.76	10.93
Health Care	10.82	15.38
Industrials	13.01	8.22
Information Technology	16.61	25.48
Materials	0.00	2.43
Real Estate	0.00	3.01
Utilities	15.23	3.57
Cash	27.91	0.00

Source: FactSet and Neuberger Berman.

¹This 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.

Top Ten Holdings (%)

Quanta Services, Inc.	4.46
Novartis AG Sponsored ADR	4.30
Comcast Corporation Class A	4.07
Rogers Communications Inc. Class B	4.02
L3Harris Technologies Inc	3.92
Anthem, Inc.	3.82
Leidos Holdings, Inc.	3.80
Cisco Systems, Inc.	3.37
Bunge Limited	3.37
Vistra Energy Corp.	3.31
Total	38.44

Investment Performance Disclosure Statement

	Composite		Benchmark		Composite					3 Year Standard Deviation		
	Total Return (% Gross of Fees)	Total Return (% Net of Fees)	S&P 500 Index (%)	S&P 500 Value Index (%)	No. of Accounts	Market Value (\$, m)	Total Firm Assets (\$, bn)	% of Firm Assets	Internal Dispersion	Composite (%)	S&P 500 Index (%)	S&P 500 Value Index (%)
YTD Mar-2020	-13.47	-14.10	-19.60	-25.34	≤ 5	0.2	--	--	--	10.41	15.00	16.67
2019	22.65	19.07	31.49	31.93	≤ 5	0.2	355.8	0.00	--	8.12	11.93	12.73
2018	-4.40	-7.19	-4.38	-8.95	≤ 5	0.2	304.1	0.00	--	7.72	10.80	11.02
2017	13.52	10.22	21.83	15.36	≤ 5	0.2	295.2	0.00	--	6.23	9.92	10.32
2016	6.69	3.58	11.96	17.40	≤ 5	0.2	255.2	0.00	--	7.24	10.59	10.73
2015	-7.56	-10.25	1.38	-3.13	≤ 5	0.5	240.4	0.00	--	8.04	10.47	10.59
2014	7.42	4.29	13.69	12.36	≤ 5	1.5	250.0	0.00	--	7.89	8.97	9.46
2013	20.92	17.40	32.39	31.99	≤ 5	1.4	241.7	0.00	--	8.80	11.94	12.97
2012	11.65	8.37	16.00	17.68	≤ 5	0.6	205.0	0.00	--	10.34	15.09	15.76
2011	3.40	0.36	2.11	-0.48	≤ 5	0.1	193.1	0.00	--	11.75	18.71	21.10
2010	11.06	7.83	15.06	15.10	503	606.5	102.3	0.59	1.90	--	--	--

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, 2018. 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 ULC.

Policies

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

Composite Description

The Managed Account Group ("MAG") KSE Value Group 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 KSE Value Group 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 capital appreciation through participation in a mix of small, mid and large capitalization equity investments. The Composite was created in September 2010 and the performance inception date is January 1989. From January 1989 to August 2011, the performance track record includes the performance of the KSE Value Group Private Asset Management strategy.

Primary 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.

Secondary Benchmark Description

The benchmark is the S&P 500 Value Index (the "Index"). The index is a market capitalization weighted index. All the stocks in the underlying parent index are allocated into value or growth. Stocks that do not have pure value or pure growth characteristics have their market caps distributed between the value & growth indices.

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:

This material is intended as a broad overview of the portfolio managers' current style, philosophy and process. This material is presented solely for informational purposes and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. No recommendation or advice is being given as to whether any investment or strategy is suitable for a particular investor. 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.

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.

Earnings per share (EPS): Earnings per share figures are calculated by dividing a company's total earnings by the number of common shares outstanding (negative EPS indicates negative earnings for a period). A weighted average of shares outstanding over the reporting period is used to calculate EPS. EPS can be determined for the previous year (actual, trailing EPS), for the current year (current, estimated EPS), or for the coming year (forward, estimated EPS).

Price-to-book ratio: The ratio is used to compare a stock's market value to its book value, assessing total firm value. The ratio is calculated by taking the market value of all shares of common stock divided by the book value of the company. (Book value is the company's total assets, less intangible assets and liabilities.) A lower price to book ratio could mean that the respective stock is undervalued.

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.

Beta is a measure of the systematic risk of a security or portfolio. Beta measures the historical sensitivity of portfolio or security excess returns to movement in the excess return of the market index. The value for Beta is expressed as a percentage of the market where the market Beta is 1.0. A security or portfolio with a Beta above the market has volatility greater than the market. If the Beta of a security was 1.3, a 1% increase in the market return resulted, on average, in a 1.3% increase in the security's return. A security or portfolio with Beta below the market has lower volatility than the market and the return on the security will move less than the market return. If the Beta of the security was 0.9, a 1% decrease in the market resulted in only a 0.9% decrease in the security's return.

Dividend Yield is the weighted average of the dividend yields of all the stocks currently held in the Portfolio. The dividend yield of a stock is the sum of the dividends paid per share during the last 12 months divided by the current price. Please note this represents gross yields of the current holdings in the Portfolio. It does not include expenses and does not reflect the actual yield an investor in the Portfolio would receive over time. Past yields are no guarantee of future yields.

P/E, PEG Ratio, Long-Term Future Growth Rate are ratios or other measurements using a factor of forecasted earnings of a company discussed herein are based on consensus estimates, not Neuberger Berman's own projections, and they may or may not be realized. In addition, any revision to a forecast could affect the market price of a security. By quoting them herein, Neuberger Berman does not offer an opinion as to the accuracy of and does not guarantee these forecasted numbers.

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FOR MORE INFORMATION REGARDING NEUBERGER BERMAN PORTFOLIOS PLEASE CALL 212.476.5530 OR E-MAIL: MAG@NB.COM.

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