

# Neuberger Berman Large Cap Disciplined Growth Portfolio

## Portfolio Highlights

### Key Features

- Focuses primarily on large-cap equities
- Use of quantitative and qualitative analyses
- Key company characteristics:
  - Prospective acceleration in key growth metrics, driven by identifiable catalysts and downside risk minimization
  - Reasonable valuation
  - Strong, accessible management team
- Qualitative criteria include:
  - New product development
  - Growth accelerators, such as new products or business initiatives, regulatory and demographic changes, strategic corporate actions, and emerging growth angles
  - Business optionality, including accelerating growth factors and other potential drivers of further acceleration
  - Long-term free cash flow potential
  - Opportunistic purchase
  - Internal research support
  - Attractive competitive position
- Strict sell discipline

## Management Team

### John J. Barker

Senior Portfolio Manager, Managing Director

### Rick Bradt

Portfolio Manager, Managing Director

### Jason Tauber, CFA

Portfolio Manager, Managing Director

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

	QTD	YTD	Annualized Returns (Period Ended 6/30/2020)			
			1 Year	3 Years	5 Years	10 Years
Large Cap Disciplined Growth (Gross of Fees)	30.68	15.76	28.97	22.15	18.47	16.20
Large Cap Disciplined Growth (Net of Fees)	29.71	14.06	25.22	18.59	15.01	12.84
Russell 1000® Growth Index	27.84	9.81	23.28	18.99	15.89	17.23
S&P 500® Index	20.54	-3.08	7.51	10.73	10.73	13.99

Past performance is no guarantee of future results.

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

## Portfolio Characteristics

	Large Cap Disciplined Growth	Russell 1000 Growth Index
Weighted Average Cap (\$mn)	458,282	575,176
P/E FY1 (x)	36.20	32.02
LT Growth Rate (Forward)	17.96	17.99
Price/Book	8.91	11.37
ROE (%)	28.80	33.30
Price/Cash Flow	23.99	23.16

## Sector Weightings (%)

	Large Cap Disciplined Growth	Russell 1000 Growth Index
Communication Services	13.91	11.14
Consumer Discretionary	10.89	15.43
Consumer Staples	4.99	4.83
Energy	0.00	0.08
Financials	5.47	2.10
Health Care	16.21	15.01
Industrials	3.16	4.62
Information Technology	43.79	43.90
Materials	0.00	0.82
Real Estate	0.00	2.06
Utilities	0.00	0.02
Cash	1.58	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.

## Top Ten Holdings (%)

Microsoft Corporation	8.20
Amazon.com, Inc.	7.18
Apple Inc.	6.13
Alphabet Inc. Class A	4.95
NVIDIA Corporation	3.52
Visa Inc. Class A	3.38
DocuSign, Inc.	3.16
Facebook, Inc. Class A	2.89
Intuit Inc.	2.81
DexCom, Inc.	2.54
<b>Total</b>	<b>44.75</b>

## Investment Performance Disclosure Statement

	Composite		Benchmark		Composite					3 Year Standard Deviation		
	Total Return (% Gross of Fees)	Total Return (% Net of Fees)	Russell 1000 Growth Index (%)	S&P 500 Index (%)	No. of Accounts	Market Value (\$, m)	Total Firm Assets (\$, bn)	% of Firm Assets	Internal Dispersion	Composite (%)	Russell 1000 Growth Index (%)	S&P 500 Index (%)
YTD Jun-2020	15.76	14.06	9.81	-3.08	32	21.7	--	--	--	18.12	17.40	16.71
2019	34.67	30.74	36.39	31.49	37	19.1	355.8	0.01	0.32	14.16	13.07	11.93
2018	3.67	0.65	-1.51	-4.38	47	17.6	304.1	0.01	0.37	13.88	12.13	10.80
2017	33.44	29.55	30.21	21.83	55	26.6	295.2	0.01	0.35	12.05	10.54	9.92
2016	4.83	1.78	7.08	11.96	121	49.6	255.2	0.02	0.22	12.23	11.15	10.59
2015	4.26	1.23	5.67	1.38	1,199	385.6	240.4	0.16	0.31	11.15	10.70	10.47
2014	7.55	4.42	13.05	13.69	2,190	872.7	250.0	0.35	0.45	9.89	9.59	8.97
2013	30.19	26.59	33.48	32.39	3,107	1,406.0	241.7	0.58	0.71	12.15	12.18	11.94
2012	11.81	8.58	15.26	16.00	6,168	231.1	205.0	0.11	0.77	15.71	15.66	15.09
2011	-3.44	-6.33	2.64	2.11	7,389	2,844.9	193.1	1.47	0.40	16.86	17.76	18.71
2010	14.68	11.37	16.71	15.06	6,475	2,550.3	102.3	2.49	1.10	--	--	--

### 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 ULC.

### Policies

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

### Composite Description

The Managed Account Group ("MAG") Large Cap Disciplined Growth 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 Large Cap Disciplined Growth 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 participation in the equity markets through the investment in a diversified portfolio of large capitalization equities with a bias to higher quality growth companies. The Composite was created in March 2005 and the performance inception date is January 1987.

### Primary Benchmark Description

The benchmark is the Russell 1000 Growth Index (the "Index"). The index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 90% of the U.S. market.

### 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.

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### 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 Composite, as of the date indicated, and is subject to change without notice. This Portfolio is available only through a wrap fee or similar program sponsored by a Sponsor that has engaged 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. The Composite includes NBIA's calculations with respect to all wrap fee or similar client accounts of Sponsors that are managed on a discretionary basis by NBIA in the MAG Sustainable Equity investment style. The Composite is not specific to any Sponsor or client account. 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.

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.

Long-term growth rate: The long-term growth rate is calculated weekly by taking the median of all First Call and IBES contributing broker estimates of a company's projected earnings growth over a period of two to five years. FactSet calculates a dollar-weighted figure at the beginning of each month based on the fund's portfolio holdings. The long-term growth rate is based on projections, which may or may not be realized.

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.

Return on equity: Return on equity (ROE) is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

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.

Investing in the stocks of even the largest companies involves all the risks of stock market investing, including the risk that they may lose value due to overall market or economic conditions. Compared to smaller companies, large-cap companies may be less responsive to changes and opportunities. At times, the stocks of larger companies may lag other types of stocks in performance. The stocks of mid-cap companies are often more volatile and less liquid than the stocks of larger companies and may be more affected than other types of stocks by the underperformance of a sector or during market downturns. Compared to larger companies, mid-cap companies may have a shorter history of operations, and may have limited product lines, markets or financial resources. Investing in foreign securities involves greater risks than investing in securities of U.S. issuers, including currency fluctuations, potential political instability, restrictions on foreign investors, less regulation and less market liquidity.

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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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