

# Neuberger Berman Small Cap Intrinsic Value Portfolio

## Portfolio Highlights

### Key Features

- Seeks to invest in stocks of small-cap companies that trade at a meaningful discount to the team's estimate of intrinsic value<sup>2</sup> where a strategic event may unlock value
- Contrarian investment philosophy that focuses on opportunities in companies with complex corporate structures, cyclical businesses, and/or interrupted growth scenarios
- Experienced team uses a private equity-style analysis to seek to attractive investment opportunities

## PORTFOLIO MANAGER

### Benjamin H. Nahum

Managing Director, Portfolio Manager

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

	QTD	YTD	Annualized Returns (Period Ended 6/30/2020)			
			1 Year	3 Years	5 Years	10 Years
Small Cap Intrinsic Value (Gross of Fees)	27.41	-8.97	-5.89	3.69	4.44	10.99
Small Cap Intrinsic Value (Net of Fees)	26.47	-10.31	-8.64	0.67	1.40	7.78
Russell 2000 <sup>®</sup> Value Index	18.91	-23.50	-17.48	-4.35	1.26	7.82
Russell 2000 <sup>®</sup> Index	25.42	-12.98	-6.63	2.01	4.29	10.50

Past performance is no guarantee of future results.

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

## Portfolio Characteristics

	Small Cap Intrinsic Value	Russell 2000 Value Index	Russell 2000 Index
LT Growth Rate (Forward)	14.02	8.21	9.56
P/E FY2 (x)	16.01	13.31	16.43
Price/Cash Flow	9.17	6.35	8.74
Weighted Average Cap (\$mn)	3,746	1,656	2,078
Price/Book	2.39	1.13	1.85
Price/Sales	1.04	0.87	1.28

## Sector Weightings (%)

	Small Cap Intrinsic Value	Russell 2000 Value Index	Russell 2000 Index
Communication Services	2.25	2.46	2.55
Consumer Discretionary	2.92	10.79	11.72
Consumer Staples	2.47	3.51	3.34
Energy	0.56	4.44	2.26
Financials	4.57	29.07	16.46
Health Care	17.35	6.21	20.63
Industrials	15.16	16.08	14.52
Information Technology	41.24	6.12	13.80
Materials	5.71	5.47	4.03
Real Estate	0.00	10.43	7.05
Utilities	1.96	5.42	3.63
Cash	4.74	0.00	0.00
Other	1.06	0.00	0.00

## Top Ten Holdings (%)

Charles River Laboratories International, Inc.	4.19
Ciena Corporation	4.10
Nuance Communications, Inc.	3.83
Crown Holdings, Inc.	2.95
Cloudera, Inc.	2.87
MACOM Technology Solutions Holdings, Inc.	2.49
Verint Systems Inc.	2.46
CoreLogic, Inc.	2.42
Itron, Inc.	2.32
Stericycle, Inc.	2.30
<b>Total</b>	<b>29.92</b>

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<sup>®</sup> 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.**

<sup>2</sup>Intrinsic value reflects the group's analysis and estimates. There is no guarantee that any intrinsic values will be realized; security prices may decrease regardless of intrinsic values.

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)	Russell 2000 Value Index	Russell 2000 Index (%)	No. of Accounts	Market Value (\$, m)	Greene Small Cap Strategy AUM (\$, m)	Total Firm Assets (\$, bn)	% of Firm Assets	Internal Dispersion	Composite (%)	Russell 2000 Value Index (%)	Russell 2000 Index (%)
YTD Jun-2020	-8.97	-10.31	-23.50	-12.98	865	582.1	2,239.5	--	--	--	22.68	23.25	22.61
2019	22.57	19.00	22.39	25.52	920	633.7	2,428.5	355.8	0.18	0.90	16.11	15.68	15.71
2018	-8.12	-10.79	-12.86	-11.01	855	540.1	1,860.4	304.1	0.18	0.54	14.28	15.76	15.79
2017	17.39	13.97	7.84	14.65	838	583.4	2,469.4	295.2	0.20	0.46	13.70	13.97	13.91
2016	13.72	10.41	31.74	21.31	872	520.4	2,262.9	255.2	0.20	0.97	15.05	15.50	15.76
2015	-1.12	-4.00	-7.47	-4.41	858	449.3	1,852.2	240.4	0.19	0.53	14.26	13.46	13.96
2014	7.04	3.93	4.22	4.89	675	334.7	1,563.5	250	0.13	0.32	12.85	12.79	13.12
2013	42.38	38.50	34.52	38.82	546	242.9	1,533.3	241.7	0.10	0.66	17.43	15.82	16.45
2012	19.66	16.24	18.05	16.35	479	147.1	1,005.7	205	0.07	0.56	20.11	19.89	20.20
2011	-11.38	-14.13	-5.50	-4.18	546	142.6	819.7	193.1	0.07	0.79	23.90	26.05	24.99
2010	25.56	22.06	24.50	26.85	449	141.8	954.4	102.3	0.14	0.66	--	--	--

### 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") Small Cap Intrinsic Value 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 Small Cap Intrinsic Value 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 to participate in the equity market through investments in a diversified portfolio of small capitalization value equities. The Composite creation and performance inception date is August 1997. The performance history of the Composite prior to September 2008 is comprised of the performance history of the accounts managed by the portfolio management team while at a predecessor firm. From August 1997 to September 2008, the performance track record includes the performance of the Small Cap Intrinsic Value Institutional Composite.

### Primary Benchmark Description

The benchmark is the Russell 2000 Value Index (the "Index"). The index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 8% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

### Secondary Benchmark Description

The benchmark is the Russell 2000 Index (the "Index"). The index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 8% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

### 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 Notes and Disclosures

Greene Small Cap Strategy AUM represents assets under management in all composites managed by the Team in accordance with a small / smid cap value mandate, including the Small Cap Intrinsic Value Composite (ISA), the Small Cap Intrinsic Value Composite (PAM), the Small Cap Intrinsic Value Composite (MAG), and the Small / Mid-Cap Intrinsic Value Composite (ISA).

This material is intended as a broad overview of the portfolio managers' current style, philosophy and process. This information 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.

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-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.

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-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-sales: Price to sales is a ratio used to value a stock relative to its own past performance, other companies or the broader market. Price to sales is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months.

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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