

# Neuberger Berman Emerging Markets Equity ADR Portfolio

## Portfolio Highlights

### Key Features

- Emphasis on bottom-up, research-driven analysis with a macro perspective
- All-cap growth at a reasonable price investment approach
- Seek to focus on quality companies with unique asset opportunities, differentiated business models and attractive growth prospects
- Diversified portfolio with typically 45-65 names including US-listed ADRs
- Active risk management at the portfolio and individual security level
- Experienced investment team

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

|                                      | QTD   | YTD    | Annualized Returns (Period Ended 6/30/2020) |         |         |                            |
|--------------------------------------|-------|--------|---|---------|---------|----------------------------|
|                                      |       |        | 1 Year                                      | 3 Years | 5 Years | Since Inception (7/1/2011) |
| Emerging Markets ADR (Gross of Fees) | 16.96 | -9.98  | -3.99                                       | 1.94    | 4.56    | 2.72                       |
| Emerging Markets ADR (Net of Fees)   | 16.10 | -11.30 | -6.79                                       | -1.03   | 1.51    | -0.27                      |
| MSCI EM Index                        | 18.08 | -9.78  | -3.39                                       | 1.90    | 2.86    | 0.85                       |

Past performance is no guarantee of future results.

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

## Portfolio Characteristics

|                             | Emerging Markets ADR | MSCI EM Index |
|-----------------------------|----------------------|---------------|
| Weighted Average Cap (\$mn) | 145,089              | 135,499       |
| P/E FY1 (x)                 | 19.93                | 16.30         |
| LT Growth Rate (Forward)    | 12.47                | 16.01         |
| Dividend Yield (%)          | 1.90                 | 2.64          |
| ROE (%)                     | 18.62                | 16.62         |

## Sector Weightings (%)

|                        | Emerging Markets ADR | MSCI EM Index |
|------------------------|----------------------|---------------|
| Communication Services | 23.84                | 14.90         |
| Consumer Discretionary | 11.28                | 15.98         |
| Consumer Staples       | 8.49                 | 6.48          |
| Energy                 | 3.13                 | 5.95          |
| Financials             | 16.05                | 19.07         |
| Health Care            | 0.92                 | 4.30          |
| Industrials            | 0.93                 | 4.69          |
| Information Technology | 18.68                | 16.93         |
| Materials              | 3.04                 | 6.86          |
| Real Estate            | 1.02                 | 2.58          |
| Utilities              | 2.40                 | 2.27          |
| Cash                   | 10.22                | 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 (%)

|  | Country      | %            |
|--|--------------|--------------|
| Tencent Holdings Ltd. Un-sponsored ADR                     | China        | 8.48         |
| Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR | Taiwan       | 6.98         |
| Alibaba Group Holding Ltd. Sponsored ADR                   | China        | 5.42         |
| Naspers Limited Sponsored ADR Class N                      | South Africa | 2.56         |
| NetEase, Inc. Sponsored ADR                                | China        | 2.55         |
| HDFC Bank Limited Sponsored ADR                            | India        | 2.32         |
| China Mobile Limited Sponsored ADR                         | China        | 2.27         |
| Yandex NV Class A  | Russia       | 2.25         |
| Oil company LUKOIL PJSC Sponsored ADR                      | Russia       | 2.16         |
| SK Telecom Co., Ltd. Sponsored ADR                         | Korea        | 2.05         |
| <b>Total</b>   |              | <b>37.04</b> |

## Regional Breakdown (%)

|                | Emerging Markets ADR | MSCI EM Index |
|----------------|----------------------|---------------|
| Africa/Mideast | 2.56                 | 8.35          |
| Asia           | 61.44                | 79.21         |
| Canada         | 1.73                 | 0.00          |
| Europe Ex-Uk   | 12.36                | 4.42          |
| Latin America  | 9.96                 | 8.02          |
| United Kingdom | 1.73                 | 0.00          |
| Cash           | 10.22                | 0.00          |

## Management Team

### Conrad Saldanha, CFA

Senior Portfolio Manager, Managing Director

## Investment Performance Disclosure Statement

|               | Composite                         |                                 | Benchmark                                | Composite          |                         |                               |                     |                        | 3 Year Standard Deviation |  |
|---------------|-----------------------------------|---------------------------------|--|--------------------|-------------------------|-------------------------------|---------------------|------------------------|---------------------------|--|
|               | Total Return (%<br>Gross of Fees) | Total Return (%<br>Net of Fees) | MSCI Emerging<br>Markets (Net) Index (%) | No. of<br>Accounts | Market Value<br>(\$, m) | Total Firm Assets<br>(\$, bn) | % of Firm<br>Assets | Internal<br>Dispersion | Composite (%)             | MSCI Emerging<br>Markets (Net) Index (%) |
| YTD Jun-2020  | -9.98                             | -11.30                          | -9.78                                    | 118                | 41.0                    | --                            | --                  | --                     | 17.32                     | 18.26                                    |
| 2019          | 21.61                             | 18.06                           | 18.42                                    | 43                 | 7.1                     | 355.8                         | 0.00                | --                     | 13.21                     | 14.17                                    |
| 2018          | -14.81                            | -17.30                          | -14.57                                   | ≤ 5                | 0.4                     | 304.1                         | 0.00                | --                     | 12.69                     | 14.60                                    |
| 2017          | 35.68                             | 31.73                           | 37.28                                    | ≤ 5                | 0.5                     | 295.2                         | 0.00                | --                     | 13.93                     | 15.35                                    |
| 2016          | 10.92                             | 7.69                            | 11.19                                    | ≤ 5                | 0.4                     | 255.2                         | 0.00                | --                     | 15.54                     | 16.07                                    |
| 2015          | -9.42                             | -12.06                          | -14.92                                   | ≤ 5                | 0.3                     | 240.4                         | 0.00                | --                     | 14.81                     | 14.06                                    |
| 2014          | -1.60                             | -4.47                           | -2.19                                    | ≤ 5                | 0.4                     | 250.0                         | 0.00                | --                     | 14.81                     | 15.00                                    |
| 2013          | 5.97                              | 2.88                            | -2.60                                    | ≤ 5                | 0.4                     | 241.7                         | 0.00                | --                     | --                        | --                                       |
| 2012          | 16.73                             | 13.33                           | 18.22                                    | ≤ 5                | 0.4                     | 205.0                         | 0.00                | --                     | --                        | --                                       |
| 6 Months 2011 | -17.72                            | -18.92                          | -19.13                                   | ≤ 5                | 0.3                     | 193.1                         | 0.00                | --                     | --                        | --                                       |

### 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") Emerging Markets Equity ADR 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 Investment Advisers LLC ("NBIA") in the MAG International ADR 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 NBIA to manage client accounts on a discretionary basis or to provide non-discretionary investment recommendations in the form of a model portfolio. The MAG Strategy seeks to invest in a broadly diversified portfolio of foreign companies that are listed on U.S. exchanges. The Composite was created in January 2013 and performance inception is July 2011. From July 2011 through June 2019, the performance track record includes the performance of the Emerging Markets ADR Institutional Composite. Effective June 1, 2018, the strategy will no longer invest in Global Depository receipts (GDR's). A complete list of Neuberger Berman's composites is available upon request.

### Primary Benchmark Description

The benchmark is the MSCI Emerging Markets (Net) Index (the "Index"). The index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 24 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. Net total return indexes reinvest dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Effective June 2016, the primary benchmark was changed from the MSCI Emerging Markets Index (Gross) to the MSCI Emerging Markets Index (Net) to better reflect the holdings held in the composite.

### 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 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 Emerging Markets Equity ADR 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, companies, sectors or markets identified and described were or will be profitable.

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.

An ADR, or American Depositary Receipt, is a security issued by a U.S. bank representing a specific number of shares of a foreign stock traded on a U.S. stock exchange and held in trust by that bank. ADRs allow U.S. investors to buy shares in foreign-based companies in U.S. dollars from domestic stock exchanges.

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. 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.

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.

Dividend Yield: 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.

Return on equity (ROE): It is a percent yield that indicates a company's profitability accruing to equity holders. ROE reveals how much profit a company generates with the money shareholders have invested. Return on equity is determined by dividing net income by total common equity.

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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