



Celebrating Neuberger Berman

AT 80 YEARS

NEUBERGER	BERMAN
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About Neuberger Berman

Founded in 1939, Neuberger Berman is a private, 100% independent, employee-owned investment manager. From offices in 35 cities worldwide, the firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity and hedge funds—on behalf of institutions, advisors and individual investors globally. With more than 600 investment professionals and over 2,100 employees in total, Neuberger Berman has built a diverse team of individuals united in their commitment to delivering compelling investment results for our clients over the long term. That commitment includes active consideration of environmental, social and governance factors. Our culture has afforded us enviable retention rates among our senior investment staff and has earned us a citation from *Pensions & Investments* as a Best Place to Work in Money Management for six consecutive years.

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3,052

Engagement meetings with corporate management teams across equities and credit in 2018

1,518

Research meetings with company management teams at our offices in 2018

\$339 billion[§]

Assets Under Management



23
Countries

35
Cities

60% Assets managed with consistent and demonstrable ESG integration



25⁺
YEARS

Lead portfolio managers' average industry experience

96%

Annualized retention rate of senior investment professionals at MD and SVP level since becoming an independent company in 2009

A+
Awarded Top Score

In the most recent U.N.-backed Principles for Responsible Investment (PRI) assessment report for its overarching approach to ESG strategy and governance and integration across asset classes*

All information is as of September 30, 2019 unless otherwise noted. See disclosures at the end of this publication, which are an important part of this article.

[§]Please refer to page 72 for associated disclosure.

*Please refer to page 72 for associated disclosure.

Our Investment Platform

FIRM ASSETS UNDER MANAGEMENT \$339bn ¹			
	EQUITY	FIXED INCOME	ALTERNATIVES
AUM	\$101bn	\$154bn	\$93bn <small>AUM and Committed Capital</small>
INVESTMENT PROFESSIONALS	223	173	175
FUNDAMENTAL	Global, EAFE U.S. Value, Core, Growth Emerging Markets, China Global Thematic, Disruptive Themes Sustainable Equity Income Strategies: – MLPs – REITs	Global Investment Grade Global Non-Investment Grade Emerging Markets, Regional EM, China Multi-Sector, Opportunistic Municipals Specialty Strategies: – CLO Mezzanine – Currency – Corporate Hybrids	Private Equity: – Primaries – Co-Investments – Secondaries – Specialty Strategies – Minority stakes in alternative firms – Dyal Alternative Credit: – Private Credit – Residential Loans – Special Situations – Specialty Finance Hedge Funds: – Multi-Manager – Equity Long/Short – Event Driven – Co-Investments Insurance-Linked Strategies
QUANTITATIVE	Global U.S. Emerging Markets Custom Beta		Risk Premia Options Global Macro Commodities
Integration of Environmental, Social and Governance Factors			
MULTI-ASSET CLASS SOLUTIONS AND STRATEGIC PARTNERSHIPS			
FUNDAMENTAL	Global Relative and Absolute Return Income Focused Inflation Management	QUANTITATIVE	Risk Parity Global Tactical Asset Allocation

¹As of September 30, 2019. Firm assets under management (AUM) includes \$101.3 billion in Equity assets, \$154.2 billion in Fixed Income assets and \$83.4 billion in Alternatives assets. Alternatives "AUM and Committed Capital" includes assets under management for non-Private Equity businesses and Committed Capital since inception for the Private Equity businesses. Committed Capital since inception reflects all contractual commitments, including those still in documentation, to fund investments, including those which have since been realized, advised by NB Alternatives Advisers LLC and its affiliates or predecessors (the oldest mandate of which was founded in 1981).



GEORGE H. WALKER, Chairman and Chief Executive Officer

A Message From Our CEO

This year marks the **80th anniversary** of the founding of Neuberger Berman in 1939. It also marks **10 years** since we re-emerged as an employee-owned firm after periods of public (1999 – 2003) and parent-company ownership (2003 – 2009). We have gone on to build a unique investment platform, serving a truly global client base and entrusted with \$339 billion of their irreplaceable assets.



In a narrow sense, this has been another solid year for the firm given our investment performance across asset classes. Since inception, 90% of the firm's institutional-oriented equity strategies have outperformed their benchmarks, as have 95% of its institutional-oriented fixed income and 80% of its private equity strategies.¹ In a year where the aggregate assets of passive investing overtake active—a trend we expect to continue—we are reminded that outperformance is fundamental to our mission and will determine our success.

Clients entrusted us with an additional \$18 billion of their assets, representing 6% organic growth, at a time when many competitors suffered client outflows. As a result, our revenues reached a new

milestone of \$1.68 billion. So while the press is filled with stories of firms retrenching and cost-driven acquisition strategies, we've been able to stay focused on delivering for clients and reinvesting in our business. In fact we anticipate hiring as many people in 2019 as in any other year in our firm's history—we will continue to invest in the franchise and in improvement.

While it's business as usual in many ways, therefore, anniversaries such as these inevitably make us think more deeply about the kind of business we are and the kind of business we want to be. As we reflected upon our firm's enduring values, we, for the first time, codified them as a set of six Business Principles.

¹Institutional-oriented equity and fixed income assets under management ("AUM") includes the firm's equity and fixed income institutional separate account ("ISA"), registered fund and managed account/wrap ("MAG") offerings, and are based on the overall performance of each individual investment offering against its respective benchmark. High net worth/private asset management ("HNW") AUM is excluded. If HNW AUM were included, the percentage of AUM outperforming the benchmark since inception period would have been 87% for equities and 94% for fixed income. Equity and Fixed Income AUM outperformance results are asset-weighted so individual offerings with the largest amount of assets under management have the largest impact on the results. Please see additional disclosures for important information regarding Private Equity methodology. All performance data for NB Private Equity funds, private equity indices data is as of March 31, 2019. Results are shown gross of fees. Individual offerings may have experienced negative performance during certain periods of time. See Additional Disclosures for additional information regarding the outperformance statistics shown (including 3-, 5- and 10-yr statistics for institutional-oriented equity and fixed income). 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.**



Since 1939, these values have grounded us in service to our clients and our communities. I see all of these principles informing the initiatives and innovations that we have pursued over the past year—from our deepening integration of environmental, social and governance (ESG) investing and our growing data science capabilities, to our expansion in Asia, to our work in improving and maintaining the diversity of our workforce—and with hard work, they can guide us for the next 80 years.

But of course, to people who don't know us as well as we know ourselves, these Business Principles are just words. In this letter, therefore, allow me to share how some of our recent initiatives underpin our Principles and give meaning to those words.

Our clients come first

At Neuberger Berman, this means operating one business: helping clients achieve their unique investment objectives. With no external parent or public shareholders to serve, nor other lines of business to distract us from our core mission, we believe this structurally aligns all of us with the long-term interests of our clients.

It means not pursuing investment strategies for the benefit of the firm, rather investing for—and with—clients. Our balance sheet investments are in or alongside client portfolios. And our employees and their families have invested an additional \$3 billion of their own capital alongside clients.² We are truly in this together.

We have tried to innovate for the benefit of clients. Our firm launched one of the very first "no-load" '40 Act mutual funds back in 1950, and as we have grown our global client base, we have evolved our presence and product mix to match.

The most eye-catching recent example has been the deepening of our investment expertise in Shanghai, where we are pursuing strategies in **local Chinese equities (A shares), fixed income and quantitative strategies**. We have found this to be an alpha-rich environment, one in which we have fewer and less seasoned competitors to generate outperformance.

We have deepened our commitment to the region, receiving one of

²Employee assets include current and former employees and their family members.

Figure 1. Neuberger Berman Global Footprint



Source: Neuberger Berman.

the first licenses in 2017 to create Neuberger Berman Investment Management (Shanghai), a wholly foreign-owned enterprise (WFOE) with the goal of supporting local clients. In 2018 we added the investment advisory license. Oliver Wyman forecasts the Chinese asset management industry will almost double to \$7 trillion in assets by 2023, with foreign-owned entities managing \$700 billion to \$1 trillion.³

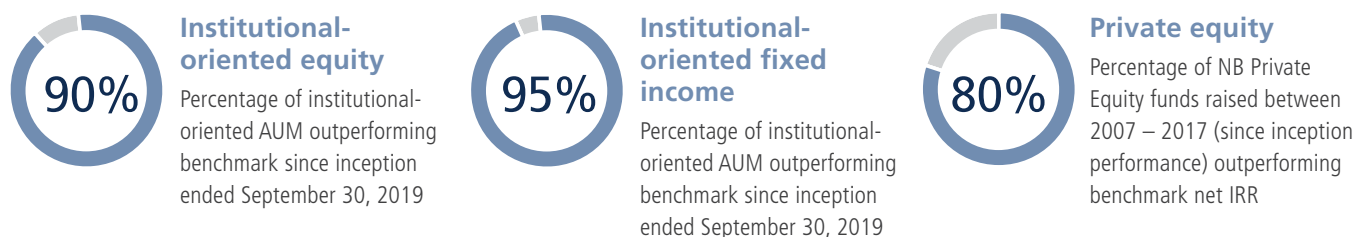
Elsewhere in the Asia-Pacific region, we added fundamental investment research capabilities in Singapore, Tokyo and Taipei. We launched several regional products for Taiwanese clients and specialized fund vehicles for the Australian market. To support our growing European clientele, we now have nearly **50 UCITS—funds regulated by the European Union**—making strategies available from across our investment platform. We’ve also deepened our local investment capabilities at our offices in London, Paris, Milan and The Hague, adding teams devoted to **European Investment Grade Credits** and **European Private Loans**. Our European fixed income professionals now represent a quarter of our global fixed income group.

Putting clients first means recognizing that the best offering is not always a product. More and more of what we do involves advice and partnership. The past year has seen key additions to our **Insurance Solutions Group**, a multidisciplinary effort drawn from across the firm, dedicated to supporting insurance clients in different jurisdictions around the world. **Strategic partnerships** have become an increasingly important part of our business, where we work on solutions side-by-side with institutional investors. For a low-yield world, which we anticipate for a number of years ahead, a big recent focus has been blending and balancing public and private debt portfolios (see *Perspective on Public-Private Debt*, page 42). Similarly, earlier this year we were pleased to welcome Stephanie Luedke to lead our **Private Wealth Management** group, which helps clients think through their options by asset class, tax needs and depth of fiduciary services (see *Perspective on Wealth Management*, page 49).

With offices in 35 cities around the world supporting these efforts, we are a local global asset manager.

³Source: Oliver Wyman Analysis. “Asset Managers & Wholesale Banks – Searching for Growth in an Age of Disruption.” Oliver Wyman, 2019.

Figure 2. Long-Term Outperformance at Neuberger Berman⁴



We are passionate about investing

Neuberger Berman started screening for ESG factors in its first decade. We have been providing private equity solutions for almost 40 years. From the grimmest fundamentals of an individual business to the ebb and flow of trends across global markets, investing is what excites us. We believe that good investors can deliver long-term outperformance, and are confident that our own results can bear this out.

We fundamentally believe that active management provides our clients with a degree of rigor and stewardship unmatched by passive options. I am happy to say that other investors appear to share our view. The Natixis 2018 Global Survey of Institutional Investors shows that equity investors expect to maintain their allocation to active strategies over the next three years, while 79% of institutions say the current market environment is favorable for active management.⁵ This is in sharp contrast to 2015 when they expected a more significant increase in passive allocation than actually materialized.

Nonetheless, we remain alert to the industry challenge posed by passive investment, and have enhanced our efforts in areas where active management and fundamental research are most positively impactful. These include ESG investing, active engagement with invested companies and proprietary data analytics.

We have been expanding our ESG resources rapidly since Head of ESG Investing Jonathan Bailey joined us two years ago. He and his team have introduced ESG factors to proprietary investment ratings and data analysis, touching all of our research analysts and portfolio managers. The firm is now quantifying the potential **value-at-risk from climate change** for all the public equity and corporate-issuer fixed income holdings in the firm's U.S. mutual funds and UCITS. We have also developed innovative **impact-investing strategies in private equity and municipal credits**.

As of year-end 2018, the firm managed 60% of assets with consistent and demonstrable ESG integration, and our ESG efforts have been recognized by Principles of Responsible Investing (PRI) with an A+ score⁶ and by the Tokyo Metropolitan Government with its inaugural Tokyo Financial Award in ESG Investing⁷ (see *Perspective on ESG*, page 33, and full PRI summary scorecard, page 66).

Engagement with corporate management teams and boards and with debt issuers has long been a hallmark of our investment approach. We have always partnered with the companies in which we invest to advocate for shareholder interests, and in 2018, the firm hosted more than 3,000 engagement meetings with corporate management teams. We often find that these teams appreciate our analysts' industry-specific expertise, our preference for longer holding periods and our ability to nurture lasting relationships with stakeholders.

When necessary—and more so in recent years—we have taken more assertive positions. In a recent case, portfolio manager Charles Kantor led a determined but deeply collaborative drive for governance reform at the highest levels within specialty chemicals manufacturer Ashland, helping to defuse a potentially damaging proxy battle with an activist hedge fund (see *Perspective on Engaged Ownership*, page 25).

The past two years have also seen our Chief Data Scientist, Michael Recce, establish an engine for new research and analytical ideas by applying **data science and machine learning** to the huge amount of information churned out in today's digital economy. The data team is now closely integrated with our fundamental sector analysts and portfolio managers, and the benefits flow both ways: "Big Data" can offer a more granular insight into what's happening within companies and industries, while genuine understanding of industry context enhances the utility of the data (see *Sidebar on Big Data*, page 23). These capabilities are just one of many innovations that we embrace in order to enhance our decades-old, core skill of fundamental investing.

⁴See AUM outperformance disclosures in footnote 1. 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.**

⁵Source: Natixis 2018 Global Survey of Institutional Investors.

⁶Please refer to page 72 for associated disclosure.

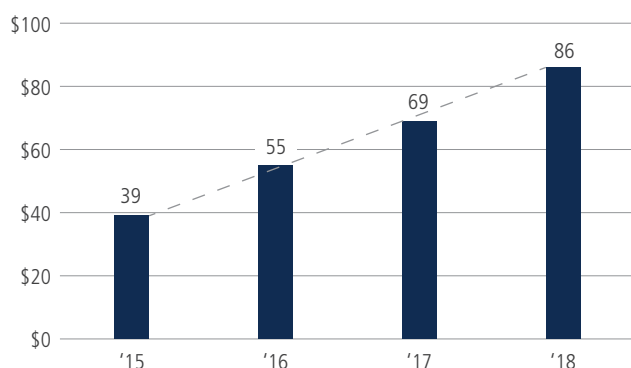
⁷Please refer to page 72 for disclosure related to awards and ratings.

We continuously improve and innovate

Since the 2000s, and particularly during our decade of independence since 2009, we have substantially enriched our offerings in private markets and alternative asset classes and strategies.

Figure 3. Neuberger Berman Alternative Assets have more than doubled in the last three years

AUM and Committed Capital (U.S. Dollars in Billions)



Source: Neuberger Berman.

Based on year-end data: 2018 \$86 billion, 2017 \$69 billion, 2016 \$55 billion, 2015 \$39 billion, End of 2008 \$16 billion, 3-year growth 121%, 3-year CAGR 30%. Alternatives "AUM and Committed Capital" includes assets under management for non-Private Equity businesses and Committed Capital since inception for the Private Equity businesses. Committed Capital since inception reflects all contractual commitments, including those still in documentation, to fund investments, including those which have since been realized, advised by NB Alternatives Advisers LLC and its affiliates or predecessors (the oldest mandate of which was founded in 1981).

Alongside genuine fundamental insight, access to a wide range of solutions that can enhance portfolio diversification is one of the aspects an asset manager can offer for its clients, and its value today is arguably higher than ever. As we enter the later stages of the

current cycle, the impact of the financial crisis and the response to it by governments and central banks has left us in an unusually low-yielding world. As a result, the old solution of creating a balanced portfolio of equities and bonds may become inefficient. Innovative solutions for broader diversification are key.

Neuberger Berman has been a pioneer in thematic investing since the early 1990s, and 2018 has seen us roll out a new generation of **global thematic investment strategies** to meet demand from our clients in Asia and Europe. Managed by members of the Neuberger Berman Global Equity Research Department, these address disruptive technologies such as next-generation mobility and 5G connectivity, and have experienced the most significant growth in 2018 among our active equity strategies at the firm (see Sidebar on Thematic Investing, page 20).

We also introduced **Insurance-Linked Strategies (ILS)** to our Alternatives platform last year, with the acquisition of Cartesian Re, re-named Neuberger Berman Re. The reinsurance exposure they deliver has powerful diversification potential as part of a portfolio of traditional financial-market assets.

Other alternative strategies launched in 2018 include private equity impact, marrying positive social and environmental outcomes with return-seeking in the private markets, Asian private equity and specialty finance (NBSF). Headed by Peter Sterling, the latter is a platform that partners with high-quality originators to identify consumer, small business and bridge loan opportunities. Utilizing the latest financial technology and the existing infrastructure in our Alternatives platform, NBSF is creating diversified, short duration, income-producing credit exposures for our clients.

These innovative strategies add to what we think is one of the most impressive private markets platforms in the business (see Sidebar on



Strengthening Our Core

BRANDON ROBINSON, Head of Financial Planning and Analysis
HEATHER P. ZUCKERMAN, Chief of Staff

Whether in terms of new technologies, investment solutions or next-generation services, Neuberger Berman is always looking for the best ways to serve our clients' changing needs and expectations. Our success over 80 years reflects this continuous evolution. Today, powerful data and technology are rapidly accelerating the pace of improvement and innovation. We've grouped these efforts under our Strengthening Our Core initiative, led by Chief of Staff Heather Zuckerman and Head of Financial Planning and Analysis Brandon Robinson.

Zuckerman: Strengthening Our Core starts with a mindset of continuous improvement across our operating, client and investment platforms, and provides new tools to bring this vision to life. In the face of industry and market challenges, our deep-seated culture of teamwork and our embrace of new ideas and technology have enabled us to accomplish a great deal in the 10 years since re-establishing ourselves as an independent partnership. Our structure supports long-term investments in talent and technology. Our inclusive environment encourages innovation and rewards unconventional thinking, whether it produces successful outcomes or learning opportunities.

Robinson: Heightened data transparency and employee empowerment are fueling an ever-greater sense of rigor. Results orientation helps us thoughtfully plan for the financial future of our clients and of our firm. Internal and market data are helping us identify product opportunities that tap unmet needs in the marketplace, such as alternative assets and quantitative strategies. Likewise, the services that surround our investment platform are becoming more streamlined and frictionless for our clients as they better integrate digital delivery and greater customization.

Innovation with Alternatives, page 39). This group is uniquely positioned in its dual roles as an active and diversified fund investor and a co-investor in the private equity ecosystem. Alongside carefully selected partners and intermediaries, the firm is expanding the accessibility of private investments to a wider range of clients, making it possible for them to invest in private company equity and debt, private funds managed by our portfolio managers, the businesses of external private equity fund managers through **Dyal Capital Partners** (our fastest growing operating unit), and even trademarks (Marquee) and royalty streams (Athyrium).

Alignment is essential

We have shared how we seek to align our firm's financial interests with those of our clients and employees. This is essential. It is true in capital allocation and in remuneration. But it doesn't stop there. As a firm, we continually challenge ourselves to raise our own standards.

We also want to be more aligned with and representative of the communities in which we operate. Our pool of new hires over the last 12 months once again improved the representation of women and minorities in our ranks. In 2019, we published our first Climate Policy, which details actions and procedures related to physical and operational risks from climate change. In an effort to demonstrate our progress as a responsible corporate citizen, we will continue to measure and report a variety of relevant metrics associated with our employees, client portfolios, environmental impact and community engagement (see Firm Metrics, pages 14 – 15).

We believe our success as a firm comes from the service we provide for our clients, and we want to reinvest that back into improving our service. In 2018, Neuberger Berman achieved record revenues and invested substantially into the business at a moment when many are downsizing. Financial strength enables us to recruit and retain top talent, expand our global footprint, retain the flexibility to develop businesses and services that anticipate our clients' future needs, and scale our technology infrastructure to improve resiliency to market-specific risks (see Strengthening Our Core, at left).

We invest in our people

We took second place (among organizations with over 1,000 employees) in the **Pensions & Investments Best Places to Work in Money Management** awards in 2018. While we are pushing for first place, we are proud to have finished first or second in each of

the past five years. We put a lot of thought and effort into creating a demanding, but welcoming and rewarding work environment. It's one of the many reasons we can boast a remarkable 95% retention rate for senior investment professionals. It matters. Clients want to know who will be managing their irreplaceable capital in the years ahead.

Investing in our people means recruiting talented and principled individuals, offering educational and advancement opportunities, and creating an environment in which all colleagues are comfortable expressing themselves and presenting new ideas. Our major firm-wide initiative this year has been a training program titled "Making Better Decisions," aimed at identifying and diminishing sources of bias.

We regularly conduct an anonymous Employee Engagement Survey designed to tease out two key factors: employee engagement and employee enablement. Engagement reflects commitment to the firm, while enablement relates to having the right people in the right roles with the right resources. Our overall results from the 2019 survey were strong on an absolute basis and relative to both our peers and to "high-performing" companies across industries. Responses highlighted the firm's broad employee ownership, employee investment options, retirement planning resources and varied wellness programs.

While Neuberger Berman invests in its people, its people return the favor. In 2009 we started the employee ownership journey with 211 owners. In 2019, 49 employees became equity investors in the firm for the first time, bringing our total to 506 Neuberger Berman employees owning equity in the firm.⁸

Our culture is key to our long-term success

We are convinced that varied opinions help us make better investment decisions and strategic choices. We value the diversity of culture, background and experience of our employees and we believe an inclusive environment is one where people will choose to build careers and make lasting contributions. Our clients are making this an increasingly prevalent part of their due diligence.

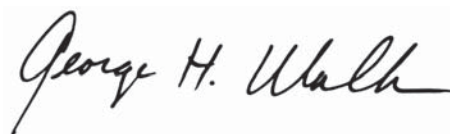
That's why in 2018 we named Andy Johnson as Senior Diversity and Inclusion Leader: to guide our efforts to nurture this kind of environment, following his retirement from having led one of our largest units, Investment Grade Fixed Income (see *Perspective on Diversity and Inclusion*, page 17). In addition, the firm has sponsored and fostered employee-led resource groups and

networking communities, such as The NextGen Network for emerging professionals, the Women's Forum, the Veterans Group and the Pride Network. We also piloted Networking Circles meant to bring together small groups of people from different business and backgrounds to foster advice, mentorship relationships and creative problem-solving. At the management level, several task forces were formed to identify specific recommendations on diversity policy.

Independence, inclusivity, enablement, engagement, alignment with our clients, innovation and a passion for our core mission of investing: These are the bedrock of Neuberger Berman's culture, and we think it is a strong one—strong enough to have endured for 80 years and to do so for many more.

We believe that is one important reason why our clients choose to trust us with their irreplaceable capital. We are grateful for that trust, and we work hard, day in and day out, to maintain it.

Thank you for your partnership.

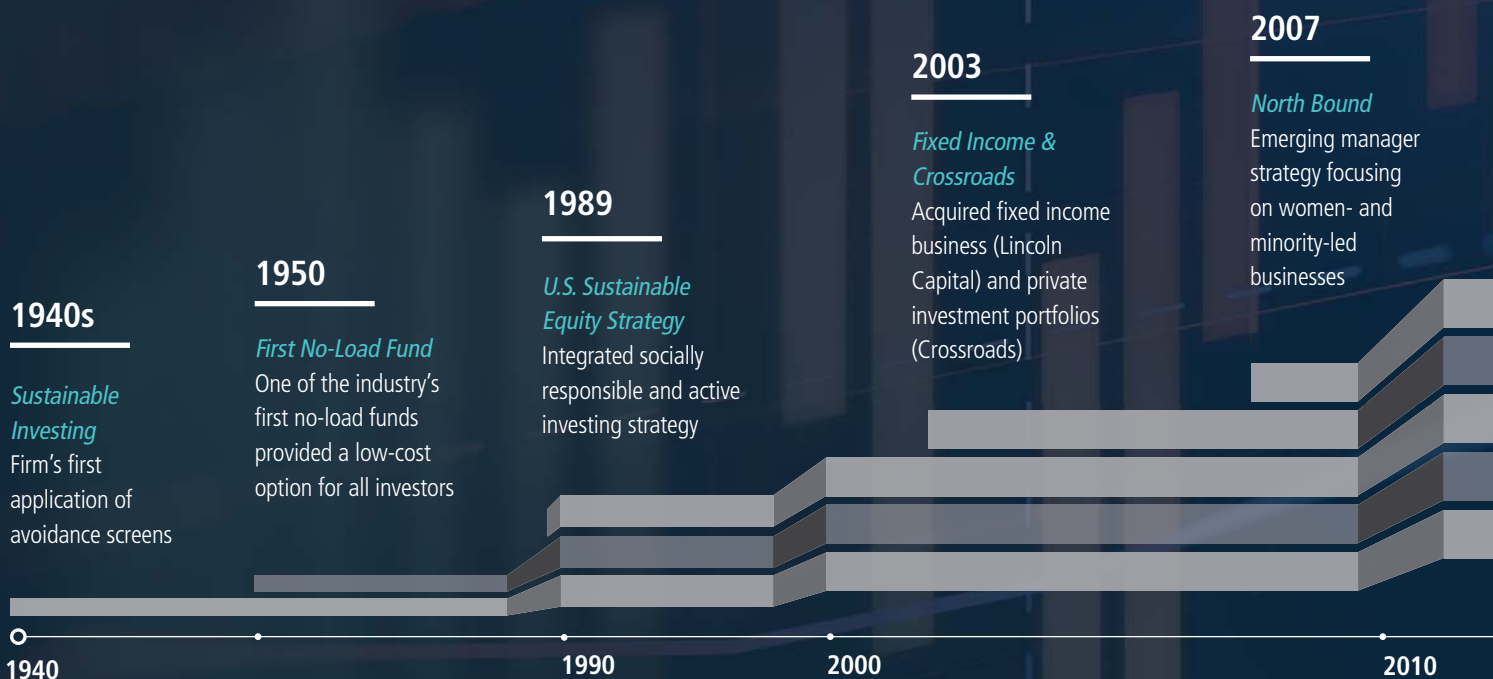


⁸As of September 30, 2019. Employee ownership includes current and former employees, directors, consultants and their permitted transferees.

Leading Investment Evolution

Born of client need. Built from market dynamics.

Our approach to innovation over the last 80 years always starts in the same place: it prioritizes long-term value generation for our clients over short-term commercial gain for us. Innovation is never for innovation's sake. It's about delivering goals for a client's needs; it's based on something that we believe that we can do well; and it's driven out of the opportunity in the marketplace. Engaging closely with our clients allows us insight into what is on the horizon for them. We understand their needs and concerns and it allows us to combine that knowledge with our own view on markets and trends, ultimately fueling innovation at the firm.



2011

Dyal Capital Partners

Innovative product launch focused on minority equity stakes in alternative managers

Liquid Alternatives

Liquid alternatives platform established, including one of the first '40 Act multi-manager funds

2012

Principles for Responsible Investment

Signatory status confirms commitment to ESG Investing

2016

Options Strategy

Investment strategy giving institutions and individuals access to collateralized options

2017 – 2018

Next Gen Mobility

Thematic strategies become accessible to individual investors through product innovation

2018

Structured Credit Capabilities

Strategy aiming to exploit the current dislocation in the market for CLO mezzanine tranches

Municipal Impact

Among first to apply impact investing to municipal strategies

2019

Insurance-Linked Capabilities

Unique solution addressing investor demand for uncorrelated returns

2015

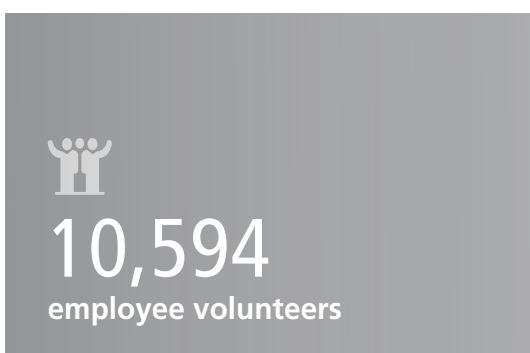
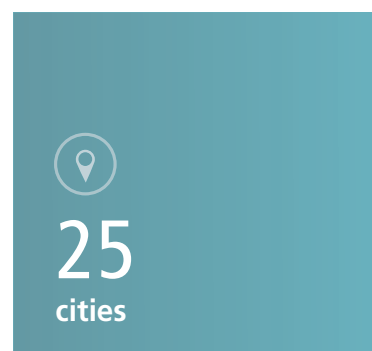
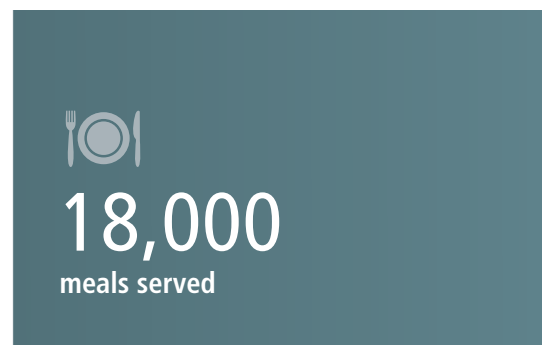
2019

Celebrating Our Community

Celebration with Service is a hallmark of our culture. This annual volunteer event was established to commemorate our re-establishment as a private, independent employee-owned company. It continues to serve as a reminder that we exist as an organization to serve others, and it provides a meaningful opportunity for us to come together and give back to our communities.

2019 marks the 10-year anniversary of this global tradition. The inaugural *Celebration with Service* event in 2010 hosted 27 projects in four cities. In 2019, this has grown to 107 projects across 22 cities with over 1,100 employees participating. Whether it is sorting donated goods, caring for animals and the environment or enriching the education of the next generation, employees find this experience enriching, giving them an opportunity to learn new skills, build leadership experience and form meaningful partnerships with colleagues.

Over the past 10 years:



As of May 2019. Includes volunteer projects and participating employees only as it relates to Celebration With Service.



3,000
adults aided



13,000
children helped



31,000
hours volunteered



Firm Stakeholder Metrics

As stewards of our clients' capital, we advocate for the highest standards of conduct and disclosure from our investment companies. As a firm, we continually challenge ourselves to raise our own standards, as well. We are committed to the communities in which we work and live, and we value the diversity of cultures, backgrounds and experiences of our employees. In an effort to demonstrate our progress as a responsible corporate citizen across all facets of our work and operations, we will continue to measure and begin to report a variety of relevant metrics associated with our employees, client portfolios, environmental impact and community engagement.

Client Portfolio Metrics

Teams with access to environmental, social and governance (ESG) research	100%
Assets managed with consistent and demonstrable ESG integration	60%
Shareholder meetings voted ¹ in 2018 (#/%)	4,894/99%
Total number of engagement meetings with corporate management teams in 2018	
Number of equity engagements held	1,324
Number of credit engagements held	1,728
Percentage of UCITS and mutual funds with 3+ Globes on Morningstar Sustainability Ratings ²	50%
Median stock turnover ratio for equity mutual funds ³	39%
Instances in which our marketing communications were materially noncompliant with applicable regulations or our policies	0

Source: Neuberger Berman.

Data as of December 31, 2018 unless otherwise noted.

¹In limited circumstances we do not submit a vote if trading restrictions or administrative costs outweigh the benefit to the client.

²Excludes funds not rated by Morningstar for sustainability.

³Excludes funds with fewer than five years of history, closed-end funds, fixed income, alternative and specialty funds (12 months through 12/31/2018).

Employee Metrics

Global

Total employees, full-time	2,036
Total employees, part-time	44
Senior investment professional retention rate ⁴	95%
Employees with access to benefits (full-time)	100%
Percentage of firm owned by employees	100%
Employees with firm ownership ⁵ (#/%)	~500/~25%
Portfolio Managers whose compensation is tied to multi-year performance	100%
Employees with access to skills-based training	100%
Employees with access to promotion opportunities	100%
Employees with access to educational assistance	100%
Staff diversity (women %) ⁶	
Total staff	35%
Senior staff ⁷	26%
New hires (% women, three-year average)	39%

U.S.

Total U.S. employees	1,578
Employees with 15% 401K firm contribution (no required match or vesting)	99%
Staff diversity (ethnic minority %) ⁶	
Total staff	29%
Senior staff ⁷	20%
Ethnic minority hiring (% of new hires, three-year average)	35%

Source: Neuberger Berman.

Data as of December 31, 2018 unless otherwise noted.

⁴SVP and MD level.

⁵Our equity ownership program is voluntary and all employees at the SVP level and higher are eligible to participate and acquire equity at their discretion. Currently, women and minority representation among U.S. equity owners is generally consistent with women and minority representation among employees eligible to purchase equity.

⁶Employees are not legally required to self-identify their race/ethnicity or gender and race/ethnicity data is not tracked in the U.S. Accordingly, the information contained in this chart is provided only as an overview of the estimated race/ethnicity and gender makeup of our current employees.

⁷VP level and above.

Environmental Metrics

Global

Employees using public transportation	88%
GHG emissions from business travel (metric tons CO ₂)	5,500
GHG emissions offset from estimated global travel	100%

NY Headquarters

Square footage as percentage of total global office space	64%
LEED certification ¹	Silver
Total energy used (gigajoules)	40,430
Electricity used (gigajoules)	13,440
Steam used (gigajoules)	26,991
GHG emissions from energy used (metric tons CO ₂)	431
Total water used (million gallons)	8.6
Waste recycled (diversion rate)	47%

¹LEED (Leadership in Energy and Environmental Design) is an internationally recognized green building certification system, providing third-party verification that a building or community was designed and built using strategies aimed at improving performance across all the metrics that matter most: energy savings, water efficiency, CO₂ emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts.

Community Metrics

Corporate charitable giving (foundation, gift matching, disaster relief)	\$2,553,479
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Firm-Sponsored Volunteerism

Employee volunteer hours	5,738
Employee volunteer participation (#) (not unique)	1,861
Unique volunteer participation	64%
Firm and regional headquarter locations participating in volunteerism	100%
Number of projects	166

Beneficiaries

Organizations reached through giving	752
Organizations reached through volunteerism	111
Number of children/youth/students impacted through giving and volunteerism	496,557
Number of employees sitting on charitable boards	407
U.S. Minority- and Women-Owned Business Enterprise (MWBE) suppliers	5%

Source: Neuberger Berman. Data as of December 31, 2018 unless otherwise noted.

Please Note: Employees are not legally required to self-identify their race/ethnicity or gender and race/ethnicity data is not tracked in the U.S. Accordingly, the information contained in this chart is provided only as an overview of the estimated race/ethnicity and gender makeup of our current employees.

Progress in a decade as an independent employee-owned firm.

		At Spin-off (2009)	Today (Q3 2019)
Investment Platform Larger and more diverse	Client AUM	\$158B	\$339B
	Consultant Endorsements ¹	<50	160+
	No. of Inv. Teams w/ \$1B+ in AUM	24	37
Client Platform Wider reach	No. of Coverage Professionals	~130	~215
	No. of Countries w/ Offices	8	23
	% of Non-U.S. Client AUM	18%	34%
Employee Ownership	Employee Ownership (% of NBG)	51%	100%
	No. of Employee Owners	220	506

Source: Neuberger Berman.

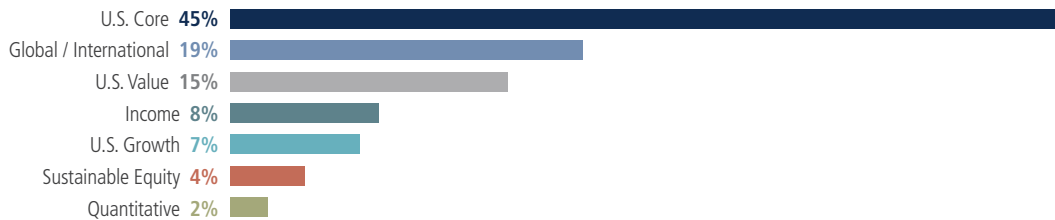
¹Reflects total number of endorsements by top consultants; strategies may be counted more than once.

Assets Under Management

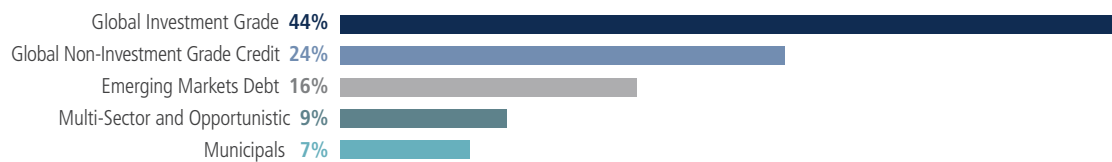
\$339 Billion¹

As of September 30, 2019

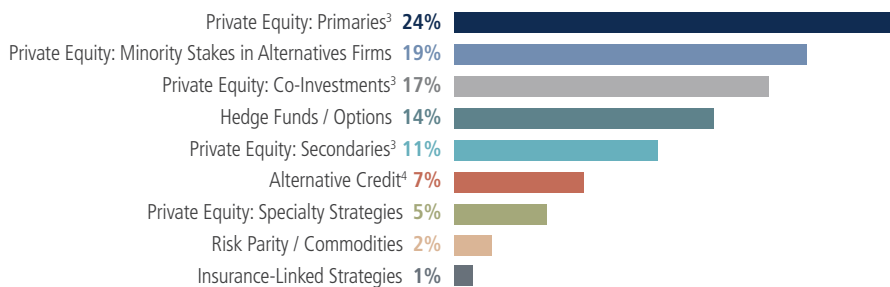
Equity \$101bn



Fixed Income \$154bn



Alternatives \$93bn²



AUM By Investor Type

68% Pension Funds, Sovereign Wealth Funds and Other Institutions
18% Financial Institutions, RIAs and Advisors
14% Private Client



AUM By Client Domicile

66% Americas
14% EMEA
20% Asia Pacific

¹Firm assets under management (AUM) includes \$101.3 billion in Equity assets, \$154.2 billion in Fixed Income assets and \$83.4 billion in Alternatives assets.

²Alternatives "AUM and Committed Capital" includes assets under management for non-Private Equity businesses and Committed Capital since inception for the Private Equity businesses. Committed Capital since inception reflects all contractual commitments, including those still in documentation, to fund investments, including those which have since been realized, advised by NB Alternatives Advisers LLC and its affiliates or predecessors (the oldest mandate of which was founded in 1981).

³Includes estimated allocations of dry powder for diversified portfolios consisting of primaries, secondaries and co-investments. Therefore, amounts may vary depending on how mandates are invested over time.

⁴Includes commitments from public investment company registered under the laws of Guernsey.



Perspective

Diversity and Inclusion

ANDREW A. JOHNSON, Senior Diversity & Inclusion Leader | **ANN MARIE FOSS**, Portfolio Manager, The Fraenkel Group

Fostering a diverse and inclusive workplace at Neuberger Berman is one of our core objectives in the years ahead. While we are proud of our strong legacy in this area, we have much yet to accomplish. As part of these efforts, Andy Johnson, our former Head of Investment Grade Fixed Income, was recently named Senior Diversity & Inclusion Leader. Here, he talks with portfolio manager Ann Marie Foss who co-chairs the Gender Diversity Task Force, about the opportunities and challenges in building a work environment that inspires inclusion, and thereby, innovation.

Foss: You provide leadership across all four key Diversity and Inclusion (D&I) pillars: Sourcing & Hiring, Development & Retention, Accountability & Governance, and Culture & Mindset. How do we begin to make a difference?

Johnson: From my perspective, the logical place to start is to laser-focus on increasing our overall level of diversity and creating an environment that allows for the maximum likelihood of success for everyone. My hope is for Neuberger Berman to be viewed as an employer of choice for people of all backgrounds because we provide an environment where people can be themselves. With a diversity of voices, we can make better decisions about how we invest, how we engage clients and how we run our business.

Foss: Having the full commitment of our CEO and senior leadership team is instrumental to achieving ongoing and positive change. For example, we've embarked on a firm-wide training program about identifying

unconscious bias and removing bias from decision-making, whether that's in hiring, promotion or investment judgment.

Johnson: Our employee surveys also help us understand whether our team members feel valued and comfortable expressing themselves. We aren't just "adding" people of diverse backgrounds into the standard workplace, we aspire to create a dynamic and inclusive work environment. When people feel included, they're more engaged and better able to focus on delivering solutions for our clients.

Our concept of "equity" is about meeting people where they are, and then providing them with what they need to succeed. It means allowing each employee to build on his or her unique background and strengths with mentorship, training and community. I'm a firm believer that the notions of equity and meritocracy go hand-in-hand. Equity is how we ultimately achieve that powerful mix of different perspectives, ways of thinking and approaches to problem-solving.

Foss: The next frontier is what we can do structurally and organizationally to fuel more diversity. Our strong underlying culture is instrumental to achieving this vision.

Johnson: Culturally, we are long-term thinkers, authentic in how we conduct ourselves and manage our business, and committed to accountability. Opportunities to realize this vision are boundless because we truly care about our clients and our employees.





JOSEPH V. AMATO, President and Chief Investment Officer—Equities

Active and Engaged

Throughout our 80-year history, we at Neuberger Berman have always prided ourselves on diligent management of our clients' assets. We engage deeply in trying to understand the fundamentals of the industries and companies in which we invest. This involves a thorough assessment of the risks and opportunities of every company in our clients' portfolios. This is how active investment management has historically been defined.

The investment cycle of the past decade has, however, been uniquely different from what we've seen in the past. As a result, we continue to evolve our approach to ensure we are bringing to bear the most effective investment and analytical techniques in our dedicated efforts to deliver positive investment outcomes. This has involved increasing the intensity of our company engagement and expanding the quantitative analytical tools available to our portfolio managers and research analysts.

We continue to evolve our level of engagement, taking our responsibility as an owner to an even deeper, more active level. This enables us to effect positive change designed to enhance investment performance for the ultimate benefit of our clients. Elsewhere in this report, Charles Kantor and Benjamin Nahum describe the results of this approach (see *Perspective on Engagement*, page 25).

To ensure that our investment teams have access to the best information and insight available, we have expanded our commitment

to environmental, social and governance (ESG) factors and Big Data analytics. In 2018 we completed the development of proprietary ESG ratings for all stocks covered by our equity research department. Since we believe that material ESG factors can enhance performance and help manage risk, this should give us added insight in our investment processes.

Our Big Data efforts are also increasingly differentiating our research and providing an insight advantage. Our data science team, in partnership with our PMs and analysts, combines diverse sources of external data with proprietary research to draw unique and actionable conclusions. Given the proliferation of information sources that now exist, it is critical for our teams to have the resources needed to process and analyze these important data sets.

We believe our unique approach to active management that embraces engagement, creativity and quantitative innovation sets us apart from our peers. We act as owners and establish ongoing dialogues with all of our investment companies with the aim of having a positive influence on their strategies. These conversations consistently extend to ESG themes, which are growing in financial materiality and impact. In a world where active equity management has come under pressure, we feel the evolution of our approach will lead to enhanced returns and significant differentiation from our competitors.



Thematic Research and Investing

YAN TAW (YT) BOON, Director of Research (Asia),
Co-Portfolio Manager, Research Thematic Portfolios

MICHAEL BARR, Senior Research Analyst, Global Equity Research

Thematic investing involves making investments aligned with the key mega trends, which are shaping the future of global society. Research analysts collaborate across sectors to identify both principal and indirect beneficiaries. Director of Research (Asia) YT Boon and Senior Research Analyst Michael Barr provide examples of their approaches to next-generation mobility and 5G connectivity.

Barr: We look for themes that address large markets with a multiyear runway and an accelerating pace of change. Next Generation Mobility tackles the potential of vehicles that are autonomous, electric and connected to disrupt the multitrillion-dollar transportation industry to the magnitude of the first internal combustion engine or air travel. Impacts span not only the near-term evolution of how people move themselves, transport goods and consume natural resources, but longer-term to the development of urban infrastructure and where people choose to live and work. We agree with General Motors CEO Mary Barra, who said, "The auto industry will change more in the next five to 10 years than it has in the last 50."

Boon: We live in a world of smartphones connecting about six billion people today. In the near future, connectivity is expanding to an Internet of Things (IoT) connecting 10, 20, even 30 billion objects such as sensors in autonomous vehicles and home appliances. The arrival of 5G can provide a more robust, higher speed network to enhance connectivity to more objects around the world. In our thematic 5G investments, Neuberger Berman looks holistically for opportunities across network infrastructure, IoT devices, network services and innovative applications.

Equity Teams

International Equity

The International Equity team manages a differentiated all-cap portfolio focused on industry-leading companies outside of the U.S. Experienced analysts combine economic and strategic analysis, primary research and valuation analysis to build the portfolio.



Benjamin E. Segal, CFA



Elias Cohen, CFA



Maria Llerena, CFA



David Bunan

Key differentiators:

- Consistent application of Quality at a Reasonable Price (QUaRP) methodology is a key driver of long-term performance through market cycles.
- The portfolio's all-cap approach and flexibility to invest across styles, sectors and countries lends itself to high active share with consistent exposure outside of the benchmark.
- Bottom-up fundamental analysis helps determine industry and business drivers to identify high-quality, undervalued companies.

Emerging Markets Equity

Managing a strategy with a domestic growth bias, the Emerging Markets Equity team utilizes a bottom-up, research-driven investment process to identify high return-on-equity businesses trading at attractive prices.



Conrad A. Saldanha, CFA



Patrick Ru

Key differentiators:

- The use of screens and strategic analysis allows the team to identify businesses with high-return potential that can compound future earnings growth.
- A focus on under-researched local companies has driven an overweight preference for non-benchmark small- and mid-cap companies that tend to be driven by local growth.
- The team integrates material ESG factors as an additional source of insight on company quality.

Global REITs

The Global REITs team seeks current income and long-term capital growth by investing in a diversified portfolio of real estate securities.

Key differentiators:

- Integrated analysis of both real estate and securities includes a macro-informed view.
- A multisite team ensures the incorporation of local perspectives.
- The team utilizes a proprietary valuation model that ranks companies based on multiple factors and provides an objective framework for investment discussions.



Steve Shigekawa



Brian C. Jones, CFA



Anton Kwang, CFA



Gillian Tiltman

Large Cap Value

The Large Cap Value team manages a conviction-based, value portfolio using a fundamental, bottom-up approach focused on identifying undervalued U.S. companies with a catalyst for price appreciation.

Key differentiators:

- Using a proprietary definition of earnings, the team values companies based on “normalized” earnings and is attracted to industries deprived of capital and capacity.
- With a focus on units of risk taken per unit of return expected, the strategy seeks to mitigate downside risk by using Barra tools, benchmark sensitivity, correlation of portfolio holdings and impact of new securities.
- Independent, primary research identifies the nuances of a company that cannot be captured solely by financial characteristics with a heavy emphasis on meetings with company management, customers, suppliers and competitors.



Eli M. Salzmann



David Levine, CFA

Multi-Cap Opportunities: The Nackenson Group

The Multi-Cap Opportunities Strategy is a multi-cap core equity portfolio diversified across market capitalization, sector and style. The team’s long-term track record is predicated on its unique portfolio construction framework that emphasizes stock selection, and a bottom-up strategy that allows fundamental analysis to drive investment decisions.



Richard S. Nackenson

Key differentiators:

The team’s investment process enables sustainable value creation for clients by incorporating several competitive advantages:

- Portfolio construction across three differentiated investment categories—Special Situations, Opportunistic and Classic—provides unique sources of alpha.
- Fundamental analysis focuses on free cash flow and capital structure analysis.
- A multi-cap investment style enables flexibility.
- A disciplined, bottom-up investment process drives a concentrated portfolio with high active share.

Sustainable Equity

Our Sustainable Equity team focuses on fundamental, bottom-up research with ESG integration to invest in high-quality businesses positioned for secularly advantaged growth at attractive valuations. We believe best-in-class companies considering the environmental, social and governance aspects of their business can produce solid long-term returns.



Ingrid S. Dyott

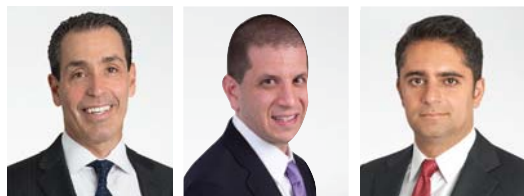


Sajjad S. Ladiwala, CFA

Key differentiators:

- The team has an established 20+ year track record through diverse market environments.
- In-depth proprietary research and analysis are conducted to identify companies demonstrating ESG leadership and balance sheet strength paired with attractive valuation metrics and profitability.
- Commitment to active shareholder engagement and proxy voting is readily apparent.

U.S. Equity: The Kantor Group



Charles C. Kantor

Marc A. Regenbaum

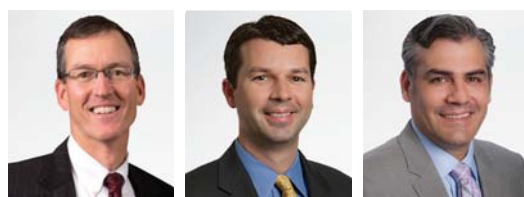
Raman Gambhir

The Kantor Group provides clients with a range of investment strategies that seek capital appreciation aligned with their investment objectives through a disciplined research and investment process. Using a flexible, all-cap approach, we seek to invest in attractive businesses with strong management teams and compelling valuations.

Key differentiators:

- The team employs an economic profit investing approach that encourages a private equity-like mindset and informs our view of the CEO as the firm's chief investment officer, tasked with the essential choices for deploying the firm's precious capital.
- Active engagement with management and corporate boards, focuses on capital allocation, management incentives, corporate governance and financial communication.
- Rigorous fundamental research helps identify companies with high-quality businesses that are reflected by attractive returns on invested capital through a full business cycle.

Small and Mid Cap Growth Equity



Kenneth J. Turek, CFA

Chad A. Bruso, CFA

Trevor Moreno, CFA

The Growth Equity group employs a highly collaborative, research-based investment approach to managing small- and mid-cap equity strategies focused on identifying businesses that are under-owned, under-followed and offer underappreciated catalysts for future growth.

Key differentiators:

- Bottom-up fundamental approach strives to be both active relative to the benchmark and well diversified.
- The team's layered approach to assessing and managing risk includes ongoing due diligence of holdings, application of sell discipline and backward-looking portfolio analysis.
- An experienced and long-tenured portfolio manager leads a dedicated small- and mid-cap research team.

Small Cap



Judith M. Vale, CFA

Robert W. D'Alelio



Gregory Spiegel

Brett Reiner

The Small Cap team manages a portfolio that seeks to invest in high quality businesses with above-average, sustainable growth prospects selling at below-average valuations. We focus on less volatile, less economically sensitive businesses and avoid speculative names that are dependent on economic growth and require healthy capital markets.

Key differentiators:

- The strategy seeks to invest in companies with dominant market shares in niche markets coupled with high barriers to entry.
- A quality focus seeks to mitigate common risks associated with small-cap investing.
- Our process centers on rigorous bottom-up financial and fundamental analysis with a commitment to internal research and extensive, direct contact with company management.

We believe the key to outperformance in the long term is owning companies with superior business models and strong balance sheets, coupled with high returns defended by competitive moats and the ability to grow earnings and free cash flow faster than the market.

Small Cap and Mid Cap Intrinsic Value: The Greene Group

The Small Cap and Mid Cap Intrinsic Value strategies seek to invest in high-quality companies trading at meaningful discounts to the team's intrinsic value estimate where a strategic event can potentially unlock value.



Michael C. Greene



Benjamin H. Nahum



Amit Solomon, PhD



James F. McAree



Stanley Lee

Key differentiators:

- The team applies private equity-style analysis to publicly traded securities by focusing on financially strong, underperforming companies with potential catalysts for value creation.
- The strategy seeks to exploit market opportunities that result from recurring market inefficiencies and common investor mistakes.
- Intrinsic value analysis is focused on cash flow analysis, peer company valuations, and relevant announced deals and transactions.

Master Limited Partnerships: The Rachlin Group



Douglas A. Rachlin



Yves C. Siegel, CFA



Helen Ryoo

The Rachlin Group invests in high-quality companies, including master limited partnerships (MLPs), C-corporations with midstream assets, utilities with midstream or MLP exposure, renewable companies (YieldCos) and special situations. The goal is to provide above-market yield that can grow well in excess of inflation.

Key differentiators:

- Concentrated portfolios consist of high-conviction, industry-leading and financially strong midstream businesses.
- First-hand research is based on one-on-one meetings with company management teams, extensive travel to project sites, consultation with industry experts and third-party research.
- Bottom-up approach assesses each stock's risk-reward potential.



Big Data Insights

MICHAEL RECCE, Chief Data Scientist

TIMOTHY CREEDON, Director of Global Equity Research

We recognize that data-driven analytics fuel investment insights. The global proliferation of digital transactions has left behind a residue that can be harvested to better understand the drivers of consumer and corporate behavior while it adds new dimensions to decision-making. Chief Data Scientist Michael Recce and Director of Global Equity Research Timothy Creedon review some of the data milestones of 2018.

Recce: Two years ago, I joined Neuberger Berman to help develop its data infrastructure and integrate it with our fundamental research capabilities. Since then our team of data scientists has truly expanded and is now providing decision-making tools for our equity and fixed income portfolio managers and our quantitative strategies. High-value data sources include credit card transactions, online activity, job postings, satellite imagery and forensic financial statement analysis. The data team uses machine learning methods to statistically infer the growth trajectory, franchise value and risks associated with our portfolio holdings.

Creedon: In my experience, our most powerful discoveries so far have come from the synergistic and powerful interaction of data analytics with fundamental securities analysis. In this arena, collaboration is key. Having our data science team working alongside our research analysts helps both teams understand context and formulate the right questions to ask in order to extract the maximum value from large data sets, turning Big Data into value-added information. Having started with a focus on the consumer sector, these collaborations have now spread across multiple sectors and we view this as a key competitive advantage looking forward.

Global Equity Research

Driven by a culture of stock-picking accountability and teamwork, our 45-member Global Equity Research team subjects companies to rigorous, disciplined analysis to generate internal stock recommendations with a long-term perspective. In addition to supporting portfolio management teams across Neuberger Berman, we aggregate our analysts' best ideas in a number of core and thematic Research-managed portfolios.



Timothy F. Creedon, CFA

Key differentiators:

- **Depth & Breadth:** Analysts have an average of 19 years of industry expertise and apply wide-ranging disciplines to provide the best equity insight and analyses within their respective industries.
- **ESG Integration:** The team utilizes a proprietary rating system for each company based on extensive research, taking into account our proprietary ESG ratings factors based on material factors selected by analysts in each industry.
- **Data Science Integration:** Data science team works in partnership with analysts to evaluate companies leveraging alternative data sets where applicable
- **Global Thematic Lens:** Global investment team collaborates to drive cross-sector and cross-region thematic insights on individual companies

Timothy Creedon

Managing Director,
Director of Research

Hari Ramanan

Managing Director,
CIO – Research Funds

Michael Recce

Managing Director,
Chief Data Scientist

YT Boon

Managing Director,
Asia Director of Research

Consumer	Energy & Utilities	Financial Services	Health Care	Industrials & Materials	Technology, Media & Telecom	Other
Consumer Staples Jacob Gamerman	Utilities/Infrastructure Ronald Silvestri	Banks/Brokers/Insurance Michelle Giordano Kush Goel Jingjing Xu	Pharma/Biotech/MedTech Terri Towers Eric Boland	Industrials Martin Sankey Evelyn Chow Michael Barr John Hirt	Hardware/Semiconductors Michael DiTillio Daniel Flax	Macro Strategies Raheel Siddiqui
Consumer Discretionary Kevin McCarthy John San Marco	Energy Todd Heltman Jeff Wyll	Cards/Exchanges/Payments Scott Woodcock	Health Care Services Ari Singh	Materials Jared Mann Jim Tyre	Software/IT Services Hari Srinivasan Andre Chan	Special Situations/Thematic Jonathan Shahrabani Grant Parker Nickie Yue Fleura Shiyanova
		Asian Financials/Property Alan Tsang		Asian Industrials Claire Xiao	Telecom/Media John Carr	Data Science Team Kai Cui Roger Freeman Liyi Li Yi Pan
					Internet/Business Services Charles Murphy	Trading/Risk Management David Levine
					Asian Technology, Media & Telecom Fan Liu Kento Sugimoto Soojin Park	Business Manager Irina Babushkina



Perspective

Owners, not Just Holders

CHARLES KANTOR, Senior Portfolio Manager, U.S. Equity and Long Short Equity | **BENJAMIN NAHUM**, Senior Portfolio Manager, Small Cap Intrinsic Value Strategy

Active investment managers with deep knowledge of companies, business practices and industries play a key role in focusing company management teams on issues of critical importance in driving long-term value. Constructive engagement with management teams and boards of directors is a core value-added proposition of Neuberger Berman, enabling us to positively influence corporate behaviors and drive sustainable long-term value for investors, as explained by two of our senior portfolio managers, Charles Kantor and Benjamin Nahum.

Kantor: Constructive engagement is a cornerstone of our investment approach and we believe fundamental to achieving attractive, long-term risk-adjusted returns. We typically focus our efforts on nominating new directors, designing compensation plans, or influencing capital structure and capital allocation. This requires tremendous diligence and deep fundamental research. We encourage companies to structure financial communications in ways most likely to resonate with long-term investors. Ultimately, as owners of our businesses, we believe this constructive engagement not only adds value, it embodies our fiduciary responsibility to our clients.

Nahum: At Neuberger Berman we have a long history of constructive dialogue with the companies we invest in and a unique platform from which we seek to bring about value-enhancing changes in corporate strategy. When companies underperform, they are often reluctant to share more than a minimum level of information with owners, but we

encourage management to share their long-term targets and strategy, and to recruit board members with skills relevant to the issues at hand. In the last couple of years, we've picked up the pace and it has been a busy year for both of us on the activism front. In fact, for the Small Cap Intrinsic Value strategy in 2018, the majority of our top 10 stock performers were the subject of shareholder activism.

Kantor: Ashland Global Holdings is a U.S.-based specialty chemicals company where our teams recently took a public stance announcing our support for management and the board of the company in their proxy battle against an activist investor. Faced with the prospect of a highly distracting proxy battle, the company was receptive to a solution we proposed, including a number of new directors, a sub-committee on capital allocation, changes to management's incentive compensation program, and rotations for board committee chairs. Ultimately, we believe this result—driven by a seven-year relationship and a collaborative effort between Ashland and Neuberger Berman—led to improved governance and is representative of our ownership mentality.

Nahum: Certainly, we both think companies should treat shareholders more like Directors and Directors need to think of themselves as activist owners. Most importantly though, there is no substitute for solid business performance. When you combine strong performance with an owner-oriented set of policies, you have the potential to get superior outcomes for your clients.





BRAD C. TANK, Chief Investment Officer and Global Head of Fixed Income



ASHOK K. BHATIA, CFA, Deputy Chief Investment Officer—Fixed Income

Challenging Markets and a Growing Fixed Income Platform

Looking to the future involves taking an assessment of how we've weathered the past. 2018 posed a series of challenges for fixed income markets. Monetary policy, fiscal policy and politics were all in motion globally with often significant implications for bond markets. Most credit sectors delivered negative returns, and some asset classes, such as emerging markets, saw severe dislocations. There were few places to hide except for short duration and floating-rate investments.

Despite one of the most challenging fixed income environments outside of the financial crisis, our fixed income strategies continued to deliver investment solutions and results for clients. We're pleased to note that a variety of our fixed income offerings and teams received European industry recognition by Morningstar and *Investment Week*, including select vehicles managed by the Emerging Markets Debt team led by Gorky Urquieta and Rob Drijkoningen, and strategies managed by Jon Jonsson. Most importantly, our clients continued to entrust their capital with us across strategies and geographies despite a challenging environment.

We started 2019 with the expectation that U.S. economic growth would slow without triggering a recession and rates of growth across global markets would normalize. Politics and policy continue to fuel volatility, but also present investment opportunities given we are prepared across the platform.

We remain committed to a long-term focus on the growth and development of our Global Fixed Income platform. Our efforts seek to extend investment capabilities to help meet our clients' needs. In 2018 we integrated our Shanghai-based fixed income effort into our broader

platform. We also added a team dedicated to European private market loans, which is helping us deliver investment solutions to our insurance clients. Further investments in our European fixed income capabilities include a new team of senior investment professionals in Paris who joined us in 2018 (see "A Dynamic European Credit Landscape," page 31).

As our CEO George Walker highlighted in his introductory letter, we continue to be driven to deliver investment performance and innovation. For fixed income, one key element is the ongoing incorporation of ESG considerations (see *Perspective* on ESG, page 33). We currently have a standardized, internal and proprietary process related to ESG investing across fixed income, and we are developing more innovative products and solutions in this area. Last year, Jamie Iselin and our municipals team launched a Municipal Impact strategy that targets communities in need. We expect further product and strategy development in this area across our Global Fixed Income platform.

Our commitment to investment innovation and leadership is apparent in two additional areas. First, as our clients increasingly seek holistic solutions, we are channeling our investment resources toward customized solutions to meet specific client needs. Second, as quantitative processes gain importance for fixed income, we are expanding our investments and resources in this area.

The core strength of our Global Fixed Income platform has been, and will remain, a globally integrated platform optimized to deliver investment results and solutions for our clients. We are looking forward to keeping this focus for our clients into the future.

Multi-Sector Solutions



Brad Tank



Ashok K. Bhatia, CFA



Jon Jonsson

Drawing on the full range of the firm's fixed income capabilities and an asset allocation process that emphasizes downside mitigation, the Multi-Sector Solutions team constructs portfolios designed to meet client objectives around income, total return, diversification and capital preservation.

Key differentiators:

- The team's dynamic approach to duration and sector allocations allows them to invest in opportunities across fixed income with no persistent biases or tilts.
- A variety of strategies contributes to efficient income, total return and liability-hedging portfolios by incorporating a broad range of alpha sources.
- Portfolio managers optimize based on common metrics and overlay qualitative judgment to finalize allocation.

Insurance Solutions



Jason Pratt

The Insurance Fixed Income team represents specialized market-facing resources that are part of Neuberger Berman's dedicated Insurance Solutions Group. This framework allows us to leverage the full spectrum of our fixed income investment platform to address the unique circumstances of insurance clients worldwide.

Our broad multisector fixed income capabilities enable us to develop tailored solutions, which in 2018 expanded to include more European opportunities and more tax-efficient and short-duration strategies.

Municipal Fixed Income



James L. Iselin



S. Blake Miller, CFA

Our Municipal Fixed Income team works collaboratively to manage more than \$11 billion in municipal assets. The U.S. municipal bond market plays a critical role in funding important projects and public infrastructure that reach millions of individuals in communities across the country. When managing municipal portfolios, the team focuses on credit quality, liquidity and tax-effective returns. This conservative approach emphasizes in-depth credit and geographical analysis, sector strategies and careful security selection.

Key differentiators:

- The team has extensive industry experience and a longstanding history of working together.
- With a focus on underlying credit quality, the portfolios are comprised principally of issuers with a history of solid revenue streams and healthy debt coverage.
- More emphasis is placed on finding securities with high intrinsic value than on managing aggregate duration.
- Commitment to evaluating ESG considerations, including strategies targeting impact on underserved communities

Municipal Cash Management



Kristian Lind

The Municipal Cash Management team focuses on high-quality, tax-exempt bonds that can provide liquidity while seeking to generate reliable income and mitigate downside risk. A highly customized approach is designed to meet each client's unique needs. In 2018 the impact of U.S. tax reform drove attention to tax-efficient strategies due to high marginal tax rates and limits on state and local tax deductions.

Global Investment Grade Fixed Income



David Brown, CFA



Thanos Bardas, PhD

The Global Investment Grade Fixed Income team manages more than \$71 billion in assets for clients worldwide. The team's investment process is structured to navigate the broad global investment grade universe, leveraging sector expertise from across the Global Fixed Income platform to evaluate investment opportunities.

Key differentiators:

- Across global investment grade fixed income markets, dedicated teams provide specialized coverage of corporate credit, securitized products, currencies, interest rates and inflation.
- Global collaboration allows team members to leverage insights across the credit spectrum.
- Sector-specialty portfolio managers provide forward-looking views for their sectors, which are used as key inputs in the portfolio construction process.
- The team employs a multilayered risk management approach with independent oversight.

European Investment Grade Fixed Income



Patrick Barbe

The European Fixed Income team leverages the resources and insights from the wider Global Fixed Income platform to advance its commitment to develop a comprehensive product range to meet various investor objectives.

In 2018 we enhanced our global investment grade capabilities by welcoming a six-person team based in Paris. With a long history of tailoring portfolios to each client's specific needs, their expertise strengthens our integrated, global fixed income franchise while also expanding our regional footprint in Europe.

Investment Grade Specialists



Anthony Woodside –
Government Bonds
and Inflation-Linked
Securities



Olumide Owolabi –
Government Bonds
and Inflation-Linked
Securities



Thomas A. Sontag –
Securitized Products



Jason Smith –
Securitized Products



Julian H. Marks, CFA –
Corporate Credit



Bob Summers –
Corporate Credit



Ugo Lancioni –
Currency

Neuberger Berman's Global Fixed Income platform includes a broad and deep group of specialists focused on all types of investment grade fixed income securities: from government debt through foreign currencies. In joint publications and periodic credit reviews, the group fosters global collaboration and insights across the credit spectrum.

Global Non-Investment Grade Credit



Thomas P. O'Reilly, CFA Joseph P. Lynch

Driven by our experienced team of over 50 investment professionals managing \$40+ billion in non-investment grade assets, our Global Non-Investment Grade Credit platform employs a disciplined process that seeks downside risk mitigation with upside potential.

Key differentiators:

- Large global research capabilities deliver alpha through security selection.
- Experienced portfolio managers have specialized expertise in high yield credit, bank loans, collateralized loan obligations (CLOs) and distressed debt.
- The team pursues active dialogue with senior management at issuers to gain a more holistic understanding of credit risk and to suggest steps to protect value, when necessary.

European Private Loans



Pieter d'Hoore

The European Private Loan team offers unique access to non-sponsored, pan-European, high-quality and long-dated corporate loans. By partnering with a select group of European co-investing corporate banks, the strategy lends to well-established corporate borrowers with conservative financial ratios that are often not accessible to investors. Each loan benefits from a strong covenant package, a rigorous credit due-diligence process and an external rating.

Non-Investment Grade Specialists

Neuberger Berman's Global Fixed Income platform includes a team of specialists in high-yield debt and loans who monitor markets and securities in the U.S. and globally. A shared disciplined credit process is driven by fundamental research, and a proprietary "Credit Best Practices" framework with a risk management overlay and customized ESG scoring.



Russ Covode –
U.S. High Yield



Joe Lind –
U.S. High Yield



Daniel J. Doyle, CFA –
U.S. High Yield



Christopher J.
Kocinski, CFA –
U.S. High Yield



Vivek Bommi, CFA –
European High Yield



Stephen J. Casey, CFA –
Senior Floating Rate
Loans



Pim M. van Schie –
Collateralized Loan
Obligations

Fixed Income Credit Research

With experienced analysts across investment grade, non-investment grade, emerging markets and municipals, our Fixed Income Credit Research teams are grounded in fundamental research. The use of a customized ESG scoring system leveraging our research team's deep industry expertise is a critical component of the team's fundamental research process that determines internal credit ratings.



Stephen J. Flaherty, CFA –
Investment Grade



Rachel Young –
Non-Investment Grade



Steve Ruh –
Non-Investment Grade



Puay Yeong Goh –
Emerging Markets



Vera Kartseva –
Emerging Markets



Kaan Nazil –
Emerging Markets



James A. Lyman –
Municipals

Residential Real Estate Finance Strategies



Dmitry Gasinsky

The U.S. Residential Real Estate Finance Strategies team focuses on private residential real estate credit. The team's strategies generally center on diversified investments in residential real estate debt exposures and related assets. We emphasize non-agency market segments within both consumer and business-purpose residential mortgage credit.



A Dynamic European Credit Landscape

VIVEK BOMMI, Senior Portfolio Manager, Non-Investment Grade
PATRICK BARBE, Head of European Fixed Income

In 2018 the firm meaningfully enlarged its European fixed income team, reflecting the needs of our clients around the world and anticipating euro-denominated issuance increasingly diversified by issuer, sector and country. Europe- and U.K.-based portfolio managers Patrick Barbe and Vivek Bommi describe the role that European fixed income investments can play in global portfolios.

Bommi: While it may seem easier to simply look away from Europe given all the headlines—Brexit, slowing German GDP growth, French protests—U.S. and non-U.S. investors alike should stay alert to potentially appealing investment opportunities. To properly access this market requires a European fixed income platform with capabilities across all types of fixed income: investment grade, high-yield, loans, rates and sovereigns. An integrated investing approach helps form our opinions and drive our investment decisions.

Barbe: Accommodative monetary policy guidance is supporting prospects across the whole fixed income spectrum, such as euro-enhanced cash products, research-driven bond refinancing investments and euro bonds hedged in other currencies.

Bommi: I would add that rate differentials have the potential to also benefit overall returns. For example, based upon current market conditions, some European credits offer higher yields than similarly rated U.S. dollar credits.

Barbe: In the next few years, non-financial sectors within the Euro Corporate Aggregate Index will grow in absolute terms and as a share of the index. This evolving mix by country and rating could open new investment vistas for European investors and for those taking a global approach to corporate bond investing.

Emerging Markets Debt



Rob J. Drijkoningen



Gorky R. Urquieta

Our global Emerging Markets Debt team offers clients a full range of capabilities, with dedicated specialists focused on hard-currency, local-currency and corporate investment strategies, all of which incorporate global top-down market drivers and bottom-up country, credit, currency and ESG-specific fundamental research.

Key differentiators:

- A multisite team presence in Asia, Europe and the U.S. accesses local in-depth knowledge and research, plus local/regional trading in the three core time zones.
- Asset allocation capabilities across emerging markets debt enable the blending of sub-asset classes, as well as standalone allocations.
- A disciplined investment process seeks to ensure portfolio risks are transparent, intentional and consistent.
- An experienced team of senior portfolio managers has been working together since 2000.

In 2018 we expanded our emerging markets debt capabilities in China. As part of our five-member team in Shanghai, we added two credit analysts with a focus on local currency and onshore Chinese corporate opportunities for China-specific and global strategies.

Emerging Markets Specialists



Jennifer R. Gorgoll, CFA –
Emerging Markets
Corporates



Nish V. Popat –
Emerging Markets
Corporates



Raoul Luttki –
Local Currency – Global



Peter Ru –
Local Currency –
China Onshore



Bart van der Made –
Hard Currency



Prashant Singh –
Asian Fixed Income

Neuberger Berman's Global Fixed Income platform includes a geographically diverse group of emerging markets portfolio managers with local markets expertise that spans industries and continents. The EMD team covers the emerging market universe from four sites around the world, giving them access to local knowledge, research and trading.



Perspective

Environmental, Social and Governance Investing Is Mainstream

JENNIFER SIGNORI, Senior Vice President, ESG and Impact Investing | **JONATHAN BAILEY**, Head of Environmental, Social and Governance (ESG) Investing

Environmental, social and governance (ESG) investing has become mainstream. Whether in equity, fixed income or alternatives, for many of our clients, the impact of their portfolio is an important consideration in conjunction with investment performance. Head of ESG Investing Jonathan Bailey and Senior Vice President Jennifer Signori review the depth and breadth of our ESG initiatives.

Bailey: 2018 was a year of real progress for the firm's ESG efforts. By year-end, over 60% of the firm's assets were managed with consistent and demonstrable ESG integration, doubling since 2016. That has been possible because we have placed responsibility for identifying and assessing financially material ESG factors with our traditional equity and credit analysts. One way this is expressed is through proprietary ESG ratings, which combine analyst judgment and experience with data from a range of specialist sources. For particularly complex topics, like measuring company culture or assessing climate-related risk, we have partnered with our Big Data team to use unstructured and novel data sets. Ratings are then used by portfolio managers to potentially adjust security valuations, construct portfolios and monitor existing holdings. Of course, as an active manager, we also use engagement to encourage companies to address lagging ESG practices. This is just as important for our credit investments as equity. Our credit portfolio managers and analysts independently conducted more than 1,700 company engagements in 2018.

Signori: This focus carries over to our private equity investments. Many general partners view ESG as an important driver of risk mitigation and increasingly also a potential source of opportunity in value-creation plans during their ownership period. As a newly appointed member of the United Nations-supported Principles for Responsible Investment (PRI) Private Equity Advisory Committee, we are using our unique position in the private equity ecosystem to promote ESG integration best practices across the industry. As client expectations evolve, we have also sought to innovate; one important example in 2018 was our decision to create our impact investment strategies that identify companies where there's an inherent potential to generate positive social or environmental outcomes in line with the commercial growth of the businesses.

Bailey: Impact was also an area of innovation for us in 2018 in the U.S. municipal bond market where we launched a Municipal Impact strategy. The strategy seeks traditional investment returns alongside positive social and environmental outcomes by investing in underserved communities. The investment team assesses the use of proceeds for its potential impact using a proprietary framework aligned with the United Nations Sustainable Development Goals. By applying higher ESG standards, we hope to help drive positive outcomes for our clients, people and the planet.





ANTHONY D. TUTRONE, Global Head of Alternatives

Breadth and Innovation

Our vision is to cultivate an alternative investment business that stands apart for its spirit of partnership and its culture of innovation. As we grow and diversify, each alternative strategy aims to reach optimal scale, where we are large enough to participate in attractive investment opportunities and serve as a meaningful investment partner, but also right-sized to act nimbly.

We believe a broadly diversified, strategic and consistent approach to private equity can continue to earn an appropriate premium over the public markets.

In 2018 global private markets reached new highs in assets under management. It was also a record fundraising year for Neuberger Berman Alternatives.

Taking a step back, Dyal Capital Partners set out about seven years ago with the goal to build a franchise where we could deploy investor capital in long-term minority interests in alternative asset managers: first midsize hedge fund managers and now large private equity managers. Dyal has established itself as a leader in the industry and as a preferred partner to some of the leading alternative asset management firms in the world.

At the same time, we are started 2019 with a running start. The acquisition of an Insurance-Linked Strategies (ILS) team illustrates our focus on diversifying our alternative capabilities, particularly with strategies that are less correlated to financial markets. With the mission to provide investors with attractive risk-adjusted returns and resilience

to tail-market scenarios, this team brought with it a sizable business with a compelling performance track record.

Our specialty finance team also grew its staff and capabilities this past year. Led by Peter Sterling, the team is identifying credit investment opportunities within the consumer, small business, and bridge loan segments in order to build short duration, income-producing credit portfolios for investors. The group is partnering with high-quality originators who have strong underwriting and servicing capabilities. As the alternative credit industry matures, such access to attractive investments is essential.

With valuations and leverage in private equity buyout seeming stretched, we believe there will be increased growth in different private asset strategies, such as the economic advantages that come from co-investments, niches such as royalty streams, and private debt managers that can position for the opportunity in stressed leveraged credit markets.

As the firm moves into the future, one of our priorities is to continue to build the Alternatives team with a focus on diversity. Twelve managing directors in the Alternatives group are women. Most of them developed their careers with us over the course of more than a decade. We still have more to do in this area in terms of individual teams and lateral hires. Our commitment to diversity is grounded in what clients want, what makes our business better, and what contributes to a dynamic and welcoming environment.

Private Investment Portfolios



Jonathan D. Shofet Peter J. von Lehe Patricia Miller Zollar Paul D.S. Daggett Elizabeth S. Traxler



Maura Reilly Kennedy James Bowden Kent Chen, CFA Philipp Patschkowski

Our Private Investment Portfolios team builds diversified private market portfolios for institutional and high net worth investors around the world through commingled funds and custom separate accounts. We invest in private equity and private credit funds on a primary and secondary basis, as well as direct co-investments in private equity-backed companies across asset classes, industries and geographies.

Key differentiators:

- Access to, and selection of, attractive funds as a pioneer in private equity fund investing supports a track record dating back to the 1980s.
- Rigorous due diligence reflects a comprehensive top-down and bottom-up analysis of investment opportunities.
- Extensive experience is applied in modeling portfolios for cash flow planning purposes and building initial plans to help investors achieve their investment goals.
- The significant global resources of Neuberger Berman enhance asset allocation, research, operational due diligence (ODD), ESG, legal, finance and operations, risk management, Big Data and technology.¹
- Deep focus on investing in, and alongside, experienced private equity managers that have attractive track records, sound investment judgment, stable teams, appropriate price discipline and a demonstrated ability to drive operational value in the companies they own.

Dyal Capital Partners



Michael D. Rees Sean Ward

Our Dyal team seeks to acquire minority equity stakes in, and provide financing to, established alternative asset managers. Since 2011 the Dyal team has invested in 38 leading hedge fund and private equity firms. These firms operate across a variety of asset classes and sectors, providing Dyal and its investors with a broad exposure to, and perspective on, the alternatives asset management industry.

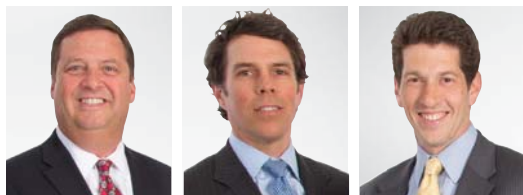
Key differentiators:

- With over a decade of experience transacting with institutional financial firms, our team has completed 41 equity transactions and manages approximately \$19.8 billion² in aggregate capital commitments.
- Central to Dyal is our Business Services Platform (BSP). The BSP is a team that provides strategic support to our underlying partners in various areas, which we broadly divide into two categories: Capital Strategy and Advisory Services.

¹Subject to Neuberger Berman's policies and procedures, including certain information barriers within Neuberger Berman that are designed to prevent the misuse by Neuberger Berman and its personnel of material information regarding issuers of securities that has not been publicly disseminated.

²Includes all Dyal Capital Partners commingled funds and associated co-investment vehicles as of April 30, 2019.

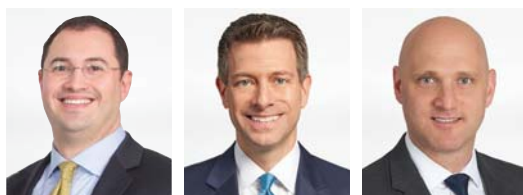
Secondary Investments



Brian G. Talbot

Tristram C. Perkins

Ethan A. Falkove



Benjamin B. Perl

Scott Koenig

Peter D. Bock

Our Secondary Investments team has invested in the secondary private equity markets for over 20 years, focused on acquiring attractive private equity assets from an expanding universe of institutional and individual investors. During that time, we have deployed a consistent investment approach, leveraging established GP relationships to source differentiated investment opportunities and to gain access to proprietary, private company performance information to support our underwriting.

Key differentiators:

- One of the longest tenured investors in the secondary market, we combine deep secondary experience with the sourcing and underwriting resources of Neuberger Berman Private Equity.
- Integration within Neuberger Berman Private Equity puts our secondary funds in a position to serve as a preferred liquidity provider for a broad network of GPs.
- One of the most active investors in the rapidly growing market for structured GP-led secondaries, we partner with blue-chip GPs to provide comprehensive liquidity solutions.

Co-Investments



David S. Stonberg

David H. Morse

Michael S. Kramer



Jacquelyn A. Wang

Joana Rocha Scaff

Our Co-Investment team is focused on selecting the most attractive risk-adjusted investment opportunities with leading private equity firms in their core areas of expertise. The team seeks to build portfolios of direct co-investments diversified by GP, industry, enterprise value, geography and value creation strategy.

Key differentiators:

- Our investment approach is differentiated by the ability to co-underwrite the initial acquisition or to provide capital for strategic purposes such as funding an accretive add-on acquisition to existing portfolio companies of private equity firms ("mid-life" investments).
- Our global, experienced and large team leverages its broad network of Neuberger Berman Private Equity relationships to drive robust deal flow.
- Our due diligence process is distinguished by access to the resources of Neuberger Berman, including industry and company research, ESG and Big Data capabilities.¹

As the private investment universe expands, so too does the need for equity capital for transactions. We are committed to enhancing our co-investment capabilities to provide flexible capital solutions for the benefit of our partner private equity firms and clients.

¹Subject to Neuberger Berman's policies and procedures, including certain information barriers within Neuberger Berman that are designed to prevent the misuse by Neuberger Berman and its personnel of material information regarding issuers of securities that has not been publicly disseminated.

Marquee Brands



Samuel N. Porat

Zachary P. Sigel

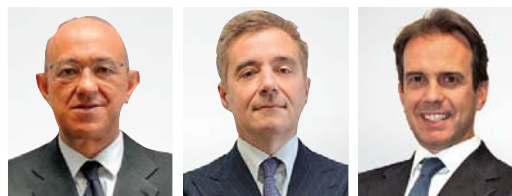
Marquee Brands is a leading global brand owner, marketer and media company.¹ Marquee Brands targets attractive brands with strong consumer awareness and long-term growth potential. Marquee Brands seeks to identify brands in various consumer product segments with the goal of expanding their reach across retail channel, geography and product category through a licensing model while preserving the brand heritage and enhancing the ultimate consumer experience.

Key differentiators:

- An attractive brand portfolio is highly diversified across four consumer segments and over 150 licensees.
- Strong organic revenue growth for the brands spans the past three years.
- Our passionate teams are dedicated to developing and supporting all marketing and design initiatives through years of combined experience across retail markets.
- In-house e-commerce capabilities drive significant growth and enhance the consumer experience across the brands.

Marquee Brands recently announced the acquisition of Martha Stewart and Emeril Lagasse, two preeminent home and food brands. In 2018 Marquee Brands completed the transaction of Dakine, an outdoor clothing company specializing in sportswear and sports equipment. Marquee Brands also continues to grow the team and now has an 80+ person brand servicing platform.

NB Renaissance Partners (NBRP)



Marco Cerrina Feroni

Fabio C. Cane

Stefano Bontempelli

Our NBRP team is focused on generating attractive returns by investing in growth-oriented Italian mid-market companies. NBRP has the largest private equity team dedicated to the Italian market, which has the second largest manufacturing economy in Europe with more than 5,000 medium-sized and export-oriented companies.

Key differentiators:

- The team has strong deal flow and deployment capabilities thanks to its leading market position and deep networks.
- The support of the Neuberger Berman Private Equity platform provides international reach and institutional relationships.
- Investment performance is primarily driven by a strong focus on growth, operational improvements and export-oriented strategies: more than 70% of sales by portfolio companies are generated outside of Italy.

NB Aurora



Patrizia Micucci

Francesco Sogaro

Lorenzo Baraldi

In May 2018, NB Aurora became the first permanent capital vehicle listed on the Italian Stock Exchange (MIV). A team of 10 investment professionals aims to partner to support the growth of small- and mid-sized Italian companies across mostly export-oriented sectors. The strategy combines a flexible approach to minority investments and management-led transactions with a long-term investment horizon, free from short-term exit constraints.

¹Marquee Brands is owned by funds managed by Neuberger Berman.

Private Credit



Susan B. Kasser, CFA

David J. Lyon

Matthew Bird

Baffour Abedi

Our Private Credit platform invests in senior and junior loans, unsecured debt and preferred/hybrid instruments of private equity-backed companies in primary and secondary market transactions. We benefit from Neuberger Berman's over 30-year history of private equity investing and extensive relationships with hundreds of sponsors. In our origination activities, we focus on seasoned middle-market issuers in North America that require debt capital to fund buyouts, add-on acquisitions and recapitalizations. In our opportunistic mandates, we invest primary capital to help misunderstood issuers effect transformative acquisitions or term out onerous capital structures, and deploy secondary capital to purchase the loans and bonds of companies undergoing operational or financial challenges.

Key differentiators:

- Neuberger Berman's position in the private equity ecosystem drives robust, differentiated deal flow in private credit, enabling the deal team to be highly selective in the investment process.
- In the credit underwriting and due diligence process, the Private Credit team is able to leverage the broad resources of Neuberger Berman, including its 170 equity and fixed income analysts.¹

We remain focused on issuer quality in a market where many competitors have lowered underwriting standards. The secondary credit market continues to be challenging despite bouts of volatility in the fourth quarter of 2018. As we scale the Private Credit platform, we aim to deepen existing lending relationships with our responsiveness and creativity.

¹Subject to Neuberger Berman's policies and procedures, including certain information barriers within Neuberger Berman that are designed to prevent the misuse by Neuberger Berman and its personnel of material information regarding issuers of securities that has not been publicly disseminated.



Innovation with Alternatives

MAURA E. REILLY KENNEDY, Private Equity Investing Team
JACQUELYN A. WANG, Private Equity Investing Team

Alternative strategies are grounded in innovation, representing the pursuit of non-traditional, diversifying investments. Within this asset class, we look for ways to improve accessibility and design products to better meet our investors' objectives. Senior Private Equity Investment team members Maura Reilly Kennedy and Jacquelyn Wang describe the drivers of innovation on our Alternatives platform.

Reilly Kennedy: Drawing on our 30+ years of experience in alternative investing, our innovation stems from collaboration across the firm and our private equity platform.

Wang: Deep relationships with global private equity general partners (GPs) allow for innovative investment solutions. As part of our flexible co-investment strategy, we have the ability to help solve the equity capital needs for our GP partners. This can encompass helping fund a new transaction or investing "mid-life" into an existing portfolio company of a GP. Similarly, our secondary team's ability to provide novel liquidity solutions for individual investors and comprehensive fund-level solutions for GPs is an important source of value for our investment partners.

Reilly Kennedy: We continue to broaden our alternatives platform. Recently expanded specialty finance capabilities take advantage of the changing private lending landscape and leverage our direct relationships with hard-to-access platforms. The firm acquired an ILS team which focuses on fundamentally uncorrelated risk-adjusted returns, increasing potential resilience to tail-market scenarios. In our core strategies, we are enhancing flexibility in commingled funds and custom accounts, which can take into account unique tax or regulatory restrictions.

Hedge Fund Solutions



David G. Kupperman, PhD Jeff A. Majit, CFA

Frederick Ingham

Our Hedge Fund Solutions team is experienced in investing on behalf of institutional, high-net-worth and retail investors via registered liquid alternative funds, custom portfolios and commingled products. Driven by disciplined research and portfolio management, the team seeks investment opportunities with an emphasis on absolute returns, low volatility and minimal market sensitivity.

Key differentiators:

- We seek to provide daily liquidity and complete transparency with access to attractive hedge fund managers at significantly reduced fees.
- This deep and stable team is based in New York, California and London.
- Due diligence and decision-making processes are focused and disciplined.

Long Short Equity



Charles C. Kantor

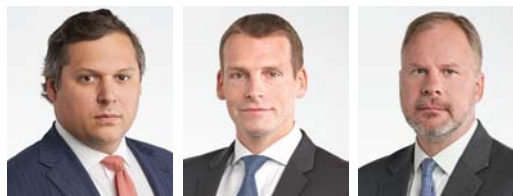
Marc A. Regenbaum

With the ability to take a fundamental view long and short across the capital structure, our Long Short team seeks capital appreciation with a secondary objective of principal preservation.

Key differentiators:

- Flexible, fundamentally driven strategy pursues attractive risk-adjusted opportunities.
- We seek to participate in up markets and mitigate risk in down markets.
- We seek an attractive option to remain invested with reduced exposure to the full volatility in equity markets.
- Disciplined, time-tested investment process that manages portfolio exposures around individual company fundamentals while overlaying our “macro-aware” framework to help navigate short-term market volatility.

Insurance-Linked Strategies



Peter DiFiore

Cedric Drui

Charles Mixon

Our Insurance-Linked Strategies (ILS) team seeks to invest in a diverse portfolio of insurance-linked securities (such as industry loss warranties and catastrophe bonds) that are, by their nature, uncorrelated to the broader financial markets. These instruments provide protection to buyers with coverage for, and regulatory capital relief around, certain low-probability, large-scale natural catastrophe events.

Key differentiators:

- Uncorrelated return strategy captures natural event risk premia through a diversified portfolio of privately structured insurance-linked investments.
- Risk-optimized portfolios are built through active management to account for changes in short-term environmental risk factors.
- Our specialized team has deep backgrounds in climate science, catastrophe modeling, reinsurance underwriting and computer science, coupled with an attractive 10-year track record.

The disruptive effects of historic natural event losses in 2017 and 2018 created many opportunities in the catastrophe risk markets. Demand for risk transfer increased while competitive capacity was limited by accumulated losses, creating upward support on pricing. Innovative catastrophe risk transfer solutions continue to increase both market depth and capital efficiency for investors leading to increased potential for these strategies. The team was acquired by Neuberger Berman in late 2018 and manages over \$1 billion.¹

¹ As of May 1, 2019.

Specialty Finance



Peter Sterling

Zhenguan Lu

The Specialty Finance team seeks to invest in short duration high yield investments with steady cash flows through consumer and small business loans. Investments typically include 10,000+ diversified holdings, including whole loan purchases and secured warehouse lending. Keeping risk management at the forefront of the investment process, the team aims to create a defensive portfolio to withstand severe recessions with limited principal impairment.

Key differentiators:

- Access to private deals with potential significant alpha vs. comparable public market assets is supported by the experienced team's vast industry network, with boots on the ground in both San Francisco and New York.
- Short duration profile with self-amortizing underlying assets typically does not need to be refinanced.
- Strong complement to longer duration alternative credit strategies may be particularly useful in the late cycle.

In 2018 we hired Peter Sterling to serve as the Head of Specialty Finance and have continued to grow to a team of over 15, including multiple senior executives focusing on deal sourcing and credit analytics. We are constructive on the macro backdrop for the strategy and have a high degree of conviction in our ability to substantially ramp up the strategy over the short term while ensuring we invest only in opportunities where we have a strong alignment of interest with the originators.

Principal Strategies Group



Joseph A. Rotter III

Judd M. Arnold

Sean M. Badcock



Gabriel J. Cahill, CFA

Erik F. Ostrowski, CFA

The Principal Strategies Group employs an equity market-neutral, style factor-minimized approach to event-driven investing. The team seeks to generate positive absolute returns with minimal correlation to broader equity market indexes. The Event-Driven strategy incorporates two distinct sub-strategies: risk arbitrage and market-neutral catalyst. Performance in the risk arbitrage sub-strategy led us to recently launch a dedicated Risk Arbitrage-only strategy with a large anchor investor.

Key differentiators:

- The team focuses on making investments that are uncorrelated to the market.
- We seek a low annualized volatility.
- A Multi-Strategy Event mandate is available.
- Our risk model and hedging construct position our strategies to have a long-term competitive advantage to exploit potential market dislocation.



Perspective

Harnessing Opportunities Across Public and Private Debt

SUSAN B. KASSER, Co-Head of Private Credit | **ASHOK K. BHATIA**, Deputy Chief Investment Officer—Fixed Income

The growing size, depth and breadth of private markets is opening up options for investors, as private credit plays a more important role in financing corporate growth and our investors begin to view their public and private exposure more holistically. Susan Kasser, Co-Head of Private Credit, and Ashok Bhatia, Deputy Chief Investment Officer for Fixed Income, discuss how they balance the risks and rewards of public and private debt in client portfolios.

Bhatia: What happened to the clear-cut distinctions between public and private debt we used to know?

Kasser: Public markets have become less liquid, while private markets have become larger, more mainstream and more diverse. A big part of this evolution stems from changes since 2008 to bank lending practices and regulation. In public markets, liquidity may not be there when you need it most. In private markets, investors with locked-up capital may provide liquidity when it is most scarce and valuable.

What benefits have you found introducing private credit to public fixed income portfolios?

Bhatia: Private credit presents an expanding, differentiated source of potential return and diversification to complement public debt holdings. We've found that adding private debt issues into fixed income portfolios can enhance returns and reduce volatility in some cases. For many investors, a single portfolio that combines exposures across both public and private debt markets may help maximize the potential of each.

Given information asymmetries and barriers to entry, private markets may offer more attractive opportunities to capture certain risk premia relative to what is available in the public markets. An accurate assessment of default- and severity-adjusted spreads can enable investors in combined portfolios to potentially take advantage of higher risk-adjusted returns in private markets, but this requires teams with public and private market expertise.

Kasser: Absolutely. Being able to draw on expertise in public and private debt markets under the same roof at Neuberger Berman allows us to build the right solutions for our investors.¹ While a combined public/private debt portfolio may be suitable for a range of investor objectives, effective management of such a strategy requires an investment manager whose processes, platforms and experience are equally robust in both markets.

Our public credit teams bring deep experience and historical data to the selection of public securities, while the private credit group builds on its longstanding relationships as investors in over 500 private equity funds to source hard-to-access investment opportunities and to deploy information about the historical performance of a universe of over 20,000 private companies.

Bhatia: I agree that collaborations like ours are key to navigating the changing shape of the market. As private markets represent a greater proportion of economic activity, investors may capture a more full return potential by participating in both public and private markets.

¹Subject to Neuberger Berman's policies and procedures, including certain information barriers within Neuberger Berman that are designed to prevent the misuse by Neuberger Berman and its personnel of material information regarding issuers of securities that has not been publicly disseminated.





ERIK L. KNUTZEN, CFA, CAIA, Chief Investment Officer—
Multi-Asset Class Investments



J. DOUGLAS KRAMER, Co-Head of Quantitative and Multi-Asset Class Investments

Flexible Solutions for a Complex Environment

In 2019, we believe we are in the late stage of an exceptionally long business cycle. While we do not believe that the end of the cycle is imminent, at least in the current year, we acknowledge that the late stage of the cycle—characterized by moderating growth, increasing valuations and uncertainty on interest rates and inflation, along with rising volatility and correlation—can be the most complex environment for investors. The quantitative and multi-asset class (QMAC) group seeks to help our clients address the unique challenges of the current investment landscape.

The QMAC team brings deep experience and international perspective of more than 40 investment professionals stationed across the globe. Of the assets we manage, 40% are in multi-asset class portfolios and strategic partnerships, while 60% are in quantitative strategies—across all we foster an investment culture that balances innovative research with real-world experience.

The Multi-Asset Class team customizes a variety of risk-managed strategies: benchmark-driven, absolute return, income-focused and liability-aware. As investors grapple with expectations for lower return outlooks from traditional assets, we are incorporating private assets into dynamically managed portfolios with the goal of capturing incremental sources of return.

The quantitative platform provides liquid investment solutions across a wide range of asset classes: equities, fixed income, commodities, currencies and volatility. Our team focuses on offering the full range of investment exposures in standard and customized configurations:

- Toronto-based **Breton Hill** leads our factor-based investment strategies, responding to significant investor demand for quantitative solutions, especially in the Alternative Risk Premia space. Through its close

collaboration with research analysts from the firm's Global Equity Research Department, Breton Hill remains at the forefront of introducing fundamental insights into quantitative frameworks.

- Our **Option Group** addresses investor desires to monetize volatility. While selling options has long been a mainstay of many individual investors and hedge funds, we now see significant adoption by endowments, foundations and pension funds, reflecting greater investor comfort with options, particularly equity index PutWrite strategies.
- **Risk parity** portfolios tackle many investors' number one concern: managing equity exposure. Recently, we added a number of institutional mandates and we see great opportunities ahead.
- In **China**, we have laid the groundwork for flexible quantitative strategies. Factor investing in China is in its infancy, but with approximately 80% of equity investing in China handled by retail investors, there are likely behavioral characteristics that quantitative models can identify. (See *Perspective on China*, page 47.)

A wave of Big Data is providing some of the richest research conditions we have ever experienced. To help generate actionable insights, we have hired talented investment professionals with unique research and academic backgrounds. In addition, Breton Hill has partnered with Canada's highly ranked University of Waterloo Computer Science department in an innovative research partnership.

As we reflect on the last 80 years, and look to the future, the QMAC group will continue to be grounded in investment experience, global perspectives and fluency in pioneering quantitative methods.

Quantitative and Multi-Asset Class *Teams*

Breton Hill



Ray Carroll, PhD, CFA

Simon Griffiths, CFA

Frank Maeba, CFA

Gideon Schapiro, CFA

Ram Ramaswamy

Employing rigorous quantitative research and a proprietary technology infrastructure, Breton Hill's capabilities range across the risk and return spectrum, spanning equities, currencies, commodities, rates and volatility.

Key differentiators:

- Diversified multi-asset and single-asset risk premia portfolios are thoroughly researched and robustly risk-managed to help mitigate drawdown risk.
- A focus on transparency and fee structure uniquely positions us to deliver compelling investment strategies designed to meet clients' needs across large portions of their portfolios.
- The team takes a multidisciplinary approach to identify systematic drivers of returns in both the fundamental analysis of individual companies and in Big Data sets, working closely with the Global Equity Research and data science teams.

Option Group



Derek R. Devens, CFA

Rory Ewing

Beryl Lou

Eric Zhou

The Option Group builds portfolios that seek long-term profits by consistently collecting option premia in a liquid, risk-managed framework.

Key differentiators:

- A proprietary investment process allows us to develop systematic index option solutions that increase the risk and return efficiency and/or income generation of investor portfolios in liquid, transparent and cost-effective ways.
- Contrary to recent trends, we continue to manage our strategies with a strong preference for compounding option premium cash flows and short-term bond income over long periods of time.

Emerging Markets Quantitative Investments

Utilizing rigorous and proprietary systematic research, the China quantitative investment team's capabilities range across the risk and return spectrum, spanning equities, volatility and asset allocation.



Ping Zhou

Key differentiators:

- We believe that innovative research on risk premia and investor behavioral biases, systematic implementation of diversified strategies, and rigorous risk management has the potential for compelling investment results in the long run.
- We developed a robust market timing model for China A-shares and the Taiwan stock market.

Quantitative and Multi-Asset Class *Teams*

Multi-Asset Class



Erik L. Knutzen, CFA, CAIA Ajay Singh Jain, CFA, FCCA Joe McDonell Tokufumi Kato, PhD Anu Rajakumar

The Multi-Asset Class team offers a range of portfolio solutions, including customized investment strategies tailored to a client's unique needs, as well as commingled vehicles that provide broader access to many of these same strategies.

Key differentiators:

- We focus on a risk-based approach to portfolio construction in seeking to build the most capital-efficient portfolios to meet our clients' objectives, whether it is to generate absolute returns, produce a steady income stream or provide a risk-parity portfolio.
- The team continues to innovate by increasing the use of private markets in multi-asset class mandates and incorporating ESG holistically into multi-asset class offerings.
- Consistent approach to navigating market transitions across various asset classes, nimbly exploiting dislocations as they occur in an increasingly complex investing world.

Risk Parity

The Risk Parity team uses a robust, disciplined and dynamic risk-based investment process to deliver well-diversified exposures in both strategic asset allocation portfolios, as well as commodities portfolios.



Hakan Kaya

David Wan

Key differentiators:

- The team employs advanced techniques to model volatility, correlation and tail risk, including forward-looking forecasts and systemic risk monitors.
- We seek to deliver strong absolute and risk-adjusted returns by investing in a variety of global markets, including developed and emerging market equities, fixed income and real assets, and we manage these exposures dynamically.



Perspective

China's Onshore Frontiers

PETER RU, Senior Portfolio Manager, Emerging Markets Debt and China Fixed Income

PING ZHOU, Chief Investment Officer and Senior Portfolio Manager, Emerging Markets Quantitative Investments

In China, onshore markets for equity and debt are massive in scale and rapidly growing in importance to global asset managers. The China A-shares market is the second largest single-country market in the world. China's onshore debt markets are 10 times larger than its offshore markets. Both equities and debt offer deep exposure to the dynamics of the domestic Chinese economy. Peter Ru, who oversees the firm's China onshore fixed income efforts, and Ping Zhou, who is building our China quantitative equity business, describe developing opportunities in China.

Zhou: The China A-share market is too big to ignore. It has over \$8 trillion in market capitalization, more than 3,500 companies and excellent liquidity. As we start 2019, foreign ownership is estimated to be only 2 – 3% of the A-shares market. Following MSCI's milestone 2018 decision to include and gradually expand the weight of A-shares in its flagship indices, we expect further meaningful inflows of foreign capital into this market.

Ru: Chinese fixed income markets are similarly supported by local demand and foreign inflows. With the inclusion of onshore bonds in the Bloomberg-Barclays Aggregate Bond and related indices, almost 400 Chinese securities are expected to represent 6% of the global index within two years. By one estimate, the inclusion of China's local bonds in all three of these global bond indices could bring an inflow totaling \$286 billion over three years.

Zhou: The China A-share market is a unique market for which local expertise, like ours, is particularly important. For example, political and economic policies not only have large impact on the real economy, sometimes they have an even larger impact on investor psychology: how local investors interpret news and data directly impacts stock prices. We believe this provides fertile ground for pursuing active management and quantitative strategies. The existence of a large population of active retail investors suggests that the market's efficiency remains relatively low and opportunities to earn meaningful alpha are relatively abundant compared to other established global markets.

Ru: We firmly believe that the inclusion of Chinese onshore bonds into global bond indices will not only transform this market, but also impact the day-to-day operations of global fixed income managers around the world. One of the reasons Neuberger Berman established its China onshore bond capabilities way ahead of the benchmark inclusion was precisely to give our global managers simple and robust access to this market. Compared to U.S. dollar and offshore renminbi bond markets, China's onshore debt markets include more corporate issuers from a wider diversity of sectors with lower correlations to international markets. Our Emerging Markets Debt team now has five dedicated fixed income professionals on the ground in Shanghai, focusing on all types of local currency credit opportunities.





Perspective

A Wealth of Advice

ALAN H. DORSEY, Chief Investment Officer, Private Wealth Management & Neuberger Berman Trust Company

KENNETH G. RENDE, Chief Operating Officer, Private Wealth Management

Neuberger Berman's private clients have access to customized investment management and planning solutions suited to their individual needs. Our wealth management professionals are able to draw on the full capabilities of the firm: a broad range of public and private investment options, asset allocation and fiduciary capabilities. Two leaders of our Wealth Management business, Alan Dorsey and Ken Rende, describe their client-centric approach.

Rende: In finding the right solutions for each private client, the questions tend to be the similar: How do I optimally manage my financial assets to achieve my life goals? How do I prepare for retirement and establish a legacy for the next generation? What philanthropic impact can I have? But these questions have infinite answers, tailored to each individual's circumstances and desires. There is definitely no "one size fits all."

Dorsey: That's why we take the broadest view of the solutions that we can provide. It starts with the robust investment platform that Neuberger Berman has built over 80 years. Clients looking to diversify—into private equity, into emerging markets—need access to seasoned portfolio managers that Neuberger Berman can provide. Our clients' objectives and risk tolerance guide our advisors as they help clients build multi-asset class portfolios and layer in the desired

level of wealth planning and trust services. (See *Perspective* on Multidimensional Planning, page 57.)

Rende: Of course, these plans are not static. They must adapt to the passage of time as people age and families grow in order to find the appropriate balance between growth and income generation for our clients at any given point in time.

Dorsey: The need to regularly revisit plans is also underscored by macroeconomic and geopolitical developments. On the heels of a 10-year bull market, the return of equity market volatility and meaningful changes to central bank policies, now is an important time for clients to work with advisors to assess portfolio strategy and understand risk exposures.

Rende: Especially in times of market turbulence, having a well-designed long-term strategy can reduce worry about day-to-day price fluctuations, lessen the impulse to make poor choices and help our clients feel more confident about their financial futures. Working to devise an effective wealth plan with an advisor can increase their potential for meeting retirement, family and philanthropic goals.



JOSEPH V. AMATO, President and Chief Investment Officer—Equities



STEPHANIE LUEDKE, Head of Private Wealth Management

We are pleased to welcome Stephanie Luedke who joined in June 2019 as Head of Private Wealth Management. She will guide the strategic integration of broader investment choices and expanded wealth management services.

Investment Insights, Customized

Our private client portfolio managers—an integral component of Neuberger Berman since our founding 80 years ago—deliver unique, tailored solutions to individuals, families and their related organizations. With longstanding client relationships spanning generations and new relationships charting the course for generations to come, we understand the value of trust and continuity as a critical counterweight to inexorable change: in the economy and government policies, financial market behavior, the proliferation of investment choices, and each client's evolving planning and advisory needs.

Managing client portfolios through global market swings requires a steady focus on the long term, a commitment to risk management, and an open mind to new investment opportunities brought by economic and technological disruption. With support from dedicated internal resources, our portfolio managers have embraced environmental, social and governance (ESG) considerations and the power of Big Data analytics. These and other analytical tools are helping frame investment opportunities and risks in multidimensional ways that seem especially intuitive to our analysts and clients born since the advent of the Internet.

Our portfolio managers are seasoned investors, supported by teams that have worked together across market cycles, but also refreshed and enlightened by a rising generation of investment professionals.

We expect our combination of experience and flexibility to be vital in the coming years as central banks continue to back away from post-crisis monetary accommodation, global economic growth slows and questions remain on issues of inflation, trade and taxation. This period will likely be marked by increased uncertainty and volatility, which can present opportunities for nimble, active investors able to take advantage of temporary price dislocations.

As market risks and performance gyrate, clients can draw upon Neuberger Berman's entire platform, which extends beyond global equities to unique alternatives in private markets, as well as to more familiar defensive solutions in fixed income. For our private clients, wealth planning and asset allocation naturally complement our portfolio management capabilities. We will continue to add resources as appropriate to meet the evolving needs of our clients.

Private Client *Teams*

The Straus Group



Marvin C. Schwartz

Richard J. Glasebrook, CFA

David I. Weiner

Henry Ramallo



Stephanie J. Stiefel, CPA

Charlie W. Schwartz

Taylor L. Glasebrook

The Straus Group is a team of active portfolio managers with over two centuries of collective investment experience. We are dedicated to building client wealth through investments in undervalued mid- and large-cap companies with minimal leverage, growing earnings, significant free cash flow generation and competent, shareholder-focused management teams that we believe are capable of effectively deploying capital.

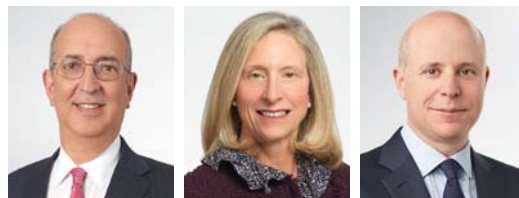
Key differentiators:

Our value discipline drives our unique perspective on generating long-term capital gains in portfolios by buying robustly financed businesses at a discount to their intrinsic value. We remain true to our convictions through:

- A passion for deep fundamental research, particularly important given the current length of the business cycle.
- An adherence to our discipline of owning growing businesses which sell at reasonable multiples of earnings and free cash flow.
- A belief that our commitment to fact-based decision-making and analysis constitutes the most effective means to successfully grow wealth over time.
- Ongoing engagement with company management to ensure our interests and the interests of our clients are properly aligned.

The Straus Group takes a measured analytic approach to investing that over time has allowed us to avoid fads and adapt to changes in technology and consumer preferences.

The Messenger Group



Richard S. Levine

Sandy M. Pomeroy

David S. Portny



William D. Hunter

Shawn Trudeau

Christen Crim

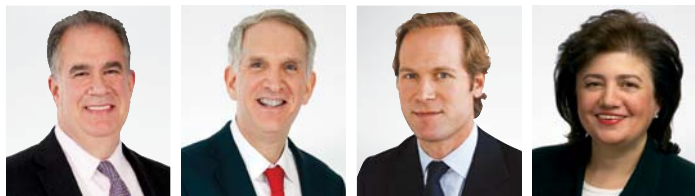
The Messenger Group has been serving clients' unique needs for over four decades, delivering customized investment solutions for individuals, families and institutions. Our team embraces a flexible approach when constructing portfolios for clients based on well-defined goals.

Key differentiators:

- We offer solutions ranging from fixed income securities to income-oriented equities to traditional equity portfolios.
- With a dedicated Certified Financial Planner™ on our team, we can offer wealth analysis to help clients facing important long-term financial decisions.
- Our portfolio managers employ a bottom-up approach to security selection focused on discounted free cash flow and intrinsic value.

Long-term results are eventually driven by fundamentals. With the era of easy/cheap money coming to an end, we believe the current environment represents a contrarian opportunity for investors focused on high-quality, cash-generating companies.

The Bolton Group

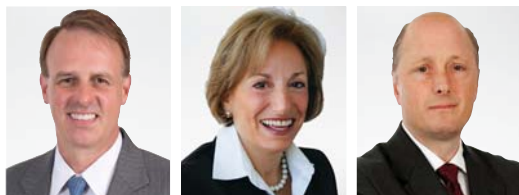


David R. Pedowitz

James C. Baker, CFA

Darren M. Fogel

Maria D. Pappas



F. Christian Reynolds, CFA

Linda Ludwig

John D. DeStefano

[NOT PICTURED:
Brian Case, CFA;
Sharon Appelman;
Andrew Silverstein;
Mark D. Sullivan;
Miles Price; John
A. Kauffmann;
Andrew Greene]

The Bolton Group is an experienced steward for high net worth individuals, families and institutions. We partner with clients and their trusted advisors to create customized investment solutions. Our team utilizes a variety of equity and fixed income strategies to pursue client objectives ranging from capital appreciation to capital preservation and current income generation.

Key differentiators:

- We identify and analyze the uncertainties that disrupt markets—including financial complexities, cyclical challenges, operating disappointments, management changes, acquisitions and divestitures—and may create attractive investment opportunities in exciting companies.
- Our team utilizes proprietary expected returns modeling and reward/risk stress testing. The combination of our disciplined due diligence approach, extensive experience and extended investment horizon has generated competitive, since-inception risk-adjusted returns over market cycles.
- We recognize the importance of individualized long-term planning to support clients' investment objectives, and are sharing new tools with our clients toward that goal.

Our approach to wealth management is far richer than traditional stock selection. We continue to work diligently to further develop our market and economic perspectives to adapt and evolve our client strategies and investments in today's rapidly changing markets.

The Schupf Group

Schupf Group portfolios comprise an intensively curated selection of companies that possess proprietary, enduring business advantages.



H. Axel Schupf

Marshall W. Jaffe

Key differentiators:

- Accounts are highly concentrated, frequently including fewer than 15 common stocks.
- Low turnover is an objective and, as we see it, a marker of success: several holdings were first purchased more than a decade ago.
- In rare instances, when we perceive a high risk of economic or financial dislocation, we are willing to increase reserves of cash and high-quality fixed income securities up to 50% of portfolios.

The Koplin Lloyd Group

The Koplin Lloyd Group (affiliated with Team Kaminsky) adheres to the basic tenets of value investing and primarily considers stocks that possess both favorable price characteristics and a catalyst for future growth. With clients' individual needs and risk tolerances in mind, the strategy seeks companies that may have fallen out of favor temporarily, but have solid long-term growth prospects undiscovered by the majority of investors. The group prefers companies with significant levels of insider ownership, which often helps align management and shareholder objectives.



Cary A. Koplin



Melinda L. Lloyd

The KSE Value Group



Michael N. Emmerman



Brooke Johnson



Richard Wesolowski

The KSE Value Group partners with clients to create customized, tax-sensitive, value-oriented portfolios. We emphasize accessibility and responsiveness in our relationships with individuals, families, businesses and charitable organizations, and aim to provide our clients with a holistic approach to financial health that includes investment management and wealth planning.

Key differentiators:

- Rooted in rigorous fundamental research, our team seeks attractively priced companies with a clearly defined catalyst for positive change and the potential for accelerated earnings growth.
- We bring the entirety of our capabilities to the management of client portfolios to ensure superior client service and support.

We emphasize downside mitigation during periods of economic deceleration and heightened market volatility, such as we perceive today.

On a personal note, in 2018 we celebrated one of our founding KSE Value Group partners, Michelle Stein, on her 40th anniversary at Neuberger Berman and her successful transition to Senior Advisor to the team.

Team Kaminsky



Gerald P. Kaminsky



Michael J. Kaminsky



Rich M. Werman



Mindy Schwartzapfel



David G. Mizrahi



J.J. Gartland

For more than four decades, Team Kaminsky has created quality-focused, custom portfolios for individuals, families and institutions. Managers of core equity, balanced and fixed-income portfolios, the team leverages its broad expertise and deep understanding of businesses to invest across the capital structure in order to meet individual client needs.

Key differentiators:

- The team takes a flexible approach to investing, utilizing both growth and income asset classes, which enables them to capitalize on opportunities wherever they may be discovered.
- A commitment to highly personalized client service has resulted in the management of individual and family wealth over multiple generations and business cycles.
- A focused portfolio of best ideas combines top-down and bottom-up evaluations.

The team continues to think of unique ways to add value for our clients, such as strategically purchasing niche ETFs, gaining tactical exposures within clients' asset allocation and mitigating taxes where appropriate.



Allocation, Selection and Perspective

JULIANA HADAS, Senior Investment Strategist, Investment Strategy Group

SULTAN S. KHAN, Co-Head of Investment Strategy Group

The Investment Strategy Group (ISG) is a key resource for our wealth advisors, providing original research and analysis, manager due diligence and customized portfolios for clients.

Hadas: Asset allocation is a cornerstone of a successful investment strategy, but its success depends on integrating individual needs, goals and risk tolerance with realistic assumptions about the capital markets. Our close work with wealth advisors facilitates our understanding of clients, while fundamentally driven over-/underweight views from our Asset Allocation Committee inform the technical strength of our proposals. We regularly weigh in with market views to help clients understand market dynamics, avoid overreacting and identify opportunities when they appear.

Khan: Portfolio manager due diligence is a key aspect of our services, and we provide quantitative and qualitative assessments of management teams. At Neuberger Berman, each investment team has unique attributes that could make it an excellent fit for a particular client or have some overlap with other elements of the portfolio that need to be resolved. So we need to identify those issues and help come up with solutions that work well for the client. The idea is to provide meaningful diversification at the asset class level, and then populate those segments with exceptional talent.

Private Client *Teams*

The Fraenkel Group



Francis L. Fraenkel



David M. Ross



Robert H. Pearlman



Kenneth Y. Amano, CFA



Ann Marie Foss, CFA



Lida Greenberg, CFA

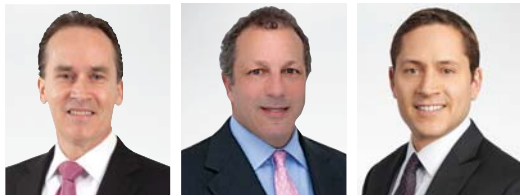
We are independent investors who bring together original ideas and non-consensus thinking for the benefit of our clients. The team seeks to deliver solid, long-term performance based on sound judgment through a portfolio strategy that emphasizes conservative growth.

Key differentiators:

- We are long-term investors who seek high-quality, core growth companies that are growing faster than their competitors in their respective sectors.
- Our team of portfolio managers with differentiated expertise and experiences utilizes a well-defined process to identify and evaluate ideas and companies.
- Our expertise includes fixed income portfolio management, enabling us to build balanced portfolios that may better suit individual client needs.

As the world seems to be entering a period of significant change, we enhanced our holistic approach to investing by meaningfully strengthening our wealth planning capabilities. We believe this will help maintain the comfort and confidence our clients have in their comprehensive investment strategies.

Growth Strategies Group



John J. Barker

Richard N. Bradt

Jason Tauber, CFA

For over two decades this team has focused on identifying and owning companies experiencing a multiyear acceleration in fundamental operating performance. We execute on this through two key strategies: Large Cap Disciplined Growth for broad equity exposure and Disrupters All Cap Growth for concentrated investment in disruptive themes and technologies. This year we joined forces with The Anderson Group, whose growth-oriented strategies are aligned with ours.

Key differentiators:

- The team incorporates additional factors when making investment decisions, including embedded optionality in the business, long-term free cash flow support, positive data science support, input from the Neuberger Berman Global Equity Research department and investor skepticism.
- We seek investments with upside optionality that could increase the likelihood of outperformance and help mitigate downside risk.

We have become increasingly wary of the volatile geopolitical environment and have been actively allocating portfolios toward less economically sensitive areas, most notably health care companies and companies with subscription businesses.

Anderson Group

The Anderson Group believes stability can be found in companies with superior earnings growth and sound financial characteristics, selling at a reasonable price relative to the stock market's forward price/earnings

multiple. The group buys stocks with the intention of holding them for the long term to reduce trading costs and increase investment returns after taxes. We seek to provide a stable source of income and a hedge against economic risk, incorporating bond investments where appropriate. This year we joined forces with the Growth Strategies Group.



Bradley M. Anderson

John E. Terzis, CFA

The Paduano Group

The Paduano Group is an experienced team of global equity investors with a thematic orientation underpinning a high-conviction, unconstrained and concentrated portfolio strategy.



Daniel P. Paduano, CFA

Sherrell J. Aston

Key differentiators:

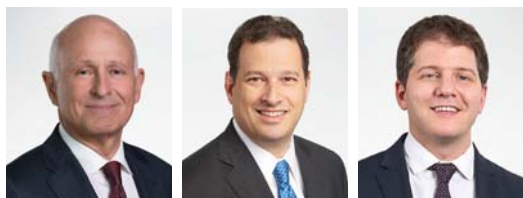
- A thematic approach enhances visibility and predictability, allowing for through-cycle investing.
- High-conviction, risk-managed processes focus on selectivity, engagement with portfolio company management teams and valuation discipline.
- A benchmark-agnostic, all-cap portfolio with access to highly attractive investment opportunities stands to benefit from global, secular trends.



Jason H. Vintiadis

Maximiliano Rohm

The Kamen Group



Michael W. Kamen, CFA Lee J. Tawil, CFA Stuart J. Pollak

The Kamen Group seeks to deliver solid long-term investment performance through a disciplined investment process, focusing on the stocks of high-quality companies that we identify as undervalued through in-depth original research. The team favors businesses characterized by sustainable competitive advantages, strong management, high returns on capital and superior balance sheets.

Key differentiators:

- Our approach seeks value by identifying market inefficiencies that include high-quality companies that have fallen out of favor due to short-term events.
- The team's portfolio construction and risk management process emphasizes diversification and leverages the team's deep knowledge base and exhaustive due diligence.
- We provide comprehensive wealth planning designed to align the structuring of client portfolios with their financial objectives.

We seek to continue to identify and capitalize on situations where we believe that today's short-term-oriented trading creates opportunities for those equipped with in-depth research, superior insights and a longer-term investment horizon.

The Eisman Group

The Eisman Group manages a catalyst-driven, long-term portfolio that seeks capital appreciation through customized portfolios of high-quality companies. The group has a fundamentally research-oriented approach to stock selection. With an average of 37 years of financial industry experience, the team stays attuned to market dynamics, macroeconomic risks and disruptive business models.



Lillian Eisman Steven Eisman



Dana Eisman Cohen Michael E. Cohen

The Sloate Group

The Sloate Group manages core equity and hybrid income portfolios. Our investment philosophy is based on a bottom-up approach; we invest in companies of all sizes across all market capitalizations, industries and sectors. We conduct vigorous independent research that includes evaluating information from internal research, external sell-side analysts, management interviews and industry resources. We seek investment opportunities that meet key criteria, have superior management and current prices that are not reflective of underlying intrinsic value.



Laura J. Sloate, CFA

The Capital Group

The Capital Group has been managing assets of high net worth families, foundations, trusts and endowments for more than 30 years. The group focuses on providing two equity strategies, as well as a fixed income strategy. The equity portfolios aim to offer both capital appreciation potential and income streams by focusing on companies that have above-average growth potential and can also deliver above-average dividend returns. We believe the key to creating a successful equity portfolio is to invest in best-in-class companies that meet strict financial characteristics, while also maintaining a diverse selection of holdings to mitigate risk.



Yolanda R. Turocy



Perspective

Multidimensional Planning

JOANNE R. STERNLIEB, Senior Estate Planner and Trust Counsel | **STEPHEN P. POLIZZI**, Director of Wealth Planning

Wealth and estate planning are services that we provide to clients in tandem with asset management. Building a complete, up-to-date picture of their circumstances is essential in seeking to achieve positive outcomes, often across generations. Here are perspectives from two professionals working in these key areas.

Polizzi: Each client is unique, with subtle financial issues with multiple dimensions. Working closely with their wealth advisor or investment team, it's our job to integrate all those elements into a cohesive, multifaceted wealth plan that's carefully directed toward achieving their most central goals. Sometimes, of course, not everything is possible, and so it's important to explain the tradeoffs, whether market risks or competing demands for capital and liquidity. On the other hand, some clients may underestimate what they could achieve with customized planning in place. So we try to highlight those opportunities as well.

As a firm, we've been developing wealth plans for years now, and are always seeking to enhance our services. The traditional model is a comprehensive plan, which draws on many customized client inputs, often including real estate, trust and estate, retirement, insurance-business information. While this serves the needs of many clients, some are seeking more targeted problem-solving or less detailed analysis. For this reason, we introduced a "light" analysis option early in 2018 designed for specific goals, such as education funding, general retirement or legacy, or for high-level assessments of wealth. More broadly, we continue to work

to enhance our wealth planning platform to help clients better understand their financial picture and make informed decisions consistent with their long-term goals.

Sternlieb: Estate planning is important to ensure that your wealth is distributed according to your wishes and by those whom you trust to manage your affairs. We believe everyone should have a customized plan and we work with our clients to help them formulate one that is coherent, practical and aligned with their needs to achieve their personal, financial and philanthropic objectives in the most tax-efficient manner. Effective estate planning combines an understanding of personal, emotional and financial goals with the expertise necessary to design creative and flexible solutions to achieve them. For those who already have a plan, we review it in light of their current situation, goals and the ever-changing tax laws.

One key decision is whom to name as executor and trustee—roles that carry a great deal of responsibility, and can impact beneficiaries financially and personally. **Neuberger Berman Trust Company** can act as a fiduciary for clients, providing them with professional management of their estate and trusts while giving them access to the laws of other jurisdictions that may be legally advantageous. Often we serve as co-executor or co-trustee with a trusted friend or relative of the client to provide effective administration, comprehensive planning and investment expertise to fulfill our clients' family and philanthropic goals across generations.





ANDREW S. KOMAROFF, Chief Operating Officer and Head of Global Client Coverage

Driving Deeper Engagement with Clients Globally

The Global Client Coverage team partners with our clients to deliver solutions tailored to their specific goals and needs, building strong and lasting relationships in the process. With over 500 professionals in a range of disciplines, the global team is united in its commitment to Neuberger Berman's client-centric operating philosophy and mindset of enduring partnership.

In 2018 our global institutional team developed more than 125 new client relationships to bring our total above 1,100. Just as important, we continued to invest in deepening engagement with existing clients: 27% of our institutional clients now partner with us on two or more mandates. In our global insurance solutions business, we are adding multidisciplinary resources to enable closer partnerships with insurance companies, which in 2018 made up one-third of our global institutional new business.

Within our intermediary business, we made further progress developing partnerships with major distribution platforms. We now have significant relationships with approximately 70 firms globally, and have been leveraging the strength and breadth of Neuberger Berman's investment capabilities to introduce new strategies—including alternative investments like private equity—tailored to the specific needs of investors in this channel.

Our Private Wealth Management clients—including individuals, families and foundations—have voiced growing interest in comprehensive engagement and investment solutions. As such, we are leveraging an increasingly broad platform that includes wealth planning, as well as the fiduciary services available through our Trust Company. On the investment front, private equity and option strategies are increasingly supplementing core portfolio exposures. We are thrilled to support these dynamic asset allocation decisions with the return of Alan Dorsey as Chief Investment Officer for our Private Clients,

following his time as the firm's Chief Risk Officer.

In 2018 half of Neuberger Berman's new business came from clients outside of the U.S., and we continue to invest to support our global growth. We are enthusiastic about the ongoing expansion of our UCITS platform, offering approximately 50 investment funds across various jurisdictions outside the U.S. The diversified platform has fueled strong global new business in Emerging Markets Debt, Emerging Markets Equities, Uncorrelated Strategies, U.S. Equity Index PutWrite, Corporate Hybrid and CLO Income strategies. Close coordination across our Client Coverage teams around the world enables us to most effectively serve our global business partners. In China, following the 2017 grant of one of the first local investment management licenses granted to a global firm, we are launching private funds targeting the rapidly evolving \$11 trillion onshore market.

Our clients' service level expectations continue to rise, which focuses us on continuous improvement. We have found the key to meeting, and ideally exceeding, these standards is a combination of investing in new technology capabilities and ongoing professional development of our team. Our Consultant Relations teams anticipate and respond to the priorities of the consultant community. Our Product Strategy and Marketing group works to ensure that investment strategies are conceived and executed with client goals in mind and communicated with clarity and relevance. Our Client Platform group leverages best operating practices and technology to facilitate interaction and transparency for all clients.

As we celebrate Neuberger Berman's 80th anniversary and the 10-year milestone of re-establishing ourselves as an independent firm, we are grateful to our clients who have entrusted us through ever-changing industry and market dynamics.

Client Coverage *Teams*



DIK VAN LOMWEL, Head of EMEA and Latin America

EMEA and Latin America

With global volatility and swings in investor sentiment, 2018 was a year of significant investment challenges. In EMEALA, these were compounded by substantial regulatory and political turmoil. Having only just rounded off our MiFID II projects, Brexit took center stage. To mitigate the uncertainties, we opened our Dublin office in early 2019 and I am pleased with our Brexit planning progress to date. Despite the turbulence, we remain positioned to nimbly react to any potential outcome and dedicated to delivering excellent service to our clients across the region.

Our client coverage teams stayed close to clients throughout the year, as AUM grew 10%. We continued to see strong demand in our Private Markets and Emerging Markets Debt strategies. There was renewed interest in Emerging Markets Equity and good growth in some of our new strategies, such as our Unconstrained Strategies. We added six UCITS funds to our line-up, partly related to the arrival of our new European Investment

Grade team based in Paris, who were greeted with significant client interest. In addition, we expanded our capabilities into European Private Loans in response to continuing demand for private market solutions.

As part of our client segmentation strategy, we added talent to further align ourselves with our clients' needs. In London, we welcomed Ahmed Husain to head our family office coverage and Ziling Jiang to strengthen our insurance solutions team. Alberto Salato joined us to oversee our client efforts in Southern Europe and we created a local presence in Sao Paolo to address the emerging opportunity there.

Going forward, we will continue to strengthen our core by focusing efforts on developing and deepening partnerships with our clients, while we strive to help them navigate a volatile environment and achieve their investment goals.



Edward J.M. Jones
U.K. Institutional (London)



Jamie Wong
EMEA Consultants (London)



Robert Payne
EMEA Insurance (London)



Jenna Lawford
EMEA Client Service (London)



Ahmed Husain
EMEA Family Offices (London)



Jose Cosio
EMEA LA Intermediary (London)



Cas A.H. Peters
Benelux (The Hague)



Mark Oestergaard
Scandinavia (London)



Fabio L. Castrovillari
DACH Region (Zurich)



Christian Puschmann
Germany and Austria
(Frankfurt)



Charles Soullard
France (Paris)



Javier Nunez
de Villavicencio
Iberia (Madrid)



Marco Avanzo-Barbieri
Italy (Milan)



Alberto Salato
Southern Europe (Milan)



Jahangir Aka
Middle East & Africa
(Dubai)



Mauricio Barreto
Andean Region
(Bogota)



East Asia

2018 marked the tenth anniversary of our client coverage presence in the region. Our assets under management increased by \$13 billion, up 41% year-on-year. This was the third consecutive year when assets grew by around \$10 billion. We also welcomed 31 new institutional clients.

Business growth is being driven by a diverse array of products: thematic equity strategies, Crossover Credit and CLO strategies in fixed income, and private equity offerings, such as Dyal Capital Partners and customized separately managed accounts. Throughout the region, we are attracting client attention with the introduction of innovative strategies, such as the Insurance-Linked Strategy and Specialty Finance Strategy.

To address investment opportunities in Japan, we added a research analyst for Japanese equity who is bringing further support to our global thematic equity efforts. In Japan, we believe attention to improving corporate governance and intense focus on ESG investing are opening opportunities for thoughtful active investors like Neuberger Berman.

An important characteristic of our approach is the value we place on knowledge transfer: sharing expertise across the firm and keeping our clients deeply informed. Timely and important topics in 2018 revolved around private market investing, ESG trends and impact, and the technology disruption underlying our thematic equity strategies. To meet a broad range of needs, we hold seminar events and training sessions, which have drawn ever-increasing levels of attendance.

Our employees benefit from our focus on enhancing professional development through self-paced programs, the availability of a library of training materials and a variety of external training sessions. We aim to enhance inclusion and improve efficiency and quality of work, while also promoting work-life balance. From a diversity perspective, the number of female managers is on an upward trend. In terms of internal infrastructure, we have been introducing paperless meetings, among other environmentally sensitive moves.

We remain firmly committed to outstanding customer service in the local markets where we serve our clients so we can offer investment opportunities that meet their investment goals.



RYO OHIRA, Head of East Asia



Komei Asaba
Institutional &
Intermediary (Tokyo)



Yutaro Nishihara
Institutional (Tokyo)



Motomi Hiratsuka
Institutional (Tokyo)



Emma Nakamura
Institutional (Tokyo)



Satoru Aramata
Intermediary (Tokyo)



Arata Fujinami
Intermediary (Tokyo)



Takashi Ikushima
Client Portfolio
Management (Tokyo)



Akihiro Koide
Client Portfolio
Management–Equity
(Tokyo)



Shinji Sato
Client Portfolio
Management–Fixed Income
(Tokyo)



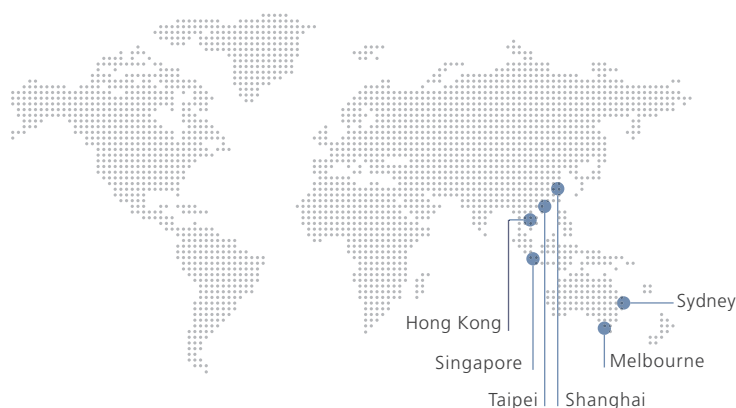
DaeYeon Kim
Head of Korea (Seoul)



YoungSun Na
Institutional & Intermediary
(Seoul)



Wang Gi Kyun
Institutional & Intermediary
(Seoul)



Asia Pacific

In 2018 we achieved meaningful milestones in the Asia Pacific region, deepening client relationships and delivering new investment solutions to them.

In the key strategic market of China, we made significant strides in building our business. We were one of the first foreign asset managers to launch our China onshore bond product and have launches planned for a China Quant Equity strategy, as well as a China Multi-Asset Class product. Notably, we were the first wholly foreign-owned enterprise (WFOE) to launch a product under the Qualified Domestic Limited Partnership (QDLP) structure, an outbound investment scheme that allows us to raise assets from qualified Chinese individual investors and institutions for investment overseas.

In Australia, we launched our first investment fund on the Australian Securities Exchange with an over A\$400 million listing in September 2018. We are the first global asset manager to list a global fixed income fund in this market. Strong investor interest in this trust reflects the diversification of Australian asset allocations from domestic equities and bonds to global bonds.

In Taiwan, we are broadening our investment offerings and are pleased to see strong demand from clients. We expanded our UCITS currency offerings, and the 2018 offering was one of the best-selling offshore funds in Taiwan in 2018. To meet clients' needs for diversified sources of income, in the fixed income space we also rolled out two more high-yield and multi-asset onshore strategies for retail investors.

On the institutional front, we saw strong traction in fixed income, alternatives and private equity strategies that focus on delivering uncorrelated returns. We are delighted to have been awarded mandates by both the sovereign wealth funds of China and New Zealand and believe they underscore our commitment to delivering compelling investment results for our clients.

On key personnel appointments, we were delighted to welcome Matthew Thompson as Head of Intermediary Distribution – Australia. Matt's established track record in the industry will help us broaden and deepen our client base. Given the expansion of our business in the region, we added an office in Sydney and we also took additional space in both our Hong Kong and Taipei offices to accommodate current and future growth.



NICK J. HOAR, Head of Asia Pacific



Patrick Liu
General Manager China
(Shanghai)



William Hui
Institutional
(Shanghai)



Jovi Chen
General Manager Taiwan
(Taipei)



Greg Wu
Institutional
(Taipei)



Thomas Holzherr
Institutional
(Singapore)



Vincent Lim
Financial Institutions
(Singapore)



Pauline Cheng
Financial Institutions
(Hong Kong)



Linda Lam
Client Service
(Hong Kong)



Paul O'Halloran
Institutional
(Melbourne)



Lucas Rooney
Institutional (Melbourne)



Matthew Thompson
Intermediary (Sydney)



MATTHEW H. MALLOY, Global Head of Insurance Solutions and Head of North America Institutional

Global Insurance

Insurance asset management remains a large and dynamic segment within the global institutional market, where Neuberger Berman has developed a strong presence over the past several years. Our Insurance Solutions Group now numbers 17 professionals located across the U.S., Europe and Asia. As of the end of 2018, we managed approximately \$40 billion on behalf of nearly 200 insurers globally, across a range of traditional and alternative assets.

In 2018 insurance companies increased their outsourcing activities with third-party asset managers globally. This trend is driven in part by the ongoing search for yield and returns, but also motivated by a desire to balance exposure away from public market volatility. Our team—encompassing client advisory, portfolio management, and resources with actuarial and quantitative expertise—understands insurers' business models, their capital, asset-liability and regulatory requirements, as well as their risk tolerance. Against this backdrop, we continue to seek ways to build innovative solutions to meet our insurance clients' objectives.

In 2018 leveraging our insurance expertise and in collaboration with our clients, we structured a program which allows clients to invest in private residential mortgages in a more capital-efficient manner. Additionally, as insurers continue to allocate capital to alternatives, we've developed a number of Insurance Dedicated strategies to help facilitate efficient exposure to private equity and credit. Overall, our flexible approach to private market solutions helped us maintain our position as a leading private equity manager for non-affiliated general accounts assets.

2018 marked another year of growth and innovation for the Insurance Solutions Group. We look forward to deepening relationships with our insurance partners while enhancing our capabilities for many years to come.

North America Institutional

In the North American institutional market, we've intensified our efforts to deliver new and diversifying investment strategies and solutions to our clients. As institutional clients seek to consolidate with fewer managers who can offer broad capabilities, we continue to position ourselves to meet their evolving needs. Our firm provides a diverse range of investment solutions across equity, fixed income, quantitative and private market capabilities and has expanded into broader multi-asset solutions and strategic partnerships. In 2018 we added capabilities in insurance-linked strategies and specialty finance, which we believe can enhance diversification and return potential for some of our institutional clients.

Our mission is to understand the unique challenges and objectives across all institutional client segments. 2018 saw a meaningful uptick in de-risking among some corporate defined benefit plans, yet many plans continue to face limited improvement in funded status. We believe this highlights the appeal of a liability-aware approach across a broader range of asset classes. Many public pensions and union & multi-employer plans are reacting to the prospect of future liabilities growing faster than assets and to legislative uncertainty. Consolidation among healthcare organizations has led to larger asset pools, which, coupled with stronger investment returns over recent years, has increased the use of investment capital to fund operations and balance sheet growth. Insurers continue to search for yield and returns to offset a challenging pricing environment for their businesses.

Against a backdrop of continued consolidation and shifts in their business models, investment consultants are a highly important part of the institutional landscape, and remain a critical part of our client coverage effort.

In 2018 the North America Institutional team strengthened our resources across client advisory, consultant relationship management and client solutions. We remain focused on providing investment insights, robust analytics and structuring solutions to meet the needs of our clients.



SCOTT E. KILGALLEN, Head of North America
Intermediary Distribution

North America Intermediary

The need for sound investment insights and guidance has never been greater in our 80-year history. Volatile markets, an unrelenting news cycle and changing interest rate policy all fed uncertainty and underscored the tremendous value our intermediary partners can bring to their investors.

An important priority for us is to help our intermediary partners offer innovative investment strategies to their clients in ways tailored to their specific needs. We have invested in growing our alternatives client coverage team by adding three specialized team members to further support private equity and hedge fund investors. Timely fund updates and education around investing in private markets are enhancing advisors' ability to access private investments, often an area of intense interest, but persistent under-investment.

Emerging markets equity is another area where our products have resonated. Our all-cap approach appeals to investors who want exposure to real domestic growth in emerging economies.

To help our intermediary partners navigate markets and be prepared for client conversations, we introduced "Neuberger Berman's View on the Markets," providing access to our latest thinking and its asset allocation implications. Exclusive published summaries, presentations and live meetings help our partners provide pertinent guidance on developments touching their clients' wealth. It also provides a forum for constructive dialogue with our partners about their own product needs.

In 2018 our Advisor Institute co-hosted hundreds of events with our partners to help their clients better prepare their financial futures in ways that extend well beyond asset allocation to issues like estate planning, tax planning and preparing for life events. The publication of *Elements Quarterly*, launched in 2018, delves into timely wealth management topics, as well.

The need for investment insights and guidance is rising due to product complexity and market volatility. In this environment, we are committed to providing our partners with the solutions and tools critical to their success.



KENNETH G. RENDE, Chief Operating Officer,
Private Wealth Management

U.S. Wealth Advisors

Our Wealth Advisors deliver bespoke investment solutions and guidance to wealthy individuals, their families and foundations. In addition to getting help navigating asset allocation decisions and manager selection, our clients gain access to an expanding line-up of specialized resources tied to wealth planning, investment analytics, trust and fiduciary services, and philanthropic advisory.

In an intimate boutique environment, our exclusive cadre of experienced Wealth Advisors works closely with each client to design customized portfolios in a tax-sensitive framework that reflects income needs, growth objectives and risk tolerance, accessing a full platform of tailored, multifaceted investment solutions managed by the firm's portfolio managers and complemented by our Trust Company, Investment Strategy Group (ISG) and wealth planning analysis team.

The depth and stability of our wealth advisor relationships bring our clients a growing list of investment alternatives that remain attuned to client objectives, such as income generation, risk mitigation, retirement goals and intergenerational wealth transfer. Many of our Wealth Advisors have been recognized by *Barron's* in its rankings of top advisors.

We are committed to sharing knowledge and expertise with our clients. The private wealth management client experience extends to insightful events and access to investment- and planning-themed publications. We host webcasts on the macroeconomic environment, as well as events at leading cultural institutions.

As providers of wealth management services throughout the firm's 80-year history, our ability to deliver for clients through a variety of market conditions is predicated not only on the experience of our portfolio managers, but also on the depth, breadth and quality of our interaction with clients, as exemplified by our Wealth Advisors.



WILLIAM A. ARNOLD, Chief Financial Officer

Our Commitment to Financial Risk Management

Consistent with our colleagues across the firm, a client-centric mindset drives our approach to financial risk management.

Protecting the firm is one of our guiding principles. We take a long-term view, thinking in years, not months—and purposely keep our balance sheet more liquid and our capital structure conservative with longer dated maturities.

This dedication to stewardship, in turn, has enabled us to invest prudently in our business, in our platform and in our people. We have broadened our capabilities, increased our resources, improved technology and built a diversified investment platform. More concretely for our clients, we have introduced new strategies with existing investment teams, added new investment teams and continued to invest in our global client coverage franchise. We have made these investments because we believe they will drive greater long-term stability across the firm and provide opportunities for deeper relationships with our clients.

Importantly, as we focus on protecting the firm and investing for the future, we do so in close partnership with our colleagues across Neuberger Berman. By understanding the objectives and long-term strategy of our investment, client coverage, and internal support and control teams, we are better able to ensure we are properly allocating our resources and capital to initiatives that will ultimately serve our clients well.

Summary Financial Information

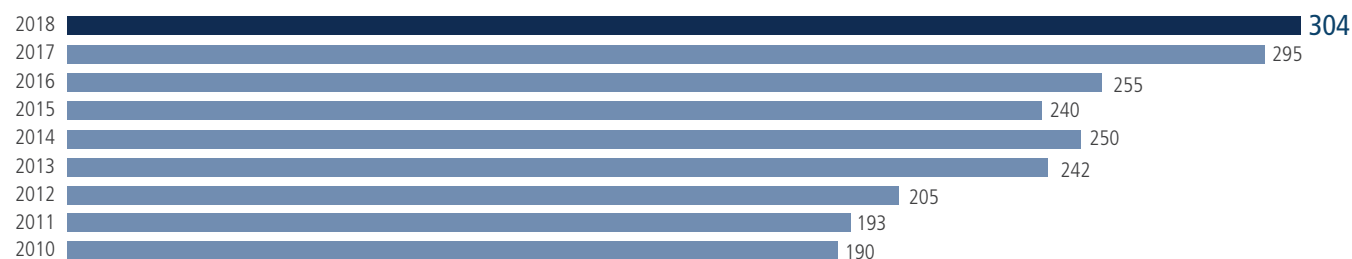
(U.S. Dollars in Millions)

Dec. 2018

Cash and Cash Equivalents	645.9
Investments	458.6
Receivables	286.6
Goodwill and Other Intangibles	597.5
Other Assets	213.0
Total Assets	\$2,201.6
Senior Notes Payable	600.0
Accrued Compensation and Benefits	532.8
Accrued Expenses and Other Liabilities	411.1
Total Liabilities	1,543.9
Equity ¹	657.7
Total Liabilities and Equity	\$2,201.6
Net Revenues	\$1,682.6

¹Equity includes \$73M of non-controlling interests from employee investments held indirectly by employees.

Assets Under Management (U.S. Dollars in Billions)



Neuberger Berman's PRI Assessment Scores

Neuberger Berman has been awarded top scores in the most recent U.N.-backed Principles for Responsible Investment (PRI) assessment report of Environmental, Social and Governance (ESG) integration efforts. See below for a summary scorecard by asset class and by year.

	2019		2018		2017	
	Neuberger Berman	Peer Median	Neuberger Berman	Peer Median	Neuberger Berman	Peer Median
01. Strategy & Governance	A+	A	A+	A	A	A
Indirect – Manager Sel., App & Mon						
07. Private Equity	A+	A	A+	C	B	B
Direct & Active Ownership Modules						
10. Listed Equity – Incorporation	A+	B	A+	B	A	A
11. Listed Equity – Active Ownership	A+	B	A	B	B	B
12. Fixed Income – SSA	A+	B	A+	B	A	B
14. Fixed Income – Corporate Non-Financial	A+	B	A+	B	B	B

For illustrative and discussion purposes only. PRI grades are based on information reported directly by PRI signatories, of which investment managers totaled 1,119 for 2019, 1,120 for 2018 and 935 for 2017. All signatories are eligible to participate and must complete a questionnaire to be included. The underlying information submitted by signatories is not audited by the PRI or any other party acting on its behalf. Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module houses a variety of indicators that address specific topics of responsible investment. Signatories' answers are then assessed and results are compiled into an Assessment Report. The Assessment Report includes indicator scores, summarizing the individual scores achieved and comparing them to the median; section scores, grouping similar indicator scores together into categories (e.g. policy, assurance, governance) and comparing them to the median; module scores, aggregating all the indicator scores within a module to assign one of six performance bands (from E to A+). Awards and ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf. While every effort has been made to produce a fair representation of performance, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this report. Information about PRI grades is sourced entirely from PRI and Neuberger Berman makes no representations, warranties or opinions based on that information.



Remembrances

In the past year, Neuberger Berman lost several dear colleagues who truly embodied our culture and values.

In the Trust Company, IRA & Retirement Manager **William Bryant** was renowned for his expertise in this complex area and his dedication to high levels of support for our clients. He also realized the importance of retirement education and participated in informative events for our employees.

Senior Portfolio Manager **Elliott Eisman** was the consummate passionate investor, always eager to discuss stocks and ask pertinent questions with enormous intellectual curiosity and an endearing sense of humor. His tireless pursuit of the facts inspired our investment organization and benefitted our clients.

As Co-Head of Investment Grade Fixed Income, **Patrick Flynn** was instrumental in the expansion of our fixed income platform. He served as an important advisor and leader to the firm as part of our Partnership Committee. He was a team player, deeply collaborative and focused on helping all of us grow.

Former Neuberger Berman partner **William Potter** played an important role in the firm's history. First joining in 1959, he ran our floor operations at the New York Stock Exchange for 40 years. After he retired in 1999, he remained connected to the firm, where we continued to lean on his good judgment for many years.

Chief Compliance Officer for the Mutual Funds and Neuberger Berman Management LLC, **Chamaine Williams** embodied integrity and an exemplary work ethic as she looked out for our clients' interests in a complex regulatory environment. Her professionalism was outstripped only by her patience and kindness.

We honor their memories by striving to hold ourselves to their high standards of dignity and caring. They are greatly missed.

Board Members



George H. Walker ●
Chairman and Chief Executive
Officer, Neuberger Berman



Joseph V. Amato ● ●
President, Neuberger Berman;
Chief Investment Officer—
Equities



Grainne Alexander ●
Independent Non-Executive
Director of the Board

Formerly Chief Executive, F&C
Management (F&C Ireland)



Sharon Bowen ●
Director, Intercontinental
Exchange, Inc.



Robert J. Conti ●
Formerly President, Neuberger
Berman Mutual Funds



Michael J. Cosgrove ●
Formerly Executive,
General Electric Company
and Trustee, GE's Pension
and Benefits Plan



Robert W. D'Alelio ●
Portfolio Manager, Small Cap



Marc Gary ●
Formerly Executive Vice
President and General
Counsel, Fidelity Investments



Martha C. Goss ●
Formerly Corporate
Treasurer and Enterprise Risk
Officer, The Prudential
Insurance Company
of America



Michelle S. Green ●
General Counsel of EMEA and
Latin America,
Neuberger Berman



Steven A. Kandarian ●
Formerly Chairman, President
and CEO, MetLife

Formerly Executive Director,
Pension Benefit Guaranty
Corporation (PBGC)



Michael M. Knetter
President and CEO,
University of Wisconsin
Foundation

Formerly Dean, School
of Business, University
of Wisconsin



Deborah C. McLean ●
Adjunct Professor,
Columbia University
School of International
and Public Affairs



George W. Morriss ●
Formerly Executive Vice
President and CFO, People's
Bank, CT



Andy Olding ●
Head of EMEA Mutual Fund
Administration,
Neuberger Berman



Tom D. Seip ●
Independent Non-Executive
Chairman of the Board

Formerly Senior Executive,
The Charles Schwab
Corporation



Candace L. Straight ●
Director, Montpelier Re

Formerly Principal,
Head and Partners



James G. Stavridis ●
Operating Executive,
The Carlyle Group

Formerly Admiral,
United States Navy



Peter P. Trapp ●
Formerly Ford Motor
Company Executive

Formerly President, Sentry Life
Insurance Company



Richard B. Worley ●
Founder, Managing Director
and Partner, Permit Capital
Group, LLC

Formerly CEO and CIO,
Morgan Stanley Investment
Management



Lawrence Zicklin ●
Clinical Professor, New York
University Stern School of
Business

Chairman, Rand Center
for Corporate Ethics and
Governance

Not pictured:

Tom Finlay ●
Independent Non-Executive Director of the Board
Formerly Bank of Ireland Asset Management
Formerly a Barrister by profession

● *Board of Directors*

● *UCITS Board*

● *'40 Act MF Board*

Committee Members



Joseph V. Amato ● Robert J. Arancio ● William A. Arnold ● William A. Braverman ● Anne Brennan ● Timothy F. Creedon ● Robert W. D'Alelio ● Ken deRegt ●



Rob Drijkonigen ● Robert L. Eason ● Margaret E. Gattuso ● Richard J. Glasebrook ● Nick J. Hoar ● Alan L. Isenberg ● Charles C. Kantor ● Scott E. Kilgallen ●



Lawrence J. Kohn ● Andrew S. Komaroff ● J. Douglas Kramer ● Jacques G. Lilly ● Patrick C. Lomelo ● Stephanie Luedke ● Joe Lynch ● Matthew H. Malloy ● ●



Richard S. Nackenson ● Lesley Nurse ● Ryo Ohira ● Thomas P. O'Reilly ● Michael D. Rees ● Kenneth G. Rende ● Brandon Robinson ● Vanessa Rosenthal ●



Conrad A. Saldanha ● Marvin C. Schwartz ● Benjamin E. Segal ● Brien P. Smith ● Brad C. Tank ● Anthony D. Tutrone ● Judith M. Vale ● Francis Verdier ●



Dik van Lomwel ● George H. Walker ● Barbara Wenig ● Heather P. Zuckerman ●

● *Operating Committee*

● *Partnership Committee*

Managing Directors

A

Baffour Abedi
Jahangir Aka
Kenneth Y. Amano
Joseph V. Amato
Bradley M. Anderson
Rob Arancio
Peter T. Arbes
Bill A. Arnold
Judd Arnold
Komei Asaba
Sherrell J. Aston

B

Sean Badcock
Jonathan H. Bailey
James C. Baker
Lorenzo Baraldi
Patrick Barbe
Thanos Bardas
John J. Barker
Michael T. Barr
Milca Beltre
Ashok Bhatia
Matthew F. Bird
Peter D. Bock
Vivek Bommi
Stefano Bontempelli
Yan Taw Boon
Jim D. Bowden
Glynell Bradley
Rick N. Bradt
Mary M. Brady
William Braverman
Anne F. Brennan
Carly A. Brooks Prutkin
Eric B. Brotman
Danielle B. Brown
David M. Brown
David Bunan
John P. Buser
Vasanth Butchibabu

C

Fabio Cane

Ray B. Carroll
Brian M. Case
Stephen Casey
Fabio Castrovillari
Marco Cerrina Feroni
Brad E. Cetron
Jovi Chen
Kent Chen
Dana E. Cohen
Elias J. Cohen
Michael E. Cohen
Joseph R. Cosio IV
Russ R. Covode
Timothy Creedon
Christopher Crevier
Bob T. Croke

D

Paul D. Daggett
Robert W. D'Alelio
Ross R. David
Luca Deantoni
Patrick S. Deaton
Ken deRegt
Anthony DeSantis
John D. DeStefano
Derek Devens
Pieter D'Hoore
Peter DiFiore
Lisa A. Dimoulas
Alan Dorsey
Daniel J. Doyle
Rob J. Drijkoningen
Cedric Drui
John Dymont
Ingrid Dyott

E

Robert Eason
Lakshman Easwaran
Lillian Eisman
Steven Eisman
Michael N. Emmerman

F

Ethan Falkove
Seth J. Finkel

Steve J. Flaherty
Suzanne Flannery
Darren M. Fogel
Ann Marie M. Foss
Michael J. Foster
Drew D. Fox
Francis L. Fraenkel
Gregory P. Francfort
Jon Freedman

G

Jacob Gamerman
James Gartland
Dmitry Gasinsky
Meg E. Gattuso
Amy S. Gilfenbaum
Ashley C. Gimbel
Michelle A. Giordano-Valentine
Alex Gitnik
Theodore P. Giuliano
Richard J. Glasebrook
Taylor L. Glasebrook
Terry Glomski
Carolyn S. Golub
Jennifer R. Gorgoll
Michelle Green
Alan I. Greene
Michael C. Greene
Simon J. Griffiths
Adam Grotzinger
Virginia M. Guy

H

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Marc Hamerling
Aisha Haque
James Harvey
Todd E. Heltman
Jason Henchman
Nick J. Hoar
Michael J. Holmberg
John Weber Humphre
Will D. Hunter

I

Takashi Ikushima
Fred R. Ingham

James Iselin
Alan L. Isenberg
Corey Issing

J

Marshall W. Jaffe
Ajay S. Jain
Andrew E. Janfaza
Andy A. Johnson
Brooke Johnson
Tiffany A. Johnston
Brian C. Jones
Ed J. Jones
Jon B. Jonsson

K

Michael W. Kamen
Gerald P. Kaminsky
Michael J. Kaminsky
Charles C. Kantor
Susan B. Kasser
John A. Kauffmann
Hakan Kaya
Judith Ann Kenney
Brian Kerrane
Clay R. Khan
David A. Kiefer
Scott Kilgallen
Dae Yeon Kim
Erik L. Knutzen
Chris Kocinski
Scott L. Koenig
Lawrence J. Kohn
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Cary A. Koplin
Douglas J. Kramer
Michael S. Kramer
David G. Kupperman
Nate B. Kush
Anton Kwang

L

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Ugo Lancioni
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Diane E. Lederman

Stanley G. Lee
Richard S. Levine
Jacques G. Lilly
Vincent Lim
Joseph Lind
Kristian Lind
Patrick Liu
Maria Llerena
Melinda L. Lloyd
Patrick C. Lomelo
Zhengyuan Lu
Linda J. Ludwig
Stephanie B. Luedke
Raoul C. Luttk
James A. Lyman
Joe Lynch
David Lyon

M

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Steven M. Majocho
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Jared Mann
Julian Marks
Dan J. Marshall
Simon Matthews
James McAree
Joe McDonnell
Martin E. Messinger
Patrizia Micucci
Blake Miller
Norman N. Milner
Charles Mixon
David H. Morse

N

Richard S. Nackenson
Benjamin H. Nahum
Zain Naqi
Christian Neira
Holly Newman Kroft
Charles T. Nguyen
Lesley D. Nurse

O

Mark J. Oestergaard

Kevin J. O’Friel
Paul O’Halloran
Ryo Ohira
Tom P. O’Reilly
Erik Ostrowski
Mark O’Sullivan

P

Daniel P. Paduano
Maria Pappas
Philipp H. Patschkowski
Robert H. Pearlman
David R. Pedowitz
Tristram Perkins
Ben B. Perl
Cas Peters
Bill J. Peterson
Stuart J. Pollak
Sandy P. Pomeroy
Nish V. Popat
Samuel N. Porat
David S. Portny
Brendan J. Potter
Jason L. Pratt
Kevin Purcell
Christian Puschmann

Q

Joseph F. Quirk

R

Douglas A. Rachlin
Henry Ramallo
Hari Ramanan
Ram Ramaswamy
Michelle L. Rappa
Abhishek P. Rathod
Michael L. Recce
Lisa H. Reed
Matthew Rees
Michael D. Rees
Marc A. Regenbaum
Maura E. Reilly Kennedy
Brett S. Reiner
Kenneth G. Rende
Carter P. Reynolds
F. Christian Reynolds

Blake Rice
Brandon Robinson
Joana P. Rocha Scaff
Lucas Rooney
David J. Rosa
Vanessa M. Rosenthal
David Ross
Joseph Rotter
Pat C. Ru
Peter Ru
Helen Ryoo

S

Alberto Salato
Conrad A. Saldanha
Eli Salzmann
Martin A. Sankey
Paul A. Sauer
Gideon Schapiro
Axel A. Schupf
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Mindy Schwartzapfel
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Monica Sherer
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Zachary Sigel
Ronald B. Silvestri
Ari K. Singh
Prashant Singh
Laura Sloate
Brien P. Smith
Stephen G. Smith
Francesco Sogaro
Amit Solomon
Luke L. Somers
Tom A. Sontag
Amanda Spencer
Gregory G. Spiegel
Matthew Steege
Michelle B. Stein
Peter Sterling
Stephanie J. Stiefel
David S. Stonberg
Raymond Sullivan

Bob C. Summers
Jean-Paul Sursock
Richard J. Szalc

T

Brian Talbot
Brad C. Tank
Jason Tauber
Lee J. Tawil
Tripp T. Taylor
Matt B. Thompson
Terri L. Towers
Elizabeth S. Traxler
Ken J. Turek
Yolanda R. Turocy
Anthony D. Tutrone

U

Gorky Urquieta

V

Judy M. Vale
Bart A. Van der Made
Dik van Lommel
Pim van Schie
Francis Verdier
Peter von Lehe

W

George H. Walker
Jacquelyn A. Wang
Sean Ward
David I. Weiner
Barbara Wenig
Richard M. Werman
Obadiah J. Wilford
Stephen Wright

Y

Alan Yip
Manuela Yosha

Z

Ping Zhou
Patricia Miller Zollar
Heather P. Zuckerman

All information is as of September 30, 2019, unless otherwise indicated.

§ As of September 30, 2019. Firm assets under management (AUM) includes \$101.3 billion in Equity assets, \$154.2 billion in Fixed Income assets and \$83.4 billion in Alternatives assets.

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Institutional-Oriented Equity and Fixed Income AUM Benchmark Outperformance Note:

Institutional-oriented equity and fixed income assets under management ("AUM") includes the firm's equity and fixed income institutional separate account ("ISA"), registered fund and managed account/wrap ("MAG") offerings and are based on the overall performance of each individual investment offering against its respective benchmark offerings and are based on the overall performance of each individual investment offering against its respective benchmark. High net worth/private asset management ("HNW") AUM is excluded. For the period ending September 30, 2019, the percentage of total institutional-oriented equity AUM outperforming the benchmark was as follows: Since Inception: 90%; 10-year: 81%; 5-year: 79%; and 3-year: 84%; and total institutional-oriented fixed income AUM outperforming was as follows: Since Inception: 95%, 10-year: 63%; 5-year: 75%; and 3-year: 68%. If HNW AUM were included, total equity AUM outperforming the benchmark was as follows: Since Inception: 87%; 10-year: 57%; 5-year: 55%; and 3-year: 59%; and total fixed income AUM outperforming was as follows: Since Inception: 94%; 10-year: 63%; 5-year: 74%; and 3-year: 67%. Equity and Fixed Income AUM outperformance results are asset weighted so individual offerings with the largest amount of assets under management have the largest impact on the results. As of 9/30/2019, six equity teams/strategies accounted for approximately 53% of the total firm equity (ISA, MAG and mutual fund combined) assets reflected, and nine strategies accounted for approximately 50% of the total firm fixed income (ISA, MAG and mutual fund combined) assets reflected. Performance for the individual offerings reflected are available upon request. AUM for multi-asset class, balanced and alternative (including long-short equity or fixed income) offerings, as well as AUM for hedge fund, private equity and other private investment vehicle offerings are not reflected in the AUM outperformance results shown. AUM outperformance is based on gross of fee returns. Gross of fee returns do not reflect the deduction of investment advisory fees and other expenses. If such fees and expenses were reflected, AUM outperformance results would be lower. Investing entails risk, including possible loss of principal. **Past performance is no guarantee of future results.**

Private Equity Outperformance Note: The performance information includes all funds, both commingled and custom, managed by NB Alternatives Advisers LLC with vintage years of 2007 – 2017, with the exception of a closed-end, public investment company registered under the laws of Guernsey (the "Funds"). Accounts that are only monitored are excluded. Vintage years post-2017 are excluded as benchmark information is not yet available. Please note that funds without a comparable benchmark are excluded (this includes certain commingled funds with unique investment objectives, specialty strategies,

and private debt funds).

Percentages are based on the number of funds, calculated as the total number of funds whose performance exceeds their respective benchmarks divided by the total number of all funds with vintage years of 2005 through 2016. Performance is measured by net IRR, MOIC and DPI, and is compared to the respective index's median net IRR, MOIC and DPI, respectively. The Cambridge Secondary Index was used for secondary-focused funds; the Cambridge Buyout and Growth Equity for U.S. and Developed Europe was used for co-investment-focused funds; the Cambridge Fund of Funds Index was used for commingled funds and custom portfolios comprised of primaries, secondaries and co-investments; and the Cambridge Global Private Equity was used for strategies focused on minority stakes in asset managers fund and healthcare credit.

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The Tokyo Metropolitan Government created the Tokyo Financial Award in ESG Investing to recognize financial institutions dedicated to offering investment solutions that contribute to the proliferation of ESG investments and will locally meet the needs of Tokyo's citizens. The winner was chosen by a panel that includes investment professionals, academics and representatives of multinational organizations.

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*PRI grades are based on information reported directly by PRI signatories, of which investment managers totaled 1,119 for 2019, 1,120 for 2018 and 935 for 2017. All signatories are eligible to participate and must complete a questionnaire to be included. The underlying information submitted by signatories is not audited by the PRI or any other party acting on its behalf. Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module houses a variety of indicators that address specific topics of responsible investment. Signatories' answers are then assessed and results are compiled into an Assessment Report. The Assessment Report includes indicator scores, summarizing the individual scores achieved and comparing them to the median; section scores, grouping similar indicator scores together into categories (e.g. policy, assurance, governance) and comparing them to the median and module scores, aggregating all the indicator scores within a module to assign one of six performance bands (from E to A+). Awards and ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf. While every effort has been made to produce a fair representation of performance, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this report. Information about PRI grades is sourced entirely from PRI and Neuberger Berman makes no representations, warranties or opinions based on that information.

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