



NEUBERGER BERMAN
Annual Report
July 2020

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, real estate and hedge funds—on behalf of institutions, advisors and individual investors globally. With approximately 2,300 employees, 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. The firm managed \$357 billion in client assets as of June 30, 2020. For more information, please visit our website at www.nb.com.

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Cover: Our cover image shows an origami paper crane. In many Asian cultures, cranes are highly symbolic, standing for peace, healing and longevity.



GEORGE H. WALKER
Chairman and Chief Executive Officer

A Message From Our CEO

Few can doubt that 2020 will be a year that defines our individual and collective journeys. At the end of 2019, we looked back on yet another 12-month period during which the global economy negotiated all the geopolitical, trade and manufacturing-sector obstacles in its way, and financial markets delivered excellent returns across virtually every asset class. Seven months later, things could hardly look more different.

The COVID-19 crisis has presented the global economy with the starkest challenge any of us have known. The market response has been extreme, in terms of both the downside and the subsequent recovery. More fundamentally, the crisis has uncovered unsustainable inequalities that employers, employees, investors and our wider societies need to reckon with. One of the other major events of 2020, the impassioned campaign for racial justice that began in the U.S. but has also crossed national boundaries, arguably has some of its roots in the fallout from COVID-19.

Our clients increasingly ask us about our efforts on diversity and inclusion, and I am eager to address those here. More generally, our Annual Report is where we try to focus on stakeholders' questions about our business. Against the background of 2020, I know those questions are more urgent than ever. For that reason, in this year's letter I will address seven important questions that clients are asking me:

- How is Neuberger Berman faring in the COVID-19 crisis?
- Where is Neuberger Berman investing as a business?
- What are Strategic Partnerships and why are they so important to Neuberger Berman?
- Where is Neuberger Berman's current focus for innovation when it comes to individual investors and advisors?
- What is Neuberger Berman doing to put itself at the forefront of sustainable investing?
- In the war for talent and the drive for equity, inclusion and diversity, how is Neuberger Berman performing?
- Which Neuberger Berman solutions stood out in 2019 – 2020?

How is Neuberger Berman faring in the COVID-19 crisis?

When it comes to how our portfolio managers have guided clients' assets through the turmoil of the past few months, our investment teams have done such a great job of telling the story themselves that there is little for me to add. Gathered together on our dedicated "Investing in Volatile Markets" web page, you'll find dozens of quick-take notes and living-room Zoom video updates on everything from market conditions and epidemiological big data to why unsustainable gross inequality should matter to investors.

When it comes to our business, I would say this: Many of our peers are consolidating and cutting costs as the business of active management grows more demanding. By contrast, we celebrated a decade of renewed independence in 2019, and came into the current crisis in a stronger position than ever. We are determined to build on that strength.

For the full year 2019, we produced Adjusted EBITDA of \$425m, up 11% on the previous year. On average, our industry peers suffered a decline in Adjusted EBITDA of 7%. Those strong results have enabled us to make additional investments in our portfolio management and client service capabilities and, while most of our peers are reducing headcount, we've been growing—adding 308 employees in 2019, all of them bringing new skills and passion to help us deliver for clients.

Our investment strategies' performance remains strong and has even improved across time periods and asset classes. At the end of 2019, 81% of our institutional equity assets under management and 83% of our institutional fixed income assets under management outperformed their benchmarks over three years. In private equity, 83% of our funds raised between 2007 and 2017, the most recent year for which we have a meaningfully body of realized investments, had outperformed their benchmarks for net IRR, since inception.¹ We exist to deliver for clients.

This performance is made possible by more than 600 deeply experienced investment professionals. Almost 99% of clients' assets are stewarded by lead portfolio managers with more than two decades in the business.

Alignment matters. Our employees continue to invest in the firm and beside clients. Our 2020 share offering brought 54 new employee shareholders onboard, taking us to 553 owners of the firm. And with no parent company and no public shareholders to serve, and no other lines of business to distract us, all our expertise and experience is structurally aligned with the long-term interests of our clients. Employees and their families now invest some \$4 billion of their own capital in our strategies alongside our clients.²

We are truly in this together, and that is why clients have continued to partner with us through the volatility of 2020: through the end of June, clients entrusted us with an additional \$4bn in assets under management, keeping us on pace for another record year.

Where is Neuberger Berman investing as a business?

The COVID-19 crisis has seen the firm reap the benefits of many years of investment in our operational and technological resilience: in mid-March, usage of our remote-working infrastructure increased by some 400% over the course of three days, as 85% of our colleagues worldwide began working from home—remarkably, at that time, some of our offices in Asia that had previously closed were already starting to re-open. Nearly four months later, it is notable how smoothly this transition has been achieved and sustained, even at a time of tumultuous markets and record levels of order volumes.

As well as being able to work and communicate effectively with one another, our infrastructure has enabled us to mount an unprecedented effort to stay in touch with our clients, particularly through the use of video. Through it all, we have never had to rely so heavily on our dedicated Business Continuity Management team, which is staffed with full-time professionals partnering with over 60 Business Continuity Coordinators across each of our worldwide offices and business functions.

¹ 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. High net worth/private asset management ("HNW") AUM is excluded. Results are asset-weighted so individual offerings with the largest amount of assets under management have the largest impact on the results. All performance data for NB Private Equity funds, private equity indices data is as of June 30, 2020. Results are shown gross of fees. Individual offerings may have experienced negative performance during certain periods of time. See disclosures at end of this material for additional information regarding the outperformance statistics shown. Investing entails risks, including possible loss of principal. **Past performance is no guarantee of future results.**

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

Over the rest of this year, we hope to see the fruition of a key investment in our partnership with financial technology provider, Investcloud. This technology is being introduced through 2020 and 2021 and will include a new Client Portal and Client App to facilitate an improved online experience and enhanced data and reporting available to our private wealth management clients. Communicating with and informing clients digitally is important for maintaining accessibility, engaging the next generation, and moving us toward scalable solutions, customization and improved data integrity.

We were delighted to welcome Francis Verdier as our Chief Technology Officer in October 2019. His appointment brings all of our business and infrastructure technology under common leadership, reinforcing our efforts to integrate technology more deeply across our firm.

When it comes to our investment capabilities, alternatives remain a big focus, particularly as an increasing share of our business takes the form of strategic partnerships. Most recently, we completed our acquisition of Almanac Realty Investors, which was founded as Rothschild's real estate business in 1981 and spun out as an independent firm in 2007. Almanac aligns well with Neuberger Berman. Rather like our Dyal team, which takes stakes in alternative investment management businesses, Almanac's primary strategy is to invest in independent real estate firms seeking growth capital. Over the years they have committed over \$5.5 billion to 44 public and private North American real estate companies. The team brings deep expertise in real estate and capital markets and we are proud to have them join us as partners.

In addition to alternatives, and notwithstanding current geopolitical tensions, China remains a priority as both an investment location and as a client domicile. At the end of 2019 in Shanghai we began to assemble a team dedicated to building a China A-shares equity strategy. The strategy, seeded in January, will be available in an offshore fund format in the second half of this year, building on our existing capabilities in onshore China equities and bonds. This year has also seen us become one of only three firms, alongside Blackrock and Fidelity, so far to be invited to apply for a mutual fund license to manage Chinese assets for Chinese clients. We applaud the government's decision to open this market up to foreign asset managers and plan to be a constructive participant in its development.

Another important focus for investment over the past three years has been in our data science efforts. Our data team has worked on more than 150 company-specific research projects, but it is arguably the COVID-19 crisis that brought home the game-changing nature of what they do. They have worked alongside our healthcare sector analysts to stay abreast of the torrent of epidemiological research published over the last five months and make it comprehensible to investment strategists. In addition, their insights from fast-moving business, consumer and economic data have helped build a fuller and timelier picture of the damage done to the economy by the lockdown and the progress of re-opening.

For example, with our Almanac real estate team, our data scientists used credit card transaction data to measure the impact of the epidemic on five key shopping centers we invest in: their analysis showed a decrease in the number of visits, but an increase in spend in each visit. Data on the age mix and distance traveled to the malls enabled us to evaluate the resilience of customer loyalty through the lockdown.³ Similar granular analysis of customer transaction data has generated a host of actionable insights for our analysts and portfolio managers: everyone knows restaurants have been hit hard, but we saw quickly that pizza and fast food was booming, for example; there has been a big resurgence in vacation bookings, but for places that people plan to drive rather than fly to; car sales, intent to purchase cars and gasoline purchases are rising quickly, and few people are taking public transportation; and much, much more. These insights help us drive outperformance for clients.

COVID-19 is a unique challenge, and it demanded new tools to evaluate its impact on different companies and sectors. The data science team rose to the occasion. But putting Big Data and data science to work in asset management doesn't come cheap. We suspect that many competitors will struggle to make substantial investments in expertise, data subscriptions, computing power and analytical software. Some firms focus on Big Data primarily as a cost-cutting opportunity—a way to replace traditional research. We see it differently. We will continue to invest substantially and we believe that the greatest value lies in its power to complement traditional research efforts.

³ Subject 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.

What are Strategic Partnerships and why are they so important to Neuberger Berman?

The majority of our revenues are from specific investment strategies that clients and advisors use as critical components in their investment program; however, we continue to see growth in new institutional strategic partnerships. These arrangements allow us to put ourselves in our clients' shoes: taking a shared, customized approach to identifying objectives, selecting investments and reporting risk and performance. Strategic partnerships fit their client-specific needs and enable them to react nimbly to changing circumstances, while giving us deeper, longer and less transactional relationships. Ideally, they make us an extension of our clients' own investment staff.

Among our current strategic partnerships are a \$4.3bn U.S. government mandate to manage a tailored private equity program, a \$3.4bn solution for investing across private and public fixed income for a large U.S. pension plan, and a \$1.8bn portfolio dedicated to hedge fund investments for a corporate defined benefit plan. One recent mandate has come from one of the largest pools of capital in the world, Japan's \$1.5 trillion Government Pension Investment Fund (GPIF), which asked us to manage its global diversified private equity program.

These are by definition long-term, "strategic" solutions, but they have come into their own during times like these. Our partners gain a lot of reassurance from being able to talk to senior investment professionals, get timely, customized risk reporting, and lean on a governance structure that can be nimble and adaptive under fast-moving circumstances. Given their complexity, we anticipate being selective and adding one or two major new partnerships per annum in the years ahead.

Where is Neuberger Berman's current focus for innovation when it comes to individual investors and advisors?

We are continuing to evolve our investment capabilities to meet the needs of individual investors, and, equally important, to ensure that we deliver these capabilities in structures that enable them to be utilized seamlessly.

At the highest level, we are focused on bringing to individuals the holistic asset allocation solutions that we have worked on for many years with our institutional strategic partners. Important steps here include innovations in tax-managed strategies, the ability to deliver dynamic asset allocation models that incorporate environmental, social and governance (ESG) and sustainable investments, and the ability to integrate alternatives more seamlessly into client portfolios where appropriate.

In equities, we are excited to have launched a suite of thematic strategies, led by our research team, which will enable investors to access the most transformative trends in the global marketplace. In particular, our Next Generation Connectivity strategy has emerged as a global leader, with strong interest from clients in markets from Japan to Italy. We offer similar strategies focused on autonomous driving, next-generation mobility and financial technology, and are regularly "in the lab" with our advisor partners on themes of particular interest to them.

In fixed income, risk-adjusted yield continues to remain a key priority for individual investors as developed market interest rates approach zero and credit markets experience renewed volatility and dislocation. For the past 10 years, our opportunistic credit strategy has taken the best ideas from our fixed income teams and optimized them in a single portfolio. This strategy had previously been available only to institutions, but we have expanded our offering to include offshore fund capabilities to bring this capability to individual investors as well. We think this offering showcases our fixed income team's experience as strong relative value credit investors and sector allocators, to deliver an attractive yield and total return profile through the cycle.

Finally, in terms of alternatives, we are focused not only on integrating these investments into asset allocation models for individual investors, but also on evolving our alternatives platform itself to further meet their needs. We have developed solutions with more accessible liquidity terms such as our Long Short Equity strategy—a strong performer in this volatile period—and our Uncorrelated Strategies portfolio, both of which are managed in daily-liquidity offerings. We can structure our products in a number of ways to provide flexibility in order to meet certain investor needs. And we are building on strong investor responses to our tailored private equity and hedge fund offerings with additional solutions in these areas, and developing solutions in private credit and real estate as well. Our Client Coverage leadership team discusses this effort in more detail in the coming pages.

What is Neuberger Berman doing to put itself at the forefront of sustainable and ESG investing?

This year will see us implement what we believe to be two unique sustainability initiatives, one at the investment strategy level and one at the corporate level.

In investment strategy, we are extending our shareholder engagement policy in a major way by publishing our opinions on selected key proxy votes that we participate in each year before the vote. We estimate that 75% of these votes will be relatively non-controversial and supported by all of our strategy teams, across asset classes—but we expect that the rest will require debate and consultation. We believe that's why the few firms that publish their opinions in this way do so for no more than a few votes each year. We therefore regard this "NB25+" initiative as a significant step-up in proxy voting transparency not only for Neuberger Berman, but ideally for our industry as a whole.

At the corporate level, in February this year we became the first North American financial services firm to link our financing to material ESG metrics, with a five-year sustainability-linked revolving credit facility.⁴ Our cost of borrowing on the credit facility will now vary based on our own ESG performance.

We have long believed that ESG factors are an important determinant of long-term investment risk and return, but these ideas became mainstream over the past 18 months. Environmental concerns in particular climbed the agenda, against a background of extreme weather events and a noticeable ramping-up of public demonstrations, consumer boycotts and institutional divestment programs. This year, questions of social and economic inequality have come to the fore with the outbreak of COVID-19. In 2019, 34% of the institutional due diligence questionnaires we responded to formally asked how we incorporate ESG factors into our investment processes. Every year we find that both our ESG capabilities and our own policies on diversity and inclusion climb up the manager due diligence agenda for the global investment consultants.

Head of ESG Investing Jonathan Bailey and his team have led great progress in this area and Neuberger Berman now integrates ESG analysis, based on the principle of financial materiality, for 60% of client assets. In 2019 our ESG efforts were again recognized by Principles for Responsive Investing (PRI) with its top, A+ score for our overarching approach to ESG strategy and governance, and integration across asset classes.⁵

At the strategy level, one ESG highlight of the past 12 months has been welcoming Keita Kubota to lead our first Japan-based equities team. Our Japan Equity Engagement strategy will seek attractive returns through constructive dialog to improve ESG performance at small- and mid-cap companies.

⁴ Seligson, Paula (February 8, 2020). "Neuberger Berman First U.S. Asset Manager to Ink ESG-Linked Loan." Bloomberg.

⁵ 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.

It's an approach that is already making a meaningful contribution to our NB25+ initiative, and it builds on our history as an engaged investor. Each year we conduct around 3,000 engagements, almost half of which take place in our own offices worldwide—and this gets results. For example, we engaged with 12 of our top 15 equity holdings with the highest economic climate value-at-risk exposure during, and in response to engagements with us and other shareholders, one utility has retired seven coal-fired power plants over two years and ramped up renewables investment, decreasing its CO₂ emissions by 42% off a 2010 baseline.

In the war for talent and the drive for equity, inclusion and diversity, how is Neuberger Berman performing?

Neuberger Berman has grown into a truly global business over the past decade: almost 2,300 colleagues in 35 cities and 23 countries. Throughout 2019 and the first half of 2020, Neuberger Berman welcomed over 400 people to the firm, including the 42 senior team members pictured on page 28. The diversity and talent of this group versus where we were 10 years ago is thrilling to see.

But, even as we grow and expand, there are few things we are prouder of than our corporate culture.

Every year for the past six years, Neuberger Berman has ranked first or second among companies with 1,000 employees or more in *Pensions & Investments* "Best Places to Work in Money Management." Among many other things, I am certain this reflects the way our colleagues feel about working for an employee-owned partnership, where the returns on their successes are re-invested in the business and themselves rather than distributed to unaffiliated shareholders. The benefits of a strong culture are especially clear during times like these. By staying connected, giving our employees the resources and flexibility they need to manage working from home, and reassuring them they work for a resilient independent firm, we can help them put some anxiety aside and focus on the crucial work they do for clients.

A strong culture is also about creating a working environment that makes everyone comfortable to be themselves. Since appointing one of our most senior investors, Andy Johnson, as our Senior Diversity and Inclusion Leader two years ago, we have made good progress toward creating that environment firm-wide.

Numbers offer an indication of our progress: 37% of our employees are women and 30% are from ethnic minorities; among senior staff those proportions are 29% and 20%. We take no comfort from being ahead of our peers, and are committed to improving the diversity of our workforce. I am pleased to see that all of these statistics have improved year-on-year, even as the firm as a whole is growing rapidly.⁶

But of course this is about so much more than numbers. We also measure inclusion by systematically surveying colleagues about how they feel at Neuberger Berman—are they treated fairly, can they be proud to work here, do they feel they belong?—and we correlate those findings against gender, ethnicity, seniority and function, with the aim of raising the feedback of the least-satisfied groups above those of the most satisfied.

One place where the fruits of our strong culture are shown is our retention rates. We can boast a nearly perfect retention rate of senior investment professionals (Managing Directors and Senior Vice Presidents) since regaining our independence in 2009, excluding those who have retired. Clients value knowing that the individuals whose track records they reviewed and whom they entrusted with their irreplaceable assets are highly likely to remain on the case for years to come, which isn't always the norm in our industry.

Another place to look is the caliber of the professionals who choose to join us each year.

⁶ 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. Senior staff includes VP level and above. As of June 30, 2020.

I have already mentioned our new Chief Technology Officer, Francis Verdier, who brings many years of experience with the likes of Apollo Global Management and JP Morgan to his role; and Keita Kubota, who joined us to lead our new Japan equities strategy after rising up the ranks to Deputy Head of Japanese Equities at Aberdeen Standard. Stephanie Luedke joined us early in 2019 to lead our private wealth management business, after seven years at the head of Citi Investment Management. In July last year we welcomed Anne Brennan, a partner and 24-year Goldman Sachs alumna, as our Chief Risk Officer. When we acquired Almanac Realty Investors, all of its employees joined us, led by its Managing Partner, Matthew Kaplan, and its Partners and Investment Committee members Pike Aloian, Justin Hakimian, Josh Overbay, Andrew Silberstein and David Haltiner.

In addition, Maarten Nederlof came on board in November last year as Head of Quantitative and Multi-Asset Class Portfolio Solutions for the Americas, after 30 years at firms such as Salomon Brothers and Deutsche Bank, and managing his own business. Maarten's contribution to our push in solutions and strategic partnerships will be complemented by that of Joe McDonnell, who joined as Head of Portfolio Solutions in the EMEA region in February 2019, following more than 25 years of working with institutional investors, most recently at Morgan Stanley Investment Management; and also Robert Surgent, who joined our Multi-Asset Class team in March after almost 30 years' experience as a macro strategist with the likes of Goldman Sachs and Tudor Investments, including heading up international equities at Eminence Capital.

Elsewhere, John Humphrey joined our Special Situations team in September 2019, bringing 30 years' experience in distressed credit, including eight years as a Founding Partner of Archview Capital and 17 years with Citigroup and Merrill Lynch—experience that will be invaluable as we assess the investment opportunities of the post-COVID economy. We were also delighted to welcome Hari Ramanan as the CIO for our thematic Research Funds: Hari has 20 years' experience in alternative investments, including heading up international equities at Eminence Capital.

In terms of our firm's Board of Directors, in July 2019 Sharon Y. Bowen was elected as an independent director. As well as insights into regulation, market structure and governance best practice, Sharon can draw on invaluable experience as co-chair of the Diversity Committee and co-founder of the Women Enriching Business Task Force at Latham & Watkins, where she became a partner in 1991, and her current leadership position with the global advocacy platform for women and girls, Seneca Women.

We look forward to Sharon's important contributions as we continue to expand our own diversity efforts. We welcome the opportunity to share our efforts with others, both clients and competitors, as we work together to create a more equitable firm and world.

Which Neuberger Berman solutions stood out in 2019 – 2020?

This is always a tough question. Against which criteria: Absolute returns? Relative returns? Steadiness in a crisis? Longevity? Assets and trust pledged by clients?

Overall, our results were attractive across equities, fixed income and private equity. Our largest equity strategy, the U.S. small cap strategy managed for almost 25 years by Judy Vale and Bob D'Alelio, continues to generate extraordinary results. Bob and Judy have beaten their Russell 2000 benchmark over one, three, five and 10 years and since inception.⁷ Amazing.

Other seasoned strategies that deserve a mention on 2019 and 2020 performance include corporate hybrid securities and European and U.S. high yield in fixed income, Intrinsic Value, international equity and mid- and small-cap growth in equities, and our long/short equity strategy in liquid alternatives.

Some of our newest strategies, too, have proven their worth as providers of much needed diversification and downside mitigation during the COVID-19 market; PutWrite and our uncorrelated hedge fund strategies are good examples.

⁷ Period ending June 30, 2020. Investing entails risks, including possible loss of principal. Indexes are unmanaged and are not available for direct investment. **Past performance is no guarantee of future results.**

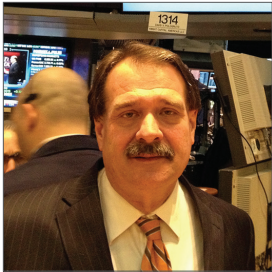
Clients continue to signal their trust in our teams, sometimes based on their having built attractive track records over many years, as with our private equity secondaries funds and our strategic partnerships in private markets; but also because we are perceived as a credible partner offering the right new strategies at the right time, based on proven capabilities, as with our successful thematic equity research portfolios.

But a special acknowledgement must go to Dyal Capital Partners, which this year consolidated position as a leading provider of minority equity capital to private equity and hedge fund companies—a strategy that was eye-catchingly niche when we pioneered it a decade ago, but is now increasingly part of the mainstream. Fund IV not only raised a record \$9 billion, half of those commitments came from outside the U.S., confirming it as an approach to alternative investing that has gone global.

Staying Connected With You Through Challenging Times

We recognize that it’s at times like these that contact is of the utmost importance.

We have held webinars and thousands of client calls to share our teams’ views on the fast-changing situation. In addition, as I mentioned at the beginning, our dedicated “Investing in Volatile Markets” web page has been offering updated market reactions from our investment teams, with a strong emphasis on video content to make it as simple, quick and personal as possible. You can read more on this in our Client Coverage Leadership discussion.



Immediately before this report went to print, we learned of the sudden passing of our dear friend Bobby Conti. Over his nearly 40-year Neuberger Berman career, Bobby set the highest bar for servicing our clients with excellence and caring about his colleagues. After retiring in 2018, Bobby stayed deeply involved with Neuberger Berman as a member of our U.S. mutual fund boards and

continued to embody our culture with his dedication to various charitable causes that were dear to him. Bobby will be deeply missed.

Please take good care of yourselves and your families, and don’t hesitate to reach out at any time, for any reason. Thank you for your partnership.

| 2019 | |
|---|---|
| AUM (Dec 31, 2019): \$356bn | 35 cities |
| Fixed Income \$160bn | 619 investment professionals |
| Equities \$106bn | 453 client professionals |
| Alternatives \$98bn (incl. commitments) | |
| Adjusted EBITDA, 2019: \$425m | Proportion of institutional mandate assets outperforming benchmarks over three years, 2019: |
| Net AUM Flow: \$11bn | Equity: 81% |
| | Fixed Income: 83% |

| 2009 | |
|---|------------------------------|
| AUM (Dec 31, 2009): \$173bn | 23 cities |
| Fixed Income \$78bn | 428 investment professionals |
| Equities \$81bn | 130 client professionals |
| Alternatives \$15bn (incl. commitments) | |

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*

\$357 billion

Assets Under Management

100%
Independent

Employee-Owned Structure

24 | 35
Countries | Cities



2,265 **Engagement meetings** with corporate management teams across equities and credit in 2019

1,477 **Research meetings** with company management teams at our offices in 2019



~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

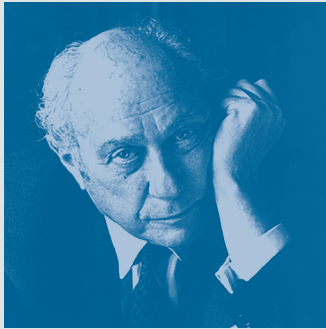


Top-ranked

Ranked 2nd (among organizations with over 1,000 employees) by *Pensions & Investments* in their 2019 "Best Places to Work in Money Management" survey, where we have finished in the top two since 2014.

All information is as of June 30, 2020 unless otherwise noted.

*See disclosures at the end of this publication, which are an important part of this article.



Our Business Principles

These principles embody the value system that our founder Roy Neuberger instilled in Neuberger Berman from its inception. They have grounded us in service to our clients and our communities, and continue to guide us in our commitment to delivering innovative investment results.

Our clients come first

- Our only business is managing our clients' irreplaceable capital.
- We build enduring partnerships grounded in our clients' trust in our judgment, experience and integrity.
- We seek to add real value beyond investment performance, by delivering insights and service that make a difference.

We are passionate about investing

- We are an investment-focused firm, deeply committed to independent thought, rigorous research, robust risk management and discipline through market cycles.
- We believe that responsible investing generates both financial and societal value, and that active investing requires active engagement.
- Our investment performance over time determines our success.

We invest in our people

- We prize the diversity of cultures, backgrounds and experiences of our employees.
- We empower them by providing the opportunity and resources to achieve their professional and personal goals.
- Employee ownership drives greater alignment with our clients, as well as strong partnerships among our colleagues.

We motivate through alignment

- We connect the interests of our clients, our employees and the firm—we are truly in this together.
- Our employee ownership enables us to prioritize serving our clients, to manage our business and retain our talent for the long term, to protect our legacy, and to promote a partnership mindset.

We continuously improve and innovate

- We constantly enhance our skillsets, tools, technologies and knowledge.
- We collaborate globally, leveraging insights across teams, asset classes and roles.
- Our approach to innovation prioritizes long-term value generation for our clients over short-term commercial gain for us.
- We continually look to raise our own standards and, as stewards, seek to enhance the standards of those in whom we invest.

Our culture is key to our long-term success

- We prize authenticity and collegiality.
- We build a stronger firm by challenging ourselves and each other, and seeking additional voices.
- We value a focus on performance and a passion for work, not organizational hierarchy.
- We are committed to the communities in which we work and live.

Our Investment Platform

FIRM ASSETS UNDER MANAGEMENT \$357bn¹

MULTI-ASSET CLASS SOLUTIONS

PUBLIC MARKETS \$278bn

EQUITY

FUNDAMENTAL

Global
U.S.
EAFE / Japan
Emerging Markets
– China
Thematic Strategies
MLPs

QUANTITATIVE

Global
U.S.
Emerging Markets
Custom Beta

\$97bn

FIXED INCOME

Global Investment Grade
Global Non-Investment Grade
Emerging Markets
Municipals
Multi-Sector
Currency

\$163bn

HEDGE FUNDS & LIQUID ALTERNATIVES

FUNDAMENTAL

Hedge Funds
Liquid Alternatives

QUANTITATIVE

Commodities
Options
Global Macro
Risk Parity
Risk Premia

\$16bn

REAL ESTATE

Global
U.S.
Long/Short – Almanac

\$2bn

PRIVATE MARKETS \$79bn

PRIVATE EQUITY

Primaries
Co-Investments
Secondaries
Specialty Strategies
Alternative Asset Manager Stakes – Dyal

\$64bn

PRIVATE CREDIT

Private Debt
Credit Opportunities
Special Situations
Residential Loans
Specialty Finance
European Private Loans

\$9bn

SPECIALTY ALTERNATIVES

Insurance-Linked Strategies
Late Stage Pre-IPO
SPACs

\$2bn

PRIVATE REAL ESTATE

Private Real Estate – Almanac
Real Estate Secondaries

\$4bn

ESG INTEGRATION | GLOBAL RESEARCH CAPABILITIES | DATA SCIENCE

¹ As of June 30, 2020. Firm assets under management (AUM) includes \$98.5 billion in Equity AUM, \$162.8 billion in Fixed Income AUM and \$95.6 billion in Alternatives AUM. Equity AUM includes Global and U.S. Real Estate. Alternatives AUM includes Private Equity, Private Credit, Absolute Return, Other Alternatives, Real Estate excluding Global and U.S. Real Estate, and Private Real Estate.

CHIEF INVESTMENT OFFICERS ROUNDTABLE



JOSEPH V. AMATO
President and Chief Investment Officer—
Equities



ANNE F. BRENNAN
Chief Risk Officer



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



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



BRAD C. TANK
Chief Investment Officer—
Fixed Income



ANTHONY D. TUTRONE
Global Head of Alternatives

Steering Client Assets Through the COVID-19 Crisis

JOSEPH V. AMATO

President and Chief Investment Officer—Equities

Usually, our Annual Report would reflect upon the economy, markets and investing climate of the preceding year. Then again, preparations for our Annual Report do not usually coincide with the most severe global recession for eight decades. For that reason, this year we focus on the remarkable weeks of March and April 2020, when our senior investment leaders raced to understand the emerging COVID-19 crisis, analyze the exposures in client portfolios and prepare for the uncertainty ahead—all under lockdown in their own homes. The experience reminds us of two of Neuberger Berman's great strengths: the speed and clarity with which we are able to adapt, test and communicate our views; and the diversity of research and opinion that comes from having capabilities across virtually every asset class in every region of the world.

Neuberger Berman's Asset Allocation Committee (AAC) met for its regular second-quarter outlook discussion on March 19.

Europe was locking down against the spread of the SARS-COV-2 virus. Fixed income markets had seized up. Equity markets were a few days from their lowest point. The skies and roads were emptying, our U.S. offices were winding down and, for the first time, the entire AAC met by videoconference for an extraordinary meeting defined by extraordinary questions.

Would the global economy be locked down for weeks or months? How much of the economy would be left on the other side? Was this shaping up to be the greatest investment opportunity since 2009, or a storm from which cash would be the only haven?

Scenario Planning

Members were confident that authorities would do enough to stabilize financial markets and the flow of credit. They also understood that broad lockdowns would be pursued to seek to limit the spread of SARS-COV-2 in Europe and North America. It followed that the course of the virus and the size of the fiscal and monetary response would determine the level of economic activity over the next 12 months, which would in turn inform the extent and timing of financial markets' adjustments and the implications for asset allocation. The priority, therefore, was to pin down a number of reasonable scenarios for the course of the virus.

The AAC would reconvene to re-assess these views long before the usual three months were up. We were now in a world in which global GDP and corporate earnings growth estimates were changing rapidly and sizably in response to new data from frontline healthcare systems, epidemiologists, pharmaceutical companies, governments, central banks, economic surveys and the real economy. Nimbleness, always an important attribute for investors, was now critical.

Sure enough, the Quantitative and Multi Asset Class (QMAC) team, led by its Co-Head Doug Kramer, started to build on and re-assess the AAC’s views almost as soon as the March 19 meeting ended. How they went about that task speaks volumes about how Neuberger Berman works as a firm.

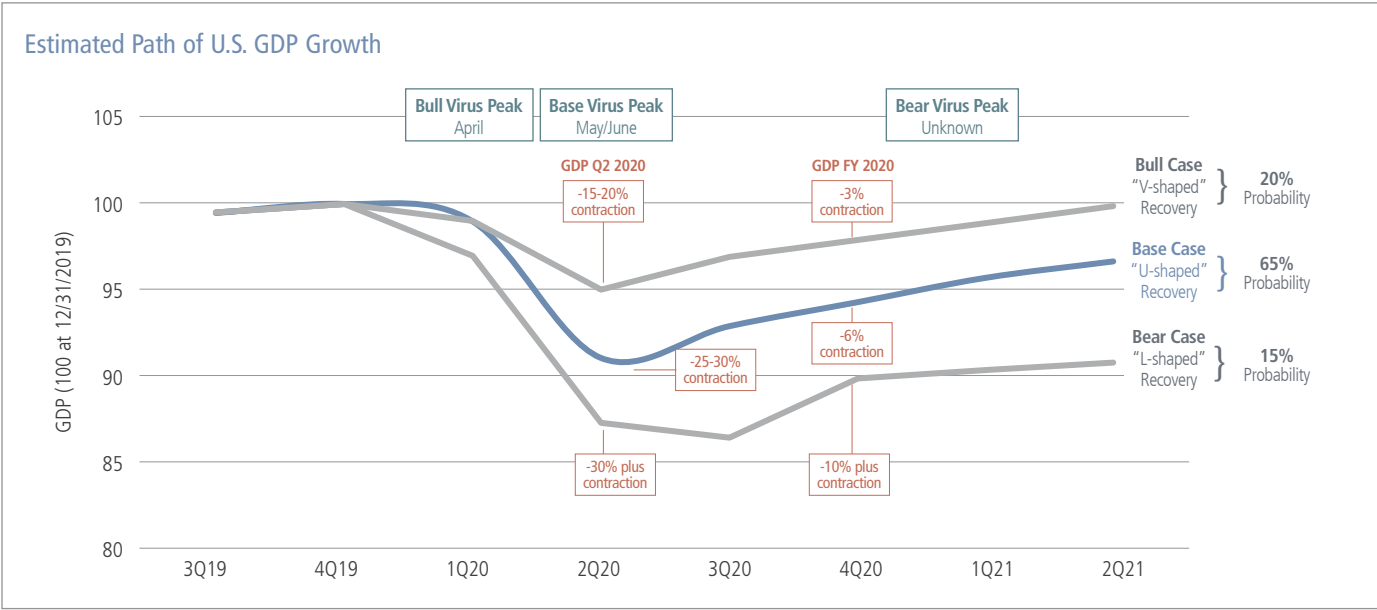
The Playbook

We knew that there would be value in a deep dive into the thinking across the breadth of Neuberger Berman’s investment teams, to enrich the AAC’s

views and identify actionable opportunities for client portfolios. What were they seeing in their markets? How did that corroborate or challenge the AAC’s first take on the virus, the economy and asset allocation? Where did they see the biggest opportunities and the biggest risks? In a sense, every quarterly AAC meeting is a debate about market signals coming in from across our equity, fixed income and alternative investment capabilities, fed in by the senior investment leaders who are members of the Committee. But this was the first time we had attempted such an in-depth, closer-to-the-ground survey in response to a market event.

Two weeks and dozens of conversations later, we set out our first investment “Playbook” for the COVID-19 crisis. It outlined three potential scenarios for a variety of major economies. Below we show the scenarios for the U.S.

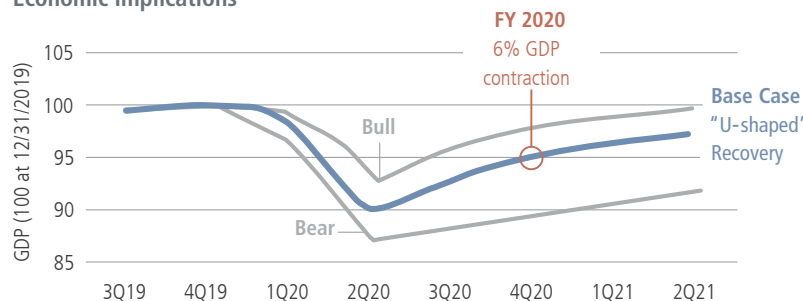
Once we had outlined our three scenarios for the virus and the economy, the Playbook then identified four investment themes that we thought likely to be applicable regardless of which scenario played out. We decided that



For illustrative and discussion purposes only. Nothing herein constitutes a prediction or projection of future events or future market or economic behavior. The duration and characteristics of past market/economic cycles and market behavior, including length and recovery time of past recessions and market downturns, is no indication of the duration and characteristics of any current or future market/economic cycles or behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed or any historical results. Investing entails risks, including possible loss of principal. See Additional Disclosures at the end of this piece, which are an important part of this presentation.

Expected "U-shaped" Recovery

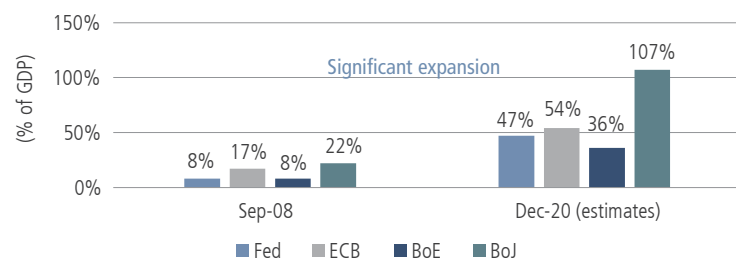
Economic Implications



- Full Year 2020 GDP contraction: U.S. -6%, Europe -8%, U.K. -6%, and Japan -3%. China grows 1%
- U.S. infections peak May/June. Economy reaccelerates beginning in mid-June/July, inventory rebuilds through Q3. U.S. unemployment rises to 15% and then reverts downward
- Global economies rebound, but do not have same upward velocity as U.S. due to lower contribution from consumer/service sector

Monetary Policy

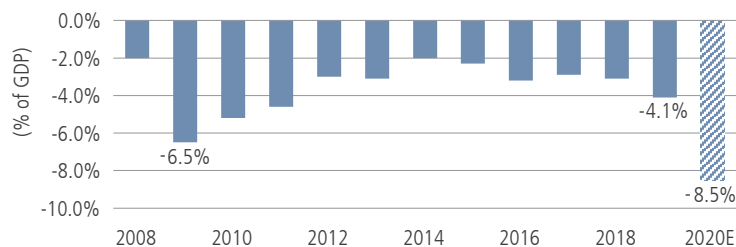
G4 Central Bank Balance Sheet



- Global average policy rate goes below post Global Financial Crisis. Fed remains at 0% rate through 2021 and potentially longer
- Asset purchases up to €1.0T from ECB and £200B from BoE, alongside Fed commitment up to \$4T
- Fed remains committed to supporting credit markets, actual purchases taper off as liquidity returns. Balance sheet expands to approximately \$8T
- Fed on-balance sheet credit facilities used sporadically as 'backstop' rather than large outright purchases

Fiscal Policy¹

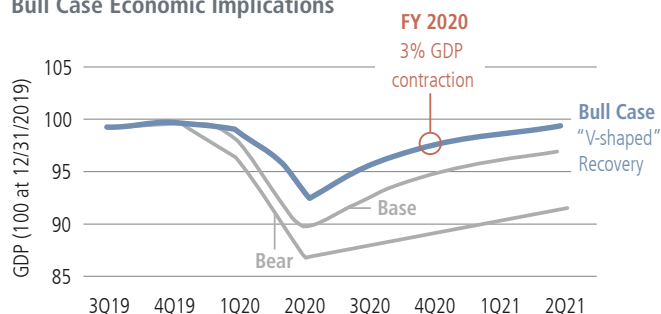
G4+China General Government Cyclically Adjusted Primary Balance



- Fiscal deficits widen to levels not seen since Global Financial Crisis
- Government spending significantly offsets deeper private sector contraction
- Small and Medium Enterprise sector stabilizes but default rates rise
- Second leg of policy likely to develop: infrastructure, additional labor relief

Faster "V-shaped" Recovery in Bull Case and Lower "L-shaped" in Bear Case

Bull Case Economic Implications



- 2020 GDP contraction: U.S. -3%, Europe -6%, U.K. -4%, and Japan -2%. China grows 2%
- U.S. infections peak late April; economy reaccelerates mid- to late May and consumers quickly revert back to more normal behavior. Pent-up demand leads to inventory rebuild and consumption rebounds strongly
- U.S. unemployment briefly spikes through 10% then quickly reverts
- Global economies rebound, cyclical sectors outperform commodities and emerging markets

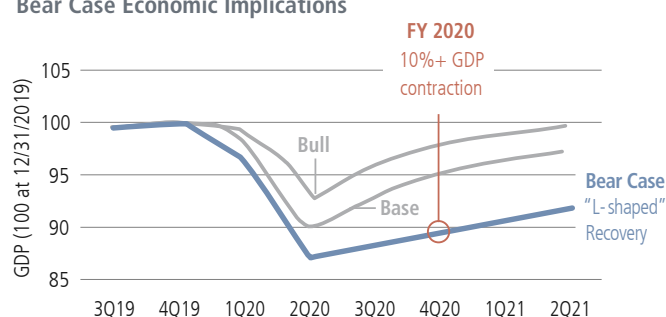
Monetary Policy

- Global policy rates remain at historically low levels
- Fed balance sheet expands less aggressively to \$5 – 7T, financing facilities used sporadically but do not get full take-up
- Asset purchases by ECB, BoE, BOJ less aggressive
- Asset impairment priced into securities, such as European banks and lower tier credits, do not materialize

Fiscal Policy

- U.S. fiscal stimulus equivalent to 9% of GDP stabilizes small and medium enterprises and mitigates virtual shutdown of economy
- Europe implements strong and cohesive fiscal support

Bear Case Economic Implications



- 2020 GDP contraction: U.S. -30%, Europe -15%, U.K. -14%, Japan -5%, China -2%
- Global economy decelerates sharply, permanent structural changes to consumer spending
- U.S. unemployment peaks at 24%. Consumer spending remains depressed
- Europe faces fiscal crisis: state bailouts required, increasing Eurozone tension. ECB and U.K. fail to reach trade agreement. Strong USD creates stress in EM
- Corporate defaults soar globally. Political backlash against shareholder capitalism

Monetary Policy

- Fed remains at 0% policy rates for 3+ years, potential for U.S. rates to trade negative. Negative yielding sovereign debt reaches unprecedented levels globally
- Fed and ECB further expand asset purchases to other sectors, including commercial mortgages and even equity ETFs
- Fed balance sheet expands above \$10T

Fiscal Policy

- Multiple rounds of expansive fiscal policy tests, ability of central banks to maintain target yield levels
- Higher tax rate on corporates, potential one-time "economic rescue" tax on cash balances

Durable Income and Yield would be a priority as dividends were cut, defaults rose and sovereign bond yields fell. We anticipated a **Regime Shift in Equities** would see investors favor quality companies with staying power. We thought there would be a period of **Dislocation** opportunities in mispriced quality assets amid the uncertainty and lack of market liquidity. And we wanted to seek out **Idiosyncratic Ideas** that could deliver returns uncorrelated with overall market directionality.

“In the earliest weeks of the crisis, it became clear that we needed to mobilize our investment views faster and deeper than we ever had. Using teamwork and collaboration, we crowd-sourced investment views across our global investment teams and created a ‘Crisis Playbook’ in short order. The playbook helped provide our investment teams with structure in a very unstructured situation, and allowed us to engage proactively with clients.”

—J. DOUGLAS KRAMER

The extensive conversations we had with our investment teams yielded specific implementation ideas for those themes, via different asset classes, markets and strategies, depending on which scenario played out. For example, defensive equities might play a role in providing Durable Income and Yield in our base-case scenario, while investment grade credit would play that role in all three scenarios, and high yield would play a modest role in our base case and a bigger role in our bull-case scenario. Value and emerging market equities would fit the Dislocation theme, but only in the event of our bull-case scenario; whereas we believed private credit mispricings presented an opportunity regardless of how events played out. Options such as long/short equity and insurance-linked strategies were Idiosyncratic Ideas with a role to play as long as the V-shaped, bullish scenario didn’t come to pass. Overall, we came up with a complex matrix of 30 – 40 asset classes and strategies matched with four themes in three scenarios.

Applying that to our base-case scenario suggested the following headline asset allocation views at the beginning of April:

In equities, the anticipated hit to earnings from business disruption, a lack of investment and higher corporate taxes led us to favor companies with strong balance sheets and durable earnings and dividends—with potential growth-oriented options focused on companies exposed to long-term themes that were being accelerated by the crisis, such as 5G connectivity and e-commerce. We thought that volatility could be elevated for some time, which led to a favorable view of approaches designed to capture the volatility risk premium (such as options strategies) or investments exposed to risks that are very different from traditional financial market risks (such as insurance-linked strategies).

In fixed income markets, the AAC thought that conservative balance sheet management would be likely to favor bondholders in general. Alongside select opportunities in better-quality high yield, the main focus was on attractive valuations in investment grade credit, which had the additional advantage of explicit central bank support.

The Committee favored private markets for dislocation and distressed opportunities. The private equity industry had come into the crisis with a lot of uninvested dry powder, and it was clear that many fundamentally sound smaller companies would likely need that cash to recapitalize and restructure for survival. Limited Partners are also likely to need to raise liquidity or rebalance portfolios, suggesting that opportunities would begin to appear in the private equity secondary market. In the meantime, distressed credit investors were already scouring for opportunities in the U.S. leveraged loan market, a quarter of which was trading at distressed levels, and the junior tranches of collateralized loan obligations (CLOs).

“When a crisis comes, liquid-alternatives and private-markets investors have two really important jobs. One is to try to bring some stability to clients’ portfolios. The other is to identify attractive opportunities in good companies, providing those companies with the much-needed capital that could help prevent them from failing. We have a lot of work to do.”

—ANTHONY D. TUTRONE

"Having entered this business in the mid-1980s, I've seen the '87 Crash, 9/11 and the Global Financial Crisis of 2008 – 09. I thought I'd seen more than my share of 'once-in-a-lifetime' happenings. I was wrong."

—JOSEPH V. AMATO

"When it came to risk at the height of the crisis, liquidity was front-and-center. A number of markets simply broke down, including some where such an outcome would have been almost unthinkable in the past, such as the front end of yield curves across the board and even off-the-run U.S. Treasuries. We worked relentlessly to build a full quantitative and qualitative picture of our portfolios' liquidity profiles under these new conditions, and the key to that was a constant flow of communication between risk and every investment team across our platform."

—ANNE F. BRENNAN

Checking the Map

By the time the AAC met again on May 5, things had moved on considerably. Viral infections had apparently started to peak in Europe and the U.S., the first hard economic data for the lockdown period had started to come in and significant monetary and fiscal stimulus programs had been announced. Most notably, through April financial markets rallied substantially, apparently assuming something more like our bull than our base case scenario. At the portfolio level, our teams had been thoughtfully adjusting positions in response to new information and fast-changing market dynamics.

Reconvening the AAC more than a month ahead of the normal schedule was not about filling in a scorecard for the views it had set out six weeks earlier. Rather, it was to confirm whether or not its scenarios, themes and asset allocation ideas were still a reasonable guide to the road ahead, given all the new information at hand. We had been following the path, the landmarks around us had changed, and it was time to check our position on the map again.

On the virus, by May effective lockdowns had delivered a slightly better outcome than we had anticipated—but re-opening economies safely remains a formidable logistical challenge as long as we are still waiting for effective treatments or vaccines. The recent resurgence of the virus in some U.S. states and certain regions of the emerging world has underlined that challenge.

On the economy, central banks and fiscal interventions were as rapid and large as we could have hoped, and our base case for GDP growth looked very much like the emerging consensus by mid-May.

On the markets, April's strong rebound in the S&P 500 Index was led by defensive and growth-oriented technology and consumer staples stocks—precisely the U.S. large-cap “quality” exposures that we favored in our first AAC meeting and Playbook. Within credit, investment grade led high yield, again playing into the views we had set out in early April.

“In this worst of times for the economy, we may be in one of the best of times for the long-term return outlook for credit. But not every issuer will be supported through this, and rigorous selectivity will be critical, particularly in high yield.”

—BRAD C. TANK

On asset allocation, our focus on quality and the U.S. paid off. The AAC discussed the potential for a more positive view on high yield, value and cyclical stocks and non-U.S. markets, but ultimately decided to stay the course until hard data makes a firmer case for dismissing our most bearish scenario. The most significant change in views arguably came in our Playbook's “Dislocation” theme, where, particularly in private markets, the distressed opportunity set quickly became narrower and more nuanced as debt from better-quality issuers snapped back through April.

And on our scenarios and their assigned probabilities, when the AAC asked itself whether it might be time to revise down or even dismiss its most bearish, “L-shaped” Playbook scenario, it found that few of the scenario's stated assumptions and projection could be discounted. The possibility of successive waves of infection leading to a prolonged cycle of lockdowns and an increase in economic, financial and political stresses was as live in mid-May as it had been at the end of March, despite the S&P 500 being more than 30% higher. Since then, while the initial bounce-back in certain economic data was encouraging, that improvement is now levelling off, while in some parts of the U.S. a resurgence in the virus has become so severe that it is forcing a reversal of re-opening measures, casting new doubt on hopes for a rapid and full recovery.

Facts and Data Rather than Hope or Fear

We therefore think that the COVID-19 crisis has a long way to go. But we believe our approach to it already confirms two important things.

The first is the value of scenario planning. The discipline of setting out clear, simple parameters for changing one's views can help investors stay focused on what has actually been achieved in the fight against COVID-19 rather than what we hope will be achieved. Similarly, it can help investors avoid mistaking a big rotation into defensive stocks for a confident equity market rally.

The second is the huge advantage of an investment platform that covers virtually every asset class and every region, and combines team-specific and shared research that goes well beyond securities analysis. Signals from one market can shed light on completely different markets. The combined skills and experience of our healthcare, retail, travel and leisure analysts, and our Data Science team, have brought clarity to the reams of fast-moving information coming out of epidemiology, pharmaceuticals and the real economy.

When circumstances are as uncertain as they are today, there is no guarantee that our views will turn out to have been the right ones. Nonetheless, we do believe that the discipline of a clear plan and our unique insights into what consumers, companies and the virus are doing have enabled us to steer client assets through the COVID-19 crisis based on facts and data rather than hope or fear. That lends us confidence as we pursue our investment themes of Durable Income, a Regime Shift in Equities, Dislocation and Idiosyncratic Ideas into the post-COVID crisis market environment.

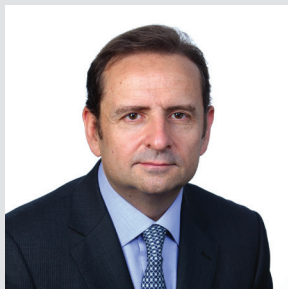
“The value of scenario planning, and of setting out clear, simple parameters for changing one's views is that the discipline of it keeps us focused on the key factors driving markets and helps us to look through short-term volatility.”

—ERIK L. KNUTZEN, CFA, CAIA

CLIENT COVERAGE LEADERSHIP ROUNDTABLE



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



NICK J. HOAR*
Head of Asia Pacific



ALAN L. ISENBERG
Head of Product Strategy and Marketing



SCOTT E. KILGALLEN
Head of North America Intermediary



STEPHANIE B. LUEDKE
Head of Private Wealth Management



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



LESLEY D. NURSE
Head of North America
Consultant Relations



RYO OHIRA
Head of East Asia



DIK VAN LOMWEL
Head of EMEA and Latin America



BARBARA WENIG
Head of Client Platform



JAMIE WONG
Head of Consultant Relations—EMEA

* As of July 1, 2020, Nick Hoar has taken on the new role of Non-U.S. Fixed Income Business Head.

Client Coverage Leadership in Conversation

ANDREW S. KOMAROFF

Chief Operating Officer and Head of Global Client Coverage

Our Client Coverage leaders from around the world gathered virtually to discuss the issues that are top of clients' minds, and how Neuberger Berman is positioned to help. While the COVID-19 pandemic is the main source of short-term uncertainty, meeting expected return targets in a world of zero yields was still the number one longer-term challenge. Our team highlighted the increasing prominence of "strategic partnerships" and the growing demand for private markets among individual investors and their advisors. Here are some of the highlights of the conversation.

How can clients meet their return objectives when yields are so low and growth asset valuations are so high?

The biggest challenges of the past few months have been related to the COVID-19 outbreak, but before that, low yields and high valuations were the common, long-term sources of anxiety for many investors. The violent sell-off and partial rebound in risk assets over the spring and summer of 2020 has undoubtedly created some specific value opportunities. The scale of the fiscal and monetary response has made it much more difficult to say whether or not there has been a general re-pricing of risk, however. The big question of the past decade has not gone away.

One way investors of all types have tackled this problem is to focus on getting the best value from their asset managers. That means spending fee and risk budgets much more prudently, often by favoring higher-conviction active management and for more efficient, quantitative strategies for harvesting risk

premia. That is why we have built our business around these two disciplines, and continue to integrate them and make them inform one another.

Very few asset managers can boast a team with 40 years' experience picking U.S. small cap stocks, for example, or the ability to combine those strengths with a centralized research platform that increasingly draws on insights from a Data Science team, an ESG capability and quantitative investment research. We believe the quality of our research is what enables us to build intellectually robust thematic investing strategies, which appeal, particularly in Asia, to investors' desire to go beyond index investing and embrace a growth narrative they can really understand in an otherwise low-growth environment. This is all about the potential for research to uncover those incremental returns that can help clients keep up with their growing liabilities.

The biggest challenges of the past few months have been related to the COVID-19 outbreak, but the big question of the past decade, about where to find yield and return, has not gone away.

In fixed income, the most common solution to low yields is to migrate along the risk spectrum in credit, which plays to our longstanding strength in high yield and loans. The fact that we cover every sector in fixed income, from U.S. Treasuries through bank loans, collateralized loan obligations (CLOs), municipal bonds and high yield bonds to hybrid securities, has enabled us to guide clients as they've made that shift. Early in the year we saw a lot of demand for new shares in our Australia-listed global corporate income offering, a multi-sector fixed income strategy. More recently, we have augmented our multi-sector investment grade and high yield strategies with ratings-agnostic, pure credit strategies built to take opportunity wherever they appear in the world—such as expanding our offshore Global Flexible Credit offering. We believe this kind of flexibility can be tremendously useful when the search for yield is so critical and dislocations across markets are so violent.

Finally, investors are expanding their allocations to private markets, both equity and debt. They are seeking a liquidity premium—but not only that. By committing their capital for the long term, they enable us to be opportunistic buyers when others are selling to meet redemptions; they know that we are supplying capital in markets where price is not the only determinant, where greater speed, flexibility or creativity than you can get from the banks or the public markets is just as important, and commands a premium. And then, once they are invested at these more attractive valuations, investors know that private equity managers are able to make substantial operational and financing interventions to accelerate earnings growth, or to conserve cash, cut costs and raise more capital in the event of a downturn, or an event such as the current COVID-19 crisis. Investors recognize that to be a powerful toolbox in the current environment, which is why we are deploying in more and more markets, from debt to real estate to intellectual property rights and royalty streams.

Portfolios designed to harvest excess return and yield from the full range of markets and strategies get complex quickly. How might clients manage that complexity?

We continue to see our clients turning to their consultants for a range of advice. We see this a lot more during time of volatility, market dislocation or structural change, among intermediary advisors as well as institutional investors—but in reality this is an acceleration of a longer-term trend. One reason we have been investing more in our consultant relations capability worldwide, even as the consulting industry itself has been consolidating, is to reflect the growing influence on investors' decision making as fiduciary managers.

Another important pillar to managing complexity is to work with asset management partners that have depth in both investment and client-relationship resources, and can draw on integrated platforms across asset classes. The addition of emerging markets debt, European investment grade, bank loans and global high yield capabilities has taken us in that direction in fixed income. A growing range of quantitative and thematic strategies has been rounding out our equities platform, investment in ESG analytics and data science has strengthened our pooled research capabilities, and our multi-asset franchise not only brings all of these liquid markets together in customized solutions, but gives us the ability to combine public and private assets into flexible strategies. We believe we are one of a handful of asset managers—and arguably the only mid-sized asset manager—that can bring so much depth of research and expertise to both liquid and illiquid markets. In this way, we are able to combine the flexibility that comes with our size with the breadth of our capabilities to deliver for clients.

We also think that this is where strategic partnerships can come into play. It's an over-used term, but we would define it as an asset manager and its client taking a shared, customized approach to identifying objectives, selecting investments and reporting risk and performance. When solutions become more customized, they can often become more complex, with a greater number of separate moving parts. An effective strategic partnership should include provision of total accessibility and support together with great training, advice and education to understand these complex moving parts, but it should also prevent a solution from becoming over-complicated.

We believe we excel in these things, partly because of our size and private-ownership culture, and partly because, since as long ago as 2006, we've been building strategic partnerships through our private assets capabilities. Clients that are expert in one or two areas of private markets still recognize that the way the industry has evolved makes it almost impossible to be expert in everything. So even when a partnership doesn't cover an entire program, it often needs to be "strategic" in the sense that guidance and education is required, and it needs to fit coherently with the rest of the client's program. Our broad platform of private markets expertise—stretching from diversified private equity portfolios to trademark royalties—is clearly crucial here, but it goes well beyond that, to what our private markets team calls 'service alpha.'

A client's top priority is earning returns, but service alpha is what makes that process easier: meeting transparency, reporting, performance analysis and administrative needs in a timely fashion, as those needs change, and making senior, experienced professionals available at all times. That's where the years of back and middle office development pay off, as well as the fact that our clients know they will get to see the same senior professionals over and over again, for years—whether that's when they come to New York, London, Tokyo or Hong Kong or when we work with them locally.

As we continue to expand our strategic partnerships beyond private markets, we increasingly draw on the depth of resources we are building across the firm, directing them toward solving some of the most idiosyncratic and complex challenges that our clients face today.

A client's top priority is earning returns, but 'service alpha' is what makes that process easier: meeting transparency, reporting, performance analysis and administrative needs in a timely fashion, as those needs change, and making senior, experienced professionals available at all times.

What do strategic partnerships look like from the client's point of view?

Strategic partnership looks different in different market segments. In the intermediary market, clients do tend to want scalable relationships with fewer partners, who can provide a wide range of strategies and good field support, but there is less interest in complete portfolio solutions given advisors generally play that role themselves.

Similarly, outside of private markets, much of the European institutional market is well served by fiduciary managers offering solutions services, who then turn to firms such as Neuberger Berman for components. Nonetheless, some of those components are required to be implemented in a solutions- or partnership-based way, such as introducing risk parity into a defined benefit portfolio in such a way as to optimize upside-to-downside risk in the context of a specific funding status and liability profile, for example; or building a private assets strategy or a currency hedging overlay that is efficient within a particular insurance regulatory capital regime.

It's a different picture for, say, pension funds in Latin America. In the Andean region and Mexico superannuation-type funds with automatic enrolment are growing at 10 – 11% per year and getting too big for their local capital markets. They are looking for diversification and are staffed by next-generation, forward-thinking investors and risk managers. As capital and regulatory controls are lifted across the region in general, it is becoming fertile ground for solutions-based partnerships, such as the recent work we have done with a Colombian fund to diversify its local peso exposure into a portfolio that was higher-yielding but still investment grade.

For some investors, a strategic partnership is about dealing with complexity; for others, it's about education; access is the key for many, or customization; the ability to respond nimbly to a changing environment often tops the agenda; while a few regard it simply as a way to pursue their investment objectives more efficiently and cost-effectively. At their best, they make us an extension of our clients' own investment staff.

Why is innovation so important for a firm like Neuberger Berman?

When we are faced with crowded, traditional investment categories, our philosophy is to err on the side of providing something complementary rather than competitive.

A great example is the Dyal approach to investing in alternatives, where we acquire minority equity stakes in leading private equity managers on behalf of our clients. We saw a similar approach being brought to real estate by Almanac, which we recently welcomed on board. Alongside our real estate secondaries and listed real estate offerings, Almanac rounds out a genuinely differentiated approach to the asset class where, similar to Dyal, we partner with leading regional real estate entrepreneurs to provide capital and additional structure to grow their franchises.

In global equities, we have enjoyed a lot of success in Asian markets by focusing on our thematic portfolios, avoiding head-to-head competition with broad-based global equity strategies. As of May 2020, our fund dedicated to the 5G Connectivity theme has grown quickly to become the third biggest of 6,000 distributed in Japan (excluding ETFs), and the largest thematic equity fund available in the country. Similarly, we have built a tailored institutional account that has a punchy, concentrated global portfolio of 40 stocks drawing explicitly on our data science and ESG expertise.

We have enjoyed a lot of success in Asian markets by focusing on our thematic portfolios.

In our quantitative strategies we try to differentiate our offering by making full use of our fundamental equity research and Data Science capabilities to enrich our modelling, and turn quantitative techniques directly onto client's challenges—whether that is targeting growth with strict risk constraints or enhancing the efficiency of tax-loss harvesting.

What is Neuberger Berman doing to give individual investors and their advisors access to the private markets?

Demand for private markets strategies has been rising in every region we serve, and among every client segment, including qualified individuals and their advisors. We see this increased engagement across private equity, private credit, hedge funds and real estate.

The reasons for this trend are straightforward: In addition to the yield and illiquidity premiums that investors can capture, the opportunity set continues to expand both for entities choosing to transact in the private markets and investors allocating resources to them.

The democratization of alternatives is a key focus area for the firm, bringing innovations in both product structure and mode of delivery. We are proud of our long history of serving family offices and ultra-high-net-worth clients with our institutional private markets strategies, and we are using that experience to deliver these strategies to a broader group of individual investors. To that end, we structure our products in a number of ways to provide flexibility in order to meet certain investor needs.

Our alternatives business has always occupied a unique place in the investment ecosystem. As an allocator to private equity funds from our Private Investment Portfolio platform, a partner to financial sponsors in our private credit business, and a stakeholder in alternative investment managers and real estate companies in our Dyal and Almanac businesses, respectively, we have access to world-class investment insights and partnerships. We believe these relationships make us smarter, better investors and enable us to deliver more intuitive solutions to our clients.

On access, we regularly search for ways to streamline the process for investors: from simplified subscription documents, to making the capital call process more seamless. Our client support platform is dedicated to delivering positive investor experiences. In addition, for those clients that prioritize the ability to make continual investments and desire some degree of liquidity, we believe there are fund structures that can meet these needs. We see these potential opportunities in specialized fund structures that could provide certain investors with the type of access they desire in multiple alternative strategies, including private equity, private credit and real estate.

What are the trends in Neuberger Berman's Private Wealth Management Business?

Some of the many trends affecting private wealth management (PWM) have been accelerated by the COVID-19 crisis. One area that has always been a focus of ours, but is becoming even more relevant in today's complex world, is the importance of providing comprehensive wealth planning that is fully integrated with customized investment solutions. We believe we are in a particularly strong position to do this given our experience with wealth planning, as well as trust and estate planning through our Trust company, coupled with Neuberger Berman's ever-expanding investment capabilities. With decades of experience working with individuals and families, we have seen firsthand the importance of strong connectivity between planning and investments in realizing both short-term and long-term objectives.

We are also seeing evolving investment preferences across our client base. Neuberger Berman has long believed that ESG factors are an important determinant of long-term investment risk and return, and we increasingly see private wealth clients interested in dedicated ESG and sustainable portfolios as it becomes better appreciated that these factors, when material, can lead to improved investment outcomes. We will likely look back on the COVID-19 crisis as an event that accelerated the appreciation for sustainable investing and corporate responsibility.

We have also observed an increasing interest in investment opportunities in companies benefiting from, or in some cases driving, important transformative innovations around the world—everything from 5G connectivity to the Internet of Things and autonomous vehicles. These investments can be found as part of fully diversified portfolios or as dedicated thematic portfolios.

During the COVID-19 crisis we have seen higher satisfaction among clients with whom we have a full advisory relationship, where we have spent time on financial planning and asset allocation both before and during the crisis.

How is Neuberger Berman creating a more intuitive client experience?

There are particularly exciting developments underway on our PWM platform, which is in the midst of a full-scale digitization initiative through its strategic partnership with InvestCloud, a leading provider of technology solutions to the wealth management industry. This technology is being rolled out in phases throughout 2020 and 2021 and will include a new Client Portal and Client App that will facilitate an improved online experience and enhanced data and reporting available to our clients.

It is important to note that we look at digital tools as a way to enhance and support the client experience and not as a replacement for human interaction or customization. Direct access to senior professionals at Neuberger Berman is a hallmark of the client experience and one that we remain committed to. We also approach technology as a way to improve our business practices while continuing to deliver customized solutions and not as a way to drive clients to a "one-size-fits-all" approach. While this approach takes time and patience, we know that it will ultimately best serve our clients today and into the future.

In so many walks of life, the COVID-19 crisis has accelerated trends that have been in place for some time. The same is true in how we communicate and aim to provide our clients with timely content. We held almost as many webinars in March, April and May this year as we did through the whole of 2019, and recorded approximately 100 videos with our investment talent to ensure we were bringing investors real-time market insights. We are humbled that more than 30,000 clients have watched these videos and that webinar attendance has consistently numbered in the thousands. Each of these metrics suggest to us that the insights we are seeking to deliver are responsive to client questions and concerns in this uncertain time.

During the COVID-19 crisis, this kind of instant feedback has helped us optimize the balance between communicating regularly and not over-burdening clients' inboxes, and between making sense of ever-changing market events and identifying differentiated investment opportunities.

These lessons, learned in the heat of an unprecedented public health, economic and financial-market crisis, will prove invaluable as we continue to develop our client experience—hopefully in more normal times.

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Chairman and Chief Executive Officer, Neuberger Berman



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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 ●
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Formerly President, Neuberger Berman Mutual Funds



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Portfolio Manager, Small Cap



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Formerly Dean, School of Business, University of Wisconsin



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Adjunct Professor, Columbia University School of International and Public Affairs



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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:

Naomi Daly ●
Independent Non-Executive Director of the Board
Formerly Independent Director and Senior Executive, MPMF Fund Management (Ireland) Limited

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

*In Memoriam

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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 Liu ● Patrick C. Lomelo ● Stephanie B. Luedke ● Joseph Lynch ● Matthew H. Malloy ● Richard S. Nackenson ● Lesley D. Nurse ●



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Anthony D. Tutrone ● Judith M. Vale ● Dik van Lomwel ● Francis Verdier ● George H. Walker ● Barbara Wenig ● Heather P. Zuckerman ●

Neuberger Berman Welcomes Its Newest Senior Colleagues



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D. Pike Aloian
Almanac – NY



Milca Beltre
Tax – NY



Glynnell Bradley
Dyal – NY



Mary M. Brady
AIFM Ireland – DUB



Anne F. Brennan
Risk – NY



Jennifer M. Cattier
Almanac – NY



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Henry C. Herms
Almanac – NY



John W. Humphrey
Special Situations – NY



Matthew W. Kaplan
Almanac – NY



Makiko Kawamura
Client Coverage – TYO



Keita Kubota
Japanese Equities – TYO



Harry Lin
Compliance – SHA



Zhengyuan Lu
Specialty Finance – NY



Stephanie B. Luedke
Private Wealth – NY



Simon Matthews
European HY – LON



Joseph McDonnell
QMAC – LON



Ula McDonnell
HR – LON



Ning Meng
Chinese Equities – SHA



Kenny K. Moon
Almanac – LA



Maarten Nederlof
QMAC – NY



John O'Callaghan
AIFM Ireland – DUB



Josh K. Overbay
Almanac – NY



Andrew R. Pollard
Dyal – NY



Hari Ramanan
Thematic Equity – NY



Helen Ryoo
MLPs – NY



Mitchell A. Schacher
Dyal – NY



Andrew M. Silberstein
Almanac – NY



Luke Somers
Private Wealth – NY



Adam M. Stanislavsky
Principal Strategies – CHI



Robert Surgent
QMAC – NY



Matthew Thompson
Client Coverage – SYD



John P. Tierney
Dyal – NY



Francis Verdier
IT – NY



Matthew Wolpert
Almanac – NY



Hugo Yan
Client Coverage – SHA



Alan Yip
Portfolio Specialists – HK



WILLIAM A. ARNOLD, Chief Financial Officer

Our Commitment 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 more diversified and stable investment platform. We have introduced new strategies with existing investment teams, added new investment teams and continued to invest in our global client coverage franchise. We believe these investments will drive greater long-term stability across the firm and provide opportunities for deeper client relationships.

As we entered 2020, we demonstrated our commitment to sustainability, as we became the first U.S.-based asset manager to sign a sustainability-linked revolving credit facility,² in which our borrowing costs will be higher or lower depending on our performance against material environmental, social and governance factors. We believe that transparency and accountability on these measures is an important part of leading change in our industry.

Importantly, as we focus on protecting the firm and investing for the future, we do so by understanding the objectives and long-term strategy of our investment, client coverage, operating and support teams. This partnership ensures we are properly allocating our resources and capital to initiatives that will ultimately serve our clients well.

ASSETS UNDER MANAGEMENT

(U.S. Dollars in Billions)

| | | | | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$356 | \$304 | \$295 | \$255 | \$240 | \$250 | \$242 | \$205 | \$193 | \$190 |
| 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |

SUMMARY FINANCIAL INFORMATION

(U.S. Dollars in Millions) Dec. 2019

| | |
|--|------------------|
| Cash and Cash Equivalents | 832.0 |
| Investments | 492.7 |
| Receivables | 331.0 |
| Goodwill and Other Intangibles | 589.4 |
| Other Assets | 172.8 |
| Total Assets | \$2,417.9 |
| Senior Notes Payable | 600.0 |
| Accrued Compensation and Benefits | 689.8 |
| Accrued Expenses and Other Liabilities | 457.5 |
| Total Liabilities | 1,747.3 |
| Equity ¹ | 670.6 |
| Total Liabilities and Equity | \$2,417.9 |
| Net Revenues | \$1,841.3 |

¹Equity includes \$81.4M of non-controlling interests from employee investments held indirectly by employees.

²Source: Seligson, Paula (February 8, 2020). "Neuberger Berman First U.S. Asset Manager to Ink ESG-Linked Loan." Bloomberg.

All information is as of June 30, 2020, unless otherwise indicated.

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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Discussions of any specific sectors and companies are for informational purposes only. The firm, its employees and advisory accounts may hold positions of any companies discussed. Specific securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients. It should not be assumed that any investments in securities, companies, sectors or markets identified and described were or will be profitable. Any discussion of environmental, social and governance (ESG) factor and ratings are for informational purposes only and should not be relied upon as a basis for making an investment decision. ESG factors are one of many factors that may be considered when making investment decisions.

The allocation views expressed herein are generally those of the Neuberger Berman Multi-Asset Class (MAC) team or Neuberger Berman’s Asset Allocation Committee. The Asset Allocation Committee is comprised of professionals across multiple disciplines, including equity and fixed income strategists and portfolio managers. The Asset Allocation Committee reviews and sets long-term asset allocation models, establishes preferred near-term tactical asset class allocations and, upon request, reviews asset allocations for large diversified mandates. Tactical asset allocation views are based on a hypothetical reference portfolio. Any currency outlooks are not against the U.S. dollar but stated against the other major currencies. As such, the currency outlooks should be seen as relative value forecasts and not directional U.S. dollar pair forecasts. Currency outlooks are shorter-term in nature, with a duration of one to three months. Regional equity and fixed income views reflect a one-year outlook. Asset Allocation Committee members are polled on asset classes and the positional views are representative of an Asset Allocation Committee consensus. The views of the MAC team or the Asset Allocation Committee may not reflect the views of the firm as a whole and Neuberger Berman advisers and portfolio managers may take contrary positions to the views of the MAC team or the Asset Allocation Committee. The MAC team and the Asset Allocation Committee views do not constitute a prediction or projection of future events or future market behavior.

The information in this material may contain projections, market outlooks or other forward-looking statements regarding future events, including economic, asset class and market outlooks or expectations, and is only current as of the date indicated. There is no assurance that such events, outlook and expectations will be achieved, and actual results may be significantly different than that shown here. The duration and characteristics of past market/economic cycles and market behavior, including any bull/bear markets, is no indication of the duration and characteristics of any current or future market/economic cycles or behavior. Information on historical observations about asset or sub-asset classes is not intended to represent or predict future events. Historical trends do not imply, forecast or guarantee future results. Information is based on current views and market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. Models are discussed for informational and educational purposes only, and are based on various assumptions, projections or other information. Actual results can be significantly different than those predicted by the models.

For more information on COVID-19, please refer to the Center for Disease Control and Prevention at [cdc.gov](https://www.cdc.gov).

Nothing herein constitutes a prediction or projection of future events or future market or economic behavior. The duration and characteristics of past market/economic cycles and market behavior, including length and recovery time of past recessions and market downturns, is no indication of the duration and characteristics of any current or future market/economic cycles or behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed or any historical results.

A bond's value may fluctuate based on interest rates, market conditions, credit quality and other factors. You may have a gain or loss if you sell your bonds prior to maturity. Of course, bonds are subject to the credit risk of the issuer. If sold prior to maturity, municipal securities are subject to gain/losses based on the level of interest rates, market conditions and the credit quality of the issuer. Income may be subject to the alternative minimum tax (AMT) and/or state and local taxes, based on the investor's state of residence. High-yield bonds, also known as "junk bonds," are considered speculative and carry a greater risk of default than investment-grade bonds. Their market value tends to be more volatile than investment-grade bonds and may fluctuate based on interest rates, market conditions, credit quality, political events, currency devaluation and other factors. High yield bonds are not suitable for all investors and the risks of these bonds should be weighed against the potential rewards. Neither Neuberger Berman nor its employees provide tax or legal advice. You should contact a tax advisor regarding the suitability of tax-exempt investments in your portfolio. Investing in the stocks of even the largest companies involves all the risks of stock market investing, including the risk that they may lose value due to overall market or economic conditions. Small- and mid-capitalization stocks are more vulnerable to financial risks and other risks than stocks of larger companies. They also trade less frequently and in lower volume than larger company stocks, so their market prices tend to be more volatile. Investing in foreign securities involves greater risks than investing in securities of U.S. issuers, including currency fluctuations, interest rates, potential political instability, restrictions on foreign investors, less regulation and less market liquidity. The properties held by REITs could fall in value for a variety of reasons, such as declines in rental income, poor property management, environmental liabilities, uninsured damage, increased competition, or changes in real estate tax laws. There is also a risk that REIT stock prices overall will decline over short or even long periods because of rising interest rates. The sale or purchase of commodities is usually carried out through futures contracts or options on futures, which involve significant risks, such as volatility in price, high leverage and illiquidity.

Institutional-Oriented Equity and Fixed Income AUM Benchmark Out-performance 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. High net worth/private asset management ("HNW") AUM is excluded. For the period ending June 30, 2020, the percentage of total institutional-oriented equity AUM outperforming the benchmark was as follows: Since Inception: 87%; 10-year: 79%; 5-year: 81%; and 3-year: 83%; and total institutional-oriented fixed income AUM outperforming was as follows: Since Inception: 97%, 10-year: 89%; 5-year: 74%; and 3-year: 81%. If HNW AUM were included, total equity AUM outperforming the benchmark would be as follows: Since Inception: 87%; 10-year: 53%; 5-year: 55%; and 3-year: 58%; and total fixed income AUM outperforming would be as follows: Since Inception: 98%; 10-year: 86%; 5-year: 72%; and 3-year: 79%. 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 6/30/2020, five equity teams/strategies accounted for approximately 52% of the total firm equity (ISA, MAG and mutual fund combined) assets reflected, and nine strategies accounted for approximately 51% 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.

The Cambridge Associates LLC indices data is as of December 31, 2019, which is the most recent data available. The Cambridge Associates Fund of Funds Index is the benchmark recommended by the CFA Institute for benchmarking overall private equity fund of funds performance. The benchmark relies on private equity funds self-reporting data for compilation and as such is subject to the quality of the data provided. The median net multiple of Cambridge Associates Fund of Funds Index is presented for each vintage year as of December 31, 2019, the most recent available. Cambridge Associates data provided at no charge.

While one of the secondary funds closed in 2008, Cambridge Associates classifies that particular fund as a 2007 vintage year fund (the year of its formation) and, therefore, the Cambridge Associates benchmarks used herein are for 2007 vintage year funds.

Firm data, including employee and assets under management figures, reflect collective data for the various affiliated investment advisers that are subsidiaries of Neuberger Berman Group LLC (the "firm"). Firm history and timelines include the history and business expansions of all firm subsidiaries, including predecessor entities and acquisition entities. Investment professionals referenced include portfolio managers, research analysts/associates, traders, product specialists and team-dedicated economists/strategists.

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