NEUBERGER | BERMAN

ASSET ALLOCATION COMMITTEE OUTLOOK

FIRST QUARTER 2012

Stronger domestic economic data and signs of progress in the European sovereign debt crisis provided a better backdrop for riskier assets in the fourth quarter of 2011. Despite this progress, the Asset Allocation Committee anticipates continued uncertainty and volatility heading into 2012, with U.S. elections and Europe policymaking remaining top-of-mind throughout the year. Nevertheless, the Committee believes that the U.S. may avoid a recession and post very modest growth (approximately 2%) in 2012, and that Europe should make slow progress toward resolving its debt crisis. Although macroeconomic concerns remain at the forefront, the Committee's discussion this quarter centered on fundamentals within asset classes, which are generally considered favorable, and on the importance of yield. The Committee's core views remain steady: underweight bonds and overweight equities. Within fixed income, the Committee is finding little value in the highest-grade sectors like Treasuries and municipals, but remained overweight high yield and upgraded emerging market bonds. Within equities, the Committee is leaning toward high-quality large-cap U.S. equities boasting diverse sources of revenue, a strong global footprint and exposure to faster-growing emerging markets. Additionally, hints of optimism began to emerge for developed and emerging market equities based on valuations.

ABOUT THE ASSET ALLOCATION COMMITTEE

Neuberger Berman's Asset Allocation Committee meets every quarter to poll its members on their outlook for the next 12 months on each of the asset classes noted. The nine-member panel covers the gamut of investments and markets, bringing together 195 combined years of industry knowledge, with an average of 22 years of experience each.

MARKET VIEWS BASED ON 1-YEAR RETURN OUTLOOK FOR EACH ASSET CLASS

ASSET CLASS	← Below-Normal Return Outlook	Long-Term (10 Yr.+) Annual Return Outlook	Above-Normal Return Outlook →	Change From Previous Quarter
Fixed Income				
Investment Grade Fixed Income	○			●
U.S. TIPS	○			●
High Yield Corporates			○	●
Developed International Fixed Income	○			●
Emerging Market Fixed Income			○	△
Equity				
U.S. All Cap Core			○	●
U.S. Large Cap			○	●
U.S. Small Cap	○			●
Master Limited Partnerships			○	△
Developed International Equities	○			●
Emerging Market Equities		○		●
Public Real Estate		○		●
Real and Alternative Assets				
Commodities		○		●
Lower Volatility Hedge Funds			○	●
Macro Hedge Funds			○	●
Private Equity		○		●

△ Return outlook higher than previous quarter ● Return outlook essentially unchanged ▽ Return outlook lower than previous quarter

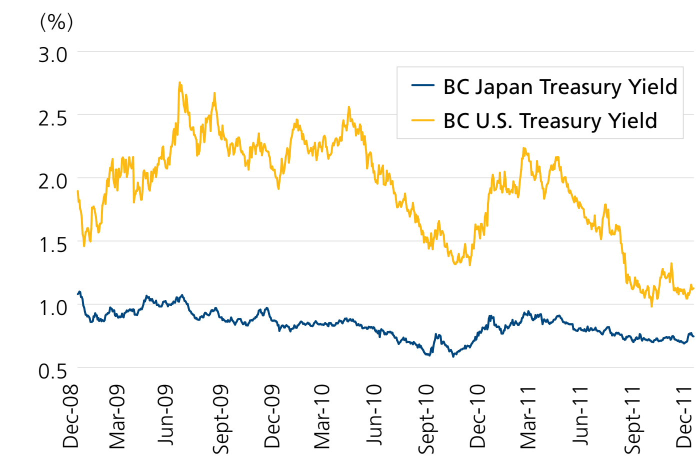
Views expressed herein are generally those of Neuberger Berman's Asset Allocation Committee and do not reflect the views of the firm as a whole. Neuberger Berman advisors and portfolio managers may make recommendations or take positions contrary to the views expressed. Nothing herein constitutes a prediction or projection of future events or future market behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed. See Additional Disclosures at the end of this material, which are an important part of this presentation.

U.S. FIXED INCOME

Overall, the Committee continues to hold an underweight view on investment grade fixed income, with a preference for spread sectors like corporate investment grade and high yield. Investors appear to be gaining confidence in the economic backdrop going into 2012 and, with the manifestation of a positive, though low-growth, environment, may become more likely to seek incremental yield, which could negatively impact lower yield, safe-haven asset classes like Treasuries.

After a strong year in the municipals space, Committee members expressed caution for state and local debt. While they anticipate attractive spreads, navigating the municipal landscape will require selectivity in credit and duration. Meanwhile, the U.S. election cycle is likely to impact the asset class, creating additional uncertainty for investors.

U.S. FIXED INCOME: U.S. TREASURY YIELDS ONLY MODESTLY HIGHER THAN JAPAN'S

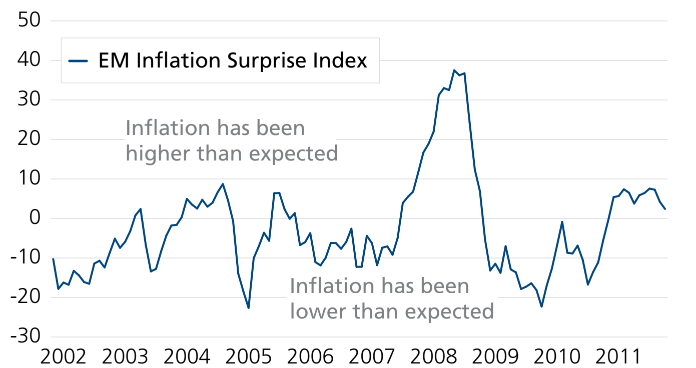


Source: FactSet.

EMERGING MARKET FIXED INCOME

As the low interest rate environment in the U.S. persists and risk remains high in developed international markets, many investors are looking to other asset classes and geographies for income sources. While they are not immune to tumult in the global financial markets, emerging market bonds delivered average yields of 6% year-to-date in 2011, attractive in comparison with U.S. and developed market fixed income. Overall, the Committee believes emerging market debt offers attractive fundamentals and a good source of yield, with qualities that place it between the investment grade and high yield fixed income credit categories. Despite global growth concerns, the Committee moved from a neutral to an overweight position for emerging market debt and has an above-average return outlook in 2012 as fixed income spreads tighten and inflationary pressures ease in developing economies.

EMERGING MARKET FIXED INCOME: MODERATING INFLATION PRESSURES IN DEVELOPING ECONOMIES SUPPORTIVE OF EMERGING MARKET DEBT

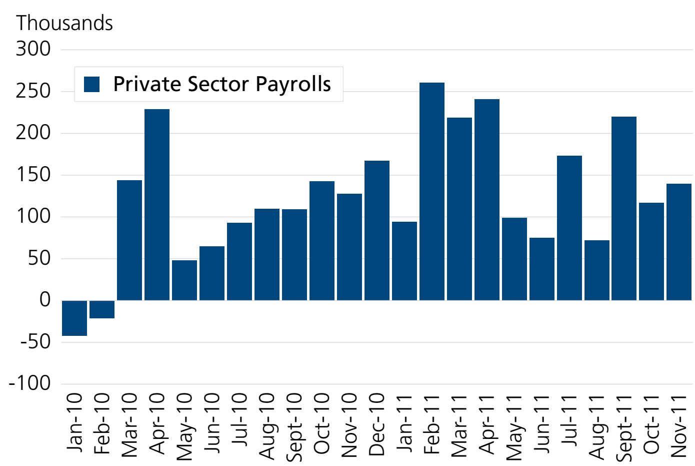


Source: FactSet.

LARGE-CAP U.S. EQUITIES

Within the equity universe, the Committee feels that large-cap U.S. equities offer one of the most attractive risk-reward profiles and, as a result, continue to hold an overweight view of the asset class. The danger of a European recession and the anticipation of modest U.S. job and economic growth in 2012 help explain the Committee's preference for U.S. over developed international equities, with a bias toward quality growth over value. Should conditions deteriorate significantly, U.S. equities are likely to be "one of the best houses on a bad block." While volatility is expected, barring a significant shock, like a eurozone break up, earnings at U.S. companies should continue to strengthen, which the Committee believes could help drive equities gradually higher in 2012.

LARGE-CAP U.S. EQUITIES: CONTINUED MODEST JOB GROWTH SHOULD BOLSTER U.S. EQUITIES IN 2012

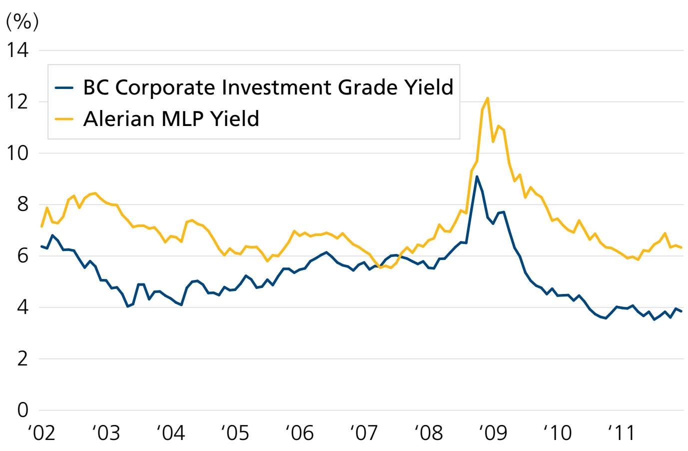


Source: FactSet.

MASTER LIMITED PARTNERSHIPS

After maintaining a neutral view for 2011, the Committee upgraded master limited partnerships (MLPs) to an overweight position, believing that investors' income needs, coupled with the Federal Reserve's commitment to keep interest rates low into 2013 (if not 2014), should help support the asset class. MLPs have the potential to provide an inflationary hedge, and with an attractive yield profile (currently around 6% with expected distribution of approximately 4%), are an attractive source of income. MLPs also have exposure to the energy sector, which the Committee views as a favorable longer-term investment theme with oil at $100 per barrel and potentially moving higher, given global political uncertainty and the easing cycle being undertaken by many central banks.

MASTER LIMITED PARTNERSHIPS: ATTRACTIVE YIELDS COMPARED WITH OTHER INCOME-ORIENTED ASSETS

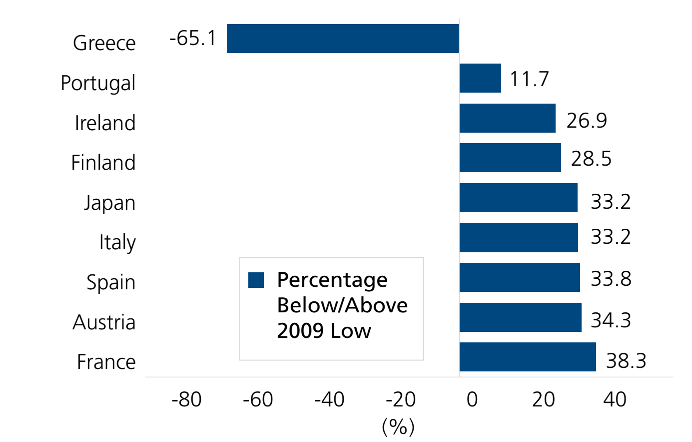


Source: FactSet.

INTERNATIONAL EQUITIES

The Committee continues to hold an underweight view on developed international equities and a neutral view on emerging market equities, but acknowledged some encouraging signs. Equity prices appear attractively valued, and potentially have already factored in the risks posed by the sovereign debt crisis and lower growth in emerging markets. However, the situation in Europe is pivotal and continually evolving; the expectation is for painfully slow, if not recessionary, growth in the region, with the debt crisis eliciting a strong, constructive response only as it is required. Although recent moves by the ECB to cut rates and by other central banks to decrease the cost of swap lines have been well received, the structural issues plaguing the euro bloc have yet to be meaningfully addressed. Liquidity conditions are easing, but borrowing costs remain unsustainably high and are moving in the wrong direction. To date, Europe's key policymakers have not shown the willingness to use unconventional easing to solve the debt crisis; while developed international and emerging market equities have been punished in 2011, and are trading at attractive valuations, the Committee does not see enough catalysts in 2012 to change its stance on international equities.

DEVELOPED INTERNATIONAL EQUITIES (MSCI): NOT FAR OFF THEIR 2009 LOWS

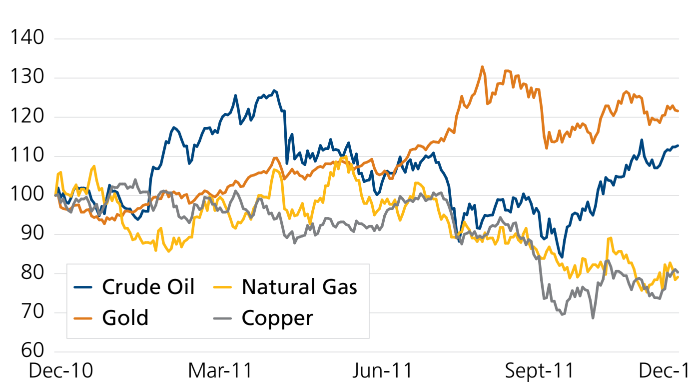


Source: FactSet. Data as of December 7, 2011.

COMMODITIES

The Dow Jones-UBS Commodity Index, which represents a diversified basket of commodities, is down slightly for 2011. Gold and unleaded gas were areas of strength, while natural gas and copper showed weakness and crude oil posted modest gains. Overall, the Committee anticipates moderating global growth to be balanced by a stronger, widespread monetary easing cycle in 2012. Brazil led the way with a 50 bps cut to their target lending rate, and other central banks have followed suit. While we don't expect central banks to cut rates as dramatically as they did in 2008–2009, we believe the easing cycle will strengthen and broaden during 2012, and believe it could help put a floor under commodity prices.

COMMODITIES: DIVERGENT PERFORMANCE AGAIN IN 2011



Source: FactSet.

For more information, contact Neuberger Berman at 800.223.6448.