

Peralta Community College District
September 12, 2013

Neuberger Berman Trust Company N.A.

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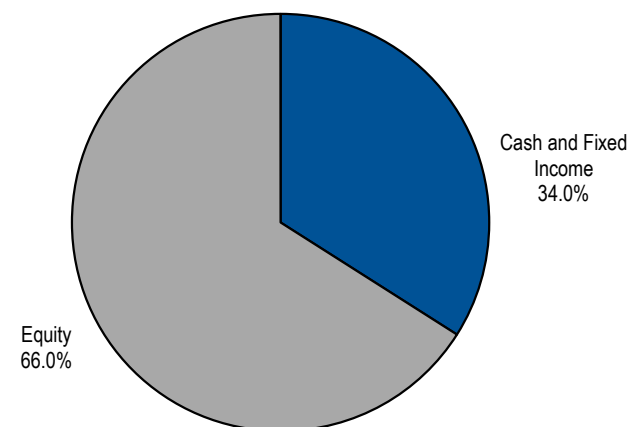
INVESTMENT PERFORMANCE REVIEW AS OF AUGUST 31, 2013

Peralta Community College District

Executive Summary as of August 31, 2013

PORTFOLIO COMPOSITION

Asset Class	Market Value	% of Total
Cash and Fixed Income		
Cash and Equivalents	3,412,641	1.8%
Investment Grade Fixed Income	46,163,468	24.0%
High Yield Corporates	9,761,540	5.1%
Non-U.S. Fixed Income	6,095,220	3.2%
Subtotal	\$ 65,432,869	34.0%
Equity		
U.S. Large Cap	66,474,029	34.5%
U.S. SMID Cap	16,774,943	8.7%
Developed International Equities	25,119,244	13.1%
Emerging Market Equities	11,639,099	6.0%
Public Real Estate	6,998,159	3.6%
Subtotal	\$ 127,005,474	66.0%
TOTAL PORTFOLIO	\$ 192,438,343	100.0%



NET PERFORMANCE SUMMARY

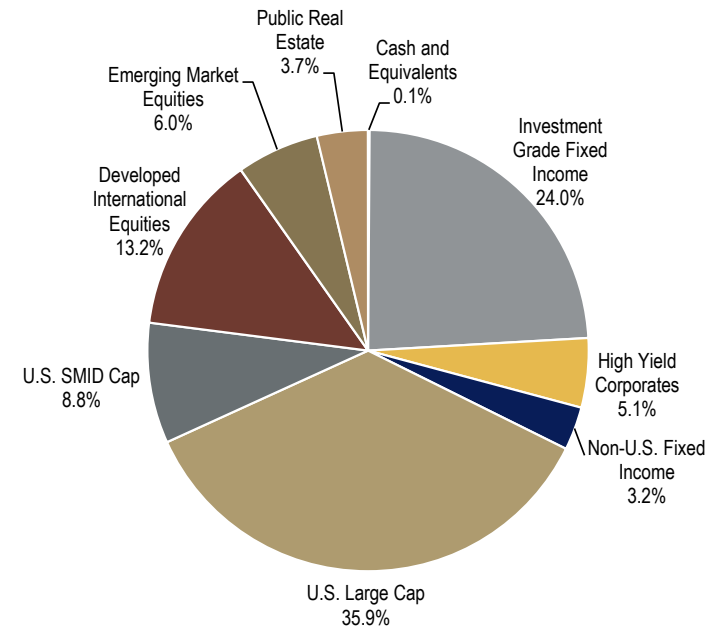
	Trailing 1 Month	Trailing 3 Months	Year- to-Date	Trailing 1 Year	Annualized Since Inception	Cumulative Since Inception
Total Portfolio (1/31/2006)	(2.28)	(0.88)	6.06	10.50	5.09	45.68
Investment Policy Benchmark (1/31/2006) ⁽¹⁾	(1.58)	(1.00)	4.64	8.39	4.95	44.20

(1) From 5/31/2012 to present consists of: 35% Barclays Capital Aggregate, 5% Barclays Capital US Corporate High Yield, 23% Russell 1000, 8% Russell 2000, 15% MSCI EAFE, 7% MSCI Emerging Markets, 4% NAREIT Equity, and 3.0% DJ-UBS Commodity Index. From 1/31/2006 to 5/31/2012 consists of: 35% Barclays Capital Aggregate, 30% S&P 500 Index, 10% Russell 2000, 20% MSCI EAFE, and 5% NAREIT Equity.

Peralta Community College District

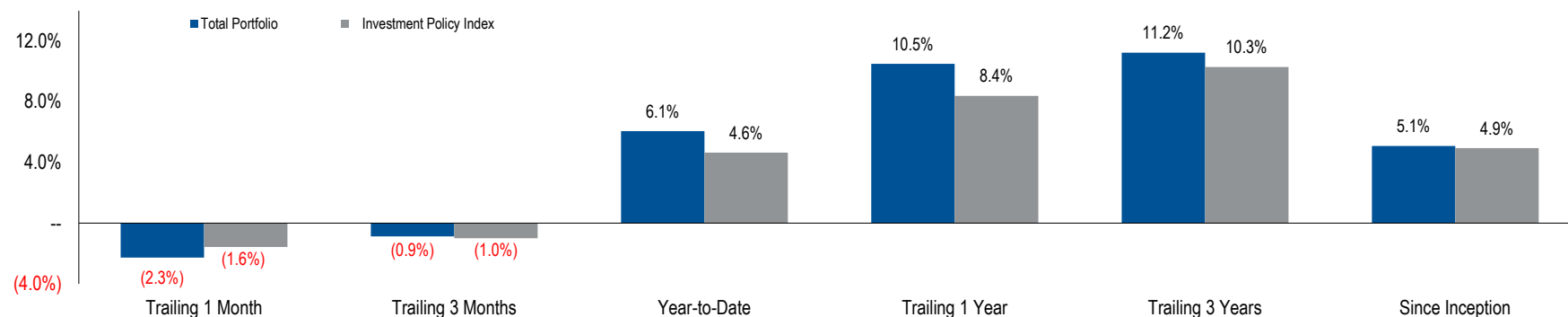
Allocation by Investment Manager as of August 31, 2013

Manager/Asset Class	Market Value	% Of
JP Morgan US Treasury Money Market Fund - VPIXZ	199,094	0.1%
Total Cash and Equivalents	\$ 199,094	0.1%
NB Fixed Income Structure Core	46,163,468	24.0%
Total Investment Grade Fixed Income	46,163,468	24.0%
NB High Income Bond Fund - NHILX	9,761,540	5.1%
Total High Yield Corporates	9,761,540	5.1%
Dreyfus EM Debt Fund - DDBIX	6,095,220	3.2%
Total Non-U.S. Fixed Income	6,095,220	3.2%
Total Fixed Income	\$ 62,020,228	32.2%
NB Large Cap Disciplined Growth	20,954,054	10.9%
NB Large Cap Value	24,255,280	12.6%
NB Socially Responsible Investing Group	23,824,228	12.4%
Total U.S. Large Cap	69,033,562	35.9%
NB Genesis Fund - NBGIX	7,714,560	4.0%
Pinnacle Associates Small Cap Growth	9,259,668	4.8%
Total U.S. SMID Cap	16,974,228	8.8%
Harding Loevner International Equity ADR	12,437,018	6.5%
NB International Fund - NBIIX	12,966,788	6.7%
Total Developed Equities	25,403,806	13.2%
Vanguard MSCI Emerging Markets ETF - VWO	8,771,145	4.6%
NB Emerging Markets Fund - NEMIX	2,867,954	1.5%
Total Emerging Market Equities	11,639,099	6.0%
NB REITs	7,168,326	3.7%
Total Public Real Estate	7,168,326	3.7%
Total Equity	\$ 130,219,021	67.7%
Total Portfolio	\$ 192,438,343	100.0%



Peralta Community College District

Composite Performance Summary (Net) as of August 31, 2013



Composite / Index (Inception)	Mkt Val (\$m)	% of	Trailing 1 Month	Trailing 3 Months	Year- to-Date	Trailing Annualized Performance*		
						1 Year	3 Years	Inception
Total Portfolio (1/31/2006)	\$ 192,438,343	100%	(2.28)	(0.88)	6.06	10.50	11.23	5.09
<i>Investment Policy Benchmark ⁽¹⁾</i>			(1.58)	(1.00)	4.64	8.39	10.29	4.95
Total Fixed Income (1/31/2006)	\$ 62,020,228	32.2%	(0.81)	(2.28)	(2.52)	(0.72)	3.92	5.48
<i>Barclays Capital U.S. Aggregate Bond Index</i>			(0.51)	(1.92)	(2.81)	(2.47)	2.58	5.00
Total Equity (1/31/2006)	\$ 130,219,021	67.7%	(2.97)	(0.20)	10.74	16.84	15.36	4.45
<i>MSCI All Country World Index</i>			(2.04)	(0.28)	9.23	16.11	12.33	4.91
Total U.S. Equity (1/31/2006)	\$ 93,176,116	48.4%	(3.22)	0.96	16.70	20.85	18.58	5.85
<i>Russell 3000 Index</i>			(2.79)	1.21	16.95	20.32	18.87	6.10

(1) From 5/31/2012 to present consists of: 35% Barclays Capital Aggregate, 5% Barclays Capital US Corporate High Yield, 23% Russell 1000, 8% Russell 2000, 15% MSCI EAFE, 7% MSCI Emerging Markets, 4% NAREIT Equity, and 3.0% DJ-UBS Commodity Index. From 1/31/2006 to 5/31/2012 consists of: 35% Barclays Capital Aggregate, 30% S&P 500 Index, 10% Russell 2000, 20% MSCI EAFE, and 5% NAREIT Equity.

Peralta Community College District

Net Performance by Investment Manager as of August 31, 2013

Manager (Inception)	Market Value	% of Tot. Port.	1 Month	Trailing 3 Months	Year-to-Date	Annualized Perf. (%)		
						Trailing 1 Year	Trailing 3 Years	Since Inception
Investment Grade Fixed Income								
NB Fixed Income Structure Core (1/31/2006)	\$ 46,163,468	24.0%	(0.47)	(1.95)	(2.53)	(1.82)	3.20	5.19
<i>Barclays Capital US Aggregate Bond Index</i>			(0.51)	(1.92)	(2.81)	(2.47)	2.58	5.00
<i>Variance from Index</i>			0.04	(0.03)	0.28	0.65	0.62	0.19
High Yield Corporates								
NB High Income Bond Fund - NHILX (5/31/2012)	\$ 9,761,540	5.1%	(0.77)	(1.24)	2.70	7.14	-	9.82
<i>BofA ML US High Yield Master II Constrained Index</i>			(0.62)	(1.42)	2.77	7.55	-	9.74
<i>Variance from Index</i>			(0.15)	0.18	(0.06)	(0.41)	-	0.09
Non-U.S. Fixed Income								
Dreyfus EM Debt Fund - DDBIX (5/31/2012)	\$ 6,095,220	3.2%	(3.36)	(6.32)	(9.88)	(3.65)	-	3.79
<i>JP Morgan GBI-EMG Core Index</i>			(4.09)	(8.57)	(11.46)	(5.38)	-	1.52
<i>Variance from Index</i>			0.73	2.25	1.57	1.73	-	2.28
U.S. Large Cap								
NB Large Cap Disciplined Growth (1/31/2006)	\$ 20,954,054	10.9%	(1.99)	0.77	14.29	13.63	14.96	6.11
<i>Russell 1000 Growth Index</i>			(1.71)	1.55	15.71	16.43	19.20	6.55
<i>Variance from Index</i>			(0.28)	(0.78)	(1.42)	(2.79)	(4.24)	(0.44)
NB Large Cap Value (1/20/2006)	\$ 24,255,280	12.6%	(4.53)	1.50	21.17	28.85	20.05	5.61
<i>Russell 1000 Value Index</i>			(3.79)	0.51	17.53	23.10	18.20	5.01
<i>Variance from Index</i>			(0.74)	0.99	3.64	5.75	1.85	0.60
NB Socially Responsible Investing Group (5/31/2012)	\$ 23,824,228	12.4%	(2.14)	2.33	20.58	24.61	-	26.07
<i>S&P 500 Index</i>			(2.90)	0.67	16.15	18.70	-	20.43
<i>Variance from Index</i>			0.76	1.66	4.42	5.91	-	5.64
U.S. SMID Cap								
NB Genesis Fund - NBGIX (5/31/2012)	\$ 7,714,560	4.0%	(2.04)	4.12	18.27	24.13	-	20.76
<i>Russell 2000 Value Index</i>			(4.42)	1.31	16.36	24.38	-	23.87
<i>Variance from Index</i>			2.38	2.81	1.91	(0.25)	-	(3.11)

Note: Benchmark inception dates correspond with that of the respective manager. Performance shown for periods of less than one year is cumulative.

Peralta Community College District

Net Performance by Investment Manager as of August 31, 2013

Manager (Inception)	Market Value	% of Tot. Port.	1 Month	Trailing 3 Months	Year-to-Date	Annualized Perf. (%)		
						Trailing 1 Year	Trailing 3 Years	Since Inception
Pinnacle Associates Small Cap Growth (5/29/2012)	\$ 9,259,668	4.8%	(4.31)	0.99	17.10	27.73	-	30.97
<i>Russell 2500 Growth Index</i>			(2.06)	3.94	21.84	26.89	-	24.35
<i>Variance from Index</i>			(2.25)	(2.95)	(4.74)	0.84	-	6.62
Developed International Equity								
Harding Loevner International Equity ADR (5/29/2012)	\$ 12,437,018	6.5%	(1.87)	(2.59)	2.44	11.35	-	16.82
<i>MSCI EAFE Index</i>			(1.32)	0.19	8.15	18.66	-	22.38
<i>Variance from Index</i>			(0.55)	(2.79)	(5.71)	(7.31)	-	(5.57)
NB International Fund - NBIX (1/31/2006)	\$ 12,966,788	6.7%	(1.82)	1.48	5.76	13.80	9.86	2.34
<i>MSCI EAFE Index</i>			(1.32)	0.19	8.15	18.66	9.28	2.27
<i>Variance from Index</i>			(0.50)	1.28	(2.38)	(4.86)	0.58	0.07
Emerging Market Equity								
Vanguard MSCI Emerging Markets ETF - VWO (5/31/2012)	\$ 8,771,145	4.6%	(3.43)	(7.94)	(14.01)	(2.35)	-	2.40
<i>MSCI Emerging Markets Index</i>			(1.72)	(7.01)	(10.19)	0.54	-	4.85
<i>Variance from Index</i>			(1.71)	(0.92)	(3.81)	(2.88)	-	(2.45)
NB Emerging Markets Fund - NEMIX (5/28/2013)	\$ 2,867,954	1.5%	(3.10)	(7.38)	-	-	-	(9.19)
<i>MSCI Emerging Markets Index</i>			(1.72)	(7.01)	-	-	-	(8.91)
<i>Variance from Index</i>			(1.38)	(0.36)	-	-	-	(0.28)
Public Real Estate								
NB REITS (1/31/2006)	\$ 7,168,326	3.7%	(5.61)	(7.42)	(1.80)	(1.18)	12.52	6.17
<i>NAREIT All Equity REIT Index</i>			(6.62)	(7.91)	(0.39)	1.44	13.11	4.49
<i>Variance from Index</i>			1.01	0.49	(1.41)	(2.62)	(0.59)	1.68

Note: Benchmark inception dates correspond with that of the respective manager. Performance shown for periods of less than one year is cumulative.

Index Performance Scorecard

As of August 31, 2013

Asset Class	Aug 13	YTD
Dow	-4.11	15.02
S&P 500	-2.90	16.15
MSCI EAFE*	-1.31	8.54
MSCI Emerging Markets*	-1.68	-9.94
3 Month T-Bill	0.00	0.05
10 Year Treasury	-1.11	-5.63
Barclays Corporate	-0.70	-3.29
Barclays High Yield	-0.61	2.71
Barclays Municipal**	-1.43	-4.92
Alerian MLP Index	-2.50	18.43

- International markets outperformed U.S. equities for a change last month.
- Fixed income experienced another difficult month with most segments posting declines in August.

Equity Style	Aug 13	YTD
Russell 1000	-2.76	16.69
Russell 1000 Growth	-1.71	15.71
Russell 1000 Value	-3.79	17.53
Russell 2000	-3.18	20.03
Russell 2000 Growth	-1.95	23.85
Russell 2000 Value	-4.42	16.36

- Growth edged value in large cap and small cap last month.

S&P 500 Sectors	Aug 13	YTD
Consumer Discretionary	-2.85	22.45
Consumer Staples	-4.42	14.56
Energy	-1.67	13.42
Financials	-5.02	19.62
Health Care	-3.49	24.52
Industrials	-2.49	17.26
Information Technology	-0.52	10.22
Materials	-0.02	8.69
Telecommunications Services	-4.14	6.19
Utilities	-4.98	8.90

- Commodity-related sectors (Materials and Energy) outperformed in August.

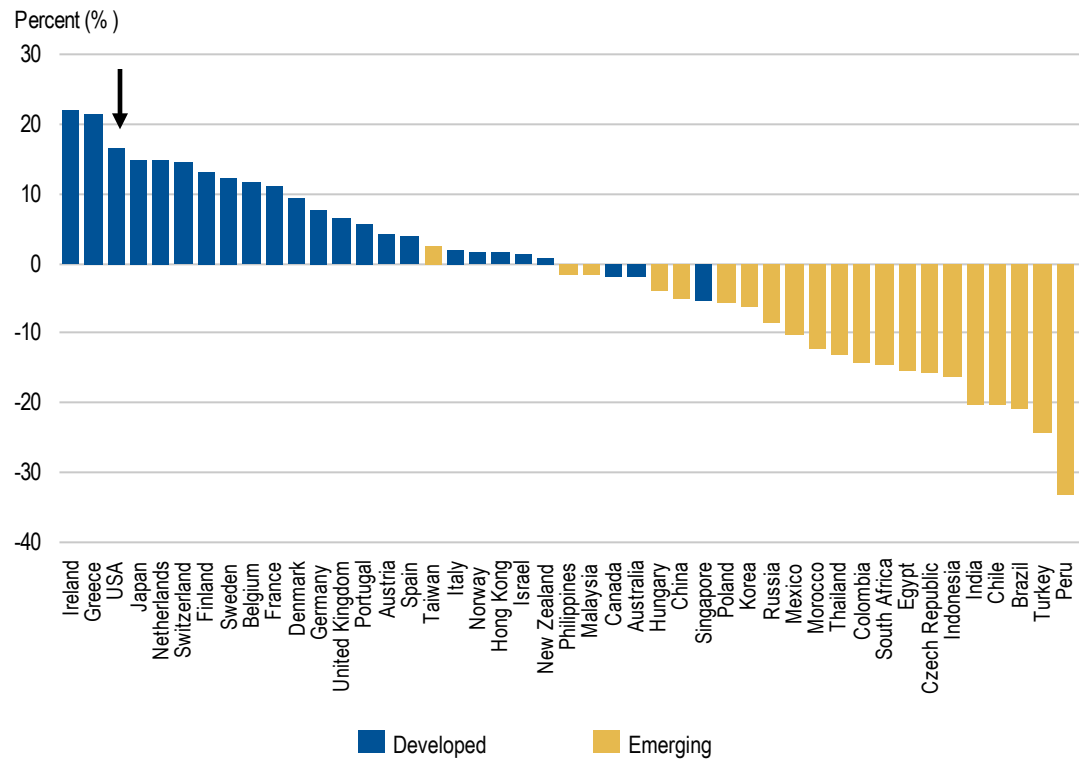
*Dollar returns. **Municipal performance not adjusted for taxes.

Sources: Standard and Poor's; MSCI; Barclays. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results. See Disclosures section at the end of this material, which is an important part of this presentation.

Global Equity Market Performance

As of August 31, 2013

DEVELOPED AND EMERGING MARKET 2013 YTD PERFORMANCE (%)



- In August, global equities fell and Materials and Energy sectors were amongst the best performing sectors. The United States was negatively impacted by concerns over possible military action following events in Syria, while Asia Pacific ex-Japan performed best. Within Asia, Korea (+3.8%) and China (+2.4%) benefited as investors rotated out of India (-10.8%) on concerns about the current account deficit.

Source: MSCI Barra. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results. See Disclosures section at the end of this material, which is an important part of this presentation.

NB ASSET ALLOCATION COMMITTEE VIEWS

About the Asset Allocation Committee

A multidisciplinary committee is polled quarterly for their asset class return outlooks and asset allocation views

COMMITTEE MEMBERS

Joseph Amato

President & Chief Investment Officer, Equity
28 years industry experience

Thanos Bardas, PhD

Portfolio Manager, Head of Interest Rates
15 years industry experience

Alan Dorsey, CFA

Head of Investment Strategy & Risk
28 years industry experience

Wai Lee, PhD

CIO & Director of Research,
Quantitative Investment Group
19 years industry experience

Leah Modigliani

Multi-Asset Class Strategist
17 years industry experience

Matthew Rubin, Committee Chair

Director of Investment Strategy & CIO,
Neuberger Berman Trust Company
17 years industry experience

Brad Tank

Chief Investment Officer, Fixed Income
32 years industry experience

Anthony Tutrone

Head of NB Alternatives
26 years industry experience

EXPERTISE

- Global economics & research
- Equity strategies
- Fixed income strategies
- Quantitative investing
- Currency strategies
- Risk management

RESPONSIBILITIES

- Review and set long-term asset allocation guidelines
- Establish preferred near-term tactical asset class allocations
- Client specific review on request

CONSIDERATIONS

- Macroeconomic factors
- Fundamental market assumptions
- Investable universe
- Excess return opportunities
- Systematic and idiosyncratic risk

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.

Asset Allocation Committee: Market Views

Market views based on 1-year outlook for each asset class

Asset Class	Asset Class Equilibrium Return	Below Normal Return Outlook	Long-Term (10-Yr+) Annual Return Outlook	Above Normal Return Outlook	Change from Previous Outlook	Commentary
Fixed Income						
Investment Grade Fixed Income	3.6%		◆		□	Within fixed income, most of the Committee's view s remained intact. We have seen a meaningful rise in interest rates across the U.S. yield curve in a short period of time. That being said, the rise in yields has presented another attractive entry point into certain areas of fixed income. The Committee's view for high yield corporates, for instance, moved back to an overw eight position as members felt the widening in spreads and backup in yields presented another opportunity to capture value and add income in today's environment. Meanw hile, the Committee kept its neutral emerging markets debt view in place. Although the Committee believes the credit profile of emerging markets remains attractive, grow th has been challenged in places.
Municipals	3.6%		◆		□	
U.S. Government Securities	3.3%	◆			□	
Investment Grade Corporates	4.3%		◆		□	
Agency MBS	3.4%		◆		□	
CMBS / ABS	5.6%		◆		□	
U.S. TIPS	4.1%		◆		□	
High Yield Corporates	5.6%			◆	↑	
Developed International Fixed Income	5.4%		◆		□	
Emerging Market Fixed Income	7.0%		◆		□	
Equity						
U.S. All Cap Core	8.1%		◆		□	The Committee continues to maintain its preference for equities over fixed income. The Committee upgraded developed international equities to an overw eight position, how ever it is important to differentiate betw een tw o major regions: Europe and Japan. In Europe, the Committee believes economic data may be bottoming w hile equity risk premiums have reached attractive levels. The Committee w as much more skeptical of Japan as there has been tremendous volatility in the region, much of w hich has been policy-driven.
U.S. Large Cap	8.0%		◆		□	
U.S. Small Cap	8.7%		◆		□	
Master Limited Partnerships	8.0%		◆		□	
Developed International Equities	8.8%			◆	↑	
Emerging Market Equities	10.5%			◆	□	
Public Real Estate	8.0%		◆		↓	
Real and Alternative Assets						
Commodities	6.4%		◆		↓	The Committee dow ngraded tw o segments w ithin the real and alternatives category by moving commodities and low er volatility hedge funds to an underw eight and neutral position, respectively. Commodities continue to post lackluster results and may continue to do so as China's grow th remains sub-par in the Committee's opinion.
Low er Volatility Hedge Funds	4.1%		◆		↓	
Macro Hedge Funds	6.1%		◆		□	
Private Equity	14.8%		◆		□	



Return outlook higher than previous quarter



Return outlook essentially unchanged



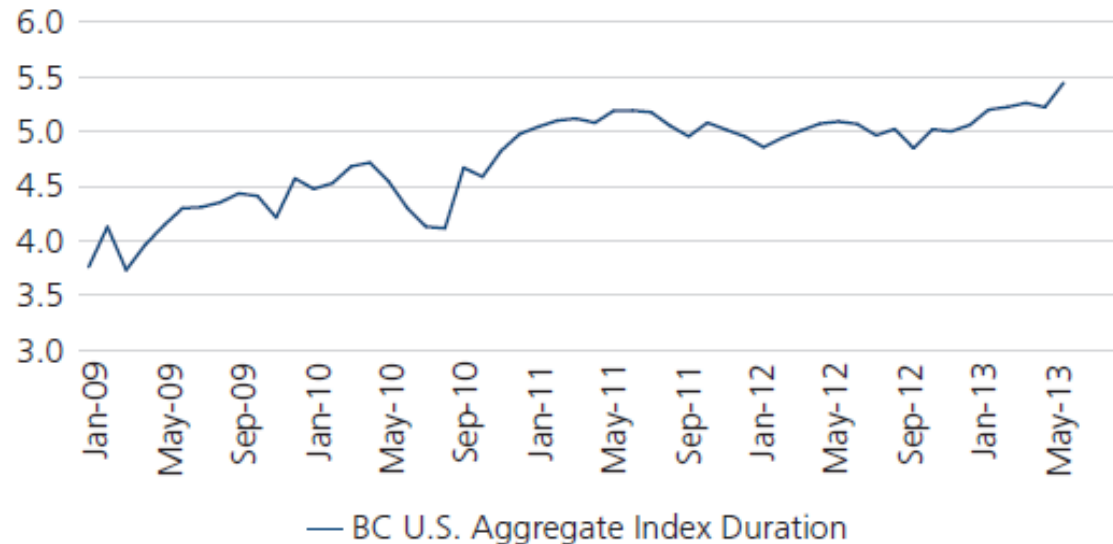
Return outlook lower

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U.S. Investment Grade Fixed Income

Despite yield increases, expected continuation of volatility keeps the Committee at bay

BARCLAYS CAPITAL U.S. AGGREGATE INDEX DURATION



- Although U.S. Treasury yields have moved about 60–90 basis points higher across the yield curve since a year ago, the Committee does not believe these levels represent an attractive buying opportunity for the asset class.
- Real yields (nominal Treasury yields minus expected inflation) are more attractive than they have been in quite some time, however the Committee continues to expect volatility in Treasuries until investors become more comfortable with the Fed's message and plan of action.

Source: FactSet.

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High Yield Corporates

The Committee upgrades high yield corporates, finding attractive value and income potential

BARCLAYS CAPITAL HIGH YIELD CORPORATE YTW



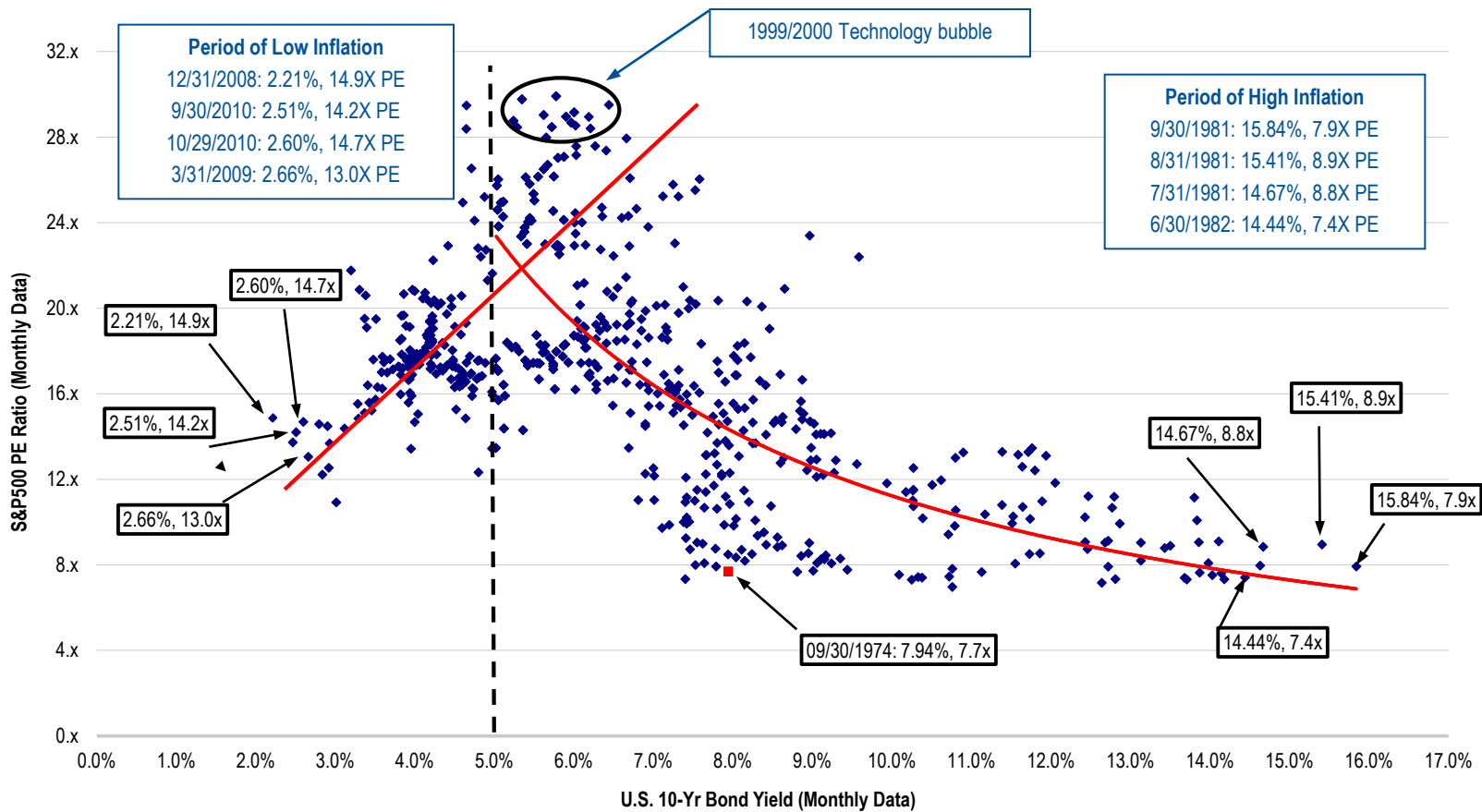
- High yield became a more attractive segment in the Committee’s opinion with spreads widening and yields moving from 4.95% on May 9 to 6.66% on June 30.
- With defaults expected to remain low, the Committee feels high yield corporates could be a good place to capture value and add income against today’s backdrop of challenging global growth.

Source: FactSet.

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PE Multiple Expansion Can Have A Positive Correlation to Interest Rates

RELATIONSHIP BETWEEN BOND YIELDS AND P/E MULTIPLES

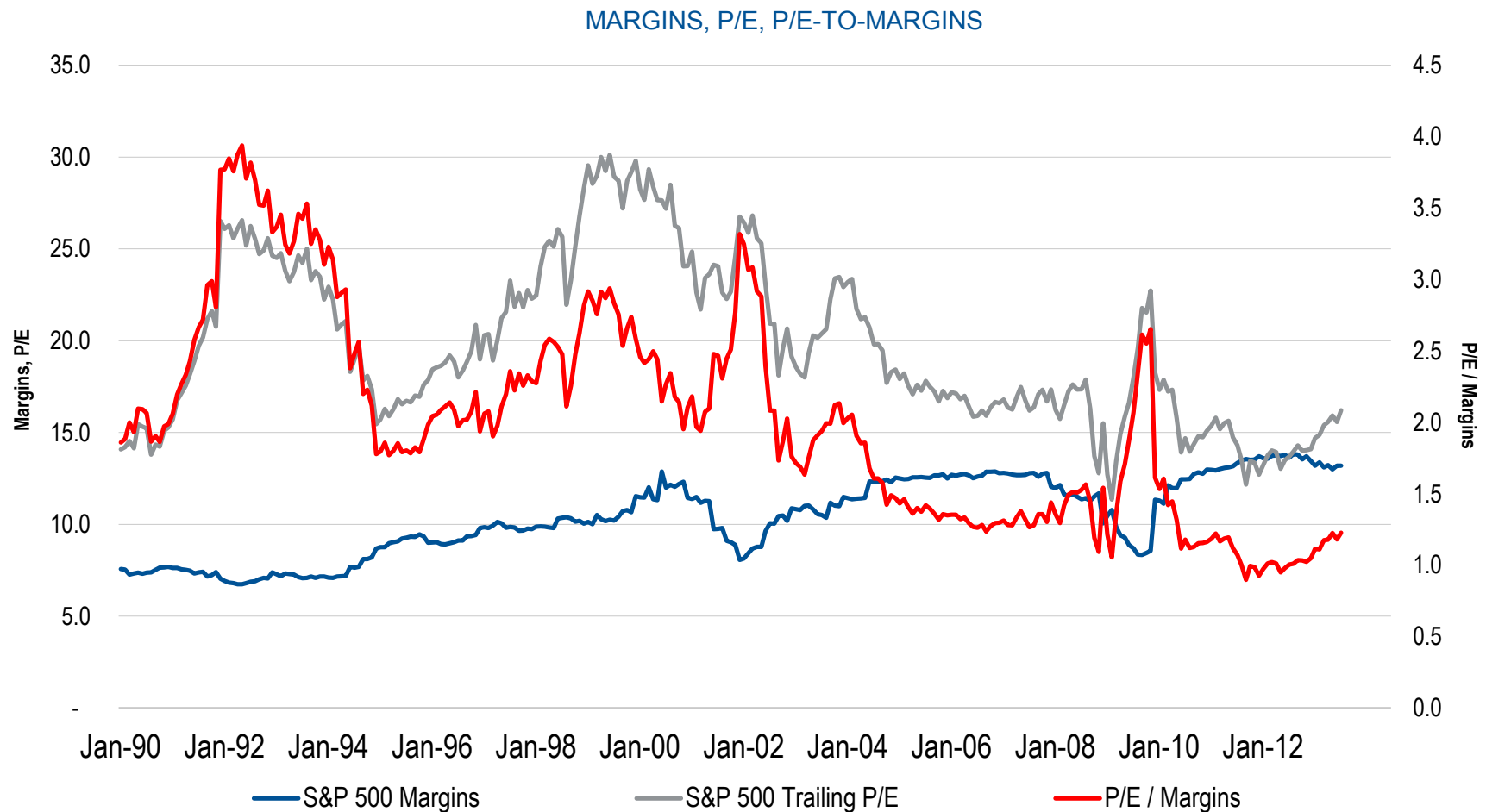


Source: Raheel Siddiqui, Bloomberg, RBC Capital Markets, Neuberger Berman.

Note: S&P 500 PE ratio is the trailing 12 month price to earnings ratio for S&P 500 index provided by Bloomberg. Monthly data 1/1962 – 2/2011. U.S. 10-Yr Bond Yield is the yield for generic on the run ten year United States government bond index.

Equities Can Still Rise (With P/E Multiple Expansion) in the Face of Flat/Declining Profit Margins

Corporate profit margins are at record levels; P/Es remain below historical range

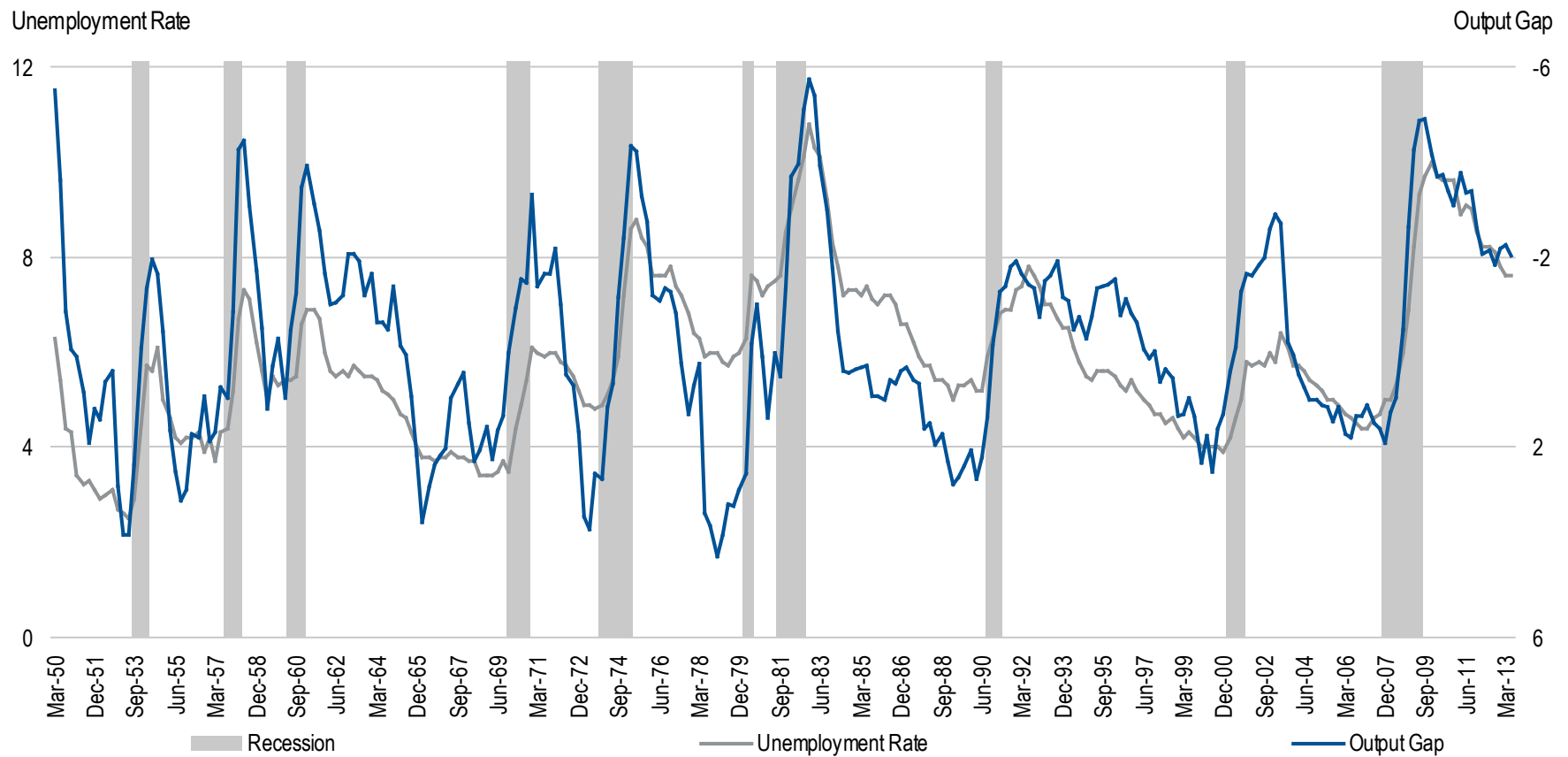


Source: Bloomberg, FactSet. Third-party economic or market estimates discussed herein may or may not be realized and no representation is being given regarding such estimates. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. See Additional Disclosures at the end of this presentation, which are an important part of this presentation. Monthly data 1/1990 – 7/2013.

U.S. GDP Output Gap Dynamics – Modest Current Inflation Environment

As of July 31, 2013

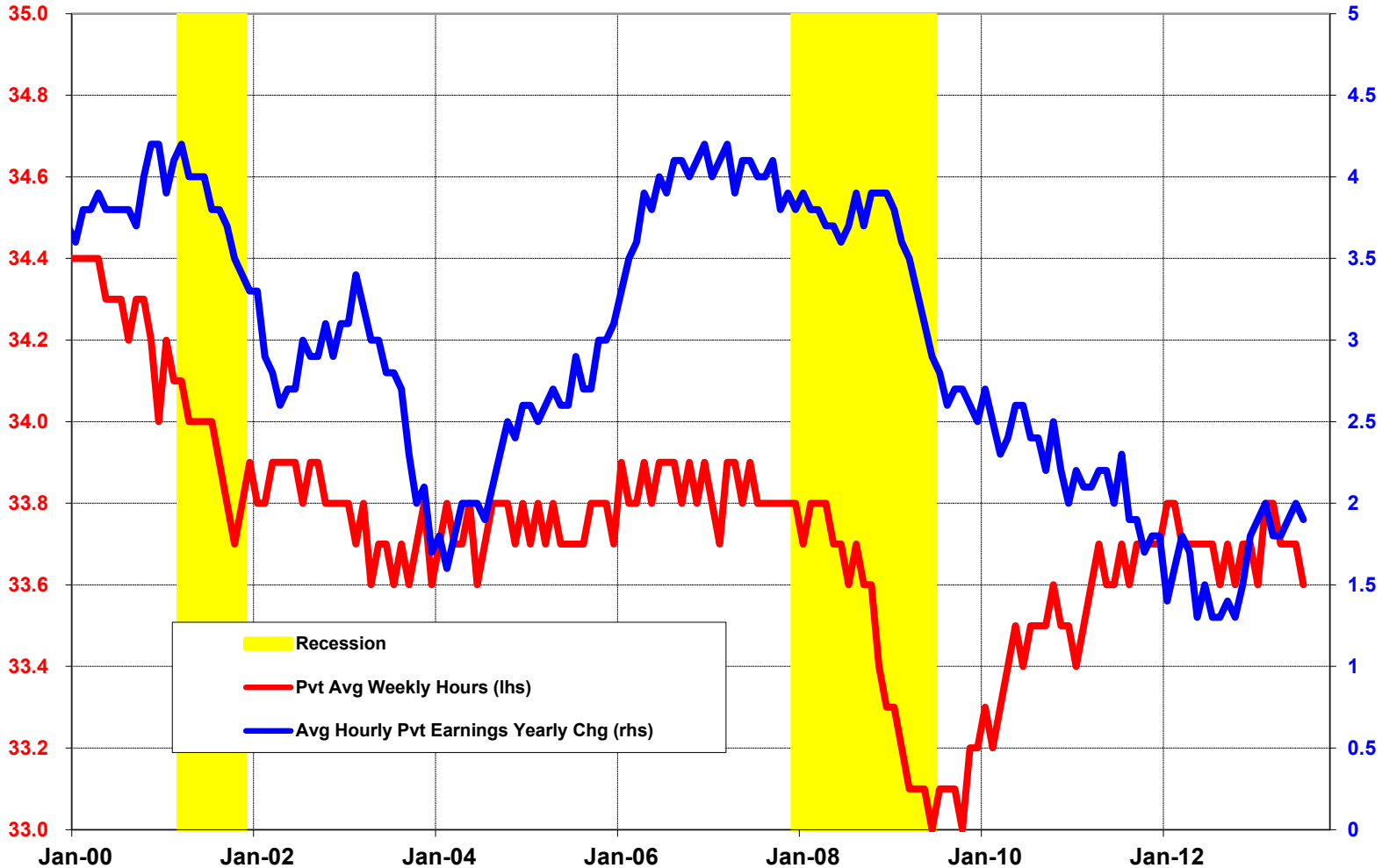
GAP COINCIDENT WITH UNEMPLOYMENT RATE



Source: Proprietary portfolio management systems, Bloomberg, Barclays Capital

U.S. Hours Worked & Wages – Signs of Emerging Wage Inflation?

U.S. HOURS WORKED AND WAGES

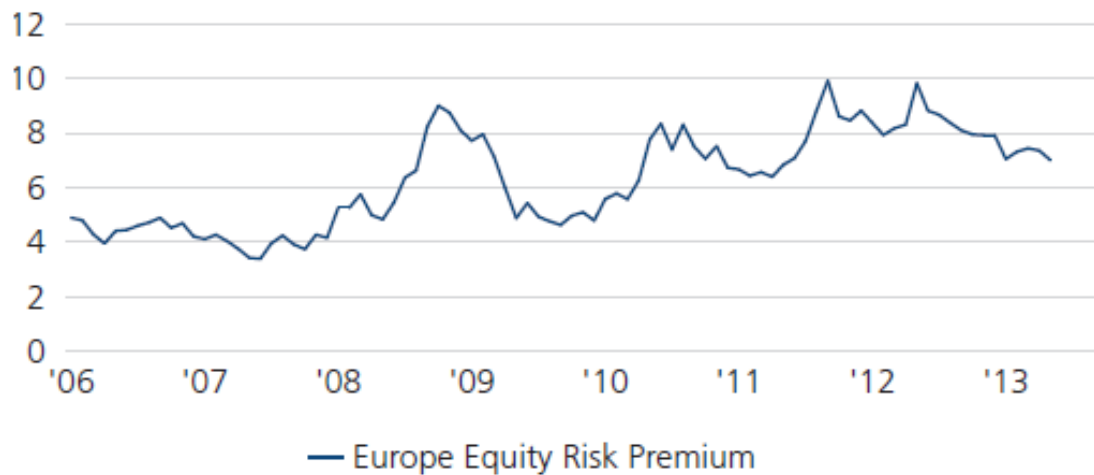


Source: Bloomberg & NB Calculations. Monthly data Jan 2000 – August 2013.

Developed International Equities

Progress in Europe and a positive shift in investor focus helps boost the Committee’s outlook

EUROPE EQUITY RISK PREMIUM



The Committee upgraded developed international equities to an overweight position. It is important to differentiate between two large regions within this category: Europe and Japan.

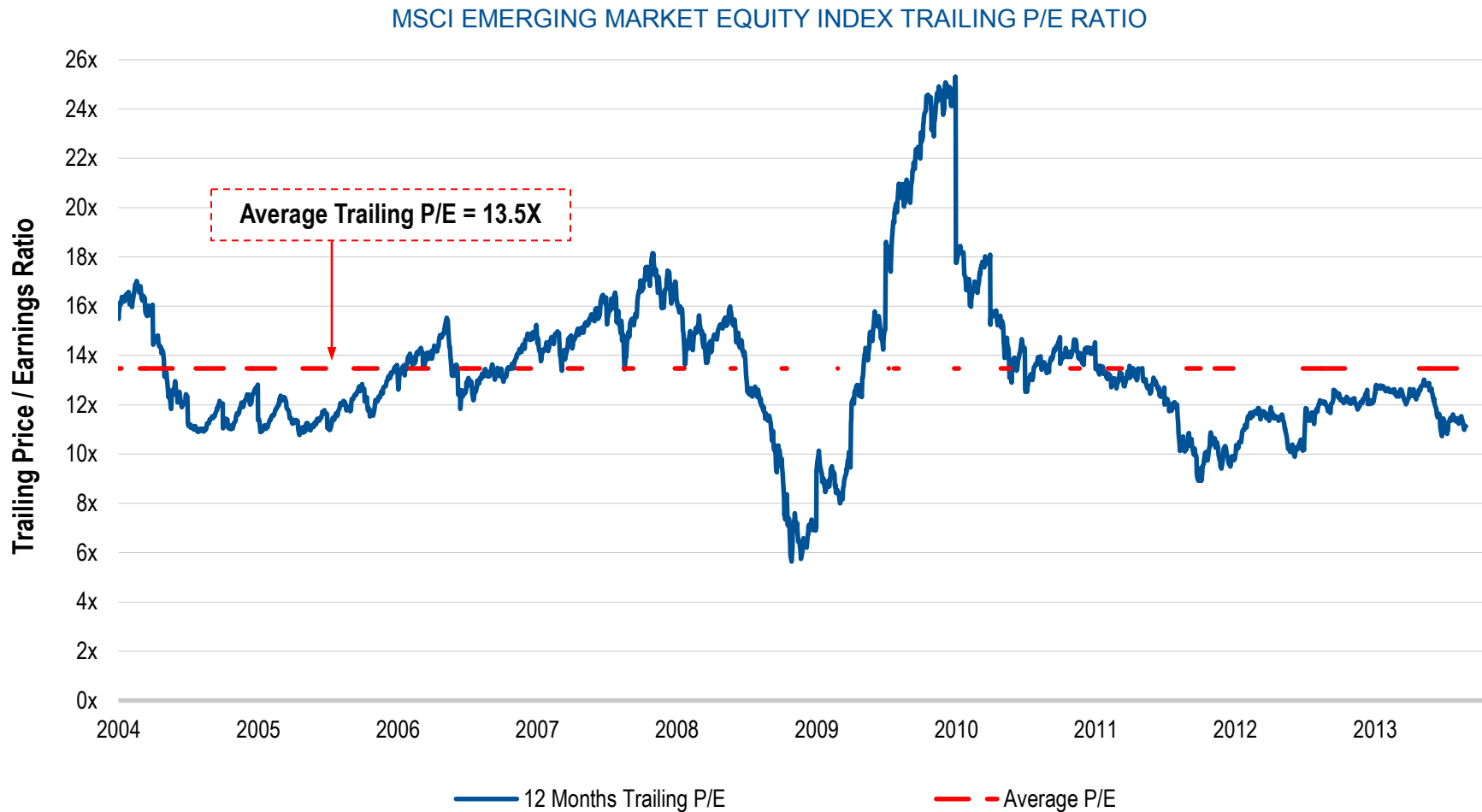
Europe: The Committee believes the economic data may be bottoming while equity risk premiums are at more attractive levels compared with places like the U.S. Europe also appears to have moved beyond the persistent sovereign debt fears that plagued markets the past three years; investors now appear more focused on growth than sovereign risk, which the Committee feels is an important distinction as the region moves closer to recovery.

Japan: The Committee was much more skeptical of Japan, believing much of the volatility and instability was policy-driven and difficult to predict. The Committee expressed a cautious stance on Japan considering its aging demographics, slipping competitiveness and structural issues that are still present.

Source: Bloomberg.

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MSCI Emerging Market Equity – P/Es Are Well Below Average



Source: Bloomberg. The trailing P/E is calculated as last price divided by Trailing 12 month diluted earnings per share from continuous operations. Daily data 1/1/2004 – 8/26/2013. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results. See Additional Disclosures at the end of this presentation, which are an important part of this presentation.

Commodities

China weakness and lower demand draws a downgrade from the Committee

HSBC CHINA MANUFACTURING PMI



- This quarter the Committee downgraded its view on commodities to underweight based on a current equilibrium in demand and supply for many key commodities. Meanwhile growth in China, a pivotal commodity consumer, remains sub-par and will likely undershoot expectations in the near term as the country's leadership works through new reforms.

Source: Markit Economics.

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ASSET ALLOCATION REVIEW

Asset Allocation – IPS Without Alternatives

As of September 4, 2013

	Minimum	Long-Term Target	Maximum	Proposed	Current	Change from Current
Cash & Fixed Income	25.0%	40.0%	55.0%	31.9%	31.9%	0.0%
Cash & Equivalents	0.0%	0.0%	10.0%	0.1%	0.1%	0.0%
Investment Grade Fixed Income	20.0%	35.0%	50.0%	23.6%	23.6%	0.0%
High Yield Corporates	0.0%	5.0%	10.0%	5.1%	5.1%	0.0%
Non-U.S. Fixed Income	0.0%	0.0%	10.0%	3.1%	3.1%	0.0%
Equities	45.0%	57.0%	70.0%	68.1%	68.1%	0.0%
U.S. Large Cap	10.0%	23.0%	40.0%	36.1%	36.1%	0.0%
U.S. SMID Cap	0.0%	8.0%	20.0%	8.9%	8.9%	0.0%
Master Limited Partnerships	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%
Developed International Equities*	5.0%	15.0%	25.0%	13.3%	13.3%	0.0%
Emerging Market Equities*	0.0%	7.0%	15.0%	6.1%	6.1%	0.0%
Public Real Estate	0.0%	4.0%	10.0%	3.7%	3.7%	0.0%
Real & Alternative Assets	0.0%	3.0%	10.0%	0.0%	0.0%	0.0%
Commodities	0.0%	3.0%	10.0%	0.0%	0.0%	0.0%
Hedge Funds	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%
Private Equity	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%

* The combined maximum allocation to Developed International Equities and Emerging Market Equities is 30.0%

Illustrative Asset Allocation – IPS With Alternatives

As of September 4, 2013

	Minimum	Long-Term Target	Maximum	Proposed	Current	Change from Current
Cash & Fixed Income	25.0%	38.0%	55.0%	32.2%	31.9%	0.3%
Cash & Equivalents	0.0%	0.0%	10.0%	0.1%	0.1%	0.0%
Investment Grade Fixed Income	15.0%	30.0%	45.0%	23.6%	23.6%	0.0%
High Yield Corporates	0.0%	5.0%	10.0%	6.0%	5.1%	0.9%
Non-U.S. Fixed Income	0.0%	3.0%	10.0%	2.5%	3.1%	-0.6%
Equities	30.0%	47.0%	60.0%	61.0%	68.1%	-7.1%
U.S. Large Cap	5.0%	21.0%	35.0%	31.0%	36.1%	-5.1%
U.S. SMID Cap	0.0%	7.0%	15.0%	7.0%	8.9%	-1.9%
Master Limited Partnerships	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%
Developed International Equities*	0.0%	10.0%	20.0%	13.3%	13.3%	0.0%
Emerging Market Equities*	0.0%	5.0%	10.0%	6.0%	6.1%	-0.1%
Public Real Estate	0.0%	4.0%	10.0%	3.7%	3.7%	0.0%
Real & Alternative Assets	5.0%	15.0%	30.0%	6.7%	0.0%	6.7%
Commodities	0.0%	3.0%	10.0%	0.0%	0.0%	0.0%
Hedge Funds	0.0%	6.0%	15.0%	3.6%	0.0%	3.6%
Private Equity	0.0%	6.0%	15.0%	3.1%	0.0%	3.1%

* The combined maximum allocation to Developed International Equities and Emerging Market Equities is 22.5%.

Additional Disclosures

Criteria and Methodology

•**Asset Class Universe:** The asset classes are selected to represent the universe of normally available investments. They are not inclusive of all investments available to an investor and not all asset classes will be available to each investor. Each asset class is represented by a benchmark index, these are listed and described on the “Index Definitions” section on the following pages.

•**Asset Class Inputs:** The asset class inputs are revised each quarter by the Neuberger Berman Investment Committee or more frequently if required by changing economic conditions. These inputs are **hypothetical** in nature and are not based on actual returns earned by any account, index or asset. These inputs are forward-looking and are subject to periodic revision.

•**Portfolio Hypothetical Return:** Hypothetical return for the portfolio is the weighted average of the hypothetical returns of the asset classes used in the portfolio as shown on page three. It is determined by the given portfolio asset class weights and the hypothetical returns from the asset class inputs. After-tax hypothetical return reflects the impact of capital gains and income taxes at the rates given by the client. No effort is made to forecast future **income tax rates or tax policy changes**.

•**Portfolio Hypothetical Standard Deviation:** Standard deviation is a measure of risk that considers the dispersion of returns. Hypothetical expected standard deviation of the component asset classes is shown on page three. Hypothetical expected standard deviation of the portfolio is determined by the weights of the portfolio mix, the standard deviations of the individual asset classes shown on page three, and correlations of the assets calculated by historic correlations of the benchmark indices described on the “Index Definitions” section on the following pages. Post-tax standard deviation considers the effect of the given capital gains tax rate on portfolio standard deviation.

•**Portfolio Hypothetical Yield:** Portfolio yield is the weighted average of the hypothetical yields of the asset classes used in the portfolio as shown on page three. Post-tax hypothetical yield considers the impact of the given client income tax rate on the yield of the account.

•**Estimated Annual Portfolio Turnover:** Turnover represents the proportion of the portfolio that is assumed to be sold each year for purposes of estimating the Capital Gains Tax. This figure is provided by the Wealth Advisor. For example, if the turnover percentage is 20%, then one-fifth of the portfolio is turned over each year, resulting in capital gains exposure. A 20% turnover rate implies a five-year holding period for the portfolio to turn over 100%.

•**Monte Carlo Simulation:** The Monte Carlo simulation engine is provided by Neuberger Berman. The simulation process generates 10,000 possible returns for each asset class for each time horizon of the simulation. Returns are randomly selected from a lognormal distribution based on asset class inputs. The simulation considers given cash flows and tax rates and generates wealth levels at each given time horizon and probability percentile. Because of the random element of return generation, results may not be exactly equal when re-running the simulation with the same inputs.

•**RESULTS OF THIS SIMULATION MAY VARY WITH EACH USE AND OVER TIME**

Asset Class Benchmarks and Definitions

Asset Class	Benchmark	Definition of Benchmark
Cash	Citigroup 3-month T-bill Index	The Citigroup 3-month T-bill Index measures monthly return equivalents of yield averages that are not marked to market. The index consists of the last three three-month Treasury bill issues.
Investment Grade Taxable Fixed Income	Barclays Capital U.S. Aggregate	The Barclays Capital U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. Index rules: Must have at least one year to final maturity regardless of call features. Must have at least \$250 million par amount outstanding. Asset-backed securities must have at least \$500 million deal size and \$25 million tranche size. For commercial mortgage-backed securities, the original transaction must have a minimum deal size of \$500 million, and a minimum tranche size of \$25 million; the current outstanding transaction size must be at least \$300 million to remain in the index. Must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be investment-grade. Must be fixed rate, although it can carry a coupon that steps up or changes according to a predetermined schedule. • Must be dollar-denominated and non-convertible. Must be publicly issued. However, 144A securities with Registration Rights and Reg-S issues are included.
U.S. Government/Agency	Barclays Capital U.S. Government	The U.S. Government Index is comprised of the U.S. Treasury and U.S. Agency Indices. The index includes Treasuries (public obligations of the U.S. Treasury that have remaining maturities of more than one year) and U.S. agency debentures (publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The index is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.
Investment Grade Corporates	Barclays Capital U.S. Corporate	The U.S. Corporate Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers that meet specified maturity, liquidity and quality requirements. Securities in the index roll up to the U.S. Credit and U.S. Aggregate Indices. The U.S. Corporate Index was launched on January 1, 1973.
Agency MBS	Barclays Capital U.S. MBS	The U.S. Mortgage Backed Securities (MBS) Index covers agency mortgage-backed passthrough securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). Introduced in 1986, the GNMA, FHLMC, and FNMA fixed-rate indices for 30- and 15- year securities were backdated to January 1976, May 1977, and November 1982, respectively. Balloon securities were added in 1992 and removed on January 1, 2008. 20-year securities were added in July 2000. On April 1, 2007, agency hybrid adjustable-rate mortgage (ARM) passthrough securities were added to the U.S. MBS Index. Hybrid ARMs are eligible until 1 year prior to their floating coupon date.
Securitized ABS/CMBS	Barclays Capital ABS + CMBS	The ABS + CMBS Index is a custom index including the investment grade ABS and CMBS components of the U.S. Aggregate index. Securities must be rated investment-grade by at least two of the following ratings agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be investment-grade. Securities must be ERISA eligible under the underwriter's exemption. 144A securities are not included. The ABS index includes pass-through, bullet, and controlled amortization structures. The ABS index includes only the senior class of each ABS issue and the ERISA-eligible B and C tranche. Inherited Rules: must have an average life of at least one year, must have at least \$500 million deal size and \$25 million tranche size. Must be fixed rate, must be the senior class, ERISA-eligible B or C tranche of the deal. Must belong to one of the following categories of asset-backed securities: Credit Card and Charge Card, Auto Loan, Utility or must be issued from an eligible issuer as determined by Barclays Capital based on pricing availability.

Asset Class Benchmarks and Definitions

Continued

Asset Class	Benchmark	Definition of Benchmark
High Yield Corporates	Barclays Capital U.S. Corporate High-Yield Bond	The U.S. Corporate High-Yield Bond Index covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's Fitch, and S&P is Ba1/BB+/BB+ or below. The index excludes Emerging Markets debt. The index was created in 1986, with index history backfilled to January 1, 1983. The U.S. Corporate High-Yield Index is part of the U.S. Universal and Global High-Yield Indices.
Municipal Bonds	Barclays Capital Municipal Bond	The U.S. Municipal Index covers the USD-denominated long term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds. Many of the indices have historical data to January 1980. In addition, several subindices based on maturity and revenue source have been created, some with inception dates after January 1980 but no later than July 1, 1993. In January 1996, Barclays Capital also began publishing a non-investment grade municipal bond index and "enhanced" state-specific indices for Arizona, Connecticut, Maryland, Massachusetts, Minnesota and Ohio. These indices are published separately from the Barclays Capital Municipal Bond Index.
U.S. TIPS	Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS)	The U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L) is a rules-based, market value-weighted index that tracks inflation protected securities issued by the U.S. Treasury. The index is a subset of the Global Inflation-Linked Index (Series-L), with a 36.4 market value weight in that index (as of December 31, 2009), but is not eligible for other nominal Treasury or Aggregate indices. To prevent the erosion of purchasing power, TIPS are indexed to the non-seasonally adjusted Consumer Price Index for All Urban Consumers, or the CPI-U (CPI).
Non-U.S. Investment Grade Fixed Income	Barclays Capital Global Aggregate x USD	The Global Aggregate ex-U.S. Index is a subindex of the Global Aggregate Bond Index, which contains the U.S. Aggregate, the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government and agency and corporate securities. Constituents must have a remaining maturity of at least one year. Mortgages and asset-backed securities must have a remaining average life of at least one year. Securities must be fixed rate, although zero coupon bonds and step-ups are permitted. Exclusions: Convertibles, floating-rate notes, fixed-rate perpetuals, warrants, linked bonds, and structured products, debt denominated in Swiss Francs and privately placed Japanese Government Bonds.
U.S. All Cap Core	Russell 3000	The Russell 3000 Index measures the performance of the largest 3,000 U.S. companies, representing approximately 98% of the investable U.S. equity market. As of the latest reconstitution, the weighted average market capitalization was approximately \$58.2 billion; the median market capitalization was approximately \$589 million. The index had a total market capitalization range from approximately \$78 million to \$338 billion.
U.S. Large Cap	Russell 1000	The Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3000® Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the weighted average market capitalization was approximately \$62.8 billion; the median market capitalization was approximately \$3.4 billion. The smallest company in the index had an approximate market capitalization of \$829 million.

Asset Class Benchmarks and Definitions

Continued

Asset Class	Benchmark	Definition of Benchmark
U.S. Large Cap Growth	Russell 1000 Growth	The Russell 1000 Growth Index measures the performance of those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values.
U.S. Large Cap Value	Russell 1000 Value	The Russell 1000 Value Index measures the performance of those Russell 1000® companies with lower price-to-book ratios and lower forecasted growth values.
U.S. Small Cap	Russell 2000	The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the weighted average market capitalization was approximately \$732 million; the median market capitalization was approximately \$306 million. The largest company in the index had an approximate market capitalization of \$1.7 billion and the smallest of \$78 million.
U.S. Small Cap Growth	Russell 2000 Growth	The Russell 2000 Growth Index measures the performance of those Russell 2000® companies with higher price-to-book ratios and higher forecasted growth values.
U.S. Small Cap Value	Russell 2000 Value	The Russell 2000 Value Index measures the performance of those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth values.
Master Limited Partnerships	Alerian MLP	The Alerian MLP Index is a market-cap weighted, float-adjusted index created to provide a comprehensive benchmark for investors to track the performance of the energy MLP sector. The index components are selected by Alerian Capital Management, LLC ("Alerian"). Alerian is a registered investment advisor that exclusively manages portfolios focused on midstream energy MLPs.
Developed International Equities	MSCI EAFE – Net Return	The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. As of June 2006 the MSCI EAFE Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

Asset Class Benchmarks and Definitions

Continued

Asset Class	Benchmark	Definition of Benchmark
Emerging Market Equities	MSCI Emerging Markets – Net Return	The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of June 2006 the index consisted of the following 25 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.
Public Real Estate	FTSE NAREIT REIT	The FTSE NAREIT REIT Index measures the performance of all publicly traded equity real estate investment trusts traded on U.S. exchanges. NAREIT is the National Association of Real Estate Investment Trusts®. It is the trade association for REITs and publicly traded real estate companies with an interest in the U.S. property and investment markets. Members are REITs and listed companies that own, operate and finance in-come-producing real estate, as well as those firms and individuals who advise, study and service these businesses. NAREIT's responsibilities include industry representation before policymakers affecting the REIT and publicly traded real estate community and outreach to the investment community.
Commodities	Dow Jones-UBS Commodity	The Dow Jones-UBS Commodity Index is composed of futures contracts on physical commodities. The index is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME). The index is designed to be a highly liquid and diversified benchmark for commodities investments. To ensure that no single commodity or commodity sector dominates the index, the index relies on several diversification rules. Among these rules are the following: no related group of commodities (eg., energy, precious metals, livestock or grains) may constitute more than 33% of the index. Also, no single commodity may constitute less than 2% of the index. The diversification rules are applied annually when the index is reweighted and rebalanced on a price-percentage basis.
Conservative Hedge Funds	HFRI FOF Conservative	The HFRI FOF Conservative Index includes Fund-of-Funds (FOFs) classified as 'Conservative' which exhibit one or more of the following characteristics: seeks consistent returns by primarily investing in funds that generally engage in more 'conservative' strategies such as Equity Market Neutral, Fixed Income Arbitrage, and Convertible Arbitrage; exhibits a lower historical annual standard deviation than the HFRI Fund of Funds Composite Index. A fund in the HFRI FOF Conservative Index shows generally consistent performance regardless of market conditions.
Private Equity	ThomsonOne Private Equity	The ThomsonOne Private Equity Index is a capitalization-weighted composite IRR of the buyout, venture, and special situations fund performances reported to Thomson; all historical IRRs are subject to, and regularly undergo, revision.

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Portfolio Hypothetical Standard Deviation: Standard deviation is a measure of risk that considers the dispersion of returns. Hypothetical expected standard deviation of the component asset classes is shown on page three. Hypothetical expected standard deviation of the portfolio is determined by the weights of the portfolio mix, the standard deviations of the individual asset classes shown on page three, and correlations of the assets calculated by historic correlations of the benchmark indices described on the “Index Definitions” section on the following pages. Post-tax standard deviation considers the effect of the given capital gains tax rate on portfolio standard deviation.

Portfolio Hypothetical Yield: Portfolio yield is the weighted average of the hypothetical yields of the asset classes used in the portfolio as shown on page three. Post-tax hypothetical yield considers the impact of the given client income tax rate on the yield of the account.

Estimated Annual Portfolio Turnover: Turnover represents the proportion of the portfolio that is assumed to be sold each year for purposes of estimating the Capital Gains Tax. This figure is provided by the Wealth Advisor. For example, if the turnover percentage is 20%, then one-fifth of the portfolio is turned over each year, resulting in capital gains exposure. A 20% turnover rate implies a five-year holding period for the portfolio to turn over 100%.

Monte Carlo Simulation: The Monte Carlo simulation engine is provided by Neuberger Berman. The simulation process generates 500 possible returns for each asset class for each time horizon of the simulation. Returns are randomly selected from a lognormal distribution based on asset class inputs. The simulation considers given cash flows and tax rates and generates wealth levels at each given time horizon and probability percentile. Because of the random element of return generation, results may not be exactly equal when re-running the simulation with the same inputs.

RESULTS OF THIS SIMULATION MAY VARY WITH EACH USE AND OVER TIME

Disclosures

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The views expressed herein are generally those of Neuberger Berman's Investment Strategy Group (ISG) which analyzes market and economic indicators to develop asset allocation strategies. ISG consists of five investment professionals and works in partnership with the Office of the CIO. ISG also consults regularly with portfolio managers and investment officers across the firm. This material may include estimates, outlooks, projections and other "forward-looking statements." Due to a variety of factors, actual events may differ significantly from those presented.

Unless otherwise indicated, the term bear markets as used in this material is defined as 10% reversals in the S&P 500 stock index close. Past bear markets have often included brief bear market rallies (market increases of over 20%) which were often followed by subsequent declines. Nothing herein constitutes an opinion or a prediction regarding the length or bottom of the current recession and bear market, or any subsequent market or portfolio behavior. The characteristics, including length and recovery time, of past recessions and bear markets have varied significantly and are no indication of the characteristics of the current or future recessions and bear markets.

Any ratios or other measurements using a factor of forecasted earnings of a company or economic growth discussed herein are based on consensus estimates, and not Neuberger Berman's own projections, and they may or may not be realized. By quoting them herein, Neuberger Berman does not offer an opinion as to the accuracy of and does not guarantee these forecasted numbers.

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