

Peralta Community College District

January 30, 2014

Neuberger Berman Trust Company N.A.

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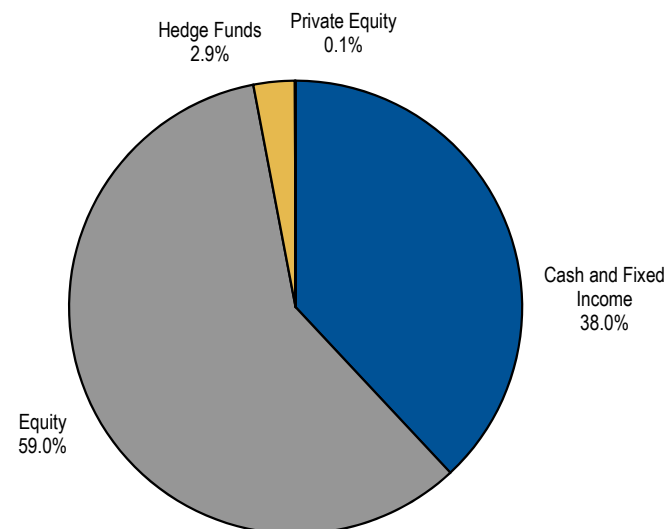
INVESTMENT PERFORMANCE REVIEW AS OF DECEMBER 31, 2013

Peralta Community College District

Executive Summary as of December 31, 2013

PORTFOLIO COMPOSITION

Asset Class	Market Value	% of Total
Cash and Fixed Income		
Cash and Equivalents	3,359,913	1.6%
Investment Grade Fixed Income	49,558,177	23.9%
High Yield Corporates	17,741,213	8.5%
Non-U.S. Fixed Income	8,306,324	4.0%
Subtotal	\$ 78,965,627	38.0%
Equity		
U.S. Large Cap	60,201,801	29.0%
U.S. Small & Mid Cap	14,267,191	6.9%
Developed International Equities	27,990,178	13.5%
Emerging Market Equities	12,697,587	6.1%
Public Real Estate	7,280,530	3.5%
Subtotal	\$ 122,437,287	59.0%
Real & Alternative Assets		
Hedge Funds	6,100,770	2.9%
Private Equity	112,750	0.1%
Subtotal	\$ 6,213,520	3.0%
TOTAL PORTFOLIO	\$ 207,616,434	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)	1.08	5.08	15.78	15.78	6.03	59.02
Investment Policy Benchmark (1/31/2006) ⁽¹⁾	0.79	3.98	12.28	12.28	5.67	54.79

(1) From 10/31/2013 to present consists of: 30% Barclays Capital Aggregate, 5% Barclays Capital US Corporate High Yield, 3% Barclays Capital Global Aggregate ex USD, 21% Russell 1000, 7% Russell 2500, 10% MSCI EAFE, 5% MSCI Emerging Markets, 4% NAREIT Equity, 3% DJ-UBS Commodity Index, 6% HFRI FoF Composite Index, and 6% ThomsonOne Private Equity. ThomsonOne Private Equity data is not available until 45 days after quarter-end.

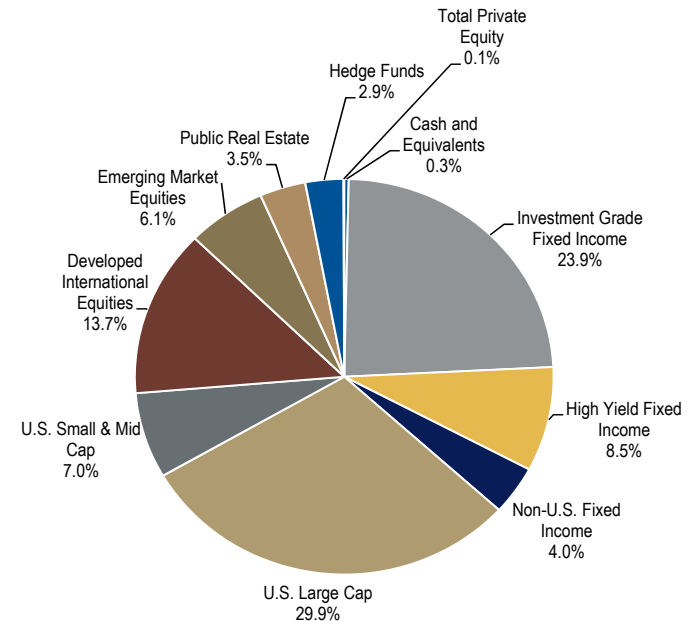
From 5/31/2012 to 10/31/2013 consists of: 35% Barclays Capital Aggregate, 5% Barclays Capital US Corporate High Yield, 23% Russell 1000, 8% Russell 2500, 15% MSCI EAFE, 7% MSCI Emerging Markets, 4% NAREIT Equity, and 3.0% DJ-UBS Commodity Index.

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

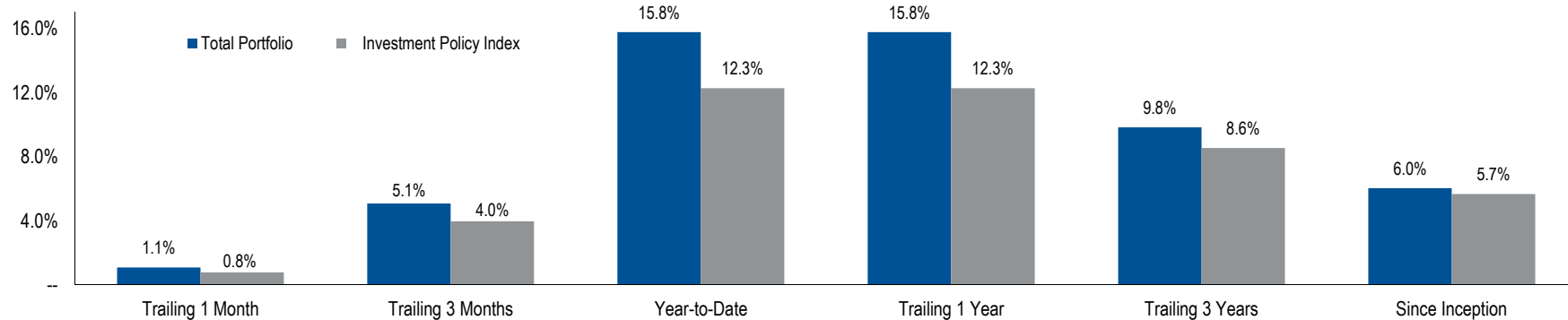
Allocation by Investment Manager as of December 31, 2013

Manager/Asset Class	Market Value	% Of
JP Morgan US Treasury Money Market Fund - VPIXZ	723,936	0.3%
Total Cash and Equivalents	\$ 723,936	0.3%
NB Fixed Income Structure Core	49,558,177	23.9%
Total Investment Grade Fixed Income	49,558,177	23.9%
NB High Income Bond Fund - NHILX	10,227,016	4.9%
NB Floating Rate Income Fund - NFIIX	7,514,197	3.6%
Total High Yield Fixed Income	17,741,213	8.5%
Dreyfus EM Debt Fund - DDBIX	8,306,324	4.0%
Total Non-U.S. Fixed Income	8,306,324	4.0%
Total Fixed Income	\$ 75,605,714	36.4%
NB Large Cap Disciplined Growth	15,400,780	7.4%
NB Large Cap Value	23,599,764	11.4%
NB Socially Responsible Investing Group	23,063,599	11.1%
Total U.S. Large Cap	62,064,143	29.9%
NB Genesis Fund - NBGIX	7,901,424	3.8%
Pinnacle Associates Small Cap Growth	6,663,707	3.2%
Total U.S. Small & Mid Cap	14,565,131	7.0%
Harding Loevner International Equity ADR	13,914,169	6.7%
NB International Fund - NBIIIX	14,469,595	7.0%
Total Developed Equities	28,383,764	13.7%
Vanguard MSCI Emerging Markets ETF - VWO	9,566,408	4.6%
NB Emerging Markets Fund - NEMIX	3,131,179	1.5%
Total Emerging Equities	12,697,587	6.1%
NB REITs	7,362,639	3.5%
Total Public Real Estate	7,362,639	3.5%
Total Equity	\$ 125,073,264	60.2%
NB Absolute Return Multi-Manager Fund - NABIX	6,100,770	2.9%
Total Low Vol Hedge Funds	6,100,770	2.9%
NB Secondary Opportunities Fund	112,750	0.1%
Total Private Equity	112,750	0.1%
Total Hedge Funds	\$ 6,213,520	3.0%
Total Portfolio	\$ 207,616,434	100.0%



Peralta Community College District

Composite Performance Summary (Net) as of December 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)	\$ 207,616,434	100%	1.08	5.08	15.78	15.78	9.84	6.03
<i>Investment Policy Benchmark ⁽¹⁾</i>			0.79	3.98	12.28	12.28	8.55	5.67
Total Fixed Income (1/31/2006)	\$ 75,605,714	36.4%	(0.20)	0.70	(0.44)	(0.44)	4.67	5.53
<i>Barclays Capital U.S. Aggregate Bond Index</i>			(0.57)	(0.14)	(2.02)	(2.02)	3.26	4.95
Total Equity (1/31/2006)	\$ 125,073,264	60.2%	1.89	7.45	25.00	25.00	12.62	5.87
<i>MSCI All Country World Index</i>			1.76	7.42	23.44	23.44	10.33	6.32
Total U.S. Equity (1/31/2006)	\$ 83,991,913	40.5%	2.28	9.06	32.70	32.70	15.84	7.32
<i>Russell 3000 Index</i>			2.64	10.10	33.55	33.55	16.24	7.61
Total Hedge Funds (11/8/2013)	\$ 6,213,520	3.0%	0.66	-	-	-	-	1.68
<i>HFRI FoF Composite</i>			0.29	-	-	-	-	0.74

(1) From 10/31/2013 to present consists of: 30% Barclays Capital Aggregate, 5% Barclays Capital US Corporate High Yield, 3% Barclays Capital Global Aggregate ex USD, 21% Russell 1000, 7% Russell 2500, 10% MSCI EAFE, 5% MSCI Emerging Markets, 4% NAREIT Equity, 3% DJ-UBS Commodity Index, 6% HFRI FoF Composite Index, and 6% ThomsonOne Private Equity. ThomsonOne Private Equity data is not available until 45 days after quarter-end.

From 5/31/2012 to 10/31/2013 consists of: 35% Barclays Capital Aggregate, 5% Barclays Capital US Corporate High Yield, 23% Russell 1000, 8% Russell 2500, 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.

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

Peralta Community College District

Net Performance by Investment Manager as of December 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)	\$ 49,558,177	24.0%	(0.44)	0.16	(1.32)	(1.32)	3.63	5.19
<i>Barclays Capital US Aggregate Bond Index</i>			(0.57)	(0.14)	(2.02)	(2.02)	3.26	4.95
<i>Variance from Index</i>			0.13	0.30	0.70	0.70	0.36	0.24
High Yield Fixed Income								
NB High Income Bond Fund - NHILX (5/31/2012)	\$ 10,227,016	4.9%	0.45	3.57	7.58	7.58	-	11.42
<i>BofA ML US High Yield Master II Constrained Index</i>			0.55	3.50	7.42	7.42	-	11.20
<i>Variance from Index</i>			(0.10)	0.07	0.16	0.16	-	0.22
NB Floating Rate Income Fund - NFII (11/8/2013)	\$ 7,514,197	3.6%	0.44	-	-	-	-	0.34
<i>S&P/LSTA Leveraged Loan Index</i>			0.48	-	-	-	-	0.62
<i>Variance from Index</i>			(0.04)	-	-	-	-	(0.28)
Non-U.S. Fixed Income								
Dreyfus EM Debt Fund - DDBIX (5/31/2012)	\$ 8,306,324	4.0%	(0.10)	(0.91)	(6.61)	(6.61)	-	5.53
<i>JP Morgan GBI-EMG Core Index</i>			(0.55)	(1.54)	(8.98)	(8.98)	-	3.05
<i>Variance from Index</i>			0.45	0.63	2.37	2.37	-	2.48
U.S. Large Cap								
NB Large Cap Disciplined Growth (1/31/2006)	\$ 15,400,780	7.4%	1.97	9.12	29.40	29.40	11.70	7.60
<i>Russell 1000 Growth Index</i>			2.86	10.44	33.48	33.48	16.45	8.29
<i>Variance from Index</i>			(0.89)	(1.31)	(4.09)	(4.09)	(4.75)	(0.69)
NB Large Cap Value (1/20/2006)	\$ 23,599,764	11.4%	2.07	12.49	39.41	39.41	18.84	7.24
<i>Russell 1000 Value Index</i>			2.53	10.01	32.53	32.53	16.06	6.39
<i>Variance from Index</i>			(0.46)	2.48	6.88	6.88	2.78	0.85
NB Socially Responsible Investing Group (5/31/2012)	\$ 23,063,599	11.1%	2.54	8.92	37.79	37.79	-	32.23
<i>S&P 500 Index</i>			2.53	10.51	32.39	32.39	-	27.02
<i>Variance from Index</i>			0.01	(1.59)	5.40	5.40	-	5.21
U.S. Small & Mid Cap								
NB Genesis Fund - NBGIX (5/31/2012)	\$ 7,901,424	3.8%	2.67	9.21	37.24	37.24	-	28.77
<i>Russell 2000 Value Index</i>			1.88	9.30	34.52	34.52	-	31.24
<i>Variance from Index</i>			0.79	(0.09)	2.72	2.72	-	(2.48)

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 December 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)	\$ 6,663,707	3.2%	4.28	8.96	37.90	37.90	-	37.18
<i>Russell 2500 Growth Index</i>			2.68	8.49	40.65	40.65	-	30.03
<i>Variance from Index</i>			1.60	0.47	(2.75)	(2.75)	-	7.15
Developed Equity								
Harding Loevner International Equity ADR (5/29/2012)	\$ 13,914,169	6.7%	1.37	4.43	14.66	14.66	-	21.38
<i>MSCI EAFE Index</i>			1.50	5.71	22.78	22.78	-	27.06
<i>Variance from Index</i>			(0.13)	(1.28)	(8.11)	(8.11)	-	(5.68)
NB International Fund - NBIIX (1/31/2006)	\$ 14,469,595	7.0%	2.04	4.27	18.02	18.02	7.37	3.71
<i>MSCI EAFE Index</i>			1.50	5.71	22.78	22.78	8.17	3.87
<i>Variance from Index</i>			0.54	(1.44)	(4.75)	(4.75)	(0.79)	(0.16)
Emerging Equity								
Vanguard MSCI Emerging Markets ETF - VWO (5/31/2012)	\$ 9,566,408	4.6%	(0.28)	3.06	(4.92)	(4.92)	-	8.56
<i>MSCI Emerging Markets Index</i>			(1.45)	1.83	(2.60)	(2.60)	-	9.27
<i>Variance from Index</i>			1.17	1.23	(2.32)	(2.32)	-	(0.71)
NB Emerging Markets Fund - NEMIX (5/28/2013)	\$ 3,131,179	1.5%	0.11	3.45	-	-	-	(0.85)
<i>MSCI Emerging Markets Index</i>			(1.45)	1.83	-	-	-	(1.21)
<i>Variance from Index</i>			1.56	1.62	-	-	-	0.37
Public Real Estate								
NB REITS (1/31/2006)	\$ 7,362,639	3.6%	0.66	(0.42)	0.86	0.86	8.85	6.33
<i>NAREIT All Equity REIT Index</i>			0.58	(0.17)	2.86	2.86	10.01	4.77
<i>Variance from Index</i>			0.08	(0.26)	(1.99)	(1.99)	(1.15)	1.56
Low Vol Hedge Funds								
NB Absolute Return Multi-Manager Fund - NABIX (11/8/2013)	\$ 6,100,770	2.9%	0.66	-	-	-	-	1.68
<i>HFRX Absolute Return Index⁽¹⁾</i>			0.29	-	-	-	-	0.74
<i>Variance from Index</i>			0.37	-	-	-	-	0.94
Private Equity								
NB Secondary Opportunities Fund (12/11/2013)	\$ 112,750	0.1%	-	-	-	-	-	n/a

Note: Benchmark inception dates correspond with that of the respective manager. Performance shown for periods of less than one year is cumulative.
(1) Daily Returns are not available for index. Full inception month is reflected.

Index Performance Scorecard

As of December 31, 2013

Asset Class	Dec 13	4Q '13	2013
Dow	3.12	10.22	29.52
S&P 500	2.53	10.51	32.25
MSCI EAFE*	1.51	5.75	23.20
MSCI Emerging Markets*	-1.44	1.86	-2.26
3 Month T-Bill	0.00	0.01	0.05
10 Year Treasury	-1.92	-1.95	-6.02
Barclays Corporate	-0.16	1.11	-1.53
Barclays High Yield	0.54	3.58	7.42
Barclays Municipal**	-0.26	0.32	-2.54
Alerian MLP Index	1.64	5.28	27.46
Equity Style	Dec 13	4Q '13	2013
Russell 1000	2.70	10.23	32.97
Russell 1000 Growth	2.86	10.44	33.34
Russell 1000 Value	2.53	10.01	32.38
Russell 2000	1.97	8.72	38.65
Russell 2000 Growth	2.05	8.17	43.10
Russell 2000 Value	1.88	9.30	34.37
S&P 500 Sectors	Dec 13	4Q '13	2013
Consumer Discretionary	2.34	10.81	42.88
Consumer Staples	0.59	8.66	26.03
Energy	3.12	8.35	24.96
Financials	2.17	10.33	35.47
Health Care	0.83	10.13	41.27
Industrials	4.25	13.53	40.49
Information Technology	4.15	13.26	28.31
Materials	4.82	10.66	25.49
Telecommunications Services	-0.28	5.47	11.42
Utilities	0.92	2.79	13.16

- U.S. equities outperformed broad global equity indices; high yield was a lone bright spot within fixed income.

- Small caps outpaced large caps and growth bested value in 2013.

- Sector leadership was a bit unusual with Consumer Discretionary (early cyclical), Health Care (defensive) and Industrials (late cyclical) leading the way in 2013.

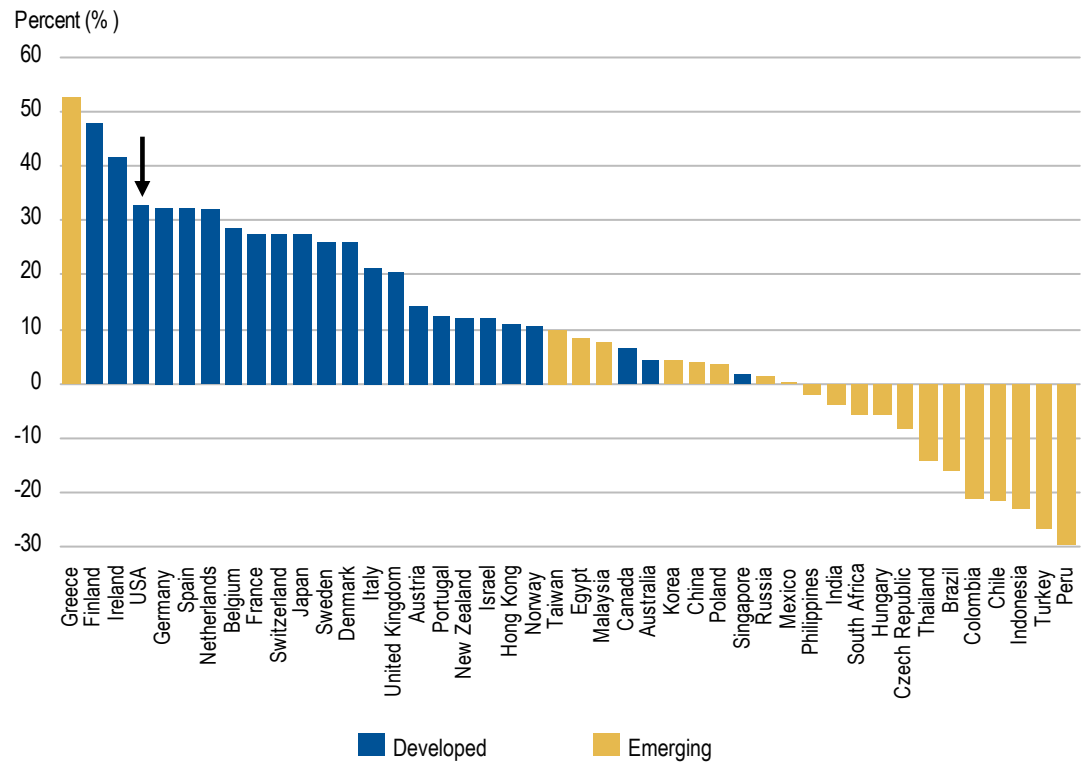
*Dollar returns. **Municipal performance not adjusted for taxes.

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 December 31, 2013

DEVELOPED AND EMERGING MARKET 2013 PERFORMANCE (%)



- EM equities underperformed in 2013; developing Asia was the best performing region with Taiwan, Malaysia, Korea and China finishing in positive territory. Developed markets posted strong returns overall, led in particular by the United States and Europe.

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

David Kupperman, PhD
Head of Liquid Strategies

Matthew Rubin, Committee Chair
Director of Investment Strategy & CIO,
Neuberger Berman Trust Company

Thanos Bardas, PhD
Portfolio Manager, Head of Interest Rates

Wai Lee, PhD
CIO & Director of Research,
Quantitative Investment Group

Brad Tank
Chief Investment Officer, Fixed Income

Alan Dorsey, CFA
Head of Investment Strategy & Risk

Leah Modigliani
Multi-Asset Class Strategist

Anthony Tutrone
Head of NB Alternatives

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	Long-Term (10-Yr+) Annual Return Outlook			Change from Previous Outlook	Commentary	
	Below Normal Return Outlook		Above Normal Return Outlook			
Fixed Income						
Investment Grade Fixed Income	◆			□	The Committee upgraded its view on U.S. government securities to slightly underweight after holding steady for six quarters at a very underweight position. Treasuries, particularly on the longer parts of the yield curve, experienced a healthy correction in 2013. The Committee remains relatively bearish on the asset class and believes it will continue to underperform other asset classes and segments within fixed income. The Committee moderated its forecast slightly for high yield corporates after another solid year and quarter. The Committee continues to favor the asset class within fixed income and believes yields and valuations remain attractive at current levels.	
Municipals	◆			□		
U.S. Government Securities	◆			↑		
Investment Grade Corporates	◆			□		
Agency MBS	◆			□		
CMBS / ABS	◆			□		
U.S. TIPS	◆			□		
High Yield Corporates	◆			↓		
Developed International Fixed Income	◆			□		
Emerging Market Fixed Income	◆			□		
Equity						
U.S. All Cap Core	◆			□	The Committee remains constructive on U.S. large cap equities and anticipates further gains during the next 12 months. Modest earnings per share growth, fair valuations and positive momentum are all supportive of U.S. equities. Overall, the Committee maintained its slightly overweight view for emerging market equities for the next twelve months. The overarching theme for emerging markets is how much U.S. tapering is priced into these markets and related growth rates, and how well (or poorly) countries address structural reform.	
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	◆			□		Weakness in commodities has been a function of slower global growth; a growth turnaround in 2014 would likely be supportive of commodities. Within hedge funds, many strategies could be well positioned to take advantage of a reaccelerating mergers and acquisitions environment and ongoing uncertainty related to global monetary policy.
Lower Volatility Hedge Funds	◆			□		
Macro Hedge Funds	◆			↑		
Private Equity	◆			□		

↑	Return outlook higher than previous quarter	□	Return outlook essentially unchanged	↓	Return outlook lower
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U.S. Government Securities

We still anticipate underperformance, but the return outlook has improved marginally

US 10Y TREASURY YIELD



- The extent of Fed tapering will likely contribute to volatility across fixed income in early 2014. Outgoing Chairman Ben Bernanke indicated that the taper would likely proceed gradually in a series of small steps, with asset purchases ending in late 2014.
- The Committee upgraded its view on U.S. government securities to slightly underweight after holding steady for six quarters at a very underweight position. Treasuries, particularly on the longer parts of the yield curve, experienced a healthy correction in 2013. The Committee remains relatively bearish on the asset class and believes it may continue to underperform other asset classes and segments within fixed income.

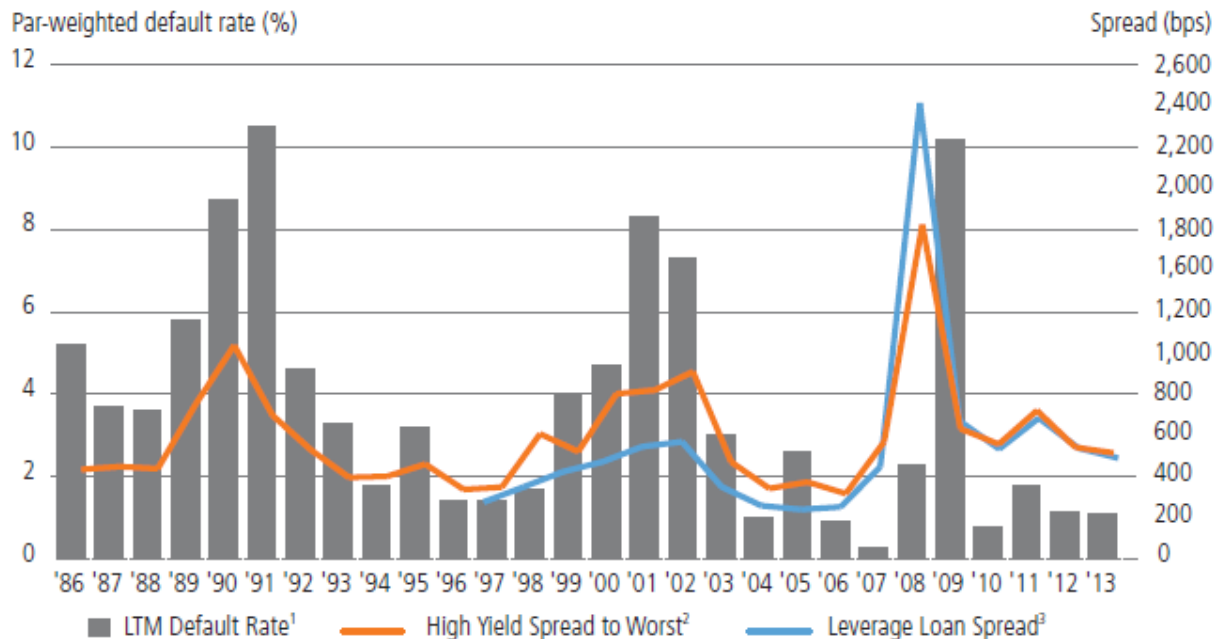
Source: FactSet.

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High Yield Corporates

A moderated outlook for high yield, in line with its equilibrium return outlook, caused the Committee to downgrade the asset class to neutral

CREDIT SPREADS AND DEFAULT RATES AS OF 9/30/13



- The Committee moderated its outlook slightly for high yield corporates after another solid year and quarter.
- The Committee continues to favor the asset class within fixed income and believes yields and valuations remain attractive at current levels. However, its return outlook is in line with the long-term (10-year) equilibrium return outlook for the asset class compared with the high single digit to low double digit returns high yield has generated in recent years.

1. J.P. Morgan Default Monitor.

2. High Yield Spread to Worst is represented by the J.P. Morgan Global High Yield Index.

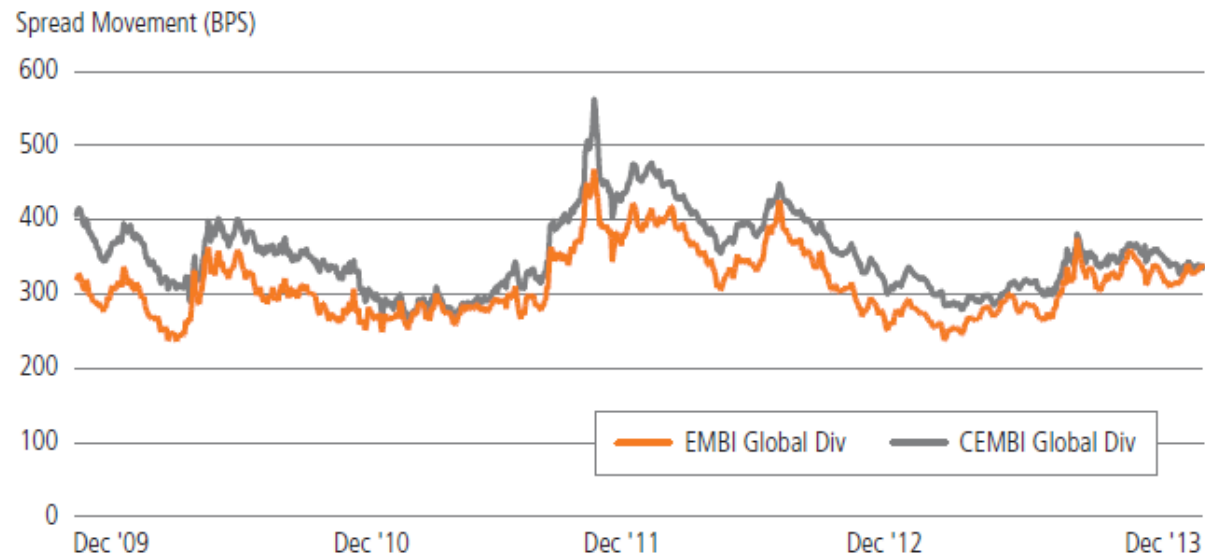
3. Leveraged Loan Spread is represented by the Discount Margin (3-year life) of the S&P/LSTA Leveraged Loan Index.

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Emerging Markets Fixed Income

Emerging markets fixed income remains at a slightly overweight view due to the Committee's outlook for a rebound in performance

EMERGING MARKETS FIXED INCOME SPREADS



- Stabilizing economic growth across the U.S., Europe and emerging markets, and yields that are close to recent highs (6.5%), are supportive of the asset class.
- The Committee expressed a degree of caution on EM currencies and interest rate risk in the near term, particularly as the Fed moves on with its tapering process, but is more constructive over the intermediate to long term. As a result, the Committee is more favorable on hard currency sovereign and corporate EM credits over the next 12-month timeframe.

Source: Bloomberg, JP Morgan, NB Calculations. Data as of December 4, 2013.

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U.S. Large Cap Equities

The Committee remains neutral on U.S. large cap equities, with members maintaining their equilibrium return outlook over the next 12 months

U.S. PROFIT MARGINS AND PRICE TO EARNINGS RATIO



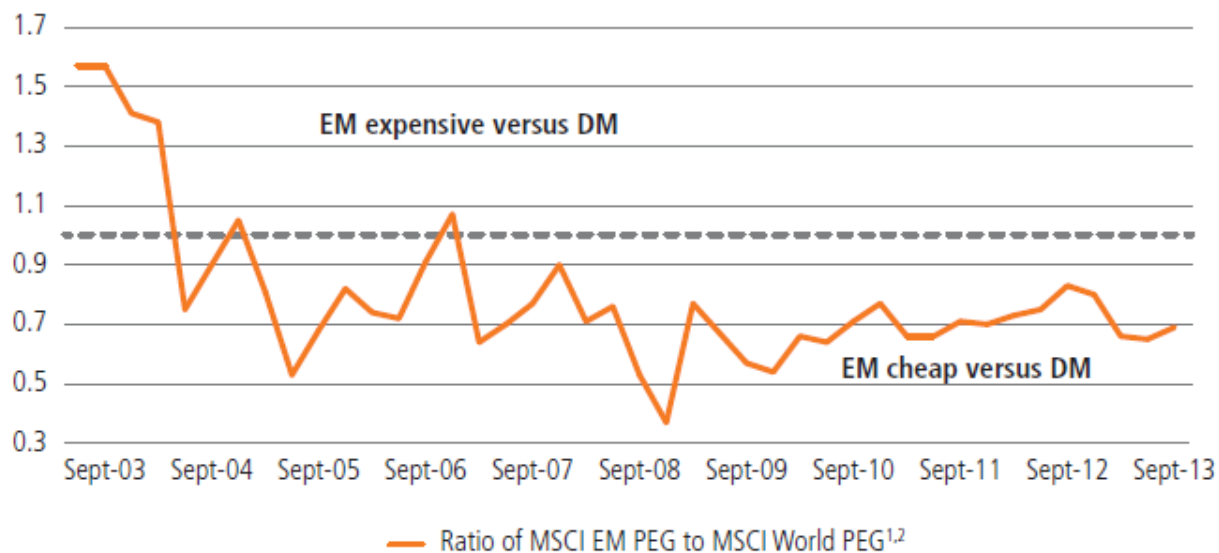
- Modest earnings per share growth, fair valuations and positive momentum should all be supportive of U.S. equities. The asset class may also receive support from sentiment-driven inflows as investors react to the over-30% return in the asset class in 2013 compared with flat/slightly negative returns in fixed income.

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 – 11/2013. 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.

Emerging Markets Equities

The Committee maintained its slightly overweight view for emerging markets equities for the next twelve months

RELATIVE VALUATION: EMERGING VERSUS DEVELOPED MARKET EQUITIES



- The overarching theme for emerging markets is how much U.S. tapering is priced into these markets and related growth rates, and how well (or poorly) countries address structural reform.
- For example, countries with large current account deficits will need to continue to employ strong medicine, including higher interest rates and tighter liquidity to fight inflation and support their currencies.
- The challenge in 2014 for several EM countries is that some are entering election cycles, which could stand in the way of meaningful reform in the near term.

Sources: MSCI, FactSet, RIMES. Data as of September 30, 2013. Any ratios or other measurements using a factor of forecasted earnings of a company discussed herein are based on consensus estimates, not Neuberger Berman's own estimates, and they may or may not be realized. In addition, any revision to a forecast could affect the market price of a security. By quoting them herein, Neuberger Berman does not offer an opinion as to the accuracy of and does not guarantee such estimates. See Additional Disclosures at the end of this presentation, which are an important part of this presentation.

1. Based on FY1 P/E estimates.

2. Based on 3-5 years EPS growth rates.

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Public Real Estate

Current REIT fundamentals and the specter of higher dividends and a pull back in valuations contributed to the uptick in the Committee's view to neutral

U.S. REIT INDEX PERFORMANCE FOLLOWING RATE RISES AND INITIAL SELL-OFF

From January 1990 - August 2013			Acute Periods of Interest Rate Fears		Subsequent FTSE NAREIT Returns Post Sell-Off ²		Subsequent S&P 500 Returns Post Sell-Off	
Sell-Off Periods		Rate Rise	FTSE NAREIT Rreturn	SP 500 Return	180 Days	1 Year	180 Days	1 Year
Aug-90	Sep-90	0.46%	-13.76%	-13.47%	26.63%	32.84%	24.79%	31.16%
Oct-93	Dec-93	0.43%	-7.38%	2.32%	5.31%	3.17%	-3.39%	1.32%
Jun-99	Nov-99	0.54%	-13.19%	7.36%	13.84%	21.79%	2.90%	-4.22%
Apr-04	Apr-04	0.67%	-14.58%	-1.57%	25.74%	34.62%	2.96%	6.34%
Jan-09	Feb-09	0.96%	-34.53%	-18.18%	67.96%	95.19%	40.52%	53.62%
May-13	Aug-13	1.21%	-13.34%	3.03%	-----	-----	-----	-----
Averages ¹		0.61%	-16.69%	-4.71%	27.90%	37.52%	13.56%	17.64%

- U.S. REITs had a challenging year, particularly between May and August, due to concerns related to Fed tapering. Over longer time periods, REIT total returns tend to display low correlations to interest rates, as REITs historically have often recovered following an initial rate rise and subsequent sell-off.
- Fundamentals for REITs remain attractive—benefits of a strengthening economy and job market are positive drivers of real estate; REITs have strong balance sheets and access to capital; REIT dividends have stabilized and are beginning to grow again.

Source: FactSet. Analysis based on periods between January 1990 through August 2013 where the rise in the 10-year Treasury yields negatively impacted REITs over the same time period.

1. Excluding May 13-Aug 13.

2. FTSE NAREIT All Equity REIT Index

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ASSET ALLOCATION & IMPLEMENTATION REVIEW

Asset Allocation

As of January 21, 2014

	Minimum	Long-Term Target	Maximum	Proposed	Current	Change from Current
Cash & Fixed Income	25.0%	38.0%	55.0%	37.1%	37.1%	0.0%
Cash & Equivalents	0.0%	0.0%	10.0%	0.3%	0.3%	0.0%
Investment Grade Fixed Income	15.0%	30.0%	45.0%	24.2%	24.2%	0.0%
High Yield Corporates	0.0%	5.0%	10.0%	8.7%	8.7%	0.0%
Non-U.S. Fixed Income	0.0%	3.0%	10.0%	3.9%	3.9%	0.0%
Equities	30.0%	47.0%	60.0%	59.0%	59.9%	-1.0%
U.S. Large Cap	5.0%	21.0%	35.0%	27.5%	29.9%	-2.4%
U.S. SMID Cap	0.0%	7.0%	15.0%	9.4%	7.0%	2.4%
Master Limited Partnerships	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%
Developed International Equities*	0.0%	10.0%	20.0%	14.1%	13.5%	0.6%
Emerging Market Equities*	0.0%	5.0%	10.0%	4.4%	5.9%	-1.5%
Public Real Estate	0.0%	4.0%	10.0%	3.7%	3.7%	0.0%
Real & Alternative Assets	5.0%	15.0%	30.0%	4.0%	3.0%	1.0%
Commodities	0.0%	3.0%	10.0%	0.0%	0.0%	0.0%
Hedge Funds	0.0%	6.0%	15.0%	3.9%	3.0%	1.0%
Private Equity	0.0%	6.0%	15.0%	0.1%	0.1%	0.0%

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

Implementation Review

As of January 21, 2014

Manager / Asset Class	Market Value as of 1/21/2014	% Of	Proposed Change	Proposed Value	% Of
JP Morgan US Treasury Money Mkt Fund - VPIXZ	\$ 649,991	0.3%	\$ -	649,991	0.3%
Total Cash	\$ 649,991	0.3%	\$ -	\$ 649,991	0.3%
NB Fixed Income Structure Core	50,020,208	24.2%	-	50,020,208	24.2%
Total Investment Grade Fixed Income	50,020,208	24.2%	-	50,020,208	24.2%
NB Floating Rate Income Fund - NFIIIX	7,561,677	3.7%	-	7,561,677	3.7%
NB High Income Bond Fund - NHILX	10,352,145	5.0%	-	10,352,145	5.0%
Total High Yield Fixed Income	17,913,822	8.7%	-	17,913,822	8.7%
Dreyfus EM Debt Fund - DDBIX	8,150,618	3.9%	-	8,150,618	3.9%
Total Non-US Fixed Income	8,150,618	3.9%	-	8,150,618	3.9%
Total Fixed Income	\$ 76,084,648	36.7%	\$ -	\$ 76,084,648	36.7%
NB Large Cap Disciplined Growth	15,315,337	7.4%	(5,000,000)	10,315,337	5.0%
NB Large Cap Value	23,660,610	11.4%	-	23,660,610	11.4%
NB Socially Responsible Investing Group	22,876,423	11.0%	-	22,876,423	11.0%
Total U.S. Large Cap	61,852,370	29.9%	(5,000,000)	56,852,370	27.5%
NB Genesis Fund - NBGIX	7,826,112	3.8%	2,000,000	9,826,112	4.7%
Pinnacle Associates Small Cap Growth	6,730,619	3.3%	3,000,000	9,730,619	4.7%
Total U.S. Small & Mid Cap	14,556,731	7.0%	5,000,000	19,556,731	9.4%
Harding Loevner International Equity ADR	13,650,313	6.6%	-	13,650,313	6.6%
NB International Fund - NBIIX	14,302,242	6.9%	1,143,198	15,445,440	7.5%
Total Developed Equities	27,952,555	13.5%	1,143,198	29,095,753	14.1%
NB Emerging Markets Fund - NEMIX	3,042,844	1.5%	6,000,000	9,042,844	4.4%
Vanguard MSCI Emerging Markets ETF - VWO	9,143,198	4.4%	(9,143,198)	-	0.0%
Total Emerging Equities	12,186,042	5.9%	(3,143,198)	9,042,844	4.4%
NB REITs	7,566,832	3.7%	-	7,566,832	3.7%
Total Public Real Estate	7,566,832	3.7%	-	7,566,832	3.7%
Total Equities	\$ 124,114,530	59.9%	\$ (2,000,000)	\$ 122,114,530	59.0%
NB Absolute Return Multi-Manager Fund - NABIX	6,117,409	3.0%	2,000,000	8,117,409	3.9%
Total Low Vol Hedge Funds	6,117,409	3.0%	2,000,000	8,117,409	3.9%
Total Hedge Funds	\$ 6,117,409	3.0%	\$ 2,000,000	\$ 8,117,409	3.9%
NB Secondary Opportunities Fund	112,750	0.1%	-	112,750	0.1%
Total Private Equity	112,750	0.1%	-	112,750	0.1%
Total Private Equity	\$ 112,750	0.1%	\$ -	\$ 112,750	0.1%
Total Portfolio	\$ 207,079,328	100.0%	\$ -	\$ 207,079,328	100.0%

Review of Rebalance Activity in 2013

May

- Decreased Emerging Market ETF to initiate active NB Emerging Markets Fund (\$3.2 million)

November

- New Target Allocation adopted
- Decreased US Large Cap and SMID Cap exposures among all managers
- Initiated position in NB Floating Rate Income Fund (\$7.5 million)
- Initiated position in NB Absolute Return Multi-Manager Fund (\$6.0 million)
- Increased exposure to Investment Grade Fixed Income (\$5.0 million)
- Increased exposure Non-US Fixed income (\$2.0 million)

This material has been prepared based on information provided by Client. This material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Any advice or recommendations contained herein or furnished to client apply solely to non-Retirement Assets. This material is being provided on the basis that it is not serving and will not serve as a primary basis for any investment decision with respect to any Retirement Assets. Please see Appendices at the end of this material for information regarding ISG estimates and methodologies, definitions of asset classes, benchmark and investment/technical terminology, and other important disclosures and disclaimers.

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

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