

Peralta Community College District

December 13, 2012

Neuberger Berman Trust Company N.A.

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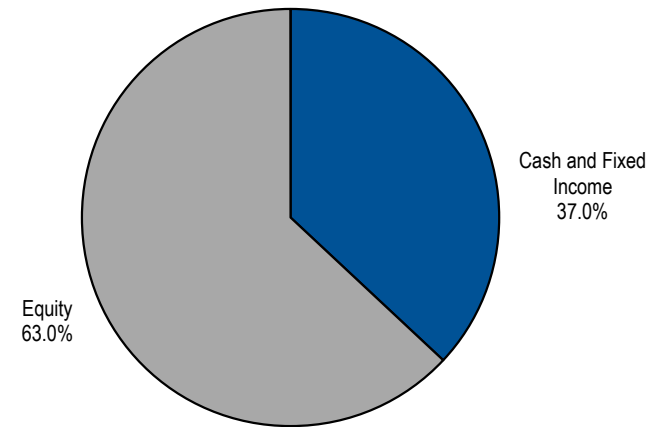
INVESTMENT PERFORMANCE REVIEW AS OF NOVEMBER 30, 2012

Peralta Community College District

Executive Summary as of November 30, 2012

PORTFOLIO COMPOSITION

Asset Class	Market Value	% of Total
Cash and Fixed Income		
Cash and Equivalents	2,525,557	1.4%
Investment Grade Fixed Income	47,591,301	26.6%
High Yield Corporates	9,362,954	5.2%
Non-U.S. Fixed Income	6,604,348	3.7%
Subtotal	\$ 66,084,160	37.0%
Equity		
U.S. Large Cap	56,169,117	31.4%
U.S. SMID Cap	13,893,452	7.8%
Developed International Equities	23,262,247	13.0%
Emerging Market Equities	12,410,391	6.9%
Public Real Estate	6,961,798	3.9%
Subtotal	\$ 112,697,005	63.0%
TOTAL PORTFOLIO	\$ 178,781,165	100.0%



NET PERFORMANCE SUMMARY

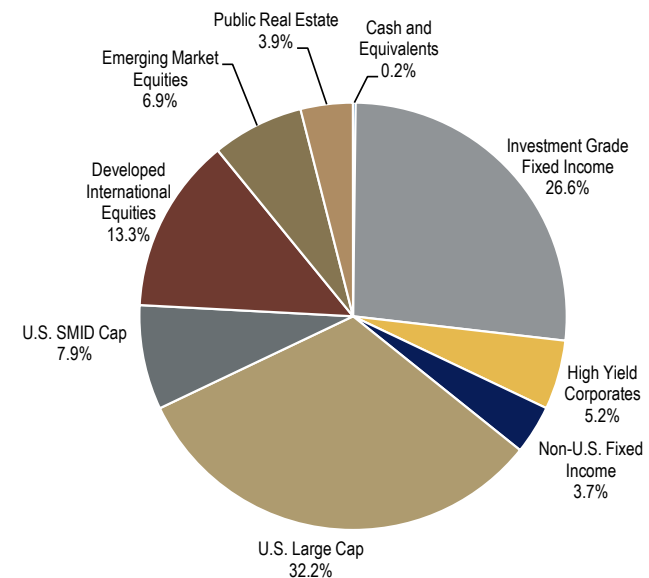
	Trailing 1 Month	Trailing 3 Months	Year- to-Date	Trailing 1 Year	Annualized Since Inception	Cumulative Since Inception
Total Portfolio (1/31/2006)	1.11	2.46	12.37	12.91	4.50	35.07
Investment Policy Benchmark ⁽¹⁾	0.76	2.11	10.90	11.80	4.59	35.85

(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

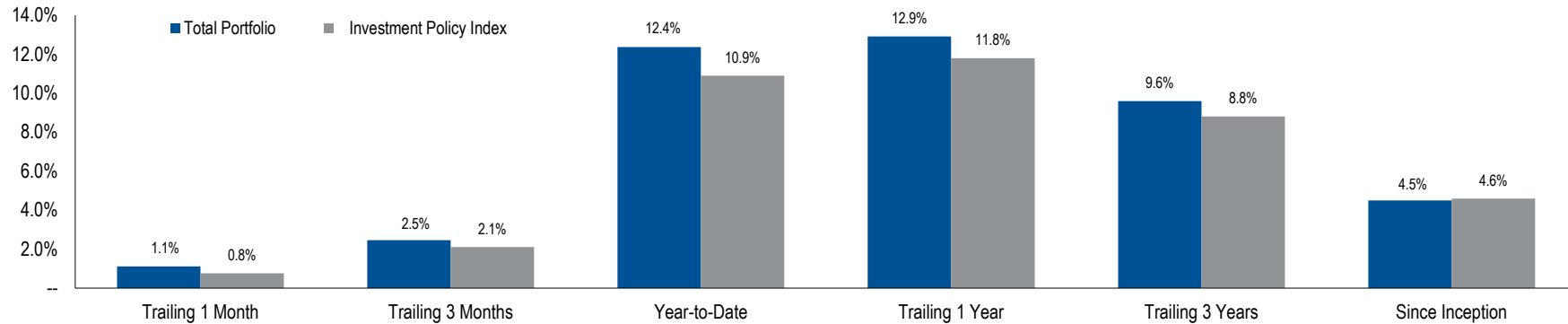
Allocation by Investment Manager as of November 30, 2012

Manager/Asset Class	Market Value	% Of
JP Morgan US Treasury Money Market Fund - VPIXZ	366,018	0.2%
Total Cash and Equivalents	\$ 366,018	0.2%
NB Fixed Income Structure Core	47,591,301	26.6%
Total Investment Grade Fixed Income	47,591,301	26.6%
NB High Income Bond Fund - NHILX	9,362,954	5.2%
Total High Yield Corporates	9,362,954	5.2%
Dreyfus EM Debt Fund - DDBIX	6,604,348	3.7%
Total Non-U.S. Fixed Income	6,604,348	3.7%
Total Fixed Income	\$ 63,558,603	35.6%
NB Large Cap Disciplined Growth	18,381,841	10.3%
NB Large Cap Value	19,556,969	10.9%
NB Socially Responsible Investing Group	19,602,257	11.0%
Total U.S. Large Cap	57,541,067	32.2%
NB Genesis Fund - NBGIX	6,486,176	3.6%
Pinnacle Associates Small Cap Growth	7,634,274	4.3%
Total U.S. SMID Cap	14,120,450	7.9%
Harding Loevner International Equity ADR	11,923,506	6.7%
NB International Fund - NBIIX	11,803,706	6.6%
Total Developed Equities	23,727,212	13.3%
Vanguard MSCI Emerging Markets ETF - VWO	12,410,391	6.9%
Total Emerging Market Equities	12,410,391	6.9%
NB REITs	7,057,425	3.9%
Total Public Real Estate	7,057,425	3.9%
Total Equity	\$ 114,856,545	64.2%
Total Portfolio	\$ 178,781,165	100.0%



Peralta Community College District

Composite Performance Summary (Net) as of November 30, 2012



Composite / Index (Inception)	Mkt Val	% of	Trailing 1 Month	Trailing 3 Months	Year- to-Date	Trailing Annualized Performance*		
						1 Year	3 Years	Inception
Total Portfolio (1/31/2006)	\$ 178,781,165		1.11	2.46	12.37	12.91	9.59	4.50
<i>Investment Policy Benchmark ⁽¹⁾</i>			0.76	2.11	10.90	11.80	8.80	4.59
Total Fixed Income (1/31/2006)	\$ 63,558,603	35.6%	0.24	1.39	7.31	8.80	7.40	6.43
<i>Barclays Capital U.S. Aggregate Bond Index</i>			0.16	0.49	4.36	5.51	5.69	6.03
Total Equity (1/31/2006)	\$ 114,856,545	64.2%	1.60	3.06	15.34	15.28	10.74	3.04
<i>MSCI All Country World Index</i>			1.33	3.89	14.16	13.97	7.12	3.78
Total U.S. Equity (1/31/2006)	\$ 78,718,942	44.0%	1.49	2.08	15.37	16.21	12.15	3.91
<i>Russell 3000 Index</i>			0.77	1.64	15.01	15.95	11.80	4.21

(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 November 30, 2012

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)	\$ 47,591,301	26.6%	0.00	0.74	5.47	6.94	6.79	6.16
<i>Barclays Capital US Aggregate Bond Index</i>			0.16	0.49	4.36	5.51	5.69	6.03
<i>Variance from Index</i>			(0.16)	0.25	1.11	1.42	1.10	0.13
High Yield Corporates								
NB High Income Bond Fund - NHILX (5/31/2012)	\$ 9,362,954	5.2%	0.63	2.71	-	-	-	8.63
<i>BofA ML US High Yield Master II Constrained Index</i>			0.74	3.02	-	-	-	8.42
<i>Variance from Index</i>			(0.11)	(0.31)	-	-	-	0.21
Non-U.S. Fixed Income								
Dreyfus EM Debt Fund - DDBIX (5/31/2012)	\$ 6,604,348	3.7%	1.20	4.41	-	-	-	13.87
<i>JP Morgan GBI-EMG Core Index</i>			1.41	4.61	-	-	-	12.79
<i>Variance from Index</i>			(0.21)	(0.20)	-	-	-	1.08
U.S. Large Cap								
NB Large Cap Disciplined Growth (1/31/2006)	\$ 18,381,841	10.3%	1.27	(0.33)	12.26	10.91	8.04	4.78
<i>Russell 1000 Growth Index</i>			1.67	0.64	15.29	14.92	12.50	5.03
<i>Variance from Index</i>			(0.40)	(0.97)	(3.03)	(4.01)	(4.46)	(0.25)
NB Large Cap Value (1/20/2006)	\$ 19,556,969	10.9%	0.91	3.87	15.28	17.52	10.89	2.95
<i>Russell 1000 Value Index</i>			(0.04)	2.63	15.13	17.45	10.76	2.81
<i>Variance from Index</i>			0.95	1.25	0.14	0.07	0.13	0.14
NB Socially Responsible Investing Group (5/31/2012)	\$ 19,602,257	11.0%	2.24	2.50	-	-	-	12.02
<i>S&P 500</i>			0.58	1.27	-	-	-	9.32
<i>Variance from Index</i>			1.66	1.22	-	-	-	2.70
U.S. SMID Cap								
NB Genesis Fund - NBGIX (5/31/2012)	\$ 6,486,176	3.6%	1.40	4.36	-	-	-	8.12
<i>Russell 2000 Value Index</i>			0.31	2.58	-	-	-	9.71
<i>Variance from Index</i>			1.09	1.78	-	-	-	(1.59)

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 November 30, 2012

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)	\$ 7,634,274	4.3%	3.01	5.29	-	-	-	15.66
<i>Russell 2500 Growth Index</i>			1.75	2.16	-	-	-	5.85
<i>Variance from Index</i>			1.26	3.13	-	-	-	9.81
Developed International Equity								
Harding Loevner International Equity ADR (5/29/2012)	\$ 11,923,506	6.7%	3.23	6.37	-	-	-	16.11
<i>MSCI EAFE Index</i>			2.43	6.33	-	-	-	15.47
<i>Variance from Index</i>			0.80	0.03	-	-	-	0.63
NB International Fund - NBIX (1/31/2006)	\$ 11,803,706	6.6%	0.74	3.60	14.34	11.81	6.69	1.20
<i>MSCI EAFE Index</i>			2.43	6.33	13.69	12.62	2.97	0.89
<i>Variance from Index</i>			(1.69)	(2.73)	0.64	(0.81)	3.72	0.31
Emerging Market Equity								
Vanguard MSCI Emerging Markets ETF - VWO (5/31/2012)	\$ 12,410,391	6.9%	1.25	6.07	-	-	-	11.89
<i>MSCI Emerging Markets Index</i>			1.28	6.74	-	-	-	12.64
<i>Variance from Index</i>			(0.03)	(0.67)	-	-	-	(0.76)
Public Real Estate								
NB REITS (1/31/2006)	\$ 7,057,425	3.9%	0.08	(2.71)	13.62	18.89	21.15	6.60
<i>NAREIT All Equity REIT Index</i>			(0.27)	(1.75)	15.49	21.03	19.63	4.50
<i>Variance from Index</i>			0.35	(0.96)	(1.86)	(2.14)	1.52	2.10

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

ASSET ALLOCATION & IMPLEMENTATION REVIEW

Asset Allocation

As of December 7, 2012

		Minimum	Current	Long-Term Target	Proposed	Maximum
Cash & Fixed Income	Barclays Capital Aggregate	25.0%	35.7%	40.0%	35.7%	55.0%
Cash & Equivalents	Citi 3-Month T-Bill	0.0%	0.2%	0.0%	0.2%	10.0%
Investment Grade Fixed Income	Barclays Capital Aggregate	20.0%	26.5%	30.0%	26.5%	50.0%
High Yield Corporates	Barclays Capital US Corporate High Yield Bond	0.0%	5.3%	5.0%	5.3%	10.0%
Non-U.S. Fixed Income	Barclays Capital Global Aggregate ex USD	0.0%	3.7%	5.0%	3.7%	10.0%
Equities	MSCI ACWI	45.0%	64.3%	57.0%	64.3%	70.0%
U.S. Large Cap	Russell 1000	10.0%	32.0%	23.0%	32.0%	40.0%
U.S. SMID Cap	Russell 2500	0.0%	7.9%	8.0%	7.9%	15.0%
Master Limited Partnerships	Alerian MLP	0.0%	0.0%	0.0%	0.0%	10.0%
Developed International Equities*	MSCI EAFE	5.0%	13.3%	15.0%	13.3%	25.0%
Emerging Market Equities*	MSCI Emerging Markets	0.0%	7.1%	7.0%	7.1%	15.0%
Public Real Estate	NAREIT Equity	0.0%	4.0%	4.0%	4.0%	10.0%
Real & Alternative Assets	HFRI FoF Composite	0.0%	0.0%	3.0%	0.0%	10.0%
Commodities	DJ-UBS Commodity	0.0%	0.0%	3.0%	0.0%	10.0%
Lower-Vol Hedge Funds	HFRI FOF Conservative	0.0%	0.0%	0.0%	0.0%	10.0%
Macro Hedge Funds	HFRI FOF Macro	0.0%	0.0%	0.0%	0.0%	10.0%
Private Equity	ThompsonOne Private Equity	0.0%	0.0%	0.0%	0.0%	10.0%

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

Implementation Review

As of December 7, 2012

<u>Manager / Asset Class</u>	<u>Market Value as of 12/7/2012</u>	<u>% Of</u>	<u>Proposed Change</u>	<u>Proposed Value</u>	<u>% Of</u>
JP Morgan US Treasury Money Mkt Fund - VPIXZ	\$ 315,351	0.2%	\$ -	315,351	0.2%
Total Cash	\$ 315,351	0.2%	\$ -	\$ 315,351	0.2%
NB Fixed Income Structure Core	47,591,301	26.5%	-	47,591,301	26.5%
Total Investment Grade Fixed Income	47,591,301	26.5%	-	47,591,301	26.5%
NB High Income Bond Fund - NHILX	9,506,435	5.3%	-	9,506,435	5.3%
Total High Yield Fixed Income	9,506,435	5.3%	-	9,506,435	5.3%
Dreyfus EM Debt Fund - DDBIX	6,679,062	3.7%	-	6,679,062	3.7%
Total Non-US Fixed Income	6,679,062	3.7%	-	6,679,062	3.7%
Total Fixed Income	\$ 63,776,798	35.5%	\$ -	\$ 63,776,798	35.5%
NB Large Cap Disciplined Growth	18,256,862	10.2%	-	18,256,862	10.2%
NB Large Cap Value	19,722,050	11.0%	-	19,722,050	11.0%
NB Socially Responsible Investing Group	19,566,001	10.9%	-	19,566,001	10.9%
Total U.S. Large Cap	57,544,913	32.0%	-	57,544,913	32.0%
NB Genesis Fund - NBGIX	6,468,311	3.6%	-	6,468,311	3.6%
Pinnacle Associates Small Cap Growth	7,692,446	4.3%	-	7,692,446	4.3%
Total U.S. Small & Mid Cap	14,160,757	7.9%	-	14,160,757	7.9%
Harding Loevner International Equity ADR	12,047,011	6.7%	-	12,047,011	6.7%
NB International Fund - NBIX	11,928,218	6.6%	-	11,928,218	6.6%
Total Developed Equities	23,975,229	13.3%	-	23,975,229	13.3%
Vanguard MSCI Emerging Markets ETF - VWO	12,713,155	7.1%	-	12,713,155	7.1%
Total Emerging Equities	12,713,155	7.1%	-	12,713,155	7.1%
NB REITs	7,143,928	4.0%	-	7,143,928	4.0%
Total Public Real Estate	7,143,928	4.0%	-	7,143,928	4.0%
Total Equities	\$ 115,537,982	64.3%	\$ -	\$ 115,537,982	64.3%
Total Portfolio	\$ 179,630,131	100.0%	\$ -	\$ 179,630,131	100.0%

ILLUSTRATIVE TARGET ALLOCATION INCLUDING ALTERNATIVES

Asset Allocation

Illustrative Target Allocation with Alternatives

		Minimum	Long-Term Target	Maximum
Cash & Fixed Income	Barclays Capital Aggregate	25.0%	40.0%	55.0%
Cash & Equivalents	Citi 3-Month T-Bill	0.0%	0.0%	10.0%
Investment Grade Fixed Income	Barclays Capital Aggregate	20.0%	30.0%	50.0%
High Yield Corporates	Barclays Capital US Corporate High Yield Bond	0.0%	5.0%	10.0%
Non-U.S. Fixed Income	Barclays Capital Global Aggregate ex USD	0.0%	5.0%	10.0%
Equities	MSCI ACWI	45.0%	45.0%	70.0%
U.S. Large Cap	Russell 1000	10.0%	20.0%	40.0%
U.S. SMID Cap	Russell 2500	0.0%	6.0%	15.0%
Master Limited Partnerships	Alerian MLP	0.0%	0.0%	10.0%
Developed International Equities*	MSCI EAFE	5.0%	10.0%	25.0%
Emerging Market Equities*	MSCI Emerging Markets	0.0%	5.0%	15.0%
Public Real Estate	NAREIT Equity	0.0%	4.0%	10.0%
Real & Alternative Assets	HFRI FoF Composite	0.0%	15.0%	10.0%
Commodities	DJ-UBS Commodity	0.0%	3.0%	10.0%
Lower-Vol Hedge Funds	HFRI FOF Conservative	0.0%	4.0%	10.0%
Macro Hedge Funds	HFRI FOF Macro	0.0%	4.0%	10.0%
Private Equity	ThompsonOne Private Equity	0.0%	4.0%	10.0%

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

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

Gerald Kaminsky

Portfolio Manager, Team Kaminsky
49 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

Raheel Siddiqui

Portfolio & Quantitative Strategist
8 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	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		◆		□	The committee continues to underweight most sectors of fixed income, particularly in the highest grade areas such as U.S. Government securities and developed international fixed income, but raised its outlook for Municipals and Agency MBS. In the committee's opinion, the latest round of quantitative easing by the Federal Reserve in September should be supportive of the Agency MBS market while Municipals are trading at attractive valuations compared to Treasuries and should benefit from fiscal progress made at the state and local levels of government. While the committee downgraded high yield corporates, members still expect low default rates, but are forecasting less robust returns after a strong period of performance.
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		◆		↓	After holding an overweight position for U.S. large cap equities for nearly three years, the committee tempered its 12-month outlook to a neutral position. Importantly, the committee still forecasts a modest single digit return for U.S. large cap equities, but expects to see headwinds in the form of decelerating earnings growth and concerns related to the year-end fiscal cliff. The committee was more constructive on developed international equities, however they maintained their underweight stance as Europe still faces an uphill challenge with respect to fiscal deficits and growth.
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		◆		□	Few changes were made within the real and alternatives category with the exception of macro hedge funds which was downgraded to neutral. The committee believes financial markets will continue to be impacted by policy-driven events, which have been exceedingly difficult for managers to predict, particularly in the macro hedge funds space.
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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Market “Balance Sheet”

+ OPPORTUNITIES

- Modestly stronger U.S. dollar (vs. Euro and Yen)
- Rising corporate earnings
- Good operational/margin leverage
- Rising dividends
- Recovering securities issuance
- Periodic increase to financing
- Potential reversing in consumer/corporate deleveraging
- More private equity activity in the middle market
- M&A activity pickup

— RISKS / CHALLENGES

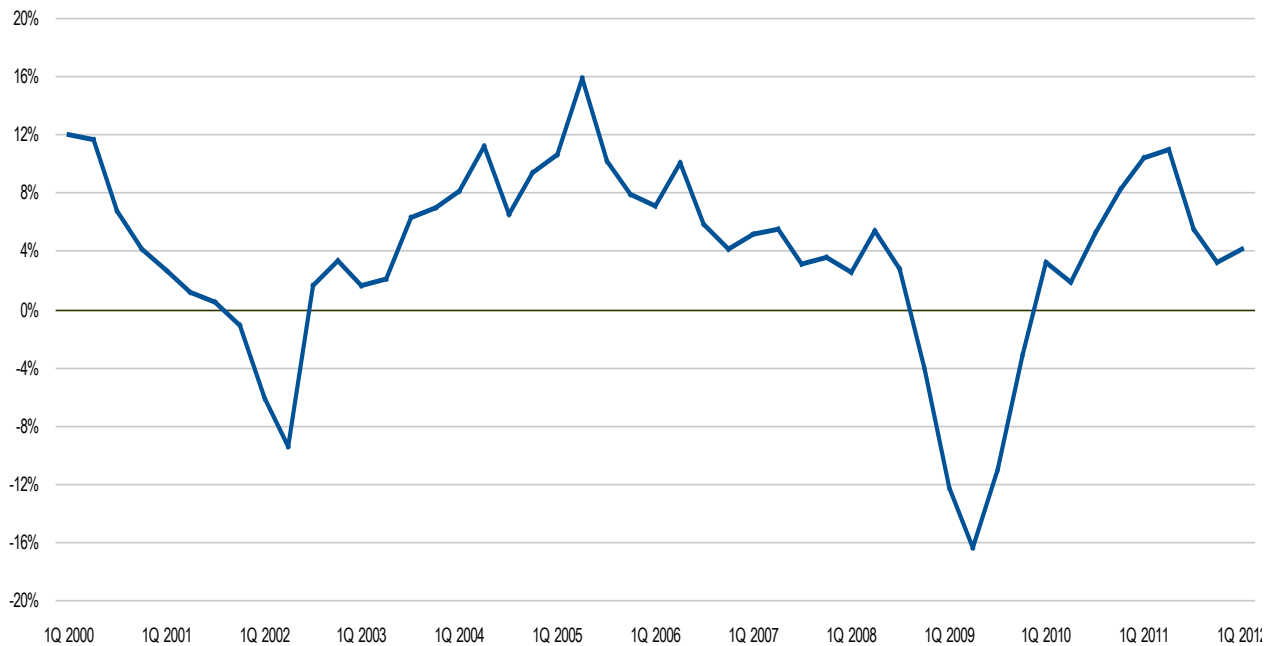
- Modestly higher inflation
- Very soft developed market economies
- Continued volatility
- Additional risks: Europe, oil, U.S. employment, China growth

Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. 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.

Municipal Fixed Income

The Committee upgraded its view for Municipals, citing attractive valuations relative to U.S. Treasuries and Investment Grade Corporates

YEAR-OVER-YEAR CHANGE IN STATE TAX COLLECTIONS



- Although the economic growth backdrop remains uncertain, state revenues have now increased for ten consecutive quarters.
- The relatively steep yield curve in the municipal marketplace continues to offer investors additional yield on intermediate maturity bonds without taking on excessive interest rate risk.

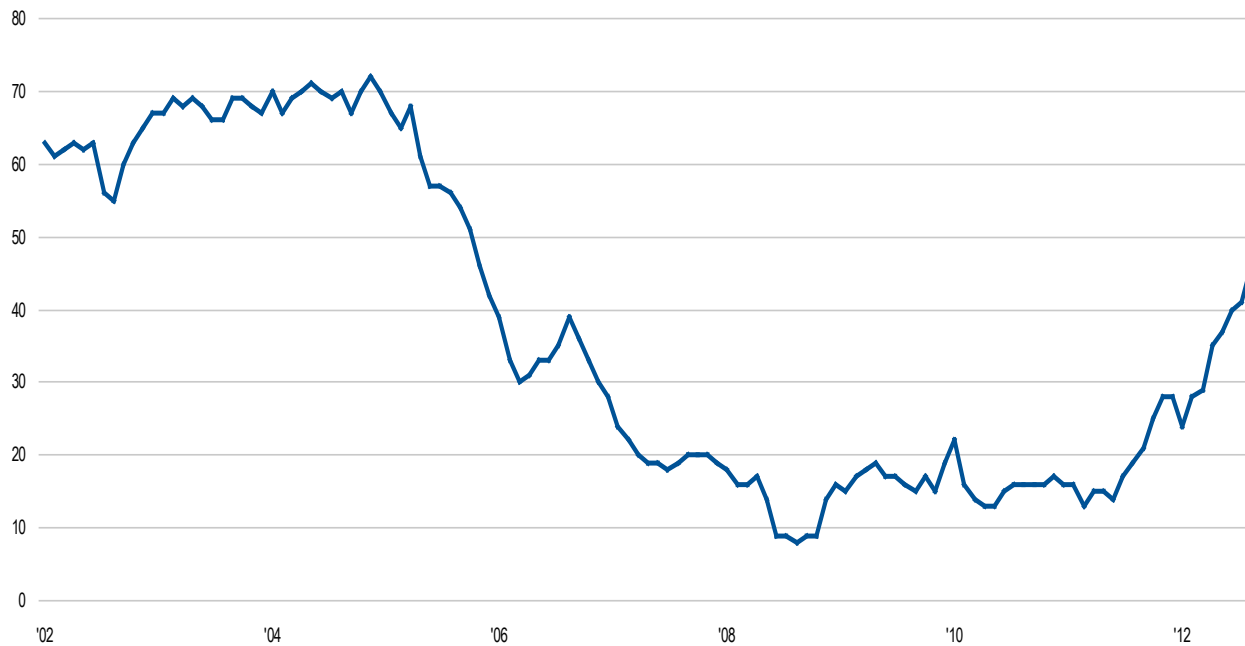
Source: U.S. Census Bureau.

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U.S. Agency MBS

The Committee expects improving housing dynamics and Federal Reserve purchases of \$40 billion per month to be supportive of the agency MBS marketplace

NAHB HOUSING MARKET INDEX



- Homebuilder sentiment has reached its highest point since early 2007, which has typically led increased housing activity, rising home prices, stronger consumer spending and a healthier labor market – all of which could be the beginning of a virtuous circle that has yet to emerge since the onset of the economic recovery.

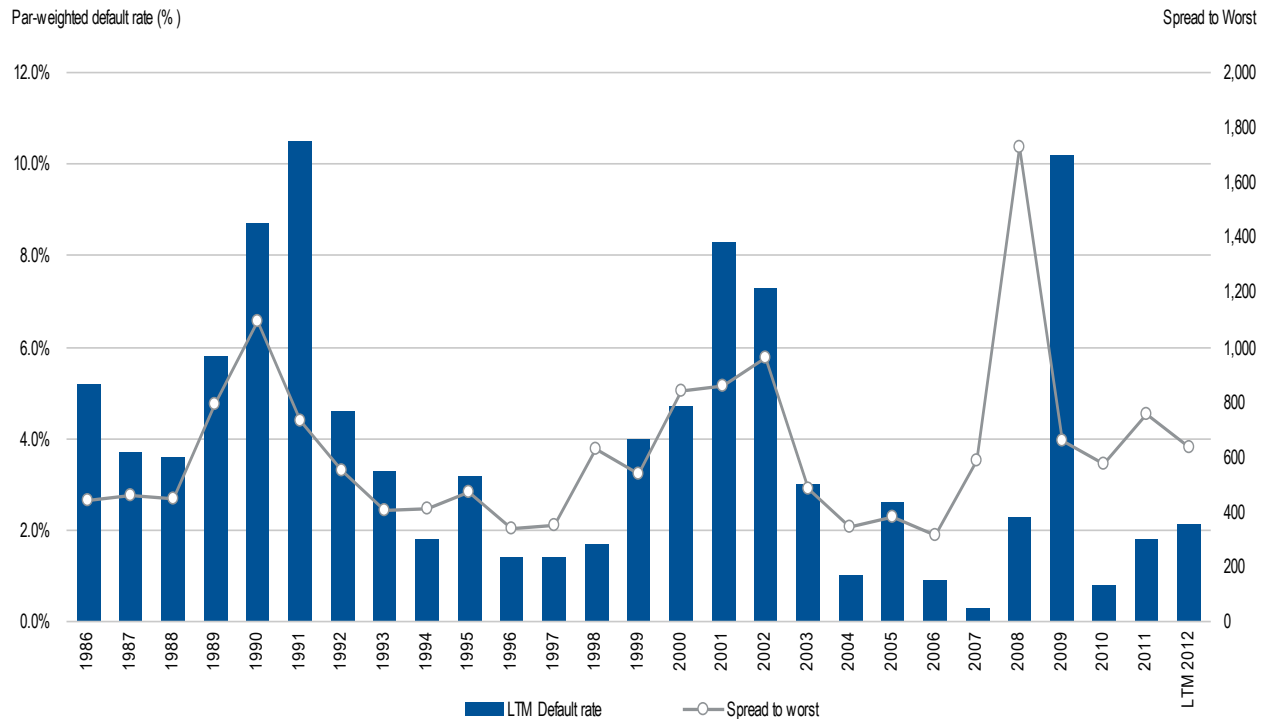
Source: FactSet.

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

U.S. High Yield Corporates

High yield still offers an attractive sources of income, but the Committee does not see as compelling of an opportunity from a yield/spread perspective and thus downgraded the asset class to neutral

HIGH YIELD CORPORATES SPREADS VS. DEFAULT RATES



- High yield has been one of the strongest performing domestic fixed income sectors over the past year (+16%) – the Committee does not expect performance to be as robust over the next 12 months.
- Although members have a relatively muted default rate outlook for high yield fixed income, the Committee slightly favors bank loans in the short-to-intermediate term.

*As of October 31, 2012.

Source: J.P. Morgan, Moody's Investment Service.

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U.S. Large Cap Equities

After maintaining an overweight position on U.S. large cap equities for nearly three years, the Committee moderated its stance to a neutral position this quarter

ANATOMY OF THE FISCAL CLIFF

	<u>2013 CY</u>	<u>% of GDP</u>
2001-03 Tax Provisions	171	1.04
Payroll Tax	115	0.70
Extenders	75	0.45
Budget Control Act Sequester	73	0.45
High Income Rates, Pease, and PEP	44	0.27
Alternative Minimum Tax Patch	40	0.24
Estate Tax	31	0.19
Stimulus Legislation EITC, CTC, and AOTC	27	0.16
Health Care Law Provisions	24	0.15
Unemployment Insurance	17	0.10
High Income Capital Gains and Dividends	8	0.05
Medicare Payments for Physicians	7	0.04
Total: Complete Fiscal Cliff	632	3.85

- The Committee has a positive outlook for equities over the next twelve months, but believes uncertainties related to the fiscal cliff are likely to weigh on U.S. equity markets in the near-term.

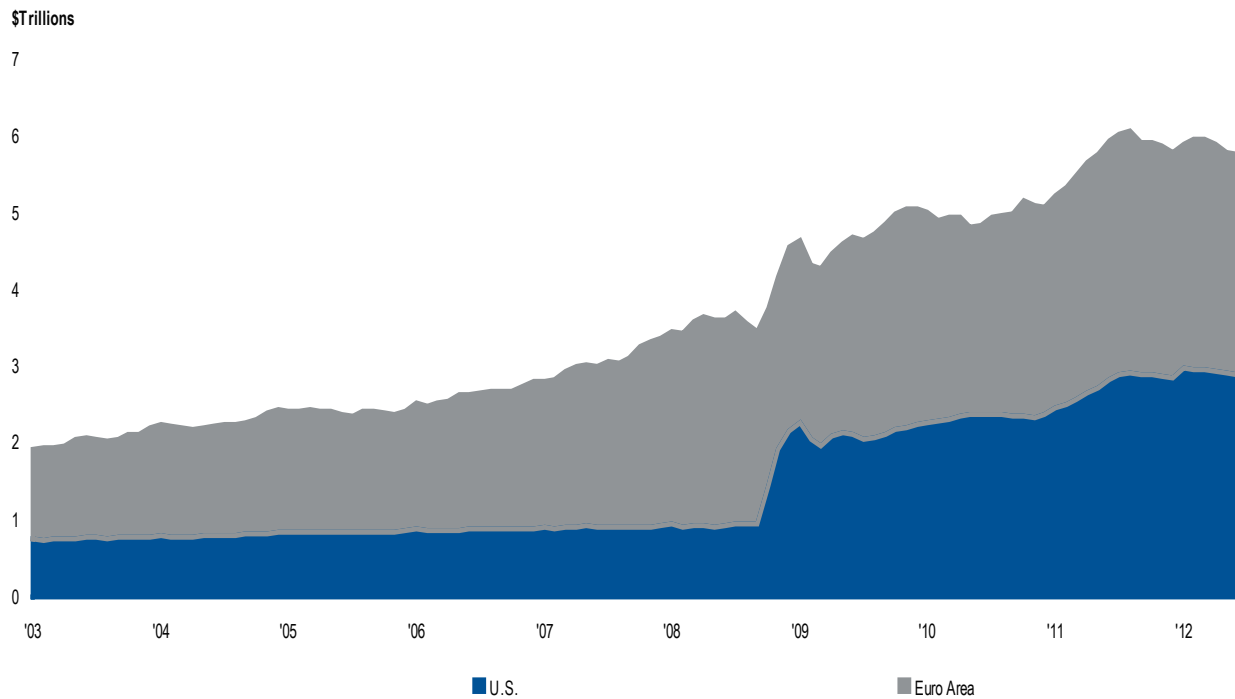
Source: UBS.

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Commodities

Global central banks continue to ease in developed and emerging economies alike, which the Committee believes will help reverse some of the weakness witnessed in commodities over the past year

CENTRAL BANK BALANCE SHEETS



- The Committee anticipates a slightly weaker global growth profile to be balanced by further central bank policy measures – particularly QE3 in the US and OMT in Europe.
- Ongoing tensions in the Middle East (Iran/Syria) continue to put pressure on global oil markets.

Source: FactSet.

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DISCLOSURES

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 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

Asset Class Benchmarks and Definitions

Asset Class	Benchmark	Definition of Benchmark
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.

Asset Class Benchmarks and Definitions

Continued

Asset Class	Benchmark	Definition of Benchmark
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.
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.

Asset Class Benchmarks and Definitions

Continued

Asset Class	Benchmark	Definition of Benchmark
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.
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.

Asset Class Benchmarks and Definitions

Continued

Asset Class	Benchmark	Definition of Benchmark
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.
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.

Disclosures

This presentation (the "Presentation") is being furnished on a confidential basis to a sophisticated investor for informational and discussion purposes only and does not constitute an offer to sell or a solicitation of an offer to purchase any security. Any such offer or solicitation shall be made pursuant to additional documentation relating to such fund (the "Fund"), which documentation describes risks related to an investment in the Fund as well as other important information about the Fund and its sponsor. The information set forth herein does not purport to be complete and is subject to change. This Presentation is qualified in its entirety by all of the information set forth in any additional documentation. Without limiting the foregoing, the following is a summary of certain potential investment and structural risks that prospective investors should give careful consideration to in evaluating the merits and suitability of investing in the Fund: (i) an investment in the Fund is speculative and involves a high degree of risk; (ii) the Fund may employ leverage in connection with certain investments or participate in investments with highly leveraged capital structures (leverage involves a high degree of financial risk and may increase the exposure of such investments to factors such as rising interest rates, downturns in the economy, or deterioration in the condition of the assets underlying such investments); (iii) the Fund's performance can be volatile and an investor could incur a total or substantial loss of its investment; (iv) interests in the Fund are illiquid, there are restrictions on the transfer of interests in the Fund, there is no secondary market for interests in the Fund, and no such market is expected to develop; and (v) the Fund's fees and expenses may reduce materially the actual returns to investors and these fees and expenses could reduce the amount recovered by an investor in the Fund to less than its total capital contributions to the Fund.

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Statements contained in this Presentation that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of the general partner of the Fund. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. In addition, this Presentation contains "forward-looking statements." Actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

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Disclosures

Firm history/timeline information dates back to the 1939 founding of Neuberger & Berman (the predecessor to Neuberger Berman LLC), and highlights key business expansions, including those that resulted from acquisitions of the various affiliated investment advisers that now comprise the firm. Investment professionals referenced include: Equity portfolio managers, research analysts/associates, traders, and product specialists; Fixed Income portfolio managers, research analysts/associates, traders, and investment support (product specialists, portfolio analysts, and trading support); Alternatives investment professionals who are involved in the decisions concerning asset allocation, investment monitoring and making new investments (includes two consultants). Average years experience does not include Equity product specialists or Fixed Income investment support.

Equity and Fixed Income AUM Outperformance Note: Firm equity and fixed income Assets Under Management (“AUM”) outperformance figures are based upon the aggregate assets for all Neuberger Berman LLC and Neuberger Berman Fixed Income LLC traditional equity and fixed income strategies that are included in each firm’s institutional separate account (“ISA”), managed account/wrap (“MAG”) and private asset management/high net worth (“PAM”) composites. The AUM outperformance results are based on the overall performance of each individual investment strategy against its respective strategy benchmark and results are asset weighted so strategies with the largest amount of assets under management have the largest impact on the results. As of 12/31/2011, seven equity teams/strategies accounted for approximately 53% of the total firm equity (PAM, ISA and MAG combined) assets reflected, and eight strategies accounted for approximately 71% of the total firm fixed income (PAM, ISA and MAG combined) assets reflected. The performance of the individual PAM equity teams/strategies is generally shown as a supplemental exhibit to the PAM Equity Composite. The respective ISA, MAG and PAM composite reports, as well as the PAM Management Team supplemental performance exhibits are available upon request. Individual strategies may have experienced negative performance during certain periods of time. Hedge fund, private equity and other private investment vehicle assets are not reflected in the AUM and product outperformance results shown. AUM outperformance for ISA and MAG strategies is based on gross of fee returns. Gross of fee returns do not reflect the deduction of investment advisory fees and other expenses. If such fees and expense were reflected, AUM and products outperformance results would be lower. Investing entails risk including possible loss of principal. **Past performance is no guarantee of future results.**

Barron’s “Best Fund Families of 2011”: To qualify for the Lipper/Barron’s Fund Survey, a group must have at least three funds in Lipper’s general U.S.-stock category, as well as one in world equity, which combines global and international funds. They also require at least one mixed-equity fund, which holds stocks and bonds. Fund shops also must have at least two taxable-bond funds and one-tax-exempt offering. Each fund’s returns are adjusted for 12b-1 fees, which are used for marketing and distribution expenses. The funds usually add these fees back into returns. Lipper/Barron’s aim is to measure the manager’s skill. Fund loads, or sales charges, aren’t included in the calculation of returns, either. Each fund’s return is measured against those of all funds in its Lipper category, such as, say, small-cap value. That leads to a percentile ranking, with 100 the highest and 1 the lowest, which is then weighted by asset size, relative to the fund family’s other assets in its general classification—world equity, for instance. If a family’s biggest funds do well, that boosts its overall ranking. Poor performance in a big fund obviously has a big effect on the ranking. Finally, the score is multiplied by the weighting of its general classification, as determined by the entire Lipper universe of funds. The category weightings for the one-year results: general equity, 38.04%; world equity, 12.77%; mixed equity, 17.36%; taxable bonds, 27.43% and tax-exempt bonds, 4.40%.

Investments in hedge funds and private equity are speculative and involve a higher degree of risk than more traditional investments. Investments in hedge funds and private equity are intended for sophisticated investors only.

All information as the date indicated, except as otherwise noted. Firm data, including employee and assets under management figures, reflects collective data for the various affiliated investment advisers that are subsidiaries of Neuberger Berman Group LLC (the “firm”), including, but not limited to, Neuberger Berman LLC, Neuberger Berman Management LLC, Neuberger Berman Fixed Income LLC, NB Alternative Fund Management LLC, NB Alternative Investment Management LLC, NB Alternatives GP Holdings LLC, and NB Alternatives Advisers LLC.

Disclosures

PRIVATE EQUITY STRATEGIES

1. The performance information presented (the "PI") is derived from the financial statements of NB Alternatives primary fund of funds vehicles and managed accounts (each a "Fund Account") and their underlying partnerships. The PI includes Fund Accounts managed by NB Alternatives and its predecessor entities (the "Predecessors"), the oldest of which was founded in 1981. Neuberger Berman and its affiliates are the successor to all of the Predecessors' operational assets, and employ substantially all of their key personnel, and NB Alternatives became either the advisor or sub-advisor to the Fund Accounts previously advised by the Predecessors. Investment decisions for the Fund Accounts are made by the Investment Committee. The Investment Committee currently consists of eight voting members, all of whom served on the Investment Committee of the Predecessors immediately prior to the acquisition by Neuberger Berman. Consequently, NB Alternatives continues to determine its investment advice with respect to Fund Accounts through substantially the same consensus decision-making group that was utilized by the Predecessors.

2. The PI presented is based upon the most recent estimates of Fund Account net asset value as December 31, 2011. The PI is net of NB Alternatives' fees, expenses and carried interest is a composite, does not represent the performance of any one Fund Account, and does not equate with the returns experienced by an investor in any particular Fund Account as a result of differences in the nature, timing and terms of investments. The PI does not include Fund Accounts that focus on secondary private equity investments or co-investments. If secondary and co-investment Fund Accounts were included, the since inception aggregate IRR ending December 31, 2011, net of fees and expenses, is 14.2%. The capital flows between a Fund Account and its investors and the investors' capital account balance on the date of the calculation are utilized to calculate the PI. The PI does not include the performance of recent Fund Accounts that commenced after 2009, as these Fund Accounts are too early in their investment cycle to have meaningful performance information. Certain Fund Accounts included in the PI consist of capital contributed by employees and affiliates and do not have fees, expenses, or carried interest. The PI also includes primary private equity fund commitments made for investment purposes by an internal fund of funds whose sole investors were the Predecessors and their employees, which commitments were selected prior to the acquisition of the Predecessors by current and former members of the Investment Committee. The PI does not include other private equity fund investments made by the Predecessors or Neuberger Berman for strategic purposes.

Past performance is not an indicator, guarantee or projection of future performance. The PI illustrates the investment performance as compared to the following indices. The investment attributes of the PI differ materially from those of the Indices, and therefore, the Fund Accounts and the Indices should not be considered equivalent in respect of potential investment returns or risks. The Indices are presented merely to show general trends in the markets for the listed vintage year. The Indices are unmanaged and have no expenses. Capital contributors and distributions occurred periodically throughout the life of the Fund Accounts. In order to accurately compare the Indices to the Fund Accounts, capital contributions and distributions are treated as purchases and redemptions from the Indices, which are priced based upon the market value of the Indices on the corresponding dates. At the end of the period, all shares are assumed sold to provide a terminal value. Fund Account returns are reported net of all fees, expenses, and GP carry.

3. Thomson Reuters' Private Equity Performance Index is based on statistics as of December 31, 2011 published by Thomson Reuters' Private Equity Performance Database analyzing the cash flows and returns for approximately 3,802 venture capital and private equity funds having an aggregate capital commitment of approximately \$1,684.1 billion to such funds. The Thomson data are compiled from information provided to Thomson by limited partner investors and general partners of such partnerships and are not independently verified by Thomson or NB Alternatives. Returns are net to investors after management fees, expenses and carried interests at the underlying fund level, but, since the data are collected in respect of underlying funds, the index does not reflect the impact on returns of fund of funds level management fees, expenses and carried interests. The Thomson data presented measure performance of the applicable index since January 1, 1987. The investment strategies of the funds included in the Thomson index are in some cases not the same as those in which NB Alternatives' funds and accounts directly or indirectly invested.

4. Source: Bloomberg L.P. The Standard & Poor's 500 ("S&P 500") is a basket of 500 widely-held stocks that is weighted by market value. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ National Market. The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of June 2007 the MSCI World Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The FTSE 100 Index (Financial Times Stock Exchange Index) is a share index of the 100 most highly capitalized UK companies listed on the London Stock Exchange. Returns for the public stock indices are based upon simple market price appreciation of an investment in the index beginning on December 31, 1986. The return is a 100 quarter annualized performance number. Public market returns, other than MSCI World, exclude all dividends including both payment of dividends to an investor in the index and reinvestment of dividends in the index. Public market returns for MSCI World include all dividend payments to an investor in the index and exclude reinvestment of dividends in the index.

5. References to NB Alternatives include the Predecessors, the assets of which are presently owned by NB Alternatives and its affiliated companies.

Disclosures

CROSSROADS INDEX METHOD

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