A Closer Look at: International Equities

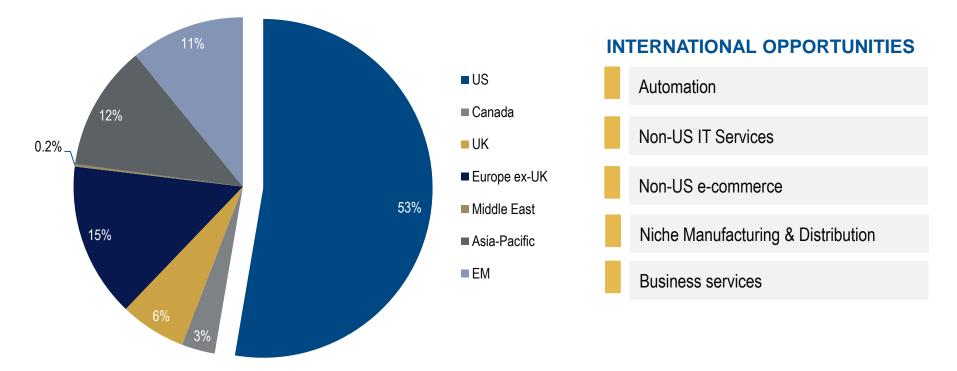
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October 2016

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US Equities Represent Only 53% of the Global Equity Opportunity Set

As of June 30, 2016



MSCI All Country World Index Weights

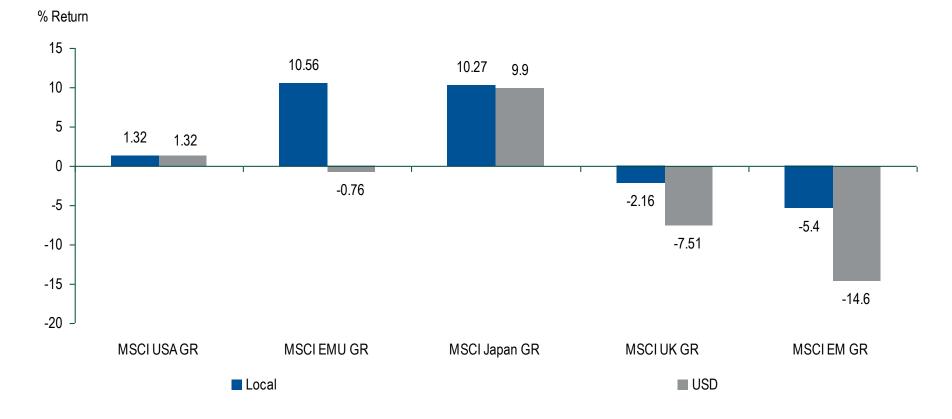
International Equities Factors To Consider

Currency	 Currency fluctuations impact stock prices in US Dollar terms Underlying revenue and cost variability cause companies' earnings to fluctuate 			
Volatility	 Economic risk Political risk Asset class risk 			
Heterogeneous Markets				

Currency Returns Detracted from International Equity 2015 Performance

2015 Returns Varied Across Regions



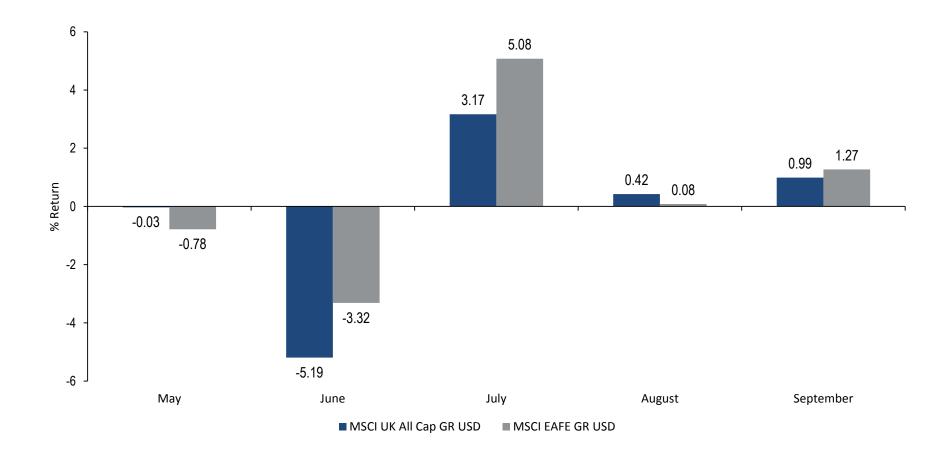


Source: Morningstar Direct. Indexes are unmanaged and are not available for direct investment. Unless otherwise indicated, returns reflect reinvestment of dividends and distributions. Investing entails risks, including possible loss of principal. **Past performance is no indication of future results.**

*Local currency refers to returns that are calculated using the base currency of the country in question versus converting back to USD

Political Risk: Brexit

UK & EAFE Performance Pre and Post Brexit

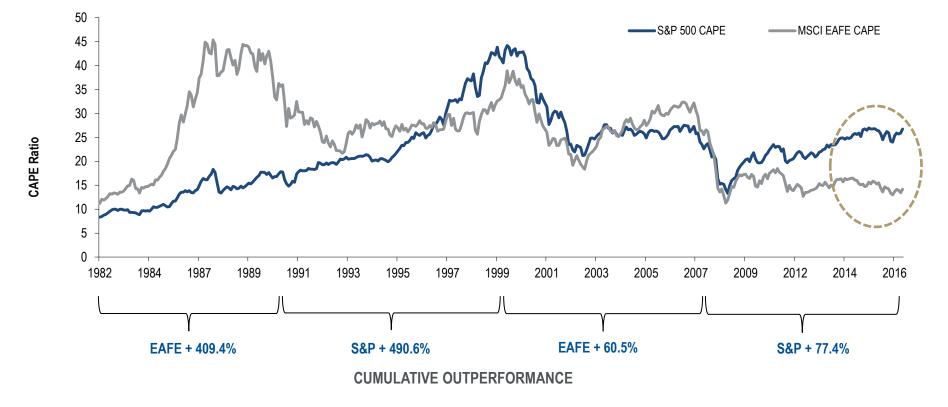


Source: Morningstar. Data as of 9/30/16. Indexes are unmanaged and are not available for direct investment. Unless otherwise indicated, returns reflect reinvestment of dividends and distributions. Investing entails risks, including possible loss of principal. Past performance is no indication of future results.

The S&P 500 and MSCI EAFE Historically Take Turns Outperforming

International Markets Offer Relatively Attractive Valuations

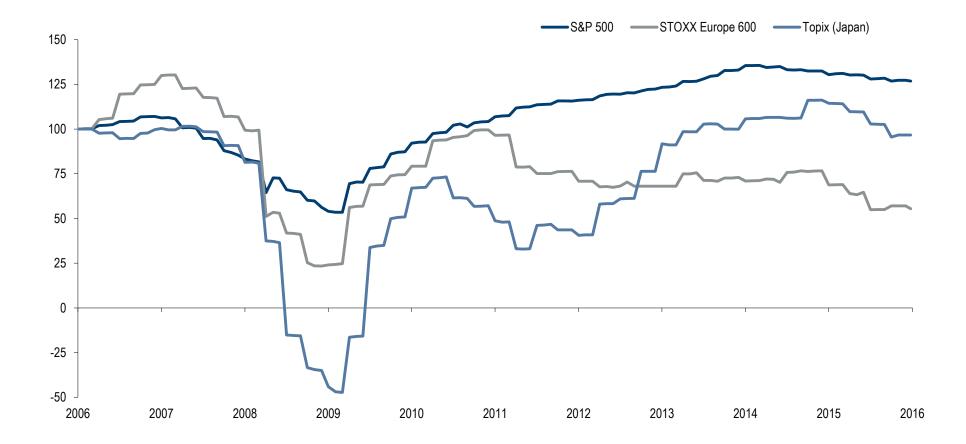




Source: Morningstar. CAPE ratio uses smoothed real earnings over 10-years to eliminate fluctuations in profit margins over a typical business cycle. Data as of 7/31/16. Indexes are unmanaged and are not available for direct investment. Unless otherwise indicated, returns reflect reinvestment of dividends and distributions. Investing entails risks, including possible loss of principal. **Past performance is no indication of future results.**

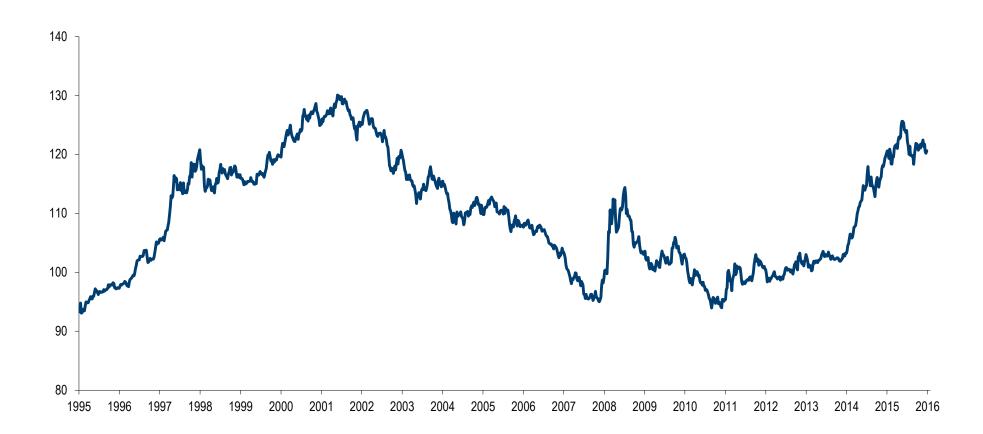
Current Topics: Opportunity for International Earnings to Catch Up

Trailing 12 Month EPS in Local Currency



Current Topics: Recent Rise of US Dollar

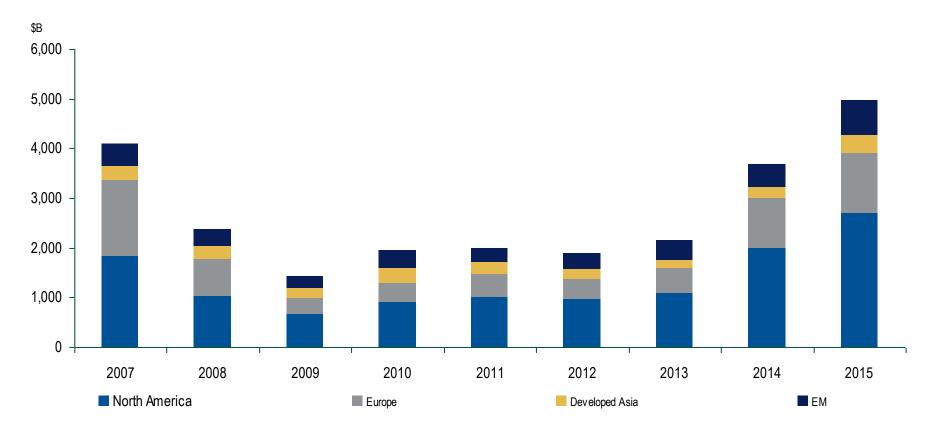
US\$ Trade-Weighted Index Value



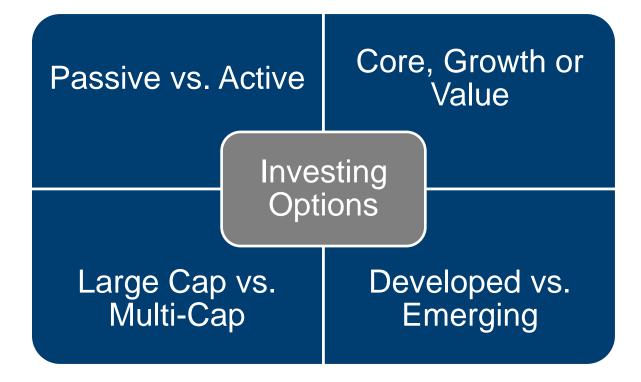
Current Topics: M&A Activity has been Accelerating Globally

The ability to invest away from dominant names in large-cap indices may offer opportunities to generate alpha

GLOBAL DEAL VOLUME BY TARGETS' REGION (USD BILLIONS) as of 12/31/15



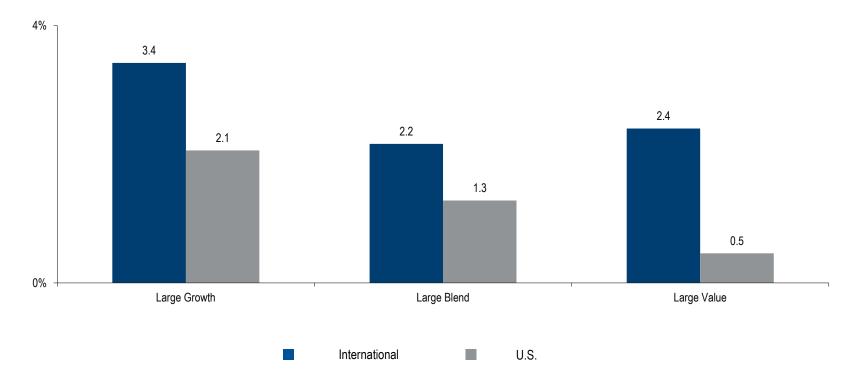
Approaches to International Equity Investing



Active International Managers Can Make a Difference

International active managers have generated meaningful outperformance

TOP QUARTILE MANAGER AVERAGE EXCESS RETURN ROLLING 5 YEARS, 1990-2015

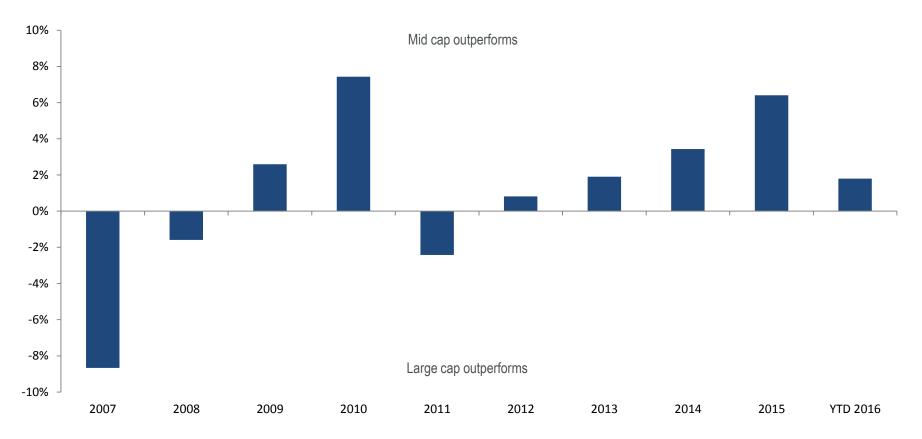


Source: Morningstar Direct. Benchmarks are as follows: Foreign Large Blend, Growth and Value - MSCI EAFE Index; U.S. Large Blend - S&P 500; U.S. Large Growth - Russell 1000 Growth Index; U.S. Large Value - Russell 1000 Value Index. Past performance is no indication of future results.

International Mid Caps—An Appealing Source of Stocks

Mid-cap stocks have outperformed large caps in recent years

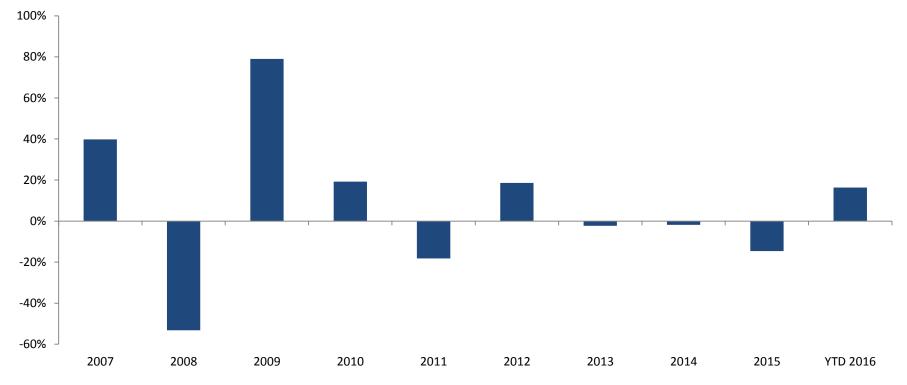
ANNUAL RETURN DIFFERENCE BETWEEN MSCI EAFE MID CAP AND MSCI EAFE LARGE CAP



Source: Morningstar. Data as of 09/30/2016. Indexes are unmanaged and are not available for direct investment. Unless otherwise indicated, returns reflect reinvestment of dividends and distributions. Investing entails risks, including possible loss of principal. Past performance is no indication of future results.

Emerging Markets' Aggregate Returns Have Been Volatile

EMERGING MARKETS' AGGREGATE RETURNS HAVE BEEN VOLATILE MSCI EM USD RETURNS



Source: Morningstar Direct. Data as of 09/30/2016. Indexes are unmanaged and are not available for direct investment. Unless otherwise indicated, returns reflect reinvestment of dividends and distributions. Investing entails risks, including possible loss of principal. Past performance is no indication of future results.

Fundamentally Driven Investment Process to International Investing

Start with a wide universe, focus on Quality at a Reasonable Price "QUaRP"

Investable Universe	50,000 stocks	 Investment universe of companies domiciled outside of the U.S. 			
Market Cap/ Liquidity & Quality Screening	8,000 stocks	 Companies with market capitalization greater \$400m and daily liquidity above \$1m Companies that have generated solid returns and growth, with a solid balance sheet ROIC ≥12%¹ EPS Growth ≥ 5% Net Debt/EBITDA < 2.5x 			
Strategic Analysis	1,000 stocks				
Valuation Analysis	350 stocks	 Establish buy and sell price targets for each security Seek to identify companies with the most attractive risk/reward potential – ideally over 50% upside potential over 3 years 			
Portfolio Construction	Typically 80-110 _{stocks}	Measure risk at the security and portfolio level; position size based on conviction and daily liquidity			

Primary Research and Discounted Cash Flow Modeling

Determine industry and business drivers to identify high quality, undervalued companies

STRATEGIC ANALYSIS: 1000+ stocks

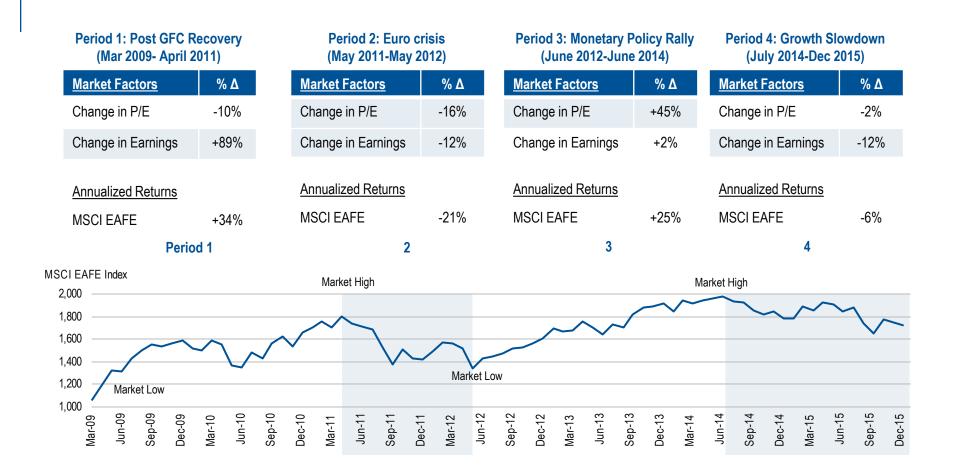
Activity	Seek to Determine	Ques	stions we ask	How we answer them
Conduct over 1000 company meetings annually ¹	 Assess quality, transparency and incentives of management Understand medium and longer term strategy 	Are the s underval		 Compare valuation metrics relative to peers, history and underlying cash flows
	 Identify (potential for) change 			
Onsite due diligence	 Ensure alignment with lower levels of management Understand culture 	compare	How should we compare companies across countries?	 Discounted Cash Flow analysis to obtain an absolute price target Select stocks with attractive upside potential
Meet with competitors, suppliers and clients	 Corroborate thesis with independent third parties Identify threats early 	How do v risk?	we gauge	 Sensitivity Analysis: Determine range of possible revenue, margin, cap-ex assumptions and its impact on assessed value

VALUATION: 300-350+ stocks

1.Meetings during 2015.

This material is intended as a broad overview of the portfolio managers' style, philosophy and investment process and is subject to change without notice. See Additional Disclosures at the end of this presentation, which are an important part of this presentation.

Post Global Financial Crisis: How Fundamentals Can Drive Stock Performance



Source: Bloomberg and Neuberger Berman.

P/E is Bloomberg compilation of forward earnings estimates for next four quarters. Earnings is calculated based on the MSCI EAFE index price change divided by P/E change. Neither figure is annualized. Light blue shading indicates influential factor for relevant period.

Indexes are unmanaged and are not available for direct investment. Unless otherwise indicated, returns reflect reinvestment of dividends and distributions. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results. See Additional Disclosures and Definitions at the end of this piece, which are an important part of this presentation.

APPENDIX

Additional Disclosures

Definitions

Long-term growth rate

The long-term growth rate is calculated weekly by taking the median of all First Call and IBES contributing broker estimates of a company's projected earnings growth over a period of two to five years. FactSet calculates a dollar-weighted figure at the beginning of each month based on the fund's portfolio holdings. The long-term growth rate is based on projections, which may or may not be realized.

Market capitalization

Market capitalization is the total market value of all of a company's outstanding shares. Market capitalization of a company is the product of the total number of shares outstanding and the current market price per share. The investment community uses this figure to determine a company's size, as opposed to sales or total asset figures.

Price-to-earnings ratio (P/E)

The Price to earnings ratio is calculated by dividing the price of the security by the earnings per share. The higher the PE ratio the more the investor is willing to pay for earnings. A higher PE ratio would imply that earnings will grow higher in the future.

Return on equity (ROE)

It is a percent yield that indicates a company's profitability accruing to equity holders. ROE reveals how much profit a company generates with the money shareholders have invested. Return on equity is determined by dividing net income by total common equity.

Return on invested capital (ROIC)

ROIC is a percentage metric used to determine a company's investment quality and potential, by assessing returns generated through past capital allocations to operating activities. Comparing return on invested capital with a company's cost of capital (WACC), reveals whether invested allocations were distributed effectively. ROIC is calculated by taking operating profit, less taxes, divided by total capital, (where total capital includes long term debt, common, and preferred stock).

Sharpe Ratio

A measure of the risk-adjusted return of a portfolio. The ratio represents the return gained per unit of risk taken. The Sharpe ratio can be used to compare the performance of managers. Managers with the same excess return for a period but different levels of risk will have Sharpe ratios that reflect the difference in the level of risk. The performance of the manager with the lower Sharpe ratio would be interpreted as exhibiting comparatively more risk for the desired return compared to the other manager. If the two managers had the same level of risk but different levels of excess return, the manager with the higher Sharpe ratio would be preferable because the manager achieved a higher return with the same level of risk as the other manager. The Sharpe ratio is most helpful when comparing managers with both different returns and different levels of risk. In this case, the Sharpe ratio provides a per-unit measure of the two managers that enables a comparison. The ratio is equal to the excess return divided by the Standard Deviation of the portfolio.

Standard deviation

Standard deviation is a statistical measure of portfolio risk. To calculate standard deviation we need the returns of the portfolio. The more returns we use the more meaningful the result. It is calculated by taking the average return of the portfolio and subtracting that from the individual returns and squaring the result. The total is divided by the number of periods less one, then multiplied by the periodicity (12 for monthly, 4 for quarterly, etc.). Finally the square root is taken to determine the standard deviation value. The higher the standard deviation, the wider the variability of returns and the higher the portfolio risk.

Additional Disclosures (continued)

Definitions

Tracking error

Tracking error is the standard deviation of the Portfolio's relative returns (vs. a benchmark). Tracking Error measures the volatility of the return differences between the portfolio and benchmark over time. A higher tracking error implies that a portfolio is actively managed vs. its benchmark. A portfolio that mirrors its benchmark would have a very low tracking error.

Turnover ratio

Turnover Ratio is calculated using the lower of purchases and sales over a given time period, divided by the average market value of the portfolio.

Weighted average market capitalization

Market capitalization is the price of the security multiplied by the number of shares. The weighted average market capitalization is the sum of the market caps divided by the percentage weight of the holdings.

The MSCI EAFE Index (Europe, Australasia, Far East)

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. As of November 27, 2013, the MSCI EAFE Index consists of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

MSCI ACWI (All Country World Index) Index ex-U.S.

The MSCI ACWI Index (ex U.S.) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. As of May 30, 2014, the MSCI ACWI consists of 45 country indices comprising 22 developed and 23 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and the UAE.

MSCI Country Indices

To construct an MSCI Country Index, every listed security in the market is identified. Securities are free float adjusted, classified in accordance with the Global Industry Classification Standard (GICS), and screened by size and liquidity. MSCI then constructs its indices by targeting for index inclusion 85% of the free float adjusted market capitalization in each industry group, within each country. By targeting 85% of each industry group, the MSCI Country Index captures 85% of the total country market capitalization while it accurately reflects the economic diversity of the market.

The Global Industry Classification Standard is used to derive the component economic sectors of the benchmark and the fund. The Global Industry Classification Standard ("GICS")SM was developed by and is the exclusive property of MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS)," "GICS" and "GICS" and "GICS" and "Standard & Poor's."

Additional Disclosures (continued)

This material is intended as a broad overview of the portfolio managers' current style, philosophy and process. This material is presented solely for informational purposes and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. No recommendation or advice is being given as to whether any investment or strategy is suitable for a particular investor. Information is obtained from sources deemed reliable, but there is no representation or warranty as to its accuracy, completeness or reliability. All information is current as of the date of this material and is subject to change without notice. Any views or opinions expressed may not reflect those of the firm as a whole. Third-party economic, market or security estimates or forecasts discussed herein may or may not be realized and no opinion or representation is being given regarding such estimates or forecasts. Certain products and services may not be available in all jurisdictions or to all client types. Unless otherwise indicated, returns shown reflect reinvestment of dividends and distributions. 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.**

Investing in foreign securities involves greater risks than investing in securities of U.S. issuers, including currency fluctuations, potential political instability, restrictions on foreign investors, less regulation and less market liquidity.

All information as of the date indicated.

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