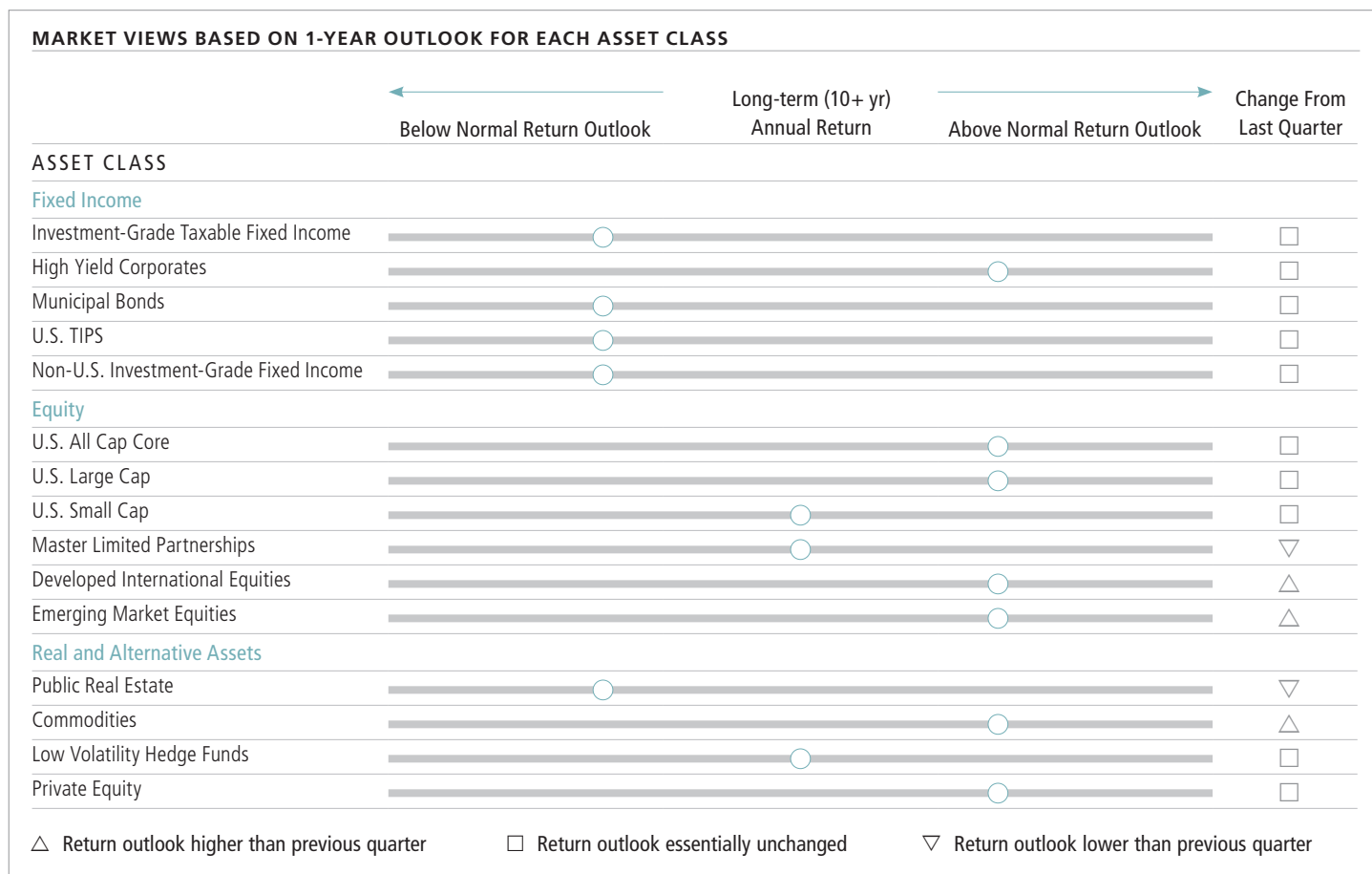


ASSET ALLOCATION COMMITTEE OUTLOOK: FOURTH QUARTER 2010

Although the third quarter was a bumpy ride, increasing clarity in the financial markets helped reinforce many of the Neuberger Berman Asset Allocation Committee’s long-held positions on core asset classes, and refine its positions on a number of peripheral asset classes. Overall, the Committee is maintaining its positive outlook for U.S. equities based on improving macroeconomic fundamentals and investor confidence. With debt markets stabilizing in developed countries and high GDP growth forecasts for emerging markets, the Committee is upgrading its international equities outlook. Meanwhile the Committee’s fixed income outlook remains mixed, with a bearish view on the highest quality securities like Treasuries and a positive outlook for credit sectors like high yield and securitized assets, where comfortable yield spreads leave room for potential interest rate increases. In alternatives, the outlook for private equity and commodities is bullish, while enthusiasm for REITs has been tempered by the strong rally in the asset class in 2010.

About the Asset Allocation Committee

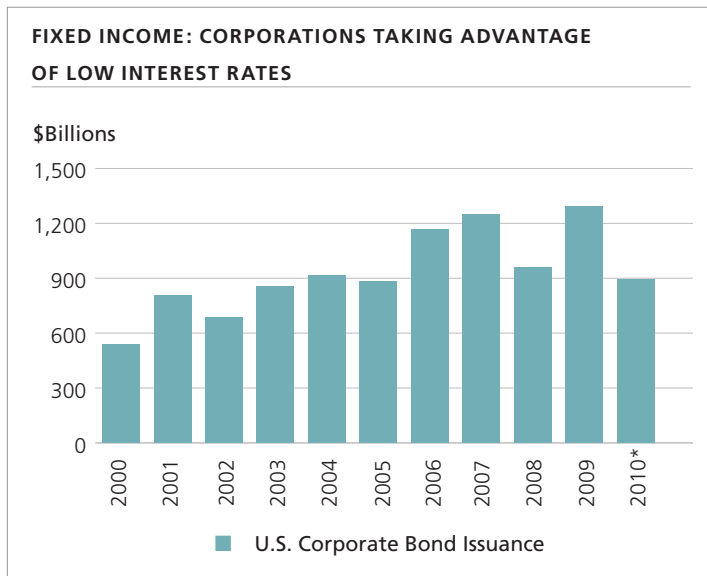
Neuberger Berman’s Asset Allocation Committee meets every quarter to poll its members on their outlook for the next 12 months on each of the asset classes noted. The eight-member panel covers the gamut of investments and markets, bringing together 180 years of cumulative industry knowledge, with an average of 23 years experience each.



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 recommendation 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 presentation, which are an important part of this presentation.

Fixed Income

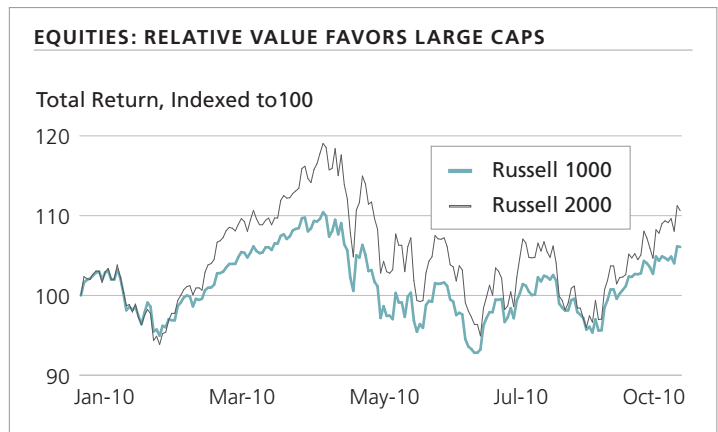
Our fixed income outlook is mixed, with an overall underweight bias to the asset class based on low yields coupled with expectations for moderate growth, the potential for rising interest rates, and benign inflation. Over the third quarter, U.S. Treasury bond yields continued on a downward trend, again reaching historic lows and leaving little room for further appreciation. Committee members are also taking an underweight position on investment-grade corporate bonds due to decreased opportunity for spread compression in the face of rising interest rates, but remain bullish, though less so than previously, on non-investment-grade corporate issues given their high yields and low expected default rates. The Committee has softened its underweight bias on municipal bonds, but only slightly, due to recent progress made by cities and towns that have successfully reached out to states for funding. Finally, the Committee has mixed views on Treasury Inflation-Protected Securities (TIPS), but overall feels that generally low inflation expectations are in turn keeping expectations low for TIPS price acceleration.



Source: Bloomberg. *As of 9/30/2010.

Equities

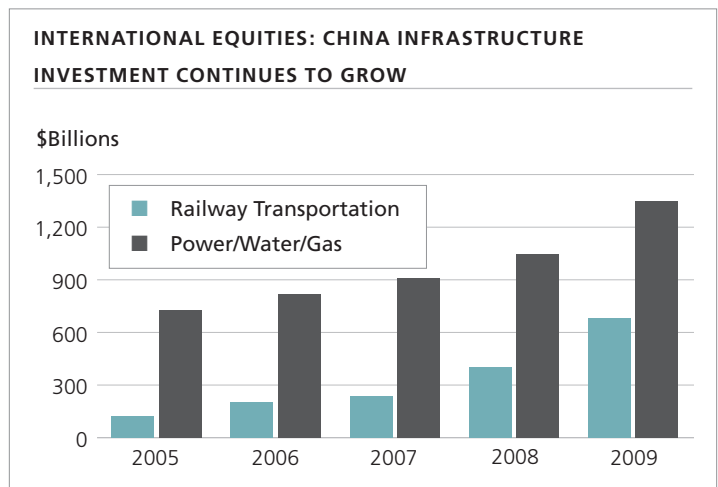
The Committee maintains a strong consensus favoring an overweight to U.S. equities, with a very slight preference for growth over value and large- over small-capitalization stocks. The view on small-cap stocks remains neutral, but it should be noted that more Committee members favored the asset class this quarter. The consensus outlook for equity fundamentals—or earnings—remains strong and stable, as it has for most of 2010. As threats of sovereign debt crises and a double-dip recession have retreated, our bullish outlook has only strengthened. The renewed rise of U.S. equity indices—and a renewal of risk appetite among investors—may mean that the window of extraordinarily low valuation is closing.



Source: FactSet.

International Equities

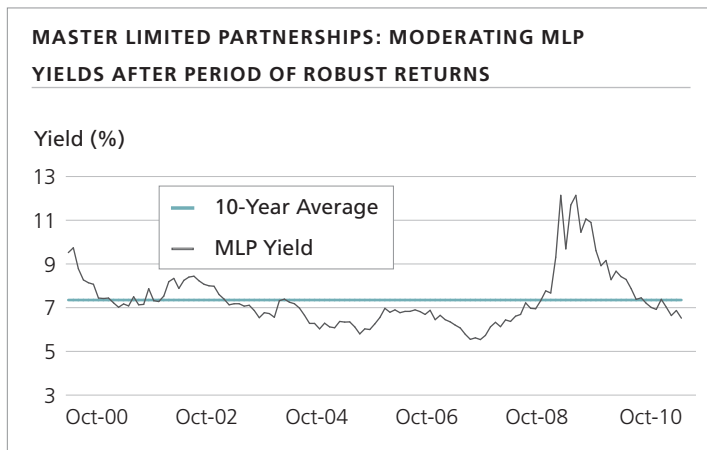
The Committee’s international equity outlook shifted to favor an above-normal return outlook due to improving macroeconomics in both developed and emerging markets. Developed countries are exhibiting more confidence that the recovery is slowly moving forward and the sovereign debt crisis has passed, with the MSCI EAFE Index rising 14.7% during the quarter and almost reaching positive territory for the year. Sovereign issuers that had been the source of concern earlier this year continue to access the capital markets successfully. Lower borrowing costs, improving market sentiment and stabilizing growth, in our view, can support developed international equities. For example, Portugal had healthy demand for short-term bills in early October, with the help of a recent announcement of a tax increase and wage cuts to curb the country’s budget deficit. At roughly the same time, Spain also sold \$4 billion in euro-denominated 2013 bonds at a favorable 2.5% interest rate. Meanwhile, emerging markets show more signs of healthy production and demand. Expectations are for strong growth in 2011 for the BRIC markets: Brazil, 4.2%; Russia, 4.1%; India, 8.4%; and China, 9.6%. Other signs of improved activity are reassuring, like an unexpectedly strong Purchasing Managers’ Index report out of China. The emerging-market consumer also enjoys lower levels of unemployment in almost every EM country, as well as higher savings rates. Infrastructure investment remains strong, and central banks have taken controlled measures to mitigate potential inflation.



Source: Bloomberg.

Master Limited Partnerships

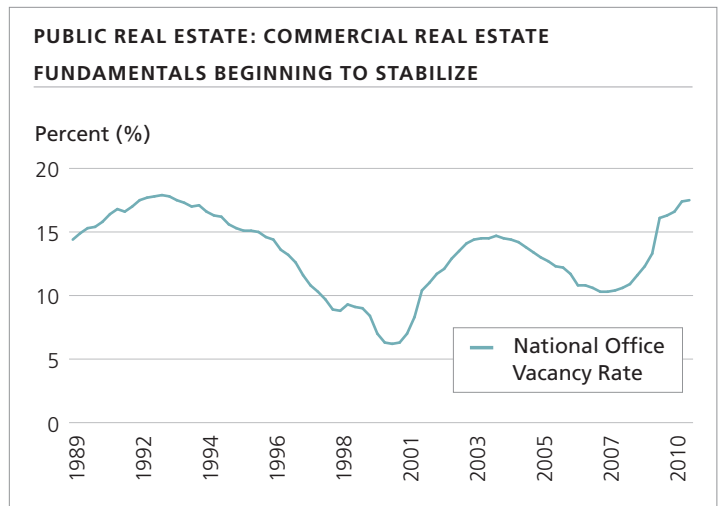
The Committee believes we are witnessing a maturing recovery of master limited partnerships (MLPs), and is expressing more caution about the quality of the holdings going forward. Thanks to the dividend-paying structure of MLPs, they have been popular with income-seeking investors this year and may have escaped some of the summer's price weakness. While MLPs' return of 9.5% in the third quarter, as represented by the Alerian MLP Index, trailed the 11.3% gain by both the S&P 500 and Russell 2000, they have outpaced the equity markets year-to-date, delivering an 18.3% gain for the first three quarters, compared with a 3.9% return for the S&P 500, and 9.1% for the Russell 2000. Given the strong bounce of MLPs, we believe investors need to be careful about security selection, and favor issues with higher-quality cash flows and strong prospects for delivering consistent dividend income.



Source: Alerian.

Public Real Estate

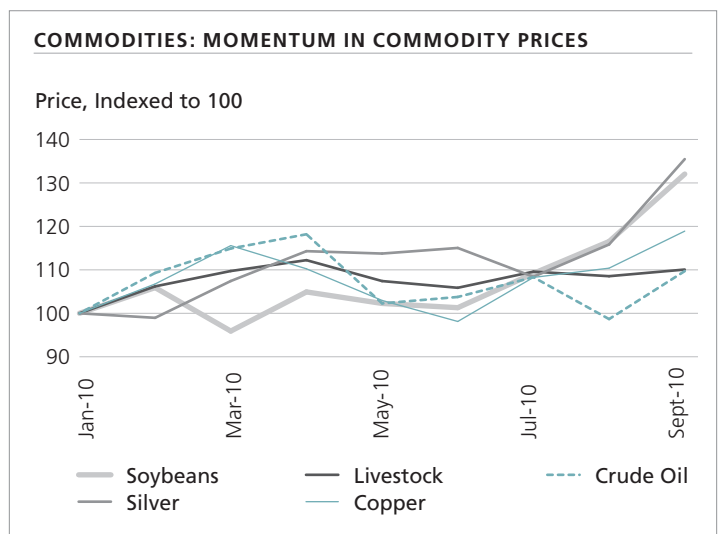
While fundamentals are improving, the Committee moved to an underweight outlook following healthy returns in the public real estate asset class. Real estate investment trusts (REITs), as represented by the FTSE NAREIT Equity REITs Index, jumped 12.3% in the third quarter, bringing the one-year total return up to 28.3%. Along with the rise, office real estate metrics are stabilizing. The national vacancy rate, now at 17.5%, continued to increase slightly over the quarter, but many believe it is at the peak and that we are unlikely to reach the 1992 high of 18.7%. Office rent prices are also stabilizing—the average effective rent for office space fell by only a penny over the quarter, the smallest quarterly decline since 2008. However, we expect further improvement in this sector to be slow—high unemployment means little increase in demand for office space, and many companies are sitting on extra space as they have downsized. In the retail world, regional malls and stripmalls benefited from expansion of affordable-apparel and goods stores. With apartments, vacancy rates have started to tick down and prices are moving up. In the third quarter, rents increased for the third quarter in a row, and the national apartment-vacancy rate was at 7.2%, down from 7.9% a year ago. All told, many Committee members believe current valuations already reflect these improving fundamentals.



Source: Bloomberg.

Commodities

The Committee has moved to an overweight stance, up from neutral last quarter, in commodities. Commodity prices are strengthening, and Committee members believe this trend can continue, in part due to rising expectations for global industrial production. While the summer saw a slight pullback in global industrial activity and fears about more to come, signs are pointing to expansion in the fall. Crude oil and product prices were up in September; metals prices were uniformly up except for iron ore. The agricultural mainstays—wheat, corn, soybean and hogs—are all up more than 9% year-to-date. Natural gas prices were the only weak spot and softened a bit toward the end of the quarter due to oversupply. Manufacturing continued at a high level in key emerging markets: China's PMI rose to 53.8 in September after its decline from 56.6 in December 2009 to 51.2 in July 2010, which had stoked fears of a contraction (a reading above-50 signals economic expansion). Other global industrial growth is still moderating but remains in "above-50" expansionary territory, meaning a soft landing. Some Committee members cited commodities as an attractive hedge against inflation, though views remain mixed on the shorter-term likelihood of inflation.



Source: FactSet.

For more information, contact Neuberger Berman at 877.628.2583.

This material is provided for informational purposes only. 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. Readers should not assume that any investments in securities, companies, sectors or markets identified and described were, or will be, profitable. 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 or market estimates discussed herein may or may not be realized and no opinion or representation is being given regarding such estimates. Certain products and services may not be available in all jurisdictions or to all client types. Indexes are unmanaged and are not available for direct investment. Unless otherwise indicated, returns shown reflect reinvestment of dividends and distributions. Investing entails risks, including possible loss of principal.

Past performance is no guarantee of future results.

The views expressed herein are generally those of Neuberger Berman's Asset Allocation Committee which is comprised of a minimum of eight professionals across multiple disciplines, including equity and fixed income strategists and portfolio managers. The Asset Allocation Committee reviews and sets long-term asset allocation models, establishes preferred near-term tactical asset class allocations and, upon request, reviews asset allocation for large diversified mandates and makes client-specific asset allocation recommendations. The views and recommendations of the Asset Allocation Committee may not reflect the views of the firm as a whole and Neuberger Berman advisors and portfolio managers may recommend or take contrary positions to the views and recommendation of the Asset Allocation Committee. The Asset Allocation Committee views do not constitute 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. This material may include estimates, outlooks, projections and other "forward-looking statements." Due to a variety of factors, actual events may differ significantly from those presented.

A bond's value may fluctuate based on interest rates, market conditions, credit quality and other factors. You may have a gain or a loss if you sell your bonds prior to maturity. Of course, bonds are subject to the credit risk of the issuer. Investing in foreign securities involves greater risks than investing in securities of U.S. issuers, including currency fluctuations, interest rates, potential political instability, restrictions on foreign investors, less regulation and less market liquidity. Investing in the stocks of even the largest companies involves all the risks of stock market investing, including the risk that they may lose value due to overall market or economic conditions. Small- and mid-capitalization stocks are more vulnerable to financial risks and other risks than stocks of larger companies. They also trade less frequently and in lower volume than larger company stocks, so their market prices tend to be more volatile. The properties held by REITs could fall in value for a variety of reasons, such as declines in rental income, poor property management, environmental liabilities, uninsured damage, increased competition, or changes in real estate tax laws. There is also a risk that REIT stock prices overall will decline over short or even long periods because of rising interest rates.

Neuberger Berman LLC is a Registered Investment Advisor and Broker-Dealer. Member FINRA/SIPC.

K0532 10/10 © 2010 Neuberger Berman LLC. All rights reserved.