NEUBERGER BERMAN

Fixed Income Market Views

Third Quarter 2023

Macro Outlook

Key Fixed Income Investment Views For The Next 12-24 Months

Inflation Moves Lower, But Stays Above Central Bank Targets…

- 2023 is proving to be a year of disinflation
- Above-target inflation will be the norm over the next 12+ months

…Meaning Short Term Rates Stay Elevated

- Policymakers will maintain relatively high policy rates given the likely inflation and growth outlook
- World of zero rates is highly unlikely to return as 2023 marks the return of the "old normal"

Volatility Subsides But Does Not Go Away

- Volatility should subside as we enter a world of 'on-hold' policy rates, but higher inflation means on-going bouts of volatility
- Bond market vigilance will persist. Policy makers that fail to perform will be disciplined

Fundamental Concerns About Credit Will Continue to Emerge

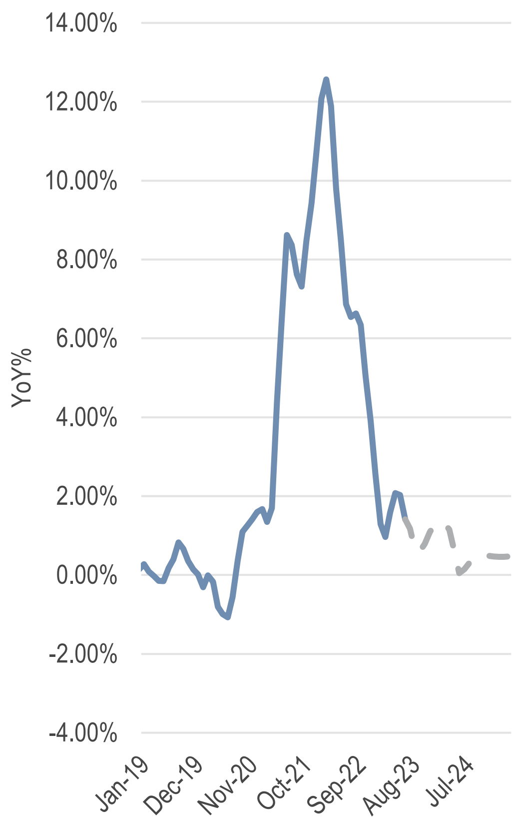
- While credit markets will continue to be impacted by macro developments, expect fundamental risk in credit portfolios to rise and increasingly drive portfolio outcomes, making security selection expertise as important as ever.

Source: Neuberger Berman views. As of May 31, 2023.

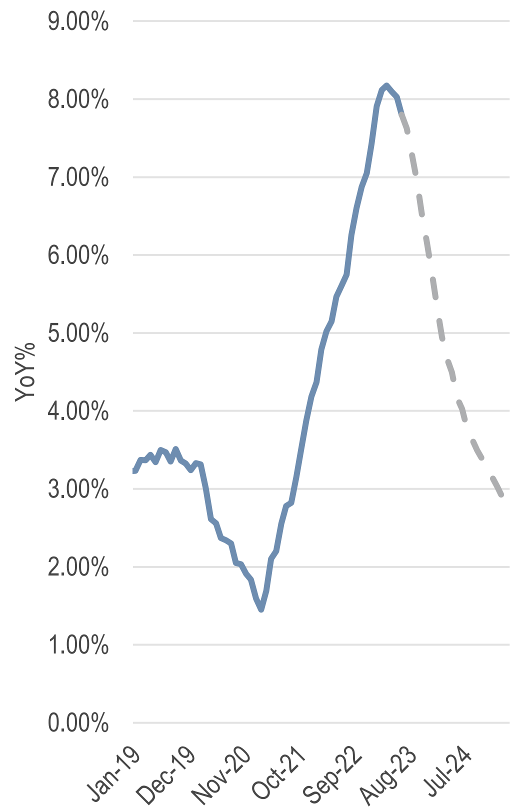
US Inflation Improving with Shelter Turning Lower and Core Services Moderating

U.S. core inflation should improve but will remain above pre-pandemic levels. Core services is the key item for the Fed

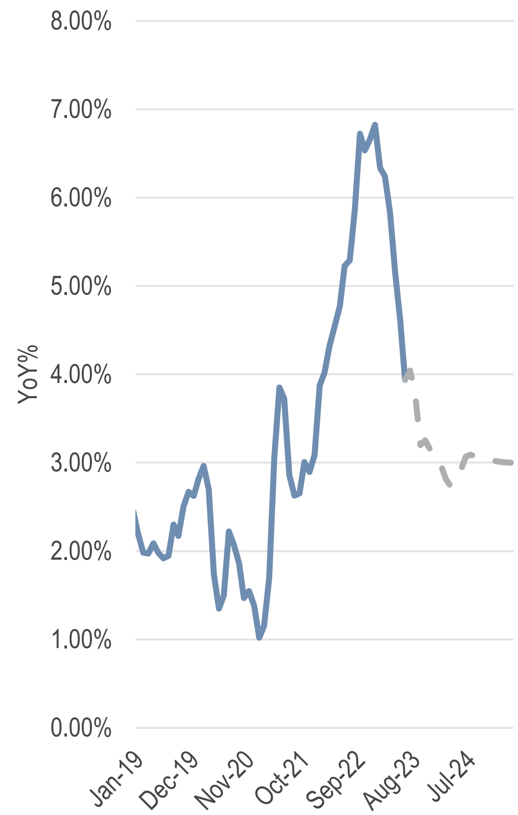
Goods contribution to inflation improvement may be largely over



Shelter inflation looks to be past its peak and should be the driver of lower inflation



Core Services Ex-Shelter to improve but remain stickier

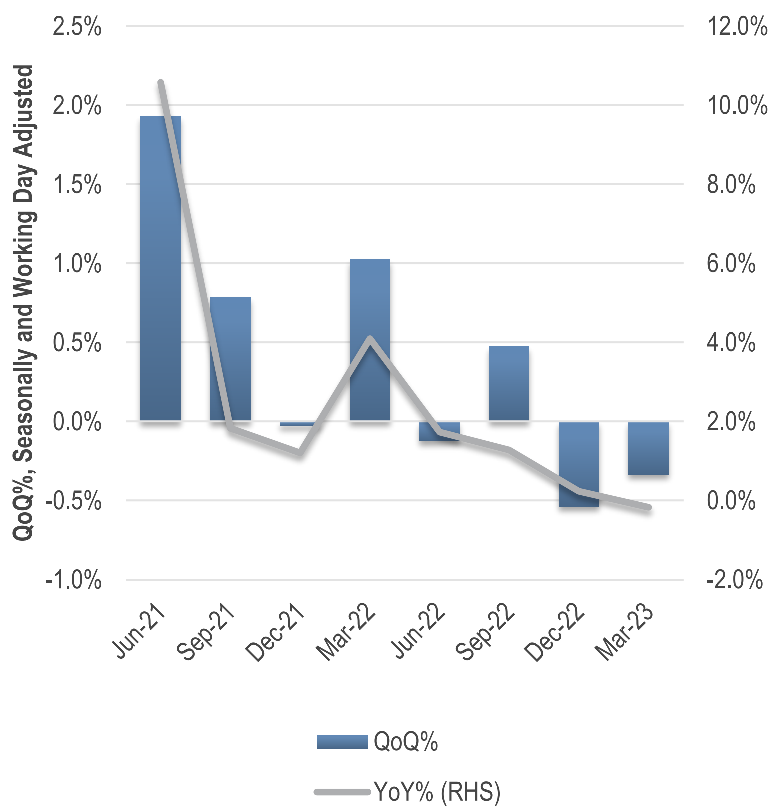


Source: Bloomberg, Neuberger Berman calculations and forecasts. Actual data as of June 2023.

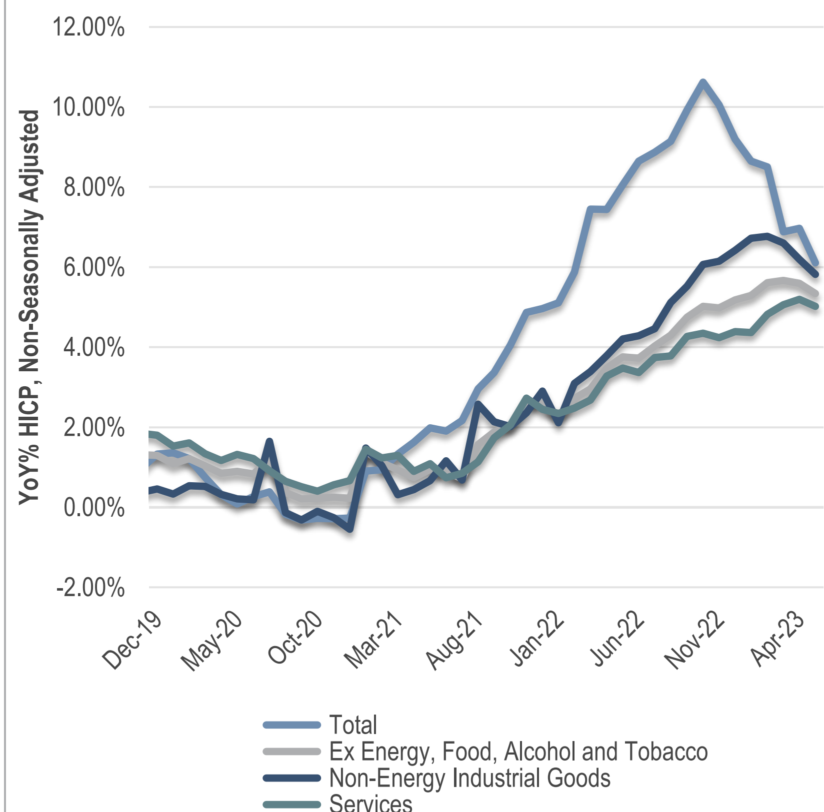
ECB Likely More Focused on Longer Than Higher

German growth concerns and inflation improvement should have the ECB stop hiking in 3Q, but may want to see further improvement in inflation before cutting.

German GDP has been negative three of the past four quarters and outlook depends on external sector and domestic consumption



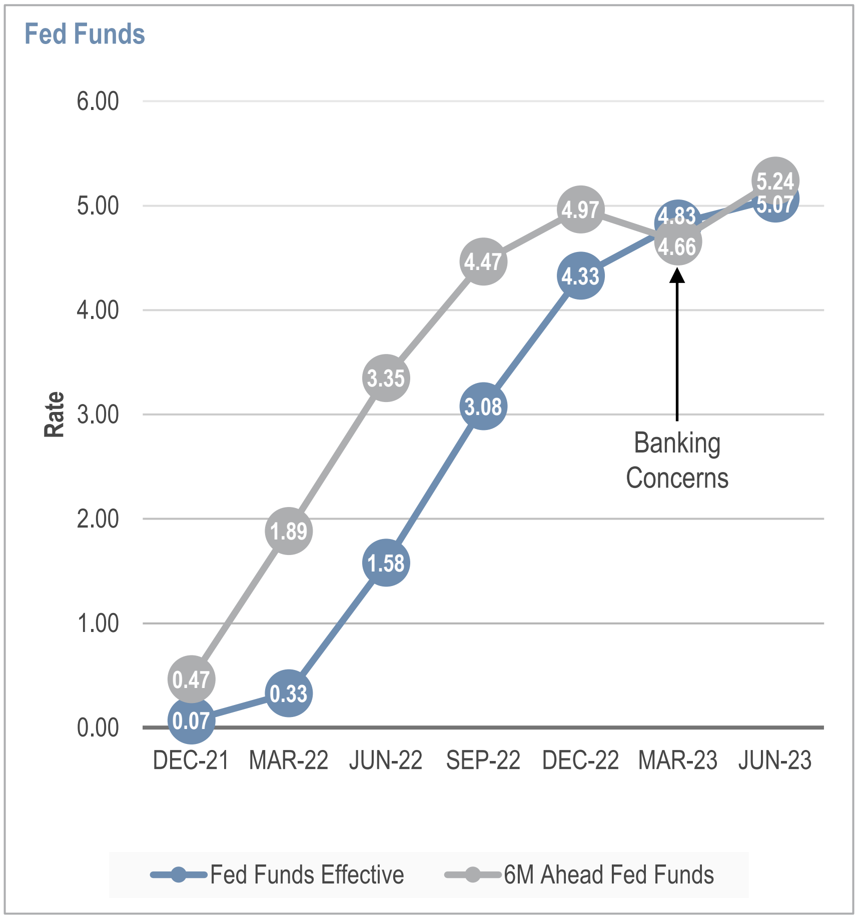
Core and particularly services inflation appear to have peaked and moving lower

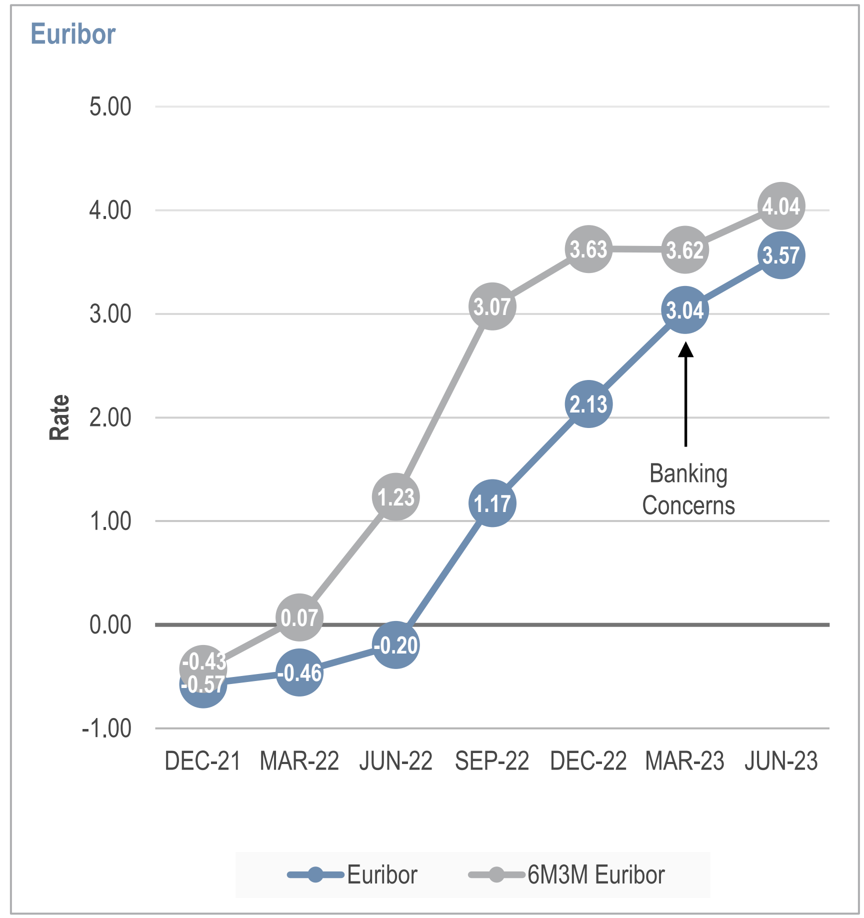


Source: Neuberger Berman views. Bloomberg. GDP as of 1Q23

Peak Policy Rates

Short-term forward rates suggest the end of hiking is near



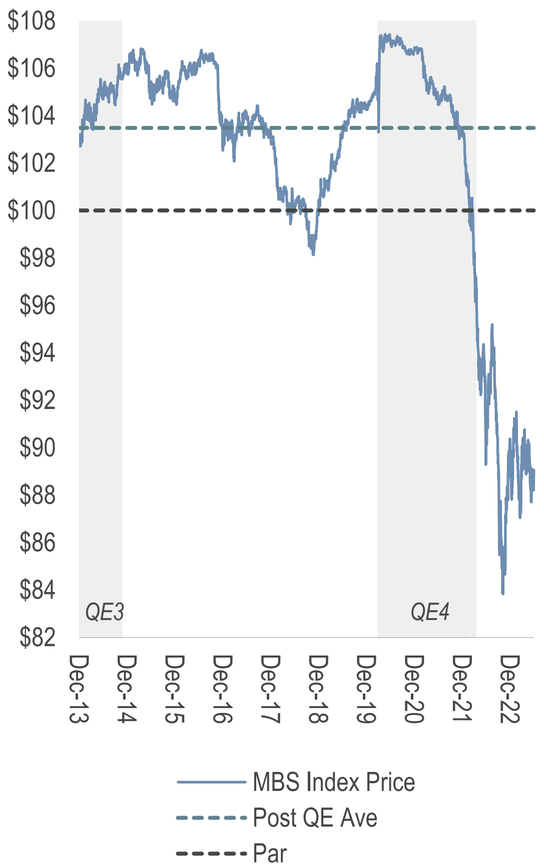


Source: Bloomberg. As of June 21, 2023.

Value in Agency MBS

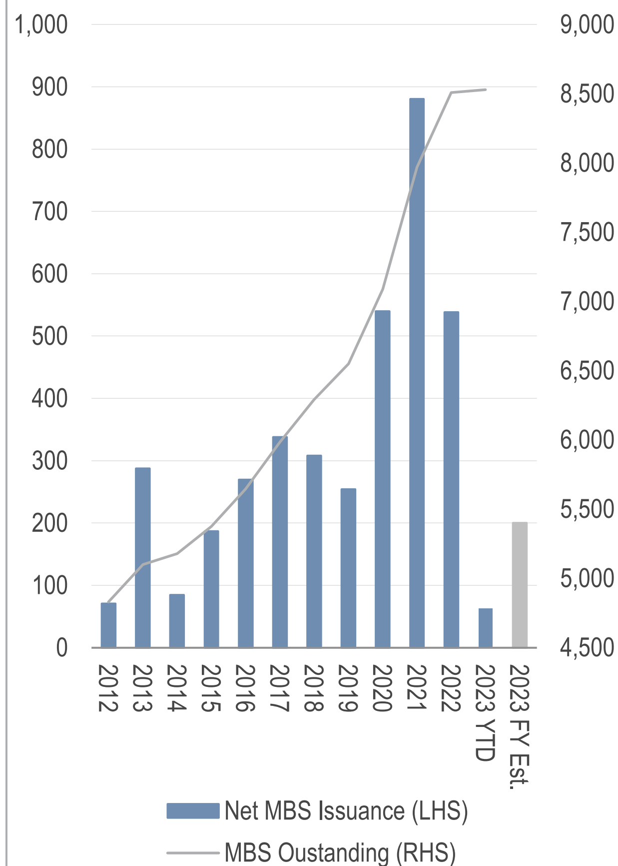
Discount dollar prices on outstanding pools, attractive spreads on current production and positive supply technicals make the asset class particularly compelling today

Agency MBS Index Price ($)



Current Coupon Spread to Treasury (bps)

Annual Net Supply (mm)



Source: Bank of America, Morgan Stanley, Yieldbook and Bloomberg. As of June 2023.

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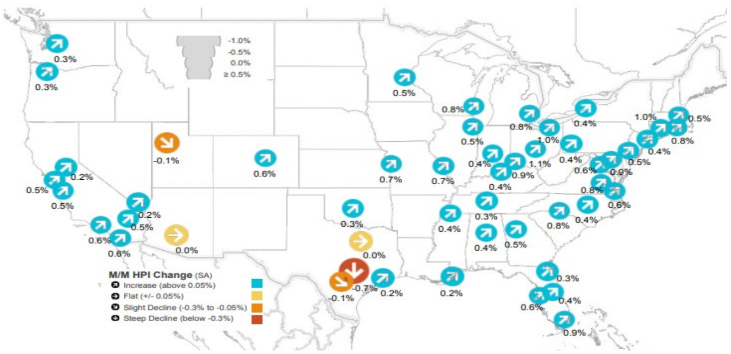
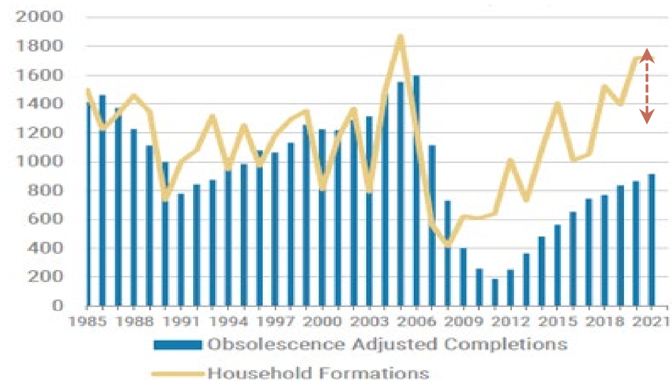
Mortgage Credit Fundamentals and Market Technicals

Multi-generational housing shortages fuel long-term support for housing prices and credit fundamentals, while sustained demand for real estate credit from high-quality sponsors is strong and growing

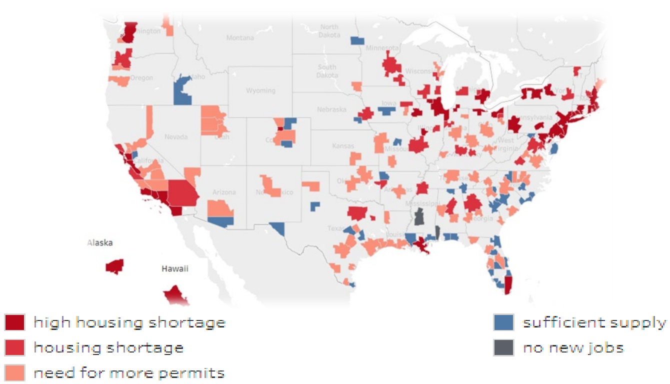
Home prices are appreciating in most major geographies, driven by supply / demand imbalance and despite affordability pressures



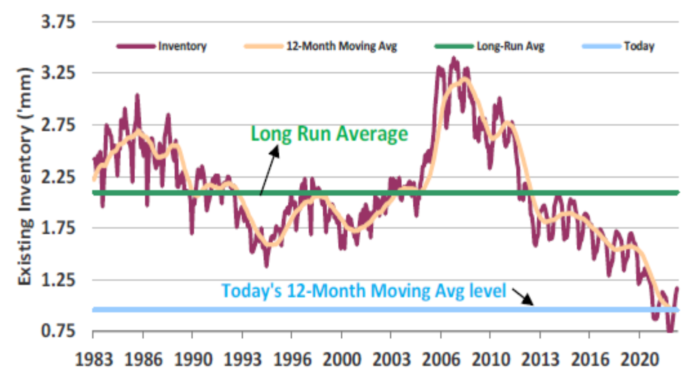
Family formations (demand) substantially outpaced net construction (supply): Shortage of over 5+ million units



Severe housing shortages in many U.S. metro areas (shortage indicators based on # of new jobs vs. new home permits)



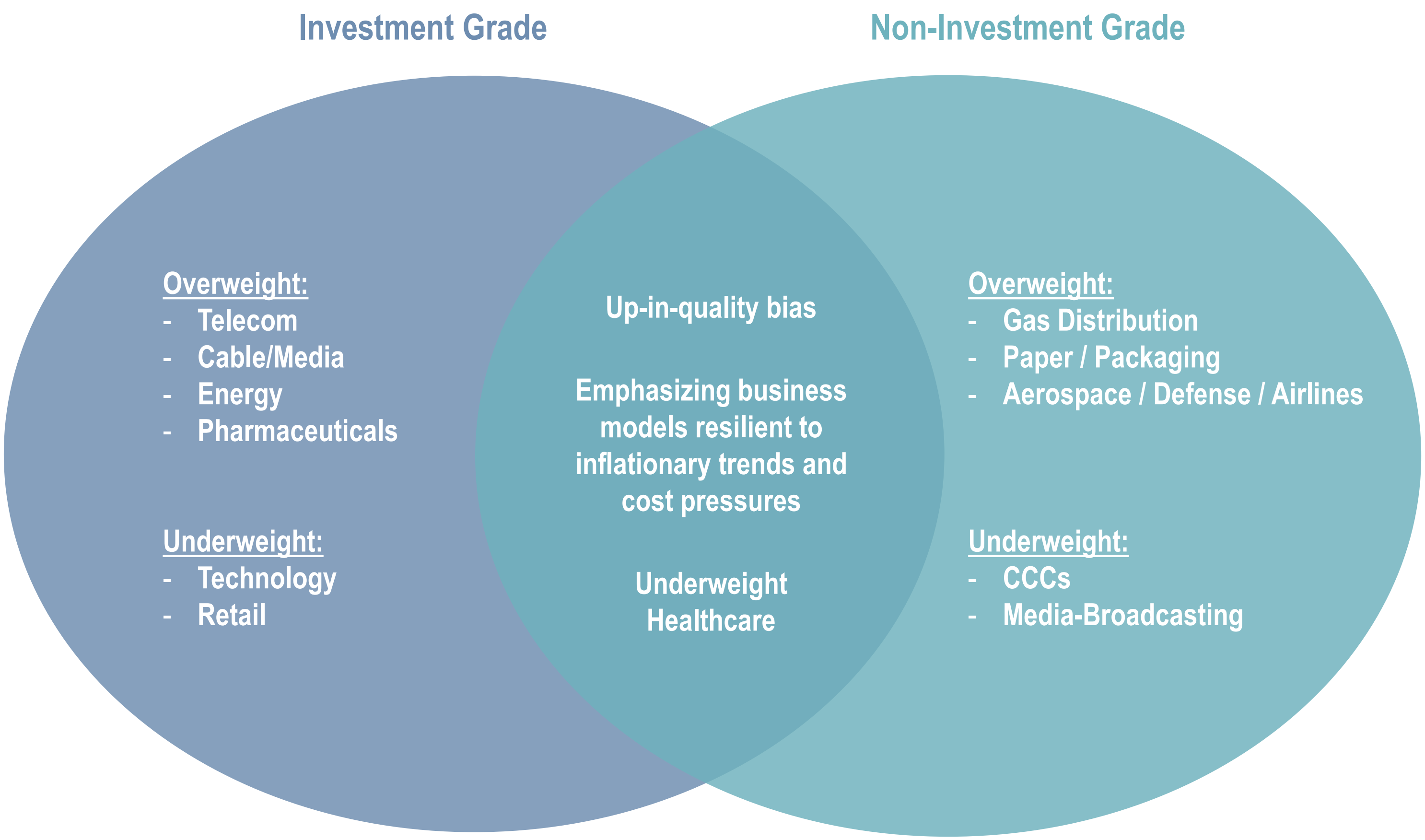
Total housing inventories close to 40+ year lows, substantially below their long-term averages



Sources: Black Knight, National Association of Realtors, US Census Bureau, Morgan Stanley; as of May 2023.

Views on Developed Markets Corporate Credit

Slowing growth, restrictive central bank policy and rising idiosyncratic risk support our up-in-quality bias and security selection



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U.S. High Yield Default Expectations

Downside case default peak expected to be well below historical levels driven by structural market improvements

NB Bottom-Up Default Analysis[1]

	Base Case	Downside Case
Assumptions	Limited Growth	Recession
2022 Actual[2]	1.65%	1.65%
2023 Estimate	3.25% - 3.75%	3.50% - 4.00%
2024 Estimate	3.25% - 3.75%	7.50% - 8.00%

Sell-Side Default Estimates

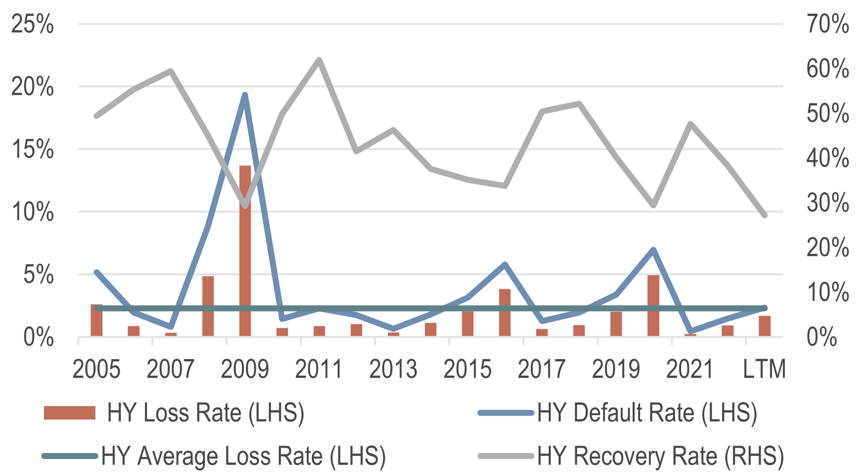
Firm	2023
Goldman[3]	2.8%
JP Morgan[3]	3.0%
Barclays[3]	3.5% - 4.0%
Bank of America[4]	3.6%
Citi[4]	4.6%

Sources: Neuberger Berman, J.P. Morgan, Bank of America, Citi, Barclays, and Goldman Sachs. Sell-side default estimates as of March 31, 2023.
[1]Represents NB bottom-up default analysis. Base case assumptions include 2023 U.S. Real GDP of -1%, EU Real GDP of -1%, and Asia Real GDP of -1%. Downside case assumptions include 2.5% Real GDP contraction in U.S., 2.5% Real GDP contraction in the EU, 2.5% Real GDP contraction in Asia. As of June 30, 2023.
[2]Source: J.P. Morgan Default Monitor. Defaults based on par amounts and captures both defaults and starting in 2008, includes distressed exchanges.
[3]Goldman Sachs, JP Morgan and Barclays default estimates are based on bottom-up analysis.
[4]Bank of America and Citi default estimates are based on top-down analysis.

Non-Investment Grade Credit: Default and Recovery Trends

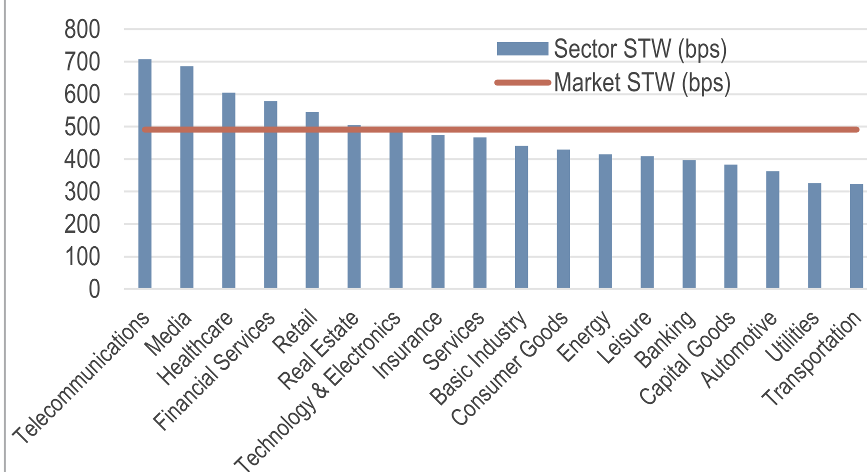
- Defaults are increasing but remain below long-term averages
- Recent declines in recovery rates driven by idiosyncratic & sector-specific factors (ex. Healthcare & Media)
- We expect recovery rates to remain below their historical average over the near term. Weaker documentation has provided issuers and financial sponsors with greater flexibility, which has the dual impact of increasing the options an issuer has to avoid default but often in a way that is dilutive to lender recoveries in a downside scenario. The result is an outlook where we expect default activity to remain relatively low but with lower ultimate recoveries in scenarios where defaults do occur.
- Greater dispersion between sectors and issuers paired with the near-term expectation for lower-than-average recoveries puts a premium on fundamental bottom-up credit analysis and the avoidance of defaults.
- Most issuers entered 2023 from a position of strength, putting them in a good position to navigate the current operating environment resulting in "regular way" par outcomes for lenders.

High Yield Default and Recovery Trends



Source: JP Morgan

Spread Dispersion Across High Yield Sectors

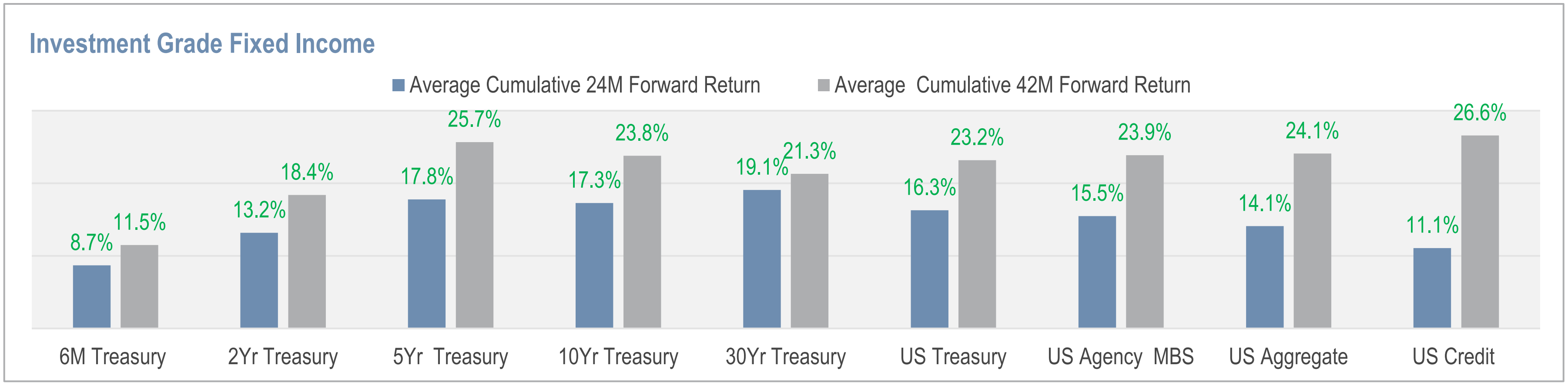


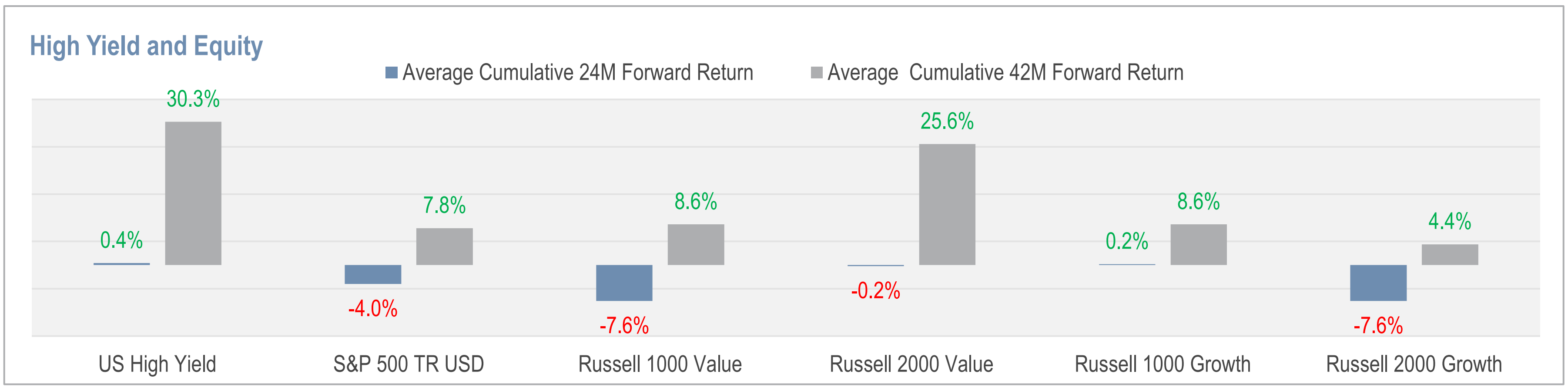
Data represented by ICE BofA U.S. High Yield Constrained Index as of May 31, 2023.

Sources: JP Morgan, Neuberger Berman and ICE. For illustrative and discussion purposes only. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. This material is not intended as a formal research report and should not be relied upon as a basis for making an investment decision. Portfolio Manager's views may differ from that of other portfolio managers as well as the views of the firm. Historical trends do not imply, forecast or guarantee future results. Information is as of the date indicated and subject to change without notice. Nothing herein constitutes a prediction or projection of future events or future market behavior.

Investment Grade Fixed Income Tends to Outperform for +/- 2-Years After the 3M10Yr Inverts

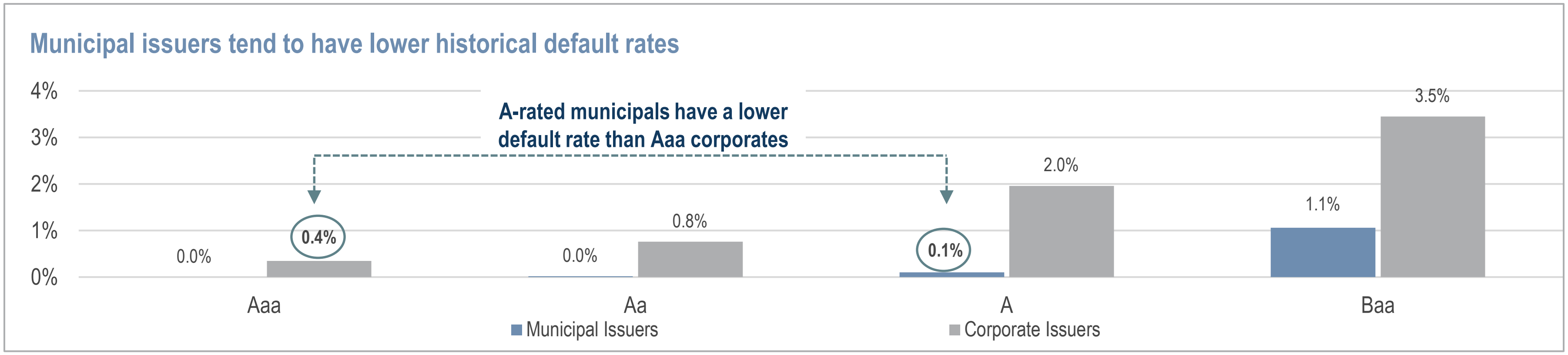
Risk Asset Performance After 3M-10Y Inverts: January 1982-June 2023





As of 6/30/2023. Average Cumulative 42M Returns Include 27 calculation periods vs 28 periods for the Average Cumulative 24M forward Returns.
Source Federal Reserve Bank of St. Louis (FRED), Bloomberg and Neuberger Berman. Treasury is represented by the US Treasury Index, US Agency MBS is represented by the BBG US Mortgage-Backed Securities Index, US Aggregate is represented by the BBG US Aggregate Bond Index, US Credit is represented by the BBG US Credit Index and US High Yield is represented by the BBG US High Yield Index. **Past performance is no guarantee of future results.** Information is as of the date indicated and subject to change without notice. For illustrative and discussion purposes only. 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.

Municipals: A High-Quality Asset Class With Compelling Yields

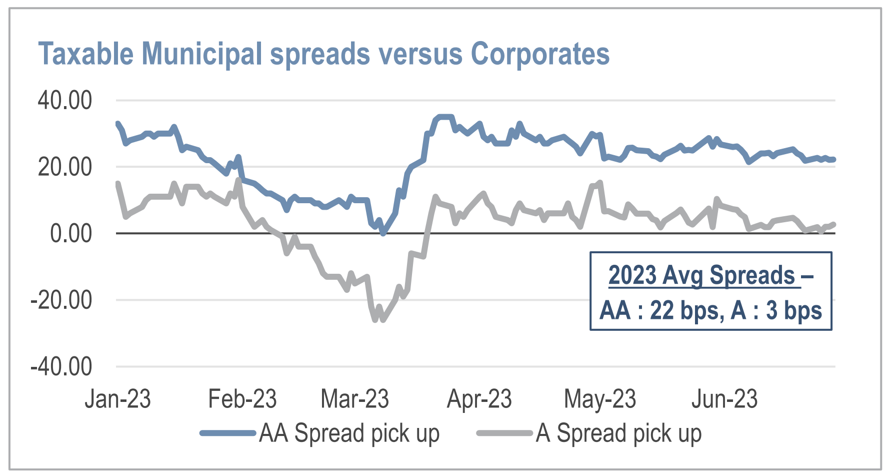


...and offer attractive yields on a taxable equivalent and relative basis

Taxable Equivalent Yields for Tax-Exempt Municipals

	12/31/21	12/31/22	Now (6/30/23)
BB Municipal Index	1.10%	3.55%	3.52%
Taxable Equivalent Yield[1]	1.86%	6.00%	5.95%
US Aggregate Index	1.77%	4.68%	4.81%
Muni Yield Advantage	**0.09%**	**1.32%**	**1.14%**

Full Market Muni Index is yielding 3.52% – an estimated **taxable equivalent yield of 5.95%**[1] or 114 bps over the US Agg Index



Source: Bloomberg, as of June 30, 2023.
1. For illustrative purposes only - Assumes 37% marginal tax bracket and subject to an additional 3.8% ACA tax for a total of 40.8%.
See Disclosures Attached

Key Investment Themes

Higher Rates for Longer Puts Short and Intermediate Duration Strategies Front and Center	Return of Yield to High Quality Fixed Income Markets Has Major Implications	Market Returning to Pre-GFC Investing, Underwriting Matters

How We See 2H:2023

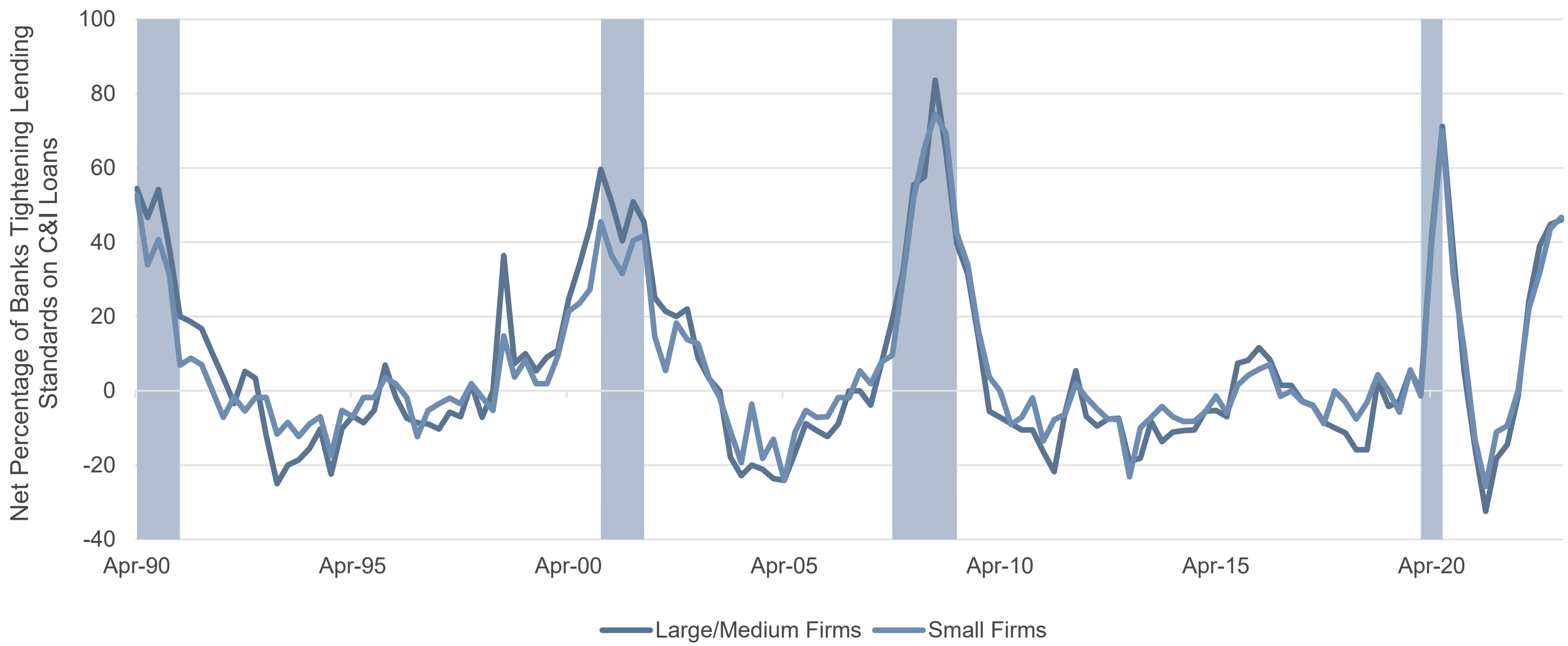
- **Fixed Income should see inflows as a result of changes in asset allocation.**
- **High quality fixed income markets will see strategic, multi-year re-allocations**
- **Credit and more risky areas of fixed income will see greater tactical opportunities**

Investment Grade Outlook

Tighter Bank Lending Standards and Impacts on Growth

For the time being, underwriting standards are likely to be very stringent given banking risk concerns

Senior Loan Officer Opinion Survey showed that banks have been tightening standards on net for over a year now; expect continued tightening



Source: FDIC. Federal Reserve. As of April 30, 2023.

Perceived Vulnerabilities For U.S. Banks

We believe U.S. banks are better insulated from the vulnerabilities which contributed to failure or stress for certain regional banks

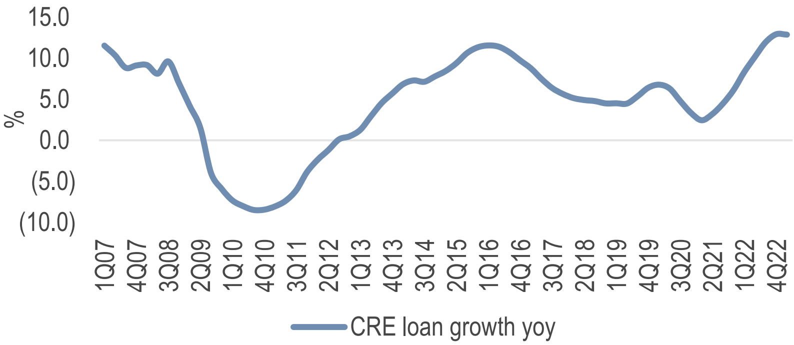
Metric	Median of SVB Financial, Signature Bank and First Republic as of 12/31/22	Median of 13 U.S. Regional Banks as of 3/31/23*	Median of 6 U.S. GSIBs as of 3/31/23**
Total Assets	$212bn	$203bn	$2.17tr
Unrealized Losses on HTM + AFS / Tangible Common Equity	44%	40%	20%
2019-2022 Deposit Growth	119%	32%	41%
Uninsured Deposits / Total Deposits	88%	37%	41%
Total Liquidity / Uninsured Deposits	65%	120%	159%
Loans / Deposits	85%	84%	52%
CRE / Total Loans	21%	16%	10%
CET1 Ratio	10.4%	9.8%	12.3%

Bloomberg, Company Reports
*COF, CFG, CMA, FITB, HBAN, KEY, MTB, PNC, RF, SNV, TFC, USB, ZION
**BAC, C, GS, JPM, MS, WFC

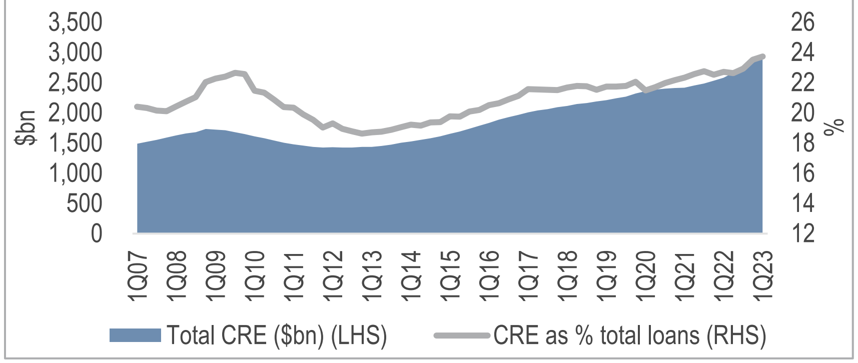
Banking Sector – Commercial Real Estate (CRE) Exposures At U.S. Banks

CRE exposure is approximately 23% of total loans outstanding for all U.S. banks. While this is a noticeable amount, larger banks (>$100bn in total assets) have considerably less exposure to the asset class

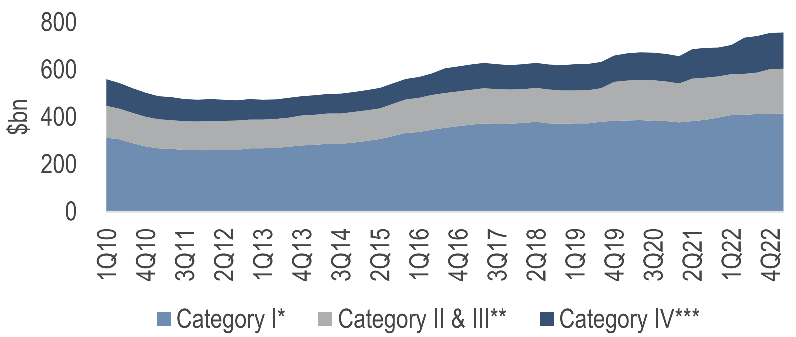
U.S. banks have been steadily increasing their exposure to CRE post the GFC



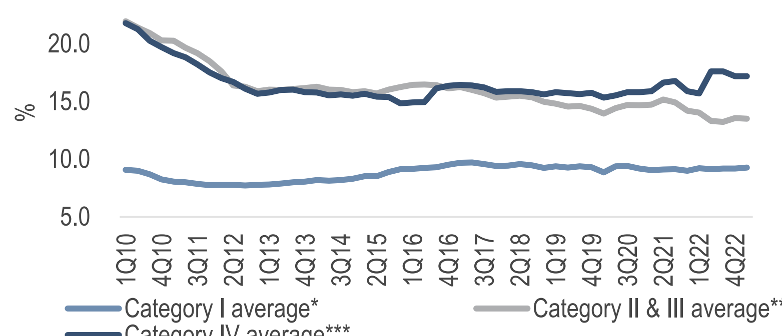
CRE balances have doubled since 2011 and represent 23% of total loans in the banking industry



The Category I banks (U.S. GSIBs) have a significant amount of CRE exposure on a dollar basis



However, CRE as a percentage of total loans for Category I banks is 9% on average and 15% on average for Category II-IV banks



Bloomberg, Company Reports, FDIC, Federal Reserve

*Category I (U.S. GSIBs): BAC, BK, C, GS, JPM, MS, STT, WFC

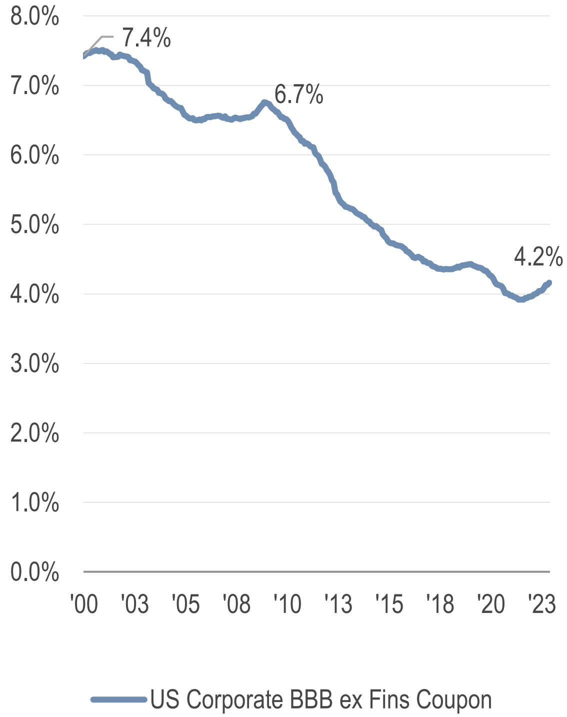
**Category II & III (>= $250bn in total assets) : NTRS, COF, PNC, TFC, USB

***Category IV ($100bn to $250bn in total assets): ALLY, CFG, FITB, HBAN, KEY, MTB, RF (AXP, DFS and SYF were excluded from the analysis since they have immaterial exposure to CRE)

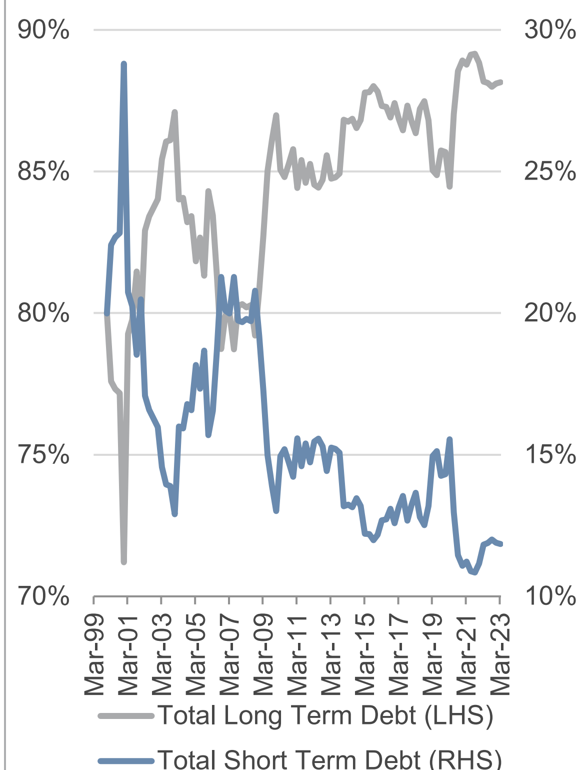
Higher Interest Rate Environment

Companies have time to adjust to the higher interest rate environment

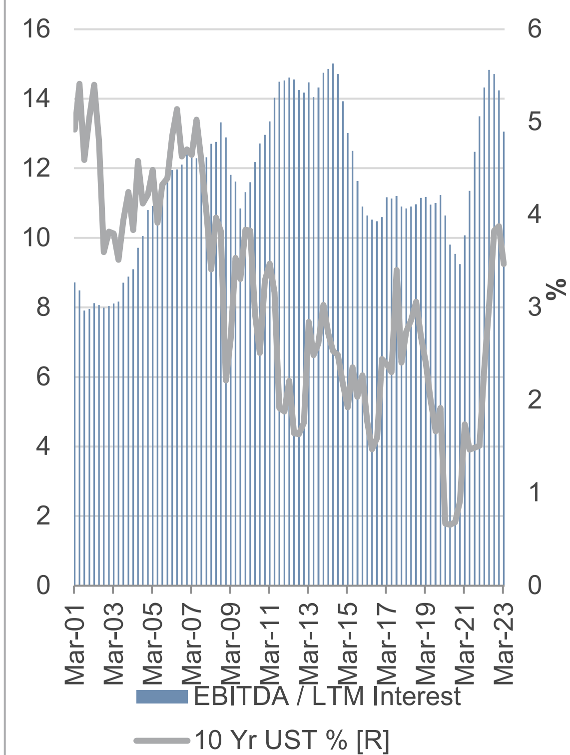
Companies have enjoyed 10+ years of low interest rates to term out debt maturity profiles at attractive levels; this will climb over time as companies refinance debt



Debt was termed out at low rates and short-term debt remains proportionally low; near-term refinancing needs are manageable in aggregate



Interest Coverage is coming off recent peak levels but will erode over time as companies refinance in the higher interest rate environment

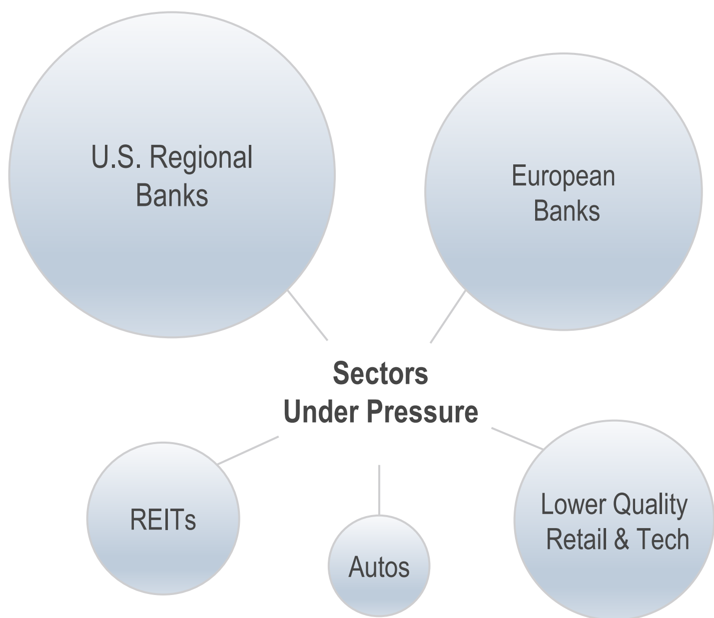


Source: Bloomberg, S&P 500 Ex-Financials as of March 31, 2023, for middle and right charts.

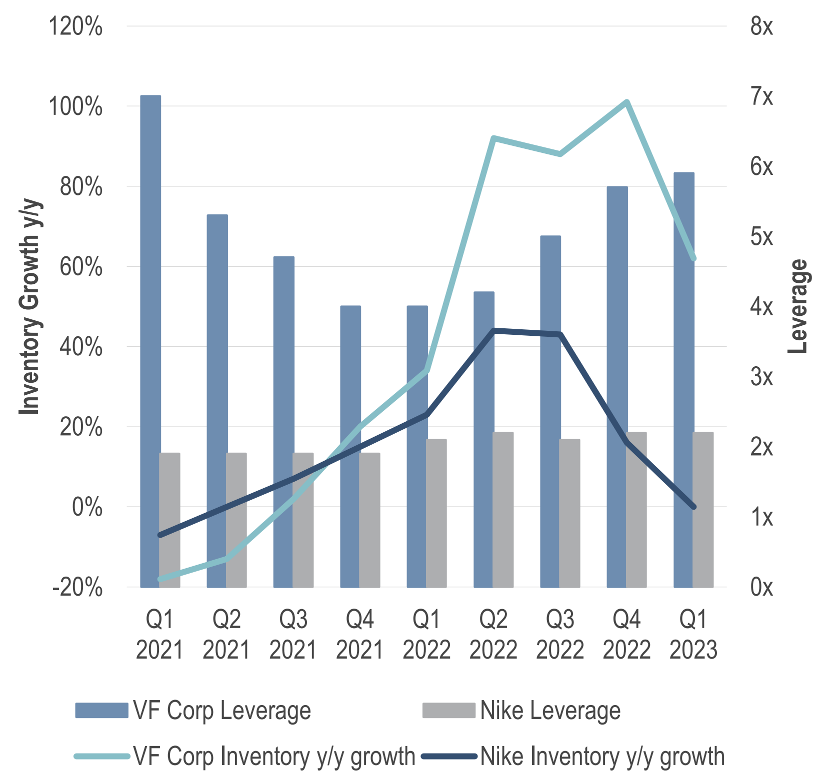
Increased Issuer Dispersion as Weak Spots Emerge

Increased dispersion across and within sectors as winners and losers become more evident; idiosyncratic risk rising

Idiosyncratic Situations in Certain Sectors and Issuers Increasing



Winners and Losers Emerge as Larger Macro Issues Show up in Credit Fundamentals – i.e. Inventory in the Retail Sector VF Corp vs. Nike



Source: Bloomberg. Company filings.

Non-Investment Grade Outlook

Inflation Impacts by Sector – U.S. High Yield

Inflation pressures are more acutely impacting specific sectors; bottom-up credit analysis is key, in our view

Beneficiaries Total Index Exposure[1]: 16.52%		Neutral Total Index Exposure[1]: 27.55%		Mixed Total Index Exposure[1]: 35.31%		Negative Total Index Exposure[1]: 20.63%	
Sector	**Index Weight[1]**	**Sector**	**Index Weight[1]**	**Sector**	**Index Weight[1]**	**Sector**	**Index Weight[1]**
Energy	6.67%	Banking	0.75%	Aerospace/Defense	2.64%	Airlines	1.92%
Gas Distribution	4.55%	Diversified Financial Services	6.57%	Chemicals	2.40%	Automotive & Auto Parts	3.86%
Metals/Mining	1.48%	Environmental	0.67%	Food & Drug Retail	0.91%	Building Materials	1.60%
Steel	0.62%	Gaming	3.44%	Food Beverage & Tobacco	2.23%	Capital Goods	1.66%
Utilities	3.20%	Hotels	0.94%	Healthcare	7.99%	Consumer-Products	1.52%
		Insurance	0.35%	Leisure	3.61%	Real Estate & Homebuilders	5.38%
		Media	8.53%	Packaging	2.81%	Restaurants	1.26%
		Railroads	0.05%	Paper	0.30%	Super Retail	3.43%
		Telecommunications	5.70%	Printing & Publishing	0.42%		
		Theaters & Entertainment	0.55%	Support-Services	5.93%		
				Technology & Electronics	5.80%		
				Transportation Excluding Air/Rail	0.26%		

As of June 30, 2023. Source: Neuberger Berman. [1]As represented by ICE BofA U.S. High Yield Constrained Index. Does not include cash. For illustrative and discussion purposes only. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. This material is not intended as a formal research report and should not be relied upon as a basis for making an investment decision. Assumptions reflect current views and are for illustrative purposes. This material is intended as a broad overview of the Portfolio Manager's views and is subject to change without notice. Portfolio Manager's views may differ from that of other portfolio managers as well as the views of the firm. Historical trends do not imply, forecast or guarantee future results. Information is as of the date indicated and subject to change without notice. Nothing herein constitutes a prediction or projection of future events or future market behavior.

Corporate Behavior

We anticipate corporate behavior to be disciplined in aggregate but issuers will need to take actions to preserve credit quality

Expected 2023 Market Conditions – "Old Normal"

- Structurally Higher Interest Rates
- Tightening Monetary Policy
- Reduced Equity Valuations
- Slowing Economy
- Persistent Inflation
- More De-Globalization

Corporate Response – Fundamental Considerations

Top Line
- Pricing vs. volume decisions
- Organic growth vs. M&A

Profits
- Focus on margin maintenance
- Cost cutting programs
- Supply chain considerations

Free Cash Flow
- Stricter working capital management
- Elevated shareholder pressure for returns

Debt
- Higher cost of debt factored in over time
- Increase bank debt usage as watch markets
- Limited liability management exercises

Leverage & Coverage
- Risk of rising leverage as profits come off peak
- Deteriorating interest coverage

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U.S. High Yield – Higher Quality Market and Less Aggressive New Issuance Compared to History

Time Period	**2001/2002**	**2008/2009**	**2015/2016**	**2019/2020**	**2022/2023**
Default Rate (%)[1]					
Year 1	9.1	6.3	2.9	2.9	N/A
Year 2	8.0	12.1	4.3	6.8	N/A
Year 1 & 2 Total	17.1	18.4	7.2	9.6	N/A
Prior 2 Years Use of Proceeds (%)[2]					
Leveraging	66.3	64.8	43.0	37.9	**37.9**
Refinancing	33.7	35.0	53.6	60.9	**60.2**
Prior 2 Years New Issue Rating (%)[2]					
BB & Above	26.8	22.5	36.4	34.5	**40.8**
Split BB / B	57.1	41.3	45.1	48.1	**45.2**
Split B / CCC / NR	16.1	36.3	18.5	17.4	**13.9**
Market Rating (%)[3]					
BB	35.7	38.0	46.3	48.0	**54.2**
B	55.1	43.2	39.0	40.3	**35.3**
CCC & Below	9.2	18.8	14.6	11.7	**10.5**

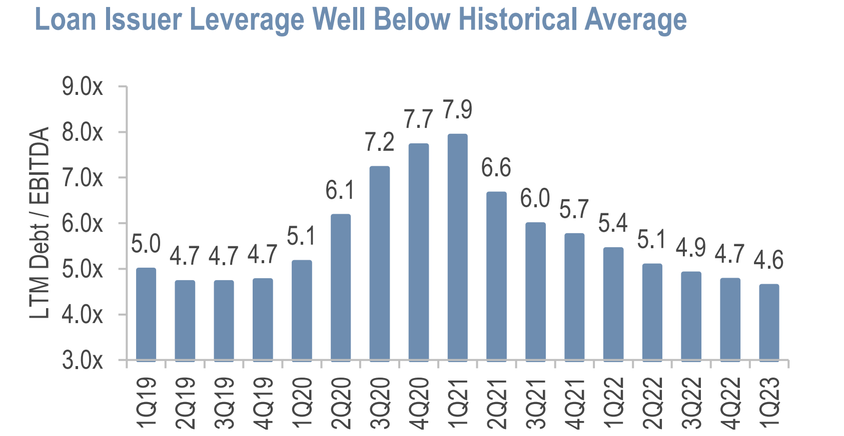
Summary Comparison

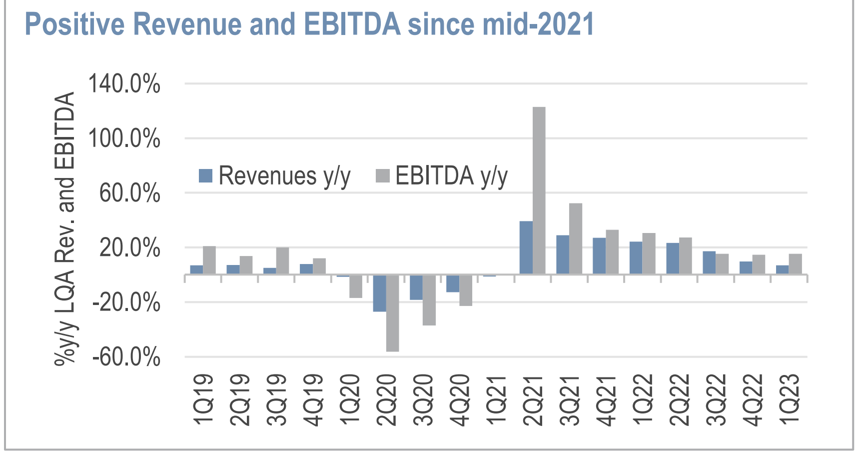
- Higher quality ratings mix compared to history
- Less aggressive new issuance patterns, both in terms of use of proceeds and rating cohort
- Low percentage of names maturing in 2023 and 2024 (1% and 3%, respectively)[4]

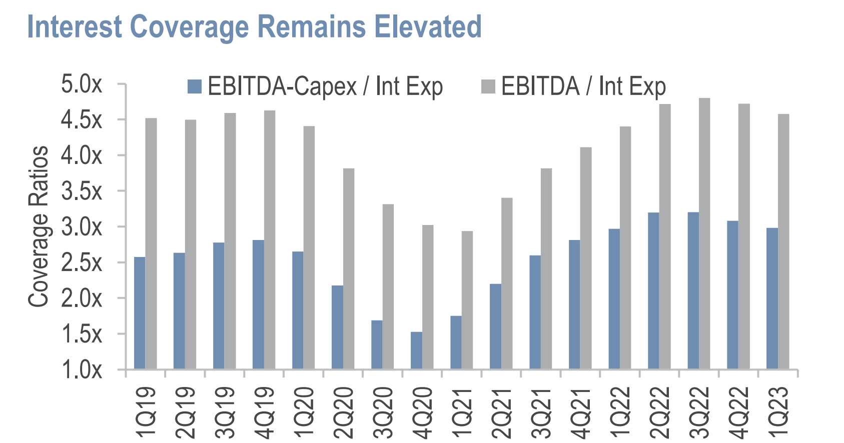
[1]Source: J.P. Morgan. "Year 1" represents the first year of the period and "Year 2" represents the second year of the period.
[2]Source: J.P. Morgan. "Prior 2 Years" represents the average of the two full years preceding the period. Leveraging includes Acquisition Finance/LBO, General Corporate, Dividend.
[3]Source: Bank of America. Data represents the ICE BofA U.S. High Yield Index (H0A0). As of the year-end preceding each period (e.g., the data displayed for 2001/2002 is as of December 31, 2000).
[4]Source: ICE BofA US High Yield Master II constrained Index (HUC0), as of June 30, 2023.

Senior Floating Rate Loans Credit Fundamentals

Fundamentals are at a healthy point but likely to plateau







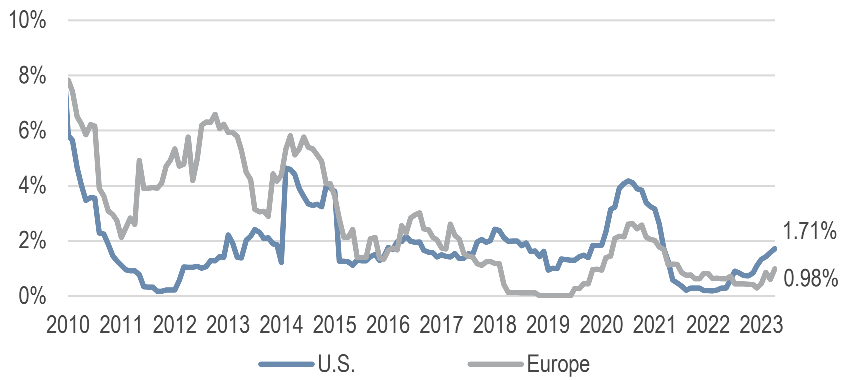
Coverage Buckets	4Q19	4Q20	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23
< 1.5x	2.4%	15.7%	5.6%	5.2%	4.0%	3.2%	3.1%	2.3%
1.5x to < 3x	19.4%	20.6%	17.3%	13.3%	12.5%	14.5%	16.2%	20.0%
3x to < 4.5x	25.8%	18.1%	19.4%	18.5%	16.5%	16.5%	16.7%	21.1%
4.5x to < 6x	19.8%	13.7%	12.9%	18.1%	19.4%	22.2%	24.1%	23.8%
>= 6x	31.5%	31.9%	44.8%	44.8%	47.6%	43.5%	39.9%	32.8%

Source: JP Morgan, as of March 31, 2023. For illustrative and discussion purposes only. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. This material is not intended as a formal research report and should not be relied upon as a basis for making an investment decision. Historical trends do not imply, forecast or guarantee future results. Information is as of the date indicated and subject to change without notice. Nothing herein constitutes a prediction or projection of future events or future market behavior.

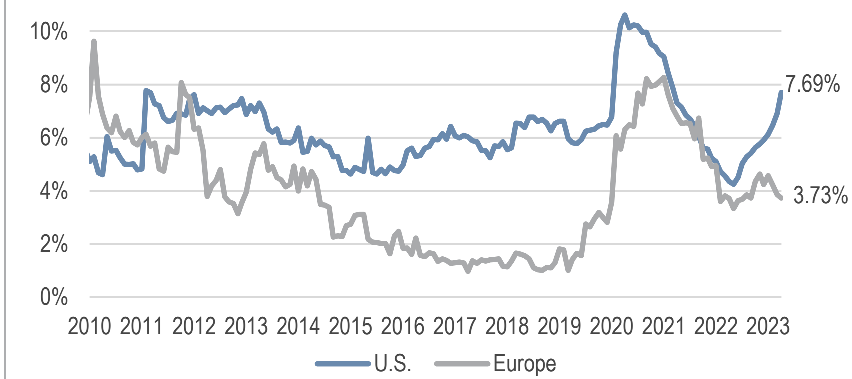
Loans Default Outlook

The default outlook currently remains low and primarily focused on specific sectors

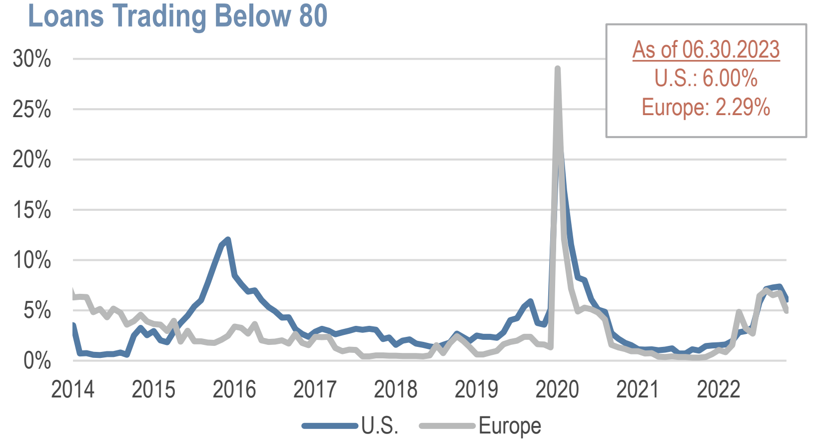
Leveraged Loan Default Rate



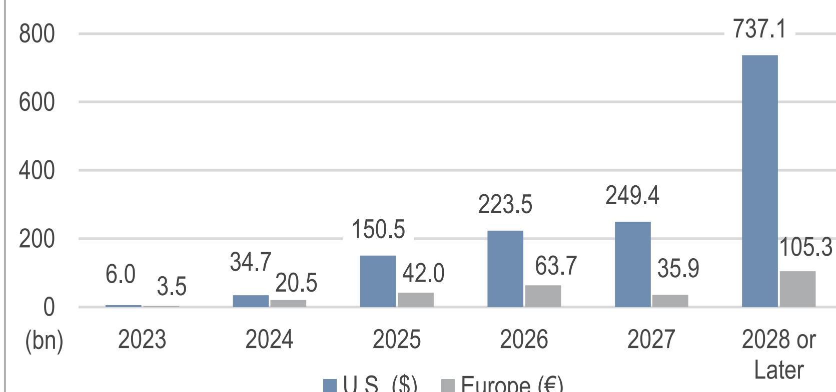
CCC+ and Below (Market Value %)



Loans Trading Below 80



Maturity Wall



Source: S&P Capital IQ LCD. Data is as of June 30, 2023. Historical trends do not imply, forecast or guarantee future results. Information is as of the date indicated and subject to change without notice. Nothing herein constitutes a prediction or projection of future events or future market behavior.

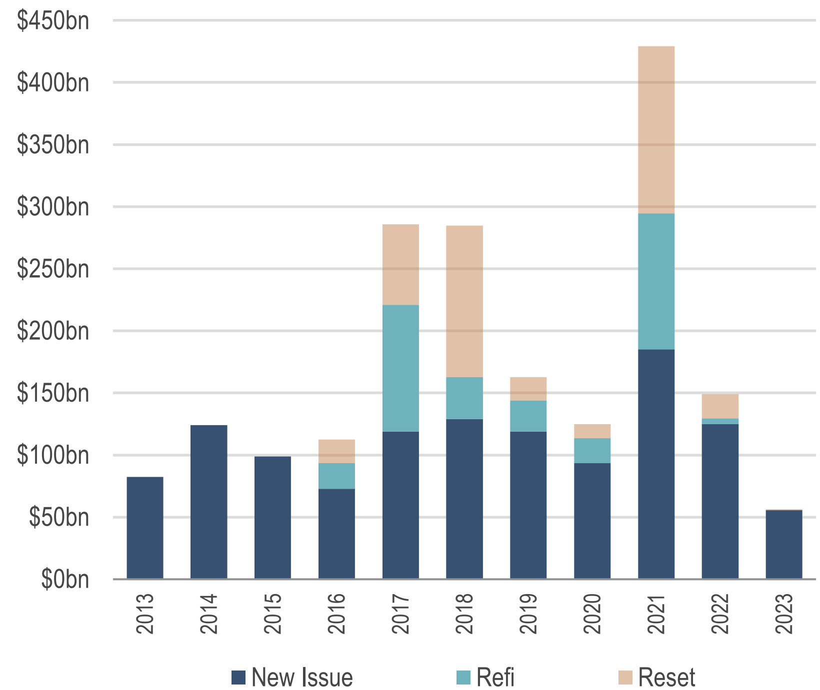
Leveraged Finance Volume and CLO Primary Supply

While volumes have come down from 2021 highs, levels are still in line with pre-2021 levels

Leveraged Finance Volume[1]

	YTD 2023	% of Market	YTD 2022	% of Market	YoY Change
First-lien institutional	$102.9B	52%	$165.4B	70%	-38%
Second-lien institutional	$0.0B	0%	$2.7B	1%	-100%
Subtotal bank debt	$102.9B	52%	$168.2B	71%	-39%
Senior secured bonds	$56.2B	29%	$17.8B	8%	216%
Senior unsecured bonds	$36.2B	18%	$50.2B	21%	-28%
Subordinated bonds	$1.3B	1%	$0.0B	N/A	N/A
Subtotal bonds	$93.6B	48%	$68.0B	29%	38%
Total	**$196.5B**		**$236.2B**		**-17%**

Yearly CLO Primary Supply[1]



[1]Source: S&P Leveraged Commentary & Data, as of June 30, 2023.

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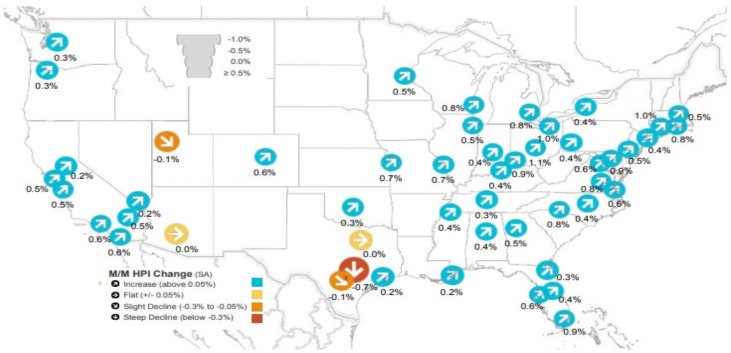
Securitized Credit Outlook

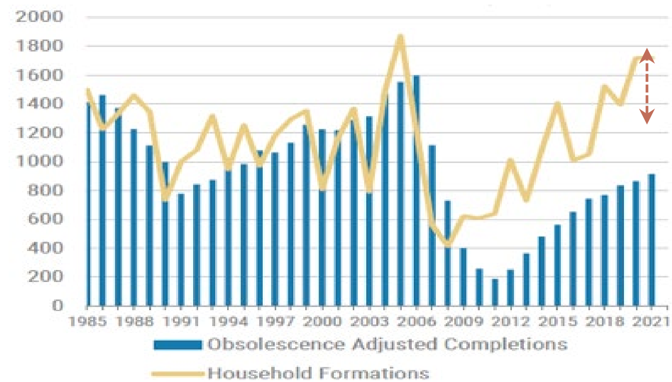
Mortgage Credit Fundamentals and Market Technicals

Multi-generational housing shortages fuel long-term support for housing prices and credit fundamentals, while sustained demand for real estate credit from high-quality sponsors is strong and growing

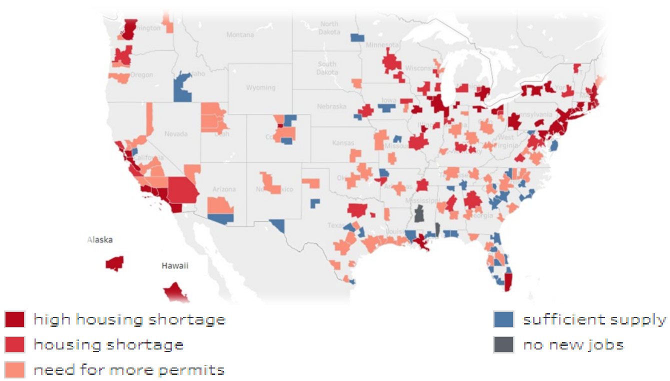
Home prices are appreciating in most major geographies, driven by supply / demand imbalance and despite affordability pressures



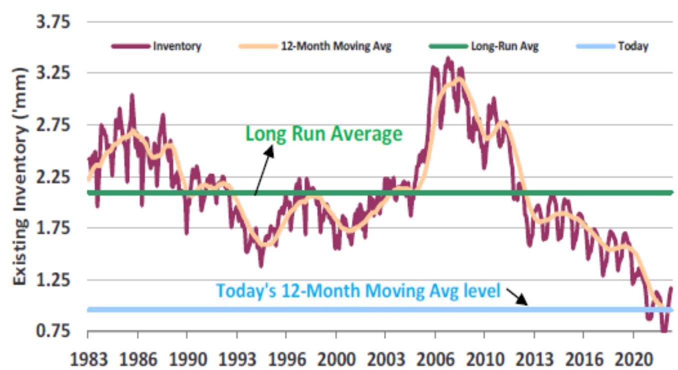
Family formations (demand) substantially outpaced net construction (supply): Shortage of over 5+ million units



Severe housing shortages in many U.S. metro areas (shortage indicators based on # of new jobs vs. new home permits)



Total housing inventories close to 40+ year lows, substantially below their long-term averages

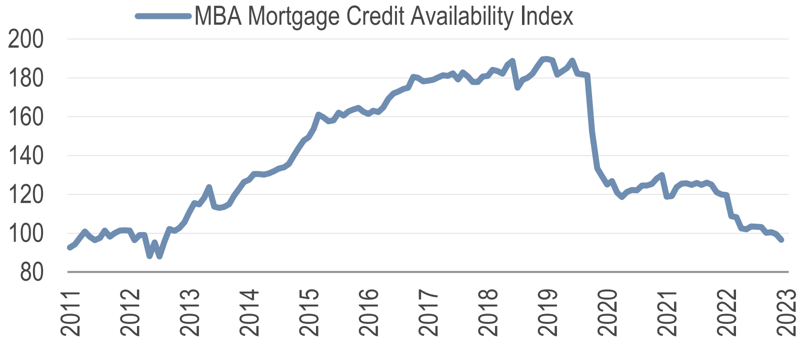


Sources: Black Knight, National Association of Realtors, US Census Bureau, Morgan Stanley; as of May 2023.

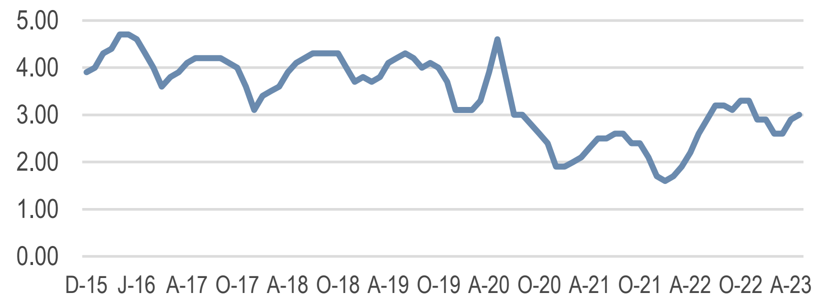
Mortgage Credit Performance Should Remain Supported Even As House Prices Moderate

Embedded homeowner equity underpinned by favorable demographic trends, limited supply and restrained financing should continue to underpin mortgage credit performance

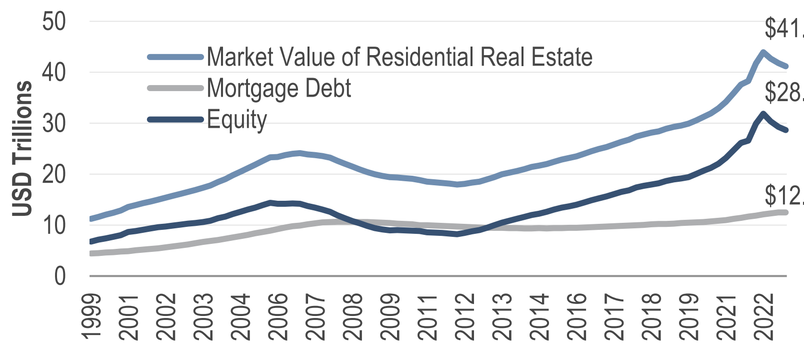
Mortgage Credit Availability Remains Constrained



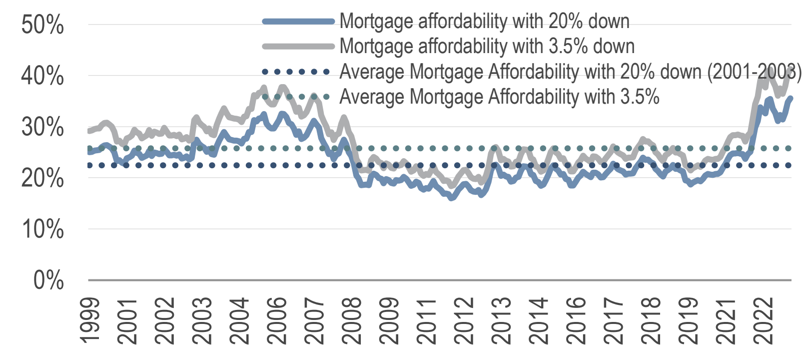
Available inventory is low



Homeowners have significant equity



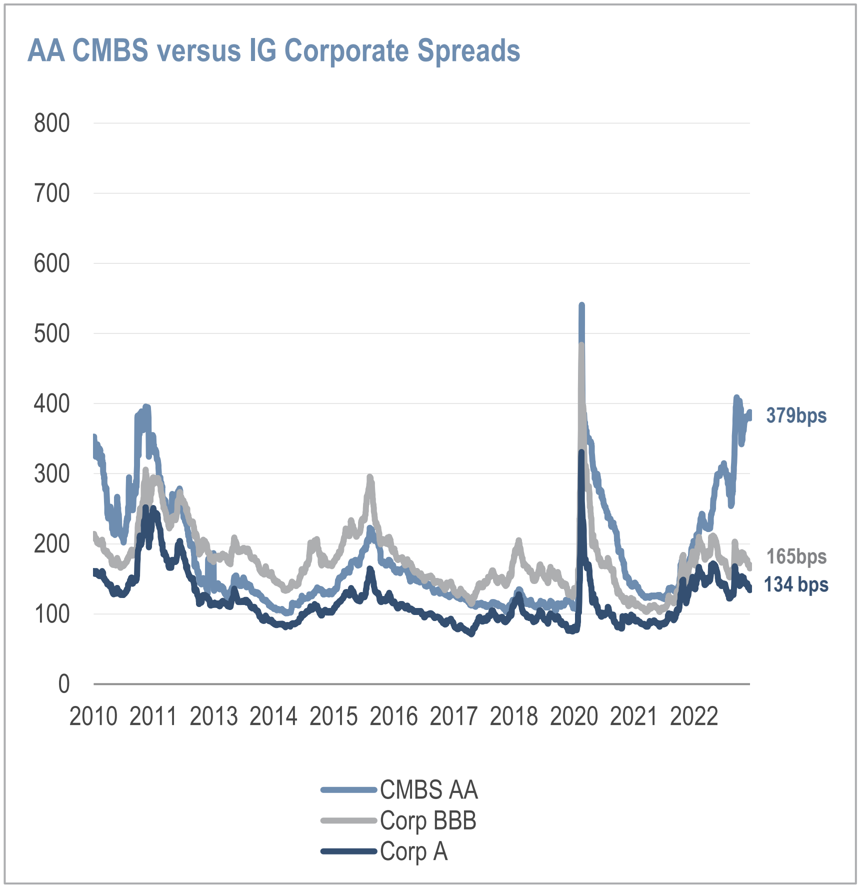
Housing Affordability (Median housing expenses to income)

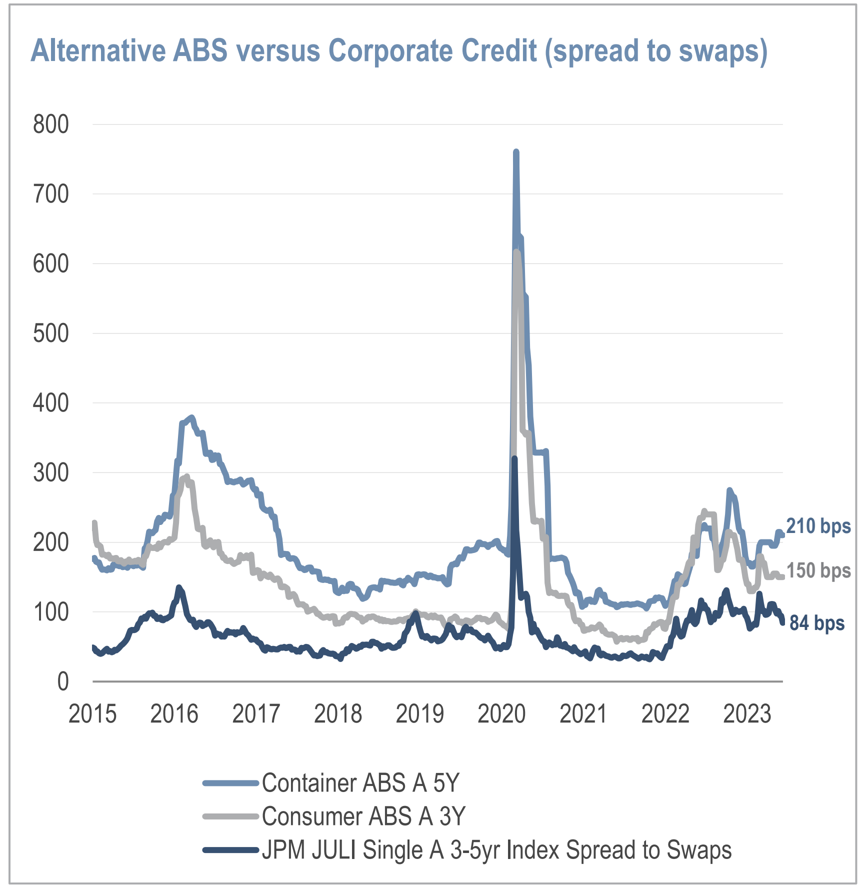


Source: Bloomberg. Upper left chart: Mortgage Credit Availability (as of May 2023), Upper right chart: Available Inventory (as of May 2023), Lower left chart: Homeowners Equity (as of March 2023) and sourced from the Federal Reserve of Funds. Lower right chart: Housing Affordability (as of May 2023).

CMBS & ABS: Spreads Remain Attractive Relative to IG Corporates

Spread differentials vs. corporates have compressed but continue to offer spread pick-up



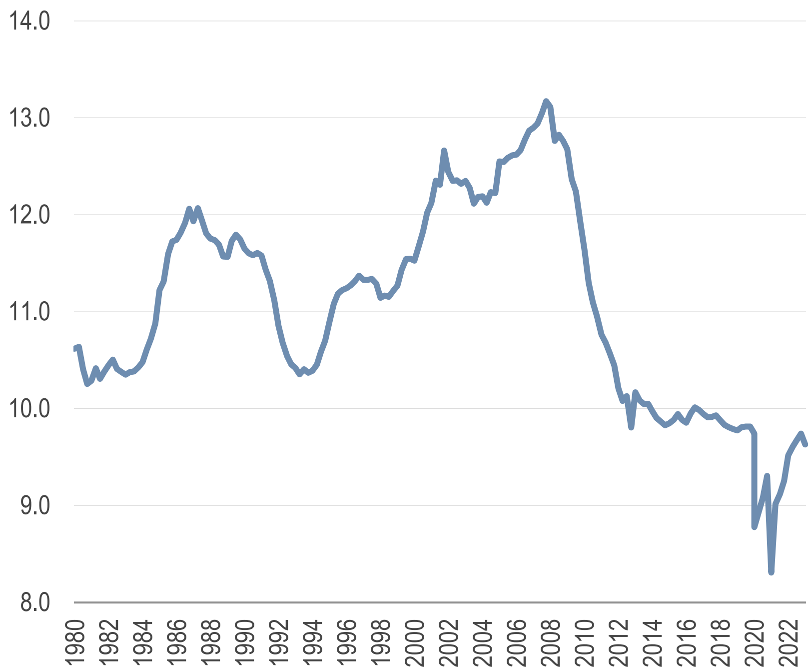


Left Chart: Source: ICE BofA, CMBS AA and Corp BBB Spread to Worst vs Govt. Data as of March 2023. Right chart: Source: BofA. As of June 30, 2023.

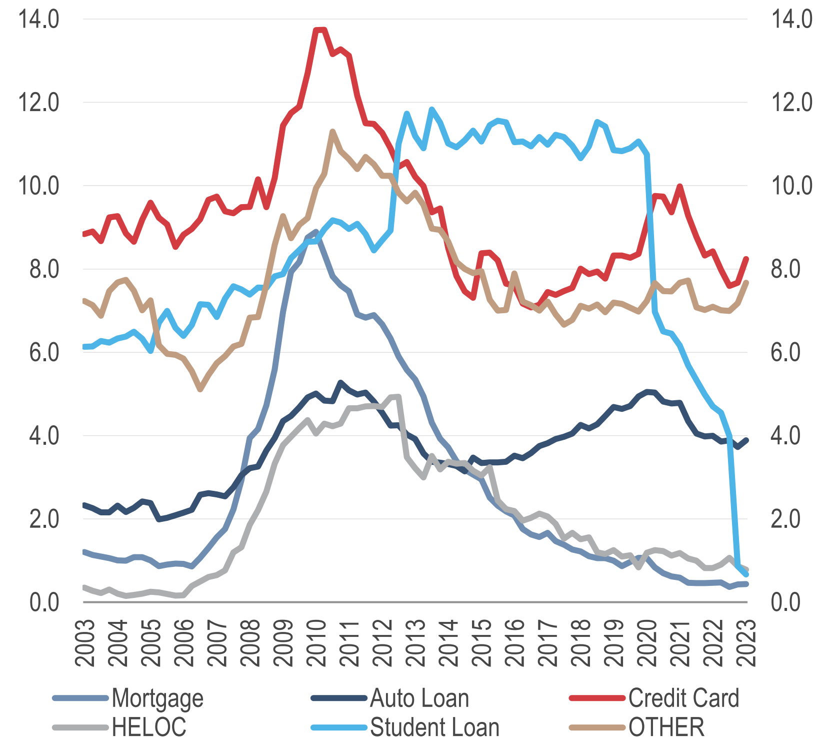
Consumer Fundamentals Offer Cushion As Economic Activity Slows

Consumers are supported by household debt burdens near historic lows and strong credit performance

US Household debt service payments as a percent of disposable personal income



Percent of balance 90+ days delinquent by loan type



Source: Left chart: Federal Reserve Economic Data as of January 2023. Right chart: Federal Reserve Bank of New York data as of March 2023.
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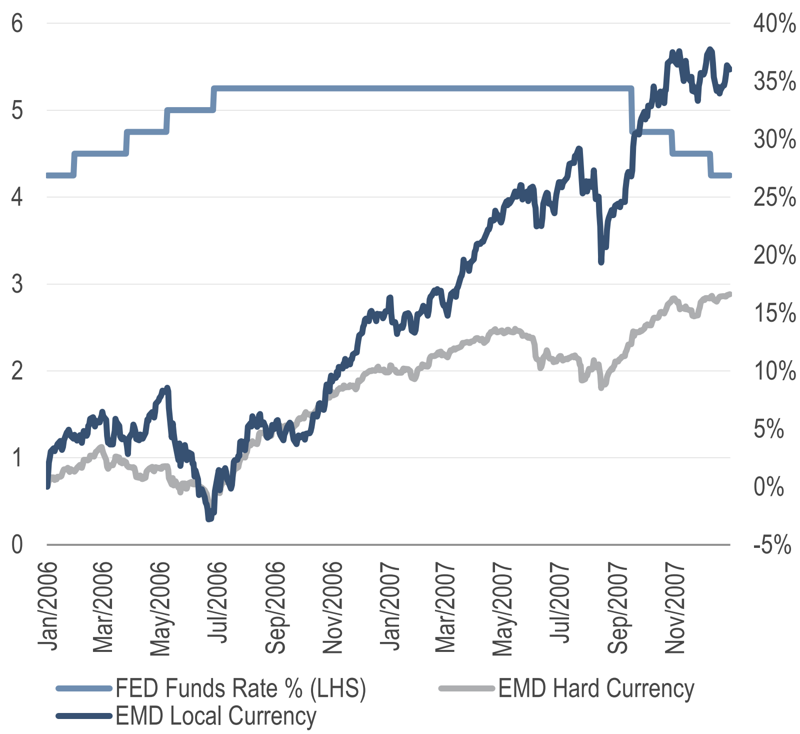
Emerging Markets Outlook

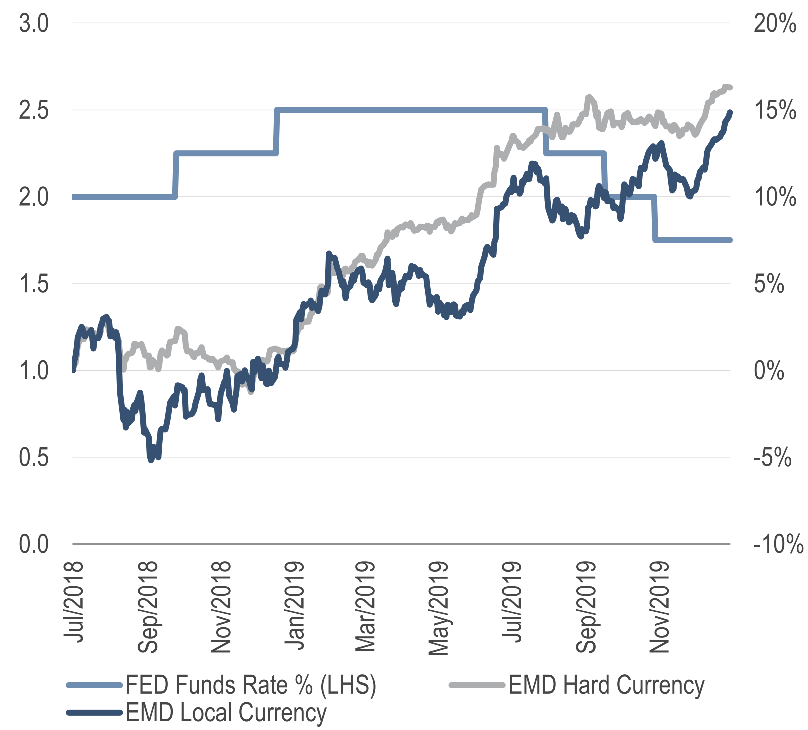
Peak FED Hiking Cycle: A Favorable Environment for EM Bonds?

Previous episodes of FED 'pause' tended to be positive for EM bonds; as long as a deep global recession is averted we anticipate a supportive backdrop for EMD amid reduced pressures from rising rates and USD strength

2006-07 FED Pause
FED Rate vs EMD Returns (USD)



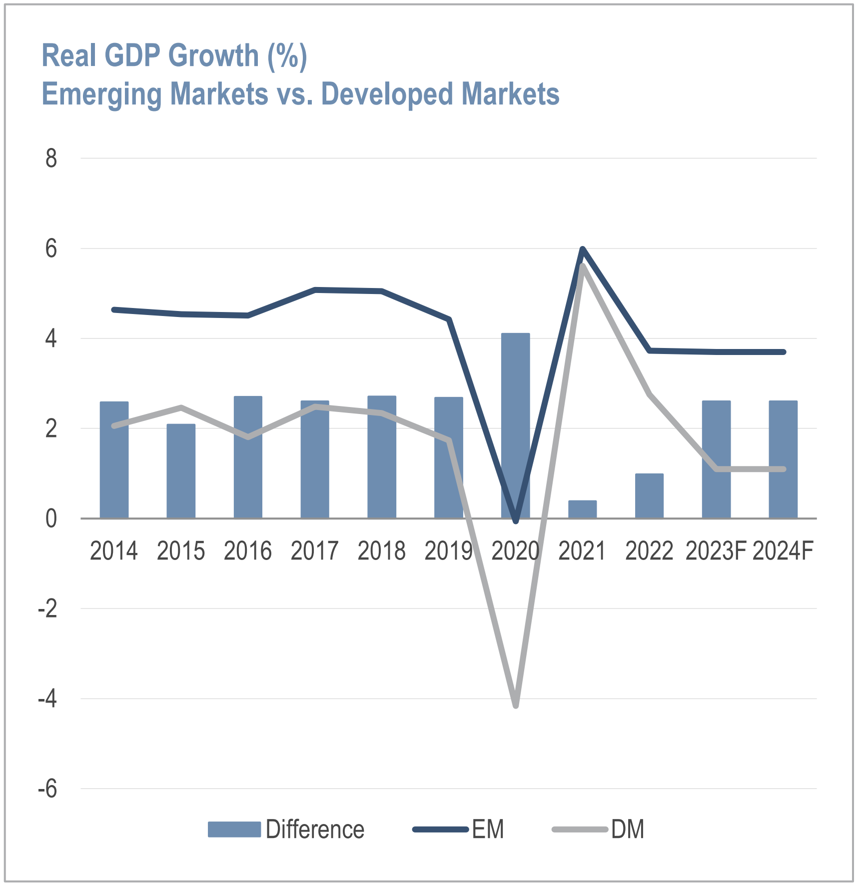
2018-19 FED Pause
FED Rate vs EMD Returns (USD)

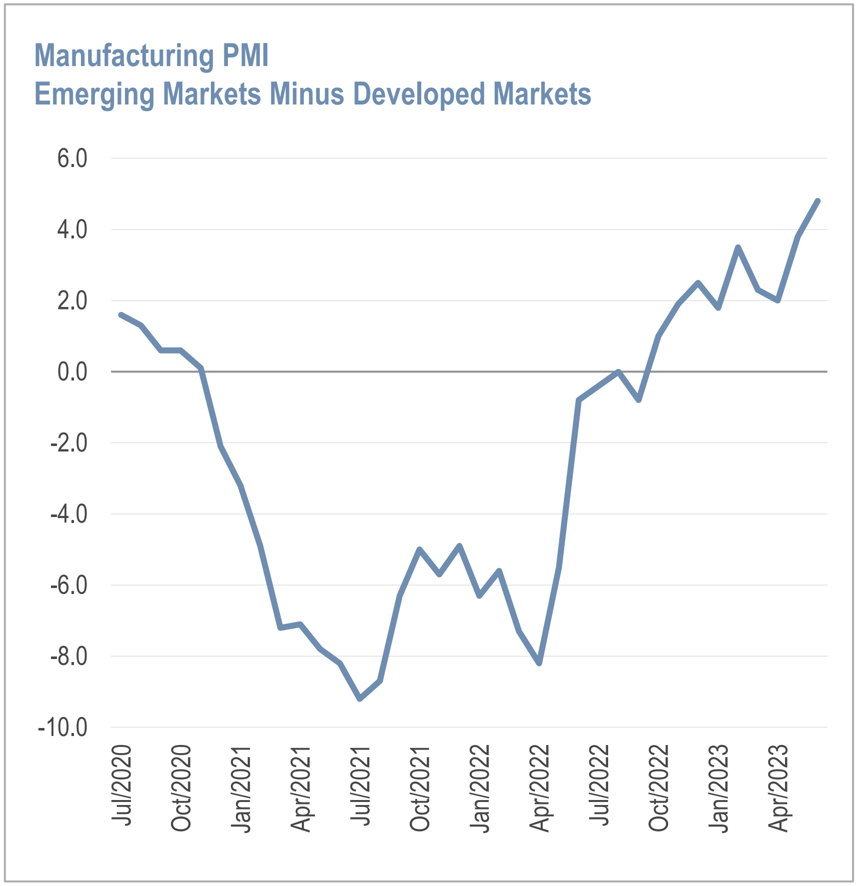


Source: Bloomberg, JPMorgan. EMD Hard Currency refers to the JPMorgan EMBI Global Diversified Index. EMD Local Currency refers to the JPM GBI-EM Global Diversified Index.

EM Macro Outlook: Brighter Prospects After Two Years of Weak Growth vs. Developed Countries

2023 & 2024 EM GDP EM GDP Growth NB Forecast

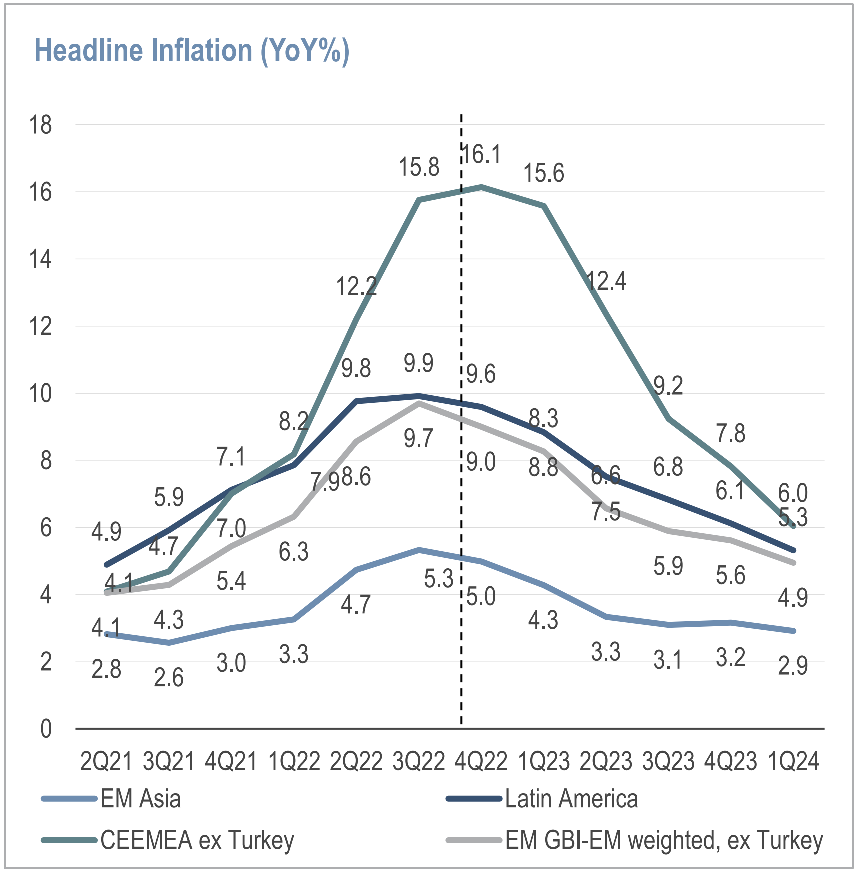


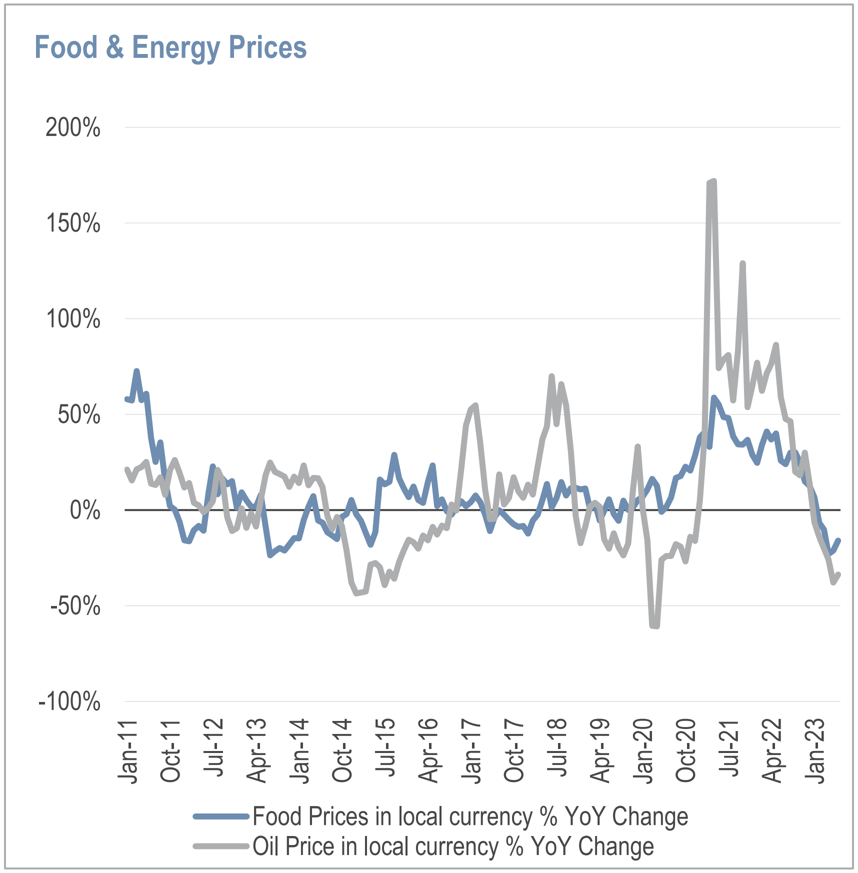


Source: Neuberger Berman, Bloomberg, Markit. Based on NB EMD Team forecasts for 2022 & 2023 EM growth, and Bloomberg consensus forecasts for DM growth. PMI data as of June 30, 2023.

EM Inflation Set to Decline Throughout 2023

Driven by lower energy, food prices and substantial monetary tightening

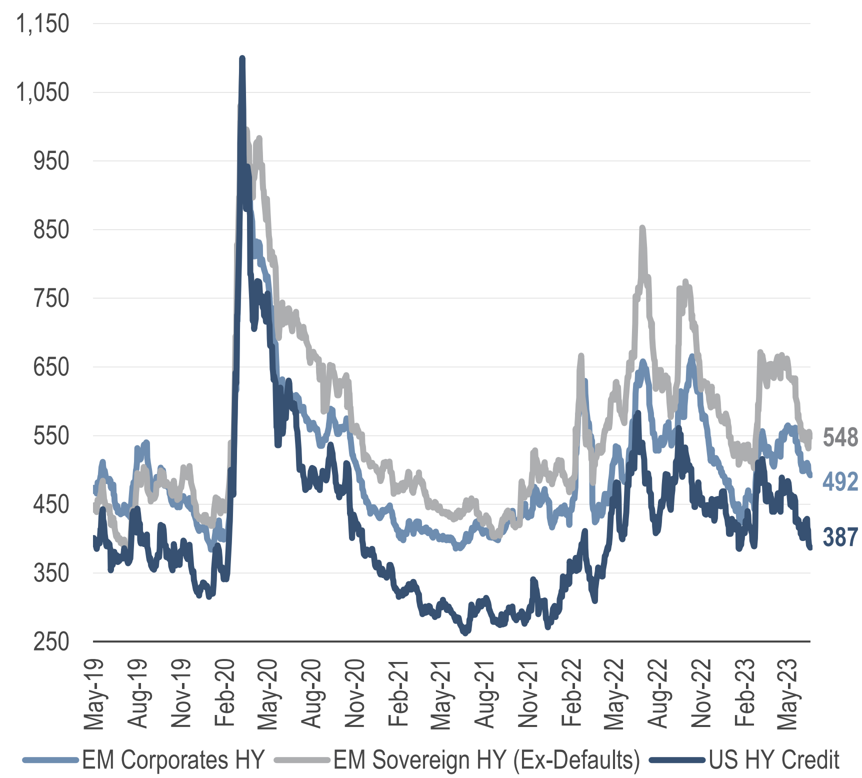




LHS Source: Bloomberg, EMD team forecasts from 4Q22, as of March 20, 2023. EM aggregate includes China, India, South Korea, Taiwan, Singapore, Indonesia, Malaysia, Philippines,. Thailand, Czech Republic, Hungary, Poland, Romania, South Africa, Turkey, Brazil, Mexico, Colombia, Chile and Peru. Regional aggregates are equally-weighted averages of corresponding countries.
RHS Source: Bloomberg. Data as of June 30, 2023. Based on the S&P GSCI Agriculture index and the S&P GSCI Crude Oil indices, expressed in EM local currencies as weighted by the JPM GBI-EM GD Index.
This material is intended as a broad overview of the portfolio managers' current style, philosophy and process, is as of the date hereof and is subject to change without notice. For illustrative and discussion purposes only. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. This material is not intended as a formal research report and should not be relied upon as a basis for making an investment decision. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results. Historical trends do not imply, forecast or guarantee future results. 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.

EMD Hard Currency Spreads

Spread Over Treasuries



Source: JPMorgan, Bloomberg, Neuberger Berman. Data as of July 3, 2023.

Indices used: JPM EMBI Global Diversified HY and IG subindices, JPM CEMBI Diversified HY and IG subindices, Bloomberg US High Yield Index, Bloomberg Global Aggregate Corporate Index. For illustrative and discussion purposes only. This material is intended as a broad overview of the portfolio managers' current style, philosophy and process, is as of the date hereof and is subject to change without notice. Information is on this page represents historical observations about the sub-asset classes and is not intended to represent or predict future events. Historical trends do not imply, forecast or guarantee future results. 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.

Index Definitions

Bloomberg US Credit Index: This index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes non-US agencies, sovereigns, supranationals and local authorities.

Bloomberg US Aggregate Bond Index: This index is a broad-based fixed-income index used by bond traders and the managers of mutual funds and exchange-traded funds (ETFs) as a benchmark to measure their relative performance.

Bloomberg US Mortgage-Backed Securities Index: This index tracks fixed-rate agency mortgage backed pass-through securities guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon and vintage. Starting July 2019, Freddie pools are separated into 45-day and 55-day delay generics.

ICE Bank of America U.S. High Yield Index (H0A0): This Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million

US Treasury Index: This index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint, but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting. The US Treasury Index is a component of the US Aggregate, US Universal, Global Aggregate and Global Treasury Indices.

Bloomberg US High Yield Index: This index covers the universe of fixed rate, non-investment grade debt. The index universe must have at least one year to final maturity regardless of call features, must have at least $150 million par amount outstanding, and must be rated high-yield (Ba1/BB+ or lower) by at least two of the following ratings agencies: Moody's, S&P, Fitch.

Morningstar/LSTA Leveraged Loan Index: The Morningstar/LSTA Leveraged Loan Index is a capped market-value weighted index that measures the performance of the U.S. leveraged loan market based upon market weightings, spreads, and interest payments. The index is composed of loans bought by institutional investors that have partnered with S&P Global Market Intelligence's Leveraged Commentary & Data (LCD). Index constituents are market value weighted, subject to a single loan facility weight cap of 2%. Loan Syndications and Trading Association (LSTA)/Loan Pricing Corporation (LPC) mark-to-market pricing is used to price each loan in the index. The benchmark is calculated on a total return basis.

S&P 500 TR USD: The Standard & Poor's index calculated on a total return basis. Widely regarded as the benchmark gauge of the U.S. equities market, this index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 focuses on the large-cap segment of the market, with over 80% coverage of U.S. equities, it also serves as a proxy for the total market. The total return calculation provides investors with a price-plus-gross cash dividend return. Gross cash dividends are applied on the ex-date of the dividend.

Russell 1000 Value Index: The Russell 1000 Value Index measures the performance of the large cap value segment of the US equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years). The Index is reconstituted annually to ensure represented companies continue to reflect value characteristics.

Russell 2000 Index: The Russell 2000 Index measures the performance of the small cap segment of the US equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index and it includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Index is reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

Russell 1000 Growth Index: The Russell 1000 Growth Index measures the performance of the large cap growth segment of the US equity universe. It includes those Russell 1000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years). The Index is reconstituted annually to ensure the represented companies continue to reflect growth characteristics.

Russell 2000 Growth Index: The Russell 2000 Growth Index measures the performance of the small cap growth segment of the US equity universe. It includes those Russell 2000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years). The Index is reconstituted annually to ensure the represented companies continue to reflect growth characteristics.

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