AFP® Annual Conference

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ORIGINAL→ESSENTIAL→UNBIASED→INFORMATION

Seeking to Maximize all markets to enhance cash management returns in a low interest rate environment...

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Unprecedented uncertainty and change lead to a new way of thinking

Cash Management investment return barriers over the past 5 years:

- *Artificially low interest rates for an extended period of time*
- *Particularly flat yield curve from 0-2 years*
- *Unprecedented demand in the front end of the yield curve*
- *Mutual fund management restrictions and cost structures*
- *Increased demand for transparency from clients*

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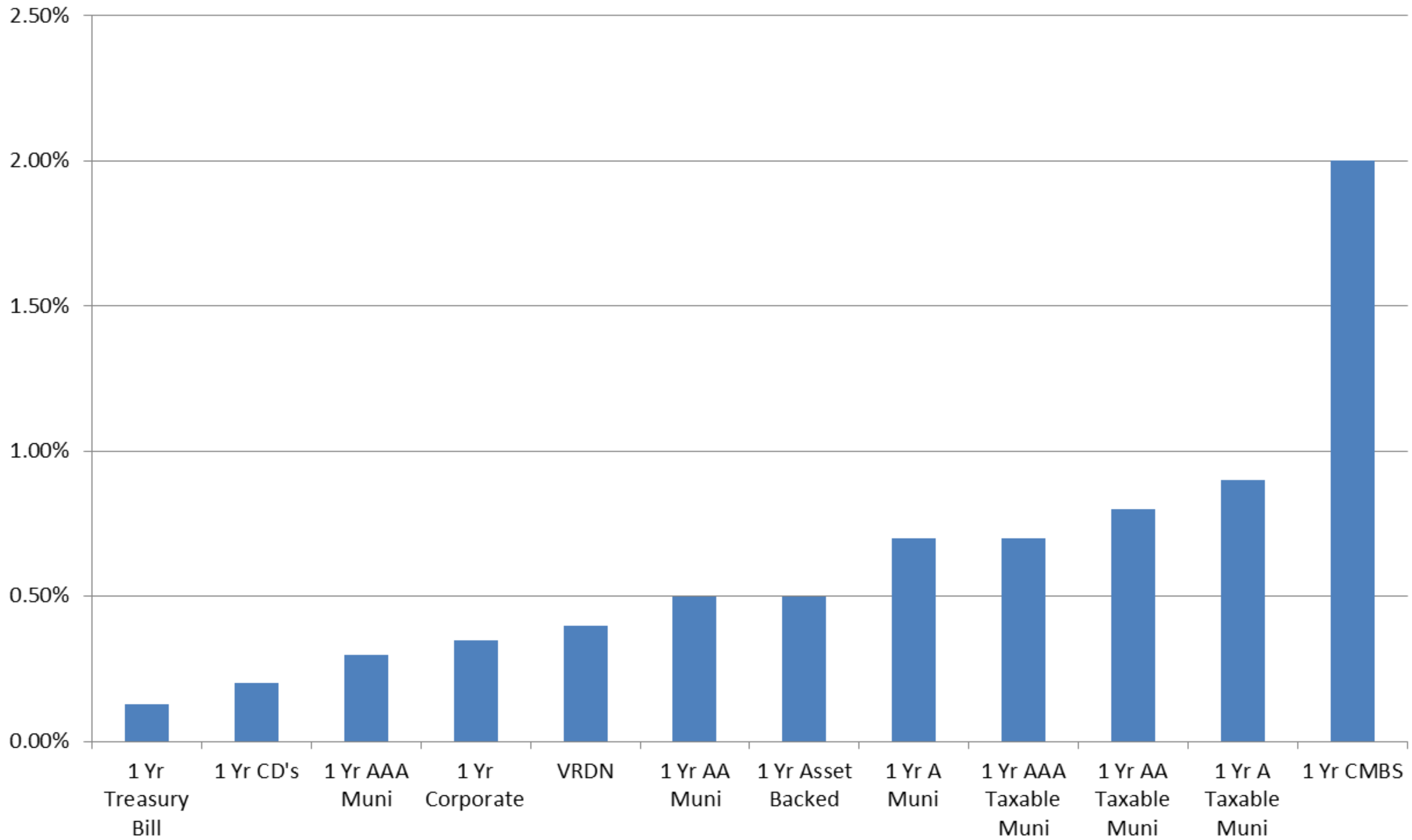
Short-term Investment Yields



For illustrative purposes only. The above data represents the current yield as of 9/1/13 for representative issues within each described asset category and it is not intended as a recommendation regarding any specific security or investment. Actual yields of similar investments will vary.
Source: Bloomberg

Reassessing how to approach cash management…

Traditional separate account portfolio management has primarily utilized a "single" product approach when it comes to cash management: 100% Taxable or 100% Tax-Exempt

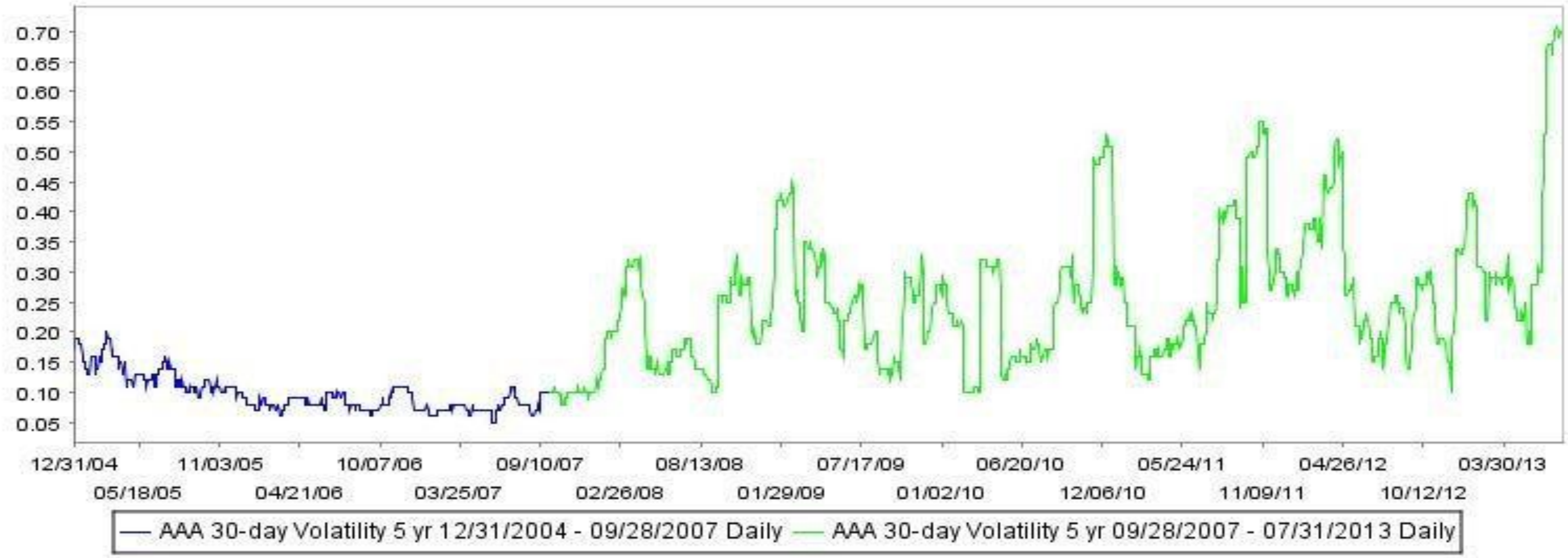
- Regardless of a corporation's marginal tax rate, we believe asset managers should employ a multi-asset class approach when it comes to their separately managed fixed income portfolios. This approach is necessary due to a changing landscape over the past few years that includes the following:

  - ✓ **Increased market volatility**
  - ✓ **Possibility of higher Federal income tax rates for individuals and lower rates for corporations**
  - ✓ **Historically high ratios between municipals and taxables.**
  - ✓ **Decreased correlation between taxable and tax-exempt yields.**
  - ✓ **Different credit cycle paths.**

A blended product approach that continually analyzes relative value can maximize opportunities that exist in all fixed income markets…

Increased market volatility

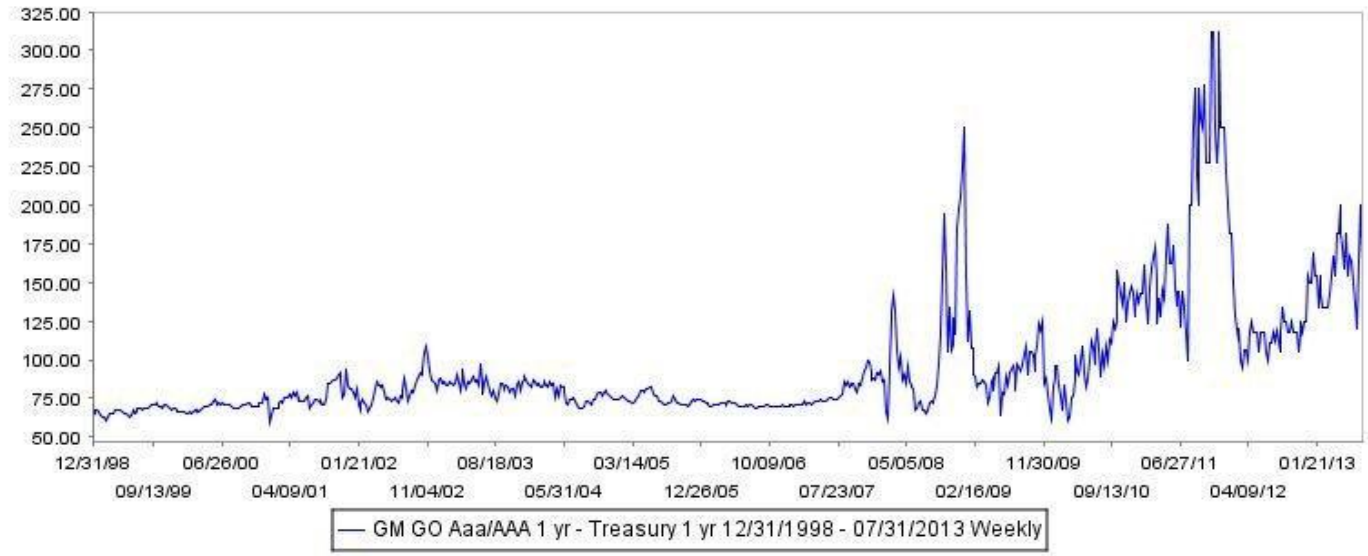
5 Year AAA Muni Bond Volatility Chart



- Market volatility has allowed clients with traditionally high marginal tax rates to buy high quality corporate bonds at very attractive levels on an after tax basis.
- Conversely, the same can be said for clients that pay no federal or state taxes, such as trusts and not-for-profits, as high ratios and recent volatility in the muni market have provided tremendous opportunities from a gross yield perspective.

Possibility of higher Federal income tax rates

- Many corporations reside in the top marginal tax rate of 35%
- The municipal market is predominantly driven by individual investors whose taxes are likely to rise.
- From a current relative value perspective, municipals are historically very cheap versus Treasuries
    - The 15 year historical average for a 1-year AAA GO versus the 1-year T-Bill has been 95%
    - The current percentage for a 1-year AAA GO versus the 1-year T-Bill is ***133%***
- Post crisis correlation between 1-year AAA GO and 1-year T-Bill has lessened, creating an opportunity for greater diversification.



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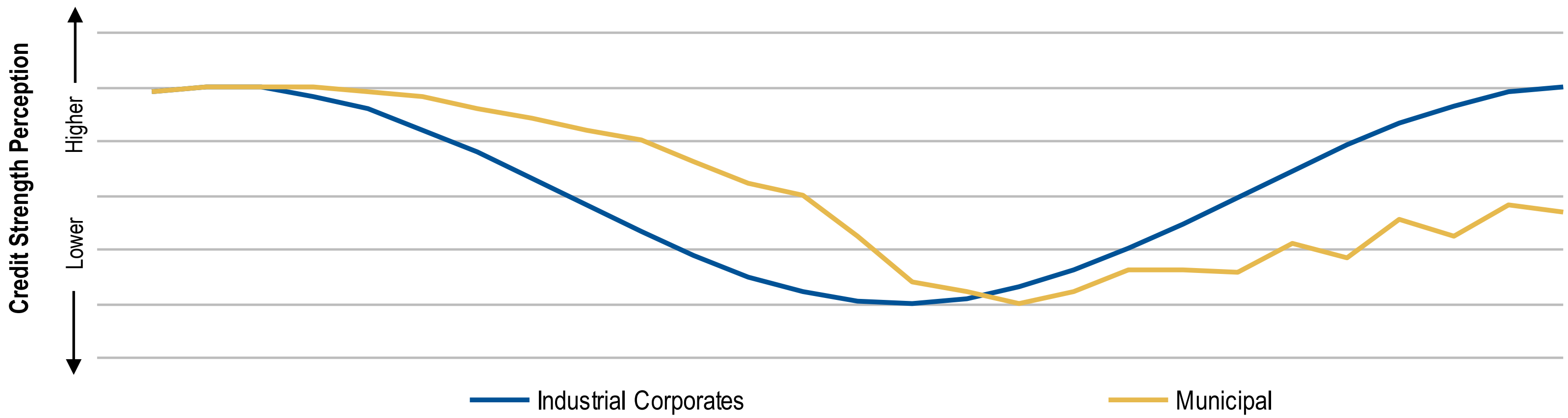
Municipal and Corporates – Different Credit Cycle Paths?

We envision different credit cycle paths for municipals and corporates

HYPOTHETICAL CREDIT CYCLE ILLUSTRATION



Our Outlook and Views:

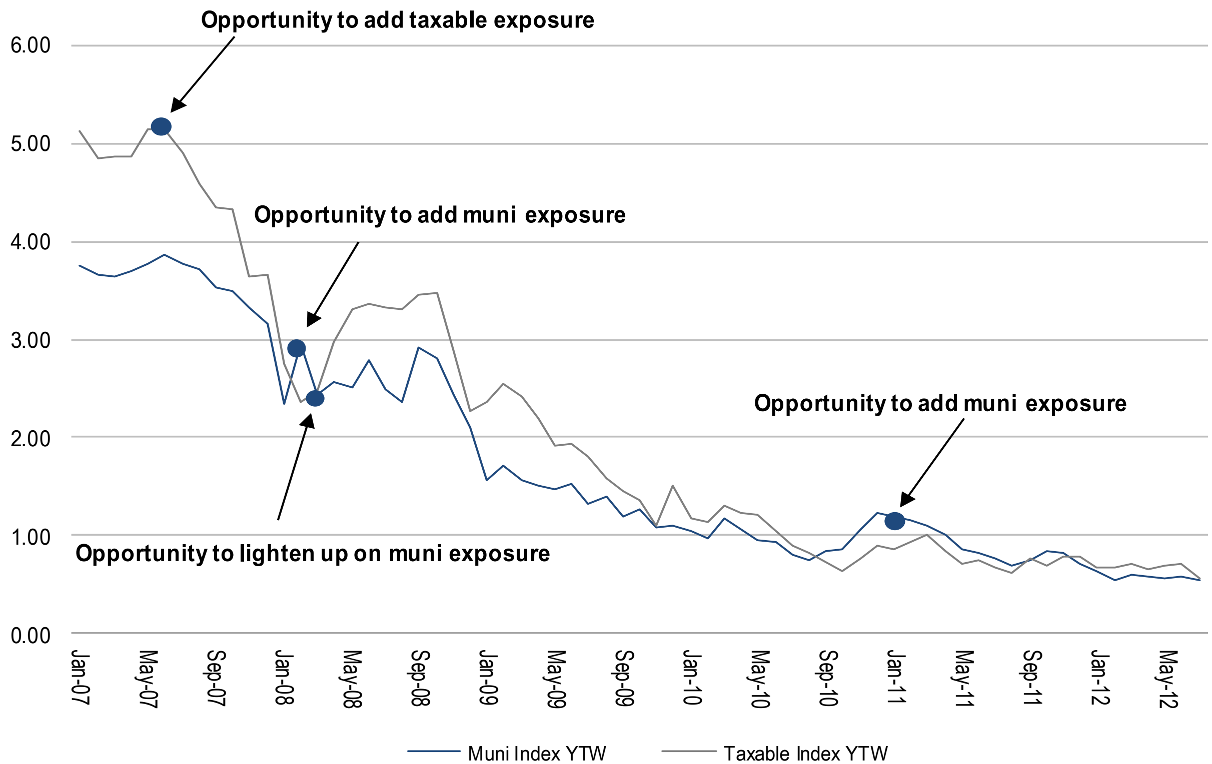
- Industrial corporates have more credit repair tools at their disposal, which could lead to faster improvement in credit quality relative to municipals (workforce reductions, asset sales, equity issuance).
- Municipal credit cycle generally trails industrials since tax base valuations tend to lag economic activity. One exception to this is state credits which have more economically sensitive revenue streams.
- We envision a slower "saw-toothed" pattern in the improving part of the municipal cycle which reflects the difficult political process of government budgeting and lagging tax base growth.

For illustrative purposes only. Actual portfolios may vary depending on client state of residency, bonds available in the marketplace, customized client guidelines and risk tolerance. This material is intended as a broad overview of the portfolio managers' style, philosophy and process and is subject to change without notice. The portfolio managers' views may differ from that of other portfolio managers as well as the views of Neuberger Berman LLC and Neuberger Berman Fixed Income LLC. Of course, all accounts are managed based upon each client's needs and objectives. See Additional Disclosure pages at the end of this presentation for important information.

Historically high ratios between municipals and taxables

Continuous monitoring of both tax-exempt and taxable ratios

YIELD TO WORST (YTW) CHART OF TAXABLE AND TAX-EXEMPT CASH MANAGEMENT INDICES



Index Data: Bank of America/Merrill Lynch Municipal 1-3 year and Bank of America/Merrill Lynch Corporate & Government 1-3 year

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Unearthing Value: Multi-Product Quantitative Sector Analysis

Yield to Maturity Analysis: 0-1 Year Bonds

Sector Type	Avg. YTM	Marginal Tax Rate: 15%		Marginal Tax Rate: 35%	
		After Tax YTM	**Weighting**	**After Tax YTM**	**Weighting**
AAA Muni	0.30%	**0.30%**	Neutral	**0.30%**	Neutral
AA Muni	0.50%	**0.50%**	Overweight	**0.50%**	Overweight
A Muni	0.70%	**0.70%**	Overweight	**0.70%**	Overweight
VRDN's	0.40%	**0.40%**	Overweight	**0.40%**	Overweight
AAA Taxable Muni	0.70%	**0.60%**	Overweight	**0.46%**	Overweight
AA Taxable Muni	0.80%	**0.68%**	Overweight	**0.52%**	Overweight
A Taxable Muni	0.90%	**0.77%**	Overweight	**0.59%**	Overweight
Treasury	0.13%	**0.11%**	Underweight	**0.08%**	Underweight
CD's	0.20%	**0.17%**	Underweight	**0.13%**	Underweight
Corporate	0.35%	**0.30%**	Neutral	**0.23%**	Underweight
Asset Backed	0.50%	**0.43%**	Overweight	**0.33%**	Neutral
CMBS	2.00%	**1.70%**	Overweight	**1.30%**	Overweight

For illustrative purposes only. Past performance is not indicative of future results.

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Portfolio Construction

Dynamic sector allocation based on market conditions and client's changing tax status

HYPOTHETICAL CLIENT SCENARIOS

CLIENT A

- Tax Bracket: 35%
- Dynamic liquidity needs
- Low risk tolerance

CLIENT B

- Tax Bracket: 15%
- Low liquidity needs
- Moderate risk tolerance

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Money market fund versus separate account

	MONEY MARKET FUND	SEPARATE ACCOUNT
Ability to customize investments, credit quality, or overall portfolio duration	No	**Yes**
Ability to provide liquidity	Yes	**Yes**
Assets subject to "Herd Mentality" liquidation	Yes	**No**
Transparency of underlying assets	Limited	**Yes**

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Benefits of a separately managed blended product approach

- **Advantage of diversification**
  - ✓ Reduces traditional sector risk
- **Portfolio customization**
  - ✓ Ability to tailor fit credit quality, duration, issuer, and sector diversification limits
  - ✓ Ability to quickly adjust either of the above mentioned diversification limits based on the clients needs
- **Ability to quickly adjust and take advantage of a changing marginal tax rate**
  - ✓ Unlike a mutual fund, separate account management enables superior flexibility to underweight or overweight a specific sector or product

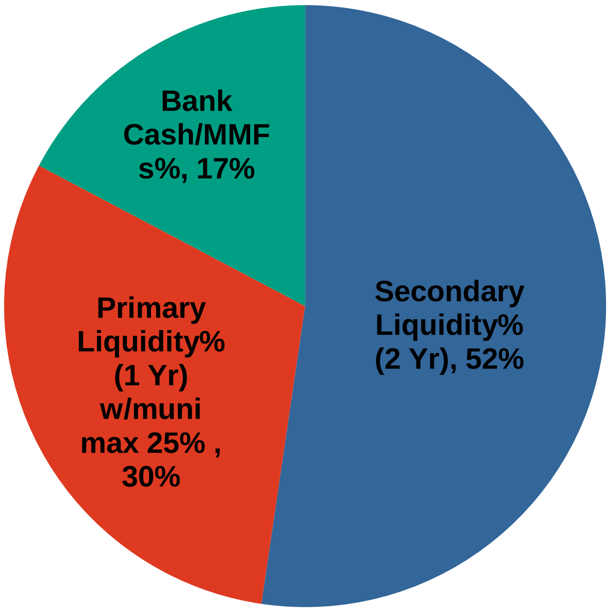
Fixed Income Market Yields

Qtr-end date	MMF yield%	Ultra-short Liq yield%	Primary Liq Yield%	Secondary Liq Yield%	Total Cash Invsmts Yield%	Bk cash/MMF MV in $M	Enhanced Cash Ultra-short Liq MV in $M	Primary Liq MV in $M	Secondary Liq MV in $M	Total MV in $M	Secondary Liquidity% (2 Yr)	Primary Liquidity% (1 Yr) w/muni max 25%	Bank Cash/MMFs%
Q1 '11	0.10%	0.27%	0.76%	1.27%	0.90%	918	100	1,517	2,782	5,317	52%	30%	17%
Q2 '11	0.07%	0.28%	0.74%	1.22%	0.86%	767	75	1,548	2,806	5,196	54%	31%	15%
Q3 '11	0.05%		0.58%	1.10%	0.75%	873	0	1,504	2,819	5,195	54%	29%	17%
Q4 '11	0.03%		0.58%	1.07%	0.74%	1,032	0	1,508	3,076	5,615	55%	27%	18%
Q1 '12	0.03%		0.60%	1.11%	0.79%	931	0	1,452	3,089	5,472	56%	27%	17%
Q2 '12	0.11%		0.61%	1.13%	0.82%	913	0	1,297	3,053	5,263	58%	25%	17%
Q3 '12	0.08%		0.57%	1.11%	0.79%	799	248	1,303	3,065	5,415	57%	29%	15%
Q4 '12	0.07%	0.38%	0.50%	1.12%	0.78%	756	586	1,305	3,065	5,711	54%	33%	13%
Q1 '13	0.05%	0.24%	0.45%	1.08%	0.70%	996	741	1,376	3,080	6,193	50%	34%	16%
Q2 '13	0.03%	0.31%	0.40%	1.06%	0.71%	847	100	1,389	3,019	5,354	56%	28%	16%

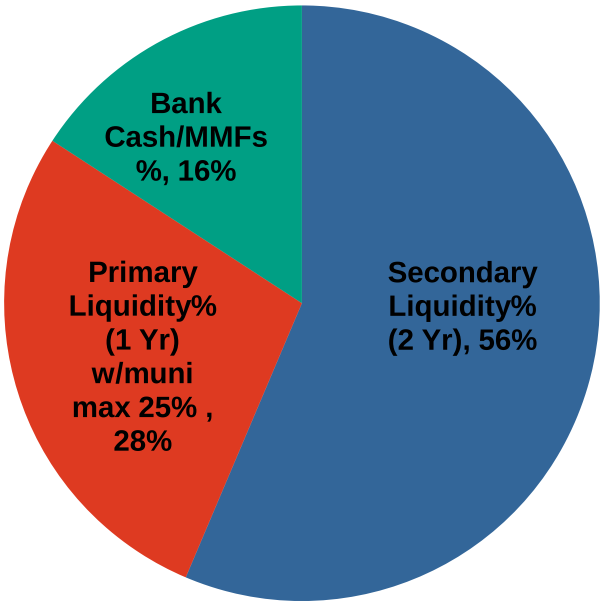
Source: Clearwater Analytics

SanDisk Corporation's Cash Pools

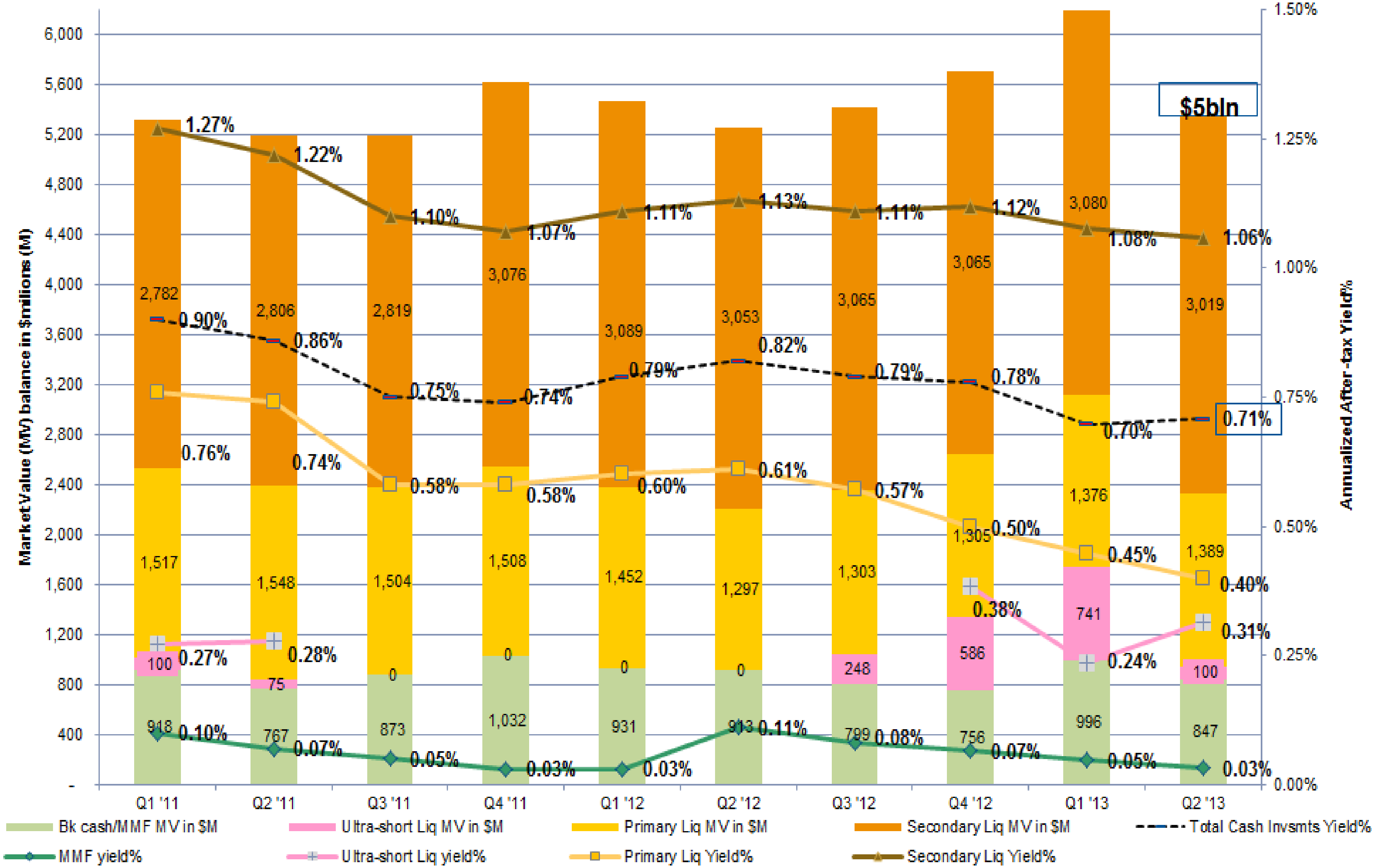
Q1 2011



Q2 2013



SanDisk Asset Pool Yield Breakdown



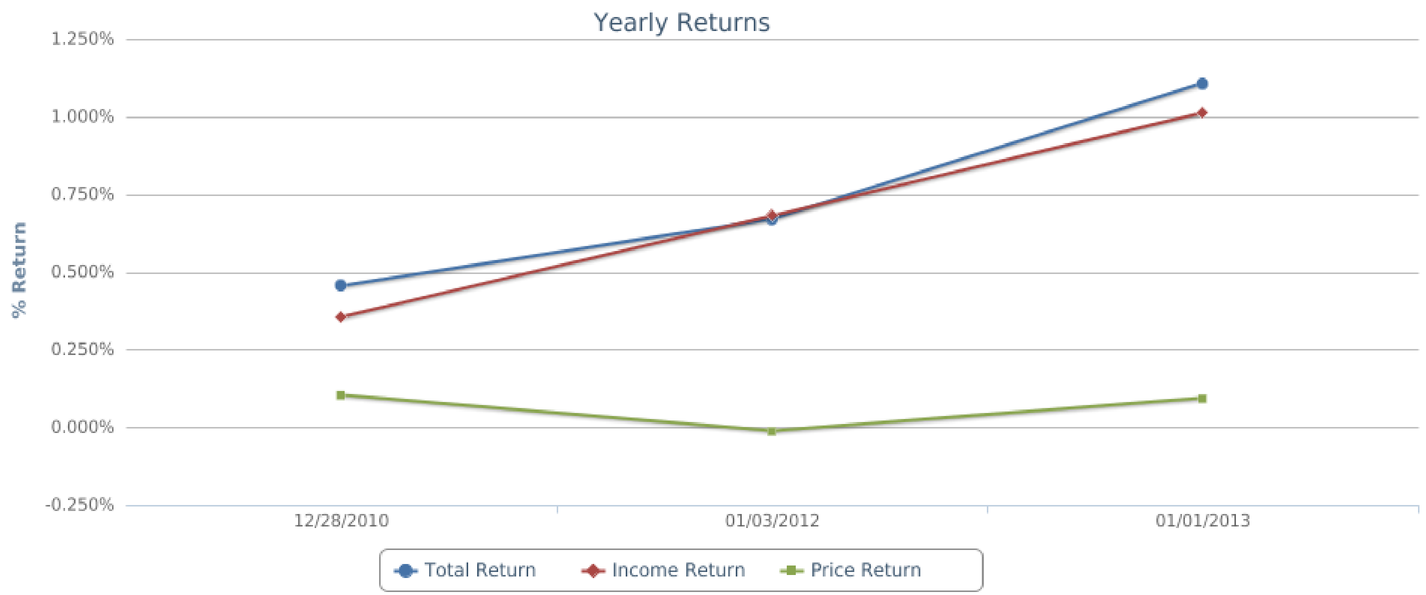
BJ's Restaurants, Inc. - Investment Strategy

- Ultra conservative approach post Auction Rate Securities
  - Primary focus was preservation of principal and liquidity
  - Invested primarily in money market, Treasury and Government Agencies that were FDIC insured under TARP program
  - Limited diversification and returns

- Expansion of investment policy to include municipal securities
  - Carved out $10M from existing portfolio and expanded our investment strategy to include municipal sector
  - Maintained diversification and reduced exposure within specific municipalities and states
  - Maintained liquidity
  - Increased initial return by approximately 150 basis points on an after tax basis

- Current investment strategy
  - Municipal securities have been expanded up to 50% of portfolio
  - Continued diversification with no more than 5% of portfolio by one issuer and no more than 15% in one particular state
  - Increased duration from 6 to 12 months while maintaining liquidity

BJ's Restaurants, Inc. – Fixed Income Returns



Period Begin	Period End	Total Return	Income Return	Price Return
12/30/2009	12/28/2010	0.457%	0.354%	0.102%
12/29/2010	01/03/2012	0.669%	0.683%	-0.014%
01/04/2012	01/01/2013	1.105%	1.013%	0.092%

Fixed Income Sector	Portfolio Return
Government	0.351%
Agency	0.565%
Municipal	1.682%
Financial	0.570%
Industrial	-0.090%
---	**1.105%**