NEUBERGER | BERMAN

Neuberger Berman Distressed Debt Listed Fund

May 2012

For Professional Client Use Only

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FIRM OVERVIEW

Neuberger Berman

Founded in 1939, today we are among the world's leading private, employee-controlled asset management companies

Independent, stable and focused on the long term

- More than 400 investment professionals averaging 18 years of industry experience; portfolio managers average 26 years of experience
- Over $199 billion assets under management
- More than 1700 employees in 27 cities worldwide

Attractive long-term investment performance

- 91% of the firm's equity and fixed income AUM outperformed over 10 years ended 3/31/12[1]
  - Ranked # 3 by Barron's/Lipper as one of The Best Fund Families of 2011[2]

Alignment of interests between investors and clients

- Employee controlled and on path to 100% employee ownership
  - Minority equity to be repurchased in annual installments over the coming years[3]
- Up to 25% of annual compensation is contingent/deferred, a portion which is invested into the same strategies that clients invest

All information as of March 31, 2012, except as otherwise noted.

Source: Neuberger Berman. 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"). See Additional Disclosures for the definition of "investment professionals" and certain exclusions.

1. *As of March 31, 2012, 42% of the total firm equity and fixed income Assets Under Management ("AUM") outperformed on a 3-year basis and 82% on a 5-year basis; 29% of total firm equity AUM outperformed on a 3-year basis and 77% on a 5-year basis; 64% of the total firm fixed income AUM outperformed on a 3-year basis and 88% on a 5-year basis. 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. 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 outperformance results shown. See Additional Disclosures for information regarding AUM outperformance statistics. 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.***
2. *Barron's "Best Fund Families of 2011" measures one year results of 58 fund families. Neuberger Berman was not ranked in the 5- or 10-year category by Barron's because it previously did not have broad enough categories for this survey. See Additional Disclosures for information regarding the Lipper/Barron's Fund Survey.*
3. *Proceeds from March 2012 $800 million private bond issuance and excess cash flow were used to redeem all of the firm's preferred units. Common equity held by Lehman Brothers is expected to be liquidated or redeemed over the next four to five years, commencing Q2 2012, using excess cash flow and the proceeds of employee equity offerings.*

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Fixed Income Franchise

$89 billion in fixed income assets under management over a spectrum of investment styles[1]

CORE COMPETENCIES

Client Focus

- Customized solutions
- Strategic partners to clients
- Emphasis on risk management

Depth and Experience

- Servicing sophisticated institutional investors since 1981
- 107 fixed income investment professionals; managers have an average of 20 years of industry experience[2]
- Investment decisions driven by fundamental research

Organizational Strengths

- Proprietary quantitative tools for risk management and portfolio construction
- Supported by full breath of firm capabilities

FIXED INCOME STRATEGIES[1]

Strategy	Total AUM[1] ($MM)
Cash/Short Duration	$3,042
Investment Grade	$62,592
Active Core	$20,539
Index	$14,728
Structured Products	$15,819
Municipals	$10,842
Global	$531
Crossover	$133
Leveraged Asset Management	$23,293
High Yield	$17,426
Loans	$4,634
Distressed Debt	$470
Short Duration High Yield	$763

1. As of March 31, 2012. Represents assets under management of Neuberger Berman Fixed Income LLC, NB Alternative Fund Management LLC and Neuberger Berman LLC.
2. As of March 31, 2012. Investment professionals includes fixed income portfolio managers, research analysts/associates, traders, and investment support (product specialists, portfolio analysts, and trading support).

THE TEAM

Portfolio Managers

MICHAEL HOLMBERG

- 24 years investment experience
- Previous firms include Newberry Capital, Ritchie Capital, Moore/ Strategic Value Partners and Bank of America

PATRICK FLYNN

- 20 years investment experience
- Previous firms include DDJ Capital, Putnam Investments, UBS and JP Morgan Chase

As of April 30, 2012.

Our Investment Team

We believe our large research team and significant industry knowledge are key to capturing investment opportunities across multiple sectors

NB DISTRESSED DEBT

Co-Portfolio Managers
- Patrick H. Flynn
- Michael J. Holmberg

Restructuring Analysts
- Brendan P. McDermott
- Ravi K. Soni

Trading
- Patricia A. Maxwell

RESEARCH ANALYSTS

- **Consumer Sector Team** *4 Analysts*
- **Cyclical Sector Team** *5 Analysts*
- **Telecom Sector Team** *6 Analysts*
- **Energy / Utilities Sector Team** *3 Analysts*
- **European Team** *3 Analysts*

As of April 30, 2012.

NEUBERGER BERMAN DISTRESSED DEBT LISTED FUND

Highlights

Neuberger Berman successfully launched and raised $441 million in Distressed Debt in a publicly traded, fixed life fund

- We believe we are in the midst of a significant opportunity in distressed debt
- Focus on senior debt backed by hard assets to reduce downside risk
- A highly experienced portfolio management team
- Supported by what we believe is one of the largest and most experienced credit teams in the industry
- London-listed, fixed-life fund raised in June 2010 and October 2010

Source: Neuberger Berman Fixed Income LLC.

NBDD Timeline

As envisaged at the time of launch, the Neuberger Berman Distressed Debt Investment Fund (NBDDIF) has exited profitable investments and has a clear timeline for returning capital to shareholders

June 2010
Company is admitted to the London Stock Exchange list, raising $197.2m

October 2010
Secondary Raise of $244m

2011
Investment Exits 1-5

December 2011
Subscription share issue

January 2012
Successful continuation vote

First Quarter 2012
Investment Exits 6-7

June 2013
End of investment period

2013 onwards
Capital Returned

All information as of March 31, 2012.

Investment Philosophy

We believe that attractive risk-adjusted returns can be generated in senior and senior secured debt of distressed companies. Our bias is towards debt with strong asset coverage or that can be converted to equity at a compelling enterprise valuation.

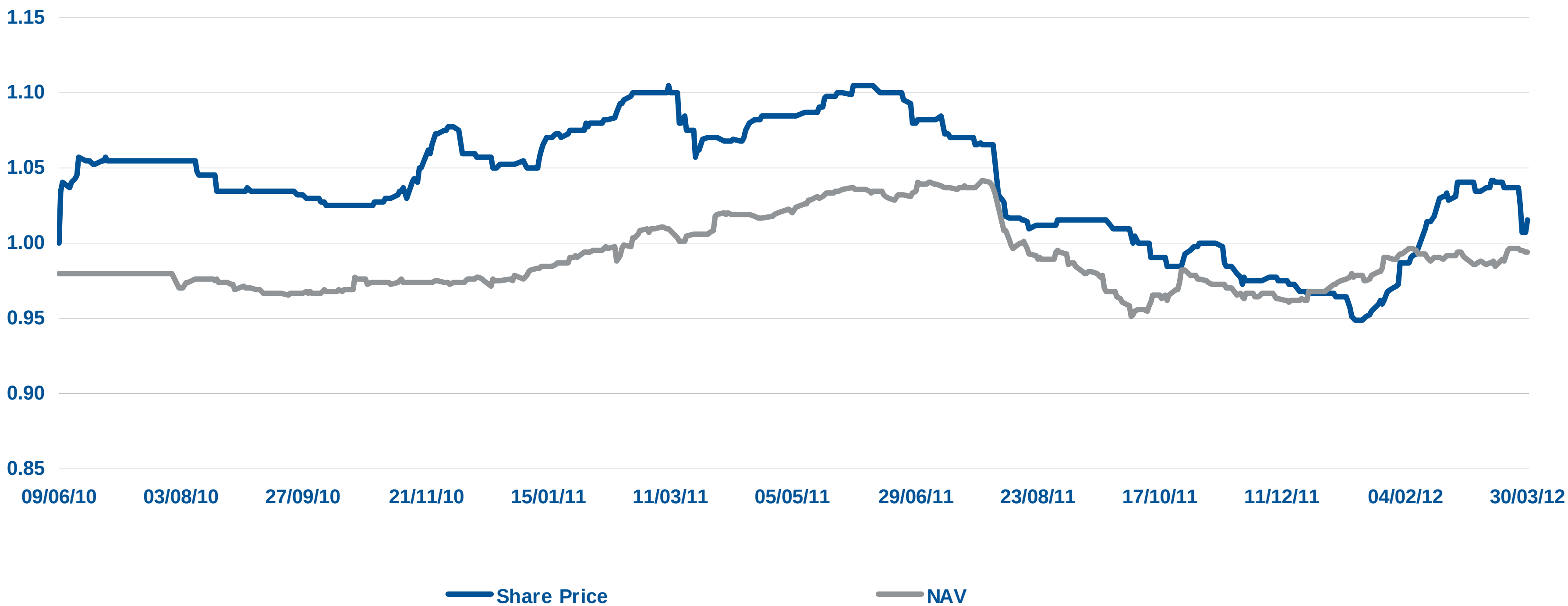
- **Top of the capital structure investments**
  - We seek to limit downside risk by focusing on senior and senior secured debt with strong collateral value and structural protection
  - Opportunistically create equity positions through debt-for-equity swaps, foreclosures and restructurings
- **Bias toward debt with strong asset collateral**
  - Expertise in tangible enterprises that maintain long-term value throughout a restructuring
  - Avoid asset-light companies where value tends to get degraded in distressed scenarios
- **Bias toward debt that, if converted to equity, would be at compelling enterprise valuations**
  - Focus on quality companies with stressed balance sheets
  - Low implied enterprise multiples on depressed cash flows can provide a compelling opportunity
- **Opportunistically exert influence to potentially enhance returns**
  - We believe that in certain cases, value is maximized by direct involvement in the restructuring process
- **Neuberger Berman's proprietary research platform is central to our identifying debt issues of private companies**

The statements contained above are based on current expectations, estimates, projections, opinions and beliefs of NBFI. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon.

PORTFOLIO CHARACTERISTICS

NB Distressed Debt - Performance

SHARE PRICE AND NAV PERFORMANCE SINCE INCEPTION



- In the challenging market environment of 2011 CCC loans dropped as much as 17% (Q4)[1]
- Our book is priced ‘MTM’ (Marked-to-Market) at bid price
- Since then we have seen a recovery in the loan market and have realised further investments

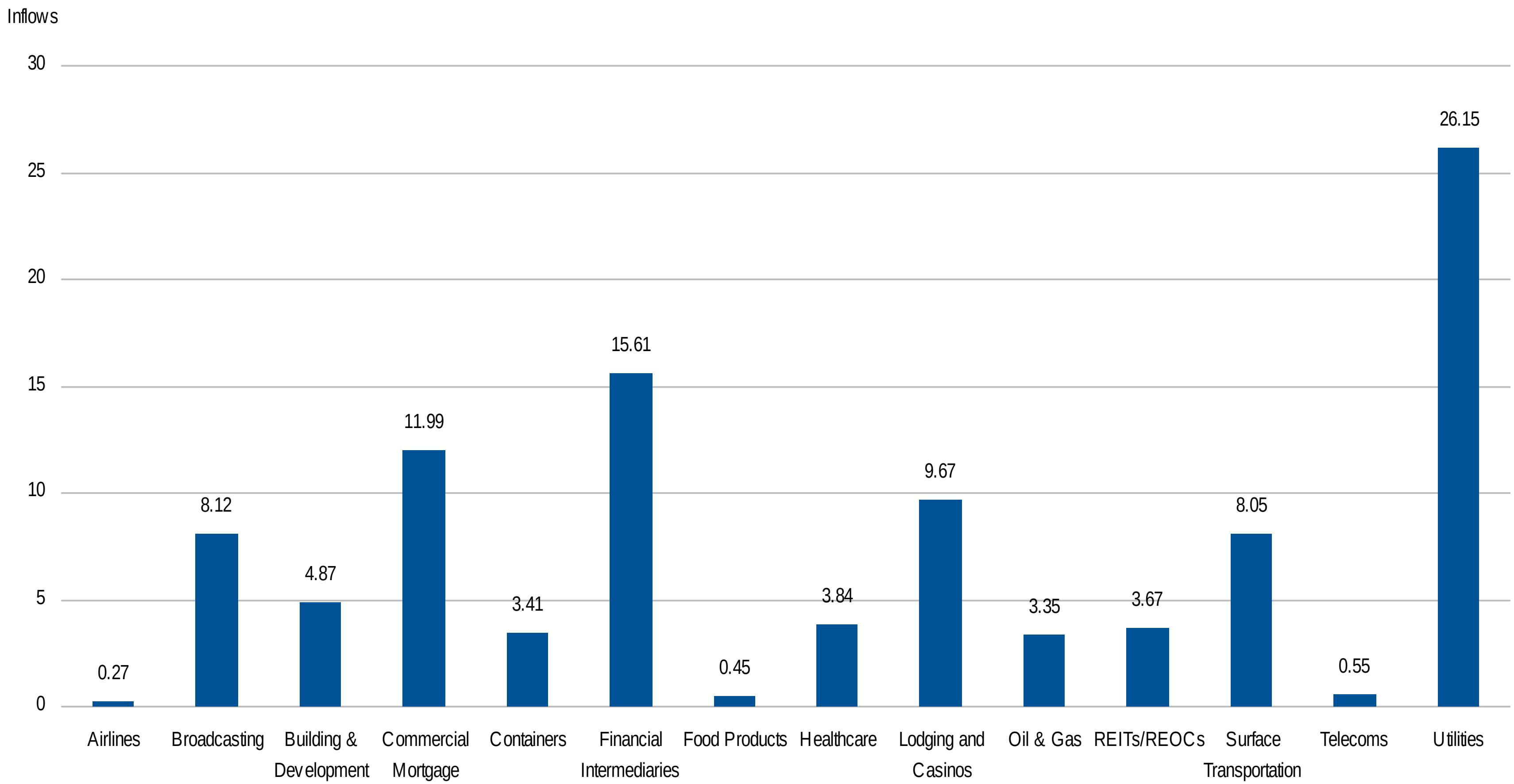
Source: 1. S&P/LSTA Leveraged Loan Index.
BNP Paribas and Bloomberg. Data as at 31 March 2012. Past performance is not indicative of future returns.

Portfolio Characteristics

Portfolio Characteristics

As at March 31, 2012

INDUSTRY SECTORS (inc. cash)



Source: Neuberger Berman Fixed Income LLC.

Portfolio Characteristics

As at March 31, 2012

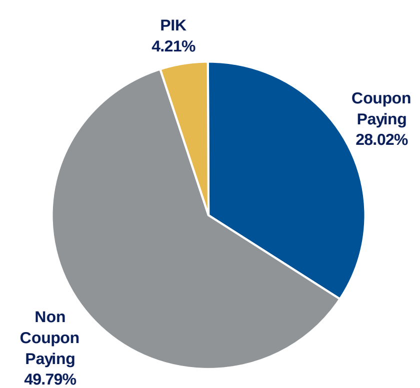
TOP 10 HOLDINGS[1]

Holding	Industry	Purchased Instrument	Status	Country	% of NAV	Primary Assets
1	Commercial Mtg	Secured Loan	Defaulted	US	5%	Multifamily residential real estate
2	Lodging & Casinos	Secured Loan	Defaulted	US	4%	Hotel/lodging real estate
3	Surface Transportation	Secured Loan	Post-Reorg	US	4%	Transportation equipment & real estate
4	Broadcasting	Secured Loan	Current	US	4%	Broadcasting licenses & equipment
5	Utilities	Post-Reorg Equity	Post-Reorg	US	4%	Power plants
6	Utilities	Secured Loan	Current	Australia	4%	Power plants
7	Lodging & Casinos	Secured Loan	Current	US	4%	Hotels & casinos
8	Utilities	Secured Loan	PIK	US	3%	Power plants
9	REITs/REOCs	Secured Loan	Post-Reorg	Australia	3%	Retail real estate
10	Utilities	Senior Notes	Current	US	3%	Power plants
Total					38%	

COUNTRY BREAKDOWN (inc. cash)

North America (inc. cash)	75.55
Germany	10.23
Australia	6.66
Switzerland	2.75
Brazil	2.61
Cayman Islands	0.98
Belgium	0.97
India	0.14
Japan	0.11
Total	100.00

COUPON PAYMENTS (exc. cash)[2]



1. Source: BNP Paribas & Bloomberg.
2. Source: Neuberger Berman Fixed Income LLC.

INVESTMENT EXITS

Investment Exits

We have had seven exits in the portfolio to date, mostly on later stage debt restructuring investments.

Exit	Industry	Instrument	Entry Price	Exit Price	Hold Period	Catalyst	ROR	IRR
1*	Utilities	Secured Loan	84.64	97.25	4 months	Asset Sale	19%	55%
2	Utilities	Secured Loan	87.00	100.00	2 months	Refinancing	16%	107%
3**	Lodging	Secured Loan	80.00	89.12	10 months	Asset Sale	13%	18%
4	Commercial Mtg	Secured Loan	58.60	64.10	7 months	Note Sale	6%	12%
5	Utilities	Secured Loan	85.58	100.00	8 months	Refinancing	20%	39%
6	Utilities	Private Equity	11.45	13.40*	11 months	Liquidation	17%	31%
7	Telecommunications	Secured Loan	83.93	90.00	18 months	Secondary Sale	13%	9%

** exit price comprised of liquidating distribution and secondary sale of remaining equity interest ** = multiple purchases.*
For definitions of ROR and IRR please see page 20. Source: Neuberger Berman Fixed Income LLC.

Investment Exit 1

NATURAL GAS & OIL-FIRED GENERATING FACILITIES IN THE NORTHEASTERN UNITED STATES

- **We purchased $7.0m (face value) of 1st lien claims at approximately 84.6% of par secured by natural gas and oil-fired generating facilities**
  - We believed the loan price undervalued the company's assets and that in the event of a sale of the power plants we would recover in the 90's.

- **We sold our interest prior to the Bankruptcy Court's approval of the asset sale at 97.3% of par**
  - The company subsequently announced that it reached an agreement to sell its assets to a Fortune 500 company.
  - In order to consummate the transaction "free and clear of liens", the company filed for Chapter 11 and sold its assets under Section 363 of the US Bankruptcy Code.

-Purchase Price (Day 1): 84.6% of par *–Holding Period: 4 months* *- IRR: 55%*
-Selling Price: 97.3% of par

Source: Neuberger Berman Fixed Income LLC.

Investment Exit 2

COAL-FIRED GENERATING FACILITY IN THE SOUTHERN UNITED STATES

- **We purchased $2.0m (face value) of the 2nd lien term loan at approximately 87.0% of par secured by a coal-fired generating facility**
  - –Our investment thesis was that the debt would likely be refinanced or in the event of default we would end up with control of the assets at an attractive valuation ($1,265 per kW versus an estimated replacement cost of over $3,000 per kW).
- **The company successfully refinanced the capital structure, resulting in a principal recovery of 100% of face value plus interest.**

–Purchase Price (Day 1): 60% of par *- Holding Period: 2 months* *- IRR: 107%*

-Selling Price: 85% of par

Source: Neuberger Berman Fixed Income LLC.

Investment Exit 3

RESORT AND CASINO IN NEVADA

- **We purchased $14.0m (face value) of the 1st lien term loan at a weighted-average price of 80.0% secured by the resort and casino**
  – Due to a challenging economic environment, financial performance declined and interest payments had ceased. Our investment thesis was that it was one of the highest quality properties in its region, that gaming trends had bottomed out and the region would experience growth going forward, and that on the downside our entry valuation was approximately 20% less than construction costs.

- **The 1st lien lenders ultimately accepted a bid by a Gaming operator which resulted in an approximate 90% recovery**
  – The bid included an all-cash bid and adequate protection payments throughout a pre-packaged bankruptcy filing

- Weighted Average Purchase Price (Day 1): 80% *–Holding Period: 10 months* *–IRR: 18%*

- Selling Price: 90%

Source: Neuberger Berman Fixed Income LLC.

Investment Exit 4

RETAIL AND RESIDENTIAL COMPLEX IN THE MIDWESTERN UNITED STATES

- **We purchased $20.0m (face value) of the construction loan at approximately 58.7% secured by a retail and residential complex**
  - It was our belief at the time of the investment that the owners of the property would either a) sell the property to repay the lenders or b) transfer ownership to the lenders through a foreclosure or consensual transfer.

- **We were not able to purchase additional senior debt at attractive levels**
  - Therefore with the lender group and the borrower we decided to auction the debt/property rather than take control of the assets.
  - The auction resulted in a recovery of 64.1% of face value

- Purchase Price (Day 1): 58.7% of par *–Holding Period: 7 months* *–IRR: 12%*

- Selling Price: 64.1% of par

Source: Neuberger Berman Fixed Income LLC.

Investment Exit 5

NATURAL GAS-FIRED COMBINED-CYCLE FACILITY IN SOUTHERN UNITED STATES

- **We purchased $8.2m (face value) of the 2nd lien term loan secured by a natural gas-fired combined-cycle facility**
  - – The purchase was made on three different dates for a weighted average price of approximately 85.6%

- **The plant was in the middle of a sales process and it was our belief that value would be in excess of the 2nd lien term loan.**
  - – Subsequently a Fortune 500 company announced a purchase of the plant resulting in a recovery of 100% of principal plus accrued interest.

- Purchase Price (Day 1): 85.6% of par *–Holding Period: 8 months* *–IRR: 39%*

- Selling Price: 100% of par plus interest

Source: Neuberger Berman Fixed Income LLC.

Investment Exit 6

NATURAL GAS-FIRED POWER PLANTS IN THE SOUTHEASTERN UNITED STATES

- **We purchased an US $22 million equity interest of a post-reorganization power generation company in the process of being liquidated.**
  - Net of distributable cash our entry price valued the power plants at approximately $150 per kW. Subsequently the company announced that the plants would be sold to a local utility company for a valuation of approximately $400 per kW.

- **Our investment return was comprised of a liquidating dividend of $9.6m, and the sale of our remaining equity interest of $16.2m in the secondary market, for a total income of $3.8m.**

- Purchase Price (Day 1): US$ 22M *–Holding Period: 11 months* *–IRR: 31%*

- Selling Price: US$ 25.8M

Source: Neuberger Berman Fixed Income LLC.

Investment Exit 7

TELECOMMUNICATIONS & BROADCASTING INFRASTRUCTURE IN NORTHWEST EUROPE

- **We purchased a 1st lien term loan at US $7.9 million representing a 16% discount to par**
  - Our investment thesis was that the debt would likely be refinanced or in the event of default we would end up with control of the assets at an attractive valuation relative to comparable assets.

- **The company did not subsequently default, and due to market conditions a near-term refinancing looked unlikely**
  - We sold our position in the secondary market at 90% of par for $8.6m sales proceeds, resulting in total income (including earned interest) of $1.0m.

-Purchase Price (Day 1): 84% of par *–Holding Period: 18 months* *–IRR: 9%*

-Selling Price: 90% of par

Source: Neuberger Berman Fixed Income LLC.

MARKET ENVIRONMENT

Market Environment

The Investment Manager believes that the fundamentals for distressed investing remain favourable.

- As has been widely reported, the European sovereign debt crisis and related issues have impacted risk appetites globally.
- The current amount of non-performing and non-core portfolios in the US is estimated to be between $300 - $350 billion.
- On top of this, market observers expect an additional $100 billion potential market expansion, as a result of impending regulatory changes, that could result in financial institutions divesting assets.
- Issuers with marginal credit ratings face a shortage of capital availability, as shown by the high rates for CCC loan issuers (greater than Libor + 15%).
- In the first quarter we saw a slowdown in bank asset sales, in the wake of substantial government actions to stabilize the global financial system, such as LTROs.
- However, we believe that the supply of distressed assets from banks and a relative lack of capital for lower-rated companies will continue to result in opportunities for investing in distressed loans.

Source: Neuberger Berman Fixed Income LLC.

DEFINITIONS AND TERMINOLOGY

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Definitions

Exit Terminology

Defaulted: The failure to promptly pay interest or principal when due. Default occurs when a debtor is unable to meet the legal obligation of debt repayment. Borrowers may default when they are unable to make the required payment or are unwilling to honor the debt.

Current: A company that is currently meeting its financial obligations.

Post-Reorg: A company that has already gone through the restructuring process.

ROR: The Rate of Return (ROR) represents the change in value of the security (capital appreciation, depreciation and income) as a percentage of the purchase amount.

IRR: The annualized internal rate of return (IRR) was computed based on the actual dates of the cash flows of the security (purchases, sales, interest, principal paydowns).

APPENDIX

Distressed Strategies Overview

	Control/Private Equity	Junior Debt Sub/Mezz/Equity	Senior/Senior Secured Debt	Capital Structure Arbitrage
Typical investments	• Distressed public and private companies • Large loan pools • Bankrupt companies, affiliates and assets • Control debt positions	• Junior tranches of corporate and middle-market LBO debt • Control debt positions	• Senior and senior secured debt with strong collateral value and structural protection • Control and non-control debt positions	• Long bank debt/short bonds • Long bonds/short equity • Derivatives • Non-control positions
Typical investment holding period	4-8 years	6 months - 4 years	6 months - 3 years	Up to 2 years
Typical fund life	10 years	7.5 years	Up to 6 years	Rolling Redemptions
Typical Characteristics/ current opportunity	• Deep management bench required • Loan servicing capacity required for large loan portfolio acquisitions • Attractive universe of opportunities	• Aggressive debt strategy • Typically create equity through restructuring • Potential for lower recoveries in this credit cycle due to high leverage levels of LBO deals will limit opportunities • Higher risk of cram-down	• Conservative debt strategy • Ability to foreclose on assets and drive restructuring process • More likely to receive equity in this credit cycle • Attractive universe of opportunities	• Market neutral (long/short) • Focused on relative mispricings between securities within a given capital structure • Event driven strategy • Attractive universe of opportunities

Less Conservative — **RISK SPECTRUM** — **More Conservative**

The above classifications are generalizations used solely for purposes of discussion.

APPENDICES

NEUBERGER BERMAN

Portfolio Construction

Diversified by name, industry and geography[1]

Name	• Expected average issuer size: 2.5% • Maximum per issuer: 5.0%
Industry	• Maximum single industry net market value exposure: 20%
Geography	• Minimum North American exposure: 70% • Maximum International exposure: 30%
Eligible Investments	• Bank debt, private placements, trade claims, CDS and LCDS • Public and private securities including reorganized debt and equity

1. Based on original cost.
Client accounts are individually managed and may vary significantly from the above mentioned guidelines

DISCLAIMERS

Risk Disclosures

Investments described herein will be speculative and involve a high risk of loss. Prospective investors would need to be prepared to lose all or substantially all of their total investment.

The distressed debt markets are illiquid and volatile, and continue to be materially disrupted as a result of the market events of 2008 continuing into 2009 to present. Portfolios described herein will be expected to have a materially “long bias”, so that if the distressed companies in which they invest are not able to reorganize successfully, an investor could lose the entire amount of its investment, despite what had appeared to be substantial collateral supporting its position.

Portfolios described herein will be expected to be involved in a substantial number of bankruptcy and other adversarial proceedings. The outcomes of these proceedings will be material to the success or failure of the investment, but the outcome of such proceedings are inherently uncertain and bankruptcy judges are given broad authority to adjust the participants’ economic terms. There can be no assurance that the portfolio will, in fact, be able to realize on its collateral as a result of the intervention of the bankruptcy process — including the risk of subordination, “cramdowns” and dilution.

The proposed portfolios may be concentrated in North America (the United States and Canada), and concentrated in a relatively limited number of positions. Such concentration can increase risk. The prospects for long-term economic recovery and growth may be significantly greater outside of North America.

The tax effects of the investment described herein may differ materially among different investors.

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