NEUBERGER BERMAN
A Lehman Brothers Company

Global/International Fixed Income

Benefits of International Fixed Income

- International Fixed Income offers diversification benefits which we believe cannot be achieved through domestic investments alone.

- Increased globalization of financial markets has led to the deepening of fixed income security markets outside of the U.S.

- Efficiency benefits already realized through international diversification will be enhanced by the deepening of high quality credit markets.

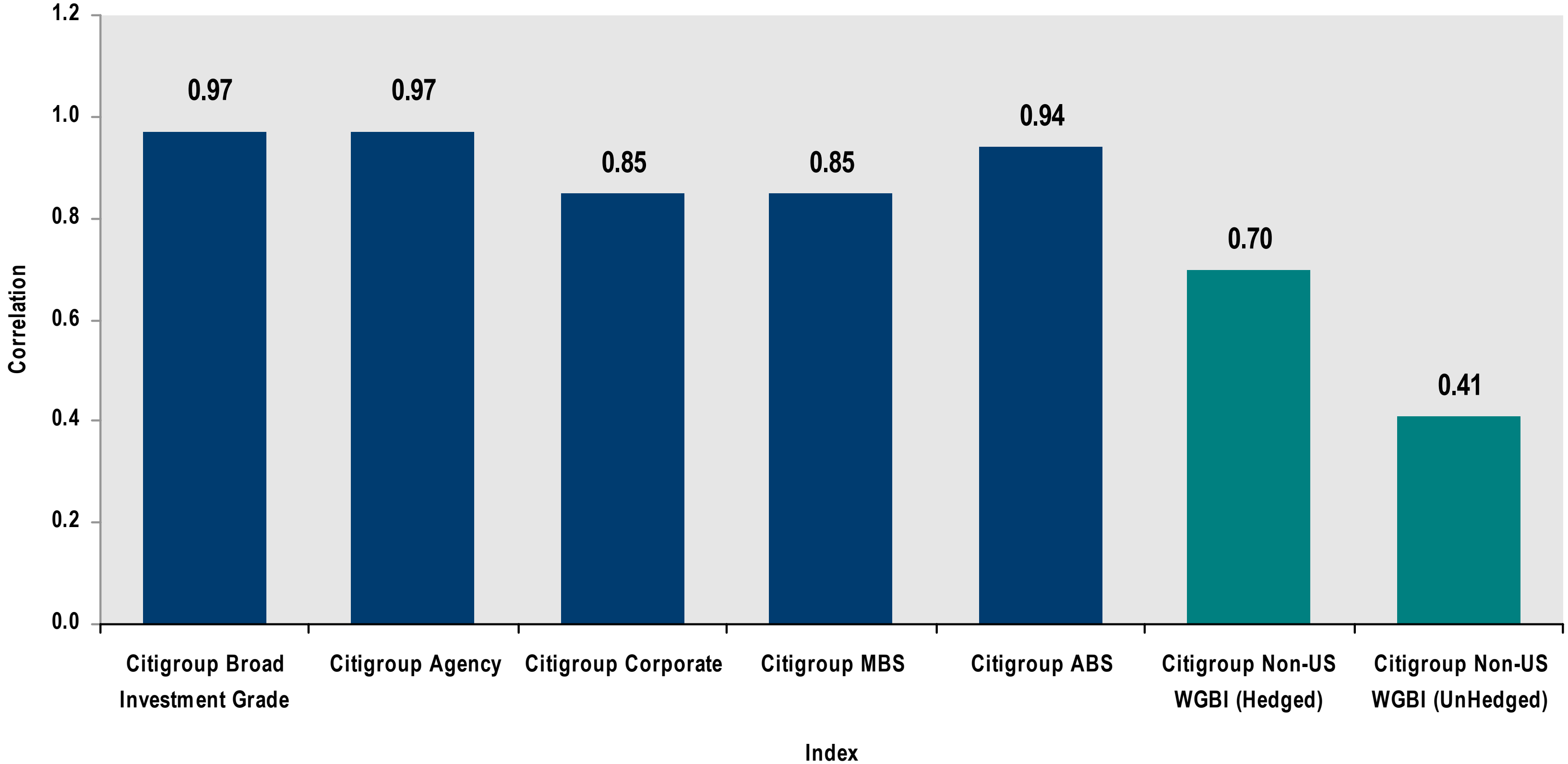
- Attractive Risk/Return profile over just domestic allocation.

Index Market Correlations

Sectors Versus U.S. Treasuries - Ten Year Period Ending 6/30/04

NEUBERGER BERMAN
A Lehman Brothers Company

International Offers Diversification Away From Highly Correlated U.S. Sectors



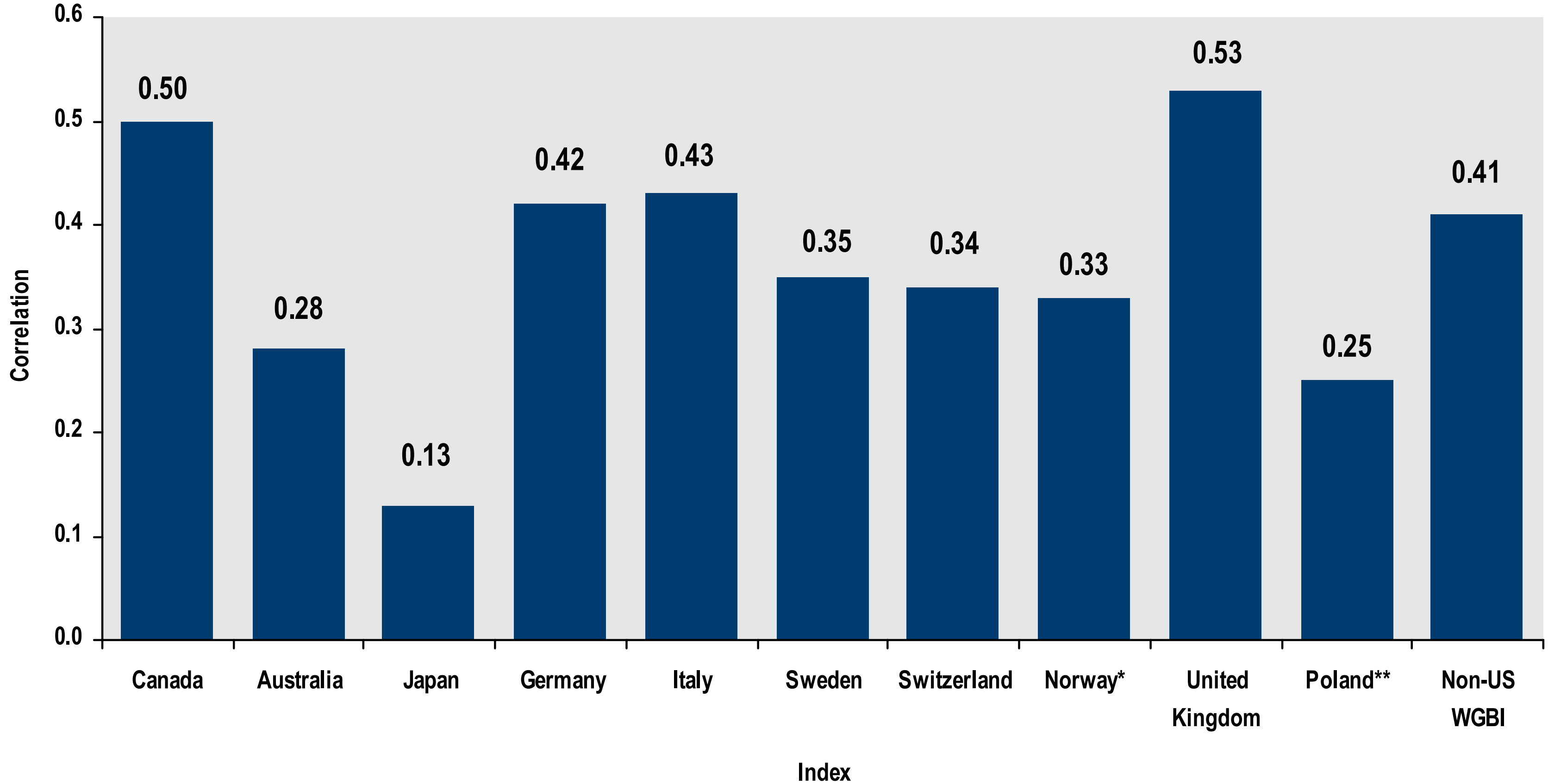
Source: Salomon Yield Book.
The data presented herein represents securities industry market data as of the dates specified. It does not represent Neuberger Berman performance nor does it reflect the fees and expenses associated with managing a portfolio. The material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. This material is not intended to be a formal research report and should not be construed as an offer to sell or the solicitation of an offer to buy any security. Indices are unmanaged and the figures for the indices presented herein include reinvestment of all dividends and capital gain distributions and do not reflect any fees or expenses. Investors cannot invest directly in an index. Past performance is not indicative of future results. See Index Definitions page for complete definitions of indices.

Index Market Correlations

Unhedged Country Correlations Relative to US Treasuries – Ten Year Period Ending 6/30/04

NEUBERGER BERMAN
A Lehman Brothers Company

Individual Countries Offer Enhanced Diversification



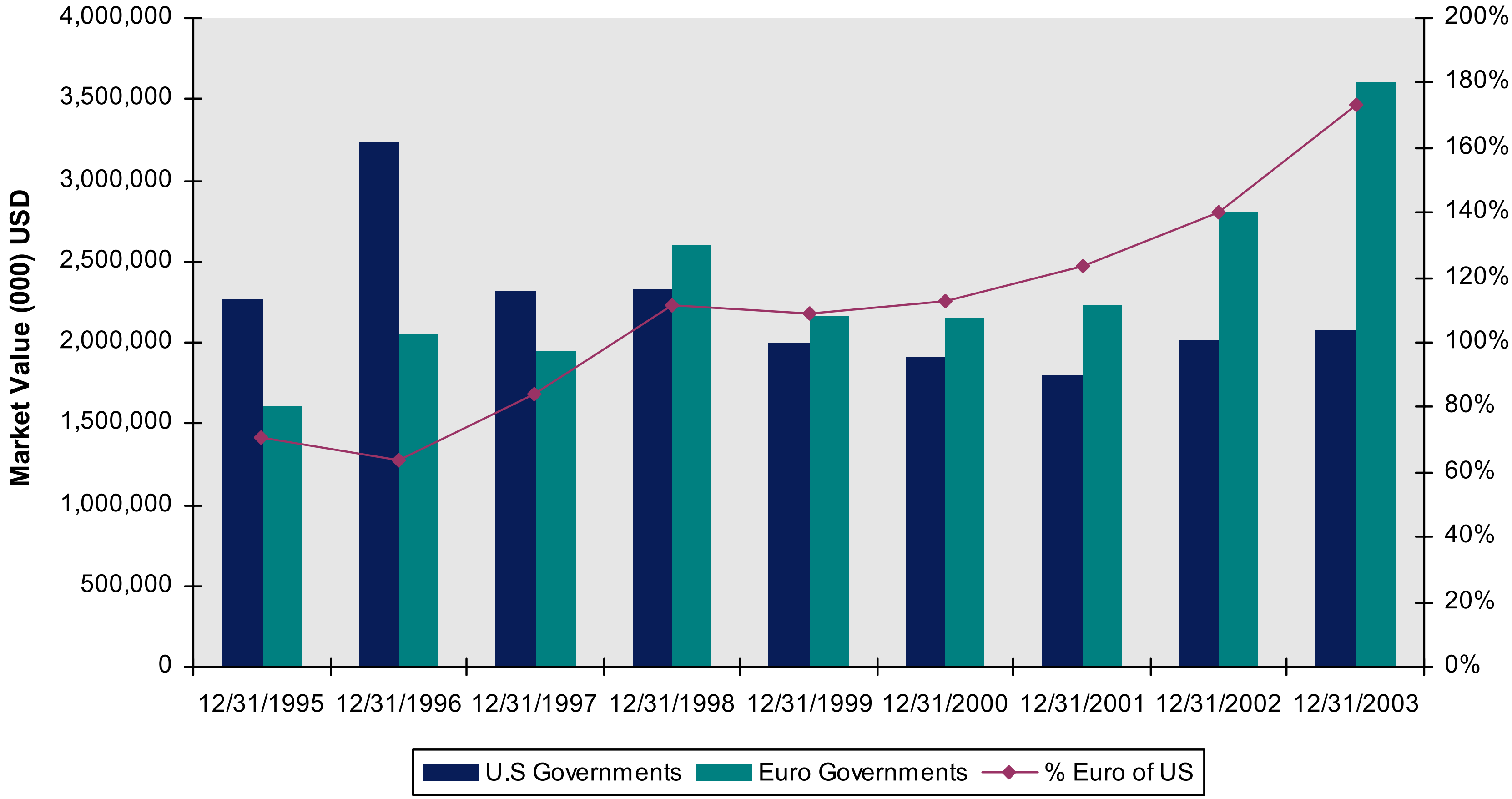
Source: Salomon Yield Book.
* Correlation measure based on 9 1/2 years of data.
** Correlation measure based on 4 1/2 years of data.
The above country index data are sub-components of the Citigroup Non-US World Government Bond Index. See Index Definitions page for complete definitions of indices.
The data presented herein represents securities industry market data as of the dates specified. It does not represent Neuberger Berman performance nor does it reflect the fees and expenses associated with managing a portfolio. The material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. This material is not intended to be a formal research report and should not be construed as an offer to sell or the solicitation of an offer to buy any security. Indices are unmanaged and the figures for the indices presented herein include reinvestment of all dividends and capital gain distributions and do not reflect any fees or expenses. Investors cannot invest directly in an index. Past performance is not indicative of future results.

Index Market Depth

Government Trends – US and Eurozone

NEUBERGER BERMAN
A Lehman Brothers Company

The Euro Government Bond Market is Larger Than the US

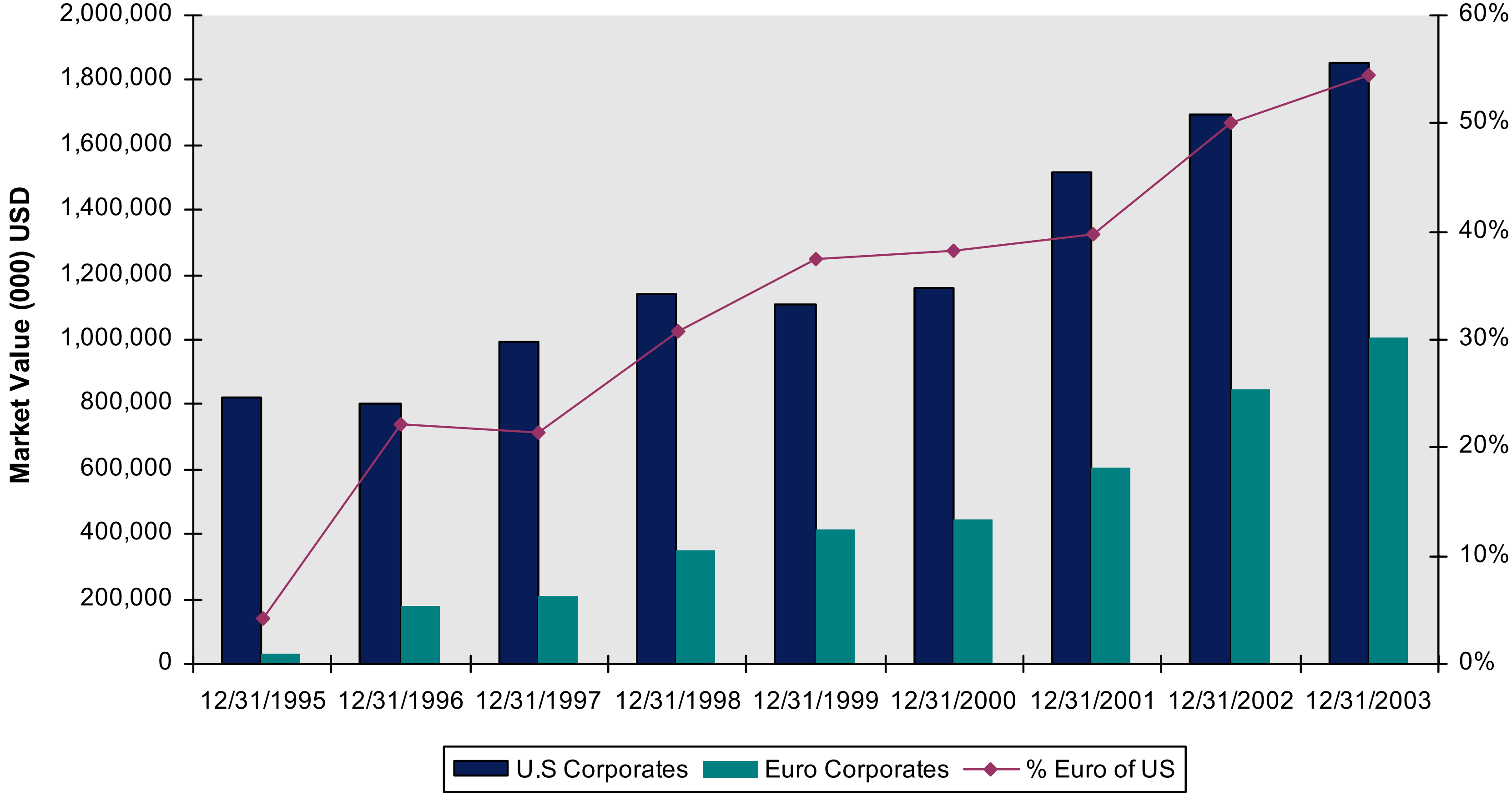


Source: Merrill Lynch and Bloomberg.
U.S. Governments is represented by the Merrill Lynch U.S. Treasury Master, EURO Governments is represented by the the Merrill Lynch EMU Direct Government Index. See Index Definitions page for complete definitions of indices.
The data presented herein represents securities industry market data as of the dates specified. It does not represent Neuberger Berman performance nor does it reflect the fees and expenses associated with managing a portfolio. The material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. This material is not intended to be a formal research report and should not be construed as an offer to sell or the solicitation of an offer to buy any security. Indices are unmanaged and the figures for the indices presented herein include reinvestment of all dividends and capital gain distributions and do not reflect any fees or expenses. Investors cannot invest directly in an index. Past performance is not indicative of future results.

Index Market Breadth

Investment Grade Corporate Trends – US and Eurozone

The Euro Corporate Bond Market Has Doubled Since The Creation of EMU



Source: Merrill Lynch and Bloomberg.
U.S. Corporates is represented by the Merrill Lynch U.S. Corporate Master, EURO Corporates is represented by the the Merrill Lynch EMU Corporate Index. See Index Definitions page for complete definitions of indices.

Market Breadth

NEUBERGER BERMAN
A Lehman Brothers Company

International Investment Menu

International Markets Offer A Wide Array of Sectors

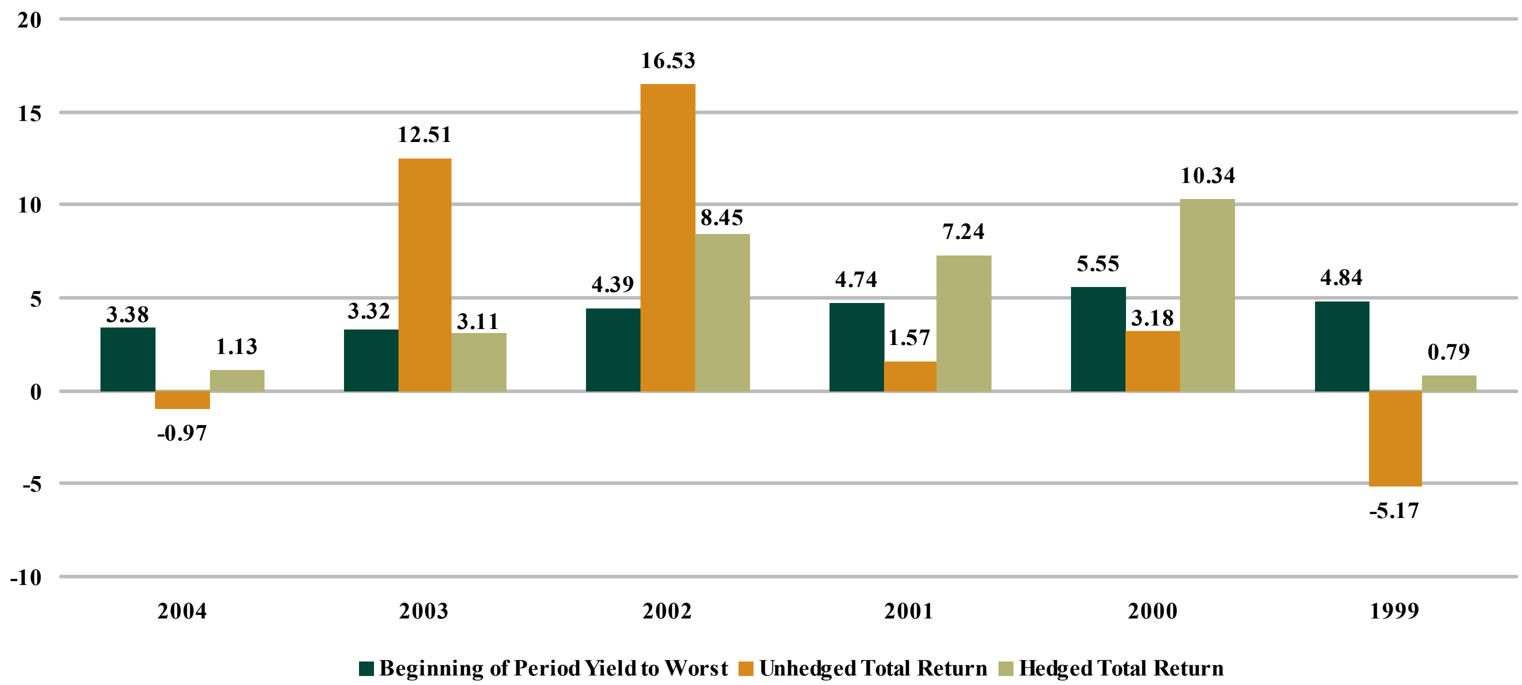
- Sovereign
- Agency
- Supranational
- Corporate
- Mortgage-Backed Securities
- Asset-Backed Securities
  - Auto
  - Credit Card
- Commercial Mortgage-Backed Securities
- Pfandbriefe
- Inflation Protected Securities

Lehman Brothers Global Aggregate Bond Index

NEUBERGER BERMAN
A Lehman Brothers Company

YTW and Returns – 1999-YTD July 31, 2004

Beginning Period YTW & Total Return Analysis



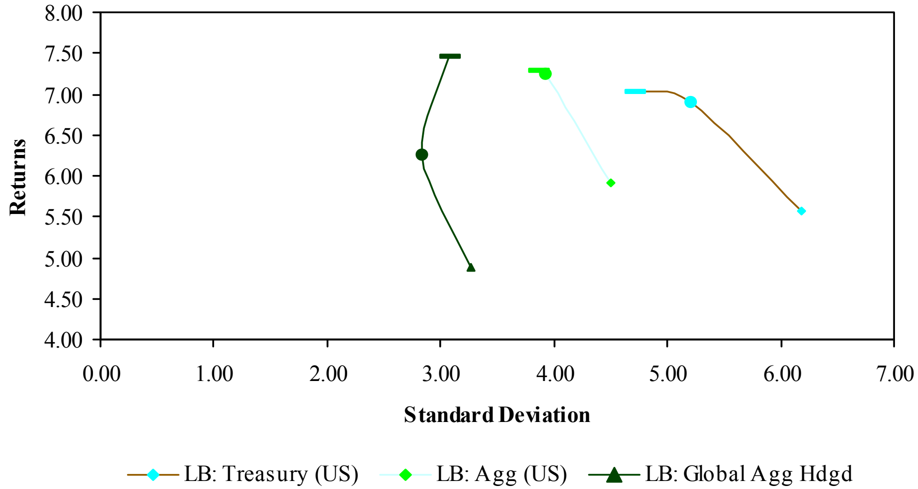
Yields Can Often Diverge from Total Returns (Hedged and Unhedged)

Source: Lehman Brothers

NEUBERGER BERMAN
A Lehman Brothers Company

Global Fixed Income Risk / Return Profile

Risk & Return Distribution – Three, Five and Ten Years



3 Years			
	Returns	St Dev	Sharpe Ratio
LB: Treasury	5.57	6.19	0.90
LB: Agg	5.92	4.50	1.31
LB: Global Agg	4.89	3.26	1.50

5 Years			
	Returns	St Dev	Sharpe Ratio
LB: Treasury	6.90	5.20	1.33
LB: Agg	7.25	3.92	1.85
LB: Global Agg	6.25	2.84	2.20

10 Years			
	Returns	St Dev	Sharpe Ratio
LB: Treasury	7.03	4.71	1.49
LB: Agg	7.28	3.86	1.89
LB: Global Agg	7.47	3.07	2.43

Allocation to Global Bonds Improves Risk / Return Profile

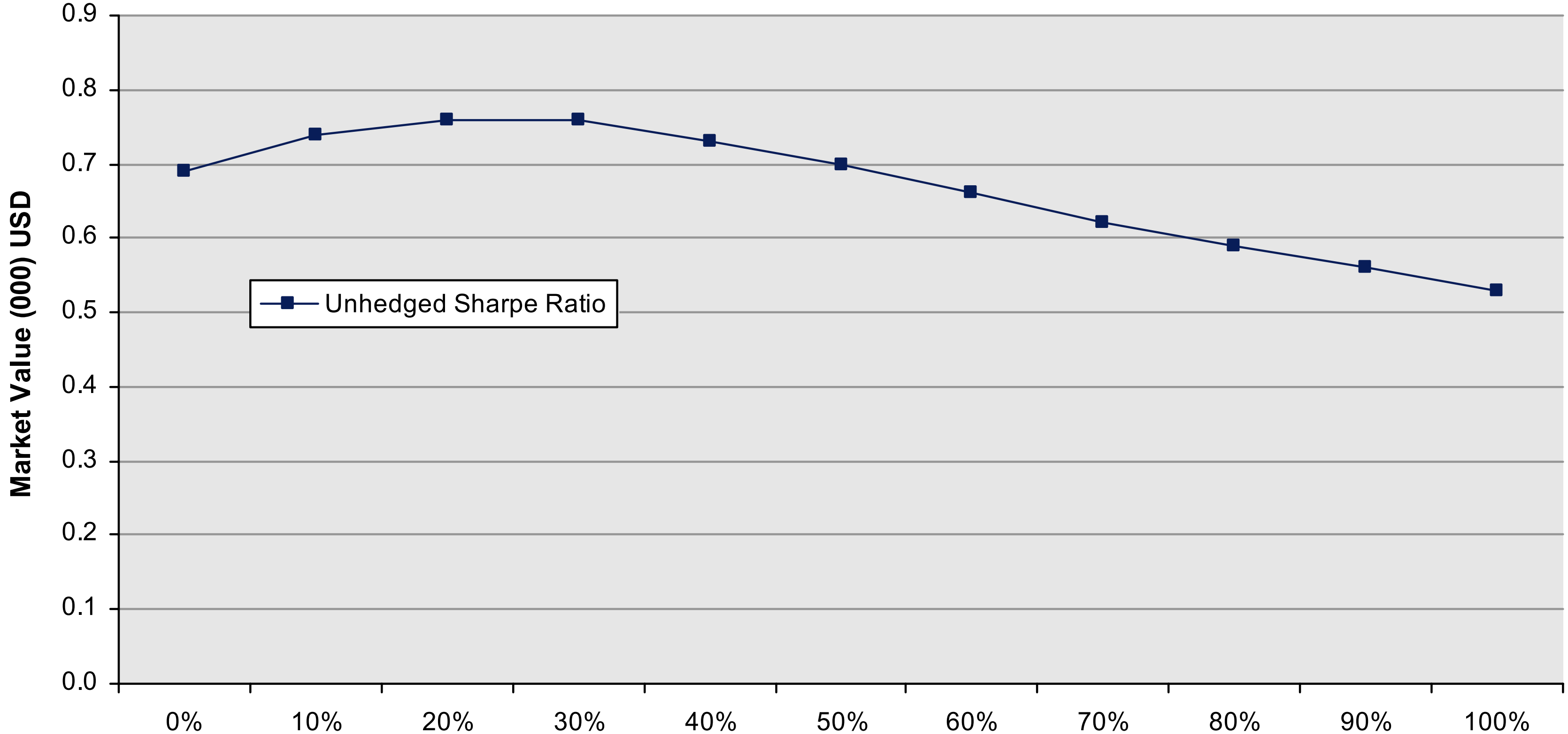
Source: Lehman Brothers

The sharpe ratio is a measure of the risk-adjusted return of a portfolio. The ratio represents the return gained per unit of risk taken. The sharpe ratio can be used to compare the performance of managers. Standard deviation shows how much a fund's (or Portfolio) returns vary from its average return; in general, a high standard deviation equals high volatility and potentially high risk.

How Much International Fixed Income

NEUBERGER BERMAN
A Lehman Brothers Company

Effect of Adding International Bonds to a Domestic Fixed Income Portfolio



Source: Callan Associates.
These figures do not represent the performance of any Neuberger Berman managed account or product. These figures are for discussion purposes only. The Unhedged Sharpe Ratio chart represent the effect of adding exposure to international fixed income as represented by the Citigroup World Government Bond Index Non-U.S. and decreasing exposure to domestic fixed income as represented by the Lehman Brothers Government Bond Index. Past performance is not indicative of future results, which may vary. Indices are unmanaged, and the figures for the index shown include reinvestment of all dividends and capital gain distributions and do not reflect any fees or expenses. Investors cannot invest directly in an index. We strongly recommend that these factors be considered before an investment decision is made. Sharpe Ratio measures the risk-adjusted return of a portfolio. The ratio represents the return gained per unit of risk taken. The Sharpe ratio can be used to compare the performance of managers.

Blended Fixed Income Performance

LB Gov/Citi WGBI Unhedged

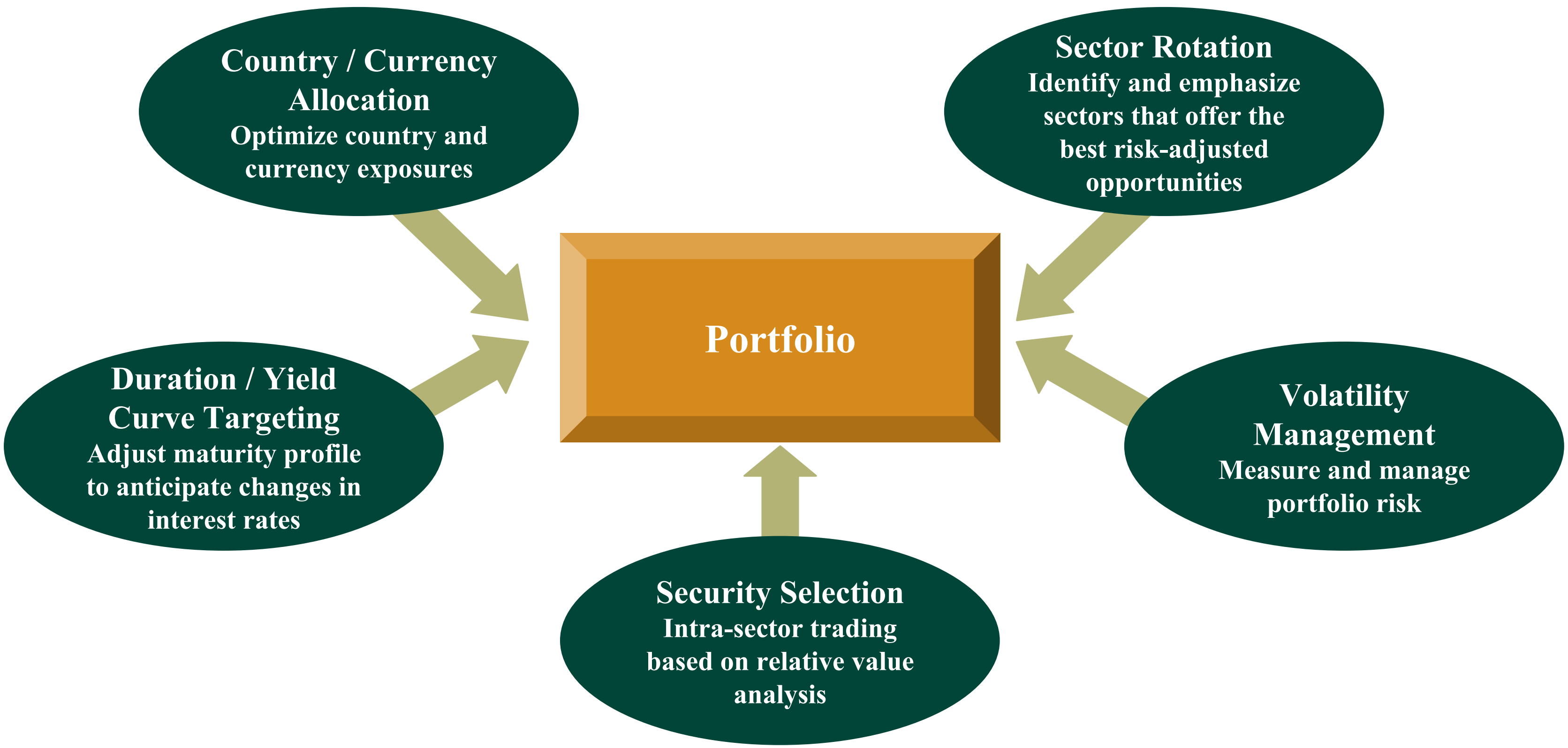
Statistics
for 19 1/2 Years Ended June 30, 2004

	Returns	Standard Deviation	Sharpe Ratio
100% LB Gov/0% WGBI Unhdg	8.54	4.86	0.69
90% LB Gov/10% WGBI Unhdg	8.79	4.87	0.74
80% LB Gov/20% WGBI Unhdg	9.04	5.06	0.76
70% LB Gov/30% WGBI Unhdg	9.27	5.42	0.76
60% LB Gov/40% WGBI Unhdg	9.50	5.91	0.73
50% LB Gov/50% WGBI Unhdg	9.72	6.51	0.70
40% LB Gov/60% WGBI Unhdg	9.92	7.18	0.66
30% LB Gov/70% WGBI Unhdg	10.12	7.92	0.62
20% LB Gov/80% WGBI Unhdg	10.31	8.70	0.59
10% LB Gov/90% WGBI Unhdg	10.49	9.51	0.56
0% LB Gov/100% WGBI Unhdg	10.66	10.35	0.53

Source: Callan Associates.
These figures do not represent the performance of any Neuberger Berman managed account or product. These figures are for discussion purposes only. The returns represent the blended historical performance of the Lehman Brothers Government Bond Index and the CitiGroup World Government Bond Index Non-U.S. See Index Definitions page for complete definitions of indices. Past performance is not indicative of future results, which may vary. Indices are unmanaged, and the figures for the index shown include reinvestment of all dividends and capital gain distributions and do not reflect any fees or expenses. Investors cannot invest directly in an index. We strongly recommend that these factors be considered before an investment decision is made.
Standard Deviation shows how much a fund's (or Portfolio) returns vary from its average return; in general, a high standard deviation equals high volatility and potentially high risk.
Sharpe Ratio measures the risk-adjusted return of a portfolio. The ratio represents the return gained per unit of risk taken. The Sharpe ratio can be used to compare the performance of managers.

Role of Active Management

Investment Strategies



This material is intended as a broad overview of the Portfolio Manager's style, philosophy and investment process 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 Neuberger Berman, LLC. Of course, all accounts are managed based upon each client's needs and objectives.