

NEUBERGER BERMAN HIGH YIELD STRATEGIES FUND
Form PREC14A
March 23, 2009

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

NEUBERGER BERMAN HIGH YIELD STRATEGIES FUND

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
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- (1) Amount Previously Paid:
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- (3) Filing Party:
- (4) Date Filed:

NEUBERGER BERMAN HIGH YIELD STRATEGIES FUND
(formerly, Lehman Brothers/First Trust Income Opportunity Fund)

April __, 2009

Dear Shareholder:

The enclosed Proxy Statement discusses several Proposals to be voted upon by the shareholders of Neuberger Berman High Yield Strategies Fund (the "Fund"). Shareholders of the Fund are being asked to approve Proposals 1, 2 and 3. As a shareholder of the Fund, you are asked to review the Proxy Statement and to cast your votes. The Board of Trustees of the Fund unanimously recommends a vote "FOR" each of the Proposals.

As discussed in more detail in the enclosed Proxy Statement, Lehman Brothers Holdings Inc. ("LBHI") has entered into an agreement to sell a controlling interest in your Fund's investment adviser. Under the agreement, LBHI would sell substantially all of the Neuberger Berman business and the fixed income business and certain alternative asset management businesses of LBHI's Investment Management Division (collectively, the "Acquired Businesses") to a new company, a majority of which would be owned, directly or indirectly, by portfolio managers, Neuberger Berman's management team and certain key members and senior professionals of the former Investment Management Division (the "Proposed Acquisition"). The Acquired Businesses include Neuberger Berman Management LLC ("NB Management") and Lehman Brothers Asset Management LLC ("LBAM"), the investment adviser and sub-adviser to the Fund, respectively. By law, the contracts under which NB Management and LBAM provide investment advisory services to the Fund would automatically terminate upon consummation of the Proposed Acquisition. To provide for continuity of management, the shareholders of the Fund are being asked to vote "FOR" the following Proposals:

1. To approve a new Investment Advisory Agreement between the Fund and a newly formed successor entity to NB Management (New NB Management), to become effective upon consummation of the Proposed Acquisition;
2. To approve a new Sub-Advisory Agreement, with respect to the Fund, between New NB Management and LBAM, to become effective upon consummation of the Proposed Acquisition;
3. To elect five Class I Trustees to serve on the Board of Trustees of the Fund until the annual meeting of shareholders in 2012, or until their successors are elected and qualified.

It is expected that the portfolio managers and substantially all of the other employees of the Acquired Businesses would remain unchanged and would provide uninterrupted management of your Fund following the Proposed Acquisition. All material terms of the advisory agreements, including the fees, would also remain unchanged.

The Board of Trustees unanimously recommends that you vote "FOR" each of the Proposals outlined above and described in the Proxy Statement.

Please note that consummation of the Proposed Acquisition is subject to various conditions, as described more fully in the enclosed Proxy Statement. If the Proposed Acquisition is not consummated, Proposals 1 and 2, if approved, will not be implemented. Any proposal submitted to a vote at the Meeting by anyone other than the officers or Trustees of the Fund may be voted upon only in person or by written proxy.

Your vote is important to us regardless of the number of shares you own. Voting your shares early will avoid costly follow-up mail and telephone solicitation. Whether or not you plan to attend the annual shareholder meeting in person, please read the Proxy Statement and follow the instructions on the enclosed proxy card(s) for voting by mail, touch-tone telephone or on the Internet. If we do not hear from you after a reasonable amount of time, you may receive a telephone call from one of our proxy solicitors, The Altman Group, Inc., reminding you to vote your shares. If you have any questions about the Proposals or the voting instructions, please call The Altman Group, Inc. at [_____] (Monday through Friday, 9:30 a.m. to 9:00 p.m. Eastern time

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and Saturday, 10:00 a.m. to 6:00 p.m. Eastern time) or call NB Management at 800-877-9700 (Monday through Saturday, 8:00 a.m. to 6:00 p.m. Eastern time). We encourage you to act promptly to ensure that your vote is cast. It is important that you vote no later than the time of the annual shareholder meeting. Thank you for continued support of the Fund.

Very truly yours,

Robert Conti
President and
Chief Executive Officer of the Fund

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NEUBERGER BERMAN HIGH YIELD STRATEGIES FUND
(formerly, Lehman Brothers/First Trust Income Opportunity Fund)

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To be held on May __, 2009

The annual meeting of shareholders (the "Meeting") of Neuberger Berman High Yield Strategies Fund (formerly, Lehman Brothers/First Trust Income Opportunity Fund), a Delaware statutory trust (the "Fund"), will be held at the offices of Neuberger Berman, LLC, 605 Third Avenue, 41st Floor, New York, New York 10158-3698, on May __, 2009 at __: __.m. Eastern time.

As discussed in more detail in the enclosed Proxy Statement, Lehman Brothers Holdings Inc. ("LBHI") has entered into an agreement to sell a controlling interest in your Fund's investment adviser. Under the agreement, LBHI would sell substantially all of the Neuberger Berman business and the fixed income business and certain alternative asset management businesses of LBHI's Investment Management Division (collectively, the "Acquired Businesses") to a new company, a majority of which would be owned, directly or indirectly, by portfolio managers, Neuberger Berman's management team and certain key members and senior professionals of the former Investment Management Division (the "Proposed Acquisition"). The Acquired Businesses include Neuberger Berman Management LLC ("NB Management") and Lehman Brothers Asset Management LLC ("LBAM"), the investment adviser and sub-adviser to the Fund, respectively. By law, the contracts under which NB Management and LBAM provide investment advisory services to the Fund would automatically terminate upon consummation of the Proposed Acquisition. To provide for continuity of management, the shareholders of the Fund are being asked to vote "FOR" the following Proposals:

1. To approve a new Investment Advisory Agreement between the Fund and a newly formed successor entity to NB Management ("New NB Management"), to become effective upon consummation of the Proposed Acquisition;
2. To approve a new Sub-Advisory Agreement, with respect to the Fund, between New NB Management and LBAM, to become effective upon consummation of the Proposed Acquisition;
3. To elect five Class I Trustees to serve on the Board of Trustees of the Fund until the annual meeting of shareholders in 2012, or until their successors are elected and qualified; and

4. To transact any other business as may properly come before the Meeting.

As described in the Proxy Statement, all material terms of the advisory agreements, including the fees, would remain unchanged. Each Proposal is discussed in greater detail in the enclosed Proxy Statement. You are entitled to vote at the Meeting if you owned shares of the Fund at the close of business on February 27, 2009 (Record Date). If you attend the Meeting, you may vote your shares in person. If you do not expect to attend the Meeting, please complete, date, sign and return the enclosed proxy card(s) in the enclosed postage-paid envelope or vote by telephone or through the Internet.

We will admit to the Meeting (1) all shareholders of record on the Record Date, (2) persons holding proof of beneficial ownership at the Record Date, such as a letter or account statement from the person's broker, (3) persons who have been granted proxies, and (4) such other persons that we, in our sole discretion, may elect to admit. **All persons wishing to be admitted to the meeting must present photo identification. If you plan to attend the Meeting, please contact us at 1-800-877-9700.**

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be Held on May __, 2009: This Notice, the Proxy Statement and the form of proxy card are available on the Internet at [_____]. On this website, you will be able to access the Notice, the Proxy Statement and its accompanying materials, the form of proxy card and any amendments or supplements to the foregoing material that are required to be furnished to shareholders.

By order of the Board of Trustees,

Claudia A. Brandon
Secretary of the Fund

April __, 2009
New York, New York

YOUR VOTE IS IMPORTANT NO MATTER HOW MANY
SHARES OF THE FUND YOU OWN.

IF YOU OWN BOTH COMMON SHARES AND PREFERRED SHARES OF THE FUND,
THERE WILL BE MORE THAN ONE PROXY CARD ENCLOSED.

PLEASE FILL OUT AND RETURN THE PROXY CARD(S) PROMPTLY.

SHAREHOLDERS ARE INVITED TO ATTEND THE MEETING IN PERSON. ANY
SHAREHOLDER WHO DOES NOT EXPECT TO ATTEND THE MEETING IS URGED TO REVIEW
THE ENCLOSED MATERIALS AND FOLLOW THE INSTRUCTIONS THAT APPEAR ON THE ENCLOSED
PROXY CARD(S).

TO AVOID ADDITIONAL EXPENSE OF FURTHER SOLICITATION, WE ASK
YOUR COOPERATION IN VOTING YOUR PROXY PROMPTLY, NO MATTER HOW LARGE OR SMALL
YOUR HOLDINGS MAY BE.

It is important that you vote even if your account was closed after the February 27, 2009 Record Date.

Please indicate your voting instructions on the enclosed proxy card(s), sign and date the card(s), and return the card(s) in the envelope provided. If you sign, date and return the proxy card(s) but give no voting instructions, your shares will be voted FOR the Proposals described in the Proxy Statement.

As an alternative to using the proxy card(s) to vote, you may vote via the Internet, by telephone, or in person. To vote via the Internet, please access the website listed on the Notice of Internet Availability of Proxy Materials

or your proxy card(s). To vote by telephone, please call the toll-free number listed on the enclosed proxy card(s). Shares that are registered in your name, as well as shares held in [street name] through a broker, may be voted via the Internet or by telephone. To vote in this manner, you will need the [control] numbers that appear on your proxy card(s). However, any proposal submitted to a vote at the Meeting by anyone other than the officers or Trustees of the Fund may be voted only in person or by written proxy. If we do not receive your completed proxy card(s) within a reasonable time, you may be contacted by our proxy solicitors, The Altman Group, Inc. or MacKenzie Partners, Inc.

Unless proxy cards submitted by corporations and partnerships are signed by the appropriate persons indicated in the voting instructions on the proxy cards, they will not be voted.

IMPORTANT INFORMATION TO HELP YOU UNDERSTAND
AND VOTE ON THE PROPOSALS

While we strongly encourage you to read the full text of the enclosed Proxy Statement, we are also providing you with a brief overview of the subject of the shareholder vote. Your vote is important.

QUESTIONS AND ANSWERS

Q. What is happening?

A. Lehman Brothers Holdings Inc. ([LBHI]) has entered into an agreement to sell a controlling interest in your Fund's investment adviser. Under the agreement, LBHI would sell substantially all of the Neuberger Berman business and the fixed income business and certain alternative asset management businesses of LBHI's Investment Management Division (collectively, the [Acquired Businesses]) to NBSH Acquisition, LLC (the [Proposed Acquisition]). NBSH Acquisition, LLC ([NBSH]) was organized by key members of Neuberger Berman's management for the purpose of facilitating the acquisition of the Acquired Businesses. As discussed more fully in the enclosed Proxy Statement, at the closing of the Proposed Acquisition, a majority interest in the Acquired Businesses will be directly or indirectly owned by portfolio managers, Neuberger Berman's management team and certain key members and senior professionals of the former Investment Management Division ([Management Members]), as well as by LBHI and certain affiliates of LBHI.

The Acquired Businesses include Neuberger Berman Management LLC ([NB Management]) and Lehman Brothers Asset Management LLC ([LBAM]), the investment adviser and sub-adviser to the Fund, respectively. By law, the contracts under which NB Management and LBAM provide investment advisory services to the Fund would automatically terminate upon consummation of the Proposed Acquisition. Accordingly, shareholders of the Fund are being asked to approve new investment advisory and sub-advisory agreements with NB Management and LBAM (or with each of their successors) on the same terms and with the same compensation structure as are currently in effect. The Proxy Statement provides additional information about the Proposed Acquisition, the structure of the resulting entities and the new investment advisory and sub-advisory agreements.

Your Board of Trustees believes that approval of the new agreements is important to provide continuity of the high quality investment advisory and sub-advisory services your Fund has received in the past.

In addition, shareholders of the Fund are being asked to approve the election of five Class I Trustees to serve on the Board of Trustees of the Fund until the annual meeting of shareholders in 2012, or until their successors are elected and qualified. The Trustees serve as representatives of shareholders. In this capacity, they are fiduciaries and have an obligation to serve in the best interests of the shareholders. Trustees review Fund performance, oversee Fund activities and review contractual arrangements with service providers that provide services to the Fund. Each of the nominees currently serves as a Trustee of the Fund.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR EACH OF THE PROPOSALS DESCRIBED IN THE PROXY STATEMENT.

Q. How does the Proposed Acquisition relate to the LBHI bankruptcy case?

A. LBHI is a debtor-in-possession under chapter 11 of the U.S. Bankruptcy Code, and, as such, the Proposed Acquisition was subject to the approval of the court in the LBHI bankruptcy case. On October 22, 2008, the

bankruptcy court approved procedures for a public auction process for the Acquired Businesses. On December 3, 2008, NBSH was selected as the successful bidder in the public auction for the Acquired Businesses. On December 22, 2008, the bankruptcy court approved the sale of the Acquired Businesses to NBSH (or its successor or assign), as the successful bidder.

Q. Why are you sending me this information?

A. You are receiving these proxy materials because you own shares of the Fund and have the right to vote on the very important Proposals concerning your investment.

Q. Why am I being asked to vote on the new agreements?

A. The consummation of the Proposed Acquisition would terminate the Fund's investment advisory agreement with NB Management and the sub-advisory agreement with respect to the Fund between NB Management and LBAM. Accordingly, shareholders of the Fund are being asked to approve new investment advisory and sub-advisory agreements with NB Management and LBAM (or with each of their successors) (the "Advisers") on the same terms and with the same compensation structure as are currently in effect. Your Board of Trustees believes that approval of the new agreements is important to provide continuity of the advisory and sub-advisory services your Fund has received in the past.

The Board of Trustees of your Fund has approved interim investment advisory and sub-advisory agreements with the Advisers in the event that the Proposed Acquisition closes and shareholders of the Fund have not yet approved new agreements for the Fund. If new agreements for the Fund are not approved within 150 days of the date on which the Proposed Acquisition closes, the Board of Trustees will take such action as it deems to be in the best interests of the Fund and its shareholders.

Q. What are the conditions to the consummation of the Proposed Acquisition?

A. The consummation of the Proposed Acquisition is subject to certain terms and conditions, including, among others: (1) certain Management Members each entering into a definitive employment agreement; (2) the transfer by LBHI of the Acquired Businesses in accordance with terms of the purchase agreement between LBHI and NBSH; and (3) the parties to the Proposed Acquisition obtaining certain regulatory approvals. If each of the terms and conditions is satisfied or waived, the parties to the Proposed Acquisition anticipate that the closing will take place during the second quarter of 2009.

Q. How will the Proposed Acquisition affect me as a Fund shareholder?

A. Your Fund and its investment objectives will not change as a result of the completion of the Proposed Acquisition, and you will still own the same shares in the same Fund. The new investment advisory and sub-advisory agreements are identical in all material respects to the corresponding existing agreements. The management fee rates that the Fund pays for investment management services will be the same upon completion of the Proposed Acquisition. In addition, neither LBHI nor NBSH contemplates instituting any fundamental changes to the manner in which NB Management and LBAM have historically operated their businesses with respect to providing advisory, sub-advisory and related ancillary services to the Fund. However, there can be no assurance that any key employee of NB Management or LBAM will choose to remain employed by the investment adviser or the sub-adviser (or their successors) before or after the completion of the Proposed Acquisition.

Q. Will your Fund's name change?

A. No. The name of your Fund will not change.

Q. Will the fees payable under the new agreements increase as a result of the Proposed Acquisition?

A. No. The Proposals to approve the new investment advisory and sub-advisory agreements do not seek any increase in the fee rates. For at least two years following the Proposed Acquisition, no voluntary arrangements to waive fees of the Fund will be changed by NB Management (or its successor) so as to increase the expenses the Fund would pay without the prior approval of the Board of Trustees of the Fund. In addition, NB Management recently announced that it would voluntarily waive 0.05% of its advisory fees.

Q. How do the Trustees of my Fund recommend that I vote?

A. After careful consideration, the Trustees of your Fund unanimously recommend that you vote FOR¹ the Proposals.

Q. Will my Fund pay for this proxy solicitation or for the costs of the Proposed Acquisition?

A. The Fund will bear costs normally associated with its annual meetings (*i.e.*, a portion of mailing, printing and production of the Proxy Statement). NB Management (or its successor) will bear all other normal and customary fees and expenses in connection with the Proposed Acquisition (including, but not limited to, Trustees' fees relating to the special Board meetings, proxy solicitation costs and legal fees).

Q. How do I vote my shares?

A. For your convenience, there are several ways you can vote:

- **By Mail:** You may vote by completing the enclosed proxy card(s) by dating, signing and returning it in the postage paid envelope. Please note that if you sign and date the proxy card but give no voting instructions, your shares will be voted FOR¹ the Proposals described above.
-

- **By Telephone:** You may vote by telephone by calling the number on your proxy card(s). To vote in this manner, you will need the control¹ number that appears on your proxy card(s).
- **Via the Internet:** You may vote via the Internet by accessing the website address printed on the Notice of Internet Availability of Proxy Materials or the enclosed proxy card(s). To vote in this manner, you will need the control¹ number that appears on your proxy card(s).
- **In Person:** Attend the Meeting as described in the Proxy Statement. If you wish to attend the Meeting, please notify us by calling 1-800-877-9700.

Q. Why are multiple proxy cards enclosed?

A. If you own common and preferred shares of the Fund, you will receive multiple proxy cards.

Q. Whom should I call for additional information about this Proxy Statement?

A. If you need any assistance, or have any questions regarding the Proposals or how to vote your shares, please call The Altman Group, Inc., one of our proxy solicitors, at [_____] (Monday through Friday, 9:30 a.m. to 9:00 p.m. Eastern time and Saturday, 10:00 a.m. to 6:00 p.m. Eastern time) or call us at 800-877-9700 (Monday through Saturday, 8:00 a.m. to 6:00 p.m. Eastern time).

NEUBERGER BERMAN HIGH YIELD STRATEGIES FUND
(formerly, Lehman Brothers/First Trust Income Opportunity Fund)

605 Third Avenue
New York, New York 10158-0180
800-877-6700

PROXY STATEMENT

For the Annual Meeting of Shareholders
to be held on May __, 2009

INTRODUCTION

These proxy materials, which include a Notice of Annual Meeting of Shareholders, a Proxy Statement, and one or more proxy cards, are being sent to the shareholders of Neuberger Berman High Yield Strategies Fund (formerly, Lehman Brothers/First Trust Income Opportunity Fund), a Delaware statutory trust (the "Fund"), on behalf of its Board of Trustees (the "Board"), in connection with the annual meeting of shareholders of the Fund to be held at the offices of Neuberger Berman, LLC, 605 Third Avenue, 41st Floor, New York, New York 10158-3698 on May __, 2009, at __:__.m. Eastern time and any adjournments or postponements thereof (the "Meeting").

Solicitation of Proxies

The Trustees are soliciting votes from shareholders of the Fund with respect to the proposals described in this Proxy Statement (the "Proposals"). The approximate mailing date of this Proxy Statement and the accompanying materials, or a Notice of Internet Availability of Proxy Materials, is on or about _____, 2009. If the accompanying proxy card is properly executed and returned in time to be voted at the Meeting, the shares represented by that proxy card will be voted in accordance with the instructions provided on the proxy card. Executed proxy cards that are unmarked will be voted to approve each Proposal.

The following Proposals will be considered and acted upon at the Meeting:

1. To approve a new Investment Advisory Agreement between the Fund and a newly formed successor entity to Neuberger Berman Management LLC ("NB Management") (such new entity, "New NB Management"), to become effective upon consummation of the Proposed Acquisition;
2. To approve a new Sub-Advisory Agreement, with respect to the Fund, between New NB Management and Lehman Brothers Asset Management LLC ("LBAM"), to become effective upon consummation of the Proposed Acquisition;
3. To elect five Class I Trustees to serve on the Board of Trustees of the Fund until the annual meeting of shareholders in 2012, or until their successors are elected and qualified; and
4. To transact any other business as may properly come before the Meeting.

The Trustees have set the close of business on February 27, 2009 as the record date ("Record Date"), and only shareholders of record on the Record Date will be entitled to vote on the Proposals at the Meeting. On that date, the Fund had [_____] common shares and [_____] preferred shares ("Preferred Shares") outstanding and entitled to vote. Additional information regarding outstanding shares, voting your proxy card and attending the Meeting are included at the end of this Proxy Statement in the section entitled "Voting Information."

Each shareholder will have one vote for each dollar, and a proportionate fraction of a vote for each fraction of a dollar, of the net asset value per share of each share held on the Record Date. On the Record Date, the net asset value of the common shares was \$[_____] per share and the liquidation preference of the Preferred Shares was \$[_____] per share.

Holders of the common shares and Preferred Shares will vote together as a single class on all the Proposals. As to any other business that may properly come before the Meeting, holders of the common shares and Preferred Shares may vote together as a single class or separately, depending on the requirements of the Investment Company Act of 1940, as amended ("1940 Act"), applicable law governing Delaware statutory business trusts, and the Fund's Trust Instrument with respect to said item of business.

Reports to Shareholders

The Fund will furnish, without charge, a copy of its most recent annual report to any shareholder upon request. Shareholders who want to obtain a copy of the Fund's most recent annual report should direct all written requests to the attention of the Fund, at the offices of Neuberger Berman Management LLC, 605 Third Avenue, 2nd Floor, New York, New York 10158-0180, or call toll-free 1-800-877-9700.

GENERAL OVERVIEW

Introduction

Lehman Brothers Holdings Inc. ("LBHI") has entered into an agreement (the "Purchase Agreement") to sell a controlling interest in your Fund's investment adviser. Under the Purchase Agreement, LBHI would sell substantially all of the Neuberger Berman business (collectively, "Neuberger Berman") and the fixed income business and certain alternative asset management businesses of LBHI's Investment Management Division (collectively, the "Acquired Businesses") to NBSH Acquisition, LLC (the "Proposed Acquisition"). At or prior to the closing, NBSH Acquisition, LLC ("NBSH") will assign the Purchase Agreement to a newly formed entity, Neuberger Berman Group LLC ("NBG"), which will hold direct or indirect interests in the Acquired Businesses. Included in the Acquired Businesses are NB Management and LBAM, the investment adviser and sub-adviser to the Fund, respectively.

As a preliminary step in the Proposed Acquisition, NB Management has organized a subsidiary named Neuberger Berman Investments LLC ("NB Investments"). Prior to the consummation of the Proposed Acquisition, substantially all of the assets and liabilities of NB Management with respect to the investment advisory and broker-dealer businesses and related activities will be transferred to NB Investments and NB Investments will then be renamed Neuberger Berman Management LLC, referred to herein as New NB Management. As a result of that transfer, New NB Management will be, with respect to certain advisory and broker-dealer services, a successor to NB Management and will assume responsibility under the investment advisory agreement between NB Management and the Fund (the "Investment Advisory Agreement") and the sub-advisory agreement between NB Management and LBAM, with respect to the Fund (the "Sub-Advisory Agreement"). The transfer of assets to New NB Management is part of an internal reorganization of various operations of the Investment Management Division prior to the Proposed Acquisition that will not affect the manner in which the Fund is managed.

In order to effect the purchase of certain assets of Neuberger Berman Holdings LLC ("NB Holdings") and LBAM, NBG is also expected to organize two subsidiaries (expected be named Neuberger Berman Holdings LLC ("New NB Holdings") and Neuberger Berman Fixed Income Holdings LLC ("Fixed Income Holdings")). Although no successor entities are being created in connection with the purchase of LBAM (collectively, with NB Management and New NB Management, the "Advisers"), at the consummation of the Proposed Acquisition, New NB Holdings will be the parent of New NB Management and Fixed Income Holdings will be the parent of LBAM (expected to be renamed Neuberger Berman Fixed Income LLC or some other name not containing "Lehman Brothers"). At the consummation of the Proposed Acquisition, New NB Holdings will acquire the membership interests of NB Management and Fixed Income Holdings will acquire the membership interests of LBAM. The transfer to New NB Holdings and Fixed Income Holdings of the membership interests of the investment adviser or the sub-adviser could be deemed to result in an "assignment" of the Investment Advisory Agreement and the Sub-Advisory Agreement.

The acquisition of assets by the successor Neuberger Berman adviser of, as opposed to a transfer of equity interests in, the predecessor Neuberger Berman adviser, would enable the newly formed entity to begin operations as a stronger company as certain liabilities that might attach to the predecessor will not be automatically assumed by the newly formed adviser. Nevertheless, the successor Neuberger Berman adviser will assume any and all liabilities associated with the predecessor Neuberger Berman adviser's provision of services to the Fund, including advisory and administrative services.

The consummation of the Proposed Acquisition would terminate the Investment Advisory Agreement and the Sub-Advisory Agreement. Accordingly, shareholders of the Fund are being asked to approve new investment advisory and sub-advisory agreements with the Advisers on the same terms and with the same compensation structure as are currently in effect.

LBHI is a debtor-in-possession under chapter 11 of the U.S. Bankruptcy Code, and, as such, the Proposed Acquisition was subject to the approval of the court in the LBHI bankruptcy case. On October 22, 2008, the bankruptcy court approved procedures for a public auction process for the Acquired Businesses. On December 3, 2008, NBSH was selected as the successful bidder in the public auction for the Acquired Businesses. On December 22, 2008, the bankruptcy court approved of the sale of the Acquired Businesses to NBSH (or its successor or assign), as the successful bidder.

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In addition, shareholders of the Fund are being asked to approve the election of five Class I Trustees to serve on the Board of Trustees of the Fund until the annual meeting of shareholders in 2012, or until their successors are elected and qualified. The Trustees serve as representatives of shareholders. In this capacity, they are fiduciaries and have an obligation to serve in the best interests of the shareholders. Trustees review Fund performance, oversee Fund activities and review contractual arrangements with service providers that provide services to the Fund. Each of the nominees currently serves as a Trustee of the Fund.

NBSH

NBSH was organized by key members of Neuberger Berman's senior management, for the purpose of facilitating the acquisition of the Acquired Businesses. At or prior to the closing of the Proposed Acquisition, NBSH will assign the Purchase Agreement to NBG.

NBG

NBG will own, directly or indirectly, all of the Acquired Businesses. From and after the closing, NBG will be owned by LBHI, certain affiliates of LBHI and, directly or indirectly, by portfolio managers, the management team and certain key members and senior professionals of the former Investment Management Division (Management Members).

As of the mailing of this Proxy Statement, the structure by which Management Members will hold their interests in NBG has not been finalized. The Management Members will hold their interests in NBG through NBSH, or one or more other entities that may be created for tax or other purposes. Interests in NBG held directly or indirectly by Management Members will be subject to time vesting, which will be contingent upon the Management Member's continued employment by NBG or its subsidiaries. Holders of unvested interests will not be entitled to any voting, distribution or other rights on their unvested units, other than the right to appoint members of NBG's board of directors through their direct or indirect ownership of NBG interests. Management Members may enter into shareholder agreements that could affect their voting rights or other matters.

49% of the common units of NBG will be classified as Class A units and will be issued to LBHI and its subsidiaries. (Under NBG's organizational document, LBHI will have an irrevocable proxy to vote all Class A units held by LBHI subsidiaries.) 51% of the common units of NBG will be classified as Class B units and will be issued, or reserved for issuance, (directly or indirectly) to Management Members. In addition, 93% of the preferred units will be issued to LBHI and its subsidiaries, and 7% of the preferred units will be issued, or reserved for issuance, (directly or indirectly) to Management Members. The aggregate liquidation preference of all preferred units issued will be \$875,000,000 and the preferred units will pay a preferred return on this liquidation preference, in cash, at rates specified in NBG's organizational document.

Prior to the closing of the Proposed Acquisition, management of NBG will be vested in its managing member. Immediately after the closing of the Proposed Acquisition, a seven member board of directors will be constituted for NBG. NBG's Chief Executive Officer will become a member of NBG's board. Holders of Class B units will be entitled to appoint four additional members of NBG's board, at least one of whom will be a portfolio manager and at least two of whom must be independent of management within the meaning of the New York Stock Exchange's listing requirements and Rule 10A-3 of the Securities Exchange Act of 1934, regardless of whether NBG is subject to such rules at the time of appointment. Holders of Class A units will be entitled to appoint two members of NBG's board. Other than with respect to the appointment of directors to NBG's board, each Class A unit and vested Class B unit will have one vote in matters requiring a vote of NBG's common unitholders.

Although NBG's preferred units will have no voting rights, holders of preferred units and Class A units will have the right to veto certain actions that could materially affect the financial soundness or capital structure of NBG. In addition, holders of preferred units will have the right to remove the chief executive officer of NBG and take certain other actions if dividends are not paid in cash over specified periods of time. There are restrictions on the resale of common and preferred units. In the event that assets of LBHI, as a debtor-in-possession under chapter 11 of the U.S. Bankruptcy Code, are distributed to its creditors, preferred units and Class A units of NBG may be distributed or sold to LBHI's creditors or other parties.

Following the consummation of the Proposed Acquisition, NBG, through its subsidiaries, will offer a broad suite of investment management products, including equities, fixed income and alternative investment products, through the high net worth, institutional and retail channels.

Conditions to Closing of the Proposed Acquisition

The consummation of the Proposed Acquisition is subject to certain terms and conditions, including, among others: (1) certain Management Members each entering into a definitive employment agreement with NBG or a subsidiary; (2) the transfer by LBHI to NBG of the Acquired Businesses, whether through the transfer of equity interests in, or the assets of, the existing LBHI subsidiaries through which the Acquired Businesses are operated, in accordance with terms of the purchase agreement between LBHI and NBSH; and (3) the parties to the Proposed Acquisition obtaining certain regulatory approvals. If each of the terms and conditions is satisfied or waived, the parties to the Proposed Acquisition anticipate that the closing will take place during the second quarter of 2009.

Neither LBHI nor NBSH (including its successor or assign) contemplate instituting any fundamental changes to the manner in which NB Management and LBAM have historically operated their businesses with respect to providing advisory, sub-advisory and related ancillary services to the Fund. LBHI and NBSH (including its successor or assign) desire to retain the investment adviser's and sub-adviser's portfolio managers and key members of the management teams. In this regard, NBG has proposed retention agreements to certain key personnel of the investment adviser and the sub-adviser and it is a condition to LBHI's obligation to close the Proposed Acquisition that certain Management Members each enter into an employment agreement with NBG or a subsidiary. George Walker, who will be the chief executive officer of NBG, and Joseph V. Amato, managing director and board member of LBAM, will continue to lead the Advisers.

In addition to the Investment Advisory Agreement and Sub-Advisory Agreement, the Fund's administration agreement with NB Management will also terminate automatically upon consummation of the Proposed Acquisition. The Board has approved a new administration agreement with New NB Management, which is identical in form to the existing agreement. Shortly before the closing of the Proposed Acquisition, it is anticipated that the investment advisory, broker-dealer and related activities of NB Management will be transferred to its subsidiary, New NB Management. New NB Management will assume all of the obligations of NB Management and will provide the same investment advisory and management services to the Fund as had been provided prior to the transfer using the same portfolio personnel.

As further discussed below, NBSH (on its behalf and on behalf of its successor or assign) has agreed that, for a minimum of two years subsequent to the consummation of the Proposed Acquisition, it will use reasonable best efforts to cause the Advisers to refrain from imposing, or agreeing to impose, any "unfair burden," as defined in Section 15(f) of the Investment Company Act of 1940, as amended (the "1940 Act"), on the Fund, which includes refraining from proposing any increase in the fees paid by the Fund to the Advisers. For at least two years following the Proposed Acquisition, no voluntary arrangements to waive fees of the Fund will be changed by New NB Management so as to increase the expenses the Fund would pay without the prior approval of the Board. NB Management recently announced that it would voluntarily waive 0.05% of its fees.

Support services that were provided to the investment adviser and the sub-adviser by LBHI-related businesses that are not included with the Acquired Businesses are expected to either be provided to the Advisers by LBHI, NBG or their respective subsidiaries, contracted to third parties or continued for certain periods under the terms of a Transition Services Agreement between LBHI and Barclays Capital, which has purchased certain assets of LBHI.

Benefits of the Proposed Acquisition

The Proposed Acquisition will enable the Management Members to own a majority of the "new" Neuberger Berman business and continue to function and operate much as Neuberger Berman does today. Management Members will be able to exercise control over the investment and operational decisions as well as decisions relating to the future growth of the Acquired Businesses. Functional and operational continuity should enable the Acquired Businesses to continue to focus on their investment advisory and portfolio management responsibilities without the distractions or constraints of having new owners unfamiliar with the functions and operations of Neuberger Berman.

Proxy Solicitation and Related Costs

The Fund will bear costs normally associated with its annual meetings (*i.e.*, a portion of mailing, printing and production of the Proxy Statement). NB Management (or its successor) will bear all other normal and customary fees and expenses in connection with the Proposed Acquisition (including, but not limited to, Trustees' fees relating to the special Board meetings, proxy solicitation costs and legal fees).

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Information Concerning the Investment Adviser and Sub-Adviser

NB Management, 605 Third Avenue, New York, New York 10158, is currently a wholly owned subsidiary of Neuberger Berman Holdings LLC (["NB Holdings"]). As of the closing of the Proposed Acquisition, NBG will have a direct or indirect controlling interest in New NB Management, which will be located at the current address of NB Management. NB Management currently provides investment advisory services to the Fund. Prior to the closing of the Proposed Acquisition, New NB Management will assume these responsibilities and NB Management's SEC investment adviser registration.

LBAM, 200 South Wacker Drive, Suite 2100, Chicago, Illinois 60601 is currently a wholly owned subsidiary of LBHI. As of the closing of the Proposed Acquisition, NBG will have an indirect controlling interest in LBAM, through Fixed Income Holdings. LBAM is an SEC-registered investment adviser that provides sub-advisory services to the Fund and to other registered investment companies, as well as to high-net-worth individuals, unregistered investment companies, corporations, and institutional investors.

NB Holdings, 605 Third Avenue, 2nd Floor, New York, New York 10158, is currently a wholly owned subsidiary of LBHI and the parent and 100% owner of NB Management. At the closing of the Proposed Acquisition, NB Holdings will sell all or substantially all of its assets to New NB Holdings. For 69 years, NB Holdings and its subsidiaries and predecessors have provided clients with a broad range of investment products, services and strategies for individuals, families, and taxable and non-taxable institutions. From and after the closing of the Proposed Acquisition, substantially all of these businesses will be carried out by New NB Holdings and its subsidiaries.

As discussed above, NBSH, 605 Third Avenue, 2nd Floor, New York, New York 10158, is a newly formed entity organized by key members of Neuberger Berman's senior management for the purpose of acquiring the Acquired Businesses. At or prior to the closing of the Proposed Acquisition, NBSH will assign the Purchase Agreement to NBG. NBG will directly or indirectly own New NB Management and LBAM. Upon the closing of the Proposed Acquisition, NBG's ownership will be divided between LBHI, certain affiliates of LBHI and, directly or indirectly, the Management Members. The Management Members will own a majority interest in NBG and indirectly control New NB Management and LBAM. Substantially all of the interests and assets of certain other affiliated entities of NB Holdings are also being purchased by NBG as part of the Proposed Acquisition.

LBHI, a global investment bank, is currently the parent of LBAM and NB Holdings, which is in turn the parent of NB Management. Founded in 1850, LBHI historically had, until recently, maintained leadership positions in equity and fixed-income sales, trading and research, investment banking, private equity, and private client services. LBHI's address is 745 Seventh Avenue, New York, New York 10019. Commencing on September 15, 2008, LBHI and certain of its affiliates filed voluntary petitions for bankruptcy protection under chapter 11 of the US Bankruptcy Code. NB Holdings, NB Management and LBAM are separate legal entities and were not included in LBHI's bankruptcy filing. Copies of documentation relating to the LBHI bankruptcy cases, including the Proposed Acquisition, are available on the internet at <http://chapter11.epiqsystems.com/lehman> or upon request at 866-841-7867.

Exhibit B to this Proxy Statement provides information regarding the principal executive officers and directors of NB Management and LBAM. These principal executive officers and directors are anticipated to have the same positions with New NB Management and LBAM.

New Investment Advisory and Sub-Advisory Agreements

NB Management serves as investment adviser to the Fund. LBAM serves as sub-adviser to the Fund. The Proposed Acquisition has been deemed to result in an "assignment" of the Fund's existing Investment Advisory Agreement and Sub-Advisory Agreement (the "Existing Agreements") under the 1940 Act. As required by the 1940 Act, the Fund's Existing Agreements provide for their automatic termination in the event of an assignment, and each will terminate upon the consummation of the Proposed Acquisition. Accordingly, shareholders of the Fund are being asked to approve a new Investment Advisory Agreement (the "New Investment Advisory Agreement") and a new Sub-Advisory Agreement (the "New Sub-Advisory Agreement," and, together with the New Investment Advisory Agreement, the "New Agreements") with the Advisers that are identical in all material respects to the Existing Agreements in order to permit the investment adviser or the sub-adviser to provide or continue to perform the advisory and sub-advisory services on the same terms and with the same compensation structure as are currently in effect. For the Fund, the Proposal to approve a New Sub-Advisory Agreement is subject to the approval of the Proposal to approve the New Investment Advisory Agreement.

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In case the shareholders of the Fund do not approve the New Agreements before the Proposed Acquisition is completed, the Board has approved New NB Management's provision of advisory services, and LBAM's provision of sub-advisory services, under interim investment advisory and sub-advisory agreements (together, "Interim Agreements") pending approval of the New Agreements by shareholders of the Fund. Compensation earned by the Advisers under the Interim Agreements would be held in an interest-bearing escrow account pending shareholder approval of the New Agreements. If shareholders approve the New Agreements within 150 days from the termination of the Existing Agreements, the amount held in the escrow account, including interest, will be paid to the Advisers, as appropriate. If shareholders of the Fund do not approve the New Agreements, the Advisers will be paid the lesser of the costs incurred in performing their services under the Interim Agreements or the total amount in the escrow account, including interest earned. If at the end of 150 days following termination of the Fund's Existing Agreements the Fund's shareholders still have not approved the New Agreements, the applicable Trustees would take such actions as they deem to be in the best interests of the Fund and its shareholders, which may include negotiating a new investment advisory agreement and/or applicable new sub-advisory agreement with an advisory organization selected by the Trustees or making other arrangements.

PROPOSAL 1: APPROVAL OF THE NEW INVESTMENT ADVISORY AGREEMENT

Shareholders of the Fund are being asked to approve a New Investment Advisory Agreement between the Fund and New NB Management whereby New NB Management will provide all advisory services that NB Management currently provides pursuant to the Fund's existing Investment Advisory Agreement. As described above, the Fund's existing Investment Advisory Agreement will terminate upon consummation of the Proposed Acquisition. Therefore, approval of the New Investment Advisory Agreement is sought so that the management of the Fund can continue without interruption following the Proposed Acquisition. If the Proposed Acquisition is not completed for any reason, the existing Investment Advisory Agreement will continue in effect.

NB Management currently provides services to the Fund pursuant to an Investment Advisory Agreement dated July 24, 2003 and an Assignment and Assumption Agreement, dated February 28, 2007. Shareholders of the Fund are solely being asked to approve a New Investment Advisory Agreement and not a new Assignment and Assumption Agreement.

Board Approval and Recommendation

The Trustees who were all present in person at a meeting held on December 17, 2008, including the Trustees who are not "interested persons" of the Fund or of NB Management (as defined in the 1940 Act) ("Independent Trustees"), unanimously approved the New Investment Advisory Agreement for the Fund and unanimously recommended that shareholders approve the New Investment Advisory Agreement. A summary of the Board's considerations is provided below in the section entitled "Evaluation by the Board."

Terms of the Existing and New Investment Advisory Agreement

The form of the New Investment Advisory Agreement is attached as Exhibit C to this Proxy Statement and the description of terms in this section is qualified in its entirety by reference to Exhibit C. The date of the existing Investment Advisory Agreement is July 24, 2003 and it was last approved by the Board on September 25, 2008. It was last submitted to a vote of shareholders of the Fund on []. Shareholder approval was obtained prior to

the commencement of operations for the Fund by LBAM or its affiliate as sole shareholder.

The terms of the New Investment Advisory Agreement are identical to those of the existing Investment Advisory Agreement, except for dates of execution and termination and the identity of the investment adviser. The management fee rates under the New Investment Advisory Agreement are identical to the management fee rates under the existing Investment Advisory Agreement. For at least two years following the Proposed Acquisition, no voluntary arrangements to waive fees of the Fund will be changed by New NB Management so as to increase the expenses the Fund would pay without the prior approval of the Board. NB Management has advised the Board that it does not anticipate that the Proposed Acquisition will result in any reduction in the quality of advisory services now provided to the Fund by NB Management or have any adverse effect on the ability of NB Management or New NB Management to fulfill its obligations to the Fund.

The following discussion applies to both the existing Investment Advisory Agreement and the New Investment Advisory Agreement for the Fund. Accordingly, all references in this section to the Investment Advisory Agreement and NB Management equally apply to the New Investment Advisory Agreement and New NB Management, respectively.

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Investment Advisory Services. NB Management currently serves as the investment adviser to the Fund pursuant to the Investment Advisory Agreement with the Fund. In relation to providing investment advisory and portfolio management services, the Investment Advisory Agreement provides that NB Management will (1) obtain and evaluate such information relating to economies, industries, businesses, securities and commodities markets, and individual securities, commodities and indices, (2) formulate and maintain a continuous investment program in a manner consistent with and subject to: (a) the Fund's Declaration of Trust and Bylaws; (b) the Fund's investment objective, strategies, policies, and restrictions; (c) all securities, commodities, and tax laws and regulations applicable to the Fund; and (d) any other written limits or directions furnished by the Trustees, (3) determine from time to time securities, commodities, interests or other investments to be purchased, sold, retained or lent by the Fund, and to implement those decisions, including the selection of entities with or through which such purchases, sales or loans are to be effected, (4) use reasonable efforts to manage the Fund so that it will qualify as a regulated investment company under subchapter M of the Internal Revenue Code of 1986, as amended, (5) make recommendations as to the manner in which voting rights, rights to consent to Fund action, and any other rights pertaining to the Fund shall be exercised, (6) make available to the Fund promptly upon request all of the Fund's records and ledgers and any reports or information reasonably requested by the Fund, (7) to the extent required by law, furnish to regulatory authorities any information or reports relating to the services provided pursuant to the Investment Advisory Agreement, (8) negotiate the terms and conditions under which custodian services will be provided to the Fund and the fees to be paid by the Fund to its custodian (which may or may not be an affiliate of the Fund's investment adviser), in connection therewith, and (9) make such reports and recommendations to the Trustees as the Trustees reasonably request or deem appropriate. The Investment Advisory Agreement permits NB Management to effect securities transactions on behalf of the Fund through associated persons of NB Management after consummation of the Proposed Acquisition. The Investment Advisory Agreement also specifically permits NB Management to compensate, through higher commissions, brokers and dealers who provide investment research and analysis to the Fund, subject to obtaining best execution. The Fund did not pay any brokerage commissions to affiliated brokers.

Expenses. NB Management, at its own expense, shall furnish all executive and other personnel, office space, and office facilities required to render the investment advisory services set forth in the Investment Advisory Agreement. The Fund will bear expenses that are attributable solely to the organization, operation or business of the Fund. Any expense borne by the Fund which is not solely attributable to the Fund, shall be apportioned in such manner as NB Management determines is fair and appropriate, or as otherwise specified by the Trustees.

Advisory Fee. The Fund pays NB Management an advisory fee at the annual rate of 0.60% of the Fund's average daily managed assets. "Managed assets" means net assets, including assets attributable to outstanding preferred shares, plus the aggregate amount of any borrowings. The aggregate amount of advisory fees and administration fees paid by the Fund during the last fiscal year was \$1,345,067 and \$112,089, respectively. The Trustees of the Fund have voted to approve a new administration agreement, identical in all material respects to the current agreement described below, to take effect following the completion of the Proposed Acquisition. If the Proposed Acquisition is not completed for any reason, the current administration agreement will remain in effect for the Fund.

Pursuant to the administration agreement with the Fund, NB Management provides certain shareholder-related services not furnished by the Fund's shareholder servicing agent or third party investment providers and assists in the development and implementation of specified programs and systems to enhance overall shareholder servicing capabilities. NB Management solicits and gathers shareholder proxies, performs services connected with the qualification of Fund shares for sale in various states, and furnishes other services necessary to the operation of the Fund. Upon consummation of the Proposed Acquisition, [New NB Management or another NBG subsidiary] will provide the same services as NB Management under a substantially similar administration agreement.

NB Management has entered into voluntary arrangements to waive certain fees of the Fund. For at least two years following the Proposed Acquisition, no voluntary arrangements to waive fees of the Fund will be changed by New NB Management so as to increase the expenses the Fund would pay without the prior approval of the Board. NB Management recently announced that it would voluntarily waive 0.05% of its fees.

Retention of Sub-Adviser. As noted in Exhibit C, the Investment Advisory Agreement provides that, subject to NB Management obtaining the initial and periodic approvals required under Section 15 of the 1940 Act, NB Management may retain a sub-adviser, at NB Management's own cost and expense, for the purpose of furnishing one or more of the services under NB Management's responsibility. The Investment Advisory Agreement further provides that the retention of a sub-adviser in no way reduces the responsibilities of NB Management under the Investment Advisory Agreement and NB Management is responsible to the Fund for all acts and omissions of the sub-adviser to the same extent that NB Management is responsible for its own acts and omissions. See "Limitation of Liability," below.

Services to Other Clients. The Investment Advisory Agreement does not limit the freedom of NB Management or any of its affiliates to render investment management and administrative services to other investment companies, to act as investment adviser or investment counselor to other persons, firms or corporations, or to engage in other business activities. [NB Management acts as investment adviser or sub-adviser to other registered investment companies with similar investment objectives and policies as the Fund. Exhibit D to this Proxy Statement sets forth the name, asset size and the rate of compensation received by NB Management for providing advisory or sub-advisory services to these other funds.]

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Limitation of Liability. The Investment Advisory Agreement provides that NB Management will not be liable for any error of judgment or mistake of law or for any loss sustained by reason of the purchase, sale or retention of any security, whether or not such purchase, sale or retention shall have been based upon the investigation and research made by any other individual, firm or corporation, if such recommendation shall have been selected with due care and in good faith, except loss resulting from willful misfeasance, bad faith, or gross negligence on the part of NB Management in the performance of its obligations and duties, or by reason of its reckless disregard of its obligations and duties under the Investment Advisory Agreement.

Indemnification. The Investment Advisory Agreement provides that the Fund will indemnify and hold harmless NB Management and its officers, directors, employees or agents (each, an "Indemnified Person") against any and all losses, claims, damages or liabilities, joint or several, including, without limitation, reasonable attorneys' fees and disbursements, reasonably incurred by it in connection with, or resulting from, its actions or inactions in connection with the performance of its duties under the Investment Advisory Agreement, except those losses, claims, damages or liabilities resulting from willful misfeasance, bad faith, or gross negligence in the performance by the Indemnified Persons of their duties under the Investment Advisory Agreement, or the reckless disregard of their obligations or duties under the Investment Advisory Agreement.

Term of Agreement. The existing Investment Advisory Agreement provides that it will remain in effect until October 31, 2009. The New Investment Advisory Agreement will provide that it will remain in effect for an initial term of two years. The Investment Advisory Agreement will remain in effect from year to year thereafter if approved annually by (i) the vote of the holders of a majority of the outstanding voting securities (as defined in the 1940 Act) of the Fund, or by the Board, and also by (ii) the vote, cast in person at a meeting called for such purpose, of a majority of the Independent Trustees.

Amendment or Assignment. The Investment Advisory Agreement provides that it may not be amended without the affirmative votes (i) of a majority of the Trustees, including a majority of the Independent Trustees, voting in person at a meeting called for the purpose of voting on such approval, and, to the extent required by applicable law, (ii) of a majority of the outstanding voting securities (as defined in the 1940 Act) of the Fund. The Investment Advisory Agreement provides that it will terminate automatically in the event of an [assignment] (as defined in the 1940 Act).

Termination. The Investment Advisory Agreement may be terminated, without penalty, at any time by either party to the Agreement upon sixty days [] prior written notice to the other party; provided that in the case of termination by the Fund, the termination has been authorized (i) by the Board, or (ii) by a vote of a majority of the outstanding voting securities (as defined in the 1940 Act) of the Fund.

Differences between the Existing and New Investment Advisory Agreement

The only terms of the New Investment Advisory Agreement that will be different from the terms of the existing Investment Advisory Agreement are the dates of execution and termination, as well as the entity providing the services.

THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS OF THE FUND VOTE [FOR] PROPOSAL 1.

PROPOSAL 2: APPROVAL OF A NEW SUB-ADVISORY AGREEMENT BETWEEN NEW NB MANAGEMENT AND LBAM

Shareholders of the Fund are being asked to approve a New Sub-Advisory Agreement with respect to the Fund between New NB Management and LBAM. As described above, the existing Sub-Advisory Agreement will automatically terminate upon consummation of the Proposed Acquisition. Therefore, approval of the New Sub-Advisory Agreement is sought so that the management of the Fund can continue without interruption following the Proposed Acquisition. If the Proposed Acquisition is not completed for any reason, the existing Sub-Advisory Agreement will continue in effect. LBAM currently provides services to the Fund pursuant to a Sub-Advisory Agreement dated July 24, 2003 and an Assignment and Assumption Agreement, dated February 28, 2007. Shareholders of the Fund are solely being asked to approve a New Sub-Advisory Agreement and not a new Assignment and Assumption Agreement. A discussion of the Board's approval and recommendations and the terms of the existing and new sub-advisory agreement in connection with Proposal 2 is set out below.

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Board Approvals and Recommendations in Connection with Proposal 2

The Trustees who were all present in person at a meeting held on December 17, 2008, including the Independent Trustees, unanimously approved the New Sub-Advisory Agreement for the Fund and unanimously recommended that shareholders approve the New Sub-Advisory Agreement for the Fund. A summary of the Board's considerations is provided below in the section entitled [Evaluation by the Board].

Terms of the Existing and New Sub-Advisory Agreement in Connection with Proposal 2

The form of the New Sub-Advisory Agreement is attached as Exhibit E to this Proxy Statement and the description of terms in this section is qualified in its entirety by reference to Exhibit E. The date of the existing Sub-Advisory Agreement is July 24, 2003 and it was last approved by the Board on September 25, 2008. It was last submitted to a vote of shareholders of the Fund on []. Shareholder approval was obtained prior to the commencement of operations for the Fund by LBAM or its affiliate as sole shareholder.

The terms of the New Sub-Advisory Agreement are identical to those of the existing Sub-Advisory Agreement, except for the dates of execution and termination. The Fund does not pay any fees under either Sub-Advisory Agreement. All payments to LBAM pursuant to the Sub-Advisory Agreement with respect to the Fund are made by NB Management. However, the bases for fees to be paid by NB Management under the New Sub-Advisory Agreement are identical to the bases for fees under the existing Sub-Advisory Agreement. NB Management and LBAM have advised the Board that they do not anticipate that the Proposed Acquisition will result in any reduction in the quality of sub-advisory services now provided to the Fund or have any adverse effect on the

ability of LBAM to fulfill its obligations under the New Sub-Advisory Agreement.

The following discussion applies to both the existing Sub-Advisory Agreement and the New Sub-Advisory Agreement for the Fund. Accordingly, all references in this section to the Sub-Advisory Agreement equally apply to the New Sub-Advisory Agreement.

Sub-Advisory Services. NB Management, with respect to the Fund, retains LBAM as sub-adviser to the Fund to provide day-to-day portfolio management services pursuant to the Sub-Advisory Agreement. The Sub-Advisory Agreement provides that LBAM will (a) manage the Fund's investment portfolio and make and implement all decisions regarding the investment and reinvestment of the assets of the Fund, (b) provide statistical, research and other factual data for use in connection with the Fund's investment program, (c) place all orders for the purchase and sale of investments by the Fund and monitor the execution of transactions for the Fund and the settlement and clearance of such transactions, (d) maintain such internal systems and controls as may be necessary to provide reasonable assurance that the investment advisory services of LBAM provided to the Fund are provided in a manner consistent with the investment objectives, policies and restrictions of the Fund and with the requirements of applicable laws and regulations, (e) provide or maintain such facilities as may be necessary in rendering its services, (f) report to NB Management and the Board on the Fund's investments and performance, and (g) provide all other services that NB Management may reasonably deem necessary or convenient to the services provided under the Sub-Advisory Agreement. Nothing in the Sub-Advisory Agreement prevents LBAM from acting as investment adviser for any other person, firm, fund, corporation or other entity.

Sub-Advisory Fee. The Sub-Advisory Agreement provides that NB Management will pay a fee at the annual rate of 0.55% of the first \$25 million of the Fund's average daily managed assets, 0.45% of the next \$25 million, 0.35% of the next \$50 million, and 0.30% of average daily managed assets in excess of \$100 million. "Managed assets" means net assets, including assets attributable to outstanding preferred shares, plus the aggregate amount of any borrowings. The aggregate amount of sub-advisory fees paid by NB Management with respect to the Fund during the last fiscal year was \$[]. LBAM also serves as sub-adviser for other registered investment companies advised by NB Management. Exhibit F to this Proxy Statement sets forth the name, asset size and the rate of compensation received by LBAM for providing sub-advisory services to these other funds.

Limitation of Liability. The Sub-Advisory Agreement provides that LBAM is not liable to the Fund or NB Management for any error of judgment or mistake of law or for any loss suffered by the Fund or NB Management in connection with the performance by LBAM of its duties under this Agreement, except a loss resulting from a breach of fiduciary duty with respect to the receipt of compensation for services, or a loss resulting from willful misfeasance, bad faith or gross negligence on the part of LBAM or any of its officers, directors, employees or agents (collectively, the "Affiliates") in the performance of their duties under the Sub-Advisory Agreement, or from reckless disregard by LBAM or its Affiliates of their obligations or duties under the Sub-Advisory Agreement.]

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Indemnification. The Sub-Advisory Agreement provides that the Fund will indemnify and hold harmless LBAM and its Affiliates (each, an "LBAM Indemnified Person") against any and all losses, claims, damages or liabilities, joint or several, including, without limitation, reasonable attorneys' fees and disbursements, reasonably incurred by them in connection with, or resulting from, their actions or inactions in connection with the performance of their duties under the Sub-Advisory Agreement, except those losses, claims, damages or liabilities resulting from willful misfeasance, bad faith or gross negligence in the performance by the LBAM Indemnified Persons of their duties under the Sub-Advisory Agreement, or the reckless disregard of their obligations or duties under the Sub-Advisory Agreement.]

Term of Agreement. The existing Sub-Advisory Agreement provides that it will remain in effect until October 31, 2009. The New Sub-Advisory Agreement will provide that it will remain in effect for an initial term of two years. The Sub-Advisory Agreement will remain in effect from year to year thereafter if approved annually by (i) the vote of the holders of a majority of the outstanding voting securities (as defined in the 1940 Act) of the Fund, or by the Board, and also by (ii) the vote, cast in person at a meeting called for such purpose, of a majority of the Independent Trustees.

Termination. The Sub-Advisory Agreement may be terminated, without penalty, at any time by the Fund, NB Management or LBAM upon sixty days' prior written notice to the other parties; provided that in the case of termination by the Fund, the termination has been authorized (i) by the Board or (ii) by a vote of a majority of the

outstanding voting securities (as defined in the 1940 Act) of the Fund. Furthermore, the Sub-Advisory Agreement also terminate automatically with respect to the Fund in the event of an assignment (as defined in the 1940 Act) or if the Investment Advisory Agreement terminates with respect to the Fund.

Differences between the Existing and New Sub-Advisory Agreement

The only terms of the New Sub-Advisory Agreement that will be different from the terms of the existing Sub-Advisory Agreement are the dates of execution and termination.

THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS OF THE FUND VOTE FOR PROPOSAL 2.

EVALUATION BY THE BOARD

Board Meetings and Considerations of the New Agreements

The Trustees of the Fund discussed the Proposed Acquisition on December 17, 2008. Prior to the submission of the NBSH bid to public auction, NB Management met telephonically with the Independent Trustees to brief them on the Proposed Acquisition. Following the public auction wherein NBSH was determined to be the successful bidder, the Independent Trustees again met telephonically with NB Management to obtain additional information about the Proposed Acquisition. The Independent Trustees, with the assistance of independent counsel, prepared due diligence requests that were presented to NB Management and appointed a Task Force of Independent Trustees to lead the due diligence effort (the Task Force).

NB Management provided written responses to the due diligence requests. After extensive review and analysis and discussions during a telephonic and in person meeting of the Independent Trustees, the Task Force submitted clarifying questions. The Independent Trustees met as a body in person to receive the report of the Task Force and consider the New Agreements. Throughout the process, the Task Force and the Independent Trustees were advised by experienced 1940 Act counsel that is independent of NB Management and NBSH. In addition, the Independent Trustees received a memorandum from independent counsel discussing the legal standards for their consideration of the New Agreements.

Consideration of the New Agreements followed shortly on the heels of the Independent Trustees' annual consideration of whether to renew the Existing Agreements, carried out pursuant to Section 15(c) of the 1940 Act. In that process, which began prior to the June 2008 quarterly meeting of the Board and was concluded at the September 2008 quarterly meeting, the Independent Trustees, following an extensive review of materials submitted by NB Management and a report from an independent data service, unanimously determined that the Existing Agreements were fair and reasonable and that their renewal would be in the best interests of the Fund and its shareholders. Accordingly, in considering the New Agreements, the Independent Trustees took into account the fact that the terms of the New Agreements would be identical to those of the Existing Agreements in every respect except for the term and termination date and potentially the name of the investment adviser. The Board considerations in connection with the New Agreements and the Existing Agreements also entered into the decision by the Board to approve the Interim Agreements, which would take effect if the shareholders of the Fund do not approve the New Agreements before the Proposed Acquisition is completed. The Independent Trustees' consideration of the Existing Agreements is described below.

In evaluating the proposed New Agreements, the Independent Trustees considered that they have generally been satisfied with the nature and quality of the services provided to the Fund by NB Management and LBAM, including investment advisory, administrative and support services, and that the Fund would be best served by an arrangement that appeared likely to maintain the continuity and stability of the providers of these services. Accordingly, the Independent Trustees considered very carefully the intentions of NBSH (including its successor or assign) regarding capitalization, management structure, staffing, compensation and staff retention and whether these seemed designed to provide the desired continuity and stability. They inquired specifically about staffing and resources in the areas of portfolio management, investment research, trading, fund accounting, legal and compliance, internal audit, and senior executive staff. Although at the time the Board considered the New Agreements no final decisions had been reached as to the distribution of equity interests in NBSH (or its successor or assign), the Trustees were advised that senior members of management, including the Trustee who

is employed by the Advisers, would receive equity interests in NBSH. Because of these interests, as well as any future employment arrangements with the Advisers, these persons, individually or in the aggregate, could have a material interest in the Proposed Acquisition and in shareholder approval of the New Agreements. In considering the New Agreements, the Trustees were aware of these interests.

The Independent Trustees inquired whether NBSH (or its successor or assign) had specific plans for the future structure of the Fund, whether they plan to propose to eliminate the Fund, and whether they intend to continue or alter certain expansion plans that are already underway. They also inquired whether there are plans to change the fees or expense structure of the Fund.

The Independent Trustees inquired about the long-term plans for the Advisers, including any expectations for cost savings or expense reductions. They also inquired about the capital structure and working capital likely to be available to NBSH (or its successor or assign).

The Independent Trustees considered the following factors, in addition to the factors discussed above, among others, in connection with their consideration of the New Agreements: (1) the nature, extent, and quality of the services provided by NB Management and LBAM; (2) the performance of the Fund compared to a relevant market index and a peer group of investment companies; (3) the costs of the services provided and profits or losses realized by NB Management, LBAM and their affiliates from their relationship with the Fund; (4) the extent to which economies of scale might be realized as the Fund grows; and (5) whether fee levels reflect any such potential economies of scale for the benefit of investors in the Fund. In their deliberations, the Independent Trustees did not identify any particular information that was all-important or controlling, and each Trustee may have attributed different weights to the various factors.

In unanimously approving and recommending the New Agreements, the Independent Trustees concluded that the terms of each New Agreement are fair and reasonable and that approval of the New Agreements is in the best interests of the Fund and its shareholders. In reaching this determination, the Independent Trustees considered the following factors, among others:

(1) that the terms of the New Agreements are identical in all material respects to those of the Existing Agreements;

(2) that the Advisers will maintain operational autonomy and continuity of management following the Proposed Acquisition;

(3) the favorable history, reputation, qualification, and background of NB Management and LBAM, as well as the qualifications of each entity's personnel and each entity's respective financial condition;

(4) the commitment of NBSH (or its successor or assign) to retain key personnel currently employed by NB Management and LBAM who currently provide services to the Fund;

(5) the commitment of NBSH (or its successor or assign) to maintaining the current level and quality of Fund services;

(6) the proposed division of equity in NBSH (or its successor or assign) among Management Members and other personnel upon consummation of the Proposed Acquisition;

(7) the fees and expense ratio of the Fund relative to comparable mutual funds;

(8) that the fees are identical to those paid under the Existing Agreements;

(9) that the fees and expense ratio of the Fund appear to the Board to be reasonable given the quality of services expected to be provided;

(10) the performance of the Fund relative to comparable mutual funds and unmanaged indices;

(11) the commitment of NB Management (or its successor) to pay the expenses of the Fund in connection with the Proposed Acquisition, including all expenses in connection with the solicitation of proxies with respect to the Proposed Acquisition, so that shareholders of the Fund would not have to bear such expenses;

(12) the actual and potential effects on the Advisers of the bankruptcy of LBHI, and the effects of the LBHI bankruptcy on the information considered by the Independent Trustees in their prior analyses of the principal service contracts;

(13) the provisions made to continue providing to the Advisers certain services that were previously provided to them by or through LBHI or its other affiliates;

(14) the possible benefits that may be realized by the Fund and by the Advisers as a result of the Proposed Acquisition; and

(15) that the Proposed Acquisition is expected to maintain continuity of management of the Fund and may reduce the potential for future vulnerability to changes in control of the Advisers that could be adverse to the Fund's interests and that could affect the retention of key employees providing services to the Fund.

Board Consideration of the Existing Agreements

As noted above, the Board had recently considered the continuance of the Existing Agreements for the Fund and the factors considered by the Board are discussed below. The Trustees, including the Independent Trustees, unanimously approved the continuance of those Existing Agreements for the Fund at a meeting held on September 25, 2008.

In evaluating the Existing Agreements, the Board, including the Independent Trustees, reviewed materials furnished by NB Management and LBAM in response to questions submitted by counsel to the Independent Trustees, and met with senior representatives of NB Management and LBAM regarding their personnel and operations. The Independent Trustees were advised by counsel that is experienced in 1940 Act matters and that is independent of NB Management and LBAM. The Independent Trustees received a memorandum from independent counsel discussing the legal standards for their consideration of the proposed continuance of the Existing Agreements. They met with such counsel separately from representatives of NB Management to discuss the annual contract review. The annual contract review extends over two regular meetings of the Board to ensure that NB Management and LBAM have time to respond to any questions the Independent Trustees may have on their initial review of the report and that the Independent Trustees have time to consider those responses. In addition, during this process, the Board held a separate meeting devoted primarily to reviewing and discussing Fund performance.

The Board considered the following factors, among others, in connection with its approval of the continuance of the Existing Agreements: (1) the nature, extent, and quality of the services provided by NB Management and LBAM; (2) the performance of the Fund compared to relevant market indices and a peer group of investment companies; (3) the costs of the services provided and profits or losses realized by NB Management and LBAM and their affiliates from their relationship with the Fund; (4) the extent to which economies of scale might be realized as the Fund grows; and (5) whether fee levels reflect any such potential economies of scale for the benefit of investors in the Fund. In their deliberations, the Board members did not identify any particular information that was all-important or controlling, and each Trustee may have attributed different weights to the various factors.

The Board considered the continued integrity of NB Management and LBAM as organizations, despite the bankruptcy filing by LBHI. The Board discussed the efforts made by NB Management and LBAM to retain employees, and the reported likelihood that such employees would be retained. The Board discussed the provisions that were being made for ancillary services by NB Management, LBAM and their affiliates.

The Board evaluated the terms of the Existing Agreements, the overall fairness of the Existing Agreements to the Fund and whether the Existing Agreements were in the best interests of the Fund and its shareholders.

With respect to the nature, extent and quality of the services provided, the Board considered the performance of the Fund and the experience and staffing of the portfolio management and investment research personnel who perform services for the Fund. The Board noted that NB Management also provides certain administrative services, including fund accounting and compliance oversight. In addition, the Board noted the positive compliance history of NB Management and LBAM as each firm has been free of significant compliance problems.

The Board considered the performance of the Fund on both a market return and net asset value basis relative to its benchmark and a peer group of investment companies pursuing broadly similar strategies. The Board also considered performance in relation to the degree of risk undertaken by the portfolio managers. The Board discussed with NB Management the Fund's performance and the steps that NB Management had taken, or intended to take, to improve the Fund's performance. The Board also considered NB Management's resources and responsiveness with respect to the Fund.

With respect to the overall fairness of the Existing Agreements, the Board considered the fee structure for the Fund under the Existing Agreements as compared to a peer group of comparable funds and fall-out benefits likely to accrue to the Advisers or their affiliates from their relationship with the Fund. The Board also considered the profitability of NB Management, LBAM and their affiliates from their association with the Fund.

The Board reviewed a comparison of the Fund's management fee and overall expense ratio to a peer group of broadly comparable funds. The Board considered the mean and median of the management fees and expense ratios of the peer group.

The Board considered whether there were other funds that were advised or sub-advised by NB Management or its affiliates or separate accounts managed by NB Management or LBAM or their affiliates with similar investment objectives, policies and strategies as the Fund. The Board noted that there were no comparable sub-advised funds. The Board compared the fees charged to the Fund at various asset levels to the fees charged to advised funds and a separate account, each managed in a similar style to the Fund. The Board considered the appropriateness and reasonableness of any differences between the fees charged to the Fund and the other funds and account and determined that the differences in fees were consistent with the management and other services provided.

The Board also evaluated any apparent or anticipated economies of scale in relation to the services NB Management provides to the Fund. The Board considered that the Fund is a closed-end fund that is not continuously offering shares and that, without daily inflows and outflows of capital, there are limited opportunities for significant economies of scale to be realized by NB Management in managing the Fund's assets.

In concluding that the benefits accruing to NB Management and its affiliates by virtue of their relationship to the Fund were reasonable in comparison with the costs of providing the investment advisory services and the benefits accruing to the Fund, the Board reviewed specific data as to NB Management's profit or loss on the Fund for a recent period and the trend in profit or loss over recent years. The Board also carefully examined NB Management's cost allocation methodology and in recent years had an independent consultant review the methodology. It also reviewed an analysis from an independent data service on profitability margins in the investment management industry. The Board recognized that an adviser should be entitled to earn a reasonable level of profits for services it provides to the Fund and, based on its review, concluded that NB Management's level of profitability from its relationship with the Fund was not excessive. The Board also determined that the level of profitability from the sub-advisory relationship with the Fund was not excessive.

In approving the Existing Agreements, the Board concluded that the terms of each Existing Agreement are fair and reasonable and that approval of the Existing Agreements is in the best interests of the Fund and its shareholders. In reaching this determination, the Board considered that NB Management and LBAM could be expected to provide a high level of service to the Fund; that it retained confidence in NB Management's and LBAM's capabilities to manage the Fund; that the Fund's fee structure appeared to the Board to be reasonable given the nature and quality of services provided; and that the benefits accruing to NB Management and its affiliates by virtue of their relationship to the Fund were reasonable in comparison with the benefits accruing to the Fund.

Section 15(f) of the 1940 Act

Section 15(f) of the 1940 Act permits an investment adviser of a registered investment company (or any affiliated persons of the investment adviser) to receive any amount or benefit in connection with a sale of securities or other interest in the investment adviser, provided that two conditions are satisfied.

First, an "unfair burden" may not be imposed on the investment company as a result of the sale, or any express or implied terms, conditions or understandings applicable to the sale. The term "unfair burden," as defined in the 1940 Act, includes any arrangement during the two-year period after the sale whereby the investment adviser (or predecessor or successor adviser), or any "interested person" of the adviser (as defined in the 1940 Act), receives or is entitled to receive any compensation, directly or indirectly, from the investment company or its security holders (other than fees for bona fide investment advisory or other services), or from any person in connection with the purchase or sale of securities or other property to, from or on behalf of the investment company (other than ordinary fees for bona fide principal underwriting services).

Second, during the three-year period after the sale, at least 75% of the members of the investment company's board of directors cannot be "interested persons" (as defined in the 1940 Act) of the investment adviser or its predecessor.

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The Trustees have not been advised by LBHI or NBSH of any circumstances arising from the Proposed Acquisition that might result in the imposition of an "unfair burden" on any Fund as defined in Section 15(f) of the 1940 Act. Moreover, NBSH (on its behalf and on behalf of its successor or assign) has agreed that for two years after the consummation of the Proposed Acquisition, it will use its reasonable best efforts to refrain from imposing, or agreeing to impose, any unfair burden on the Fund, which includes refraining from proposing any increase in fees paid by the Fund to the Advisers. For at least two years following the Proposed Acquisition, no voluntary arrangements to waive fees of the Fund will be changed by New NB Management so as to increase the expenses the Fund would pay without the prior approval of the Board. At the present time, over 80% of the Trustees are classified as Independent Trustees and expect to remain so classified following the sale of the Acquired Businesses. NBSH (on its behalf and on behalf of its successor or assign) has agreed to continue to comply with the Board's current policy that requires that at least 75% of the Trustees are classified as Independent Trustees and would not seek to change it during the three-year period after the completion of the Proposed Acquisition.

Based on their evaluation of the materials presented, the Trustees who attended the December 17, 2008 Board meeting, including all the Independent Trustees, unanimously concluded that the terms of the New Agreements are reasonable, fair and in the best interests of the Fund and its shareholders. The Trustees believe that the New Agreements will enable the Fund to continue to enjoy the high quality investment management services it has received in the past, at fee rates identical to the present rates, which the Independent Trustees deem appropriate, reasonable and in the best interests of the Fund and its shareholders. The Trustees unanimously voted to approve and to recommend to the shareholders of the Fund that they approve the New Agreements.

PROPOSAL 3: ELECTION OF TRUSTEES

The Board of the Fund is divided into three classes (Class I, Class II and Class III). The terms of office of Class I, Class II and Class III Trustees will expire at the annual meeting of shareholders held in 2009, 2010 and 2011, respectively, and at each third annual meeting of shareholders thereafter. Each Trustee shall hold office until his or her successor is elected and qualified or until his or her earlier death, resignation or removal. The classification of the Fund's Trustees helps to promote the continuity and stability of the Fund's management and policies because the majority of the Trustees at any given time will have prior experience as Trustees of the Fund.

Holders of the Fund's Preferred Shares are entitled, as a class, to the exclusion of the holders of all other classes of shares of the Fund, to elect two Trustees of the Fund (regardless of the total number of Trustees serving on the Board). These Trustees are Class II and Class III Trustees up for election in 2010 and 2011. These Trustees are not nominees to be considered at the Meeting.

The term of each current Class I Trustee expires at the Meeting, but each expressed his or her willingness to serve another term as Trustee of the Fund if nominated by the Board. In addition to these incumbents, Western Investment LLC (Western) notified the Board of its intention to nominate five candidates (the Western Candidates) to serve as Class I Trustees of the Fund at the Meeting.

The Governance and Nominating Committee of the Fund reviewed the qualifications, experience and background of each Class I incumbent Trustee and considered available information about the Western Candidates. Based upon this review and consideration, the Committee determined that nominating the incumbent Class I Trustees would be in the best interests of its Fund's shareholders. The Board believes that the incumbents are well suited for service on the Board due to their familiarity with the Fund as a result of their prior service as Trustees, their knowledge of the financial services sector, and their substantial experience in serving as directors or trustees, officers or advisers of public companies and business organizations, including other investment companies.

At a meeting in February 2009, the Board received the recommendations of the Governance and Nominating Committee. After discussion and consideration of, among other things, the backgrounds of the incumbents, the Board voted to nominate Faith Colish, Michael M. Knetter, Cornelius T. Ryan, Peter P. Trapp and Robert Conti for election as Class I Trustees with a term expiring in 2012. William E. Rulon has decided to retire as a Fund Director as of March 2009. The Fund has a policy that at least three quarters of all Trustees be Independent Trustees. Independent Trustees are those who are not associated with the Fund's investment adviser or sub-adviser or their affiliates, or with any broker-dealer used by the Fund, the investment adviser or the sub-adviser in the past six months.

It is the intention of the persons named on the enclosed proxy card(s) to vote in favor of the election of each nominee named in this Proxy Statement. Each nominee has consented to be named in this Proxy Statement and to serve as Trustee if elected. The Board has no reason to believe that any nominee will become unavailable for election as a Trustee, but if that should occur before the Meeting, the proxies will be voted for such other nominees as the Board may recommend.

None of the Trustees are related to any other. The following tables set forth certain information regarding each Trustee of the Fund. Unless otherwise noted, each Trustee has engaged in the principal occupation listed in the following table for five years or more. The business address of each listed person is 605 Third Avenue, New York, New York 10158.

INFORMATION REGARDING NOMINEES FOR ELECTION

Name, (Year of