NEUBERGER | BERMAN

Neuberger Berman Small Cap Growth Fund

TICKER: Institutional Class: NBSMX, Class A: NSNAX, Class C: NSNCX, Class R6: NSRSX, Class R3: NSNRX, Investor Class: NBMIX, Trust Class: NBMOX, Advisor Class: NBMVX

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Performance Highlights

The Neuberger Berman Small Cap Growth Fund posted a double-digit negative return for the trailing 3-month period, as of March 31, 2025, slightly trailing the return of its benchmark, the Russell 2000 Growth Index, which was also sharply negative for the period.

Market Overview

The start of 2025 certainly didn't unfold as expected, as what was anticipated to be a pro-business environment quickly devolved into one colored by pervasive uncertainty. That resulting uncertainty, fueled by tariff gamesmanship and policy unpredictability, buckled consumer confidence, paralyzed corporate planning and decision-making and reignited recessionary fears. There were multiple developments throughout the period that challenged small- and mid-cap growth stocks. The first was the "coming out party" for China's DeepSeek, which supposedly offers a more efficient and cost-effective approach to commercial AI applications. While the technology needs to be evaluated and those claims need to be fully vetted, we firmly believe that any efficiency gains - faster, cheaper, better - boost demand over the long-term and are healthy for the continued growth of industries. However, the market was clearly looking for an excuse to reset expectations across the AI trade, in particular for the computing power and infrastructure segments, and the result was a broad and meaningful rotation, early in the period, that targeted many of last year's biggest winners.

The other major elephant in the room resides in Washington D.C., as an increasingly unpredictable agenda and aggressive tone out of the White House, overshadowing the agendas of both Congress and the Federal Reserve ("FED"), offering a series of policy shocks that many of us clearly underestimated as a potential reality. Unfortunately, the seemingly daily "will he or won't he" trade/tariff pronouncements, which culminated in the punitive reciprocal tariffs announced on April 2nd's "Liberation Day", executive orders and governmental downsizing actions, began sapping confidence and, in turn, quickly revived latent worries around growth, inflation (potentially handcuffing the FED) and the overall health and direction of the U.S. economy.

The net effect was a broad risk-off environment for equities and a sharp unwinding of secular and cyclical growth trends that had been widely expected to continue to thrive under Trump 2.0.

Portfolio Positioning, Performance & Attribution

A key aspect of our approach is a willingness to make tactical adjustments in response to sustainable shifts in sentiment. Over the course of the first quarter, unexpected developments and a rapidly shifting landscape necessitated significant changes to the composition of the portfolio. We believe these allocation adjustments allowed us to better navigate what quickly devolved into an uncertain and volatile environment. During the period, we meaningfully reduced our exposure to Information Technology, quickly transitioning from a meaningful overweight early in the period to an underweight in February. Our rotation began with DeepSeek and the subsequent market pivot away from AI infrastructure plays and accelerated with mounting policy uncertainty out Washington that quickly translated to broad risk-off sentiment that soured the market on recent winners and high growth/high expectation stocks. Within the sector, we materially reduced our exposure to Semiconductors and rotated that capital into lower expectation plays offering a more modest risk/reward profile. AI was not the only positive growth trend to unwind in Q1, as we also reconfigured our allocation to Financials, meaningfully reducing our exposure to the Capital Markets segment and boosting our exposure to Insurance. Health Care ended up a meaningful recipient of that capital as we shifted our allocation from an underweight to a modest overweight at quarter-end. Lastly, at the security-level, we selectively pared our exposure to high growth/high expectation plays, attempted to further skew our focus domestic by avoiding or minimizing off-shore supply-chain reliance and exposure to China and embraced a high qualitative focus on balance sheet strength and managements capable of effectively navigating unsettled and uncertain environments. Looking at attribution for the quarter, positive stock selection across our allocations to Consumer Discretionary and Health Care couldn't completely offset broad weakness within IT and Industrials. At the industry-level, renewed interest and positive data boosted our Biotechnology allocation, which was the best performer to return for the quarter, while elevated expectations and the aforementioned headwinds resulted in IT's Semiconductor & Semi-Equipment segment being the worst performer to return for the quarter. Drilling down to our holdings, strong fundamentals and positive developments, especially from sectors that didn't necessarily lead the way last year, were rewarded by a fairly discriminating market, while the portfolio's laggards generally fell victim to heightened expectations, self-inflicted poor execution and shifting sentiment.

BEST AND WORST PERFORMERS FOR THE QUARTER[1]

Best Performers	Worst Performers
Halozyme Therapeutics, Inc.	Manhattan Associates
Corcept Therapeutics	Vaxcyte, Inc.
Sprouts Farmers Market	FTAI Aviation
Mr. Cooper Group, Inc	RadNet, Inc.
Option Care Health	Impinj, Inc.

[1] Reflects the best and worst performers for the quarter, in descending order, based on individual security performance and portfolio weighting in the Fund. Positions listed may include securities that are not held in the Fund as of 3/31/25. Specific securities identified and described do not represent all of the securities purchased, sold or recommended for the Fund. It should not be assumed that any investments in securities identified and described were or will be profitable.

Best Performers for the Quarter

Halozyme Therapeutics, Inc. is a biopharmaceutical company focused on developing and commercializing proprietary enzymes and a delivery system for reformulating intravenous drugs, across multiple disease states, into subcutaneous formulations that are injectable. The market reacted positively to the announcement of new injectable partners and royalties that exceeded expectations. The market also cheered Management's commentary around the stability and longevity of their current royalty flow.

Corcept Therapeutics is a pharmaceutical company specializing in developing and commercializing drugs that modulate cortisol activity to treat serious diseases, with their flagship product, Korlym, addressing hyperglycemia related to Cushing's syndrome. With over 1,000 selective cortisol modulators in their pipeline, Corcept is focused on a wide range of conditions across endocrinology, oncology, metabolism, and neurology. During the period the Company announced positive phase 3 data, for their therapy in ovarian cancer, that exceeded expectations by meeting the primary endpoint with a tolerable safety profile. These results support a potential new standard of care for patients with platinum-resistant ovarian cancer. The Company will immediately begin the process to file a New Drug Application.

Sprouts Farmers Market is a U.S.-based specialty grocery retailer focusing on fresh, natural, and organic foods. With over 440 locations, Sprouts emphasizes organic, plant-based, and sustainable options, supporting local farmers and smaller brands. The company prioritizes community engagement, innovative shopping experiences, and environmental initiatives, positioning itself as a leader in the health-focused grocery sector. During the period, the Company delivered strong top- and bottom-line results that were highlighted by compelling comparable store sales growth that strongly exceeded expectations. Management also offered bullish commentary and raised their forward guidance for both the upcoming quarter and full year.

Mr. Cooper Group, Inc. is the largest non-bank mortgage servicer in the US. The Company is comprised of two key segments, servicing and origination. Servicing typically does well in a high-rate environment, with lower refinancing and prepayments, while the higher margin origination business tends to do well when interest rates decline. Q1 represented a pretty strong three months for the stock as the Company announced good top- and bottom-line results for the most recent reporting period, with management offering upside to their full year forward guidance and sounding confident in their comments. Later in the period, the Company received and accepted an offer to be acquired by Rocket Companies.

Option Care Health is a leading provider of home and alternate-site infusion services, offering comprehensive, patient-centered care for individuals requiring intravenous therapy for chronic and acute conditions. With a nationwide network of infusion pharmacies and skilled clinicians, Option Care's services cover a range of therapies, including nutrition support, anti-infective treatments, and immunoglobulin therapy, ensuring high-quality healthcare outside of a traditional hospital setting. The Company delivered solid results for the most recent reporting period, with management offering forward guidance that exceeded expectations. The market also reacted positively to management's announcement of a new $500 million share repurchase program.

Worst Performers for the Quarter

Manhattan Associates develops and markets cloud-based and on-premise supply chain, warehouse management and omnichannel commerce solutions to unite information across an enterprise, support the sales/distribution function and increase execution efficiency. While the Company delivered solid results that exceeded expectations, management disappointed the market by materially cutting their forward guidance due to weakness in their Services segment. While their primary focus remains on their Cloud Transition business as a key future driver, there is no denying that Services remain a significant portion of their revenue and the market was simply not willing to overlook that shortfall.

Vaxcyte, Inc. is a clinical-stage vaccine company that develops high-fidelity vaccines to combat bacterial diseases using advanced synthetic biology and its proprietary XpressCF™ platform to develop broad-spectrum pneumococcal conjugate vaccines and therapies for Group A Streptococcus, periodontal disease, and Shigella infections. While their key trial for a pneumococcal vaccine, which has the potential to be best-in-class, remains on schedule, the stock got hit by headwinds tied to Robert F. Kennedy, Jr, the new secretary for Health and Human Services, his views on vaccines and budget cuts and departures at the FDA.

FTAI Aviation provides aircraft and engine leasing and maintenance services. With their narrowed focus on developing capabilities tied to two-shaft turbofan engines designed for narrowbody aircraft, FTAI has built a substantial portfolio of aerospace inventory that enables the company to offer truly differentiated leasing and support packages for customers looking for power, lift and bespoke engine maintenance solutions. During the period, the stock came under pressure from multiple "short reports" alleging improprieties in the accounting of their leasing business. Targeting leasing is easy low-hanging fruit for a short-seller as there is always some element of opaqueness in leasing. It comes down to trusting management and our confidence in FTAI and their approach to the numbers remained solid. That said, given current market sentiment towards high expectation stocks and the resulting sustained downward pressure on the stock, we elected to exit our position, for now, in favor of new ideas.

RadNet, Inc. operates a network of outpatient imaging centers in the U.S., offering high quality, cost effective diagnostic imaging services such as MRI, CT, PET/CT, ultrasound, mammography, X-ray, and nuclear medicine. During the period, the company reported top-line results that exceeded expectations and earnings that were in-line with consensus. Unfortunately, the stock came under pressure as management offered conservative guidance for the upcoming quarter, which they attributed to severe winter weather and the Southern California wildfires. Given the recent appreciation and heightened expectations, which includes an AI component, it wasn't surprising that the stock consolidated on a less than perfect update.
Given the associated uncertainty and sudden lack of visibility, we promptly exited our position the day the report was published.

Impinj, Inc. develops and markets a cloud-based identification technology platform of radio-frequency (RAIN RFID) chips that wirelessly connect "everyday" products, supplies and components to the Internet in order to deliver timely data to facilitate functions such as inventory management and shipment verification. During the period, the Company announced an in- line effort for the most descent quarter, with management sharply guiding down numbers to begin resetting expectations for the impact of potential looming tariffs and due to excess inventory, as UPS, a key customer, experienced reduced volumes with Amazon. Impinj remains the market share leader and these resets over inventory are typically part of the normal ebb and flow of their business, usually requiring a quarter or two of adjustment. That said, while we expected a cut due to seasonality, the magnitude of this reduction was definitely surprising. Fortunately, we had been trimming into strength (on this and concerns over looming tariffs) and came into their earnings release with a more modest net position.

Outlook

Looking ahead, the April 2nd unveiling of tariff actions (and subsequent pause a week later) only served to ratchet up the uncertainty and angst, as it still isn't 100% clear what the Administration's ultimate end game is – will these base and reciprocal tariffs be leveraged as bargaining chips to quickly cut favorable deals or are we digging in for a global trade war of attrition. We will be watching upcoming corporate results and guidance closely to gain insight on how companies will manage and potentially adapt to suddenly complicated and potentially expensive global supply chains and marketplaces. The FED also remains a focal point and largely independent wild card. Can a high tariff policy be effective without an overly accommodative monetary agenda to help boost growth and will this particular FED be willing to engage or will they continue to the hold the line on inflation, which if the highest threatened levels hold, will almost certainly see a resurgence. Currently, the daily hawkish/dovish pivots underscore the unsettled nature of what could prove to be far-reaching and era-defining policy and the reality that the unknowns heavily outweigh the knowns.

In these types of uncertain and highly rotational environments, characterized by abrupt shifts in sentiment and heightened volatility, our tact is to embrace higher qualitative attributes, such as balance sheet strength, competitive moats and proven managements capable of navigating unsettled environments, and pursue an effective portfolio balance between high conviction, high expectation growth and more moderate growth opportunities, that can act as ballast for the portfolio – essentially, holding serve until the unpredictability fades, the volatility tamps down and fundamentals, secular growth, and stock selection reemerge as key drivers of alpha.

NEUBERGER BERMAN SMALL CAP GROWTH FUND RETURNS (%)

				(ANNUALIZED AS OF 3/31/25)				
	March 2025	1Q 2025	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
At NAV								
Institutional Class	-7.52	-12.55	-12.55	-6.20	1.66	11.59	9.25	9.30
Class A	-7.56	-12.64	-12.64	-6.57	1.30	11.18	8.85	9.05
Class C	-7.60	-12.81	-12.81	-7.25	0.54	10.35	8.04	8.56
Class R6	-7.51	-12.54	-12.54	-6.12	1.76	11.70	9.20	9.21
Class R3	-7.57	-12.69	-12.69	-6.79	1.04	10.90	8.58	8.88
Investor Class	-7.53	-12.59	-12.59	-6.33	1.55	11.44	9.00	9.13
Trust Class	-7.55	-12.63	-12.63	-6.55	1.31	11.19	8.81	8.97
Advisor Class	-7.56	-12.67	-12.67	-6.69	1.16	11.02	8.64	8.85
With Sales Charge								
Class A	-12.87	-17.67	-17.67	-11.94	-0.69	9.88	8.21	8.80
Class C	-8.53	-13.68	-13.68	-8.17	0.54	10.35	8.04	8.56
Russell 2000 Growth Index	-7.58	-11.12	-11.12	-4.86	0.78	10.78	6.14	7.45
Russell 2000 Index	-6.81	-9.48	-9.48	-4.01	0.52	13.27	6.30	8.24

Performance data quoted represent past performance, which is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Results are shown on a "total return" basis and include reinvestment of all dividends and capital gains distributions. Current performance may be higher or lower than the performance given. For current performance data, including current to the most recent month end, please visit http://www.nb.com/performance.

The inception date for Neuberger Berman Small Cap Growth Fund Class R6 was 9/7/2018. The inception date for Class A, Class C and Class R3 was 5/27/09. The inception dates for the Institutional, Investor, Trust, and Advisor Classes were 4/1/08, 10/20/98, 11/3/98, and 5/3/02, respectively. The inception date used to calculate benchmark performance is that of the Investor Class. Average Annual Total Returns with sales charge reflect deduction of current maximum initial sales charge of 5.75% for Class A shares and applicable contingent deferred sales charges (CDSC) for Class C shares. The maximum CDSC for Class C shares is 1%, which is reduced to 0% after 1 year.

EXPENSE RATIOS (%)

	Gross Expense	Total (net) Expense
Institutional Class	1.13	0.91
Class A	1.53	1.27
Class C	2.25	2.02
Class R3	1.77	1.52
Investor Class	1.32	1.31
Trust Class	1.51	1.41
Advisor Class	1.68	1.61
Class R6	1.04	0.81

Total (net) expense represents the total annual operating expenses that shareholders pay (after the effect of any fee waivers and/or expense reimbursement). The Fund's investment manager has contractually undertaken to waive and/or reimburse certain fees and expenses of the Fund so that the total annual operating expenses are capped (excluding interest, brokerage commissions, acquired fund fees and expenses, taxes including any expenses relating to tax reclaims, dividend and interest expenses relating to short sales, and extraordinary expenses, if any; consequently, total (net) expenses may exceed the contractual cap) through 8/31/ 2028for Institutional Class at 0.90%, Class A at 1.26%, Class C at 2.01%, Class R3 at 1.51%, Class R6 at 0.80%, Investor Class at 1.30%, Trust Class at 1.40%, and Advisor Class at 1.60% (each as a percentage of average net assets). Absent such arrangements, which cannot be changed without Board approval, the returns may have been lower. Information as of the most recent prospectuses dated December 18, 2024, as amended, restated.

PORTFOLIO POSITIONING & ATTRIBUTION

Sector	NB Small Cap Growth Fund %	Russell 2000 Growth Index %	We focus on	Sector	NB Small Cap Growth Fund %	Russell 2000 Growth Index %	We focus on
Communication Services	0.0	2.1	N/A	Industrials	22.2	22.9	Automation, Infrastructure, Distribution & logistics
Consumer Discretionary	9.2	9.5	Developing bifurcation between high- and low-end consumer spending	Information Technology	17.0	18.5	Digital transformation, Artificial Intelligence, Networking & Identity Management
Consumer Staples	3.9	3.8	Balance of defensive nature and growth	Materials	2.9	3.8	Specialty over commodity
Energy	2.6	3.4	E&P and Service-oriented companies to capitalize on current supply/demand dynamics	Real Estate	0.0	1.6	N/A
Financials	12.0	9.1	Diversified mix of capital market, financial and banking services	Utilities	0.0	0.5	N/A
Health Care	25.6	24.8	Next-generation diagnostics and life science tools, Patient self-reliance & Development of first/best-in-class therapies (biotechnology)				

Source: FactSet/Neuberger Berman. As of 12/31/2024. Data presented for NB Small Cap Growth Fund represents the percentage of the portfolio that is allocated to each sector referenced. Data presented for Russell 2000 Growth, the Fund's benchmark, represents the percentage of allocation to each sector referenced.

An investor should consider the Fund's investment objectives, risks and fees and expenses carefully before investing. This and other important information can be found in the Fund's prospectus and summary prospectus, which you can obtain by calling 877.628.2583. Please read the prospectus, and the summary prospectus, carefully before making an investment.

The **Russell 2000 Growth Index** is a float-adjusted market capitalization-weighted index that measures the performance of the small-cap growth segment of the U.S. equity market. It includes those Russell 2000® Index companies with higher price-to-book ratios and higher forecasted growth rates. The index is rebalanced annually in June. Data about the performance of this index is prepared or obtained by the Manager and include reinvestment of all dividends and capital gain distributions. The Fund may invest in securities not included in the above-described index. Effective after the market close on March 21, 2025, FTSE Russell is implementing a capping methodology to all Russell U.S. Style Indices including this one. Any individual company weights in the index greater than 22.5% will be capped, and the sum of all individual companies that have an index weight greater than 4.5% will be capped to a 45% aggregate weight in the index. This will be applied quarterly going forward, but historical index returns will not be restated.

Holdings, sectors and weightings are as of the date indicated and are subject to change without notice.
As of 3/31/25, the weightings of the Best and Worst Performers listed above, as a percentage of Fund net assets, were: Halozyme Therapeutics, Inc. 3.63%, Corcept Therapeutics 1.14%, Sprouts Farmers Market 2.36%, Mr. Cooper Group, Inc. 2.34%, Option Care Health 1.29%; Manhattan Associates 0.99%, Vaxcyte, Inc. 0.38%, FTAI Aviation 0.00%, RadNet, Inc. 1.51%, Impinj, Inc. 0.79%.

Performance quoted represents past performance, which is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

This material is intended as a broad overview of the portfolio manager's current style, philosophy and process. This material is presented solely for informational purposes and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. No recommendation or advice is being given as to whether any investment or strategy is suitable for a particular investor. It should not be assumed that any investments in securities, companies, sectors or markets identified and described were, or will be, profitable. Any views or opinions expressed may not reflect those of the firm as a whole. All information is current as of the date of this material and is subject to change without notice. Investing entails risks, including possible loss of principal.
Past performance is no guarantee of future results.

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Investing in companies in anticipation of a catalyst carries the risk that the catalyst may not happen as anticipated, possibly due to the actions of other market participants, or the market may react to the catalyst differently than expected. Certain catalysts, such as emergence from, or restructuring as a result of, bankruptcy, carry additional risks and the securities of such companies may be more likely to lose value than the securities of more stable companies. Securities of issuers undergoing such an event may be more volatile than other securities, may at times be illiquid, and may be difficult to value, and management of such a company may be addressing a situation with which it has little experience.

Because the prices of most growth stocks are based on future expectations, these stocks tend to be more sensitive than value stocks to bad economic news and negative earnings surprises. Bad economic news or changing investor perceptions may adversely affect growth stocks across several sectors and industries simultaneously.

The Fund may engage in active and frequent trading and may have a high portfolio turnover rate, which may increase the Fund's transaction costs, may adversely affect the Fund's performance and may generate a greater amount of capital gain distributions to shareholders than if the Fund had a low portfolio turnover rate.
An individual security may be more volatile, and may perform differently, than the market as a whole.
Markets may be volatile and values of individual securities and other investments, including those of a particular type, may decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments that may cause broad changes in market value, public perceptions concerning these developments, and adverse investor sentiment or publicity.

The Fund may experience periods of large or frequent redemptions that could cause the Fund to sell assets at inopportune times or at a loss or depressed value. Redemption risk is heightened during periods of declining or illiquid markets. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may be more volatile, and may perform differently, than the broader market. Securities lending involves a possible delay in recovery of the loaned securities or a possible loss of rights in the collateral should the borrower fail financially. At times, small- and mid-cap companies may be out of favor with investors. Compared to larger companies, small- and mid-cap companies may depend on a more limited management group, may have a shorter history of operations, and may have limited product lines, markets or financial resources. The securities of small- and mid-cap companies are often more volatile and less liquid than the securities of larger companies and may be more affected than other types of securities by the underperformance of a sector or during market downturns. To the extent the Fund holds securities of mid-cap companies, the Fund will be subject to their risks.

A decline in the Fund’s average net assets during the current fiscal year due to market volatility or other factors could cause the Fund’s expenses for the current fiscal year to be higher than the expense information presented.
The Fund and its service providers, and your ability to transact with the Fund, may be negatively impacted due to operational matters arising from, among other problems, human errors, systems and technology disruptions or failures, or cybersecurity incidents.

Risk is an essential part of investing. No risk management program can eliminate the Fund’s exposure to adverse events. These and other risks are discussed in more detail in the Fund's prospectus. Please refer to the Fund's current prospectus for a complete discussion of the Fund's principal risks.