NEUBERGER | BERMAN

Neuberger Berman Mid Cap Intrinsic Value Fund

TICKER: Institutional Class: NBRTX, Class A: NBRAX, Class C: NBRCX, Class R3: NBRRX, Class R6: NBMRX, Investor Class: NBRVX, Trust Class: NBREX

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Performance Highlights

The Mid Cap Intrinsic Value Fund (the "Fund") posted a loss for the first quarter of 2025 and underperformed the Russell Midcap Value Index (the "Index") which also declined during the quarter.

Regardless of the 'master plan' or whatever future 'prize' awaits, tariff fears have created an environment that is as 'risk off' as it gets. Small caps and cyclicals are aggressively sold or shorted for risk mitigation. The first week of April hasn't been kind to say the least as the Fund continued to lose ground.

Market Context

We didn't care for the first movie featuring a newly elected President in love with his ability to sow fear into investors and trade partners with middle of the night tariff tweets, and we're really not enjoying the sequel. Well at least not the first three and half months. Six weeks of enthusiasm for deregulation and tax cuts quickly morphed into tariff and recession anxiety. It's too early to tell how much the trade proposals are rooted in the idea that globalization has hurt the United States more than it has helped, or rather a tool to level the playing field by eliminating indirect barriers and predatory practices that have hamstrung American companies. Fortress America or a tough opening gambit for fairer trade – we're still not sure.

Motives matter but, in our view, there is a basic intention to charge the world for access to the U.S market. It's just a matter of price – tariffs or commitment to invest in the U.S. So how much does the investor calculus change? Well, candidly a lot. Inflation stays higher, recession risks grow and capital allocation decisions bog down.

Portfolio Review

The first quarter is long gone in the rearview mirror but here's a quick recap. In January, our exposure to the Artificial Intelligence ('AI") megatrend generated positive performance buoyed by several large datacenter investment announcements. Performance quickly reversed with the news around the 'Deepseek' AI model. Many questioned how much compute will be required in the future. Others argued that narrower, skinnier language models are healthy and will continue to drive demand for compute as more applications are built around tailored models. We're in the camp that compute needs only grow with time. The AI narrative, while still relevant for the long term, took a back seat as trade policy with Canada and Mexico quickly grabbed investor attention and the speculation as to what else lay ahead. Needless to say, the April 2nd announcement was far worse than feared.

BEST AND WORST PERFORMERS FOR 1Q 2025[1]

Best Performers	Worst Performers
McKesson Corporation	Ciena Corporation
CenterPoint Energy, Inc.	Pure Storage, Inc. Class A
Concentrix Corporation	Hewlett Packard Enterprise Co.
Williams Companies, Inc.	Coherent Corp.
Globe Life Inc.	Wix.com Ltd.

1. Reflects the best and worst portfolio performers for the period, in descending order, based on individual security performance and portfolio weighting. Information is based upon a representative composite account and additional information regarding the performance contribution calculation methodology and the contribution of all representative account holdings on performance, is available upon request. Specific securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients. It should not be assumed that any investments in securities identified and described were or will be profitable. Positions listed may include securities that are not held in the representative composite account as of 3/31/2025..

Attribution by sector relative to the Russell Midcap Value Index also reflects the AI/datacenter theme and the negative impact of the Consumer sectors combined with an underweight in interest rate beneficiaries (Financials). Sectors positively contributing to relative returns in 2024 included Utilities, driven by data center demand for power, and Information Technology. Sectors detracting from relative performance included Consumer Staples, Consumer Discretionary and an underweight in Financials.

Outlook

In light of the current environment, we've conducted a review of the portfolio's exposure to global trade. We've never been shy about the fact that the portfolio has more revenues tied to global markets than our benchmark. In fact, we view it as a long-term driver of alpha. When a company has the right products, why not play on the global stage rather than just to a domestic audience? International revenues have contributed to faster growth and more profits, in turn driving shareholder returns for many of our technology and healthcare investments. Also worth noting is that approximately 22 percent of our portfolio companies' assets are non-US; this is greater than the mid cap index as well.

At first blush increasing barriers and costs to trade will not only be hard on many companies but for us could present relative performance difficulties. We are concerned that certain country tariffs will present a steep challenge to individual technology companies like Coherent and several others that either export to or import from China.

Fair enough but consider the following possibility – if Europe and China conclude that export driven growth has peaked, they will probably adopt measures to encourage domestic consumption, like lowering rates (already happening) and increasing government spending on healthcare and defense (also happening). On the other hand, the US economy is already largely driven by consumer spending. Higher prices as well as fears of unemployment together with declining household wealth will likely restrain domestic spending. While US-based manufacturing could get a boost from trade policy, it may not be enough to propel our consumption-based economy forward.

One additional point as we head into earnings season and look for clues into potential sales and profit impacts. We believe companies will refrain from annual guidance until more tariff clarity emerges, but managements will also be quick to highlight the general challenges that tariffs pose to their operations. Highly asymmetrical corporate narratives will not inspire much confidence. Uncertainty will prevail, fueling investor angst and maybe more selling. At some point, when enough damage has been done, governments here and abroad will come to the table and address the issues that brought us to this unhappy and out-of-balance place.

In our year-end communication we wrote that 'seatbelts for the duration of the flight' were recommended. It's more turbulent than expected but we've weathered and navigated storms before and remain guardedly optimistic that we can do so again. Nevertheless, we're all going to need strong stomachs and lots of patience.

NEUBERGER BERMAN MID CAP INTRINSIC VALUE FUND RETURNS (%)

				(ANNUALIZED AS OF 3/31/25)				
	Mar 2025	1Q25	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
At NAV								
Institutional Class	-5.59	-7.28	-7.28	-4.87	0.52	16.89	4.74	8.13
Class A	-5.62	-7.38	-7.38	-5.21	0.16	16.46	4.36	7.90
Class C	-5.70	-7.56	-7.56	-5.92	-0.58	15.59	3.58	7.44
Class R3	-5.59	-7.28	-7.28	-4.78	0.63	16.99	4.69	8.05
Class R6	-5.67	-7.43	-7.43	-5.46	-0.08	16.16	4.10	7.75
Investor Class	-5.58	-7.30	-7.30	-4.95	0.43	16.72	4.53	7.99
Trust Class	-5.62	-7.38	-7.38	-5.22	0.18	16.46	4.34	7.87
With Sales Charge								
Class A	-11.03	-12.69	-12.69	-10.67	-1.79	15.09	3.74	7.66
Class C	-6.64	-8.49	-8.49	-6.82	-0.58	15.59	3.58	7.44
Russell Midcap® Value Index	-3.68	-2.11	-2.11	2.27	3.78	16.70	7.62	9.00
Russell Midcap® Index	-4.63	-3.40	-3.40	2.59	4.62	16.28	8.82	9.17

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 www.nb.com/performance.

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.

The inception dates of the Mid Cap Intrinsic Value Fund Institutional, Trust and Investor Classes were 3/8/10, 6/10/99 and 6/1/99, respectively. The inception date of the Class A, Class C and Class R3 was 6/21/10. The inception date of Class R6 was 3/29/19. Performance prior to those inception dates is that of the Investor Class which has lower expenses and typically higher returns than all other share classes. Shares of the Trust Class may not be purchased directly from the adviser; they may only be purchased through certain institutions that have entered into administrative services contracts with the adviser. The Investor and Trust Classes are closed to new investors.

EXPENSE RATIOS (%)

	Gross Expense	Total (net) Expense
Institutional Class	1.36	0.85
Class A	1.78	1.21
Class C	2.51	1.96
Class R3	2.06	1.46
Class R6	1.72	0.75
Investor Class	1.53	1.50
Trust Class	1.73	1.25

Total (net) expense represents the total annual operating expenses that shareholders pay (after the effect of 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 8/31/2028 for Class A at 1.21%, Class C at 1.96%, Institutional Class at 0.85%, Class R3 at 1.46%, Class R6 at 0.75%, Investor Class at 1.50% and Trust Class at 1.25% (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 or supplemented.

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 if available the summary prospectus, carefully before making an investment.

Most of the Fund's performance depends on what happens in the stock market. The market's behavior is unpredictable, particularly in the short term. The value of your investment may fall, sometimes sharply, and you could lose money.

As of 3/31/2025, the weightings of the Best and Worst Performers, in order listed above, as a percentage of Fund net assets were: McKesson Corporation, 1.99%, CenterPoint Energy, Inc., 2.85%, Concentrix Corporation, 1.52%, Williams Companies, Inc., 2.79%, Globe Life Inc., 1.92%, Ciena Corporation, 1.91%, Pure Storage, Inc. Class A, 1.80%, Hewlett Packard Enterprise Co., 1.69%, Coherent Corp, 1.08%, Wix.com Ltd., 1.65%.

Past performance is not indicative of future results. This material is not intended to address every situation, nor is it intended as a substitute for the legal, tax, accounting or financial counsel of your professional advisors with respect to your individual circumstances. This material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are as of the date herein and are subject to change without notice. This material is not intended to be a formal research report and should not be construed as an offer to sell or the solicitation of an offer to buy any security.

The **Russell Midcap Index** measures the performance of the 800 smallest companies in the Russell 1000 Index, which represents approximately 25% of the total market capitalization of the Russell 1000 Index (which, in turn, consists of the 1,000 largest U.S. companies, based on market capitalization). The **Russell Midcap Value Index** measures the performance of those Russell Midcap Index companies with lower price–to–book ratios and lower forecasted growth values. 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. Please note that an index does not take into account any fees and expenses of the individual securities that they track, and individuals cannot invest directly in any index. Data about the performance of this index are prepared or obtained by Neuberger Berman and include reinvestment of all dividends and capital gain distributions. The Fund may invest in many securities not included in the above-described indices.

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.

To the extent that the Fund invests in securities or other instruments denominated in or indexed to foreign currencies, changes in currency exchange rates could adversely impact investment gains or add to investment losses.

Foreign securities involve risks in addition to those associated with comparable U.S. securities.

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.

At times, mid-cap companies may be out of favor with investors. Compared to larger companies, 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 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.

Private placements and other restricted securities, including securities for which Fund management has material non-public information, are securities that are subject to legal and/or contractual restrictions on their sales. These securities may not be sold to the public unless certain conditions are met, which may include registration under the applicable securities laws.

High public debt in the U.S. and other countries creates ongoing systemic and market risks and policymaking uncertainty.

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.

From time to time, based on market or economic conditions, the Fund may have significant positions in one or more sectors of the market. 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.

Value stocks may remain undervalued or may decrease in value during a given period or may not ever realize what the portfolio management team believes to be their full value or intrinsic value.

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; at best, it may only reduce the possibility that the Fund will be affected by such events, and especially those risks that are not intrinsic to the Fund's investment program.

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