

Neuberger Berman International Small Cap Fund

TICKER: Institutional Class: NIOIX, Class A: NIOAX, Class C: NIOCX, Class R6: NIORX

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Performance Highlights

The Neuberger Berman International Small Cap Fund posted a negative return during the first quarter, lagging the MSCI EAFE Small Cap Index (Net) which rose 3.7%.

Market Context

In the first quarter, global equity markets produced mixed results following the US election. International small capitalization developed markets, represented by the MSCI EAFE Small Cap Index (Net), rose 3.7%, lagging non-US large capitalization developed markets, as measured by MSCI EAFE Index (Net), which jumped 6.7%. US equities, as measured by the S&P 500 fell 4.3%. US small capitalization equities, as represented by the Russell 2000, dropped 9.5%.

The first quarter saw US exceptionalism lose some momentum as uncertainty around the Trump administration's policy agenda appeared to weigh on corporate and consumer sentiment. Also, the emergence of Chinese artificial intelligence (AI) company DeepSeek raised questions about the US technology sector's ability to sustain its high valuations and deliver on elevated expectations. Trade headlines bumped US equity markets around throughout the first quarter following the imposition of new tariffs on US imports from Mexico, Canada, China and products ranging from steel, aluminum and autos. The Federal Reserve (Fed) kept interest rates on hold during the period as inflation remains sticky and labor market data relatively robust.

Conversely, European equities performed well – MSCI Europe rose 10.8%, outperforming the S&P 500 by over 1500bps - as hopes for a ceasefire in Ukraine increased. This combined with the approval in the German parliament of a massive defense and infrastructure-linked fiscal stimulus package which helped sentiment in the region improve dramatically. Inflation in the Eurozone also continued to ease, allowing the European Central Bank (ECB) to cut rates (which they did on March 6th) for the 6th time since the easing cycle began last June. Looser monetary policy should increasingly support the region's economy by providing relief to borrowers and encouraging new

borrowing, which the banking sector is beginning to see demand for.

In January, the Bank of Japan (BoJ) raised interest rates – for the first time in 17 years – to 0.5%, reflecting its growing confidence in the sustainability of domestic wage growth. The BoJ is expected to continue raising rates, but its approach will likely remain cautious in the near term. During his press conference following the January meeting, Governor Ueda admitted that the central bank's monetary policy stance remained accommodative, suggesting additional rate hikes can be expected. Ueda also expressed uncertainty about how US policy will affect the Japanese economy, adding to its tentative stance. The rate hike put upward pressure on the yen and created headwinds for Japan's export-oriented equities, dampening overall market performance during the quarter.

Within the MSCI EAFE Small Cap Index, European markets led the way with several markets jumping double digit percentages in USD terms. Portugal (+22.5% in USD) was the strongest. Elsewhere, New Zealand was the weakest (-7% in USD). Two cyclical sectors, Materials and Financials (both around +10%), were the best performers during the quarter, while IT (-2.3%) and Energy (-1.0%) were the laggards

Portfolio Review

For the quarter, the fund lagged the benchmark. By sector, stock picking within Health Care and Industrials offered the key comparative headwinds. Underweights to two lagging sectors, Energy and Consumer Staples, helped the most on a relative basis. By country, rising French exposure contributed the most on a comparative basis, but that was overwhelmed with poor stock picking in Japan.

Outlook

As announced on April 8, 2025, the Neuberger Berman International Small Cap Fund will liquidate on or about May 28, 2025. As of the close of business on May 14, 2025, the Fund will no longer accept orders to purchase Fund shares from new investors or existing shareholders (including purchases through dividend reinvestments). Shareholders of the Fund may continue to redeem their Fund shares through the Liquidation Date. Please see Prospectus Supplement dated April 8, for additional information.

NEUBERGER BERMAN INTERNATIONAL SMALL CAP FUND RETURNS (%)							
	(ANNUALIZED AS OF 3/31/2025)						
	March 2025	Q1 2025	YTD	1 Year	3 Year	5 Year	Since Inception (12/8/2016)
At NAV							
Institutional Class	-1.68	-1.23	-1.23	-2.63	-0.91	8.75	6.42
Class A	-1.77	-1.39	-1.39	-3.06	-1.28	8.36	6.03
Class C	-1.83	-1.60	-1.60	-3.78	-2.02	7.56	5.24
Class R6	-1.68	-1.23	-1.23	-2.51	-0.80	8.88	6.52
With Sales Charge							
Class A	-7.40	-7.06	-7.06	-8.62	-3.20	7.09	5.28
Class C	-2.81	-2.58	-2.58	-4.74	-2.02	7.56	5.24
MSCI EAFE Small Cap Index (Net)	0.53	3.69	3.69	3.10	0.88	9.89	5.86

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.

The inception date for Neuberger Berman International Small Cap Fund Institutional Class, Class A, Class C and Class R6 was 12/08/16. The inception date used to calculate benchmark performance is that of the Institutional 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	9.65	1.06
Class A	10.13	1.42
Class C	10.83	2.17
Class R6	9.59	0.96

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 expenses may exceed the contractual cap) through 8/31/28 for Class A at 1.41%, Class C at 2.16%, Institutional Class at 1.05% and Class R6 at 0.95% (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 and 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, the summary prospectus, carefully before making an investment.

The **MSCI EAFE® Small Cap Index (Net)** is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of the small cap segment of developed markets, excluding the United States and Canada. The index consists of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

The **MSCI EAFE® Index (Net) (Europe, Australasia, Far East)** is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. The index consists of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

The **S&P 500® Index** is a float-adjusted market capitalization-weighted index that focuses on the large-cap segment of the U.S. equity market and includes a significant portion of the total value of the market. Please note that the index does not take into account any fees, expenses or taxes of investing in the individual securities that they track, and that individuals cannot invest directly in any index.

Net total return indexes reinvest dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. Gross total return indexes reinvest as much as possible of a company's dividend distributions, regardless of withholding taxes that a non-resident may experience. Data about the performance of these indexes are prepared or obtained by the Manager and include reinvestment of all dividends and capital gain distributions. The Fund may invest in many securities not included in the above-described indexes.

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. Portfolio holdings and 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.

Holdings, sectors and weightings are as of the date indicated and are subject to change without notice.

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. As a result, foreign securities may fluctuate more widely in price, and may also be less liquid, than comparable U.S. securities.

Investing in emerging market countries involves risks in addition to and greater than those generally associated with investing in more developed foreign countries. The governments of emerging market countries may be more unstable and more likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, intervene in the financial markets, and/or impose burdensome taxes that could adversely affect security prices.

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.

An individual security may be more volatile, and may perform differently, than the market as a whole.

From time to time, the trading market for a particular investment in which the Fund invests, or a particular type of instrument in which the Fund is invested, may become less liquid or even illiquid. Illiquid investments frequently can be more difficult to purchase or sell at an advantageous price or time, and there is a greater risk that the investments may not be sold for the price at which the Fund is carrying them. Certain investments that were liquid when the Fund purchased them may become illiquid, sometimes abruptly.

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, which could have a negative impact on the Fund's overall liquidity, or at a loss or depressed value.

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. The Fund could also lose money if the value of the collateral decreases.

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, less publicly available information, less stable earnings, and 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.

Value stocks may remain undervalued for extended periods of time, may decrease in value during a given period, may not ever realize what the portfolio management team believes to be their full 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.

There can be no guarantee that the Portfolio Managers will be successful in their attempts to manage the risk exposure of the Fund or will appropriately evaluate or weigh the multiple factors involved in investment decisions, including issuer, market and/or instrument-specific analysis, valuation and environmental, social and governance (ESG) factors.

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.

This material is general in nature and is not directed to any category of investors and should not be regarded as individualized, a recommendation, investment advice or a suggestion to engage in or refrain from any investment-related course of action. Neuberger Berman is not providing this material in a fiduciary capacity and has a financial interest in the sale of its products and services. Investment decisions and the appropriateness of this material should be made based on an investor's individual objectives and circumstances and in consultation with his or her advisors.

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