NEUBERGER | BERMAN

Neuberger Berman Long Short Fund

TICKER: Institutional Class-NLSIX, Class A-NLSAX, Class C-NLSCX

PORTFOLIO MANAGERS: Charles Kantor and Marc Regenbaum

Performance Highlights

For the fourth quarter in 2024, the Institutional Class of the Fund returned 1.65% vs. 0.33% for the HFRX Equity Hedge Index and 2.41% for the S&P 500 Index. This was largely a reflection of security-specific events, the Fund's net notional exposure (generally in the 40-45% area), and sector positioning.

The Fund (Institutional Class) outperformed the S&P 500 Index for 25 of the 28 down S&P 500 days for the quarter. The worst single-day performance for the Fund (Institutional Class) was -1.11% vs. -2.95% for the S&P 500 Index.

Market Overview

The S&P 500 Index (including dividends) returned 2.41% for the quarter, closing the year up almost 25%. A soft October was offset by a strong November post the U.S. election; however, that was somewhat offset in December when valuations pulled back to close out the year. At the same time, the Federal Reserve ("The Fed") decided to cut rates by 25 basis points ("bps") in both November and December, bringing the total amount of rate cuts in 2024 to 100bps. However, continued economic strength and uncertainty around future government policy drove an increase in longer-term rates. As such, the two-year yield moved up over 60bps this quarter and the 10-Year Treasury yield increased over 70bps, yielding 4.52%. On the fundamental side, Q3 earnings results surprised to the upside, with 75% of companies outpacing EPS forecasts, bringing the total Q3 earnings growth rate to ~5.8%. However, 61% of companies issued negative Q4 guidance, which is above long-term average levels of ~60% and full year 2024 earnings growth estimates ticked down slightly to ~8% (from 10-11%). Looking ahead, 2025 growth estimates are expected to accelerate to ~14%. In this environment, while small caps initially outperformed, they then reversed course in December as investor optimism waned and longer-term rates increased. Accordingly, in Q4, the equal-weighted S&P 500 Index underperformed the market-cap weighted index by over 400bps and over 1,200bps for the full-year. Meanwhile, high yield credit spreads narrowed and the U.S. dollar strengthened against a basket of major world currencies.

Portfolio Review

Performance and Positioning:

For the period, equity longs outperformed the broader market from a total return perspective and generated a positive contribution to Fund returns. Fundamental Shorts outperformed and generated a negative contribution to overall Fund returns. Market Short exposure – including broad-based market capitalization, sector, and style-specific hedges – detracted from overall Fund performance during the period.

Equity long security selection was most positive in Health Care and Energy sectors, while security selection detracted most in Consumer Discretionary and Communication Services. Fundamental Short exposure in the Consumer Staples sector outperformed during the period.

During the period, net portfolio exposure modestly decreased to the ~40-45% net long area, while gross notional exposure decreased to the ~135% area. Long equity exposure decreased for the period driven by decreased exposure mainly to the Consumer Discretionary, Consumer Staples, Health Care, Industrials and Utilities sectors. Total Fundamental Short exposure decreased during the period led by shorts in the Consumer Discretionary, Consumer Staples, Financials and Information Technology sectors. Lastly, Market Short exposure related to hedging activity increased during the period.

Longs:

Capital Growth (~80% of Total Long Exposure): During the period, the Capital Growth bucket was a positive contributor to performance and its allocation (as a % of total longs) moved higher. During the period, online retailer and cloud service provider Amazon ("AMZN") was the most positive contributor as solid early holiday shopping trends drove investor confidence, alongside continued optimism around artificial intelligence chip related investments. Conversely, online dating company Match Group ("MTCH") was a detractor, after reporting a weaker-than-expected near-term outlook for its core Tinder business, and a deceleration in its faster-growing Hinge platform.

Total Return (~15% of Total Long Exposure): As a whole, the Total Return segment was a negative contributor to Fund performance and its allocation as a % of long moved lower for the period. This bucket continues to have exposure to utilities and energy infrastructure, consumer brands and other income-generating investments, including select corporate credits.

Opportunistic (~5% of Total Long Exposure): As a whole, the catalyst-driven Opportunistic bucket was a negative contributor to Fund performance and its allocation (as a % of longs) moved slightly lower for the period. This bucket continues to have exposure to companies where we have identified a catalyst or change as a source of value creation through industry or company-specific dynamics.

Shorts:

Fundamental Shorts (~22% of Total Short Exposure): Fundamental Short mix exposure ticked lower during the period (as a % of shorts). This was partly a tactical decision in light of the current composition of various market indices. The largest Fundamental Short exposure by sector rested in the Consumer Discretionary and Industrials sectors. Overall, this bucket delivered a negative contribution to Fund performance during the period.

"Market" Shorts (~78% of Total Short Exposure): This bucket is largely comprised of sector, style and market cap-specific indices and custom baskets to help manage broader portfolio exposures. Due to hedging activity during the period, this bucket delivered a negative contribution to Fund performance.

Outlook

As we enter 2025, the consumer and economy have been more resilient than many expected, with U.S. GDP growth generally ranging between 1.5% and 3% throughout 2024. Furthermore, despite calls for a deep cut to earnings, Q1-Q3 2024 earnings also outperformed expectations. Yet, it is clear that a softer macro environment as well as political and geopolitical volatility is weighing on parts of the consumer, and further signs of a softening job market offer a clear indication that the Fed's tightening cycle is having an impact on the broader economy. As such, full-year earnings growth estimates have ticked down slightly to ~8% - although 2025 growth expectations represent an attractive ~14%. Yet, meaningful divergence in company specific expectations exist, with earnings growth of the Magnificent 7 expected to be 21% with the rest of the S&P 500 constituents' projected growth only ~13%. At the same time, progress has been made by the Federal Reserve to tame inflation. Core prices have been moving closer to the Fed's 2% target and accordingly, the Fed cut rates by 50 bps in September and 25 bps in November and December. Yet, policy uncertainty around tariffs and immigration has created some fears of renewed inflation and so doubt still remains as to the magnitude and cadence of future cuts, with investors now anticipating ~1-2 more cuts by the end of 2025. Until we have more clarity on the path of the economy versus inflation and how that translates into actual rate cuts versus expectations, we'd expect heightened market volatility. Furthermore, global geopolitical tensions remain ever-present and rising, while global political uncertainty may escalate with new policies under the incoming Trump administration. So, in the current environment, we believe the divergence in underlying companies' operating performance will be ever more apparent going forward. As always, we continue our efforts to best understand company and portfolio-specific factors as we believe this environment is flush with a confluence of fiscal policy considerations, monetary policy stimulus, geopolitical uncertainty, commodity price volatility, inflation dynamics and sequencing question marks. As market dynamics change, this can cause company market values to dislocate from their long-term potential values, creating a volatile environment with potential opportunities both long and short.

Nevertheless, we are very mindful of the complex world in which we live and invest. We highlight these risks because the current environment, as always, necessitates a flexible approach in the complex, global world in which we operate. Moreover, we strongly believe the greatest risks to the global economy are still those that are unknown today – be they financial or geopolitical in nature. As always, we must be ready and able to adapt when the facts change.

SECTOR ALLOCATION

Sector	% Long	% Short
Communication Services	9.2	-0.7
Consumer Discretionary	14.3	-2.9
Consumer Staples	4.1	-1.2
Energy	2.8	0.0
Financials	11.5	-1.2
Health Care	6.1	-0.8
Industrials	8.5	-1.9
Information Technology	24.2	-0.3
Materials	0.7	0.0
Real Estate	1.2	-0.5
Utilities	5.9	-0.5
Other (Credit, ETFs, Futures, Options)	1.0	-35.9

PORTFOLIO EXPOSURES (%)

Equity Long	89.5
Corporate Bonds Long	0.0
Equity Short	-10.0
Other Shorts	-35.9
Total Net Exposure	43.6
Total Gross Exposure	**135.4**

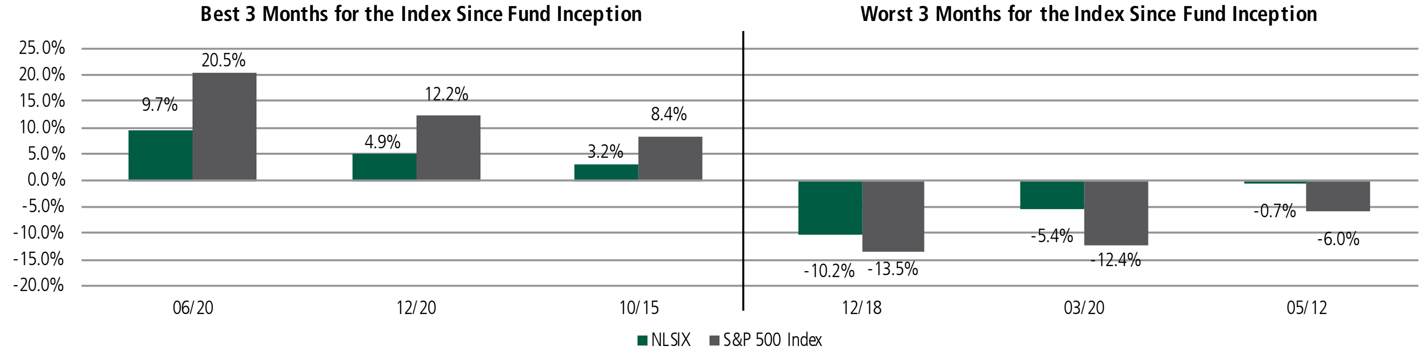
3M PERFORMANCE CONTRIBUTION (%)

Equity Long	2.28
Corporate Bonds	0.03
Equity Short	-0.14
Other Shorts	-0.40
Other	-0.12
Total	**1.65**

Figures are derived from FactSet as of 12/31/2024. The Global Industry Classification Standard[SM] is used to derive the component economic sectors of the benchmark and the Fund. The Global Industry Classification Standard ("GICS")[SM] was developed by, and is the exclusive property of, MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS)," "GICS" and "GICS Direct" are service marks of MSCI and Standard & Poor's. Sector allocation does not display fixed income investments.

PARTICIPATING IN UP MARKETS AND SEEKING TO MITIGATE RISK THROUGH DRAWDOWNS

Since inception through December 2024, the Fund has delivered a 6.7% annualized return. (Note: Hedging seeks to reduce the effects of a negative market but may limit performance in an up market. Past performance does not guarantee future results. Indices are unmanaged and are not available for direct investment.)



Risk Statistics - Since Inception on 12/29/2011	NLSIX	S&P 500
Beta to S&P 500	0.41	1.00
Sharpe Ratio	0.83	0.95
Annualized Volatility	6.39	14.06

NEUBERGER BERMAN LONG SHORT FUND RETURNS (%)				(ANNUALIZED AS OF 12/31/2024)				
	DEC 2024	4Q 24	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
At NAV								
Institutional Class	-0.24	1.65	7.47	7.47	4.23	7.31	5.78	6.67
Class A	-0.32	1.48	7.08	7.08	3.82	6.90	5.38	6.28
Class C	-0.34	1.38	6.31	6.31	3.08	6.11	4.60	5.49
With Sales Charge								
Class A	-6.06	-4.35	0.93	0.93	1.79	5.64	4.76	5.80
Class C	-1.33	0.38	5.31	5.31	3.08	6.11	4.60	5.49
HFRX Equity Hedge Index	-0.36	0.33	7.83	7.83	3.73	5.53	3.51	4.03
S&P 500® Index	-2.38	2.41	25.02	25.02	8.94	14.53	13.10	14.78

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 of the Fund is 12/29/2011. 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 is 1%, which is reduced to 0% after 1 year.

FEES & EXPENSES

	Gross Expenses (%)
Institutional Class	1.30
Class A	1.67
Class C	2.42

Gross 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 (the "Manager") contractually caps certain direct expenses of the Fund (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) through 10/31/2027 for Institutional Class at 1.70%, 2.06% for Class A and 2.81% for Class C (each as a % of average net assets). As of the Fund's most recent prospectus, the Manager was not required to waive or reimburse any expenses pursuant to this arrangement. Absent such arrangements, which cannot be changed without Board approval, the returns may have been lower. Information is as of the most recent prospectus dated 2/28/2024, as amended 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 or summary prospectus, which you can obtain by calling 877.628.2583. Please read the prospectus or, if available, summary prospectus carefully before making an investment.

The opinions expressed are as of December 31, 2024 and are subject to change at any time due to changes in market or economic conditions. These comments should not be construed as a recommendation of any individual sectors, holdings or securities.

As of 12/31/24, Amazon ("AMZN") was 4.34% and Match Group ("MTCH") was 1.39% of Fund net assets, respectively.

Since the Fund will typically hold both long and short positions, an investment in the Fund will involve market risks associated with different types of investment decisions than those made for a typical "long only" fund. There is no guarantee that the use of long and short positions will succeed in limiting the Fund's exposure to market movements, sector-swings or other risk factors.

Short sales involve selling a security the Fund does not own in anticipation that the security's price will decline. Short sales may help hedge against general market risk to the securities held in the portfolio but theoretically present unlimited risk on an individual stock basis, since the Fund may be required to buy the security sold short at a time when the security has appreciated in value. There is no guarantee that the use of long and short positions will succeed in limiting the Fund's exposure to market movements, sector-swings or other risk factors.

Investing in foreign securities may involve greater risks than investing in securities of U.S. issuers, such as currency fluctuations, potential social, political or economic instability, restrictions on foreign investors, less stringent regulation and less market liquidity. Securities issued in emerging market countries may be more volatile and less liquid than securities issued in foreign countries with more developed economies or markets as such governments may be less stable and more likely to impose capital controls as well as impose additional taxes and liquidity restrictions.

Exchange rate exposure and currency fluctuations could erase or augment investment results. The Fund may hedge currency risks when available through the hedging instruments may not always perform as expected. Derivatives contracts on non-U.S. currencies are subject to exchange rate movements.

Shares in the Fund may fluctuate based on interest rates, market condition, credit quality and other factors. In a rising interest rate environment, the value of the Fund's fixed-income investments is likely to fall.

Use of derivatives is a highly specialized activity that can involve investment techniques and risks different from, and in some respects greater than, those associated with more traditional investments. Derivatives can be highly complex, can create leverage, may be highly volatile and the Fund could lose more than the amount it invests. Derivatives may at times be highly illiquid, and the Fund may not be able to close out or sell a derivative at a particular time or at an anticipated price. Derivatives can be difficult to value. There may be imperfect correlation between the behavior of a derivative and that of the reference instrument underlying the derivative. Derivatives involve counterparty risk, which is the risk that the other party to the derivative will fail to make required payments or otherwise comply with the terms of the derivative.

Derivative instruments and short sales may also have an effect similar to that of leverage and can result in losses to the Fund that exceed the amount originally invested in the derivative instruments. Leverage may amplify changes in the Fund's net asset value ("NAV").

Investments in private companies, including companies that have not yet issued securities publicly in an initial public offering involve greater risks than investments in securities of publicly traded companies. Securities issued by these private companies are generally not freely or publicly tradable so the Fund may not have the opportunity to purchase, or the ability to sell, these securities in the amounts, or at the prices, the Fund desires.

The **S&P 500 Index** consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value-weighted index (stock price times number of shares outstanding), with each stock's weight in the Index proportionate to its market value. The S&P 500 Index is one of the most widely used benchmarks of U.S. equity performance.

The **HFRX Equity Hedge Index** is a fund-weighted index of select hedge funds focusing on Equity Hedge strategies. Equity Hedge investing consists of a core holding of long equities hedged at all times with short sales of stocks and/or stock index options.

The Sharpe Ratio measures risk-adjusted performance. The Sharpe ratio is calculated by subtracting the risk-free rate – such as that of the 10-year U.S. Treasury bond – from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. Standard Deviation (Risk/Volatility) is a statistical measure of the historical volatility of a mutual fund or portfolio.

Beta is a measure of the systematic risk of a security or portfolio. Beta measures the historical sensitivity of portfolio or security excess returns to movement in the excess return of the market index. The value of beta is expressed as a percentage of the market where the market beta is 1.0. A security or portfolio with a beta above the market has volatility greater than the market.

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