NEUBERGER | BERMAN

This is a marketing communication. Please refer to the fund prospectus and offering documents, including the Key Information Document ("KID") or Key Investor Information Document ("KIID") as applicable, before making any final investment decisions. Investors should note that by making an investment they will own shares in the fund, and not the underlying assets.

Neuberger Berman Short Duration Emerging Market Debt Fund

PORTFOLIO MANAGERS: Rob Drijkoningen, Gorky Urquieta, Jennifer Gorgoll, Bart van der Made and Nish Popat

Medalist Rating™ Silver
Analyst-Driven % 55
Data Coverage % 100

MORNINGSTAR RATING™ ★★★★★

Performance Highlights

The Neuberger Berman Short Duration Emerging Market Debt Fund posted a net return of 4.08% in the third quarter of 2024.

Past performance does not predict future returns

PERFORMANCE (%)[1]	1m[2]	3m[2]	YTD[2]	1y[2]	3y[3]	5y[3]	10y[3]	SI[3,4]
USD I Accumulating Class	1.40	4.08	8.01	12.69	2.33	2.79	2.99	2.97
Benchmark (USD)	0.43	1.37	4.03	5.46	3.49	2.32	1.65	1.51

12 MONTH PERIODS (%)[1]	Sep14 Sep15	Sep15 Sep16	Sep16 Sep17	Sep17 Sep18	Sep18 Sep19	Sep19 Sep20	Sep20 Sep21	Sep21 Sep22	Sep22 Sep23	Sep23 Sep24
USD I Accumulating Class	-0.78	6.19	3.80	0.71	6.20	3.17	3.80	-11.37	7.29	12.69
Benchmark (USD)	0.02	0.27	0.66	1.59	2.39	1.10	0.07	0.62	4.47	5.46

CALENDAR (%)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024[5]
USD I Accumulating Class	1.49	5.58	4.36	0.89	7.31	4.10	0.00	-7.09	8.06	8.01
Benchmark (USD)	0.05	0.33	0.86	1.87	2.28	0.67	0.05	1.46	5.01	4.03

The Fund is actively managed, which means that the investments are selected at the discretion of the investment manager. The Fund is not constrained by its benchmark, which is used for comparison purposes only.
1 Performance to latest month end. 12 month period based on month end NAVs.
2 Returns for these periods are cumulative.
3 Returns are annualised for periods longer than one year.
4 Returns from 31 October 2013 to latest month end.
5 Performance for the current calendar year is the year to date.
YTD - Year to date, SI - Since inception of the share class.
Benchmark: ICE BofA US 3-Month Treasury Bill Index (Total Return, USD)
Fund performance is representative of the Neuberger Berman Short Duration Emerging Market Debt Fund USD I Accumulating Class (the "Fund") and has been calculated to account for the deduction of fees. **Fund performance does not take account of any commission or costs incurred by investors when subscribing for or redeeming shares. Investors who subscribe in a currency other than the base currency of the Fund should note that returns may increase or decrease as a result of currency fluctuations. The fees and charges paid by the Fund will reduce the return on your investment.**
Source of all data and charts (unless stated otherwise): Neuberger Berman Europe Limited.

Market Context

The third quarter saw strong gains in global equities and bonds despite the massive risk-off shift and spike in volatility in early August, caused by US recession fears, the Japanese yen carry trade unwinding, and the US technology sector valuation concerns. The remarkably brief turmoil was followed by a dovish pivot from central banks, including a 50bp rate cut by the US Federal Reserve, stronger US data, and new China stimulus, resulting in significant recovery. The quarter also saw further progress in the ongoing debt restructuring processes, with Ukraine and Ghana launching debt exchanges, and Sri Lanka reaching an agreement in principle with bondholders. Over the quarter, emerging market (EM) sovereign spreads, as represented by the JPMorgan EMBIGD Index, tightened to 361bps from 396bps at the end-June, partly due the Ukrainian debt exchange. EM Corporate bond spreads ended the quarter slightly lower at 210bps, from 212bps at end June, based on the JPMorgan CEMBID Index. The quarter saw above average new issuance by EM corporates which issued $114Bn of new bonds, even though net supply was broadly flat, while the primary market for EM sovereigns was also fairly active with 36Bn$ issued over the same period.

Portfolio Review

The Fund posted a positive net return of 4.08% in the third quarter, driven by a combination of a more than 100bps decline in short-end US Treasury yields, and positive spread returns. The main contributors to spread returns included holdings in Ukraine which performed well amid a successful sovereign bond restructuring, followed by holdings in Argentina and El Salvador which benefited from the high yield rally and continued fiscal adjustment. Other notable contributors included sovereigns in Ivory Coast, Panama, Ecuador and Egypt as well as corporates in Turkey. Meanwhile, the only notable detractor over the quarter was Sri Lanka, where risks stemming from the recent elections and the pending debt restructuring approval weighed on the bonds.

As for main portfolio changes during the quarter, we added exposure to Panama where we see attractive valuations capturing rating downgrade risks. We also added to high grade credits in the Middle-East, as we participated in new issuances by different state-owned entities in the UAE and Saudi Arabia. Other main additions were in Mexico where we participated in a sustainability bond by state-owned utility CFE, a new bond by BBVA Bancomer and topped up exposure to Pemex, and in Angola where we added sovereign exposure via the primary market. Meanwhile, we reduced exposure to Euro-denominated bonds in Romania and Serbia where spreads have become less attractive, and trimmed exposure to Turkey following strong performance. Exposure to China and Brazil was reduced mainly via bond maturities.

As of end September, the portfolio had a yield to maturity of 6.11% and duration of 2.6 years.

Outlook

The EM debt asset class stands to benefit from a backdrop of slower but not recessionary US growth, lower global yields, and a wider growth pickup for emerging vs. developed countries; while near-term risks remain around a potential recession in the US, the path for US rates and election-related and geopolitical tail risks.

We see limited risk of EM sovereign defaults this year, as more vulnerable sovereigns have managed to secure new funding lately, while increased IMF engagement by different EM countries should support funding needs and reform agendas going forward. Default risks have also been declining in EM high yield corporates, and we have revised our 2024 forecast lower to 3.2% which is close to the pre-covid long-term average, and notably lower than the 7.8% default rate of last year. We see earnings growth improving on average and strength in corporate balance sheets, with liquidity buffers near decade highs following years of corporate deleveraging.

While valuations have become relatively expensive in parts of the asset class, such as in different investment grade credits, we continue to see opportunities for spread compression across various issuers, particularly in the high yield space.

The key risks to our constructive view are either a re-acceleration of inflation dynamics globally which would result in a more hawkish turn by Central Banks and higher rates, a sharper than expected slowdown in global growth, or a return to a more aggressively protectionist stance in the U.S. in the event of a change of government.

The fund complies with the Sustainable Finance Disclosure Regulation (the "**SFDR**") and is classified as an Article 8 SFDR fund. Neuberger Berman believes that Environmental, Social and Governance ("**ESG**") factors, like any other factor, should be incorporated in a manner appropriate for the specific asset class, investment objective and style of each investment strategy.

519315

DISCLAIMER

This document has not been approved by the Israeli Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute “an offer to the public” under sections 15 and 15a of the Securities Law, 1968 (“the Securities Law”) or section 25 of the Joint Investment Trusts Law, 1994 (“the Joint Investment Trusts Law”), as applicable. The Shares are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the first schedule (“the Schedule”) to the Securities Law (“Sophisticated Investors”), as amended from time to time, who also qualify as Qualified Clients (as defined in the Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management, 1995 (“the Investment Advice Law”)); in all cases under circumstances that will fall within the private placement exemption or other exemptions of the Securities Law, the Joint Investment Trusts Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israel Securities Authority. An offeree identifying itself as a Sophisticated Investor will be required to confirm in writing that it falls within one of the criteria for being deemed as such (and, in certain cases, additionally to provide third party confirmation of the same) and that it is aware of the consequences of being classified as a Sophisticated Investor. This document may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. As a prerequisite to the receipt of a copy of this document a recipient may be required by the issuer to provide confirmation that it is a Sophisticated Investor purchasing Shares for its own account or, where applicable, for other Sophisticated Investors. If any recipient in Israel of a copy of this document is not a Sophisticated Investor or has not been notified by Neuberger Berman Europe Limited that it falls within the limited number of investors referred to above, such recipient should promptly return this document to Neuberger Berman Europe Limited. Any offeree who purchases Shares is purchasing such Shares for his or its own benefit and account and not with the aim or intention of distributing or offering such Shares to other parties (other than, in the case of an offeree which is an Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel Aviv Stock Exchange, as defined in the Schedule, where such offeree is purchasing Shares for another party which is an Sophisticated Investor). Nothing in this document should be considered as investment advice or investment marketing, as defined in the Investment Advice Law. Neuberger Berman Europe Limited is not licensed under the Investment Advice Law, nor does it carry the insurance as required of a licensee thereunder. Investors are encouraged to seek competent investment advice from a locally licensed investment adviser prior to making the investment, as well as legal, business and tax advice from competent local advisers. This document does not constitute an offer to sell or solicitation of an offer to buy any securities or fund units other than the Shares offered hereby, nor does it constitute an offer to sell to or solicitation of an offer to buy from any person or persons in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.