

Neuberger Large Cap Growth

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Performance Highlights

In the first quarter of 2026, Neuberger Large Cap Growth strategy outperformed its benchmark, the Russell 1000 Growth Index on a gross basis, but underperformed the benchmark on a net basis.

Portfolio Review

During the quarter, the strategy outperformed its primary benchmark on a gross basis, with security selection as the primary driver of excess return. Stock selection within Consumer Discretionary and Utilities added to relative returns, while Healthcare detracted from security selection.

From a sector allocation perspective, an overweight in Industrials contributed to relative performance, supported by strong earnings results and durable infrastructure and power generation demand. This was partially offset by an overweight to Financials, which proved a headwind to relative returns.

ASML Holding ("**ASML**") was the top performer during the quarter, driven by accelerating AI-driven demand for advanced semiconductor equipment, a record single customer order booking that reinforced confidence in the company's multi-year revenue visibility. ASML's near-monopoly position in extreme ultraviolet lithography—essential to every advanced AI chip node—continues to anchor a durable, multi-year growth runway as chip manufacturers migrate to next-generation processes to support advanced AI accelerators and high-bandwidth memory.

Caterpillar ("**CAT**") also outperformed, benefiting from a strong earnings report that significantly exceeded consensus expectations alongside a record order backlog that included a meaningful contribution from data center-related orders, underscoring the breadth of structural demand across construction, power generation, and energy infrastructure. We believe Caterpillar's pricing power, diversified end-market exposure, and accelerating power generation demand tied to AI infrastructure investment provide credible offsets and support the durability of its long-term earnings growth trajectory.

Conversely, Boston Scientific ("**BSX**") shares lagged on the back of disappointing forward guidance that triggered a sharp single-day decline and raised questions about the durability of growth in its Electrophysiology segment, where increased competition in pulsed field ablation and a smaller-than-expected addressable market weighed on investor confidence. While near-term multiple compression is likely to persist until execution against the revised outlook is demonstrated, we believe BSX's differentiated device portfolio, pending acquisition activity, and upcoming clinical readouts provide meaningful catalysts to re-establish confidence in the company's long-term growth profile and addressable market expansion.

Microsoft ("**MSFT**") also underperformed during the quarter despite delivering strong underlying results across its cloud and AI platforms. Near-term concerns around elevated capital

expenditure commitments, concentrated backlog exposures, and moderating growth guidance weighed heavily on sentiment as investors grew increasingly focused on return on investment timelines and AI monetization visibility. Nonetheless, we believe the company's deeply embedded enterprise platform, scaled AI distribution, and durable free cash flow generation continue to support a compelling long-term investment thesis.

BEST AND WORST PERFORMERS FOR THE QUARTER*

Best Performers	Worst Performers
ASML Holding NV	Boston Scientific Corp
Caterpillar Inc.	Microsoft Corp
nVent Electric plc	Amazon.com, Inc.
CenterPoint Energy, Inc.	Meta Platforms Inc Class A
Costco Wholesale Corporation	Alphabet Inc. Class A

* Reflects the best and worst portfolio performers for the quarter, in descending order, based on individual security performance and portfolio weighting. Positions may include securities that are not held in the portfolio as of 03/31/2026. Information is based upon a composite account and additional information regarding the performance contribution calculation methodology 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.

Market Context

The S&P 500 Index (including dividends) declined 4.35% in the first quarter of 2026, as a surge in geopolitical unrest drove a sharp rise in equity market volatility and commodity prices. This rekindled fears of inflationary pressure against an already slowing growth backdrop, weighing broadly on risk sentiment. Compounding macro concerns, growing anxiety over the depth and pace of AI-driven economic disruption triggered a meaningful selloff in the technology sector—one that was particularly acute in names perceived to be most vulnerable to AI displacement. The rotation out of growth and into value was pronounced: value outperformed growth by over 12 percentage points during the quarter, and the equal-weighted S&P 500 outperformed its market-cap-weighted counterpart by more than 400 basis points.

Despite the turbulent market environment, the underlying fundamental picture remained more constructive. Fourth quarter 2025 earnings continued to surprise to the upside in aggregate, and full-year earnings growth estimates for 2026 have since moved higher to approximately 17%. Consumer spending appears to be holding up reasonably well through the early part of the year,

supported in part by a more favorable tax refund season that has provided a modest tailwind to household cash flows. Investor expectations for rate cuts in 2026, however, swung sharply—moving from two to three cuts anticipated at the start of the year to the possibility of a rate hike this calendar year. In this environment, the policy-sensitive 2-year U.S. Treasury yield increased approximately 32 basis points during the quarter, and the 10-year yield rose 15 basis points to 4.31%. Alongside this backdrop, high-yield credit spreads widened, and the U.S. dollar strengthened slightly against a basket of foreign currencies.

Outlook

As we move through 2026, while the consumer and economy have demonstrated continued resilience, there is growing evidence of greater divergence—across and within sectors and industries. A volatile political and geopolitical environment continues to weigh on consumer and corporate sentiment, delaying decision-making and introducing the risk of slowing economic growth. News headlines around tariffs and trade have repeatedly emphasized the market's sensitivity to policy changes, and recent geopolitical developments—including energy price volatility and evolving trade dynamics—only underscore the continued uncertainty ahead.

Yet, despite initial corporate caution, earnings have continued to surprise to the upside, and forward growth expectations remain constructive. Investment in AI continues to accelerate—with foundational AI attracting unprecedented levels of capital—creating significant dispersion at the company level among perceived winners and losers as the pace of disruption surpasses prior investment cycles. Questions remain, however, around the path to monetization, and investors are growing increasingly watchful of elevated capital expenditure commitments and the timeline for returns on AI infrastructure investment.

At the same time, the Federal Reserve has made meaningful progress toward its inflation objectives over the past eighteen months. Nevertheless, policy uncertainty around tariffs, immigration, and ongoing geopolitical conflict has renewed fears of inflationary pressure, and the magnitude and cadence of future rate moves remains deeply uncertain. Until greater clarity emerges on the trajectory of growth relative to inflation—and how that translates into actual monetary policy—we expect elevated volatility to persist.

In this environment, we believe divergence in underlying company operating performance will be increasingly apparent. The pronounced rotation out of large cap growth during the quarter reinforces our conviction that in the current environment, company-specific fundamentals—earnings execution, unit economics, and cash flow durability—matter more than factor or beta exposure. We continue to favor large cap growth franchises with clear and demonstrable customer ROI from AI and productivity investments, durable competitive moats anchored in data, distribution, and ecosystem advantages, access to scarce resources, and strong free cash flow conversion and balance sheet resilience. As market dynamics shift and valuations dislocate from long-term potential, we remain committed to disciplined, bottom-up research—seeking companies positioned to convert structural tailwinds into measurable financial outcomes, while maintaining the flexibility to adapt as the facts change and new risks emerge.

Information is as of March 31, 2026.

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The **Russell 1000 Growth Index** measures the performance of the large cap growth segment of the US equity universe. It includes those Russell 1000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years). The Index is reconstituted annually to ensure the represented companies continue to reflect growth characteristics. Data about the performance of this index are prepared or obtained by the Manager and include reinvestment of all dividends and capital gain distributions. The strategy may invest in many 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.

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