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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™

Bronze™

Analyst-Driven %
55
Data Coverage %
100

MORNINGSTAR RATING™ ★★★★★

Performance Highlights

The Neuberger Berman Short Duration Emerging Market Debt Fund posted a net return of 0.87% in November 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	0.87	2.06	8.71	10.89	3.07	2.76	3.03	2.98
Benchmark (USD)	0.38	1.20	4.83	5.32	3.76	2.41	1.73	1.56

12 MONTH PERIODS (%)[1]	Nov14 Nov15	Nov15 Nov16	Nov16 Nov17	Nov17 Nov18	Nov18 Nov19	Nov19 Nov20	Nov20 Nov21	Nov21 Nov22	Nov22 Nov23	Nov23 Nov24
USD I Accumulating Class	0.29	3.98	4.76	0.45	7.18	3.97	0.64	-7.43	6.66	10.89
Benchmark (USD)	0.02	0.32	0.79	1.80	2.32	0.80	0.05	1.10	4.91	5.32

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	8.71
Benchmark (USD)	0.05	0.33	0.86	1.87	2.28	0.67	0.05	1.46	5.01	4.83

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 month of November was mostly dominated by the US elections, with the Republican victory fueling a strong rally in US equities and the US Dollar. US Treasury yields saw a rise post US elections but then retraced to end the month slightly lower. The month also saw notable geopolitical developments with further escalation of the war in Ukraine, and a ceasefire agreement between Israel and Hezbollah. Oil prices were range-bound with Brent crude ending the month just -0.3% lower at $72.94 per barrel. Emerging market hard currency spreads initially tightened post US election but saw some widening in the second half of the month. EM sovereign spreads, as measured by the JPM EMBIGD Index, ended the month 1bps lower at 336bps, while EM corporate spreads widened from 198bps to 204bps as measured by the JPM CEMBID Index. New issuance by EM corporates was lower than average with $17Bn issued, while EM sovereign issuance was relatively high for the segment with $16Bn issued over the month.

Portfolio Review

The positive return in November was driven mainly by strong performance of different high yield sovereign exposures, while a modest decline in short-end US Treasury yields was also positive. The largest contribution came from holdings in Sri Lanka, as the country finally launched a debt exchange which should allow the country to conclude the debt restructuring process and exit from default before year end. Holdings in Argentina and El Salvador also posted strong returns following the US elections, with their respective presidents seen as relatively aligned to Trump, while both countries also saw credit rating upgrades during the month. Finally, exposures in Ukraine performed well, with markets assessing higher odds for ceasefire in the country under a Trump administration. Meanwhile holdings in Romania were the main laggard, amid the first round of the presidential election in the country which was unexpectedly won by a far-right candidate. Holdings in Euro-denominated bonds in Ivory Coast also lagged in November, amid a broad-based widening in spreads on Euro-denominated EM instruments.

As for main portfolio changes during the month, we participated in two new issuances in the telecom infrastructure sector, from Brazil (Sitios) and Nigeria (IHS). We also added to high grade exposure in the gulf region through a new issue from the quasi-sovereign Emirates NBD Bank in the UAE and by topping up our holdings in Qatari bank QNB. Exposure to corporates in Hong Kong and China was reduced via maturing bonds.

As of the end of November, the portfolio had a yield to maturity of 6.34% and duration of 2.7 years.

Outlook

The EM debt asset class stands to benefit from a backdrop of slower but not recessionary global growth, easing monetary policy, and a solid growth pickup for emerging vs. developed countries. In China, new rounds of policy stimulus should remove tail risks of a hard landing, even though we do not foresee a major rebound in growth. The upcoming change in government in the US presents risks around trade protectionism, especially for some of the more open economies in Asia and Eastern Europe. It also brings more uncertainty regarding the path for US rates ahead, although short duration EM debt should be less sensitive to such risks as compared to the broader EM fixed income market.

Overall, credit fundamentals across EM countries have been strengthening, with rating upgrades at decade highs across both corporates and sovereigns. We see limited risk of EM sovereign defaults in the coming period, 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 our expected default rates for 2024 and 2025 of 3.2% and 3.5% respectively are close to the 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 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.

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