January 2026

NEUBERGER | BERMAN

Neuberger Genesis Fund: Well-Positioned for a Flight to Quality

PORTFOLIO MANAGERS

Robert D'Alelio, Brett Reiner and Gregory Spiegel

Small-cap stock pickers with a strict eye for high-quality companies faced continued headwinds in the fourth quarter of 2025. As investors continued to flock toward more speculative corners of the Russell 2000 Index, driving it to record highs in December, higher-quality companies with demonstrable earnings power and healthy returns on capital—our prime targets—significantly underperformed.

We understand that recognizing these challenges doesn't make the experience any less painful for investors in our fund, and we know our performance fell short of your expectations, as it did ours. Yet history reminds us that speculative fevers break—and when they do, quality tends to deliver.

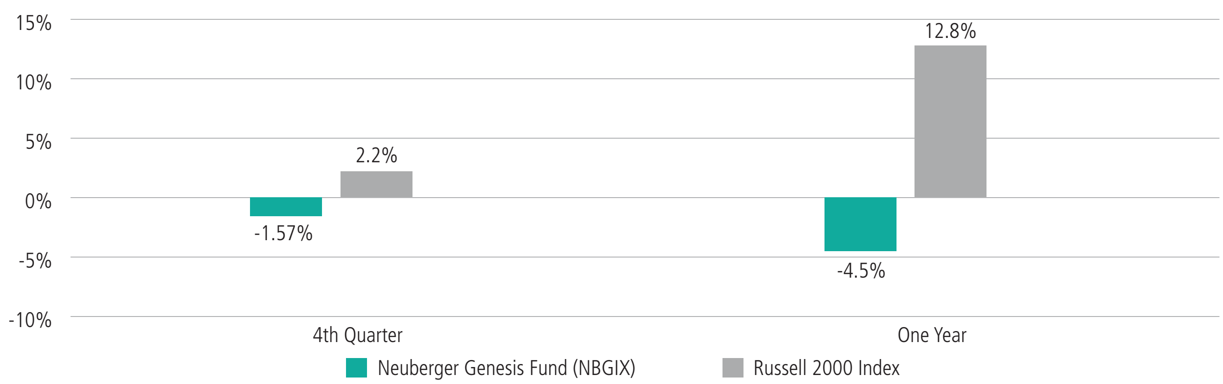
In this note, we discuss why the Neuberger Small Cap team continues to stand by our investment philosophy—and furthermore, why we believe our focus on investing in high quality companies is especially well positioned for what lies ahead.

Low-Quality Continued to Lead the Way in the Fourth Quarter

The small-cap market was highly speculative throughout 2025. Frustratingly, the market's appetite for risk put continual pressure on our portfolio and higher-quality small-cap companies in general. As shown in figure 1, the Russell 2000 Small Cap Index advanced 2.2% in Q4 while the Institutional Class of the Genesis Fund ("Fund") lost 1.57%. Full-year comparisons were also exceptionally challenging, with the benchmark returning 12.8% versus a loss of 4.5% for our Fund[1].

FIGURE 1: RAMPANT SPECULATION FUELED THE RUSSELL 2000 SMALL CAP INDEX

Total Return Ending December 31, 2025



Source: Neuberger Berman, data as of December 31, 2025. **Past performance is no guarantee of future results.**

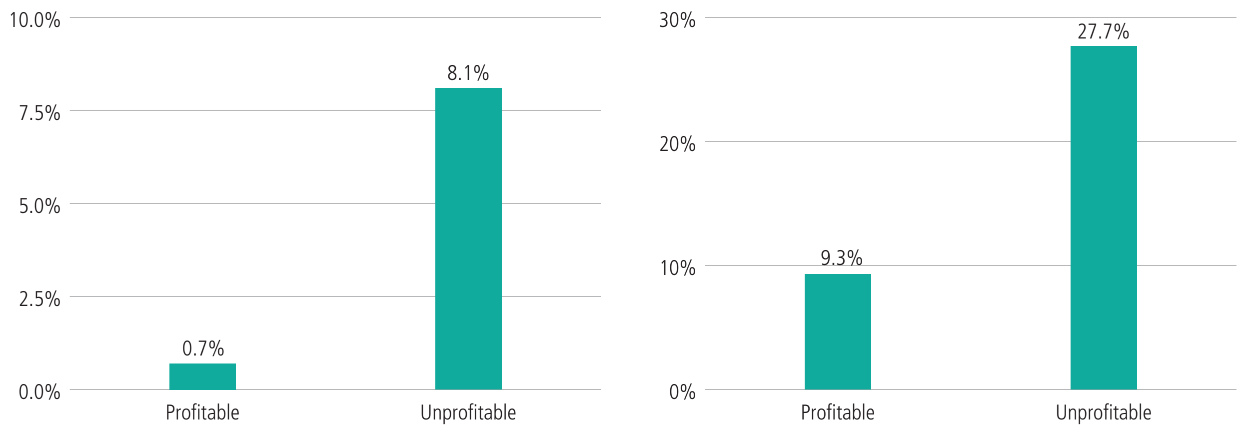
[1] Performance for all share classes can be found on page 7.

To put last year's speculative frenzy in context, consider the market's disregard for profitability, an essential ingredient in portfolios focused on high-quality companies. As shown in figure 2, money-losing small caps meaningfully outpaced profitable ones in both the fourth quarter and throughout 2025, even though history suggests that profitable names deliver better returns over *full-market* cycles.

FIGURE 2: UNPROFITABLE SMALL CAPS SIGNIFICANTLY OUTPACED PROFITABLE ONES

4th Quarter 2025 Return

One Year Ending 2025 Return



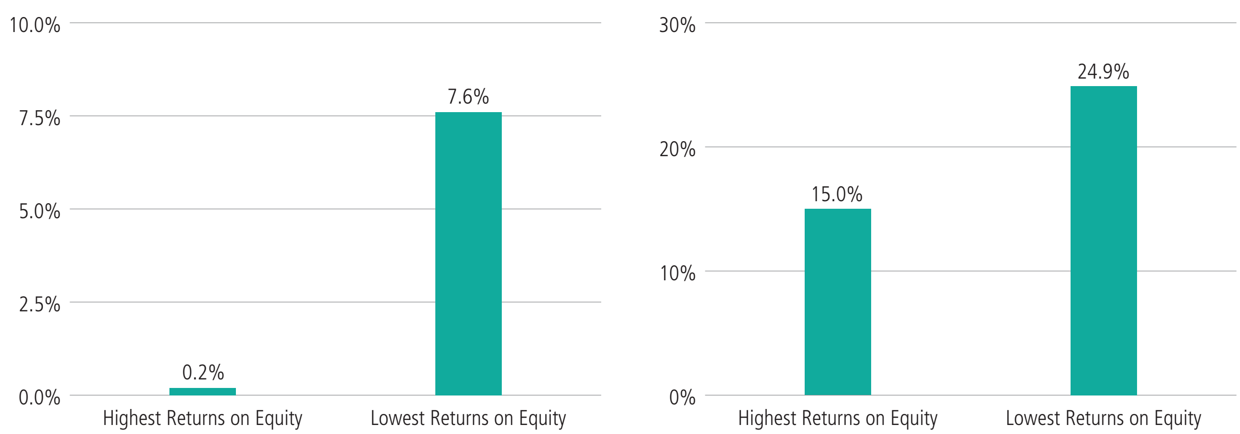
Source: Neuberger Berman, FactSet, as of December 31, 2025. **Past performance is no guarantee of future results.**

Likewise, the market hasn't rewarded companies that have healthy returns on equity (ROE). ROE measures the efficiency with which companies generate a return on their investors' capital. While higher ROEs tend to correspond with higher quality, figure 3 shows that companies with the *lowest ROEs* meaningfully outperformed during the fourth quarter and for the full year.

FIGURE 3: SMALL CAPS WITH LOW ROEs OUTPERFORMED THOSE WITH HIGH ROEs

4th Quarter 2025 Return

One Year Ending 2025 Return

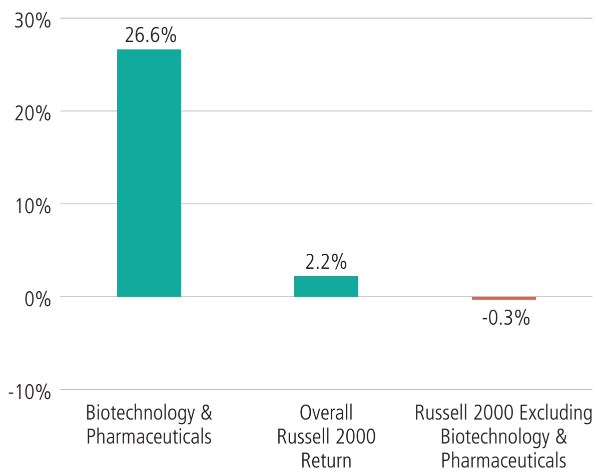


Source: Jefferies as of December 31, 2025. **Past performance is no guarantee of future results.**

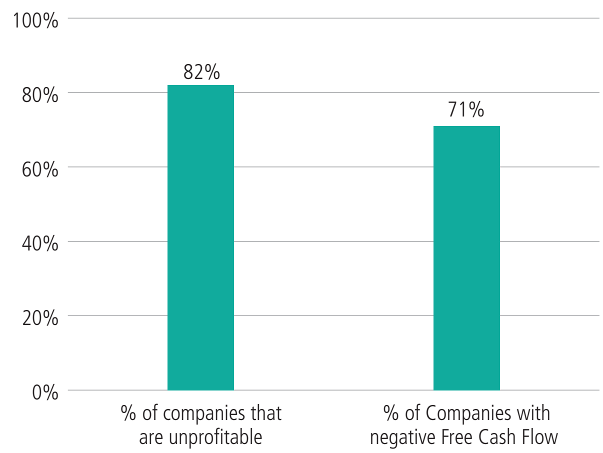
The low-quality tide felt like it might turn in the fourth quarter as the riskiest Artificial Intelligence (AI) and cryptocurrency stocks began to cool. Yet whatever modest discipline had taken hold was soon overtaken by a strong rally in the stocks of biotechnology and pharmaceuticals companies—highly speculative industries with mostly unprofitable and cash-burning companies that generally don't fit our investment criteria. As shown in figure 4, biotech and pharma stocks spiked by almost 27% in the fourth quarter; without them, the broader small cap index *would have actually fallen* by 0.3%.

FIGURE 4: TWO INDUSTRIES, WITH MANY LOW-QUALITY NAMES, DROVE THE BROADER SMALL-CAP INDEX IN Q4

Russell 2000 Performance Concentrated in Two Industries



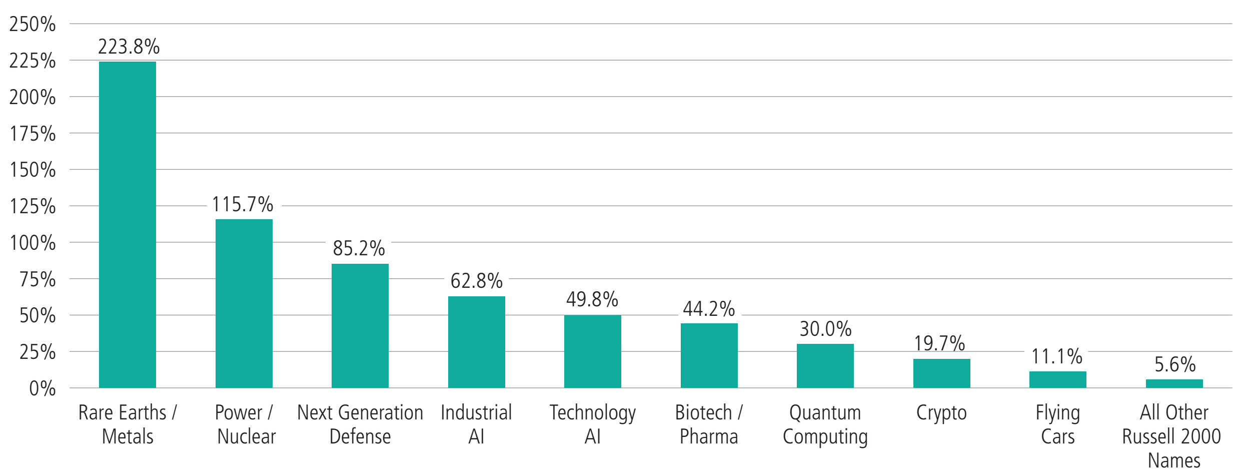
Russell 2000 Bio/Pharma Companies are Lower-Quality



Source: Neuberger Berman and FactSet, data as of December 31, 2025. **Past performance is no guarantee of future results.**

Looking at the full year, there were many speculative themes, including several related to AI that drove index returns. Most of the stocks in these areas are companies that we view as low-quality—unprofitable names with low returns on equity—and do not fit our investment criteria.

FIGURE 5: SPECULATIVE THEMES DOMINATED THE BROADER SMALL-CAP INDEX IN 2025



Source: Neuberger Berman and FactSet, as of December 31, 2025. **Past performance is no guarantee of future results.**

We've Been Here Before

While 2025 proved to be a disappointment, nearly three decades of small-cap investing have taught us that speculative fevers eventually break, and we remain confident that recent excesses ultimately will create attractive opportunities for quality-focused small-cap investors who stay the course.

As shown in figure 6, index-wide speculation in 1999, 2003 and 2006 eventually led to hard swings toward higher-quality companies, driving our portfolio and reinforcing our conviction that staying disciplined beats chasing fleeting sentiment.

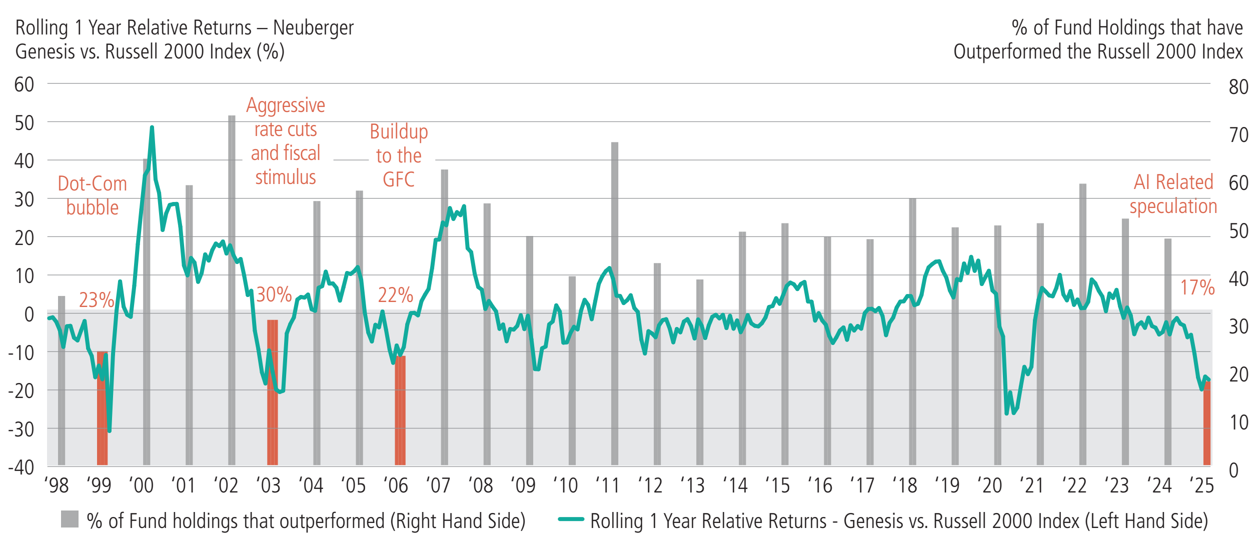
FIGURE 6: QUALITY SMALL CAPS TEND TO OUTPERFORM AFTER BOUTS OF AGGRESSIVE SPECULATION

			# of Months	Neuberger Genesis Institutional Class	Russell 2000 Index	Relative Returns	% tile Rank vs. Morningstar Small Blend Category
Dot-Com Bubble	09/01/98	02/29/00	18	27.7%	74.3%	-46.7%	71%
	03/01/00	09/30/02	31	36.8%	-35.1%	71.9%	4%
Aggressive rate cuts & fiscal stimulus	10/01/02	01/31/04	16	39.1%	63.1%	-24.0%	89%
	02/01/04	10/31/05	21	32.2%	13.6%	18.6%	5%
Buildup to the GFC	11/01/05	10/31/06	12	7.1%	20.0%	-12.9%	96%
	11/01/06	06/30/08	20	31.8%	-8.1%	39.9%	1%
AI Related Speculation	11/01/24	12/31/25	14	-5.2%	14.8%	-20.0%	99%

Source: Morningstar and Neuberger Berman, as of December 31, 2025. **Past performance is no guarantee of future results.**

Our strategy has delivered exceptional returns in the aftermath of prior speculative periods. For greater context, we reviewed our performance since 1998 and calculated the percentage of companies in our portfolio that outperformed the small-cap benchmark each year. In 2025, just 17% of our holdings outpaced the benchmark (see figure 7), mirroring levels seen during prior speculative bouts. History suggests that, when speculative fever runs rampant, a rally in higher quality companies may be near at hand. Of course, history may not repeat itself, but in our experience, it does tend to rhyme.

FIGURE 7: ONLY 17% OF THE COMPANIES WE OWN OUTPACED THE BROADER SMALL-CAP INDEX IN 2025, YET EXCEPTIONALLY LOW HIT RATES HAVE TENDED TO PRECEDE PERIODS OF SIGNIFICANT OUTPERFORMANCE



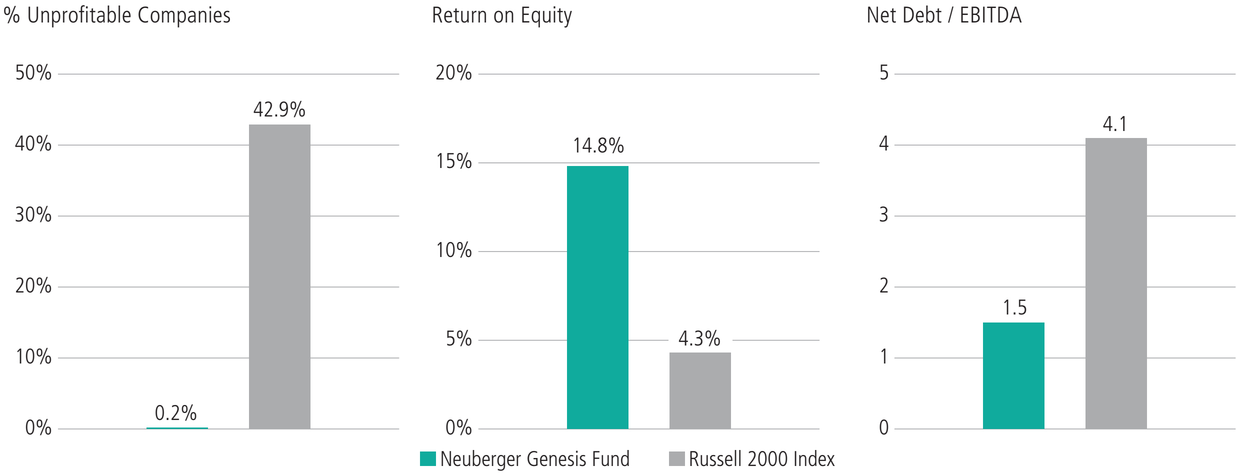
Sources: FactSet and Neuberger Berman, as of December 31, 2025. **Past performance is no guarantee of future results.**

Poised For A Rebound

Despite recent challenges, we firmly believe in our investment philosophy. Our strategy of investing in high-quality small-cap companies has the potential to deliver attractive risk-adjusted returns in the coming years.

As shown in figure 8, our portfolio consists almost entirely of profitable companies. For reference, 43% of the companies in the Russell 2000 do not make money. Furthermore, our holdings have materially higher ROEs and stronger balance sheets than the benchmark.

FIGURE 8: OUR SMALL-CAP PORTFOLIO CONSISTS OF PROFITABLE COMPANIES WITH HIGH ROEs AND STRONG BALANCE SHEETS



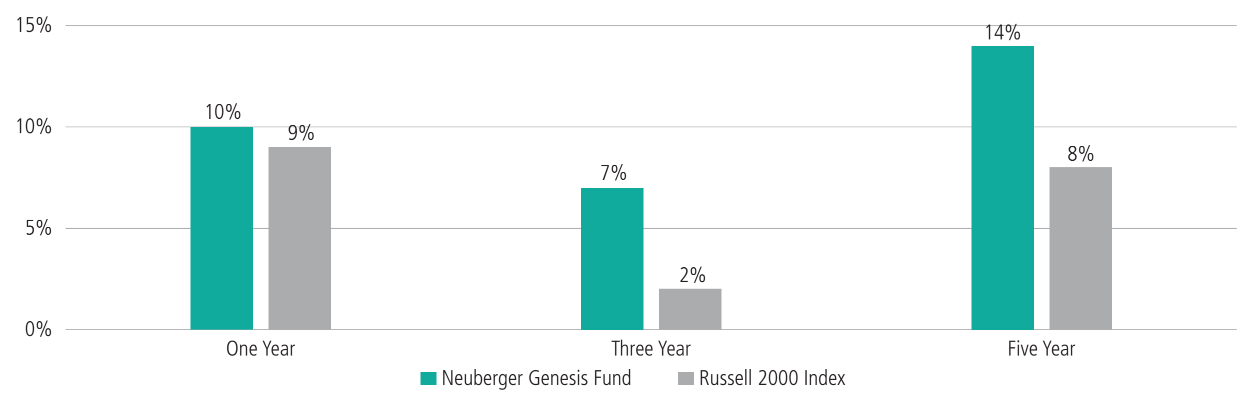
Source: Jefferies and Neuberger Berman, as of December 31, 2025. **Past performance is no guarantee of future results.**

While quality measures that we consider, like ROE and balance sheet leverage, represent a snapshot in time, potential investment returns are a function of *earnings growth* and *multiple expansion*. Here, too, we believe our portfolio is especially well-positioned for an eventual flight to quality.

As shown in figure 9, companies in our portfolio have been delivering solid earnings growth on both an absolute and relative basis. Over the last 1, 3 and 5 years, earnings across our portfolio grew approximately 10%, 7%, and 14% per year, respectively. By comparison, earnings among profitable companies in the Russell 2000 grew at a more modest 9%, 2% and 8% respectively.

The earnings growth of the companies in our portfolio validates our investment philosophy: owning high quality businesses that can compound earnings at an attractive rate and do so with meaningfully lower risk than the Russell 2000.

FIGURE 9: OUR PORTFOLIO'S EARNINGS GROWTH HAS COMPOUNDED AT AN ATTRACTIVE RATE



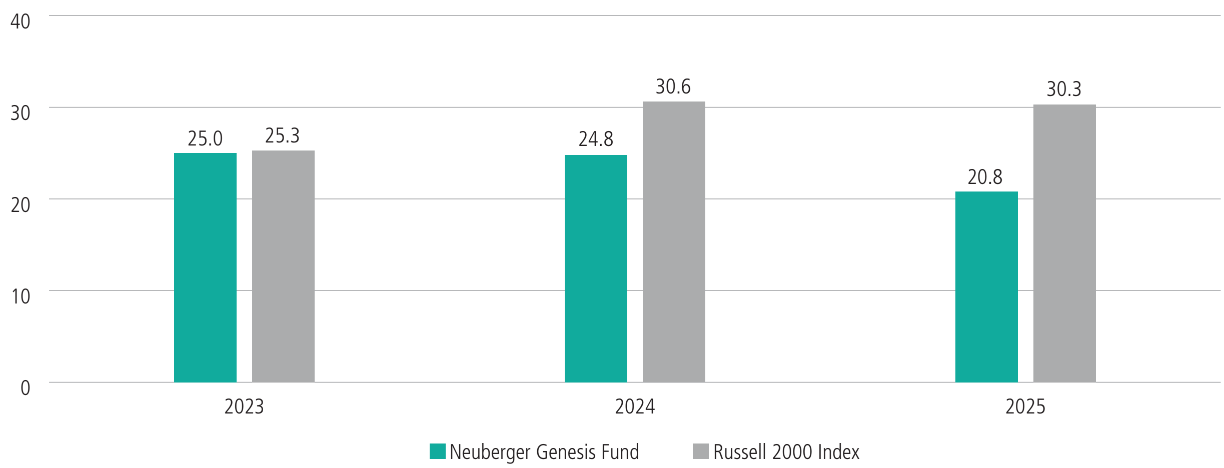
Source: Neuberger Berman and FactSet, as of December 31, 2025. **Past performance is no guarantee of future results.**

We believe our portfolio is attractively valued after years of earnings growth outpacing stock price appreciation. As shown in figure 10, our portfolio is trading at 20.8 times forward earnings—meaningfully less than it did a couple of years ago and putting it at a sharp 31% discount to Russell 2000.

Many management teams within our portfolio seem to share our view, as 75% of them repurchased shares in 2025. We see this as a clear signal of the confidence the management teams of our companies have in their businesses and in the value of their stock.

FIGURE 10: OUR PORTFOLIO HAS BECOME MORE ATTRACTIVELY VALUED

Forward FY1 Price/Earnings Ratio (Including Negatives)



Source: Neuberger Berman and FactSet, as of December 31, 2025. **Past performance is no guarantee of future results.**

Potential Catalysts

Panning out a bit, we are keeping an eye on macro drivers that we believe might shift market leadership in favor of higher-quality small caps in the coming years.

- *Economic backdrop supportive:* Recent economic reports have shown some stabilization in challenged sectors. Whether its housing, shorter-cycle industrials, commercial real estate, healthcare R&D or large-ticket consumer durables, many industries within the small-cap index have been at or near recessionary levels for multiple years. We believe that simply a lessening of these headwinds presents an opportunity for earnings growth in the more economically sensitive small-cap market.
- *Domestic policy.* We believe that the current administration's intent has been to front-load the *bad* (tariffs and spending cuts) before bringing the *good* (tax cuts and further deregulation), with the aim of incentivizing investment in the U.S. and putting the economy on sounder footing. Small-cap companies, which are more domestically exposed, appear well-positioned to benefit from these policy goals.
- *Declining inflation.* While the cumulative impact of inflation remains a headwind to consumer budgets, we believe that declining rents and low oil prices have the potential to put downward pressure on inflation. This has the potential to provide much needed relief to consumers and support improving *real* income growth in the coming year.
- *Additional interest rate cuts.* Market consensus predicts that the Federal Reserve is prepared to continue on a path of interest rate cuts, while also reversing course on quantitative tightening. We believe these actions should broaden economic growth.
- *Artificial intelligence.* We believe AI has the potential to boost overall corporate productivity. While early beneficiaries of AI were concentrated in data center suppliers, we believe AI productivity will broaden into the rest of the economy in 2026. Market leading companies, such as those that we own, with strong financial positions and leading market shares, may be well positioned to benefit from these trends.

Our Commitment To Quality

While 2025 was frustrating, we know it is not without precedent.

As time-tested, long-term investors, we have weathered many quality cycles, and we know that timing them with precision is a fool's errand. That's why we remain committed to our fundamental investment approach—one built on disciplined selection of the highest-quality small-cap stocks with well-protected business models and the potential to generate ample and sustainable returns on invested capital.

More importantly, we continue to have confidence in the financial strength and potential earnings growth of our portfolio, and we are encouraged—by the attractive valuations for quality companies that meet our stringent criteria.

NEUBERGER GENESIS FUND – TOTAL RETURNS

For Periods Ended December 31, 2025				Average Annualized				Expense Ratios[1]
At NAV	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception^	Gross
Neuberger Genesis Fund Institutional Class	-1.57	-4.50	-4.50	6.47	2.93	9.15	11.38	0.84
Neuberger Genesis Fund Class R6	-1.56	-4.42	-4.42	6.58	3.03	9.25	11.32	0.74
Neuberger Genesis Fund Investor Class	-1.60	-4.65	-4.65	6.32	2.78	8.97	11.22	0.99
Neuberger Genesis Fund Trust Class	-1.63	-4.74	-4.74	6.21	2.67	8.88	11.18	1.09
Neuberger Genesis Fund Advisor Class	-1.70	-5.00	-5.00	5.94	2.41	8.60	10.95	1.34
Russell 2000® Index	2.19	12.81	12.81	13.73	6.09	9.62	9.42	

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 costs. Results are shown on a "total return" basis and include reinvestment of all dividends and capital gain distributions. Current performance may be lower or higher than the performance data quoted. For current performance data, including current to the most recent month end, please visit www.nb.com/performance.

^The inception dates for Neuberger Genesis Fund Class R6, Institutional, Investor, Trust, and Advisor Classes were 3/15/13, 7/1/99, 9/27/88, 8/26/93, and 4/2/97, respectively. The inception date used to calculate benchmark performance is that of the Investor Class, which has lower expenses and typically higher returns than the Trust and Advisor Classes.

Shares of the Class R6, Institutional Class, Trust Class and Advisor Class may not be purchased directly from the Fund's Investment Manager (the "Manager"); they may only be purchased through certain institutions that have entered into administrative services contracts with the Manager. Some classes are not open to all investors. See the prospectus for details.

Please note that the index does not take into account any fees, expenses or taxes of investing in the individual securities that it tracks, and that individuals cannot invest directly in any index. 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 Fund may invest in many securities not included in the above-described index.

1. 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") 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) through 08/31/2029 for Class R6 at 0.75%, for Trust Class at 1.50%, for the Institutional Class at 0.85% and for Advisor Class at 1.50% (each as a percentage of average net assets). As of the Fund's most recent prospectuses, 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 as of the most recent prospectuses dated December 18, 2025, 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 if available summary prospectus, which you can obtain by calling 877.628.2583. Please read the prospectus, and if available the summary prospectus, carefully before making an investment.

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.

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.

Important Disclosures

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 if available summary prospectus, which you can obtain by calling 877.628.2583. Please read the prospectus, and if available the summary prospectus, carefully before making an investment.

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.

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.

Most of the Fund's performance depends on what happens in the stock market. The market's behavior can be unpredictable, particularly in the short term. There can be no guarantee that the Fund will achieve its goal. The Fund may take temporary defensive and cash management positions; to the extent it does, it will not be pursuing its principal investment strategies. Foreign securities involve risks in addition to those associated with comparable U.S. securities. An individual security may be more volatile, and may perform differently, than the market as a whole. 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. High public debt in the U.S. and other countries creates ongoing systemic and market risks and policymaking uncertainty. The Fund may experience periods of large or frequent redemptions that could cause the Fund to sell assets at inopportune times or at a loss or depressed value. Redemption risk is heightened during periods of declining or illiquid markets. From time to time, based on market or economic conditions, the Fund may have significant positions in one or more sectors of the market.

Compared to larger companies, small- and mid-cap companies may depend on a more limited management group, may have a shorter history of operations, and may have 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.

Value stocks may remain undervalued or may decrease in value during a given period or 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.

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. It is not possible for the Manager or the other Fund service providers to identify all of the cybersecurity or other operational risks that may affect the Fund or to develop processes and controls to completely eliminate or mitigate their occurrence or effects. 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 financially material environmental, social and governance factors.

No risk management program can eliminate the Fund's exposure to adverse events; at best, it may only reduce the possibility that the Fund will be affected by such events, and especially those risks that are not intrinsic to the Fund's investment program.

The Fund may not be able to sell an investment at the price at which the Fund has valued the investment.

The **S&P 500 Index** is widely regarded as the standard for measuring large cap U.S. stock market performance and includes a representative sample of leading companies in leading industries. The **Russell 2000 Growth Index** is a float-adjusted market capitalization-weighted index that measures the performance of the small-cap growth segment of the U.S. equity market. It includes those Russell 2000® Index companies with higher price-to-book ratios and higher forecasted growth rates. The index is rebalanced annually in June. Data about the performance of this index is prepared or obtained by the Manager and include reinvestment of all dividends and capital gain distributions. The Portfolio may invest in 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.

The Global Industry Classification Standard ("GICS")SM is used to derive the component economic sectors of the benchmark and the fund. GICS 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.

The "Neuberger Berman" and "Neuberger" name and logo and "Neuberger Berman Investment Advisers LLC" name are registered service marks of Neuberger Berman Group LLC. The individual fund names in this piece are either service marks or registered service marks of Neuberger Berman Investment Advisers LLC, an affiliate of Neuberger Berman BD LLC, distributor, member FINRA.

NEUBERGER | BERMAN

Neuberger Berman
1290 Avenue of the Americas
New York, NY 10104-0001

www.nb.com