NEUBERGER | BERMAN

Small Caps: A Unique Opportunity

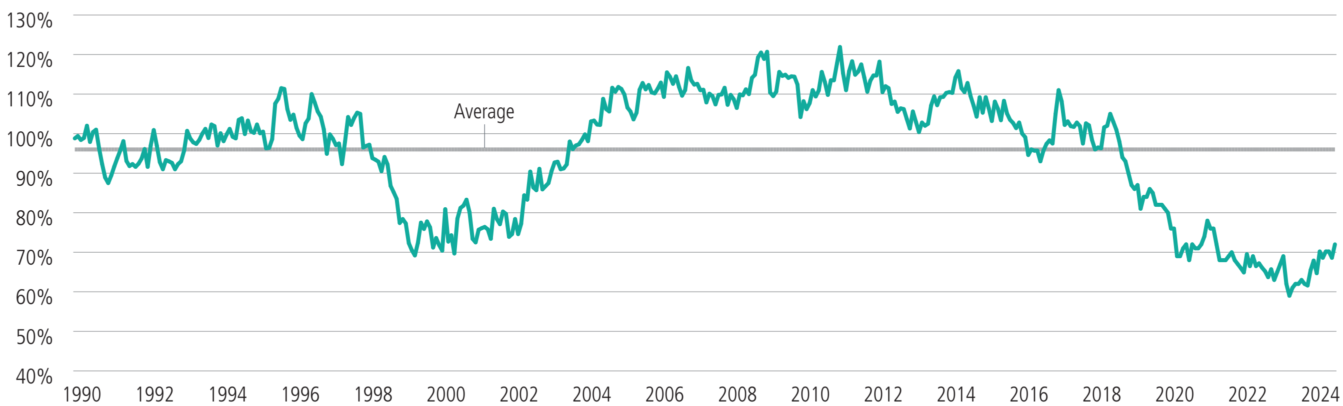
Three Reasons to Consider Small Caps in This Environment

1. Attractive Valuation: Small caps valuations are currently at a record low relative to large caps, which in our view, creates an attractive entry point.

Small caps are at record low valuations relative to large caps

The last time relative valuation was near the current level was January 2000. In the 10 years that followed, the Russell 2000 appreciated 5.44% annually, while the S&P 500 was up 0.41%.

Median Trailing 12-Month P/E (Excluding Negative Earners) Russell 2000 Relative to the S&P 500



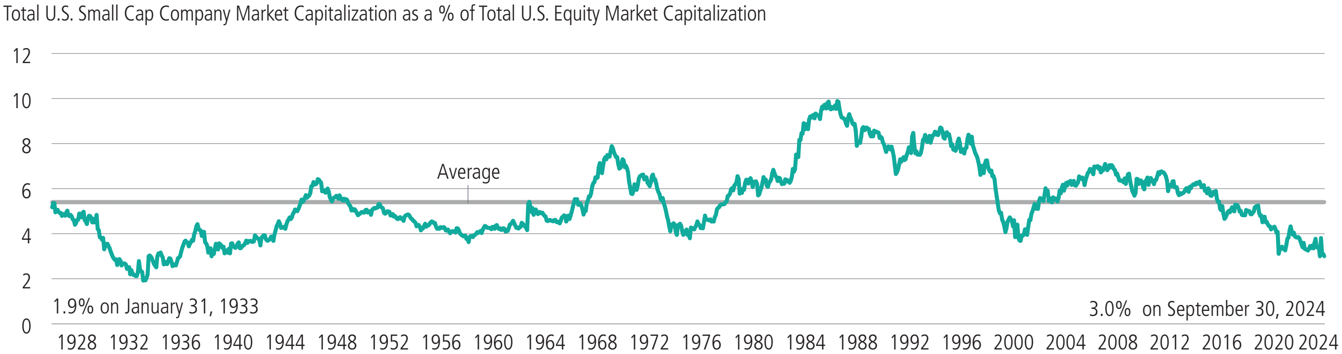
Source: Furey Research Partners. Data through September 30, 2024. Russell 2000 Index was created in 1988. Indices do not take into account any fees, expenses or taxes of investing in the individual securities that they track. Individuals cannot invest directly in any index. **Past performance is no guarantee of future results.**

2. Poised for Performance: With small caps near a 100-year low as a percentage of the total U.S. Equity Market Capitalization, we believe even a small reversion to the mean represents a meaningful opportunity.

Small caps are near a 100-year low as a percentage of the total U.S. Equity Market Capitalization

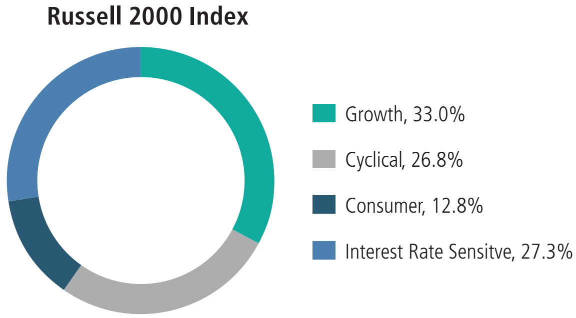
Historically since 1926, when total U.S. small cap market capitalization was below 5% of the total U.S. equity market capitalization (currently 3.0%), small beat large by 4.3%, 10.8% and 18.3%, over the next 12, 24 and 36 months, respectively.

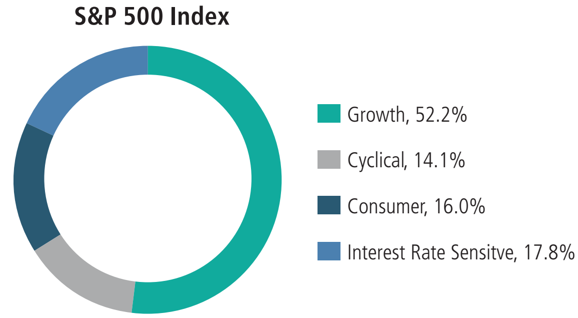
Total U.S. Small Cap Company Market Capitalization as a % of Total U.S. Equity Market Capitalization



Source: Jefferies Research, Center for Research in Security Prices (CRSP®), The University of Chicago Booth School of Business. As of September 30, 2024, currently 5th percentile vs. history. Small is represented by market cap deciles six to eight. **Past performance is no guarantee of future results.** Indices do not take into account any fees, expenses or taxes of investing in the individual securities that they track. Individuals cannot invest directly in any index.

3. Diversified Exposure: Given that the S&P 500 Index has become increasingly concentrated in the Magnificent 7, small caps offer diversified exposure to the U.S. economy.





Source: Neuberger Berman as of September 30, 2024. Growth: Communication Services, Healthcare, Technology. Consumer: Discretionary and Staples. Cyclical: Energy, Industrials, Materials. Interest Rate Sensitive: Financials, Real Estate, Utilities.
The Magnificent 7 stocks are a group of high-performing and influential companies in the U.S. stock market: Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA and Tesla.

The S&P 500 Index is a capitalization weighted index comprised of 500 stocks chosen for market size, liquidity, and industry group representation. The S&P 500 Index is constructed to represent a broad range of industry segments in the U.S. economy. The S&P 500 focuses on the large-cap segment of the market with over 80% coverage of U.S. equities.

The Russell 2000® Index is a float-adjusted market capitalization-weighted index that measures the performance of the small-cap segment of the U.S. equity market. It includes approximately 2,000 of the smallest securities in the Russell 3000® Index (which measures the performance of the 3,000 largest U.S. public companies based on total market capitalization). Please note that indices do not take into account any fees, expenses or taxes of investing in the individual securities that they track, and that individuals cannot invest directly in any index. Data about the performance of these indices are prepared or obtained by the Manager and include reinvestment of all dividends and capital gain distributions.

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.

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.

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

www.nb.com