NEUBERGER | BERMAN

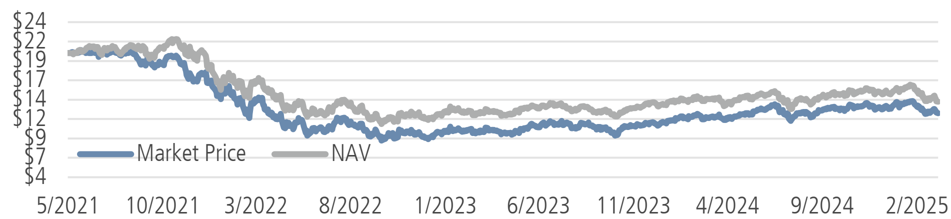
# Neuberger Berman Next Generation Connectivity Fund Inc.

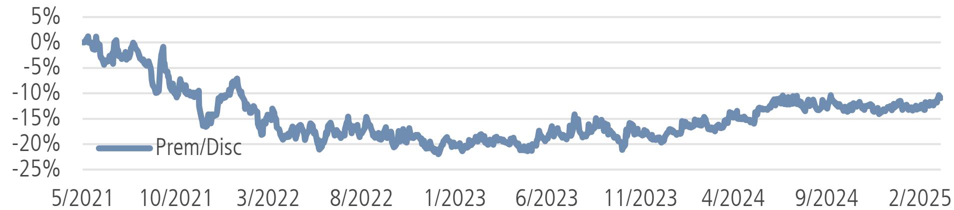
**TICKER:** NBXG

## Fund Highlights

- **A Significant Growth Opportunity**
  Global portfolio focused on $13.1tn[1] of potential opportunity in next generation connectivity
- **An Experienced Investment Team**
  Over $10bn in assets managed by co-PMs in Asia and the U.S.
- **Access to Private Companies**
  Investments in what we believe are attractive private companies with growth potential
- **Differentiated Thematic Exposure**
  Exposure to U.S. and non-U.S. companies across market caps

## NBXG: PRICE AND VALUATION TRENDS (Since Inception)




The Fund's NAV and Market Price will fluctuate with market conditions. Current performance may be higher or lower than the data shown. **Past performance is no guarantee of future results.**

### Market Data

| | |
|---|---|
| **Market Price** | |
| Quarter-End | $12.25 |
| Last 12 Month Rang | $13.83 - $11.25 |
| **Net Asset Value** | |
| Quarter-End | $13.75 |
| Last 12 Month Range | $15.91 - $12.78 |
| **Premium/Discount** | |
| Quarter-End | (10.91%) |
| Last 12 Month Range | (10.37%) - (16.85%) |
| Last 12 Month Average | (12.88%) |
| **Distribution Rate[2]** | |
| On Market Price | 9.80% |
| On NAV | 8.73% |
| **NAV Ticker** | XNBGX |
| **CUSIP Number** | 64133Q108 |
| **Inception Date** | 05/25/21 |
| **Listed Exchange** | NYSE |
| **Average Daily Volume (trailing 12 months)** | 233,345 |

### Portfolio Characteristics[3]

| | |
|---|---|
| Number of Holdings Excluding Options (Public/Private or Restricted) | (50/8) |
| Weighted Average Market Cap (USD M) | 572,145 |
| Forward Price/Earnings (P/E) Ratio | 24.5x |
| Estimated Long-term (3-5 yr.) EPS Growth (%) | 13.5% |
| Price/Earnings-to-Growth Ratio | 1.8x |
| Price/Sales | 4.5x |

### Top 10 Public Holdings[4] (%)

| | |
|---|---|
| Meta Platforms Inc Class A | 6.20 |
| Amazon.com, Inc. | 5.94 |
| Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR | 4.14 |
| AT&T Inc | 4.07 |
| Alphabet Inc. Class A | 3.55 |
| NVIDIA Corporation | 3.00 |
| Cisco Systems, Inc. | 2.86 |
| GoDaddy, Inc. Class A | 2.50 |
| DraftKings, Inc. Class A | 2.48 |
| Robinhood Markets, Inc. Class A | 2.47 |

### Private/Restricted Holdings[4] (%)

| | |
|---|---|
| Grammarly, Inc. | 3.02 |
| NB A24 NBXG Blocker LLC | 2.95 |
| Arctic Wolf Networks, Inc | 2.40 |
| VideoAmp, Inc. | 2.03 |
| Fabletics, Inc. | 1.56 |
| Celonis | 0.92 |
| Savage X, Inc. | 0.40 |
| Cybereason | 0.10 |

**1.** Qualcomm, "The 5G Economy in a Post COVID-19 Era Report," November 2020.
**2.** Distribution Rate is annualized and based on monthly distributions. The Fund has adopted a policy to pay common shareholders a stable monthly distribution. In an effort to maintain a stable monthly distribution, the Fund may pay distributions consisting of net investment income, net realized gains and return of capital. There is no assurance that the Fund will always be able to pay distributions of a particular size, or that distributions will consist solely of net investment income and net realized capital gains. In compliance with Section 19 of the Investment Company Act of 1940, as amended, a notice would accompany any distribution that does not consist solely of net investment income. This notice would be for informational purposes, and would disclose, among other things, estimated portions of the distribution, if any, consisting of net investment income, capital gains and return of capital. The actual composition of the Fund's distributions for a calendar year can only be determined after year end and will be reported to Fund shareholders on IRS Form 1099-DIV. The notices for the current calendar year are also available on Neuberger Berman's website at www.nb.com. For the Fund's most recent distribution payment of $0.10 per share, which was paid on March 31, 2025, the distribution was estimated to consist solely of return of capital. This estimate was based on earnings and portfolio activity as of the record date for the distribution.

**Portfolio Managers**

**Hari Ramanan**
CIO, Research Funds
26 Years of Experience
New York

**Tim Creedon**
Director of Global Equity Research
26 Years of Experience
New York

**Yan Taw (YT) Boon**
Director of Research, Asia
22 Years of Experience
Hong Kong

**5 Senior Analysts**

**Derivatives Strategist**

**40+ Global Research Strategies (GRS) Professionals**

## Manager Commentary

### Next Generation Connectivity Thematic Update

The first quarter of 2025 was defined by heightened macroeconomic uncertainty, driven by a convergence of key themes that weighed on investor sentiment. Tariff developments dominated headlines, as tariffs are expected to introduce uncertainty around cost structures and demand dynamics, with visibility into their full impact remaining limited. Meanwhile, the technology sector faced mixed signals from the evolving artificial intelligence (AI) landscape. While DeepSeek's cost efficiencies fueled optimism about AI adoption, concerns over commoditization and overcapacity tempered enthusiasm. Additionally, sentiment around megacap tech shifted, prompting rotations out of the sector. As macro concerns evolved into micro challenges ahead of earnings season, visibility into the timing and magnitude of disruptions remained limited, keeping investors cautious.

During the first quarter, the Fund maintained stable positioning with a modest increase in Communication Services exposure and a slight decrease in semiconductor-related names. Strong stock selection in defensive areas like AT&T, T-Mobile US, Spotify, and Sea Limited helped mitigate pressures from AI digestion concerns and tariffs. Additionally, the portfolio strategy differentiated between recession fears and tariff impacts, selectively increasing exposure to recessionary names during periods of excessive sell-offs. While the portfolio is not entirely immune to tariff impacts, NBXG is significantly positioned in services and innovation-driven sectors, which may offer some insulation from direct tariff pressures. This balanced positioning helped mitigate some of the macroeconomic volatility while maintaining alignment with long-term growth themes.

The Fund has also increased exposure to asset-light business models that we believe are less sensitive to direct tariff-related pressures, such as Netflix, Uber, Monday.com, DraftKings, GoDaddy, and Chewy. Furthermore, the Fund capitalized on market dislocations to invest in strong product-cycle names like Robinhood, which is driving growth through platform expansion initiatives, including offerings for active traders, retirement accounts, debit cards, and European market entry. Adjustments were made to trim positions in names impacted by slowing growth, such as Microsoft, reflecting a disciplined approach to portfolio management. Looking ahead, while near-term volatility remains a concern, by remaining disciplined and nimble, we believe the Fund is prepared to seize high-conviction opportunities during market disruptions while maintaining a balanced approach to risk.

As we enter the first-quarter earnings season, investors are focused on the technology sector amid debates surrounding China-exposed names versus those with minimal supply chain dependencies. With tariffs and supply chain challenges still lingering, stocks are pricing in downward estimate revisions, prompting the market to differentiate between companies impacted by external pressures and those facing broader growth slowdown concerns. In managing the Fund, we remain focused on underlying supply and demand trends, company and industry fundamentals, and identifying companies we believe are well-positioned and attractively valued.

### Fund Performance

The Fund generated net asset value (NAV) and market price-based total returns of -4.22% and -1.60%, respectively, during the first quarter of 2025, while the MSCI All Country World Index generated a total return of -1.32% for the same period.

AT&T and IBM, both considered defensive names, were top contributors to the Fund's Q1 performance. AT&T benefited from consistent execution in postpaid phone and fiber broadband, alongside cost-saving initiatives and reaffirmed 2025 guidance, reinforcing investor confidence amidst market volatility. IBM exceeded Q4 expectations, with strength in its higher-margin Software segment and accelerating GenAI bookings offsetting weaker hardware and consulting results. Its long-term growth framework highlights sustainable revenue and improved profitability driven by hybrid cloud and AI solutions.

Alphabet and Amazon were key detractors from the Fund's performance this quarter as the MAG7 group saw significant pullbacks. Alphabet underperformed due to concerns over shrinking search market share amid competition from OpenAI and Microsoft, missed cloud expectations, cyclical headwinds, and debates around its spending discipline. Amazon's weakness stemmed from macroeconomic and operational challenges, including the potential for tariffs to raise consumer costs and its focus on long-term AI infrastructure investments, which have delayed near-term returns.

In the first quarter, the Fund's portfolio management team did not initiate any investments in new private companies, maintaining its disciplined and selective approach. As noted in previous communications, the team focuses on established private businesses with IPO or strategic sale potential, avoiding seed, early-stage, or venture growth companies. As of the end of the first quarter, the Fund's eight private company investments comprised approximately 13.4% of total assets. We believe the Fund's private markets program remains a key contributor to long-term investment returns.

## Manager Commentary (Continued)

**Best and Worst Performers for the Quarter***

| Best Performers | Worst Performers |
|---|---|
| AT&T Inc | Alphabet Inc. Class A |
| International Business Machines Corporation | Amazon.com, Inc. |
| T-Mobile US, Inc. | Broadcom Inc. |
| Spotify Technology SA | Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR |
| Uber Technologies, Inc. | NVIDIA Corporation |

*Reflects the best and worst performers for the quarter, in descending order, based on individual security performance and portfolio weighting in the Fund. Positions listed may include securities that are not held in the Fund as of 3/31/25. Specific securities identified and described do not represent all of the securities purchased, sold or recommended for the Fund. It should not be assumed that any investments in securities identified and described were or will be profitable.

### Outlook and Portfolio Positioning

Navigating today's volatile markets demands both flexibility and open-mindedness, as the macroeconomic and geopolitical environment remains highly fluid. While definitive answers may be elusive, evolving signals can offer valuable insights for making thoughtful strategic adjustments. Key macro factors, such as the Federal Reserve's responsive stance and the bond market's relative steadiness, provide a foundation for cautious optimism, in our view. Resilience in oil prices and strong employment numbers further contribute to what may be a margin of safety, even as rising tariffs continue to create uncertainty around cost structures and demand dynamics in equity markets.

In this complex backdrop, we remain attuned to monetary policy developments and shifting macroeconomic conditions, as these forces will significantly influence sentiment and asset class opportunities. We believe that a disciplined approach, paired with a focus on areas of strong conviction, can help the Fund navigate uncertainty while positioning for future upside as markets stabilize. In our view, success in this environment requires striking a balance between defensiveness and selectivity, with an emphasis on structural growth drivers to ensure long-term resilience and growth potential.

Importantly, we remain constructive on the long-term opportunity set for Nextgen Companies and our efforts to invest in the key enablers and beneficiaries of the theme. It remains our view that the digital transformation trends enabled by Network Infrastructure, Connected Devices, and Applications will extend far beyond today's macroeconomic and geopolitical challenges. Indeed, we believe AI represents another generational shift in computing technology. Specifically, AI leverages next-generation connectivity for enhanced data transmission that is faster, offers higher bandwidth, and is more efficient, simultaneously processing and acting upon the data.

The Fund continues to employ an option writing strategy intended to generate current gains from options premiums and to enhance the Fund's risk-adjusted return potential. During the first quarter, approximately 26.3% of the Fund's portfolio on an average daily basis was overwritten – approximately 14.2% in calls and approximately 12.1% in puts.

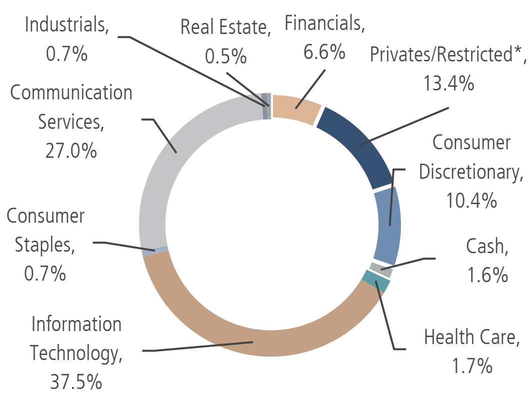
## NBXG: Performance Common Shares

As of March 31, 2025

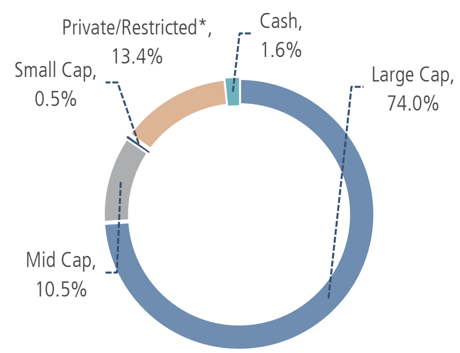
| | TOTAL RETURN (%) | | | | | |
|---|---|---|---|---|---|---|
| | Monthly | Quarterly | Six Months | One Year | 3 Year | Since Inception 5/25/2021 |
| NAV | -7.47 | -4.22 | -0.43 | 7.33 | 5.17 | -0.07 |
| Market Price | -5.95 | -1.60 | -0.03 | 14.59 | 6.55 | -3.02 |
| MSCI ACWI All Country World Index (Net)[6] | -3.95 | -1.32 | -2.30 | 7.15 | 6.91 | 5.85 |

All data is as of 3/31/25, unless otherwise noted. Returns for less than one year are not annualized. **Performance data quoted represents past performance and does not guarantee future results.** Results are shown on a "total return" basis and include reinvestment of all distributions. NAV total return data quoted is net of fees and expenses. The investment return and principal value of an investment will fluctuate so that the shares may be worth more or less than their original cost. The Fund's market price and net asset value will fluctuate with market conditions. Current performance may be lower or higher than the performance data quoted. For more information, please refer to Neuberger Berman's website at www.nb.com/cef-performance.

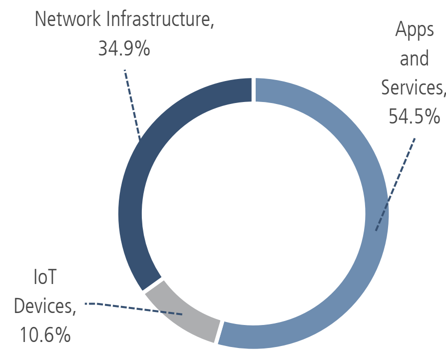
### Sector Breakdown (Excluding Options)




### Market Cap Breakdown (Excluding Options)




### Investment Category Breakdown (Excluding Options & Cash)

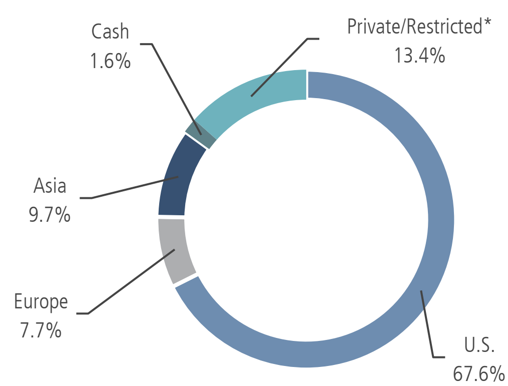



*Percentage may include restricted shares of companies that have recently completed an initial public offering

### Portfolio Composition (%)

| | |
|---|---|
| Public Holdings (Excluding Options) | 85.0% |
| Privates/Restricted* | 13.4% |
| Cash & Cash Equivalents | 1.6% |
| Options – Daily Average % Overwritten | 26.3% |

### Geographic Breakdown (Excluding Options)




### Distribution History[5]

| | Ex-Date | Record Date | Payable Date | $/Share |
|---|---|---|---|---|
| **3/25** | 3/17/2025 | 3/17/2025 | 3/31/2025 | $0.10 |
| **2/25** | 2/18/2025 | 2/18/2025 | 2/28/2025 | $0.10 |
| **1/25** | 1/15/2025 | 1/15/2025 | 1/31/2025 | $0.10 |
| **12/24** | 12/16/2024 | 12/16/2024 | 12/31/2024 | $0.10 |
| **11/24** | 11/15/2024 | 11/15/2024 | 11/29/2024 | $0.10 |
| **10/24** | 10/15/2024 | 10/15/2024 | 10/31/2024 | $0.10 |
| **9/24** | 9/16/2024 | 9/16/2024 | 9/30/2024 | $0.10 |
| **8/24** | 8/15/2024 | 8/15/2024 | 8/30/2024 | $0.10 |
| **7/24** | 7/15/2024 | 7/15/2024 | 7/31/2024 | $0.10 |
| **6/24** | 6/17/2024 | 6/17/2024 | 6/28/2024 | $0.10 |
| **5/24** | 5/14/2024 | 5/15/2024 | 5/31/2024 | $0.10 |
| **4/24** | 4/12/2024 | 4/15/2024 | 4/30/2024 | $0.10 |
| **3/24** | 3/14/2024 | 3/15/2024 | 3/28/2024 | $0.10 |

**The composition, sectors, holdings and other characteristics of the Fund are as of the period shown and are subject to change without notice.**

**3.** The **Forward Price/Earnings (P/E) ratio** is the weighted harmonic aggregate of the Forward P/E ratios of all the stocks currently held in the Fund. The Forward P/E ratio of a stock is not a forecast of the Fund's performance and is calculated by dividing the current ending price of the stock by its forecasted calendar year Earnings Per Share (EPS). The **forecasted EPS** of a company is based on consensus estimates, not Neuberger Berman's own projections, and it may or may not be realized. In addition, any revision to a forecast could affect the market price of a security. By quoting them herein, Neuberger Berman does not offer an opinion as to the accuracy of, and does not guarantee, these forecasted numbers. The ratio shown excludes companies with negative EPS. **Price/Sales ratio** is stock price divided by revenue per share.
**4.** Holdings are as of 3/31/25 and are subject to change without notice. This list does not constitute a recommendation to buy, sell or hold a security.
**5.** May include certain distributions that have been declared but not yet paid. Past distributions are not indicative of future distributions.
**6.** The **MSCI All Country World Index (ACWI) (Net)** is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. The index consists of 47 country indexes comprising 23 developed and 24 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, the Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, the Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and the UAE. China A shares are included starting from June 1, 2018 and are partially represented at 20% of their free float-adjusted market capitalization as of November 2019. Net total return indexes reinvest dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. Effective after the close on March 9, 2022, MSCI reclassified MSCI Russia Indexes from Emerging Markets to Standalone Markets status. At that time, all Russian securities were removed from this index at a final price of 0.00001, including both locally traded Russian equity constituents and Russian ADRs/GDRs constituents. Please note that indices do not take into account any fees and expenses or taxes of investing in the individual securities that they track, and that individuals cannot invest directly in any index. The Fund may invest in many securities not included in the above-described index.

The Fund is a non-diversified, limited term closed-end management investment company designed primarily as a long-term investment and not as a trading vehicle. The Fund is not intended to be a complete investment program, and, due to the uncertainty inherent in all investments, there can be no assurance that the Fund will achieve its investment objectives. Investing in the Fund involves risks, including the risk that you may receive little or no return on your investment or that you may lose part or all of your investment. The values of securities held by the Fund may move up or down, sometimes rapidly and unpredictably.

Your common stock at any point in time may be worth less than your original investment, even after taking into account any reinvestment of dividends and distributions. Closed-end funds do not continuously offer shares for sale as open-end mutual funds do. A closed-end fund is not required to buy its shares back from investors upon request. The share price of a closed-end fund is based on the market value. Additional risks and uncertainties may also adversely affect and impair the Fund.

Shares of closed end funds frequently trade at a discount of their net asset value in the secondary market and the net asset value of the closed-end shares may decrease. Closed-end funds are subject to various risks, including management's ability to meet the Fund's investment objective and to manage the Fund's portfolio when the underlying securities are redeemed or sold, during periods of market turmoil and as investors' perceptions regarding closed-end funds or their underlying investments change. The investment return and principal value of an investment will fluctuate so that the shares may be worth more or less than their original cost.

The Fund is classified as non-diversified. As such, the percentage of the Fund's assets invested in any single issuer or a few issuers is not limited as much as it is for a fund classified as diversified. Investing a higher percentage of its assets in any one or a few issuers could increase the Fund's risk of loss and its share price volatility, because the value of its shares would be more susceptible to adverse events affecting those issuers.

Companies across a wide variety of industries, primarily in the technology sector, are exploring the possible applications of next generation mobile internet and connectivity technologies. The extent of such technologies' versatility has not yet been fully explored. Consequently, the Fund's holdings will include equity securities of operating companies that focus on or have exposure to a wide variety of industries. The economic fortunes of the companies held by the Fund will be significantly tied to next generation connectivity technologies. Currently, there are few public companies for which next generation connectivity technologies represent an attributable and significant revenue or profit stream, and such technologies may not ultimately have a material effect on the economic returns of companies in which the Fund invests.

Stock markets are volatile, and the prices of equity securities fluctuate based on changes in a company's financial condition and overall market and economic conditions. Although common stocks have historically generated higher average total returns than fixed-income securities over the long-term, common stocks also have experienced significantly more volatility in those returns and, in certain periods, have significantly underperformed relative to fixed-income securities. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock held by the Fund. A common stock may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Investments in private companies, including companies that have not yet issued securities publicly in an initial public offering, involve greater risks than investments in securities of companies that have traded publicly on an exchange for extended periods of time. Investments in these companies are generally less liquid than investments in securities issued by public companies and may be difficult for the Fund to value. Compared to public companies, private companies may have a more limited management group and limited operating histories with narrower, less established product lines and smaller market shares, which may cause them to be more vulnerable to competitors' actions, market conditions and consumer sentiment with respect to their products or services, as well as general economic downturns.

Foreign securities involve risks in addition to those associated with comparable U.S. securities. Additional risks include exposure to less developed or less efficient trading markets; social, political, diplomatic, or economic instability; trade barriers and other protectionist trade policies (including those of the U.S.); significant government involvement in an economy and/or market structure; fluctuations in foreign currencies or currency redenomination; potential for default on sovereign debt; nationalization or expropriation of assets; settlement, custodial or other operational risks; higher transaction costs; confiscatory withholding or other taxes; and less stringent auditing, corporate disclosure, governance, and legal standards. As a result, foreign securities may fluctuate more widely in price, and may also be less liquid, than comparable U.S. securities.

The use of options involves investment strategies and risks different from those associated with ordinary portfolio securities transactions. If a strategy is applied at an inappropriate time or market conditions or trends are judged incorrectly, the use of options may lower the Fund's return. There can be no guarantee that the use of options will increase the Fund's return or income. In addition, there may be an imperfect correlation between the movement in prices of options and the securities underlying them and there may at times not be a liquid secondary market for various options. An abrupt change in the price of an underlying security could render an option worthless. The ability of the Fund to generate current gains from options premiums and to enhance the Fund's risk-adjusted returns is partially dependent on the successful implementation of its options strategy. There are several risks associated with transactions in options on securities. For example, there are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives.

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