

Neuberger Berman Greater China Equity Fund

TICKER: Institutional Class: NCEIX

INVESTMENT MANAGER: Neuberger Berman Investment Advisers LLC

SUB-ADVISOR: Green Court Capital Management Limited

PORTFOLIO MANAGERS: Yulin (Frank) Yao (Senior Portfolio Manager), Lihui Tang (Portfolio Manager)

PORTFOLIO SPECIALISTS: Calvin Wong, Adrienne Yu

Performance Highlights

The Neuberger Berman Greater China Equity Fund (the "Fund") was up 5.64% (net) in June, while the MSCI China All Shares Net Total Return Index, USD (the "Benchmark") was up 1.85%. In 2023 Q2, the Fund was down 10.80%, and underperformed the Benchmark, which was down 9.87% over the same period. 2023 YTD, the Fund was down 10.39% and underperformed the Benchmark, which was down 5.36% over the same period. Since inception, the Fund was up 6.20% (annualized), while the Benchmark was up 3.49% over the same period.

In June, the Fund's main contributors to performance relative to the Benchmark included Materials (stock selection in chemicals), Information Technology (stock selection in electronic equipment instruments & components and semiconductors & semiconductor equipment) and Consumer Discretionary (stock selection in household durables). Detractors from performance relative to the Benchmark included Consumer Services (significantly underweight) and Energy (underweight).

In the second quarter, the Fund's main contributors to performance relative to the Benchmark included Consumer Discretionary (stock selection in household durables), Consumer Staples (stock selection in food products) and Real Estate (stock selection). Main detractors from performance relative to the Benchmark included Materials (significant overweight), Financials (significant underweight) and Energy (underweight). The Fund's significant underweight exposure to domestic China A-shares contributed to performance relative to the Benchmark, whereas the Fund's overweight exposure to Chinese companies listed in Hong Kong and overweight exposure to US-listed Chinese companies detracted from performance relative to the Benchmark.

2023 YTD, the Fund's main contributors to performance relative to the Benchmark included Consumer Staples (stock selection in beverages and food products), Real Estate (stock selection) and Industrials (stock selection in air freight & logistics). Main detractors from performance relative to the Benchmark included Materials (stock selection in chemicals), Information Technology (stock selection to technology hardware storage & peripherals and electronic equipment instruments & components) and Communication Services (significant underweight). The Fund's overweight exposure to Chinese companies listed in Hong Kong, significant underweight exposure to domestic China A-shares and overweight exposure to US-listed Chinese companies detracted from performance relative to the Benchmark.

Market Context

Market sentiment weakened in April on renewed concerns over geopolitical tensions given news of potential restrictions of US foreign direct investment ("FDI") in semiconductors, artificial intelligence and quantum computing in China, even though their actual impact on China equities is expected to be relatively benign. Potential share disposal plans by major strategic shareholders in certain Chinese tech companies further exacerbated such worries. While the domestic economy showed further signs of recovery with solid industrial production growth of 3.9% YoY and strong retail sales growth of 10.6% YoY in March, investors were sceptical over the sustainability of end-demand recovery. We continue to expect a broader recovery in the

economy in 2H 2023 as the Politburo meeting that took place at the end of April underscored top leadership's focus in promoting growth with accommodative policy and pro-business stance. At the company level, the forward guidance being provided to us by the management teams of our holdings has turned upbeat, which is consistent with the pro-business stance being reflected in our top-down and policy observations.

Greater China equity markets corrected in May on concerns of moderating economic recovery after the strong 1Q23 rebound post-reopening. Industrial production and retail sales in April contracted 5.7% MoM and 0.1% MoM, respectively, while manufacturing PMI declined 0.5% MoM to 49.5 which suggests a softening of industrial demand

conditions. The Producer Price Index also declined 0.3% MoM and the RMB depreciated further against US dollar. On the positive note, services sector (such as tourism, restaurant spending and luxury goods consumption), construction activities as well as sectors with policy tailwind (including high-end manufacturing, new energy vehicles and green economy sectors) have remained relatively resilient. In our view, the pace of recovery is expected to be uneven in the initial phase where recovery first takes place in sectors supported by countercyclical policy measures and pent-up demand. We expect continued support from the government to restore confidence among private entrepreneurs, which will lead to a more sustained recovery in private investment and a broader recovery of the economy.

In June, Greater China equity markets traded higher on rising expectations of a comprehensive stimulus package following the disappointing May macroeconomic data, which reflected continued softness in domestic demand after the strong 1Q rebound. On the monetary policy front, the People's Bank of China lowered the rate on its 7-day reverse repurchases and Loan Prime Rate by 10 basis points to stimulate loan demand. The National Development and Reform Commission also announced tax cuts and exemptions as well as other fee reductions for small medium enterprises ("SMEs") in order to reduce business operating costs and support economic growth. In addition, there were signs of easing geopolitical tensions as US and China started to re-engage in direct dialogue on multiple fronts including trade, commerce, national security and global multilateral relations.

Portfolio Positioning

In the month of June, the largest sector increase was Industrials from 12.91% to 13.49%. The largest sector decrease was Information Technology from 12.97% to 12.46%. Over the quarter, the Fund's exposure to Industrials had the largest increase, from 12.09% to 13.49%, followed by Information Technology from 11.20% to 12.46%. The Fund's exposure to Materials had the largest decrease from 20.45% to 18.12%, followed by Consumer Discretionary from 21.42% to 20.13%.

As of June month-end, the Fund's largest sector underweight relative to the Benchmark was Communication Services (4.24% vs. 12.53%). The Fund's largest sector overweight relative to the Benchmark was Materials (18.12% vs. 6.58%). The Fund's top 10 positions comprised more than 49% of total assets at month-end.

Outlook

China's post-reopening growth has been uneven with strong recovery first taking place in sectors supported by countercyclical policy measures and pent up demand. Specifically, consumption and services-related sectors have been holding up well although manufacturing capex and private sector confidence remained relatively weak. While market participants await for headline activity data to show that macroeconomic recovery is regaining momentum, management teams of our portfolio holdings have indicated better visibility on improving earnings. Policymakers have also become much more pro-

business and are expected to roll out more substantive policy easing measures to revive the confidence of business enterprises and consumers and support a broader consumption-led recovery. The step up in communication between key government officials from China and its counterparts and global business leaders has also been helpful for stabilizing geopolitical tensions and improving the business environment.

Lastly, valuations remain attractive with the MSCI China All Shares trading at P/E of 9.8x and CSI 300 at 10.5x on a forward-looking basis, versus MSCI World at 16.5x and S&P 500 at 18.5x. We expect a re-rating in valuations supported by improving fundamentals and strong earnings growth resulting from the expected economic recovery. As such, we remain constructive on the opportunity set and continue to focus on what we believe to be high quality companies with good earnings visibility. Across our core holdings, most have been successful in capturing additional market share amidst the economic challenges in 2022, putting them in a better position to benefit from a prospective recovery that we anticipate later in 2023.

NEUBERGER BERMAN GREATER CHINA EQUITY FUND RETURNS (%)

	(ANNUALIZED AS OF 6/30/23)						
	Jun 2023	2Q23	YTD	1 Year	3 Year	5 Year	Since Inception
At NAV							
Institutional Class	5.64	-10.80	-10.39	-19.66	-6.16	-3.59	6.20
MSCI China All Shares Index (Net)	1.85	-9.87	-5.36	-18.05	-6.88	-2.34	3.49

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

As previously disclosed in a supplement to the Fund's prospectus dated March 31, 2023, Neuberger Berman Greater China Equity Fund is currently expected to be reorganized into an exchange-traded fund early in the fourth quarter of 2023. Class A and C Shares were converted into Institutional Class Shares on May 19, 2023 and will not be involved in the reorganization. Please read the prospectus supplement for important information about the expected reorganization.

The inception date for the Neuberger Berman Greater China Equity Fund Institutional Class was July 17, 2013.

EXPENSE RATIOS (%)

	Gross Expense	Total (net) Expense
Institutional Class	1.91	1.51

Total (net) 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 has contractually undertaken to waive and/or reimburse certain fees and expenses of the Fund so that the total annual operating expenses (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 8/31/26 for Institutional Class at 1.50% (as a percentage of average net assets). Absent such arrangements, which cannot be changed without Board approval, the returns may have been lower. Information as of the most recent prospectus dated December 19, 2022, as amended or 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 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.

The MSCI China All Shares Index captures large and mid-cap representation across China A-shares, B-shares, H-shares, Red-chips, P-chips and foreign listings (e.g. ADRs). The index aims to reflect the opportunity set of China share classes listed in Hong Kong, Shanghai, Shenzhen and outside of China. It is based on the concept of the integrated MSCI China equity universe with China A-shares included. 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. Gross total return indexes reinvest as much as possible of a company's dividend distributions, regardless of withholding taxes that a non-resident may experience. 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.

Purchasing Managers Index (PMI) provides an early indication each month of economic activities in the Chinese manufacturing sector. It is compiled by China Federation of Logistics & Purchasing (CFLP) and China Logistics Information Centre (CLIC), based on data collected by the National Bureau of Statistics (NBS).

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There are significant risks inherent in investing in China A-shares through "Connect Programs" of local stock exchanges in China, namely the Shanghai-Hong Kong Stock Connect Program ("Shanghai Connect Program") and the Shenzhen-Hong Kong Stock Connect Program ("Shenzhen Connect Program"). The Chinese investment and banking systems are materially different in nature from many developed markets, which exposes investors to risks that are different from those in the U.S. The Connect Programs are subject to daily quota limitations, and an investor cannot purchase and sell the same security on the same trading day, which may restrict the Fund's ability to invest in China A-shares through the Connect Programs and to enter into or exit trades on a timely basis. If either one or both markets involved in a particular Connect Program are closed on a U.S. trading day, the Fund may not be able to dispose of its China A shares in a timely manner under such Connect Program, which could adversely affect the Fund's performance. Only certain China A-shares are eligible to be accessed through the Connect Programs. Such securities may lose their eligibility at any time, in which case they could be sold but could no longer be purchased through the Connect Programs. Further regulations or restrictions, such as limitations on redemptions or suspension of trading, may adversely impact the Connect Programs. The future impact of this integration of Chinese and foreign markets is unclear and the actual effect on the market for trading China A-shares with the introduction of large numbers of foreign investors is unknown.

To the extent that the Fund invests in securities or other instruments denominated in or indexed to foreign currencies, changes in currency exchange rates could adversely impact investment gains or add to investment losses.

Use of derivatives is a highly specialized activity that can involve investment techniques and risks different from, and in some respects greater than, those associated with investing in more traditional investments, such as stocks and bonds. Derivatives can be highly complex and highly volatile and may perform in unanticipated ways. Derivatives can create leverage, and the Fund could lose more than the amount it invests; some derivatives can have the potential for unlimited losses.

Equity-linked investments are subject to the same risks as direct investments in securities of the underlying investment. If the underlying investment decreases in value, the value of the equity-linked investment will decrease; however, the performance of such investments may not correlate exactly to the performance of the underlying investments that they seek to replicate. Equity-linked investments are also subject to counterparty risk, which is the risk that the issuer of such investment -- which is different from the issuer of the underlying investment -- may be unwilling or unable to fulfill its obligations.

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.

Emerging market countries may also have less developed legal and accounting systems. Securities markets in emerging market countries are also relatively small and have substantially lower trading volumes. Securities of issuers in emerging market countries may be more volatile and less liquid than securities of issuers in foreign countries with more developed economies or markets and the situation may require that the Fund fair value its holdings in those countries. Securities of issuers traded on foreign exchanges may be suspended, either by the issuers themselves, by an exchange, or by governmental authorities. The likelihood of such suspensions may be higher for securities of issuers in emerging or less-developed market countries than in countries with more developed markets. Trading suspensions may be applied from time to time to the securities of individual issuers for reasons specific to that issuer, or may be applied broadly by exchanges or governmental authorities in response to market events. Suspensions may last for significant periods of time, during which trading in the securities and instruments that reference the securities, such as participatory notes (or "P-notes") or other derivative instruments, may be halted. In the event that the Fund holds material positions in such suspended securities or instruments, the Fund's ability to liquidate its positions or provide liquidity to investors may be compromised and the Fund could incur significant losses.

The Fund's performance is expected to be closely tied to economic, political, diplomatic, and social conditions within the Greater China region and to be more volatile than the performance of more geographically diversified funds. Most economies in the Greater China region are generally considered emerging markets and carry the risks associated with emerging markets, as well as risks particular to the region. Events in any one country within the region may impact other countries in the region or the Greater China region as a whole. The economies, industries, and securities and currency markets of the Greater China region may be adversely affected by slow economic activity worldwide, protectionist trade policies, dependence on exports and international trade, currency devaluations and other currency exchange rate fluctuations, restrictions on monetary repatriation, increasing competition from Asia's low-cost emerging economies, environmental events and natural disasters that may occur in the Greater China region, and military conflicts either in response to social unrest or with other countries. In addition, the tax laws and regulations in mainland China are subject to change, possibly with retroactive effect. The ongoing U.S.-China "trade war" may affect China's economy substantially, as the U.S. has been a principal trading partner of China. The ability of China to restructure its foreign trade relationships, and whether China is motivated to stop supporting its currency or stop trade in certain natural resources, and whether the U.S. government imposes restrictions on U.S. investor participation in certain Chinese investments or the activities of certain Chinese companies in relation to U.S. customers, suppliers and/or relations, may determine to some degree the extent to which its economy will be damaged by the trade war, and these things cannot be predicted at the present time.

The Fund may engage in active and frequent trading and may have a high portfolio turnover rate, which may increase the Fund's transaction costs.

An individual security may be more volatile, and may perform differently, than the market as a whole.

To the extent the Fund invests in securities of small-, mid-, or large-cap companies, it takes on the associated risks. At times, any one of these market capitalizations may be out of favor with investors. Compared to small- and mid-cap companies, large-cap companies may be unable to respond as quickly to changes and opportunities. Compared to large-cap 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.

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.

The impact of the COVID-19 pandemic has negatively affected and could continue to affect the economies of many nations, individual companies and the global securities and commodities markets, including their liquidity, in ways that cannot necessarily be foreseen at the present time. Epidemics and/or pandemics, such as the coronavirus, have and may further result in, among other things, closing borders, extended quarantines and stay-at-home orders, order cancellations, disruptions to supply chains and customer activity, widespread business closures and layoffs, as well as general concern and 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.

From time to time, based on market or economic conditions, the Fund may have significant positions in one or more sectors of the market. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors.

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.

Risk is an essential part of investing. 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.

The sub-advisor for the Fund is Green Court Capital Management.

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