NEUBERGER | BERMAN

Neuberger Berman Guardian Fund

TICKER: Institutional Class: NGDLX, Class A: NGDAX, Class C: NGDCX, Class R3: NGDRX, Investor Class: NGUAX, Trust Class: NBGTX, Advisor Class: NGBUX, Class R6: NGRDX

PORTFOLIO MANAGERS: Charles Kantor and Marc Regenbaum

Performance Highlights

In the second quarter of 2022, Neuberger Berman Guardian Fund's Institutional Class returned -15.73% versus -16.11% for its benchmark, the S&P 500 Index. Performance for all share classes can be found on page 4.

Market Context

The S&P 500 Index (including dividends) returned -16.11% for the second quarter as markets grappled with inflation surprises and the prospect of slower growth. During the period, Federal Reserve (the "Fed") officials raised rates by 50 basis points in May and again by 75 basis points in June. The June hike was the largest interest rate increase since 1994, and the Fed signaled it would continue to lift rates to combat inflation. Meanwhile, rising gasoline prices and mortgage rates began weighing on U.S. auto and housing sales, which could slow factory output and job growth in the coming months. In June, the U.S. ISM Manufacturing Report on Business came in at 53, a deceleration from the higher levels seen throughout the past year. Despite continued market volatility and a mixed economic outlook, corporate earnings in aggregate remained remarkably stable, with S&P 500 earnings forecasted to grow by 10.1% in 2022. Large-cap value stocks outpaced growth stocks as the prospect of higher inflation ticked up. High yield credit spreads widened during the quarter while ten-year Treasury yields jumped higher, yielding 3.01%. Meanwhile, WTI crude oil price increased while the U.S. dollar strengthened against a basket of major world currencies.

Portfolio Review

During the quarter, the Fund outperformed its primary benchmark as a result of positive stock selection in Consumer Discretionary and Information Technology sectors. Conversely, stock selection in Consumer Staples and Industrials sectors detracted to relative performance during the quarter. The portfolio's underweight to Health Care detracted from an allocation perspective while an overweight to Cash was positive for the period.

Our investments fall into three buckets: Growth, Total Return and Opportunistic. Capital Growth companies are those companies that are growing their revenues and, as they do so, generate free cash flow that is reinvested in their businesses at what we identify as attractive risk-adjusted returns. Total Return investments demonstrate sustainable and/or growing streams of income that are underpinned by asset value and which could result in growing cash returns to shareholders (e.g., increased dividends, share repurchases, return of capital). Finally, Opportunistic investments are those with identifiable catalysts. This bucket may include companies with management changes, company reorganizations, merger and acquisition ("M&A") activity, "hidden assets," or other market dislocations that we believe have the potential to unlock intrinsic value.

Outlook

As we enter the second half of 2022, we recognize the economy is slowing. Yet, the primary debate is how much the economy will slow and how quickly inflation will reach more manageable levels. There are two competing views of where we go from here. At one end, we have inflation peaking sooner rather than later, allowing the Fed to pivot, thus leading to a soft landing. On the other hand, we have an aggressive Fed targeting inflation, leading to a more prolonged downturn (hard landing). The market opinion is well divided on these bifurcated possibilities – hence the excessive volatility.

Stocks have seemingly priced in a lot of negative news, and investor sentiment recently hit a thirty-year low. The current S&P 500 forward price to earnings valuation multiple is down to sixteen times current earnings versus almost twenty times at the end of the first quarter. This multiple is below the twenty-year average forward price to earnings valuation multiple of eighteen times. Consensus estimates for S&P 500 earnings in 2022 are still expected to increase 7% over 2021, which is above trend. This continued rise in earnings would be partly driven by ongoing demand and productivity initiatives (e.g., embracing digitization and new technologies to do more with less) as non-farm payrolls are still below pre-pandemic levels.

We continue to be emboldened that our philosophies around "taking the long-term view" and being "reasonable optimists" will produce sound decision-making and reasonable investment results. As written by Leo Tolstoy, "the strongest of all warriors are these two – Time and Patience". This market will not reward excess risk-taking, and we continue to stick to "what we know". As a result, we continue to "double down" on our Beyond Privileged and Resilient ("BP&R") companies while intensifying our due diligence around each investment's "pricing power" and "business quality". Given how the economic backdrop could deteriorate quickly, we want to be anchored in quality – whether it's due to the Russian invasion of Ukraine, higher than expected inflation, or a slowing growth backdrop. GDP growth drives earnings growth, and liquidity and discount rates drive market multiples. As the Fed tightens monetary policy, we want to own companies where we can see cash flow stability and growth. We believe high-quality organizations characterized by true business moats, differentiated products or services, pricing power and strong balance sheets – all led by best-in-class management teams – have the potential to thrive in virtually any environment or, at a minimum, emerge even stronger. And in this type of uncertain backdrop – product/service differentiation matters, pricing power matters, scale matters, and management expertise and execution matter. We want to own companies that are "outcome makers" and not "outcome takers". We believe management experience, forward-thinking strategies, prudent capital structure and capital allocation have never been more critical.

Our constructive long-term view on risk assets is not without challenges as we move through 2022. We highlight these risks because the current environment, as always, necessitates a flexible approach in the complex global world in which we operate. This environment is flush with a confluence of fiscal policy considerations, tighter monetary policy, geopolitical uncertainty and commodity price volatility.

NEUBERGER BERMAN GUARDIAN FUND RETURNS (%)

	June 2022	2Q22	YTD	1 Year (Annualized as of 06/30/22)	3 Year	5 Year	10 Year	Since Inception
At NAV								
Institutional Class	-5.49	-15.73	-22.81	-15.40	14.45	13.62	13.67	11.26
Class A	-5.52	-15.82	-22.96	-15.76	14.01	13.18	13.25	11.18
Class C	-5.56	-15.96	-23.23	-16.34	13.16	12.36	12.41	11.03
Class R6	-5.49	-15.73	-22.81	-15.43	14.48	13.56	13.54	11.23
Class R3	-5.54	-15.86	-23.07	-15.98	13.67	12.85	12.93	11.13
Investor Class	-5.50	-15.75	-22.87	-15.53	14.27	13.43	13.47	11.22
Trust Class	-5.51	-15.79	-22.96	-15.70	14.04	13.22	13.28	11.16
Advisor Class	-5.53	-15.84	-23.01	-15.83	13.79	12.92	12.96	11.01
With Sales Charge								
Class A	-10.97	-20.66	-27.39	-20.61	11.79	11.84	12.58	11.09
Class C	-6.50	-16.80	-24.00	-17.09	13.16	12.36	12.41	11.03
S&P 500® Index	-8.25	-16.10	-19.96	-10.62	10.60	11.31	12.96	11.14

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 date for Neuberger Berman Guardian Fund Class A, Class C, Class R3 and Institutional Class was 5/27/09. The inception dates of the Investor, Trust, and Advisor Classes were 6/1/50, 8/3/93, and 9/3/96, respectively. The inception date used to calculate benchmark performance is that of the Investor Class. Average Annual Total Returns with sales charge reflect deduction of current maximum initial sales charge of 5.75% for Class A shares and applicable contingent deferred sales charges (CDSC) for Class C shares. The maximum CDSC for Class C shares is 1%, which is reduced to 0% after 1 year.

EXPENSE RATIOS (%)

	Gross Expense
Institutional Class	0.67
Class A	1.05
Class C	1.80
Class R6	0.68
Class R3	1.38
Investor Class	0.82
Trust Class	1.03
Advisor Class	1.19

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 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, taxes, brokerage commissions, acquired fund fees and expenses, dividend and interest expenses relating to short sales, and extraordinary expenses, if any) through 08/31/2025 for Institutional Class at 0.75%, 1.11% for Class A, 1.86% for Class C, 0.65% for Class R6, 1.36% for Class R3, and Trust and Advisor Classes 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 17, 2021, 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 S&P 500 Index is a float-adjusted market capitalization-weighted index that focuses on the large-cap segment of the U.S. equity market, and includes a significant portion of the total value of the market. The value of the index now reflects the value available in the public markets. Indexes are unmanaged and are not available for direct 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. 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.

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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.

Foreign securities involve risks in addition to those associated with comparable U.S. securities.

Growth stocks tend to be more sensitive than value stocks to bad economic news and negative earnings surprises. Bad economic news or changing investor perceptions may adversely affect growth stocks across several sectors and industries simultaneously.

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

From time to time, the trading market for a particular investment in which the Fund invests, or a particular instrument in which the Fund is invested, may become less liquid or even illiquid. Illiquid investments frequently can be more difficult to purchase or sell at an advantageous price or time, and there is a greater risk that the investments may not be sold for the price at which the Fund is carrying them.

To the extent the Fund invests in securities of small-, mid-, or large-cap companies, it takes on the associated risks.

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. Geopolitical and other risks, including environmental and public health risks may add to instability in world economies and markets generally.

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.

Investments in private companies, including companies that have not yet issued securities publicly in an initial public offering ("IPO") ("pre-IPO shares"), 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.

Private placements and other restricted securities may not be listed on an exchange and may have no active trading market. As a result of the absence of a public trading market, the prices of these securities may be more difficult to determine than publicly traded securities and these securities may involve heightened risk as compared to investments in securities of publicly traded companies. Private placements and other restricted securities may be illiquid, and it frequently can be difficult to sell them at a time when it may otherwise be desirable to do so or the Fund may be able to sell them only at prices that are less than what the Fund regards as their fair market value.

National economies are increasingly interconnected, as are global financial markets, which increases the possibilities that conditions in one country or region might adversely impact issuers in a different country or region. Some countries, including the U.S., have in recent years adopted more protectionist trade policies. The rise in protectionist trade policies, changes to some major international trade agreements and the potential for changes to others, could affect the economies of many nations in ways that cannot necessarily be foreseen at the present time. Equity markets in the U.S. and China have been very sensitive to the outlook for resolving the U.S.-China "trade war," a trend that may continue in the future. High public debt in the U.S. and other countries creates ongoing systemic and market risks and policymaking uncertainty, and there may be a further increase in the amount of debt due to the economic effects of the COVID-19 pandemic and ensuing public health measures. Governments and central banks have moved to limit the potential negative economic effects of the COVID-19 pandemic with interventions that are unprecedented in size and scope and may continue to do so, but the ultimate impact of these efforts is uncertain. Governments' efforts to limit potential negative economic effects of the pandemic may be altered, delayed, or eliminated at inopportune times for political, policy or other reasons. Interest rates have been unusually low in recent years in the U.S. and abroad, and central banks have reduced rates further in an effort to combat the economic effects of the COVID-19 pandemic. Because there is little precedent for this situation, it is difficult to predict the impact on various markets of a significant rate increase or other significant policy changes. Over the longer term, rising interest rates may present a greater risk than has historically been the case due to the current period of relatively low rates and the effect of government fiscal and monetary policy initiatives and potential market reaction to those initiatives or their alteration or cessation.

The Fund may experience periods of heavy redemptions that could cause the Fund to sell assets at inopportune times or at a loss or depressed value. Redemption risk is greater to the extent that one or more investors or intermediaries control a large percentage of investments in the Fund.

To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors.

Securities lending involves a possible delay in recovery of the loaned securities or a possible loss of rights in the collateral should the borrower fail financially. The Fund could also lose money if the value of the collateral decreases.

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.

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, and especially those risks that are not intrinsic to the Fund's investment program. The Fund could experience losses if judgments about risk prove to be incorrect.