

Neuberger Berman Large Cap Value Fund

THIRD QUARTER 2013

Portfolio Manager: Eli Salzmann

Performance Highlights

Neuberger Berman Large Cap Value Fund produced a positive return in the third quarter of 2013 and outperformed its benchmark, the Russell 1000[®] Value Index.¹ For the year-to-date period, the Fund posted a positive return but underperformed the benchmark.

Market Overview

U.S. equities delivered strong returns overall for the third quarter. After stumbling in June, stocks rallied in July after a late-June Federal Reserve meeting led many market participants to predict that any tapering from the Fed would not be immediate. August was more challenging as turmoil in the Middle East increased sharply and attention became focused on the U.S. debt ceiling deadline and general uncertainty in Washington.

Materials and Industrials delivered the strongest returns within the large-cap value space. These sectors rallied as investors moved into these previously neglected areas of the market when the economic recovery began showing signs of permanence. Telecommunications, Utilities and Consumer Staples lagged other sectors in the index as investors rotated out of defensive areas and into areas that should show strength as the economy continues to recover.

Portfolio Strategy

Portfolio performance relative to the Russell 1000 Value Index benefited from our holdings in the Industrials and Information Technology sectors. Overweights in both sectors helped, as did stock selection. Within Industrials, our focus on machinery stocks boosted our returns relative to the index, as did superior stock selection in this area. Within Information Technology, our stock selection and relatively heavy exposure to the Internet software and services group made a positive impact.

The Energy and Consumer Discretionary sectors placed the greatest hindrance on portfolio performance relative to the index during the third quarter. Within Energy, the portfolio's oil and gas holdings had the greatest negative effect. Our Consumer Discretionary holdings were dragged down primarily by our stock picking and exposure to the hotel and leisure subsector.

Top Contributors and Detractors for the Quarter²

Top Contributors:

Facebook moved significantly higher during the quarter. We had purchased the stock at what we determined to be undervalued based on normalized earnings. The stock has benefited from seemingly sound moves on the part of management, including efforts to monetize its mobile application.

Dow Chemical had been out of favor but has recently bounced back. The stock was driven higher partly as a result of higher inflation expectations and economic activity picking up.

Top Detractors:

The Mosaic Co., a major global producer of the fertilizer potash, fell when a large potash producer unexpectedly withdrew from a powerful consortium, potentially driving prices for the commodity down around the world.

Carnival Corporation reported disappointing numbers for their outlook for the quarter and for next year, contributing to the stock's price decline.

Outlook

We believe equity markets will likely remain strong, at least through calendar year-end. However, the robust performance that we have seen over the past year will be difficult to maintain and there are headwinds on the horizon. We believe the Fed will, at some point, begin the process of tapering. While this monetary tightening could place a drag on stocks, we also believe that the economic recovery is real and that the stocks in the Fund are well positioned to benefit from such a recovery, even without the significant boost the market has received from the Fed. However, other concerns remain, particularly the ongoing crisis in the Middle East and turmoil in Washington, both of which are likely to remain center stage and produce uneasiness in the markets.

We continue to see a good deal of value in equities, particularly in industrial stocks, as well as in chemical and technology companies. We believe the stocks we are pursuing for the Fund are undervalued based on normalized earnings whose value we expect will be recognized by the market over time. We believe this strategy can produce favorable risk-adjusted returns as we continue to monitor the correlation among holdings in seeking to achieve a positive risk/reward balance.

Investment Performance (Annualized As Of 9/30/13)*

At NAV								Expense Ratios [†]	
	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Gross	Capped ^{††}
NB Large Cap Value Fund Class A**	5.34	18.91	23.42	11.49	8.23	7.77	12.78	1.08	1.08
NB Large Cap Value Fund Class C**	5.16	18.29	22.55	10.66	7.70	7.50	12.71	2.05	1.87
NB Large Cap Value Fund Class R3**	5.28	18.73	23.16	11.23	8.06	7.68	12.75	1.40	1.37
NB Large Cap Value Fund Institutional Class**	5.45	19.28	23.94	11.95	8.59	7.98	12.84	0.71	0.71
NB Large Cap Value Fund Investor Class**	5.41	19.18	23.78	11.77	8.41	7.86	12.80	0.88	N/A
NB Large Cap Value Fund Trust Class**	5.34	18.93	23.47	11.55	8.20	7.67	12.72	1.06	N/A
NB Large Cap Value Fund Advisor Class**	5.28	18.85	23.33	11.39	8.04	7.48	12.60	1.21	N/A
With Sales Charge									
NB Large Cap Value Fund Class A**	-0.74	12.05	16.32	9.32	6.96	7.13	12.61		
NB Large Cap Value Fund Class C**	4.16	17.29	21.55	10.66	7.70	7.50	12.71		
Russell 1000 Value Index***	3.94	20.47	22.30	16.25	8.86	7.99	N/A		

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 performance data current to the most recent month-end, please visit www.nb.com/performance.


* The inception date of the Large Cap Value Fund Class A, Class C and Class R3 is 6/21/10. The inception dates for the Institutional, Investor, Trust, and Advisor Classes are 6/7/06, 1/20/75 (when Neuberger Berman Management Inc. first became investment adviser to Large Cap Value Fund), 8/30/93, and 8/16/96, 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.

** Neuberger Berman Management LLC® ("NBM") first became the investment advisor to Neuberger Berman Partners Fund on 1/20/75. NBM caps the Class R3, Institutional, Trust and Advisor Class expenses. Absent such arrangements, the total returns would have been less. Shares of the Classes A, C, R3, Institutional Class, Trust Class and Advisor Class may not be purchased directly from NBM; they may only be purchased through certain institutions that have entered into administrative services contracts with NBM. The inception dates of the Partners Fund Institutional, Investor, Trust, and Advisor Classes are 6/7/06, 1/20/75, 8/30/93, and 8/16/96, respectively. The inception date of the Class A, Class C and Class R3 is 6/21/10. Performance prior to those inception dates is that of the Investor Class, which has lower expenses and typically higher returns than all other share classes. The Investor, Trust and Advisor Classes are closed to new investors.

*** 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 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000® Index (which measures the performance of the 3,000 largest U.S. companies based on total market capitalization). The Russell 1000 Index represents approximately 90% of the total market capitalization of the Russell 3000 Index. The Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. Please note that indices do not take into account any fees and expenses 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 Neuberger Berman Management LLC and include reinvestment of all dividends and capital gain distributions. The Portfolio may invest in many securities not included in the above-described indices.

† Information as of most recent prospectuses dated December 15, 2012.

†† Neuberger Berman Management contractually caps certain class expenses of the Fund through 8/31/16 for Classes A, C, R3 and Institutional Class.



Mid-capitalization stocks are more vulnerable to financial risks and other risks than larger stocks. They are generally less liquid than larger stocks, so their market prices tend to be more volatile. Large-cap stocks are subject to all the risks of stock market investing, including the risk that they may lose value.

¹The Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3000 Index (which measures the performance of the 3,000 largest U.S. companies based on total market capitalization). The Russell 1000 Index represents approximately 92% of the total market capitalization of the Russell 3000 Index. The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. 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.

² Reflects the top contributors and detractors as of 9/30/13, in descending order, to the portfolio's relative performance based on security performance and the portfolio over/under weightings versus the index. As of 9/30/13, the weightings of the holdings indicated as a percentage of representative account equity assets were: Facebook, 2.75%; Dow Chemical, 2.90%; The Mosaic Co., 0.00%; and Carnival Corporation, 1.78%.

Please note that the indices do not take into account any fees and expenses of investing in the individual securities that they track, and that individuals cannot invest directly in any index. Data about the performance of this index are prepared or obtained by Neuberger Berman Management LLC and include reinvestment of all dividends and capital gain distributions. The portfolio may invest in many securities not included in the above-described index.

Performance data quoted represents 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.

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

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An investor should consider Neuberger Berman Large Cap Value 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.

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