NEUBERGER | BERMAN

Neuberger Berman High Income Bond Fund

TICKER: Institutional Class: NHILX, Class A: NHIAX, Class C: NHICX, Class R3: NHIRX, Class R6: NRHIX, Investor Class: NHINX

PORTFOLIO MANAGERS: Chris Kocinski and Joe Lind

Performance Highlights

The Fund's (Institutional Class) return of 0.88% in the first quarter underperformed its benchmark, the ICE BofA U.S. High Yield Constrained Index (the "Index"), which returned 0.94%. Performance for all share classes appears on page 5.

Market Context

- In March, the U.S. high yield bond market posted negative returns amidst concerns over an escalating trade war, economic slowdown and persistent inflation. Investors reacted to macroeconomic headwinds, leading to weaker returns across fixed income and widening spreads in corporate credit. High yield spreads widened by 64 basis points during the month, with the spread to worst closing at 376 basis points. The ICE BofA US High Yield Index yield ended March at 7.73%. Meanwhile, the yield on the U.S. 10-Year Treasury saw minor fluctuations intramonth but closed the month at 4.20%, down 1 basis point from February month end. High-yield issuers' aggregate fundamentals—including EBITDA growth, free cash flow, interest coverage, and leverage—remained broadly stable, though idiosyncratic and industry-specific pressures continued to affect some lower-rated issuers. On a trailing 12-month basis, default rates remain at very low levels. Our latest bottom-up base case 2-year cumulative default estimate for U.S. high yield over 2025 and 2026 remains at 2.5%-3.5%, in line with historical averages.
- The Index returned -1.07% in March, marking its weakest performance since October 2023. The Index was up 0.94% for the quarter. The largest and most liquid issuers in the Index—as measured by the ICE BofA US High Yield 100 Index—outperformed, returning -0.62% in the month and +1.57% in the quarter. For March, the BB, B and CCC & lower rated categories of the ICE BofA US High Yield Index returned -0.56%, -1.31%, and -2.72%, respectively. The ICE BofA US High Yield Non-Distressed Index returned -0.96%, performing slightly better than the overall Index, while the ICE BofA US High Yield Distressed Index underperformed significantly with a return of -5.29%. Year to date, the Index returned +0.94%, with the BB, B and CCC & below segments of the Index returning +1.45%, +0.70% and -0.67%, respectively. The ICE BofA US High Yield Non-Distressed Index was up +1.02% year-to-date, while the ICE BofA US High Yield Distressed Index returned -1.83%.
- In March, the high yield market experienced an uptick in issuance volume compared to February. High yield bond issuance totaled $26.6 billion ($6.2 billion ex-refinancings), representing a 42% increase from February's $18.7 billion ($3.3 billion ex-refinancings). However, issuance year-to-date, at $68.3 billion, remains 22% lower compared to the same period last year. High-yield funds reported a net inflow of +$2.1 billion in March, slightly lower than February's +$3.4 billion, marking the tenth inflow in the last eleven months.
- As of March, the par-weighted trailing 12-month U.S. high yield default rate (excluding distressed exchanges) remained unchanged at 0.27%. The 12-month trailing par-weighted default rate including distressed exchanges decreased by 5 basis points to 1.20%. We continue to estimate 2025 default rates to remain below the long-term historical average of 3.4%, supported by a higher-quality ratings mix in high yield (53% of issuers rated BB or higher), limited near-term maturities, and a healthier energy sector compared to past cycles.
- We continue to find attractive investment opportunities within high yield. While our default outlook is around the historical average, our team remains vigilant in seeking to avoid credit deterioration and default risk along with identifying investments we believe can add alpha through security selection.

Performance Highlights[3]

For the first quarter, the top performers from a sector perspective on a relative basis:

- **Super Retail**, driven by security selection (+0.05%) and the underweight (+0.01%)
- **Support-Services**, driven by security selection (+0.06%)
- **Gas Distribution**, from security selection (+0.04%)

Conversely, the worst performers on a relative basis:

- **Chemicals,** security selection was a detractor (-0.04%)
- **Technology & Electronics,** negatively impacted by security selection (-0.04%)
- **Real Estate & Homebuilders**, from security selection (-0.04%)

From a ratings standpoint, positive attribution came from:

- **B rated securities**, benefiting from security selection (+0.14%)
- **CCC & below rated securities**, driven by security selection (+0.07%)

Negative attribution came from:

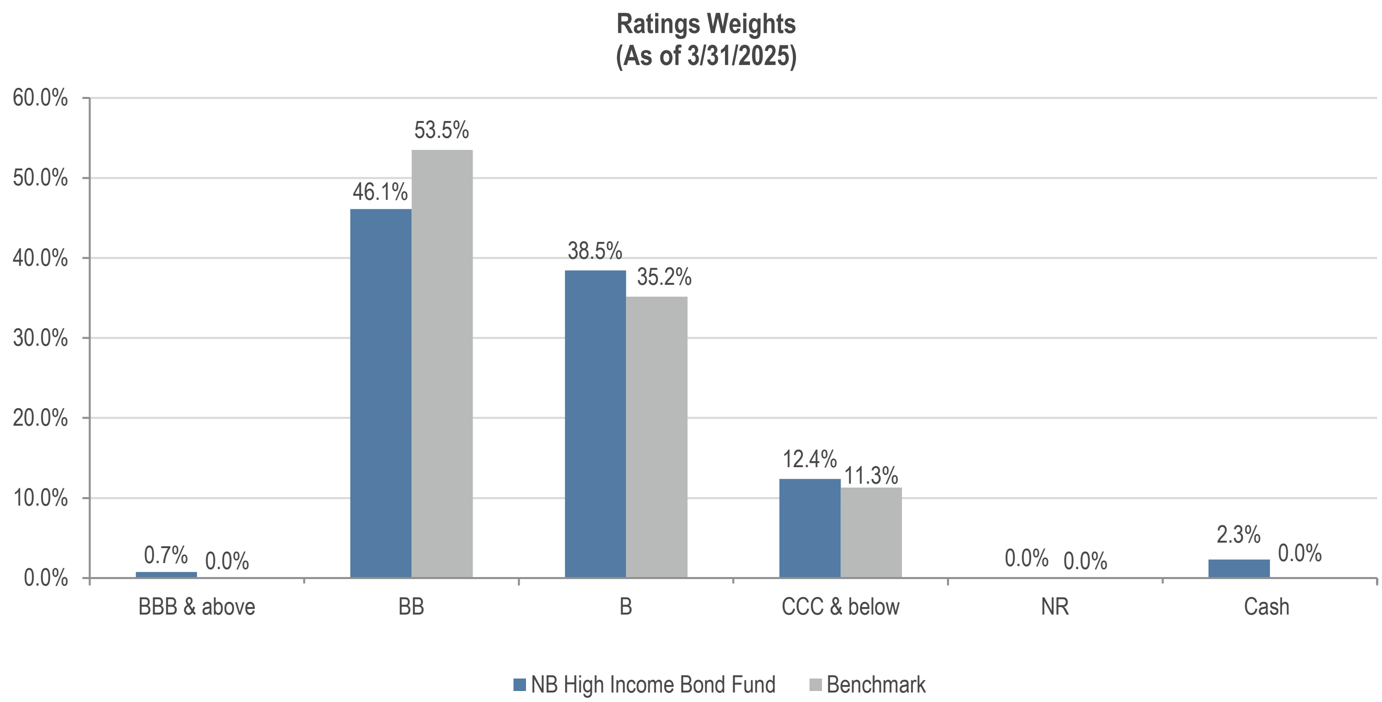
- **BB rated securities**, impacted by both sector allocation (-0.04%) and security selection (-0.06%)

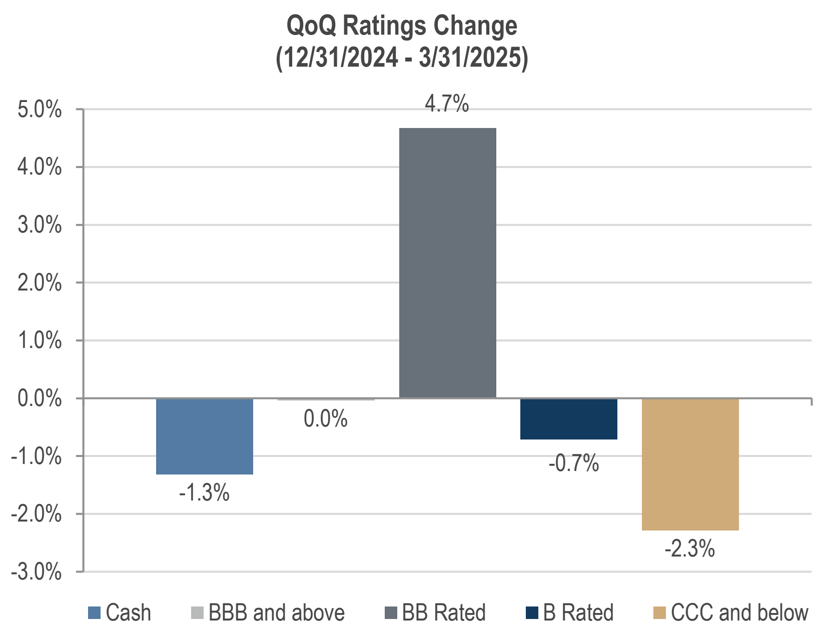
Attribution for 1st Quarter 2025

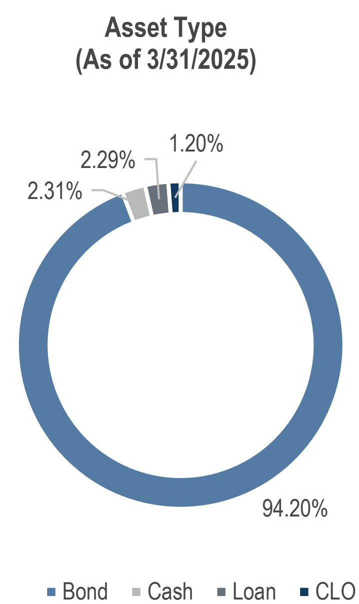
	Average Overweights/ Underweights Compared to Index (%)	Total Effect Compared to Index (%)[4]	Sector Allocation Compared to Index (%)	Security Selection Compared to Index (%)
Breakdown by Rating				
BBB and above	0.62	0.00	0.00	0.00
BB rated	-9.44	-0.10	-0.04	-0.06
B rated	4.23	0.13	-0.01	0.14
CCC and below	2.03	0.04	-0.03	0.07
Not Rated	0.14	0.00	-0.01	0.00
Industry	**Average Overweights/ Underweights Compared to Index (%)**	**Total Effect Compared to Index (%)[4]**	**Sector Allocation Compared to Index (%)**	**Security Selection Compared to Index (%)**
Top 5				
Super Retail	-0.47	0.06	0.01	0.05
Support-Services	0.61	0.05	0.00	0.06
Gas Distribution	0.69	0.04	0.00	0.04
Utilities	0.45	0.04	-0.01	0.04
Printing & Publishing	-0.08	0.03	0.01	0.02
Bottom 5				
Chemicals	1.12	-0.04	0.00	-0.04
Technology & Electronics	-0.16	-0.04	0.00	-0.04
Real Estate & Homebuilders	0.24	-0.03	0.00	-0.04
Building Materials	0.84	-0.03	-0.01	-0.02
Telecommunications	-0.77	-0.02	-0.01	-0.02

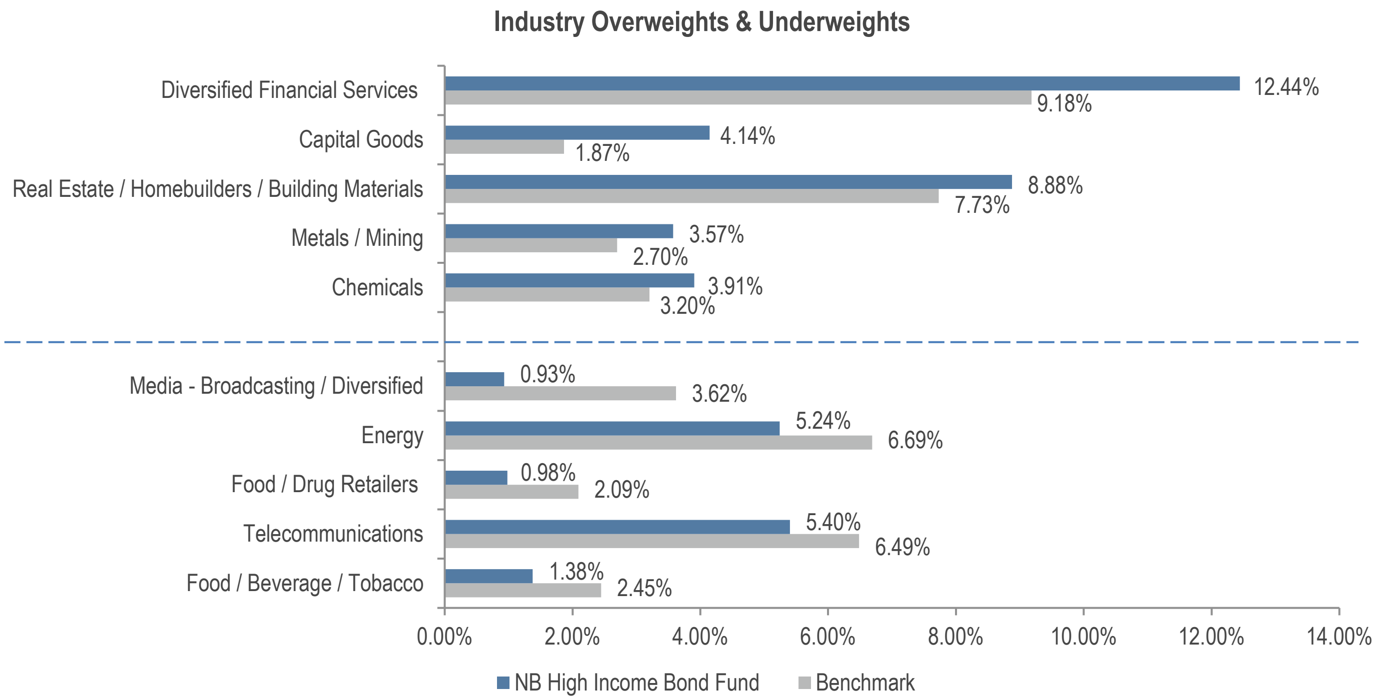
Portfolio Activity

- The Fund's BB rated exposure increased and B and CCC & below rated exposures decreased over the quarter. The Fund's cash position also decreased over the quarter. Compared to the Index, the Fund was underweight BB and overweight B, BBB & above and CCC & below rated securities as of month end.
- From a sector perspective, the Fund's portfolio has been more focused on industries that we believe can benefit from healthy consumer balance sheets, more stable business models, favorable industry economics and issuers that we believe can maintain some degree of pricing power. Sectors such as Capital Goods and Diversified Financial Services are overweights. The Fund is underweight some of the sectors that we believe are experiencing competitive pressures or shifts in consumer behavior, such as Media-Broadcasting / Diversified and Food / Drug Retailers.









Outlook

U.S. high yield valuations and yields, in our view, are attractive and compensating investors for the around average default outlook. While inflation has made significant progress toward the Federal Reserve's (the Fed) 2% target, recent data indicates uneven progress, with inflation appearing to stall in certain categories and upside risks persisting. Despite 100 basis points of rate cuts since September 2024, the Fed is signaling a shift toward a more measured pace of monetary easing going forward. Comments from Fed officials emphasize the need for caution as the policy rate approaches neutral, with the Federal Open Market Committee likely to slow the pace of cuts, focusing on incoming data and risks to inflation expectations. Even though there has been a slowdown in some economic data, relatively healthy consumer and business balance sheets and positive nominal GDP growth should continue to provide support for most issuers' fundamentals, in our view. While the incoming macroeconomic data, policy uncertainty of Trump 2.0, geopolitical concerns and overall credit cycle dynamics can move the high yield market day-to-day, our analysts and portfolio managers continue to be focused on the specific fundamentals of individual issuers, with analysts assessing the base and downside cases. Despite the potential for short-term volatility, we believe our bottom-up, fundamental credit research that focuses on security selection, avoiding credit deterioration, and putting only what we view as our "best ideas" into portfolios, will position us well to take advantage of any volatility.

[1]Source: ICE BofA.

[2]Source: J.P. Morgan

[3]Positions listed may include securities that are not held in the Fund as of 3/31/2025. It should not be assumed that any investments in securities identified and described were or will be profitable. The Fund's benchmark is the ICE BofA U.S. High Yield Constrained Index.

[4]Excess returns vs. ICE BofA U.S. High Yield Constrained Index.

NEUBERGER BERMAN HIGH INCOME BOND FUND RETURNS (%)*

	March	4Q2024	YTD 2025	ANNUALIZED AS OF 3/31/2025 1 Year	3 Year	5 Year	10 Year	Since Inception
At NAV								
Institutional Class	-1.13	0.00	0.88	7.15	3.87	6.59	4.04	6.77
Class A	-1.17	0.03	0.79	6.88	3.50	6.19	3.64	6.56
Class C	-1.23	-0.16	0.60	5.92	2.73	5.41	2.89	6.20
Class R6	-1.25	0.03	0.91	7.26	4.01	6.73	4.15	6.78
Class R3	-1.19	-0.16	0.72	6.47	3.24	5.91	3.38	6.44
Investor Class	-1.14	0.09	0.84	7.11	3.74	6.45	3.90	6.69
With Sales Charge								
Class A	-5.35	-4.18	-3.52	2.27	1.99	5.26	3.19	6.42
Class C	-2.21	-1.14	-0.39	4.92	2.73	5.41	2.89	6.20
ICE BofA U.S. High Yield Constrained Index	-1.07	0.16	0.94	7.60	4.84	7.20	4.91	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 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 data given. For current performance data, including current to the most recent month end, please visit www.nb.com/performance.

*The inception date for Neuberger Berman High Income Bond Fund Class A, Class C, Class R3 and Institutional Class is 5/27/2009. The inception date for Class R6 is 3/15/2013. The inception date for the Investor Class is 2/1/1992. Performance prior to the inception date of Class A, C, R6, R3 and Institutional Class is that of the Investor Class, adjusted to reflect applicable sales charges but not class-specific operating expenses. The date used to calculate since inception and benchmark performance is that of the Investor Class.

Average Annual Total Returns with sales charge reflect deduction of current maximum initial sales charge of 4.25% 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	0.71
Class A	1.10
Class C	1.87
Class R6	0.61
Class R3	1.36
Investor Class	0.89

Gross expense represents the total annual operating expenses that shareholders pay. The Fund's investment manager (the "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, brokerage commissions, acquired fund fees and expenses, dividend and interest expenses relating to short sales, taxes including any expenses relating to tax reclaims, and extraordinary expenses, if any) through 10/31/2028 for Institutional Class at 0.75%, 1.12% for Class A, 1.87% for Class C, 0.65% for Class R6, 1.37% for Class R3 and 1.00% for Investor Class (each as a % of average net assets). As of the Fund's most recent prospectus, 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 prospectus dated February 28, 2025, as amended and 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, 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. The prospectus contains a more complete discussion of the risks of investing in the Fund. Investments could result in loss of principal.

The opinions expressed are as of March 31, 2025, and are subject to change at any time due to changes in market or economic conditions. These comments should not be construed as a recommendation of any individual sectors, holdings, or securities.

Shares in the Fund may fluctuate, sometimes significantly, based on interest rates, market conditions, credit quality and other factors. In a rising interest rate environment, the value of an income fund is likely to fall. Conversely, in a declining interest rate environment, the value of an income fund is likely to rise. The market's behavior is unpredictable and there can be no guarantee that the Fund will achieve its goal. The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. 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 bond's value may fluctuate based on interest rates, market conditions, credit quality and other factors. Generally, bond values will decline as interest rates rise. You may have a gain or a loss if you sell your bonds prior to maturity. Bonds are subject to the credit risk of the issuer. High-yield bonds, also known as "junk bonds," are considered speculative, involve greater risks, may fluctuate more widely in price and yield, and carry a greater risk of default, than investment-grade bonds. Lower rated debt securities may fall in price during times when the economy is weak or is expected to become weak. Floating rates on senior loans only reset periodically, such that changes in prevailing interest rates may cause fluctuation in the Fund's net asset value (NAV) and such securities may be more susceptible to adverse economic, business and other conditions than those with fixed rates, which could reduce demand for loans. Similarly, a sudden and significant increase in market interest rates, a default in, or a material deterioration in a borrower's creditworthiness of, a loan held by the Fund may cause a decline in the Fund's NAV. Although senior floating-rate loans are generally collateralized, the value of collateral could decline causing a loan to be substantially unsecured and access to collateral could be limited or delayed by bankruptcy or other law. No active trading market may exist for many loans, loans may be difficult to value, and many are subject to restrictions on transfer or resale, which may result in extended trade settlement periods and may make certain investments less liquid and also prevent the Fund from obtaining the full value of a loan when sold. There can be no guarantee that the Portfolio Managers will be successful in their attempts to manage the risk exposure of the Fund or will appropriately evaluate or weigh the multiple factors involved in investment decisions, including issuer, market and/or instrument-specific analysis, valuation and environmental, social and governance (ESG) factors.

Ratings represent the rating of each security held by the Fund, and not a rating of the Fund itself. Credit quality ratings are based on the Bank of America ("BofA") Master U.S. High Yield Index composite ratings. The BofA composite ratings are updated once a month on the last calendar day of the month based on information available up to and including the third business day prior to the last business day of the month. The BofA composite rating algorithm is based on an average of the ratings of three agencies (to the extent rated). Generally the composite is based on an average of Moody's, S&P and Fitch. For holdings that are unrated by the BofA Index composite, credit quality ratings are based on S&P's rating. Holdings that are unrated by S&P may be assigned an equivalent rating by the investment manager. No NRSRO has been involved with the calculation of credit quality and the ratings of underlying portfolio holdings should not be viewed as a rating of the portfolio itself. Portfolio holdings, underlying ratings of holdings and credit quality composition may change materially over time.

This Fund is the successor to the Lipper High Income Bond Fund ("Lipper Fund"). The total return and data for the periods prior to September 6, 2002, are those of the Lipper High Income Bond Fund Premier Class. The data reflects performance of the Lipper Fund for the period April 1, 1996, through September 6, 2002, and the performance of Lipper Fund's predecessor partnership for the period February 1, 1992 (date of inception), through March 31, 1996, as applicable. The investment policies, objectives, guidelines and restrictions of the Fund are in all material respects equivalent to those of the Lipper Fund which were in all material respects equivalent to those of its predecessor partnership. Had Lipper Fund's predecessor partnership been subject to the provisions of the 1940 Act, its investment performance may have been adversely affected. Returns would have been lower if the manager of the Lipper Fund had not waived certain of its fees during the periods shown. The Investor Class is closed to new investors.

The **ICE BofA U.S. High Yield Constrained Index** tracks the performance of U.S. dollar-denominated below investment grade corporate debt publicly issued in the U.S. domestic market. In addition to meeting other criteria, qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch ratings), and have risk exposure to countries that are members of the FX-G10, Western Europe or territories of the U.S. and Western Europe. Securities in legal default are excluded from the index. Index constituents are capitalization-weighted, provided the total allocation to an individual issuer does not exceed 2%. Transaction costs will be incorporated into the calculation of total return for ICE fixed income indices beginning in July 2022. 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. The Fund may invest in many securities not included in the above-described index.

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