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This is a marketing communication. Please refer to the fund prospectus and offering documents, including the Key Information Document ("KID") or Key Investor Information Document ("KIID") as applicable, before making any final investment decisions. Investors should note that by making an investment they will own shares in the fund, and not the underlying assets.

Neuberger Berman CLO Income Fund

PORTFOLIO MANAGERS: Pim Van Schie, Stephen Casey, Joseph Lynch

Performance Highlights

The Neuberger Berman CLO Income Fund ("the Fund") returned 3.40% (net) in the third quarter and overperformed its benchmark return of 1.47%, the ICE BofA US Dollar 3-Month Deposit Offered Rate Constant Maturity Index (Total Return, USD). YTD 2024, the Fund's net return was 13.95%, overperforming its benchmark return of 4.20% during the period.

Past performance does not predict future returns.

PERFORMANCE (%)[1]	1m[2]	3m[2]	YTD[2]	1y[2]	3y[3]	5y[3]	10y[3]	SI[3,4]
USD I Accumulating Class	1.50	3.40	13.95	21.06	9.29	8.93	-	7.32
Benchmark (USD)	0.50	1.47	4.20	5.64	3.50	2.45	-	2.47

12 MONTH PERIODS (%)[1]	Sep14 Sep15	Sep15 Sep16	Sep16 Sep17	Sep17 Sep18	Sep18 Sep19	Sep19 Sep20	Sep20 Sep21	Sep21 Sep22	Sep22 Sep23	Sep23 Sep24
USD I Accumulating Class	-	-	-	-	0.30	1.78	15.44	-9.92	19.70	21.06
Benchmark (USD)	-	-	-	-	2.64	1.57	0.21	0.41	4.54	5.64

CALENDAR (%)	2015	2016	2017	2018[5]	2019	2020	2021	2022	2023	2024[6]
USD I Accumulating Class	-	-	-	-7.00	11.83	7.50	7.51	-6.91	21.72	13.95
Benchmark (USD)	-	-	-	1.07	2.60	1.08	0.17	1.21	5.12	4.20

The fund is actively managed, which means that the investments are selected at the discretion of the investment manager. The fund is not constrained by its benchmark, which is used for comparison purposes only.

[1]Performance to latest month end. YTD - Year to Date, SI - Since Inception, m – month, y - year. 12 month period based on month end NAVs.
[2]Returns for these periods are cumulative.
[3]Returns are annualised for periods longer than one year.
[4]Returns from 12 July 2018 to latest month end.
[5]Data shown since the share class inception date.
[6]Performance for the current calendar year is the year to date.

Fund performance is representative of the USD I Accumulating Class and has been calculated to account for the deduction of fees. Investors who subscribe in a currency other than the base currency of the fund should note that returns may increase or decrease as a result of currency fluctuations. **Fund performance does not take account of any commission or costs incurred by investors when subscribing for or redeeming shares.**

Market Context

CLO debt spreads finished the quarter tighter relative to second quarter-end, despite macro-related volatility that occurred in early August relating to the weaker than expected nonfarm payrolls report in the US on August 2, which led to increasing economic concerns across markets, and an increasing focus on the pace of rate cuts by the Federal Reserve. The CLO BB index initially declined by approximately two points following the weaker report, but credits spread quickly reverted to late July levels, and tightened further in September. Secondary non-investment grade CLO trading volumes declined 26% quarter-over-quarter.

The CLO BB index gained 2.69% during the quarter, and has gained 14.24% year-to-date. As of the end of September, higher quality CLO BBs are trading around S+575 in secondary markets. In related credit markets, the loan index gained 2.04% and the high yield index gained 5.28% in the quarter, with CLO BBs outperforming loans by 0.65% and lagging high yield by -2.59%, respectively. Year-to-date, CLO BBs have outperformed loans and high yield by 7.70% and 6.21%, respectively.

The US primary market activity remained active in the quarter despite the macro volatility that occurred in early August, with $33.6bn in new issue volume in the quarter, which compares to $20.5bn in the same quarter in 2023. Year-to-date, the US primary market has seen $115bn in new issue volume, which is a record pace for the year-to-date period. Despite the robust gross new issue volumes, net new issuance of CLOs is approximately flat year-to-date, after taking into consideration CLO amortization and liquidations. With respect to refinancing and reset activity, the market saw $83bn in total volume during the quarter, which compares to $9bn refinancing and reset activity in the same quarter in 2023; all else equal, we expect reset or refinancing transactions to continue at an elevated pace in 2024 as managers take advantage of lower liability costs.

Portfolio Positioning and Performance

The Fund gained 3.61% over the quarter, reflecting gross returns. The Fund's EUR CLO debt and high yield exposure outpaced CLO BBs in the quarter, while the USD CLO debt exposure performed in-line with CLO BBs. For the year-to-date period, the Fund has gained 14.67%, reflecting gross returns.

As of September 30, the yield-to-worst for the Fund was 9.99% including the forward rate curve. The current yield was 11.18% with an average security price of 100.32, which is reflective of the weighted average coupon of S+623.

The Fund had net inflows of $225mm during the quarter, and $464mm year-to-date. We have been deploying these inflows into a mix of USD and EUR CLO BBBs, BBs and single Bs in the primary and secondary market, consistent with recent months.

As of the end of September, on a traded basis, the Fund held 3% in high yield index exposure, 0% cash, 10% CLO BBBs, 74% CLO BBs, and 13% CLO single Bs. The Fund's underlying credit exposure is balanced with 44% of holdings in USD and 56% in EUR.

Outlook

Default rates continue to be relatively modest compared to historical annual averages. The trailing 12M par-weighted default rate for the Morningstar LSTA U.S. Leveraged Loan Index as of quarter end was 0.80%, down 12 basis points from the prior quarter-end and 337 basis points lower than the September 2020 peak of 4.17%. In European loans, the trailing 12M par-weighted default rate was 0.79%, down 49 basis point from the prior quarter-end and 182 basis points lower than the October 2020 peak.

As inflation continues to come down approaching the Federal Reserve's target range and after the Fed cut by 50 basis points already, we believe most market participants are expecting further rate cuts but with terminal rate being higher than in the most recent two cycles. That said, even if rates are cut by 50 - 100 basis points, the yield on CLO BB debt would likely still be very attractive compared to other fixed income categories. Our analysts continue to be focused on the specific fundamentals of individual issuers in their coverage, assessing the base and downside cases. Relatively healthy consumer and business balance sheets and nominal GDP growth should continue to provide support for most issuers' fundamentals, in our view. Despite the potential for short-term volatility, we believe our bottom-up, fundamental credit research will position us well to take advantage of any volatility.

With respect to relative value versus high yield, CLO BB spreads are currently near the long-term historical average versus high yield OAS, with a spread basis of approximately 425 basis points.

The fund complies with the Sustainable Finance Disclosure Regulation (the "SFDR") and is classified as an Article 8 SFDR fund. Neuberger Berman believes that Environmental, Social and Governance ("ESG") factors, like any other factor, should be incorporated in a manner appropriate for the specific asset class, investment objective and style of each investment strategy.

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