NEUBERGER | BERMAN

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 0.90% (net) in October and overperformed its benchmark, the ICE BofA US Dollar 3-Month Deposit Offered Rate Constant Maturity Index (Total Return, USD). YTD 2024, the Fund's net return was 14.98%, outperforming its benchmark return of 4.62% 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	0.90	3.03	14.98	22.34	9.43	9.90	-	7.37
Benchmark (USD)	0.41	1.40	4.62	5.58	3.64	2.49	-	2.50

12 MONTH PERIODS (%)[1]	Oct14 Oct15	Oct15 Oct16	Oct16 Oct17	Oct17 Oct18	Oct18 Oct19	Oct19 Oct20	Oct20 Oct21	Oct21 Oct22	Oct22 Oct23	Oct23 Oct24
USD I Accumulating Class	-	-	-	-	-3.65	5.12	16.36	-10.54	19.74	22.34
Benchmark (USD)	-	-	-	-	2.68	1.37	0.19	0.60	4.81	5.58

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	14.98
Benchmark (USD)	-	-	-	1.07	2.60	1.08	0.17	1.21	5.12	4.62

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 were firm in October, as investor demand for floating rate product remained elevated, particularly with reduced expectations for more meaningful rate cuts by the Federal Reserve in the near-to-medium term. Secondary non-investment grade CLO trading volumes declined 13% month-over-month.

The CLO BB index gained 1.74% during the month, and has gained 16.23% year-to-date. From a dollar price standpoint, the CLO BB index was up 0.75 points in the month, completing a multi-month convergence with early August 2024 levels. As of the end of October, higher quality CLO BBs are trading around S+560 in secondary markets. In related credit markets, the loan index gained 0.86% and the high yield index declined -0.55% in the month, with CLO BBs outperforming loans and high yield by 0.88% and 2.29%, respectively. Year-to-date, CLO BBs have outperformed loans and high yield by 8.78% and 8.79%, respectively.

The US primary market activity continued to be active, with $19.1bn in new issue volume in the month. Year-to-date, the US primary market has seen $134bn 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 $31bn in total volume during the month; all else equal, we expect reset or refinancing transactions to continue at an elevated pace into year-end 2024 as managers take advantage of lower liability costs.

Portfolio Positioning and Performance

The Fund gained 0.97% over the month, reflecting gross returns. The Fund's USD and EUR CLO debt and high yield exposure lagged CLO BBs in the month, but generated returns approximately in-line with CLO BBs over the trailing three-month period (dating back to the weaker than expected August payroll report). For the year-to-date period, the Fund has gained 15.78%, reflecting gross returns.

As of October 31, the yield-to-worst for the Fund was 10.00% including the forward rate curve. The current yield was 10.85% with an average security price of 100.60, which is reflective of the weighted average coupon of S+611.

The Fund had net inflows of $75mm during the month, and $539mm 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. Taking into consideration additional inflows expected in November, the pro forma fund size is approximately $900mm.

As of the end of October, on a traded basis, the Fund held 2% in high yield index exposure, 6% cash and equivalents, 10% CLO BBBs, 69% CLO BBs, and 13% CLO single Bs. The Fund's underlying credit exposure is balanced with 42% of holdings in USD and 58% 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 month-end was 0.73%, down 6 basis points from the prior month-end. In European loans, the trailing 12M par-weighted default rate was 0.78%, down 1 basis point from the prior month-end.

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 the terminal rate ending up 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. Relatively healthy consumer and business balance sheets and nominal GDP growth should continue to provide support for most issuers' fundamentals, in our view. While the incoming macroeconomic data, geopolitical concerns, and overall credit cycle dynamics could move the loan 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 as growth slows and pricing power wanes. 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.

Subsequent to month-end, the U.S. held their elections, with Donald Trump becoming the President-elect. Our team's initial views are that (a) we expect that growth in 2025 could be modestly higher given our expectation on policies that will likely be enacted to accelerate growth; (b) inflation will have different drivers both supporting higher (such as tariffs) and lower (other fiscal policies) inflation, but in any case, we expect inflation to decline in 2025 relative to 2024 but to remain above the Fed's targeted levels; and (c) longer term rates have the potential to be more volatile, given various cross currents of deficit policies, tax policies, term premium and Fed balance sheet policy.

Taking this into consideration, we collectively view the new Administration to likely lead to a constructive environment for floating-rate CLO debt, with the potential for improved economic growth supporting the borrowers in the underlying CLO loan collateral, coupled with the high current coupon driven by relatively elevated base rates (albeit modestly lower versus today's levels which should support improved credit metrics in the underlying CLO loan collateral).

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 400 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.

DISCLAIMER

This document has not been approved by the Israeli Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute “an offer to the public” under sections 15 and 15a of the Securities Law, 1968 (“the Securities Law”) or section 25 of the Joint Investment Trusts Law, 1994 (“the Joint Investment Trusts Law”), as applicable. The Shares are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the first schedule (“the Schedule”) to the Securities Law (“Sophisticated Investors”), as amended from time to time, who also qualify as Qualified Clients (as defined in the Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management, 1995 (“the Investment Advice Law”)); in all cases under circumstances that will fall within the private placement exemption or other exemptions of the Securities Law, the Joint Investment Trusts Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israel Securities Authority. An offeree identifying itself as a Sophisticated Investor will be required to confirm in writing that it falls within one of the criteria for being deemed as such (and, in certain cases, additionally to provide third party confirmation of the same) and that it is aware of the consequences of being classified as a Sophisticated Investor. This document may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. As a prerequisite to the receipt of a copy of this document a recipient may be required by the issuer to provide confirmation that it is a Sophisticated Investor purchasing Shares for its own account or, where applicable, for other Sophisticated Investors. If any recipient in Israel of a copy of this document is not a Sophisticated Investor or has not been notified by Neuberger Berman Europe Limited that it falls within the limited number of investors referred to above, such recipient should promptly return this document to Neuberger Berman Europe Limited. Any offeree who purchases Shares is purchasing such Shares for his or its own benefit and account and not with the aim or intention of distributing or offering such Shares to other parties (other than, in the case of an offeree which is an Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel Aviv Stock Exchange, as defined in the Schedule, where such offeree is purchasing Shares for another party which is an Sophisticated Investor). Nothing in this document should be considered as investment advice or investment marketing, as defined in the Investment Advice Law. Neuberger Berman Europe Limited is not licensed under the Investment Advice Law, nor does it carry the insurance as required of a licensee thereunder. Investors are encouraged to seek competent investment advice from a locally licensed investment adviser prior to making the investment, as well as legal, business and tax advice from competent local advisers. This document does not constitute an offer to sell or solicitation of an offer to buy any securities or fund units other than the Shares offered hereby, nor does it constitute an offer to sell to or solicitation of an offer to buy from any person or persons in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.