

Neuberger Municipal Fund Inc.*

TICKER: NBH

Fund Highlights

Description

- Neuberger Municipal Fund Inc. ("NBH" or the "Fund") is a diversified, closed-end management investment company that invests primarily in municipal securities.
- The Fund utilizes leverage through the issuance of preferred stock.

Investment Philosophy

- The Fund's investment objective is to provide a high level of current income exempt from federal income tax.
- We strive to construct a portfolio of tax-exempt bonds that can provide an attractive current yield, while generating superior relative returns through complete interest rate cycles.
- We seek to maximize return potential predominantly through rigorous security and sector selection.
- At least 70% of municipal bond investments are rated in the four highest categories by a nationally recognized statistical rating organization or are unrated but judged to be of comparable quality by the portfolio managers.

Market Data

Market Price

Current	\$10.12
Last 12 Month Range	\$10.82 - \$9.69

Net Asset Value

Current	\$11.25
Last 12 Month Range	\$11.91 - \$10.60

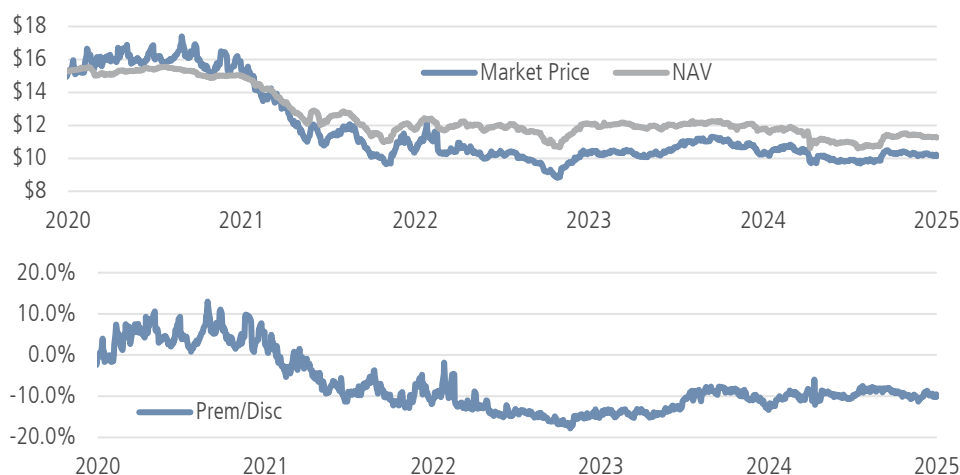
Premium/Discount

Current	-10.04%
Last 12 Month Range	(5.94)% - (12.55)%
Last 12 Month Average	-9.56%

Distribution Rate¹

On Market Price	6.42%
Tax-Equivalent ²	10.20%
NAV Ticker	XNBHX
CUSIP Number	64124P101
Inception Date	9/24/2002
Listed Exchange	NYSE American

NBH: PRICE AND VALUATION TRENDS (Last 5 Years)



The Fund's NAV and Market Price will fluctuate with market conditions. Current performance may be higher or lower than the data shown. **Past performance is no guarantee of future results.**

Capital Structure

Total Assets	\$561.031 M
Common Assets	\$333.131 M
Preferred Assets	\$227.900 M
Leverage (% of total assets)	40.62%

Leverage Structure

Variable Rate Municipal Term Preferred Shares

Series	Mandatory-Term Redemption Date	Amount*
Variable Rate Municipal Term Preferred Shares	December 14, 2029	\$227.9 M

While the use of leverage, including Variable Rate Municipal Term Preferred Shares, can result in greater returns in a rising market as well as increased income generation, its use can also generate greater losses in a declining market as well as pressure income levels in an environment of higher borrowing costs.

1. Distribution Rate is annualized and based on monthly distributions. The Fund has adopted a policy to pay common shareholders a stable monthly distribution. In an effort to maintain a stable monthly distribution, the Fund may pay distributions consisting of net investment income, net realized gains and return of capital. There is no assurance that the Fund will always be able to pay distributions of a particular size, or that distributions will consist solely of net investment income and net realized capital gains. In compliance with Section 19 of the Investment Company Act of 1940, as amended, a notice would accompany any distribution that does not consist solely of net investment income. This notice would be for informational purposes, and would disclose, among other things, estimated portions of the distribution, if any, consisting of net investment income, capital gains and return of capital. The actual composition of the Fund's distributions for a calendar year can only be determined after year end and will be reported to Fund shareholders on IRS Form 1099-DIV. The notices for the current calendar year are also available on Neuberger's website at www.nb.com. For the Fund's distribution payment of \$0.05417 per share, which was paid on January 15, 2026, the distribution consisted of \$0.04081 net investment income and \$0.01336 return of capital. This estimate was based on earnings and portfolio activity as of the record date for the distribution.
2. Tax-equivalent yield is the taxable yield that an investor would have to receive in order to realize the same level of yield, while being subject to federal income taxes at 37% (the highest federal individual income tax rate), assuming that all of the Fund's income is exempt from federal income taxes. The taxable-equivalent yield calculation assumes that an investor does not itemize his or her deductions, including state taxes, on his or her federal return. In addition, the taxable-equivalent yield calculation does not take into account additional Medicare Tax. Each Investor should review the assumed tax rates against his or her actual tax rates based on his or her individual tax situation. Income from this Fund may be subject to the alternative minimum tax for certain investors.

* Prior to December 18, 2025, the Fund included "Neuberger Berman" in place of "Neuberger" in its name.

Portfolio Managers

James Iselin

32 years
investment
experience

S. Blake Miller

39 years
investment
experience

Manager Commentary

Market Overview

U.S. government yields were mixed across the curve in the fourth quarter. The 2-year yield decreased by 13 bps to 3.48%, while the 5-year yield edged down by 1 bp to 3.73%. In contrast, the 10-year yield rose by 2 bps to 4.17%, and the 30-year yield increased by 12 bps to 4.85%. The 10-year TIPS yield moved higher by 13 bps, closing the quarter at 1.93%. We believe these shifts reflect ongoing adjustments to expectations regarding inflation, economic growth, and the fiscal outlook.

U.S. economic activity remains resilient, and job growth remained positive but slower from earlier in the year. The unemployment rate has drifted higher and wage gains have moderated. Inflation continues to move lower toward the Federal Reserve's (the Fed) 2% target, and consumer spending growth remains positive but more moderate. Against this backdrop, markets continue to anticipate additional Fed rate cuts in 2026 as policymakers seek to sustain the expansion while keeping inflation on a downward trajectory.

Investment grade U.S. municipal bond performance, as measured by the ICE BofA Municipal Securities Index, delivered a solid return of 1.45% during the fourth quarter. For the quarter, 1-3 year munis generated a return of .52% and the 3-7 year part of the curve returned .53%. Longer maturities, in the 22+ year range, outperformed shorter bonds with a return of 1.46%. The Bloomberg Taxable Municipal Index slightly underperformed tax-exempts with a return of 1.37%.

Per Bloomberg, total municipal issuance (tax-exempt only) for the quarter was \$144 billion or 15% higher than it was for the same quarter a year earlier. With regard to credit, BBB rated securities slightly underperformed higher rated securities during the quarter. Revenue bonds and general obligations had similar performance during the quarter. Within the revenue bond sector, hospital bonds and housing bonds outperformed while special tax bonds slightly underperformed.¹

Portfolio Performance & Strategy

During the fourth quarter, Neuberger Municipal Fund Inc. ("NBH" or the "Fund") generated a total return of 1.15% based on Net Asset Value (NAV) and -0.37% based on Market Price. For the period NBH underperformed the 1.74% return of its benchmark, the Bloomberg 10-Year Municipal Bond Index.

The Fund's use of leverage contributed to NAV performance during the period. It remains essential for investors to be aware that the Fund employs leverage and a closed-end fund's use of leverage may amplify performance trends – both beneficially, as in an advancing market, and negatively, as in a declining market. It is also important for investors to take into account that while the Fund's use of leverage can result in increased income generation, in an environment where leverage (borrowing) costs are rising and/or higher than the yields available from the assets purchased through use of the borrowings, income levels can come under pressure.

During the quarter, NBH's NAV per share decreased by -\$0.05 or -0.44% and its Market Price decreased by -\$0.20 or -1.94% per share. Given the larger decline in Market Price, NBH's valuation worsened (its discount widened) by 137 bps over the period and at quarter-end the Fund exhibited a -10.04% discount. For the quarter, the Morningstar US CEF National Municipal category average discount worsened by 53 bps.

Outlook

Looking ahead, we are optimistic about the municipal market's prospects for 2026.

We have a constructive view on the economy and believe stimulus from the One Big Beautiful Bill Act and deregulation should create tailwinds. In addition, the Fed started the year in an easing cycle. However, we believe federal policies including potential Medicaid cuts could affect certain parts of the market. Active credit decisions and "what you don't own" may end up driving return outcomes.

We are expecting another record year of supply. As bond pickers, we love having more bonds to choose from and recognize that when supply is heavy, sometimes deals fall through the cracks.

While we do not anticipate a market move of the magnitude of the Liberation Day selloff, there should be no shortage of events that could cause market shifts, albeit smaller ones, in our view. Changes at the Fed, midterm elections and geopolitics could all cause pockets of volatility and, in turn, present opportunities. In our view, it should be a market environment where active management will matter.

¹ Source: Bloomberg.

Portfolio Characteristics

Fund Metrics

Common Shares (12/31/25)	29,618,059
Number of Holdings (12/31/25)	281
Average Daily Volume (Trailing 12 months)	101,558

Interest Rate Sensitivity

Weighted Average Maturity	20.01
Option-Adjusted Duration	7.88
Option-Adjusted Duration (Leverage Adjusted)	13.27

Income Metrics

Average Coupon	4.75
Average Yield to Worst	4.56
Undistributed Net Investment Income (UNII p/s)	(\$0.2501)
3 Month Avg. Earnings/Current Dist Coverage Ratio	75.87%
Percent of AMT Bonds	24.68%

Weighted Average Maturity (WAM) is the weighted average length of time until the average security in a portfolio will mature or be redeemed. It indicates a portfolio's sensitivity to interest rate changes. A portfolio with a longer WAM implies greater volatility in a changing interest rate environment.

Option-Adjusted Duration utilizes a bond's yield, coupon, final maturity and call features to generate a single number that indicates how sensitive a bond price or portfolio is to changes in interest rates.

Coupon is the interest rate that is to be paid over the life of a debt security, it is usually expressed as a percentage of face value. Issuers typically make payments to bondholders semiannually.

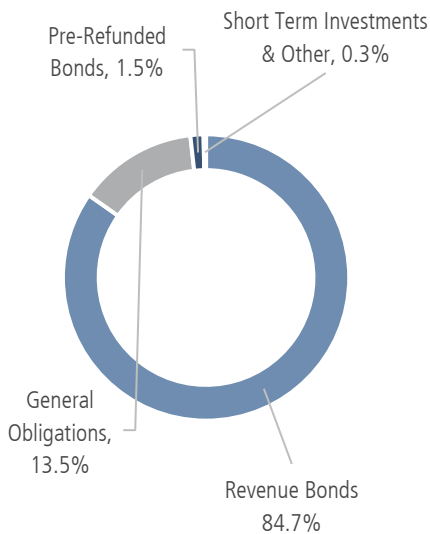
Yield to Worst (YTW) is the lowest yield an investor can expect to earn when investing in a callable bond; and, can be computed by using the lower of either the yield to maturity or the yield to call on every possible call date.

Financial Highlights (as of Annual Shareholder Report – October 31, 2025)

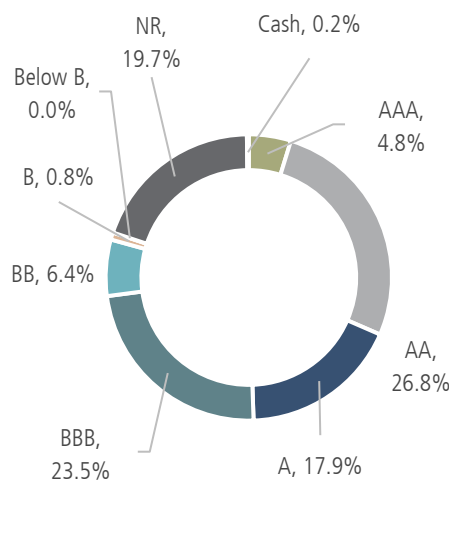
Portfolio Turnover	35.00%
Total Expense Ratio ^{1,2}	3.87%

1. The effect of distributions related to Variable Rate Municipal Term Preferred Shares (VMTPS) is included in the Total Expense Ratio.
2. For the period, the annualized ratio of distributions on VMTPS to average net assets applicable to common shareholders was 2.73%.

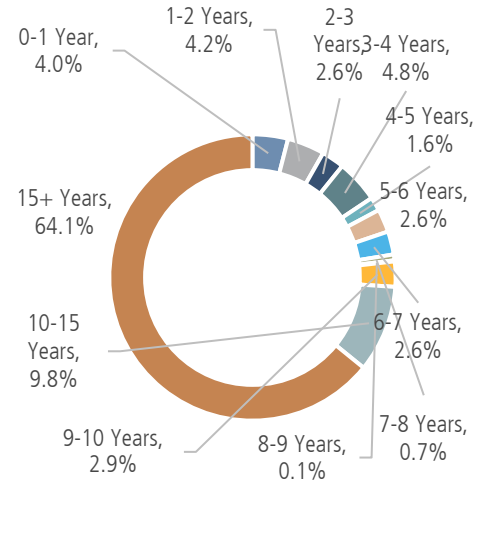
Portfolio Composition



Credit Quality Breakdown³



Effective Maturity Breakdown



Neuberger Municipal Fund Inc.

NBH: Performance Common Shares

As of December 31, 2025

AVERAGE ANNUAL TOTAL RETURN (%)

	Monthly	Quarterly	YTD	One Year	Three Years	Five Years	Ten Years	Since Inception 9/24/2002
NAV	-0.61	1.15	1.95	1.95	4.07	-0.81	1.84	4.49
Market Price	-0.35	-0.37	4.20	4.20	4.48	-2.80	0.93	3.81
Bloomberg Municipal Bond 10 Year Index	0.25	1.74	5.92	5.92	3.75	1.05	2.54	3.83

All data is as of 12/31/25, unless otherwise noted. Returns for less than one year are not annualized. **Performance data quoted represents past performance and does not guarantee future results.** Results are shown on a "total return" basis and include reinvestment of all distributions. NAV total return data quoted is net of fees and expenses. The investment return and principal value of an investment will fluctuate so that the shares may be worth more or less than their original cost. The Fund's market price and net asset value will fluctuate with market conditions. Current performance may be lower or higher than the performance data quoted. For more information, please refer to Neuberger's website at www.nb.com/cef-performance.

The Investment Adviser had contractually agreed to limit certain operating expenses of the Fund until 2012. Absent this expense cap, the Fund's return during the relevant periods would have been lower.

Top Five States

	TA (%)
New York	19.37%
California	14.95%
Texas	7.08%
Wisconsin	6.74%
Illinois	6.42%

Top Ten Industries

OTHER REVENUE	27.43%
TRANSPORTATION	10.48%
HOSPITAL	9.47%
EDUCATION	8.84%
IDR / PCR	7.91%
SPECIAL TAX	7.30%
STATE GO	7.00%
LOCAL GO	6.50%
LEASING	6.17%
HOUSING	5.11%

Call Structure⁵

2026	16.14%	2033	11.88%
2027	6.53%	2034	10.66%
2028	9.43%	2035	7.93%
2029	7.90%	2036	0.47%
2030	10.77%		
2031	5.03%		
2032	7.22%		

Distribution History⁴

	Ex-Date	Record Date	Payable Date	\$/Share
	12/31/2025	12/31/2025	1/15/2026	0.05417
	11/30/2025	11/28/2025	12/15/2025	0.05417
	10/31/2025	10/31/2025	11/17/2025	0.05417
	9/30/2025	9/30/2025	10/15/2025	0.05417
	8/31/2025	8/29/2025	9/15/2025	0.05417
	7/31/2025	7/31/2025	8/15/2025	0.05417
	6/30/2025	6/30/2025	7/15/2025	0.05417
	5/31/2025	5/30/2025	6/16/2025	0.05417
	4/30/2025	4/30/2025	5/15/2025	0.05417
	3/31/2025	3/31/2025	4/15/2025	0.05417
	2/28/2025	2/28/2025	3/17/2025	0.05417
	1/31/2025	1/31/2025	2/18/2025	0.05417
	12/31/2024	12/31/2024	1/15/2025	0.05417

Top Ten Holdings⁶

	TA (%)
Buckeye Ohio Tob Settlement Fi 5.000 06/01/2055	2.77%
Puerto Rico Sales Tax Fing Cor 5.000 07/01/2058	2.24%
Public Fin Auth Wis Toll Rev 5.750 12/31/2065	2.05%
Victor Valley Calif Cmnty Coll 6.875 08/01/2037	1.55%
New York Transn Dev Corp Spl F 5.500 12/31/2060	1.23%
Central Plains Energy Proj Neb 5.000 11/01/2029	1.22%
New York Transn Dev Corp Spl F 5.500 06/30/2054	1.12%
Metropolitan Transn Auth N Y R 4.000 11/15/2049	1.05%
Mobile Cnty Ala Indl Dev Auth 5.000 06/01/2054	0.95%
Louisiana Pub Facs Auth Rev 5.000 09/01/2066	0.85%

Shares of closed end funds frequently trade at a discount of their net asset value in the secondary market and the net asset value of the closed-end shares may decrease. Closed-end funds are subject to various risks, including management's ability to meet the Fund's investment objective and to manage the Fund's portfolio when the underlying securities are redeemed or sold, during periods of market turmoil and as investors' perceptions regarding closed-end funds or their underlying investments change. The investment return and principal value of an investment will fluctuate so that the shares may be worth more or less than their original cost.

A municipal bond's value may fluctuate based on interest rates, market conditions, credit quality and other factors. Income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax. In a rising interest rate environment, bond prices generally fall.

The composition, sectors, holdings and other characteristics of the Fund are as of the period shown and are subject to change without notice.

3. Chart represents the ratings of securities held in the Fund as of 12/31/25 and does not imply any credit rating of the Fund itself. Credit quality ratings are based on the highest rating assigned by Moody's, S&P, and Fitch as follows: 1) If Moody's, S&P and Fitch all provide a credit rating, the rating used is the highest of the three agency ratings; 2) If only two agencies provide ratings, the higher rating is used; 3) If only one agency provides a rating, that agency's rating is used; or 4) If none of the agencies provide ratings, the security is considered not rated. Not Rated (Pre-Refunded or Escrowed to Maturity) securities include all not rated municipal bonds that have been defeased and are now secured by collateral held in escrow. Not Rated (Other) securities include all not rated municipal bonds that have not been pre-refunded or escrowed to maturity. No rating agency has been involved with the calculation of such 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 average credit may change materially over time.

4. May include certain distributions that have been declared but not yet paid. Past distributions are not indicative of future distributions.

5. Percentage of bonds in the portfolio that is subject to being called (repurchased) by the issuer in the year indicated.

6. Holdings are as of 12/31/25 and are subject to change without notice. This list does not constitute a recommendation to buy, sell or hold a security. It should not be assumed that any investments in securities identified and described were or will be profitable.

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