

Neuberger Municipal Impact Fund

TICKER: Institutional Class: NMIIIX, Class A: NIMAX, Class C: NIMCX

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Performance Highlights

The Municipal Impact Fund posted a positive return in the fourth quarter of 2025 but underperformed the benchmark.

Market Context

Fixed Income Performance

In December, U.S. and global investment grade (IG) fixed income delivered modestly negative total returns of -0.15% and -0.21%, respectively, as measured by the Bloomberg U.S. Aggregate Index and Bloomberg Global Aggregate Index (USD hedged). For 4Q 2025, the Bloomberg U.S. Aggregate Index and Bloomberg Global Aggregate Index (USD hedged) each returned 1.10% and 0.79%, respectively. For the full year 2025, the Bloomberg U.S. Aggregate Index and Bloomberg Global Aggregate Index (USD hedged) returned 7.30% and 4.86%, respectively. Risk assets saw mostly positive returns in December and the fourth quarter and for the full year, returns were broadly in positive territory as investor demand for spread sectors remained solid, credit spreads finished the year tighter and corporate fundamentals were generally resilient amid an ongoing Fed easing cycle and a supportive global policy backdrop.

Quarter

U.S. government yields were mixed across the curve in the fourth quarter of 2025. 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%. These shifts reflect ongoing adjustments to expectations regarding inflation, economic growth, and the fiscal outlook.

Credit Markets and Spreads

In December, most fixed income spread sectors tightened, with the exception of U.S. TIPS break-evens, which moved modestly higher. Over the fourth quarter, spread performance was more mixed: high yield, global and U.S. investment grade corporates and senior floating rate loans saw modest spread widening, while Agency MBS, hard currency emerging markets and Pan-European IG corporates tightened, and CMBS and Pan-European high yield were unchanged. These moves reflected a balance between still supportive economic data and credit fundamentals

on one hand, and shifting interest rate expectations and late-cycle concerns on the other. Defensive sector fundamentals and supply/demand dynamics continued to influence spread behavior, while market focus on asset quality persisted.

Overall, demand for fixed income remained robust, with investor interest supported by stable fundamentals and the search for yield, despite ongoing uncertainty.

U.S. Economy

- Nonfarm payrolls for November increased by 64k, above expectations of 50k, indicating that job growth has slowed versus earlier in the year but remains positive. The unemployment rate for November was 4.6%, slightly above the consensus expectation of 4.5% and higher than levels seen earlier in 2025, pointing to gradual softening in labor market conditions.
- Average hourly earnings for November rose by 0.1% MoM, below consensus expectations of 0.3%, signalling some easing in wage pressures.
- U.S. headline CPI for November was 2.7% YoY, with core CPI at 2.6%—both below consensus survey estimates of 3.1% and 3.0%, respectively, and consistent with a continued gradual moderation in inflation.
- Retail sales rose 0.7% in November, narrowly beating the consensus of 0.6%. Retail sales are up 3.8% versus a year ago. Sales, excluding autos, rose 0.2% in November, lagging the consensus expectation of +0.4%.

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 Fed's 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.

Portfolio Review

The Municipal Impact Fund posted a positive return in the fourth quarter of 2025 but underperformed the benchmark. Overall duration and curve exposure were the dominant detractors from relative returns while our sector/quality allocation was a modest positive factor.

Outlook

Despite a choppy start to the year, the municipal bond market delivered decidedly positive returns in 2025. It was hard for the market to find its footing for much of the first half of the year as the "Liberation Day" Treasury selloff, concerns around a potential reduction of the municipal tax exemption, and heavy new issuance all weighed on investor sentiment. When it was clear that the One Big Beautiful Bill Act (OBBA) would leave the muni tax-exemption unscathed, market sentiment started to turn positive. In addition, higher absolute yields and the relative value of munis drew investors into the asset class. That improved sentiment was reflected in strong fund flows. Given that 2025 was an all-time record year for new issuance, it was impressive to us how easily the market was able to absorb all the supply.

Digging a little deeper into returns, unlike the previous two years, BBB rated bonds did not outperform higher grades last year. After rallying strongly in 2023 and 2024, spreads for BBB rated bond began 2025 on the tighter side, which probably explains why they ran out of steam. High yield munis underperformed investment grade bonds, primarily due to weak returns in the tobacco sector and one large transportation-related issuer. Yield-curve positioning was important in 2025 as a more bulleted approach (targeting specific points on the curve) performed better in the first half of the year only to see a barbell (heavily weighted in short- and long-term bonds) do better in the final six months.

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 OBBA and deregulation should create tailwinds. In addition, the Federal Reserve starts the year in an easing cycle. However, 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. Changes at the Federal Reserve, 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.

NEUBERGER BERMAN MUNICIPAL IMPACT FUND RETURNS (%)

				(ANNUALIZED AS OF 12/31/25)				
	December 2025	4Q 2025	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
At NAV								
Institutional Class	0.20	1.07	3.88	3.88	3.14	0.37	1.68	1.87
Class A	0.16	1.03	3.49	3.49	2.76	0.00	1.40	1.65
Class C	0.10	0.84	2.72	2.72	2.00	-0.75	0.83	1.20
With Sales Charge								
Class A	-4.07	-3.25	-0.92	-0.92	1.29	-0.87	0.96	1.31
Class C	-0.90	-0.16	1.72	1.72	2.00	-0.75	0.83	1.20
Bloomberg Municipal Bond Index	0.09	1.56	4.25	4.25	3.88	0.80	2.34	2.56

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

The inception date of the Municipal Impact Fund Institutional Class is 3/11/13. The inception date for Class A and Class C is 6/16/18. Prior to June 16, 2018, the Fund had a different goal and principal investment strategies and risks, which included a policy to invest 80% of its net assets in securities of municipal issuers that provide interest income that is exempt from New York State and New York City personal income taxes and invest in only investment grade securities, in addition to different fees and expenses. Its performance prior to that date might have been different if the current goal and principal investment strategies as well as fees and expenses had been in effect. Performance prior to the inception date of Class A and Class C is that of the Institutional Class adjusted to reflect applicable sales charges but not class-specific operating expenses. The date used to calculate benchmark performance is that of the Institutional 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 RATIO (%)

	Gross Expense	Total (net) Expense
Institutional Class	0.86	0.43
Class A	2.68	0.80
Class C	5.62	1.55

Total (net) expense represents the total annual operating expenses that shareholders pay (after the effect of fee waivers and/or expense reimbursement). The Fund's investment 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, taxes including any expenses relating to tax reclaims, dividend and interest expenses relating to short sales, and extraordinary expenses, if any; consequently, total (net) expenses may exceed the contractual cap) through 10/31/2028 for Class A at 0.80%, Class C at 1.55% and Institutional Class at 0.43% (each as a % of average net assets). Absent such arrangements, which cannot be changed without Board approval, the returns may have been lower. Information as of most recent prospectus dated February 28, 2025, as amended and supplemented.

An investor should consider Neuberger Berman Municipal Impact 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.

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. 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. Bonds are subject to the credit risk of the issuer. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. 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 financially material environmental, social and governance factors.

Lower rated debt securities (also known as "junk bonds") involve greater risks, may fluctuate more widely in price and yield, and carry a greater risk of default than investment-grade bonds. They may fall in price during times when the economy is weak or is expected to become weak. The municipal securities market could be significantly affected by adverse political and legislative changes, as well as uncertainties related to taxation or the rights of municipal security holders. Changes in the financial health of a municipality may make it difficult for it to pay interest and principal when due. In addition, changes in the financial condition of one or more individual municipal issuers or insurers of municipal issuers can affect the overall municipal securities market. To the extent that the Fund invests a significant portion of its assets in the municipal securities of a particular state or U.S. territory or possession, there is greater risk that political, regulatory, economic or other developments within that jurisdiction may have a significant impact on the Fund's investment performance. Changes in market conditions may directly impact the liquidity and valuation of municipal securities, which may, in turn, adversely affect the yield and value of the Fund's municipal securities investments. An inability to sell a portfolio position can adversely affect the Fund's value or prevent the Fund from being able to take advantage of other investment opportunities. Unexpected episodes of illiquidity, including due to market factors, instrument or issuer-specific factors and/or unanticipated outflows, may limit the Fund's ability to pay redemption proceeds within the allowable time period. Some municipal

securities, including those in the high yield market, may include transfer restrictions similar to restricted securities (e.g., may only be transferred to qualified institutional buyers and purchasers meeting other qualification requirements set by the issuer). As such, it may be difficult to sell municipal securities at a time when it may otherwise be desirable to do so or the Fund may be able to sell them only at prices that are less than what the Fund regards as their fair market value. Declines in real estate prices and general business activity may reduce the tax revenues of state and local governments. In recent periods an increasing number of municipal issuers have defaulted on obligations, been downgraded, or commenced insolvency proceedings. Financial difficulties of municipal issuers may continue or get worse. Because many municipal securities are issued to finance similar types of projects, especially those related to education, health care, housing, transportation, and utilities, conditions in those sectors can affect the overall municipal securities market. Income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax. Municipal securities backed by current or anticipated revenues from a specific project or specific asset (so-called "private activity bonds") may be adversely impacted by declines in revenue from the project or asset. Declines in general business activity could affect the economic viability of facilities that are the sole source of revenue to support private activity bonds. To the extent that the Fund invests in private activity bonds, a part of its dividends may be an item of tax preference for purposes of the federal alternative minimum tax. Please see the Fund's prospectus for additional important information about taxation of municipal securities.

Prior to June 16, 2018, the Fund had a different goal and principal investment strategies and risks, which included a policy to invest 80% of its net assets in securities of municipal issuers that provide interest income that is exempt from New York State and New York City personal income taxes and invest in only investment grade securities, in addition to different fees and expenses. Its performance prior to that date as well as the characteristics noted herein might have been different if the current goal and principal investment strategies as well as fees and expenses had been in effect.

The Fund's impact and ESG criteria could cause it to sell or avoid instruments that subsequently perform well. The Fund may underperform funds that do not follow an impact and ESG criteria. Changes in the priorities or policies of the federal government may cause it to reduce or suspend its support for certain types of projects in which the Fund has invested or change laws or regulations from which the projects might benefit, causing such projects to be less viable financially or lessening their positive social or environmental impact.

The **Bloomberg Municipal Bond Index** is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. 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 this index are prepared or obtained by the Manager and reflect the reinvestment of income dividends and other distributions, if any. The Fund may invest in many securities not included in the above-described index. As described in further detail above, on June 16, 2018, the Fund changed its principal investment strategy. Effective that date it began comparing its performance to the Bloomberg Municipal Bond Index rather than the Bloomberg 7-year G.O. Index to correspond with the Fund's revised principal investment strategy. 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 this index are prepared or obtained by the Manager and include reinvestment of all dividends and capital gain distribution. The Fund may invest in many securities not included in the above-described index.

Performance quoted represents past performance, which is no guarantee of future results. Opinions expressed are as of the date herein and are subject to change without notice. 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 material herein is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. This material is not intended to be a formal research report and should not be construed as an offer to sell or the solicitation of an offer to buy any security.

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