

# Neuberger High Income Bond Fund\*

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

\*Prior to February 28, 2026, the Fund included "Neuberger Berman" in place of "Neuberger" in its name.

**PORTFOLIO MANAGERS:** Chris Kocinski, Joe Lind & Steve Ruh

## Performance Highlights

The Neuberger High Income Bond Fund's (Institutional Class) 1<sup>st</sup> Quarter return of -0.62% underperformed its benchmark, the ICE BofA U.S. High Yield Constrained Index (the "Index"), which returned -0.55%. Performance for all share classes appears on page 6.

## Market Context

In March and the first quarter, the U.S. high yield bond market delivered negative returns as investors contended with a highly uncertain conflict in the Middle East, AI disruption fears and broader risk-off sentiment. Brent crude oil prices approached \$120/bbl (barrel of crude oil) before receding toward \$100/bbl by month-end, and the S&P 500 Index fell approximately 5% in March. The U.S. 10-year Treasury yield rose 38 basis points (bps) in March to 4.32% and was 15 bps higher over the quarter. High yield spreads widened to 349 bps from a post-GFC low of 295 bps reached in late January. Default activity receded to its lowest level since October 2022 in March, though first quarter volume tracked approximately 47% ahead of last year's pace. Credit dispersion remained elevated across ratings and sectors.

## Market Performance<sup>1</sup>

- High yield spreads widened by 17 bps during March, with the spread to worst on the ICE BofA US High Yield Constrained Index ("Index") closing the month at 349 bps, 52 bps wider for the first quarter. The yield to worst on the Index ended the quarter at 7.44%.
- The Index returned -1.19% in March and -0.55% in 1Q.
- In March, single Bs outperformed the Index, while BBs and CCC & Lower underperformed. Notably the Distressed Index, as measured by issues with 1000+ OAS, outperformed the Non-Distressed Index, which comprises the remainder of the high yield universe trading below that spread threshold.
- Over the quarter, BBs and single Bs outperformed the Index, whereas CCC & Lower and distressed credits posted larger drawdowns and lagged materially.

## Performance by Index Segments & Ratings<sup>1</sup>

Index Segment - Returns (%)	March 2026	YTD / 1Q
ICE BofA USHY Constrained Index	-1.19	-0.55
USHY 100 Index	-1.35	-0.98
BB Index	-1.38	-0.38
Single B Index	-0.80	-0.38
CCC & Lower Index	-1.37	-2.21
Non-Distressed Index	-1.22	-0.44
Distressed Index	-0.63	-4.44

## Fundamentals and Default Rates<sup>1</sup>

- High yield issuers' aggregate fundamentals remained broadly stable, though lower-quality issuers continued to face industry-specific and idiosyncratic pressures.
- On a trailing 12-month basis, par weighted U.S. high yield default rates rose further in March, ending at 1.19% (excluding distressed exchanges) and 2.07% (including distressed exchanges), up from 1.17% and 2.06%, respectively, as of February. The rate including distressed exchanges reached a 23-month high and marked the sixth consecutive month-over-month increase, though both measures remain well below the long-term 25-year average of 3.25% and the post-GFC average of 2.30%.
- Our latest bottom-up base case 2-year cumulative default estimate (including distressed exchanges) for U.S. high yield over 2026/2027 is 3.00%-3.50%, which is below the long-term historical average.

## Technicals (U.S. Loan Market)<sup>1</sup>

- High yield issuance totaled \$21 billion (\$6.6 billion ex-refinancings) in March, a moderation of -27% month-over-month from February's \$28.7 billion and came in below the historical March average of \$31.2 billion. Acquisition financing dominated use of proceeds at 49% of gross volume, with refinancing comprising 31%.

- First quarter 2026 gross issuance reached \$79.8 billion, up approximately 17% versus the same period a year ago (\$68.3 billion), with net issuance of \$32.4 billion versus \$17.1 billion in the prior year comparable period.
- High yield funds reported outflows of -\$6.3 billion in March — the largest monthly outflow since April 2025 — reversing sharply from the prior quarter's inflow trend. ETFs accounted for the majority at -\$4.4 billion, with actively managed ETFs contributing -\$1.9 billion. First quarter 2026 net outflows totaled -\$7.9 billion, the largest quarterly outflow since 1Q2023, compared to an inflow of +\$1.6 billion in 4Q2025.

## 1Q / March 2026 Fund Performance Highlights (Relative to Index)<sup>1</sup>

### Best Performing Sectors

- **Printing & Publishing:** Total impact to relative performance of +6 bps, driven primarily by sector allocation (UW) (+4 bps) with additional contribution from security selection (+3 bps).
- **Media – Broadcast:** Total of +4 bps for relative returns, with positive contributions from both sector allocation (UW) (+2 bps) and security selection (+2 bps).
- **Capital Goods:** Total of +4 bps, supported by security selection (+2 bps) and a modest contribution from the overweight (+1 bp).

### Worst Performing Sectors

- **Diversified Financial Services:** Total impact of -8 bps, driven entirely by security selection.
- **Building Materials:** Total impact to relative performance of -7 bps, with security selection (-4 bps) as the primary detractor and sector allocation (OW) contributing an additional drag (-3 bps).
- **Energy:** Total impact to relative performance of -3 bps, driven primarily by security selection (-5 bps), partially offset by a positive contribution from sector allocation (+2 bps).

### Ratings

- **BBB and above:** Total impact was neutral at 0 bps, as a modest positive from sector allocation (OW) (+1 bp) was offset by security selection (-1 bp).
- **BB rated:** Total detraction from relative performance of -8 bps, with security selection (-6 bps) as the primary detractor, compounded by underweight positioning (-2 bps).
- **B rated:** Total was neutral for performance, with no contribution from either sector allocation or security selection.
- **CCC and below:** Total of +8 bps, with strong positive contributions from security selection (+12 bps) partially offset by sector allocation (OW) (-4 bps).

## Fund Attribution for 1<sup>st</sup> Quarter 2026

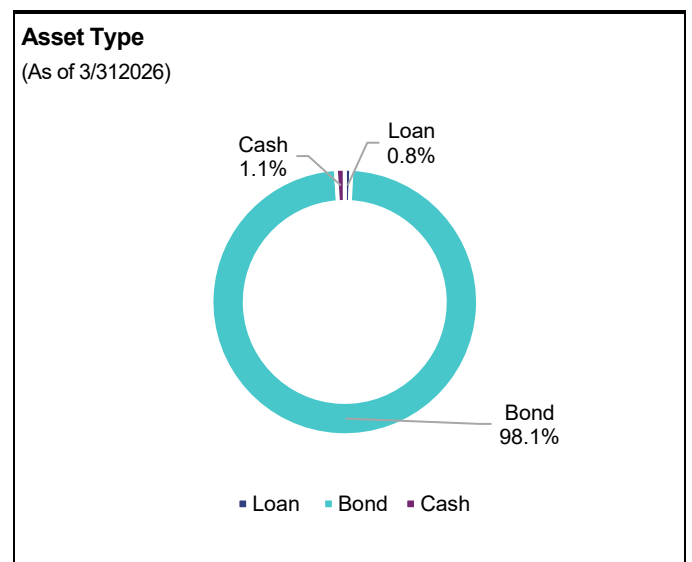
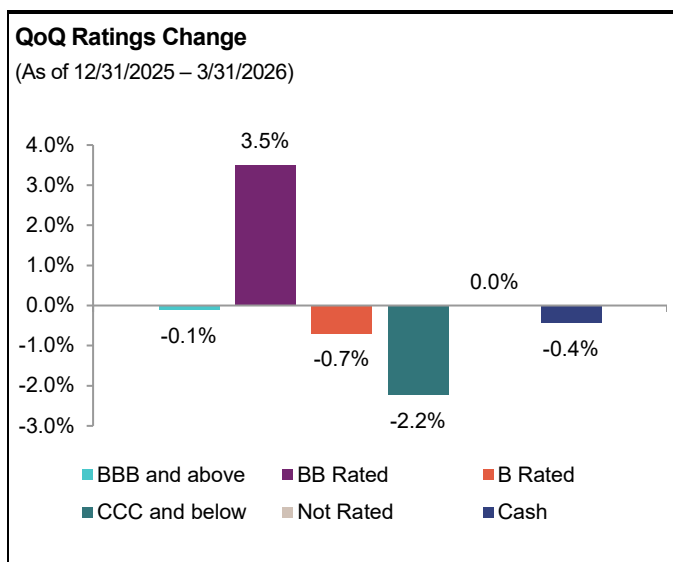
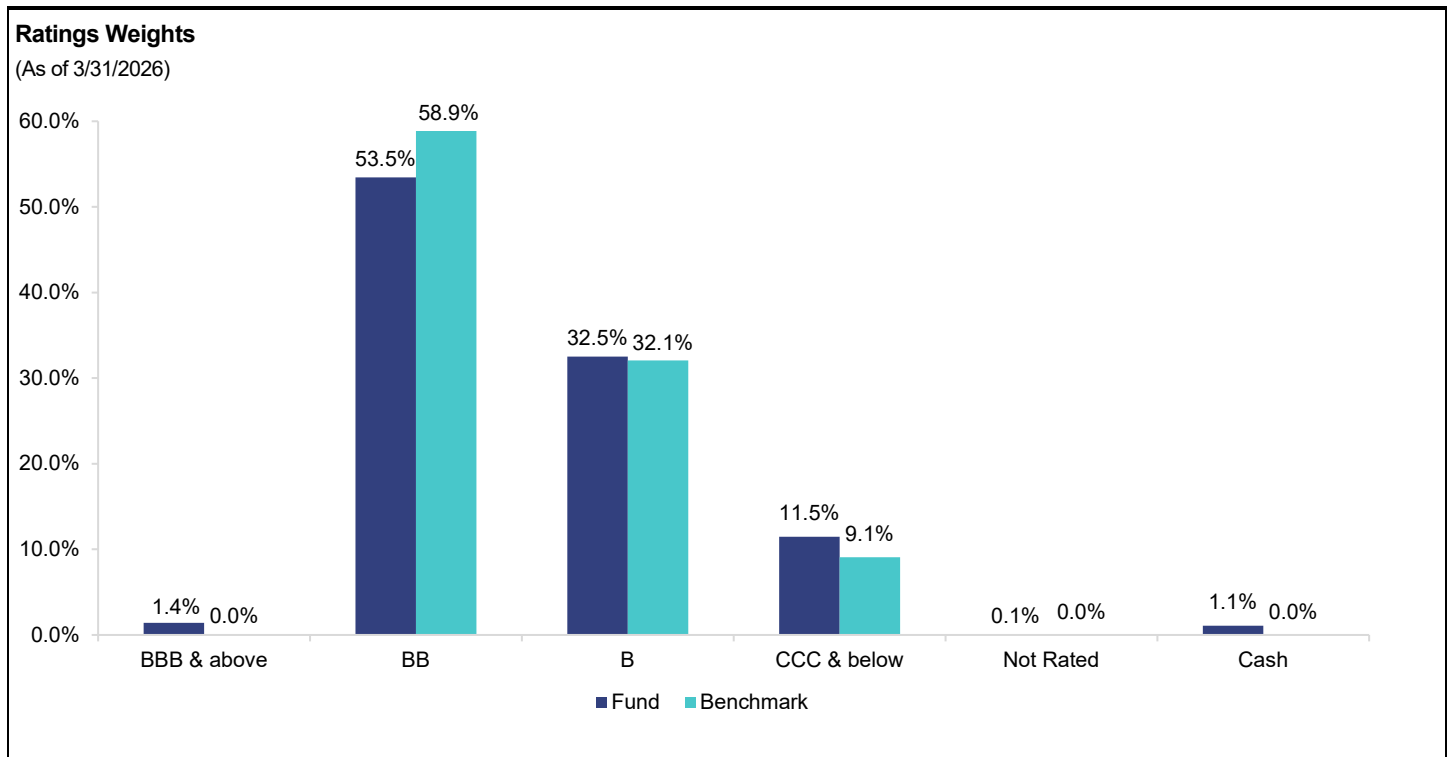
Breakdown by Rating	Average Overweights/ Underweights Compared to Index (%)	Total Effect Compared to Index (%) <sup>2</sup>	Sector Allocation Compared to Index (%)	Security Selection Compared to Index (%)
BBB and above	0.99	0.00	0.01	-0.01
BB Rated	-6.39	-0.08	-0.02	-0.06
B Rated	0.94	0.00	0.00	0.00
CCC and below	3.02	0.08	-0.04	0.12
Not Rated	-0.09	0.00	0.00	0.00

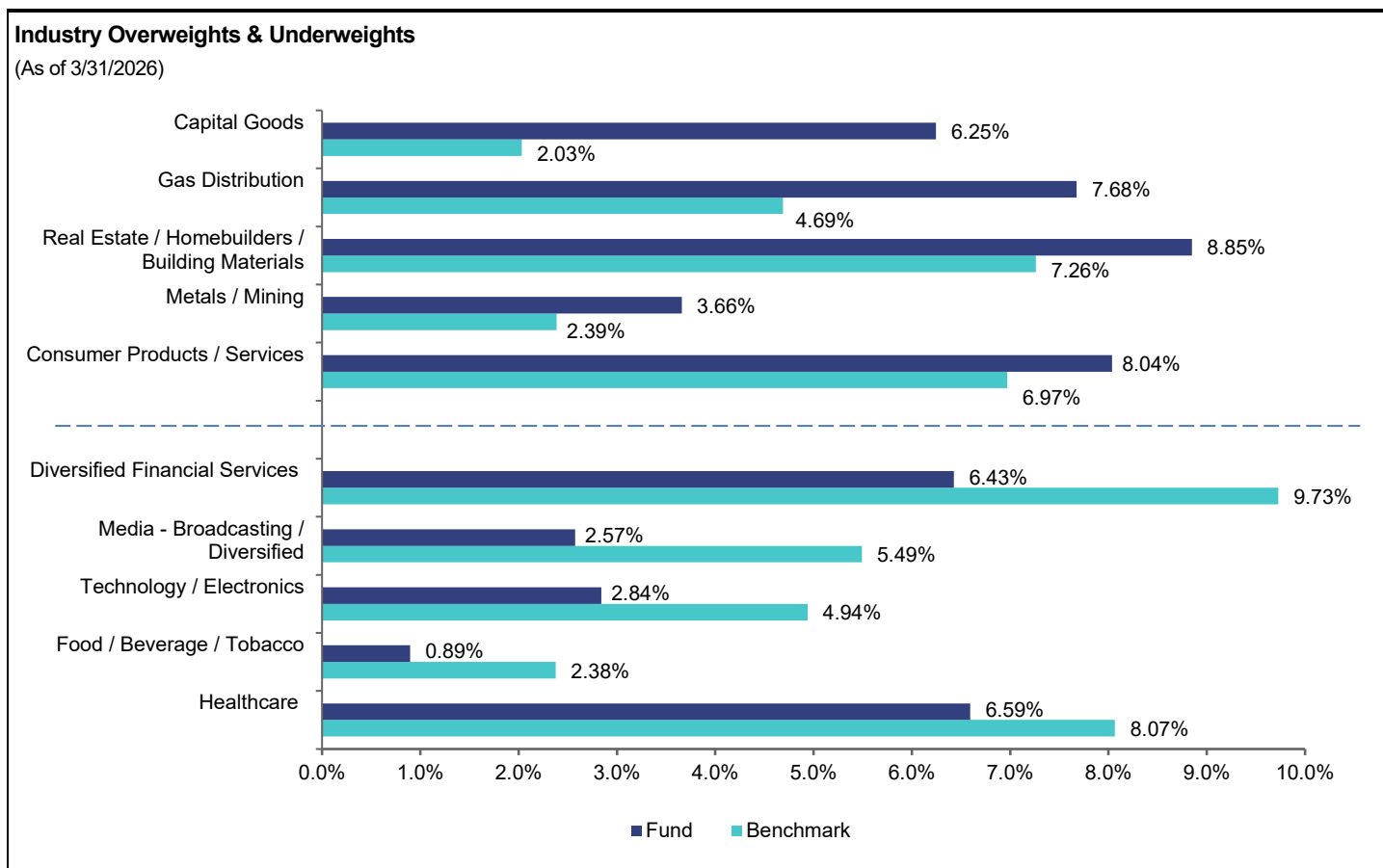
Industry	Average Overweights/ Underweights Compared to Index (%)	Total Effect Compared to Index (%) <sup>3</sup>	Sector Allocation Compared to Index (%)	Security Selection Compared to Index (%)
<b>Top 5</b>				
Printing & Publishing	-0.26	0.06	0.04	0.03
Media - Broadcast	-2.20	0.04	0.02	0.02
Capital Goods	3.49	0.04	0.01	0.02
Support-Services	1.67	0.03	-0.02	0.05
Technology & Electronics	-1.63	0.02	0.03	0.00

Industry	Average Overweights/ Underweights Compared to Index (%)	Total Effect Compared to Index (%) <sup>4</sup>	Sector Allocation Compared to Index (%)	Security Selection Compared to Index (%)
<b>Bottom 5</b>				
Diversified Financial Services	-0.46	-0.08	0.00	-0.08
Building Materials	0.94	-0.07	-0.03	-0.04
Energy	0.58	-0.03	0.02	-0.05
Automotive & Auto Parts	0.41	-0.03	0.00	-0.03
Media - Cable	-0.19	-0.02	0.00	-0.02

### Portfolio Activity

- The Fund's CCC & below, B and BBB & above rated exposure decreased, and BB rated exposures increased over the period. The Fund's cash position was also decreased over the period. Compared to the Index, the Fund was underweight BB rated securities 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 navigate the current operating environment. Sectors such as Consumer Products / Services, Capital Goods and Gas Distribution are overweights. The Fund is underweight some of the sectors that we believe are experiencing competitive pressures, shifts in consumer behavior or risks of AI disintermediation, such as Media – Broadcasting / Diversified, Technology / Electronics and Food / Beverage / Tobacco.





Source: Neuberger

### Outlook

U.S. high yield continues to offer attractive carry against an around-average default backdrop, in our view. Inflation is trending toward the Fed's 2% target, with tariff effects more muted than feared and the labor market remaining solid. The recent Middle East escalation introduces near-term upside risk to headline inflation via oil and gas prices; however, we view this as temporary and consistent with historical energy-driven price effects, rather than a durable re-acceleration in underlying inflation. The Fed appears to remain patient and data-dependent, holding at 3.50%–3.75% with no apparent near-term urgency to adjust the rate. We are

operating with a bimodal outlook of two or four cuts in 2026, with the neutral rate settling between 2.75%–3.50%. Despite some softer data signals and varied consumer sentiment across income cohorts, household balance sheets remain broadly resilient. We believe that U.S. high yield issuer fundamentals are healthy overall, with default rates below long-term averages and rating actions indicating stable credit quality, even as pockets of stress persist in weaker credits. Market direction will depend on employment, inflation and broader macro and geopolitical developments, in our view. We remain focused on bottom-up research, emphasizing security selection and proactive risk management, and aim to use volatility to our advantage while staying highly selective in seeking alpha opportunities.

**Neuberger High Income Bond Fund Returns (%)\***

	March 2026	YTD 2026	(Annualized as of 3/31/2026)				Since Inception
			1 Year	3 Year	5 Year	10 Year	
<b>At NAV</b>							
Institutional Class	-1.42	-0.62	7.05	8.08	3.51	5.20	6.78
Class A	-1.45	-0.72	6.51	7.71	3.10	4.78	6.56
Class C	-1.51	-1.02	5.70	6.85	2.31	4.02	6.18
Class R6	-1.41	-0.59	7.16	8.18	3.62	5.31	6.79
Class R3	-1.60	-0.91	6.23	7.39	2.82	4.52	6.44
Investor Class	-1.43	-0.66	6.74	7.90	3.34	5.04	6.69
<b>With Sales Charge</b>							
Class A	-5.61	-4.90	1.92	6.14	2.20	4.33	6.43
Class C	-2.49	-2.00	4.70	6.85	2.31	4.02	6.18
ICE BofA U.S. High Yield Constrained Index	-1.19	-0.55	6.90	8.50	4.19	6.04	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 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](http://www.nb.com/performance).

\*The inception date for Neuberger 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.

	<b>Gross Expense</b>
<b>Institutional Class</b>	0.72
<b>Class A</b>	1.11
<b>Class C</b>	1.88
<b>Class R6</b>	0.62
<b>Class R3</b>	1.37
<b>Investor Class</b>	0.89

Total 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 10/31/2029 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, 2026, 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, 2026, and are subject to change at any time due to changes in the 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. 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 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 the 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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<sup>1</sup>Source: ICE BofA.

<sup>2</sup>Source: J.P. Morgan

<sup>3</sup>Positions listed may include securities that are not held in the Fund as of 3/31/2026. 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.

<sup>4</sup>Excess returns vs. ICE BofA U.S. High Yield Constrained Index.