

Neuberger Berman High Income Bond Fund

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

PORTFOLIO MANAGERS: Chris Kocinski, Joe Lind & Steve Ruh

Performance

The Fund's (Institutional Class) 4th Quarter return of 1.37% slightly outperformed its benchmark, the ICE BofA U.S. High Yield Constrained Index (the "Index"), which returned 1.35%. Year-to-date, the Fund's (Institutional Class) return of 8.67% outperformed the Index, which returned 8.50%. Performance for all share classes appears on page 6.

Market Context

In December and the 4th quarter, the U.S. high yield bond market delivered positive returns as investor demand remained solid, fundamentals were generally stable, and economic data and a dovish Federal Reserve continued to support risk assets. The U.S. 10-year Treasury yield rose 15 bps in December to 4.17% and was 2 bps higher over the quarter. Over the month, high yield spreads moved modestly tighter and finished the year below 300 bps, with performance supported, in our view, by carry, benign default experience and ongoing demand for most ratings segments. Dispersion remained elevated across ratings and sectors with weaker, more distressed credits and select challenged industries lagging over the quarter and full year despite firmer risk sentiment into year-end.

Market Performance¹

- High yield spreads narrowed by 11 bps during December, with the spread to worst on the Index closing the year at 297 bps. The yield to worst on the Index ended 2025 at 6.62%.
- The Index returned 0.65% in December, 1.35% in the 4th quarter and 8.50% year-to-date (YTD).
- In December, single Bs, CCC & Lower and distressed segments outperformed the Index, while BBs underperformed.
- Over the quarter, BBs, Bs and non-distressed high yield outperformed the Index, whereas CCC & Lower and distressed credits posted negative returns and lagged materially. For 2025, BBs, non-distressed and Bs outpaced the Index, and CCC & Lower and distressed segments significantly underperformed, highlighting ongoing differentiation based on credit quality and fundamentals.

Performance by Index Segments & Ratings¹

Index Segment - Returns (%)	December	4th Quarter	YTD
ICE BofA USHY Constrained Index	0.65	1.35	8.50
USHY 100 Index	0.59	1.02	8.73
BB Index	0.47	1.57	8.93
Single B Index	0.90	1.55	8.38
CCC & Lower Index	0.84	-0.52	6.49
Non-Distressed Index	0.64	1.62	8.99
Distressed Index	1.04	-7.72	-8.79

Fundamentals and Default Rates²

- High yield issuers' aggregate fundamentals remained broadly stable, though some lower-quality issuers continued to face industry-specific or idiosyncratic pressures.
- On a trailing 12-month basis, par-weighted U.S. high yield default rates rose in December, ending at 0.99% (excluding distressed exchanges) and 1.88% (including distressed exchanges), up from 0.82% and 1.84%, respectively, as of November.
- Our latest bottom-up base case 2-year cumulative default estimate (including distressed exchanges) for U.S. high yield over 2025/2026 is 3.75%-4.75%, which around the long-term historical average. The long-term historical average (last 25 years) default rate is 3.3%.

Technical²

- High yield bond issuance totaled \$21.8 billion (\$5.1 billion ex-refinancings) in December, a moderation from November's \$24.9 billion (\$10.9 billion ex-refis) but still making December one of the busiest year-end issuance periods in recent years.
- Full-year 2025 gross issuance reached \$332.0 billion (+15% vs. 2024), with net issuance of \$98.3 billion (+39% vs. 2024), marking a four-year high for both gross and net supply.
- High yield funds reported inflows of +\$1.7 billion in December, which followed a -\$598 million outflow in November.

Performance Highlights³

Best Performing Sectors

- Chemicals: Security selection was strong (+8 bps) for relative performance and the underweight added +1 bp.
- Super Retail: Security selection contributed (+6 bps) to attribution and the underweight added +1 bp.
- Support-Services: Security selection contributed (+5 bps) to attribution and the overweight added + 1 bp.

Worst Performing Sectors

- Building Materials: Security selection detracted (-7 bps) from relative performance and the overweight added + 2 bps.
- Media – Cable: Security selection detracted (-6 bps) from performance.
- Gaming: Security selection detracted (-3 bps) from returns versus the benchmark and the underweight was a -1 bp drag on relative performance.

Ratings

- BBB and above: Security selection was modestly positive (+3 bps); positioning detracted (-2 bps) from relative performance.
- BB rated: Security selection helped (+9 bps); positioning was a headwind (-3 bps).
- B rated: Security selection was notably positive (+12 bps); positioning was neutral (0 bps).
- CCC and below: Security selection was strongly positive (+20 bps); positioning was a headwind (-9 bps) for relative returns.

Attribution for 4Q 2025

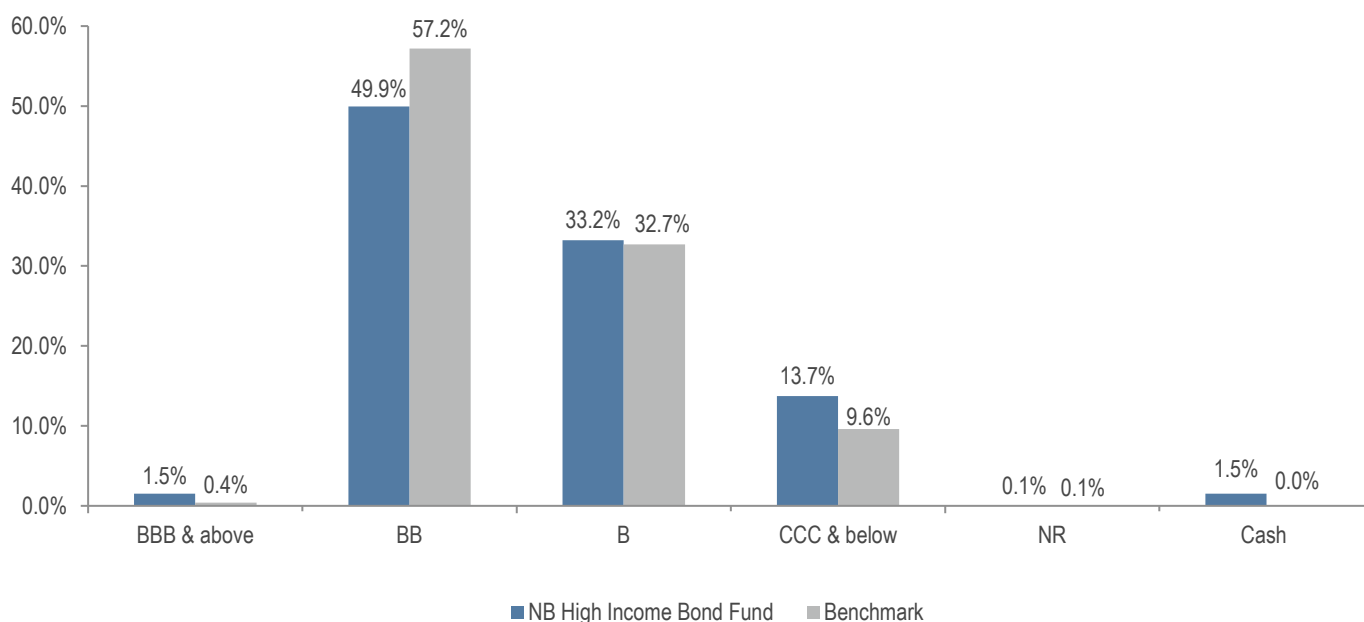
	Average Overweights/ Underweights Compared to Index (%)	Total Effect Compared to Index (%) ⁴	Sector Allocation Compared to Index (%)	Security Selection Compared to Index (%)
Breakdown by Rating				
BBB and above	1.13	0.01	-0.02	0.03
BB rated	-9.70	0.06	-0.03	0.09
B rated	2.64	0.12	0.00	0.12
CCC and below	4.76	0.11	-0.09	0.20
Not Rated	-0.06	0.00	0.00	0.00

Industry	Average Overweights/ Underweights Compared to Index (%)	Total Effect Compared to Index (%) ⁴	Sector Allocation Compared to Index (%)	Security Selection Compared to Index (%)
Top 5				
Chemicals	-0.43	0.09	0.01	0.08
Super Retail	-1.20	0.07	0.01	0.06
Support-Services	1.13	0.06	0.01	0.05
Telecommunications	-1.09	0.06	0.00	0.06
Technology & Electronics	-0.69	0.05	0.01	0.05
Bottom 5				
Building Materials	1.08	-0.08	-0.02	-0.07
Media - Cable	-0.39	-0.06	0.00	-0.06
Gaming	-0.48	-0.04	-0.01	-0.03
Media - Broadcast	-2.32	-0.03	0.01	-0.04
Healthcare	-0.31	-0.03	0.00	-0.03

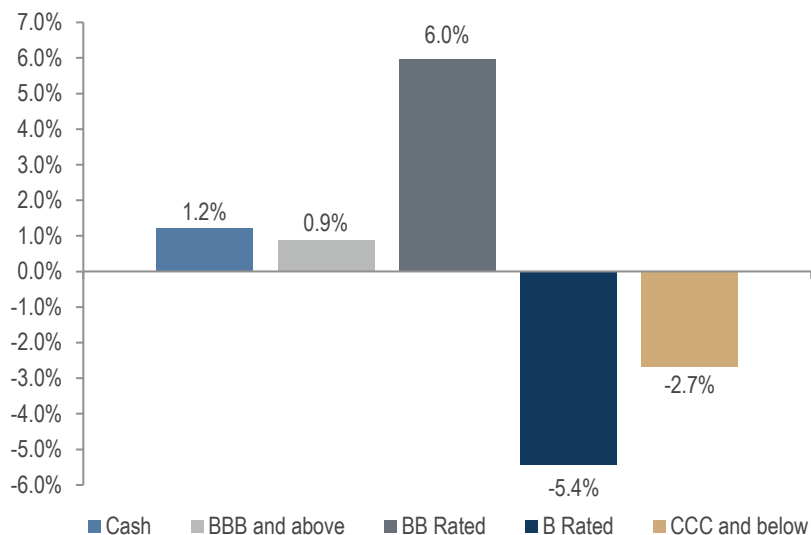
Portfolio Activity

- The Fund's B and CCC & below rated exposure decreased, and BB and BBB & above rated exposures increased over the period. The Fund's cash position was up 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 Capital Goods, Gas Distribution and Diversified Financial Services are overweights. The Fund is underweight some of the sectors that we believe are experiencing competitive pressures or shifts in consumer behavior, such as Media – Broadcasting / Diversified and Super Retail.

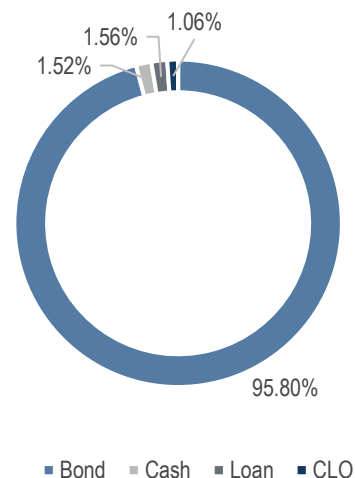
**Ratings Weights
(As of 12/31/2025)**



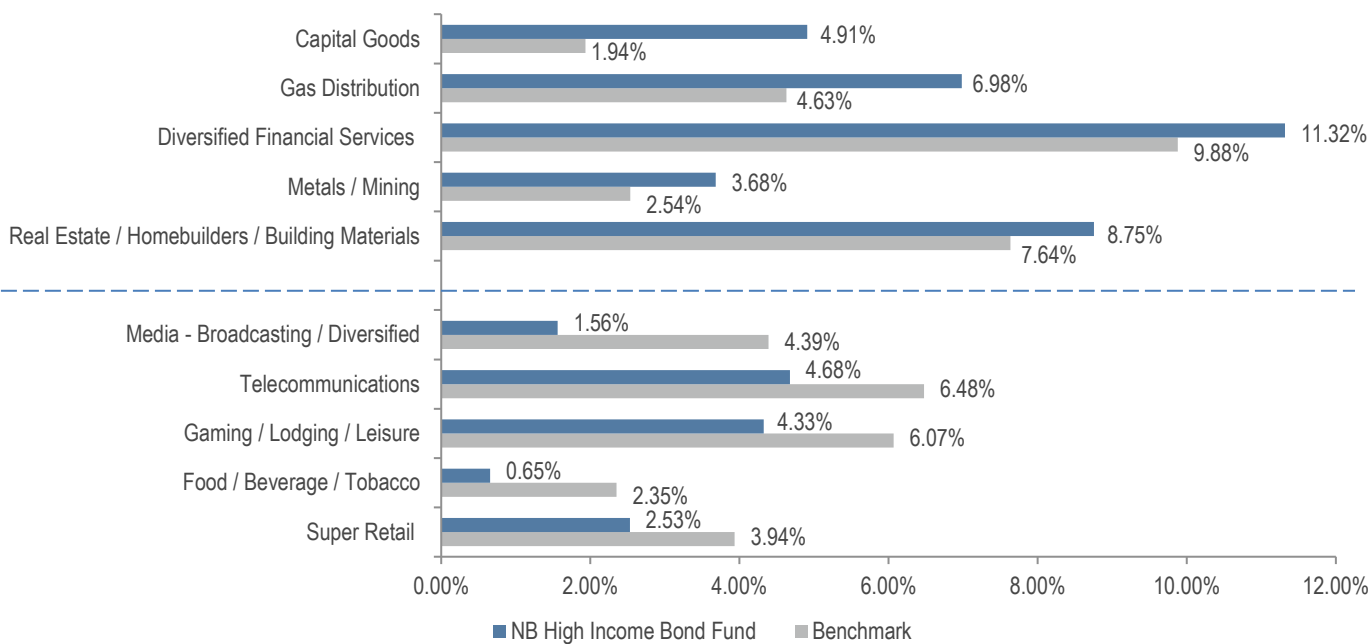
**QoQ Ratings Change
(9/30/2025 - 12/31/2025)**



**Asset Type
(As of 12/31/2025)**



Industry Overweights & Underweights



Outlook

In our view, U.S. high yield continues to offer attractive carry, especially given a benign default outlook. Inflation is trending lower but remains slightly above the Federal Reserve's (the Fed) 2% target, as tariff effects have been more muted than feared, and the labor market continues to moderate. After two cuts in late 2025, we now expect one additional Fed cut in the first quarter of 2026. Despite signs of softer employment and varying consumer sentiment depending on income cohort, overall household balance sheets remain resilient. In our view, U.S. high yield issuer fundamentals remain broadly healthy, with default rates and rating actions indicating stable to modestly improving credit quality overall. While pockets of stress persist in weaker credits, overall default trends are below long-term averages. We believe market direction will depend on labor and inflation data and broader macro and geopolitical risks. We remain focused on issuer fundamentals and both base-case and downside scenarios. Our disciplined, bottom-up research—emphasizing security selection and proactive risk management—aims to use volatility to our advantage. We continue to seek attractive opportunities in high yield; while our default outlook is roughly in line with historical averages, we stay highly selective and seek to generate alpha through prudent security selection.

¹Source: ICE BofA.

²Source: J.P. Morgan

³Positions listed may include securities that are not held in the Fund as of 12/31/2025. 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.

⁴Excess returns vs. ICE BofA U.S. High Yield Constrained Index.

NEUBERGER BERMAN HIGH INCOME BOND FUND RETURNS (%)*

	December 2025	4Q2025	YTD 2025	ANNUALIZED AS OF 12/31/2025				
				1 Year	3 Year	5 Year	10 Year	Since Inception
At NAV								
Institutional Class	0.66	1.37	8.67	8.67	9.35	3.83	5.57	6.85
Class A	0.63	1.27	8.12	8.12	8.93	3.44	5.15	6.63
Class C	0.57	1.21	7.43	7.43	8.10	2.68	4.40	6.26
Class R6	0.67	1.40	8.78	8.78	9.46	3.96	5.68	6.86
Class R3	0.61	1.34	7.97	7.97	8.65	3.19	4.90	6.51
Investor Class	0.65	1.33	8.36	8.36	9.12	3.66	5.42	6.76
With Sales Charge								
Class A	-3.61	-2.98	3.50	3.50	7.38	2.54	4.69	6.50
Class C	-0.43	0.21	6.43	6.43	8.10	2.68	4.40	6.26
ICE BofA U.S. High Yield Constrained Index	0.65	1.35	8.50	8.50	10.03	4.50	6.44	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 cost. Results are shown on a "total return" basis and include reinvestment of all dividends and capital gains distributions. Current performance may be higher or lower than the performance data given. For current performance data, including current to the most recent month end, please visit www.nb.com/performance.

*The inception date for Neuberger Berman 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.

EXPENSE RATIOS (%)

	Gross Expense
Institutional Class	0.71
Class A	1.10
Class C	1.87
Class R6	0.61
Class R3	1.36
Investor Class	0.89

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 10/31/2028 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, 2025, 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 December 31, 2025, 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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