

Neuberger Real Estate Securities Income Fund Inc.

TICKER: NRO

Fund Highlights

Description

- Neuberger Real Estate Securities Income Fund Inc. ("NRO" or the "Fund") is a diversified, closed-end management investment company that invests primarily in securities issued by Real Estate Companies, including Real Estate Investment Trusts (REITs).
- The Fund utilizes leverage through a secured credit facility.

Investment Philosophy

- The Fund's primary investment objective is high current income. Capital appreciation is a secondary investment objective. The Fund's investment strategy seeks to develop a portfolio with a broad mix of real estate securities through superior stock selection and property sector allocation.
- A distinct investment approach incorporating fundamental securities and direct real estate analysis with investment in various property sectors, combined with traditional on-site real estate analysis and frequent meetings with company management.
- A disciplined valuation methodology that seeks attractively priced real estate securities relative to their historical growth rates and alternative property sectors.
- A focus on quality of management, relative equity valuation levels within the real estate securities universe and relative property sector performance expectations.

Market Data

Market Price

Quarter-End	\$3.04
Last 12 Month Range	\$ 3.67 - \$ 2.82

Net Asset Value

Quarter-End	\$3.18
Last 12 Month Range	\$ 3.66 - \$ 3.03

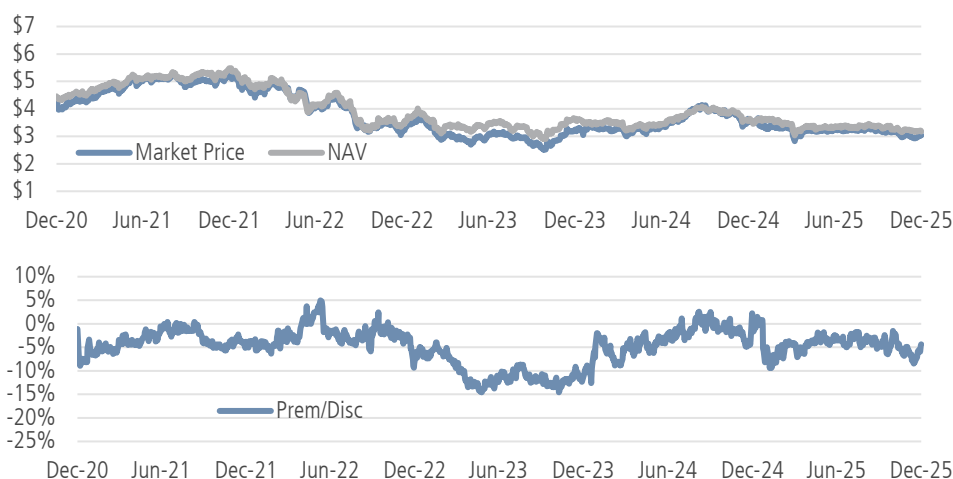
Premium/(Discount)

Quarter-End	-4.40%
Last 12 Month Range	1.45% - (9.42%)
Last 12 Month Average	(4.41)

Distribution Rate¹

On Market Price	12.32%
On NAV	11.77%
NAV Ticker	XNROX
CUSIP Number	64190A103
Inception Date	10/28/2003
Listed Exchange	NYSE American

NRO: 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	\$271.710 M
Common Assets	\$201.710 M
Leverage (\$amt)	\$70.000 M
Leverage (% of total assets)	25.76%

Leverage Structure

Leverage

Debt - Floating Rate

Committed	\$90.0 M
Amount Outstanding	\$70.0 M

While the use of leverage 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 most recent distribution payment of \$0.0312 per share, which was paid on December 31, 2025, the distribution was estimated to consist solely of net investment income. This estimate was based on earnings and portfolio activity as of the record date for the distribution.

**Co-Portfolio
Managers**

Steve S. Shigekawa
31 years investment
experience

Brian Jones
33 years investment
experience

Archena Alagappan
15 years investment
experience

Manager Commentary

REIT Market Review

The S&P 500 Index had a modest quarter, delivering a total return of 2.66% driven mostly by the Healthcare sector. The Federal Reserve delivered 3 cuts in the back half of 2025 (September, October and December) but signaled a tougher road ahead for further reductions. Longer term rates remained stubbornly high. The REIT market underperformed, with the FTSE Nareit All Equity REIT Index (“Nareit Index”) posting a -2.15% return for the quarter. With positive funds from operations (“FFO”) growth, a likely declining rate environment, attractive valuations and easing supply, we believe REITs are well positioned heading into the new year.

Fund Performance

During the fourth quarter, Neuberger Real Estate Securities Income Fund Inc. (“NRO” or the “Fund”) generated net asset value (NAV) and Market Price based total returns of -3.07% and -3.03%, respectively. The Fund underperformed the Nareit Index (-2.15%) on both a NAV and Market Price basis.

Looking at sector allocation, an underweight in Industrial REITs and an overweight in Office were the largest detractors from returns during the period. Conversely, an overweight to names in the Mortgage Home Financing sector was the most beneficial for performance. In terms of stock selection, holdings in the Lodging/Resorts sector were notable headwinds for performance, while strong stock selection in Office contributed positively to results.

NRO’s use of leverage detracted an estimated -43 basis points from the NAV return for the quarter. It is important for investors to remain 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 consider that the use of leverage can result in increased income generation, however in an environment of rising and/or higher borrowing costs, income levels and cash flow per common share can come under pressure and possibly be reduced.

During the quarter, as measured on a per share basis, NRO’s NAV decreased -\$0.20 or -5.92%, while its Market Price decreased -\$0.19 or -5.88%. The Fund’s valuation improved by 4 bps during the period and at quarter-end NRO traded at a -4.40% discount to its NAV. In comparison, the Morningstar US CEF Real Estate category traded at an average -5.51% discount at quarter end and exhibited a -248 bps decrease in valuation quarter/quarter.

Outlook & Portfolio Positioning

After another year of underperformance in 2025 – with REITs delivering a 2% total return and lagging the broader market by 16% – the sector has now underperformed the S&P 500 for four consecutive years. While higher rates are a natural headwind for real estate, the persistence and magnitude of REIT underperformance has been surprising to us. Fed funds rates have come down 175 bps from their peak, but REITs are still down 10% since YE 2021 (vs. the S&P 500 up 52%), despite producing steady earnings growth over this time frame.

We believe 2026 offers a more attractive setup for listed real estate. We expect a downshift in GDP growth but still positive real activity, alongside moderating inflation and a more stable, gently declining rate environment. In this backdrop, we see the market shifting its focus back to cash flows and asset level fundamentals, allowing REITs to begin closing their multi year performance gap. We believe valuation and income are key supports. We see many REITs trading at compelling discounts to private market values and to the broader equity market on earnings. In our view, this combination of discounted valuations, visible earnings and growing income is attractive versus both equities and private real estate.

With longer term interest rates expected to be range bound and FED policy gradually easing, we believe rate volatility should decline and support REIT multiples. While we believe refinancing of low coupon debt into a higher cost environment will remain a modest headwind in some areas, balance sheets are generally sound and maturities manageable, in our view. At the same time, we expect continued public to private M&A and asset level transaction activity as discounts to NAV persist, benefiting well capitalized platforms that can deploy capital into a more active deal market.

We see 2026 as a year of broadening leadership within the sector, as slowing supply deliveries across most property types support a more balanced earnings backdrop. In our view, industrial should remain structurally attractive as new supply falls, vacancy peaks and robust lease mark to market supports durable internal growth. We believe Healthcare – particularly senior housing – is poised to benefit from aging demographics, low new construction and continued occupancy and rate recovery. We also believe that multifamily and single family rentals look set for gradual improvement as new supply peaks and concessions fade, while manufactured housing and self storage should continue to act as steady compounders as supply pressure eases. The technology related sectors (Data Centers and Cell Towers) are positioned for better performance in 2026 in our view after experiencing company specific, idiosyncratic challenges in 2025 that obscured strong underlying tenant demand trends. Office remains a selective, longer dated recovery story, but we see targeted opportunities where balance sheets are conservative and asset quality is high.

Our focus remains on REITs with low leverage, diversified demand drivers and clear visibility into FFO growth. Against a backdrop of positive FFO growth, easing rate pressures and supportive M&A dynamics, we believe these attributes – combined with attractive starting valuations and a dividend yield that now sits higher than the fed funds rate – position the sector well.

Neuberger Real Estate Securities Income Fund Inc.

Portfolio Characteristics

Fund Metrics

Common Shares (12/31/25)	63,361,833
Number of Holdings (12/31/25)	90
Average Daily Volume (Trailing 12 months)	239,849

REIT VALUATION METRICS

Price/Cash Flow (2025E)	14.1x
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INCOME METRICS

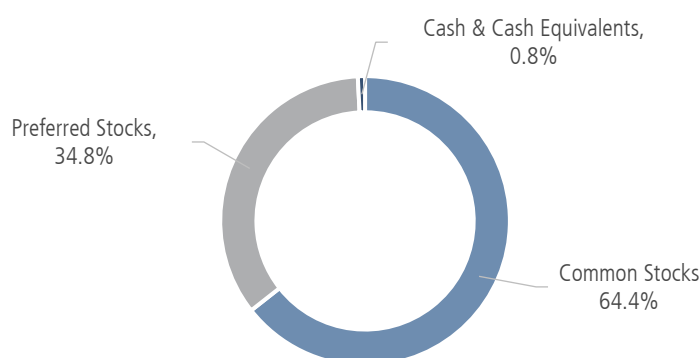
Average Yield (Common)	4.77%
Average Yield (Preferred)	7.49%

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

Portfolio Turnover	27%
Total Expense Ratio ¹	3.12%

¹ Includes interest expense. Annualized ratio of interest expense to average net assets applicable to common shareholders was 1.65%

Portfolio Composition



Portfolio Composition: Absolute and Relative to Benchmark

12/31/2025	Fund	Nareit	Fund as a % of Nareit 12/31/2025	Fund as a % of Nareit 12/31/2024
Apartments	4.98%	8.60%	57.93%	76.59%
Data Centers	5.92%	9.52%	62.22%	45.03%
Diversified	5.98%	1.76%	340.14%	425.54%
Free Standing	5.40%	5.89%	91.64%	56.24%
Gaming Reits	1.28%	3.13%	40.99%	65.96%
Health Care	12.08%	17.37%	69.55%	77.33%
Industrial	5.74%	12.52%	45.82%	43.36%
Lodging/Resorts	5.26%	2.28%	230.47%	170.93%
Manufactured Homes	3.26%	2.09%	156.38%	144.90%
Office	8.09%	3.03%	266.58%	226.07%
Regional Malls	3.70%	4.85%	76.37%	133.28%
Self Storage	7.96%	5.91%	134.77%	132.56%
Shopping Centers	7.86%	5.11%	153.89%	128.50%
Single Family Homes	4.11%	2.08%	197.86%	129.95%
Specialty	1.75%	3.61%	48.53%	86.05%
Telecommunications Reits	6.99%	10.51%	66.52%	69.63%
Timberland Reits	0.00%	1.76%	-	-
Mortgage Commercial Financing	4.15%	0.00%	-	-
Mortgage Home Financing	4.71%	0.00%	-	-

Neuberger Real Estate Securities Income Fund Inc.

NRO: Performance Common Shares

As of December 31, 2025

AVERAGE ANNUAL TOTAL RETURN (%)

	Monthly	Quarterly	Six Months	One Year	Three Years	Five Years	Ten Years	Since Inception 10/28/2003
NAV	-1.46	-3.07	1.85	-0.95	9.32	3.44	4.27	4.01
Market Price	-0.94	-3.03	0.09	-3.97	10.92	2.75	5.13	3.58
FTSE Nareit All Equity REITs Index ²	-2.14	-2.15	0.47	2.27	6.12	4.85	5.77	8.21

All data is as of 12/31/2025, 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.

Distribution History³

Ex-Date	Record Date	Payable Date	\$/Share	
12/25	12/15/2025	12/15/2025	12/31/2025	0.0312
11/25	11/17/2025	11/17/2025	11/28/2025	0.0312
10/25	10/15/2025	10/15/2025	10/31/2025	0.0312
9/25	9/15/2025	9/15/2025	9/30/2025	0.0312
8/25	8/15/2025	8/15/2025	8/29/2025	0.0312
7/25	7/15/2025	7/15/2025	7/31/2025	0.0312
6/25	6/16/2025	6/16/2025	6/30/2025	0.0312
5/25	5/15/2025	5/15/2025	5/30/2025	0.0312
4/25	4/15/2025	4/15/2025	4/30/2025	0.0312
3/25	3/17/2025	3/17/2025	3/31/2025	0.0312
2/25	2/6/2025	2/6/2025	2/28/2025	0.0312
1/25	1/15/2025	1/15/2025	1/31/2025	0.0312
12/24	12/16/2024	12/16/2024	12/31/2024	0.0312

Top Ten Holdings⁴

	Nareit Sector	TA (%)
Prologis, Inc.	Industrial	4.77%
American Tower Corporation	Telecommunications Reits	4.63%
Welltower Inc.	Health Care	4.15%
Ventas, Inc.	Health Care	2.95%
Equinix, Inc.	Data Centers	2.72%
AvalonBay Communities, Inc.	Apartments	2.71%
AGNC Investment Corp.	Mortgage Home Financing	2.48%
Simon Property Group, Inc.	Regional Malls	2.38%
Highwoods Properties Inc 8.625 % Cum Red Pfd Registered Shs Series A	Office	2.32%
DigitalBridge Group, Inc. 7.15 % Cum Red Perp Pfd Registered Shs Series I	Diversified	2.28%

REITs and other real estate company securities are subject to, among other risks: declines in property values; defaults by mortgagors or other borrowers and tenants; increases in property taxes and other operating expenses; overbuilding; fluctuations in rental income; changes in interest rates; lack of availability of mortgage funds or financing; extended vacancies of properties; changes in tax and regulatory requirements; losses due to environmental liabilities; or casualty or condemnation losses. REITs also are dependent upon management skills and are subject to heavy cash flow dependency, self-liquidation and the possibility of failing to qualify for tax-free "pass-through" of income under the federal tax law. REITs and other real estate company securities tend to be small- to mid-cap stocks and are subject to the risks of investing in small- to mid-cap stocks. Some of the REITs securities in which the Fund invests may be preferred stock. Convertible preferred stock is exchangeable for common stock and may therefore be more volatile.

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.

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

2. The FTSE Nareit All Equity REITs Index is a free float-adjusted, market capitalization-weighted index that tracks the performance of U.S. equity real estate investment trusts (REITs) that are listed on the New York Stock Exchange or NASDAQ. Equity REITs include all tax qualified REITs with more than 50% of total assets in qualifying real estate assets other than mortgages secured by real property. Indices are unmanaged and, unless otherwise stated, the figures for the index shown include reinvestment of all dividends and capital gains distributions and do not reflect any fees or expenses. Investors cannot invest directly in an index.

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

4. 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.

This document is for informational purposes only. This report is not a recommendation to buy, sell or hold or a solicitation of an offer to buy or sell any security or adopt any investment strategy. All opinions and views constitute judgments as of the date indicated and are subject to change without notice. The Fund is not sold or distributed by Neuberger Berman BD LLC, member FINRA.