**This is a marketing communication. Please refer to the fund prospectus and offering documents, including the Key Information Document ("KID") or Key Investor Information Document ("KIID") as applicable, before making any final investment decisions. Investors should note that by making an investment they will own shares in the fund, and not the underlying assets.**

# Neuberger Berman European Senior Floating Rate Income Fund

**PORTFOLIO MANAGERS:** STEPHEN CASEY, JOE LYNCH, SIMON MATTHEWS

## Performance Highlights

The Neuberger Berman European Senior Floating Rate Income Fund ("the Fund") generated a gross return of 2.52% and net return of 2.30% in the second quarter, while the Morningstar® European Leveraged Loan Index (the "Index") returned 2.90%. YTD 2026, the Fund returned 1.92% (gross) and 1.49% (net), while the benchmark returned 1.82%.

**Past performance does not predict future returns**

| PERFORMANCE (%)[1] | 1m[2] | 3m[2] | YTD[2] | 1y[2] | 3y[3] | 5y[3] | 10y[3] | SI[3,4] |
|---|---|---|---|---|---|---|---|---|
| EUR I Accumulating Class | 0.39 | 2.30 | 1.49 | 3.86 | 6.32 | 4.24 | - | 2.91 |
| Benchmark (EUR) | 0.33 | 2.90 | 1.82 | 3.70 | 7.01 | 5.26 | - | 4.36 |

| 12 MONTH PERIODS (%)[1] | Jun16 Jun17 | Jun17 Jun18 | Jun18 Jun19 | Jun19 Jun20 | Jun20 Jun21 | Jun21 Jun22 | Jun22 Jun23 | Jun23 Jun24 | Jun24 Jun25 | Jun25 Jun26 |
|---|---|---|---|---|---|---|---|---|---|---|
| EUR I Accumulating Class | - | - | 2.59 | -4.28 | 6.71 | -7.05 | 10.14 | 10.33 | 4.89 | 3.86 |
| Benchmark (EUR) | - | - | 3.28 | -1.80 | 9.54 | -5.84 | 12.01 | 11.12 | 6.34 | 3.70 |

| CALENDAR (%) | 2017[5] | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026[6] |
|---|---|---|---|---|---|---|---|---|---|---|
| EUR I Accumulating Class | 0.30 | 0.00 | 4.09 | -1.05 | 2.90 | -4.89 | 12.66 | 7.29 | 4.17 | 1.49 |
| Benchmark (EUR) | 1.03 | 1.41 | 4.50 | 2.74 | 4.81 | -3.23 | 13.42 | 8.94 | 4.28 | 1.82 |

The fund is actively managed, which means that the investments are selected at the discretion of the investment manager. The fund is not constrained by its benchmark, which is used for comparison purposes only.

1. Performance to latest month end. YTD - Year to Date, SI - Since Inception, m – month, y - year. 12-month period based on month end NAVs.
2. Returns for these periods are cumulative.
3. Returns are annualised for periods longer than one year.
4. Returns from 01 August 2017 to latest month end.
5. Data shown since the share class inception date.
6. Performance for the current calendar year is the year to date.

Fund performance is representative of the EUR I Accumulating Class and has been calculated to account for the deduction of fees. Investors who subscribe in a currency other than the base currency of the fund should note that returns may increase or decrease as a result of currency fluctuations. Fund performance does not take account of any commission or costs incurred by investors when subscribing for or redeeming shares. Source: Neuberger, BlackRock, Bloomberg.

## Market Context

The European senior floating rate loan market delivered modestly positive returns in June, supported by carry. European loans were more resilient—despite weighted average bid prices declining 19 bps in June to close at 95.98—as the Morningstar European Leveraged Loan Index returned +0.33% ex-currency, supported by positive performance across rating cohorts. Rates markets remained volatile as investors continued to reassess the path of policy amid still-elevated inflation, resilient growth and geopolitical uncertainty.

### Market Performance[1]

- European leveraged loans (Morningstar European Leveraged Loan Index "ELLI", excluding currency) returned +0.33% in June, +2.90% in 2Q and +1.82% YTD. Performance for European loans was positive across rating cohorts in the month, with CCC & Lower leading at +1.01%, followed by Single Bs at +0.30% and BBs at +0.28%. In 2Q, Single Bs led at +3.00%, while ELLI returned +2.90%, CCC & Lower returned +2.88% and BBs returned +1.98%. On a YTD basis, BBs lead at +2.77%, while Single Bs returned +1.69% and CCC & Lower returned +1.01%.

### Performance by Ratings[1]

European Leveraged Loan Index

| Index Segment | Jun'26 (%) | 2Q 2026 (%) | YTD 2026 (%) |
|---|---|---|---|
| Morningstar European LL Index (ELLI) | 0.33 | 2.90 | 1.82 |
| BB Index | 0.28 | 1.98 | 2.77 |
| Single B Index | 0.30 | 3.00 | 1.69 |
| CCC & Lower Index | 1.01 | 2.88 | 1.01 |

### Fundamentals and Default Rates[1]

Loan market fundamentals remain stable for most issuers, though some lower-rated issuers continue to face industry-specific pressures. Our latest bottom-up base case 2-year cumulative default estimate for European loans (2026–2027) remains 6.75%–7.25%, around historical averages.

- The trailing 12-month European loan market default rate declined to 1.23% in June on a par-weighted basis, down from 1.75% in May, reflecting a moderation in default activity for the index.
- Loan issuer fundamentals, including EBITDA growth, free cash flow, and leverage, remain broadly stable, with financing conditions continuing to evolve across the credit quality spectrum. Lower-rated issuers remain exposed to industry-specific headwinds, though CCC-rated loans moved back into positive territory — returning +1.01% in June even as they remain down 5.66% over the trailing 12 months — while the broader market continues to demonstrate resilience, with 51% of loans priced at or above par by month-end, down slightly from 55% in May but up from 42% in April. The distress ratio fell to 5.01% in June from 6.45% at the end of May and remains well below the March peak of 7.64%.
- Within technology, the AI-driven pricing divide between software loans and the broader market widened again in June after a partial recovery. The weighted average bid on software loans slipped to 92.25 — versus 96.75 for the remainder of the index — with the price gap deepening to approximately 450 bps, back up from 305 bps in May though still inside the 600 bps extreme reached earlier in the year. Software loans have lost roughly 2.4% year-to-date versus a 1.8% gain for the broader ELLI, keeping AI monetization an ongoing focus for credit investors looking ahead.

### Technicals[1]

- Technical conditions remained highly supportive in June as record CLO demand deepened the supply-demand imbalance. The three-month rolling technical supply shortage widened to €11.2 billion in June, up from €3.4 billion in May — a renewed tightening relative to the €33 billion supply deficit recorded across full-year 2025, the most severe in LCD's history of tracking this metric.
- Net supply conditions firmed further, with institutional loan issuance rebounding to a five-year high of €14.2 billion in June — the busiest month for new institutional volume since June 2021. Loan repricings came roaring back, contributing to a second-quarter repricing wave of €39.1 billion, as average European TLB spreads compressed to a historic low of 330 bps — the tightest since before the Global Financial Crisis — reflecting issuers' continued appetite to extract spread compression in a supportive technical environment. The ELLI grew at a rolling 12-month rate of 7.4% through June, underpinned by refinancing-led issuance even as M&A and buyout supply remained subdued.

1. Source: Pitchbook / LCD

## Quarterly Performance Highlights[1]

**Contributors**

- **Containers & Packaging:** This sector was the largest positive contributor to relative performance, driven primarily by strong security selection with a modest additional benefit from the overweight sector positioning.
- **Software:** Total impact for relative returns was solidly positive, with security selection the larger driver of the gain, complemented by a meaningful contribution from the underweight sector positioning.
- **Commercial Services & Supplies:** The sector added to relative returns for the quarter, with gains driven almost entirely by security selection, as sector positioning was roughly neutral over the period.

**Detractors**

- **Chemicals:** This was the largest detractor from relative returns, with underperformance driven entirely by weak security selection, while sector positioning was roughly neutral.
- **Health Care Providers & Services**: The sector weighed on relative performance, with losses stemming entirely from security selection, while sector positioning was roughly neutral.
- **Construction Materials:** The sector detracted for the quarter, with the drag driven entirely by the underweight sector positioning, as security selection was roughly neutral.

| Industry | Average Overweights/ Underweights (%) | Total Effect[2] (%) | Sector (%) | Security (%) |
|---|---|---|---|---|
| **Top 5** | | | | |
| Containers & Packaging | 1.44 | 0.08 | 0.01 | 0.07 |
| Software | -3.98 | 0.07 | 0.03 | 0.04 |
| Commercial Services & Supplies | -0.30 | 0.05 | 0.00 | 0.05 |
| Insurance | -1.43 | 0.03 | 0.02 | 0.01 |
| Metals & Mining | 0.59 | 0.02 | 0.02 | 0.00 |
| **Bottom 5** | | | | |
| Chemicals | 0.99 | -0.18 | 0.00 | -0.19 |
| Health Care Providers & Services | -0.22 | -0.13 | 0.00 | -0.12 |
| Construction Materials | -0.34 | -0.06 | -0.06 | 0.00 |
| Food Products | 0.93 | -0.06 | 0.00 | -0.05 |
| Industrial Equipment | 0.33 | -0.05 | 0.01 | -0.05 |

Source: FactSet

## Portfolio Positioning

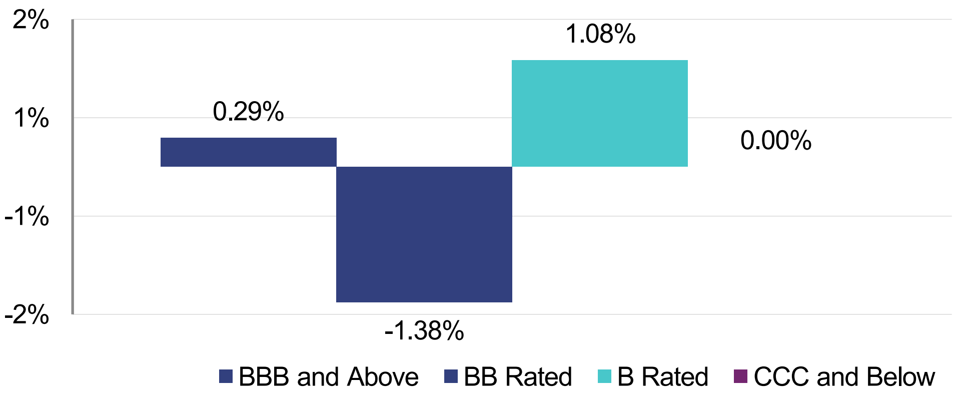
- The fund is overweight B and BB rated issuers. The fund does not hold CCC & below rated issuers.
- The fund increased its exposure to B and BBB and decreased exposure to BB rated issuers.
- The fund remains underweight the longer-term impaired sectors/secularly declining business models and areas of the market that no longer offer attractive risk-reward such as Software. We remain overweight sectors and issuers that will continue to benefit from having pricing power and those that have more stable and recurring revenue business models such as Machinery and Pharmaceuticals.

**Past Performance does not predict future returns.**

Source: Neuberger. The characteristics are subject to change without notice. Indices are unmanaged, are not available for direct investment and are not subject to fees and expenses typically associated with managed accounts or investment funds. Average for the quarter ending 06/30/26.Total effect vs. Morningstar® European Leveraged Loan Index.

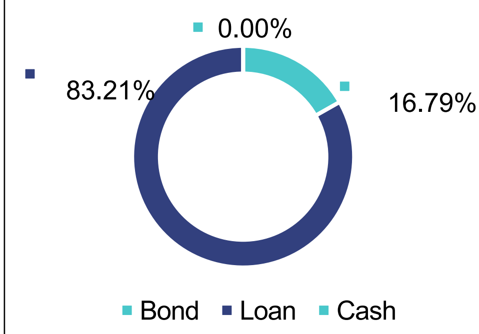
## Portfolio Positioning

**QOQ Ratings Change**

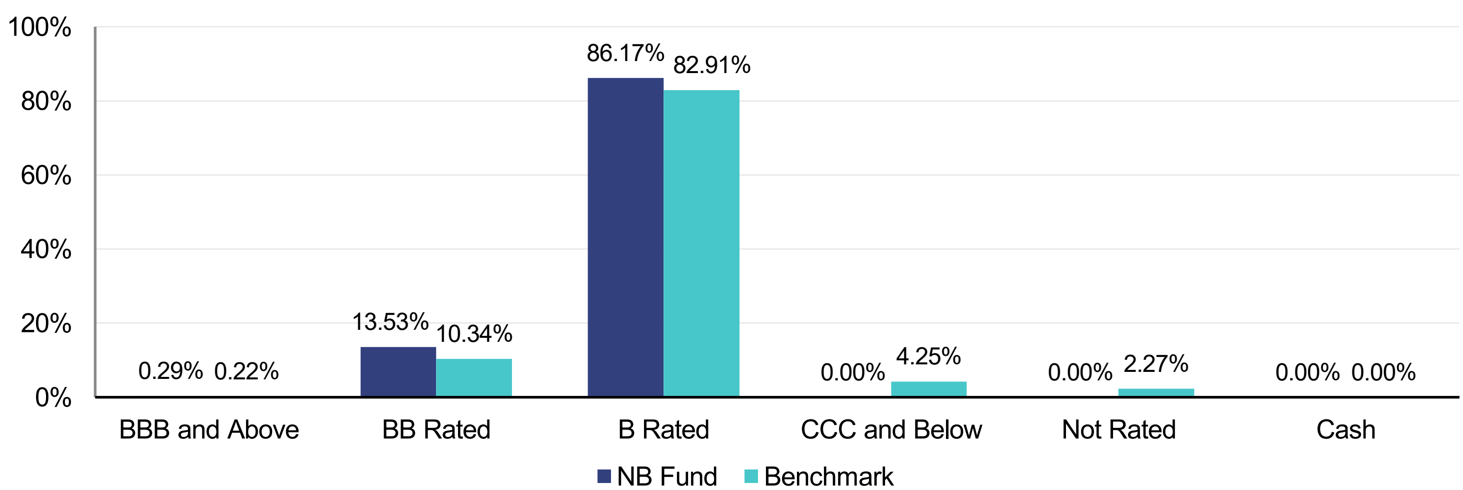



Source: BlackRock Aladdin

**Asset Type**

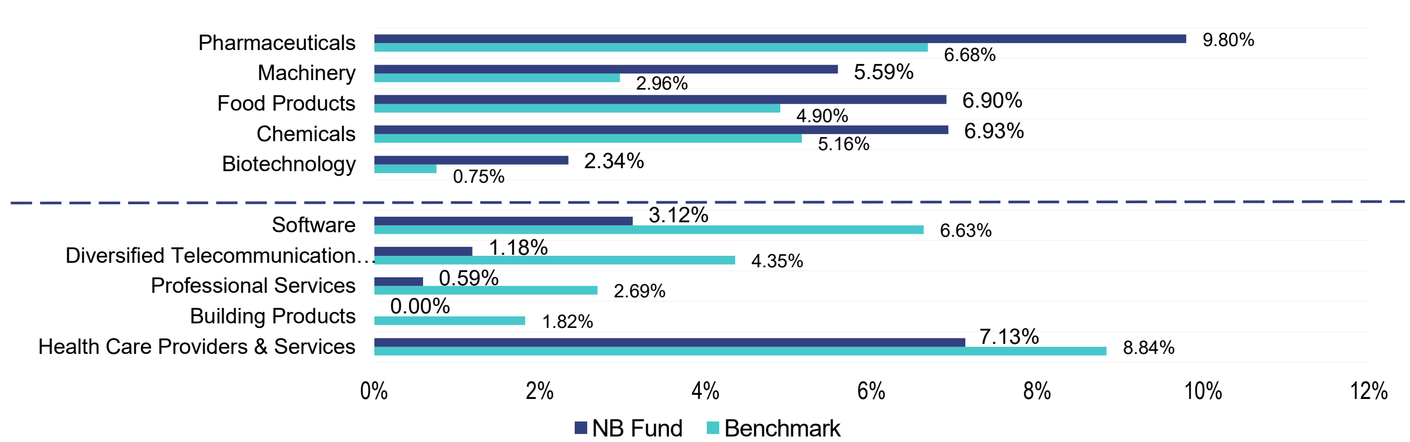



**Ratings Exposure**




Source: BlackRock Aladdin

**Industry Overweights & Underweights**




Source: BlackRock Aladdin

## Outlook

Senior floating rate loan market valuations and all-in yields are attractive, in our view, offering compensation for an around average default outlook and providing durable income. Inflation is still well above the Fed's, eh ECB's and BoE's 2% targets with headline inflation remaining higher than desired due to the Middle East conflict. We view the inflation pressures as temporary yet persistent and consistent with historical energy-driven price effects, rather than a durable and extended re-acceleration in underlying inflation. The Fed remains patient and data-dependent, and our base case outlook is for policy to stay on hold through 2026. Loan issuer fundamentals are healthy overall, with default rates below long-term averages, even as pockets of stress persist in weaker credits. Market direction will depend on fundamentals, employment, inflation and broader macro and geopolitical developments. 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.

This Fund meets the requirements of Article 8 of the SFDR. Further information is available in the Fund's offering documents and at www.nb.com.

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Investment in the fund should not constitute a substantial proportion of an investor’s portfolio and may not be appropriate for all investors. Diversification and asset class allocation do not guarantee profit or protect against loss.