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Neuberger Berman Core Bond Fund

TICKER: Institutional Class: NCRLX, Class A: NCRAX, Class C: NCRCX, Class R3: NCRIX, Investor Class: NRCRX

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Performance Highlights

In the fourth quarter of 2025, the Neuberger Berman Core Bond Fund (the "Fund") Institutional Class shares generated a positive total return but underperformed its benchmark, the Bloomberg U.S. Aggregate Bond Index (Total Return, USD) (the "Index").

Market Context[1]

Fixed Income Performance

In December, U.S. and global IG fixed income delivered modestly negative total returns of -0.15% and -0.21%, respectively, as measured by the Index and the Bloomberg Global Aggregate Index (USD hedged). For 4Q 2025, the Index and Bloomberg Global Aggregate Index (USD hedged) each returned 1.10% and 0.79%, respectively. For the full year 2025, the 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 U.S. Federal Reserve (Fed) easing cycle and a supportive global policy backdrop.

Month

U.S. government Treasury yields moved mostly higher across the U.S. Treasury yield curve in December, with the 2-year yield the lone exception. At the end of December, the 2-year yield had edged down by 1 basis point (bp) to 3.48%, while the 5-year yield rose by 13 bps to 3.73% and the 10-year yield increased by 15 bps to 4.17%. The 30-year yield climbed by 19 bps to 4.85%. The 10-year U.S. Treasury Inflation-Protected Securities (TIPS) yield rose by 14 bps, closing the month at 1.93%. These shifts reflect ongoing adjustments to expectations regarding inflation, economic growth and the fiscal outlook. Yields across other major developed countries were also broadly higher in December. The U.K. 10-year yield increased by 4 bps to 4.48%, Germany's 10-year yield rose by 16 bps to 2.85%, and Japan's 10-year yield moved up by 25 bps to 2.06%. Other notable moves included an increase of 28 bps for 10-year yields in Canada to 3.43%, a rise of 13 bps for Spain's 10-year to 3.29%, a gain of 22 bps for Australia's 10-year yield to 4.74%, and a 15 bp increase for Italy's 10-year yield to 3.55%.

In December, global IG corporate bonds returned -0.10%, while U.S. IG corporate bonds posted a modest decline of -0.20%. Agency MBS delivered a small positive return of 0.21%. U.S. High Yield returned 0.65%, pan-European High Yield (USD hedged) was up 0.56%, and Senior Floating Rate Loans posted a gain of 0.64%. Pan-European IG Corporates (USD hedged) returned 0.05%. Hard Currency Emerging Markets debt delivered a solid return of 0.72%, and Local Currency Emerging Markets debt (USD hedged) posted a gain of 0.61%. U.S. TIPS and U.S. CMBS recorded returns of -0.40% and 0.13%, respectively. These results reflect ongoing market adjustments to global economic conditions, interest rate expectations and the evolving credit landscape around year-end.

Quarter

U.S. government Treasury 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 U.S. 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. Yields across other major developed countries were also mixed but generally moved higher over the quarter. The U.K. 10-year yield declined by 22 bps to 4.48%, while Germany's 10-year yield rose by 14 bps to 2.85%. Japan's 10-year yield saw a notable increase of 42 bps to 2.06%. Other moves included a rise of 25 bps for 10-year yields in Canada to 3.43%, and an increase of 3 bps for Spain's 10-year to 3.29%. New Zealand's 10-year yield climbed 21 bps to 4.40%, Australia's 10-year yield rose by 44 bps to 4.74%, and Italy's 10-year yield inched up by 2 bps to 3.55%.

For the fourth quarter, Global IG Corporates returned 0.93%, U.S. IG Corporates were up 0.84%, and Agency MBS delivered a gain of 1.71%. U.S. High Yield posted a return of 1.32%, pan-European High Yield (USD hedged) was up 1.17%, and Senior Floating Rate Loans returned 1.18%. Pan-European IG Corporates (USD hedged) returned 1.05%. Hard Currency Emerging Markets debt generated a strong return of 3.29%, while Local Currency Emerging Markets debt (USD hedged) posted a gain of 1.69%. U.S. TIPS and U.S. CMBS recorded returns of 0.13% and 1.36%, respectively. These results reflect ongoing market adjustments to global economic conditions, interest rate expectations, and the evolving credit landscape over the quarter.

Credit Markets and Spreads

In December, most fixed income spread sectors tightened, with the exception of U.S. TIPS breakevens, which moved modestly higher. Over the fourth quarter, spread performance was more mixed: high yield, global and U.S. IG 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

[1] Bloomberg

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.

- Global Aggregate Corporate spreads moved 3 bps tighter in December but were 2 bps wider over 4Q, finishing at 80 bps.
- Spreads on U.S. IG Corporates decreased by 2 bps for the month but widened 4 bps for the fourth quarter, closing at 78 bps.
- Pan-European IG Corporate spreads compressed 4 bps month-over-month and were 1 bp tighter over the quarter, reaching 79 bps.
- U.S. Agency MBS spreads contracted by 7 bps during the month and 9 bps over 4Q, landing at 22 bps.
- U.S. High Yield corporate spreads tightened by 11 bps in December but were 1 bp wider for the quarter, ending at 281 bps.
- Pan-European High Yield corporate spreads narrowed by 7 bps on the month and were unchanged over the quarter, finishing at 281 bps.
- Senior Floating Rate Loan spreads tightened 7 bps in December but were 3 bps wider over the quarter, ending at 429 bps.
- Hard Currency Emerging Markets spreads moved 16 bps tighter in December and a notable 30 bps tighter over the fourth quarter, closing at 253 bps.
- U.S. CMBS spreads narrowed by 1 bp for the month and were unchanged over 4Q, ending at 81 bps.

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[2]

- 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% month-over-month (MoM), below consensus expectations of 0.3%, signaling some easing in wage pressures.
- U.S. headline Consumer Price Index (CPI) for November was 2.7% year-over-year (YoY), with core CPI at 2.6%—both below consensus survey core and headline CPI 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%.

In November, U.S. economic activity remained 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 remained positive but more moderate. Against this backdrop, markets continue to anticipate the possibility of additional Fed rate cuts in 2026 as policymakers seek to sustain the economic expansion while keeping inflation on a downward trajectory.[3]

International Economic Conditions

- **Eurozone:** November headline CPI of 2.2% YoY, is up slightly from 2.1% in the prior month, while core CPI came in at 2.4% YoY, unchanged from the previous month and in line with consensus. This pattern points to ongoing disinflation, with core inflation still modestly above the ECB's 2% target.
- **United Kingdom:** The November CPI release showed headline and core both running around 3.2% YoY, which were both a bit lower than consensus and down from the prior month, and still well above the Bank of England's 2% target, highlighting persistent domestic price pressures even as inflation gradually trends lower over time.
- **Japan:** Headline inflation for November came in at 2.9% YoY and core CPI at 3.0% YoY, slightly above the Bank of Japan's 2% target and only modestly below earlier peaks, underscoring that underlying price pressures remain elevated by Japan's historical standards. Japan's retail sales have recently risen about 1.0% MoM, in line with consensus and down from the prior month, suggesting a still-fragile consumer backdrop.
- **China:** December Purchasing Managers' Index (RatingDog Services PMI) was in line with consensus at 52, slightly down from 52.1 in November.

Portfolio Review

In terms of relative performance, the primary positive contributors over the quarter came from positioning in securitized credit (CMBS, non-Agency MBS, asset-backed securities (ABS) and Credit Risk Transfers), Agency MBS and non-U.S. Developed Market (DM) High Yield. From a sector perspective, the primary detractors from relative performance in the quarter came from positioning in U.S. IG credit, U.S. Treasuries, U.S. High Yield and Hard Currency Emerging Market Debt (EM Debt). Duration positioning was roughly neutral for performance over the quarter.

During the quarter we made some positioning adjustments. We added exposure to U.S. IG Credit and securitized credit (non-Agency MBS and CMBS), and we reduced exposure to Agency MBS, non-U.S. DM IG credit and EM Debt (Hard Currency). As of quarter-end, the portfolio's duration (6.01 years) was approximately neutral relative to the benchmark (6.01 years).

Outlook

U.S. inflation has drifted closer to target, with the YoY CPI, core CPI and Personal Consumption Expenditure (PCE) price index all currently running in the mid 2% range. In our view, tariffs continue to look more like one-off price level shocks than a source of persistent inflation, as firms adjust supply chains and pass through to final prices remains limited. Against this backdrop, the Fed delivered a 25-basis point rate cut in December 2025, taking the federal funds rate to 3.50–3.75% and signaling a cautious, data dependent stance, with further easing contingent on continued disinflation and labor market softness. That said, we expect the

[2] https://www.bea.gov

[3] https://www.federalreserve.gov

Fed to continue interest rate adjustment, delivering one more rate cut in 1Q2026 with the neutral rate settling at 3.25% – 3.50%, but believe a Fed Independence premium sets a lower bar for the possibility of more cuts.

Across developed markets, most central banks have shifted from tightening to a pause or early easing phase, while several emerging markets, having hiked early, are gradually lowering rates as inflation moderates and currencies remain broadly stable. Technical demand for fixed income is supportive and corporate fundamentals are generally solid, though any renewed growth or policy shock could see volatility rise from currently contained levels.

Tariff shocks and prior price spikes have largely produced level effects rather than a sustained inflation impulse, allowing major central banks to move carefully. In the Euro area, headline and core Harmonised Indices of Consumer Prices (HICP) have eased toward roughly 2.00–2.50%, reinforcing the ECB's decision to hold its deposit rate at 2.00% and proceed meeting by meeting after an initial easing phase. From our perspective, Germany's more expansionary fiscal stance—centered on higher defense outlays and a multi-year infrastructure program—is expected to provide a modest cyclical tailwind into 2026 and beyond. In the UK, the Bank of England has lowered the Bank Rate to 3.75%, but still elevated services inflation in our opinion argues for a gradual, cautious easing path, with expectations converging toward a low 3% terminal rate over the next couple of years. In the U.S., resilient domestic demand and sticky core services keep the Fed focused on balancing further disinflation against weakening labor data. Meanwhile, China's accommodative policy mix—moderately loose monetary settings and targeted fiscal and housing measures—appears to aim to stabilize the property sector and sustain growth.

Currently, credit remains well supported. Ongoing inflows, healthy refinancing access and resilient balance sheets underpin both IG and high yield markets. European credit continues to trade comparatively tight versus U.S. peers, and elevated dispersion—particularly in lower rated high yield—keeps idiosyncratic risk high and underscores the importance of security selection. We remain constructive but selective on fixed income, favoring shorter to intermediate durations and active, quality-oriented credit exposure. Corporate fundamentals, on average, feature moderate leverage, solid liquidity, and manageable near-term maturities, while full valuations and episodic macro or policy shocks argue in our view for a relative value approach and nimble deployment into dislocations rather than outright beta risk.

We believe country specific risks remain important. In Europe, France's fiscal trajectory and recent budget tensions have been reflected in wider OAT–Bund spreads. Even so, low realized volatility in core markets and still attractive carry continue to compress broader sovereign and corporate risk premia. More broadly, elections and fiscal settings are, in our view, likely to be key macro swing factors in 2026, with near-term event risk offset by medium-term growth upside as earlier tariff and energy headwinds fade. In emerging markets, we think Venezuela remains a high beta case where an incomplete political transition and uncertain timing of sovereign restructuring keeps risk premia elevated, even as a more constructive U.S. policy stance and gradual oil sector normalization creates potential medium-term upside for recoveries. That said, we expect near-term effects on oil prices, and therefore on rates, should be largely immaterial.

With policy and macro conditions still in flux, volatility risks persist into 2026, reinforcing our belief in the case for discipline and active management. Emphasizing quality, valuation discipline, and careful use of market dislocations remains prudent from our perspective, as uneven policy easing, evolving fiscal and election risks, and lingering tariff and geopolitical uncertainties are likely to widen the gap between winners and losers across fixed income sectors.

NEUBERGER BERMAN CORE BOND FUND RETURNS (%)

	4Q 2025	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*
			(ANNUALIZED AS OF 12/31/2025)				
At NAV							
Institutional Class	0.78	7.22	7.22	5.04	-0.20	2.28	4.33
Class A	0.68	6.80	6.80	4.62	-0.59	1.88	4.08
Class C	0.49	6.00	6.00	3.84	-1.34	1.12	3.62
Class R6	0.92	7.32	7.32	5.18	-0.07	2.36	4.36
Investor Class	0.68	6.80	6.80	4.62	-0.60	1.87	3.93
With Sales Charge							
Class A	-3.64	2.21	2.21	3.12	-1.44	1.44	3.93
Class C	-0.51	5.00	5.00	3.84	-1.34	1.12	3.62
Bloomberg U.S. Aggregate Bond Index	1.10	7.30	7.30	4.66	-0.36	2.01	4.32

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 dates for the Neuberger Berman Core Bond Fund Institutional Class and Investor Class are 10/1/95 and 2/1/97, respectively. The inception date for the Class A and Class C shares is 12/20/07. The inception date for Class R6 is 1/18/2019. 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. Prior to February 28, 2008, the Fund had a different goal, to maximize income without undue risk to principal and investment strategy which limited its ability to invest in derivatives and non-USD denominated securities and as such performance from June 13, 2005 to February 28, 2008 might have been different if the current policies had been in effect. The Fund is the successor to Ariel Premier Bond Fund ("Ariel Bond Fund"). The total return data for the Fund's Institutional Class prior to June 13, 2005 is that of the Ariel Fund Institutional Class from October 1, 1995 (inception date) and the total return data for the Fund's Investor Class is that of the Ariel Fund Institutional Class for the period October 1, 1995 through January 31, 1997 and the Ariel Fund Investor Class for the period February 1, 1997 through June 10, 2005. The investment policies, guidelines and restrictions of the Fund are in all materials respects equivalent to Ariel Bond Fund. Ariel Bond Fund Institutional Class had lower expenses and typically higher returns than Ariel Bond Fund Investor Class. Returns would have been lower if the manager of Ariel Bond Fund had not waived certain of its fees during the periods shown. The Investor Class is closed to new investors.

EXPENSE RATIOS (%)

	Gross Expense	Total (net) Expense
Institutional Class	0.41	0.38
Class A	0.79	0.78
Class C	1.55	1.53
Class R6	0.31	0.28
Investor Class	0.94	0.78

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 Institutional Class at 0.38%, Investor Class at 0.78%, Class R6 at 0.28%, Class A at 0.78% and Class C at 1.53% (each of average net assets). 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 Neuberger Berman Core Bond 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 (Class A and Class C), 800-366-6264 (Institutional Class, Class R6), 800-877-9700 (Investor Class) or by sending an email request to fundinfo@nb.com. Please read the prospectus, and if available the summary prospectus, carefully before making an investment. Investments could result in loss of principal.

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. Generally, bond values will decline as interest rates rise. 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 Fund's yield and share price will fluctuate in response to changes in interest rates. 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.

Foreign securities involve risks in addition to those associated with comparable U.S. securities, including exposure to less developed or less efficient trading markets; social, political or economic instability; fluctuations in foreign currencies; nationalization or expropriation of assets; settlement, custodial or other operational risks; and less stringent auditing and legal standards. These risks may be more pronounced for emerging market securities, which involve additional risks and may be more volatile and less liquid than foreign securities tied to more developed economies. The Fund's performance could be affected if borrowers pay back principal on certain debt securities, such as mortgage- or asset-backed securities, before or after the market anticipates, shortening or lengthening their duration and could magnify the effect of rate increases on the security's price. When-issued/delayed-delivery securities can have a leverage-like effect on the Fund, which may increase fluctuations in the Fund's share price and may cause the Fund to liquidate positions when it may not be advantageous to do so. Leverage amplifies changes in the Fund's net asset value. 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

Derivatives involve risks different from, and in some respects greater than, those associated with more traditional investments. Derivatives can be highly complex, can create investment leverage and may be highly volatile, and the Fund could lose more than the amount it invests. Derivatives may be difficult to value and may at times be highly illiquid, and the Fund may not be able to close out or sell a derivative position at a particular time or at an anticipated price. The Fund's investments in derivatives create counterparty risk.

The Fund may also invest in senior loans, which also may be rated below investment grade. No active trading market may exist for many loans, loans may be difficult to value and many are subject to restrictions on resale, which may result in extended trade settlement periods and may prevent the Fund from obtaining the full value of a loan when sold. 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. The Fund normally executes an above-average amount of trading and has a high portfolio turnover rate, which may increase the Fund's transaction costs and may adversely affect performance.

Markets may be volatile and values of individual securities and other investments, including those of a particular type, may decline significantly in response to adverse issuer, political, regulatory, market, economic or other developments that may cause broad changes in market value, public perceptions concerning these developments, and adverse investor sentiment or publicity.

The **Bloomberg U.S. Aggregate Bond Index** (Total Return, USD) represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. Indices do not take into account any fees and expenses of investing in the individual securities that they track and individuals cannot invest directly in any index. Performance data of this index are prepared or obtained by the Manager and include reinvestment of all dividends and capital gain distributions. 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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