

Neuberger Berman Real Estate Securities Income Fund Inc.

TICKER: NRO

Fund Highlights

Description

- Neuberger Berman 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	\$3.30
Last 12 Month Range	\$ 4.14 - \$ 3.00

Net Asset Value

Quarter-End	\$3.44
Last 12 Month Range	\$ 4.08 - \$ 3.21

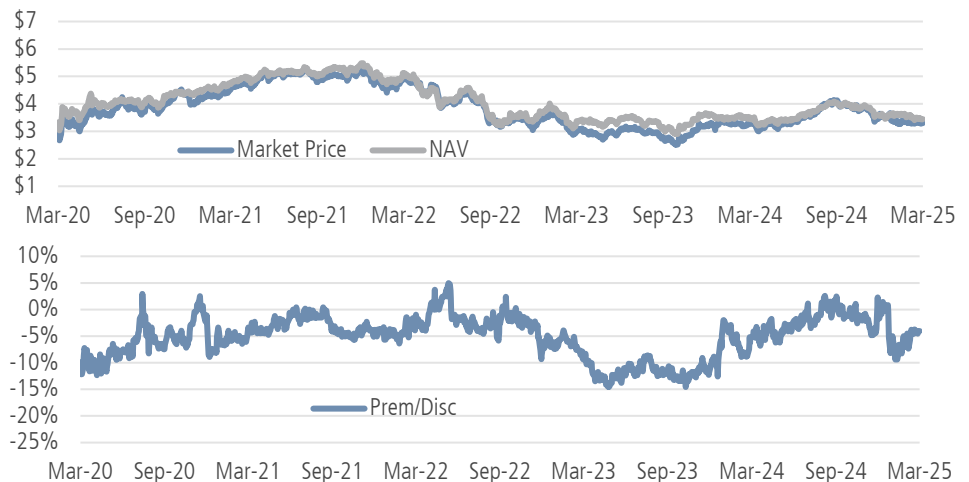
Premium/(Discount)

Quarter-End	-4.07%
Last 12 Month Range	2.56% - (9.42%)
Last 12 Month Average	(2.80%)

Distribution Rate¹

On Market Price	11.35%
On NAV	10.88%
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	\$288.004 M
Common Assets	\$218.004 M
Leverage (\$amt)	\$70.000 M
Leverage (% of total assets)	24.31%

Leverage Structure

Leverage

Debt - Floating Rate

Committed	\$70.0 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 Berman's website at www.nb.com. For the Fund's most recent distribution payment of \$0.0312 per share, which was paid on March 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
30 years investment
experience

Brian Jones
32 years investment
experience

Manager Commentary

REIT Market Review

The S&P 500 Index faced a challenging first quarter in 2025, delivering a total return of -4.3%, with the decline primarily driven by the underperformance of mega-cap technology and consumer discretionary stocks while defensive sectors like energy and health care outperformed. Heightened global trade uncertainty has caused the 10-year Treasury yield to come in and has shifted investor sentiment towards defensive names. REITs outperformed the broader market, with the FTSE Nareit All Equity REITs Index (the "Nareit Index") posting a 2.75% return for the first quarter. REIT preferred issues, as measured by the FTSE Nareit Preferred Stock Index (the "Nareit Preferred Index") returned -2.55% for the quarter.

Fund Performance

During the first quarter, Neuberger Berman Real Estate Securities Income Fund Inc. ("NRO" or the "Fund") generated net asset value (NAV) and Market Price based total returns of -1.78% and -4.45%, respectively. The Fund, measured by both NAV and Market Price underperformed the Nareit Index. In addition, the Fund underperformed the Nareit Preferred Index as measured by Market Price.

Looking at sector allocation, an overweight to Office and Lodging/Resorts were the largest detractors from returns during the period. Conversely, an underweight to Data Centers and an overweight to Mortgage Commercial Financing were the most beneficial for performance. In terms of stock selection, holdings in the Diversified and Free-Standing sectors were the largest headwinds for performance. In contrast, holdings in the Lodging/Resorts and Office sectors were the largest contributors to results.

NRO's use of leverage contributed to 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 \$0.16 or -4.44%, while its Market Price decreased \$0.25 or -7.04%. The weaker performance of NRO's Market Price resulted in a 268 bps decline in the Fund's valuation and at quarter-end NRO traded at a -4.07% discount to its NAV. In comparison, the Morningstar US CEF Real Estate category traded at an average -3.13% discount at quarter end and exhibited a 157 bps increase in valuation quarter/quarter.

Outlook & Portfolio Positioning

REITs were down 2.36% for the month of March, outperforming the S&P 500 by 328bps. The 10-year yield was essentially flat at 4.21% for the month, balanced out by some challenging inflation data but also greater concerns around the economy. Initial tariff announcements on April 2nd were more hawkish than expected, weighing on inflation expectations. However, these tariff impacts (pending reciprocal tariffs) will likely weigh, more so, on economic growth. We believe the Fed will prioritize downside growth risks over inflation concerns and believe that policy should be more accommodative than restrictive. 4Q earnings season has generally been positive for the REITs supporting expectations for an acceleration this year with >4% cash flow growth. With a market rotation towards value, a slowing supply backdrop, moderating expenses and an anticipated acceleration in earnings growth, we believe REITs are well positioned.

The 10-Year Treasury rate remains volatile as the market tries to discern the impact of Trump's pro-growth policies on inflation, deficit spending and ultimately the rate environment. Tax cuts and deregulation could lead to higher consumer spending, confidence and business investments, and drive demand across retail, residential, and commercial real estate sectors. However, higher tariffs and stricter immigration policies could add to inflationary pressures.

Durable rent growth themes including the aging population (seniors housing and manufactured housing), on-shoring of manufacturing (industrial), generative AI (data centers) and strong consumer demand (retail) remain strategically poised. Additionally, supply pressures are easing across various sectors including sunbelt apartments, storage and industrials. Limited new construction activity (malls, seniors housing, office, new homes), and possibly better external growth activity should benefit REITs with solid balance sheets and good liquidity, in our view.

We expect continued volatility driven by an evolving macro environment, changing interest rate expectations, geopolitical risks, and uncertainty around the Trump administration's economic and fiscal policy. As interest rates stabilize, we believe this should benefit transaction activity and provide opportunities for well capitalized REITs.

Operating expense growth continues to moderate for most REIT sectors. We believe cell towers should benefit given the critical nature of its assets and see an inflection in leasing activity. Healthcare, particularly Senior Housing, should continue to benefit from low supply growth and a strong demand runway, in our view. We believe a lack of housing affordability, an aging demographic and above average cash flow growth should set the manufactured housing sector up well, and that industrials should see net absorption pick up.

Our focus remains on REITs with low leverage, diverse demand drivers, superior fundamentals compared to peers, and clear visibility into earnings profiles. In our view, experienced REITs with good performance and robust balance sheets should be able to cement their market leadership positions.

Portfolio Characteristics

Fund Metrics

Common Shares (3/31/25)	63,361,833
Number of Holdings (3/31/25)	84
Average Daily Volume (Trailing 12 months)	178,367

REIT VALUATION METRICS

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

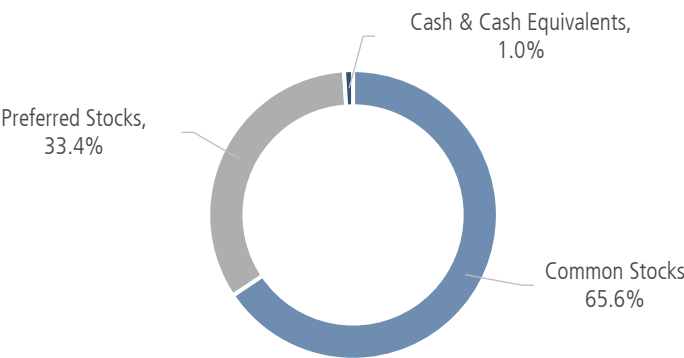
Average Yield (Common)	5.22%
Average Yield (Preferred)	7.39%

Financial Highlights (as of Annual Shareholder Report – October 31, 2024)

Portfolio Turnover	18.00%
Total Expense Ratio ¹	2.70%

¹ Includes interest expense. Annualized ratio of interest expense to average net assets applicable to common shareholders was 1.38%

Portfolio Composition



Portfolio Composition: Absolute and Relative to Benchmark

3/31/2025	Fund	Nareit	Fund as a % of Nareit 3/31/2025	Fund as a % of Nareit 3/31/2024
Apartments	6.88%	9.92%	69.39%	69.67%
Data Centers	5.25%	9.27%	56.63%	48.34%
Diversified	5.99%	1.75%	342.07%	375.92%
Free Standing	3.02%	5.76%	52.36%	76.81%
Gaming Reits	2.24%	3.50%	63.95%	67.07%
Health Care	10.14%	14.36%	70.60%	71.01%
Industrial	4.76%	11.39%	41.81%	44.63%
Lodging/Resorts	6.14%	2.09%	293.91%	154.15%
Manufactured Homes	3.67%	2.22%	165.59%	145.17%
Office	10.21%	3.26%	313.57%	253.88%
Regional Malls	4.95%	4.30%	115.11%	134.61%
Self Storage	8.36%	6.67%	125.39%	135.55%
Shopping Centers	6.72%	5.09%	132.04%	152.12%
Single Family Homes	3.69%	2.51%	147.41%	120.71%
Specialty	0.23%	3.16%	7.27%	78.96%
Telecommunications Reits	8.05%	12.62%	63.75%	68.79%
Timberland Reits	0.00%	2.14%	-	-
Mortgage Commercial Financing	4.89%	0.00%	-	-
Mortgage Home Financing	4.23%	0.00%	-	-

Neuberger Berman Real Estate Securities Income Fund Inc.

NRO: Performance Common Shares

As of March 31, 2025

AVERAGE ANNUAL TOTAL RETURN (%)

	Monthly	Quarterly	Six Months	One Year	Three Years	Five Years	Ten Years	Since Inception 10/28/2003
NAV	-3.01	-1.78	-10.52	8.21	-1.88	11.55	3.55	4.11
Market Price	-1.45	-4.45	-15.41	9.71	-2.91	12.96	4.83	3.69
FTSE Nareit All Equity REITs Index ²	-2.36	2.75	-5.62	9.23	-1.66	9.55	5.70	8.53

All data is as of 3/31/2025, 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 Berman'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
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
11/24	11/15/2024	11/15/2024	11/29/2024	0.0312
10/24	10/15/2024	10/15/2024	10/31/2024	0.0312
9/24	9/16/2024	9/16/2024	9/30/2024	0.0312
8/24	8/15/2024	8/15/2024	8/30/2024	0.0312
7/24	7/15/2024	7/15/2024	7/31/2024	0.0312
6/24	6/17/2024	6/17/2024	6/28/2024	0.0312
5/24	5/14/2024	5/15/2024	5/31/2024	0.0312
4/24	4/12/2024	4/15/2024	4/30/2024	0.0312
3/24	3/14/2024	3/15/2024	3/28/2024	0.0312

Top Ten Holdings⁴

	Nareit Sector	TA (%)
Simon Property Group, Inc.	Regional Malls	5.45%
American Tower Corporation	Telecommunications Reits	4.69%
Prologis, Inc.	Industrial	3.75%
Public Storage	Self Storage	3.67%
Crown Castle Inc.	Telecommunications Reits	3.03%
Welltower Inc.	Health Care	3.01%
DigitalBridge Group, Inc. 7.15 % Cum Red Perp Pfd Registered Shs Series I	Diversified	2.90%
Iron Mountain, Inc.	Specialty	2.86%
Highwoods Properties Inc 8.625 % Cum Red Pfd Registered Shs Series A	Office	2.81%
AvalonBay Communities, Inc.	Apartments	2.72%

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 3/31/25 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.