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Neuberger Berman High Yield Strategies Fund Inc.

TICKER: NHS

Fund Highlights

Description

- Neuberger Berman High Yield Strategies Fund Inc. ("NHS" or the "Fund") is a diversified, closed-end management investment company investing in the high yield debt securities market.
- The Fund utilizes leverage through a secured credit facility and the issuance of preferred stock.

Investment Philosophy

- The Fund's investment objective is to seek high total return (income plus capital appreciation).
- The Fund will pursue its investment objective by investing its assets primarily in high yield debt securities.
- At least 80% of the Fund's total assets will be invested in below investment grade (high yield) debt securities (including corporate loans) of US and foreign issuers.
- The Fund may invest up to 20% of its total assets in other securities and financial instruments, and up to 15% of its total assets in collateralized loan obligations.

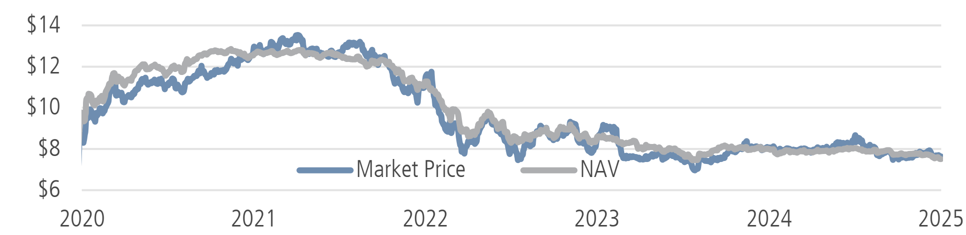
Market Data

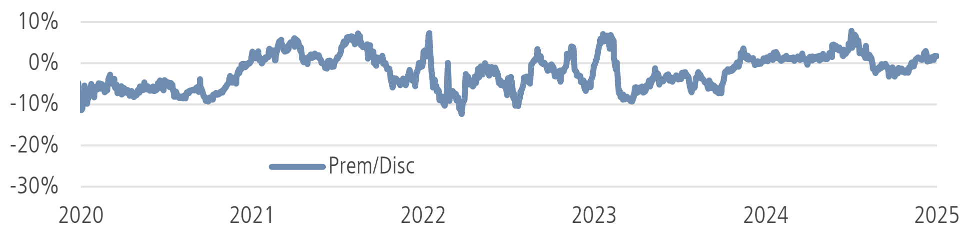
Market Price	
Current	$7.64
Last 12 Month Range	$8.67 - $7.47
Net Asset Value	
Current	$7.51
Last 12 Month Range	$8.05 - $7.51
Premium/Discount	
Current	1.73%
Last 12 Month Range	7.84% - (3.24%)
Last 12 Month Average	1.15%
Distribution Rate[1]	
On Market Price	14.21%
On NAV	14.46%
NAV Ticker	XNHSX
CUSIP Number	64128C106
Inception Date	7/28/2003
Listed Exchange	**NYSE American**

Capital Structure

Total Assets	$307.361 M
Common Assets	$227.861 M
Leverage ($amt)	$79.500 M
Leverage	25.9%

NHS: 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.**

Leverage Structure

Leverage		
Debt – Floating		
Committed		$110.0 M
Amount Outstanding		$39.5 M
Mandatory Redeemable Preferred Shares		
Maturity Date	**Annual Interest Rate**	**Amount**
September 29, 2026	Floating Rate	$40.0M

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 capital 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 $0.0905 per share, which was paid on March 31, 2025, the distribution was estimated to consist of $0.0474 net investment income and $0.0431 from return of capital. This estimate was based on earnings and portfolio activity as of the record date for the distribution.

Portfolio Managers

Joseph Lind
26 years investment experience

Chris Kocinski
20 years investment experience

Manager Commentary

High Yield Market

In March, the U.S. high yield bond market posted negative returns amidst concerns over an escalating trade war, economic slowdown and persistent inflation. Investors reacted to macroeconomic headwinds, leading to weaker returns across fixed income and widening spreads in corporate credit. High yield spreads widened by 64 basis points during the month, with the spread to worst closing at 376 basis points. The ICE BofA US High Yield Index yield ended March at 7.73%. Meanwhile, the yield on the U.S. 10-Year Treasury saw minor fluctuations intramonth but closed the month at 4.20%, unchanged from February month end. High-yield issuers' aggregate fundamentals—including EBITDA growth, free cash flow, interest coverage, and leverage—remained broadly stable, though idiosyncratic and industry-specific pressures continued to affect some lower-rated issuers. On a trailing 12-month basis, default rates remain at very low levels. Under our central scenario, our latest, post-tariff default estimates put the cumulative default rate for 2025 and 2026 at 3.75 – 4.75%, an increase of about 100 basis points on our estimates heading into this year.

The ICE BofA US High Yield Index ("the Index") returned -1.07% in March, marking its weakest performance since October 2023. The Index was up 0.95% for the quarter. The largest and most liquid issuers in the Index—as measured by the ICE BofA US High Yield 100 Index—outperformed, returning -0.62% in the month and +1.57% in the quarter. For March, the BB, B and CCC & lower rated categories of the Index returned -0.56%, -1.31%, and -2.72%, respectively. The ICE BofA US High Yield Non-Distressed Index returned -0.96%, performing slightly better than the overall Index, while the ICE BofA US High Yield Distressed Index underperformed significantly with a return of -5.29%. Year to date, the Index returned +0.95%, with the BB, B and CCC & below rated segments of the Index returning +1.45%, +0.70% and -0.67%, respectively. The ICE BofA US High Yield Non-Distressed Index was up +1.02% year-to-date, while the ICE BofA US High Yield Distressed Index returned -1.83%.[1]

In March, the high yield market experienced an uptick in issuance volume compared to February. High yield bond issuance totaled $26.6 billion ($6.2 billion ex-refinancings), representing a 42% increase from February's $18.7 billion ($3.3 billion ex-refinancings). However, issuance year-to-date, at $68.3 billion, remains 22% lower compared to the same period last year. High-yield funds reported a net inflow of +$2.1 billion in March, slightly lower than February's +$3.4 billion, marking the tenth inflow in the last eleven months.[2]

As of March, the par-weighted trailing 12-month U.S. high yield default rate (excluding distressed exchanges) remained unchanged at 0.27%. The 12-month trailing par-weighted default rate including distressed exchanges decreased by 5 basis points to 1.20%. We estimate 2025 default rates to be in line with the long-term historical average of 3.4%, and note that the high yield market is supported by a higher-quality ratings mix in high yield (53% of issuers rated BB or higher), limited near-term maturities, and a healthier energy sector compared to past cycles.

We continue to find attractive investment opportunities within high yield. While our default outlook is around the historical average, our team remains vigilant in seeking to avoid credit deterioration and default risk along with identifying investments we believe can add alpha through security selection.

Fund Performance & Positioning

During the first quarter, Neuberger Berman High Yield Strategies Fund Inc. ("NHS" or the "Fund") generated net asset value (NAV) and Market Price based total returns of 0.52% and 5.67%, respectively. For the period, NHS, based on NAV, underperformed the 0.94% return generated by its benchmark index, the ICE BofA U.S. High Yield Constrained Index.

From a sector perspective, the largest contributors to performance were security selections within Super Retail, as well as security selections within Support-Services and Gas Distribution. Conversely, security selections within Chemicals, Building Materials, and Real Estate & Homebuilders detracted the most from performance over the period.

In addition, the Fund's use of leverage detracted from NAV performance for the quarter. Investors need to be aware that the Fund's use of a leveraged capital structure can magnify the directional movement of the Fund's NAV. While the Fund's use of leverage may result in greater returns in a rising market environment, it may also result in greater losses in a declining market. In addition, the use of leverage can increase the amount of income generation and cash flow per common share, however, in an environment of rising interest rates, which is likely to result in higher borrowing costs for the Fund, income levels and cash flow per common share can come under pressure and possibly be reduced.

During the quarter, NHS's NAV per share decreased by $0.23 or 2.97%, while its Market Price increased $0.15 or 2.00%. Given the greater Market Price increase, the Fund's valuation improved by 496 bps over the period and ended the quarter at a 1.73% premium versus a 3.23% discount at prior quarter-end. The movement in NHS's valuation was directionally similar to, but greater than the 191 bps improvement exhibited by the Morningstar US CEF High Yield category average.

At quarter-end, the Fund's largest sector overweights were to Diversified Financial Services, Capital Goods, and Metals & Mining. The largest sector underweights are Media – Broadcast & Diversified, Telecommunications, and Energy. 2.55% position in Senior Floating Rate Loans, a decrease from 2.84% the previous month.

1 ICE BofA U.S. High Yield Constrained Index
2 JP Morgan

Manager Commentary (Continued)

Outlook

U.S. high yield valuations and yields, in our view, are attractive and compensating investors for the around average default outlook. While inflation has made significant progress toward the Federal Reserve's (the Fed) 2% target, recent data indicates uneven progress, with inflation appearing to stall in certain categories and upside risks persisting. Despite 100 basis points of rate cuts since September 2024, the Fed is signaling a shift toward a more measured pace of monetary easing going forward. Comments from Fed officials emphasize the need for caution as the policy rate approaches neutral, with the Federal Open Market Committee likely to slow the pace of cuts, focusing on incoming data and risks to inflation expectations. Even though there has been a slowdown in some economic data, relatively healthy consumer and business balance sheets and positive nominal GDP growth should continue to provide support for most issuers' fundamentals, in our view. While the incoming macroeconomic data, policy uncertainty of Trump 2.0, geopolitical concerns and overall credit cycle dynamics can move the high yield market day-to-day, our analysts and portfolio managers continue to be focused on the specific fundamentals of individual issuers, with analysts assessing the base and downside cases. Despite the potential for short-term volatility, we believe our bottom-up, fundamental credit research that focuses on security selection, avoiding credit deterioration, and putting only what we view as our "best ideas" into portfolios, will position us well to take advantage of any volatility.

Portfolio Characteristics

Fund Metrics	
Common Shares (03/31/25)	30,330,923
Number of Holdings (03/31/25)	547
Average Daily Volume (Trailing 12 months)	141,699
Interest Rate Sensitivity	
Weighted Average Maturity	5.92
Average Duration to Worst	3.54
Average Duration to Worst (Leverage Adjusted)	4.77
Income Metrics	
Average Yield to Maturity	7.60%
Average Coupon	6.86%

Weighted Average Maturity (WAM) is the weighted average length of time until the average security in a portfolio will mature or be redeemed. It indicates a portfolios sensitivity to interest rate changes. A portfolio with a longer WAM implies greater volatility in a changing interest rate environment.

Duration to Worst is derived by utilizing the redemption date which would provide the lowest yield (for callable bonds) or highest yield (for putable bonds). For holdings without calls or puts, Duration to Worst is equal to modified duration.

Yield to Maturity (YTM) is the rate of return anticipated on a bond if it is held until the maturity date. It is calculated by dividing the bond's coupon payments by the current price of the bond.

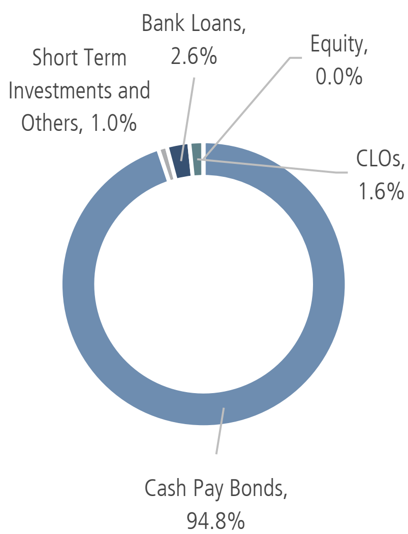
Coupon is the interest rate that is to be paid over the life of a debt security, it is usually expressed as a percentage of face value. Issuers typically make payments to bondholders semiannually.

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

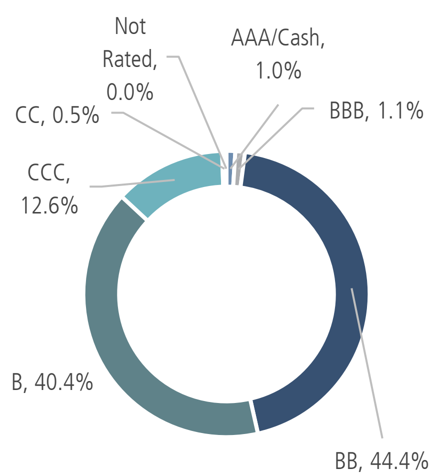
Portfolio Turnover	107.00%
Total Expense Ratio[1, 2]	4.14%

1. Distributions to mandatory redeemable preferred shareholders and interest expense is included in expense ratio. **2.** For the period, the annualized ratios of distributions to mandatory redeemable preferred shareholders and interest expense to average net assets applicable to common stockholders was 1.32% & 1.50%, respectively.

Portfolio Composition

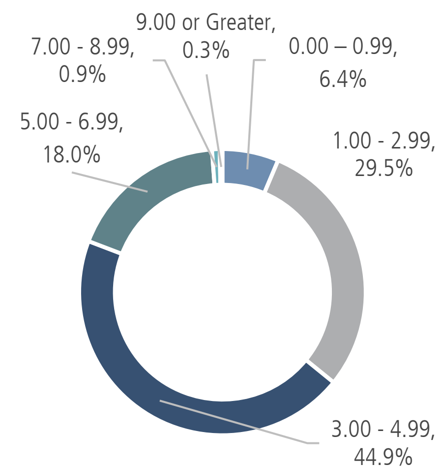


Credit Quality Breakdown[3]



3. Represents the ratings of the securities held by the Fund as of 03/31/25 and does not imply any credit rating of the Fund itself. Ratings categories shown in the above chart are those of S&P. Please see footnotes for additional disclosures regarding ratings methodology.

Duration Breakdown



Duration is the measure of a bond's price sensitivity to interest rates.

NHS: 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 7/28/2003
NAV	-1.80	0.52	0.19	7.50	-0.19	6.67	3.82	7.43
Market Price	-1.38	5.67	-5.49	8.82	-0.06	9.58	5.29	7.28
ICE BofA U.S. High Yield Constrained Index*	-1.07	0.94	1.10	7.60	4.84	7.20	4.91	6.80

All data is as of 03/31/25, 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.

Top Ten Industries

Diversified Financial Services	13.64%
Real Estate / Homebuilders	8.74%
Healthcare	7.38%
Gaming / Lodging / Leisure	6.34%
Consumer Products / Services	6.33%
Gas Distribution	5.47%
Energy	5.34%
Telecommunications	5.11%
Capital Goods	4.69%
Technology / Electronics	4.54%

Top Five Industries Overweight

Industry	NHS	+/-vs Benchmark*
Diversified Financial Services	13.64%	4.46%
Capital Goods	4.69%	2.82%
Metals / Mining	3.86%	1.17%
Real Estate / Homebuilders	8.74%	1.00%
Gas Distribution	5.47%	0.86%

Top Five Industries Underweight

Industry	NHS	+/-vs Benchmark*
Media - Broadcasting / Diversified	1.05%	-2.57%
Telecommunications	5.11%	-1.37%
Energy	5.34%	-1.35%
Food / Beverage / Tobacco	0.87%	-1.22%
Food / Drug Retailers	1.57%	-0.87%

Distribution History[4]

	Ex-Date	Record Date	Payable Date	$/Share
03/25	03/17/2025	03/17/2025	03/31/2025	0.09050
02/25	02/18/2025	02/18/2025	02/28/2025	0.09050
01/25	01/15/2025	01/15/2025	01/31/2025	0.09050
12/24	12/16/2024	12/16/2024	12/31/2024	0.09050
11/24	11/15/2024	11/15/2024	11/29/2024	0.09050
10/24	10/15/2024	10/15/2024	10/31/2024	0.09050
09/24	09/16/2024	09/16/2024	09/30/2024	0.09050
08/24	08/15/2024	08/15/2024	08/30/2024	0.09050
07/24	07/15/2024	07/15/2024	07/31/2024	0.09050
06/24	06/17/2024	06/17/2024	06/28/2024	0.09050
05/24	05/14/2024	05/15/2024	05/31/2024	0.09050
04/24	04/12/2024	04/15/2024	04/30/2024	0.09050
03/24	03/14/2024	03/15/2024	03/28/2024	0.09050

Top Ten Holdings[5]

MEDLINE BORROWER LP 5.250 10/01/29	0.92%
CARNIVAL CORP 6.125 02/15/33	0.86%
QUIKRETE HOLDINGS INC 6.375 03/01/32	0.72%
HUDSON AUTOMOTIVE GROUP 8.000 05/15/32	0.70%
XPO INC 7.125 02/01/32	0.70%
AMSTED INDUSTRIES INCORPORATED 6.375 03/15/33	0.68%
UKG INC 6.875 02/01/31	0.67%
ALLIANT HOLDINGS INTERMEDIATE LLC 6.750 10/15/27	0.66%
JANE STREET GROUP LLC 6.125 11/01/32	0.65%
VISTRA OPERATIONS COMPANY LLC 6.875 04/15/32	0.64%

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.

In general, the value of the Fund's investments can decline when market interest rates rise and, conversely, the value of the Fund's investments can rise when market interest rates decline. High-yield bonds, also known as "junk bonds," are considered speculative and carry a greater risk of default than investment-grade bonds. Their market value tends to be more volatile than investment grade bonds.

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

The Fund may, from time to time, enter into interest rate swaps to seek to reduce the risk that an increase in short-term interest rates could reduce common share net earnings as a result of the Fund's use of floating rate leverage. In such an instance, the Fund may agree with a counterparty to pay a fixed rate (multiplied by a notional amount) and the counterparty to pay a floating rate multiplied by the same notional amount. If long-term interest rates rise, the Fund would receive payments under the swap that could offset a portion of its increased leverage costs; if interest rates fall, the Fund would likely lose money on the swap transaction as the amount it receives may be less than the fixed rate it has agreed to pay.

3. Ratings categories shown in the above charts are those of S&P. In looking at the rating of a particular security, the Fund considers the ratings of S&P, Moody's and Fitch (each, an "NRSRO"). In the event that a particular security is rated differently by one of the three NRSROs, the highest rating is used. Chart represents the ratings of the securities held by the Fund and does not imply any credit rating of the Fund itself.

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

5. Holdings are as of 03/31/25 and are subject to change without notice. This list does not constitute a recommendation to buy, sell or hold a security.

*The Fund's benchmark is the **ICE BofA U.S. High Yield Constrained Index**, which is designed to measure the performance of below investment grade US dollar-denominated corporate bonds publicly issued in the US domestic market, including 144A issues. It is not possible to invest directly in an unmanaged index.

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.