NEUBERGER | BERMAN

Neuberger Berman Floating Rate Income Fund

TICKER: Institutional Class: NFIIX, Class A: NFIAX, Class C: NFICX

PORTFOLIO MANAGERS: Stephen Casey and Joe Lynch

★★★★

MORNINGSTAR OVERALL RATING™ for Institutional Class as of 11/30/2024. (Out of 207 Bank Loan funds)

The Morningstar ratings for Neuberger Berman Floating Rate Income Fund – Institutional Class for the 3-, 5- and 10- year periods ended November 30, 2024, were 4 stars (out of 207 Bank Loan Funds), 5 stars (out of 202 Bank Loan Funds) and 4 stars (out of 165 Bank Loan Funds), respectively. Morningstar calculates a Morningstar rating based on a risk adjusted total return.

Performance Highlights

The Neuberger Berman Floating Rate Income Fund's (Institutional Class) November return of 0.93% outperformed its benchmark, the Morningstar LSTA U.S. Leveraged Loan Index (the "Index"), which returned 0.83%. Performance for all share classes appears on page 5.

Market Context

- The U.S. senior floating rate loan market finished the month of November in positive territory on solid economic data and strong demand from both collateralized loan obligations (CLOs) and retail investors, which fueled a rally in secondary loan prices. The yield on U.S. 10-Year Treasuries ended November at 4.18%, down 10 basis points from October month end. U.S. loan market weighted average bid prices increased by 35 basis points in the month, closing at $97.25. The European loan market also saw positive returns in November with bid prices closing the month at €98.03, which was 38 basis points higher compared to October month end. Overall, loan issuers' aggregate fundamentals of EBITDA growth, free cash flow, interest coverage and leverage remained in somewhat stable ranges. While most issuers reported in line or better than expected earnings in their most recent quarters, some lower rated issuers continued to see some idiosyncratic or industry-specific earnings pressure. Despite the rise in default rates from 2022's very low levels, our latest bottom-up base case 2-year cumulative default estimate for U.S. loans over 2024 and 2025 of 2.5% - 3.5% is around the historical cumulative 2-year average.
- In November, U.S. senior floating rate loans—measured by the Morningstar LSTA U.S. Leveraged Loan Index (the "LLI" or "Index")—returned 0.80% with the lowest rated part of the credit spectrum underperforming as the BB, B and CCC rated segments of the LLI returned 0.93%, 0.90% and -0.50%, respectively. The LL100 Index, which tracks the 100 largest most-liquid names in the leveraged loan market, gained 1.09%, a six-month high. Over the first eleven months of 2024, single Bs outperformed the overall Index's return of 8.32%, with a return of 8.93%, compared to the BB and CCC indices returns of 7.55% and 8.19%, respectively. The Morningstar European Leveraged Loan Index ("ELLI") returned 0.79% (excluding currency) in November with BB and B rated loans outperforming with returns of 0.82% each (excluding currency), compared to the CCC index with a return of 0.48% (excluding currency). The ELLI returned 8.42% year to date (excluding currency).
- In November, default rates went up in the U.S. and down in European loan markets. The trailing 12M par-weighted default rate for the LLI as of month end was 0.94%, up 21 basis points from the prior month. In European loans, the trailing 12M par-weighted default rate was 0.61%, down -17 basis point compared to the prior month. The share of distressed issuers (loans trading below 80) in the loan market remains at relatively low levels.[1]
- Regarding market technicals in November, new loan issuance unrelated to a repricing or refinancing fell to just $11.1 billion, a significant drop from $47.6 billion two months prior. Refinancing activity picked up with $18.1 billion as new-issue spreads contracted to multiyear lows, and

speculative-grade borrowers printed more loans to refinance debt than in any other year, totaling $241 billion through November 30. Demand remained robust in November due to exceptionally strong CLO issuance and retail inflows. US CLO issuance reached $191 billion year-to-date, setting a new annual record. November alone saw $26 billion in CLO issuance across 56 transactions, marking the second-highest monthly volume since data tracking began in 2011. Retail loan funds experienced $3.3 billion of inflows over a four-week period through November 27, the largest inflow since April 2022. The par amount outstanding in the Index increased by $16.3 billion in November, bringing the index size to $1.42 trillion, a two-year high. Year-to-date, the Index expanded by $18.4 billion, contrasting with a shrinkage of roughly $11.5 billion in the same period last year. Combining the $16.3 billion increase in outstandings in November with $30.7 billion of measurable demand results in a $14.4 billion supply shortage for the month. Year-to-date, the supply and demand gap stands at $181 billion, the highest on record, compared to $107 billion at this point last year.[1]

Performance Highlights[2]

- From a ratings perspective, the best performers on a relative basis included the Fund's security selection within and underweight to CCC & below and security selection within B and BB rated issuers. There were no detractors based on higher-level ratings categories.
- From a sector perspective, the best performers on a relative basis included the Fund's security selection within Health Care Providers & Services, Hotels, Restaurants & Leisure and Professional Services. In contrast, the worst performers on a relative basis included an underweight to Media and security selection within Building Products and Diversified Telecommunications Services.

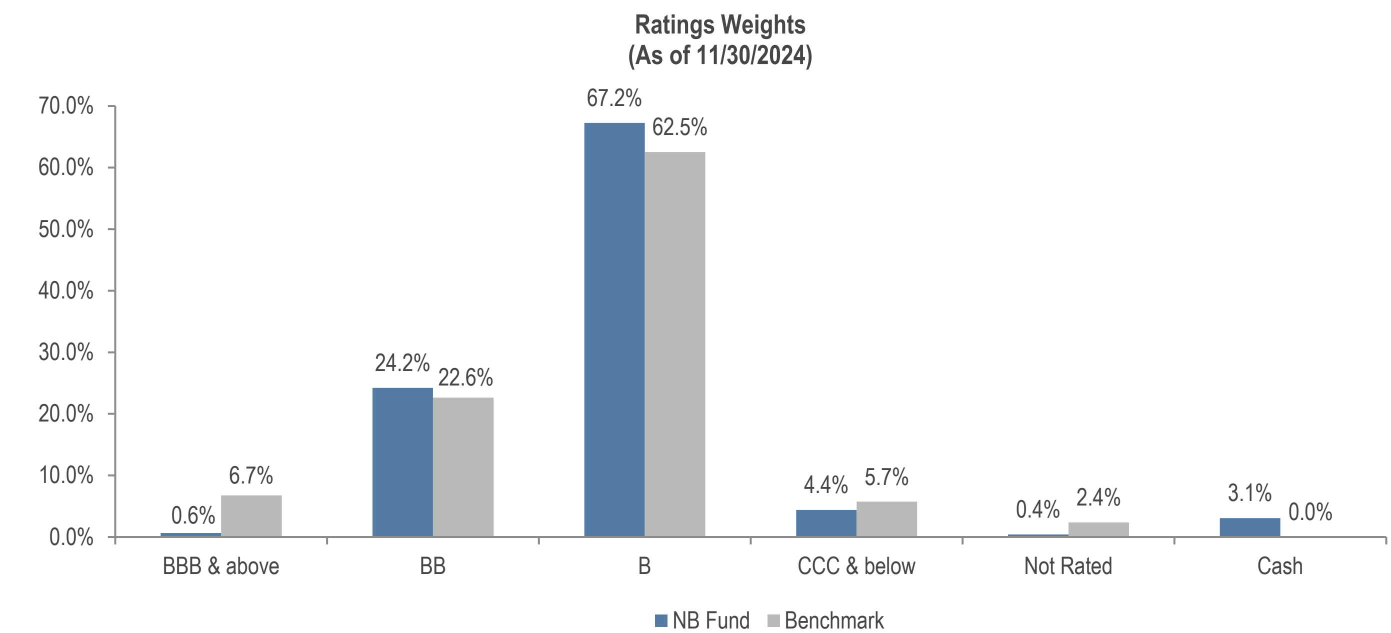
Attribution for November 2024

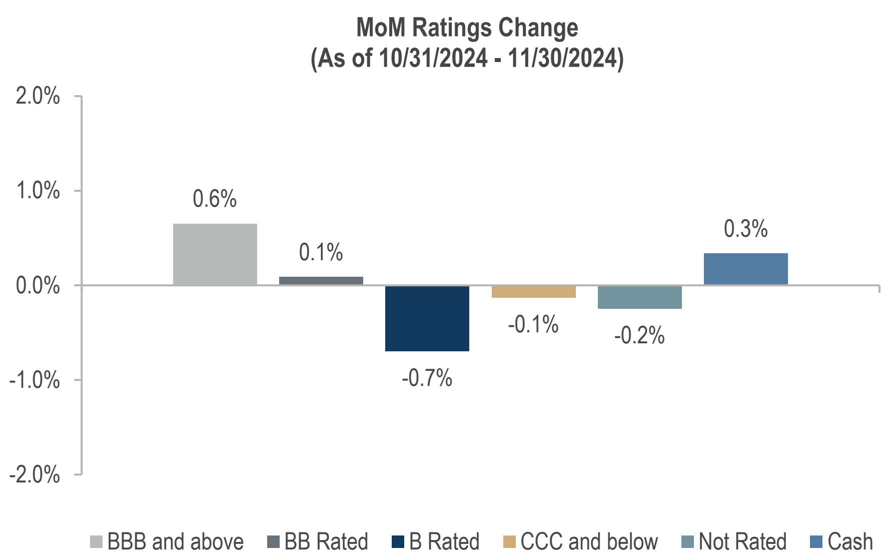
	Average Overweights/ Underweights Compared to Index (%)	Total Effect Compared to Index (%)[3]	Sector Allocation Compared to Index (%)	Security Selection Compared to Index (%)
Breakdown by Rating				
BBB and above	-6.45	0.00	0.00	0.00
BB Rated	-0.52	0.02	0.00	0.02
B Rated	0.82	0.04	0.00	0.04
CCC and below	-1.69	0.11	0.03	0.08

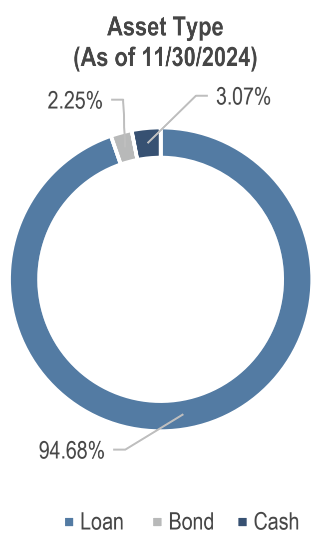
Industry	Average Overweights/ Underweights Compared to Index (%)	Total Effect Compared to Index (%)[3]	Sector Allocation Compared to Index (%)	Security Selection Compared to Index (%)
Top 5				
Health Care Providers & Services	2.51	0.03	-0.01	0.03
Hotels, Restaurants & Leisure	-2.22	0.03	0.00	0.02
Professional Services	0.26	0.02	0.00	0.02
Food Products	-1.09	0.02	0.01	0.00
Aerospace & Defense	0.43	0.02	0.00	0.02
Bottom 5				
Media	-2.41	-0.01	-0.01	0.00
Building Products	-0.71	-0.01	0.00	-0.02
Diversified Telecommunication Services	0.41	-0.01	0.00	-0.01
IT Services	-1.90	-0.01	0.01	-0.02
Interactive Media & Services	-0.39	-0.01	0.00	0.00

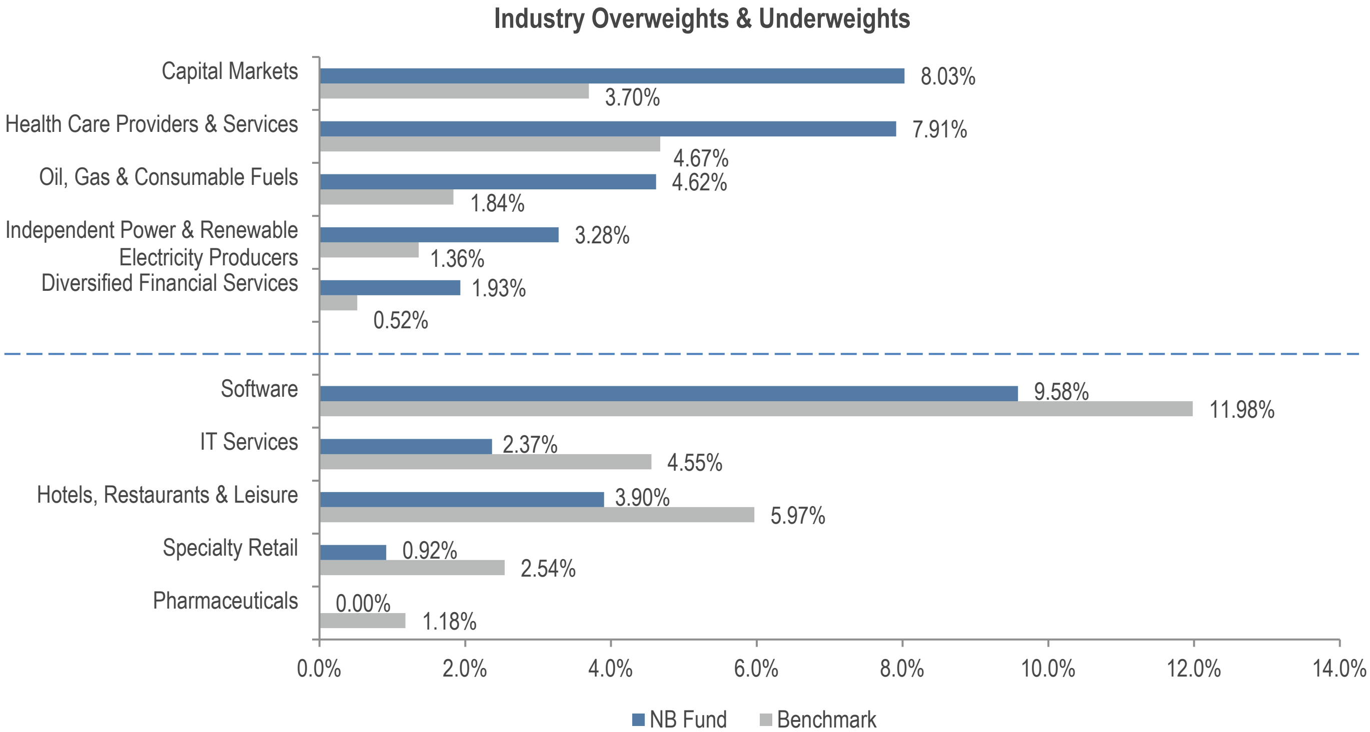
Portfolio Positioning

- From a ratings perspective, compared to the Index, the Fund was underweight CCC & below, BBB & above and Not Rated loans and overweight BB and B rated issuers. In the month, we decreased positioning in B, Not Rated and CCC & below and added to BBB & above and slightly to BB rated issuers. Cash also increased over the month.
- From a sector perspective, the Fund was overweight some sectors where we found attractive risk-adjusted return opportunities such as Health Care Providers & Services, but we also positioned the Fund toward a theme of attractive industry economics in sectors such as Oil, Gas & Consumable Fuels and Independent Power & Renewable Electricity Producers. The Fund continues to be underweight issuers within sectors facing business model or secular challenges and/or changes in regulation, such as Pharmaceuticals and Specialty Retail, and we see less relative value and higher leverage in some issuers within the Software sector.









Outlook

With yields around 8.2% on the U.S. senior floating rate loan market, we believe valuations are providing more-than-adequate compensation for the around average default outlook, will continue to provide durable income and are attractive compared to other fixed income alternatives. As inflation continues to come down approaching the Federal Reserve's target range and with 75 basis points of rate cuts already, we believe most market participants are expecting further rate cuts but with the terminal rate ending up higher than in the most recent two cycles. Even if rates are cut further in 2025, we believe the yield on the loan market would likely still be attractive compared to other fixed income categories. 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, geopolitical concerns, uncertainty on policy direction in the next Administration and overall credit cycle dynamics could move the loan 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.

[1] Source: Pitchbook LCD and Morningstar Leveraged Loan Indexes.
[2] **Performance data quoted represent past performance, which is no guarantee of future results.** Credit quality performance of the Morningstar LSTA U.S. Leveraged Loan Index as of 11/30/2024.
[3] Total effect vs. Morningstar LSTA U.S. Leveraged Loan Index.

NEUBERGER BERMAN FLOATING RATE INCOME FUND RETURNS (%)

	November 2024	3Q 2024	YTD 2024	(ANNUALIZED AS OF 9/30/2024) 1 Year	3 Year	5 Year	10 Year	Since Inception
At NAV								
Institutional Class	0.93	1.93	8.74	9.85	6.03	5.64	4.48	4.69
Class A	1.01	1.94	8.49	9.45	5.67	5.27	4.10	4.31
Class C	0.94	1.64	7.64	8.64	4.88	4.46	3.31	3.54
With Sales Charge								
Class A	-3.30	-2.41	3.85	4.85	4.14	4.35	3.65	4.01
Class C	-0.06	0.64	6.64	7.64	4.88	4.46	3.31	3.54
Morningstar LSTA U.S. Leveraged Loan Index	0.83	2.04	8.34	9.59	6.47	5.74	4.86	5.24

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 date for Neuberger Berman Floating Rate Income Fund Class A is 12/29/2009 and 12/30/2009 for Class C and Institutional Class. Performance prior to the inception date of Class C and Institutional Class is that of Class A, adjusted to reflect applicable sales charges but not class-specific operating expenses. The date used to calculate benchmark performance is that of Class A. 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.

EXPENSE RATIOS (%)

	Gross Expense	Total (net) Expense
Institutional Class	0.72	0.61
Class A	1.12	0.98
Class C	1.84	1.73

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 10/31/2027 for Institutional Class at 0.60%, Class A at 0.97%, and Class C at 1.72% (each as a % 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, 2024, as amended and supplemented.

An investor should consider the 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. Please read the prospectus and, if available, the summary prospectus, carefully before making an investment. Investments could result in loss of principal.

The opinions expressed are as of November 30, 2024 and are subject to change at any time due to changes in market or economic conditions. These comments should not be construed as a recommendation of any individual sectors, holdings or securities.

The characteristics of the Fund are as of the period shown and are subject to change without notice. Ratings represent the rating of each security held by the Fund, and not a rating of the Fund itself. The loan ratings noted above represent segments of the Morningstar LSTA U.S. Leveraged Loan Index, which are determined based on the ratings issued by S&P. CC- to CCC-rated loans are considered more speculative than B- to BB-rated loans. For S&P, the AAA rating is the highest rating available. S&P is the primary NRSRO used for quality distribution. If S&P does not rate the security, the security will be considered unrated.

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. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. There can be no guarantee that the Portfolio Managers will be successful in their attempts to manage the risk exposure of the Fund or will appropriately evaluate or weigh the multiple factors involved in investment decisions, including issuer, market and/or instrument-specific analysis, valuation and environmental, social and governance (ESG) factors.

The Fund may invest in senior loans and other debt securities which may be rated below investment grade (known as "junk"). The risks of investing in such securities, such as risk of default, could result in loss of principal. Lower rated debt securities involve greater risks and may fluctuate more widely in price and yield, and carry a greater risk of default, than investment grade debt securities. They may fall in price during times when the economy is weak or is expected to become weak. Economic and other market events may reduce demand for certain senior loans held by the Fund, which may impact net asset value. Loans and other debt securities are also subject to the risk of increases in prevailing interest rates, although floating-rate securities are less susceptible to this risk than other fixed-rate obligations. Generally, bond values will decline as interest rates rise. However, because floating rates on senior loans only reset periodically, changes in prevailing interest rates can be expected to cause some fluctuation in the Fund's net asset value. Similarly, a sudden and significant increase in market interest rates, a default in a loan in which the Fund owns an interest, or a material deterioration of a borrower's creditworthiness may cause a decline in the Fund's net asset value. Floating-rate loans may be more susceptible to adverse economic and business conditions and other developments affecting the issuers of such loans. Although senior floating-rate loans are generally collateralized, there is no guarantee that the value of collateral will not decline, causing a loan to be substantially unsecured. No active trading market may exist for many loans, loans may be difficult to value and many are subject to restrictions on transfer or resale, which may result in extended trade settlement periods and may make certain investments less liquid and also prevent the Fund from obtaining the full value of a loan when sold.

The **Morningstar LSTA U.S. Leveraged Loan Index** is a capped market value-weighted index that measures the performance of the U.S. leveraged loan market based upon market weightings, spreads and interest payments. The index is composed of loans bought by institutional investors that have partnered with S&P Global Market Intelligence's Leveraged Community & Data (LCD). Index constituents are market value weighted, subject to a single loan facility weight cap of 2%. Loan Syndications and Trading Association (LSTA)/Loan Pricing Corporation (LPC) mark-to-market pricing is used to price each loan in the index. The benchmark is calculated on a total return basis. Please note that indices do not take into account any fees and expenses of investing in the individual securities that they track, and that individuals cannot invest directly in any index. The Fund may invest in many securities not included in the above-described index.

For each retail mutual fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars and the bottom 10% receive one star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a retail mutual fund is derived from a weighted average of the performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics. Ratings are © 2024 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more detailed information about Morningstar's Rating, including its category rating methodology, please go to https://shareholders.morningstar.com/investor-relations/governance/Compliance--Disclosure/default.aspx.

This material is general in nature and is not directed to any category of investors and should not be regarded as individualized, a recommendation, investment advice or a suggestion to engage in or refrain from any investment-related course of action. Neuberger Berman is not providing this material in a fiduciary capacity and has a financial interest in the sale of its products and services. Investment decisions and the appropriateness of this material should be made based on an investor's individual objectives and circumstances and in consultation with his or her advisors. Accordingly, "retail" retirement investors are not the intended recipient of this material as they are expected to engage the services of an advisor in evaluating this material for any investment decision. If your understanding is different, we ask that you inform us immediately.

The "Neuberger Berman" name and logo and "Neuberger Berman Investment Advisers LLC" name are registered service marks of Neuberger Berman Group LLC. The individual fund names in this piece are either service marks or registered service marks of Neuberger Berman Investment Advisers LLC, an affiliate of Neuberger Berman BD LLC, distributor, member FINRA.