

Neuberger Berman High Yield Strategies Fund Inc.
Form N-CSR
January 08, 2014

As filed with the Securities and Exchange Commission on January 7, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-22396

NEUBERGER BERMAN HIGH YIELD STRATEGIES FUND INC.

(Exact Name of the Registrant as Specified in Charter)

c/o Neuberger Berman Management LLC

605 Third Avenue, 2nd Floor

New York, New York 10158-0180

(Address of Principal Executive Offices – Zip Code)

Registrant's telephone number, including area code: (212) 476-8800

Robert Conti

Chief Executive Officer and President

Neuberger Berman High Yield Strategies Fund Inc.

c/o Neuberger Berman Management LLC

605 Third Avenue, 2nd Floor

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(Names and Addresses of agents for service)

Date of fiscal year end: October 31

Date of reporting period: October 31, 2013

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of

Management and Budget (“OMB”) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Report to Stockholders.

Neuberger Berman
High Yield Strategies
Fund Inc.

Annual Report

October 31, 2013

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President's Letter

Dear Shareholder,

I am pleased to present the annual report for Neuberger Berman High Yield Strategies Fund Inc. for the 12 months ended October 31, 2013. The report includes a portfolio commentary, a listing of the Fund's investments and its audited financial statements for the reporting period.

The Fund seeks high total return (income plus capital appreciation). To pursue that objective, we have assembled a portfolio that consists primarily of high yield debt securities.

On September 18, 2013, the Fund successfully refinanced its leverage by completing a private placement of \$90,000,000 of Floating Rate Senior Notes (Notes) and \$35,000,000 of Mandatory Redeemable Preferred Shares (Preferred Shares) with a major unaffiliated financial institution. The Notes and Preferred Shares pay interest and distributions, respectively, based on a floating rate and have terms of 10 years. The refinancing increased the overall amount of leverage utilized by the Fund by approximately \$15 million. The majority of the proceeds from the issuance of the Notes and Preferred Shares was used by the Fund, without interrupting its leveraged investment program, to repay the notes and repurchase preferred shares it had previously issued. The remainder of the proceeds were invested by the Fund in additional portfolio securities.

Thank you for your confidence in the Fund. We will do our best to continue earning your trust in the years to come.

Sincerely,

ROBERT CONTI

PRESIDENT AND CEO

NEUBERGER BERMAN HIGH YIELD STRATEGIES FUND INC.

Neuberger Berman High Yield Strategies Fund Inc. Portfolio Commentary (Unaudited)

Neuberger Berman High Yield Strategies Fund Inc. generated a 13.18% total return on a net asset value (NAV) basis for the 12 months ended October 31, 2013 and outperformed its benchmark, the BofA Merrill Lynch U.S. High Yield Master II Constrained Index, which provided an 8.82% return for the period. The use of leverage (typically a performance enhancer in up markets and a detractor during market retreats) was beneficial for performance.

The fixed income market was volatile at times during the reporting period. This was triggered by a number of factors, including uncertainties regarding the fiscal cliff and sequestration, mixed economic data, expectations for shifting Federal Reserve (the Fed) monetary policy and the partial government shutdown. While interest rates moved higher during the period, they declined from their early September 2013 peak. This occurred as the Fed surprised the market by choosing to delay tapering its asset purchase program, which was announced after its September 18, 2013 meeting. While the overall fixed income market posted a modest decline for the 12-month period, there were several areas of strength. In particular, high yield bonds generated strong results given generally robust investor demand. The CCC-rated (a relatively low rating) and lower securities in the benchmark and the BB-rated (a higher rating) and higher securities returned 14.39% and 6.37%, respectively.

Security selection in aggregate was beneficial for the Fund's performance relative to the index. The largest contributions came from our holdings in the wirelines, wireless and other utility sectors. This was somewhat mitigated by security selection in the automotive, airlines and aerospace/defense sectors.

Sector positioning, overall, detracted from relative performance during the reporting period. In particular, an overweight in construction machinery and underweights in automotive and gas pipelines & distributions were negative for results. This was partially offset by our overweight in textile, and an underweight in electrical and aerospace/defense.

The Fund's quality biases, overall, produced positive results during the reporting period. Security selection and our overweight to bonds rated CCC and below were beneficial for performance. The Fund's allocation to bonds rated BB and above contributed to results, as did security selection. Elsewhere, our underweight to B-rated bonds was a modest negative for performance, but this was offset by strong security selection.

We made several adjustments to the portfolio during the reporting period. We increased the Fund's allocation to bonds rated CCC and below, while reducing its exposures to bonds rated B and BB and higher. Elsewhere, we reduced the Fund's allocation to bank loans as we found the bank loan market to be less attractive from a valuation perspective versus high yield bonds.

The Fund's use of derivatives detracted from performance during the reporting period.

We continue to have a positive outlook for the high yield market. Even though Fed tapering appears to be on hold for now, when the central bank ultimately begins to pare its asset purchase program, we believe it will be largely due to strengthening economic conditions. In our view, such a backdrop would be supportive for the overall high yield market. In addition, high yield fundamentals remain solid and we anticipate defaults will continue to be significantly lower than

their historical average. While periods of volatility could occur at times due to uncertainties surrounding future monetary and fiscal policy, we believe that demand for high yield securities could be solid in the coming months.

Sincerely,

ANN BENJAMIN, TOM O'REILLY AND RUSS COVODE

PORTFOLIO CO-MANAGERS

The composition, industries and holding of the Fund are subject to change.

The opinions expressed are those of the Fund's portfolio managers. The opinions are as of the date of this report and are subject to change without notice.

The value of securities owned by the Fund, as well as the market value of Fund shares, may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Fund; conditions affecting the general economy; overall market changes; local, regional, national or global political, social or economic instability; regulatory or legislative developments; price, currency and interest rate fluctuations, including those resulting from changes in central bank policies; and changes in investor sentiment.

TICKER SYMBOL

High Yield Strategies Fund NHS

PORTFOLIO BY MATURITY**DISTRIBUTION****(as a % of Total Investments)**

Less than One Year	0.3%
One to less than Five Years	19.5
Five to less than Ten Years	73.5
Ten Years or Greater	6.7
Total	100.0%

PERFORMANCE HIGHLIGHTS¹

	Inception Date	Average Annual Total Return Ended 10/31/2013			
		1 Year	5 Years	10 Years	Life of Fund
At NAV²	07/28/2003	13.18%	25.28%	11.14%	11.44%
At Market Price³ Index	07/28/2003	3.51%	27.77%	10.00%	10.10%
BofA Merrill Lynch U.S. High Yield Master II Constrained Index ⁴		8.82%	18.11%	8.75%	9.00%

Closed-end funds, unlike open-end funds, are not continually offered. Generally, there is an initial public offering and, once issued, common shares of closed-end funds are sold in the open market through a stock exchange.

The performance data quoted represent past performance and do not indicate future results. Current performance may be lower or higher than the performance data quoted. For more current performance data, please visit www.nb.com.

The results shown in the table reflect the reinvestment of income dividends and other distributions, if any. The results do not reflect the effect of taxes a shareholder would pay on Fund distributions or on the sale of Fund shares.

The investment return and market price will fluctuate and common shares may trade at prices below NAV. Fund common shares, when sold, may be worth more or less than their original cost.

Returns would have been lower if Neuberger Berman Management LLC ("Management") had not waived a portion of its investment management fees during certain of the periods shown. Please see Note B in the Notes to Financial Statements for specific information regarding fee waiver arrangements.

Endnotes

1 The performance information for periods prior to August 6, 2010 is that of Neuberger Berman High Yield Strategies Fund, a predecessor to the Fund.

2 Returns based on the NAV of the Fund.

3 Returns based on the market price of Fund common shares on the NYSE MKT.

4 Please see "Description of Index" starting on page 6 for a description of the index.

For more complete information on Neuberger Berman High Yield Strategies Fund Inc., call Management at (800) 877-9700, or visit our website at www.nb.com.

Description of Index

BofA Merrill Lynch U.S. High Yield Master II Constrained Index: An unmanaged market value-weighted index of all domestic and Yankee high yield bonds, including deferred interest bonds and payment-in-kind securities. Qualifying bonds must have at least one year remaining to maturity, a fixed coupon schedule and a minimum amount outstanding of \$100 million. Qualifying bonds are capitalization weighted provided the total allocation to an individual issuer does not exceed 2%.

Please note that the index does not take into account any fees and expenses or any tax consequences of investing in individual securities that it tracks and that individuals cannot invest directly in any index. Data about the performance of this index is prepared or obtained by Management and include reinvestment of all income dividends and other distributions if any. The Fund may invest in securities not included in the above described index and/or may not invest in all securities included in the index.

Schedule of Investments High Yield Strategies Fund Inc.

PRINCIPAL AMOUNT		VALUE†
Bank Loan Obligations^μ(6.2%)		
All Telecom (0.5%)		
\$ 736,300	Integra Telecom, Term Loan B, 5.25%, due 2/22/19	\$ 744,274
585,000	Level 3 Financing Inc., Term Loan B, 4.00%, due 1/15/20	587,440
		1,331,714
Automotive (0.4%)		
1,227,600	Navistar, Inc., Term Loan B, 5.75%, due 8/17/17	1,250,618
Building & Development (0.2%)		
563,000	Realogy Corporation, Term Loan B, 4.50%, due 3/5/20	568,455
Chemicals & Plastics (0.2%)		
656,700	Dupont Performance Coatings, Term Loan B, 4.75%, due 2/1/20	663,201
Electronics—Electrical (0.3%)		
730,687	Datatel-Sophia LP, Term Loan B, 4.50%, due 7/19/18	736,854
Financial Intermediaries (0.2%)		
552,007	First Data Corporation, Term Loan, 4.17%, due 3/24/17	552,466
Health Care (0.5%)		
1,544,250	United Surgical Partners International, Inc., Term Loan B, 4.75%, due 4/3/19	1,548,883
Leisure Goods—Activities—Movies (1.0%)		
2,885,000	Scientific Games Corp., Term Loan, 4.25%, due 10/18/20	2,885,000
Lodging & Casinos (0.3%)		
990,025	Station Casinos, Term Loan B, 5.00%, due 3/2/20	998,995
Nonferrous Metals—Minerals (0.4%)		
1,180,000	Peabody Energy Corp., Term Loan, due 9/24/20	1,176,071^{c^^}
Oil & Gas (1.3%)		
3,534,000	Chesapeake Energy, Term Loan B, 5.75%, due 12/2/17	3,609,097

Radio & Television (0.9%)

1,394,000	Clear Channel, First Lien Term Loan B, 3.82%, due 1/29/16	1,351,190 ^{£^^}
1,000,000	Clear Channel, Term Loan D, due 1/30/19	950,130 ^{£^^}
244,770	Univision Communications Inc., Term Loan, 4.00%, due 3/1/20	244,809
		2,546,129
Total Bank Loan Obligations (Cost \$17,550,792)		17,867,483

See Notes to Schedule of Investments

Schedule of Investments High Yield Strategies Fund Inc. (cont'd)

PRINCIPAL AMOUNT		VALUE†
Corporate Debt Securities (134.7%)		
Airlines (0.9%)		
\$ 760,000	American Airlines, Inc., Equipment Trust, Ser. 2013-2, Class A, 4.95%, due 1/15/23	\$ 782,800 ^ñ
1,085,000	Continental Airlines, Inc., Senior Secured Notes, 6.75%, due 9/15/15	1,117,550 ^ñ
632,520	United Airlines, Inc., Pass-Through Certificates, Ser. 2009-2, Class A, 9.75%, due 1/15/17	725,816
		2,626,166
Auto Loans (0.2%)		
445,000	General Motors Financial Co., Inc., Guaranteed Notes, 3.25%, due 5/15/18	443,331^ñ
Auto Parts & Equipment (0.7%)		
1,785,000	Goodyear Tire & Rubber Co., Guaranteed Notes, 6.50%, due 3/1/21	1,887,638
Automakers (1.7%)		
1,100,000	Chrysler Group LLC/CG Co-Issuer, Inc., Secured Notes, 8.00%, due 6/15/19	1,218,250
830,000		1,158,684

	Ford Motor Co., Senior Unsecured Notes, 9.98%, due 2/15/47	
2,540,000	Navistar Int'l Corp., Guaranteed Notes, 8.25%, due 11/1/21	2,593,975
		4,970,909
Banking (1.7%)		
1,540,000	Ally Financial, Inc., Guaranteed Notes, 6.25%, due 12/1/17	1,705,550
2,730,000	Ally Financial, Inc., Guaranteed Notes, 8.00%, due 3/15/20	3,241,875 ⁰⁰
		4,947,425
Building & Construction (1.9%)		
2,025,000	D.R. Horton, Inc., Guaranteed Notes, 5.75%, due 8/15/23	2,100,937
185,000	Lennar Corp., Guaranteed Notes, 4.75%, due 12/15/17	194,250
1,725,000	Lennar Corp., Guaranteed Notes, 4.75%, due 11/15/22	1,634,438
530,000	Ryland Group, Inc., Guaranteed Notes, 5.38%, due 10/1/22	514,100
490,000	Standard Pacific Corp., Guaranteed Notes, 8.38%, due 1/15/21	562,275
520,000	Taylor Morrison Communities, Inc./Monarch	507,000 ⁿ

Communities,
Inc.,
Guaranteed
Notes, 5.25%,
due 4/15/21

5,513,000

**Building Materials
(2.0%)**

230,000 Associated
Materials
LLC/AMH
New Finance,
Inc., Senior
Secured
Notes, 9.13%,
due 11/1/17 245,238

905,000 Masco Corp.,
Senior
Unsecured
Notes, 6.13%,
due 10/3/16 1,009,075

1,990,000 USG Corp.,
Senior
Unsecured
Notes, 9.75%,
due 1/15/18 2,338,250

2,050,000 USG Corp.,
Guaranteed
Notes, 8.38%,
due 10/15/18 2,229,375^ñ

5,821,938

Chemicals (3.6%)

555,000 Huntsman Int'l
LLC,
Guaranteed
Notes, 8.63%,
due 3/15/20 614,663

1,565,000 Huntsman Int'l
LLC,
Guaranteed
Notes, 8.63%,
due 3/15/21 1,756,712

300,000 INEOS Group
Holdings SA,
Guaranteed
Notes, 6.13%,
due 8/15/18 303,000^ñ

610,000 Momentive
Performance
Materials,
Inc., Senior 645,075

	Secured Notes, 8.88%, due 10/15/20	
4,348,000	Momentive Performance Materials, Inc., Secured Notes, 9.00%, due 1/15/21	3,847,980
2,390,000	PQ Corp., Secured Notes, 8.75%, due 5/1/18	2,587,175 ^ñ
535,000	US Coatings Acquisition, Inc., Guaranteed Notes, 7.38%, due 5/1/21	568,438 ^ñ
		10,323,043

See Notes to Schedule of Investments

Schedule of Investments High Yield Strategies Fund Inc. (cont'd)

PRINCIPAL AMOUNT		VALUE [†]
Computer Hardware (0.6%)		
\$ 1,505,000	Seagate HDD Cayman, Guaranteed Notes, 7.00%, due 11/1/21	\$ 1,663,025
Consumer—Commercial Lease Financing (5.1%)		
190,000	CIT Group, Inc., Senior Unsecured Notes, 5.25%, due 3/15/18	205,438
1,215,000	CIT Group, Inc., Senior Unsecured Notes, 6.63%, due 4/1/18	1,377,506 ^ñ
2,600,000	CIT Group, Inc., Senior Unsecured Notes, 5.50%, due 2/15/19	2,814,500 ^ñ
935,000	CIT Group, Inc., Senior Unsecured Notes, 5.38%, due 5/15/20	1,001,619
765,000	Int'l Lease Finance Corp., Senior Unsecured Notes, 8.63%, due 9/15/15	851,062
1,370,000	Int'l Lease Finance Corp., Senior Unsecured Notes, 8.75%, due 3/15/17	1,609,750
1,640,000	Int'l Lease Finance Corp., Senior Unsecured Notes, 8.88%, due 9/1/17	1,945,450
540,000	Int'l Lease Finance Corp., Senior Unsecured Notes, 3.88%, due 4/15/18	541,350
1,420,000	Int'l Lease Finance Corp., Senior Unsecured Notes, 6.25%, due 5/15/19	1,547,800
1,110,000	Int'l Lease Finance Corp., Senior Unsecured Notes, 8.63%, due 1/15/22	1,343,100 ^ø
1,325,000	SLM Corp., Unsecured Medium-Term Notes, 5.50%, due 1/15/19	1,375,937
		14,613,512
Department Stores (1.8%)		
5,545,000	Sears Holdings Corp., Secured Notes, 6.63%, due 10/15/18	5,226,163
Electric—Generation (3.7%)		
445,000	Calpine Corp., Senior Secured Notes, 7.88%, due 7/31/20	486,162 ^ñ

395,000	Calpine Corp., Senior Secured Notes, 6.00%, due 1/15/22	409,813 ^ñ
225,000	Calpine Corp., Senior Secured Notes, 5.88%, due 1/15/24	225,563 ^ñ
565,000	NRG Energy, Inc., Guaranteed Notes, 7.63%, due 1/15/18	641,275
1,655,000	NRG Energy, Inc., Guaranteed Notes, 7.63%, due 5/15/19	1,762,575
2,775,000	NRG Energy, Inc., Guaranteed Notes, 8.25%, due 9/1/20	3,094,125
3,315,000	NRG Energy, Inc., Guaranteed Notes, 7.88%, due 5/15/21	3,663,075 ^{øø}
335,000	NRG Energy, Inc., Guaranteed Notes, 6.63%, due 3/15/23	346,306
		10,628,894
Electric—Integrated (0.1%)		
295,000	IPALCO Enterprises, Inc., Senior Secured Notes, 7.25%, due 4/1/16	324,500^ñ
Electronics (3.0%)		
170,000	Amkor Technology, Inc., Guaranteed Notes, 7.38%, due 5/1/18	179,988
1,380,000	Amkor Technology, Inc., Senior Unsecured Notes, 6.38%, due 10/1/22	1,359,300
1,655,000	Ceridian Corp., Guaranteed Notes, 11.25%, due 11/15/15	1,665,344
810,125	Ceridian Corp., Guaranteed Notes, 12.25%, due 11/15/15	815,188 ^c
760,000	Ceridian Corp., Senior Secured Notes, 8.88%, due 7/15/19	879,700 ^ñ
825,000	Flextronics Int'l Ltd., Guaranteed Notes, 5.00%, due 2/15/23	822,937
996,000	Freescale Semiconductor, Inc., Senior Secured Notes, 9.25%, due 4/15/18	1,076,925 ^ñ
870,000	Freescale Semiconductor, Inc., Guaranteed Notes, 8.05%, due 2/1/20	937,425

775,000	Freescall Semiconductor, Inc., Senior Secured Notes, 6.00%, due 1/15/22	783,719
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8,520,526

See Notes to Schedule of Investments

Schedule of Investments High Yield Strategies Fund Inc. (cont'd)

PRINCIPAL AMOUNT		VALUE†
Energy—Exploration & Production (13.9%)		
\$ 540,000	Antero Resources Finance Corp., Guaranteed Notes, 5.38%, due 11/1/21	\$ 548,775 ^ñ Ø
1,535,000	Chesapeake Energy Corp., Guaranteed Notes, 6.50%, due 8/15/17	1,719,200
1,060,000	Chesapeake Energy Corp., Guaranteed Notes, 6.63%, due 8/15/20	1,195,150
835,000	Chesapeake Energy Corp., Guaranteed Notes, 6.13%, due 2/15/21	912,238
500,000	Chesapeake Energy Corp., Guaranteed Notes, 5.75%, due 3/15/23	530,000
789,000	Concho Resources, Inc., Guaranteed Notes, 5.50%, due 4/1/23	818,588
520,000	Denbury Resources, Inc., Guaranteed Notes, 8.25%, due 2/15/20	572,000
4,287,000	EP Energy LLC/EP Energy Finance, Inc., Senior Unsecured Notes, 9.38%, due 5/1/20	4,951,485
1,025,000	EP Energy LLC/Everest Acquisition Finance, Inc., Guaranteed Notes, 7.75%, due 9/1/22	1,153,125
4,515,000	EXCO Resources, Inc., Guaranteed Notes, 7.50%, due 9/15/18	4,368,262 ^{ØØ}
3,425,000	Linn Energy LLC, Guaranteed Notes, 7.00%, due 11/1/19	3,416,437 ^ñ
1,255,000	Linn Energy LLC, Guaranteed Notes, 8.63%, due 4/15/20	1,336,575
3,635,000	Linn Energy LLC, Guaranteed Notes, 7.75%, due 2/1/21	3,753,137

4,075,000	Newfield Exploration Co., Senior Unsecured Notes, 5.75%, due 1/30/22	4,278,750
625,000	Newfield Exploration Co., Senior Unsecured Notes, 5.63%, due 7/1/24	637,500
590,000	Range Resources Corp., Guaranteed Notes, 5.75%, due 6/1/21	628,350
1,085,000	Rosetta Resources, Inc., Guaranteed Notes, 5.63%, due 5/1/21	1,095,850
3,995,000	SandRidge Energy, Inc., Guaranteed Notes, 7.50%, due 3/15/21	4,234,700
1,080,000	SandRidge Energy, Inc., Guaranteed Notes, 8.13%, due 10/15/22	1,150,200
530,000	SandRidge Energy, Inc., Guaranteed Notes, 7.50%, due 2/15/23	549,875
910,000	Whiting Petroleum Corp., Guaranteed Notes, 5.00%, due 3/15/19	946,400
945,000	WPX Energy, Inc., Senior Unsecured Notes, 6.00%, due 1/15/22	992,250
		39,788,847
Food & Drug Retailers (1.1%)		
560,000	Rite Aid Corp., Secured Notes, 10.25%, due 10/15/19	629,300
750,000	Rite Aid Corp., Guaranteed Notes, 9.25%, due 3/15/20	866,250
1,442,000	Rite Aid Corp., Senior Secured Notes, 8.00%, due 8/15/20	1,616,843
		3,112,393
Food—Wholesale (0.1%)		
348,000	US Foods, Inc., Guaranteed Notes, 8.50%, due 6/30/19	373,230
Gaming (7.5%)		
1,055,000	Ameristar Casinos, Inc., Guaranteed Notes, 7.50%, due 4/15/21	1,157,862
815,000	CityCenter Holdings LLC, Senior Secured Notes, 7.63%, due 1/15/16	856,973
330,000		336,600 ^{nØ}

	GLP Capital L.P./GLP Financing II, Inc., Guaranteed Notes, 4.38%, due 11/1/18	
760,000	GLP Capital L.P./GLP Financing II, Inc., Guaranteed Notes, 4.88%, due 11/1/20	765,700 ^ñ
670,000	GLP Capital L.P./GLP Financing II, Inc., Guaranteed Notes, 5.38%, due 11/1/23	676,700 ^ñ
3,085,000	Graton Economic Development Authority, Senior Secured Notes, 9.63%, due 9/1/19	3,447,487 ^ñ
435,000	MGM Resorts Int'l, Guaranteed Notes, 7.63%, due 1/15/17	494,813
615,000	MGM Resorts Int'l, Guaranteed Notes, 7.75%, due 3/15/22	696,488 ⁰⁰
1,305,000	Mohegan Tribal Gaming Authority, Guaranteed Notes, 11.00%, due 9/15/18	1,308,262 ^ñ
2,370,000	Mohegan Tribal Gaming Authority, Senior Unsecured Notes, 9.75%, due 9/1/21	2,553,675 ^ñ
1,520,000	Peninsula Gaming LLC, Guaranteed Notes, 8.38%, due 2/15/18	1,656,800 ^ñ
1,210,000	Pinnacle Entertainment, Inc., Guaranteed Notes, 7.75%, due 4/1/22	1,323,437
960,000	PNK Finance Corp., Guaranteed Notes, 6.38%, due 8/1/21	1,008,000 ^ñ
1,090,000	Seminole Indian Tribe of Florida, Senior Secured Notes, 7.75%, due 10/1/17	1,156,763 ^ñ
1,870,000	Station Casinos LLC, Guaranteed Notes, 7.50%, due 3/1/21	2,005,575
1,916,000	Wynn Las Vegas LLC, Unsecured Notes, 7.75%, due 8/15/20	2,160,290
		21,605,425

See Notes to Schedule of Investments

Schedule of Investments High Yield Strategies Fund Inc. (cont'd)

PRINCIPAL AMOUNT		VALUE [†]
Gas Distribution (6.1%)		
\$ 420,000	Access Midstream Partners L.P., Guaranteed Notes, 5.88%, due 4/15/21	\$ 450,450
900,000	Access Midstream Partners L.P., Guaranteed Notes, 6.13%, due 7/15/22	965,250
815,000	Access Midstream Partners L.P., Guaranteed Notes, 4.88%, due 5/15/23	810,925
2,090,000	AmeriGas Finance LLC, Guaranteed Notes, 6.75%, due 5/20/20	2,278,100
2,207,000	AmeriGas Finance LLC, Guaranteed Notes, 7.00%, due 5/20/22	2,383,560
1,120,000	El Paso Corp., Senior Secured Global Medium-Term Notes, 7.80%, due 8/1/31	1,155,795
960,000	Energy Transfer Equity L.P., Senior Secured Notes, 7.50%, due 10/15/20	1,108,800 ^{ØØ}
1,990,000	Ferrellgas L.P., Senior Unsecured Notes, 9.13%, due 10/1/17	2,091,490
1,460,000	Ferrellgas L.P., Senior Unsecured Notes, 6.75%, due 1/15/22	1,489,200 ^{nØ}
853,000	MarkWest Energy Partners L.P., Guaranteed Notes, 4.50%, due 7/15/23	827,410
1,500,000	Regency Energy Partners L.P., Guaranteed Notes, 6.88%, due 12/1/18	1,620,000
270,000	Regency Energy Partners L.P., Guaranteed Notes, 4.50%, due 11/1/23	249,750 ⁿ
510,000	Regency Energy Partners L.P./Regency Energy Finance Corp., Guaranteed Notes, 5.50%, due 4/15/23	508,725
958,000	Suburban Propane Partners L.P./Suburban Energy Finance Corp.,	1,028,652

	Senior Unsecured Notes, 7.50%, due 10/1/18		
487,000	Suburban Propane Partners L.P./Suburban Energy Finance Corp., Senior Unsecured Notes, 7.38%, due 8/1/21	524,743	
		17,492,850	
Health Facilities (10.1%)			
1,140,000	CHS/Community Health Systems, Inc., Senior Secured Notes, 5.13%, due 8/15/18	1,185,600	
350,000	CHS/Community Health Systems, Inc., Guaranteed Notes, 8.00%, due 11/15/19	379,313	
695,000	Columbia Healthcare Corp., Senior Unsecured Notes, 7.50%, due 12/15/23	740,175	
5,000,000	Columbia/HCA Corp., Senior Unsecured Notes, 7.69%, due 6/15/25	5,262,500	
545,000	Columbia/HCA Corp., Senior Unsecured Notes, 7.05%, due 12/1/27	532,737	
1,370,000	DaVita HealthCare Partners, Inc., Guaranteed Notes, 5.75%, due 8/15/22	1,405,962	
600,000	HCA Holdings, Inc., Senior Unsecured Notes, 6.25%, due 2/15/21	630,000	
2,810,000	IASIS Healthcare LLC/IASIS Capital Corp., Guaranteed Notes, 8.38%, due 5/15/19	2,978,600	
705,000	OMEGA Healthcare Investors, Inc., Guaranteed Notes, 7.50%, due 2/15/20	771,975	
2,090,000	OMEGA Healthcare Investors, Inc., Guaranteed Notes, 6.75%, due 10/15/22	2,288,550	
1,375,000	Tenet Healthcare Corp., Senior Secured Notes, 6.25%, due 11/1/18	1,505,625	
1,855,000	Tenet Healthcare Corp., Senior Unsecured Notes, 6.75%, due 2/1/20	1,919,925	

970,000	Tenet Healthcare Corp., Senior Secured Notes, 6.00%, due 10/1/20	1,025,775 ^ñ
825,000	Tenet Healthcare Corp., Senior Secured Notes, 4.50%, due 4/1/21	800,250
505,000	Tenet Healthcare Corp., Senior Secured Notes, 4.38%, due 10/1/21	484,800 ^ñ
3,675,000	Tenet Healthcare Corp., Senior Unsecured Notes, 8.13%, due 4/1/22	4,024,125 ^ñ
1,000,000	Tenet Healthcare Corp., Senior Unsecured Notes, 6.88%, due 11/15/31	880,000
1,890,000	United Surgical Partners Int'l, Inc., Guaranteed Notes, 9.00%, due 4/1/20	2,116,800
		28,932,712
Health Services (0.6%)		
1,040,000	Emergency Medical Services Corp., Guaranteed Notes, 8.13%, due 6/1/19	1,129,752
675,000	Healthcare Technology Intermediate, Inc., Senior Unsecured Notes, 7.38%, due 9/1/18	697,781 ^{ñc}
		1,827,533
Investments & Misc. Financial Services (0.7%)		
1,920,000	Icahn Enterprises L.P., Guaranteed Notes, 8.00%, due 1/15/18	2,013,600
Leisure (0.6%)		
1,155,000	Cedar Fair L.P., Guaranteed Notes, 9.13%, due 8/1/18	1,264,725
535,000	Cedar Fair L.P., Guaranteed Notes, 5.25%, due 3/15/21	526,975 ^ñ
		1,791,700

See Notes to Schedule of Investments

Schedule of Investments High Yield Strategies Fund Inc. (cont'd)

PRINCIPAL AMOUNT		VALUE†
Machinery (1.7%)		
\$ 2,655,000	Case New Holland, Inc., Guaranteed Notes, 7.88%, due 12/1/17	\$ 3,142,856 ⁰⁰
725,000	Terex Corp., Guaranteed Notes, 6.00%, due 5/15/21	757,625
910,000	The Manitowoc Co., Inc., Guaranteed Notes, 8.50%, due 11/1/20	1,032,850
		4,933,331
Managed Care (0.5%)		
1,285,000	MPH Intermediate Holding Co. 2, Senior Unsecured Notes, 8.38%, due 8/1/18	1,334,794^{nc}
Media—Broadcast (4.5%)		
797,000	AMC Networks, Inc., Guaranteed Notes, 7.75%, due 7/15/21	896,625
1,210,000	AMC Networks, Inc., Guaranteed Notes, 4.75%, due 12/15/22	1,170,675
815,000	Clear Channel Communications, Inc., Senior Secured Notes, 9.00%, due 12/15/19	827,225
4,367,000	Clear Channel Communications, Inc., Senior Secured Notes, 11.25%, due 3/1/21	4,689,066
2,200,000	Cumulus Media Holdings, Inc., Guaranteed Notes, 7.75%, due 5/1/19	2,321,000
1,120,000	Sirius XM Radio, Inc., Guaranteed Notes, 5.75%, due 8/1/21	1,142,400 ⁿ
1,205,000	Univision Communications, Inc., Senior Secured Notes, 6.88%, due 5/15/19	1,298,388 ⁿ
375,000	Univision Communications, Inc., Senior Secured Notes, 7.88%, due 11/1/20	416,250 ⁿ
		12,761,629
Media—Cable (5.6%)		
1,040,000	CCO Holdings LLC, Guaranteed Notes, 8.13%, due 4/30/20	1,138,800

2,037,000	Cequel Communications Escrow I LLC/Cequel Communications Escrow Capital Corp., Senior Unsecured Notes, 6.38%, due 9/15/20	2,113,387 ^ñ
990,000	Cequel Communications Escrow I LLC/Cequel Communications Escrow Capital Corp., Senior Unsecured Notes, 5.13%, due 12/15/21	960,300 ^ñ
615,000	CSC Holdings LLC, Senior Unsecured Notes, 7.63%, due 7/15/18	708,788
5,980,000	DISH DBS Corp., Guaranteed Notes, 5.13%, due 5/1/20	6,054,750
1,365,000	DISH DBS Corp., Guaranteed Notes, 6.75%, due 6/1/21	1,477,612
515,000	DISH DBS Corp., Guaranteed Notes, 5.88%, due 7/15/22	527,231
730,000	DISH DBS Corp., Guaranteed Notes, 5.00%, due 3/15/23	698,063
320,000	UPC Holding BV, Secured Notes, 9.88%, due 4/15/18	346,400 ^ñ
1,115,000	UPCB Finance III Ltd., Senior Secured Notes, 6.63%, due 7/1/20	1,190,263 ^ñ
685,000	Virgin Media Secured Finance PLC, Senior Secured Notes, 5.38%, due 4/15/21	688,425 ^ñ
		15,904,019
Media—Services (1.4%)		
1,190,000	Clear Channel Worldwide Holdings, Inc., Guaranteed Notes, Ser. B, 7.63%, due 3/15/20	1,270,325
1,800,000	Clear Channel Worldwide Holdings, Inc., Guaranteed Notes, Ser. B, 6.50%, due 11/15/22	1,890,000
495,000	Clear Channel Worldwide Holdings, Inc., Guaranteed Notes, Ser. A, 6.50%, due 11/15/22	514,800
230,000		241,500 ^ñ

WMG Acquisition Corp., Senior Secured Notes, 6.00%, due 1/15/21			
			3,916,625
Medical Products (1.0%)			
1,208,000	Biomet, Inc., Guaranteed Notes, 6.50%, due 8/1/20	1,283,500	
235,000	DJO Finance LLC/DJO Finance Corp., Guaranteed Notes, 7.75%, due 4/15/18	237,350	
505,000	DJO Finance LLC/DJO Finance Corp., Guaranteed Notes, 9.88%, due 4/15/18	541,613	
645,000	Hologic, Inc., Guaranteed Notes, 6.25%, due 8/1/20	685,312	
			2,747,775

See Notes to Schedule of Investments

Schedule of Investments High Yield Strategies Fund Inc. (cont'd)

PRINCIPAL AMOUNT		VALUE [†]
Metals—Mining Excluding Steel (4.0%)		
\$ 1,315,000	Alpha Natural Resources, Inc., Guaranteed Notes, 9.75%, due 4/15/18	\$ 1,354,450
2,190,000	Alpha Natural Resources, Inc., Guaranteed Notes, 6.00%, due 6/1/19	1,883,400
1,295,000	Alpha Natural Resources, Inc., Guaranteed Notes, 6.25%, due 6/1/21	1,097,512
275,000	Arch Coal, Inc., Guaranteed Notes, 8.75%, due 8/1/16	275,000
1,735,000	Arch Coal, Inc., Guaranteed Notes, 9.88%, due 6/15/19	1,474,750
347,000	Arch Coal, Inc., Guaranteed Notes, 7.25%, due 10/1/20	264,154
1,060,000	Arch Coal, Inc., Guaranteed Notes, 7.25%, due 6/15/21	808,250
780,000	FMG Resources (August 2006) Pty Ltd., Guaranteed Notes, 7.00%, due 11/1/15	809,250 ^ñ
615,000	FMG Resources (August 2006) Pty Ltd., Guaranteed Notes, 8.25%, due 11/1/19	682,650 ^ñ
1,035,000	Peabody Energy Corp., Guaranteed Notes, 6.00%, due 11/15/18	1,091,925
1,400,000	Walter Energy, Inc., Senior Secured Notes, 9.50%, due 10/15/19	1,477,000 ^ñ
390,000	Walter Energy, Inc., Guaranteed Notes, 8.50%, due 4/15/21	330,525 ^ñ
		11,548,866
Packaging (5.8%)		
5,055,000	Berry Plastics Corp., Secured Notes, 9.75%, due 1/15/21	5,939,625 ^{øø}
1,125,000	Reynolds Group Issuer, Inc., Guaranteed Notes, 8.50%, due 5/15/18	1,192,500

275,000	Reynolds Group Issuer, Inc., Guaranteed Notes, 9.00%, due 4/15/19	294,250
2,680,000	Reynolds Group Issuer, Inc., Senior Secured Notes, 7.88%, due 8/15/19	2,961,400
3,465,000	Reynolds Group Issuer, Inc., Guaranteed Notes, 9.88%, due 8/15/19	3,833,156
930,000	Reynolds Group Issuer, Inc., Senior Secured Notes, 5.75%, due 10/15/20	960,225
905,000	Reynolds Group Issuer, Inc., Senior Secured Notes, 6.88%, due 2/15/21	981,925
550,000	Reynolds Group Issuer, Inc., Guaranteed Notes, 8.25%, due 2/15/21	572,000
		16,735,081
Pharmaceuticals (3.8%)		
770,000	Endo Pharmaceuticals Holdings, Inc., Guaranteed Notes, 7.00%, due 7/15/19	821,975
540,000	Jaguar Holding Co., Senior Unsecured Notes, 9.38%, due 10/15/17	572,400 ^{ñc}
1,695,000	Jaguar Holding Co. II/Jaguar Merger Sub, Inc., Senior Unsecured Notes, 9.50%, due 12/1/19	1,902,637 ^ñ
465,000	Valeant Pharmaceuticals Int'l, Guaranteed Notes, 6.50%, due 7/15/16	481,275 ^ñ
855,000	Valeant Pharmaceuticals Int'l, Guaranteed Notes, 6.75%, due 10/1/17	919,125 ^ñ
768,000	Valeant Pharmaceuticals Int'l, Guaranteed Notes, 6.88%, due 12/1/18	820,800 ^ñ
4,380,000	VPI Escrow Corp., Guaranteed Notes, 6.38%, due 10/15/20	4,675,650 ^ñ
750,000	VP II Escrow Corp., Senior Unsecured Notes, 6.75%, due 8/15/18	821,250 ^ñ
		11,015,112

Printing & Publishing (4.6%)

920,000	Gannett Co., Inc., Guaranteed Notes, 9.38%, due 11/15/17	967,150
840,000	Gannett Co., Inc., Guaranteed Notes, 7.13%, due 9/1/18	903,000
1,740,000	Gannett Co., Inc., Guaranteed Notes, 5.13%, due 10/15/19	1,800,900 ^ñ
1,130,000	Gannett Co., Inc., Guaranteed Notes, 5.13%, due 7/15/20	1,155,425 ^ñ
1,450,000	R. R. Donnelley & Sons Co., Senior Unsecured Notes, 7.25%, due 5/15/18	1,634,875
2,610,000	R. R. Donnelley & Sons Co., Senior Unsecured Notes, 8.25%, due 3/15/19	3,001,500
1,755,000	R. R. Donnelley & Sons Co., Senior Unsecured Notes, 7.63%, due 6/15/20	1,939,275
950,000	R. R. Donnelley & Sons Co., Senior Unsecured Notes, 7.88%, due 3/15/21	1,059,250
740,000	R. R. Donnelley & Sons Co., Senior Unsecured Notes, 7.00%, due 2/15/22	784,400
		13,245,775

Real Estate Dev. & Mgt. (0.4%)

1,100,000	Realogy Group LLC, Senior Secured Notes, 7.63%, due 1/15/20	1,226,500^ñ
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See Notes to Schedule of Investments

Schedule of Investments High Yield Strategies Fund Inc. (cont'd)

PRINCIPAL AMOUNT		VALUE†
Software—Services (7.2%)		
\$ 865,000	Activision Blizzard, Inc., Guaranteed Notes, 5.63%, due 9/15/21	\$ 895,275 ^ñ
658,000	First Data Corp., Guaranteed Notes, 11.25%, due 3/31/16	661,290 ^{øø}
1,055,000	First Data Corp., Senior Secured Notes, 7.38%, due 6/15/19	1,135,444 ^ñ
1,140,000	First Data Corp., Senior Secured Notes, 6.75%, due 11/1/20	1,206,975 ^ñ
2,630,000	First Data Corp., Guaranteed Notes, 11.25%, due 1/15/21	2,889,712 ^ñ
3,490,000	First Data Corp., Guaranteed Notes, 12.63%, due 1/15/21	4,026,587
1,310,000	First Data Corp., Guaranteed Notes, 10.63%, due 6/15/21	1,406,613 ^ñ
850,000	First Data Corp., Guaranteed Notes, 11.75%, due 8/15/21	864,875 ^{ñø}
4,010,000	Sophia, L.P., Guaranteed Notes, 9.75%, due 1/15/19	4,370,900 ^ñ
1,810,000	SunGard Data Systems, Inc., Guaranteed Notes, 6.63%, due 11/1/19	1,891,450
515,000	SunGard Data Systems, Inc., Guaranteed Notes, 7.63%, due 11/15/20	560,706
690,000	Syniverse Holdings, Inc., Guaranteed Notes, 9.13%, due 1/15/19	746,925
		20,656,752
Specialty Retail (1.3%)		
825,000	L Brands, Inc., Guaranteed Notes, 5.63%, due 10/15/23	843,563
1,085,000		1,120,263 ^{ñc}

	Michaels FinCo Holdings LLC / Michaels FinCo, Inc., Senior Unsecured Notes, 7.50%, due 8/1/18	
1,685,000	Party City Holdings, Inc., Guaranteed Notes, 8.88%, due 8/1/20	1,840,862 ^ñ
		3,804,688
Steel Producers—Products (2.2%)		
920,000	ArcelorMittal, Senior Unsecured Notes, 6.13%, due 6/1/18	998,200
3,435,000	ArcelorMittal, Senior Unsecured Notes, 5.75%, due 8/5/20	3,623,925
1,600,000	ArcelorMittal, Senior Unsecured Notes, 7.50%, due 10/15/39	1,580,000
		6,202,125
Support—Services (4.5%)		
595,000	ADT Corp., Senior Unsecured Notes, 6.25%, due 10/15/21	631,444 ^ñ
730,000	Hertz Corp., Guaranteed Notes, 5.88%, due 10/15/20	768,325
1,220,000	Iron Mountain, Inc., Guaranteed Notes, 7.75%, due 10/1/19	1,355,725
450,000	Iron Mountain, Inc., Senior Subordinated Notes, 8.38%, due 8/15/21	486,000
830,000	Iron Mountain, Inc., Guaranteed Notes, 5.75%, due 8/15/24	792,650
1,240,000	Knowledge Learning Corp., Inc., Guaranteed Notes, 7.75%, due 2/1/15	1,221,400 ^ñ
2,815,000	ServiceMaster Co., Guaranteed Notes, 8.00%, due 2/15/20	2,885,375
2,790,000	ServiceMaster Co., Guaranteed Notes, 7.00%, due 8/15/20	2,748,150
1,010,000	United Rental N.A., Inc., Senior Unsecured	1,143,825

	Notes, 8.25%, due 2/1/21	
750,000	United Rental N.A., Inc., Guaranteed Notes, 7.38%, due 5/15/20	836,250
		12,869,144

See Notes to Schedule of Investments

Schedule of Investments High Yield Strategies Fund Inc. (cont'd)

PRINCIPAL AMOUNT		VALUE [†]
Telecom—Integrated Services (11.6%)		
\$ 4,000,000	CenturyLink, Inc., Senior Unsecured Notes, Ser. P, 7.60%, due 9/15/39	\$ 3,720,000
2,569,000	Citizens Communications Co., Senior Unsecured Notes, 9.00%, due 8/15/31	2,658,915 ^{ØØ}
665,000	Frontier Communications Corp., Senior Unsecured Notes, 7.63%, due 4/15/24	701,575
810,000	Hughes Satellite Systems Corp., Senior Secured Notes, 6.50%, due 6/15/19	868,725
1,035,000	Intelsat Jackson Holdings SA, Guaranteed Notes, 8.50%, due 11/1/19	1,135,913
2,280,000	Intelsat Jackson Holdings SA, Guaranteed Notes, 5.50%, due 8/1/23	2,200,200 ^ñ
1,055,000	Intelsat Luxembourg SA, Guaranteed Notes, 7.75%, due 6/1/21	1,113,025 ^ñ
1,295,000	Intelsat Luxembourg SA, Guaranteed Notes, 8.13%, due 6/1/23	1,369,463 ^ñ
355,000	Level 3 Communications, Inc., Senior Unsecured Notes, 8.88%, due 6/1/19	387,394
2,231,000	Level 3 Financing, Inc., Guaranteed Notes, 9.38%, due 4/1/19	2,493,142
2,040,000	Level 3 Financing, Inc., Guaranteed Notes, 8.13%, due 7/1/19	2,249,100
1,750,000	Level 3 Financing, Inc., Guaranteed Notes, 8.63%, due 7/15/20	1,981,875
340,000	Level 3 Financing, Inc., Guaranteed Notes, 6.13%, due 1/15/21	345,950 ^{ñØ}
1,874,000	Qwest Corp., Senior Unsecured Notes, 6.88%, due 9/15/33	1,817,780
1,650,000	tw telecom holdings, Inc., Senior Unsecured Notes, 5.38%, due 10/1/22	1,645,875 ^ñ
1,755,000		2,007,281

	Windstream Corp., Guaranteed Notes, 7.88%, due 11/1/17	
1,535,000	Windstream Corp., Guaranteed Notes, 7.75%, due 10/15/20	1,646,287
210,000	Windstream Corp., Guaranteed Notes, 7.75%, due 10/1/21	224,175 ^ñ
1,610,000	Windstream Corp., Guaranteed Notes, 7.75%, due 10/1/21	1,718,675
2,065,000	Windstream Corp., Guaranteed Notes, 7.50%, due 6/1/22	2,163,087
736,000	Windstream Corp., Guaranteed Notes, 6.38%, due 8/1/23	713,920
		33,162,357
Telecom—Wireless (6.9%)		
870,000	MetroPCS Wireless, Inc., Guaranteed Notes, 6.25%, due 4/1/21	910,238 ^ñ
495,000	MetroPCS Wireless, Inc., Guaranteed Notes, 6.63%, due 4/1/23	517,894 ^ñ
455,000	SBA Telecommunications, Inc., Guaranteed Notes, 5.75%, due 7/15/20	473,200
1,805,000	Sprint Capital Corp., Guaranteed Notes, 6.88%, due 11/15/28	1,714,750 ^{oo}
2,440,000	Sprint Capital Corp., Guaranteed Notes, 8.75%, due 3/15/32	2,641,300
3,505,000	Sprint Corp., Guaranteed Notes, 7.25%, due 9/15/21	3,776,637 ^ñ
1,605,000	Sprint Corp., Guaranteed Notes, 7.88%, due 9/15/23	1,741,425 ^ñ
475,000	Sprint Nextel Corp., Guaranteed Notes, 9.00%, due 11/15/18	575,938 ^ñ
895,000	Sprint Nextel Corp., Senior Unsecured Notes, 7.00%, due 8/15/20	959,887
1,040,000	T-Mobile USA, Inc., Guaranteed Notes, 6.46%, due 4/28/19	1,102,400
1,945,000	T-Mobile USA, Inc., Guaranteed Notes, 6.54%, due 4/28/20	2,061,700

1,300,000	T-Mobile USA, Inc., Guaranteed Notes, 6.63%, due 4/28/21	1,374,750
1,105,000	T-Mobile USA, Inc., Guaranteed Notes, 6.73%, due 4/28/22	1,167,156
650,000	T-Mobile USA, Inc., Guaranteed Notes, 6.84%, due 4/28/23	687,375
		19,704,650
	Total Corporate Debt Securities (Cost \$371,776,256)	386,217,583
NUMBER OF SHARES		
Short-Term Investments (0.5%)		
1,391,887	State Street Institutional Liquid Reserves Fund Institutional Class (Cost \$1,391,887)	1,391,887
	Total Investments (141.4%) (Cost \$390,718,935)	405,476,953^{##}
	Liabilities, less cash, receivables and other assets [(29.2%)]	(83,818,925) [±]
	Liquidation Value of Mandatory Redeemable Preferred Shares [(12.2%)]	(35,000,000)
	Total Net Assets Applicable to Common Shareholders (100.0%)	\$ 286,658,028

See Notes to Schedule of Investments

Notes to Schedule of Investments

† In accordance with Accounting Standards Codification ("ASC") 820 "Fair Value Measurements and Disclosures" ("ASC 820"), all investments held by Neuberger Berman High Yield Strategies Fund Inc. (the "Fund") are carried at the value that Neuberger Berman Management LLC ("Management") believes the Fund would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment under current market conditions. Various inputs, including the volume and level of activity for the asset or liability in the market, are considered in valuing the Fund's investments, some of which are discussed below. Significant management judgment may be necessary to value investments in accordance with ASC 820.

ASC 820 established a three-tier hierarchy of inputs to create a classification of value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, amortized cost, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing an investment are not necessarily an indication of the risk associated with investing in those securities.

The value of the Fund's investments in debt securities is determined by Management primarily by obtaining valuations from independent pricing services based on readily available bid quotations, or if quotations are not available, by methods which include various considerations based on security type (generally Level 2 inputs). In addition to the consideration of yields or prices of securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions, the following is a description of other Level 2 inputs and related valuation techniques used by an independent pricing service to value certain types of debt securities of the Fund:

Corporate Debt Securities. Inputs used to value corporate debt securities generally include relative credit information, observed market movements, sector news, spread to the U.S. Treasury market, and other market information which may include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers, and reference data, such as market research publications, when available ("Other Market Information").

High Yield Securities. Inputs used to value high yield securities generally include a number of observations of equity and credit default swap curves related to the issuer and Other Market Information.

The value of bank loan securities is determined by Management primarily by obtaining valuations from independent pricing services based on broker quotes (generally Level 2 or Level 3 inputs depending on the number of quotes available).

The value of the Fund's investments in interest rate swap contracts is determined by Management primarily by obtaining valuations from independent pricing services based on references to the underlying rates including the overnight index swap rate and London Interbank Offered Rate ("LIBOR") forward rate to produce the daily settlement price (generally Level 2 inputs).

Management has developed a process to periodically review information provided by independent pricing services for all types of securities.

Investments in investment companies are valued using the respective fund's daily calculated net asset value per share (Level 2 inputs).

See Notes to Financial Statements

Notes to Schedule of Investments (cont'd)

If a valuation is not available from an independent pricing service, or if Management has reason to believe that the valuation received does not represent the amount the Fund might reasonably expect to receive on a current sale in an orderly transaction, the Fund seeks to obtain quotations from principal market makers (generally considered Level 3 inputs). If such quotations are not readily available, the security is valued using methods the Fund's Board of Directors (the "Board") has approved on the belief that they reflect fair value. Numerous factors may be considered when determining the fair value of a security based on Level 2 or 3 inputs, including available analyst, media or other reports, trading in futures or American Depositary Receipts ("ADRs") and whether the issuer of the security being fair valued has other securities outstanding.

Fair value prices are necessarily estimates, and there is no assurance that such a price will be at or close to the price at which the security is next quoted or next trades.

The following is a summary, categorized by Level, of inputs used to value the Fund's investments as of October 31, 2013:

Asset Valuation Inputs

Investments:	Level 1	Level 2	Level 3[§]	Total
Bank	\$ —	\$ 17,867,483	\$ —	\$ 17,867,483
Loan				
Obligations [^]				
Corporate Debt Securities				
Airlines	—	1,117,550	1,508,616	2,626,166
Other	—	383,591,417	—	383,591,417
Corporate				
Debt				
Securities [^]				
Total	—	384,708,967	1,508,616	386,217,583
Corporate				
Debt				
Securities				
Short-Term	—	1,391,887	—	1,391,887
Investments				
Total	\$ —	\$403,968,337	\$1,508,616	\$ 405,476,953
Investments				

[^] The Schedule of Investments provides information on the industry categorization for the portfolio.

[§] The following is a reconciliation between the beginning and ending balances of investments in which significant unobservable inputs (Level 3) were used in determining value:

Beginning	Accrued	Realized	Change	Purchases	Sales	Transfers	Balance as	Net
balanced	discounts	gain/(loss)	in			in	of 10/31/13	change
as	(premiums)		unrealized			to		in
of 11/1/12			appreciation/			Level		unrealized
			(depreciation)			3		appreciation/
						3		(depreciation)
								from
								investments

**still held
as of
10/31/13**

**Investments in
Securities:**

Corporate Debt

Securities

Airline	\$885,996	\$ —	\$ (4,687)	\$ 1,189	\$815,000	\$ (188,882)	\$ —	\$ —	\$1,508,616	\$ 1,189
Total	\$885,996	\$ —	\$ (4,687)	\$ 1,189	\$815,000	\$ (188,882)	\$ —	\$ —	\$1,508,616	\$ 1,189

Securities categorized as Level 3 are valued based on a single quotation obtained from a dealer. The Fund does not have access to unobservable inputs and therefore cannot disclose inputs used in formulating such quotation.

The Fund had no transfers between Levels 1, 2 and 3 during the year ended October 31, 2013.

See Notes to Financial Statements

Notes to Schedule of Investments (cont'd)

Liability Valuation Inputs

The following is a summary, categorized by Level, of inputs used to value the Fund's derivatives as of October 31, 2013:

	Level 1	Level 2	Level 3	Total
Interest rate swap contracts	\$ —	\$(2,760,199)	\$ —	\$(2,760,199)

At October 31, 2013, the cost of investments for U.S. federal income tax purposes was \$390,727,121. Gross unrealized appreciation of investments was \$16,956,591 and gross unrealized depreciation of investments was \$2,206,759, resulting in net unrealized appreciation of \$14,749,832 based on cost for U.S. federal income tax purposes.

ñ Securities were purchased under Rule 144A of the Securities Act of 1933, as amended (the "1933 Act"), or are private placements and, unless registered under the 1933 Act or exempted from registration, may only be sold to qualified institutional investors. These securities have been deemed by the investment manager to be liquid. At October 31, 2013, these securities amounted to \$101,702,739 or 35.5% of net assets applicable to common shareholders.

Ø All or a portion of this security was purchased on a when-issued basis. At October 31, 2013 these securities amounted to \$4,341,594 or 1.5% of net assets applicable to common shareholders.

ØØ All or a portion of this security is segregated in connection with obligations for interest rate swap contracts, when-issued purchase commitments and delayed delivery purchase commitments. In addition, the Fund had deposited \$2,601,020 in a segregated account for interest rate swap contracts.

μ Floating rate securities are securities whose yields vary with a designated market index or market rate. These securities are shown at their current rates as of October 31, 2013 and at their final maturity dates.

c Payment-in-kind security for which part of the income earned may be paid as additional principal.

¢ All or a portion of this security was purchased on a delayed delivery basis.

^^ All or a portion of this security has not settled as of October 31, 2013 and thus does not have an interest rate in effect. Interest rates do not take effect until settlement.

± See Note A-10 in the Notes to Financial Statements for the Fund's open positions in derivatives at October 31, 2013.

See Notes to Financial Statements

Statement of Assets and Liabilities

Neuberger Berman

**HIGH YIELD
STRATEGIES
FUND INC.
October 31, 2013**

Assets

Investments in securities, at value* (Note A)—see Schedule of Investments:

Unaffiliated issuers	\$ 405,476,953
-------------------------	----------------

Cash	504,595
------	---------

Deposits with brokers for open swap contracts	2,601,020
--	-----------

Interest receivable	7,256,337
------------------------	-----------

Receivable for securities sold	7,112,803
--------------------------------------	-----------

Prepaid expenses and other assets	134,466
---	---------

Total Assets	423,086,174
---------------------	--------------------

Liabilities

Notes payable (Note A)	90,000,000
------------------------------	------------

Mandatory Redeemable Preferred Shares Series B (\$25,000 liquidation value per share; 1,400 shares issued and outstanding) (Note A)	35,000,000
--	------------

Interest rate swaps, at value (Note A)	2,760,199
---	-----------

Distributions payable—preferred shares	82,385
--	--------

Distributions payable—common shares	54,409
Payable for securities purchased	8,021,358
Payable to investment manager (Note B)	206,996
Payable to administrator (Note B)	17,250
Payable to directors	2,525
Interest payable	115,848
Accrued expenses and other payables	167,176
Total Liabilities	136,428,146
Net Assets applicable to Common Shareholders	\$ 286,658,028
Net Assets applicable to Common Shareholders consist of:	
Paid-in capital—common shares	\$ 293,354,841
Undistributed net investment income (loss)	324,506
Accumulated net realized gains (losses) on investments	(19,019,138)
Net unrealized appreciation (depreciation) in value of investments	11,997,819
Net Assets applicable to Common Shareholders	\$ 286,658,028
	19,540,585

**Common
Shares
Outstanding
(no par
value;
unlimited
number of
shares
authorized)**

**Net Asset
Value Per
Common
Share**

Outstanding

\$ 14.67

***Cost of**

Investments

\$ 390,718,935

See Notes to Financial Statements

Statement of Operations

Neuberger Berman

**HIGH YIELD
STRATEGIES
FUND INC.
For the Year
Ended
October 31,
2013**

Investment Income:

Income (Note A):

Interest and other income—unaffiliated issuers	\$ 27,326,168
--	---------------

Expenses:

Investment management fees (Note B)	2,352,324
-------------------------------------	-----------

Administration fees (Note B)	196,027
------------------------------	---------

Audit fees	70,150
------------	--------

Basic maintenance expense (Note A)	25,000
------------------------------------	--------

Custodian and accounting fees	151,917
-------------------------------	---------

Insurance expense	10,448
-------------------	--------

Legal fees	105,598
------------	---------

Shareholder reports	71,143
---------------------	--------

Stock exchange listing fees	10,439
-----------------------------	--------

Stock transfer agent fees	24,909
---------------------------	--------

Interest expense (Note A)	1,637,863
---------------------------	-----------

Distributions to mandatory redeemable preferred shareholders (Note A)	113,347
---	---------

Directors' fees and expenses	45,241
------------------------------	--------

Miscellaneous	26,851
---------------	--------

Total expenses	4,841,257
----------------	-----------

Expenses reduced by custodian fee expense offset arrangement (Note A)	(156)
---	-------

Total net expenses	4,841,101
--------------------	-----------

Net investment income (loss)	\$ 22,485,067
------------------------------	---------------

Realized and Unrealized Gain (Loss) on Investments (Note A):**Net realized gain (loss) on:**

Sales of investment securities of unaffiliated issuers	11,381,297
--	------------

Interest rate swap contracts	(1,316,544)
------------------------------	-------------

Change in net unrealized appreciation (depreciation) in value of:

Unaffiliated investment securities	832,370
------------------------------------	---------

Interest rate swap contracts	1,012,088
------------------------------	-----------

Net gain (loss) on investments	11,909,211
Distributions to Perpetual Preferred Shareholders	(768,900)
Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations	\$ 33,625,378
See Notes to Financial Statements	

Statements of Changes in Net Assets

Neuberger Berman

	HIGH YIELD STRATEGIES FUND INC.	
	Year Ended	Year Ended
	October 31, 2013	October 31, 2012
Increase (Decrease) in Net Assets Applicable to Common Shareholders:		
From Operations (Note A):		
Net investment income (loss)	\$ 22,485,067	\$ 22,914,407
Net realized gain (loss) on investments	10,064,753	8,729,411
Change in net unrealized appreciation (depreciation) of investments	1,844,458	11,146,390
Distributions to Perpetual Preferred Shareholders From (Note A):		
Net investment income	(768,900)	(930,664)
Net increase (decrease) in net assets applicable to common shareholders resulting from operations	33,625,378	41,859,544
Distributions to Common Shareholders From (Note A):		
Net investment income	(21,103,832)	(21,844,976)
From Capital Share Transactions (Note D):		
Proceeds from	—	951,881

reinvestment
of
dividends
and
distributions

**Net
Increase
(Decrease)
in Net
Assets
Applicable
to
Common
Shareholders**

12,521,546	20,966,449
------------	------------

Net Assets Applicable to Common Shareholders:

Beginning
of
year

274,136,482	253,170,033
-------------	-------------

End
of
year

\$ 286,658,028	\$ 274,136,482
----------------	----------------

Undistributed
net
investment
income
(loss)
at end
of
year

\$ 324,506	\$ 352,744
------------	------------

See Notes to Financial Statements

Statement of Cash Flows

Neuberger Berman

**HIGH YIELD
STRATEGIES
FUND INC.
For the Year
Ended
October 31,
2013**

Increase (decrease) in cash:**Cash flows from operating activities:**

Net increase in net assets

applicable to Common

Shareholders

resulting from operations \$ 33,625,378

Adjustments to reconcile net increase in net assets

applicable to

Common Shareholders resulting from operations to
net

cash provided by operating activities:

Changes in assets and liabilities:

Purchase of investment

securities (282,956,772)

Proceeds from disposition of

investment securities 263,390,516

Purchase/sale of short-term

investment securities, net (1,391,886)

Increase in net interest

payable/receivable on interest

rate swap contracts 31,133

Increase in interest receivable (306,442)

Decrease in prepaid expenses

and other assets 105,983

Decrease in receivable for

securities sold 9,352,703

Decrease in deposits with

brokers for open swap contracts 1,151,385

Increase in accumulated unpaid

dividends on Preferred Shares 3,630

Decrease in payable for

securities purchased (4,719,554)

Decrease in interest payable (13,624)

Net amortization of discount on

investments 629,069

Increase in accrued expenses

and other payables 82,463

Unrealized appreciation on

securities (832,370)

Unrealized appreciation on interest rate swap contracts	(1,012,088)
Net realized gain from investments	(11,381,297)
Net realized loss from interest rate swap contracts	1,316,544
Net cash provided by operating activities	\$ 7,074,771
Cash flows from financing activities:	
Cash receipts from loan	7,400,000
Payout for privately placed perpetual preferred shares	(27,175,000)
Cash receipts Mandatory Redeemable Preferred Shares (Note A)	35,000,000
Cash distributions paid on Common Shares	(21,049,437)
Net cash used in financing activities	(5,824,437)
Net increase (decrease) in cash	1,250,334
Cash:	
Beginning balance	(745,739)
Ending balance	\$ 504,595
Supplemental disclosure	
Cash paid for interest	\$ 1,651,487
See Notes to Financial Statements	

Notes to Financial Statements High Yield Strategies Fund Inc.

Note A—Summary of Significant Accounting Policies:

1 General: Except where otherwise indicated, information included herein is as of October 31, 2013. The Fund was organized as a Maryland corporation on March 18, 2010, and registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a non-diversified, closed-end management investment company. Management is the investment manager to the Fund. Neuberger Berman Fixed Income LLC ("NBFI") is the sub-adviser to the Fund. The Fund's common shares are listed on the NYSE MKT under the symbol NHS. After the close of business on August 6, 2010, Neuberger Berman High Yield Strategies Fund ("Old NHS") merged with and into the Fund. After Old NHS merged with and into the Fund, Neuberger Berman Income Opportunity Fund Inc. ("NOX") merged with and into the Fund. The historical performance and financial statement history prior to August 6, 2010 are those of Old NHS. For periods prior to August 6, 2010, the term the "Fund" will refer to Old NHS.

The preparation of financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") requires Management to make estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates.

2 Portfolio valuation: Investment securities are valued as indicated in the notes following the Schedule of Investments.

3 Securities transactions and investment income: Security transactions are recorded on trade date for financial reporting purposes. Dividend income is recorded on the ex-dividend date. Interest income, including amortization of premium, where applicable, and accretion of discount on securities (adjusted for original issue discount, where applicable) is recorded on the accrual basis. Realized gains and losses from security transactions are recorded on the basis of identified cost and stated separately in the Statement of Operations. Included in net realized gain (loss) on investments are proceeds from the settlements of class action litigation in which the Fund participated as a class member. The amount of such proceeds for the year ended October 31, 2013 was \$18,416.

4 Income tax information: It is the policy of the Fund to continue to qualify for treatment as a regulated investment company by complying with the requirements of the U.S. Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its net investment income and net realized capital gains to its shareholders. To the extent the Fund distributes substantially all of its net investment income and net realized capital gains to shareholders, no federal income or excise tax provision is required.

The Fund has adopted the provisions of ASC 740 "Income Taxes" ("ASC 740"). ASC 740 sets forth a minimum threshold for financial statement recognition of a tax position taken, or expected to be taken, in a tax return. The Fund recognizes interest and penalties, if any, related to unrecognized tax positions as an income tax expense in the Statement of Operations. The Fund is subject to examination by U.S. federal and state tax authorities for returns filed for the prior three fiscal years 2010 - 2012. As of October 31, 2013, the Fund did not have any unrecognized tax positions.

Income distributions and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Fund, timing differences and differing characterization of distributions made by the Fund.

As determined on October 31, 2013, permanent differences resulting primarily from different book and tax accounting were reclassified at year end. Such differences may be attributed to one or more of the following: income recognized

on interest rate swaps, distributions in excess of current earnings and non-deductible restructuring costs. These reclassifications had no effect on net income, net asset value ("NAV") applicable to

common shareholders or NAV per common share of the Fund. For the year ended October 31, 2013, the Fund recorded the following permanent reclassifications:

Paid-in Capital	Undistributed Net Investment Income (Loss)	Accumulated Net Realized Gains (Losses) on Investments
\$ (675,972)	\$ (640,573)	\$ 1,316,545

For tax purposes, distributions of short-term gains are taxable to shareholders as ordinary income.

The tax character of distributions paid during the years ended October 31, 2013 and October 31, 2012 were as follows:

Ordinary Income		Long-Term Capital Gains		Distributions Paid From: Tax Return of Capital		Total	
2013	2012	2013	2012	2013	2012	2013	2012
\$21,986,079	\$22,775,640	\$ —	\$ —	\$ —	\$ —	\$21,986,079	\$22,775,640

As of October 31, 2013, the components of distributable earnings (accumulated losses) on a U.S. federal income tax basis were as follows:

Undistributed Ordinary Income	Undistributed Long-Term Gain	Unrealized Appreciation (Depreciation)	Loss Carryforwards and Deferrals	Other Temporary Differences	Total
\$ —	\$ —	\$12,442,765	\$ (19,002,784)	\$ (136,794)	\$ (6,696,813)

The differences between book basis and tax basis distributable earnings are primarily due to: timing differences of wash sales, delayed settlement compensation on bank loans, distribution payments, income recognized on interest rate swaps and capital loss carryforwards.

To the extent the Fund's net realized capital gains, if any, can be offset by capital loss carryforwards, it is the policy of the Fund not to distribute such gains. The Regulated Investment Company ("RIC") Modernization Act of 2010 (the "Act") became effective for the Fund on November 1, 2011. The Act modernizes several of the federal income and excise tax provisions related to RICs. Among the changes made are changes to the capital loss carryforward rules allowing for RICs to carry forward capital losses indefinitely and to retain the character of capital loss carryforwards as short-term or long-term ("Post-Enactment"). Rules in effect previously limited the carryforward period to eight years and all carryforwards were considered short-term in character ("Pre-Enactment"). As determined at October 31, 2013, the Fund had unused capital loss carryforwards available for federal income tax purposes to offset net realized capital gains, if any, as follows:

Pre-Enactment Expiring in:		
2015	2016	2017
\$9,942,117 ⁽¹⁾	\$4,971,059 ⁽¹⁾	\$4,089,608

(1) The capital loss carryforwards shown above include \$9,942,117 and \$4,971,059 expiring in 2015 and 2016, respectively, which were acquired on August 6, 2010 in the merger with NOX. The use of these losses to offset future gains may be limited.

During the year ended October 31, 2013, the Fund utilized capital loss carryforwards of \$11,384,160.

5 Foreign taxes: Foreign taxes withheld, if any, represent amounts withheld by foreign tax authorities net of refunds recoverable.

6 Distributions to common shareholders: The Fund earns income, net of expenses, daily on its investments. It is the policy of the Fund to declare and pay monthly distributions to common shareholders. The Fund has adopted a policy to pay common shareholders a stable monthly distribution. The Fund's ability to satisfy its policy will depend on a number of factors, including the stability of income received from its investments, the availability of capital gains, distributions paid on preferred shares, interest paid on notes and the level of Fund expenses. In an effort to maintain a stable monthly distribution amount, the Fund may pay distributions consisting of net investment income, net realized gains and paid-in 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. The composition of the Fund's distributions for the calendar year 2013 will be reported to Fund shareholders on IRS Form 1099-DIV. The Fund may pay distributions in excess of those required by its stable distribution policy to avoid excise tax or to satisfy the requirements of the U.S. Internal Revenue Code. Distributions to common shareholders are recorded on the ex-date. Net realized capital gains, if any, will be offset to the extent of any available capital loss carryforwards. Any such offset will not reduce the level of the stable distribution paid by the Fund. Distributions to preferred shareholders are accrued and determined as described in Note A-8.

On October 31, 2013, the Fund declared a monthly distribution to common shareholders in the amount of \$0.09 per share, payable on November 29, 2013 to shareholders of record on November 15, 2013, with an ex-date of November 13, 2013. Subsequent to October 31, 2013, the Fund declared a monthly distribution to common shareholders in the amount of \$0.09 per share, payable on December 31, 2013 to shareholders of record on December 16, 2013, with an ex-date of December 12, 2013.

7 Expense allocation: Certain expenses are applicable to multiple funds. Expenses directly attributable to the Fund are charged to the Fund. Expenses borne by the complex of related investment companies, which includes open-end and closed-end investment companies for which Management serves as investment manager, that are not directly attributable to a particular investment company (e.g., the Fund) are allocated among the Fund and the other investment companies in the complex or series thereof on the basis of relative net assets, except where a more appropriate allocation of expenses to each of the investment companies in the complex or series thereof can otherwise be made fairly.

8 Financial leverage: In September 2008, Old NHS entered into a Master Securities Purchase Agreement and a Master Note Purchase Agreement pursuant to which it could issue privately placed notes ("Old NHS PNs") and privately placed perpetual preferred shares ("Old NHS PPS"). In November 2008, Old NHS issued Old NHS PNs with an aggregate principal value of \$45,900,000 and issued 492 Old NHS PPS with an aggregate liquidation preference of \$12,300,000 and used those proceeds to redeem outstanding Money Market Cumulative Preferred Shares.

On August 6, 2010, each of Old NHS and NOX merged with and into the Fund. In connection with the mergers, the Fund issued 1,087 Perpetual Preferred Shares, Series A ("PPS") with an aggregate liquidation preference of \$27,175,000 to preferred shareholders of Old NHS and NOX in exchange for their Old NHS PPS and NOX preferred shares. In connection with the mergers, the Fund also assumed the Old NHS PNs and the notes that NOX had previously issued ("NOX Notes"). On September 30, 2010, the Fund issued privately placed notes ("PNs") with an aggregate principal value of \$82,600,000 to holders of Old NHS PNs and NOX Notes in exchange for their Old NHS PNs and NOX Notes.

In September 2013, the Fund issued privately placed notes ("New PNs") with an aggregate principal value of \$90,000,000 and Mandatory Redeemable Preferred Shares, Series B ("MRPS" and, together with the New PNs, "Private Securities") with an aggregate value of \$35,000,000 to holders of the PNs and PPS and used the proceeds to redeem and prepay their PNs and PPS and increase the Fund's leverage.

The New PNs and MRPS have a maturity date of September 18, 2023. The interest on the New PNs is accrued daily and paid quarterly. The MRPS have a liquidation preference of \$25,000 per share plus any accumulated unpaid

distributions, whether or not earned or declared by the Fund, but excluding interest thereon ("MRPS Liquidation

Value"). Distributions on the MRPS are accrued daily and paid quarterly. The PNs and PPS had these same terms. For financial reporting purposes only, the liquidation preference of the MRPS is recognized as a liability in the Statement of Assets and Liabilities.

Prior to September 17, 2013, the distribution rate on the PPS ranged from 3.03% to 3.26%. For the period September 18, 2013 to October 31, 2013, the distribution rate on the MRPS ranged from 2.65% to 2.65% and the interest rate on the New PNs ranged from 1.26% to 2.65%.

The table below sets forth key terms of the MRPS.

Series	Mandatory Redemption Date	Interest Rate	Shares Outstanding	Aggregate Liquidation Preference	Estimated Fair Value
Series B	9/18/23	2.65%*	1,400	\$35,000,000	\$35,000,000

* Floating rate effective for the period September 30, 2013 through December 30, 2013.

The Fund has paid up front offering and organizational expenses which are being amortized over the life of the New PNs and MRPS. The expenses are included in the interest expense that is reflected in the Statement of Operations.

The Fund may redeem MRPS or prepay the New PNs, in whole or in part, at its option after giving a minimum amount of notice to the relevant holders of the Private Securities but will incur additional expenses if it chooses to so redeem or prepay. The Fund is also subject to certain restrictions relating to the Private Securities. Failure to comply with these restrictions could preclude the Fund from declaring any distributions to common shareholders or repurchasing common shares and/or could trigger the mandatory redemption of MRPS at MRPS Liquidation Value and certain expenses and/or mandatory prepayment of New PNs at par plus accrued but unpaid interest and certain expenses. The holders of MRPS are entitled to one vote per share and will vote with holders of common shares as a single class, except that the holders of MRPS will vote separately as a class on certain matters, as required by law or the Fund's organizational documents. The holders of MRPS, voting as a separate class, are entitled at all times to elect two Directors of the Fund, and to elect a majority of the Directors of the Fund if the Fund fails to pay distributions on MRPS for two consecutive years.

9 Concentration of credit risk: The Fund will normally invest at least 80% of its total assets in high yield debt securities of U.S. and foreign issuers, which include securities that are rated below investment grade by a rating agency or are unrated debt securities determined to be of comparable quality by the Fund's investment manager.

Due to the inherent volatility and illiquidity of the high yield securities in which the Fund invests and the real or perceived difficulty of issuers of those high yield securities to meet their payment obligations during economic downturns or because of negative business developments relating to the issuer or its industry in general, the value and/or price of the Fund's common shares may fluctuate more than would be the case if the Fund did not concentrate in high yield securities.

10 Derivative instruments: During the year ended October 31, 2013, the Fund's use of derivatives, as described below, was limited to interest rate swap contracts. The Fund has adopted the provisions of ASC 815 "Derivatives and Hedging" ("ASC 815"). The disclosure requirements of ASC 815 distinguish between derivatives that qualify for hedge accounting and those that do not. Because investment companies value their derivatives at fair value and recognize changes in fair value through the Statement of Operations, they do not qualify for hedge accounting. Accordingly, even though the Fund's investments in derivatives may represent economic hedges, they are considered non-hedge transactions for purposes of this disclosure.

Interest rate swaps: The Fund entered into interest rate swap transactions, with institutions that Management has determined are creditworthy, to reduce the risk that an increase in short-term interest rates could reduce common share net earnings as a result of leverage. Under the terms of the interest rate swap contracts, the Fund agrees to pay the swap counterparty a fixed-rate payment in exchange for the counterparty's paying the Fund a variable-rate

payment that is intended to approximate all or a portion of the Fund's variable-rate payment obligations on the Fund's Private Securities. The fixed-rate and variable-rate payment flows are netted against each other, with the difference being paid by one party to the other on a monthly basis. The Fund segregates cash or liquid securities having a value at least equal to the Fund's net payment obligations under any swap transaction, marked to market daily. There is no guarantee that these swap transactions will be successful in reducing or limiting risk.

Risks may arise if the counterparty to a swap contract fails to comply with the terms of its contract. The loss incurred by the failure of a counterparty is generally limited to the net interest payment to be received by the Fund and/or the termination value at the end of the contract. Additionally, risks may arise if there is no liquid market for these agreements or from movements in interest rates unanticipated by Management.

Periodic expected interim net interest payments or receipts on the swaps are recorded as an adjustment to unrealized gains/losses, along with the fair value of the future periodic payment streams on the swaps. The unrealized gains/losses associated with the periodic interim net interest payments are reclassified to realized gains/losses in conjunction with the actual net receipt or payment of such amounts. The reclassifications do not impact the Fund's total net assets applicable to common shareholders or its total net increase (decrease) in net assets applicable to common shareholders resulting from operations. At October 31, 2013, the Fund had outstanding interest rate swap contracts as follows:

Swap Counterparty	Notional Amount ⁽¹⁾	Termination Date	Rate Type		Accrued Net Interest Receivable (Payable)	Unrealized Appreciation (Depreciation)	Total Fair Value
			Fixed-rate Payments Made by the Fund	Variable-rate Payments Received by the Fund			
Citibank, N.A.	\$25,000,000	March 18, 2015	1.677%	.251% ⁽²⁾	\$ (42,397)	\$ (466,734)	\$ (509,131)
Citibank, N.A.	25,000,000	August 9, 2015	1.120%	.266% ⁽³⁾	(52,984)	(328,713)	(381,697)
Citibank, N.A.	50,000,000	December 7, 2015	1.883%	.258% ⁽⁴⁾	(357,751)	(1,511,620)	(1,869,371)
					\$ (453,132)	\$ (2,307,067)	\$ (2,760,199)

(1) The notional amount at period end is indicative of the volume throughout the period.

(2) 90 day LIBOR at September 23, 2013.

(3) 90 day LIBOR at August 7, 2013.

(4) 90 day LIBOR at September 5, 2013.

At October 31, 2013, the Fund had the following derivatives (which did not qualify for hedge accounting under ASC 815), grouped by primary risk exposure:

Liability Derivatives

Interest
Rate Risk

Statement of
Assets and
Liabilities

		Location
Interest Rate Swap Contract	\$ (2,760,199)	Interest rate swaps,
Total Value	\$ (2,760,199)	at value ⁽¹⁾

(1) "Interest Rate Swap Contract" reflects the appreciation (depreciation) of the interest rate swap contract plus accrued interest as of October 31, 2013 which is reflected in the Statement of Assets and Liabilities under the caption "Interest rate swaps, at value (Note A)."

The impact of the use of these derivative instruments on the Statement of Operations during the year ended October 31, 2013, was as follows:

Realized Gain (Loss)

	Interest Rate Risk	Statement of Operations Location
Interest Rate Swap Contract	\$ (1,316,544)	Net realized gain (loss)
Total Realized Gain (Loss)	\$ (1,316,544)	on: interest rate swap contracts

Change in Appreciation (Depreciation)

	Interest Rate Risk	Statement of Operations Location
Interest Rate Swap Contract	\$ 1,012,088	Change in net unrealized appreciation
Total Change in Appreciation (Depreciation)	\$ 1,012,088	(depreciation) in value of: interest rate swap contracts

11 Indemnifications: Like many other companies, the Fund's organizational documents provide that its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, both in some of its principal service contracts and in the normal course of its business, the Fund enters into contracts that provide indemnifications to other parties for certain types of losses or liabilities. The Fund's maximum exposure under these arrangements is unknown as this could involve future claims against the Fund.

12 Arrangements with certain non-affiliated service providers: Prior to January 1, 2013, the Fund had an expense offset arrangement in connection with its custodian contract. For the year ended October 31, 2013, the impact of this arrangement was a reduction of expenses of \$156.

In order to satisfy rating agency requirements and the terms of the Private Securities, the Fund is required to provide the rating agency and holders of Private Securities a report on a monthly basis verifying that the Fund is maintaining eligible assets having a discounted value equal to or greater than the basic maintenance amount, which is the minimum level set by the rating agency as one of the conditions to maintain the AAA rating on the Private Securities. "Discounted value" refers to the fact that the rating agency requires the Fund, in performing this calculation, to discount portfolio securities below their face value, at rates determined by the rating agency. The Fund pays State Street Bank and Trust Company ("State Street") for the preparation of this report, which is reflected in the Statement of Operations under the caption "Basic maintenance expense (Note A)."

Note B—Management Fees, Administration Fees, Distribution Arrangements, and Other Transactions with Affiliates:

The Fund retains Management as its investment manager under a Management Agreement. For such investment management services, the Fund pays Management a monthly fee computed at an annual rate of 0.60% of the Fund's average daily Managed Assets. Managed Assets equal the total assets of the Fund, less liabilities other than the aggregate indebtedness entered into for purposes of leverage. Management is responsible for developing, implementing and supervising the Fund's investment program and providing certain administrative services to the Fund. Management has retained NBFI to serve as the sub-adviser of the Fund and to manage the Fund's investment portfolio. Management compensates NBFI for its services as sub-adviser. Management pays NBFI a monthly sub-advisory fee calculated at an annual percentage rate of 0.15% of the Fund's average daily Managed Assets.

Several individuals who are officers and/or Directors of the Fund are also employees of NBFI, Neuberger Berman LLC ("Neuberger") and/or Management.

The Fund retains Management as its administrator under an Administration Agreement. The Fund pays Management an administration fee at the annual rate of 0.05% of its average daily Managed Assets under this agreement. Additionally, Management retains State Street as its sub-administrator under a Sub-Administration Agreement. Management pays State Street a fee for all services received under the agreement.

Management and NBFH are indirect subsidiaries of Neuberger Berman Group LLC ("NBG") and together with its consolidated subsidiaries ("NB Group"). NBSH Acquisition, LLC ("NBSH" and together with NBG, the "NB Parties"), which is owned by portfolio managers, members of the NB Group management team and certain of NB Group's key employees, senior professionals, and certain of their permitted transferees, owns, as of September 30, 2013, approximately 76% of NBG's equity, and Lehman Brothers Holdings Inc. ("LBHI") and certain of its subsidiaries (collectively the "LBHI Parties") own the remaining 24% of such equity. Pursuant to agreements among the NB Parties and the LBHI Parties, as well as the issuance of NBSH equity to employees with respect to their previously made equity elections relating to 2013 compensation, it is expected that NBSH will own 81% of

NBG's equity as of January 1, 2014. NBG has the opportunity to continue to redeem the remaining NBG equity held by the LBHI Parties through a process that is expected to end in 2016.

Note C—Securities Transactions:

During the year ended October 31, 2013, there were purchases and sales of long-term securities (excluding interest rate swap contracts) of \$282,933,179 and \$264,692,395, respectively.

Note D—Capital:

At October 31, 2013 the common shares outstanding and the common shares of the Fund owned by Neuberger, an affiliate of Management, were as follows:

Common Shares Outstanding	Common Shares Owned by Neuberger
19,540,585	—

Transactions in common shares for the years ended October 31, 2013 and October 31, 2012 were as follows:

	For the Year Ended October 31,	
	2013	2012
Shares Issued on Reinvestment of Dividends and Distributions	—	70,802
Net Increase (Decrease) in Common Shares Outstanding	—	70,802

Note E—Recent Accounting Pronouncements:

In December 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2011-11 Disclosures about Offsetting Assets and Liabilities ("ASU 2011-11"). Effective for annual reporting periods beginning on or after January 1, 2013 and interim periods within those annual periods, ASU 2011-11 is intended to enhance disclosure requirements on the offsetting of financial assets and liabilities. At this time, Management is evaluating the implications of ASU 2011-11 and its impact on the Fund's financial statements.

In June 2013, FASB issued Accounting Standards Update 2013-08 Financial Services — Investment Companies (Topic 946) — Amendments to the Scope, Measurement, and Disclosure Requirements ("ASU 2013-08"). Effective for interim and annual reporting period in fiscal years that begin after December 15, 2013, ASU 2013-08 sets forth a methodology for determining whether an entity should be characterized as an investment company and prescribes fair value accounting for an investment company's non-controlling ownership interest in another investment company. FASB has determined that a fund registered under the 1940 Act automatically meets ASU 2013-08's criteria for an investment company. Although still evaluating the potential impact of ASU 2013-08 on the Fund's financial statements, Management expects that the impact of the Fund's adoption will be limited to additional financial statement disclosures.

Financial Highlights

High Yield Strategies Fund

The following table includes selected data for a share outstanding throughout each period and other performance information derived from the financial statements. Per share amounts that round to less than \$0.01 or \$(0.01) per share are presented as \$0.00 or \$(0.00), respectively. Ratios that round to less than .00% or (.00%) per share are presented as .00% or (.00%), respectively. A "—" indicates that the line item was not applicable in the corresponding period.

	Year Ended October 31,			Period from January 1, 2010 to October 31, 2010 ^{^^}	Year Ended December 31,	
	2013	2012	2011		2009	2008
Common Share Net Asset Value, Beginning of Period	\$ 14.03	\$ 13.00	\$ 13.82	\$ 12.54	\$ 7.42	\$ 13.23
Net Investment Income	1.15	1.17	1.34	1.19	1.43	1.52
Net Gains or Losses on Securities (both realized and unrealized)	0.61	1.03	(0.83)	1.20	4.97	(5.74)
Common Share Equivalent of Distributions to Preferred Shareholders From:						
Net Investment Income	(0.04)	(0.05)	(0.05)	(0.03)	(0.04)	(0.27)
Total From Investment Operations Applicable to Common Shareholders	1.72	2.15	0.46	2.36	6.36	(4.49)
Less Distributions to Common Shareholders From:						
Net Investment Income Tax Return of Capital	(1.08)	(1.12)	(1.28)	(1.08)	(1.26)	(1.22)
Total Distributions to	(1.08)	(1.12)	(1.28)	(1.08)	(1.26)	(1.32)

Common Shareholders						
Accretive Effect of Tender Offer	—	—	—	—	0.02##	—
Common Share Net Asset Value, End of Period	\$ 14.67	\$ 14.03	\$ 13.00	\$ 13.82	\$ 12.54	\$ 7.42
Common Share Market Value, End of Period	\$ 13.56	\$ 14.18	\$ 13.55	\$ 14.04	\$ 11.95	\$ 6.38
Total Return, Common Share Net Asset Value†	13.18%	17.24%	3.34%	19.78%**	92.44%	(35.32)%
Total Return, Common Share Market Value†	3.51%	13.68%	6.03%	27.69%**	113.27%	(37.75)%
Ratios/Supplemental Data††						
Ratios are calculated using Average Net Assets Applicable to Common Shareholders						
Ratio of Gross Expenses#Ø	1.73%	1.81%	1.75%	2.02%*	2.65%	1.81%
Ratio of Net Expenses\$Ø	1.73%	1.76%	1.68%	1.95%**	2.60%	1.80%
Ratio of Net Investment Income	8.02%	8.79%	9.86%	11.02%*	14.30%	13.43%
Portfolio Turnover Rate	69%	94%	100%	130%**ØØ	159%	122%
Net Assets Applicable to Common Shares, End	\$ 286,658	\$ 274,136	\$ 253,170	\$ 267,819	\$ 138,293	\$ 90,907

of Period (000's)						
Preferred Shares						
Outstanding, End of Period (000's)						
Asset \$ 229,815	\$ 277,268	\$ 257,980	\$ 271,454	\$ 306,086	\$ 209,943	
Coverage Per Share@						
Liquidation \$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	
Value Per Share						
Notes Payable						
Outstanding, End of Period (000's)						
Asset \$ 4,575	\$ 4,649	\$ 4,395	\$ 4,572	\$ 4,281	\$ 3,250	
Coverage Per \$1,000 of Notes Payable@@						
See Notes to Financial Highlights						

Notes to Financial Highlights High Yield Strategies
Fund Inc.

† Total return based on per share NAV reflects the effects of changes in NAV on the performance of the Fund during each fiscal period. Total return based on per share market value assumes the purchase of common shares at the market price on the first day and sales of common shares at the market price on the last day of the period indicated. Distributions, if any, are assumed to be reinvested at prices obtained under the Fund's distribution reinvestment plan. Results represent past performance and do not indicate future results. Current returns may be lower or higher than the performance data quoted. Investment returns may fluctuate and shares when sold may be worth more or less than original cost. Total return would have been lower if Management had not waived certain expenses during certain of the periods shown.

Represents the annualized ratios of net expenses to average daily net assets if Management had not waived a portion of the investment management fee.

§ Prior to January 1, 2013, the Fund had an expense offset arrangement in connection with its custodian contract. The impact of expense reductions related to expense offset arrangements, if any, was less than .01%.

@ Calculated by subtracting the Fund's total liabilities (excluding accumulated unpaid distributions on MRPS; PPS prior to September 18, 2013; Old NHS's PPS prior to August 6, 2010; and MMP prior to November 13, 2008) from the Fund's total assets and dividing by the number of MRPS/PPS/MMP outstanding.

@@ Calculated by subtracting the Fund's total liabilities (excluding accumulated unpaid distributions on MRPS (PPS prior to September 18, 2013; Old NHS's PPS prior to August 6, 2010; and MMP prior to November 13, 2008) and Notes payable (Old NHS Notes payable prior to September 29, 2010)) from the Fund's total assets and dividing by the outstanding Notes payable balance.

†† Expense ratios do not include the effect of distribution payments to preferred shareholders (PPS prior to September 18, 2013 and MMP prior to November 13, 2008). Income ratios include income earned on assets attributable to MRPS (PPS prior to September 18, 2013; and MMP prior to November 13, 2008) outstanding. Income ratios also include the effect of interest expense from the PNs.

¢ Calculated based on the average number of common shares outstanding during each fiscal period.

¢¢ From October 22, 2003 to November 13, 2008, the Fund had 3,600 MMP outstanding; from November 14, 2008 to August 6, 2010, the Fund had 492 Old NHS PPS outstanding. From August 6, 2010 to September 17, 2013, the Fund had 1,087 PPS outstanding. Since September 18, 2013, the Fund has 1,400 MRPS outstanding (see Note A-8 to Financial Statements).

∅ Interest expense is included in expense ratios. The annualized ratio of interest expense to average net assets applicable to common shareholders was:

	Year Ended October 31,		Period from January 1, 2010 to October 31,		Year Ended December 31,	
2013	2012	2011	2010	2009	2008	
.58%	.69%	.61%	.63%	1.05%	.16%	

* Annualized.

** Not Annualized.

^^^ The Fund's fiscal year end changed from December 31 to October 31.

∅∅ Portfolio turnover excludes purchases and sales by NOX (which merged with and into the Fund on August 6, 2010) prior to the merger date.

‡‡ Includes merger related expenses. If such expenses were not included, the annualized ratio of net expenses to average net assets applicable to common shareholders for the period ended October 31, 2010 would have been 1.81%.

The Fund conducted a tender offer to purchase approximately 10% of its outstanding common shares at 98% of the Fund's net asset value ("NAV") per share with final payment of \$9.60 per share on May 29, 2009.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Neuberger Berman High Yield Strategies Fund Inc.

We have audited the accompanying statement of assets and liabilities of Neuberger Berman High Yield Strategies Fund Inc. (the "Fund"), including the schedule of investments, as of October 31, 2013, and the related statement of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the periods indicated therein. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2013 by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Neuberger Berman High Yield Strategies Fund Inc. at October 31, 2013, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts
December 20, 2013

Distribution Reinvestment Plan

Computershare Trust Company, N.A (the "Plan Agent") will act as Plan Agent for shareholders who have not elected in writing to receive dividends and distributions in cash (each a "Participant"), will open an account for each Participant under the Distribution Reinvestment Plan ("Plan") in the same name as their then-current shares of the Fund's common stock ("Shares") are registered, and will put the Plan into effect for each Participant as of the first record date for a dividend or capital gains distribution.

Whenever the Fund declares a dividend or distribution with respect to the Shares, each Participant will receive such dividends and distributions in additional Shares, including fractional Shares acquired by the Plan Agent and credited to each Participant's account. If on the payment date for a cash dividend or distribution, the net asset value is equal to or less than the market price per Share plus estimated brokerage commissions, the Plan Agent shall automatically receive such Shares, including fractions, for each Participant's account. Except in the circumstances described in the next paragraph, the number of additional Shares to be credited to each Participant's account shall be determined by dividing the dollar amount of the dividend or distribution payable on their Shares by the greater of the net asset value per Share determined as of the date of purchase or 95% of the then current market price per Share on the payment date.

Should the net asset value per Share exceed the market price per Share plus estimated brokerage commissions on the payment date for a cash dividend or distribution, the Plan Agent or a broker-dealer selected by the Plan Agent shall endeavor, for a purchase period lasting until the last business day before the next date on which the Shares trade on an "ex-dividend" basis, but in no event, except as provided below, more than 30 days after the payment date, to apply the amount of such dividend or distribution on each Participant's Shares (less their pro rata share of brokerage commissions incurred with respect to the Plan Agent's open-market purchases in connection with the reinvestment of such dividend or distribution) to purchase Shares on the open market for each Participant's account. No such purchases may be made more than 30 days after the payment date for such dividend or distribution except where temporary curtailment or suspension of purchase is necessary to comply with applicable provisions of federal securities laws. If, at the close of business on any day during the purchase period the net asset value per Share equals or is less than the market price per Share plus estimated brokerage commissions, the Plan Agent will not make any further open-market purchases in connection with the reinvestment of such dividend or distribution. If the Plan Agent is unable to invest the full dividend or distribution amount through open-market purchases during the purchase period, the Plan Agent shall request that, with respect to the uninvested portion of such dividend or distribution amount, the Fund issue new Shares at the close of business on the earlier of the last day of the purchase period or the first day during the purchase period on which the net asset value per Share equals or is less than the market price per Share, plus estimated brokerage commissions, such Shares to be issued in accordance with the terms specified in the third paragraph hereof. These newly issued Shares will be valued at the then-current market price per Share at the time such Shares are to be issued.

For purposes of making the reinvestment purchase comparison under the Plan, (a) the market price of the Shares on a particular date shall be the last sales price on the New York Stock Exchange (or if the Shares are not listed on the New York Stock Exchange, such other exchange on which the Shares are principally traded) on that date, or, if there is no sale on such Exchange (or if not so listed, in the over-the-counter market) on that date, then the mean between the closing bid and asked quotations for such Shares on such Exchange on such date and (b) the net asset value per Share on a particular date shall be the net asset value per Share most recently calculated by or on behalf of the Fund. All dividends, distributions and other payments (whether made in cash or Shares) shall be made net of any applicable withholding tax.

Open-market purchases provided for above may be made on any securities exchange where the Fund's Shares are traded, in the over-the-counter market or in negotiated transactions and may be on such terms as to price, delivery and otherwise as the Plan Agent shall determine. Each Participant's uninvested funds held by the Plan Agent will not bear

interest, and it is understood that, in any event, the Plan Agent shall have no liability in connection with any inability to purchase Shares within 30 days after the initial date of such purchase as herein provided, or with the timing of any purchases effected. The Plan Agent shall have no responsibility as to the value of the Shares acquired for each Participant's account. For the purpose

of cash investments, the Plan Agent may commingle each Participant's funds with those of other shareholders of the Fund for whom the Plan Agent similarly acts as agent, and the average price (including brokerage commissions) of all Shares purchased by the Plan Agent as Plan Agent shall be the price per Share allocable to each Participant in connection therewith.

The Plan Agent may hold each Participant's Shares acquired pursuant to the Plan together with the Shares of other shareholders of the Fund acquired pursuant to the Plan in noncertificated form in the Plan Agent's name or that of the Plan Agent's nominee. The Plan Agent will forward to each Participant any proxy solicitation material and will vote any Shares so held for each Participant only in accordance with the instructions set forth on proxies returned by the Participant to the Fund.

The Plan Agent will confirm to each Participant each acquisition made for their account as soon as practicable but not later than 60 days after the date thereof. Although each Participant may from time to time have an undivided fractional interest (computed to three decimal places) in a Share, no certificates for a fractional Share will be issued. However, dividends and distributions on fractional Shares will be credited to each Participant's account. In the event of termination of a Participant's account under the Plan, the Plan Agent will adjust for any such undivided fractional interest in cash at the market value of the Shares at the time of termination, less the pro rata expense of any sale required to make such an adjustment.

Any Share dividends or split Shares distributed by the Fund on Shares held by the Plan Agent for Participants will be credited to their accounts. In the event that the Fund makes available to its shareholders rights to purchase additional Shares or other securities, the Shares held for each Participant under the Plan will be added to other Shares held by the Participant in calculating the number of rights to be issued to each Participant.

The Plan Agent's service fee for handling capital gains distributions or income dividends will be paid by the Fund. Participants will be charged their pro rata share of brokerage commissions on all open-market purchases.

Each Participant may terminate their account under the Plan by notifying the Plan Agent in writing. Such termination will be effective immediately if the Participant's notice is received by the Plan Agent not less than ten days prior to any dividend or distribution record date, otherwise such termination will be effective the first trading day after the payment date for such dividend or distribution with respect to any subsequent dividend or distribution. The Plan may be terminated by the Plan Agent or the Fund upon notice in writing mailed to each Participant at least 30 days prior to any record date for the payment of any dividend or distribution by the Fund.

These terms and conditions may be amended or supplemented by the Plan Agent or the Fund at any time or times but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to each Participant appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by each Participant unless, prior to the effective date thereof, the Plan Agent receives written notice of the termination of their account under the Plan. Any such amendment may include an appointment by the Plan Agent in its place and stead of a successor Plan Agent under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Plan Agent under these terms and conditions. Upon any such appointment of any Plan Agent for the purpose of receiving dividends and distributions, the Fund will be authorized to pay to such successor Plan Agent, for each Participant's account, all dividends and distributions payable on Shares held in their name or under the Plan for retention or application by such successor Plan Agent as provided in these terms and conditions.

The Plan Agent shall at all times act in good faith and agrees to use its best efforts within reasonable limits to ensure the accuracy of all services performed under this Agreement and to comply with applicable law, but assumes no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by the Plan Agent's

negligence, bad faith, or willful misconduct or that of its employees. These terms and conditions are governed by the laws of the State of Maryland.

Reinvested dividends and distributions are taxed in the same manner as cash dividends and distributions — i.e., reinvestment in additional Shares does not relieve shareholders of, or defer the need to pay, any income tax that may be payable (or that is required to be withheld) on Fund dividends and distributions. Participants should contact their tax professionals for information on how the Plan impacts their personal tax situation. For additional information about the Plan, please contact the Plan Agent at 1-866-227-2136 or 480 Washington Boulevard, Jersey City, NJ 07317.

Directory

Investment Manager and Administrator

Neuberger Berman Management LLC
605 Third Avenue, 2nd Floor
New York, NY 10158-0180
877.461.1899 or 212.476.8800

Sub-Adviser

Neuberger Berman Fixed Income LLC
200 South Wacker Drive
Suite 2100
Chicago, IL 60601

Custodian

State Street Bank and Trust Company
2 Avenue de Lafayette
Boston, MA 02111

Stock Transfer Agent

Computershare Shareowner Services LLC
480 Washington Boulevard
Jersey City, NJ 07310

Plan Agent

Computershare Trust Company N.A.
250 Royall Street
Canton, MA 02021

Legal Counsel

K&L Gates LLP
1601 K Street, NW
Washington, DC 20006

Independent Registered Public Accounting Firm

Ernst & Young LLP
200 Clarendon Street
Boston, MA 02116

Directors and Officers

The following tables set forth information concerning the directors ("Directors") and officers ("Officers") of the Fund. All persons named as Directors and Officers also serve in similar capacities for other funds administered or managed by Management and NBFI. The Fund's Statement of Additional Information includes additional information about the Directors as of the time of the Fund's most recent public offering and is available upon request, without charge, by calling (877) 461-1899.

Information about the Board of Directors

Name, (Year of Birth), and Address⁽¹⁾	Position(s) and Length of Time Served⁽²⁾	Principal Occupation(s)⁽³⁾	Number of Funds in Fund Complex Overseen by Director	Other Directorships Held Outside Fund Complex by Director⁽³⁾
CLASS I				
Independent Directors				
Faith Colish Director since 2006 (1935)		Counsel, Carter Ledyard & Milburn LLP (law firm) since October 2002; formerly, Attorney-at-Law and President, Faith Colish, A Professional Corporation, 1980 to 2002.	54	Formerly, Director, 1997 to 2003, and Advisory Director, 2003 to 2006, ABA Retirement Funds (formerly, American Bar Retirement Association) (not-for-profit membership corporation).
Michael M. Knetter Director since 2007 (1960)		President and Chief Executive Officer, University of Wisconsin Foundation, since October 2010; formerly, Dean, School of Business, University of Wisconsin — Madison; formerly, Professor of International Economics and Associate Dean, Amos Tuck School of Business — Dartmouth College, 1998 to 2002.	54	Director, American Family Insurance (a mutual company, not publicly traded), since March 2009; formerly, Trustee, Northwestern Mutual Series Fund, Inc., 2007 to 2010; formerly, Director, Wausau Paper, 2005 to 2011; formerly, Director, Great Wolf Resorts, 2004 to 2009.
Peter P. Trapp Director since 2006 (1944)		Retired; formerly, Regional Manager for Mid-Southern Region, Ford Motor Credit Company, September 1997 to 2007; formerly, President, Ford Life Insurance Company, April 1995 to August 1997.	54	None.

Name, (Year of Birth), and Address ⁽¹⁾	Position(s) and Length of Time Served ⁽²⁾	Principal Occupation(s) ⁽³⁾ Director who is an "Interested Person"	Number of Funds in Fund Complex Overseen by Director	Other Directorships Held Outside Fund Complex by Director ⁽³⁾
Robert Conti* (1956)	Chief Executive Officer, President and Director since 2008; prior thereto, Executive Vice President in 2008 and Vice President from 2000 to 2008	Managing Director, Neuberger, since 2007; Managing Director, Neuberger Berman Fixed Income LLC ("NBFI"), since 2009. nt, Neuberger, 2003 to 2006; formerly, Vice President, Neuberger, 1999 to 2003; President and Chief Executive Officer, Management, since 2008; formerly, Senior Vice President, Management, 2000 to 2008.	54	Director, Staten Island Mental Health Society, since 1994; formerly, Chairman of the Board, Staten Island Mental Health Society, 2008 to 2011.

**CLASS II
Independent Directors**

George W. Morriss (1947)	Director since 2007	Adjunct Professor, Columbia University School of International and Public Affairs, since October 2012; formerly, Executive Vice President and Chief Financial Officer, People's Bank, Connecticut (a financial services company), 1991 to 2001.	54	Director and Treasurer, National Association of Corporate Directors, Connecticut Chapter, since 2013; Trustee, Steben Alternative Investment Funds, Steben Select Multi-Strategy Fund, and Steben Select Multi-Strategy Master Fund, since 2013; formerly, Manager, Larch Lane Multi-Strategy Fund complex (which consisted of three funds), 2006 to 2011; formerly, Member, NASDAQ Issuers' Affairs Committee, 1995 to 2003.
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Name, (Year of Birth), and Address ⁽¹⁾	Position(s) and Length of Time Served ⁽²⁾	Principal Occupation(s) ⁽³⁾	Number of Funds in Fund Complex Overseen by Director	Other Directorships Held Outside Fund Complex by Director ⁽³⁾
Tom D. Seip (1950)	Director since 2006; Chairman of the Board since 2008; Lead Independent Director from 2006 to 2008	General Partner, Ridgefield Farm LLC (a private investment vehicle); formerly, President and CEO, Westaff, Inc. (temporary staffing), May 2001 to January 2002; formerly, Senior Executive, The Charles Schwab Corporation, 1983 to 1998, including Chief Executive Officer, Charles Schwab Investment Management, Inc.; Trustee, Schwab Family of Funds and Schwab Investments, 1997 to 1998; and Executive Vice President-Retail Brokerage, Charles Schwab & Co., Inc., 1994 to 1997.	54	Director, H&R Block, Inc. (financial services company), since May 2001; Chairman, Governance and Nominating Committee, H&R Block, Inc., since 2011; formerly, Chairman, Compensation Committee, H&R Block, Inc., 2006 to 2010; formerly, Director, Forward Management, Inc. (asset management company), 1999 to 2006.

Name, (Year of Birth), and Address ⁽¹⁾	Position(s) and Length of Time Served ⁽²⁾	Principal Occupation(s) ⁽³⁾ CLASS III Independent Directors	Number of Funds in Fund Complex Overseen by Director	Other Directorships Held Outside Fund Complex by Director ⁽³⁾
Martha C. Goss (1949)	Director since 2007	President, Woodhill Enterprises Inc./Chase Hollow Associates LLC (personal investment vehicle), since 2006; formerly, Consultant, Resources Global Professionals (temporary staffing), 2002 to 2006.	54	Director, American Water (water utility), since 2003; Director, Allianz Life of New York (insurance), since 2005; Director, Berger Group Holdings, Inc. (engineering consulting firm), since 2013; Director, Financial Women's Association of New York (not-for-profit association), since 2003; Trustee Emerita, Brown University, since 1998; Director, Museum of American Finance (not-for-profit), since 2013; formerly, Non-Executive Chair and Director, Channel Reinsurance (financial guaranty reinsurance), 2006 to 2010; formerly, Director, Ocwen Financial Corporation (mortgage servicing), 2005 to 2010; formerly, Director, Claire's Stores, Inc. (retailer), 2005 to 2007; formerly, Director, Parsons Brinckerhoff Inc. (engineering consulting firm), 2007 to 2010; formerly Director, Bank Leumi (commercial bank), 2005 to 2007; formerly Advisory Board Member, Attensity (software developer), 2005 to 2007.

Name, (Year of Birth), and Address ⁽¹⁾	Position(s) and Length of Time Served ⁽²⁾	Principal Occupation(s) ⁽³⁾	Number of Funds in Fund Complex Overseen by Director	Other Directorships Held Outside Fund Complex by Director ⁽³⁾
Howard A. Mileaf (1937)	Director since 2006	Retired; formerly, Vice President and General Counsel, WHX Corporation (holding company), 1993 to 2001.	54	Formerly, Director, Webfinancial Corporation (holding company), 2002 to 2008; formerly, Director, WHX Corporation (holding company), 2002 to 2005; formerly, Director, State Theatre of New Jersey (not-for-profit theatre), 2000 to 2005.
Candace L. Straight (1947)	Director since 2006	Private investor and consultant specializing in the insurance industry; formerly, Advisory Director, Securitas Capital LLC (a global private equity investment firm dedicated to making investments in the insurance sector), 1998 to December 2003.	54	Public Member, Board of Governors and Board of Trustees, Rutgers University, since 2011; Director, Montpelier Re Holdings Ltd. (reinsurance company), since 2006; formerly, Director, National Atlantic Holdings Corporation (property and casualty insurance company), 2004 to 2008; formerly, Director, The Proformance Insurance Company (property and casualty insurance company), 2004 to 2008; formerly, Director, Providence Washington Insurance Company (property and casualty insurance company), 1998 to 2006; formerly, Director, Summit Global Partners (insurance brokerage firm), 2000 to 2005.

Name, (Year of Birth), and Address ⁽¹⁾	Position(s) and Length of Time Served ⁽²⁾	Principal Occupation(s) ⁽³⁾	Number of Funds in Fund Complex Overseen by Director	Other Directorships Held Outside Fund Complex by Director ⁽³⁾
Joseph V. Amato* (1962)	Director since 2008	Director who is an "Interested Person" President and Director, Neuberger Group LLC, since 2009; President and Chief Executive Officer, Neuberger and Neuberger Berman Holdings LLC (including its predecessor, Neuberger Berman Inc.), since 2007; Chief Investment Officer (Equities) and Managing Director, Management, since 2009; Managing Director, NBFH, since 2007; Board member of NBFH since 2006; formerly, Global Head of Asset Management of Lehman Brothers Holdings Inc.'s ("LBHI") Investment Management Division, 2006 to 2009; formerly, member of LBHI's Investment Management Division's Executive Management Committee, 2006 to 2009; formerly, Managing Director, Lehman Brothers Inc. ("LBI"), 2006 to 2008; formerly, Chief Recruiting and Development Officer, LBI, 2005 to 2006; formerly, Global Head of LBI's Equity Sales and a Member of its Equities Division Executive Committee, 2003 to 2005.	54	Member of Board of Advisors, McDonough School of Business, Georgetown University, since 2001; Member of New York City Board of Advisors, Teach for America, since 2005; Trustee, Montclair Kimberley Academy (private school), since 2007; Member of Board of Regents, Georgetown University, since 2013.

(1) The business address of each listed person is 605 Third Avenue, New York, New York 10158.

(2) The Board of Directors shall at all times be divided as equally as possible into three classes of Directors designated Class I, Class II, and Class III. Jack L. Rivkin, formerly a Class II Director, resigned effective as of December 16, 2013. The terms of office of Class I, Class II, and Class III Directors shall expire at the annual meeting of shareholders held in 2015, 2016, and 2014, respectively, and at each third annual meeting of shareholders thereafter.

(3) Except as otherwise indicated, each individual has held the positions shown for at least the last five years.

* Indicates a Director who is an "interested person" within the meaning of the 1940 Act. Mr. Amato and Mr. Conti are interested persons of the Fund because each is an officer of Management, NBFI and/or their affiliates.

Information about the Officers of the Fund

Name, (Year of Birth), and Address ⁽¹⁾	Position(s) and Length of Time Served ⁽²⁾	Principal Occupation(s) ⁽³⁾
Andrew B. Allard (1961)	Chief Legal Officer since 2013 (only for purposes of sections 307 and 406 of the Sarbanes-Oxley Act of 2002) and Anti-Money Laundering Compliance Officer since 2006	General Counsel and Senior Vice President, Management since 2013; Senior Vice President, Neuberger, since 2006 and Employee since 1999; Deputy General Counsel, Neuberger, since 2004; formerly, Vice President, Neuberger, 2000 to 2005; formerly, Employee, Management, 1994 to 1999; Chief Legal Officer since 2013 (only for purposes of sections 307 and 406 of the Sarbanes-Oxley Act of 2002) ten registered investment companies for which Management acts as investment manager and administrator (ten since 2013); Anti-Money Laundering Compliance Officer, ten registered investment companies for which Management acts as investment manager and administrator (six since 2002, one since 2003, one since 2005, one since 2006 and one since 2013).
Claudia A. Brandon (1956)	Executive Vice President since 2008 and Secretary since 2006	Senior Vice President, Neuberger, since 2007 and Employee since 1999; Senior Vice President, Management, since 2008 and Assistant Secretary since 2004; formerly, Vice President, Neuberger, 2002 to 2006; formerly, Vice President-Mutual Fund Board Relations, Management, 2000 to 2008; formerly, Vice President, Management, 1986 to 1999 and Employee 1984 to 1999; Executive Vice President, ten registered investment companies for which Management acts as investment manager and administrator (nine since 2008 and one since 2013); Secretary, ten registered investment companies for which Management acts as investment manager and administrator (three since 1985, three since 2002, one since 2003, one since 2005, one since 2006 and one since 2013).
Agnes Diaz (1971)	Vice President since 2013	Vice President, ten registered investment companies for which Management acts as investment manager and administrator (ten since 2013).
Anthony DiBernardo (1979)	Assistant Treasurer since 2011	Vice President, Neuberger, since 2009; Employee, Management, since 2003; Assistant Treasurer, ten registered investment companies for which Management acts as investment manager and administrator (nine since 2011 and one since

Sheila R. James Assistant Secretary since 2006
(1965)

2013).
Vice President, Neuberger, since 2008 and
Employee since 1999; formerly, Assistant Vice
President, Neuberger, 2007; formerly, Employee,
Management, 1991 to 1999; Assistant Secretary,
ten registered investment companies for which
Management acts as investment manager and
administrator (six since 2002, one since 2003, one
since 2005, one since 2006 and one since 2013).

Name, (Year of Birth), and Address ⁽¹⁾	Position(s) and Length of Time Served ⁽²⁾	Principal Occupation(s) ⁽³⁾
Brian Kerrane (1969)	Vice President since 2008	Senior Vice President, Neuberger, since 2008 and Employee since 1991; formerly, Vice President, Neuberger, 2002 to 2008; Vice President, ten registered investment companies for which Management acts as investment manager and administrator (nine since 2008 and one since 2013).
Kevin Lyons (1955)	Assistant Secretary since 2006	Assistant Vice President, Neuberger, since 2008 and Employee since 1999; formerly, Employee, Management, 1993 to 1999; Assistant Secretary, ten registered investment companies for which Management acts as investment manager and administrator (seven since 2003, one since 2005, one since 2006 and one since 2013).
Owen F. McEntee, Jr. (1961)	Vice President since 2008	Vice President, Neuberger, since 2006; Employee, Management, since 1992; Vice President, ten registered investment companies for which Management acts as investment manager and administrator (nine since 2008 and one since 2013).

(1) The business address of each listed person is 605 Third Avenue, New York, New York 10158.

(2) Except as otherwise indicated, each individual has held the positions shown for at least the last five years.

Proxy Voting Policies and Procedures

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available, without charge, by calling 800-877-9700 (toll-free) and on the website of the Securities and Exchange Commission at www.sec.gov. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is also available, without charge, by calling 800-877-9700 (toll-free), on the website of the Securities and Exchange Commission at www.sec.gov, and on Management's website at www.nb.com.

Quarterly Portfolio Schedule

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the Securities and Exchange Commission's website at www.sec.gov and may be reviewed and copied at the Securities and Exchange Commission's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330. The information on Form N-Q is available upon request, without charge, by calling 800-877-9700 (toll-free).

Report of Votes of Shareholders

An annual meeting of shareholders was held on August 22, 2013. Shareholders voted to elect three Class II Directors (one of which to be elected only by holders of preferred shares) to serve until the annual meeting of shareholders in 2016, or until their successors are elected and qualified. Class I Directors (which include Faith Colish, Michael M. Knetter, Peter P. Trapp, and Robert Conti) and Class III Directors (which include Martha C. Goss, Howard A. Mileaf, Candace L. Straight and Joseph V. Amato) continue to hold office until the annual meeting in 2015 and 2014, respectively.

To elect three Class II Directors (one of which to be elected only by holders of preferred shares) to serve until the annual meeting of shareholders in 2016.

Common and Preferred Shares

	Votes For	Votes Withheld	Abstentions	Broker Non-Votes
Tom D. Seip	16,956,498	586,608	—	—
Jack L. Rivkin	16,711,625	331,481	—	—

Preferred Shares

	Votes For	Votes Withheld	Abstentions	Broker Non-Votes
George W. Morriss	1,087	—	—	—

Board Consideration of the Management and Sub-Advisory Agreements

On an annual basis, the Board of Directors ("Board") of Neuberger Berman High Yield Strategies Fund Inc. (the "Fund"), including the Directors who are not "interested persons" of Neuberger Berman Management LLC ("Management") (including its affiliates) or the Fund ("Independent Fund Directors"), considers whether to continue the Management and Sub-Advisory Agreements ("Agreements") with respect to the Fund. At a meeting held on October 22-23, 2013, the Board, including the Independent Fund Directors, approved the continuation of the Agreements.

In evaluating the Agreements, the Board, including the Independent Fund Directors, reviewed extensive materials provided by Management in response to questions submitted by the Board and counsel for the Independent Fund Directors, and met with senior representatives of Management regarding its personnel, operations and financial conditions as they relate to the Fund. The annual contract review extends over at least two regular meetings of the Board to ensure that Management and Neuberger Berman Fixed Income LLC ("NBFI") have time to respond to any questions the Independent Fund Directors may have on their initial review of the materials and that the Independent Fund Directors have time to consider those responses.

In connection with its deliberations, the Board also considered the broad range of information relevant to the annual contract review that is provided to the Board (including its various standing committees) at meetings throughout the year, including investment performance reports and related portfolio information for the Fund, as well as periodic reports on, among other matters, pricing and valuation; brokerage and execution; and compliance and other services provided by Management, NBFI and their affiliates. To assist the Board in its deliberations regarding the annual contract review, the Board has established a Contract Review Committee comprised of Independent Fund Directors, as well as other committees that focus throughout the year on specific areas relevant to the annual contract review, such as Fund performance or compliance matters.

Throughout the process, the Independent Fund Directors were advised by counsel that is experienced in Investment Company Act of 1940 matters and that is independent of Management. The Independent Fund Directors received from independent counsel a memorandum discussing the legal standards for their consideration of the proposed continuation of the Agreements. During the course of the year and during their deliberations regarding the annual contract review, the Independent Fund Directors met with such counsel separately from representatives of Management and NBFI.

In connection with its approval of the continuation of the Agreements, the Board evaluated the terms of the Agreements, the overall fairness of the Agreements to the Fund and whether the Agreements were in the best interests of the Fund and its shareholders. The Board considered all factors it deemed relevant with respect to the Fund, including the following factors: (1) the nature, extent, and quality of the services provided by Management and NBFI; (2) the investment performance of the Fund compared to relevant market indices and a peer group of investment companies; (3) the costs of the services provided and profit or loss realized by Management and its affiliates from their relationship with the Fund; (4) the extent to which economies of scale might be realized as the Fund grows; and (5) whether fee levels reflect any such potential economies of scale for the benefit of investors in the Fund. While each Director may have attributed different weights to the various factors, the Board's determination to approve the continuation of the Agreements was based on a comprehensive consideration of all information provided to the Board throughout the year and specifically in connection with the annual contract review. The Board members did not identify any particular information or factor that was all-important or controlling. The Board focused on the overall costs and benefits of the Agreements relating to the Fund and, through the Fund, its shareholders.

With respect to the nature, extent and quality of the services provided, the Board considered the investment philosophy and decision-making processes of Management and NBFI, and the qualifications, experience and capabilities of and the resources available to the portfolio management personnel of Management and NBFI who

perform services for the Fund. The Board noted that Management also provides certain administrative services, including fund accounting and compliance oversight. The Board also considered Management's and NBF's policies and practices regarding brokerage and allocation

of portfolio transactions and reviewed the quality of the execution services that Management had provided. The Board also considered that Management's responsibilities include daily management of investment, operational, enterprise, legal, regulatory and compliance risks as they relate to the Fund, and considered information regarding Management's process for managing risk. In addition, the Board noted the positive compliance history of Management and NBF, as each firm has been free of significant reported compliance problems. The Board also considered the general structure of the portfolio manager compensation program and whether this structure provides appropriate incentives to act in the best interest of the Fund. As in past years, the Board also considered the manner in which Management addressed various non-routine matters that arose during the year, some of them a result of developments in the broader fund industry or the regulations governing it. In addition, the Board considered actions taken by Management and NBF in response to recent market conditions, including actions taken in response to changes in market volatility, and considered the overall performance of Management and NBF in this context.

With respect to investment performance, the Board considered information regarding the Fund's short-, intermediate- and long-term performance on both a market return and net asset value basis relative to its benchmark and the average performance of a composite peer group of closed-end investment companies (as constructed by an independent organization) pursuing broadly similar strategies. The Board also reviewed performance in relation to certain measures of the degree of investment risk undertaken by the portfolio managers. The Board factored into its evaluation of the Fund's performance the limitations inherent in the methodology for constructing peer groups and determining which investment companies should be included in which peer groups. The Board noted that performance, especially short-term performance, is only one of the factors that it deems relevant to its consideration of the Fund's Agreements.

With respect to the overall fairness of the Agreements, the Board considered the fee structure for the Fund under the Agreements as compared to a peer group of comparable funds and any fall-out benefits likely to accrue to Management or NBF or their affiliates from their relationship with the Fund. The Board also considered the profitability of Management and its affiliates from their association with the Fund.

The Board reviewed a comparison of the Fund's management fee and overall expense ratio to a peer group of broadly comparable funds. The Board noted that the comparative management fee analysis includes, in the Fund's management fee, the separate administrative fee paid to Management, but it was not clear whether this was the case for all funds in the peer group. The Board considered the mean and median of the management fees and expense ratios of the peer group. The Board considered whether specific portfolio management or administration needs contributed to the management fee. The Board noted that while the Fund's management fee includes both an advisory and administration fee, it was not clear in all cases whether the funds in the peer group include both an advisory and administration fee in its management fee, so that the overall expense ratio represented the most relevant comparison.

The Board considered whether there were other funds or separate accounts that were advised or sub-advised by Management or NBF or their affiliates with similar investment objectives, policies and strategies as the Fund. The Board noted that there were no comparable sub-advised funds. The Board compared the fees charged to the Fund to the fees charged to an advised fund managed in a similar style to the Fund. The Board considered the appropriateness and reasonableness of any differences between the fees charged to the Fund and the other fund and determined that any differences in fees or fee structures were consistent with the management and other services provided. The Board also evaluated any apparent or anticipated economies of scale in relation to the services Management provides to the Fund. The Board considered that the Fund is a closed-end fund that is not continuously offering shares and that, without daily inflows and outflows of capital, there are limited opportunities for significant economies of scale to be realized by Management in managing the Fund's assets.

In concluding that the benefits accruing to Management and its affiliates by virtue of their relationship to the Fund were reasonable in light of the costs of providing the investment advisory and other services and the benefits accruing to the

Fund, the Board reviewed specific data as to Management's profit on the Fund for a recent period. The Board also carefully examined Management's cost allocation methodology. The Board recognized that Management should be entitled to earn a reasonable level of profits for services it provides to the Fund and, based on its review, concluded that Management's reported level of profitability was reasonable.

Conclusions

In approving the Agreements, the Board concluded that the terms of each Agreement are fair and reasonable to the Fund and that approval of the Agreements is in the best interests of the Fund and its shareholders. In reaching this determination, the Board considered that Management and NBFJ could be expected to provide a high level of service to the Fund; that the performance of the Fund was satisfactory over time; that the Fund's fee structure appeared to the Board to be reasonable given the nature, extent and quality of services provided; and that the benefits accruing to Management and its affiliates by virtue of their relationship to the Fund were reasonable in light of the costs of providing the investment advisory and other services and the benefits accruing to the Fund. The Board's conclusions may be based in part on its consideration of materials prepared in connection with the Agreements in prior years and on the Board's ongoing regular review of Fund performance and operations throughout the year, in addition to material prepared specifically for the most recent annual review of the Agreements.

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Neuberger Berman Management LLC

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Statistics and projections in this report are derived from sources deemed to be reliable but cannot be regarded as a representation of future results of the Fund. This report is prepared for the general information of shareholders and is not an offer of shares of the Fund.

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Item 2. Code of Ethics.

The Board of Directors (“Board”) of Neuberger Berman High Yield Strategies Fund Inc. (“Registrant”) adopted a code of ethics that applies to the Registrant’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions (“Code of Ethics”). For the period covered by this Form N-CSR, there were no amendments to the Code of Ethics requiring disclosure and there were no waivers from the Code of Ethics granted to the Registrant’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

A copy of the Code of Ethics is incorporated by reference to Neuberger Berman Equity Funds’ Form N-CSR, Investment Company Act file number 811-00582 (filed on May 6, 2013). The Code of Ethics is also available, without charge, by calling 1-800-877-9700 (toll-free).

Item 3. Audit Committee Financial Expert.

The Board has determined that the Registrant has three audit committee financial experts serving on its audit committee. The Registrant’s audit committee financial experts are Martha Goss, George Morriss and Candace Straight. Ms. Goss, Mr. Morriss and Ms. Straight are independent directors as defined by Form N-CSR.

Item 4. Principal Accountant Fees and Services.

Ernst & Young LLP (“E&Y”) serves as the independent registered public accounting firm to the Registrant.

(a) Audit Fees

The aggregate fees billed for professional services rendered by E&Y for the audit of the annual financial statements or services that are normally provided by E&Y in connection with statutory and regulatory filings or engagements were \$49,750 and \$52,950 for the fiscal years ended 2012 and 2013, respectively.

(b) Audit-Related Fees

The aggregate fees billed to the Registrant for assurance and related services by E&Y that are reasonably related to the performance of the audit of the Registrant's financial statements and that are not reported above in Audit Fees were \$0 and \$0 for the fiscal years ended 2012 and 2013, respectively. The Audit Committee approved 0% and 0% of these services provided by E&Y for the fiscal years ended 2012 and 2013, respectively, pursuant to the waiver provisions of Rule 2-01(c)(7)(i)(C) of Regulation S-X.

The fees billed to other entities in the investment company complex for assurance and related services by E&Y that are reasonably related to the performance of the audit that the Audit Committee was required to approve because the engagement related directly to the operations

and financial reporting of the Registrant were \$0 and \$0 for the fiscal years ended 2012 and 2013, respectively. The Audit Committee approved 0% and 0% of these services provided by E&Y for the fiscal years ended 2012 and 2013, respectively, pursuant to the waiver provisions of Rule 2-01(c)(7)(i)(C) of Regulation S-X.

(c) Tax Fees

The aggregate fees billed to the Registrant for professional services rendered by E&Y for tax compliance, tax advice, and tax planning were \$10,100 and \$10,400 for the fiscal years ended 2012 and 2013, respectively. The nature of the services provided includes preparation of the Federal and State tax extensions and tax returns, review of annual excise tax calculations, and preparation of form 8613, in addition to assistance with Internal Revenue Code and tax regulation requirements for fund investments. The Audit Committee approved 0% and 0% of these services provided by E&Y for the fiscal years ended 2012 and 2013, respectively, pursuant to the waiver provisions of Rule 2-01(c)(7)(i)(C) of Regulation S-X.

The fees billed to other entities in the investment company complex for professional services rendered by E&Y for tax compliance, tax advice, and tax planning that the Audit Committee was required to approve because the engagement related directly to the operations and financial reporting of the Registrant were \$0 and \$0 for the fiscal years ended 2012 and 2013, respectively. The Audit Committee approved 0% and 0% of these services provided by E&Y for the fiscal years ended 2012 and 2013, respectively, pursuant to the waiver provisions of Rule 2-01(c)(7)(i)(C) of Regulation S-X.

(d) All Other Fees

The aggregate fees billed to the Registrant for products and services provided by E&Y, other than services reported in Audit Fees, Audit-Related Fees, and Tax Fees were \$0 and \$0 for the fiscal years ended 2012 and 2013, respectively. The Audit Committee approved 0% and 0% of these services provided by E&Y for the fiscal years ended 2012 and 2013, respectively, pursuant to the waiver provisions of Rule 2-01(c)(7)(i)(C) of Regulation S-X.

The fees billed to other entities in the investment company complex for products and services provided by E&Y, other than services reported in Audit Fees, Audit-Related Fees, and Tax Fees, that the Audit Committee was required to approve because the engagement related directly to the operations and financial reporting of the Registrant were \$0 and \$0 for the fiscal years ended 2012 and 2013, respectively. The Audit Committee approved 0% and 0% of these services provided by E&Y for the fiscal years ended 2012 and 2013, respectively, pursuant to the waiver provisions of Rule 2-01(c)(7)(i)(C) of Regulation S-X.

(e) Audit Committee's Pre-Approval Policies and Procedures

(1) The Audit Committee's pre-approval policies and procedures for the Registrant to engage an accountant to render audit and non-audit services delegate to each member of the Committee the power to pre-approve services between meetings of the Committee.

(2) None of the services described in paragraphs (b) through (d) above were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Hours Attributed to Other Persons

Not applicable.

(g) Non-Audit Fees

Non-audit fees billed by E&Y for services rendered to the Registrant were \$10,100 and 10,400 for the fiscal years ended 2012 and 2013, respectively.

Non-audit fees billed by E&Y for services rendered to the Registrant's investment adviser and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the Registrant were \$0 and \$0 for the fiscal years ended 2012 and 2013, respectively.

(h) The Audit Committee of the Board considered whether the provision of non-audit services rendered to the Registrant's investment adviser and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the Registrant that were not pre-approved by the Audit Committee because the engagement did not relate directly to the operations and financial reporting of the Registrant is compatible with maintaining E&Y's independence.

Item 5. Audit Committee of Listed Registrants.

The Board has established a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended ("Exchange Act"). Its members are Martha C. Goss (Vice Chair), George W. Morris (Chair), Tom D. Seip and Candace L. Straight.

Item 6. Schedule of Investments.

The complete schedule of investments for the Registrant is disclosed in the Registrant's Annual Report, which is included as Item 1 of this Form N-CSR.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

The Board has delegated to Neuberger Berman Management LLC ("NB Management") the responsibility to vote proxies related to the securities held in the Registrant's portfolio. Under this authority, NB Management is required by the Board to vote proxies related to portfolio securities in the best interests of the Registrant and its stockholders. The Board permits NB Management to contract with a third party to obtain proxy voting and related services, including research of current issues.

NB Management has implemented written Proxy Voting Policies and Procedures ("Proxy Voting Policy") that are designed to reasonably ensure that NB Management votes proxies prudently and in the best interest of its advisory clients for whom NB Management has voting authority, including the Registrant. The Proxy Voting Policy also describes how NB Management

addresses any conflicts that may arise between its interests and those of its clients with respect to proxy voting.

NB Management's Proxy Committee is responsible for developing, authorizing, implementing and updating the Proxy Voting Policy, overseeing the proxy voting process and engaging and overseeing any independent third-party vendor as a voting delegate to review, monitor and/or vote proxies. In order to apply the Proxy Voting Policy noted above in a timely and consistent manner, NB Management utilizes Glass, Lewis & Co. ("Glass Lewis") to vote proxies in accordance with NB Management's voting guidelines.

NB Management's guidelines adopt the voting recommendations of Glass Lewis. NB Management retains final authority and fiduciary responsibility for proxy voting. NB Management believes that this process is reasonably designed to address material conflicts of interest that may arise between NB Management and a client as to how proxies are voted.

In the event that an investment professional at NB Management believes that it is in the best interests of a client or clients to vote proxies in a manner inconsistent with NB Management's proxy voting guidelines or in a manner inconsistent with Glass Lewis recommendations, the Proxy Committee will review information submitted by the investment professional to determine that there is no material conflict of interest between NB Management and the client with respect to the voting of the proxy in that manner.

If the Proxy Committee determines that the voting of a proxy as recommended by the investment professional presents a material conflict of interest between NB Management and the client or clients with respect to the voting of the proxy, the Proxy Committee shall: (i) take no further action, in which case Glass Lewis shall vote such proxy in accordance with the proxy voting guidelines or as Glass Lewis recommends; (ii) disclose such conflict to the client or clients and obtain written direction from the client as to how to vote the proxy; (iii) suggest that the client or clients engage another party to determine how to vote the proxy; or (iv) engage another independent third party to determine how to vote the proxy.

Item 8. Portfolio Managers of Closed-End Management Investment Companies.

(a)(1) The following Portfolio Managers have day-to-day management responsibility of the Registrant's portfolio as of the date of the filing of this Form N-CSR.

Ann H. Benjamin and Thomas P. O'Reilly have served as portfolio managers for the Registrant since inception. Ann H. Benjamin is a Managing Director of NB Management, Neuberger Berman LLC and Neuberger Berman Fixed Income LLC ("NBFI"). She has been part of the Registrant's management team since 2005. Ms. Benjamin also manages high yield portfolios for NBFI and its predecessor, an affiliate of Neuberger Berman LLC. She has managed money for NBFI since 1997.

Thomas P. O'Reilly is a Managing Director of NB Management, Neuberger Berman LLC and NBFI. He has been part of the Registrant's management team since 2005. Mr. O'Reilly also manages high yield portfolios for Neuberger Berman Fixed Income LLC

and its predecessor, an affiliate of Neuberger Berman LLC. He has managed money for NBFH since 1997.

William “Russ” Covode has served as portfolio manager for Registrant since 2012. He is a Managing Director of NB Management, Neuberger Berman LLC and NBFH. Mr. Covode also manages high yield and blended credit portfolios for NBFH. He joined the firm in 2004.

(a)(2) The table below describes the other accounts for which the Registrant’s Portfolio Managers have day-to-day management responsibility as of October 31, 2013.

Type of Account	Number of Accounts Managed	Total Assets Managed (\$ millions)	Number of Accounts Managed for which Advisory Fee is Performance-Based	Assets Managed for which Advisory Fee is Performance-Based (\$ millions)
Ann H. Benjamin				
Registered Investment Companies*	7	\$6,662	0	N/A
Other Pooled Investment Vehicles***	8	\$14,867	1	723
Other Accounts**, ***	35	\$9,720	0	N/A
Russ Covode				
Registered Investment Companies*	5	\$4,810	0	N/A
Other Pooled Investment Vehicles***	7	\$14,540	1	723
Other Accounts**, ***	30	\$8,810	0	N/A
Thomas P. O’Reilly				
Registered Investment Companies*	7	\$6,662	0	N/A
Other Pooled Investment Vehicles***	8	\$14,867	1	723
Other Accounts**, ***	35	\$9,720	0	N/A

*Registered Investment Companies include: Mutual Funds.

**Other Accounts include: Institutional Separate Accounts, Sub-Advised Accounts and Managed Accounts (WRAP Accounts), which are counted as one account per strategy per managed account platform.

***A portion of certain accounts may be managed by other portfolio managers; however, the total assets of such accounts are included above even though the portfolio manager listed above is not involved in the day-to-day management of the entire account.

Conflicts of Interest

Actual or apparent conflicts of interest may arise when a Portfolio Manager has day-to-day management responsibilities with respect to more than one fund or other account. The management of multiple funds and accounts (including proprietary accounts) may give rise to actual or potential conflicts of interest if the funds and accounts have different or similar

objectives, benchmarks, time horizons, and fees, as the Portfolio Manager must allocate his time and investment ideas across multiple funds and accounts. A Portfolio Manager may execute transactions for another fund or account that may adversely impact the value of securities held by the Registrant, and which may include transactions that are directly contrary to the positions taken by the Registrant. For example, a Portfolio Manager may engage in short sales of securities for another account that are the same type of securities in which the Registrant also invests. In such a case, a Portfolio Manager could be seen as harming the performance of the Registrant for the benefit of the account engaging in short sales if the short sales cause the market value of the securities to fall. Additionally, if a Portfolio Manager identifies a limited investment opportunity that may be suitable for more than one fund or other account, the Registrant may not be able to take full advantage of that opportunity. If one account were to buy or sell portfolio securities shortly before another account bought or sold the same securities, it could affect the price paid or received by the second account. Securities selected for funds or accounts other than the Registrant may outperform the securities selected for the Registrant. Finally, a conflict of interest may arise if NB Management and a Portfolio Manager have a financial incentive to favor one account over another, such as a performance-based management fee that applies to one account but not the Registrant or other accounts for which the Registrant's Portfolio Manager is responsible.

NB Management, NBFI and the Registrant have adopted certain compliance procedures which are designed to address these types of conflicts. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

(a)(3) Compensation (as of October 31, 2013)

Our compensation philosophy is one that focuses on rewarding performance and incentivizing our employees. We are also focused on creating a compensation process that we believe is fair, transparent, and competitive with the market.

Compensation for Portfolio Managers consists of fixed and variable compensation but is more heavily weighted on the variable portion of total compensation and reflects individual performance, overall contribution to the team, collaboration with colleagues across Neuberger Berman Group LLC ("NBG," and together with its consolidated subsidiaries "NB Group") and, most importantly, overall investment performance. In particular, the bonus for a Portfolio Manager is determined by using a formula and may or may not contain a discretionary component. If applicable, the discretionary component is determined on the basis of a variety of criteria, including investment performance (including the pre-tax three-year track record in order to emphasize long-term performance and in certain instances the one-year and five-year track records), utilization of central resources (including research, sales and operations/support), business building to further the longer term sustainable success of the investment team, effective team/people management, and overall contribution to the success of NB Group. In addition, compensation of portfolio managers at other comparable firms is considered, with an eye toward remaining competitive with the market.

The terms of our long-term retention incentives are as follows:

Employee-Owned Equity. An integral part of the management buyout of Neuberger Berman in 2009 was implementing an equity ownership structure which embodies the importance of incentivizing and retaining key investment professionals.

Most of the senior Portfolio Managers on the mutual fund teams are key shareholders in the equity ownership structure. Currently, on a yearly basis, the equity ownership allocations will be re-evaluated and re-allocated based on performance and other key metrics. Employee equity and preferred stock is subject to vesting and other terms and conditions.

Contingent Compensation Plan. We have also established the Neuberger Berman Group Contingent Compensation Plan pursuant to which a certain percentage of a Portfolio Manager's compensation is deemed contingent and vests over a three-year period. Under the plan, participating Portfolio Managers and other participating employees who are members of mutual fund investment teams will receive a cash return on their contingent compensation with a portion of such return being determined based on the team's investment performance, as well as the performance of a portfolio of other investment funds managed by NB Group investment professionals.

Restrictive Covenants. Portfolio Managers who have received equity interests have agreed to certain restrictive covenants, which impose obligations and restrictions on the use of confidential information and the solicitation of Neuberger Berman employees and clients over a specified period of time if the Portfolio Manager leaves the firm.

Other Accounts. Certain Portfolio Managers may manage products other than mutual funds, such as high net worth separate accounts. For the management of these accounts, a Portfolio Manager may generally receive a percentage of pre-tax revenue determined on a monthly basis less certain deductions (e.g., a "finder's fee" or "referral fee" paid to a third party). The percentage of revenue a Portfolio Manager receives will vary based on certain revenue thresholds.

(a)(4) Ownership of Securities

Set forth below is the dollar range of equity securities beneficially owned by the Registrant's Portfolio Managers in the Registrant as of October 31, 2013.

Portfolio Manager	Dollar Range of Equity Securities Owned in the Registrant
Ann H. Benjamin	E
Russ Covode	A
Thomas P. O'Reilly	E
A = None	E =
B = \$1-\$10,000	\$100,001-\$500,000
C = \$10,001 - \$50,000	F =
D = \$50,001-\$100,000	\$500,001-\$1,000,000
	G = Over \$1,000,000

(b) Not applicable.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

No reportable purchases for the period covered by this report.

Item 10. Submission of Matters to a Vote of Security Holders.

There were no changes to the procedures by which stockholders may recommend nominees to the Board.

Item 11. Controls and Procedures.

- (a) Based on an evaluation of the disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "Act")) as of a date within 90 days of the filing date of this document, the Chief Executive Officer and Treasurer and Principal Financial and Accounting Officer of the Registrant have concluded that such disclosure controls and procedures are effectively designed to ensure that information required to be disclosed by the Registrant on Form N-CSR and Form N-Q is accumulated and communicated to the Registrant's management to allow timely decisions regarding required disclosure.
- (b) There were no significant changes in the Registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the Registrant's second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 12. Exhibits.

- (a)(1) A copy of the Code of Ethics is incorporated by reference to Neuberger Berman Equity Funds' Form N-CSR, Investment Company Act file number 811-00582 (filed on May 6, 2013).
- (a)(2) The certifications required by Rule 30a-2(a) of the Act and Section 302 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act") are filed herewith.
- (a)(3) Not applicable to the Registrant.
- (b) The certifications required by Rule 30a-2(b) of the Act and Section 906 of the Sarbanes-Oxley Act are filed herewith.

The certifications provided pursuant to Rule 30a-2(b) of the Act and Section 906 of the Sarbanes-Oxley Act are not deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Registrant specifically incorporates them by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Neuberger Berman High Yield Strategies Fund Inc.

By: /s/ Robert Conti
Robert Conti
Chief Executive Officer

Date: January 7, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Robert Conti
Robert Conti
Chief Executive Officer

Date: January 7, 2014

By: /s/ John M. McGovern
John M. McGovern
Treasurer and Principal Financial
and Accounting Officer

Date: January 7, 2014