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Neuberger Berman High Yield Strategies Fund Inc.
Form N-CSRS
July 07, 2014

As filed with the Securities and Exchange Commission on July 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: 811-21342

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

New York, New York 10158-0180

Arthur C. Delibert, Esq.

K&L Gates LLP

1601 K Street, N.W.

Washington, D.C. 20006-1600

(Names and Addresses of agents for service)

Date of fiscal year end: October 31

Date of reporting period: April 30, 2014

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, as amended (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.

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Item 1. Report to Stockholders

The following are copies of the Semi-Annual Reports transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended.

Neuberger Berman
High Yield Strategies
Fund Inc.

Semi-Annual Report

April 30, 2014

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President's Letter

Dear Shareholder,

I am pleased to present the semi-annual report for Neuberger Berman High Yield Strategies Fund Inc. for the six months ended April 30, 2014. The report includes a portfolio commentary, a listing of the Fund's investments and its unaudited 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 March 3, 2014, Daniel Doyle, CFA, a Neuberger Berman managing director, was named portfolio co-manager of the Fund. He joins portfolio co-managers Ann H. Benjamin, Thomas P. O'Reilly and Russ Covode.

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

Neuberger Berman High Yield Strategies Fund Inc. generated a 5.98% total return on a net asset value (NAV) basis for the six months ended April 30, 2014 and outperformed its benchmark, the BofA Merrill Lynch U.S. High Yield Master II Constrained Index, which provided a 4.76% return for the period. (Fund performance on a market price basis is provided in the table immediately following this letter.) The use of leverage (typically a performance enhancer in up markets and a detractor during market retreats) was beneficial for performance.

The overall fixed income market experienced periods of volatility but generated a modest gain during the six-month reporting period. We believe sentiment was impacted by a number of factors, including mixed global economic data, asset purchase tapering by the U.S. Federal Reserve (Fed) and geopolitical tensions. The high yield market posted positive returns during all six months of the period and significantly outperformed equal-duration Treasuries. Supporting the high yield market were generally robust investor demand, low defaults and corporate profits that often exceeded expectations. For the six months ended April 30, 2014, CCC-rated (a relatively low rating) and lower-rated securities and BB-rated securities (rated higher) in the benchmark returned 5.79% and 4.67%, respectively.

Security selection in the aggregate was a negative for the Fund's performance relative to the index. The largest detractors came from our holdings in the metals & mining, utilities and media-diversified sectors. This was somewhat mitigated by positive security selection in technology & electronics, telecommunications and support services.

Sector positioning, overall, detracted from relative performance during the reporting period. In particular, underweights in banking and paper, along with an overweight in gaming, were negative for results. This was partially offset by our overweights in media-broadcast, printing & publishing and technology & electronics.

The Fund's quality biases produced mixed results during the reporting period. The Fund's initial underweight allocation to BB-rated securities, along with an overweight allocation to CCC-rated securities, contributed positively to performance. While security selection of CCC-rated securities was beneficial, this was more than offset by security selection of B-rated securities.

We made several adjustments to the portfolio during the reporting period. We increased the Fund's allocation to B-rated bonds, moving from an underweight to an overweight position. We reduced the portfolio's allocation to CCC-rated securities, further paring its exposure versus the index. Elsewhere, we increased the Fund's out-of-index allocation to bank loans from approximately 4.3% to 5.6% of the portfolio.

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

While spreads have meaningfully tightened since the credit crisis, we continue to have a positive outlook for the high yield market. In our view, fundamentals continue to be solid, with corporate balance sheets that, in our opinion, are by and large flush with cash. Furthermore, numerous companies have taken advantage of low rates to reduce their borrowing costs and extend maturities. Against this backdrop, we anticipate that defaults will remain well below their long-term average. While we believe investor demand should continue to be solid overall, there could be periods of risk aversion. This could be triggered by a number of factors, including uncertainties surrounding the global economy, as well as geopolitical issues.

Sincerely,

ANN H. BENJAMIN, THOMAS P. O'REILLY, RUSS COVODE AND DANIEL DOYLE
PORTFOLIO CO-MANAGERS

The composition, industries and holdings 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 3.3%
One
to
less
than
Five
Years 19.8
Five
to
less
than
Ten
Years 69.6
Ten
Years
or
Greater 7.3
Total 100.0%

PERFORMANCE HIGHLIGHTS¹

	Inception Date	Six Month Period Ended 04/30/2014	Average Annual Total Return Ended 04/30/2014			
			1 Year	5 Years	10 Years	Life of Fund
At NAV ²	07/28/2003	5.98 %	8.48 %	21.16 %	11.04 %	11.49 %
At Market Price ³	07/28/2003	5.22 %	5.04 %	21.57 %	10.32 %	10.13 %
Index BofA Merrill Lynch U.S. High Yield Master II Constrained Index ⁴		4.76 %	6.29 %	15.78 %	8.69 %	9.04 %

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/performance.

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 common 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 the Financial Highlights for additional information regarding fee waivers.

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" on page 5 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 Index

BofA Merrill Lynch	The index tracks the performance of U.S. dollar-denominated below investment grade
US High Yield	corporate debt publicly issued in the U.S. domestic market. In
Master II	addition to meeting other criteria, qualifying
Constrained Index	securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch ratings), and have risk exposure to countries that are members of the FX-G10, Western Europe or territories of the U.S. and Western Europe. Securities in legal default are excluded from the index. Index constituents 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 are 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 generally does not invest in all securities included in the index.

Schedule of Investments High Yield Strategies Fund Inc.
(Unaudited)

PRINCIPAL AMOUNT	VALUE†
Bank Loan Obligations^μ	
(8.0%)	
All Telecom	
(0.5%)	
	Integra Telecom, Term Loan B, 5.25%, due
\$732,600	2/22/17 734,431
	Level 3 Financing Inc., Term Loan B, 4.00%, due
585,000	1/15/20 585,913
	1,320,344
Automotive	
(0.4%)	
	Navistar, Inc., Term Loan B, 5.75%, due
1,227,600	8/17/11 1,246,014
Building & Development	
(0.2%)	
	Realogy Corporation, Term Loan B, 3.75%, due
560,181	3/5/20 558,501

Chemicals &
Plastics (0.2%)

	Dupont Performance Coatings, Term Loan B, 4.00%, due 655,050	2/1/20	52,679
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Electronics—Electrical
(1.6%)

3,030,000	Avago Technologies, First Lien Term Loan B1, due 12/16/20	12/16/20	3,037,999 ^{e^^}
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	Datatel-Sophia LP, Term Loan B-1, 4.00%, due 726,883	7/19/18	26,658
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864,145	Freescall Semiconductor, Term Loan B-4, 4.25%, due 2/28/20		862,796 ^{e^^}
			4,627,453

Equipment
Leasing (0.2%)

	International Lease Finance Co., Term Loan, 3.50%, due 655,000	3/6/21	52,341
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Financial Intermediaries (0.2%)

First Data Corporation, Term Loan, 3.65%, due 3/24/15

552,007 150,727

Health Care (1.3%)

CHS/Community Health, Term Loan D, 4.25%, due 1/27/21

718,200 220,663

Multipan, Inc., Term Loan, 4.00%, due 3/31/21

1,625,091 116,088

United Surgical Partners International, Inc., Term Loan B, 4.75%, due 4/3/19

1,536,490 537,766

3,874,517

Lodging & Casinos (0.9%)

Mohegan Tribal Gaming, Term Loan B, 5.50%, due 11/19/19

1,750,613 195,121

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	Station	
	Casinos,	
	Term	
	Loan	
	B,	
	4.25%,	
	due	
954,023	3/2/2019	54,195
		2,729,316

Nonferrous
Metals—Minerals
(0.8%)

	Arch	
	Coal,	
	Term	
	Loan,	
	6.25%,	
	due	
1,059,620	5/16/2018	29,156

	Peabody	
	Energy	
	Corp.,	
	Term	
	Loan,	
	4.25%,	
	due	
1,174,100	9/24/2017	2,421
		2,201,577

See Notes to Schedule of Investments

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

PRINCIPAL AMOUNT		VALUE†
Radio & Television		
(1.7%)		
\$2,141,039	Clear Channel, Term Loan B, 3.80%, due 1/29/16	\$2,122,648
1,612,000	Clear Channel, Term Loan D, 6.90%, due 1/30/19	1,598,362
997,961	Clear Channel, Term Loan E, 7.65%, due 7/30/19	999,497
243,540	Univision Communications Inc., Term Loan, 4.00%, due 3/1/20	242,208
		4,962,715
	Total Bank Loan Obligations (Cost \$23,088,283)	23,376,184
Corporate Debt Securities		
(133.4%)		
Aerospace & Defense		
(0.6%)		
1,810,000	Bombardier, Inc., Senior Unsecured Notes, 6.00%, due 10/15/22	1,841,675 ñ
Airlines		
(0.4%)		
1,085,000	Continental Airlines, Inc., Senior Secured Notes, 6.75%, due 9/15/15	1,102,631 ñ
Auto Loans		
(0.2%)		
445,000	General Motors Financial Co., Inc., Guaranteed Notes, 3.25%, due 5/15/18	449,450
165,000	General Motors Financial Co., Inc., Guaranteed Notes, 4.25%, due 5/15/23	161,906
		611,356
Automakers		
(0.9%)		
1,120,000	Chrysler Group LLC/CG Co-Issuer, Inc., Secured Notes, 8.00%, due 6/15/19	1,226,400
830,000	Ford Motor Co., Senior Unsecured Notes, 9.98%, due 2/15/47	1,251,243
		2,477,643
Building & Construction		
(2.5%)		
155,000	D.R. Horton, Inc., Guaranteed Notes, 4.38%, due 9/15/22	152,869
2,025,000	D.R. Horton, Inc., Guaranteed Notes, 5.75%, due 8/15/23	2,151,562
790,000	Lennar Corp., Guaranteed Notes, 4.75%, due 12/15/17	835,425