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Neuberger Berman High Yield Strategies Fund Inc.

Form N-CSRS

July 06, 2015

As filed with the Securities and Exchange Commission on July 2, 2015

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 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, 2015

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 ("Act") (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.

The following is a copy of the semi-annual report transmitted to stockholders pursuant to Rule 30e-1 under the Act.

Neuberger Berman
High Yield Strategies
Fund Inc.



Semi-Annual Report

April 30, 2015

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Privacy Notice	Located after the Fund’s Report

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President's Letter

Dear Stockholder,

I am pleased to present the semi-annual report for Neuberger Berman High Yield Strategies Fund Inc. for the six months ended April 30, 2015. 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 31, 2015, Neuberger Berman High Yield Strategies Fund Inc. announced a change in its monthly distribution rate payable to \$0.08 per share of common stock, which represents a \$0.01 reduction per share. The change was reflected in the Fund's April 30, 2015 distribution. The decrease in distribution rate was the result of numerous factors, including the general decline in the absolute level of yields available as well as the degree of credit spread tightening that has occurred in the high yield market.

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.

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Neuberger Berman High Yield Strategies Fund Inc. Portfolio Commentary

Neuberger Berman High Yield Strategies Fund Inc. generated a 2.08% total return on a net asset value (NAV) basis for the six months ended April 30, 2015 and outperformed its benchmark, the BofA Merrill Lynch U.S. High Yield Master II Constrained Index, which provided a 1.52% 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.

Despite several setbacks, the overall fixed income market posted a positive return over the six month period ended April 30, 2015. Short-term Treasury yields moved higher as the market anticipated a U.S. Federal Reserve (Fed) interest rate hike in 2015. In contrast, longer-term rates declined given a number of flights to quality triggered by geopolitical issues and concerns over global growth. The high yield market experienced periods of elevated volatility during the reporting period, partially due to a sharp decline and subsequent rally in the energy sector. Within the benchmark, CCC-rated securities (a relatively low rating) and BB-rated securities (rated higher) returned -0.67% and 2.38%, respectively.

From a sector perspective, security selection in support services, an underweight, relative to the benchmark, to metals & mining and security selection in gaming and hotels contributed the most to the Fund's performance. Conversely, an underweight to banking, security selection in utilities and an underweight to food/beverage/tobacco detracted the most from performance.

The Fund's lower-quality bias was generally positive for performance.

We made several adjustments to the portfolio during the reporting period. We reduced the Fund's allocation to BB-rated bonds while increasing its exposure to CCC and lower-rated securities. From a sector perspective, we increased the Fund's allocations to gaming and hotels, health care and gas distribution. Conversely, we reduced its exposures to metals & mining and aerospace & defense.

Interest rate swaps, which were used to manage the Fund's interest rate exposure, detracted from performance during the reporting period.

We continue to have a positive outlook for the high yield market. In our view, fundamentals remain largely intact. Corporate balance sheets appear strong overall and many issuers have taken advantage of low interest rates to refinance their debt and push back their maturities. These factors, coupled with what we believe could be continued growth in the U.S., could allow the vast majority of lower-quality companies to meet their debt obligations. Against this backdrop, we think high yield defaults could be approximately 2.5% in 2015, versus a long-term average of 3.8%. Still, there could be periods of heightened volatility as investors react to incoming economic data, shifting Fed monetary policy and geopolitical events. This, in turn, could impact the demand for high yield securities.

Sincerely,

Ann H. Benjamin,* Thomas P. O'Reilly, Russ Covode and Daniel Doyle
Portfolio Co-Managers

* As previously disclosed, Ann Benjamin recently announced she intends to retire on December 31, 2015 after a 35-year career and 18 years at Neuberger Berman.

The portfolio 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 shares of the Fund's common stock, 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.

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TICKER SYMBOL

High Yield Strategies Fund Inc. NHS

(as a % of Total Investments
(excluding Short-Term Investments))

Less than One Year	2.0%
One to less than Five Years	27.3
Five to less than Ten Years	63.6
Ten Years or Greater	7.1
Total	100.0%

	Inception Date	Average Annual Total Return				
		Six Month Period End 04/30/2015	1 Year	5 Years	10 Years	Life of Fund
At NAV ²	07/28/2003	2.08%	2.56%	10.41%	10.61%	10.70%
At Market Price ³	07/28/2003	-1.15%	-1.23%	7.26%	9.00%	9.12%
Index						
BofA Merrill Lynch U.S. High Yield Master II Constrained Index ⁴		1.52%	2.58%	8.16%	8.29%	8.47%

Closed-end funds, unlike open-end funds, are not continually offered. Generally, there is an initial public offering and, once issued, shares of common stock 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 stockholder would pay on Fund distributions or on the sale of shares of the Fund's common stock.

The investment return and market price will fluctuate and shares of the Fund's common stock may trade at prices below NAV. Shares of the Fund's common stock, 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 Notes to 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 shares of the Fund's common stock 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 Neuberger Berman Management LLC at (800) 877-9700, or visit our website at www.nb.com.

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Description of Index

BofA Merrill Lynch U.S. High Yield Master II Constrained Index: The index tracks the performance of U.S. dollar-denominated below investment grade corporate debt publicly issued in the U.S. domestic market. In addition to meeting other criteria, qualifying 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) 4/30/15

PRINCIPAL AMOUNT	VALUE †
Bank Loan Obligations^u (8.9%)	
Aerospace & Defense (0.1%)	
\$ 190,000 Transdigm Inc., First Lien Term Loan D, due 6/4/21	\$ 190,296 ^{e^^}
Automotive (0.2%)	
567,600 Navistar, Inc., First Lien Term Loan B, 5.75%, due 8/17/17	570,086
Business Equipment & Services (1.6%)	
95,000 Acosta Inc., First Lien Term Loan B, due 9/26/21	95,722 ^{e^^}
190,000 Advantage Sales and Marketing, First Lien Term Loan, due 7/23/21	190,570 ^{e^^}
1,920,000 Advantage Sales and Marketing, Second Lien Term Loan, 7.50%, due 7/25/22	1,927,200 ^{e^^}
2,090,000 Presidio, First Lien Term Loan B, 6.25%, due 1/22/22	2,105,675
	4,319,167
Containers & Glass Products (0.0%)	
95,000 Berry Plastics, First Lien Term Loan E, due 1/6/21	95,257 ^{e^^}
Drugs (0.1%)	
190,000 Valeant Pharmaceuticals, First Lien Term Loan F1, due 4/1/22	191,231 ^{e^^}
Electronics - Electrical (0.6%)	
1,184,624 Avago Technologies, First Lien Term Loan B, 3.75%, due 5/6/21	1,189,564
450,000 Riverbed Technology, First Lien Term Loan B, due 2/25/22	454,725 ^{e^^}
	1,644,289
Financial Intermediaries (0.3%)	
896,722 Walter Investment Mgmt, First Lien Term Loan, 4.75%, due 12/18/20	855,626
Health Care (2.8%)	
1,970,000 Tenet Healthcare Corp., Secured Bridge Loan, due 4/1/16	1,970,000 ^{ñf^{e^^}}
5,900,000 Tenet Healthcare Corp., Unsecured Bridge Loan, due 4/1/16	5,900,000 ^{ñf^{e^^}}
	7,870,000
Lodging & Casinos (2.5%)	
1,531,865 Centaur Acquisition, LLC, Second Lien Term Loan, 8.75%, due 2/20/20	1,540,796 ^ñ
1,759,000 Four Seasons Holdings Inc., Second Lien Term Loan, 6.25%, due 12/27/20	1,769,994 ^ñ
3,134,275 Mohegan Tribal Gaming, Term Loan B, 5.50%, due 11/19/19	3,119,167
273,247 Scientific Games Corp., First Lien Term Loan B-2, 6.00%, due 10/1/21	275,979

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190,000 Twin Rivers Casino, First Lien Term Loan B, due 7/10/20 189,951^{q^^}

6,895,887

Publishing (0.2%)

555,000 Tribune Company, First Lien Term Loan, 4.00%, due 12/27/20 557,431^{q^^}

Radio & Television (0.1%)

95,000 Univision Communications Inc., First Lien Term Loan C-3, due 3/1/20 95,030^{q^^}

95,000 Univision Communications Inc., First Lien Term Loan C-4, due 3/1/20 95,052^{q^^}

190,082

See Notes to Schedule of Investments 6

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

PRINCIPAL AMOUNT	VALUE†
Specialty Retail (0.4%)	
\$1,125,000 PetSmart Inc., First Lien Term Loan B1, 5.00%, due 2/18/22	\$ 1,138,309
Total Bank Loan Obligations (Cost \$24,301,673)	24,517,661
Corporate Debt Securities (133.3%)	
Advertising (2.1%)	
1,190,000 Clear Channel Worldwide Holdings, Inc., Guaranteed Notes, Ser. B, 7.63%, due 3/15/20	1,252,475
495,000 Clear Channel Worldwide Holdings, Inc., Guaranteed Notes, Ser. A, 6.50%, due 11/15/22	518,513
1,800,000 Clear Channel Worldwide Holdings, Inc., Guaranteed Notes, Ser. B, 6.50%, due 11/15/22	1,903,500
2,100,000 Nielsen Finance LLC, Guaranteed Notes, 5.00%, due 4/15/22	2,111,550 _n
	5,786,038
Aerospace & Defense (0.3%)	
950,000 Kratos Defense & Security Solutions, Inc., Senior Secured Notes, 7.00%, due 5/15/19	845,500
Auto Parts & Equipment (0.4%)	
985,000 ZF N.A. Capital, Inc., Guaranteed Notes, 4.00%, due 4/29/20	991,156 _n
Automakers (1.1%)	
1,540,000 Chrysler Group LLC/CG Co-Issuer, Inc., Secured Notes, 8.25%, due 6/15/21	1,699,775
545,000 General Motors Co., Senior Unsecured Notes, 6.25%, due 10/2/43	650,255
535,000 General Motors Co., Senior Unsecured Notes, 5.20%, due 4/1/45	565,865
	2,915,895
Beverages (0.5%)	
600,000 Constellation Brands, Inc., Guaranteed Notes, 4.25%, due 5/1/23	617,250
595,000 Constellation Brands, Inc., Guaranteed Notes, 4.75%, due 11/15/24	630,700
	1,247,950
Building & Construction (2.5%)	
155,000 D.R. Horton, Inc., Guaranteed Notes, 4.38%, due 9/15/22	156,550
2,025,000 D.R. Horton, Inc., Guaranteed Notes, 5.75%, due 8/15/23	2,197,125
1,545,000 Lennar Corp., Guaranteed Notes, 4.75%, due 11/15/22	1,562,381
570,000 Ryland Group, Inc., Guaranteed Notes, 5.38%, due 10/1/22	579,975
490,000 Standard Pacific Corp., Guaranteed Notes, 8.38%, due 1/15/21	573,300
1,645,000 Taylor Morrison Communities, Inc./Monarch Communities, Inc., Guaranteed Notes, 5.25%, due 4/15/21	1,649,113 _n
305,000 Taylor Morrison Communities, Inc./Monarch Communities, Inc., Guaranteed Notes, 5.63%, due 3/1/24	301,950 _n

	7,020,394
Building Materials (1.2%)	
545,000 Masco Corp., Senior Unsecured Notes, 5.95%, due 3/15/22	613,125
1,990,000 USG Corp., Senior Unsecured Notes, 9.75%, due 1/15/18	2,303,425 _a
320,000 USG Corp., Guaranteed Notes, 5.50%, due 3/1/25	336,000 _n
	3,252,550

See Notes to Schedule of Investments 7

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

PRINCIPAL AMOUNT VALUE†