

The Directors of the Company whose names appear in the “*Management and Administration*” section of the Prospectus accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

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# NEUBERGER BERMAN INVESTMENT FUNDS PLC

(An investment company with variable capital constituted as an umbrella fund with segregated liability between sub-funds under the laws of Ireland and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended)

## FIXED INCOME SUPPLEMENT

### 6 DECEMBER 2023

This document forms part of, and should be read in the context of and together with, the prospectus dated 6 December 2023 as may be amended from time to time (the “Prospectus”) in relation to Neuberger Berman Investment Funds plc (the “Company”) and contains information relating to the following sub-funds, each of which is a separate portfolio of the Company:

NEUBERGER BERMAN GLOBAL BOND FUND

NEUBERGER BERMAN STRATEGIC INCOME FUND

NEUBERGER BERMAN CORPORATE HYBRID BOND FUND

NEUBERGER BERMAN GLOBAL OPPORTUNISTIC BOND FUND

NEUBERGER BERMAN GLOBAL FLEXIBLE CREDIT INCOME FUND

NEUBERGER BERMAN GLOBAL INVESTMENT GRADE CREDIT FUND

(the “Portfolios”)

To the extent there is any inconsistency between the Prospectus and this Supplement with respect to the Portfolios, this Supplement shall prevail. Each SFDR Annex (as defined herein) has been prepared in accordance with the requirements of SFDR and contains additional information pertaining to the relevant Portfolio in accordance with SFDR. Each SFDR Annex forms part of and should be read in conjunction with the Supplement. In the event of any inconsistency between the terms of an SFDR Annex and the terms of the Supplement with regard to disclosure pertaining to SFDR for a Portfolio, the SFDR Annex shall prevail.

## CONTENTS

Definitions	1
Investment Risks	2
Distribution Policy	4
Additional Classes	4
Subscriptions and Redemptions	4
Neuberger Berman Global Bond Fund	6
Neuberger Berman Strategic Income Fund	12
Neuberger Berman Corporate Hybrid Bond Fund	18
Neuberger Berman Global Opportunistic Bond Fund	24
Neuberger Berman Global Flexible Credit Income Fund	31
Neuberger Berman Global Investment Grade Credit Fund	37
SFDR Annexes	42

## Definitions

In this Supplement the following words and phrases shall have the meanings indicated below:

<b>Business Day</b>	with respect to the Neuberger Berman Corporate Hybrid Bond Fund, a day (except Saturday or Sunday) on which the relevant financial markets in London are open for business, and with respect to each other Portfolio, a day (except Saturday or Sunday) on which the relevant financial markets in London and New York are open for business;
<b>CCDC</b>	China Central Depository & Clearing Co., Ltd;
<b>CFETS</b>	China Foreign Exchange Trade System & National Interbank Funding Centre;
<b>CIBM</b>	China Interbank Bond Market;
<b>CMU</b>	Central Moneymarkets Unit;
<b>Dealing Day</b>	each Business Day or such other day or days as the Directors may determine and notify to the Administrator and to Shareholders in advance, provided there shall be at least two (2) Dealing Days per month in each Portfolio;
<b>Dealing Deadline</b>	<p>with respect to each Portfolio (except for the Neuberger Berman Corporate Hybrid Bond Fund and the Neuberger Berman Global Opportunistic Bond Fund), 3.00 pm (Irish time) on the relevant Dealing Day. In exceptional circumstances a director of the Company or the Manager may authorise the acceptance of a subscription or redemption application, up to 4.30 pm (Irish time) on the relevant Dealing Day;</p> <p>with respect to the Neuberger Berman Corporate Hybrid Bond Fund and the Neuberger Berman Global Opportunistic Bond Fund, 11 am (Irish time) on the relevant Dealing Day. In exceptional circumstances, a director of either the Company or the Manager may authorise the acceptance of a subscription or redemption application, up to 12.30 pm (Irish time) on the relevant Dealing Day;</p>
<b>HKMA</b>	Hong Kong Monetary Authority;
<b>Net Asset Value Calculation Time</b>	10.00 pm (Irish time) on the relevant Dealing Day or such other time as the Directors may determine in respect of a Portfolio;
<b>PBoC</b>	People's Bank of China;
<b>Portfolios</b>	the Neuberger Berman Global Bond Fund, the Neuberger Berman Strategic Income Fund, the Neuberger Berman Corporate Hybrid Bond Fund, the Neuberger Berman Global Opportunistic Bond Fund, the Neuberger Berman Global Flexible Credit Income Fund and the Neuberger Berman Global Investment Grade Credit Fund;
<b>SFDR Annex</b>	each annex hereof setting out the pre-contractual disclosures template with respect to a Portfolio, prepared in accordance with the requirements of Article 8 of SFDR;
<b>SHCH</b>	Shanghai Clearing House; and
<b>Sub-Investment Manager</b>	<p>(a) with respect to the Neuberger Berman Global Investment Grade Credit Fund, Neuberger Berman Europe Limited, Neuberger Berman Investment Advisers LLC or such other company as may be appointed by the Manager from time to time in respect of the Portfolio, with the prior approval of the Company and the Central Bank; and</p> <p>(b) with respect to each of the other Portfolios, Neuberger Berman Europe Limited, Neuberger Berman Investment Advisers LLC and Neuberger</p>

Berman Singapore Pte. Limited, or such other company as may be appointed by the Manager from time to time in respect to any particular Portfolio, with the prior approval of the Company and the Central Bank.

## Investment Risks

Investment in the Portfolios carries certain risks, which are described in the “*Investment Risks*” section of the Prospectus and in the “Risk” section of the information specific to each Portfolio, as included in this Supplement. **These risks are not purported to be exhaustive and potential investors should review this Supplement and the Prospectus in their entirety and consult with their professional advisers, before making an application for Shares.**

There can be no assurance that the Portfolios will achieve their respective objectives. While there are some risks described below that may be common to a number or all of the Portfolios, there may also be specific risk considerations which apply only to particular Portfolios.

	Neuberger Berman Global Bond Fund	Neuberger Berman Strategic Income Fund	Neuberger Berman Corporate Hybrid Bond Fund	Neuberger Berman Global Opportunistic Bond Fund	Neuberger Berman Global Flexible Credit Income Fund	Neuberger Berman Global Investment Grade Credit Fund
<b>1. Risks Related to Fund Structure</b>	✓	✓	✓	✓	✓	✓
<b>2. Operational Risks</b>	✓	✓	✓	✓	✓	✓
<b>3. Market Risks</b>	✓	✓	✓	✓	✓	✓
Market Risk	✓	✓	✓	✓	✓	✓
Temporary Departure From Investment Objective	✓	✓	✓	✓	✓	✓
Risks Relating To Downside Protection Strategy		✓		✓		
Currency Risk	✓	✓	✓	✓	✓	✓
Political And/Or Regulatory Risks	✓	✓	✓	✓	✓	✓
Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues	✓	✓	✓	✓	✓	✓
Euro, Eurozone And European Union Stability Risk	✓	✓	✓	✓	✓	✓
Cessation Of LIBOR						
Investment Selection And Due Diligence Process	✓	✓	✓	✓	✓	✓
Equity Securities						
Warrants						
Depository Receipts						
REITs						
Risks Associated With Mortgage REITs						
Risks Associated With Hybrid REITs						
Small Cap Risk						
Exchange Traded Funds (“ETFs”)	✓	✓	✓	✓	✓	✓
Investment Techniques	✓	✓	✓	✓	✓	✓
Quantitative Risks						
Securitisation Risks						
Concentration Risk					✓	
Target Volatility						
Valuation Risk	✓	✓	✓	✓	✓	✓
Private Companies And Pre-IPO Investments						
Off-Exchange Transactions	✓	✓	✓	✓	✓	✓
Sustainable Investment Style Risk	✓	✓	✓	✓	✓	✓
Commodities Risks						
<b>3.a Market Risks: Risks Relating To Debt Securities</b>	✓	✓	✓	✓	✓	✓
Fixed Income Securities	✓	✓	✓	✓	✓	✓
Interest Rate Risk	✓	✓	✓	✓	✓	✓
Credit Risk	✓	✓	✓	✓	✓	✓

Bond Downgrade Risk	✓	✓	✓	✓	✓	✓
Lower Rated Securities	✓	✓	✓	✓	✓	✓
Pre-Payment Risk	✓	✓	✓	✓	✓	✓
Rule 144A Securities	✓	✓	✓	✓	✓	
Securities Lending Risk						
Repurchase/Reverse Repurchase Risk	✓	✓	✓	✓		✓
Asset-Backed And Mortgage-Backed Securities	✓	✓	✓	✓	✓	
Risks Of Investing In Convertible Bonds	✓	✓	✓	✓	✓	
Risks Of Investing In Contingent Convertible Bonds	✓	✓		✓	✓	
Risks Associated With Collateralised / Securitised Products	✓	✓		✓	✓	
Risks Of Investing In Collateralised Loan Obligations		✓		✓	✓	
Issuer Risk	✓	✓	✓	✓	✓	✓
Insurance-Linked Securities And Catastrophe Bonds						
<b>3.b Market Risks: Risks Relating To Emerging Market Countries</b>		✓		✓	✓	✓
Emerging Market Countries' Economies		✓		✓	✓	✓
Emerging Market Countries' Debt Securities		✓		✓	✓	✓
PRC QFI Risks					✓	
Investing In The PRC And The Greater China Region		✓		✓	✓	
PRC Debt Securities Market Risks		✓		✓	✓	
Risks Associated With The Shanghai-Hong Kong Stock Connect And The Shenzhen-Hong Kong Stock Connect						
Risks Associated With Investment In The China Interbank Bond Market Through Bond Connect	✓	✓		✓	✓	
Taxation In The PRC – Investment In PRC Equities						
Taxation In The PRC – Investment In PRC Onshore Bonds		✓		✓	✓	
Russian Investment Risk		✓		✓	✓	
<b>4. Liquidity Risks</b>	✓	✓	✓	✓	✓	✓
<b>5. Finance-Related Risks</b>	✓	✓	✓	✓	✓	✓
<b>6. Risks Related To Financial Derivative Instruments</b>	✓	✓	✓	✓	✓	✓
General	✓	✓	✓	✓	✓	✓
Particular Risks Of FDI	✓	✓	✓	✓	✓	✓
Particular Risks Of OTC FDI	✓	✓	✓	✓	✓	✓
Risks Associated With Exchange-Traded Futures Contracts	✓	✓	✓	✓	✓	✓
Options					✓	✓
Contracts For Differences						
Total And Excess Return Swaps	✓	✓	✓	✓	✓	
Forward Currency Contracts	✓	✓	✓	✓	✓	✓
Commodity Pool Operator – “De Minimis Exemption”	✓	✓	✓	✓	✓	✓
Investment In leveraged CIS						
Leverage Risk	✓	✓	✓	✓		✓
Risks Of Clearing Houses, Counterparties Or Exchange Insolvency	✓	✓	✓	✓	✓	✓
Short Positions				✓		✓
Cash Collateral		✓	✓	✓	✓	✓
Index Risk						✓

## Distribution Policy

Under normal circumstances, the Directors intend that dividends in respect of:

- each of the (Monthly) Distributing Classes in the Portfolios shall be declared on or prior to the last Business Day of each month and paid within three Business Days thereafter;
- the (CG) Distributing Classes in Neuberger Berman Strategic Income Fund shall be declared on a semi-annual basis and paid within 30 Business Days thereafter;
- each of the (Monthly) Gross Income Distributing Classes in the Portfolios shall be declared on or prior to the last Business Day of each month and paid within three Business Days thereafter;
- each of the other (Gross) Income Distributing Classes in the Portfolios shall be declared on a quarterly basis and paid within thirty Business Days thereafter; and
- each of the other Distributing Classes in the Portfolios will be declared on a quarterly basis and paid within 30 Business Days thereafter.

## Additional Classes

In addition to the Classes described in Annex II to the Prospectus, certain of the Portfolios may also offer other Classes, as described below.

Shares in (CG) Distributing Classes are available in the Neuberger Berman Strategic Income Fund only.

Shares in the Category J1, J2, J3, J4 and J5 Classes in the Neuberger Berman Strategic Income Fund and the Neuberger Berman Global Flexible Credit Income Fund may only be acquired by investors in Japan which enter into a separate agreement with the Company or the Manager or a Distributor or a Sub-Investment Manager.

In addition to Hedged Classes and Unhedged Classes, Shares in all Categories in the Neuberger Berman Global Bond Fund are also available as Benchmark Hedged Classes. Where Hedged Classes will seek to protect against fluctuations, caused by movements in currency rates, between the class currency of the Hedged Class and the Base Currency of the Portfolio, Benchmark Hedged Classes will seek to protect against fluctuations, caused by movements in currency rates, between the class currency of the Benchmark Hedged Classes and the currencies in which the assets of the Neuberger Berman Global Bond Fund are denominated (based on the weights of the components of the Portfolio's Benchmark).

Investors in the Benchmark Hedged Classes should note that, while they should be protected from the impacts of adverse movements of the currencies in which such assets are denominated relative to their respective class currency, they may be exposed to risks associated with fluctuations between the Base Currency and their respective class currency, except to the extent that the Portfolio's assets are denominated in the Base Currency. All other features of the Benchmark Hedged Classes will be the same as those of the Hedged Classes and, with this in mind, investors should refer to the disclosures under "*Share Class Hedging*" in the "*Important Information*" section of the Prospectus.

## Subscriptions and Redemptions

Subscriptions for Shares in all Classes in each Portfolio which have not already launched at the date of this Supplement will be considered during the Initial Offer Period, upon receipt by the Administrator of completed share applications and subscription monies as specified in the "*Subscriptions*" section of the Prospectus. Such Shares will be issued at the Initial Offer Price on the last day of the Initial Offer Period.

The Initial Offer Period shall run from 9.00 am on 7 December 2023 to 5.00 pm on 7 June 2024 or such earlier or later time as the Directors may determine at their discretion and notify to the Central Bank and to subscribers.

The Initial Offer Price for each of the share classes shall be as follows:

AUD Classes: AUD 10	DKK Classes: DKK 50	NOK Classes: NOK 100
BRL Classes: BRL 20	EUR Classes: EUR 10	NZD Classes: NZD 10
CAD Classes: CAD 10	GBP Classes: GBP 10	SEK Classes: SEK 100
CHF Classes: CHF 10	HKD Classes: HKD 10	SGD Classes: SGD 20
CLP Classes: CLP 5,000	ILS Classes: ILS 30	USD Classes: USD 10
CNY Classes: CNY 100	JPY Classes: JPY 1,000	ZAR Classes: ZAR 100

Thereafter and, in the case of Classes which have already launched, from the date of this Supplement, Shares will be issued at their Net Asset Value per Share, subject to the provision for Duties and Charges in respect of the issue of the Shares and rounding as provided for in the Articles on each Dealing Day.

The Company reserves the right to apply to Euronext Dublin to have the Shares in each of the Classes admitted to the Official List and to trading on the regulated market of Euronext Dublin.

The Company may, in its sole discretion, reject any subscription in whole or in part without reason.

As stated in the "*Subscriptions and Redemptions*" section of the Prospectus, redemption proceeds in respect of the Portfolios will be paid within ten (10) Business Days of the relevant Dealing Day unless payment has been suspended in the circumstances described in the "*Temporary Suspension of Dealings*" section of the Prospectus, although the Company will seek to make such payments within a shorter period of time where possible (up to and including within three (3) Business Days of the relevant Dealing Day).

## Neuberger Berman Global Bond Fund

**Investment Objective** Achieve an attractive level of total return (income plus capital appreciation) from global fixed income markets.

**Investment Approach** The Portfolio will invest primarily in:

- Investment grade debt securities issued by governments and agencies from OECD countries; and
- Investment grade debt securities issued by corporations, which have their head office or exercise an overriding part of their economic activity in OECD countries.

All securities will be listed, dealt or traded on Recognised Markets without any particular focus on any one industrial sector. In addition to the Portfolio's exposure to currencies and interest rates inherent in its investments in debt securities, the Portfolio may also have significant exposures to currencies and interest rates through the use of financial derivative instruments.

There are four main differentiating factors that set the Portfolio's approach:

- Diversification through the use of multiple uncorrelated alpha sources;
- Active FX management;
- Integrated Global Macro Overlay; and
- Proprietary risk management systems.

Specialty investment teams use sector research and valuation in the decision making process and, using this, an investment view is formulated and expected returns are forecasted for each sector. Investment views are also influenced by the Manager's and the Sub-Investment Manager's macroeconomic outlook and internal analysis. Screening is used to formulate a "buy" list of opportunities and then individual securities that exhibit the desired characteristics are selected.

Decisions regarding the interest rate structure of the Portfolio's investments are based on the Manager's and the Sub-Investment Manager's outlook for the economy, a disciplined valuation of the level and direction of interest rates, the comparison of expectations of inflation which are reflected in bond yields and the prevailing level of inflation and the impact of forecasted levels of real economic activity on inflation expectations.

Global credit analysis of issuers focuses on cash generation, cash flow predictability and event risk analysis, as well as monitoring traditional credit statistics. Issuers that are the best prospects for purchase are subjected to rigorous and disciplined business and financial analysis. This analysis is used to form the basis of an investment opinion.

In addition, the Manager and the Sub-Investment Manager conduct analysis of data and seek to exploit opportunities across multiple time horizons. Central to the investment philosophy is the Manager's and the Sub-Investment Manager's qualitative judgment, which is exercised at all stages of the investment process. This discretion enables it to take into account information and events that cannot be readily quantified, for example political events, shifts in regulatory regimes or the effects of market positioning and hedging.

The Portfolio may opportunistically invest up to 10% of its Net Asset Value in participation interests in floating or adjustable rate senior secured loans, which are securitised and freely transferable, and which meet the regulatory criteria to be considered money market instruments.

The Portfolio's net market exposure may vary in time and range from a maximum net long position of 150% to a maximum net short position of 0% of the Net Asset Value of the Portfolio, depending on the Sub-Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Portfolio.

The Portfolio is actively managed and does not intend to track the Benchmark which is included here for performance comparison purposes and because the Portfolio's investment policy restricts the extent to which the Portfolio's holdings may deviate from the Benchmark, as described in the "Risk" section. This deviation may be significant.

## Benchmark

Bloomberg Global Aggregate Index (Total Return, Unhedged USD), which measures global investment grade fixed-rate debt markets.

Shareholders in a Class which is denominated in a currency other than the Base Currency should note that, where available, it may be more meaningful to compare the performance of such Class against a version of this index which is denominated in the relevant Class currency.

## Base Currency

US Dollars (USD).

## Instruments / Asset Classes

The Portfolio will invest primarily in global fixed income securities that have been rated investment grade by a Recognised Rating Agency. The Portfolio can invest in or be exposed to the following types of assets.

**Fixed Income Securities (Debt Securities).** These securities may include:

- Both fixed and floating rate debt securities, including bonds, issued by governments, government related and corporate entities from OECD countries denominated in local currencies;
- Corporate bonds, debentures and notes (including freely transferable and unleveraged structured notes, contingent convertible bonds and freely transferable promissory notes);
- Privately issued mortgage-backed securities, asset-backed securities, structured securities (including mortgage-backed securities such as pass-through certificates, which entitle the holders to receipt of mortgage payments, collateralised mortgage obligations and interest and principal only components of mortgage-backed securities) that derive interest and principal payments from specified assets (including residential and commercial mortgages, credit card debt and pools of other kinds of receivables, such as loans, royalties or other earnings);
- Collateralised mortgage obligations, payment-in-kind bonds (which are bonds that pay interest in the form of additional bonds of the same kind); and
- Deferred payment securities (securities which pay regular interest after a predetermined date) and zero coupon securities.

**Money Market Instruments.** These securities may include bank deposits, fixed or floating rate instruments (including commercial paper), floating or variable rate notes, bankers acceptances, certificates of deposit, debentures and short-dated government or corporate bonds, participation interests in loans (which are securitised and freely transferable), cash and cash equivalents (including treasury bills) that are rated as investment grade by Recognised Rating Agencies or are unrated.

Investment grade securities are highly rated securities, generally those rated Baa3, BBB- or above by one or more Recognised Rating Agencies, while high yield securities are medium or lower rated securities, generally those rated below investment grade and sometimes referred to as “junk bonds”.

**Collective Investment Schemes.** The Portfolio may invest in underlying funds which are themselves exposed to investments that are similar to the Portfolio's other investments, provided that the Portfolio may not invest more than 10% of its Net Asset Value in underlying funds (including ETFs which are structured as collective investment schemes) which themselves may invest up to 10% of their net asset value in other collective investment schemes. Such underlying funds may or may not be managed by the Manager and/or the Sub-Investment Manager or their affiliates and will comply with the requirements of the UCITS Regulations in respect of such investments.

The underlying funds in which the Portfolio may invest will be eligible collective investment schemes in accordance with the Central Bank's requirements, which may be domiciled in Relevant Jurisdictions or the United States of America and will qualify as UCITS or alternative investment fund schemes and will be regulated as such by their home state regulator.

- Underlying funds in which the Portfolio invests may be leveraged but such collective investment schemes will not generally be leveraged: (i) in excess of 100% of their net asset value; or (ii) so that their 1 day absolute VaR exceeds 4.47% of their net asset value over a 250 day horizon with a 99% confidence level; or (iii) so that their 1 month relative VaR exceeds twice the VaR of a comparable benchmark portfolio over a 250 day horizon with a 99% confidence level, depending on how such underlying funds measure their global exposure; and
- ETFs are investment funds whose units may be bought and sold on a securities

exchange. ETFs typically invest in a portfolio of securities that is designed to track the performance of particular market segment or index. The ETFs will be located in a Relevant Jurisdiction and will be authorised under the UCITS Directive or will be alternative investment funds which are eligible for investment by the Portfolio in accordance with the requirements of the Central Bank. The ETFs will represent investments that are similar to the Portfolio's other investments. The ETFs will operate on the principle of risk spreading and will not be leveraged.

**Financial Derivative Instruments ("FDIs").** Subject to the conditions and limits imposed by the Central Bank as set out in the Prospectus and this Supplement, the Portfolio may use the following FDI for efficient portfolio management, investment purposes, and/or hedging. The following FDI may provide exposure to any or all of the asset classes listed above:

- Swaps may include foreign exchange swaps, credit default swaps, interest rate swaps fixed income securities swaps, UCITS eligible indices swaps, volatility swaps, total return swaps and inflation-linked swaps and may be used to achieve a profit as well as to hedge existing long positions. The maximum proportion of the Portfolio's Net Asset Value that can be subject to total return swaps is 20%. The expected proportion of the Portfolio's Net Asset Value that will be subject to total return swaps is 7%. The expected proportions are not limits and the actual percentages may vary over time depending on factors including, but not limited to, market conditions;
- Swaptions on interest rates may be used to achieve a profit as well as to hedge existing long positions;
- Future contracts may be used to hedge or to gain exposure to an increase in the value of interest rates, fixed income securities, UCITS eligible bond indices or currencies;
- Options on fixed income securities, UCITS eligible bond indices and currencies may be used to achieve a profit as well as to hedge existing long positions and exposures;
- Forward contracts on fixed income securities may be used to achieve a profit, through gaining exposure to an increase in the value of such securities as well as to hedge existing long positions; and
- Forward currency contracts and non-deliverable forward currency contracts may be used to achieve a profit as well as to hedge existing long currency exposures.

As the Portfolio may purchase FDI generally using only a fraction of the assets that would be needed to purchase the relevant securities directly, the remainder of the assets allocated to the Manager may be invested in the other types of securities listed above. The Manager and/or the Sub-Investment Manager may therefore seek to achieve greater returns by purchasing derivative instruments and investing the remaining assets in such other securities to add excess return.

**Repo Contracts.** Repo Contracts may be used subject to the conditions and limits set out in the Prospectus.

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## Bond Connect

The PBoC and the HKMA have approved the CFETS, CCDC, SHCH, together with Hong Kong Exchanges and Clearing Limited and CMU to launch Bond Connect, which is a mutual bond market access programme between Mainland China and Hong Kong. Bond Connect allows investors to trade electronically between the Mainland China and Hong Kong bond markets without quota restrictions and requirements to identify the ultimate investment amount.

Currently, Bond Connect comprises a Northbound Trading Link between CFETS, the operator of the CIBM and offshore trading access platforms recognised by the PBoC, to facilitate investment by Hong Kong and overseas investors (including the Portfolio) in eligible bonds traded on the CIBM. A Southbound Trading Link, facilitating investment in overseas bond markets by Mainland Chinese investors is still under development but is intended to form part of Bond Connect once established.

### Eligible Securities

Hong Kong and overseas investors (including the Portfolio) will be able to trade over the entire range of instruments traded on the CIBM, including products on both the secondary and primary markets.

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Trading Day

Northbound investors (including the Portfolio) are able to trade through Bond Connect on days upon which the CIBM is open to trade, regardless of whether they are a public holiday in Hong Kong.

Settlement and Custody

Settlement and custody of Northbound bond trades under Bond Connect will be implemented under the link between the CMU of the HKMA and Mainland China's two bond settlement systems, namely, CCDC and SHCH. The CMU settles Northbound trades and holds the CIBM bonds on behalf of its members in nominee accounts with each of CCDC and SHCH. CCDC and SHCH provide services to foreign investors, directly and indirectly, using Bond Connect.

Bonds purchased by Hong Kong and overseas investors (including the Portfolio) are recorded in an omnibus nominee account at CCDC and SHCH in the name of CMU. The CMU itself maintains the bonds in segregated sub-accounts of its members, who in turn may hold the bonds on their own account or on behalf of other investors or custodians. Accordingly, bonds purchased by Hong Kong and overseas purchasers through Bond Connect are held by the purchaser's global or local custodian in a segregated sub-account opened in their name at the CMU.

Currency

Hong Kong and overseas investors may trade through Bond Connect using offshore RMB (CNH) or by converting foreign currencies into onshore RMB (CNY) under Bond Connect.

Where an investor uses foreign currencies to invest through the Northbound Trading Link, it must open a segregated RMB capital account with an eligible RMB settlement Bank in Hong Kong to convert its foreign currencies into CNY. Where bonds are purchased in CNY in this manner, upon sale of the bonds, the sale proceeds remitted out of Mainland China must be converted back into the relevant foreign currencies.

Further information about Bond Connect is available at:

<http://www.chinabondconnect.com/en/index.htm>

**Investment Restrictions**

- Under normal market conditions, it is the intention of the Manager and the Sub-Investment Manager to invest at least 90% of the Portfolio's Net Asset Value in Investment Grade fixed income securities.
- The Portfolio may invest up to 10% of its Net Asset Value in securities that are issued or guaranteed by a single sovereign issuer that are below investment grade.
- The Portfolio's over or underweight exposure to securities issued by issuers from Emerging Market Countries relative to the Benchmark will not exceed 10% of its Net Asset Value.
- The Portfolio will not utilise securities lending or margin lending.

**Risk**

- Investment in the Portfolio carries certain risks which are described in greater detail in the "Investment Risks" section of the Prospectus. While investors should read and consider the entire "Investment Risks" section of the Prospectus, the risks summarised in the following sections, namely, "Market Risks: Risks relating to Debt Securities", "Risks Associated with Investment in the China Interbank Bond Market through Bond Connect" and "Risks related to Financial Derivative Instruments" are particularly relevant to this Portfolio. **These risks are not purported to be exhaustive and potential investors should review this Supplement and the Prospectus in their entirety and consult with their professional advisers, before making an application for Shares.**
- Investors should refer to the Company's risk management policy with respect to the use of FDI contained in the RMP Statement.
- The Portfolio is expected to be leveraged up to approximately 500% of its Net Asset Value as a result of its use of FDI, although investors should note that higher levels of leverage may be experienced. This expected leverage figure is calculated using the sum of the notional values of the derivatives used, as required by the Central Bank. Using this methodology does not reflect any netting or hedging that the Portfolio may have in place. The Portfolio's global exposure is subject to an advanced risk management process which, in compliance with the UCITS Regulations, aims to ensure that on any day the relative VaR of the Portfolio will be no greater than twice

the VaR of the Benchmark. The VaR of the Portfolio is a daily estimation of the maximum loss which the Portfolio may incur over a 20 Business Day holding period and is arrived at through quantitative simulations with a 99% one tailed confidence interval and using an historical observation period of at least 250 business days. This process is described in detail in the statement of risk management procedures of the Company and its appendix in respect of the Portfolio. While the Portfolio measures and monitors its global exposure using the VaR approach, rather than by use of the Commitment Approach, the leverage of the Portfolio using the Commitment Approach is expected to be 250% of its Net Asset Value as a result of its use of FDI, although investors should note that higher levels of leverage may be experienced.

- The Manager and the Sub-Investment Manager will take a disciplined approach to investing on behalf of the Portfolio by attempting to maintain a portfolio that is typically diversified across issuers, industry sectors and, within the scope of the targeted Portfolio duration, maturities.
- The Manager and the Sub-Investment Manager will seek to anticipate spread movements in response to changes in economic conditions, industry fundamentals, issuer specific financial performance and other issuer specific factors. Investment decisions will be based on analysis of historical spread relationships, break-even yield spread analysis and total return projections.
- The Manager and the Sub-Investment Manager will use forward currency contracts in order to hedge currency risk on a discretionary basis.

#### Environmental, Social and Governance (“ESG”)

This Portfolio meets the classification of an Article 8 Portfolio as it promotes environmental and social characteristics and limits investments to those companies that follow good governance practices. **Information about these environmental and social characteristics is available in the SFDR Annex below.**

Please also refer to Annex VI of the Prospectus which contains additional information on sustainability related disclosures.

#### Typical Investor Profile

Investment in the Portfolio may be suitable for investors who are prepared to accept the risks of the global bond market over the medium to long term, together with the level of volatility generally associated with fixed income funds.

#### Fees and Expenses

Category	Maximum Initial Charge	Maximum Management fee	Distribution Fee
A, X, Y	5.00%	0.40%	0.00%
C1	0.00%	0.80%	1.00%
B, C2, E	0.00%	0.40%	1.00%
C	0.00%	0.20%	1.00%
D, I, I1, I2, I3, I4, I5	0.00%	0.20%	0.00%
M	2.00%	0.40%	0.40%
P	5.00%	0.19%	0.00%
T	5.00%	0.75%	0.00%
U	3.00%	0.30%	0.00%
Z	0.00%	0.00%	0.00%

For details of the Administration Fees payable by the Portfolio, please see the “*Administration Fees*” heading in the “*Fees and Expenses*” section of the Prospectus.

#### Contingent deferred sales charges

Contingent deferred sales charges will be payable in respect of the following Classes at the rates specified below, depending on the period that has elapsed since the issue of the Shares being redeemed and will be charged on the lower of the Net Asset Value per Share on the relevant Dealing Day in respect of which the relevant Shares were (i) initially subscribed or (ii) redeemed. Any such contingent deferred sales charges will be paid to the relevant Distributor, the Manager or to the Sub-Investment Manager.

Class	Redemption Period in Calendar Days				
	< 365	365 - 729	730 - 1094	1095 – 1459	> 1459
<b>B</b>	4%	3%	2%	1%	0%
<b>C, C1</b>	1%	0%	0%	0%	0%
<b>C2</b>	2%	1%	0%	0%	0%
<b>E</b>	3%	2%	1%	0%	0%

#### Other important information for investors in Hong Kong

As the Portfolio has been authorised for public offer in Hong Kong, the Hong Kong Securities and Futures Commission ("HKSF") requires the Company to classify the Portfolio on the basis of its expected maximum net derivative exposure ("NDE"). The HKSF requires the NDE to be calculated in accordance with the HKSF's Code on Unit Trusts and Mutual Funds and the requirements and guidance issued by the HKSF, which may be updated from time to time. This requires the Company to convert all FDI acquired for investment purposes that would generate incremental leverage at the portfolio level of the Portfolio into their equivalent positions in the underlying assets. Applying these requirements, the Portfolio's NDE is expected to be less than 50% but the actual level may be higher than the expected level in exceptional circumstances, for example when there are sudden movements in markets and/or investment prices.

For the avoidance of doubt, complying with the HKSF's requirements to classify the Portfolio on the basis of its NDE does not amend the investment objectives or policies or otherwise impact the management of the Portfolio or its use of FDI, as the requirements are solely to measure the Portfolio's expected use of FDI, as described above, using the HKSF's methodology and disclose the results.

## Neuberger Berman Strategic Income Fund

**An investment in the Portfolio should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

<b>Investment Objective</b>	Maximize total return from high current income and long-term capital appreciation by opportunistically investing in a diversified mix of fixed rate and floating rate debt securities under varying market environments with a focus on downside protection.
<b>Investment Approach</b>	<p>The Portfolio will invest primarily in debt securities issued by US corporations or by the US government and its agencies. Such securities will be listed, dealt, or traded on Recognised Markets and may be rated investment grade or below investment grade or non-rated by Recognised Rating Agencies.</p> <p>The Sub-Investment Manager implements a disciplined investment process that is consistently applied across all fixed income sectors with an ongoing focus on identifying the most attractive investment opportunities in the fixed income market.</p> <p>Decision making is driven by sector research and valuation completed by specialty investment teams. For each sector the teams formulate an investment view and project expected returns which are impacted by the team's macroeconomic outlook and based on internal analysis.</p> <p>Securities are selected by screening the universe of eligible securities to formulate a "buy" list of actionable opportunities and then selecting the individual securities that exhibit the characteristics which the Sub-Investment Manager considers attractive.</p> <p>The Portfolio's investment strategy and risk budgeting is critical to capturing the highest possible returns relative to the market while quantifying risk and achieving the Portfolio's investment objective.</p> <p>The portfolio construction process measures and manages the Portfolio's overall risk profile on an ongoing basis in an effort to ensure that the Portfolio's investment objective is achieved.</p> <p>In addition, although the Portfolio will concentrate its investments in the US, the Portfolio may also invest in debt securities issued by non-US governments and their agencies and corporations located globally up to one third of the Portfolio's Net Asset Value. This may include investing in debt securities issued by companies located in and governments and government agencies of Emerging Market Countries, which may involve additional risk, relative to investment in more developed economies. Please refer to the "Risk" section below for further details in this respect.</p> <p>The Portfolio is expected to have medium to high levels of volatility due to its investment policies or portfolio management techniques.</p> <p>The Portfolio may opportunistically invest up to 10% of its Net Asset Value in participation interests in floating or adjustable rate senior secured loans, which are securitised and freely transferable, and which meet the regulatory criteria to be considered money market instruments.</p> <p>Under normal market conditions, the Sub-Investment Manager anticipates that the Portfolio's interest rate duration will be within a range of 2 to 8 years. In addition, under normal market conditions, the Portfolio seeks to maintain an average credit quality rating<sup>1</sup> of investment grade.</p> <p>The Portfolio's net market exposure may vary in time and range from a maximum net long position of 150% to a maximum net short position of 0% of the Net Asset Value of the Portfolio, depending on the Sub-Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Portfolio.</p> <p>The Portfolio is actively managed and does not intend to track the Benchmark and is not constrained by it. The Benchmark is included here for performance comparison purposes only. The Portfolio gives some consideration to the Benchmark constituents in the selection of securities and may not hold all or many of the Benchmark's components.</p>

<sup>1</sup> The average credit quality rating is based on the Barclays' methodology, which takes the conservative average of ratings provided by S&P, Moody's and Fitch. If Moody's, S&P and Fitch each provides a credit rating, the average credit quality rating of the Portfolio will be the median of the ratings provided by all three rating agencies. If only two rating agencies provide ratings, the average credit quality rating of the Portfolio will be the more conservative rating. If only one rating agency provides a rating, the average credit quality rating of the Portfolio will be the rating provided by that rating agency.

<b>Benchmark</b>	<p>Bloomberg U.S. Aggregate Index (Total Return, USD).</p> <p>Shareholders in a Class which is denominated in a currency other than the Base Currency should note that, where available, it may be more meaningful to compare the performance of such Class against a version of this index which is denominated in the relevant Class currency.</p>
<b>Base Currency</b>	US Dollars (USD).
<b>Instruments / Asset Classes</b>	<p>The Portfolio will invest primarily in debt securities. The Portfolio can invest in or be exposed to the following types of assets.</p> <p><b>Fixed Income Securities (Debt Securities).</b> These securities may include:</p> <ul style="list-style-type: none"> <li>• Both fixed and floating rate debt securities, including bonds, issued by US and non-US governments, government agencies and corporate entities;</li> <li>• Corporate bonds, debentures and notes (including freely transferable and unleveraged structured notes, contingent convertible bonds and freely transferable promissory notes);</li> <li>• Privately issued asset-backed securities, structured securities (including mortgage-backed securities such as pass-through certificates, collateralised mortgage obligations and interest and principal only components of mortgage-backed securities and collateralised loan obligations with respect to mezzanine floating rate debt) that derive interest and principal payments from specified assets (such as residential and commercial mortgages, credit card debt and pools of other types of receivables such as loans);</li> <li>• Payment-in-kind bonds (which are bonds that pay interest in the form of additional bonds of the same kind);</li> <li>• Deferred payment securities (securities which pay regular interest after a predetermined date) and zero coupon securities; and</li> <li>• Debt securities of the types described above issued by issuers in Emerging Market Countries.</li> </ul> <p>Investment grade securities are highly rated securities, generally those rated Baa3, BBB- or above by one or more Recognised Rating Agencies, while high yield securities are medium or lower rated securities, generally those rated below investment grade and sometimes referred to as "junk bonds".</p> <p>The Portfolio may invest up to 10% of its Net Asset Value in securities that are issued or guaranteed by a single sovereign issuer that are below investment grade.</p> <p><b>Money Market Instruments.</b> These Securities may include: bank deposits, fixed or floating rate instruments (including commercial paper), floating or variable rate notes, bankers acceptances, certificates of deposit, debentures and short-dated government or corporate bonds, participation interests in loans (which are securitised and freely transferable), cash and cash equivalents (including treasury bills) that are rated as investment grade by Recognised Rating Agencies.</p> <p><b>Collective Investment Schemes.</b> The Portfolio may invest in underlying funds which are themselves exposed to investments that are similar to the Portfolio's other investments, provided that the Portfolio may not invest more than 10% of its Net Asset Value in underlying funds (including ETFs which are structured as collective investment schemes) which themselves may invest up to 10% of their net asset value in other collective investment schemes. Such underlying funds may or may not be managed by the Manager and/or the Sub-Investment Manager or their affiliates and will comply with the requirements of the UCITS Regulations in respect of such investments.</p> <p>The underlying funds in which the Portfolio may invest will be eligible collective investment schemes in accordance with the Central Bank's requirements, which may be domiciled in Relevant Jurisdictions or the United States of America and will qualify as UCITS or alternative investment fund schemes and will be regulated as such by their home state regulator.</p> <ul style="list-style-type: none"> <li>• Underlying funds in which the Portfolio invests may be leveraged but such collective investment schemes will not generally be leveraged: (i) in excess of 100% of their net asset value; or (ii) so that their 1 day absolute VaR exceeds 4.47% of their net asset value over a 250 day horizon with a 99% confidence level; or (iii) so that their 1 month relative VaR exceeds twice the VaR of a comparable benchmark portfolio over a 250 day horizon with a 99% confidence level, depending on how such</li> </ul>

underlying funds measure their global exposure; and

- ETFs are investment funds whose units may be bought and sold on a securities exchange. ETFs typically invest in a portfolio of securities that is designed to track the performance of particular market segment or index. The ETFs will be located in a Relevant Jurisdiction and will be authorised under the UCITS Directive or will be alternative investment funds which are eligible for investment by the Portfolio in accordance with the requirements of the Central Bank. The ETFs will represent investments that are similar to the Portfolio's other investments. The ETFs will operate on the principle of risk spreading and will not be leveraged.

**Financial Derivative Instruments ("FDIs").** Subject to the conditions and limits imposed by the Central Bank as set out in the Prospectus and this Supplement, the Portfolio may use the following FDI may be used for efficient portfolio management, investment purposes, and/or hedging. The following FDI may provide exposure to any or all of the asset classes listed above:

- Swaps may include foreign exchange, fixed income securities swaps, UCITS eligible indices swaps, interest rate swaps, volatility swaps, credit default and total return swaps and may be used to achieve a profit as well as to hedge existing long positions. The maximum proportion of the Portfolio's Net Asset Value that can be subject to total return swaps is 20%. The expected proportion of the Portfolio's Net Asset Value that will be subject to total return swaps is 5%. The expected proportions are not limits and the actual percentages may vary over time depending on factors including, but not limited to, market conditions;
- Future contracts may be used to hedge or to gain exposure to an increase in the value of interest rates, fixed income securities, UCITS eligible bond indices or currencies;
- Options on fixed income securities may be used to achieve a profit as well as to hedge existing long positions;
- Forward contracts on fixed income securities may be used to achieve a profit, through gaining exposure to an increase in the value of such securities as well as to hedge existing long positions; and
- Forward currency contracts and non-deliverable forward currency contracts may be used to achieve a profit as well as to hedge existing long currency exposures.

As the Portfolio may purchase FDI generally using only a fraction of the assets that would be needed to purchase the relevant securities directly, the remainder of the assets allocated to the Sub-Investment Manager may be invested in the other types of securities listed above. The Sub-Investment Manager may therefore seek to achieve greater returns by taking exposure to the performance of such securities through purchasing FDI which give exposure to them rather than purchasing the securities themselves and investing the remaining assets in other such securities to add excess return.

**Repo Contracts.** Repo Contracts may be used subject to the conditions and limits set out in the Prospectus.

## Bond Connect

The PBoC and the HKMA have approved the CFETS, CCCC, SHCH, together with Hong Kong Exchanges and Clearing Limited and CMU to launch Bond Connect, which is a mutual bond market access programme between Mainland China and Hong Kong. Bond Connect allows investors to trade electronically between the Mainland China and Hong Kong bond markets without quota restrictions and requirements to identify the ultimate investment amount.

Currently, Bond Connect comprises a Northbound Trading Link between CFETS, the operator of the CIBM and offshore trading access platforms recognised by the PBoC, to facilitate investment by Hong Kong and overseas investors (including the Portfolio) in eligible bonds traded on the CIBM. A Southbound Trading Link, facilitating investment in overseas bond markets by Mainland Chinese investors is still under development but is intended to form part of Bond Connect once established.

### Eligible Securities

Hong Kong and overseas investors (including the Portfolio) will be able to trade over the entire range of instruments traded on the CIBM, including products on both the secondary and primary markets.

Trading Day

Northbound investors (including the Portfolio) are able to trade through Bond Connect on days upon which the CIBM is open to trade, regardless of whether they are a public holiday in Hong Kong.

Settlement and Custody

Settlement and custody of Northbound bond trades under Bond Connect will be implemented under the link between the CMU of the HKMA and Mainland China's two bond settlement systems, namely, CCDC and SHCH. The CMU settles Northbound trades and holds the CIBM bonds on behalf of its members in nominee accounts with each of CCDC and SHCH. CCDC and SHCH provide services to foreign investors, directly and indirectly, using Bond Connect.

Bonds purchased by Hong Kong and overseas investors (including the Portfolio) are recorded in an omnibus nominee account at CCDC and SHCH in the name of CMU. The CMU itself maintains the bonds in segregated sub-accounts of its members, who in turn may hold the bonds on their own account or on behalf of other investors or custodians. Accordingly, bonds purchased by Hong Kong and overseas purchasers through Bond Connect are held by the purchaser's global or local custodian in a segregated sub-account opened in their name at the CMU.

Currency

Hong Kong and overseas investors may trade through Bond Connect using offshore RMB (CNH) or by converting foreign currencies into onshore RMB (CNY) under Bond Connect.

Where an investor uses foreign currencies to invest through the Northbound Trading Link, it must open a segregated RMB capital account with an eligible RMB settlement Bank in Hong Kong to convert its foreign currencies into CNY. Where bonds are purchased in CNY in this manner, upon sale of the bonds, the sale proceeds remitted out of Mainland China must be converted back into the relevant foreign currencies.

Further information about Bond Connect is available at:

<http://www.chinabondconnect.com/en/index.htm>

**Investment Restrictions**

- The Portfolio will not utilise securities lending or margin lending.

**Risk**

- Investment in the Portfolio carries certain risks which are described in greater detail in the "Investment Risks" section of the Prospectus. While investors should read and consider the entire "Investment Risks" section of the Prospectus, the risks summarised in the following sections, namely, "Market Risks: Risks relating to Debt Securities", "Risks Associated with Investment in the China Interbank Bond Market through Bond Connect" and "Risks related to Financial Derivative Instruments" are particularly relevant to this Portfolio. **These risks are not purported to be exhaustive and potential investors should review this Supplement and the Prospectus in their entirety and consult with their professional advisers, before making an application for Shares.**
- Investors should refer to the Company's risk management policy with respect to the use of FDI contained in the RMP Statement.
- The Portfolio's global exposure is subject to an advanced risk management process which, in compliance with the UCITS Regulations, aims to ensure that on any day the Absolute VaR of the Portfolio will be no greater than 4.47% of its Net Asset Value. The VaR of the Portfolio is a daily estimation of the maximum loss which the Portfolio may incur over a one day holding period and is arrived at through quantitative simulations with a 99% one tailed confidence interval and using a historical observation period of at least 250 business days. This process is described in detail in the statement of risk management procedures of the Company and its appendix in respect of the Portfolio. While the Portfolio measures and monitors its global exposure using the VaR approach, rather than by use of the Commitment Approach, the leverage of the Portfolio as calculated using the Commitment Approach is not expected to exceed 100% of its Net Asset Value as a result of its use of FDI. Measuring levels of leverage using the absolute sum of the notionals of the derivatives used, as required by the Central Bank, would produce a leverage percentage of approximately 200% of the Portfolio's Net Asset Value, although investors should note that higher levels of leverage may be experienced. That methodology does not reflect any netting or hedging that the Portfolio may have in

place.

- The Sub-Investment Manager will use forward and future currency contracts in order to hedge currency risk on a discretionary basis. The use of such hedging techniques may increase the risk profile of the Portfolio.

#### Environmental, Social and Governance ("ESG")

This Portfolio meets the classification of an Article 8 Portfolio as it promotes environmental and social characteristics and limits investments to those companies that follow good governance practices. **Information about these environmental and social characteristics is available in the SFDR Annex below.**

Please also refer to Annex VI of the Prospectus which contains additional information on sustainability related disclosures.

#### Typical Investor Profile

Investment in the Portfolio may be suitable for investors who are prepared to accept the risks of the global bond market over the medium to long term, together with medium to high levels of volatility due to the Portfolio's investments policies or portfolio management techniques.

### Fees and Expenses

Category	Maximum Initial Charge	Maximum Management fee	Distribution Fee
A, X, Y	5.00%	1.00%	0.00%
B, C2, E	0.00%	1.00%	1.00%
C1	0.00%	1.40%	1.00%
C	0.00%	0.70%	1.00%
D, I, I1, I2, I3, I4, I5	0.00%	0.50%	0.00%
J1, J2, J3, J4, J5	0.00%	1.40%	0.50%
M	2.00%	1.00%	0.60%
P	5.00%	0.48%	0.00%
T	5.00%	1.40%	0.00%
U	3.00%	0.75%	0.00%
Z	0.00%	0.00%	0.00%

Investors in the J Classes should note that any associated distribution fees will be payable to the relevant Distributor or the Manager or the Sub-Investment Manager at an amount of up to 0.5% of the Portfolio's Net Asset Value and for up to 2,372 days.

For details of the Administration Fees payable by the Portfolio, please see the "Administration Fees" heading in the "Fees and Expenses" section of the Prospectus.

#### Contingent deferred sales charges

Contingent deferred sales charges will be payable in respect of the following Classes at the rates specified below, depending on the period that has elapsed since the issue of the Shares being redeemed and will be charged on the lower of the Net Asset Value per Share on the relevant Dealing Day in respect of which the relevant Shares were (i) initially subscribed or (ii) redeemed. Any such contingent deferred sales charges will be paid to the relevant Distributor, the Manager or to the Sub-Investment Manager.

Class	Redemption Period in Calendar Days				
	< 365	365 - 729	730 - 1094	1095 - 1459	> 1459
B	4%	3%	2%	1%	0%
C, C1	1%	0%	0%	0%	0%
C2	2%	1%	0%	0%	0%
E	3%	2%	1%	0%	0%

Contingent deferred sales charges will be payable in respect of the following Classes at an amount up to the rate specified below, depending on the period that has elapsed since the issue of the Shares being redeemed and will be charged on the lower of the Net Asset Value per Share on the relevant Dealing Day in respect of which the relevant Shares were (i) initially subscribed or (ii) redeemed. Any such contingent deferred sales charges will be paid to the relevant Distributor, the Manager or to the Sub-Investment Manager.

Class J1, J2, J3, J4, J5	Redemption Period in Calendar Days													
	< 182	183 - 364	365 - 547	548 - 729	730 - 911	912- 1094	1095 - 1276	1277- 1459	1460- 1641	1642- 1824	1825- 2007	2008- 2189	2190- 2372	> 2373
	2.50%	2.25%	2.00%	1.75%	1.50%	1.25%	1.00%	0.75%	0.625%	0.50%	0.375%	0.25%	0.125%	0%

#### Other important information for investors in Hong Kong

As the Portfolio has been authorised for public offer in Hong Kong, the Hong Kong Securities and Futures Commission ("HKSF") requires the Company to classify the Portfolio on the basis of its expected maximum net derivative exposure ("NDE"). The HKSF requires the NDE to be calculated in accordance with the HKSF's Code on Unit Trusts and Mutual Funds and the requirements and guidance issued by the HKSF, which may be updated from time to time. This requires the Company to convert all FDI acquired for investment purposes that would generate incremental leverage at the portfolio level of the Portfolio into their equivalent positions in the underlying assets. Applying these requirements, the Portfolio's NDE is expected to be less than 50% but the actual level may be higher than the expected level in exceptional circumstances, for example when there are sudden movements in markets and/or investment prices.

For the avoidance of doubt, complying with the HKSF's requirements to classify the Portfolio on the basis of its NDE does not amend the investment objectives or policies or otherwise impact the management of the Portfolio or its use of FDI, as the requirements are solely to measure the Portfolio's expected use of FDI, as described above, using the HKSF's methodology and disclose the results.

## Neuberger Berman Corporate Hybrid Bond Fund

**An investment in the Portfolio should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The Portfolio will not use FDI extensively or primarily for investment purposes.**

<b>Investment Objective</b>	Achieve an attractive level of total return (income plus capital appreciation).
<b>Investment Approach</b>	<p>The Portfolio will invest primarily in investment grade and sub-investment grade corporate hybrid bonds (as described further in the “<i>Instruments/Asset Classes</i>” section). The Portfolio will seek to use fundamental bottom-up analysis principles in selecting securities for investment, meaning that the Sub-Investment Manager’s analysis will focus on the strengths of individual securities as opposed to the selection of securities by reference to broader themes, such as industries. The analysis of the strength of a security will be specific to the individual security itself, as opposed to having regard to broader themes e.g. the credit rating of the security will be analysed relative to its proposed yield. The Portfolio will focus on securities which are listed or traded on Recognised Markets globally, and not limited by industry or sector. The Portfolio may rotate its exposure to geographic regions and countries and between sectors and issuers, based on economic or regional fundamentals, such as the valuation of each security relative to other similar securities. The Portfolio may have medium levels of volatility due to its investments in subordinated debt and/or below investment grade securities.</p> <p>The Sub-Investment Manager’s global credit research team is responsible for in-depth analysis of issuers (as described below), hybrid structures and security valuations. Its opinions and recommendations are then communicated to portfolio managers by the research team through regular formal and informal calls and meetings, to enable the portfolio managers to arrive at optimal portfolio components and characteristics.</p> <p>The Sub-Investment Manager uses a research-based, qualitative and quantitative methodology for selecting securities, with the aim of generating an attractive total return. In terms of security selection, the Sub-Investment Manager will adopt a long term, fundamental, relative value based approach, as described in further detail below, and will exercise patience in achieving investment performance. This methodology is founded on the belief that returns from liquid assets can be attributed to changes in fundamental factors, such as changes in cash flow and issuers’ levels of borrowing.</p> <p>The Sub-Investment Manager will conduct credit analysis on issuers, which will focus on cash generation, cash flow predictability and event risk analysis (relating to the likelihood of certain events, for example the bond issuer missing a coupon payment or suffering a rating downgrade). Security specific analysis focuses primarily on subordination risk, coupon deferral risk, extension risk and early redemption risk (each of which is addressed in more detail in the “<i>Risk</i>” section below). Issuers and issues that the Sub-Investment Manager considers to be the best prospects for purchase are then subjected to rigorous and thorough business and financial analysis (as described in more detail at 1 below). This analysis is used to form the basis of an investment opinion, in conjunction with downside and relative value analyses (as described in more detail at 2 and 3 below).</p> <p>In order to express relative value views on corporate hybrids, the Sub-Investment Manager break down its analysis into three main components:</p> <ol style="list-style-type: none"> <li>1. Consideration of its views on the issuer and its future credit trend, including the strategic rationale for hybrid issuance, taking into account factors such as: <ol style="list-style-type: none"> <li>a. Expected trends in the issuer’s credit (i.e. changes in the ability of the issuer to continue to access credit into the future);</li> <li>b. Expectations on the development of credit spreads in respect of the issuer’s senior debt (i.e. the interest rates which the issuer has to pay on its senior debt) until the first call date of the hybrid security (for more detail see the “<i>Risk</i>” section below);</li> <li>c. The likelihood that a hybrid security may be exposed to risks of a rating downgrade, notably from Investment Grade to sub-Investment Grade;</li> <li>d. The uses to which an issuer is likely to put the proceeds of the sale of the hybrid securities (e.g. retaining cash on the balance sheet, using it for operating needs or capital expenditure);</li> <li>e. The importance of a given hybrid security to the issuer’s balance sheet.</li> </ol> </li> <li>2. Review of the structure of each hybrid and its potential to adversely impact the hybrid’s value. In undertaking this review, the Sub-Investment Manager combines its views on three types of risk:</li> </ol>

- a. **Extension risk:** The likelihood that the instrument is called at the first call date and the potential downside if it is not, as well as the factors that the issuer's management is likely to take into account in deciding whether to call the instruments, such as solely considering economic factors.
  - b. **Covenant risk:** The likelihood that an early call option is triggered, as a result of factors such as a change of control, a change in accounting treatment, rating agency or tax treatment and the likely downside in the event of an early call.
  - c. **Deferral risk:** The likelihood of coupon payments being deferred.
3. Assessment of the relative value positioning of each hybrid instrument in comparison to other similar instruments with the same structure and risk both within:
    - a. the broader hybrid universe; and
    - b. the capital structure of the issuer relative to the issuer's senior bonds.

In addition, the Sub-Investment Manager will take into account the liquidity of individual securities and the overall liquidity profile of the Portfolio when making its security selections to ensure that the Portfolio is able to meet its obligations in relation to meeting Shareholders' redemption requests.

The aim of this selection process is to create a portfolio that maximises the amount of the Portfolio's expected return for its expected volatility, while remaining well within the investment guidelines set out in this Supplement. The Sub-Investment Manager will take a disciplined approach to investing by attempting to maintain a portfolio that is typically diversified across issuers and industry sectors. This process of security selection and portfolio optimisation is repeated on a continuous basis to ensure that the Portfolio continues to maximise expected return in light of expected volatility. As a result, if the Sub-Investment Manager considers that the expected returns from an investment are or become insufficient relative to the risks of the investment they will either not invest in or dispose of the security under consideration.

Central to the investment philosophy is the Sub-Investment Manager's discretion, which is exercised at all stages of the investment process. This discretion enables them to take into account information and events that cannot be readily quantified, for example political events, shifts in regulatory regimes or the effects of market positioning and hedging.

The Portfolio will invest a majority of its Net Asset Value in securities denominated in Euro, GBP and/or USD. The investments will be fully hedged into its Base Currency through the use of forward and future contracts as set out below in the "Instruments/Asset Classes" section.

Depending on conditions and trends such as valuations and volatility in the securities markets and the economy in general, different strategies or investment techniques may be pursued or employed. For example, in exceptional circumstances, the Sub-Investment Manager may adopt a defensive position if in its view, markets, securities or corporate hybrids specifically are overvalued and not believed to reflect the appropriate market valuations. In such circumstances, the Portfolio may, from time to time, take temporary or defensive positions in cash, cash equivalents and other short-term money market instruments to adjust for such market conditions.

In normal market conditions, it is the intention of the Sub-Investment Manager to invest at least 50% of the Portfolio's Net Asset Value in Investment Grade corporate hybrid securities. The Sub-Investment Manager will not invest in equities or in Emerging Market Countries' securities.

The Portfolio is actively managed and does not intend to track the Benchmark and is not constrained by it. The Benchmark is included here for performance comparison purposes only. The Portfolio gives some consideration to the Benchmark constituents in the selection of securities and may not hold all or many of the Benchmark's components.

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## Benchmark

The ICE BofA Global Hybrid Non-Financial 5% Constrained Custom Index (Total Return, Euro, Hedged), which tracks the performance of investment grade non-financial hybrid corporate debt publicly issued in major domestic and Eurobond markets and each issuer is capped at 5% maximum weight.

Shareholders in a Class which is denominated in a currency other than the Base Currency should note that, where available, it may be more meaningful to compare

the performance of such Class against a version of this index which is denominated in the relevant Class currency.

<b>Base Currency</b>	Euro (EUR).
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<b>Instruments / Asset Classes</b>	The Portfolio will principally invest in corporate hybrid securities, both investment grade and sub-investment grade that have been rated by a Recognised Rating Agency. The Portfolio can invest in or be exposed to the following types of assets.
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**Fixed Income Securities (Debt securities).** These securities may include:

Corporate hybrid securities are highly structured instruments that combine both equity and fixed income features. They generally offer a means for issuers to borrow money from investors in return for interest payments. Such corporate issuers may utilise hybrid debt for a variety of reasons, including bolstering their capital levels, lowering their weighted average cost of capital, diversifying their funding sources and managing credit ratings. Though terms and conditions have become increasingly standardised, the specific characteristics of each instrument (such as payment conditions, the ratio of debt and equity-like features, time frames and applicable rates) can vary.

Hybrid capital ranks senior only to common equity. Consequently, the recovery rate for hybrid securities in the event of an issuer's liquidation or similar financial stress will be significantly lower than that of senior capital (i.e. like all other debt-related securities in the issuer's capital structure). The instruments are issued with the premise of being called on the first call date but the final maturity is typically long dated. In addition, corporate hybrid securities typically permit an issuer to defer the payment of interest for a specified period of time (in many cases, a period of five years or more) without triggering an event of default.

The Portfolio may also invest in other fixed income securities, both investment grade and sub-investment grade that have been rated by a Recognised Rating Agency, including:

- Both fixed and floating rate debt securities, including bonds, issued by governments, government related and corporate entities from OECD countries denominated in local currencies;
- Corporate bonds, debentures and notes (including freely transferable and unleveraged structured notes and freely transferable promissory notes).

The Portfolio will not invest in contingent convertible bonds.

The Portfolio may also invest in other debt securities (including without limitation commercial paper, certificates of deposit, bankers acceptances, floating rate/variable rate notes and bonds) which are rated as investment grade by a Recognised Rating Agency.

**Money Market Instruments.** These securities may include bank deposits, fixed or floating rate instruments (including commercial paper), debentures and short-dated government or corporate bonds, cash and cash equivalents (including treasury bills) that are rated as investment grade or below by Recognised Rating Agencies or are unrated.

Investment grade securities are highly rated securities, generally those rated Baa3, BBB- or above by one or more Recognised Rating Agencies, while high yield securities are medium or lower rated securities, generally those rated below investment grade and sometimes referred to as "junk bonds".

**Financial Derivative Instruments ("FDIs").** Subject to the conditions and limits imposed by the Central Bank as set out in the Prospectus and this Supplement, the Portfolio may use the following FDI for hedging, efficient portfolio management and/or other investment purposes:

- Swaps may include currency swaps, interest rate swaps, total return swaps and swaps on UCITS eligible indices (in respect of each of the other types of assets in which the Portfolio may invest, as described in this "Instruments / Asset Classes" section) to hedge existing long positions. The maximum proportion of the Portfolio's Net Asset Value that can be subject to total return swaps is 10%. The expected proportion of the Portfolio's Net Asset Value that will be subject to total return swaps is 0%. The expected proportions are not limits and the actual percentages may vary over time depending on factors including, but not limited to, market conditions;
- Forward currency contracts and non-deliverable forward currency contracts may be used to achieve a profit as well as to hedge existing long currency exposures;

and

- Future contracts on fixed income securities, UCITS eligible bond indices and interest rates may be used to hedge existing long positions.

As the Portfolio may purchase FDI generally using only a fraction of the assets that would be needed to purchase the relevant securities directly, the remainder of the Portfolio's assets may be invested in the other types of securities listed above. The Sub-Investment Manager may therefore seek to achieve greater returns by purchasing derivative instruments and investing the remaining assets in such other securities to add excess return.

The Portfolio may be leveraged as a result of its investments in FDI but such leverage will not exceed 100% of the Portfolio's Net Asset Value, as measured using the Commitment Approach, at any time.

**Collective Investment Schemes.** The Portfolio may invest in underlying funds which are themselves exposed to investments that are similar to the Portfolio's other investments, provided that the Portfolio may not invest more than 10% of its Net Asset Value in underlying funds (including ETFs which are structured as collective investment schemes) which themselves may invest up to 10% of their net asset value in other collective investment schemes. Such underlying funds may or may not be managed by the Manager and/or the Sub-Investment Manager or their affiliates and will comply with the requirements of the UCITS Regulations in respect of such investments.

The underlying funds in which the Portfolio may invest will be eligible collective investment schemes in accordance with the Central Bank's requirements, which may be domiciled in Relevant Jurisdictions or the United States of America and will qualify as UCITS or alternative investment fund schemes and will be regulated as such by their home state regulator.

- Underlying funds in which the Portfolio invests may be leveraged but such collective investment schemes will not generally be leveraged: (i) in excess of 100% of their net asset value; or (ii) so that their 1 day absolute VaR exceeds 4.47% of their net asset value over a 250 day horizon with a 99% confidence level; or (iii) so that their 1 month relative VaR exceeds twice the VaR of a comparable benchmark portfolio over a 250 day horizon with a 99% confidence level, depending on how such underlying funds measure their global exposure; and
- ETFs are investment funds whose units may be bought and sold on a securities exchange. ETFs typically invest in a portfolio of securities that is designed to track the performance of particular market segment or index. The ETFs will be located in a Relevant Jurisdiction and will be authorised under the UCITS Directive or will be alternative investment funds which are eligible for investment by the Portfolio in accordance with the requirements of the Central Bank. The ETFs will represent investments that are similar to the Portfolio's other investments. The ETFs will operate on the principle of risk spreading and will not be leveraged.

**Repo Contracts.** Repo Contracts may be used subject to the conditions and limits set out in the Prospectus.

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#### Investment Restrictions

- Under normal market conditions, it is the intention of the Sub-Investment Manager to invest at least 50% of the Portfolio's Net Asset Value in Investment Grade corporate hybrid securities, although the Portfolio has the flexibility to invest in excess of 30% of its Net Asset Value in sub-investment grade securities, provided that under no circumstances will the Portfolio invest in securities which are rated below B- or equivalent by a Recognised Rating Agency.
- The Portfolio will not invest in securities that are issued or guaranteed by a single sovereign issuer that are below investment grade.
- The Portfolio will not invest in issuers from Emerging Market Countries.
- Investors should note that the Portfolio will comply with the VAG Requirements as described under "VAG Requirements" in the "Investment Restrictions" section of the Prospectus, provided these VAG requirements are stricter than the investment restrictions applying to the Portfolio contained in this Supplement.
- The Portfolio will not utilise securities lending or margin lending.

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#### Risk

- Investment in the Portfolio carries certain risks which are described in greater detail in the "Investment Risks" section of the Prospectus. While investors should read
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and consider the entire “*Investment Risks*” section of the Prospectus, the risks summarised in the following sections, namely, “*Market Risks: Risks relating to Debt Securities*” and “*Concentration Risk*”, which is contained within the “*Market Risks*” section, are particularly relevant to this Portfolio. **These risks are not purported to be exhaustive and potential investors should review this Supplement and the Prospectus in their entirety and consult with their professional advisers, before making an application for Shares.**

- Investors should refer to the Company’s risk management policy with respect to the use of FDI contained in the RMP Statement.

Corporate hybrid securities are complex instruments that involve a range of special risks, including but not limited to, the following:

- **Coupon Deferral Risk:** payments on coupons can be deferred at the discretion of the issuing company. Such an event does not trigger a default. These deferred coupons can be non-cumulative or cumulative, depending on the structure of the particular security (although the Sub-Investment Manager expects to invest primarily in corporate hybrids that are cumulative). As a result of the coupon deferral feature of corporate hybrid securities, the market price for such securities may be more (i) volatile and (ii) sensitive generally to adverse changes in the financial condition of the issuer of such corporate hybrid securities, in each case than the market prices of other debt securities on which original issue discount or interest payments are not subject to such deferrals.
- **Extension Risk:** Securities can be redeemed on specified dates at the option of the issuer, meaning the investors are exposed to potential non-call risk. Hybrids are generally issued on the premise that they will be called by the issuer (i.e. the issuer will buy back the hybrid instrument from the investor at their first call date). The main aim is that the hybrid is called under a non-stressed situation but remains in place (to absorb any losses) under a stressed situation. In addition, certain corporate hybrid securities may have no specified maturity date, which means the Portfolio will not be able to call for the redemption of any such securities. Accordingly, the Portfolio may be required to bear the financial risks of an investment in such securities for an indefinite or indeterminate period of time: there is uncertainty as to when (if ever) the Portfolio will receive repayment of the principal amount of such securities.
- **Early Redemption Risk:** most hybrids have a contractual clause that enables the issuing company to redeem the security prior to maturity under specified circumstances (changes in accounting treatment, rating agency methodology, taxation etc). As a result, early redemption by the issuer is likely whenever its cost of borrowing is lower than the interest rate on the corporate hybrid security it issued. At such times, the Portfolio may be unable to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the corporate hybrid securities subject to redemption and may only be able to do so at a significantly lower rate of return.
- **Subordination:** in the event of bankruptcy, holders of senior bonds will have first claim on the issuer’s assets. Consequently, the recovery rate for hybrids will be significantly lower than that for senior bonds in such situations and could cause the Portfolio to lose all or a portion of its original investment. Hybrid capital ranks senior only to common equity. Corporate hybrid securities generally do not include protective financial covenants and issuers of corporate hybrid securities generally are not restricted from subsequently issuing debt or incurring liabilities that are senior in rank or have an equivalent rank to the corporate hybrid securities.
- **Liquidity and Market Characteristics:** in some circumstances, corporate hybrid securities may be relatively illiquid, making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Portfolio’s ability to respond to market movements may be impaired and the Portfolio may experience adverse price movements upon liquidation of its investments.
- The Sub-Investment Manager will use forward currency contracts in order to hedge currency risk on a discretionary basis.

#### Environmental, Social and Governance (“ESG”)

This Portfolio meets the classification of an Article 8 Portfolio as it promotes environmental and social characteristics and limits investments to those companies that follow good governance practices. **Information about these environmental and social characteristics is available in the SFDR Annex below.**

Please also refer to Annex VI of the Prospectus which contains additional information

on sustainability related disclosures.

#### Typical Investor Profile

Investment in the Portfolio may be suitable for investors who are prepared to accept the risks of the subordinated bond market over the medium to long term, together with the level of volatility generally associated with high yield fixed income funds.

#### Fees and Expenses

Category	Maximum Initial Charge	Maximum Management fee	Distribution Fee
A, X, Y	5.00%	1.20%	0.00%
B, C2, E	0.00%	1.20%	1.00%
C1	0.00%	1.80%	1.00%
C	0.00%	0.80%	1.00%
D, I, I1, I2, I3, I4, I5	0.00%	0.60%	0.00%
M	2.00%	1.20%	0.60%
P	5.00%	0.57%	0.00%
T	5.00%	1.80%	0.00%
U	3.00%	0.90%	0.00%
Z	0.00%	0.00%	0.00%

For details of the Administration Fees payable by the Portfolio, please see the “Administration Fees” heading in the “Fees and Expenses” section of the Prospectus.

#### Contingent deferred sales charges

Contingent deferred sales charges will be payable in respect of the following Classes at the rates specified below, depending on the period that has elapsed since the issue of the Shares being redeemed and will be charged on the lower of the Net Asset Value per Share on the relevant Dealing Day in respect of which the relevant Shares were (i) initially subscribed or (ii) redeemed. Any such contingent deferred sales charges will be paid to the relevant Distributor, the Manager or to the Sub-Investment Manager.

Class	Redemption Period in Calendar Days				
	< 365	365 - 729	730 - 1094	1095 – 1459	> 1459
<b>B</b>	4%	3%	2%	1%	0%
<b>C, C1</b>	1%	0%	0%	0%	0%
<b>C2</b>	2%	1%	0%	0%	0%
<b>E</b>	3%	2%	1%	0%	0%

For further information on fees, please refer to the “Fees and Expenses” section of the Prospectus.

## Neuberger Berman Global Opportunistic Bond Fund

**An investment in the Portfolio should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. An investment in the Portfolio is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. The value of Shares may go down as well as up and investors may not get back any of the amount invested.**

<b>Investment Objective</b>	Achieve an attractive level of total return (income plus capital appreciation) by opportunistically investing in a diversified mix of fixed rate and floating rate debt securities globally under varying market environments with a focus on downside protection.
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<b>Investment Approach</b>	The Portfolio will invest in debt securities and money market instruments issued by governments and their agencies and corporations worldwide. Securities will be listed, dealt or traded on Recognised Markets globally without any particular focus on any one industrial sector. Securities may be rated investment grade or below by a Recognised Rating Agency. On an ancillary basis, the Portfolio may hold preferred stocks issued by public or corporate issuers. In light of the preferential nature of the dividends payable in respect of preferred stocks, the Manager and the Sub-Investment Manager consider certain preferred stocks to be hybrid debt securities (ie, securities that combine two or more different financial instruments, generally both debt and equity characteristics).
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The Manager and the Sub-Investment Manager will employ a flexible investment approach that tactically allocates, either directly or indirectly through the use of FDI, among fixed income sectors (such as treasury security, global sovereign bond, inflation protected security/linked bond, agency-issued or investment grade and non-investment grade corporate bond) to adapt to changing market conditions. The Manager and the Sub-Investment Manager use a fundamentally driven investment process ie, comparing key fundamental measures specific to each fixed income sector (such as leverage or the expected default rate for investment grade and high yield corporate credit sectors or expected inflation in the case of inflation-linked debt securities) and the resulting valuation on a fixed income sector level to prevailing market pricing, allowing the manager to assess the attractiveness of the respective fixed income sectors relative to one another. This investment process is backed by a further suite of quantitative tools, all of which are proprietary to the Manager, used for asset allocation and security selection, such as "The Torpedo Monitor", which is a credit monitoring model that seeks to provide early warnings about potentially deteriorating investment grade credit situations from pricing information provided by listed equity markets. Expected returns and a confidence level of the return expectation are projected for each sector, in order to determine how to allocate the Portfolio's assets across sectors.

Within each sector, screening is then used to formulate a "buy" and a "sell" list of opportunities. The Manager and the Sub-Investment Manager will conduct credit analysis on the issuers of the selected securities, which will focus on cash generation, cash flow predictability and event risk analysis (relating to the likely occurrence of certain events, such as a bond issuer missing a coupon payment or suffering a rating downgrade), as well as monitoring traditional credit statistics (including leverage, interest coverage or free cash flow generation). Issuers that the Manager and/or the Sub-Investment Manager determine are the best prospects for purchase are subjected to further rigorous and thorough business and financial analysis including, for example, an assessment of the competitive position of the issuer relative to its peers and its pricing power (ie, its ability to raise prices over time), an assessment of the issuer's liquidity or a stress test of the issuer's financial statements with respect to unfavourable business conditions. This analysis will be used to form the basis of an investment opinion.

As part of the above process, the Manager and/or the Sub-Investment Manager will evaluate the duration of the fixed income securities (i.e. the measure of how sensitive a security's value is to interest rate movements) in which the Portfolio will invest. Interest rate levels across yield curves are evaluated through an economic analysis, including the use of the Manager's proprietary valuation tools for assessing the level of available real rates (i.e. the rate of interest before allowing for inflation) and inflation expectations and the forecast of the direction of overnight rates.

Positive or negative views may be expressed through the use of FDI. For example, should the Manager and/or the Sub-Investment Manager deem US corporate credit spread (i.e. the difference in yield between a US Treasury bond and a debt security with the same maturity but of lesser quality) to be undervalued, they could take

advantage of this by purchasing corporate debt securities and removing the duration risk of the position by taking duration-matched short positions in US treasury futures contracts.

Central to the investment philosophy is the Manager's and the Sub-Investment Manager's judgment, which is exercised at all stages of the investment process. This discretion enables them to take into account information and events that may not be readily quantifiable, for example political events, shifts in regulatory regimes or the effects of market positioning and hedging.

In order to manage the Portfolio's currency exposures resulting from its investment in debt securities worldwide and for investment purposes, the Manager and/or the Sub-Investment Manager may take long and/or synthetic short positions in currencies, through the use of FDI, based on a fundamentally driven, relative value approach (i.e. an approach that seeks to exploit perceived under or over valuation of assets) which is supported by a framework of indicators that the Manager and the Sub-Investment Manager use to assess relative value among currencies. The Portfolio will invest primarily in global liquid currencies (including, without limitation, Australian Dollars, Canadian Dollars, Swiss Franc, Euro, Sterling, Japanese Yen, Norwegian Krone, New Zealand Dollars, Swedish Krona and US Dollars). The four-stage investment approach of the currency strategy is discretionary in nature and is designed to achieve a diversified, highly liquid portfolio and may, depending on prevailing market conditions, combine fundamental analysis with a more quantitative approach, designed to consider a number of factors, such as opportunity for growth of a particular market, the stability of its currency, monetary policy, capital flows and the risks associated with investment in that particular currency over the short, medium and long term. Stage one of the process is the construction of the Portfolio and this includes stage two, which is the analysis of fundamental factors that may, on a discretionary basis, include such variables as opportunities for growth, currency stability, yield, monetary policy, capital flows and risk characteristics, over short-, medium- and long-term investment horizons. Following the analysis and portfolio construction stages, stages three and four of the investment process are trade implementation and risk management, conducted on a pre-trade, post-trade and ongoing basis. The Portfolio may take positions in currencies representing either a long or, using FDI, short exposure to the currency with respect to the Base Currency. The Manager and the Sub-Investment Manager believe that the ability to manage the Portfolio's currency exposures actively is a significant factor in the management of the risks associated with the Portfolio's investments, in the context of its investment objective.

The portfolio construction process measures and manages the Portfolio's overall risk profile on an on-going basis to seek to achieve the Portfolio's investment objective.

The Portfolio may opportunistically invest up to 10% of its Net Asset Value in participation interests in floating or adjustable rate senior secured loans, which are securitised and freely transferable, and which meet the regulatory criteria to be considered money market instruments.

The Portfolio may have or may be expected to have medium to high volatility due to its investment policies or portfolio management techniques.

Under normal market conditions, the Manager anticipates that the Portfolio's average interest rate duration will be within a range of +2 to +8 years.

The Portfolio is actively managed and does not intend to track the Benchmark and is not constrained by it. The Benchmark is included here for performance comparison purposes only. The Portfolio gives some consideration to the Benchmark constituents in the selection of securities and may not hold all or many of the Benchmark's components.

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**Benchmark**

Bloomberg Global Aggregate Index (Total Return, USD Hedged).

Shareholders in a Class which is denominated in a currency other than the Base Currency should note that, where available, it may be more meaningful to compare the performance of such Class against a version of this index which is denominated in the relevant Class currency.

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**Base Currency**

US Dollars (USD).

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**Instruments / Asset  
Classes**

The Portfolio will invest primarily in investment grade and high yield global fixed income securities worldwide. The Portfolio can invest in or be exposed to the following types of assets.

**Fixed Income Securities (Debt securities).** These securities may include:

- Both fixed and floating rate debt securities, including bonds, issued by governments and their agencies and corporations worldwide denominated in local currencies;
- Corporate bonds, debentures and notes (including contingent convertible bonds (ie, bonds which convert into a stock at a predetermined price and / or when certain capital conditions are met) and freely transferable promissory notes);
- Privately issued mortgage-backed securities, asset-backed securities, structured securities (including mortgage-backed securities such as pass-through certificates, which entitle the holders thereof to receive mortgage payments, CDOs and interest and principal only components of mortgage-backed securities and collateralised loan obligations with respect to mezzanine floating rate debt) that derive interest and principal payments from specified assets (including residential and commercial mortgages, credit card debt and pools of other kinds of receivables, such as car or consumer loans, royalties or other earnings);
- Collateralised mortgage obligations, payment-in-kind bonds (which are bonds that pay interest in the form of additional bonds of the same kind);
- Deferred payment securities (securities which pay regular interest after a predetermined date such as corporate bonds with deferred interest payment or certain pay-in-kind corporate bonds ie, bonds which pay investors in the form of additional securities) and zero coupon securities.

**Money Market Instruments.** These securities may include bank deposits, fixed or floating rate instruments (including commercial paper), floating or variable rate notes, bankers acceptances, certificates of deposit, debentures and short-dated government or corporate bonds, participation interests in loans (which are securitised and freely transferable), cash and cash equivalents (including treasury bills), in each case that are rated as investment grade or below by Recognised Rating Agencies or are unrated.

Investment grade securities are highly rated securities, generally those rated Baa3, BBB- or above by one or more Recognised Rating Agencies, while high yield securities are medium or lower rated securities, generally those rated below investment grade and sometimes referred to as “junk bonds”.

**Collective Investment Schemes.** The Portfolio may invest in underlying funds which are themselves exposed to investments that are similar to the Portfolio's other investments, provided that the Portfolio may not invest more than 10% in underlying funds (including ETFs which are structured as collective investment schemes) which themselves may invest up to 10% of their net asset value in other collective investment schemes. Such underlying funds may or may not be managed by the Manager or its affiliates and will comply with the requirements of the UCITS Regulations in respect of such investments.

The underlying funds in which the Portfolio may invest will be eligible collective investment schemes in accordance with the Central Bank's requirements, which may be domiciled in a Relevant Jurisdiction and will qualify as UCITS or alternative investment fund schemes and will be regulated as such by their home state regulator.

Underlying funds in which the Portfolio invests may be leveraged but such collective investment schemes will not generally be leveraged: (i) in excess of 100% of their net asset value; or (ii) so that their 1 day absolute VaR exceeds 4.47% of their net asset value over a 250 day horizon with a 99% confidence level; or (iii) so that their 1 month relative VaR exceeds twice the VaR of a comparable benchmark portfolio over a 250 day horizon with a 99% confidence level, depending on how such underlying funds measure their global exposure.

ETFs are investment funds whose units may be bought and sold on a securities exchange. ETFs typically invest in a portfolio of securities that is designed to track the performance of particular market segment or index. The ETFs will be located in a Relevant Jurisdiction and will be authorised under the UCITS Directive or will be alternative investment funds which are eligible for investment by the Portfolio in accordance with the requirements of the Central Bank. The ETFs will represent investments that are similar to the Portfolio's other investments. The ETFs will operate on the principle of risk spreading and will not be leveraged.

**Financial Derivative Instruments (“FDIs”).** Subject to the conditions and limits imposed by the Central Bank as set out in the Prospectus and this Supplement, the Portfolio may use the following FDI for hedging, efficient portfolio management and/or

investment purposes and subject to the conditions and limits imposed by the Central Bank as set out in the Prospectus and this Supplement:

- Swaps may include currency, interest rate, index, volatility, variance, credit default and total return swaps (each in respect of each of the other types of assets in which the Portfolio may invest, as described in this “*Instruments / Asset Classes*” section) and may be used to achieve a profit as well as to hedge existing long positions and exposures. The maximum proportion of the Portfolio’s Net Asset Value that can be subject to total return swaps is 30%. The expected proportion of the Portfolio’s Net Asset Value that will be subject to total return swaps is 5%. The expected proportions are not limits and the actual percentages may vary over time depending on factors including, but not limited to, market conditions;
- Options on fixed income securities, UCITS eligible bond indices and currencies may be used to achieve a profit as well as to hedge existing long positions and exposures;
- Future contracts based on interest rates, UCITS eligible bond indices, equity-linked securities (a hybrid debt instrument that is linked to the equity markets, such as an equity index-linked note (an instrument whose return is determined by the performance of an equity index)), and currencies may be used to achieve a profit as well as to hedge existing long positions and exposures;
- Forwards on fixed income securities may be used to achieve a profit as well as to hedge existing long positions and exposures; and
- Forward currency contracts and non-deliverable forward currency contracts may be used to achieve a profit as well as to hedge existing long currency exposures.

Volatility swaps are OTC FDI under which one party will agree to pay the other a return based on the volatility of an underlying asset and the other party agrees to pay the first party a fee, either periodically or upfront on entry into the swap. Volatility is defined as a statistical measure of the dispersion of returns for a given security or market index. As such the underlying of the swap is the volatility of a given asset and they allow an investor to speculate solely upon the movement of the asset’s volatility without the influence of its price.

A variance swap is a contract which allows an investor to trade the realised volatility of an underlying asset (e.g. a fixed income index) against the implied volatility of that underlying asset. Variance is defined as a statistical measure of the dispersion of a set of returns around their mean value. Under the terms of a typical variance swap, parties agree to exchange, at maturity, a pre-agreed notional amount multiplied by the difference between the realised variance of a fixed income index over the lifetime of the variance swap and a pre-determined reference level. Realised variance is the mathematical square of realised volatility, i.e. if the realised volatility of the index is 5%, its realised variance will be 25%. The reference level of a variance swap is determined at the inception of the swap by reference to the implied volatility of the relevant fixed income index. The seller of the variance swap (who is said to have a short variance position) will benefit when realised volatility is lower than the reference level over the period of the swap, in which case the buyer of the variance swap would suffer a loss. Conversely, the buyer of the variance swap (who is said to have a long variance position) will benefit when realised volatility is higher than the reference level, in which case the seller of the variance swap would suffer a loss. Realised volatility is a backward-looking measure of the amount by which the returns of an asset actually varied over a time period and is calculated by reference to the previous day’s returns of that asset. Implied volatility is a forward-looking measure, which represents the market’s expectation of the future volatility of a particular asset over a particular period.

Swaps, options, futures and forwards may each be used to generate synthetic short positions for investment, hedging or efficient portfolio management purposes in respect of securities which the Manager and/or the Sub-Investment Manager expects to decrease in value. Hedging via futures contracts may involve holding a position in corporate bonds and reducing the duration risk of such a position by taking an offsetting short position in the relevant treasury futures contracts so that such hedge would be expected to add value to the Portfolio should interest rates rise, offsetting any depreciation of the corporate bonds in such a scenario. Hedging through option contracts may involve reducing a long duration position by purchasing long put options on relevant treasury futures which would be expected to appreciate in value should interest rates rise. Hedging via forward transaction may involve reducing currency risk from holdings of foreign currency denominated cash securities and hedging their returns back into the base currency by entering into OTC foreign exchange forward

transactions in the offsetting currency pair such that the appreciation or depreciation in the hedging forward contracts would offset any losses or gains in the underlying investments caused by fluctuations in the exchange rate between the foreign currency and the base currency.

As the Portfolio may purchase FDI generally using only a fraction of the assets that would be needed to purchase the relevant securities directly, the remainder of the assets allocated to the Manager and/or the Sub-Investment Manager may be invested in the other types of securities listed in the “Instruments/Asset Classes” section above. The Manager and/or the Sub-Investment Manager may therefore seek to achieve greater returns by purchasing derivative instruments and investing the remaining assets in such other securities to add excess return.

The counterparties to OTC FDI entered into in respect of the Portfolio will be entities (which will not be related to the Sub-Investment Manager or its delegates) with legal personality which may be located globally. They will be subject to ongoing supervision by a public authority, be rated at or in excess of the requirements of the Central Bank by a Recognised Rating Agency and have the necessary organisational structure and resources for the relevant type of transaction.

**Equities.** On an ancillary basis, the Portfolio may invest in preferred stocks issued by public and private issuers.

**Repo Contracts.** Repo Contracts may be used subject to the conditions and limits set out in the Prospectus.

## Bond Connect

The PBoC and the HKMA have approved the CFETS, CCDC, SHCH, together with Hong Kong Exchanges and Clearing Limited and CMU to launch Bond Connect, which is a mutual bond market access programme between Mainland China and Hong Kong. Bond Connect allows investors to trade electronically between the Mainland China and Hong Kong bond markets without quota restrictions and requirements to identify the ultimate investment amount.

Currently, Bond Connect comprises a Northbound Trading Link between CFETS, the operator of the CIBM and offshore trading access platforms recognised by the PBoC, to facilitate investment by Hong Kong and overseas investors (including the Portfolio) in eligible bonds traded on the CIBM. A Southbound Trading Link, facilitating investment in overseas bond markets by Mainland Chinese investors is still under development but is intended to form part of Bond Connect once established.

### Eligible Securities

Hong Kong and overseas investors (including the Portfolio) will be able to trade over the entire range of instruments traded on the CIBM, including products on both the secondary and primary markets.

### Trading Day

Northbound investors (including the Portfolio) are able to trade through Bond Connect on days upon which the CIBM is open to trade, regardless of whether they are a public holiday in Hong Kong.

### Settlement and Custody

Settlement and custody of Northbound bond trades under Bond Connect will be implemented under the link between the CMU of the HKMA and Mainland China's two bond settlement systems, namely, CCDC and SHCH. The CMU settles Northbound trades and holds the CIBM bonds on behalf of its members in nominee accounts with each of CCDC and SHCH. CCDC and SHCH provide services to foreign investors, directly and indirectly, using Bond Connect.

Bonds purchased by Hong Kong and overseas investors (including the Portfolio) are recorded in an omnibus nominee account at CCDC and SHCH in the name of CMU. The CMU itself maintains the bonds in segregated sub-accounts of its members, who in turn may hold the bonds on their own account or on behalf of other investors or custodians. Accordingly, bonds purchased by Hong Kong and overseas purchasers through Bond Connect are held by the purchaser's global or local custodian in a segregated sub-account opened in their name at the CMU.

### Currency

Hong Kong and overseas investors may trade through Bond Connect using offshore RMB (CNH) or by converting foreign currencies into onshore RMB (CNY) under Bond Connect.

Where an investor uses foreign currencies to invest through the Northbound Trading Link, it must open a segregated RMB capital account with an eligible RMB settlement Bank in Hong Kong to convert its foreign currencies into CNY. Where bonds are purchased in CNY in this manner, upon sale of the bonds, the sale proceeds remitted out of Mainland China must be converted back into the relevant foreign currencies.

Further information about Bond Connect is available at:

<http://www.chinabondconnect.com/en/index.htm>

## Investment Restrictions

The Portfolio will not utilise securities lending or margin lending.

## Risk

- Investment in the Portfolio carries certain risks which are described in greater detail in the “*Investment Risks*” section of the Prospectus. While investors should read and consider the entire “*Investment Risks*” section of the Prospectus, the risks summarised in the following sections, namely, “*Market Risks: Risks relating to Debt Securities*”, “*Risks Associated with Investment in the China Interbank Bond Market through Bond Connect*” and “*Risks related to Financial Derivative Instruments*” are particularly relevant to this Portfolio. **These risks are not purported to be exhaustive and potential investors should review this Supplement and the Prospectus in their entirety and consult with their professional advisers, before making an application for Shares.**
- Investors should refer to the Company’s risk management policy with respect to the use of FDI contained in the RMP Statement.
- The Portfolio may be leveraged up to approximately 550% of its Net Asset Value as a result of its use of FDI, although investors should note that higher levels of leverage may be experienced in certain circumstances, such as, for example, in times of increased volatility, during which the Manager and/or the Sub-Investment Manager may want to make offsetting trades to seek to manage the risks associated with existing trades. This leverage figure will be calculated using the Sum of the Notionals of the derivatives used, as required by the Central Bank. Using this methodology does not reflect any netting or hedging that the Portfolio may have in place. The Portfolio’s global exposure is subject to an advanced risk management process which, in compliance with the UCITS Regulations, aims to ensure that on any day the Absolute VaR of the Portfolio will be no greater than 4.47% of its Net Asset Value. The VaR of the Portfolio is a daily estimation of the maximum loss which the Portfolio may incur over a one day holding period and is arrived at through quantitative simulations with a 99% one tailed confidence interval and using a historical observation period of at least 250 business days. This process is described in detail in the statement of risk management procedures of the Company and its appendix in respect of the Portfolio. While the Portfolio measures and monitors its global exposure using the VaR approach, rather than by use of the Commitment Approach, the leverage of the Portfolio using the Commitment Approach is expected to be 250% of its Net Asset Value as a result of its use of FDI, although investors should note that higher levels of leverage may be experienced.
- The Portfolio may invest up to 50% of its Net Asset Value in securities issued by companies located in, and governments of, Emerging Market Countries, which may involve additional risk, relative to investment in more developed economies.
- The Portfolio may take selective synthetic long or synthetic short positions in each of the asset classes listed above and the investment strategies are expected to involve leverage as a result of the use of FDI for investment, efficient portfolio management and hedging purposes as outlined above. The Portfolio’s net market exposure may vary in time and range from a maximum net long position of 200% to a maximum net short position of 0% of the Net Asset Value of the Portfolio.
- The Manager and/or the Sub-Investment Manager may use forward and future currency contracts in order to hedge currency risk, for efficient portfolio management and/or for investment purposes, in each case on a discretionary basis. The use of such hedging techniques may increase the risk profile of the Portfolio.

## Environmental, Social and Governance (“ESG”)

This Portfolio meets the classification of an Article 8 Portfolio as it promotes environmental and social characteristics and limits investments to those companies that follow good governance practices. **Information about these environmental and social characteristics is available in the SFDR Annex below.**

Please also refer to Annex VI of the Prospectus which contains additional information

on sustainability related disclosures.

**Typical Investor Profile**

Investment in the Portfolio may be suitable for investors who are prepared to accept the risks of the global bond market over the medium to long term, together with medium to high levels of volatility given the ability of the Portfolio to invest in securities of Emerging Market Countries and/or below investment grade securities.

**Fees and Expenses**

Category	Maximum Initial Charge	Maximum Management fee	Distribution Fee
A, X, Y	5.00%	0.60%	0.00%
C1	0.00%	0.80%	1.00%
B, C2, E	0.00%	0.60%	1.00%
C	0.00%	0.40%	1.00%
D, I, I1, I2, I3, I4, I5	0.00%	0.30%	0.00%
M	2.00%	0.60%	0.60%
P	5.00%	0.29%	0.00%
T	5.00%	1.05%	0.00%
U	3.00%	0.45%	0.00%
Z	0.00%	0.00%	0.00%

For details of the Administration Fees payable by the Portfolio, please see the “*Administration Fees*” heading in the “*Fees and Expenses*” section of the Prospectus.

**Contingent deferred sales charges**

Contingent deferred sales charges will be payable in respect of the following Classes at the rates specified below, depending on the period that has elapsed since the issue of the Shares being redeemed and will be charged on the lower of the Net Asset Value per Share on the relevant Dealing Day in respect of which the relevant Shares were (i) initially subscribed or (ii) redeemed. Any such contingent deferred sales charges will be paid to the relevant Distributor, the Manager or to the Sub-Investment Manager.

Class	Redemption Period in Calendar Days				
	< 365	365 - 730	730 - 1095	1095 – 1460	> 1460
<b>B</b>	4%	3%	2%	1%	0%
<b>C, C1</b>	1%	0%	0%	0%	0%
<b>C2</b>	2%	1%	0%	0%	0%
<b>E</b>	3%	2%	1%	0%	0%

For further information on fees, please refer to the “*Fees and Expenses*” section of the Prospectus.

## Neuberger Berman Global Flexible Credit Income Fund

**An investment in the Portfolio should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The difference at any one time between the issue and repurchase price of Shares in the Portfolio means that the investment should be viewed as medium to long term. An investment in the Portfolio is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. The value of Shares may go down as well as up and investors may not get back any of the amount invested.**

<b>Investment Objective</b>	To seek to maximise total return from current income and long-term capital appreciation by investing in a diversified mix of global fixed rate and floating rate debt securities, including high income securities.
<b>Investment Approach</b>	<p>The Portfolio seeks to achieve its investment objective primarily by investing in debt securities and money market instruments, including through the use of FDI, issued by governments and their agencies and corporations worldwide including within Emerging Market Countries. Securities will typically be dealt or traded on Recognised Markets globally without any particular focus on any one industrial sector. Securities may be rated investment grade or below by a Recognised Rating Agency.</p> <p>The Sub-Investment Manager implements a disciplined investment process that is consistently applied across all fixed income sectors with an ongoing focus on identifying the most attractive investment opportunities in the fixed income market, building a well-diversified portfolio whilst minimising single credit issuer risk.</p> <p>In seeking to identify the most attractive fixed income sectors, the Sub-Investment Manager seeks to evaluate research and sector valuations undertaken by speciality investment teams within the Sub-Investment Manager. The speciality teams formulate an investment view and project expected returns for the relevant sectors, based upon internal analysis, taking into consideration the impact of the team's macroeconomic outlook. The macroeconomic outlook is formulated by taking into account the expectations of interest rates, inflation expectations, market sentiment and geo-political issues amongst others. Securities are then selected by screening the universe of eligible securities within each sector to formulate a "buy" list of actionable opportunities by identifying the individual securities that exhibit the characteristics which the Sub-Investment Manager considers attractive (eg, which are undervalued and higher yielding compared to other securities within the universe) and align with investment objective.</p> <p>The Sub-Investment Manager will take a disciplined multi-sector investment approach by attempting to maintain a portfolio that is typically diversified across issuer type (corporate or sovereign), industry sectors, countries and maturities. The flexibility to allocate to different sectors of the global fixed income markets enables the Portfolio to attempt to position itself using the process described above to seek to achieve its investment objective.</p> <p>The Portfolio may opportunistically invest up to 10% of its Net Asset Value in participation interests in floating or adjustable rate senior secured loans, which are securitised and freely transferable, and which meet the regulatory criteria to be considered money market instruments.</p> <p>Under normal market conditions, the Sub-Investment Manager anticipates that the Portfolio's interest rate duration will be within a range of 2 to 5 years. The Portfolio is actively managed; no benchmark is used for performance comparison purposes or as a universe for selection.</p>
<b>Benchmark</b>	N/A.
<b>Base Currency</b>	US Dollars (USD).
<b>Instruments / Asset Classes</b>	<p>The Portfolio will invest primarily in debt securities and money market instruments, issued by governments, government agencies and corporate issuers. The Portfolio can invest in or be exposed to the following types of assets.</p> <p><b>Fixed Income Securities (debt securities).</b> These securities may include:</p> <ul style="list-style-type: none"> <li>Both fixed and floating rate debt securities, including bonds, issued by US and non-US governments, government agencies and corporations worldwide denominated in local currencies;</li> </ul>

- Corporate bonds, debentures and notes (freely transferable promissory notes);
- Contingent convertible bonds, subject to a limit of up to 10% of the Portfolio's Net Asset Value;
- Payment-in-kind bonds (which are bonds that pay interest in the form of additional bonds of the same kind);
- Participation interests in loans (which are securitised and freely transferable);
- Deferred payment securities (securities which pay regular interest after a predetermined date) and zero coupon securities;
- Debt securities of the types described above issued by issuers in Emerging Market Countries; and
- Collateralised loan obligations, subject to a limit of up to 10% of the Portfolio's Net Asset Value.

The Portfolio may invest up to 10% of its net assets in securities that are issued or guaranteed by a single sovereign issuer that are below investment grade.

Investment grade securities are highly rated securities, generally those rated Baa3, BBB- or above by one or more Recognised Rating Agencies, while high yield securities are medium or lower rated securities, generally those rated below investment grade and sometimes referred to as "junk bonds".

**Money Market Instruments.** These securities may include: bank deposits, fixed or floating rate instruments (including commercial paper), floating or variable rate notes, bankers acceptances, certificates of deposit, debentures and short-dated government or corporate bonds, cash and cash equivalents (including treasury bills) that are rated as investment grade by Recognised Rating Agencies.

**Collective Investment Schemes.** The Portfolio may invest in underlying funds which are themselves exposed to investments that are similar to the Portfolio's other investments, provided that the Portfolio may not invest more than 10% in underlying funds (including ETFs which are structured as collective investment schemes) which themselves may invest up to 10% of their net asset value in other collective investment schemes. Such underlying funds may or may not be managed by the Manager and/or Sub-Investment Manager or their affiliates and will comply with the requirements of the UCITS Regulations in respect of such investments.

- The underlying funds in which the Portfolio may invest will be eligible collective investment schemes in accordance with the Central Bank's requirements, which may be domiciled in the European Economic Area and will qualify as UCITS or alternative investment fund schemes and will be regulated as such by their home state regulator;
- Underlying funds in which the Portfolio invests may be leveraged but such collective investment schemes will not generally be leveraged: (i) in excess of 100% of their net asset value; or (ii) so that their 1 day absolute value-at-risk exceeds 4.47% of their net asset value over a 250 day horizon with a 99% confidence level; or (iii) so that their 1 month relative value-at-risk exceeds twice the value-at-risk of a comparable benchmark portfolio over a 250 day horizon with a 99% confidence level, depending on how such underlying funds measure their global exposure; and
- ETFs are investment funds whose units may be bought and sold on a securities exchange. ETFs typically invest in a portfolio of securities that is designed to track the performance of a particular market segment or index. The ETFs will be located in a Member State of the European Economic Area and will be authorised under the UCITS Directive or will be alternative investment funds which are eligible for investment by the Portfolio in accordance with the requirements of the Central Bank. The ETFs will represent investments that are similar to the Portfolio's other investments. The ETFs will operate on the principle of risk spreading and will not be leveraged.

**Financial Derivative Instruments ("FDIs")** Subject to the conditions and limits imposed by the Central Bank as set out in the Prospectus and this Supplement, the Portfolio may use the following FDI for efficient portfolio management, investment purposes, and/or hedging. The following FDI may provide exposure to any or all of the asset classes listed above:

- Swaps may include currency swaps, interest rate swaps, fixed income swaps, credit default swaps, swaps on UCITS eligible indices and total return swaps and may be

used to achieve a profit as well as to hedge existing long positions; foreign exchange swaps may be used to hedge existing long currency exposures. The maximum proportion of the Portfolio's Net Asset Value that can be subject to total return swaps is 20%. The expected proportion of the Portfolio's Net Asset Value that will be subject to total return swaps is 5%. The expected proportions are not limits and the actual percentages may vary over time depending on factors including, but not limited to, market conditions;

- Future contracts may be used to hedge or to gain exposure to an increase in the value of securities of currencies, interest rates, fixed income securities and UCITS eligible bond indices;
- Options on fixed income securities, futures, interest rates, UCITS eligible indices (including UCITS eligible bond indices) and equities may be used to achieve a profit as well as to hedge existing long positions;
- Swaptions on fixed income securities (including convertible bonds and convertible preferred stock), credit default swaps, interest rates and UCITS eligible indices, may be used to achieve a profit as well as to hedge existing long positions;
- Forwards on fixed income securities may be used to achieve a profit, through gaining exposure to an increase in the value of such securities as well as to hedge existing long currency exposures; and
- Forward currency contracts may be used to hedge existing long positions and exposures.

As the Portfolio may purchase FDI generally using only a fraction of the assets that would be needed to purchase the relevant securities directly, the remainder of the assets may be invested in the other types of securities listed above. The Sub-Investment Manager may therefore seek to achieve greater returns by taking exposure to the performance of such securities through purchasing FDI which give exposure to them rather than purchasing the securities themselves and investing the remaining assets in other such securities to add excess return.

The counterparties to OTC FDI entered into in respect of the Portfolio will be entities (which will not be related to the Sub-Investment Manager or its delegates) with legal personality which may be located globally. They will be subject to ongoing supervision by a public authority, be rated at or in excess of the requirements of the Central Bank by a Recognised Rating Agency and have the necessary organisational structure and resources for the relevant type of transaction.

**Repo Contracts.** Repo Contracts may be used subject to the conditions and limits set out in the Prospectus.

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## Bond Connect

The PBoC and the HKMA have approved the CFETS, CCDC, SHCH, together with Hong Kong Exchanges and Clearing Limited and CMU to launch Bond Connect, which is a mutual bond market access programme between Mainland China and Hong Kong. Bond Connect allows investors to trade electronically between the Mainland China and Hong Kong bond markets without quota restrictions and requirements to identify the ultimate investment amount.

Currently, Bond Connect comprises a Northbound Trading Link between CFETS, the operator of the CIBM and offshore trading access platforms recognised by the PBoC, to facilitate investment by Hong Kong and overseas investors (including the Portfolio) in eligible bonds traded on the CIBM. A Southbound Trading Link, facilitating investment in overseas bond markets by Mainland Chinese investors is still under development but is intended to form part of Bond Connect once established.

### Eligible Securities

Hong Kong and overseas investors (including the Portfolio) will be able to trade over the entire range of instruments traded on the CIBM, including products on both the secondary and primary markets.

### Trading Day

Northbound investors (including the Portfolio) are able to trade through Bond Connect on days upon which the CIBM is open to trade, regardless of whether they are a public holiday in Hong Kong.

### Settlement and Custody

Settlement and custody of Northbound bond trades under Bond Connect will be implemented under the link between the CMU of the HKMA and Mainland China's two

bond settlement systems, namely, CCDC and SHCH. The CMU settles Northbound trades and holds the CIBM bonds on behalf of its members in nominee accounts with each of CCDC and SHCH. CCDC and SHCH provide services to foreign investors, directly and indirectly, using Bond Connect.

Bonds purchased by Hong Kong and overseas investors (including the Portfolio) are recorded in an omnibus nominee account at CCDC and SHCH in the name of CMU. The CMU itself maintains the bonds in segregated sub-accounts of its members, who in turn may hold the bonds on their own account or on behalf of other investors or custodians. Accordingly, bonds purchased by Hong Kong and overseas purchasers through Bond Connect are held by the purchaser's global or local custodian in a segregated sub-account opened in their name at the CMU.

#### Currency

Hong Kong and overseas investors may trade through Bond Connect using offshore RMB (CNH) or by converting foreign currencies into onshore RMB (CNY) under Bond Connect.

Where an investor uses foreign currencies to invest through the Northbound Trading Link, it must open a segregated RMB capital account with an eligible RMB settlement Bank in Hong Kong to convert its foreign currencies into CNY. Where bonds are purchased in CNY in this manner, upon sale of the bonds, the sale proceeds remitted out of Mainland China must be converted back into the relevant foreign currencies.

Further information about Bond Connect is available at:

<http://www.chinabondconnect.com/en/index.htm>

#### **Investment Restrictions**

- The Portfolio may invest up to 40% of its Net Asset Value in Emerging Market Countries' debt securities.
- The Portfolio will not utilise securities lending or margin lending.
- The Portfolio may invest without limit in below investment grade securities.
- The Portfolio may invest up to 10% of its Net Asset Value in participation interests in loans (which are securitised and freely transferable).

#### **Risk**

- Investment in the Portfolio carries certain risks which are described in greater detail in the "Investment Risks" section of the Prospectus. While investors should read and consider the entire "Investment Risks" section of the Prospectus, the risks summarised in the following sections, namely, "Market Risks: Risks relating to Debt Securities", "Risks Associated with Investment in the China Interbank Bond Market through Bond Connect" and "Risks related to Financial Derivative Instruments" are particularly relevant to this Portfolio. **These risks are not purported to be exhaustive and potential investors should review this Supplement and the Prospectus in their entirety and consult with their professional advisers, before making an application for Shares.**
- Investors should refer to the Company's risk management policy with respect to the use of FDI contained in the RMP Statement.
- The Portfolio's global exposure is subject to an advanced risk management process which, in compliance with the UCITS Regulations, aims to ensure that on any day the Absolute VaR of the Portfolio will be no greater than 4.47% of its Net Asset Value. The VaR of the Portfolio is a daily estimation of the maximum loss which the Portfolio may incur over a one day holding period and is arrived at through quantitative simulations with a 99% one tailed confidence interval and using a historical observation period of at least 250 business days. This process is described in detail in the statement of risk management procedures of the Company and its appendix in respect of the Portfolio. While the Portfolio measures and monitors its global exposure using the VaR approach, rather than by use of the Commitment Approach, the leverage of the Portfolio as calculated using the Commitment Approach is not expected to exceed 100% of its Net Asset Value as a result of its use of FDI. Measuring levels of leverage using the absolute sum of the notionals of the derivatives used, as required by the Central Bank, would produce a leverage percentage of approximately 200% of the Portfolio's Net Asset Value, although investors should note that higher levels of leverage may be experienced. That methodology does not reflect any netting or hedging that the Portfolio may have in place.
- The Sub-Investment Manager will use forward and future currency contracts in order

to hedge currency risk on a discretionary basis. The use of such hedging techniques may increase the risk profile of the Portfolio.

**Environmental, Social and Governance (“ESG”)** This Portfolio meets the classification of an Article 8 Portfolio as it promotes environmental and social characteristics and limits investments to those companies that follow good governance practices. **Information about these environmental and social characteristics is available in the SFDR Annex below.**

Please also refer to Annex VI of the Prospectus which contains additional information on sustainability related disclosures.

**Typical Investor Profile** The Portfolio may be suitable for investors who are seeking a return over the medium to long term from exposure primarily to a portfolio of debt securities from issuers worldwide. Investors need to be comfortable with the risks associated with the Portfolio and be prepared to accept moderate levels of volatility. Investors are likely to hold the Portfolio as a complement to a diversified portfolio.

## Fees and Expenses

Category	Maximum Initial Charge	Maximum Management fee	Distribution Fee
A, X, Y	5.00%	1.20%	0.00%
B, C2, E	0.00%	1.20%	1.00%
C1	0.00%	1.80%	1.00%
C	0.00%	0.80%	1.00%
D, I, I1, I2, I3, I4, I5	0.00%	0.60%	0.00%
J1, J2, J3, J4, J5	0.00%	1.80%	0.55%
M	2.00%	1.20%	0.80%
P	5.00%	0.57%	0.00%
T	5.00%	1.80%	0.00%
U	3.00%	0.90%	0.00%
Z	0.00%	0.00%	0.00%

Investors in the J Classes should note that any associated distribution fees will be payable to the relevant Distributor, the Manager or the Sub-Investment Manager at an amount of up to 0.55% of the Portfolio's Net Asset Value and for up to 1,459 days.

For details of the Administration Fees payable by the Portfolio, please see the “*Administration Fees*” heading in the “*Fees and Expenses*” section of the Prospectus.

## Contingent deferred sales charges

Contingent deferred sales charges will be payable in respect of the following Classes at the rates specified below, depending on the period that has elapsed since the issue of the Shares being redeemed and will be charged on the lower of the Net Asset Value per Share on the relevant Dealing Day in respect of which the relevant Shares were (i) initially subscribed or (ii) redeemed. Any such contingent deferred sales charges will be paid to the relevant Distributor, the Manager or to the Sub-Investment Manager.

Class	Redemption Period in Calendar Days				
	< 365	365 - 729	730 - 1094	1095 – 1459	> 1459
<b>B</b>	4%	3%	2%	1%	0%
<b>C, C1</b>	1%	0%	0%	0%	0%
<b>C2</b>	2%	1%	0%	0%	0%
<b>E</b>	3%	2%	1%	0%	0%

Contingent deferred sales charges will be payable in respect of the following Classes at an amount up to the rate specified below, depending on the period that has elapsed since the issue of the Shares being redeemed and will be charged on the lower of the Net Asset Value per Share on the relevant Dealing Day in respect of which the relevant Shares were (i) initially subscribed or (ii) redeemed. Any such contingent deferred sales charges will be paid to the relevant Distributor, the Manager or to the Sub-Investment Manager.

Class	Redemption Period in Calendar Days								
	< 182	183 - 364	365 - 547	548 - 729	730 - 911	912-1094	1095 - 1276	1277-1459	> 1460
<b>J1, J2, J3, J4, J5</b>	2.2%	1.925%	1.65%	1.375%	1.1%	0.825%	0.55%	0.275%	0%

For further information on fees, please refer to the “*Fees and Expenses*” section of the Prospectus.

## Neuberger Berman Global Investment Grade Credit Fund

**The Portfolio will not use FDI extensively or primarily for investment purposes.**

<b>Investment Objective</b>	<p>The Portfolio aims to achieve a target average return of 1% over the Benchmark (as specified in the “<i>Benchmark</i>” section below) before fees over a market cycle (typically 3 years) from investing primarily in investment grade corporate fixed income securities globally.</p> <p>Investors should note that the target return is not guaranteed over a market cycle, a 12-month or any period and the Portfolio’s capital is at risk. Investors should also note that, over the course of a market cycle, there may be significant periods of time during which the performance of the Portfolio will deviate from the targeted return and the Portfolio may experience periods of negative return. There can be no guarantee that the Portfolio will ultimately achieve its investment objective.</p>
<b>Investment Approach</b>	<p>The Portfolio will invest primarily in investment grade fixed income securities issued by corporations, which have their head office or exercise an overriding part of their economic activity in OECD countries. The Portfolio will seek to use fundamental, bottom-up analysis principles in selecting securities for investment, meaning that the Sub-Investment Manager’s analysis will focus on the strengths of individual securities as opposed to the selection of securities by reference to broader themes, such as industries. For example the credit rating of the security will be analysed relative to its proposed yield and the characteristics of the security will be analysed to determine cash flow predictability, using such factors including the issuer’s cash flow profile, debt and leverage. The Portfolio will focus on securities which are listed or traded on Recognised Markets globally, and is not limited by industry or sector. The Portfolio may rotate its exposure to geographic regions and countries and between sectors and issuers, based on economic or regional fundamentals, such as the valuation of each security relative to other similar securities.</p> <p>The Sub-Investment Manager’s global credit research team is responsible for in-depth analysis of issuers, sectors and security valuations. Research focuses on cash generation, cash flow predictability, industry risk dynamics and event risk analysis (relating to the likelihood of certain events, for example the bond issuer missing a coupon payment or suffering a rating downgrade) of issuers, as well as monitoring traditional credit statistics. Key considerations in sector selection are:</p> <ol style="list-style-type: none"> <li>1. Relative value (versus broad market) of the sector and individual credits within it.</li> <li>2. Catalysts likely to change the fundamentals and/or the sentiment towards the sector (including macroeconomic events, such as geopolitics or economic growth and sector-specific events such as mergers and acquisitions).</li> <li>3. Correlations between the issuers and between the sector and others in terms of credit quality and volatility.</li> </ol> <p>The opinions and recommendations are then communicated to portfolio managers by the research team through regular formal and informal calls and meetings, to enable the portfolio managers to arrive at optimal portfolio components and characteristics.</p> <p>The Sub-Investment Manager uses a research-based, qualitative (such as analysis of political events, shifts in regulatory regimes or the effects of market positioning and hedging) and quantitative (such as portfolio optimisation) methodology for selecting securities, with the aim of generating an attractive total return. In terms of security selection, the Sub-Investment Manager will adopt a long-term, fundamental, relative value based approach and will exercise patience in achieving investment performance. This methodology is founded on the belief that returns from liquid assets can be attributed to changes in fundamental factors, such as changes in cash flow and issuers’ levels of borrowing.</p> <p>In order to express long term, fundamental, relative value views on corporate bonds, the Sub-Investment Manager break down its analysis into two main components:</p> <ol style="list-style-type: none"> <li>1. Consideration of its views on the issuer and its future credit trend, including the strategic rationale for the issuance, taking into account factors such as: <ol style="list-style-type: none"> <li>a. Expected trends in the issuer’s credit (i.e. changes in the ability of the issuer to continue to access credit into the future);</li> <li>b. The likelihood that a security may be exposed to risks of a rating downgrade, notably from investment grade to sub-investment grade.</li> </ol> </li> <li>2. Assessment of the relative value positioning of each instrument in comparison to other similar instruments with the same structure and risk.</li> </ol>

The Sub-Investment Manager will take a disciplined approach to investing by attempting to maintain a portfolio that is typically diversified across issuers and industry sectors. This process of security selection and portfolio optimisation is repeated on a continuous basis to ensure that the Portfolio continues to maximise expected return in light of expected volatility. As a result, if the Sub-Investment Manager considers that the expected returns from an investment are or become insufficient relative to the risks of the investment, they will either not invest in or dispose of the security under consideration, taking into account the relevant market conditions at that time and the best interests of Shareholders.

Central to the investment philosophy is the Sub-Investment Manager's discretion, which is exercised at all stages of the investment process. This discretion enables them to take into account information and events that cannot be readily quantified, for example political events, shifts in regulatory regimes or the effects of market positioning and hedging.

Under normal market conditions, it is the intention of the Sub-Investment Manager to invest at least 85% of the Portfolio's Net Asset Value in fixed income securities which are rated investment grade at their time of purchase.

The Portfolio will predominantly invest its Net Asset Value in securities denominated in Euro, GBP and/or USD. The investments will be fully hedged into its Base Currency through the use of forward and future contracts as set out below in the "*Instruments/Asset Classes*" section.

The Portfolio is actively managed and does not intend to track the Benchmark and is not constrained by it. The Benchmark is included here for performance comparison purposes only. The Portfolio gives some consideration to the Benchmark constituents in the selection of securities and may not hold all or many of the Benchmark's components.

<b>Benchmark</b>	Bloomberg Global Aggregate Corporate Index (Total Return, Hedged USD) which measures global investment grade corporate fixed income markets.
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Shareholders in a Class which is denominated in a currency other than the Base Currency should note that, where available, it may be more meaningful to compare the performance of such Class against a version of this index which is denominated in the relevant Class currency.

The Benchmark has not been designated as a reference benchmark for the purposes of SFDR. Therefore, it is not consistent with the promotion of environmental or social characteristics.

<b>Base Currency</b>	US Dollars (USD).
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<b>Instruments / Asset Classes</b>	The Portfolio will invest primarily in corporate fixed income securities, that have been rated investment grade by a Recognised Rating Agency. The Portfolio can invest in or be exposed to the following types of assets.
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**Fixed Income Securities** (Debt securities). These securities may include:

- Corporate bonds (which may have a floating/variable rate), debentures and notes (including freely transferable and unleveraged structured notes and freely transferable promissory notes).
- Both fixed and floating rate debt securities, including bonds, issued by governments and their agencies in developed markets.

The Portfolio may also invest in other debt securities (including commercial paper, certificates of deposit and bankers acceptances) which are rated as investment grade by a Recognised Rating Agency.

**Money Market Instruments.** These securities may include bank deposits, fixed or floating rate instruments (including commercial paper), debentures and short-dated government or corporate bonds, cash and cash equivalents (including treasury bills) that are rated as investment grade or below by Recognised Rating Agencies or are unrated.

Investment grade securities are highly rated securities, generally those rated Baa3, BBB- or above by one or more Recognised Rating Agencies, while high yield securities are medium or lower rated securities, generally those rated below investment grade and sometimes referred to as "junk bonds".

**Collective Investment Schemes.** The Portfolio may invest in underlying funds which are themselves exposed to investments that are similar to the Portfolio's other investments, provided that the Portfolio may not invest more than 10% of its Net Asset Value in underlying funds (including ETFs which are structured as collective investment schemes) which themselves may invest up to 10% of their net asset value in other collective investment schemes. Such underlying funds may or may not be managed by the Manager

and/or the Sub-Investment Manager or their affiliates and will comply with the requirements of the UCITS Regulations in respect of such investments.

The underlying funds in which the Portfolio may invest will be eligible collective investment schemes in accordance with the Central Bank's requirements, which may be domiciled in Relevant Jurisdictions or the United States of America and will qualify as UCITS or alternative investment fund schemes and will be regulated as such by their home state regulator.

- Underlying funds in which the Portfolio invests may be leveraged but such collective investment schemes will not generally be leveraged: (i) in excess of 100% of their net asset value; or (ii) so that their 1 day absolute VaR exceeds 4.47% of their net asset value over a 250 day horizon with a 99% confidence level; or (iii) so that their 1 month relative VaR exceeds twice the VaR of a comparable benchmark portfolio over a 250 day horizon with a 99% confidence level, depending on how such underlying funds measure their global exposure; and
- ETFs are investment funds whose units may be bought and sold on a securities exchange. ETFs typically invest in a portfolio of securities that is designed to track the performance of particular market segment or index. The ETFs will be located in a Relevant Jurisdiction and will be authorised under the UCITS Directive or will be alternative investment funds which are eligible for investment by the Portfolio in accordance with the requirements of the Central Bank. The ETFs will represent investments that are similar to the Portfolio's other investments. The ETFs will operate on the principle of risk spreading and will not be leveraged.

**Financial Derivative Instruments** ("FDIs"). Subject to the conditions and limits imposed by the Central Bank as set out in the Prospectus and this Supplement, the Portfolio may use the following FDI for hedging and/or efficient portfolio management:

- Swaps may include currency swaps, interest rate swaps, credit default and UCITS eligible indices swaps (in respect of each of the other types of assets in which the Portfolio may invest, as described in this "*Instruments / Asset Classes*" section) to hedge existing long positions.
- Forward currency contracts and non-deliverable forward currency contracts may be used to hedge existing long currency exposures.
- Future contracts on fixed income securities, UCITS eligible indices, interest rates and currencies which may be used to hedge existing long positions.

As the Portfolio may purchase FDI generally using only a fraction of the assets that would be needed to purchase the relevant securities directly, the remainder of the Portfolio's assets may be invested in the other types of securities listed above. The Sub-Investment Manager may therefore seek to achieve greater returns by purchasing derivative instruments and investing the remaining assets in such other securities to add excess return.

**Repo Contracts.** Repo Contracts may be used subject to the conditions and limits set out in the Prospectus.

#### Investment Restrictions

- The Portfolio may invest up to 15% of its Net Asset Value in securities that are below investment grade at time of purchase, provided that under no circumstances will the Portfolio invest in securities which are rated below B- or equivalent by a Recognised Rating Agency.
- The Portfolio will not utilise securities lending or margin lending.

#### Risk

- Investment in the Portfolio carries certain risks which are described in greater detail in the "Investment Risks" section of the Prospectus. While investors should read and consider the entire "*Investment Risks*" section of the Prospectus, the risks summarised in the following section, namely, "*Market Risks: Risks relating to Debt Securities*" are particularly relevant to this Portfolio. **These risks are not purported to be exhaustive and potential investors should review this Supplement and the Prospectus in their entirety and consult with their professional advisers, before making an application for Shares.**
- Investors should refer to the Company's risk management policy with respect to the use of FDI contained in the RMP Statement.
- The Portfolio may be leveraged as a result of its investments in FDI but such leverage will not exceed 100% of the Portfolio's Net Asset Value, as measured using the Commitment Approach, at any time.

## Environmental, Social and Governance ("ESG")

This Portfolio is classified as an Article 8 Portfolio as it promotes environmental and social characteristics and limits investments to those companies that follow good governance practices. **Information about these environmental and social characteristics is available in the SFDR Annex below.**

The Sub-Investment Manager will manage the Portfolio in accordance with the ESG Policy on a continuous basis. The Sub-Investment Manager has fully integrated the ESG Policy into the overall investment process, in particular, the portfolio construction process. A summary of the ESG Policy is detailed in the SFDR Annex of the Prospectus and is available on the Neuberger Berman website, [www.nb.com/esg](http://www.nb.com/esg).

The Sub-Investment Manager shall also apply the Controversial Weapons Policy when determining what investments to make for the Portfolio. Further details on this screening policy is set out in the "Sustainable Investment Criteria" section of the Prospectus.

ESG analysis is an important component of the fundamental credit research and identifies business risks, which would cause deterioration in an issuer's credit profile. The NB ESG Quotient is utilised which focuses on the ESG issues that are the largest drivers of credit risk in each industry. The Sub-Investment Manager endeavours to assign proprietary scores to all issuers. By integrating proprietary ESG analysis into internal credit ratings, there is a direct link between the analysis of material ESG factors and portfolio construction.

ESG scores allow credit analysts to (i) reach more comprehensive views on relative value between issuers and (ii) prioritise additional research and engagement efforts on the specific ESG factors on which a given issuer appears to be lagging. In this way, credit analysts are focusing on the material ESG factors, which they believe are likely to be most financially material to the Portfolio as a whole.

In addition to the aforementioned internal research, other multiple sources of ESG research are utilised including company information, meetings with management, industry peers, academic organisations, trade publications and conferences, third party ESG research, government agencies, labour organisations and non-governmental organisations (NGOs).

Please also refer to Annex VI of the Prospectus which contains additional information on sustainability related disclosures.

## Typical Investor Profile

### Investor

The Portfolio may be suitable for investors who are seeking a return over the medium to long term from exposure primarily to a portfolio of investment grade corporate fixed income securities from issuers worldwide. Investors need to be comfortable with the risks associated with the Portfolio and be prepared to accept moderate levels of volatility. Investors are likely to hold the Portfolio as a complement to a diversified portfolio.

## Fees and Expenses

Category	Maximum Initial Charge	Maximum Management Fee	Distribution Fee
A, X, Y	5.00%	0.60%	0.00%
B, C2, E	0.00%	0.60%	1.00%
C1	0.00%	1.80%	1.00%
C	0.00%	0.39%	1.00%
D, I, I1, I2, I3, I4, I5	0.00%	0.30%	0.00%
M	2.00%	0.60%	0.80%
P	5.00%	0.29%	0.00%
T	5.00%	1.80%	0.00%
U	3.00%	0.45%	0.00%
Z	0.00%	0.00%	0.00%

For details of the Administration Fees payable by the Portfolio, please see the "Administration Fees" heading in the "Fees and Expenses" section of the Prospectus.

## Contingent deferred sales charges

Contingent deferred sales charges will be payable in respect of the following Classes at the rates specified below, depending on the period that has elapsed since the issue of the Shares being redeemed and will be charged on the lower of the Net Asset Value per Share on the relevant Dealing Day in respect of which the relevant Shares were (i) initially subscribed or (ii)

redeemed. Any such contingent deferred sales charges will be paid to the relevant Distributor, the Manager or to the Sub-Investment Manager.

Class	Redemption Period in Calendar Days				
	< 365	365 - 729	730 - 1094	1095 – 1459	> 1460
<b>B</b>	4%	3%	2%	1%	0%
<b>C, C1</b>	1%	0%	0%	0%	0%
<b>C2</b>	2%	1%	0%	0%	0%
<b>E</b>	3%	2%	1%	0%	0%

For further information on fees, please refer to the “*Fees and Expenses*” section of the Prospectus.

SFDR Annexes

1. NEUBERGER BERMAN GLOBAL BOND FUND
2. NEUBERGER BERMAN STRATEGIC INCOME FUND
3. NEUBERGER BERMAN CORPORATE HYBRID BOND FUND
4. NEUBERGER BERMAN GLOBAL OPPORTUNISTIC BOND FUND
5. NEUBERGER BERMAN GLOBAL FLEXIBLE CREDIT INCOME FUND
6. NEUBERGER BERMAN GLOBAL INVESTMENT GRADE CREDIT FUND

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Product name:** Neuberger Berman Global Bond Fund (the “Portfolio”)  
**Legal entity identifier:** 549300RDJHEJZZ6XVX05

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%

☒ ☐ ☒ No

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

### What environmental and/or social characteristics are promoted by this financial product?

As part of the investment process, the Manager and the Sub-Investment Manager consider a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are considered using a proprietary Neuberger Berman ESG rating system (the “**NB ESG Quotient**”). The NB ESG Quotient is built around the concept of sector specific ESG risk and opportunity, and produces an overall ESG rating for issuers by assessing them against certain ESG metrics.

Foundational to the NB ESG Quotient is the proprietary Neuberger Berman (“**NB**”) materiality matrix, which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk and opportunity for each sector. The NB materiality matrix enables the Manager and the Sub-Investment Manager to derive the NB ESG Quotient rating, to compare sectors and issuers relative to their environmental and social characteristics.

The Manager and the Sub-Investment Manager use the NB ESG Quotient to promote the environmental and social characteristics listed below by prioritising investment in securities issued by issuers with a favourable and/or an improving NB ESG Quotient rating. Pursuant to this, the Manager and the Sub-Investment Manager will not invest in an issuer with a poor NB ESG Quotient rating unless there is a commitment to engage with the issuer with an expectation that the NB ESG Quotient rating will improve over time.

The following environmental and social characteristics are promoted, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating:

- **Environmental Characteristics:** biodiversity & responsible land usage; carbon footprint reduction; environmental management; greenhouse gas (“GHG”) emissions; opportunities in clean technologies; opportunities in green building; opportunities in renewable energy; responsible raw material sourcing; responsible & transparent underwriting; toxic emissions & waste; waste management; and water management.
- **Social Characteristics:** access to finance; access to medicines; affordability & fair pricing; business ethics & transparency of government relations; chemical safety; community relations; controversial sourcing; corporate behaviour; drug safety & side effects management; ethical marketing & practices; health & nutrition; health & safety; human capital development; labour management; data privacy & security; product safety & quality; and litigation & related controversy.

Performance in relation to these environmental and social characteristics will be measured through the NB ESG Quotient, and will be reported in aggregate in the Portfolio's mandatory periodic report template (as per the requirements of Article 11 of SFDR).

The NB materiality matrix will evolve over time and all sector specific ESG characteristics included therein are reviewed annually to ensure that the most pertinent sector specific ESG characteristics are captured through the NB materiality matrix. Accordingly, the environmental and social characteristics considered as part of the NB ESG Quotient are subject to change. For the avoidance of doubt, if the environmental or social characteristics considered as part of the NB ESG Quotient change, this pre-contractual disclosure document will be updated accordingly.

Exclusions are also applied (as further set out below) as part of the construction and ongoing monitoring of the Portfolio. These represent additional environmental and social characteristics promoted by the Portfolio.

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Portfolio.

### ● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As part of the investment process, the Manager and the Sub-Investment Manager consider a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Portfolio. These are listed below:

#### I. The NB ESG Quotient:

The NB ESG Quotient (as explained above) is used to measure the environmental and social characteristics promoted by the Portfolio. Foundational to the NB ESG Quotient is the proprietary NB materiality matrix (as explained above), which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk for each sector. Each sector criteria is constructed using third party and internally derived ESG data and supplemented with internal qualitative analysis, leveraging the Manager's and the Sub-Investment Manager's analyst team's significant sector expertise.

The NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. While the NB ESG Quotient rating of issuers is considered as part of the investment process, there is no minimum NB ESG Quotient rating to be attained by an issuer prior to investment. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of being included in the Portfolio. Issuers with a poor NB ESG Quotient rating, especially where a poor NB ESG Quotient rating is not being addressed by an issuer, are more likely to be removed from the investment universe or divested from the Portfolio. In addition, the Manager and the Sub-Investment Manager will seek to prioritise constructive engagement with issuers which have high impact controversies (such as corporate issuers placed on the Neuberger Berman Global Standards Policy's Watch List (as further detailed in the policy itself)), or which have a poor NB ESG Quotient rating, in order to assess whether those ESG controversies or what the Manager and the Sub-Investment Manager deem as weak ESG efforts, are being addressed adequately. The success of the Manager and the Sub-Investment Manager's constructive engagement efforts with issuers will depend on each of the issuer's receptiveness and responsiveness to such engagement.

## II. Climate Value-at-Risk:

Climate Value-at-Risk ("CVaR") measures the exposure to transition and physical climate risks. CVaR is a scenario analysis tool evaluating economic risks under various degree scenarios (i.e., the amount of warming targeted) and potential regulatory environments in varying countries. On a holistic basis the results are evaluated by the Manager's and the Sub-Investment Manager's portfolio managers and analysts. CVaR provides a framework for identifying climate-risk over the long-term to assist in understanding how issuers can shift their operations and risk practices over time. The scenario analysis can serve as a starting point for further bottom-up analysis and identifying potential climate-related risks to address through issuer engagement. Due to data limitations, CVaR is not applied across all issuers held by the Portfolio and is instead limited to the issuers for which the Manager and the Sub-Investment Manager have sufficient and reliable data. The analysis from CVaR is reviewed at least once a year.

## III. ESG exclusion policies:

To ensure that the environmental or social characteristics promoted by the Portfolio can be attained, the Portfolio will not invest in securities issued by issuers whose activities breach, or are not consistent with, the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy. In addition to the application of the Neuberger Berman Thermal Coal Involvement Policy, the Manager and the Sub-Investment Manager will prohibit the initiation of new investment positions in securities issued by issuers that (i) derive more than 25% of their revenue from thermal coal mining; or (ii) are expanding new thermal coal power generation. Furthermore, investments held by the Portfolio will not invest in securities issued by issuers whose activities have been identified as breaching, or are not consistent with, the Neuberger Berman Global Standards Policy which excludes identified violators of (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs and (iv) the ILO Standards. The Portfolio also excludes corporate debt issuers in Emerging Market Countries that are involved in the tobacco industry and child labour. Further details on these ESG exclusion policies are set out in the "Sustainable Investment Criteria" section of the main body of the Prospectus.

The Manager and the Sub-Investment Manager will track and report on the performance of the above sustainability indicators namely, (i) the NB ESG Quotient; (ii) the CVaR; and (iii) the adherence to the ESG exclusion lists applied to the Portfolio. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Portfolio and will be included in the Portfolio's mandatory periodic report (as per the requirements of Article 11 of SFDR).

### ● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A – the Portfolio does not commit to holding sustainable investments.

### ● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A – the Portfolio does not commit to holding sustainable investments.

#### — — ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

N/A

#### — — ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The Portfolio does not commit to holding sustainable investments, however the Manager and the Sub-Investment Manager will not invest in issuers whose activities have been

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

identified as breaching the OECD Guidelines, the UNGC Principles, the ILO Standards and the UNGPs, captured through the Neuberger Berman Global Standards Policy.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

N/A - The Portfolio does not commit to holding Taxonomy-aligned investments.



### Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, please see below

☐ No

The Manager and the Sub-Investment Manager will consider the following principal adverse impacts, namely: GHG intensity and investee countries subject to social violations (the “**Sovereign PAIs**”) for the sovereign issuers; and GHG emissions, carbon footprint, GHG intensity, fossil fuel exposure, board gender diversity, UNGC Principles & OECD Guidelines violations and controversial weapons for the corporate issuers (together the “**Product Level PAIs**”).

The Manager and the Sub-Investment Manager utilise third party data and proxy data along with internal research to consider the above Product Level PAIs.

Additionally, the Manager and the Sub-Investment Manager have conducted a letter campaign where they have written to select corporate issuers asking for direct disclosure on the PAIs in order to offer high-quality disclosures to investors.

The Manager and the Sub-Investment Manager will continue to work with issuers to encourage disclosure and envisage that the letter campaign will result in wider and more granular data coverage on the PAIs.

The Product Level PAIs that are taken into consideration are subject to there being adequate, reliable and verifiable data coverage for such indicators, (in the Manager's and the Sub-Investment Manager's subjective view) and may evolve with improving data quality and availability. Where such data is not available the relevant Product Level PAI will not be considered until such time as the data becomes available. The Manager and Sub-Investment Manager will keep the list of Product Level PAIs they consider under active review, as and when data availability and quality improves.

Consideration of the Product Level PAIs by the Manager and the Sub-Investment Manager will be through a combination of:

- Monitoring the Portfolio, in particular where it falls below the quantitative and qualitative tolerance thresholds set for each Product Level PAI by the Manager and the Sub-Investment Manager;
- Stewardship and/or setting engagement objectives where the Portfolio falls below the quantitative and qualitative tolerance thresholds set for a Product Level PAI; and
- Application of the ESG exclusion policies referenced above, which includes consideration of several of the Product Level PAIs.

Reporting on consideration of Product Level PAIs will be available in an annex to the annual report of the Portfolio.



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

The investment objective of the Portfolio is to seek to achieve an attractive level of total return (income plus capital appreciation) from global fixed income markets. The Portfolio will invest primarily in Investment grade debt securities issued by governments and agencies from OECD countries, and Investment grade debt securities issued by corporations, which have their head office or exercise an overriding part of their economic activity in OECD countries.

The Manager and the Sub-Investment Manager consider and evaluate ESG characteristics, as an important component of their credit analysis discipline, when making investment decisions. The Manager and the Sub-Investment Manager utilise the NB ESG Quotient criteria as part of the Portfolio construction and investment management process. As noted above, NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of ending up in the Portfolio. Issuers with a poor NB ESG Quotient rating especially where these are not being addressed by that issuer, are more likely to be removed from the investment universe or divested from the Portfolio.

The ESG analysis is performed internally, with the support of third-party data, and is not outsourced.

In addition, credit worthiness is complemented by fundamental analysis aimed at assessing the issuer's financial performance such as revenue/earnings before interest, tax, depreciation, and amortisation ("EBITDA") growth, cash flow growth, capital expenditures, leverage trends and liquidity profile.

### ● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

ESG characteristics are considered at three different levels:

#### I. Integrating proprietary ESG analysis:

The NB ESG Quotient ratings are generated for issuers in the Portfolio. The NB ESG Quotient rating for issuers is utilised to help to better identify risks and opportunities in the overall credit and value assessment.

The NB ESG Quotient is a key component of the internal credit ratings and can help to identify business risks (including ESG risks), which would cause deterioration in an issuer's credit profile. Internal credit ratings can be notched up or down based on the NB ESG Quotient rating, and this is monitored by the Manager and the Sub-Investment Manager as an important component of the investment process for the Portfolio.

By integrating the investment team's proprietary ESG analysis (the NB ESG Quotient) into their internal credit ratings, there is a direct link between their analysis of material ESG characteristics and portfolio construction activities across their strategy.

Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of ending up in the Portfolio. Issuers with a poor NB ESG Quotient rating especially where these are not being addressed by that issuer, are more likely to be removed from the investment universe or divested from the Portfolio.

#### II. Engagement:

The Manager and the Sub-Investment Manager engage directly with management teams of issuers through a robust ESG engagement program.

The Manager and the Sub-Investment Manager engage with sovereign issuers in developed and Emerging Market Countries. As part of its sovereign engagement, the Manager's and the Sub-Investment Manager's portfolio managers and analysts speak regularly to government officials, policy makers and international financial organisations, such as the International Monetary Fund, World Bank and Asian Development Bank, with onsite visits whenever possible, and utilise such meetings to engage with sovereign issuers on ESG topics, where the Manager and the Sub-Investment Manager see scope for improvement for the relevant country.

The sovereign engagement process tends to focus on the various areas relating to SDGs under the UNGC Principles and the UNGPs. In addition, the Manager and the Sub-Investment Manager monitor and engage with countries on reducing GHG emissions based on the Climate Watch Net-Zero Tracker managed by World Resources Institute. Sovereign engagement may also be carried out with jurisdictions under increased monitoring, who are actively working with the Financial Action Task Force ("FATF") to address strategic deficiencies in counter money laundering, terrorist financing and proliferation financing. Progress on sovereign engagement is tracked centrally in the Manager's and the Sub-Investment Manager's engagement log.

The Manager and the Sub-Investment Manager view this direct engagement with issuers, as an important part of its investment process (including the investment selection process). Issuers that are not receptive to engagement are less likely to be held (or to continue to be held) by the Portfolio.

This program is focused on in-person meetings and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, the Manager and the Sub-Investment Manager may set objectives for the issuers to attain. These objectives as well as the issuers' progress with respect to same are monitored and tracked by the Manager and the Sub-Investment Manager through an internal NB engagement tracker.

In addition, the Manager and the Sub-Investment Manager will seek to prioritise constructive engagement with issuers which have high impact controversies (such as corporate issuers placed on the Neuberger Berman Global Standards Policy's Watch List (as further detailed in the policy itself)), or which have a poor NB ESG Quotient rating, in order to assess whether those ESG controversies or what the Manager and the Sub-Investment Manager deem as weak ESG efforts, are being addressed adequately.

The Manager and the Sub-Investment Manager firmly believe this consistent engagement with issuers can help reduce credit risk and promote positive sustainable corporate change. It is an important tool to identify and better understand an issuer's risk factors and performance. The Manager and the Sub-Investment Manager also use it to promote change, when necessary, which they believe will result in positive outcomes for creditors and broader stakeholders. Direct engagement when paired with other inputs, creates a feedback loop that allows analysts in the investment team to evolve their ESG scoring process and prioritise risks that are most relevant to a sector.

### III. ESG sectoral exclusion policies:

To ensure that the environmental and social characteristics promoted by the Portfolio can be attained, the Portfolio will apply the ESG exclusion policies referenced above, which places limitations on the investable universe.

#### ● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

#### ● ***What is the policy to assess good governance practices of the investee companies?***

Governance factors that the Manager and the Sub-Investment Manager track may include: (i) senior management experience and sector expertise; (ii) ownership/board experience and alignment of incentives; (iii) corporate strategy and balance sheet strategy; (iv) financial and accounting strategy & disclosure; and (v) regulatory / legal track record.

Engagement with management is an important component of the Portfolio's investment process, and the Manager and the Sub-Investment Manager engage directly with management teams of issuers through a robust ESG engagement program. This program is focused on in-person meetings and conference calls to understand risks, opportunities and assess good corporate governance practices of corporate issuers. The Manager and the Sub-Investment Manager view this direct engagement with issuers, as an important part of its investment process.

While the prioritisation assessment is ongoing, the timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned

meetings, or proactive where time allows and without undue restrictions such as during quiet periods or M&A events that may prevent outreach actions. Ultimately, the Manager and the Sub-Investment Manager aim to prioritise engagement that is expected, based on the Manager's and the Sub-Investment Manager's subjective analysis, to have a high impact on the protection of and improvement to the value of the Portfolio, be it through the advancement of actionable disclosure, understanding of risks and risk management at an issuer, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities.

The Manager and the Sub-Investment Manager may take into account other governance factors as appropriate from time to time.

As described above, the Portfolio will only invest in securities issued by issuers whose activities do not breach the Neuberger Berman Global Standards Policy which identifies violators of the (i) UNGC Principles, (ii) OECD Guidelines, (iii) UNGPs, and (iv) ILO Standards.



## What is the asset allocation planned for this financial product?

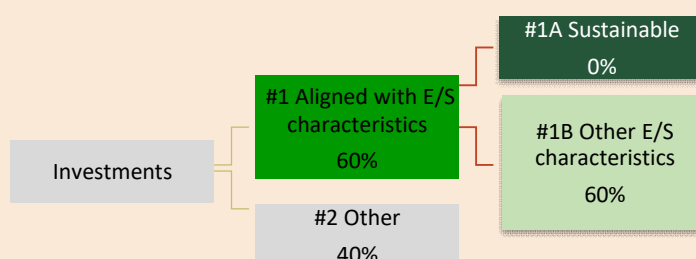
The Portfolio aims to hold a minimum of 60% investments that are aligned with the environmental or social characteristics promoted by the Portfolio. The Portfolio does not commit to holding sustainable investments. The Portfolio aims to hold a maximum of 40% investments that are not aligned with the environmental or social characteristics promoted by the Portfolio and are not sustainable investments, and which fall into the "Other" section of the Portfolio.

The "Other" section in the Portfolio is held for a number of reasons that the Manager and the Sub-Investment Manager feels will be beneficial to the Portfolio, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover. The "Other" section may also include investments or asset classes for which the Manager and the Sub-Investment Manager does not have sufficient data to confirm that they are aligned with the environmental or social characteristics promoted by the Portfolio. Further details on the "Other" section are set out below.

Please note that while the Manager and the Sub-Investment Manager aim to achieve the asset allocation targets outlined above, these figures may fluctuate during the investment period and ultimately, as with any investment target, may not be attained.

The exact asset allocation of this Portfolio will be reported in the Portfolio's mandatory periodic report SFDR template, for the relevant reference period. This will be calculated based on the average of the four quarter ends.

The Manager and the Sub-Investment Manager have calculated the proportion of investments aligned with the environmental and/or social characteristics promoted by the Portfolio: i) that hold either an NB ESG Quotient rating or a third party equivalent ESG rating that is used as part of the portfolio construction and investment management process of the Portfolio; and/or ii) with whom the Manager and the Sub-Investment Manager have engaged directly. The calculation is based on a mark-to-market assessment of the Portfolio and may rely on incomplete or inaccurate issuer or third party data.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

While the Portfolio may use derivatives for efficient portfolio management, investment purposes and/or hedging, it will not use derivatives to promote environmental or social characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The analysis and disclosure requirements introduced by the EU Taxonomy Regulation are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the Portfolio makes. The Manager and the Sub-Investment Manager are not committing that the Portfolio will invest in investments that qualify as environmentally sustainable for the purposes of the EU Taxonomy. As such, the minimum proportion of the Portfolio's investments that contribute to environmentally sustainable economic activities for the purposes of the EU Taxonomy will be 0%. It cannot be excluded that some of the Portfolio's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on Taxonomy alignment will develop as the EU framework evolves and data is made available by issuers. The Manager and the Sub-Investment Manager will keep the extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy under active review as data availability and quality improves.

The disclosure contained in this appendix will be updated if the Manager and the Sub-Investment Manager amends the minimum Taxonomy alignment of the Portfolio.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>**

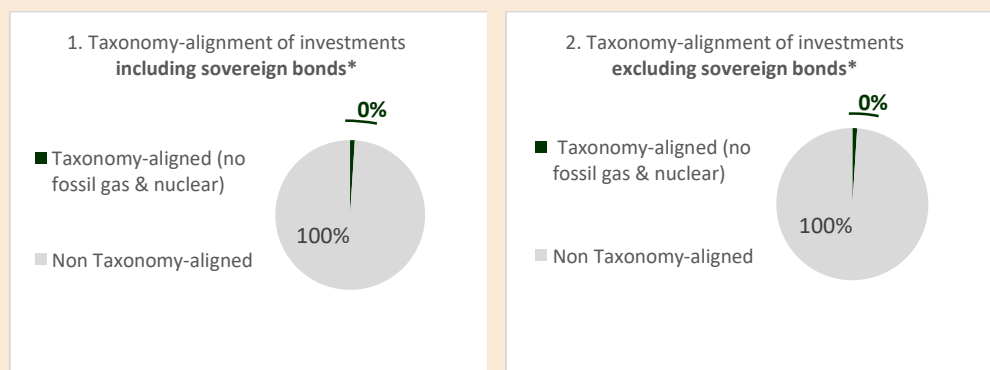
☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**




\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulations (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What is the minimum share of investments in transitional and enabling activities?**

N/A – the Portfolio does not commit to holding Taxonomy-aligned investments.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A – the Portfolio does not commit to holding Taxonomy-aligned investments.



**What is the minimum share of socially sustainable investments?**

N/A – the Portfolio does not commit to holding sustainable investments.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

“Other” includes the remaining investments of the Portfolio (including but not limited to any derivatives, any to-be-announced security (TBA) or any security collateralized by a pool of similar assets or receivables listed in the Supplement for the Portfolio above) which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The “Other” section in the Portfolio is held for a number of reasons that the Manager and the Sub-Investment Manager feel will be beneficial to the Portfolio, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover.

As noted above, the Portfolio will be invested in compliance with ESG exclusion policies, on a continuous basis. This ensures that investments made by the Portfolio seek to align with international environmental and social safeguards such as the UNGC Principles, the UNGPs, the OECD Guidelines and the ILO Standards.

The Manager and the Sub-Investment Manager believe that these policies prevent investment in issuers that most egregiously violate environmental and/or social minimum standards and ensures that the Portfolio can successfully promote its environmental and social characteristics.

The above steps ensure that robust environmental and social safeguards are in place.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

N/A - The Portfolio’s benchmark has not been designated as a reference benchmark. Therefore, it is not consistent with the environmental or social characteristics promoted by the Portfolio.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

● **How does the designated index differ from a relevant broad market index?**

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

#### **Where can I find more product specific information online?**

Product overviews, factsheets, KIIDs and other literature can be found on the NB website, in our dedicated 'Investment Strategies' section at [www.nb.com](http://www.nb.com).



#### **More product-specific information can be found on the website:**

<https://www.nb.com/en/global/esg/reporting-policies-and-disclosures#0A63D195342B424C8C1F115547F2784A>

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

**The EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Neuberger Berman Strategic Income Fund (the “Portfolio”)  
**Legal entity identifier:** 549300RBLDK0PHH13M43

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

As part of the investment process, the Sub-Investment Manager considers a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are considered using a proprietary Neuberger Berman ESG rating system (the “**NB ESG Quotient**”). The NB ESG Quotient is built around the concept of sector specific ESG risk and opportunity, and produces an overall ESG rating for issuers by assessing them against certain ESG metrics.

Foundational to the NB ESG Quotient is the proprietary Neuberger Berman (“**NB**”) materiality matrix, which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk and opportunity for each sector. The NB materiality matrix enables the Sub-Investment Manager to derive the NB ESG Quotient rating, to compare sectors and issuers relative to their environmental and social characteristics.

The Sub-Investment Manager uses the NB ESG Quotient to promote the environmental and social characteristics listed below by prioritising investment in securities issued by issuers with a favourable and/or an improving NB ESG Quotient rating. Pursuant to this, the Sub-Investment Manager will not invest in an issuer with a poor NB ESG Quotient rating unless there is a commitment to engage with the issuer with an expectation that the NB ESG Quotient rating will improve over time.

The following environmental and social characteristics are promoted, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating:

- **Environmental Characteristics:** biodiversity & responsible land usage; carbon footprint reduction; environmental management; greenhouse gas (“GHG”) emissions; opportunities in clean technologies; opportunities in green building; opportunities in renewable energy; responsible raw material sourcing; responsible & transparent underwriting; toxic emissions & waste; waste management; and water management.
- **Social Characteristics:** access to finance; access to medicines; affordability & fair pricing; business ethics & transparency of government relations; chemical safety; community relations; controversial sourcing; corporate behaviour; drug safety & side effects management; ethical marketing & practices; health & nutrition; health & safety; human capital development; labour management; data privacy & security; product safety & quality; and litigation & related controversy.

Performance in relation to these environmental and social characteristics will be measured through the NB ESG Quotient, and will be reported in aggregate in the Portfolio’s mandatory periodic report template (as per the requirements of Article 11 of SFDR).

The NB materiality matrix will evolve over time and all sector specific ESG characteristics included therein are reviewed annually to ensure that the most pertinent sector specific ESG characteristics are captured through the NB materiality matrix. Accordingly, the environmental and social characteristics considered as part of the NB ESG Quotient are subject to change. For the avoidance of doubt, if the environmental or social characteristics considered as part of the NB ESG Quotient change, this pre-contractual disclosure document will be updated accordingly.

Exclusions are also applied (as further set out below) as part of the construction and ongoing monitoring of the Portfolio. These represent additional environmental and social characteristics promoted by the Portfolio.

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Portfolio.

### ● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As part of the investment process, the Sub-Investment Manager considers a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Portfolio. These are listed below:

#### I. The NB ESG Quotient:

The NB ESG Quotient (as explained above) is used to measure the environmental and social characteristics promoted by the Portfolio. Foundational to the NB ESG Quotient is the proprietary NB materiality matrix (as explained above), which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk for each sector. Each sector criteria is constructed using third party and internally derived ESG data and supplemented with internal qualitative analysis, leveraging the Sub-Investment Manager’s analyst team’s significant sector expertise.

The NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. While the NB ESG Quotient rating of issuers is considered as part of the investment process, there is no minimum NB ESG Quotient rating to be attained by an issuer prior to investment. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of being included in the Portfolio. Issuers with a poor NB ESG Quotient rating, especially where a poor NB ESG Quotient rating is not being addressed by an issuer, are more likely to be removed from the investment universe or divested from the Portfolio. In addition, the Sub-Investment Manager will seek to prioritise constructive engagement with issuers which have high impact controversies (such as corporate issuers placed on the Neuberger Berman Global Standards Policy’s Watch List (as further detailed in the policy itself)), or which have a poor NB ESG Quotient rating, in order to assess whether those ESG controversies or what the Sub-Investment Manager deems as weak ESG efforts, are being addressed adequately. The success of the Sub-Investment Manager’s constructive engagement efforts with issuers will depend on each of the issuer’s receptiveness and responsiveness to such engagement.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## II. Climate Value-at-Risk:

Climate Value-at-Risk ("CVaR") measures the exposure to transition and physical climate risks. CVaR is a scenario analysis tool evaluating economic risks under various degree scenarios (i.e., the amount of warming targeted) and potential regulatory environments in varying countries. On a holistic basis the results are evaluated by the Sub-Investment Manager's portfolio managers and analysts. CVaR provides a framework for identifying climate-risk over the long-term to assist in understanding how issuers can shift their operations and risk practices over time. The scenario analysis can serve as a starting point for further bottom-up analysis and identifying potential climate-related risks to address through issuer engagement. Due to data limitations, CVaR is not applied across all issuers held by the Portfolio and is instead limited to the issuers for which the Sub-Investment Manager has sufficient and reliable data. The analysis from CVaR is reviewed at least once a year.

## III. ESG exclusion policies:

To ensure that the environmental or social characteristics promoted by the Portfolio can be attained, the Portfolio will not invest in securities issued by issuers whose activities breach, or are not consistent with, the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy. In addition to the application of the Neuberger Berman Thermal Coal Involvement Policy, the Sub-Investment Manager will prohibit the initiation of new investment positions in securities issued by issuers that (i) derive more than 25% of their revenue from thermal coal mining; or (ii) are expanding new thermal coal power generation. Furthermore, investments held by the Portfolio will not invest in securities issued by issuers whose activities have been identified as breaching, or are not consistent with, the Neuberger Berman Global Standards Policy which excludes identified violators of (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs and (iv) the ILO Standards. The Portfolio also excludes corporate debt issuers in Emerging Market Countries that are involved in the tobacco industry and child labour. Further details on these ESG exclusion policies are set out in the "Sustainable Investment Criteria" section of the main body of the Prospectus.

The Sub-Investment Manager will track and report on the performance of the above sustainability indicators namely, (i) the NB ESG Quotient; (ii) the CVaR; and (iii) the adherence to the ESG exclusion lists applied to the Portfolio. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Portfolio and will be included in the Portfolio's mandatory periodic report (as per the requirements of Article 11 of SFDR).

### ● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A – the Portfolio does not commit to holding sustainable investments.

### ● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A – the Portfolio does not commit to holding sustainable investments.

#### — — ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

N/A

#### — — ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The Portfolio does not commit to holding sustainable investments, however the Sub-Investment Manager will not invest in issuers whose activities have been identified as breaching the OECD Guidelines, the ILO Standards, the UNGC Principles and the UNGPs, captured through the Neuberger Berman Global Standards Policy.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

N/A - The Portfolio does not commit to holding Taxonomy-aligned investments.



### Does this financial product consider principal adverse impacts on sustainability factors?



Yes, please see below



No

The Sub-Investment Manager will consider the following principal adverse impacts, namely: GHG intensity and investee countries subject to social violations (the “**Sovereign PAIs**”) for the sovereign issuers; and GHG emissions, carbon footprint, GHG intensity, fossil fuel exposure, board gender diversity, UNGC & OECD Guidelines violations and controversial weapons for the corporate issuers (together the “**Product Level PAIs**”).

The Sub-Investment Manager utilises third party data and proxy data along with internal research to consider the above Product Level PAIs.

Additionally, the Sub-Investment Manager has conducted a letter campaign where they have written to select corporate issuers asking for direct disclosure on the PAIs in order to offer high-quality disclosures to investors.

The Sub-Investment Manager will continue to work with issuers to encourage disclosure and envisages that the letter campaign will result in wider and more granular data coverage on the PAIs.

The Product Level PAIs that are taken into consideration are subject to there being adequate, reliable and verifiable data coverage for such indicators (in the Sub-Investment Manager's subjective view), and may evolve with improving data quality and availability. Where such data is not available the relevant Product Level PAI will not be considered until such time as the data becomes available. The Sub-Investment Manager will keep the list of Product Level PAIs they consider under active review, as and when data availability and quality improves.

Consideration of the Product Level PAIs by the Sub-Investment Manager will be through a combination of:

- Monitoring the Portfolio, in particular where it falls below the quantitative and qualitative tolerance thresholds set for each Product Level PAI by the Sub-Investment Manager;
- Stewardship and/or setting engagement objectives where the Portfolio falls below the quantitative and qualitative tolerance thresholds set for a Product Level PAI; and
- Application of the ESG exclusion policies referenced above, which includes consideration of several of the Product Level PAIs.

Reporting on consideration of Product Level PAIs will be available in an annex to the annual report of the Portfolio.



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

The investment objective of the Portfolio is to maximise total return from high current income and long-term capital appreciation by opportunistically investing in a diversified mix of fixed rate and floating rate debt securities under varying market environments with a focus on downside protection. The Portfolio will invest primarily in debt securities issued by US corporations or by the US government and its agencies. Such securities will be listed, dealt, or traded on Recognised Markets (as depicted in Annex I on the prospectus) and may be rated investment grade or below investment grade or non-rated by Recognised Rating Agencies.

The Sub-Investment Manager considers and evaluates ESG characteristics, as an important component of their credit analysis discipline, when making investment decisions. The Sub-Investment Manager utilises the NB ESG Quotient criteria as part of the Portfolio construction and investment management process. As noted above, NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of ending up in the Portfolio. Issuers with a poor NB ESG Quotient rating especially where these are not being addressed by that issuer, are more likely to be removed from the investment universe or divested from the Portfolio.

The ESG analysis is performed internally, with the support of third-party data, and is not outsourced.

In addition, credit worthiness is complemented by fundamental analysis aimed at assessing the issuer's financial performance such as revenue/earnings before interest, tax, depreciation, and amortisation ("EBITDA") growth, cash flow growth, capital expenditures, leverage trends and liquidity profile.

### ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

ESG characteristics are considered at three different levels:

#### **I. Integrating proprietary ESG analysis:**

The NB ESG Quotient ratings are generated for issuers in the Portfolio. The NB ESG Quotient rating for issuers is utilised to help to better identify risks and opportunities in the overall credit and value assessment.

The NB ESG Quotient is a key component of the internal credit ratings and can help to identify business risks (including ESG risks), which would cause deterioration in an issuer's credit profile. Internal credit ratings can be notched up or down based on the NB ESG Quotient rating, and this is monitored by the Sub-Investment Manager as an important component of the investment process for the Portfolio.

By integrating the investment team's proprietary ESG analysis (the NB ESG Quotient) into their internal credit ratings, there is a direct link between their analysis of material ESG characteristics and portfolio construction activities across their strategy.

Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of ending up in the Portfolio. Issuers with a poor NB ESG Quotient rating especially where these are not being addressed by that issuer, are more likely to be removed from the investment universe or divested from the Portfolio.

#### **II. Engagement:**

The Sub-Investment Manager engages directly with management teams of issuers through a robust ESG engagement program.

The Sub-Investment Manager may engage with sovereign issuers in developed and Emerging Market Countries. Where the Sub-Investment Manager seeks to engage with sovereigns, such engagement efforts may include speaking regularly to government officials, policy makers and international financial organisations, such as the International Monetary Fund, World Bank and Asian Development Bank, with onsite visits whenever possible, and utilise such meetings to engage with sovereign issuers on ESG topics, where the Sub-Investment Manager sees scope for improvement for the relevant country.

The sovereign engagement process tends to focus on the various areas relating to SDGs under the UNGC Principles and the UNGPs. In addition, the Sub-Investment Manager monitors and engages with countries on reducing GHG emissions based on the Climate Watch Net-Zero Tracker managed by World Resources Institute. Sovereign engagement may also be carried out with jurisdictions under increased monitoring, who are actively working with the Financial Action Task Force ("FATF") to address strategic deficiencies in counter money laundering, terrorist financing and proliferation financing. Progress on sovereign engagement is tracked centrally in the Sub-Investment Manager's engagement log.

The Sub-Investment Manager views this direct engagement with issuers, as an important part of its investment process (including the investment selection process). Issuers that are not receptive to engagement are less likely to be held (or to continue to be held) by the Portfolio.

This program is focused on in-person meetings and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, the Sub-Investment Manager may set objectives for the issuers to attain. These objectives as well as the issuers' progress with respect to same are monitored and tracked by the Sub-Investment Manager through an internal NB engagement tracker.

In addition, the Sub-Investment Manager will seek to prioritise constructive engagement with issuers which have high impact controversies (such as corporate issuers placed on the Neuberger Berman Global Standards Policy's Watch List (as further detailed in the policy itself)), or which have a poor NB ESG Quotient rating, in order to assess whether those ESG controversies or what the Sub-Investment Manager deems as weak ESG efforts, are being addressed adequately.

The Sub-Investment Manager firmly believes this consistent engagement with issuers can help reduce credit risk and promote positive sustainable corporate change. It is an important tool to identify and better understand an issuer's risk factors and performance. The Sub-Investment Manager also uses it to promote change, when necessary, which they believe will result in positive outcomes for creditors and broader stakeholders. Direct engagement when paired with other inputs, creates a feedback loop that allows analysts in the investment team to evolve their ESG scoring process and prioritise risks that are most relevant to a sector.

### III. ESG sectoral exclusion policies:

To ensure that the environmental and social characteristics promoted by the Portfolio can be attained, the Portfolio will apply the ESG exclusion policies referenced above, which places limitations on the investable universe.

#### ● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

#### ● ***What is the policy to assess good governance practices of the investee companies?***

Governance factors that the Sub-Investment Manager tracks may include: (i) senior management experience and sector expertise; (ii) ownership/board experience and alignment of incentives; (iii) corporate strategy and balance sheet strategy; (iv) financial and accounting strategy & disclosure; and (v) regulatory / legal track record.

Engagement with management is an important component of the Portfolio's investment process, and the Sub-Investment Manager engages directly with management teams of issuers through a robust ESG engagement program. This program is focused on in-person meetings and conference calls to understand risks, opportunities and assess good corporate governance practices of corporate issuers. The Sub-Investment Manager views this direct engagement with issuers, as an important part of its investment process.

While the prioritisation assessment is ongoing, the timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or M&A events that may prevent outreach actions. Ultimately, the Sub-Investment Manager aims to prioritise engagement that is expected, based on the Sub-Investment Manager's subjective analysis, to have a high impact on the protection of and improvement to

the value of the Portfolio, be it through the advancement of actionable disclosure, understanding of risks and risk management at an issuer, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities.

The Sub-Investment Manager may take into account other governance factors as appropriate from time to time.

As described above, the Portfolio will only invest in securities issued by issuers whose activities do not breach the Neuberger Berman Global Standards Policy which identifies violators of the (i) UNGC Principles, (ii) OECD Guidelines, (iii) UNGPs, and (iv) ILO Standards.



## What is the asset allocation planned for this financial product?

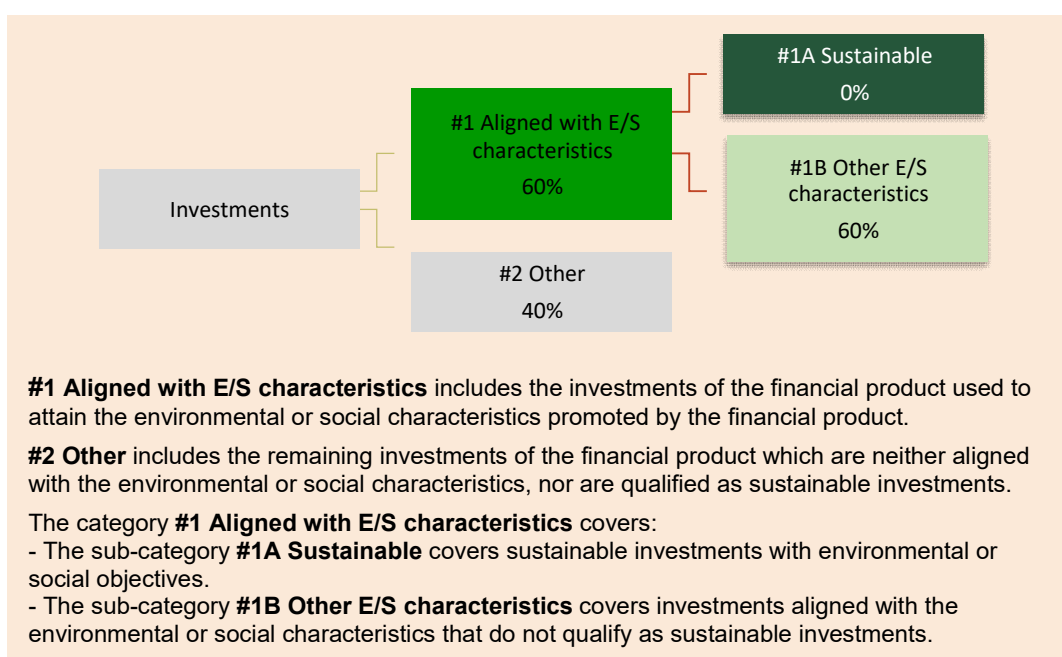
The Portfolio aims to hold a minimum of 60% investments that are aligned with the environmental or social characteristics promoted by the Portfolio. The Portfolio does not commit to holding sustainable investments. The Portfolio aims to hold a maximum of 40% investments that are not aligned with the environmental or social characteristics promoted by the Portfolio and are not sustainable investments, and which fall into the "Other" section of the Portfolio.

The "Other" section in the Portfolio is held for a number of reasons that the Sub-Investment Manager feels will be beneficial to the Portfolio, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover. The "Other" section may also include investments or asset classes for which the Sub-Investment Manager does not have sufficient data to confirm that they are aligned with the environmental or social characteristics promoted by the Portfolio. Further details on the "Other" section are set out below.

Please note that while the Sub-Investment Manager aims to achieve the asset allocation targets outlined above, these figures may fluctuate during the investment period and ultimately, as with any investment target, may not be attained.

The exact asset allocation of this Portfolio will be reported in the Portfolio's mandatory periodic report SFDR template, for the relevant reference period. This will be calculated based on the average of the four quarter ends.

The Sub-Investment Manager has calculated the proportion of investments aligned with the environmental and/or social characteristics promoted by the Portfolio: i) that hold either an NB ESG Quotient rating or a third party equivalent ESG rating that is used as part of the portfolio construction and investment management process of the Portfolio; and/or ii) with whom the Sub-Investment Manager has engaged directly. The calculation is based on a mark-to-market assessment of the Portfolio and may rely on incomplete or inaccurate issuer or third party data.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

While the Portfolio may use derivatives for efficient portfolio management, investment purposes and/or hedging, it will not use derivatives to promote environmental or social characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

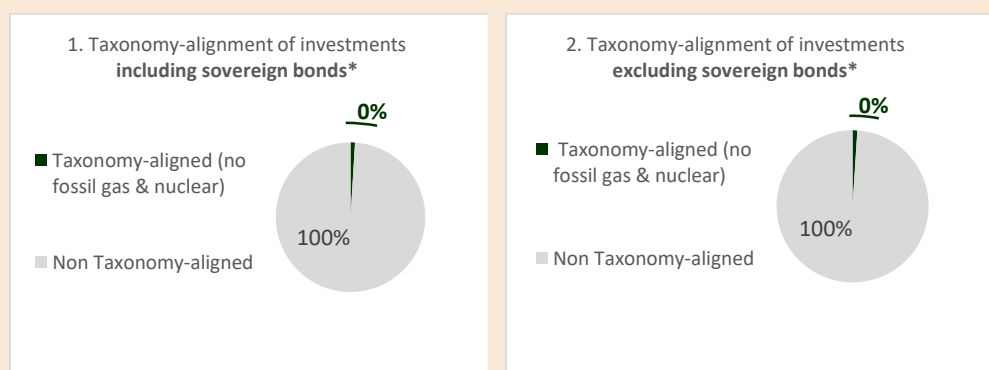
The analysis and disclosure requirements introduced by the EU Taxonomy Regulation are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the Portfolio makes. The Sub-Investment Manager is not committing that the Portfolio will invest in investments that qualify as environmentally sustainable for the purposes of the EU Taxonomy. As such, the minimum proportion of the Portfolio's investments that contribute to environmentally sustainable economic activities for the purposes of the EU Taxonomy will be 0%. It cannot be excluded that some of the Portfolio's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on Taxonomy alignment will develop as the EU framework evolves and data is made available by issuers. The Sub-Investment Manager will keep the extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy under active review as data availability and quality improves.

The disclosure contained in this appendix will be updated if the Sub-Investment Manager amends the minimum Taxonomy alignment of the Portfolio.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>**


- ☐ Yes:
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulations (EU) 2022/1214.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What is the minimum share of investments in transitional and enabling activities?**

N/A – the Portfolio does not commit to holding Taxonomy-aligned investments.



● **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A



● **What is the minimum share of socially sustainable investments**

N/A



● **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

“Other” includes the remaining investments of the Portfolio (including but not limited to any derivatives, any to-be-announced security (TBA) or any security collateralized by a pool of similar assets or receivables listed in the Supplement for the Portfolio above) which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The “Other” section in the Portfolio is held for a number of reasons that the Sub-Investment Manager feels will be beneficial to the Portfolio, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover.

As noted above, the Portfolio will be invested in compliance with ESG exclusion policies, on a continuous basis. This ensures that investments made by the Portfolio seek to align with international environmental and social safeguards such as the UNGC Principles, the UNGPs, the OECD Guidelines and the ILO Standards.

The Sub-Investment Manager believes that these policies prevent investment in issuers that most egregiously violate environmental and/or social minimum standards and ensures that the Portfolio can successfully promote its environmental and social characteristics.

The above steps ensure that robust environmental and social safeguards are in place.



● **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

N/A - The Portfolio’s benchmark has not been designated as a reference benchmark. Therefore, it is not consistent with the environmental or social characteristics promoted by the Portfolio.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

● **How does the designated index differ from a relevant broad market index?**

N/A

● **Where can the methodology used for the calculation of the designated index be found?**

N/A

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



### **Where can I find more product specific information online?**

Product overviews, factsheets, KIIDs and other literature can be found on the NB website, in our dedicated 'Investment Strategies' section at [www.nb.com](http://www.nb.com).

### **More product-specific information can be found on the website:**

<https://www.nb.com/en/global/esg/reporting-policies-and-disclosures#0A63D195342B424C8C1F115547F2784A>

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Neuberger Berman Corporate Hybrid Bond Fund (the “Portfolio”)

**Legal entity identifier:** 549300TMYI9EFR4Q1G47

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, **it will have a minimum proportion of 10% of sustainable investments**



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

As part of the investment process, the Sub-Investment Manager considers a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are considered using a proprietary Neuberger Berman ESG rating system (the “**NB ESG Quotient**”). The NB ESG Quotient is built around the concept of sector specific ESG risk and opportunity, and produces an overall ESG rating for issuers by assessing them against certain ESG metrics.

Foundational to the NB ESG Quotient is the proprietary Neuberger Berman (“**NB**”) materiality matrix, which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk and opportunity for each sector. The NB materiality matrix enables the Sub-Investment Manager to derive the NB ESG Quotient rating, to compare sectors and issuers relative to their environmental and social characteristics.

The Sub-Investment Manager uses the NB ESG Quotient to promote the environmental and social characteristics listed below. Pursuant to this, the Sub-Investment Manager will engage with issuers with a poor NB ESG Quotient with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

The following environmental and social characteristics are promoted, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating:

- **Environmental Characteristics:** biodiversity & responsible land usage; carbon footprint reduction; environmental management; greenhouse gas (“GHG”) emissions; opportunities in clean technologies; opportunities in green building; opportunities in renewable energy; responsible raw material sourcing; responsible & transparent underwriting; toxic emissions & waste; waste management; and water management.
- **Social Characteristics:** access to finance; access to medicines; affordability & fair pricing; business ethics & transparency of government relations; chemical safety; community relations; controversial sourcing; corporate behaviour; drug safety & side effects management; ethical marketing & practices; health & nutrition; health & safety; human capital development; labour management; data privacy & security; product safety & quality; and litigation & related controversy.

Performance in relation to these environmental and social characteristics will be measured through the NB ESG Quotient, and will be reported in aggregate in the Portfolio’s mandatory periodic report template (as per the requirements of Article 11 of SFDR).

The NB materiality matrix will evolve over time and all sector specific ESG characteristics included therein are reviewed annually to ensure that the most pertinent sector specific ESG characteristics are captured through the NB materiality matrix. Accordingly, the environmental and social characteristics considered as part of the NB ESG Quotient are subject to change. For the avoidance of doubt, if the environmental or social characteristics considered as part of the NB ESG Quotient change, this pre-contractual disclosure document will be updated accordingly.

Exclusions are also applied (as further set out below) as part of the construction and ongoing monitoring of the Portfolio. These represent additional environmental and social characteristics promoted by the Portfolio.

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Portfolio.

### ● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As part of the investment process, the Sub-Investment Manager considers a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Portfolio. These are listed below:

#### I. The NB ESG Quotient:

The NB ESG Quotient (as explained above) is used to measure the environmental and social characteristics promoted by the Portfolio. Foundational to the NB ESG Quotient is the proprietary NB materiality matrix (as explained above), which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk for each sector. Each sector criteria is constructed using third party and internally derived ESG data and supplemented with internal qualitative analysis, leveraging the Sub-Investment Manager’s analyst team’s significant sector expertise.

The NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. While the NB ESG Quotient rating of issuers is considered as part of the investment process, there is no minimum NB ESG Quotient rating to be attained by an issuer prior to investment. Pursuant to this, the Sub-Investment Manager will engage with issuers with a poor NB ESG Quotient with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

#### II. Climate Value-at-Risk:

Climate Value-at-Risk (“CVaR”) measures the exposure to transition and physical climate risks. CVaR is a scenario analysis tool evaluating economic risks under various degree scenarios (i.e., the amount of warming targeted) and potential regulatory environments in varying countries. On a holistic basis the results are evaluated by the Sub-Investment Manager’s portfolio managers and analysts. CVaR provides a framework for identifying climate-risk over the long-term to assist in understanding how issuers can shift their operations and risk practices over time. The scenario analysis can serve as a starting point for further bottom-up analysis and identifying potential climate-related risks to address through issuer engagement. Due to data limitations, CVaR is not applied across all issuers held by the Portfolio and is instead limited to the

issuers for which the Sub-Investment Manager has sufficient and reliable data. The analysis from CVaR is reviewed at least once a year.

### III. ESG exclusion policies:

To ensure that the environmental or social characteristics promoted by the Portfolio can be attained, the Portfolio will not invest in securities issued by issuers whose activities breach, or are not consistent with, the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy. In addition to the application of the Neuberger Berman Thermal Coal Involvement Policy, the Sub-Investment Manager will prohibit the initiation of new investment positions in securities issued by issuers that (i) derive more than 25% of their revenue from thermal coal mining; or (ii) are expanding new thermal coal power generation. The Sub-Investment Manager also prohibits the purchase of securities of companies involved in tobacco production such as, cigars, cigarettes, e-cigarettes, smokeless tobacco, dissolvable and chewing tobacco. This also includes companies that grow or process raw tobacco leaves. Furthermore, investments held by the Portfolio will not invest in securities issued by issuers whose activities have been identified as breaching, or are not consistent with, the Neuberger Berman Global Standards Policy which excludes identified violators of (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs and (iv) the ILO Standards. Further details on these ESG exclusion policies are set out in the "Sustainable Investment Criteria" section of the main body of the Prospectus.

The Sub-Investment Manager will track and report on the performance of the above sustainability indicators namely, (i) the NB ESG Quotient; (ii) the CVaR; and (iii) the adherence to the ESG exclusion lists applied to the Portfolio. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Portfolio and will be included in the Portfolio's mandatory periodic report (as per the requirements of Article 11 of SFDR).

### ● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

While the Portfolio promotes environmental and social characteristics, this Portfolio does not have a sustainable investment objective. However, the Portfolio will hold at least 10% sustainable investments which will aim to promote the environmental & social characteristics listed above.

Performance in relation to these environmental and social characteristics will be measured through the NB ESG Quotient. Both the sustainable and non-sustainable investments held by the Portfolio will apply the NB ESG Quotient, as detailed above.

The consideration of investments made by the Portfolio as sustainable investments is determined by reference to NB's sustainable investment framework. This framework includes an assessment as to (i) whether the investment contributes to an environmental and/or social objective, (ii) whether the investment causes significant harm to those objectives as described below, and (iii) an assessment of an issuers' overall governance score to determine whether the issuer passes a good governance assessment. Under this sustainable investment framework, the Sub-Investment Manager utilises multiple datapoints that measure the alignment of a company's economic activity with environmental or social characteristics.

The Sub-Investment Manager screens companies for controversies, significant harm and violations of minimum safeguards. If the companies pass this screen, the Sub-Investment Manager then proceeds to measure the companies' environmental or social economic contribution.

The Sub-Investment Manager measures this in two ways:

- 1 Revenue alignment to the EU taxonomy (if any); and
- 2 Revenue alignment to the Sustainable Development Goals ("SDGs").

Sustainable investments are more likely to have product/service revenue aligned with the SDGs.

While the sustainable investments may have a social or an environmental objective, the Sub-Investment Manager does not commit the Portfolio to holding sustainable investments that

qualify as environmentally sustainable investments (or Taxonomy aligned investments) as defined under the EU Taxonomy.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

As part of the Sub-Investment Manager's sustainable investment framework, investments that cause significant harm to environmental or social objectives are excluded. To determine whether an investment causes significant harm, the Sub-Investment Manager considers significant harm with reference to certain principal adverse impact indicators (with respect to this see the "*How have the indicators for adverse impacts on sustainability factors been taken into account?*" below) and violations of minimum safeguards (with respect to which see "*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*" below). The Sub-Investment Manager also applies the ESG exclusion policies referenced above.

The combination of all of these factors generates a quantitative validation for "sustainability" which can be used to ensure the sustainable investments that the Portfolio intends to make, do not cause significant harm to any environmental or social sustainable objective.

— — — ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Sub-Investment Manager will consider the following principal adverse impacts indicators when determining whether the sustainable investments that the Portfolio intends to make, do not cause significant harm to any environmental or social sustainable investment objective: GHG emissions; carbon footprint; GHG intensity of investee companies; exposure to companies active in the fossil fuel sector; share of non-renewable energy consumption and production; energy consumption intensity per high impact climate sector; activities negatively affecting biodiversity-sensitive areas; emissions to water; hazardous waste and radioactive waste ratio; violations of the UNGC Principles and the OECD Guidelines; lack of processes and compliance mechanisms to monitor compliance with the UNGC Principles and the OECD Guidelines; unadjusted gender pay gap, board gender diversity; and exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (the "PAIs").

Consideration of the above PAIs is limited by the availability of adequate, reliable and verifiable data coverage for such indicators (in the Sub-Investment Manager's subjective view) in respect of the sustainable investments of the Portfolio, and may evolve with improving data quality and availability. The Sub-Investment Manager will utilise third party data and proxy data along with internal research to consider the PAIs.

Additionally, the Sub-Investment Manager has conducted a letter campaign where it has written to select investee companies asking for direct disclosure on the PAIs in order to offer high-quality disclosures to investors. The Sub-Investment Manager will continue to work with companies to encourage disclosure and envisages that the letter campaign will result in wider and more granular data coverage on the PAIs.

Consideration of the PAIs by the Sub-Investment Manager, when determining whether the sustainable investments that the Portfolio intends to make do not cause significant harm to any environmental or social sustainable investment objective of the Portfolio's sustainable investments, will be through a combination of:

- Monitoring companies which fall below the quantitative and qualitative tolerance thresholds set for each PAI by the Sub-Investment Manager;
- Stewardship and/or setting engagement objectives with companies which fall below the quantitative and qualitative tolerance thresholds set for a PAI; and
- Application of the NB ESG exclusion policies detailed above, which includes consideration of several of the PAIs.

— — — ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The Sub-Investment Manager will not invest in issuers whose activities have been identified as breaching the OECD Guidelines, the UNGC Principles, the ILO Standards and the UNGPs, captured through the Neuberger Berman Global Standards Policy.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

N/A – The Portfolio does not commit to holding Taxonomy-aligned investments.



#### Does this financial product consider principal adverse impacts on sustainability factors?



Yes, please see below



No

The Sub-Investment Manager will consider the following principal adverse impacts, namely: GHG emissions, carbon footprint, GHG intensity, fossil fuel exposure, board gender diversity, UNGC Principles & OECD Guidelines violations and controversial weapons (the “**Product Level PAIs**”).

The Sub-Investment Manager utilises third party data and proxy data along with internal research to consider the above Product Level PAIs.

Additionally, the Sub-Investment Manager has conducted a letter campaign where it has written to select corporate issuers asking for direct disclosure on the PAIs in order to offer high-quality disclosures to investors.

The Sub-Investment Manager will continue to work with issuers to encourage disclosure and envisages that the letter campaign will result in wider and more granular data coverage on the PAIs.

The Product Level PAIs that are taken into consideration are subject to there being adequate, reliable and verifiable data coverage for such indicators (in the Sub-Investment Manager's subjective view), and may evolve with improving data quality and availability. Where such data is not available the relevant Product Level PAI will not be considered until such time as the data becomes available. The Sub-Investment Manager will keep the list of Product Level PAIs they consider under active review, as and when data availability and quality improves.

Consideration of the Product Level PAIs by the Sub-Investment Manager will be through a combination of:

- Monitoring the Portfolio, in particular where it falls below the quantitative and qualitative tolerance thresholds set for each Product Level PAI by the Sub-Investment Manager;
- Stewardship and/or setting engagement objectives where the Portfolio falls below the quantitative and qualitative tolerance thresholds set for a Product Level PAI; and
- Application of the ESG exclusion policies referenced above, which includes consideration of several of the Product Level PAIs.

Reporting on consideration of Product Level PAIs will be available in an annex to the annual report of the Portfolio.



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

### What investment strategy does this financial product follow?

The Portfolio is actively managed and aims to achieve an attractive level of total return (income plus capital appreciation) and will invest primarily in investment grade and sub-investment grade corporate hybrid bonds.

The Sub-Investment Manager considers and evaluates ESG characteristics, as an important component of their credit analysis discipline, when making investment decisions. The Sub-Investment Manager utilises the NB ESG Quotient criteria as part of the Portfolio construction and investment management process. As noted above, NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. Pursuant to this, the Sub-Investment Manager will engage with issuers with a poor NB ESG Quotient rating with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

The ESG analysis is performed internally, with the support of third-party data, and is not outsourced.

In addition, credit worthiness is complemented by fundamental analysis aimed at assessing the issuer's financial performance such as revenue/earnings before interest, tax, depreciation, and amortisation ("EBITDA") growth, cash flow growth, capital expenditures, leverage trends and liquidity profile.

### ● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

ESG characteristics are considered at three different levels:

#### I. Integrating proprietary ESG analysis:

The NB ESG Quotient ratings are generated for issuers in the Portfolio. The NB ESG Quotient rating for issuers is utilised to help to better identify risks and opportunities in the overall credit and value assessment.

The NB ESG Quotient is a key component of the internal credit ratings and can help to identify business risks (including ESG risks), which would cause deterioration in an issuer's credit profile. Internal credit ratings can be notched up or down based on the NB ESG Quotient rating, and this is monitored by the Sub-Investment Manager as an important component of the investment process for the Portfolio.

By integrating the investment team's proprietary ESG analysis (the NB ESG Quotient) into their internal credit ratings, there is a direct link between their analysis of material ESG characteristics and portfolio construction activities across their strategy.

Pursuant to this, the Sub-Investment Manager will engage with issuers with a poor NB ESG Quotient rating with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

#### II. Engagement:

The Sub-Investment Manager engages directly with management teams of issuers through a robust ESG engagement program. The Sub-Investment Manager views this direct engagement with issuers, as an important part of its investment process (including the investment selection process). Issuers that are not receptive to engagement are less likely to be held (or to continue to be held) by the Portfolio.

This program is focused on in-person meetings and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, the Sub-Investment Manager may set objectives for the issuers to attain. These objectives as well as the issuers' progress with respect to same are monitored and tracked by the Sub-Investment Manager through an internal NB engagement tracker.

In addition, the Sub-Investment Manager will seek to prioritise constructive engagement with issuers which have high impact controversies (such as corporate issuers placed on the Neuberger Berman Global Standards Policy's Watch List (as

further detailed in the policy itself)), or which have a poor NB ESG Quotient rating, in order to assess whether those ESG controversies or what the Sub-Investment Manager deems as weak ESG efforts, are being addressed adequately. The success of the Sub-Investment Manager's constructive engagement efforts with issuers will depend on each of the issuer's receptiveness and responsiveness to such engagement.

The Sub-Investment Manager firmly believes this consistent engagement with issuers can help reduce credit risk and promote positive sustainable corporate change. It is an important tool to identify and better understand an issuer's risk factors and performance. The Sub-Investment Manager also uses it to promote change, when necessary, which they believe will result in positive outcomes for creditors and broader stakeholders. Direct engagement when paired with other inputs, creates a feedback loop that allows analysts in the investment team to evolve their ESG scoring process and prioritise risks that are most relevant to a sector.

### III. ESG sectoral exclusion policies:

To ensure that the environmental and social characteristics promoted by the Portfolio can be attained, the Portfolio will apply the ESG exclusion policies referenced above, which places limitations on the investable universe.

### ● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

### ● ***What is the policy to assess good governance practices of the investee companies?***

Governance factors that the Sub-Investment Manager tracks may include: (i) senior management experience and sector expertise; (ii) ownership/board experience and alignment of incentives; (iii) corporate strategy and balance sheet strategy; (iv) financial and accounting strategy & disclosure; and (v) regulatory / legal track record.

Engagement with management is an important component of the Portfolio's investment process, and the Sub-Investment Manager engages directly with management teams of issuers through a robust ESG engagement program. This program is focused on in-person meetings and conference calls to understand risks, opportunities and assess good corporate governance practices of corporate issuers. The Sub-Investment Manager views this direct engagement with issuers, as an important part of its investment process.

While the prioritisation assessment is ongoing, the timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or M&A events that may prevent outreach actions. Ultimately, the Sub-Investment Manager aims to prioritise engagement that is expected, based on the Sub-Investment Manager's subjective analysis, to have a high impact on the protection of and improvement to the value of the Portfolio, be it through the advancement of actionable disclosure, understanding of risks and risk management at an issuer, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities.

The Sub-Investment Manager may take into account other governance factors as appropriate from time to time.

As described above, the Portfolio will only invest in securities issued by issuers whose activities do not breach the Neuberger Berman Global Standards Policy which identifies violators of the (i) UNGC Principles, (ii) OECD Guidelines, (iii) UNGPs, and (iv) ILO Standards.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

### Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

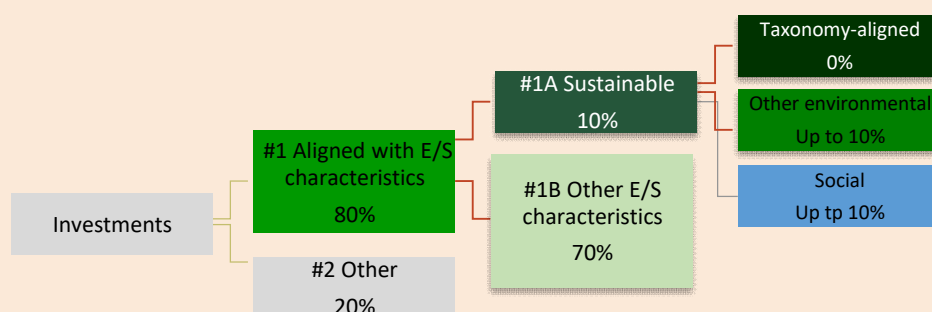
The Portfolio aims to hold a minimum of 80% investments that are aligned with the environmental or social characteristics promoted by the Portfolio. The Portfolio commits to holding a minimum of 10% sustainable investments. The Portfolio aims to hold a maximum of 20% investments that are not aligned with the environmental or social characteristics promoted by the Portfolio and are not sustainable investments, and which fall into the "Other" section of the Portfolio.

The "Other" section in the Portfolio is held for a number of reasons that the Sub-Investment Manager feels will be beneficial to the Portfolio, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover. The "Other" section may also include investments or asset classes for which the Sub-Investment Manager does not have sufficient data to confirm that they are aligned with the environmental or social characteristics promoted by the Portfolio. Further details on the "Other" section are set out below.

Please note that while the Sub-Investment Manager aims to achieve the asset allocation targets outlined above, these figures may fluctuate during the investment period and ultimately, as with any investment target, may not be attained.

The exact asset allocation of this Portfolio will be reported in the Portfolio's mandatory periodic report SFDR template, for the relevant reference period. This will be calculated based on the average of the four quarter ends.

The Sub-Investment Manager has calculated the proportion of investments aligned with the environmental and/or social characteristics promoted by the Portfolio: i) that hold either an NB ESG Quotient rating or a third party equivalent ESG rating that is used as part of the portfolio construction and investment management process of the Portfolio; and/or ii) with whom the Sub-Investment Manager has engaged directly. The calculation is based on a mark-to-market assessment of the Portfolio and may rely on incomplete or inaccurate issuer or third party data.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.



### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

While the Portfolio may use derivatives for hedging, efficient portfolio management and/or other investment purposes, it will not use derivatives to promote environmental or social characteristics.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The analysis and disclosure requirements introduced by the EU Taxonomy Regulation are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the Portfolio makes. The Sub-Investment Manager is not committing that the Portfolio will invest in investments that qualify as environmentally sustainable for the purposes of the EU Taxonomy. As such, the minimum proportion of the Portfolio's investments that contribute to environmentally sustainable economic activities for the purposes of the EU Taxonomy will be 0%. It cannot be excluded that some of the Portfolio's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on Taxonomy alignment will develop as the EU framework evolves and data is made available by issuers. The Sub-Investment Manager will keep the extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy under active review as data availability and quality improves.

The disclosure contained in this appendix will be updated if the Sub-Investment Manager amends the minimum Taxonomy alignment of the Portfolio.

### ● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>**

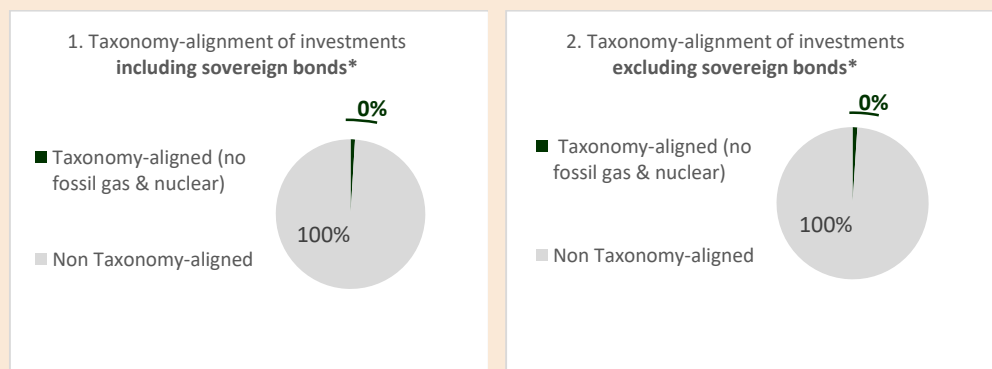
☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulations (EU) 2022/1214.

● **What is the minimum share of investments in transitional and enabling activities?**

N/A – the Portfolio does not commit to holding Taxonomy-aligned investments.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy**

The Portfolio's sustainable investments will have an environmental objective and/or a social objective. This means that at any specific point in time, all of the Portfolio's sustainable investments could have social objectives (which means that 0% of the Portfolio's sustainable investments would have environmental objectives); or all of the Portfolio's sustainable investments could have environmental objectives (which means that 0% of the Portfolio's sustainable investments would have social objectives).

While the Portfolio may invest in sustainable investments with an environmental objective, such sustainable investments may not be in Taxonomy-aligned investments as they may not satisfy the criteria for same.



**What is the minimum share of socially sustainable investments?**

The Portfolio's sustainable investments will have an environmental objective and/or a social objective. This means that at any specific point in time, all of the Portfolio's sustainable investments could have social objectives (which means that 0% of the Portfolio's sustainable investments would have environmental objectives); or all of the Portfolio's sustainable investments could have environmental objectives (which means that 0% of the Portfolio's sustainable investments would have social objectives).



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

“Other” includes the remaining investments of the Portfolio (including but not limited to any derivatives or any security collateralized by a pool of similar assets or receivables listed in the Supplement for the Portfolio above) which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The “Other” section in the Portfolio is held for a number of reasons that the Sub-Investment Manager feels will be beneficial to the Portfolio, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover.

As noted above, the Portfolio will be invested in compliance with ESG exclusion policies, on a continuous basis. This ensures that investments made by the Portfolio seek to align with international environmental and social safeguards such as the UNGC Principles, the UNGPs, the OECD Guidelines and the ILO Standards.

The Sub-Investment Manager believes that these policies prevent investment in issuers that most egregiously violate environmental and/or social minimum standards and ensures that the Portfolio can successfully promote its environmental and social characteristics.

The above steps ensure that robust environmental and social safeguards are in place.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

N/A - The Portfolio's benchmark has not been designated as a reference benchmark. Therefore, it is not consistent with the environmental or social characteristics promoted by the Portfolio.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A



#### **Where can I find more product specific information online?**

Product overviews, factsheets, KIIDs and other literature can be found on the NB website, in our dedicated 'Investment Strategies' section at [www.nb.com](http://www.nb.com).

#### **More product-specific information can be found on the website:**

<https://www.nb.com/en/global/esg/reporting-policies-and-disclosures#0A63D195342B424C8C1F115547F2784A>

## SFDR ANNEX

### Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Neuberger Berman Global Opportunistic Bond Fund (the “Portfolio”)

**Legal entity identifier:** 549300ZNZZ2YDVTNRE14

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

As part of the investment process, the Manager and the Sub-Investment Manager consider a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are considered using a proprietary Neuberger Berman ESG rating system (the “**NB ESG Quotient**”). The NB ESG Quotient is built around the concept of sector specific ESG risk and opportunity and produces an overall ESG rating for issuers by assessing them against certain ESG metrics.

Foundational to the NB ESG Quotient is the proprietary Neuberger Berman (“**NB**”) materiality matrix, which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk and opportunity for each sector. The NB materiality matrix enables the Manager and the Sub-Investment Manager to derive the NB ESG Quotient rating, to compare sectors and issuers relative to their environmental and social characteristics.

The Manager and the Sub-Investment Manager use the NB ESG Quotient to promote the environmental and social characteristics listed below by prioritising investment in securities issued by issuers with a favourable and/or an improving NB ESG Quotient rating. Pursuant to this, the Manager and the Sub-Investment Manager will not invest in an issuer with a poor NB ESG Quotient rating unless there is a

commitment to engage with the issuer with an expectation that the NB ESG Quotient rating will improve over time.

The following environmental and social characteristics are promoted, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating:

- **Environmental Characteristics:** biodiversity & responsible land usage; carbon footprint reduction; environmental management; greenhouse gas (“GHG”) emissions; opportunities in clean technologies; opportunities in green building; opportunities in renewable energy; responsible raw material sourcing; responsible & transparent underwriting; toxic emissions & waste; waste management; and water management.
- **Social Characteristics:** access to finance; access to medicines; affordability & fair pricing; business ethics & transparency of government relations; chemical safety; community relations; controversial sourcing; corporate behaviour; drug safety & side effects management; ethical marketing & practices; health & nutrition; health & safety; human capital development; labour management; data privacy & security; product safety & quality; and litigation & related controversy.

Performance in relation to these environmental and social characteristics will be measured through the NB ESG Quotient, and will be reported in aggregate in the Portfolio's mandatory periodic report template (as per the requirements of Article 11 of SFDR).

The NB materiality matrix will evolve over time and all sector specific ESG characteristics included therein are reviewed annually to ensure that the most pertinent sector specific ESG characteristics are captured through the NB materiality matrix. Accordingly, the environmental and social characteristics considered as part of the NB ESG Quotient are subject to change. For the avoidance of doubt, if the environmental or social characteristics considered as part of the NB ESG Quotient change, this pre-contractual disclosure document will be updated accordingly.

Exclusions are also applied (as further set out below) as part of the construction and ongoing monitoring of the Portfolio. These represent additional environmental and social characteristics promoted by the Portfolio.

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Portfolio.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As part of the investment process, the Manager and the Sub-Investment Manager consider a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Portfolio. These are listed below:

I. The NB ESG Quotient:

The NB ESG Quotient (as explained above) is used to measure the environmental and social characteristics promoted by the Portfolio. Foundational to the NB ESG Quotient is the proprietary NB materiality matrix (as explained above), which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk for each sector. Each sector criteria is constructed using third party and internally derived ESG data and supplemented with internal qualitative analysis, leveraging the Manager's and the Sub-Investment Manager's analyst team's significant sector expertise.

The NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. While the NB ESG Quotient rating of issuers is considered as part of the investment process, there is no minimum NB ESG Quotient rating to be attained by an issuer prior to investment. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of being included in the Portfolio. Issuers with a poor NB ESG Quotient rating, especially where a poor NB ESG Quotient rating is not being addressed by an issuer, are more likely to be removed from the investment universe or divested from the Portfolio. In addition, the Manager and the Sub-Investment Manager will seek to prioritise constructive engagement with issuers which have high impact controversies (such as corporate issuers placed on the Neuberger Berman Global Standards Policy's Watch List (as further detailed in the policy itself)), or which have a poor NB ESG Quotient rating, in order to assess whether those ESG controversies or what the

Manager and the Sub-Investment Manager deem as weak ESG efforts, are being addressed adequately. The success of the Manager's and the Sub-Investment Manager's constructive engagement efforts with issuers will depend on each of the issuer's receptiveness and responsiveness to such engagement.

II. Climate Value-at-Risk:

Climate Value-at-Risk ("CVaR") measures the exposure to transition and physical climate risks. CVaR is a scenario analysis tool evaluating economic risks under various degree scenarios (i.e., the amount of warming targeted) and potential regulatory environments in varying countries. On a holistic basis the results are evaluated by the Manager's and the Sub-Investment Manager's portfolio managers and analysts. CVaR provides a framework for identifying climate-risk over the long-term to assist in understanding how issuers can shift their operations and risk practices over time. The scenario analysis can serve as a starting point for further bottom-up analysis and identifying potential climate-related risks to address through issuer engagement. Due to data limitations, CVaR is not applied across all issuers held by the Portfolio and is instead limited to the issuers for which the Manager and the Sub-Investment Manager have sufficient and reliable data. The analysis from CVaR is reviewed at least once a year.

III. ESG exclusion policies:

To ensure that the environmental or social characteristics promoted by the Portfolio can be attained, the Portfolio will not invest in securities issued by issuers whose activities breach, or are not consistent with, the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy. In addition to the application of the Neuberger Berman Thermal Coal Involvement Policy, the Manager and the Sub-Investment Manager will prohibit the initiation of new investment positions in securities issued by issuers that (i) derive more than 25% of their revenue from thermal coal mining; or (ii) are expanding new thermal coal power generation. Furthermore, investments held by the Portfolio will not invest in securities issued by issuers whose activities have been identified as breaching, or are not consistent with, the Neuberger Berman Global Standards Policy which excludes identified violators of (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs and (iv) the ILO Standards. The Portfolio also excludes corporate debt issuers in Emerging Market Countries that are involved in the tobacco industry and child labour. Further details on these ESG exclusion policies are set out in the "Sustainable Investment Criteria" section of the main body of the Prospectus.

The Manager and the Sub-Investment Manager will track and report on the performance of the above sustainability indicators namely, (i) the NB ESG Quotient; (ii) the CVaR; and (iii) the adherence to the ESG exclusion lists applied to the Portfolio. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Portfolio and will be included in the Portfolio's mandatory periodic report (as per the requirements of Article 11 of SFDR).

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A – the Portfolio does not commit to holding sustainable investments.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A – the Portfolio does not commit to holding sustainable investments.

— — ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

N/A

— — ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Portfolio does not commit to holding sustainable investments, however the Manager and the Sub-Investment Manager will not invest in issuers whose activities have been identified as breaching the OECD Guidelines, the UNGC Principles, the ILO Standards and the UNGPs, captured through the Neuberger Berman Global Standards Policy.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

N/A- The Portfolio does not commit to holding Taxonomy-aligned investments.



#### Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, please see below

☐ No

The Manager and the Sub-Investment Manager will consider the following principal adverse impacts, namely: GHG intensity and investee countries subject to social violations (the “**Sovereign PAIs**”) for the sovereign issuers; and GHG emissions, carbon footprint, GHG intensity, fossil fuel exposure, board gender diversity, UNGC Principles & OECD Guidelines violations and controversial weapons for the corporate issuers (together the “**Product Level PAIs**”).

The Manager and the Sub-Investment Manager utilise third party data and proxy data along with internal research to consider the above Product Level PAIs.

Additionally, the Manager and the Sub-Investment Manager have conducted a letter campaign where they have written to select corporate issuers asking for direct disclosure on the PAIs in order to offer high-quality disclosures to investors.

The Manager and the Sub-Investment Manager will continue to work with issuers to encourage disclosure and envisage that the letter campaign will result in wider and more granular data coverage on the PAIs.

The Product Level PAIs that are taken into consideration are subject to there being adequate, reliable and verifiable data coverage for such indicators (in the Manager's and the Sub-Investment Manager's subjective view), and may evolve with improving data quality and availability. Where such data is not available the relevant Product Level PAI will not be considered until such time as the data becomes available. The Manager and the Sub-Investment Manager will keep the list of Product Level PAIs they consider under active review, as and when data availability and quality improves.

Consideration of the Product Level PAIs by the Manager and the Sub-Investment Manager will be through a combination of:

- Monitoring the Portfolio, in particular where it falls below the quantitative and qualitative tolerance thresholds set for each Product Level PAI by the Manager and the Sub-Investment Manager;
- Stewardship and/or setting engagement objectives where the Portfolio falls below the quantitative and qualitative tolerance thresholds set for a Product Level PAI; and
- Application of the ESG exclusion policies referenced above, which includes consideration of several of the Product Level PAIs.

Reporting on consideration of Product Level PAIs will be available in an annex to the annual report of the Portfolio.



### **What investment strategy does this financial product follow?**

The investment objective of the Portfolio is to aim to achieve an attractive level of total return (income plus capital appreciation) by opportunistically investing in a diversified mix of fixed rate and floating rate debt securities globally under varying market environments with a focus on downside protection.

The Portfolio invests in debt securities and money market instruments issued by governments and their agencies and corporations worldwide. Securities are listed, dealt or traded on Recognised Markets (as depicted in Annex I of the prospectus) globally without any particular focus on any one industrial sector. Securities may be rated investment grade or below by a Recognised Rating Agency.

The Manager and the Sub-Investment Manager consider and evaluate ESG characteristics, as an important component of their credit analysis discipline, when making investment decisions. The Manager and the Sub-Investment Manager utilise the NB ESG Quotient criteria as part of the Portfolio construction and investment management process. As noted above, NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of ending up in the Portfolio. Issuers with a poor NB ESG Quotient rating especially where these are not being addressed by that issuer, are more likely to be removed from the investment universe or divested from the Portfolio.

The ESG analysis is performed internally, with the support of third-party data, and is not outsourced.

In addition, credit worthiness is complemented by fundamental analysis aimed at assessing the issuer's financial performance such as revenue/earnings before interest, tax, depreciation, and amortisation ("EBITDA") growth, cash flow growth, capital expenditures, leverage trends and liquidity profile.

### **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

ESG characteristics are considered at three different levels:

#### **I. Integrating proprietary ESG analysis:**

The NB ESG Quotient ratings are generated for issuers in the Portfolio. The NB ESG Quotient rating for issuers is utilised to help to better identify risks and opportunities in the overall credit and value assessment.

The NB ESG Quotient is a key component of the internal credit ratings and can help to identify business risks (including ESG risks), which would cause deterioration in an issuer's credit profile. Internal credit ratings can be notched up or down based on the NB ESG Quotient rating, and this is monitored by the Manager and the Sub-Investment Manager as an important component of the investment process for the Portfolio.

By integrating the investment team's proprietary ESG analysis (the NB ESG Quotient) into their internal credit ratings, there is a direct link between their analysis of material ESG characteristics and portfolio construction activities across their strategy.

Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of ending up in the Portfolio. Issuers with a poor NB ESG Quotient rating especially where these are not being addressed by that issuer, are more likely to be removed from the investment universe or divested from the Portfolio.

#### **II. Engagement:**

The Manager and the Sub-Investment Manager engage directly with management teams of issuers through a robust ESG engagement program.

The Manager and the Sub-Investment Manager engage with sovereign issuers in developed and Emerging Market Countries. As part of its sovereign engagement, the Manager's and the Sub-Investment Manager's portfolio managers and analysts speak regularly to government officials, policy makers and international financial organisations, such as the International Monetary Fund, World Bank and Asian Development Bank, with onsite visits whenever possible, and utilise such meetings to

engage with sovereign issuers on ESG topics, where the Manager and the Sub-Investment Manager see scope for improvement for the relevant country.

The sovereign engagement process tends to focus on the various areas relating to SDGs under the UNGC Principles and the UNGPs. In addition, the Manager and the Sub-Investment Manager monitor and engage with countries on reducing GHG emissions based on the Climate Watch Net-Zero Tracker managed by World Resources Institute. Sovereign engagement may also be carried out with jurisdictions under increased monitoring, who are actively working with the Financial Action Task Force ("FATF") to address strategic deficiencies in counter money laundering, terrorist financing and proliferation financing. Progress on sovereign engagement is tracked centrally in the Manager's and the Sub-Investment Manager's engagement log.

The Manager and the Sub-Investment Manager view this direct engagement with issuers, as an important part of its investment process (including the investment selection process). Issuers that are not receptive to engagement are less likely to be held (or to continue to be held) by the Portfolio.

This program is focused on in-person meetings and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, the Manager and the Sub-Investment Manager may set objectives for the issuers to attain. These objectives as well as the issuers' progress with respect to same are monitored and tracked by the Manager and the Sub-Investment Manager through an internal NB engagement tracker.

In addition, the Manager and the Sub-Investment Manager will seek to prioritise constructive engagement with issuers which have high impact controversies (such as corporate issuers placed on the Neuberger Berman Global Standards Policy's Watch List (as further detailed in the policy itself)), or which have a poor NB ESG Quotient rating, in order to assess whether those ESG controversies or what the Manager and the Sub-Investment Manager deem as weak ESG efforts, are being addressed adequately.

The Manager and the Sub-Investment Manager firmly believe this consistent engagement with issuers can help reduce credit risk and promote positive sustainable corporate change. It is an important tool to identify and better understand an issuer's risk factors and performance. The Manager and the Sub-Investment Manager also use it to promote change, when necessary, which they believe will result in positive outcomes for creditors and broader stakeholders. Direct engagement when paired with other inputs, creates a feedback loop that allows analysts in the investment team to evolve their ESG scoring process and prioritise risks that are most relevant to a sector.

### III. ESG sectoral exclusion policies:

To ensure that the environmental and social characteristics promoted by the Portfolio can be attained, the Portfolio will apply the ESG exclusion policies referenced above, which places limitations on the investable universe.

#### ● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

#### ● ***What is the policy to assess good governance practices of the investee companies?***

Governance factors that the Manager and the Sub-Investment Manager track may include: (i) senior management experience and sector expertise; (ii) ownership/board experience and alignment of incentives; (iii) corporate strategy and balance sheet strategy; (iv) financial and accounting strategy & disclosure; and (v) regulatory / legal track record.

Engagement with management is an important component of the Portfolio's investment process, and the Manager and the Sub-Investment Manager engage directly with management teams of issuers through a robust ESG engagement program. This program is focused on in-person meetings and conference calls to understand risks, opportunities and assess good corporate governance practices of corporate issuers. The Manager and the Sub-Investment Manager view this direct engagement with issuers, as an important part of its investment process.

While the prioritisation assessment is ongoing, the timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or M&A events that may prevent outreach actions. Ultimately, the Manager and the

Sub-Investment Manager aim to prioritise engagement that is expected, based on the Manager's and the Sub-Investment Manager's subjective analysis, to have a high impact on the protection of and improvement to the value of the Portfolio, be it through the advancement of actionable disclosure, understanding of risks and risk management at an issuer, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities.

The Manager and the Sub-Investment Manager may take into account other governance factors as appropriate from time to time.

As described above, the Portfolio will only invest in securities issued by issuers whose activities do not breach the Neuberger Berman Global Standards Policy which identifies violators of the (i) UNGC Principles, (ii) OECD Guidelines, (iii) UNGPs, and (iv) ILO Standards.



## What is the asset allocation planned for this financial product?

The Portfolio aims to hold a minimum of 65% investments that are aligned with the environmental or social characteristics promoted by the Portfolio. The Portfolio does not commit to holding sustainable investments. The Portfolio aims to hold a maximum of 35% investments that are not aligned with the environmental or social characteristics promoted by the Portfolio and are not sustainable investments, and which fall into the "Other" section of the Portfolio.

The "Other" section in the Portfolio is held for a number of reasons that the Manager and the Sub-Investment Manager feels will be beneficial to the Portfolio, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover. The "Other" section may also include investments or asset classes for which the Manager and the Sub-Investment Manager does not have sufficient data to confirm that they are aligned with the environmental or social characteristics promoted by the Portfolio. Further details on the "Other" section are set out below.

Please note that while the Manager and the Sub-Investment Manager aim to achieve the asset allocation targets outlined above, these figures may fluctuate during the investment period and ultimately, as with any investment target, may not be attained.

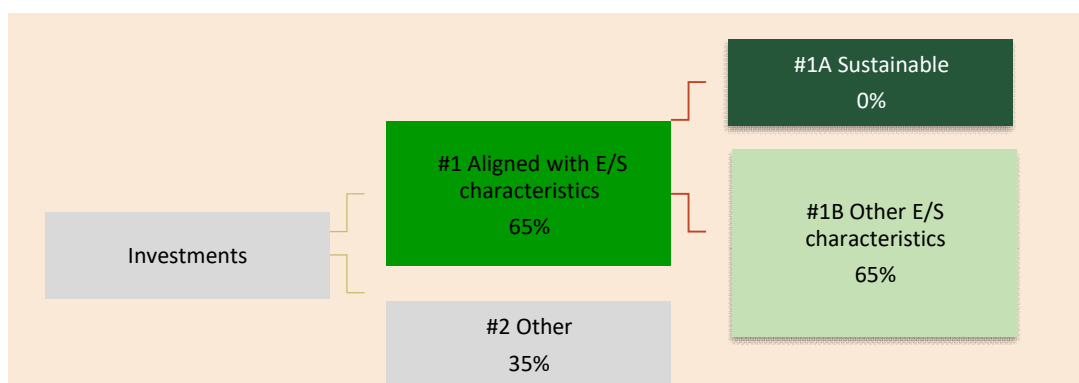
The exact asset allocation of this Portfolio will be reported in the Portfolio's mandatory periodic report SFDR template, for the relevant reference period. This will be calculated based on the average of the four quarter ends.

The Manager and the Sub-Investment Manager has calculated the proportion of investments aligned with the environmental and/or social characteristics promoted by the Portfolio: i) that hold either an NB ESG Quotient rating or a third party equivalent ESG rating that is used as part of the portfolio construction and investment management process of the Portfolio; and/or ii) with whom the Manager and the Sub-Investment Manager has engaged directly. The calculation is based on a mark-to-market assessment of the Portfolio and may rely on incomplete or inaccurate issuer or third party data.

### Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

While the Portfolio may use derivatives for hedging, efficient portfolio management and/or investment purposes, it will not use derivatives to promote environmental or social characteristics.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The analysis and disclosure requirements introduced by the EU Taxonomy Regulation are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the Portfolio makes. The Manager and the Sub-Investment Manager are not committing that the Portfolio will invest in investments that qualify as environmentally sustainable for the purposes of the EU Taxonomy. As such, the minimum proportion of the Portfolio's investments that contribute to environmentally sustainable economic activities for the purposes of the EU Taxonomy will be 0%. It cannot be excluded that some of the Portfolio's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on Taxonomy alignment will develop as the EU framework evolves and data is made available by issuers. The Manager and the Sub-Investment Manager will keep the extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy under active review as data availability and quality improves.

The disclosure contained in this appendix will be updated if the Manager and the Sub-Investment Manager amends the minimum Taxonomy alignment of the Portfolio.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>

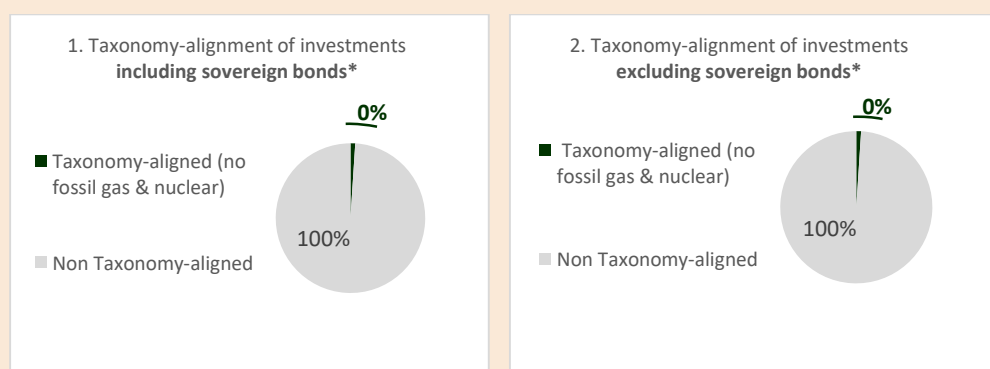
☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulations (EU) 2022/1214.

- **What is the minimum share of investments in transitional and enabling activities?**

N/A – the Portfolio does not commit to holding Taxonomy-aligned investments.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A – the Portfolio does not commit to holding Taxonomy-aligned investments.



**What is the minimum share of socially sustainable investments?**

N/A – the Portfolio does not commit to holding sustainable investments.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

“Other” includes the remaining investments of the Portfolio (including but not limited to any derivatives, any to-be-announced security (TBA) or any security collateralized by a pool of similar assets or receivables listed in the Supplement for the Portfolio above) which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The “Other” section in the Portfolio is held for a number of reasons that the Manager and the Sub-Investment Manager feel will be beneficial to the Portfolio, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover.

As noted above, the Portfolio will be invested in compliance with ESG exclusion policies, on a continuous basis. This ensures that investments made by the Portfolio seek to align with international environmental and social safeguards such as the UNGC Principles, the UNGPs, the OECD Guidelines and the ILO Standards.

The Manager and the Sub-Investment Manager believe that these policies prevent investment in issuers that most egregiously violate environmental and/or social minimum standards and ensures that the Portfolio can successfully promote its environmental and social characteristics.

The above steps ensure that robust environmental and social safeguards are in place.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

N/A – The Portfolio’s benchmark has not been designated as a reference benchmark. Therefore, it is not consistent with the environmental or social characteristics promoted by the Portfolio.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

- **How does the designated index differ from a relevant broad market index?**

N/A

- **Where can the methodology used for the calculation of the designated index be found?**

N/A

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



### **Where can I find more product specific information online?**

Product overviews, factsheets, KIIDs and other literature can be found on the NB website, in our dedicated 'Investment Strategies' section at [www.nb.com](http://www.nb.com).

### **More product-specific information can be found on the website:**

<https://www.nb.com/en/global/esg/reporting-policies-and-disclosures#0A63D195342B424C8C1F115547F2784A>

## SFDR ANNEX

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Neuberger Berman Global Flexible Credit Income Fund (the “Portfolio”)  
**Legal entity identifier:** 5493004BPE0UFYX6FZ81

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> <b>Yes</b>	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ____% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ____%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



### What environmental and/or social characteristics are promoted by this financial product?

As part of the investment process, the Sub-Investment Manager considers a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are considered using a proprietary Neuberger Berman ESG rating system (the “**NB ESG Quotient**”). The NB ESG Quotient is built around the concept of sector specific ESG risk and opportunity, and produces an overall ESG rating for issuers by assessing them against certain ESG metrics.

Foundational to the NB ESG Quotient is the proprietary Neuberger Berman (“**NB**”) materiality matrix, which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk and opportunity for each sector. The NB materiality matrix enables the Sub-Investment Manager to derive the NB ESG Quotient rating, to compare sectors and issuers relative to their environmental and social characteristics.

The Sub-Investment Manager uses the NB ESG Quotient to promote the environmental and social characteristics listed below. Pursuant to this, the Sub-Investment Manager will engage with issuers with a poor NB ESG Quotient with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

The following environmental and social characteristics are promoted, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating:

- **Environmental Characteristics:** biodiversity & responsible land usage; carbon footprint reduction; environmental management; greenhouse gas (“GHG”) emissions; opportunities in clean technologies; opportunities in green building; opportunities in renewable energy; responsible raw material sourcing; responsible & transparent underwriting; toxic emissions & waste; waste management; and water management.
- **Social Characteristics:** access to finance; access to medicines; affordability & fair pricing; business ethics & transparency of government relations; chemical safety; community relations; controversial sourcing; corporate behaviour; drug safety & side effects management; ethical marketing & practices; health & nutrition; health & safety; human capital development; labour management; data privacy & security; product safety & quality; and litigation & related controversy.

Performance in relation to these environmental and social characteristics will be measured through the NB ESG Quotient, and will be reported in aggregate in the Portfolio's mandatory periodic report template (as per the requirements of Article 11 of SFDR).

The NB materiality matrix will evolve over time and all sector specific ESG characteristics included therein are reviewed annually to ensure that the most pertinent sector specific ESG characteristics are captured through the NB materiality matrix. Accordingly, the environmental and social characteristics considered as part of the NB ESG Quotient are subject to change. For the avoidance of doubt, if the environmental or social characteristics considered as part of the NB ESG Quotient change, this pre-contractual disclosure document will be updated accordingly.

Exclusions are also applied (as further set out below) as part of the construction and ongoing monitoring of the Portfolio. These represent additional environmental and social characteristics promoted by the Portfolio.

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Portfolio.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As part of the investment process, the Sub-Investment Manager considers a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Portfolio. These are listed below:

I. The NB ESG Quotient:

The NB ESG Quotient (as explained above) is used to measure the environmental and social characteristics promoted by the Portfolio. Foundational to the NB ESG Quotient is the proprietary NB materiality matrix (as explained above), which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk for each sector. Each sector criteria is constructed using third party and internally derived ESG data and supplemented with internal qualitative analysis, leveraging the Sub-Investment Manager's analyst team's significant sector expertise.

The NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. While the NB ESG Quotient rating of issuers is considered as part of the investment process, there is no minimum NB ESG Quotient rating to be attained by an issuer prior to investment. Pursuant to this, the Sub-Investment Manager will engage with issuers with a poor NB ESG Quotient with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

II. Climate Value-at-Risk:

Climate Value-at-Risk (“CVaR”) measures the exposure to transition and physical climate risks. CVaR is a scenario analysis tool evaluating economic risks under various degree scenarios (i.e., the amount of warming targeted) and potential regulatory environments in varying countries. On a holistic basis the results are evaluated by the Sub-Investment Manager's portfolio managers and analysts. CVaR provides a framework for identifying climate-risk over the long-term to assist in understanding how issuers can shift their operations and risk practices over time. The scenario analysis can serve as a starting point for further bottom-up analysis and identifying potential climate-related risks to address through issuer engagement. Due to data limitations,

CVaR is not applied across all issuers held by the Portfolio and is instead limited to the issuers for which the Sub-Investment Manager has sufficient and reliable data. The analysis from CVaR is reviewed at least once a year.

### III. ESG exclusion policies:

To ensure that the environmental or social characteristics promoted by the Portfolio can be attained, the Portfolio will not invest in securities issued by issuers whose activities breach, or are not consistent with, the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy. In addition to the application of the Neuberger Berman Thermal Coal Involvement Policy, the Sub-Investment Manager will prohibit the initiation of new investment positions in securities issued by issuers that (i) derive more than 25% of their revenue from thermal coal mining; or (ii) are expanding new thermal coal power generation. Furthermore, investments held by the Portfolio will not invest in securities issued by issuers whose activities have been identified as breaching, or are not consistent with, the Neuberger Berman Global Standards Policy which excludes identified violators of (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs and (iv) the ILO Standards. The Portfolio also excludes corporate debt issuers in Emerging Market Countries that are involved in, the tobacco industry and child labour. Further details on these ESG exclusion policies are set out in the "Sustainable Investment Criteria" section of the main body of the Prospectus.

The Sub-Investment Manager will track and report on the performance of the above sustainability indicators namely, (i) the NB ESG Quotient; (ii) the CVaR; and (iii) the adherence to the ESG exclusion lists applied to the Portfolio. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Portfolio and will be included in the Portfolio's mandatory periodic report (as per the requirements of Article 11 of SFDR).

#### ● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A – the Portfolio does not commit to holding sustainable investments.

#### ● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A – the Portfolio does not commit to holding sustainable investments.

#### — — — ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

N/A

#### — — — ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The Portfolio does not commit to holding sustainable investments, however the Sub-Investment Manager will not invest in issuers whose activities have been identified as breaching the OECD Guidelines, the UNGC Principles, the ILO Standards and the UNGPs, captured through the Neuberger Berman Global Standards Policy.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

N/A – The Portfolio does not commit to holding Taxonomy-aligned investments.



**Does this financial product consider principal adverse impacts on sustainability factors?**



Yes, please see below



No

The Sub-Investment Manager will consider the following principal adverse impacts, namely: GHG emissions, carbon footprint, GHG intensity, fossil fuel exposure, board gender diversity, UNGC Principles & OECD Guidelines violations and controversial weapons (the “**Product Level PAIs**”).

The Sub-Investment Manager has utilises third party data and proxy data along with internal research to consider the above Product Level PAIs.

Additionally, the Sub-Investment Manager has conducted a letter campaign where it has written to select corporate issuers asking for direct disclosure on the PAIs in order to offer high-quality disclosures to investors.

The Sub-Investment Manager will continue to work with issuers to encourage disclosure and envisages that the letter campaign will result in wider and more granular data coverage on the PAIs.

The Product Level PAIs that are taken into consideration are subject to there being adequate, reliable and verifiable data coverage for such indicators (in the Sub-Investment Manager's subjective view), and may evolve with improving data quality and availability. Where such data is not available the relevant Product Level PAI will not be considered until such time as the data becomes available. The Sub-Investment Manager will keep the list of Product Level PAIs they consider under active review, as and when data availability and quality improves.

Consideration of the Product Level PAIs by the Sub-Investment Manager will be through a combination of:

- Monitoring the Portfolio, in particular where it falls below the quantitative and qualitative tolerance thresholds set for each Product Level PAI by the Sub-Investment Manager;
- Stewardship and/or setting engagement objectives where the Portfolio falls below the quantitative and qualitative tolerance thresholds set for a Product Level PAI; and
- Application of the ESG exclusion policies referenced above, which includes consideration of several of the Product Level PAIs.

Reporting on consideration of Product Level PAIs will be available in an annex to the annual report of the Portfolio.



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

The investment objective of the Portfolio is to seek to maximise total return from current income and long-term capital appreciation by investing in a diversified mix of global fixed rate and floating rate debt securities, including high income securities. The Portfolio seeks to achieve its investment objective primarily by investing in debt securities and money market instruments, including through the use of FDI, issued by governments and their agencies and corporations worldwide including within Emerging Markets. Securities will typically be dealt or traded on Recognised Markets (as depicted in Annex I of the prospectus) globally without any particular focus on any one industrial sector. Securities may be rated investment grade or below by a Recognised Rating Agency.

The Sub-Investment Manager considers and evaluates ESG characteristics, as an important component of their credit analysis discipline, when making investment decisions. The Sub-Investment Manager utilises the NB ESG Quotient criteria as part of the Portfolio construction and investment management process. As noted above, NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. Pursuant to this, the Sub-Investment Manager will engage with issuers with a poor NB ESG Quotient rating with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

The ESG analysis is performed internally, with the support of third-party data, and is not outsourced.

In addition, credit worthiness is complemented by fundamental analysis aimed at assessing the issuer's financial performance such as revenue/earnings before interest, tax, depreciation, and amortisation ("EBITDA") growth, cash flow growth, capital expenditures, leverage trends and liquidity profile

### ● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

ESG characteristics are considered at three different levels:

#### I. Integrating proprietary ESG analysis:

The NB ESG Quotient ratings are generated for issuers in the Portfolio. The NB ESG Quotient rating for issuers is utilised to help to better identify risks and opportunities in the overall credit and value assessment.

The NB ESG Quotient is a key component of the internal credit ratings and can help to identify business risks (including ESG risks), which would cause deterioration in an issuer's credit profile. Internal credit ratings can be notched up or down based on the NB ESG Quotient rating, and this is monitored by the Sub-Investment Manager as an important component of the investment process for the Portfolio.

By integrating the investment team's proprietary ESG analysis (the NB ESG Quotient) into their internal credit ratings, there is a direct link between their analysis of material ESG characteristics and portfolio construction activities across their strategy.

Pursuant to this, the Sub-Investment Manager will engage with issuers with a poor NB ESG Quotient rating with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

#### II. Engagement:

The Sub-Investment Manager engages directly with management teams of issuers through a robust ESG engagement program. The Sub-Investment Manager views this direct engagement with issuers, as an important part of its investment process (including the investment selection process). Issuers that are not receptive to engagement are less likely to be held (or to continue to be held) by the Portfolio.

This program is focused on in-person meetings and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, the Sub-Investment Manager may set objectives for the issuers to attain. These objectives as well as the issuers' progress with respect to same are monitored and tracked by the Sub-Investment Manager through an internal NB engagement tracker.

In addition, the Sub-Investment Manager will seek to prioritise constructive engagement with issuers which have high impact controversies (such as corporate issuers placed on the Neuberger Berman Global Standards Policy's Watch List (as further detailed in the policy itself)), or which have a poor NB ESG Quotient rating, in order to assess whether those ESG controversies or what the Sub-Investment Manager deems as weak ESG efforts, are being addressed adequately. The success of the Sub-Investment Manager's constructive engagement efforts with issuers will depend on each of the issuer's receptiveness and responsiveness to such engagement.

The Sub-Investment Manager firmly believes this consistent engagement with issuers can help reduce credit risk and promote positive sustainable corporate change. It is an important tool to identify and better understand an issuer's risk factors and performance. The Sub-Investment Manager also uses it to promote change, when necessary, which they believe will result in positive outcomes for creditors and broader stakeholders. Direct engagement when paired with other inputs, creates a feedback loop that allows analysts in the investment team to evolve their ESG scoring process and prioritise risks that are most relevant to a sector.

### III. ESG sectoral exclusion policies:

To ensure that the environmental and social characteristics promoted by the Portfolio can be attained, the Portfolio will apply the ESG exclusion policies referenced above, which places limitations on the investable universe.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

- ***What is the policy to assess good governance practices of the investee companies?***

Governance factors that the Sub-Investment Manager tracks may include: (i) senior management experience and sector expertise; (ii) ownership/board experience and alignment of incentives; (iii) corporate strategy and balance sheet strategy; (iv) financial and accounting strategy & disclosure; and (v) regulatory / legal track record.

Engagement with management is an important component of the Portfolio's investment process, and the Sub-Investment Manager engages directly with management teams of issuers through a robust ESG engagement program. This program is focused on in-person meetings and conference calls to understand risks, opportunities and assess good corporate governance practices of corporate issuers. The Sub-Investment Manager views this direct engagement with issuers, as an important part of its investment process.

While the prioritisation assessment is ongoing, the timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or M&A events that may prevent outreach actions. Ultimately, the Sub-Investment Manager aims to prioritise engagement that is expected, based on the Sub-Investment Manager's subjective analysis, to have a high impact on the protection of and improvement to the value of the Portfolio, be it through the advancement of actionable disclosure, understanding of risks and risk management at an issuer, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities.

The Sub-Investment Manager may take into account other governance factors as appropriate from time to time.

As described above, the Portfolio will only invest in securities issued by issuers whose activities do not breach the Neuberger Berman Global Standards Policy which identifies violators of the (i) UNGC Principles, (ii) OECD Guidelines, (iii) UNGPs, and (iv) ILO Standards.



## What is the asset allocation planned for this financial product?

### Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

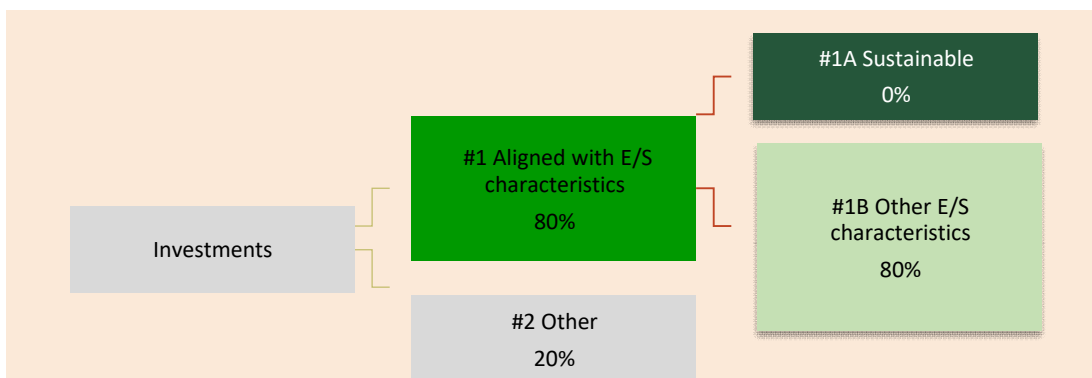
The Portfolio aims to hold a minimum of 80% investments that are aligned with the environmental or social characteristics promoted by the Portfolio. The Portfolio does not commit to holding sustainable investments. The Portfolio aims to hold a maximum of 20% investments that are not aligned with the environmental or social characteristics promoted by the Portfolio and are not sustainable investments, and which fall into the "Other" section of the Portfolio.

The "Other" section in the Portfolio is held for a number of reasons that the Sub-Investment Manager feels will be beneficial to the Portfolio, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover. The "Other" section may also include investments or asset classes for which the Sub-Investment Manager does not have sufficient data to confirm that they are aligned with the environmental or social characteristics promoted by the Portfolio. Further details on the "Other" section are set out below.

Please note that while the Sub-Investment Manager aims to achieve the asset allocation targets outlined above, these figures may fluctuate during the investment period and ultimately, as with any investment target, may not be attained.

The exact asset allocation of this Portfolio will be reported in the Portfolio's mandatory periodic report SFDR template, for the relevant reference period. This will be calculated based on the average of the four quarter ends.

The Sub-Investment Manager has calculated the proportion of investments aligned with the environmental and/or social characteristics promoted by the Portfolio: i) that hold either an NB ESG Quotient rating or a third party equivalent ESG rating that is used as part of the portfolio construction and investment management process of the Portfolio; and/or ii) with whom the Sub-Investment Manager has engaged directly. The calculation is based on a mark-to-market assessment of the Portfolio and may rely on incomplete or inaccurate issuer or third party data.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.



## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

While the Portfolio may use derivatives for efficient portfolio management, investment purposes and/or hedging, it will not use derivatives to promote environmental or social characteristics.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The analysis and disclosure requirements introduced by the EU Taxonomy Regulation are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the Portfolio makes. The Sub-Investment Manager is not committing that the Portfolio will invest in investments that qualify as environmentally sustainable for the purposes of the EU Taxonomy. As such, the minimum proportion of the Portfolio's investments that contribute to environmentally sustainable economic activities for the purposes of the EU Taxonomy will be 0%. It cannot be excluded that some of the Portfolio's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on Taxonomy alignment will develop as the EU framework evolves and data is made available by issuers. The Sub-Investment Manager will keep the extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy under active review as data availability and quality improves.

The disclosure contained in this appendix will be updated if the Sub-Investment Manager amends the minimum Taxonomy alignment of the Portfolio.

### ● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>**

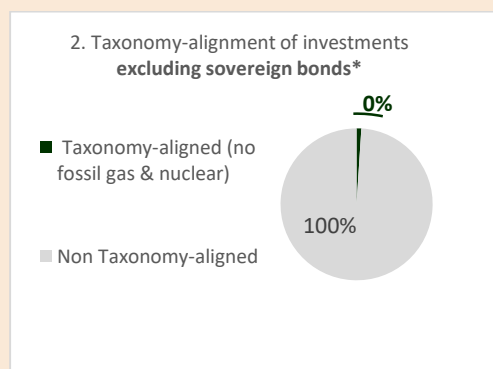
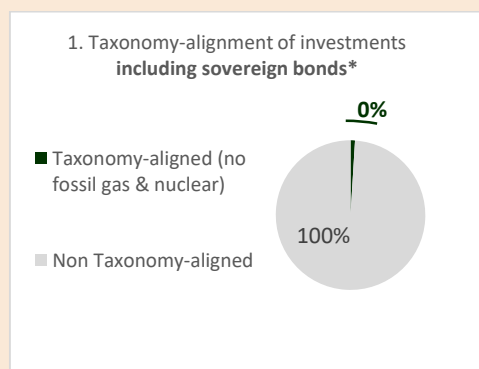
☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulations (EU) 2022/1214.

● **What is the minimum share of investments in transitional and enabling activities?**

N/A – the Portfolio does not commit to holding Taxonomy-aligned investments.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A – the Portfolio does not commit to holding Taxonomy-aligned investments.



**What is the minimum share of socially sustainable investments?**

N/A – the Portfolio does not commit to holding sustainable investments.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

“Other” includes the remaining investments of the Portfolio (including but not limited to any derivatives or any security collateralized by a pool of similar assets or receivables listed in the Supplement for the Portfolio above) which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The “Other” section in the Portfolio is held for a number of reasons that the Sub-Investment Manager feels will be beneficial to the Portfolio, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover.

As noted above, the Portfolio will be invested in compliance with ESG exclusion policies, on a continuous basis. This ensures that investments made by the Portfolio seek to align with international environmental and social safeguards such as the UNGC Principles, the UNGPs, the OECD Guidelines and the ILO Standards.

The Sub-Investment Manager believes that these policies prevent investment in issuers that most egregiously violate environmental and/or social minimum standards and ensures that the Portfolio can successfully promote its environmental and social characteristics.

The above steps ensure that robust environmental and social safeguards are in place.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

N/A – The Portfolio does not use a benchmark.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A

● **How does the designated index differ from a relevant broad market index?**

N/A

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A



**Where can I find more product specific information online?**

Product overviews, factsheets, KIIDs and other literature can be found on the NB website, in our dedicated 'Investment Strategies' section at [www.nb.com](http://www.nb.com).

**More product-specific information can be found on the website:**

<https://www.nb.com/en/global/esg/reporting-policies-and-disclosures#0A63D195342B424C8C1F115547F2784A>

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Neuberger Berman Global Investment Grade Credit Fund (the “Portfolio”)  
**Legal entity identifier:** 549300TIVE0UW3FSBE51

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



Yes



No

☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

As part of the investment process, the Sub-Investment Manager considers a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are considered using a proprietary Neuberger Berman ESG rating system (the “**NB ESG Quotient**”). The NB ESG Quotient is built around the concept of sector specific ESG risk and opportunity, and produces an overall ESG rating for issuers by assessing them against certain ESG metrics.

Foundational to the NB ESG Quotient is the proprietary Neuberger Berman (“**NB**”) materiality matrix, which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk and opportunity for each sector. The NB materiality matrix enables the Sub-Investment Manager to derive the NB ESG Quotient rating, to compare sectors and issuers relative to their environmental and social characteristics.

The Sub-Investment Manager uses the NB ESG Quotient to promote the environmental and social characteristics listed below. Pursuant to this, the Sub-Investment Manager will engage with issuers with a poor NB ESG Quotient with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

The following environmental and social characteristics are promoted, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating:

- **Environmental Characteristics:** biodiversity & responsible land usage; carbon footprint reduction; environmental management; greenhouse gas (“GHG”) emissions; opportunities in clean technologies; opportunities in green building; opportunities in renewable energy; responsible raw material sourcing; responsible & transparent underwriting; toxic emissions & waste; waste management; and water management.
- **Social Characteristics:** access to finance; access to medicines; affordability & fair pricing; business ethics & transparency of government relations; chemical safety; community relations; controversial sourcing; corporate behaviour; drug safety & side effects management; ethical marketing & practices; health & nutrition; health & safety; human capital development; labour management; data privacy & security; product safety & quality; and litigation & related controversy.

Performance in relation to these environmental and social characteristics will be measured through the NB ESG Quotient, and will be reported in aggregate in the Portfolio’s mandatory periodic report template (as per the requirements of Article 11 of SFDR).

The NB materiality matrix will evolve over time and all sector specific ESG characteristics included therein are reviewed annually to ensure that the most pertinent sector specific ESG characteristics are captured through the NB materiality matrix. Accordingly, the environmental and social characteristics considered as part of the NB ESG Quotient are subject to change. For the avoidance of doubt, if the environmental or social characteristics considered as part of the NB ESG Quotient change, this pre-contractual disclosure document will be updated accordingly.

Exclusions are also applied (as further set out below) as part of the construction and ongoing monitoring of the Portfolio. These represent additional environmental and social characteristics promoted by the Portfolio.

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Portfolio.

### ● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As part of the investment process, the Sub-Investment Manager considers a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Portfolio. These are listed below:

#### I. The NB ESG Quotient:

The NB ESG Quotient (as explained above) is used to measure the environmental and social characteristics promoted by the Portfolio. Foundational to the NB ESG Quotient is the proprietary NB materiality matrix (as explained above), which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk for each sector. Each sector criteria is constructed using third party and internally derived ESG data and supplemented with internal qualitative analysis, leveraging the Sub-Investment Manager’s analyst team’s significant sector expertise.

The NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. While the NB ESG Quotient rating of issuers is considered as part of the investment process, there is no minimum NB ESG Quotient rating to be attained by an issuer prior to investment. Pursuant to this, the Sub-Investment Manager will engage with issuers with a poor NB ESG Quotient with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

#### II. Climate Value-at-Risk:

Climate Value-at-Risk (“CVaR”) measures the exposure to transition and physical climate risks. CVaR is a scenario analysis tool evaluating economic risks under various degree scenarios (i.e., the amount of warming targeted) and potential regulatory environments in varying countries. On a holistic basis the results are evaluated by the Sub-Investment Manager’s portfolio managers and analysts. CVaR provides a framework for identifying climate-risk over the long-term to assist in understanding how issuers can shift their operations and risk practices over time. The scenario analysis can serve as a starting point for further bottom-up analysis and identifying potential climate-related risks to address through issuer engagement. Due to data limitations, CVaR is not applied across all issuers held by the Portfolio and is instead limited to the

issuers for which the Sub-Investment Manager has sufficient and reliable data. The analysis from CVaR is reviewed at least once a year.

### III. ESG exclusion policies:

To ensure that the environmental or social characteristics promoted by the Portfolio can be attained, the Portfolio will not invest in securities issued by issuers whose activities breach, or are not consistent with, the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy. In addition to the application of the Neuberger Berman Thermal Coal Involvement Policy, the Sub-Investment Manager will prohibit the initiation of new investment positions in securities issued by issuers that (i) derive more than 25% of their revenue from thermal coal mining; or (ii) are expanding new thermal coal power generation. Furthermore, investments held by the Portfolio will not invest in securities issued by issuers whose activities have been identified as breaching, or are not consistent with, the Neuberger Berman Global Standards Policy which excludes identified violators of (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs and (iv) the ILO Standards. Further details on these ESG exclusion policies are set out in the “Sustainable Investment Criteria” section of the main body of the Prospectus.

The Sub-Investment Manager will track and report on the performance of the above sustainability indicators namely, (i) the NB ESG Quotient; (ii) the CVaR; and (iii) the adherence to the ESG exclusion lists applied to the Portfolio. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Portfolio and will be included in the Portfolio's mandatory periodic report (as per the requirements of Article 11 of SFDR).

#### ● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A – the Portfolio does not commit to holding sustainable investments.

#### ● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A – the Portfolio does not commit to holding sustainable investments.

#### — — — ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

N/A

#### — — — ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The Portfolio does not commit to holding sustainable investments, however the Sub-Investment Manager will not invest in issuers whose activities have been identified as breaching the OECD Guidelines, the UNGC Principles, the ILO Standards and the UNGPs, captured through the Neuberger Berman Global Standards Policy.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

N/A – The Portfolio does not commit to holding Taxonomy-aligned investments.



### Does this financial product consider principal adverse impacts on sustainability factors?



Yes, please see below



No

The Sub-Investment Manager will consider the following principal adverse impacts, namely: GHG emissions, carbon footprint, GHG intensity, fossil fuel exposure, board gender diversity, UNGC Principles & OECD Guidelines violations and controversial weapons (the “**Product Level PAIs**”).

The Sub-Investment Manager has utilises third party data and proxy data along with internal research to consider the above Product Level PAIs.

Additionally, the Sub-Investment Manager has conducted a letter campaign where it has written to select corporate issuers asking for direct disclosure on the PAIs in order to offer high-quality disclosures to investors.

The Sub-Investment Manager will continue to work with issuers to encourage disclosure and envisages that the letter campaign will result in wider and more granular data coverage on the PAIs.

The Product Level PAIs that are taken into consideration are subject to there being adequate, reliable and verifiable data coverage for such indicators (in the Sub-Investment Manager's subjective view), and may evolve with improving data quality and availability. Where such data is not available the relevant Product Level PAI will not be considered until such time as the data becomes available. The Sub-Investment Manager will keep the list of Product Level PAIs they consider under active review, as and when data availability and quality improves.

Consideration of the Product Level PAIs by the Sub-Investment Manager will be through a combination of:

- Monitoring the Portfolio, in particular where it falls below the quantitative and qualitative tolerance thresholds set for each Product Level PAI by the Sub-Investment Manager;
- Stewardship and/or setting engagement objectives where the Portfolio falls below the quantitative and qualitative tolerance thresholds set for a Product Level PAI; and
- Application of the ESG exclusion policies referenced above, which includes consideration of several of the Product Level PAIs.

Reporting on consideration of Product Level PAIs will be available in an annex to the annual report of the Portfolio.



## What investment strategy does this financial product follow?

The investment objective of the Portfolio is to aim to achieve a target average return of 1% over the Benchmark, the Bloomberg Global Aggregate Corporate Index (Total Return, Hedged USD), before fees over a market cycle (typically 3 years) from investing primarily in investment grade corporate fixed income securities globally. The Portfolio will invest primarily in investment grade fixed income securities issued by corporations, which have their head office or exercise an overriding part of their economic activity in OECD countries.

The Sub-Investment Manager considers and evaluates ESG characteristics, as an important component of their credit analysis discipline, when making investment decisions. The Sub-Investment Manager utilises the NB ESG Quotient criteria as part of the Portfolio construction and investment management process. As noted above, NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. Pursuant to this, the Sub-Investment Manager will engage with issuers with a poor NB ESG Quotient rating with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

The ESG analysis is performed internally, with the support of third-party data, and is not outsourced.

In addition, credit worthiness is complemented by fundamental analysis aimed at assessing the issuer's financial performance such as revenue/earnings before interest, tax, depreciation, and amortisation ("EBITDA") growth, cash flow growth, capital expenditures, leverage trends and liquidity profile.

### ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

ESG characteristics are considered at three different levels:

#### **I. Integrating proprietary ESG analysis:**

The NB ESG Quotient ratings are generated for issuers in the Portfolio. The NB ESG Quotient rating for issuers is utilised to help to better identify risks and opportunities in the overall credit and value assessment.

The NB ESG Quotient is a key component of the internal credit ratings and can help to identify business risks (including ESG risks), which would cause deterioration in an issuer's credit profile. Internal credit ratings can be notched up or down based on the NB ESG Quotient rating, and this is monitored by the Sub-Investment Manager as an important component of the investment process for the Portfolio.

By integrating the investment team's proprietary ESG analysis (the NB ESG Quotient) into their internal credit ratings, there is a direct link between their analysis of material ESG characteristics and portfolio construction activities across their strategy.

Pursuant to this, the Sub-Investment Manager will engage with issuers with a poor NB ESG Quotient rating with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

#### **II. Engagement:**

The Sub-Investment Manager engages directly with management teams of issuers through a robust ESG engagement program. The Sub-Investment Manager views this direct engagement with issuers, as an important part of its investment process (including the investment selection process). Issuers that are not receptive to engagement are less likely to be held (or to continue to be held) by the Portfolio.

This program is focused on in-person meetings and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, the Sub-Investment Manager may set objectives for the issuers to attain. These objectives as well as the issuers' progress with respect to same are monitored and tracked by the Sub-Investment Manager through an internal NB engagement tracker.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

In addition, the Sub-Investment Manager will seek to prioritise constructive engagement with issuers which have high impact controversies (such as corporate issuers placed on the Neuberger Berman Global Standards Policy's Watch List (as further detailed in the policy itself)), or which have a poor NB ESG Quotient rating, in order to assess whether those ESG controversies or what the Sub-Investment Manager deems as weak ESG efforts, are being addressed adequately. The success of the Sub-Investment Manager's constructive engagement efforts with issuers will depend on each of the issuer's receptiveness and responsiveness to such engagement.

The Sub-Investment Manager firmly believes this consistent engagement with issuers can help reduce credit risk and promote positive sustainable corporate change. It is an important tool to identify and better understand an issuer's risk factors and performance. The Sub-Investment Manager also uses it to promote change, when necessary, which they believe will result in positive outcomes for creditors and broader stakeholders. Direct engagement when paired with other inputs, creates a feedback loop that allows analysts in the investment team to evolve their ESG scoring process and prioritise risks that are most relevant to a sector.

### III. ESG sectoral exclusion policies:

To ensure that the environmental and social characteristics promoted by the Portfolio can be attained, the Portfolio will apply the ESG exclusion policies referenced above, which places limitations on the investable universe.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

- ***What is the policy to assess good governance practices of the investee companies?***

Governance factors that the Sub-Investment Manager tracks may include: (i) senior management experience and sector expertise; (ii) ownership/board experience and alignment of incentives; (iii) corporate strategy and balance sheet strategy; (iv) financial and accounting strategy & disclosure; and (v) regulatory / legal track record.

Engagement with management is an important component of the Portfolio's investment process, and the Sub-Investment Manager engages directly with management teams of issuers through a robust ESG engagement program. This program is focused on in-person meetings and conference calls to understand risks, opportunities and assess good corporate governance practices of corporate issuers. The Sub-Investment Manager views this direct engagement with issuers, as an important part of its investment process.

While the prioritisation assessment is ongoing, the timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or M&A events that may prevent outreach actions. Ultimately, the Sub-Investment Manager aims to prioritise engagement that, based on the Sub-Investment Manager's subjective analysis, is expected to have a high impact on the protection of and improvement to the value of the Portfolio, be it through the advancement of actionable disclosure, understanding of risks and risk management at an issuer, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities.

The Sub-Investment Manager may take into account other governance factors as appropriate from time to time.

As described above, the Portfolio will only invest in securities issued by issuers whose activities do not breach the Neuberger Berman Global Standards Policy which identifies violators of the (i) UNGC Principles, (ii) OECD Guidelines, (iii) UNGPs, and (iv) ILO Standards.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

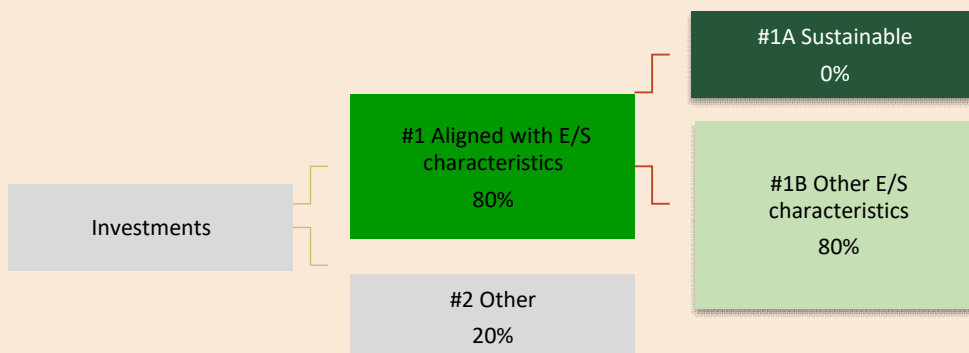
The Portfolio aims to hold a minimum of 80% investments that are aligned with the environmental or social characteristics promoted by the Portfolio. The Portfolio does not commit to holding sustainable investments. The Portfolio aims to hold a maximum of 20% investments that are not aligned with the environmental or social characteristics promoted by the Portfolio and are not sustainable investments, and which fall into the "Other" section of the Portfolio.

The "Other" section in the Portfolio is held for a number of reasons that the Sub-Investment Manager feels will be beneficial to the Portfolio, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover. The "Other" section may also include investments or asset classes for which the Sub-Investment Manager does not have sufficient data to confirm that they are aligned with the environmental or social characteristics promoted by the Portfolio. Further details on the "Other" section are set out below.

Please note that while the Sub-Investment Manager aims to achieve the asset allocation targets outlined above, these figures may fluctuate during the investment period and ultimately, as with any investment target, may not be attained.

The exact asset allocation of this Portfolio will be reported in the Portfolio's mandatory periodic report SFDR template, for the relevant reference period. This will be calculated based on the average of the four quarter ends.

The Sub-Investment Manager has calculated the proportion of investments aligned with the environmental and/or social characteristics promoted by the Portfolio: i) that hold either an NB ESG Quotient rating or a third party equivalent ESG rating that is used as part of the portfolio construction and investment management process of the Portfolio; and/or ii) with whom the Sub-Investment Manager has engaged directly. The calculation is based on a mark-to-market assessment of the Portfolio and may rely on incomplete or inaccurate issuer or third party data.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

## ● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

While the Portfolio may use derivatives for hedging and/or efficient portfolio management, it will not use derivatives to promote environmental or social characteristics.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The analysis and disclosure requirements introduced by the EU Taxonomy Regulation are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the Portfolio makes. The Sub-Investment Manager is not committing that the Portfolio will invest in investments that qualify as environmentally sustainable for the purposes of the EU Taxonomy. As such, the minimum proportion of the Portfolio's investments that contribute to environmentally sustainable economic activities for the purposes of the EU Taxonomy will be 0%. It cannot be excluded that some of the Portfolio's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on Taxonomy alignment will develop as the EU framework evolves and data is made available by issuers. The Sub-Investment Manager will keep the extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy under active review as data availability and quality improves.

The disclosure contained in this appendix will be updated if the Sub-Investment Manager amends the minimum Taxonomy alignment of the Portfolio.

## ● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>

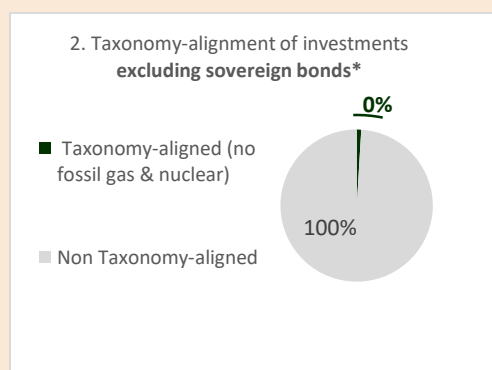
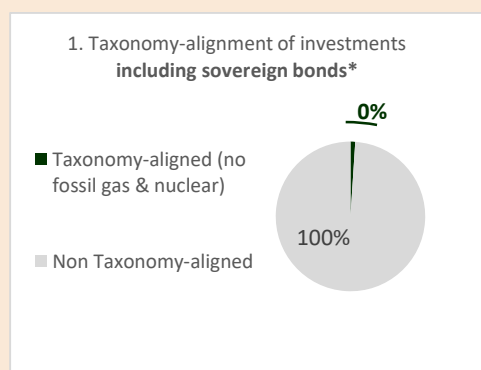
☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

## ● What is the minimum share of investments in transitional and enabling activities?

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulations (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

N/A – the Portfolio does not commit to holding Taxonomy-aligned investments.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

N/A – the Portfolio does not commit to holding Taxonomy-aligned investments.



**What is the minimum share of socially sustainable investments?**

N/A – the Portfolio does not commit to holding sustainable investments.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

“Other” includes the remaining investments of the Portfolio (including but not limited to any derivatives or any security collateralized by a pool of similar assets or receivables listed in the Supplement for the Portfolio above) which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The “Other” section in the Portfolio is held for a number of reasons that the Sub-Investment Manager feels will be beneficial to the Portfolio, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover.

As noted above, the Portfolio will be invested in compliance with ESG exclusion policies, on a continuous basis. This ensures that investments made by the Portfolio seek to align with international environmental and social safeguards such as the UNGC Principles, the UNGPs, the OECD Guidelines and the ILO Standards.

The Sub-Investment Manager believes that these policies prevent investment in issuers that most egregiously violate environmental and/or social minimum standards and ensures that the Portfolio can successfully promote its environmental and social characteristics. The above steps ensure that robust environmental and social safeguards are in place.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

N/A – The Portfolio's benchmark has not been designated as a reference benchmark. Therefore, it is not consistent with the environmental or social characteristics promoted by the Portfolio.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A



**Where can I find more product specific information online?**

Product overviews, factsheets, KIIDs and other literature can be found on the NB website, in our dedicated 'Investment Strategies' section at [www.nb.com](http://www.nb.com).

**More product-specific information can be found on the website:**

<https://www.nb.com/en/global/esg/reporting-policies-and-disclosures#0A63D195342B424C8C1F115547F2784A>