

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)

## **NEUBERGER BERMAN CLO INCOME FUND**

### **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 Neuberger Berman CLO Income Fund, which is a separate portfolio of the Company**

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## DEFINITIONS

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

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Business Day</b>                     | a day (except Saturday or Sunday) on which the relevant financial markets in London and New York are open for business;                                                                                                                                                                                                                                                                         |
| <b>Dealing Day</b>                      | (i) every second Thursday, as specified on a calendar of dealing days available on the website of the Sub-Investment Manager or, if such second Thursday is not a Business Day, the following Business Day; and / or<br><br>(ii) any other day which the Directors have determined, subject to advance notice to all Shareholders and provided there is at least one Dealing Day per fortnight; |
| <b>Dealing Deadline</b>                 | 3.00 pm (Irish time) six (6) Business Days before 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 4.30 pm (Irish time) six (6) Business Days before the relevant Dealing Day;                                                                           |
| <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 the Portfolio, provided that such time shall always be after the Dealing Deadline;                                                                                                                                                                                            |
| <b>Portfolio</b>                        | the Neuberger Berman CLO Income Fund; and                                                                                                                                                                                                                                                                                                                                                       |
| <b>Sub-Investment Manager</b>           | 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.                                                                                                                                                  |

## INVESTMENT RISKS

Investment in the Portfolio carries certain risks, which are described in the “*Investment Risks*” section of the Prospectus and in the “*Risks*” section 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 Portfolio will achieve its objective.

|                                                                     |                                     |
|---------------------------------------------------------------------|-------------------------------------|
|                                                                     | Neuberger Berman<br>CLO Income Fund |
| <b><u>1. Risks Related to Fund Structure</u></b>                    | ✓                                   |
| <b><u>2. Operational Risks</u></b>                                  | ✓                                   |
| <b><u>3. Market Risks</u></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 Debt Countries' 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 Portfolio shall be declared on or prior to the last Business Day of each month and paid within three Business Days thereafter; and
- each of the other Distributing Classes in the Portfolio shall be declared on a quarterly basis and paid within 30 Business Days thereafter.

## SUBSCRIPTIONS

Subscriptions for Shares in all available Classes in the Portfolio 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.

Subscriptions in the Portfolio will only be accepted as subscriptions for Shares of a cash value. Subscriptions for specific numbers of Shares will not be accepted.

The Initial Offer Period shall run from 9.00 am on the Business Day following the date of this Supplement 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 Classes shall be as follows:

|                     |                        |                      |
|---------------------|------------------------|----------------------|
| AUD Classes: AUD 10 | EUR Classes: EUR 10    | NOK Classes: NOK 100 |
| CAD Classes: CAD 10 | GBP Classes: GBP 10    | SEK Classes: SEK 100 |
| CHF Classes: CHF 10 | HKD Classes: HKD 10    | SGD Classes: SGD 20  |
| DKK Classes: DKK 50 | JPY Classes: JPY 1,000 | USD Classes: USD 10  |

Thereafter, 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.

As disclosed in the “*Subscriptions*” section of the Prospectus, the Company may, in its sole discretion, reject any subscription in whole or in part without reason. Investors should also note that the Directors have determined not to accept any subscriptions in specie into the Portfolio.

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.

For the avoidance of doubt, no Shares will be available in BRL, CLP, CNY, ILS, NZD, or ZAR-denominated Classes.

## REDEMPTIONS

As disclosed in the “*Redemptions*” section of the Prospectus, if on any Dealing Day outstanding redemption requests from all Shareholders in the Portfolio total more than 10% of the Shares in issue on such Dealing Day (the “**Redemption Ceiling**”), the Company shall be entitled, in its discretion, to refuse to redeem such number of Shares in that series in excess of the Redemption Ceiling on that Dealing Day, as the Directors shall determine.

If the Company refuses to redeem Shares for this reason, all requests for redemption on such Dealing Day shall be reduced rateably and the Shares to which each request relates which are not redeemed on that Dealing Day shall be redeemed on each subsequent Dealing Day in accordance with the provisions of the Articles until all the Shares of the series to which the original requests related have been redeemed, provided always that in no case will the Company be obliged to redeem Shares of a particular series in excess of the Redemption Ceiling on any Dealing Day.

Shareholders may request that Shares be redeemed on any Dealing Day by completing and submitting a Redemption Application to the Administrator in accordance with the procedures set out in the Prospectus. Redemption Applications will generally not be accepted after the Dealing Deadline. Redemption Applications received after the Dealing Deadline will be held over until the next applicable Dealing Day, unless the Directors determine in their sole discretion, in exceptional circumstances and where such Redemption Applications are received before the relevant Valuation Point, to accept such Redemption Applications on the relevant Dealing Day.

Shares will be redeemed at the applicable Net Asset Value per Share on the Dealing Day as of which the redemption is effected, subject to any applicable fees associated with such redemption. Subject to any provisions contained in the "*Redemptions*" section of the Prospectus, distributions in respect of redemptions will be paid in full (on the basis of unaudited data) in the applicable Class Currency of the Shares being redeemed within three (3) Business Days after the relevant Dealing Day. All payments will be made by transfer to the bank account previously designated by Shareholders for such purpose.

## NEUBERGER BERMAN CLO 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 Portfolio will not use FDI extensively or primarily for investment purposes.**

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### Investment Objective

The Portfolio aims to achieve a target average return of 4-5% over the Benchmark (as specified in the “*Benchmark*” section below) before fees over a market cycle (typically 3 years or over) by investing primarily in USD and EUR denominated floating rate collateralised loan obligations (“**CLO**”) mezzanine debt securities and also in US high yield debt securities which are listed or traded on Recognised Markets.

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.

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### Investment Approach

The Sub-Investment Manager will aim to achieve the Portfolio’s investment objective through a disciplined investment process, which seeks to identify CLO mezzanine debt securities which are backed by an underlying portfolio of loans with a higher portfolio score, as described in more detail below, under the “*CLO Security Portfolio Review*” heading.

A CLO is a type of asset backed security supported by interest and principal payments generated from a pool of non-investment grade loan and debt instruments. The issue of CLO securities involves a form of securitisation, where principal and interest payments from multiple corporate loans and debt instruments are pooled together, packaged into securities in various tranches. A CLO security is a securitised asset.

The pools of loans and debt instruments are managed by a collateral manager appointed by the CLO. The collateral manager is responsible for selecting the loans and debt instruments to be purchased and sold and for determining the timing of such purchases and sales in accordance with the CLO’s governing documents.

CLOs typically issue securities in three tranches, each of which offers distinct risk and return profiles. Each tranche varies in terms of the priority and rate at which its holders will be paid out when income is received by the CLO, from the underlying loans. The senior tranche securities will receive income in priority to all other tranches but will receive the lowest rate, while the most junior tranche will not receive any income payment but will benefit from any increases in the value of the pool of underlying loans and will bear the primary risk of defaults in this pool. In order of priority of receipt of income, the tranches are: senior, mezzanine and equity tranches. Mezzanine notes are typically issued by a CLO with original ratings ranging from A/A2 to B-/B3.

The Portfolio will hold mezzanine notes and so will receive income only after payments to the CLO’s senior notes have been made in full. Additionally, if an individual CLO’s coverage ratio and/or portfolio tests are not met, cash flow that would otherwise have been available to apply towards the mezzanine notes may instead be used to redeem senior notes and/or purchase additional collateral. This may result in the deferral, reduction or elimination to interest and/or principal due to the holders of mezzanine notes. The Portfolio will not have recourse against a CLO for any such deferral, reduction or elimination made in accordance with the terms of a CLO’s structuring documents. The Sub-Investment Manager’s review of the CLO incorporates detailed scenario analysis which will include the assessment of the CLO’s coverage ratio tests and the potential impact on the CLO’s expected cash flows. An individual CLO’s coverage ratio serves to preserve the collective value of the CLO’s underlying portfolio of loans for the benefit of debt investors at the expense of the equity investors in case of a certain level of credit stress in the underlying loan portfolio.

In constructing the portfolio, the Sub-Investment Manager will undertake the following:

1. A fundamental credit review of the individual, underlying loan holdings in CLO portfolios, utilising the expertise of the Sub-Investment Manager;
2. A detailed analysis of the collateral managers of each CLO, in terms of the quality of the manager’s personnel and resources, historical investment performance and investment style;

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3. A detailed review of the CLOs' structure and documentation; and
  4. An assessment of the general CLO market.

#### **CLO Security Portfolio Review**

The Sub-Investment Manager will review the individual loan holdings in any CLO security's portfolio to assign a portfolio score to each CLO. Portfolio scores are created through an assessment of a number of factors including the credit quality of the individual loan holdings in the portfolio, the size and liquidity of the loan holdings, the structural protections and risk assessments. By way of example, higher credit quality of the individual loan holdings in the portfolio, a larger size and higher liquidity, increased structural protection and more robust risk assessments; will contribute to a higher portfolio score for a CLO.

The structural protections inherent in CLO securities consist of overcollateralization. The level of overcollateralization for CLO mezzanine debt securities in which the Portfolio will invest will exceed the Sub Investment Manager's expectations of losses in the underlying loan portfolios, even in stressed scenarios.

Risk assessment is part of the portfolio review, in which the Sub Investment Manager will assess the level of default risk, market risk, correlation risk, industry risk or other risk factors that it determines may negatively affect the portfolio. The manager of the CLO is also assessed for potential risks, such as past performance, conflicts of interest, or key-person risk, as described in greater detail under "*CLO Manager Review*" below. The Sub Investment Manager may seek to manage these risks by requiring additional restrictions to be included in the governing documentation pertaining to the CLO securities.

The Sub-Investment Manager will undertake ongoing monitoring of the CLO security's portfolio. The CLO security's portfolio scores are updated on a monthly basis, as updated information for the underlying loan portfolios becomes available. In times of volatility the review of the underlying portfolio of loans may be undertaken more frequently to capture intra-month price movements in the underlying loans.

#### **CLO Manager Review**

The Sub-Investment Manager will conduct in-depth reviews of the manager of every CLO it invests in as well as most other CLO managers in the market and will monitor each CLO manager, their issued securities and the underlying portfolio of loans and associated performance on an ongoing basis. Reviews include a full examination of the CLO manager's investment team, resources and systems.

Portfolio and performance monitoring focuses on manager style, portfolio construction and trading strategy and the consistency of these over time. CLO manager reviews will generally include ongoing due diligence in the form of a call or meeting at least twice per year.

During reviews and examinations of managers the Sub-Investment Manager's team focuses on several key items, including: (i) ensuring that the manager is not overly reliant on one or two key individuals (key man risk); (ii) whether the manager has an effective credit analyst team in place; (iii) whether the CLO and/or the manager has a stable ownership structure / capital backing; (iv) the quality of systems used by the manager; and (v) how compliance testing is undertaken and whether there is an alignment of interest between the manager and the investors in the CLOs that it manages.

#### **CLO Structure and Documentation**

In assessing which CLO securities to select as investments for the Portfolio, the Sub-Investment Manager will conduct a detailed analysis of the CLO's structure and documentation. The Sub-Investment Manager utilises its experience in structuring and managing CLOs to identify what it believes to be the key differentiating elements (positive or negative) in any CLO's documents and incorporates those elements into its overall investment decision. Key differentiating elements include:

- the ability of individual CLO structures to withstand stress scenarios as a result of the protection offered by the CLO's credit enhancement and coverage ratio tests (Credit enhancement typically takes the form of excess collateral in the underlying loan portfolio to ensure repayment of the CLO debt securities);
- the flexibility afforded to the manager of the CLO with respect to the risk profile of the underlying loan portfolio under the governing documents and how this impacts each tranche of the CLO's securities (e.g. the Sub-Investment Manager may take a negative view of wide discretion being afforded to the manager of the CLO in respect of the quality of loans that the CLO will hold as collateral, and therefore may avoid holding such

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securities); and

- concentration limits inherent within the structure with regards to the portfolio of underlying loans and its associated credit risk.

The US Dollar-denominated CLO securities in which the Portfolio will invest will be issued by CLOs which will be incorporated in the Cayman Islands and the Euro-denominated CLO securities in which the Portfolio will invest will be issued by CLOs which will be incorporated in Ireland or the Netherlands. CLOs have an independent board of directors, auditor, and established trustee whose duties are outlined in the governing documents.

It is the Sub-Investment Manager's belief that the CLO's documentation can be a critical aspect of investor protection in periods of market stress.

#### **Assessment of the CLO Market**

The Sub-Investment Manager makes ongoing relative value determinations with respect to the pricing of any offered CLO securities. These relative value determinations are based on many factors, including but not limited to market volumes, market trends and relative pricing levels.

Participation in the market and evaluation of investments gives the Sub-Investment Manager an insight into how the market is pricing certain risks and how that may be evolving. Additionally, market factors such as expected net supply of CLO securities, regulatory changes, investor dynamics and the expected outlook for the loan market factor into the Sub-Investment Manager's perception of relative value and where it believes the CLO market may be heading.

#### **Portfolio Construction**

CLO securities may be offered for sale through two means: (i) primary market (i.e. the direct, initial offering of securities by a CLO), which has a long settlement period than can be up to 25 days and (ii) secondary market (i.e. the normal purchase and sale of CLO securities on markets following their initial issue by the CLO), which will settle in two days, in line with the normal cycle for debt instruments. The opportunities for investment in CLO securities sourced in the primary markets and the speed at which the Portfolio will be able to invest in such CLO securities will be dependent on primary market volumes as well as the Sub-Investment Manager's credit assessment of primary deal flow coming to market at any particular moment. Where the Sub-Investment Manager invests in CLO securities through the primary market, the Portfolio will not have to pay for the securities until the end of the relevant settlement period and so the Sub-Investment Manager may utilise the Portfolio's assets which will be used to pay for the CLO securities to invest in US high yield debt securities and / or collective investment schemes that are themselves exposed to US high yield debt securities (each as described in the "*Instruments / Asset Classes*" section below), while waiting for the CLO securities to settle.

Therefore, by making such investments, the Sub-Investment Manager may have at times a greater exposure to US high yield securities and/or cash as the Sub-Investment Manager seeks to achieve its desired target portfolio mix for the Portfolio (typically 80% of Net Asset Value invested in CLO securities and 20% in US high yield debt securities). The Sub-Investment Manager expects to reduce the Portfolio's exposure to high yield debt securities over time and use the proceeds realised from this reduction to invest in further CLO securities.

In respect of its investments in the high yield securities, the Sub-Investment Manager will attempt to maintain a portfolio that is typically diversified across issuers, industry sectors and maturities. The Sub-Investment Manager will seek to capitalise on market opportunities in areas of the high yield market which the Sub-Investment Manager believes are undervalued (based its fundamental analysis of these areas relative to prices of securities in these areas) and which will therefore generate added value.

The Sub-Investment Manager seeks to construct a portfolio of CLO securities that is well diversified across individual managers and industry exposures. Typically individual CLO or high yield positions will not exceed 5% of the Net Asset Value of the Portfolio, except in certain circumstances where the Sub-Investment Manager is of the opinion that it would be of benefit to the Portfolio to hold in excess of 5% of the Net Asset Value.

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. It is not expected that the majority of the Portfolio's assets will be components of the Benchmark. While the Portfolio may acquire securities which are components of the

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|------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    |  | Benchmark, it will not do so because of their inclusion in the Benchmark.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Benchmark</b>                   |  | <p>ICE BofA US Dollar 3-Month Deposit Offered Rate Constant Maturity 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>               |  | U.S. Dollars (USD).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Instruments / Asset Classes</b> |  | <p>The Portfolio will invest in the instruments and asset classes described in this section which may be issued and listed or traded on Recognised Markets globally and will invest mainly in CLO debt securities and US high yield fixed income securities. The Portfolio can invest in or be exposed to the following types of assets.</p> <p><b>Fixed Income (Debt Securities).</b> These securities may include:</p> <ul style="list-style-type: none"> <li>• CLO mezzanine floating rate debt, typically rated Baa3 or lower;</li> <li>• Both fixed and floating rate debt securities, including bonds, issued by governments, government related and corporate entities worldwide denominated in local currencies;</li> <li>• Corporate bonds, bonds with warrants, convertible bonds, bonds resulting from the restructuring of syndicated loans or bank loans (e.g. "Brady" bonds), subordinated bonds, debentures and notes (including freely transferable and unleveraged structured notes and freely transferable promissory notes);</li> <li>• 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); and</li> <li>• Deferred payment debt securities (securities which pay regular interest after a predetermined date), zero coupon securities that are rated below investment-grade (often referred to as "junk bonds") and payment-in-kind bonds (which are bonds that pay interest in the form of additional bonds of the same kind).</li> </ul> <p><b>Money Market Instruments.</b> The Portfolio may also invest on an ancillary basis in money market instruments including 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 or below by Recognised Rating Agencies or are unrated.</p> <p><b>Collective Investment Schemes.</b> In addition, the Portfolio may invest in collective investment schemes which are themselves exposed to investments that are similar to the Portfolio's other investments. Such collective investment schemes may be managed by the Manager and/or Sub-Investment Manager or its affiliates and will comply with the requirements of the UCITS Regulations in respect of such investments. They may be domiciled in Relevant Jurisdictions or the United States of America, will qualify as UCITS or AIF schemes and will be regulated as such by their home state regulator.</p> <p>Collective investment schemes 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 collective investment funds measure their global exposure.</p> <p><b>Financial Derivative Instruments ("FDI").</b> FDI will be used for hedging and/or efficient portfolio management and subject to the conditions and limits imposed by the Central Bank as set out in the Prospectus and this Supplement:</p> <ul style="list-style-type: none"> <li>• Swaps, currency swaps, interest rate swaps, UCITS eligible indices swaps and total return swaps in respect of each of the other types of assets in which the Portfolio may</li> </ul> |

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invest, as described in this “*Instruments/Asset Classes*” section, may be used to obtain exposure to the broad short duration, high yield fixed income market, pending investment in the securities described above and 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%;

- Future contracts based on interest rates, fixed income securities, UCITS eligible bond indices may be used to hedge interest rate risk inherent in the portfolio; and
- Forwards on fixed income securities and 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 Portfolio 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 as listed above to achieve a rate of return greater than the market. The bond indices utilised as FDI for hedging purposes will be broad-based, UCITS-eligible indices which provide exposure to the performance of bonds and details of such bond indices pertaining to the instruments utilised by the Portfolio will be contained in the annual report of the Company.

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

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#### Investment Restrictions

- There are no restrictions on the average maturity of the Portfolio or the maturity of any single instrument. Maturities may vary widely depending on the Sub-Investment Manager’s assessment of interest rate trends and other economic and market factors.
- A maximum of 10% of the Net Asset Value of the Portfolio may be invested in securities issued any single securities issuer.
- A maximum of 20% of the Net Asset Value of the Portfolio may be invested in securities managed by a single CLO manager (including its affiliates).
- Any cash held by the Portfolio will be held solely as an ancillary liquid asset.
- 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 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 “*Risks relating to Collateralised Loan Obligations*” 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 Sub-Investment Manager will use forward currency contracts in order to hedge currency risk.
  - Due to the risk that settlement of transactions in CLO securities may be lengthy and/or delayed, the Portfolio may temporarily allocate cash inflows to high yield debt securities before settlement takes place and the Portfolio may therefore be proportionately less exposed to CLOs at certain times following large subscriptions.
  - 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.
  - The Portfolio may become subject to investment restrictions relating to risk retention requirements under the European STS Securitisation Regulation (EU 2017/2402) that may affect the availability of eligible CLOs in which the Portfolio may invest, as, following the effective date of this regulation, the Portfolio may only invest in CLOs if the originator, sponsor or original lender of the CLO has explicitly disclosed that it retains, on an on-going basis, a material net economic interest in the CLO of at least 5 per cent.
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- There is a risk that the CLO securities may be subject to deferral/accrual of interest in the event of high levels of default among the relevant underlying loan portfolio.

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

This Portfolio is classified as an Article 6 Portfolio under SFDR. This Portfolio integrates Sustainability Risks into its investment process but does not promote environmental or social characteristics nor does it have a sustainable investment objective.

When determining the initial security selection, the Sub-Investment Manager will not invest in loans issued by CLO managers whose underlying portfolio of loans have been identified as breaching (i) the Global Standards Policy; (ii) the Controversial Weapons Policy; and (iii) the Thermal Coal Involvement Policy.

The Sub-Investment Manager will monitor the application of the above exclusions. However, the Sub-Investment Manager cannot exercise discretion over the underlying portfolio of loans managed by the CLO managers. Where elements of the underlying portfolio of loans are identified as violating the above exclusions, the Sub-Investment Manager seeks to engage with the relevant CLO manager(s).

Further details on this screening/exclusion policy is set out in the "Sustainable Investment Criteria" section of the Prospectus.

The Sub-Investment Manager exercises portfolio management discretion in the selection of CLO managers. However, the Sub-Investment Manager cannot exercise discretion over the underlying portfolio of loans. As a result, the Sub-Investment Manager focuses on engaging with CLO managers to actively improve their ESG processes, provide feedback on ESG frameworks and offer guidance in the event that the Sub-Investment Manager identifies loans (in the underlying portfolio of loans) that have financially material ESG risks.

As part of engagement with CLO managers, due diligence questionnaires are requested to be completed that seek to ascertain the sophistication, integration and importance that ESG factors have in CLO portfolio management. Based on the feedback provided in the questionnaires, the team may seek to encourage a CLO manager to adopt certain changes to their investment process or reduce the Portfolio's exposure to such CLO manager.

The Portfolio utilises the NB ESG Quotient to assess underlying portfolio of loans. These internal credit ratings are notched up or down depending on the issuer's ESG profile.

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 an investor seeking to increase the value of their investment over a long term time horizon, through investment in an actively managed, diversified range of CLO instruments. Investors need to be comfortable with the risks associated with the Portfolio and its investments, particularly the potential for illiquidity of CLO securities in times of market stress. The investor should be prepared to accept periods of market volatility and the risks of capital markets in the pursuit of long term goals, given the ability of the Portfolio to invest in predominantly CLO mezzanine debt and/or below investment grade securities.

#### **Fees and Expenses**

| Category                 | Maximum Initial Charge | Maximum Management Fee | Distribution Fee |
|--------------------------|------------------------|------------------------|------------------|
| A, X, Y                  | 5.00%                  | 1.50%                  | 0.00%            |
| B, C2, E                 | 0.00%                  | 1.50%                  | 1.00%            |
| C1                       | 0.00%                  | 1.80%                  | 1.00%            |
| C                        | 0.00%                  | 1.00%                  | 1.00%            |
| D, I, I1, I2, I3, I4, I5 | 0.00%                  | 0.75%                  | 0.00%            |
| M                        | 2.00%                  | 1.50%                  | 0.60%            |
| P                        | 5.00%                  | 0.71%                  | 0.00%            |
| T                        | 5.00%                  | 1.80%                  | 0.00%            |
| U                        | 3.00%                  | 1.13%                  | 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.