

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.

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)

SUSTAINABLE EQUITY 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 SUSTAINABLE EQUITY FUND

NEUBERGER BERMAN EUROPEAN SUSTAINABLE EQUITY 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.

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Definitions

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

Business Day	with respect to each Portfolio, a day (except Saturday or Sunday) on which the relevant financial markets in London and New York are open for business;
Dealing Day	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;
Dealing Deadline	11.00 am (Irish time) on the relevant Dealing Day in respect of each Portfolio. 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;
Net Asset Value Calculation Time	10.00 pm (Irish time) on the relevant Dealing Day or such other time as the Directors may determine in respect of a Portfolio;
Portfolios	the Neuberger Berman Global Sustainable Equity Fund and the Neuberger Berman European Sustainable Equity Fund;
SFDR Annex	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; and
Sub-Investment Manager	with respect to the Neuberger Berman Global Sustainable Equity Fund and the Neuberger Berman European Sustainable Equity 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 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 Sustainable Equity Fund	Neuberger Berman European Sustainable Equity Fund
<u>1. Risks Related to Fund Structure</u>	✓	✓
<u>2. Operational Risks</u>	✓	✓
<u>3. Market Risks</u>	✓	✓
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		
<u>3.a Market Risks: Risks Relating To Debt Securities</u>		
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		
<u>3.b Market Risks: Risks Relating To Emerging Market Countries</u>		
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		
<u>4. Liquidity Risks</u>	✓	✓
<u>5. Finance-Related Risks</u>	✓	✓
<u>6. Risks Related To Financial Derivative Instruments</u>	✓	✓
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; and
- each of the other Distributing Classes in the other Portfolios shall be declared on an annual basis and paid within 30 Business Days thereafter in relation to the Net Income of the Distributing Classes for the calendar year ended the previous 31 December.

Subscriptions and Redemptions

Subscriptions for Shares in all Classes of 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 Sustainable Equity Fund

An investment in the Portfolio should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should note that the Portfolio may achieve its investment objective by investing in FDI as described below. The Portfolio will not use FDI extensively or primarily for investment purposes.

Investment Objective

The Portfolio aims to achieve a minimum excess annualised return of 2% over the Benchmark (as specified in the “*Benchmark*” section below) before fees over a 3-5 year investment horizon from investing primarily in a portfolio of global equity holdings that comply with the Sustainable Criteria (as set out in the Prospectus).

Investors should note that the target return is not guaranteed over the investment horizon, a 12-month or any period and the Portfolio’s capital is at risk. Investors should also note that, over the course of the investment horizon, 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.

Investment Approach

The Portfolio will seek to achieve its objective by investing primarily in equity securities that are listed or traded on Recognised Markets globally (which may include Emerging Market Countries) and issued by companies across all market capitalisations and industrial sectors. The Portfolio will invest primarily in equity securities issued by companies whose behaviours, processes and operations contribute to system-level progress towards environmental and social objectives, such as: access to healthcare, sustainable consumption (which is the use of products, energy and services so as to minimise the environmental impact of such use) and conscious consumers, access to information and the digital revolution, energy transition and industrial innovation, resource efficiency, human capital development, fintech and financial inclusion (which is the availability and equality of opportunities to access financial services).

In seeking to achieve the Portfolio’s investment objective, the Manager invests in high quality companies, which (i) provide attractive sustainable products or services, (ii) demonstrate a commitment to sustainability in their operations, and (iii) are economically competitive, as described in greater detail below. The Manager will pursue an investment process which will embed analysis of “best in class” companies within an investment universe of listed equity securities issued by companies primarily from developed market countries globally, from both a financial and an ESG perspective as detailed below. The financial and ESG analysis will enable the Manager to evaluate and identify companies that are deemed “best in class” in terms of their performance on financial and ESG factors.

- Financial analysis: the Manager will consider companies that it believes have an enduring competitive advantage, i.e. a position within their relevant market which enables them to defend and grow their market share, returns and assets. This part of the investment process includes significant analysis of the value chain within which these companies operate, to determine which are the most enduring, profitable and attractive segments. The Manager believes these enduring advantages are demonstrated through best in class product offerings, technological advancements, patent protection and cost leadership. This should be reflected in companies’ having a record of financial success through highly resilient and attractive cash flow return on invested capital (CFROI) relative to their cost of capital; strong business momentum, as reflected in a structural growth of the asset base driven by the size and growth of their total addressable markets; low leverage and therefore resilient balance sheets; good accounting quality; strong management with financial incentives which are fully aligned to long term business model success; and these characteristics should be on offer for an attractive long term valuation perspective. The Manager conducts in-person and on-line management meetings with members of senior management of the relevant companies to assess these business metrics, any direction of change and the quality of the management team.

- ESG analysis: the Manager will first exclude companies from the investment universe that are involved in controversial activities and behaviour, such as the production of controversial weapons, fur manufacturers, gambling, alcohol, nuclear power or non-compliance with the UNGC Principles. The application of the Enhanced Sustainable Exclusion Policy, as such terms are defined within the “*Sustainable Investment Criteria*”

section of the Prospectus, also means that companies involved in tobacco, civilian firearms, private prisons and fossil fuels will also be excluded.

The Manager will then exclude companies from the investment universe that show poorly on their overall ESG assessment (measured using third party ratings). The third party ratings and the NB ESG Quotient will consider the environmental and social characteristics listed in the SFDR Annex. The Manager will also ensure that securities representing at least 90% of the Net Asset Value of the Portfolio are covered by this assessment.

Through the above ESG exclusionary steps, the Manager will exclude at least 20% of components of the investment universe.

The Manager will conduct in-depth research of companies' ESG profiles, which includes analysis to support the selection of universe constituents that positively contribute to environmental and social outcomes through their operations, practices and behaviour, or through their products and services.

Each company that is retained following the above analysis will then go through an optimisation of risk process, whereby each security's contribution to the total risk budget in relation to its upside potential, correlation and volatility features and predictability of the business models will be assessed in order to build a concentrated global portfolio typically in the range of 40-60 stocks, reflecting high convictions, value chain diversification and strong resilience of business models.

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 "*Investment Restrictions*" section below. This deviation may be significant. Under normal market conditions, the Manager would anticipate that the tracking error would be within the range of 2 – 6%.

Investors should note that this Portfolio seeks to apply the Sustainable Exclusion Policy that has been adopted by the Manager along with the application of the exclusions set out in the Enhanced Sustainable Exclusion Policy, as such terms are defined within the "*Sustainable Investment Criteria*" section of the Prospectus. Investors should refer to the information contained in that section and the SFDR Annex for further details about the application of both the Sustainable Exclusion Policy and Enhanced Sustainable Exclusion Policy to the Portfolio.

Benchmark	<p>The MSCI World Index (Total Return, Net of Tax, USD) is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed markets.</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>
Base Currency	US Dollars (USD).
Instruments / Asset Classes	<p>The Portfolio will invest primarily in equity securities issued by issuers in any sector globally. The Portfolio can invest in or be exposed to the following types of assets.</p> <p>Equity and Equity-linked Securities. These securities may include, without limitation, common stock, preferred stock, rights, warrants (which will be received as a result of a corporate actions or acquired in the secondary market), convertible preferred stock and American, European and Global Depository Receipts, which are securities issued by a financial institution which evidence ownership interests in a security or a pool of securities deposited with the financial institution. A secondary market offering is a registered offering of a large block of a security that has been previously issued to the public.</p> <p>Equity Real Estate Investment Trusts ("REITs"). REITs are companies or trusts that pool investor money and invest mainly in income producing real estate, although it should be noted that the Portfolio will not acquire any real estate directly. REITs may invest in a diverse range of real estate properties or may specialise in a particular type of property. The REITs which the Portfolio will invest in may be based globally but will give exposure</p>

to underlying properties located in Emerging Market Countries. They will invest the majority of their assets directly in real property and derive their income from rents and capital gains from appreciation realised through property sales.

Money Market Instruments. In addition, the Portfolio may also invest on an ancillary basis in cash and cash equivalents including certificates of deposits, treasury deposits.

Collective Investment Schemes. The Portfolio may invest in collective investment schemes which are themselves exposed to investments that are similar to the Portfolio's investments in equity securities, as described above, provided that the Portfolio may not invest in other collective investment schemes which themselves invest more than 10% of its Net Asset Value in other collective investment schemes. Such collective investment schemes 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 collective investment schemes in which the Portfolio may invest will be eligible collective investment schemes in accordance with the Central Bank's rules, which may be domiciled in Relevant Jurisdictions and will qualify as UCITS or non-UCITS schemes and will be regulated as such by their home state regulator.

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 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 collective investment schemes measure their global exposure.

Financial Derivative Instruments ("FDIs"). Subject to the conditions and limits imposed by the Central Bank as set out in the Prospectus and in this Supplement, the Portfolio may use 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 this Supplement:

- Futures contracts on equity securities and currencies may be used to hedge or to gain an increase in the value of securities of the types described above;
- Options on indices and equity securities may be used to achieve a profit as well as to hedge existing long positions;
- Equity swaps may be used to achieve a profit as well as to hedge existing long positions; and
- Forward contracts and currency options may be used to achieve a profit as well as to hedge existing long currency exposures.

The Portfolio can invest up to 100% of its Net Asset Value in futures contracts to gain exposure to an increase in the value of a security, currency or deposit in order to make temporary adjustments arising from subscription and redemption transactions, provide liquidity and/or to hedge currency risk.

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 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.

Any indices to which exposure is taken through FDI will be broad-based, UCITS-eligible indices which provide exposure to the performance of the types of assets in which the Portfolio may invest, as described in this "*Instruments/Asset Classes*" section. Where exposure is gained to a particular index or indices through the use of any of the FDI outlined above, additional information on the relevant index or indices (including information on the rebalancing frequency of the relevant index) shall be made available in the annual reports of the Company.

Investment Restrictions

- The Portfolio may expose up to 10% of its Net Asset Value in aggregate to the performance of other collective investment schemes which will comply with both the “*Investment Restrictions*” section of the Prospectus and the UCITS Regulations.
- The Portfolio may not hold in excess of 10% of its Net Asset Value in cash.
- The Portfolio’s overweight exposure to a particular Global Industry Classification Standard (GICS)[®] economic sector, relative to the Benchmark, may not exceed 5% of its Net Asset Value.
- The Portfolio’s over or underweight exposure to countries relative to the Benchmark will not exceed 15% of its Net Asset Value.
- The Portfolio may invest up to a maximum of 10% of its Net Asset Value in Emerging Market Countries’ equities.
- The Portfolio will not invest more than 10% of its net asset value in REITs.
- The Portfolio may invest up to a maximum of 10% of its Net Asset Value in warrants.
- The Portfolio will not utilise securities lending, repurchase and reverse repurchase agreements 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. Investors should read and consider the entire “*Investment Risks*” section of the Prospectus. The risks summarised in under “*Concentration Risk*”, within the “*Market Risks*” section, are particularly relevant to the 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 Manager may use future foreign currency exchange contracts in order to hedge some currency risk.
- The Portfolio may have or may be expected to have medium to high volatility due to its investment policies or portfolio management techniques.
- 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 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.**

The Portfolio invests in securities that meet the Manager’s criteria set out in the Sustainable Exclusion Policy and excludes securities prohibited by the Enhanced Sustainable Exclusion Policy, as detailed in the “*Sustainable Investment Criteria*” section of the Prospectus.

The Manager applies the Sustainable Criteria, which are aligned to enhanced industry sustainable standards. This allows the Portfolio to focus on potential investments that feature strong sustainability qualities such as sustainable behaviour, sustainable solution providers and ESG integration in their businesses.

Through the financial and ESG analysis outlined in the “*Investment Approach*” section above, the investment universe is aligned with the ESG characteristics (as detailed in the SFDR Annex) promoted by the Portfolio.

The investment universe is specifically created by the Manager to meet and deliver the ESG characteristics (as detailed in the SFDR Annex) promoted by the Portfolio. To achieve this the Manager applies a two-step process to the investment universe to ensure that it consists of securities which meet the Sustainable Criteria.

The Manager will first exclude companies from the investment universe that are involved in controversial activities and behaviour, such as the production of controversial weapons, fur manufacturers, gambling, alcohol, nuclear power or non-compliance with the UNGC

Principles. The application of the Enhanced Sustainable Exclusion Policy also means that companies involved in tobacco, civilian firearms, private prisons and fossil fuels will also be excluded.

The Manager will then exclude companies from the investment universe that show poorly on their overall ESG assessment (measured using third party ratings). The third party ratings and the NB ESG Quotient will consider the environmental and social characteristics listed in the SFDR Annex. The Manager will also ensure that securities representing at least 90% of the Net Asset Value of the Portfolio are covered by this assessment.

Through the above ESG exclusionary steps, the Manager will exclude at least 20% of components of the investment universe.

In addition, as part of the investment process, the Manager considers a variety of environmental and social characteristics, as detailed in the “*Investment Approach*” section above. The Neuberger Berman Global Sustainable Equity (“GSE”) Team within the Manager prefers to analyse the world looking through a “*Value Chain Lens*”. This lens allows the GSE Team to view and understand sustainability issues from multiple perspectives via a bottom-up ESG assessment, to better understand the role of technological developments and disruptions, to identify the full playing field of competitive forces in a value chain and to select the winners from those dynamics. This lens helps the GSE Team to positively select transition winners based on their durable competitive positions, ‘do no significant harm’ profiles and adaptation abilities. The Value Chain Lens captures most of the daily economic activities: how the economy is powered, how people stay healthy, consume and pay for or finance their activities and also how the future enterprise is evolving. Sustainability issues are complex and the GSE Team’s Value Chain Lens provides a distinctive and effective approach to differentiate between perspectives and supports the holistic thinking needed to analyse these. This is important as sustainability captures both environmental and social issues which can be seen as interrelated, parts of wider meta-problems or interlocking crises. The GSE Team has defined five value chains: Energy Transition, Access to Healthcare, Conscious Consumer, FinTech and Financial Inclusion and Digital Enterprise which are considered as part of their bottom-up ESG assessment.

One of the data inputs for the bottom-up ESG assessment of companies is the NB ESG Quotient. The NB ESG Quotient is built around the concept of sector specific ESG risk. Foundational to the NB ESG Quotient is the NB materiality matrix, which focuses on the ESG characteristics that are considered to be the most material drivers of ESG risk for each sector. The NB materiality matrix enables the Manager to derive the NB ESG Quotient rating, to compare companies relative to their environmental and social characteristics.

The Manager also applies the Global Standards Policy which prevents investment in companies that most egregiously violate environmental and/or social minimum standards.

Additionally, the Portfolio will not invest in companies that derive more than 5% of their revenue from fur and specialty leather manufacturers or military contractors.

This allows the Portfolio to drive strong, continually improving performance on material environmental and social factors which contribute to a more sustainable world.

In aiming to align the Portfolio with a net-zero goal, the Manager intends to have at least 90% of the Portfolio’s Net Asset Value invested in companies with Science-Based Target initiative (“SBTi”)¹ validated targets (or equivalent as assessed by Neuberger Berman’s net-zero sector alignment methodology, which conforms with the IIGCC target setting guidance²) by 2030 and to reach 100% of the Portfolio’s Net Asset Value by 2050. Additionally, the Portfolio must reduce its carbon footprint across scope 1, 2, and material

¹ The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature which enables companies to set science-based emissions reduction targets.

² The IIGCC created the Net Zero Investment Framework to assist asset owners and asset managers to develop net zero investment strategies or to fulfil the requirements of net zero commitments. The IIGCC’s target setting guidance is a component of the Net Zero Investment Framework.

scope 3 GHG emissions³, by a minimum of 30% by 2030 relative to a 2019 baseline and a subsequent decline to net zero by 2050. The 2019 baseline may be subject to re-calculation as data quality and disclosure expands over time, particularly with respect to scope 3 emissions.

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 capital appreciation over a medium-to-long term horizon. The investor should be prepared to accept periods of market volatility and the risks of the stock market in pursuit of long-term goals.

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%	0.78%	1.00%
D, I, I1, I2, I3, I4, I5	0.00%	0.60%	0.00%
M	2.00%	1.50%	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%

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, or the 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%

³ Scope 1 emissions: are direct emissions from an issuer's owned or controlled sources (such as emissions created directly by the issuer's business processes or from vehicles owned by the issuer). Scope 2 emissions: are indirect emissions from the generation of electricity, steam, heating and cooling consumed by the issuer. Scope 3 emissions: are all other indirect emissions that occur in an issuer's value chain (such as emissions from products or services consumed by the issuer, disposal of its waste, employee commuting, distribution and transport of its products or its investments).

Neuberger Berman European Sustainable Equity Fund

An investment in the Portfolio should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should note that the Portfolio may achieve its investment objective by investing in FDI as described below. The Portfolio will not use FDI extensively or primarily for investment purposes.

Investment Objective

The Portfolio aims to achieve a minimum excess annualised return of 2% over the Benchmark (as specified in the “*Benchmark*” section below) before fees over a 3-5 year investment horizon from investing primarily in a portfolio of European equity holdings that comply with the Sustainable Criteria (as set out in the Prospectus).

Investors should note that the target return is not guaranteed over the investment horizon, a 12-month or any period and the Portfolio’s capital is at risk. Investors should also note that, over the course of the investment horizon, 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.

Investment Approach

The Portfolio will seek to achieve its objective by investing primarily in equity securities that are listed or traded on Recognised Markets in Europe (which may include Emerging Market Countries) and issued by companies across all market capitalisations and industrial sectors. The Portfolio will invest primarily in equity securities issued by companies whose behaviours, processes and operations contribute to system-level progress towards environmental and social objectives, such as: access to healthcare, sustainable consumption (which is the use of products, energy and services so as to minimise the environmental impact of such use) and conscious consumers, access to information and the digital revolution, energy transition and industrial innovation, resource efficiency, human capital development, fintech and financial inclusion (which is the availability and equality of opportunities to access financial services).

In seeking to achieve the Portfolio’s investment objective, the Manager invests in high quality companies, which (i) provide attractive sustainable products or services, (ii) demonstrate a commitment to sustainability in their operations, and (iii) are economically competitive, as described in greater detail below. The Manager will pursue an investment process which will embed analysis of “best in class” companies within an investment universe of listed equity securities issued by companies primarily from developed market countries in Europe, from both a financial and an ESG perspective as detailed below. The financial and ESG analysis will enable the Manager to evaluate and identify companies that are deemed “best in class” in terms of their performance on financial and ESG factors.

- Financial analysis: the Manager will consider companies that it believes have an enduring competitive advantage, i.e. a position within their relevant market which enables them to defend and grow their market share, returns and assets. This part of the investment process includes significant analysis of the value chain within which these companies operate, to determine which are the most enduring, profitable and attractive segments. The Manager believes these enduring advantages are demonstrated through best in class product offerings, technological advancements, patent protection and cost leadership. This should be reflected in companies’ having a record of financial success through highly resilient and attractive cash flow return on invested capital (CFROI) relative to their cost of capital; strong business momentum, as reflected in a structural growth of the asset base driven by the size and growth of their total addressable markets; low leverage and therefore resilient balance sheets; good accounting quality; strong management with financial incentives which are fully aligned to long term business model success; and these characteristics should be on offer for an attractive long term valuation perspective. The Manager conducts in-person and on-line management meetings with members of senior management of the relevant companies to assess these business metrics, any direction of change and the quality of the management team.

- ESG analysis: the Manager will first exclude companies from the investment universe that are involved in controversial activities and behaviour, such as the production of controversial weapons, fur manufacturers, gambling, alcohol, nuclear power or non-compliance with the UNGC Principles. The application of the Enhanced Sustainable Exclusion Policy, as such terms are defined within the “Sustainable Investment Criteria” section of the Prospectus, also means that companies involved in tobacco, civilian firearms, private prisons and fossil fuels will also be excluded.

The Manager will then exclude companies from the investment universe that show poorly on their overall ESG assessment (measured using third party ratings). The third party ratings and the NB ESG Quotient will consider the environmental and social

characteristics listed in the SFDR Annex. The Manager will also ensure that securities representing at least 90% of the Net Asset Value of the Portfolio are covered by this assessment.

Through the above ESG exclusionary steps, the Manager will exclude at least 20% of components of the investment universe.

The Manager will conduct in-depth research of companies' ESG profiles, which includes analysis to support the selection of universe constituents that positively contribute to environmental and social outcomes through their operations, practices and behaviour, or through their products and services.

Each company that is retained following the above analysis will then go through an optimisation of risk process, whereby each security's contribution to the total risk budget in relation to its upside potential, correlation and volatility features and predictability of the business models will be assessed in order to build a concentrated portfolio typically in the range of 30-50 stocks, reflecting high convictions, value chain diversification and strong resilience of business models.

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 "*Investment Restrictions*" section below. This deviation may be significant. Under normal market conditions, the Manager would anticipate that the tracking error would be within the range of 2 – 6%.

Investors should note that this Portfolio seeks to apply the Sustainable Exclusion Policy that has been adopted by the Manager along with the application of the exclusions set out in the Enhanced Sustainable Exclusion Policy, as such terms are defined within the "*Sustainable Investment Criteria*" section of the Prospectus. Investors should refer to the information contained in that section and the SFDR Annex for further details about the application of both the Sustainable Exclusion Policy and Enhanced Sustainable Exclusion Policy to the Portfolio.

Benchmark

The MSCI Europe Index (Total Return, Net of Tax, EUR) is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed markets in Europe.

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

Euro (EUR).

Instruments / Asset Classes

The Portfolio will invest primarily in equity securities issued by issuers located in or carrying out the major part of their activities in Europe in any industrial sector in Europe. The Portfolio can invest in or be exposed to the following types of assets.

Equity and Equity-linked Securities. These securities may include, without limitation, common stock, preferred stock, rights, warrants (which will be received as a result of a corporate actions or acquired in the secondary market), convertible preferred stock and American, European and Global Depositary Receipts, which are securities issued by a financial institution which evidence ownership interests in a security or a pool of securities deposited with the financial institution. A secondary market offering is a registered offering of a large block of a security that has been previously issued to the public.

Equity Real Estate Investment Trusts ("REITs"). REITs are companies or trusts that pool investor money and invest mainly in income producing real estate, although it should be noted that the Portfolio will not acquire any real estate directly. REITs may invest in a diverse range of real estate properties or may specialise in a particular type of property. The REITs which the Portfolio will invest in may be based in Europe but will give exposure to underlying properties located in Emerging Market Countries. They will invest the majority of their assets directly in real property and derive their income from rents and capital gains from appreciation realised through property sales.

Money Market Instruments. In addition, the Portfolio may also invest on an ancillary basis in cash and cash equivalents including certificates of deposits, treasury deposits.

Collective Investment Schemes. The Portfolio may invest in collective investment schemes which are themselves exposed to investments that are similar to the Portfolio's

investments in equity securities, as described above, provided that the Portfolio may not invest in other collective investment schemes which themselves invest more than 10% of its Net Asset Value in other collective investment schemes. Such collective investment schemes 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 collective investment schemes in which the Portfolio may invest will be eligible collective investment schemes in accordance with the Central Bank's rules, which may be domiciled in Relevant Jurisdictions and will qualify as UCITS or non-UCITS schemes and will be regulated as such by their home state regulator.

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 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 collective investment schemes measure their global exposure.

Financial Derivative Instruments ("FDIs"). Subject to the conditions and limits imposed by the Central Bank as set out in the Prospectus and in this Supplement, the Portfolio may use 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 this Supplement:

- Futures contracts on equity securities and currencies may be used to hedge or to gain an increase in the value of securities of the types described above;
- Options on indices and equity securities may be used to achieve a profit as well as to hedge existing long positions;
- Equity swaps may be used to achieve a profit as well as to hedge existing long positions; and
- Forward contracts and currency options may be used to achieve a profit as well as to hedge existing long currency exposures.

The Portfolio can invest up to 100% of its Net Asset Value in futures contracts to gain exposure to an increase in the value of a security, currency or deposit in order to make temporary adjustments arising from subscription and redemption transactions, provide liquidity and/or to hedge currency risk.

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 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.

Any indices to which exposure is taken through FDI will be broad-based, UCITS-eligible indices which provide exposure to the performance of the types of assets in which the Portfolio may invest, as described in this "*Instruments/Asset Classes*" section. Where exposure is gained to a particular index or indices through the use of any of the FDI outlined above, additional information on the relevant index or indices (including information on the rebalancing frequency of the relevant index) shall be made available in the annual reports of the Company.

Investment Restrictions

- The Portfolio may expose up to 10% of its Net Asset Value in aggregate to the performance of other collective investment schemes which will comply with both the "*Investment Restrictions*" section of the Prospectus and the UCITS Regulations.
- The Portfolio may not hold in excess of 10% of its Net Asset Value in cash.
- The Portfolio's overweight exposure to a particular Global Industry Classification Standard (GICS)[®] economic sector, relative to the Benchmark, may not exceed 5% of its Net Asset Value.
- The Portfolio's over or underweight exposure to countries relative to the Benchmark will not exceed 15% of its Net Asset Value.
- The Portfolio may invest up to a maximum of 10% of its Net Asset Value in Emerging Market Countries' equities.

- The Portfolio will not invest more than 10% of its net asset value in REITs.
- The Portfolio may invest up to a maximum of 10% of its Net Asset Value in warrants.
- The Portfolio will not utilise securities lending, repurchase and reverse repurchase agreements 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. Investors should read and consider the entire “*Investment Risks*” section of the Prospectus. The risks summarised in under “*Concentration Risk*”, within the “*Market Risks*” section, are particularly relevant to the 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 Manager may use future foreign currency exchange contracts in order to hedge some currency risk.
- The Portfolio may have or may be expected to have medium to high volatility due to its investment policies or portfolio management techniques.
- 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 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.**

The Portfolio invests in securities that meet the Manager’s criteria set out in the Sustainable Exclusion Policy and excludes securities prohibited by the Enhanced Sustainable Exclusion Policy, as detailed in the “*Sustainable Investment Criteria*” section of the Prospectus.

The Manager applies the Sustainable Criteria, which are aligned to enhanced industry sustainable standards. This allows the Portfolio to focus on potential investments that feature strong sustainability qualities such as sustainable behaviour, sustainable solution providers and ESG integration in their businesses.

Through the financial and ESG analysis outlined in the “*Investment Approach*” section above, the investment universe is aligned with the ESG characteristics (as detailed in the SFDR Annex) promoted by the Portfolio.

The investment universe is specifically created by the Manager to meet and deliver the ESG characteristics (as detailed in the SFDR Annex) promoted by the Portfolio. To achieve this, the Manager applies a two-step process to the investment universe to ensure that it consists of securities which meet the Sustainable Criteria.

The Manager will first exclude companies from the investment universe that are involved in controversial activities and behaviour, such as the production of controversial weapons, fur manufacturers, gambling, alcohol, nuclear power or non-compliance with the UNGC Principles. The application of the Enhanced Sustainable Exclusion Policy also means that companies involved in tobacco, civilian firearms, private prisons and fossil fuels will also be excluded.

The Manager will then exclude companies from the investment universe that show poorly on their overall ESG assessment (measured using third party ratings). The third party ratings and the NB ESG Quotient will consider the environmental and social characteristics listed in the SFDR Annex. The Manager will also ensure that securities representing at least 90% of the Net Asset Value of the Portfolio are covered by this assessment.

Through the above ESG exclusionary steps, the Manager will exclude at least 20% of components of the investment universe.

In addition, as part of the investment process, the Manager considers a variety of environmental and social characteristics, as detailed below. The Neuberger Berman Global Sustainable Equity (“GSE”) Team within the Manager prefers to analyse the world

looking through a “*Value Chain Lens*”. This lens allows the GSE Team to view and understand sustainability issues from multiple perspectives via a bottom-up ESG assessment, to better understand the role of technological developments and disruptions, to identify the full playing field of competitive forces in a value chain and to select the winners from those dynamics. This lens helps the GSE Team to positively select transition winners based on their durable competitive positions, ‘do no significant harm’ profiles and adaptation abilities. The Value Chain Lens captures most of the daily economic activities: how the economy is powered, how people stay healthy, consume and pay for or finance their activities and also how the future enterprise is evolving. Sustainability issues are complex and the GSE Team’s Value Chain Lens provides a distinctive and effective approach to differentiate between perspectives and supports the holistic thinking needed to analyse these. This is important as sustainability captures both environmental and social issues which can be seen as interrelated, parts of wider meta-problems or interlocking crises. The GSE Team has defined five value chains: Energy Transition, Access to Healthcare, Conscious Consumer, FinTech and Financial Inclusion and Digital Enterprise which are considered as part of their bottom-up ESG assessment.

One of the data inputs for the bottom-up ESG assessment of companies is the NB ESG Quotient. The NB ESG Quotient is built around the concept of sector specific ESG risk. Foundational to the NB ESG Quotient is the NB materiality matrix, which focuses on the ESG characteristics that are considered to be the most material drivers of ESG risk for each sector. The NB materiality matrix enables the Manager to derive the NB ESG Quotient rating, to compare companies relative to their environmental and social characteristics.

The Manager also applies the Global Standards Policy which prevents investment in companies that most egregiously violate environmental and/or social minimum standards.

Additionally, the Portfolio will not invest in companies that derive more than 5% of their revenue from fur and specialty leather manufacturers or military contractors.

This allows the Portfolio to drive strong, continually improving performance on material environmental and social factors which contribute to a more sustainable world.

In aiming to align the Portfolio with a net-zero goal, the Manager intends to have at least 90% of the Portfolio’s Net Asset Value invested in companies with Science-Based Target initiative (“**SBTi**”)¹ validated targets (or equivalent as assessed by Neuberger Berman’s net-zero sector alignment methodology, which conforms with the IIGCC target setting guidance²) by 2030 and to reach 100% of the Portfolio’s Net Asset Value by 2050. Additionally, the Portfolio must reduce its carbon footprint across scope 1, 2, and material scope 3 GHG emissions³, by a minimum of 30% by 2030 relative to a 2019 baseline and a subsequent decline to net zero by 2050. The 2019 baseline may be subject to recalculation as data quality and disclosure expands over time, particularly with respect to scope 3 emissions.

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 capital appreciation over a medium-to-long term horizon. The investor should be prepared to accept periods of market volatility and the risks of the stock market in pursuit of long-term goals.

¹ The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature which enables companies to set science-based emissions reduction targets.

² The IIGCC created the Net Zero Investment Framework to assist asset owners and asset managers to develop net zero investment strategies or to fulfil the requirements of net zero commitments. The IIGCC’s target setting guidance is a component of the Net Zero Investment Framework.

³ Scope 1 emissions: are direct emissions from an issuer’s owned or controlled sources (such as emissions created directly by the issuer’s business processes or from vehicles owned by the issuer). Scope 2 emissions: are indirect emissions from the generation of electricity, steam, heating and cooling consumed by the issuer. Scope 3 emissions: are all other indirect emissions that occur in an issuer’s value chain (such as emissions from products or services consumed by the issuer, disposal of its waste, employee commuting, distribution and transport of its products or its investments).

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%	0.78%	1.00%
D, I, I1, I2, I3, I4, I5	0.00%	0.60%	0.00%
M	2.00%	1.50%	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%

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 or the 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%

SFDR Annexes

1. NEUBERGER BERMAN GLOBAL SUSTAINABLE EQUITY FUND
2. NEUBERGER BERMAN EUROPEAN SUSTAINABLE EQUITY 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 Sustainable Equity Fund (the “Portfolio”)

Legal entity identifier: 549300XRT8BVEN8P0A74

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes		<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No	
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : ____%	<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 checked="" type="checkbox"/> 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 50% of sustainable investments	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective : ____%		<input type="checkbox"/> 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 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 companies 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 to derive the NB ESG Quotient rating, to compare sectors and companies relative to their environmental and social characteristics.

The Manager uses the NB ESG Quotient and third party data to promote the environmental and social characteristics listed below. Pursuant to this, the Manager will engage with companies 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 following environmental and social characteristics are promoted, where relevant to the specific industry and company, as part of the NB ESG Quotient rating:

- **Environmental Characteristics:** air quality; biodiversity & land use; energy management; environmental risk exposure; fuel economy; greenhouse gas (“GHG”) emissions; opportunities in clean technologies; toxic emissions & waste; water management; packaging lifecycle management; materials sourcing; and product lifecycle management.

In aiming to align the Portfolio with a net-zero goal, the Manager will promote the reduction of the Portfolio’s carbon footprint across scope 1, 2, and material scope 3 GHG emissions¹.

- **Social Characteristics:** access to finance; access to healthcare; community relations; data privacy & security; employee incentives & risk taking; health & nutrition; health & safety; human capital development; labour management; product safety & integrity; supply chain labour standards; workforce diversity & inclusion; pricing transparency; and responsible marketing.

Performance in relation to these environmental and social characteristics will be measured through the NB ESG Quotient and third party data, 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 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) and third party data are 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 analyst team’s significant sector expertise.

The NB ESG Quotient assigns weightings to environmental, social and governance factors 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. The 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. 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

¹ Scope 1 emissions: are direct emissions from a company’s owned or controlled sources (such as emissions created directly by the company’s business processes or from vehicles owned by the company). Scope 2 emissions: are indirect emissions from the generation of electricity, steam, heating and cooling consumed by the company. Scope 3 emissions: are all other indirect emissions that occur in a company’s value chain (such as emissions from products or services consumed by the company, disposal of its waste, employee commuting, distribution and transport of its products or its investments).

Manager's portfolio managers and analysts. CVaR provides a framework for identifying climate-risk over the long-term to assist in understanding how companies 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 company engagement. Due to data limitations, CVaR is not applied across all companies held by the Portfolio and is instead limited to the companies for which the 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 companies 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 will prohibit the initiation of new investment positions in securities issued by companies 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 companies whose activities have been identified as breaching 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 Neuberger Berman Sustainable Exclusion Policy and the Neuberger Berman Enhanced Sustainable Exclusion Policy are also applied when determining what investments to make for the Portfolio. The Portfolio will not invest in companies that derive more than 5% of their revenue from fur and specialty leather manufacturers, or military contractors. The Portfolio also excludes companies from the investment universe that are involved in controversial activities and behaviour, such as gambling, alcohol and nuclear power. In addition, the Portfolio excludes companies involved in dictatorial regimes/ high ESG controversies; companies that exhibit very poor behaviours in terms of environmental pollution, human rights' issues or governance controversies; and companies that are not transparent on ESG or score very poorly on ESG metrics overall. The application of the Enhanced Sustainable Exclusion Policy, as such terms are defined within the "Sustainable Investment Criteria" section of the Prospectus, also means that companies involved in tobacco, civilian firearms, private prisons and fossil fuels will also be excluded.

The 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 50% sustainable investments which will aim to promote the environmental & social characteristics listed above and will aim to contribute to the Portfolio's net zero goal, as detailed below.

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 Manager utilises multiple datapoints that measure the alignment of a company's economic activity with environmental or social characteristics.

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

The Manager measures this in two ways:

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

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

Both the sustainable and non-sustainable investments held by the Portfolio will target net zero alignment by 2050, however the sustainable investments portion of the Portfolio would be expected to contribute to reducing the Portfolio's carbon footprint.

While the sustainable investments may have a social or an environmental objective, the sustainable investments will not 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 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 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 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?***

The 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 Manager's subjective view) in respect of the sustainable investments of the Portfolio, and may evolve with improving data quality and availability. The Manager will utilise third party data and proxy data along with internal research to consider the PAIs.

Additionally, the 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 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 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 Manager;
- Stewardship and/or setting engagement objectives with companies which fall below the quantitative and qualitative tolerance thresholds set for a PAI; and

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.

- 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 Manager will not invest in companies 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

Yes. The Manager considers PAIs with respect to the Portfolio in two ways:

1. All PAIs are considered when determining whether sustainable investments that the Portfolio intends to make do not cause significant harm to any environmental or social sustainable investment objective as explained in “How have the indicators for adverse impacts on sustainability factors been taken into account?” above.
2. The Manager will consider the following principal adverse impacts on sustainability factors with respect to those investments within the Portfolio which promote environmental or social characteristics, 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**”).

See “How have the indicators for adverse impacts on sustainability factors been taken into account?” above for more details on how the PAIs are considered with respect to sustainable investments.

With respect to the Product Level PAIs, the Manager utilises third party data and proxy data along with internal research to consider them.

Additionally, the 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 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 Product Level 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 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 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 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;

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

The Portfolio aims to achieve a minimum excess annualised return of 2% over the MSCI World Index (Total Return, Net of Tax, USD) before fees over a 3-5 year investment horizon from investing primarily in a portfolio of global equity holdings that comply with the Sustainable Criteria. The Portfolio will seek to achieve its objective by investing primarily in equity securities that are listed or traded on Recognised Markets globally (which may include Emerging Market Countries) and issued by companies across all market capitalisations and industrial sectors. The Portfolio will invest primarily in equity securities issued by companies whose behaviours, processes and operations contribute to system-level progress towards environmental and social objectives, such as: access to healthcare, sustainable consumption (which is the use of products, energy and services so as to minimise the environmental impact of such use) and conscious consumers, access to information and the digital revolution, energy transition and industrial innovation, resource efficiency, human capital development, fintech and financial inclusion (which is the availability and equality of opportunities to access financial services).

In aiming to align the Portfolio with a net-zero goal, the Manager intends to have at least 90% of the Portfolio's Net Asset Value invested in companies with Science-Based Target initiative ("SBTi")² validated targets (or equivalent as assessed by Neuberger Berman's net-zero sector alignment methodology, which conforms with the Institutional Investors Group on Climate Change ("IIGCC") target setting guidance³) by 2030 and to reach 100% of the Portfolio's Net Asset Value by 2050. Additionally, the Portfolio must reduce its carbon footprint across scope 1, 2, and material scope 3 GHG emissions, by a minimum of 30% by 2030 relative to a 2019 baseline and a subsequent decline to net zero by 2050. The 2019 baseline may be subject to re-calculation as data quality and disclosure expands over time, particularly with respect to scope 3 emissions. Further details on NB's commitment to the Net Zero Asset Managers Initiative are contained in the "Sustainable Investment Criteria" section of the Prospectus.

The Manager considers and evaluates ESG characteristics, as an important component of their equity analysis discipline, when making investment decisions. The 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 Manager will engage with companies 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. The Manager adopts a value-chain approach to better understand sustainability issues. The value chain approach focuses on trends, innovations and the role of material ESG aspects in a variety of industries. The value-chain approach takes into account the NB ESG Quotient.

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

² The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature which enables companies to set science-based emissions reduction targets.

³ The IIGCC created the Net Zero Investment Framework to assist asset owners and asset managers to develop net zero investment strategies or to fulfil the requirements of net zero commitments. The IIGCC's target setting guidance is a component of the Net Zero Investment Framework.

● ***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 company holdings in the Portfolio. The NB ESG Quotient rating for companies is utilised to help to better identify risks and opportunities in the overall assessment.

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

The Manager will engage with companies 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 Manager engages directly with management teams of companies through a robust ESG engagement program. The Manager views this direct engagement with companies, as an important part of its investment process (including the investment selection process). Companies 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 companies. As part of the direct engagement process, the Manager may set objectives for the companies to attain. These objectives as well as the company's progress with respect to same are monitored and tracked by the Manager through an internal NB engagement tracker.

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

The Manager firmly believes this consistent engagement with companies can help create economic value, reduce equity risk, and promote positive sustainable corporate change. It is an important tool to identify and better understand a company's risk factors and performance. The Manager also uses it to promote change, when necessary, which they believe will result in positive outcomes for shareholders 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.

The Manager may also escalate its engagement via proxy voting, its NB Votes initiative, public statements and possibly divestment in cases of company unresponsiveness. NB Votes is a firm-wide initiative within the NB group, whereby voting intentions and supporting rationale are published in advance of select shareholder meetings for companies in which NB has invested on behalf of its clients, addressing a broad range of topics across key governance and engagement principles.

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?***

The Manager will reduce the investment universe by 20% through the application of ESG exclusions, as detailed above, and ESG analysis.

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

Governance factors that the Manager tracks may include: (i) compensation and incentive alignment; (ii) shareholder rights; (iii) capital structure and investment; (iv) board composition; and (v) transparent communication and internal controls.

Engagement with management is an important component of the Portfolio's investment process, and the Manager engages directly with management teams of companies 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 investee companies. The Manager views this direct engagement with companies, 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 aims to prioritise engagement that is expected, based on the 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 a company, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities.

The 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 80% investments that are aligned with the environmental or social characteristics promoted by the Portfolio. The Portfolio commits to holding at least 50% 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.

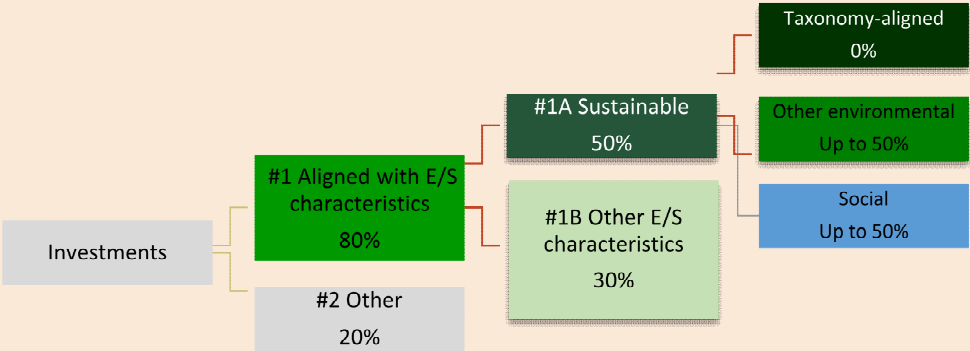
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



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.

The “Other” section in the Portfolio is held for a number of reasons that the 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 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 aims to achieve the minimum proportion 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 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 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 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.

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

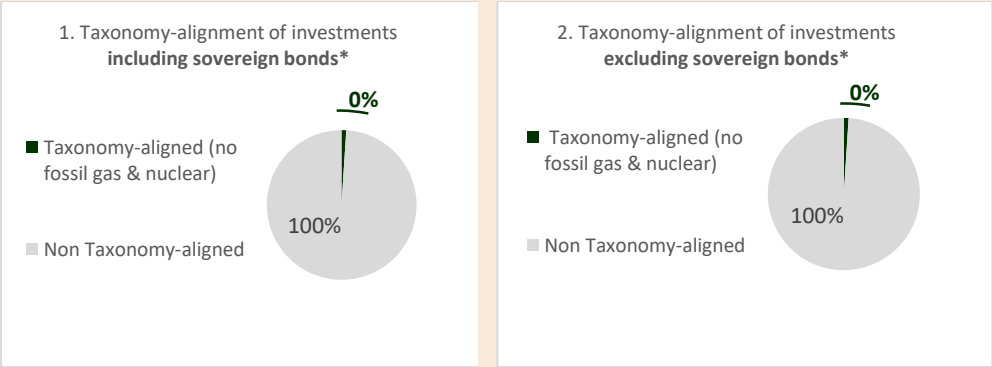
The analysis and disclosure requirements introduced by the EU Taxonomy are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the Portfolio makes. The Manager cannot commit that the Portfolio will invest in investments that qualify as environmentally sustainable for the purposes of the EU Taxonomy. 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 companies. The 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 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 Taxonomy⁴

- ☐ 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.

⁴ 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 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 Manager believes that these policies prevent investment in companies 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

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.

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 European Sustainable Equity Fund (the “Portfolio”)
Legal entity identifier: 549300K7Y3HBTEX71857

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes		<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No	
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: __%	<input checked="" type="checkbox"/> 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 50% of sustainable investments	<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective 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 checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: __%	<input checked="" type="checkbox"/> with a social objective
<input type="checkbox"/> 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 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 companies 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 to derive the NB ESG Quotient rating, to compare sectors and companies relative to their environmental and social characteristics.

The Manager uses the NB ESG Quotient and third party data to promote the environmental and social characteristics listed below. Pursuant to this, the Manager will engage with companies 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 following environmental and social characteristics are promoted, where relevant to the specific industry and company, as part of the NB ESG Quotient rating:

- **Environmental Characteristics:** air quality; biodiversity & land use; energy management; environmental risk exposure; fuel economy; greenhouse gas (“**GHG**”) emissions; opportunities in

clean technologies; toxic emissions & waste; water management; packaging lifecycle management; materials sourcing; and product lifecycle management.

In aiming to align the Portfolio with a net-zero goal, the Manager will promote the reduction of the Portfolio's carbon footprint across scope 1, 2, and material scope 3 GHG emissions¹.

- **Social Characteristics:** access to finance; access to healthcare; community relations; data privacy & security; employee incentives & risk taking; health & nutrition; health & safety; human capital development; labour management; product safety & integrity; supply chain labour standards; workforce diversity & inclusion; pricing transparency; and responsible marketing.

Performance in relation to these environmental and social characteristics will be measured through the NB ESG Quotient and third party data, 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 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) and third party data are 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 analyst team's significant sector expertise.

The NB ESG Quotient assigns weightings to environmental, social and governance factors 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. The Manager will engage with companies 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. 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 portfolio managers and analysts. CVaR provides a framework for identifying climate-risk over the long-term to assist in understanding how companies can shift their

¹ Scope 1 emissions: are direct emissions from a company's owned or controlled sources (such as emissions created directly by the company's business processes or from vehicles owned by the company). Scope 2 emissions: are indirect emissions from the generation of electricity, steam, heating and cooling consumed by the company. Scope 3 emissions: are all other indirect emissions that occur in a company's value chain (such as emissions from products or services consumed by the company, disposal of its waste, employee commuting, distribution and transport of its products or its investments).

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 company engagement. Due to data limitations, CVaR is not applied across all companies held by the Portfolio and is instead limited to the companies for which the 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 companies 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 will prohibit the initiation of new investment positions in securities issued by companies 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 companies whose activities have been identified as breaching 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 Neuberger Berman Sustainable Exclusion Policy and the Neuberger Berman Enhanced Sustainable Exclusion Policy are also applied when determining what investments to make for the Portfolio.

The Portfolio will not invest in companies that derive more than 5% of their revenue from fur and specialty leather manufacturers, or military contractors. The Portfolio also excludes companies from the investment universe that are involved in controversial activities and behaviour, such as gambling, alcohol and nuclear power. In addition, the Portfolio excludes companies involved in dictatorial regimes/ high ESG controversies; companies that exhibit very poor behaviours in terms of environmental pollution; human rights' issues or governance controversies; and companies that are not transparent on ESG or score very poorly on ESG metrics overall. The application of the Enhanced Sustainable Exclusion Policy, as such terms are defined within the "*Sustainable Investment Criteria*" section of the Prospectus, also means that companies involved in tobacco, civilian firearms, private prisons and fossil fuels will also be excluded.

The 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 50% sustainable investments which will aim to promote the environmental & social characteristics listed above and will aim to contribute to the Portfolio's net zero goal, as detailed below.

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 Manager utilises multiple datapoints that measure the alignment of a company's economic activity with environmental or social characteristics.

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

The Manager measures this in two ways:

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

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

Both the sustainable and non-sustainable investments held by the Portfolio will target net zero alignment by 2050, however the sustainable investments portion of the Portfolio would be expected to contribute to reducing the Portfolio's carbon footprint.

While the sustainable investments may have a social or an environmental objective, the sustainable investments will not 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 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 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 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?***

The 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 Manager's subjective view) in respect of the sustainable investments in the Portfolio, and may evolve with improving data quality and availability.

The Manager will utilise third party data and proxy data along with internal research to consider the PAIs.

Additionally, the 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 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 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 Manager;

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.

- 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 Manager will not invest in companies 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

Yes. The Manager considers PAIs with respect to the Portfolio in two ways:

1. All PAIs are considered when determining whether sustainable investments that the Portfolio intends to make do not cause significant harm to any environmental or social sustainable investment objective as explained in “*How have the indicators for adverse impacts on sustainability factors been taken into account?*” above.
2. The Manager will consider the following principal adverse impacts on sustainability factors with respect to those investments within the Portfolio which promote environmental or social characteristics, 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**”).

See “*How have the indicators for adverse impacts on sustainability factors been taken into account?*” above for more details on how the PAIs are considered with respect to sustainable investments.

With respect to the Product Level PAIs, the Manager utilises third party data and proxy data along with internal research to consider them.

Additionally, the 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 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 Product Level 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 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 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 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;

- 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 Portfolio aims to achieve a minimum excess annualised return of 2% over the MSCI Europe Index (Total Return, Net of Tax, EUR) before fees over a 3-5 year investment horizon from investing primarily in a portfolio of European equity holdings that comply with the Sustainable Criteria. The Portfolio will seek to achieve its objective by investing primarily in equity securities that are listed or traded on Recognised Markets in Europe (which may include Emerging Market Countries) and issued by companies across all market capitalisations and industrial sectors. The Portfolio will invest primarily in equity securities issued by companies whose behaviours, processes and operations contribute to system-level progress towards environmental and social objectives, such as: access to healthcare, sustainable consumption (which is the use of products, energy and services so as to minimise the environmental impact of such use) and conscious consumers, access to information and the digital revolution, energy transition and industrial innovation, resource efficiency, human capital development, fintech and financial inclusion (which is the availability and equality of opportunities to access financial services).

In aiming to align the Portfolio with a net-zero goal, the Manager intends to have at least 90% of the Portfolio's Net Asset Value invested in companies with Science-Based Target initiative ("SBTi")² validated targets (or equivalent as assessed by Neuberger Berman's net-zero sector alignment methodology, which conforms with the Institutional Investors Group on Climate Change ("IIGCC") target setting guidance³) by 2030 and to reach 100% of the Portfolio's Net Asset Value by 2050. Additionally, the Portfolio must reduce its carbon footprint across scope 1, 2, and material scope 3 GHG emissions, by a minimum of 30% by 2030 relative to a 2019 baseline and a subsequent decline to net zero by 2050. The 2019 baseline may be subject to re-calculation as data quality and disclosure expands over time, particularly with respect to scope 3 emissions. Further details on NB's commitment to the Net Zero Asset Managers Initiative are contained in the "Sustainable Investment Criteria" section of the Prospectus.

The Manager considers and evaluates ESG characteristics, as an important component of their equity analysis discipline, when making investment decisions. The 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 Manager will engage with companies 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. The Manager adopts a value-chain approach to better understand sustainability issues. The value chain approach focuses on trends, innovations and the role of material ESG aspects in a variety of industries. The value-chain approach takes into account the NB ESG Quotient.

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

² The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature which enables companies to set science-based emissions reduction targets.

³ The IIGCC created the Net Zero Investment Framework to assist asset owners and asset managers to develop net zero investment strategies or to fulfil the requirements of net zero commitments. The IIGCC's target setting guidance is a component of the Net Zero Investment Framework.

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

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 company holdings in the Portfolio. The NB ESG Quotient rating for companies is utilised to help to better identify risks and opportunities in the overall assessment.

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

The Manager will engage with companies 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 Manager engages directly with management teams of companies through a robust ESG engagement program. The Manager views this direct engagement with companies, as an important part of its investment process (including the investment selection process). Companies 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 companies. As part of the direct engagement process, the Manager may set objectives for the companies to attain. These objectives as well as the company's progress with respect to same are monitored and tracked by the Manager through an internal NB engagement tracker.

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

The Manager firmly believes this consistent engagement with companies can help create economic value, reduce equity risk, and promote positive sustainable corporate change. It is an important tool to identify and better understand a company's risk factors and performance. The Manager also uses it to promote change, when necessary, which they believe will result in positive outcomes for shareholders 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.

The Manager may also escalate its engagement via proxy voting, its NB Votes initiative, public statements and possibly divestment in cases of company unresponsiveness. NB Votes is a firm-wide initiative within the NB group, whereby voting intentions and supporting rationale are published in advance of select shareholder meetings for companies in which NB has invested on behalf of its clients, addressing a broad range of topics across key governance and engagement principles.

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?***

The Manager will reduce the investment universe by 20% through the application of ESG exclusions, as detailed above, and ESG analysis.

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

Governance factors that the Manager tracks may include: (i) compensation and incentive alignment; (ii) shareholder rights; (iii) capital structure and investment; (iv) board composition; and (v) transparent communication and internal controls.

Engagement with management is an important component of the Portfolio's investment process, and the Manager engages directly with management teams of companies 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 investee companies. The Manager views this direct engagement with companies, 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 aims to prioritise engagement that is expected, based on the 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 a company, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities.

The 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 80% investments that are aligned with the environmental or social characteristics promoted by the Portfolio. The Portfolio commits to holding at least 50% 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.

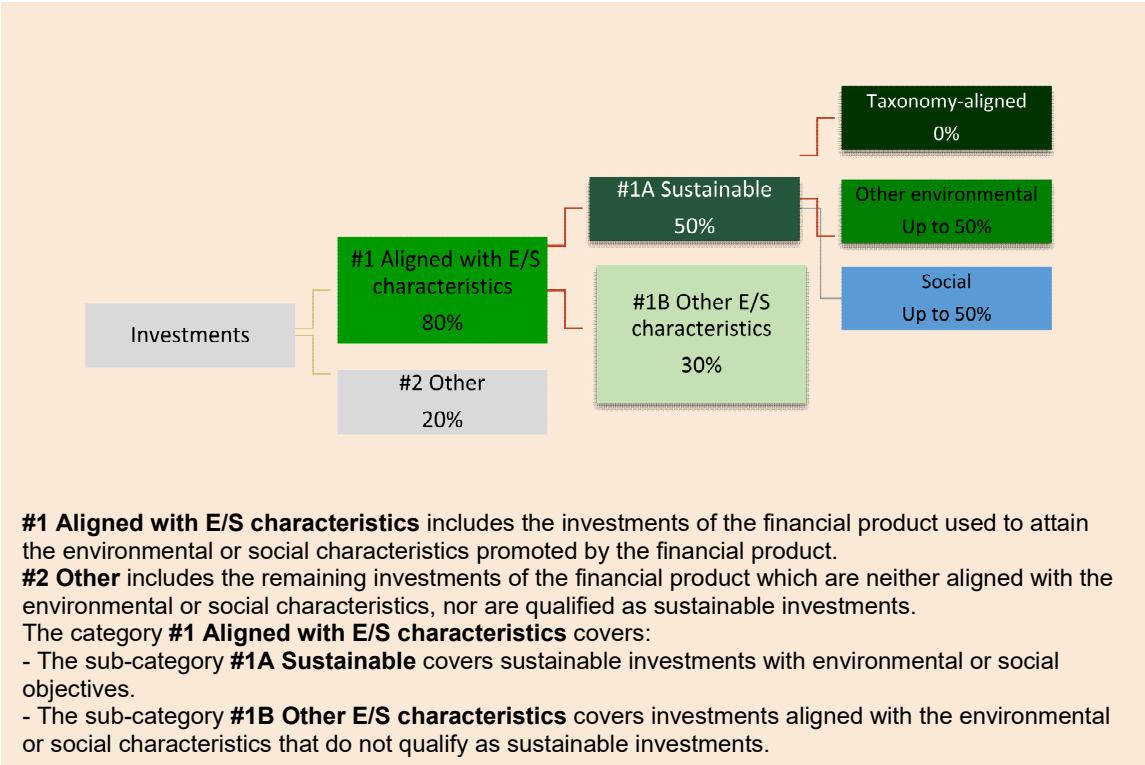


Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

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 “Other” section in the Portfolio is held for a number of reasons that the 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 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 aims to achieve the minimum proportion 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 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 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 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.



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 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 cannot commit that the Portfolio will invest in investments that qualify as environmentally sustainable for the purposes of the EU Taxonomy. 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 companies. The 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 amends the minimum Taxonomy alignment of the Portfolio.

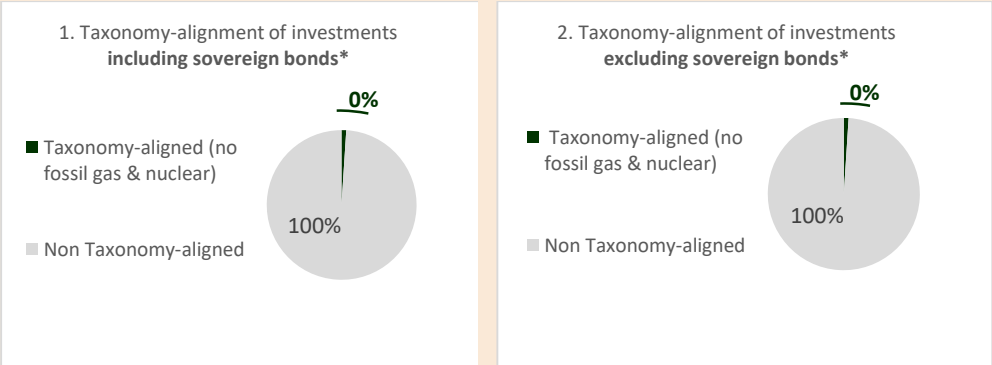
☒ **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁴**

☐ 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.

⁴ 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 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 Manager believes that these policies prevent investment in companies 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

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.

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

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