

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

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# NEUBERGER BERMAN INVESTMENT FUNDS PLC

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

## GLOBAL EQUITY SUPPLEMENT

1 JULY 2024

This document forms part of, and should be read in the context of and together with, the prospectus dated 1 July 2024 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 EMERGING MARKETS EQUITY FUND**

**NEUBERGER BERMAN JAPAN EQUITY ENGAGEMENT FUND**

(the “Portfolios”)

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

## CONTENTS

	<b>Page No</b>
Definitions	1
Investment Risks	2
Distribution Policy	4
Subscriptions and Redemptions	4
Neuberger Berman Emerging Markets Equity Fund	5
Neuberger Berman Japan Equity Engagement Fund	12
SFDR Annexes	17

## Definitions

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

<b>Business Day</b>	with respect to the Neuberger Berman Emerging Markets Equity Fund, a day (except Saturday or Sunday) on which the relevant financial markets in London, New York and Hong Kong are open for business, provided that, if on any such day, the period during which banks in Hong Kong are open for normal trading is reduced as a result of a tropical cyclone warning signal (number 8 or higher), a black rainstorm warning signal or other similar event, such day shall not be a Business Day unless the Directors otherwise determine; and  with respect to the Neuberger Berman Japan Equity Engagement Fund, a day (except Saturday or Sunday) on which the relevant financial markets in London and Tokyo are open for business;
<b>ChinaClear</b>	China Securities Depository and Clearing Corporation Limited;
<b>CSRC</b>	the China Securities Regulatory Commission of the PRC, the government agency responsible for matters relating to securities regulation;
<b>Dealing Day</b>	each Business Day or such other day or days as the Directors may determine and notify to the Administrator and to Shareholders in advance, provided there shall be at least two (2) Dealing Days per month in each Portfolio;
<b>Dealing Deadline</b>	with respect to the Neuberger Berman Emerging Markets Equity Fund, 3.00 pm (Irish time) on the relevant Dealing Day. In exceptional circumstances, a director of either the Company or the Manager may authorise the acceptance of a subscription or redemption application, up to 4.30 pm (Irish time) on the relevant Dealing Day; and  with respect to the Neuberger Berman Japan Equity Engagement Fund, 3.00 pm (Irish time) on the Business Day before the relevant Dealing Day. In exceptional circumstances, a director of either the Company or the Manager may authorise the acceptance of a subscription or redemption application, up to 4.30 pm (Irish time) on the Business Day before the relevant Dealing Day;
<b>HKSCC</b>	Hong Kong Securities Clearing Company Limited;
<b>Net Asset Value Calculation Time</b>	10.00 pm (Irish time) on the relevant Dealing Day or such other time as the Directors may determine in respect of a Portfolio;
<b>Portfolios</b>	the Neuberger Berman Emerging Markets Equity Fund and the Neuberger Berman Japan Equity Engagement Fund;
<b>SFDR Annex</b>	each annex hereof setting out the pre-contractual disclosures template with respect to a Portfolio, prepared in accordance with the requirements of Article 8 of SFDR;
<b>Shanghai Stock Connect</b>	the Shanghai-Hong Kong Stock Connect program;
<b>Shenzhen Stock Connect</b>	the Shenzhen-Hong Kong Stock Connect program;
<b>Stock Connect</b>	either or both of the Shanghai Stock Connect and the Shenzhen Stock Connect;
<b>SEHK</b>	the Stock Exchange of Hong Kong;
<b>SSE</b>	the Shanghai Stock Exchange;
<b>SZSE</b>	the Shenzhen Stock Exchange; and
<b>Sub-Investment Manager</b>	(a) with respect to the Neuberger Berman Emerging Markets Equity Fund, Neuberger Berman Europe Limited, Neuberger Berman Investment Advisers LLC and Neuberger Berman Asia Limited 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; and

- (b) with respect to the Neuberger Berman Japan Equity Engagement Fund, Neuberger Berman Europe Limited, Neuberger Berman East Asia Limited or such other company as may be appointed by the Manager from time to time in respect of the Portfolio, with the prior approval of the Company and the Central Bank.

## Investment Risks

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

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

## Distribution Policy

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

- each of the (Monthly) Distributing Classes in the Portfolios shall be declared on or prior to the last Business Day of each month and paid within three Business Days thereafter; 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 2 July 2024 to 5.00 pm on 31 December 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 Emerging Markets 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. The Portfolio will not use FDI extensively or primarily for investment purposes.**

<b>Investment Objective</b>	Achieve long-term capital growth.
<b>Investment Approach</b>	<p>The Portfolio will invest primarily in equity and equity-linked securities which are listed or traded on Recognised Markets globally and issued by companies that: (1) trade principally on a recognised stock exchange in Emerging Market Countries; (2) are organised under the laws of and have a principal office in Emerging Market Countries; or (3) derive 50% or more of their total revenues from, and/or have 50% or more of their total assets in, goods produced, sales made, profits generated or services performed in Emerging Market Countries. The Portfolio may also invest in other collective investment schemes which provide exposure to such securities, subject to a maximum of 10% of the Portfolio's Net Asset Value.</p> <p>The Sub-Investment Manager uses a fundamental bottom-up, research-driven securities selection approach focusing on high return businesses while factoring in economic, legislative and business developments to identify countries and economic sectors (such as energy, financials, health care, telecommunications and utilities) that it believes may be particularly attractive.</p> <p>The Sub-Investment Manager seeks to invest in companies that it believes have sustainable free cash flow growth and are trading at attractive valuations.</p> <p>The Sub-Investment Manager believes that in-depth, strategic and financial research is the key to identifying undervalued companies and seeks to identify companies with the following characteristics:</p> <ul style="list-style-type: none"> <li>• Stock prices undervalued relative to long-term cash flow growth potential;</li> <li>• Industry leadership;</li> <li>• Potential for significant improvement in the company's business;</li> <li>• Strong financial characteristics;</li> <li>• Strong corporate governance practices; and</li> <li>• Management track record.</li> </ul> <p>The Portfolio seeks to reduce risk by diversifying among many industries within the countries and economic sectors it identifies. Although it has the flexibility to invest a significant portion of its assets in one country or region, it generally intends to remain diversified across countries and geographical regions.</p> <p>The Sub-Investment Manager follows a disciplined selling strategy and may sell a stock when it reaches a target price, when the company's business fails to perform as expected, or when other opportunities appear more attractive.</p> <p>The Portfolio may invest in companies of any market capitalisation and may include a broader geographical exposure than the country constituents of the index disclosed below under "<i>Benchmark</i>".</p> <p>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 above and in the "<i>Investment Restrictions</i>" section. This deviation may be significant.</p>
<b>Benchmark</b>	<p>The MSCI EM Index (Total Return, Net of Tax, USD), which is a free float adjusted market capitalisation weighted index of large and mid-cap securities across a number of emerging markets globally. The index is subject to rebalancing and the list of specific emerging market countries and names are subject to change in line with the MSCI's applicable methodology.</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</p>

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

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**Base Currency**

US Dollars (USD).

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**Instruments / Asset Classes**

The Portfolio 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, convertible bonds, 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, each of which may, subject to the UCITS Regulations, be listed or unlisted.

**ETFs.** ETFs are investment companies whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index, in this case Emerging Market Countries with a focus on equities. The ETFs will be located in Relevant Jurisdictions and will be authorised under the UCITS Directive or will be non-UCITS which are eligible for investment by the Portfolio in accordance with the requirements of the Central Bank. The ETFs will represent investments that are similar to the Portfolio's other investments. The ETFs will operate on the principle of risk spreading and will not be leveraged.

**Equity Real Estate Investment Trusts.** 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 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.

**Participatory Notes.** Participatory Notes which are freely transferable securities issued by banks or broker-dealers that are designed to replicate the performance of certain companies and markets by giving exposure to the performance of specific stocks that the Portfolio may not be able to invest in directly because of local holding restrictions affecting such stocks in the jurisdiction of their issue.

**Fixed Income Securities (Debt Securities).** Any debt instruments invested in may be issued by corporate or government issuers, may be rated or unrated (although not more than 30% of the Portfolio's Net Asset Value will be invested in debt instruments which are rated below investment grade) and may have fixed or floating interest rates.

**Financial Derivative Instruments.** The Portfolio may, subject to the conditions and limits imposed by the Central Bank as set out in the Prospectus and in this Supplement, use FDI, including, without limitation, warrants (including equity warrants), rights (including equity rights), convertible bonds, currency futures contracts, forward currency contracts and convertible preferred stock which may be used for investment purposes or to hedge or to achieve exposure to a particular security. Convertible bonds enable the holder to convert their investment in the bonds into the company's common stock at a pre-agreed price and convertible preferred stock enable the holder to convert their investment in the preferred stock into the company's common stock at a pre-agreed rate. Futures contracts based on securities of the types described above and equity indices (which meet the requirements of the Central Bank for use by UCITS), may be used to achieve a profit as well as to hedge existing positions.

The Portfolio will 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.

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

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**Stock Connect**

The China Securities Regulatory Commission and the Securities and Futures Commission of Hong Kong have an approved program which establishes mutual stock markets access between the PRC and Hong Kong, namely Stock Connect. The



Sub-Investment Manager may pursue the Portfolio's investment objective by investing up to 20% of the Portfolio's Net Asset Value directly in certain eligible China A Shares via Stock Connect.

The Shanghai Stock Connect is a securities trading and clearing linked program developed by the SEHK, the SSE and ChinaClear, with the aim of achieving mutual stock market access between the SEHK and the SSE. The Shenzhen Stock Connect is a securities trading and clearing linked program developed by the SEHK, the SZSE and ChinaClear, with the aim of achieving mutual stock market access between the SEHK and the SZSE.

Each of the Shanghai Stock Connect and Shenzhen Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Portfolio, subject to its investment approach and restrictions), through their Hong Kong brokers and a securities trading service company established by the SEHK, may trade Eligible Securities listed on the SSE and the SZSE by routing orders to the SSE and the SZSE respectively.

#### Eligible Securities

Among the different types of SSE-or SZSE-listed securities, only China A Shares and ETFs are currently permitted for Northbound trading under Stock Connect.

Currently, Hong Kong and overseas investors are able to trade certain SSE Securities. Eligible Securities under the Northbound Trading Link of the Shanghai Stock Connect include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A Shares that are not included as constituent stocks of the relevant indices but which have corresponding China H Shares listed on the SEHK, except the following:

- SSE-listed shares which are not traded in CNY; and
- SSE-listed shares which are included in the "risk alert board".

Eligible Securities under the Northbound Trading Link of the Shenzhen Stock Connect include any constituent stock of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which has a market capitalisation of CNY6 billion or above and all SZSE-listed shares of companies which have issued both China A Shares and China H Shares, except the following:

- SZSE-listed shares which are not traded in CNY; and
- SZSE-listed shares which are included in the "risk alert board" or under delisting arrangement.

In addition, Hong Kong and overseas investors are able to trade eligible SSE-listed and SZSE-listed ETFs that satisfy the relevant criteria at a regular review and are accepted as eligible ETFs for Northbound trading under Stock Connect. Regular reviews will be performed to determine the eligible ETFs for Northbound trading every six months.

It is expected that the list of Eligible Securities will be subject to review and may change from time to time.

If an Eligible Security ceases to be classified as such, Hong Kong and overseas investors (including the Portfolio, subject to its investment approach and restrictions) will only be allowed to sell holdings of such Eligible Security but will be restricted from buying any more of such Eligible Security.

#### Trading day

Investors (including the Portfolio, subject to its investment approach and restrictions) are only allowed to trade through Stock Connect on days on which both markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

#### Trading quota

Trading under Stock Connect is subject to the Daily Quota. Northbound trading through each Stock Connect is subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under each Stock

Connect per day. The SEHK will monitor the quota and publish the remaining balance of the Northbound Daily Quota at scheduled times on the SEHK's website. The Daily Quota may change from time to time without prior notice and investors should refer to the SEHK's website and other information published by the SEHK for up-to-date information.

#### Settlement and custody

The HKSCC will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The Eligible Securities traded through Stock Connect are issued in scripless form, so investors do not hold any physical securities. Hong Kong and overseas investors who have acquired Eligible Securities through Northbound trading should maintain the Eligible Securities with their brokers' or custodians' stock accounts with CCASS, operated by HKSCC.

#### Corporate actions and shareholders' meetings

Notwithstanding the fact that the HKSCC does not claim proprietary interests in the Eligible Securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for the Eligible Securities will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such Eligible Securities.

HKSCC monitors the corporate actions affecting Eligible Securities and keeps the relevant brokers or custodians participating in CCASS ("CCASS participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

SSE and SZSE-listed companies usually announce their annual general meeting / extraordinary general meeting information about one month before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise CCASS participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

#### Foreign shareholding restrictions

The CSRC stipulates that, when holding China A Shares through Stock Connect, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- Single foreign investors' shareholding by any Hong Kong or overseas investor in a China A Share must not exceed 10% of the total issued shares; and
- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors in a China A Share must not exceed 30% of the total issue shares.

Should the shareholding of a single investor in a China A Share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE, the SZSE and the SEHK will issue warnings or restrict the buy orders for the related China A Shares if the percentage of total shareholding is approaching the upper limit.

SSE and SZSE-listed ETFs are not subject to the aforementioned shareholding restrictions.

#### Currency

Hong Kong and overseas investors will trade and settle Eligible Securities in CNY only. Hence, the Portfolio will need to use CNY to trade and settle Eligible Securities, subject to its investment approach and restrictions.

#### Trading fees and taxes

In addition to paying trading fees and stamp duties in connection with trading of Eligible Securities, the Portfolio may be subject to other fees and taxes concerned with income arising from transfers of stocks or ETFs (if applicable) which are determined by the relevant authorities.

Further information about Stock Connect is available online at the website:

**Investment Restrictions**

- The Portfolio may invest in China A Shares up to 20% of its Net Asset Value or in China B Shares up to 10% of its Net Asset Value. The Portfolio may invest directly in the China A Share market through Stock Connect as described above and indirectly, mainly through investments in equity linked products issued by financial institutions such as QFIs and through transferable securities which may be issued by entities which are managed by affiliates of the Manager. The Portfolio may invest directly in the China B Share market.
- The Portfolio may invest up to 10% of its Net Asset Value in securities that are issued or guaranteed by a single sovereign issuer that are below investment grade.
- Investments in units of other collective investment schemes are limited to a maximum of 10% of the Portfolio's Net Asset Value.
- The Portfolio may not invest greater than 20% of its Net Asset Value in countries which do not form part of the MSCI Emerging Markets Index.
- The Portfolio's over or underweight exposure to a particular country, relative to the Benchmark, may not exceed 10% of the Portfolio's Net Asset Value.
- The Portfolio's over or underweight exposure to a Global Industry Classification Standard (GICS)<sup>®</sup> sector, relative to the Benchmark, may not exceed 10% of the Portfolio's Net Asset Value.
- The Portfolio will not utilise total return swaps, securities lending or margin lending.

**Risk**

- Investment in the Portfolio carries certain risks which are described in greater detail in the "Investment Risks" section of the Prospectus. While investors should read and consider the entire "Investment Risks" section of the Prospectus, the risks summarised in the following section, namely, "Market Risks: Risks relating to Emerging Market Countries" are particularly relevant to this Portfolio. **These risks are not purported to be exhaustive and potential investors should review this Supplement and the Prospectus in their entirety and consult with their professional advisers, before making an application for Shares.**
- Investors should refer to the Company's risk management policy with respect to the use of FDI contained in the RMP Statement.
- The Portfolio may be leveraged as a result of its investments in FDI but such leverage will not exceed 100% of the Portfolio's Net Asset Value, as measured using the Commitment Approach, at any time.
- The Portfolio will seek to reduce risk by diversifying among securities from a broad range of countries, sectors and industries.
- The Sub-Investment Manager may be delayed in or prevented from investing in certain Emerging Market Countries by local restrictions on foreign investment. or registration requirements for foreign investors, such as the Portfolio
- The Sub-Investment Manager will use forward currency contracts in order to hedge 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.

**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. In promoting environmental and social characteristics, the Sub-Investment Manager integrates ESG analysis into the portfolio construction activities, engages directly with the management teams of companies and applies a number of ESG exclusions and ESG exclusion policies.

**Information about the environmental and social characteristics promoted as well as on the binding criteria applied by the Sub-Investment Manager is available in the SFDR Annex below.** In addition, further details on the ESG

exclusion policies are set out in the "*Sustainable Investment Criteria*" section of the Prospectus.

ESG risks and opportunities are considered in the selection of securities to be constituents of the Portfolio. The Sub-Investment Manager assesses securities in relation to their exposure to and the management of ESG risks. ESG represents governance, (being the way in which the company is run), environmental issues, (such as the impact on natural resources), and social issues (such as human rights).

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

**Typical Investor Profile** The Portfolio may be suitable for investors seeking an exposure to Emerging Market Countries' equities through an investment approach that is diversified across industries, countries and regions.

### Fees and Expenses

Category	Maximum Initial Charge	Maximum Management fee	Distribution Fee
A, X, Y	5.00%	2.00%	0.00%
B, C1, E	0.00%	2.00%	1.00%
C	0.00%	1.30%	1.00%
D, I, I1, I2, I3, I4, I5	0.00%	1.00%	0.00%
M	2.00%	2.00%	1.00%
P	5.00%	0.95%	0.00%
T	5.00%	2.00%	0.00%
U	3.00%	1.50%	0.00%
Z	0.00%	0.00%	0.00%

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

### Contingent deferred sales charges

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

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

Notwithstanding the information set out under the "*Classes*" section within "*Annex II – Share Class Information*" to the Prospectus, please note that, subject to any transitional period or other arrangement agreed with Shareholders in the relevant Classes, Shares in the Category B and E Classes will automatically convert into Shares in the corresponding T Class, at no additional cost to holders of such Shares, upon the expiry of four years (Category B Classes) and three years (Category E Classes) from the date of the initial subscription into the relevant B or E Class.

### Other important information for investors in Hong Kong

As the Portfolio has been authorised for public offer in Hong Kong, the Hong Kong Securities and Futures Commission ("HKSF") requires the Company to classify the Portfolio on the basis of its expected maximum net

derivative exposure (“NDE”). The HKSFC requires the NDE to be calculated in accordance with the HKSFC’s Code on Unit Trusts and Mutual Funds and the requirements and guidance issued by the HKSFC, which may be updated from time to time. This requires the Company to convert all FDI acquired for investment purposes that would generate incremental leverage at the portfolio level of the Portfolio into their equivalent positions in the underlying assets. Applying these requirements, the Portfolio’s NDE is expected to be less than 50% but the actual level may be higher than the expected level in exceptional circumstances, for example when there are sudden movements in markets and/or investment prices.

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

**The Portfolio will not use FDI extensively or primarily for investment purposes. The value of Shares may go down as well as up and investors may not get back any of the amount invested.**

#### Investment Objective

The Portfolio aims to achieve a target average return of 3% over the Benchmark (as specified in the “*Benchmark*” section below) before fees over a market cycle (typically 3 years) from investing primarily in a portfolio of Japanese equity holdings.

Investors should note that the target return is not guaranteed over a market cycle, a 12-month or any period and the Portfolio’s capital is at risk. Investors should also note that, over the course of a market cycle, there may be significant periods of time during which the performance of the Portfolio will deviate from the targeted return and the Portfolio may experience periods of negative return. There can be no guarantee that the Portfolio will ultimately achieve its investment objective.

#### Investment Approach

The Portfolio will primarily invest in equity securities issued by small and mid-capitalisation companies which have either their head office or exercise an overriding part of their economic activity in Japan and that are listed or traded on Recognised Markets globally.

The Sub-Investment Manager generally considers small and mid-capitalisation companies to be those with a total market capitalisation of less than 1 trillion Japanese Yen at the time of initial purchase. The Portfolio may continue to hold a position in corporations even after their market capitalisations exceed 1 trillion Japanese Yen

As described in greater detail below, the Sub-Investment Manager will employ a research driven, bottom-up, fundamental approach to stock selection, with a long term perspective that combines both quantitative analysis and qualitative judgment to identify investments that the Sub-Investment Manager considers to be attractive and have the potential to increase their corporate value and achieve sustainable growth, through active engagement i.e. constructive and purposeful dialogue, based upon a deep understanding of the investment company and their business environment.

In seeking to achieve the Portfolio’s investment objective, the Sub-Investment Manager pursues the following three step investment process to identify a universe of securities:

- **Quantitative screening:** to identify high quality companies i.e. those with a high return on equity or sustainable profit margins or companies that the Sub-Investment Manager believes are priced at a deep discount to their intrinsic value and with identifiable reasons for the discount, for example because of low analyst coverage of the smaller company universe;
- **Qualitative business analysis:** to identify companies which the Sub-Investment Manager believes have the most durable business models and those with opportunities for value creation through active engagement with those companies, for example through dialogue with company management on optimising business practice and active shareholder voting on companies; and
- **Strategic valuation and analysis:** to evaluate the stocks identified through the first two steps and rate them using the Sub-Investment Manager’s proprietary system of in-depth research and analysis of companies, including of company/business models, quality of management, competitive strength and record of success.

The Sub-Investment Manager applies a score to each stock which is generated on the basis of: (i) the above three step investment process; (ii) ESG factors (as referred to below); and (iii) valuation. Stocks are then ranked using these scores, which are reviewed at least six times a year, through the review of quarterly financial results and company visits. The Sub-Investment Manager reviews the constituents of this ‘watch list’ four times a year.

The Sub-Investment Manager will then seek to construct a portfolio which is well-diversified across economic sectors with securities selected based upon those that score highly in the ranking system and following an assessment of the risk exposures. Investors should note that this is expected to result in a Portfolio which may be

relatively more concentrated than other portfolios which cover the same broad market, subject to the diversification requirements of the UCITS Regulations.

The Portfolio may also invest in money market instruments on an ancillary basis.

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. This deviation may be significant.

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#### Benchmark

The MSCI Japan Small Cap Net Index (Total Return, JPY), which measures the performance of the small-capitalisation segment of the Japanese market.

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

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#### Base Currency

Japanese Yen (JPY).

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#### Instruments / Asset Classes

The Portfolio can invest in or be exposed to the following types of assets, which will be listed or traded on Recognised Markets globally or, if unlisted, will comply with the Central Bank requirements for such investments.

**Equity and Equity-linked Securities.** These securities may include, without limitation, common stock, preferred stock, convertible bonds, 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.

**Equity Real Estate Investment Trusts.** 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 to underlying properties located in Japan. 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.

**Financial Derivative Instruments.** 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:

- Convertible bonds and convertible preferred stock. Convertible bonds enable the holder to convert their investment in the bonds into the company's common stock at a pre-agreed price and convertible preferred stock enable the holder to convert their investment in the preferred stock into the company's common stock at a pre-agreed rate;
- Forward currency contracts may be used for efficient portfolio management and to hedge existing long currency exposures;
- Equity warrants and equity rights may be used for investment and efficient portfolio management purposes, including to hedge or to achieve exposure to a particular security;
- Options on equity securities may be used to hedge existing long positions or to achieve profit; and
- Futures contracts based on securities of the types described above and UCITS eligible equity indices, may be used to achieve a profit as well as to hedge existing positions.

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

other securities as listed above to achieve a rate of return greater than the market. The indices utilised for hedging or efficient portfolio management purposes will be broad-based, UCITS-eligible indices which provide exposure to the performance of equities and details of such indices pertaining to the instruments utilised by the Portfolio will be contained in the annual report of the Company.

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

The other 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, will qualify as UCITS or AIF 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 200% of their net asset value; (ii) so that their 1 day absolute value-at-risk exceeds 4.47% of their net asset value over a 250 day horizon with a 99% confidence level; or (iii) so that their 1 month relative value-at-risk exceeds twice the value-at-risk of a comparable benchmark portfolio over a 250 day horizon with a 99% confidence level, depending on how such collective investment funds measure their global exposure.

**ETFs.** ETFs are investment companies whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index, in this case Japanese equities. The ETFs will be located in Relevant Jurisdictions and will be authorised under the UCITS Directive or will be non-UCITS which are eligible for investment by the Portfolio in accordance with the requirements of the Central Bank. The ETFs will represent investments that are similar to the Portfolio's other investments. The ETFs will operate on the principle of risk spreading and will not be leveraged.

**Money Market Instruments.** The Portfolio may invest in money market instruments, which may include bank deposits, fixed or floating rate instruments (including commercial paper), floating or variable rate notes, bankers acceptances, certificates of deposit, debentures and short-dated government or corporate bonds, cash and cash equivalents (including treasury bills), or money market funds which meet the criteria set out under "Collective Investment Schemes" above, in each case that are rated as investment grade or below by Recognised Rating Agencies or are unrated.

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

**Repo Contracts.** The Portfolio may use Repo Contracts subject to the conditions and limits set out in the Prospectus.

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#### 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's over or underweight exposure to a particular Global Industry Classification (GICS) economic sector, relative to the Benchmark, may not exceed 20%.
- The Portfolio will not utilise total return swaps, securities lending or margin lending.

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#### Risk

- Investment in the Portfolio carries certain risks which are described in greater detail in the "Investment Risks" section of the Prospectus. While investors should read and consider the entire "Investment Risks" section of the Prospectus, the



risks summarised in the following section, namely, “*Market Risks: Risks relating to Concentration Risk*” are particularly relevant to this Portfolio. **These risks are not purported to be exhaustive and potential investors should review this Supplement and the Prospectus in their entirety and consult with their professional advisers, before making an application for Shares.**

- Investors should refer to the Company’s risk management policy with respect to the use of FDI contained in the RMP Statement.
- The Portfolio may 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. In promoting environmental and social characteristics, the Sub-Investment Manager integrates ESG analysis into the portfolio construction activities, engages directly with the management teams of companies and applies a number of ESG exclusions and ESG exclusion policies.

**Information about the environmental and social characteristics promoted as well as on the binding criteria applied by the Sub-Investment Manager is available in the SFDR Annex below.** In addition, further details on the ESG exclusion policies are set out in the “*Sustainable Investment Criteria*” section of the Prospectus.

ESG risks and opportunities are considered in the selection of securities to be constituents of the Portfolio. The Sub-Investment Manager assesses securities in relation to their exposure to and the management of ESG risks. ESG represents governance, (being the way in which the company is run), environmental issues, (such as the impact on natural resources), and social issues (such as human rights).

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

### Typical Investor Profile

The Portfolio may be suitable for investors seeking capital appreciation opportunities through equity investments in smaller Japanese companies. Investors need to be comfortable with the risks associated with the Portfolio, in particular risks of investing in small-capitalisation companies and be prepared to accept periods of market volatility particularly over short time periods. Investors are likely to hold the Portfolio as a complement to a diversified portfolio and should have a long-term investment horizon.

### Fees and Expenses

Category	Maximum Initial Charge	Maximum Management Fee	Distribution Fee
A, X, Y	5.00%	1.70%	0.00%
B, E	0.00%	1.70%	1.00%
C1	0.00%	1.80%	1.00%
C	0.00%	0.65%	1.00%
D, I, I1, I2, I3, I4, I5	0.00%	0.85%	0.00%
M	2.00%	1.70%	0.80%

Category	Maximum Initial Charge	Maximum Management Fee	Distribution Fee
P	5.00%	0.81%	0.00%
T	5.00%	1.80%	0.00%
U	3.00%	1.28%	0.00%
Z	0.00%	0.00%	0.00%

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

#### Contingent deferred sales charges

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

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

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

1. NEUBERGER BERMAN EMERGING MARKETS EQUITY FUND
2. NEUBERGER BERMAN JAPAN EQUITY ENGAGEMENT 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

**Product name:** Neuberger Berman Emerging Markets Equity Fund (the “Portfolio”)  
**Legal entity identifier:** 549300XPW2SIPQYGFT52

## Environmental and/or social characteristics

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

<p><input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%</p>	<p><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b></p> <p><input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
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**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

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



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

As part of the investment process, the Sub-Investment Manager promotes a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are promoted using 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 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 in Emerging Market Countries. The NB materiality matrix enables the Sub-Investment Manager to derive the NB ESG Quotient rating, to compare sectors and companies in Emerging Market Countries relative to their environmental and social characteristics.

By embedding local insight into the global NB materiality matrix, the Sub-Investment Manager leverages the global NB materiality matrix and customizes material ESG characteristics to ensure that they are bespoke for Emerging Market Countries. The NB materiality matrix fully considers the long-term ESG characteristics that affect the development of Emerging Market Countries' industries and companies and seeks out companies that are value drivers in the Emerging Market Countries.

The Sub-Investment Manager uses the NB ESG Quotient to promote the environmental and social characteristics listed below by prioritising investment in securities issued by companies with a favourable and/or an improving NB ESG Quotient rating.

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; energy management; environmental risk exposure; fuel economy; GHG emissions; opportunities in clean technologies; toxic emissions & waste; water management; packaging lifecycle management; materials sourcing; and product lifecycle management.
- **Social Characteristics:** access to finance; access to healthcare; data privacy & security; health & safety; human capital development; labour management; product safety & integrity; supply chain labour standards.

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

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

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

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

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

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

I. The NB ESG Quotient:

The NB ESG Quotient (as explained above) is used to measure the environmental and social characteristics promoted by the Portfolio. Foundational to the NB ESG Quotient is the NB materiality matrix (as explained above), which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk for each sector. Each sector criteria is constructed using third-party and internally derived ESG data and supplemented with internal qualitative analysis, leveraging the Sub-Investment Manager's analyst team's significant sector expertise. The Sub-Investment Manager leverages the NB materiality matrix and local insight into the Emerging Market Countries to customize the material ESG factors for Emerging Market Countries. When considering Emerging Market Countries, the Sub-Investment Manager evaluates the long-term ESG factors and value drivers for Emerging Market Countries' industries and the companies that operate in them.

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 companies is considered as part of the investment process, there is no minimum NB ESG Quotient rating to be attained by a company prior to investment. Companies with a favourable and/or an improving NB ESG Quotient rating have a higher chance of being included in the Portfolio. Companies with a poor NB ESG Quotient rating, especially where a poor NB ESG Quotient rating is not being addressed by a company, are more likely to be removed from the investment universe or divested from the Portfolio.

II. Climate Value-at-Risk:

Climate Value-at-Risk ("CVaR") measures the exposure to transition and physical climate risks and opportunities for companies. CVaR is a scenario analysis tool evaluating economic risks and opportunities under various degree scenarios (i.e., the amount of warming targeted) and potential regulatory environments in varying countries. On a holistic basis the results are evaluated by the Sub-Investment Manager's portfolio managers and analysts. CVaR provides a framework for identifying climate-risk over the

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

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

III. ESG exclusion policies:

To ensure that the environmental or social characteristics promoted by the Portfolio can be attained, the Portfolio will not invest in 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 Sub-Investment 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, the Portfolio will not invest in companies whose activities have been identified as breaching, or are not consistent with, the Neuberger Berman Global Standards Policy which excludes identified violators of the following international standards: (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs and (iv) the ILO Standards. Further details on these ESG exclusion policies are set out in the “Sustainable Investment Criteria” section of the Prospectus.

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

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

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

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

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

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

N/A

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

The Portfolio does not commit to holding sustainable investments, however the Sub-Investment Manager will not invest in companies whose activities have been identified as breaching, or are not consistent with, the Neuberger Berman Global Standards Policy which excludes identified violators of the following international standards: (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs and (iv) the ILO Standards.

*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.*

**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.

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

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



- Yes, please see below
- No

The Sub-Investment Manager will consider the principal adverse impacts outlined in the below table on sustainability factors (the “**Product Level PAIs**”):

Product Level PAIs	
Theme	Adverse sustainability indicator
<i>Greenhouse gas emissions</i>	PAI 1- GHG emissions
	PAI 2 - Carbon footprint
	PAI 3 - GHG intensity of investee companies
	PAI 4 - Exposure to companies active in the fossil fuel sector
<i>Social and employee matters</i>	PAI 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
	PAI 13 - Board gender diversity
	PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

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

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

The Sub-Investment Manager will continue to work with companies to encourage disclosure and envisages that the letter campaign will result in wider and more granular data coverage on the 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 Sub-Investment Manager's subjective view), and may evolve with improving data quality and availability. Where such data is not available the relevant Product Level PAI will not be considered until such time as the data becomes available. The Sub-Investment Manager will keep the list of Product Level PAIs they consider under active review, as and when data availability and quality improves.

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

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

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



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

## What investment strategy does this financial product follow?

The Portfolio will invest primarily in equity and equity-linked securities which are listed or traded on Recognised Markets globally and issued by companies that: (1) trade principally on a recognised stock exchange in Emerging Market Countries; (2) are organised under the laws of and have a principal office in Emerging Market Countries; or (3) derive 50% or more of their total revenues from, and/or have 50% or more of their total assets in, goods produced, sales made, profits generated or services performed in Emerging Market Countries.

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

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

In addition, 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.

### ● **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 promoted 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.

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

#### II. Engagement:

The Sub-Investment Manager engages directly with management teams of companies through a robust ESG engagement program. The Sub-Investment 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 Sub-Investment 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 Sub-Investment Manager through an internal NB engagement tracker.

Furthermore, in order to maintain and enhance company relationships, and to ensure companies follow their ESG trajectory, the Sub-Investment Manager keeps an active dialogue with companies, regardless of whether or not they have high impact controversies or a low NB ESG Quotient rating.

The Sub-Investment Manager 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 Sub-Investment 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 Sub-Investment 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 Neuberger Berman, 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. The success of the Sub-Investment Manager's constructive engagement efforts with companies will depend on each of the company's receptiveness and responsiveness to such engagement.

III. ESG sectoral exclusion policies:

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

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

N/A

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

Governance factors that the Sub-Investment Manager tracks may include: (i) 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 Sub-Investment 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 Sub-Investment Manager views this direct engagement with companies, as an important part of its investment process.

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

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

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

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



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

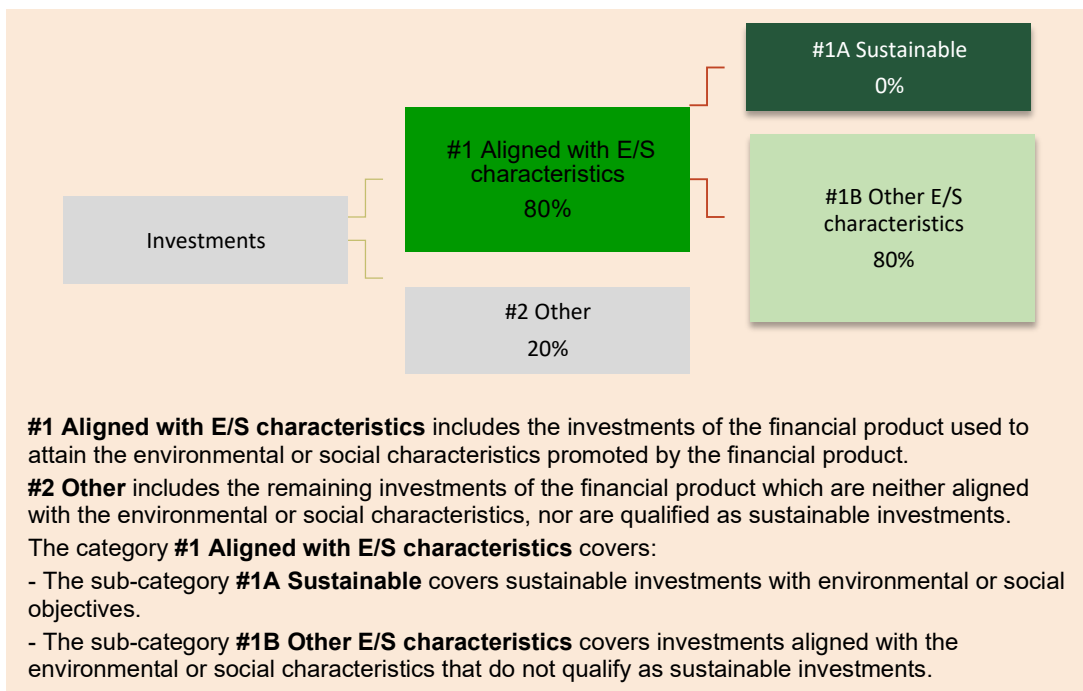
The Portfolio aims to hold a minimum of 80% investments that are aligned with the environmental or social characteristics promoted by the Portfolio. The Portfolio does not commit to holding sustainable investments. The Portfolio aims to hold a maximum of 20% investments that are not aligned with the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

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

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

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

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



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

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



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

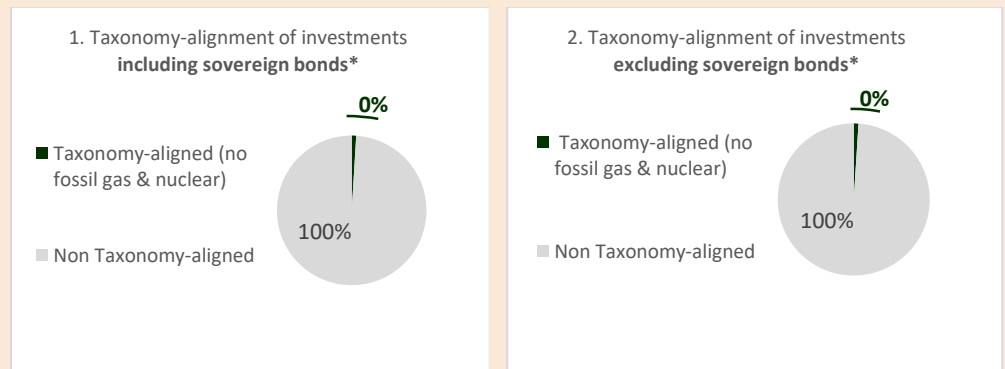
The analysis and disclosure requirements introduced by the EU Taxonomy are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the Portfolio makes. The Sub-Investment Manager cannot commit that the Portfolio will invest 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 Sub-Investment Manager will keep the extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy under active review as data availability and quality improves.

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

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

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

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



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

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

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

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



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

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



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

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



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

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

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

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

The Sub-Investment Manager believes that these policies prevent investment in 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

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

N/A

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

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



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

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

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

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

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

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

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

**Product name:** Neuberger Berman Japan Equity Engagement Fund (the “Portfolio”)  
**Legal entity identifier:** 549300ELGQMFUUPHG878

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



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

As part of the investment process, the Sub-Investment Manager promotes a variety of environmental and social characteristics (see below) as part of its scoring model. The Sub-Investment Manager applies a NB proprietary ESG score which is bespoke to the Japanese market. The NB proprietary ESG score also considers engagement potential as key components in its scoring model. The NB proprietary ESG score also promotes the environmental and social characteristics identified in the NB materiality matrix, which is based on the Sustainability Accounting Standards Board (“SASB”) materiality framework. The NB materiality matrix 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 following environmental and social characteristics are promoted, where relevant to the specific industry and company, as part of the NB proprietary ESG score:

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

Promotion of these environmental and social characteristics will be measured through the NB proprietary ESG score, 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 promoted as part of the NB proprietary ESG score are subject to change. For the avoidance of doubt, if the environmental or social characteristics promoted as part of the NB proprietary ESG score 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?***

The following sustainability indicators will be used to measure the environmental and/or social characteristics promoted by the Portfolio. These are listed below:

I. The NB proprietary ESG score:

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

The NB proprietary ESG score assigns weightings to environmental, social and governance factors for each sector to derive an NB proprietary ESG score for companies held by the Portfolio. Companies with a favourable and/or an improving NB proprietary ESG score receive higher scores, which is a key area of consideration in raising the companies' weight in the Portfolio. Conversely, companies with a poor NB proprietary ESG score, especially where a poor NB proprietary ESG score is not being addressed by a company, are more likely to receive lower scores that could result in reducing the companies' weight in the Portfolio. In addition, the Sub-Investment Manager will seek to prioritise constructive engagement with holding companies to support their efforts in addressing key issues the Sub-Investment Manager deems critical to the company's business fundamentals and long-term growth including material environment and social issues. The success of the Sub-Investment Manager's constructive engagement efforts with companies will depend on each company's receptiveness and responsiveness to such engagement.

II. Climate Value-at-Risk:

Climate Value-at-Risk ("CVaR") measures the exposure to transition and physical climate risks and opportunities for companies. CVaR is a scenario analysis tool evaluating economic risks and opportunities under various degree scenarios (i.e., the amount of warming targeted) and potential regulatory environments in varying countries. On a holistic basis the results are evaluated by the Sub-Investment Manager's portfolio managers and analysts. CVaR provides a framework for identifying climate-risk over the long-term to assist in understanding how 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 and opportunities 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 top 10 companies in the Portfolio, which the Sub-Investment Manager believes have the highest climate transition risk and the companies for which the Sub-Investment Manager has sufficient and reliable data. The analysis from CVaR is reviewed at least once a year.

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

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. The Sustainable Exclusion Policy is also applied when determining what investments to make for the Portfolio.

The Sub-Investment Manager prohibits investment in securities issued by companies that (i) derive more than 10% of their revenue from thermal coal mining through the application of the Sustainable Exclusion Policy; or (ii) are expanding new thermal coal power generation. Furthermore, the Portfolio will not invest in companies whose activities have been identified as breaching, or are not consistent with, the Neuberger Berman Global Standards Policy, which excludes identified violators of the international standards, (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs and (iv) the ILO Standards. Further details on these ESG exclusion policies are set out in the “Sustainable Investment Criteria” section of the Prospectus.

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

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

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

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

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

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

N/A

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

The Portfolio does not commit to holding sustainable investments, however the Sub-Investment Manager will not invest in companies whose activities have been identified as breaching, or are not consistent with, the Neuberger Berman Global Standards Policy which excludes identified violators of the following international standards: (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs and (iv) the ILO Standards.

*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.

**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.





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

Yes, please see below

No

The Sub-Investment Manager will consider the principal adverse impacts outlined in the below table on sustainability factors (the “**Product Level PAIs**”):

Product Level PAIs	
Theme	Adverse sustainability indicator
<i>Greenhouse gas emissions</i>	PAI 1- GHG emissions PAI 2 - Carbon footprint PAI 3 - GHG intensity of investee companies PAI 4 - Exposure to companies active in the fossil fuel sector
<i>Social and employee matters</i>	PAI 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises PAI 13 - Board gender diversity PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

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

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

The Sub-Investment Manager will continue to work with companies to encourage disclosure and envisages that the letter campaign will result in wider and more granular data coverage on the 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 Sub-Investment Manager's subjective view), and may evolve with improving data quality and availability. Where such data is not available the relevant Product Level PAI will not be considered until such time as the data becomes available. The Sub-Investment Manager will keep the list of Product Level PAIs they consider under active review, as and when data availability and quality improves.

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

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

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



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

## What investment strategy does this financial product follow?

The objective of the Portfolio is to achieve a target average return of 3% over the MSCI Japan Small Cap Net Index (Total Return, JPY) before fees over a market cycle (typically 3 years) from investing primarily in a portfolio of Japanese equity holdings.

The Portfolio will primarily invest in equity securities issued by small and mid-capitalisation companies which have either their head office or exercise an overriding part of their economic activity in Japan and that are listed or traded on Recognised Markets globally.

The Sub-Investment Manager will employ a research driven, bottom-up, fundamental approach to stock selection, with a long term perspective that combines both quantitative analysis and qualitative judgment to identify investments that the Sub-Investment Manager considers to be attractive and have the potential to increase their corporate value and achieve sustainable growth, through active engagement i.e. constructive and purposeful dialogue, based upon a deep understanding of the investment company and their business environment.

ESG considerations are integrated throughout the investment process: starting with investment universe screening, followed by company-level due diligence, and finally the NB proprietary ESG score that ultimately helps determine the company's weighting in the portfolio.

The Sub-Investment Manager believes engaging companies on financially material issues such as capital management and ESG topics enables them to improve the fundamental quality of their holdings over the medium to longer term horizon. The Sub-Investment Manager also believes that in addition to the engagement of capital management and corporate governance elements, which often other asset managers try to focus on, engagement of environment and social responsibility issues enhances long term sustainability of the company's business. These factors are inextricably linked and for this reason the responsibility of the strategy's ESG analysis and engagement, including proxy voting, rests on the investment team and not on a separate entity such as a stewardship or responsible investing team. This ensures that the Sub-Investment Manager's engagement on material ESG issues is linked to factors that move the needle specifically for the business and ultimately performance of the portfolio. The Sub-Investment Manager believes core to the success of engagement is 1) to select the right companies, which is based on in-depth qualitative/quantitative analysis and dialogue with the management, and 2) set clear engagement plans and roadmaps based on past successes and know-how from other teams.

### ● **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 promoted at three different levels:

#### I. Integrating proprietary ESG analysis:

As noted above, for environment and social responsibility issues, the Sub-Investment Manager takes a top-down approach, through the NB proprietary ESG score. The NB proprietary ESG score leverages the NB materiality matrix to identify the sustainability factors that could have a material impact on the sustainability of the company. The Sub-Investment Manager will then scrutinize these issues with respect to the business model, value chain, growth phase of the company, and competitive position to highlight high-priority issues that need to be addressed immediately. This is done through on-the-ground research combing through years of publicly available company disclosure and through meetings with the company, competitors, suppliers, clients, and external research providers, if available.

#### II. Engagement:

As noted above, once the Portfolio has invested in a company, the Sub-Investment Manager will set an engagement objective and a customized strategy to address the financially material issues identified in the scoring process. The Sub-Investment Manager's engagement with portfolio holdings is aimed at helping these companies achieve long-term growth. As long-term investors focused on bottom-up stock selection, the Sub-Investment Manager believes that through in-depth engagement on capital management, financially material environment and social issues, and corporate governance, they can help the company sustain a growth profile over the long-term that will ultimately contribute to the Portfolio's performance. The Sub-Investment Manager's experience engaging with companies has shown that smaller companies require more

time and resources to address these issues (average 2-3 years for environmental and social issues). Hence, given this relatively lengthy process, the Sub-Investment Manager has adopted a milestone system to ensure engagement remains on track to achieve the objective.

III. ESG sectoral exclusion policies:

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

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

N/A

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

On corporate governance, the Sub-Investment Manager employs a bottom-up approach assessing the company's governance framework on a case-by-case basis. This is based on the Sub-Investment Manager's view that a company's corporate governance evolves in accordance with the growth phase of the business. However, a key underlying theme within the Sub-Investment Manager's analysis is the protection of shareholder rights and management's commitment to growing corporate value over the long-term. To objectively evaluate the company's governance framework, the Sub-Investment Manager focuses on three key components: 1) diversity and independence, 2) management structure, 3) management vision and execution.

On diversity and independence, the Sub-Investment Manager looks for boards with an appropriate level of independence and a strong representation of not just gender but also of skill set and experience that can help foster dynamic discussions about the company's long-term strategy while also ensuring adequate monitoring of management.

On management structure, the Sub-Investment Manager looks for frameworks that protect and safeguard the contribution of independent executives in the overall board structure.

Finally, on management vision and execution, the Sub-Investment Manager looks for management to set a long-term vision and for the current business plan to be designed to achieve that goal from both a capital management and sustainability standpoint. The goal of this corporate governance analysis is to ensure that management continues to run the business to achieve sustainable long-term growth for the sake of all shareholders. In the event that the investment holding undertakes poor corporate-governance action(s) that the Sub-Investment Manager believes will be detrimental to shareholder rights and ultimately to the long-term sustainable growth of the company, the Sub-Investment Manager will analyse the severity of the incident and will reflect this in the NB proprietary score accordingly. Concurrently, the Sub-Investment Manager will engage the company to address the issue(s) in an appropriate and timely manner. However, if the Sub-Investment Manager believes the issue is not rectifiable via engagement, it may choose to further lower the score and/or exit the position.

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

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

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



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

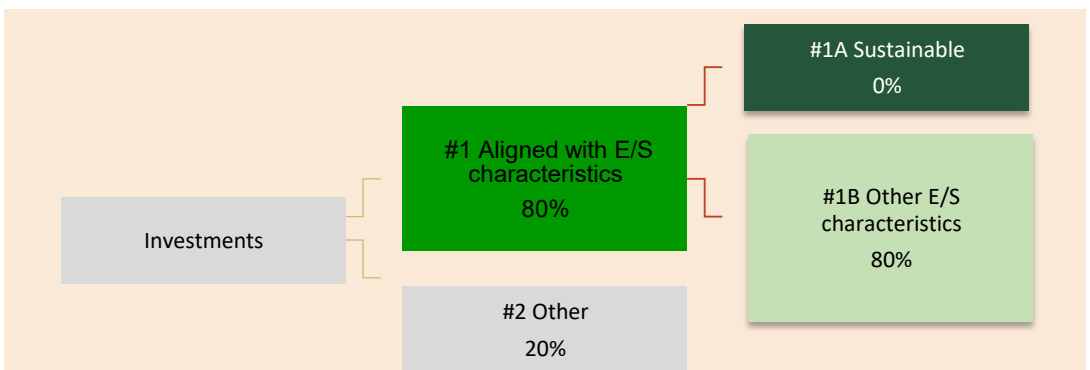
The Portfolio aims to hold a minimum of 80% investments that are aligned with the environmental or social characteristics promoted by the Portfolio. The Portfolio does not commit to holding sustainable investments. The Portfolio aims to hold a maximum of 20% investments that are not aligned with the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

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

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

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

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



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

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

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

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

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

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



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

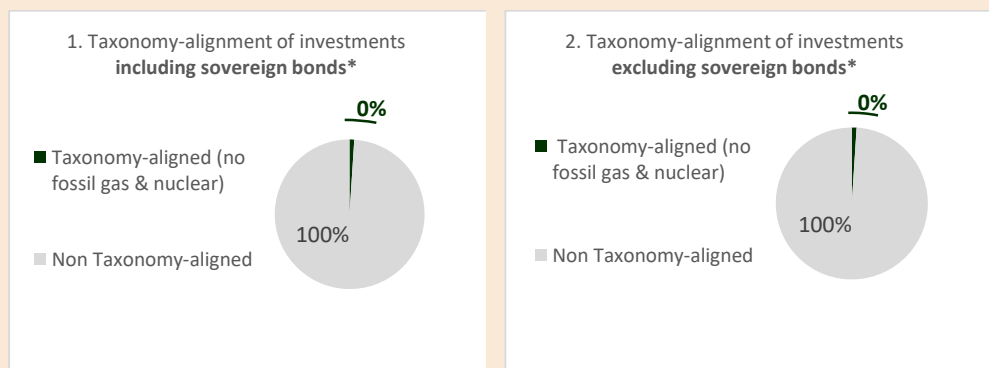
The analysis and disclosure requirements introduced by the EU Taxonomy are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the Portfolio makes. The Sub-Investment Manager cannot commit that the Portfolio will invest 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 Sub-Investment Manager will keep the extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy under active review as data availability and quality improves.

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

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

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

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



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

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

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

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



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



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

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



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

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



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

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

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

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

The Sub-Investment Manager believes that these policies prevent investment in 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.



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

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

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

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

N/A

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

N/A

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

N/A

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

N/A



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

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

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

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