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

NEUBERGER BERMAN INVESTMENT FUNDS PLC

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

HIGH YIELD SUPPLEMENT

6 DECEMBER 2023

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

NEUBERGER BERMAN HIGH YIELD BOND FUND

NEUBERGER BERMAN SHORT DURATION HIGH YIELD SDG ENGAGEMENT FUND

NEUBERGER BERMAN EUROPEAN HIGH YIELD BOND FUND

NEUBERGER BERMAN GLOBAL HIGH YIELD SDG 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.

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Definitions

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

Business Day with respect to:

(a) the Neuberger Berman High Yield Bond Fund, the Neuberger Berman Short Duration High Yield SDG Engagement Fund and the Neuberger Berman Global High Yield SDG Engagement Fund a day (except Saturday or Sunday) on which the relevant financial markets in London and New York are open for business; and

(b) the Neuberger Berman European High Yield Bond Fund a day (except Saturday or Sunday) on which the relevant financial markets in London are open for business;

Dealing Day each Business Day or such other day or days as the Directors may determine and notify to the Administrator and to Shareholders in advance, provided there shall be at least two (2) Dealing Days per month in each Portfolio;

Dealing Deadline with respect to each Portfolio (except for the Neuberger Berman European High Yield Bond 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;

with respect to the Neuberger Berman European High Yield Bond Fund, 11.00 am (Irish time) on the relevant Dealing Day. In exceptional circumstances, a director of either the Company or the Manager may authorise the acceptance of a subscription or redemption application up to 12.30 pm (Irish time) on the relevant Dealing Day;

Net Asset Value Calculation Time 10.00 pm (Irish time) on the relevant Dealing Day or such other time as the Directors may determine in respect of a Portfolio;

Portfolios the Neuberger Berman High Yield Bond Fund, the Neuberger Berman Short Duration High Yield SDG Engagement Fund, the Neuberger Berman European High Yield Bond Fund and the Neuberger Berman Global High Yield SDG Engagement Fund;

SDGs the United Nations Sustainable Development Goals;

SFDR Annex each annex hereof setting out the pre-contractual disclosures template with respect to a Portfolio, prepared in accordance with the requirements of Article 8 of SFDR; and

Sub-Investment Manager In relation to all the Portfolios, Neuberger Berman Europe Limited, Neuberger Berman Investment Advisers LLC, or such other company as may be appointed by the Manager from time to time in respect any particular Portfolio, with the prior approval of the Company and the Central Bank.

In addition, in relation to the Neuberger Berman Global High Yield SDG Engagement Fund, Neuberger Berman Singapore Pte. Limited or such other company as may be appointed by the Manager from time to time in respect any particular Portfolio, with the prior approval of the Company and the Central Bank.

Investment Risks

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

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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 High Yield Bond Fund	Neuberger Berman Short Duration High Yield SDG Engagement Fund	Neuberger Berman European High Yield Bond Fund	Neuberger Berman Global High Yield SDG Engagement Fund
1. Risks Related to Fund Structure	✔	✔	✔	✔
2. Operational Risks	✔	✔	✔	✔
3. Market Risks	✔	✔	✔	✔
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				
Depositary 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				
3.a Market Risks: Risks Relating To Debt Securities	✔	✔	✔	✔
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				
3.b Market Risks: Risks Relating To Emerging Market Countries				✔
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				
4. Liquidity Risks	✔	✔	✔	✔
5. Finance-Related Risks	✔	✔	✔	✔
6. Risks Related To Financial Derivative Instruments	✔	✔	✔	✔
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 (Weekly) Distributing Classes in the Neuberger Berman High Yield Bond Fund shall be declared and paid on or prior to the last Business Day of each week. Other than in respect of the Neuberger Berman High Yield Bond Fund, there will be no (Weekly) Distributing Classes in any of the other Portfolios;
- 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;
- each of the (Monthly) Gross Income Distributing Classes in the Portfolios shall be declared on or prior to the last Business Day of each month and paid within three Business Days thereafter;
- each of the other (Gross) Income Distributing Classes in the Portfolios shall be declared on a quarterly basis and paid within thirty Business Days thereafter; and
- each of the other Distributing Classes in the Portfolios will be declared on a quarterly basis and paid within 30 Business Days thereafter.

Subscriptions and Redemptions

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

Offer Price on the last day of the Initial Offer Period.

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

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

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 High Yield Bond Fund

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

Investment Objective	Achieve an attractive level of total return (income plus capital appreciation) from the high yield fixed income market.
Investment Approach	The Portfolio will aim to achieve its objective by investing primarily in: • High yield fixed income securities issued by US and foreign corporations, which, respectively, have their head office or exercise an overriding part of their economic activity in the US; and • High yield fixed income securities issued by governments and agencies in the US that are primarily denominated in US Dollars, that are listed, dealt or traded on Recognised Markets without any particular focus on any one industrial sector. The Portfolio is typically diversified across issuers and industry sectors. The Sub-Investment Manager will seek to select securities from the result of in-depth credit research, utilising proprietary analytical tools which seek to assess the strength of a company's credit profile, examples of which include but are not limited to: (i) their ability to pay principal and interest, their cash flow and balance sheet composition; (ii) their market position relative to competitors; and (iii) the Sub-Investment Manager's assessment of Environmental, Social, and Governance (ESG) factors through the NB ESG Quotient as well as proactive engagement on ESG related topics. In addition, the Sub-Investment Manager may seek to (where applicable): (i) capitalise on market opportunities in areas of the high yield market which the Sub-Investment Manager believes are undervalued (on the basis of the criteria outlined above); and/or (ii) generate added value through: - avoidance of credit deterioration, either as a result of a decline in credit rating based on internal research and/or external rating agencies or which occurs when the Sub-Investment Manager believes, based on research, that the fundamentals of a security are in decline and accordingly will dispose of or will not invest in such securities; - relative value analysis (i.e. seeking to exploit perceived under or over valuation of assets (based on views of, including, but not exhaustive, ratings, corporate fundamentals and industry) carried out as part of the Sub-Investment Manager's proprietary research; and - industry and quality rotation by selling out of a security in one industry or credit tier and buying into another. The Portfolio aims to manage credit risk through disciplined credit analysis and diversification of credit quality. The Portfolio intends to opportunistically rotate quality and sector exposures throughout the credit cycle, maintaining a higher quality bias in High-Yield Bonds when the Sub-Investment Manager believes an economic downturn is underway and increasing lower quality holdings of High-Yield Bonds when the Sub-Investment Manager believes an economic expansion is underway. With regard to interest rate risk, the Sub-Investment Manager is sensitive to the overall duration of the portfolio in relation to the Benchmark and will seek to evaluate the duration of potential new portfolio acquisitions in conjunction with credit analysis. The Portfolio invests its assets in a broad range of issuers, industry sectors and maturities. Under normal market conditions, the Sub-Investment Manager anticipates that the Portfolio's Weighted Average Maturity will be between 5-10 years.

	The Portfolio may opportunistically invest up to 10% of its Net Asset Value in participation interests in floating or adjustable rate senior secured loans, which are securitised and freely transferable, and which meet the regulatory criteria to be considered money market instruments. The Portfolio may also invest, on an ancillary basis, in unlisted money market instruments issued by companies located throughout the world. In addition, although the Portfolio will concentrate its investments in the US, the Portfolio may also invest in securities of companies located in and governments of Emerging Market Countries, which may involve additional risk, relative to investment in more developed economies. The Portfolio may also invest, on an ancillary basis, in equity securities as set out below in the "*Instruments/Asset Classes*" section and unlisted money market instruments issued by companies located throughout the world. 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. This deviation may be significant.
Benchmark	The ICE BofA US High Yield Constrained Index (Total Return, USD), which covers the universe of fixed rate, non-investment grade debt. Shareholders in a Class which is denominated in a currency other than the Base Currency should note that, where available, it may be more meaningful to compare the performance of such Class against a version of this index which is denominated in the relevant Class currency.
Base Currency	US Dollars (USD).
Instruments / Asset Classes	The Portfolio will invest mainly in high yield fixed income securities. The Portfolio can invest in or be exposed to the following types of assets. **Fixed Income Securities (Debt securities)**. These securities may include: • Both fixed and floating rate securities; • Corporate bonds, convertible bonds, debentures and notes (including freely transferable and unleveraged structured notes and freely transferable promissory notes); • Contingent convertible bonds, subject to a limit of up to 10% of the Portfolio's Net Asset Value; • Debt securities issued by governments and commercial banks; • Privately issued mortgage-backed securities, asset-backed securities, structured securities that derive interest and principal payments from specified assets or indices (including mortgage-backed securities such as pass-through certificates, collateralised mortgage obligations, and interest and principal only components of mortgage-backed securities); • Collateralised mortgage obligations, payment-in-kind bonds (which are bonds that pay interest in the form of additional bonds of the same kind); • Collateralised loan obligations, subject to a limit of up to 10% of the Portfolio's Net Asset Value; and • Deferred payment securities (securities which pay regular interest after a predetermined date) and zero coupon securities that are rated below investment-grade (often referred to as "junk bonds"). **Money Market Instruments**. These securities may include bank deposits, fixed or floating rate instruments (including commercial paper), floating or variable rate notes, bankers acceptances, certificates of deposit, debentures and short-dated government or corporate bonds, participation interests in loans (which are securitised and freely transferable), cash and cash equivalents (including treasury bills) that are rated as investment grade or below by Recognised Rating Agencies or are unrated.

Equity Securities. Equity securities (both common and preferred) issued by US and other issuers which are listed, dealt or traded on Recognised Markets.

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

- Swaps may include currency swaps, interest rate swaps, credit default swaps, index swaps and total return swaps to obtain exposure to the broad high yield fixed income market pending investment in the securities described above and to hedge existing long positions. The maximum proportion of the Portfolio's Net Asset Value that can be subject to total return swaps is 10%. The expected proportion of the Portfolio's Net Asset Value that will be subject to total return swaps is 0%. The expected proportions are not limits and the actual percentages may vary over time depending on factors including, but not limited to, market conditions;
- Future contracts based on interest rates, fixed income securities and UCITS eligible bond indices may be used to hedge interest rate risk and existing long positions;
- Options on UCITS eligible bond index futures and UCITS eligible bond indices may be used to achieve a profit as well as to hedge existing long positions;
- Forward contracts on fixed income securities may be used to achieve a profit, through gaining exposure to an increase in the value of such securities as well as to hedge existing long positions; and
- Forward currency contracts may be used to achieve a profit through gaining exposure to an increase in the value of currencies, as well as to hedge existing long currency exposures.

As the Portfolio may purchase FDI generally using only a fraction of the assets that would be needed to purchase the relevant securities directly, the remainder of the assets allocated to the Portfolio may be invested in the other types of securities listed in this *"Instrument/Asset Classes*" section. 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 add excess return. The Sub-Investment Manager may therefore seek to achieve greater returns by purchasing derivative instruments and investing the remaining assets in such other securities to add excess return. Any indices to which exposure is taken through FDI will be broad-based, UCITS-eligible indices which provide exposure to the performance of the types of assets in which the Portfolio may invest, as described in this "*Instruments/Asset Classes*" section. Details of such indices utilised by the Portfolio will be contained in the annual report of the Company.

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

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.

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

Investment Restrictions

- Under normal market conditions, it is the intention of the Sub-Investment Manager to invest at least 80% of the Portfolio's Net Asset Value in high yield fixed income securities. High yield fixed income securities are medium or lower rated securities, generally those rated below investment grade (Baa3, BBB- or above) by one or more Recognised Rating Agency, sometimes referred to as "junk bonds".
- There are no restrictions on the average maturity of the Portfolio or the maturity of any single instrument. Maturities may vary widely depending on the Sub-Investment Manager's assessment of interest rate trends and other economic and market factors.
- Any cash held by the Portfolio will be held solely as an ancillary liquid asset.
- The Portfolio may not invest more than 10% of its Net Asset Value in equity securities.

- The Portfolio may invest up to 10% of its Net Asset Value in securities that are issued or guaranteed by a single sovereign issuer that are below investment grade.
- The Portfolio will not utilise securities lending or margin lending.
- The maximum holding in a single issuer is 5% of the Portfolio's Net Asset Value.

Risk

- Investment in the Portfolio carries certain risks which are described in greater detail in the "*Investment Risks*" section of the Prospectus. While investors should read and consider the entire "*Investment Risks*" section of the Prospectus, the risks summarised in the following section, namely, "*Market Risks*: *Risks relating to Debt Securities*" are particularly relevant to this Portfolio. **These risks are not purported to be exhaustive and potential investors should review this Supplement and the Prospectus in their entirety and consult with their professional advisers, before making an application for Shares.**
- Investors should refer to the Company's risk management policy with respect to the use of FDI contained in the RMP Statement.
- The Sub-Investment Manager will seek to anticipate spread movements in response to changes in economic conditions, industry fundamentals, issuer specific financial performance and other issuer specific factors. Investment decisions will be based on analysis of historical spread relationships, break-even yield spread analysis and total return projections.
- The Sub-Investment Manager will use forward currency contracts in order to hedge currency risk.
- The Portfolio may be leveraged as a result of its investments in FDI but such leverage will not exceed 100% of the Portfolio's Net Asset Value, as measured using the Commitment Approach, at any time.

Environmental, Social and Governance ("ESG")

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

ESG risks and opportunities are systematically 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 who are prepared to accept the risks of the bond market together with higher levels of price volatility than generally associated with fixed income funds due to the Portfolio's investment policies or portfolio management techniques.

Fees and Expenses

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

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

Contingent deferred sales charges

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

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

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, C2 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), two years (Category C2 Classes) and three years (Category E Classes) from the date of the initial subscription into the relevant B, C2 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 ("HKSFC") 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.

Neuberger Berman Short Duration High Yield SDG Engagement 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. Investors should note that, notwithstanding the Portfolio's investment objective, this Portfolio is not considered to be an impact fund.

Investment Objective	Generate high current income by investing in short-duration high yield fixed income securities that comply with the terms of the Sustainable Exclusion Policy and seek to produce investment returns, support better-functioning capital markets and have a positive social and environmental impact.
Investment Approach	The Portfolio will aim to achieve its objective by investing primarily in: • Short duration, high yield fixed income securities issued by US and non-U.S. corporations, which, respectively, have their head office or exercise an overriding part of their economic activity in the US; and • Short duration, high yield fixed income securities issued by governments and agencies in the US that are primarily denominated in US Dollars, that comply with the terms of the Sustainable Exclusion Policy and are listed, dealt or traded on Recognised Markets without any particular focus on any one industrial sector. The Portfolio promotes the environmental and social characteristics detailed in the SFDR Annex. In aiming to align the Portfolio with a net-zero goal, the Sub-Investment Manager intends to reduce the Portfolio's carbon footprint across scope 1, 2, and material scope 3 greenhouse gas ("**GHG**") emissions[1], equating to a 50% reduction by 2030 relative to a 2019 baseline and a subsequent decline to net zero by 2050. The 2019 baseline may be subject to re-calculation as data quality and disclosure expands over time, particularly with respect to scope 3 emissions. Further details on Neuberger Berman's commitment to the Net Zero Asset Manager Initiative are contained in the "*Sustainable Investment Criteria*" section of the Prospectus. The Portfolio seeks to promote the achievement of the SDGs by engaging with at least 90% of corporate issuers, on incremental actions that they can take within their products, services, operations or processes which are aligned with these goals (or where there is potential for increased alignment with these goals, following engagement with these companies). Engagement with corporate issuers will take place within 12 months of purchasing the securities issued by the corporate issuer. The Sub-Investment Manager also maintains an average ESG rating for the Portfolio that is above that of the broad U.S. high yield market, as represented by the ICE BofA U.S. High Yield Index, which will be assessed based on third party ESG scores from an established external provider. The Sub-Investment Manager will exclude companies that are involved in controversial activities and behaviour, such as the production of controversial weapons, fur manufacturers, gambling, nuclear power or non-compliance with the UNGC Principles. The application of the Sustainable Exclusion Policy, as such terms are defined in the "Sustainable Investment Criteria" section of the Prospectus, means that companies involved in tobacco, manufacture of civilian firearms and operation of private prisons will also be excluded. Investors should refer to the information contained in that section and the SFDR Annex for further details about the application of the Sustainable Exclusion Policy to the Portfolio. The Sub-Investment Manager will then assess the remaining investment universe, which involves in-depth research and analysis of companies' ESG profiles and will also exclude companies that show poorly on the NB ESG Quotient. The Sub-Investment Manager will ensure that securities representing at least 90% of the Net Asset Value of the Portfolio are covered by the NB ESG Quotient. Through these two

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

ESG exclusionary steps, the Sub-Investment Manager will exclude at least 20% of components of the investment universe which are rated the weakest in terms of the NB ESG Quotient.

The Portfolio is typically diversified across issuers and industry sectors. Although it may invest in securities of any maturity, the Portfolio normally seeks to maintain a weighted average portfolio duration of three years or less. The Sub-Investment Manager will seek to select securities from the result of in-depth credit research, utilising proprietary analytical tools which seek to assess the strength of a company's credit profile, examples of which include but are not limited to:

(i) their ability to pay principal and interest, their cash flow and balance sheet composition, and

(ii) their market position relative to competitors.

In addition, the Sub-Investment Manager may seek to (where applicable):

(i) capitalise on market opportunities in areas of the high yield market which the Sub-Investment Manager believes are undervalued (on the basis of the criteria outlined above); and/or

(ii) generate added value through:

- avoidance of credit deterioration, either as a result of a decline in credit rating based on internal research and/or external rating agencies or which occurs when the Sub-Investment Manager believes, based on research, that the fundamentals of a security are in decline and accordingly will dispose of or will not invest in such securities;
- relative value analysis (i.e. seeking to exploit perceived under or over valuation of assets (based on views of, including, but not exhaustive, ratings, corporate fundamentals and industry) carried out as part of the Sub-Investment Manager's proprietary research; and
- industry and quality rotation by selling out of a security in one industry or credit tier and buying into another.

The Portfolio endeavours to manage credit risk and minimise interest rate risk through disciplined credit analysis and emphasis on short-term and intermediate-term maturities. The Portfolio intends to focus, among other things, on issuer cash flows, management and sources of repayment and decrease exposure to securities with deteriorating fundamentals and financials.

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

The Portfolio may also invest, on an ancillary basis, in equity securities as set out below in the "Instruments/Asset Classes" section and unlisted money market instruments issued by companies located throughout the world.

The Sub-Investment Manager anticipates that under normal market conditions the Portfolio's duration will be 3 years or less, although this may vary as market conditions change.

The Portfolio is actively managed; no benchmark is used for performance comparison purposes or as a universe for selection. The ICE BofA U.S. High Yield Index is used exclusively for ESG rating comparison purposes and carbon intensity reduction comparison purposes only.

Benchmark	N/A
Base Currency	US Dollars (USD).
Instruments / Asset Classes	The Portfolio will invest primarily in short duration, high yield fixed income securities. The Portfolio can invest in or be exposed to the following types of assets. **Fixed Income Securities (Debt securities)**. These securities may include: • Both fixed and floating rate securities, issued by governments and commercial banks;

- Corporate bonds, convertible bonds, debentures and notes (including freely transferable and unleveraged structured notes and freely transferable promissory notes);
- Contingent convertible bonds, subject to a limit of up to 10% of the Portfolio's Net Asset Value;
- Privately issued mortgage-backed securities, asset-backed securities, structured securities (including mortgage-backed securities such as pass-through certificates, collateralised mortgage obligations and interest and principal only components of mortgage-backed securities) that derive interest and principal payments from specified assets (including residential and commercial mortgages, credit card debt, pools of other kinds of loans);
- Collateralised mortgage obligations, payment-in-kind bonds (which are bonds that pay interest in the form of additional bonds of the same kind);
- Collateralised loan obligations, subject to a limit of up to 10% of the Portfolio's Net Asset Value; and
- Deferred payment securities (securities which pay regular interest after a predetermined date) and zero coupon securities that are rated below investment-grade (often referred to as "junk bonds").

High yield fixed income securities are medium or lower rated securities, generally those rated below investment grade (Baa3, BBB- or above) by one or more Recognised Rating Agency, sometimes referred to as "junk bonds".

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

Equity Securities. Equity securities (both common and preferred) issued by US and other issuers which are listed, dealt or traded on Recognised Markets

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

- Swaps may include foreign exchange, interest rate swaps, index swaps and total return swaps and may be used to achieve a profit, to obtain exposure to the broad short duration, high yield fixed income market pending investment in the securities described above, as well as to hedge existing long positions. The maximum proportion of the Portfolio's Net Asset Value that can be subject to total return swaps is 10%. The expected proportion of the Portfolio's Net Asset Value that will be subject to total return swaps is 0%. The expected proportions are not limits and the actual percentages may vary over time depending on factors including, but not limited to, market conditions;
- Future contracts may be used to hedge or to gain exposure to an increase in fixed income securities or currencies; and
- Forward currency contracts may be used to achieve a profit through gaining exposure to an increase in the value of currencies, as well as to hedge existing long currency exposures.

As the Portfolio may purchase FDI generally using only a fraction of the assets that would be needed to purchase the relevant securities directly, the remainder of the assets allocated to the Sub-Investment Manager may be invested in the other types of securities listed in this "*Instruments/Asset Classes*" section. The Sub-Investment Manager may therefore seek to achieve greater returns by purchasing derivative instruments and investing the remaining assets in such other securities to add excess return. The Sub-Investment Manager may therefore seek to achieve greater returns by purchasing derivative instruments and investing the remaining assets in such other securities to add excess return. Any indices to which exposure is taken through FDI will be broad-based, UCITS-eligible indices which provide exposure to the performance of the types of assets in which the Portfolio may invest, as described in this "*Instruments/Asset Classes*" section.

	Details of such indices utilised by the Portfolio will be contained in the annual report of the Company. The counterparties to OTC FDI entered into in respect of the Portfolio will be entities (which will not be related to the Manager or its delegates) with legal personality which may be located globally. They will be subject to ongoing supervision by a public authority, be rated at or in excess of the requirements of the Central Bank by a Recognised Rating Agency and have the necessary organisational structure and resources for the relevant type of transaction. 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. **Repo Contracts**. Repo Contracts may be used subject to the conditions and limits set out in the Prospectus.
Investment Restrictions	• Under normal market conditions, it is the intention of the Sub-Investment Manager to invest at least 80% of the Portfolio's Net Asset Value in high yield fixed income securities which are rated below investment grade. • Any cash held by the Portfolio will be held solely as an ancillary liquid asset. • The Portfolio may not invest more than 10% of its Net Asset Value in equity securities. • The Portfolio will not invest in Emerging Market Countries. • The Portfolio may invest up to 10% of its Net Asset Value in securities that are issued or guaranteed by a single sovereign issuer that are below investment grade. • The Portfolio will not utilise securities lending or margin lending. • The maximum holding in a single issuer is 5% of the Portfolio's Net Asset Value.
Risk	• Investment in the Portfolio carries certain risks which are described in greater detail in the "*Investment Risks*" section of the Prospectus. While investors should read and consider the entire "*Investment Risks*" section of the Prospectus, the risks summarised in the following section, namely, "*Market Risks*: *Risks relating to Debt Securities*" are particularly relevant to this Portfolio. **These risks are not purported to be exhaustive and potential investors should review this Supplement and the Prospectus in their entirety and consult with their professional advisers, before making an application for Shares.** • Investors should refer to the Company's risk management policy with respect to the use of FDI contained in the RMP Statement. • The Sub-Investment Manager will take a disciplined approach to investing on behalf of the Portfolio by attempting to maintain a portfolio that is typically diversified across issuers, industry sectors and, within the scope of the targeted Portfolio duration, maturities. • The Sub-Investment Manager will seek to anticipate spread movements in response to changes in economic conditions, industry fundamentals, issuer specific financial performance and other issuer specific factors. Investment decisions will be based on analysis of historical spread relationships, break-even yield spread analysis and total return projections. • The Sub-Investment Manager will use forward currency contracts in order to hedge currency risk. • 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")	The Portfolio has been classified as an Article 8 Portfolio as it invests in securities issued by those issuers that promote both environmental and social characteristics. **Information about these environmental and social characteristics is available in the SFDR Annex below.**

As noted above, the Portfolio's investment objective is to generate high current income by investing in short-duration high yield fixed income securities that comply with the Sustainable Exclusion Policy and seek to produce investment returns, support better-functioning capital markets and have a positive social and environmental impact.

Accordingly, the Sub-Investment Manager applies the (i) Controversial Weapons Policy, and (ii) the Sustainable Exclusion Policy, when determining what investments to make for the Portfolio. Further details on these screening/exclusion policies are set out in the "*Sustainable Investment Criteria*" section of the Prospectus.

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

As noted above, the Sub-Investment Manager intends to align the Portfolio with a net-zero goal.

The Sub-Investment Manager directly engages with investee companies and establishes engagement objectives for each investee company / corporate issuer, aligned with the SDGs. As part of the engagement with investee companies / corporate issuers, the Sub-Investment Manager will assess the investee company's / corporate issuer's progress in implementing the engagement objectives (i.e. contributing towards achievement of the UN Sustainable Development Goals) on an ongoing basis. If an investee being evaluated shows no signs of progress in achieving the abovementioned objectives and the Sub-Investment Manager sees no path to improvement, the Sub-Investment Manager may reduce the Portfolio's position in this investee and may consider divesting from the issuer. This direct engagement is an essential part of the investment process and the Portfolio's promotion of environmental and social characteristics.

ESG factors are integral to the Sub-Investment Manager's investment process. In particular, investment is prioritised in corporate issuers whose current business products and services are aligned with the UN Sustainable Development Goals (or where there is potential for increased alignment with these goals, following engagement with those companies by the Sub-Investment Manager, as described above).

ESG analysis is performed by the Sub-Investment Manager along with the support of third-party data. The research analysts use their sector expertise to customise criteria for each industry, using the SASB framework as a starting point.

The Sub-Investment Manager also utilises the NB ESG Quotient for corporate issuers. This scoring system includes an in-house governance assessment tool and an assessment of industry specific environmental and social factors. The ESG factors applied are sector-specific with customised sector weightings.

As noted above, the Sub-Investment Manager will ensure that securities representing at least 90% of the Net Asset Value of the Portfolio are covered by the NB ESG Quotient. The criteria for the NB ESG Quotient is determined by the security type, not the scope of the investment universe. Generally speaking, corporate securities (e.g. fixed and floating rate high yield and investment grade corporate bonds and loans, equity securities and convertible bonds) would be covered by the NB ESG Quotient in respect of the Portfolio. Security types which would typically not be covered by the NB ESG Quotient in the context of the Portfolio include, but are not limited to, government debt securities and cash/cash equivalents, and will represent at most 10% of the Portfolio's Net Asset Value.

Through ESG exclusionary steps, the Sub-Investment Manager will also exclude at least 20% of components of the investment universe which are rated the weakest in terms of the NB ESG Quotient.

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

Typical Investor Profile

The Portfolio may be suitable for investors who are prepared to accept the risks of the bond market together with higher levels of price volatility than generally associated with fixed income funds due to the Portfolio's investment policies or portfolio management techniques.

Fees and Expenses

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

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

Contingent deferred sales charges

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

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

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 ("HKSFC") 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.

Neuberger Berman European High Yield Bond Fund

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

Investment Objective	Seeks to maximise current income whilst preserving capital by investing in the European high yield fixed income market.
Investment Approach	The Portfolio will aim to achieve its objective by investing primarily in corporate high yield fixed income securities, which are (i) denominated in a European currency or (ii) issued or guaranteed by companies of any industrial sector that are domiciled in, or exercise the main part of their economic activity in a European country that are listed, dealt or traded on Recognised Markets and comply with the terms of the Sustainable Exclusion Policy. The Portfolio will invest a majority of its Net Asset Value in securities denominated in Euro and / or GBP. The Portfolio's investments will be fully hedged into its Base Currency through the use of forward and future contracts as set out below in the "Instruments/Asset Classes" section. The Portfolio may also invest, on an ancillary basis, in unlisted money market instruments and equity securities issued by companies which have their head office or exercise an overriding part of their economic activity in Europe, and which may be denominated in a European currency. The Sub-Investment Manager will take a disciplined approach to investing on behalf of the Portfolio by attempting to maintain a portfolio that is typically diversified across issuers, industry sectors and maturities. The Sub-Investment Manager will seek to select securities from the result of in-depth credit research, utilising proprietary analytical tools which seek to assess the strength of a company's credit profile, examples of which include but are not limited to: (i) their ability to pay principal and interest, their cash flow and balance sheet composition, (ii) their market position relative to competitors, (iii) the Sub-Investment Manager's assessment of Environmental, Social, and Governance (ESG) factors through the NB ESG Quotient as well as proactive engagement on ESG related topics. The securities selected will depend on Sub-Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Portfolio. In selecting securities for investment, the Sub-Investment Manager seeks to: • capitalise on market opportunities in areas of the high yield market which the Sub-Investment Manager believes are undervalued; • generate added value through (i) avoidance of credit deterioration, either as a result of a decline in credit rating based on internal research and/or external rating agencies or which occurs when the Sub-Investment Manager believes, based on research, that the fundamentals of a security are in decline and accordingly will dispose of or will not invest in such securities; (ii) relative value analysis (i.e. seeking to exploit perceived under or over valuation of assets (based on views of, including, but not exhaustive, ratings, corporate fundamentals and industry) carried out as part of the Sub-Investment Manager's proprietary research and (iii) industry and quality rotation by selling out of a security in one industry or credit tier and buying into another. The Portfolio may opportunistically invest up to 10% of its Net Asset Value in participation interests in floating or adjustable rate senior secured loans, which are securitised and freely transferable, and which meet the regulatory criteria to be considered money market instruments. The Portfolio 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. This deviation may be significant.

Benchmark	The ICE BofA European Currency Non-Financial High Yield 3% Constrained Index (Total Return, EUR) which measures the performance of non-financial below-investment grade corporate debt denominated in Euro and GBP, publicly issued in the eurobond, sterling domestic or euro domestic markets and caps exposure to any issuer at 3%. Shareholders in a Class which is denominated in a currency other than the Base Currency should note that, where available, it may be more meaningful to compare the performance of such Class against a version of this index which is denominated in the relevant Class currency.
Base Currency	Euro (EUR).
Instruments / Asset Classes	The Portfolio will invest mainly in high yield fixed income securities. The Portfolio can invest in or be exposed to the following types of assets. **Fixed Income Securities (Debt securities)**. These securities may include: • Corporate bonds, debentures and notes on corporate bonds (both fixed and floating rate securities) such as loan participation notes; • Contingent convertible bonds, subject to a limit of up to 10% of the Portfolio's Net Asset Value; • Privately issued mortgage-backed securities, asset-backed securities, structured securities that derive interest and principal payments from specified assets or indices (including mortgage-backed securities such as pass-through certificates, collateralised mortgage obligations, and interest and principal only components of mortgage-backed securities); • Collateralised loan obligations, subject to a limit of up to 10% of the Portfolio's Net Asset Value; and • Payment-in-kind bonds (which are bonds that pay interest in the form of additional bonds of the same kind), deferred payment securities (securities which pay regular interest after a predetermined date), and zero coupon securities. High yield fixed income securities are medium or lower rated securities, generally those rated below investment grade (Baa3, BBB- or above) by one or more Recognised Agencies. The Portfolio may also invest in other debt securities including convertible notes, convertible bonds and equity securities (where the holding of equity securities has resulted from the conversion of convertible bonds) issued by European corporate and other corporate issuers and are listed, dealt or traded on Recognised Markets. **Money Market Instruments**. The Portfolio may also invest in money market instruments including bank deposits, fixed or floating rate instruments (including commercial paper), floating or variable rate notes, bankers acceptances, certificates of deposit, debentures and short-dated government or corporate bonds, participation interests in loans (which are securitised and freely transferable), cash and cash equivalents (including treasury bills) that are rated as investment grade or below by Recognised Rating Agencies or are unrated. **Equity Securities.** Equity securities (both common and preferred) issued by companies which have their head office or exercise an overriding part of their economic activity in Europe, and/or which may be denominated in a European currency. **Financial Derivative Instruments ("FDIs")**. Subject to the conditions and limits imposed by the Central Bank as set out in the Prospectus and this Supplement, the Portfolio may use the following FDI for hedging and/or efficient portfolio management: • Swaps may include currency swaps, credit default swaps, interest rate swaps, UCITS eligible index swaps and total return swaps to obtain exposure to the broad European high yield fixed income market pending investment in the securities described above and to hedge existing long positions. The maximum proportion of the Portfolio's Net Asset Value that can be subject to total return swaps is 10%. The expected proportion of the Portfolio's Net Asset Value that will be subject to total return swaps is 0%. The expected proportions are not limits and the actual percentages may vary over time depending on factors including, but not limited to, market conditions; • Future contracts based on interest rates or UCITS eligible bond indices may be used to

hedge interest rate risk and existing long positions;

- Options on UCITS eligible bond index futures and UCITS eligible bond indices may be used to achieve a profit as well as to hedge existing long positions;
- Forward contracts on fixed income securities may be used to achieve a profit, through gaining exposure to an increase in the value of such securities as well as to hedge existing long positions; and
- Forward currency contracts may be used to achieve a profit through gaining exposure to an increase in the value of currencies, as well as to hedge existing long currency exposures.

As the Portfolio may purchase FDI generally using only a fraction of the assets that would be needed to purchase the relevant securities directly, the remainder of the assets allocated to the Portfolio may be invested in the other types of securities listed in this "*Instruments/Asset Classes*" section. 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 add excess return. The Sub-Investment Manager may therefore seek to achieve greater returns by purchasing derivative instruments and investing the remaining assets in such other securities to add excess return. Any indices to which exposure is taken through FDI will be broad-based, UCITS-eligible indices which provide exposure to the performance of the types of assets in which the Portfolio may invest, as described in this "*Instruments/Asset Classes*" section. Details of such indices utilised by the Portfolio will be contained in the annual report of the Company.

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

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

Investment Restrictions

- Under normal market conditions, it is the intention of the Sub-Investment Manager to invest at least 80% of the Portfolio's Net Asset Value in high yield fixed income securities which are unrated or rated below investment grade.
- There are no restrictions on the average maturity of the Portfolio or the maturity of any single instrument. Maturities may vary widely depending on the Sub-Investment Manager's assessment of interest rate trends and other economic and market factors.
- Any cash held by the Portfolio will be held solely as an ancillary liquid asset.
- The Portfolio may not invest more than 10% of its Net Asset Value in equity securities.
- The Portfolio's investments in participation interests in loans and in unlisted loan participation notes will not exceed 10% of its Net Asset Value.
- The maximum holding in a single issuer is 5% of the Portfolio's Net Asset Value.
- The Portfolio may invest up to 10% of its Net Asset Value in securities that are issued or guaranteed by a single sovereign issuer and that are below investment grade.
- The Portfolio will not utilise securities lending or margin lending.

Risk

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

- Investors should refer to the Company's risk management policy with respect to the use of FDI contained in the RMP Statement.
- The Sub-Investment Manager will seek to anticipate spread movements in response to changes in economic conditions, industry fundamentals, issuer specific financial performance and other issuer specific factors. Investment decisions will be based on analysis of historical spread relationships, break-even yield spread analysis and total return projections.
- The Sub-Investment Manager will use currency futures, currency swaps and forward currency contracts in order to hedge currency risk.
- The Portfolio may be leveraged as a result of its investments in FDI but such leverage will not exceed 100% of the Portfolio's Net Asset Value, as measured using the Commitment Approach, at any time.

Environmental, Social and Governance ("ESG")

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

As noted above, the Sub-Investment Manager applies the Sustainable Exclusion Policy, when determining what investments to make for the Portfolio. Further details on this exclusion policy are set out in the "*Sustainable Investment Criteria*" section of the Prospectus.

ESG risks and opportunities are systematically 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).

The Sub-Investment Manager applies (i) the Global Standards Policy; (ii) the Controversial Weapons Policy; (iii) the Thermal Coal Involvement Policy; and (iv) the Neuberger Berman Sustainable Exclusion Policy when determining what investments to make for the Portfolio. Further details on these screening/exclusion policies are set out in the "*Sustainable Investment Criteria*" section of the Prospectus.

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 with a medium to long-term horizon who are prepared to accept the risks of the bond market together with higher levels of price volatility than generally associated with fixed income funds due to the Portfolio's investment policies or portfolio management techniques.

Fees and Expenses

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

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

Contingent deferred sales charges

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

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

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 ("HKSFC") 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.

Neuberger Berman Global High Yield SDG Engagement 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.

Investment Objective	Seeks to maximise current income whilst preserving capital by investing in securities in the global high yield fixed income market that produce investment returns and support better alignment with the United Nations Sustainable Development Goals by engaging with issuers in support of achieving the United Nations Sustainable Development Goals.
Investment Approach	The Portfolio will aim to achieve its objective by investing primarily in: • US dollar and non-U.S. dollar denominated high yield fixed income securities that are issued or guaranteed by corporate issuers of any industrial sector; and • Short duration, high yield fixed income securities issued by governments and agencies globally that are primarily denominated in US Dollars located throughout the world that are listed, dealt or traded on Recognised Markets. The Portfolio promotes environmental and social characteristics, as described in greater detail in the SFDR Annex, whilst contributing towards the achievement of the SDGs by aiming to engage directly with 100% of corporate issuers, primarily through in-person meetings and calls, setting key performance indicators ("**KPIs**") aligned to the SDGs which relate to the issuers' products, services, operations or processes, with the goal of having a positive outcome on the environment and/or society. Engagement with corporate issuers will take place within 12 months of purchasing the securities issued by the corporate issuer. The Sub-Investment Manager will prioritise investment in corporate issuers that have the ability and willingness to engage with the Sub-Investment Manager on specific KPIs aligned to the SDGs. The corporate issuer's progress relative to the KPIs set is evaluated by the Sub-Investment Manager quarterly. This direct engagement with investee companies is an essential part of the investment process and the Portfolio's contribution towards the achievement of the SDGs. Following the application of the exclusions described in the "*Environmental, Social and Governance*" section, the Sub-Investment Manager will then assess potential investments, as follows: 1) The Sub-Investment Manager systematically considers and evaluates ESG characteristics, as an important component of its credit analysis discipline, when making investment decisions. The Sub-Investment Manager utilises the NB ESG Quotient on a continuous basis, as part of the Portfolio construction and investment management process. The NB ESG Quotient assigns weightings to issuers (relative to their peer group) for each of the environmental and social characteristics (as described in the SFDR Annex) to derive the issuer's NB ESG Quotient rating. The Sub-Investment Manager prioritises investment in securities issued by issuers with a favourable and/or an improving NB ESG Quotient rating over those issued by issuers with a poor NB ESG Quotient rating, especially where such an NB ESG Quotient rating is not being addressed by an issuer. Such securities may be excluded from the Portfolio. 2) Creditworthiness is assessed by fundamental analysis aimed at assessing the issuer's financial performance, such as revenue/earnings before interest, tax, depreciation, and amortisation ("**EBITDA**") growth, cash flow growth, capital expenditures, leverage trends and liquidity profile, utilising proprietary analytical tools. This analysis seeks to assess the strength of a company's credit profile, including its ability to pay principal and interest, its cash flow and balance sheet composition and its market position relative to competitors. 3) The Sub-Investment Manager will use an in-house tool to screen for the likelihood of achieving success in engagement with an issuer prior to investment (the "**Engagement Potential Indicator**"). The Engagement Potential Indicator, on a scale of 1-5, provides a systematic evaluation of an issuer's willingness and ability to engage with the Sub-Investment Manager on the SDGs. For example, a company determined to be unwilling or unable to engage would receive an Engagement Potential Indicator of "1", whereas a company willing to engage on becoming a leader in contributing to the SDGs would receive an Engagement Potential Indicator of "5". The Sub-Investment Manager does not intend to invest in companies with an Engagement Potential Indicator rating of below "2". The Engagement Potential Indicator considers a diverse set of factors including the

relevance of the SDGs to an issuer's business operations, an issuer's disclosure practices and the Sub-Investment Manager's relationship with the issuer, in addition to the financial constraints of the issuers.

4) The Sub-Investment Manager then selects investments that seek to maximise current income and preserve capital and progress towards engagement objectives aligned with the SDGs.

   In seeking to maximise income and preserve capital, the Sub-Investment Manager may seek to (where applicable):

   - capitalise on market opportunities in areas of the high yield market which the Sub-Investment Manager believes are undervalued; and/or
   - generate added value through: (i) avoidance of credit deterioration, either as a result of a decline in credit rating based on internal research and/or external rating agencies or which occurs when the Sub-Investment Manager believes, based on research, that the fundamentals of a security are in decline and accordingly will dispose of or will not invest in such securities; (ii) relative value analysis (i.e. seeking to exploit perceived under or over valuation of assets (based on views of, including, but not exhaustive, ratings, corporate fundamentals and industry) carried out as part of the Sub-Investment Manager's proprietary research and (iii) industry and quality rotation by selling out of a security in one industry or credit tier and buying into another.

   The Sub-Investment Manager will seek to make progress towards engagement objectives aligned with the SDGs through active and collaborative engagement with issuers, using both in person meetings and correspondence;

5) The Sub-Investment Manager uses an internal NB engagement tracker to monitor and track engagements at the issuer level and to measure issuers' progress with respect to their engagement objectives over time. Failure by issuers to engage with the Sub-Investment Manager or a lack of progress towards their engagement objectives over time may lead to the Portfolio divesting from issuers' securities; and

6) Periodically, the Sub-Investment Manager will report publicly on engagement efforts and progress towards engagement objectives.

The Portfolio will invest primarily in securities denominated in the currencies included in the Benchmark.

The Portfolio's investments will be fully hedged into its Base Currency through the use of forward and future contracts as set out below in the "*Instruments/Asset Classes*" section.

The Portfolio may also invest, on an ancillary basis, in unlisted money market instruments issued by companies located throughout the world.

The Sub-Investment Manager will take a disciplined approach to investing on behalf of the Portfolio by attempting to maintain a portfolio that is typically diversified across issuers, industry sectors and maturities. The securities selected will depend on the Sub-Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Portfolio.

In addition, the Portfolio may also invest in securities of companies located in and governments of Emerging Market Countries, which may involve additional risk, relative to investment in more developed economies.

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

The Portfolio 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. This deviation may be significant.

Benchmark	The ICE BofA Global High Yield Constrained Index (Total Return, Hedged, USD) tracks the performance of USD, CAD, GBP and EUR-denominated below investment grade corporate debt publicly issued in the major domestic or Eurobond markets and limits exposure to each issuer included in the index to a maximum of 2% of the index.

	Shareholders in a Class which is denominated in a currency other than the Base Currency should note that, where available, it may be more meaningful to compare the performance of such Class against a version of this index which is denominated in the relevant Class currency.
Base Currency	U.S. Dollars (USD).
Instruments / Asset Classes	The Portfolio will invest mainly in high yield fixed income securities, including: **Fixed Income Securities (Debt securities)**. These securities may include: • Both fixed and floating rate securities; • Corporate bonds, bonds with warrants, bonds resulting from the restructuring of syndicated loans or bank loans (e.g. "Brady" bonds), subordinated bonds, debentures and notes (including freely transferable and unleveraged structured notes and freely transferable promissory notes), asset-backed securities; • Contingent convertible bonds, where received as part of a restructuring of an issuer and subject to a limit of up to 10% of the Portfolio's Net Asset Value; • Debt securities issued by governments and commercial banks; • Deferred payment securities (securities which pay regular interest after a predetermined date), zero coupon securities that are rated below investment-grade (often referred to as "junk bonds"), payment-in-kind bonds (which are bonds that pay interest in the form of additional bonds of the same kind); and • Collateralised loan obligations, subject to a limit of up to 10% of the Portfolio's Net Asset Value. **Money Market Instruments**. The Portfolio may also invest on an ancillary basis in money market instruments including bank deposits, fixed or floating rate instruments (including commercial paper), floating or variable rate notes, bankers acceptances, certificates of deposit, debentures and short-dated government or corporate bonds, participation interests in loans (which are securitised and freely transferable), cash and cash equivalents (including treasury bills) that are rated as investment grade or below by Recognised Rating Agencies or are unrated. **Financial Derivative Instruments ("FDIs")** subject to the conditions and limits imposed by the Central Bank as set out in the Prospectus and this Supplement, the Portfolio may use the following FDI for hedging and/or efficient portfolio management: • Swaps may include currency swaps, credit default swaps, interest rate swaps, UCITS eligible index swaps and total return swaps to obtain exposure to the broad short duration, high yield fixed income market pending investment in the securities described above and to hedge existing long positions. The maximum proportion of the Portfolio's Net Asset Value that can be subject to total return swaps is 15%. The expected proportion of the Portfolio's Net Asset Value that will be subject to total return swaps is 2%. The expected proportions are not limits and the actual percentages may vary over time depending on factors including, but not limited to, market conditions; • Future contracts based on interest rates, fixed income securities or UCITS eligible bond indices may be used to hedge interest rate risk and existing long positions; • Options on UCITS eligible bond index futures and UCITS eligible bond indices may be used to achieve a profit as well as to hedge existing long positions; • Warrants and rights on fixed income securities, which may be used to achieve a profit through gaining exposure to an increase in the value of such securities as well as to hedge existing long positions; • Forward contracts on fixed income securities may be used to achieve a profit, through gaining exposure to an increase in the value of such securities as well as to hedge existing long positions; and • Forward and non-deliverable forward currency contracts may be used to achieve a profit through gaining exposure to an increase in the value of currencies, as well as to hedge existing long currency exposures. As the Portfolio may purchase FDI generally using only a fraction of the assets that would be needed to purchase the relevant securities directly, the remainder of the assets allocated

	to the Portfolio may be invested in the other types of securities listed in this "*Instruments/Asset Classes*" section. 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 add excess return. The Sub-Investment Manager may therefore seek to achieve greater returns by purchasing derivative instruments and investing the remaining assets in such other securities to add excess return. Any indices to which exposure is taken through FDI will be broad-based, UCITS-eligible indices which provide exposure to the performance of the types of assets in which the Portfolio may invest, as described in this "*Instruments/Asset Classes*" section. Details of such indices utilised by the Portfolio will be contained in the annual report of the Company. The counterparties to OTC FDI entered into in respect of the Portfolio will be entities (which will not be related to the Sub-Investment Manager or its delegates) with legal personality which may be located globally. They will be subject to ongoing supervision by a public authority, be rated at or in excess of the requirements of the Central Bank by a Recognised Rating Agency and have the necessary organisational structure and resources for the relevant type of transaction. 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 at any time. **Repo Contracts**. Repo Contracts may be used subject to the conditions and limits set out in the Prospectus.
Investment Restrictions	• Under normal market conditions, it is the intention of the Sub-Investment Manager to invest at least 80% of the Portfolio's Net Asset Value in high yield fixed income securities. High yield fixed income securities are medium or lower rated securities, generally those rated below investment grade (Baa3, BBB- or above) by one or more Recognised Rating Agency, sometimes referred to as "junk bonds". • There are no restrictions on the average maturity of the Portfolio or the maturity of any single instrument. Maturities may vary widely depending on the Sub-Investment Manager's assessment of interest rate trends and other economic and market factors. • Any cash held by the Portfolio will be held solely as an ancillary liquid asset. • The Portfolio may not hold more than 10% of its Net Asset Value in equity securities received as part of a restructuring of an issuer. • The Portfolio may invest up to 10% of its Net Asset Value in securities that are issued or guaranteed by a single sovereign issuer that are below investment grade. • The Portfolio may invest in excess of 20% of its Net Asset Value in securities of companies located in and governments of Emerging Market Countries. • The Portfolio will not utilise securities lending or margin lending. • The maximum holding in a single issuer is 5% of the Portfolio's Net Asset Value.
Risk	• Investment in the Portfolio carries certain risks which are described in greater detail in the "*Investment Risks*" section of the Prospectus. While investors should read and consider the entire "*Investment Risks*" section of the Prospectus, the risks summarised in the following sections, namely, "*Market Risks*: *Risks relating to Debt Securities*" and "*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 Sub-Investment Manager will seek to anticipate spread movements in response to changes in economic conditions, industry fundamentals, issuer specific financial performance and other issuer specific factors. Investment decisions will be based on analysis of historical spread relationships, break-even yield spread analysis and total return projections. • The Sub-Investment Manager will use forward currency contracts in order to hedge currency risk. • 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")	The Portfolio meets the classification of an Article 8 Portfolio as it promotes environmental and social characteristics and limits investments to those companies that follow good governance practices. **Information about these environmental and social characteristics is available in the SFDR Annex below.** The Sub-Investment Manager applies the: (i) Global Standards Policy; (ii) Controversial Weapons Policy; and (iii) the Thermal Coal Involvement Policy, when determining what investments to make for the Portfolio. Further details on these screening/exclusion policies are set out in the "*Sustainable Investment Criteria*" section of the Prospectus. The Sub-Investment Manager will also manage the Portfolio in accordance with the ESG Policy on a continuous basis. The Sub-Investment Manager has fully integrated the ESG Policy into its overall investment process, in particular, the portfolio construction process. A summary of the ESG Policy is detailed in Annex VI to the Prospectus and is available on the Neuberger Berman website: www.nb.com/esg. Additionally, the Portfolio is prohibited from purchasing the securities of issuers that are involved in tobacco production such as cigars, cigarettes, e-cigarettes, smokeless tobacco, dissolvable and chewing tobacco. This also includes issuers that grow or process raw tobacco leaves. In addition, as described in the "*Investment Approach*" section, the Portfolio also contributes towards the achievement of the SDGs by aiming to engage directly with 100% of corporate issuers within 12 months of purchase and setting KPIs aligned to the SDGs which relate to the issuers' products, services, operations or processes, with the goal of having a positive outcome on the environment and/or society. 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 with a medium to long term horizon who are prepared to accept the risks of the bond market together with higher levels of price volatility than generally associated with fixed income funds due to the Portfolio's investment policies or portfolio management techniques.

Fees and Expenses

The Manager may be entitled to receive a performance fee payable out of the Portfolio's assets in respect of each PF Class in the Portfolio.

Definitions

Benchmark	ICE BofA Global High Yield Constrained Index in relevant class currency (as detailed below)
Calculation Period	The Calculation Period shall normally run from 1 January to 31 December in each year except that: • in the case of the initial issue of Shares in each PF Class, the first Calculation Period will run from the date of issue to 31 December; • in the case of the termination of a PF Class, the Calculation Period will terminate on the date of the termination; and • in the case of the termination of the Management Agreement in any year, the Calculation Period will terminate on the date of the termination. The first value used in determining the first Performance Fee for a PF Class shall be the Initial Offer Price.
Crystallisation	The point at which any performance fee becomes payable to the Manager. Crystallisation will occur either at the end of the Calculation Period or on a Dealing Day on which a Shareholder redeems or converts all or part of its Shareholding.
Outperformance	The excess performance of the Net Asset Value per Share over the performance of the Benchmark during the Calculation Period.

Methodology

For each Calculation Period, a Performance Fee in respect of each PF Class in issue becomes due in respect of any Outperformance, i.e. the excess performance of the Net Asset Value per Share (net of all costs before the deduction of any accrued Performance Fee, provided that in doing so it is in the Shareholder's best interest) over the performance of the Benchmark applicable to that particular PF Class during the Calculation Period. The Percentage Fee will be calculated on each Dealing Day and will be equal to 20% of the Outperformance applicable to that particular PF Class over the same period.

In all cases the Net Asset Value per Share used in the calculation of the Performance Fee is unswung, i.e. it does not include any adjustment for swing pricing.

In the event that the performance of a PF Class over a Calculation Period is less than that of the Benchmark, no Performance Fee shall be payable in respect of that PF Class until such cumulative underperformance relative to its Benchmark has been recovered.

In the event that the PF Class has achieved Outperformance over a Calculation Period, a Performance Fee shall be payable in respect of that PF Class. Upon payment the Benchmark will be reset, this process ensures the Net Asset Value per Share and the Benchmark start from the same place at the start of the calculation period. Accordingly for the next Calculation Period the commencing Benchmark value will equal the Net Asset Value in respect of the PF Class on which the performance fee was paid i.e. if the Net Asset Value were to equal 110 the commencing Benchmark Value would also equal 110.

Benchmark Indices

Classes	**Index**	**Code**
USD PF Classes	ICE BofA Global High Yield Constrained Index	HW0C select currency USD
EUR Hedged PF Classes	ICE BofA Global High Yield Constrained Index - EUR Hedged	HW0C select currency EUR
GBP Hedged PF Classes	ICE BofA Global High Yield Constrained Index - GBP Hedged	HW0C select currency GBP

Shareholders should note that, as the Performance Fee is payable on the outperformance over the Benchmark, they may be charged a Performance Fee where the Net Asset Value of their Shares has declined but to a lesser extent than the Benchmark.

Shareholders should note that, as the Performance Fee is calculated at Class level and not at an individual Shareholder level and as no series accounting is applied in respect of the Performance Fee, they may be charged a Performance Fee even where the Net Asset Value of their Shares has remained the same or dropped, for example, where Shareholders purchase or redeem Shares at points other than the start and end of a Calculation Period.

The Performance Fee will be accrued in the Net Asset Value on each Dealing Day and will normally be payable to the Manager in arrears within 30 Business Days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable to the Manager within 30 Business Days of the date of redemption.

Crystallised Performance Fees shall remain in the relevant PF Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Manager and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant PF Class.

The Depositary shall verify the calculation of the performance fee and ensure that it is not open to the possibility of manipulation.

The Directors may, with the consent of the Manager, reduce the Performance Fee payable by any PF Class. Performance Fees are payable on realised and unrealised capital gains, which for the avoidance of doubt includes investment income, taking into account realised and unrealised losses at the end of the Calculation Period. Consequently, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

WORKED EXAMPLES

Examples 1 to 3 show how the Performance Fee is calculated, accrued and crystallised. All valuation points fall within one Calculation Period.

Valuation point	1	2	3	4
NAV of PF Class Shares	US$10.000	US$10.100	US$9.900	US$10.200
Benchmark	US$10.000	US$10.050	US$10.100	US$10.150

Example 1

Investor A acquires PF Class Shares at valuation point 1 for US$10.000 per Share

	Acquisition of Shares	Accrued Performance Fee	Crystallised Performance Fee
Valuation point 1	US$10.000		
Valuation point 2		20% x (US$10.100 - US$10.050) = US$0.01	Accrued in NAV
Valuation point 3		None: NAV < Benchmark	
Valuation point 4		20% x (US$10.200 - US$10.150) = US$0.01	Accrued in NAV

Example 2

Investor B acquires PF Class Shares at valuation point 3 for US$9.900 per Share

	Acquisition of Shares	Accrued Performance Fee	Crystallised Performance Fee
Valuation point 1			
Valuation point 2			
Valuation point 3	US$9.900		
Valuation point 4		20% x (US$10.200 - US$10.150) = US$0.01	Accrued in NAV

Example 3

Investor C acquires PF Class Shares at valuation point 1 for US$10.000 per Share and redeems at valuation point 4

	Acquisition of Shares	Accrued Performance Fee	Crystallised Performance Fee
Valuation point 1	US$10.000		
Valuation point 2		20% x (US$10.100 - US$10.050) = US$0.01	Accrued in NAV
Valuation point 3		None: NAV < Benchmark	
Valuation point 4		20% x (US$10.200 - US$10.150) = US$0.01	US$0.01

SCENARIOS[1]

All scenarios show the value of US$100K invested in Shares in a PF Class

Scenario 1 illustrates the effect of the NAV performance being 5% per annum and the Benchmark return being 3% in three consecutive years

Scenario 2 illustrates the effect of the NAV growth being 6%, -4%, and 6% and the Benchmark return being 3%, -2% and 3% in three consecutive years

Scenario 3 illustrates the effect of the NAV growth at 8%, 0% and -1% and the Benchmark return being 4%, 0% and -5% in three consecutive years

[1] Investors should note that these scenarios are purely intended to be illustrative of the impact of different investment performance and have been simplified in some non-material respects to aid this understanding. For example, management fees and other expenses are in reality accrued on a daily basis but their calculation is presented in a simplified manner here for ease of review.

Scenario 1

	Period One	Period Two	Period Three
	5% growth	5% growth	5% growth
Gross Value of PF Class Shares at year end	US$105,000	US$109,565	US$114,329
Management Fee 0.10%	US$105	US$110	US$114
Other expenses 0.20%	US$210	US$219	US$229
Initial Net Asset Value of PF Class Shares at year end	US$104,685	US$109,237	US$113,986
Benchmark	US$103,000	US$107,478[2]	US$112,152[2]
Performance Fee (20% of NAV outperformance over Benchmark)	US$337 As NAV > Benchmark, 20% x (US$104,685 - US$103,000)	US$352 As NAV > Benchmark, 20% x (US$109,237 - US$107,478)	US$367 As NAV > Benchmark, 20% x (US$113,986 - US$112,152)
Total Fees Paid	US$652	US$680	US$710
Final Net Asset Value of PF Class Shares at year end	US$104,348	US$108,885	US$113,619

Scenario 2

	Period One	Period Two	Period Three
	6% growth	-4% growth	6% growth
Gross Value of PF Class Shares at year end	US$106,000	US$100,940	US$106,675
Management Fee 0.10%	US$106	US$101	US$107
Other expenses 0.20%	US$212	US$202	US$213
Initial Net Asset Value of PF Class Shares at year end	US$105,682	US$100,637	US$106,355
Benchmark	US$103,000	US$103,043[2]	US$106,134
Performance Fee (20% of NAV outperformance over Benchmark)	US$536 As NAV > Benchmark, 20% x (US$105,682 - US$103,000)	US$0 Benchmark > NAV	US$44 As NAV > Benchmark, 20% x (US$106,355 - US$106,134)
Total Fees Paid	US$854	US$303	US$364
Final Net Asset Value of PF Class Shares at year end	US$105,146	US$100,637	US$106,311

Scenario 3

	Period One	Period Two	Period Three
	8% growth	0% growth	-1% growth
Gross Value of PF Class Shares at year end	US$108,000	US$106,941	US$105,554
Management Fee 0.10%	US$108	US$107	US$106
Other expenses 0.20%	US$216	US$214	US$211
Initial Net Asset Value of PF Class Shares at year end	US$107,676	US$106,620	US$105,237
Benchmark	US$104,000	US$106,941[2]	US$101,594
Performance Fee (20% of NAV outperformance over Benchmark)	US$735 As NAV > Benchmark, 20% x (US$107,676 - US$104,000)	US$0 Benchmark > NAV	US$729 As NAV > Benchmark, 20% x (US$105,237 - US$101,594)
Total Fees Paid	US$1,059	US$321	US$1,045
Final Net Asset Value of PF Class Shares at year end	US$106,941	US$106,620	US$104,508

2 Where a Performance Fee is paid in respect of a Calculation Period, the Benchmark is reset at the beginning of the next Calculation Period.

Performance fee share classes

Category	Maximum Initial Charge	Maximum Management fee	Distribution Fee
Z (PF)	0.00%	0.10%	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.

Non-Performance fee share classes

The following Classes will not be subject to the Performance Fee described above and will be subject to the following fees.

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

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

Contingent deferred sales charges

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

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

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

SFDR Annexes

1. NEUBERGER BERMAN HIGH YIELD BOND FUND
2. NEUBERGER BERMAN SHORT DURATION HIGH YIELD SDG ENGAGEMENT FUND
3. NEUBERGER BERMAN EUROPEAN HIGH YIELD BOND FUND
4. NEUBERGER BERMAN GLOBAL HIGH YIELD SDG ENGAGEMENT FUND

SFDR ANNEX

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

Product name: Neuberger Berman High Yield Bond Fund (the "**Portfolio**")
Legal entity identifier: 549300IJY8N43QRUU802

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

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

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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

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

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

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

- ***Environmental Characteristics***: biodiversity & responsible land usage; carbon footprint reduction; greenhouse gas ("**GHG**") emissions; opportunities in clean technologies; opportunities in green building; responsible raw material sourcing; recycling practices & trends; toxic emissions & waste; waste management; and water management.

- ***Social Characteristics***: access to finance; access to healthcare; access to medicines; business ethics & transparency of government relations; chemical safety; community relations; controversial sourcing; corporate behaviour; drug safety & side effects management; health & nutrition; health & safety; human capital development; labour management; data privacy & security; product safety & quality; and quality of care & patient satisfaction.

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

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

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

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

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

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

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

I. The NB ESG Quotient:

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

The NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. While the NB ESG Quotient rating of issuers is considered as part of the investment process, there is no minimum NB ESG Quotient rating to be attained by an issuer prior to investment. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of being included in the Portfolio. Issuers with a poor NB ESG Quotient rating, especially where a poor NB ESG Quotient rating is not being addressed by an issuer, are more likely to be removed from the investment universe or divested from the Portfolio. In addition, the Sub-Investment Manager will seek to prioritise constructive engagement with corporate issuers, as discussed in more detail below. The success of the Sub-Investment Manager's constructive engagement efforts with issuers will depend on each of the issuer's receptiveness and responsiveness to such engagement.

II. Climate Value-at-Risk:

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

applied across all issuers held by the Portfolio and is instead limited to the issuers for which the Sub-Investment Manager has sufficient and reliable data. The analysis from CVaR is reviewed at least once a year.

III. ESG exclusion policies:

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

The Sub-Investment Manager will track and report on the performance of the above sustainability indicators namely, (i) the NB ESG Quotient; (ii) the CVaR; and (iii) the adherence to the ESG exclusion policies 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.

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.

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

N/A

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

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

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 – This Portfolio does not commit to holding Taxonomy-aligned investments.

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

✖ Yes, please see below

No

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

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

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

The Sub-Investment Manager will continue to work with issuers to encourage disclosure and envisages that the letter campaign will result in wider and more granular data coverage on the 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;
- Stewardship and/or setting engagement objectives where the Portfolio falls below the quantitative and qualitative tolerance thresholds set for a Product Level PAI by the Sub-Investment Manager; and
- Application of the ESG exclusion policies referenced above, which includes consideration of several of the Product Level PAIs.

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

What investment strategy does this financial product follow?

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

The investment objective of the Portfolio is to achieve an attractive level of total return (income plus capital appreciation) from the high yield fixed income market. The Portfolio will aim to achieve its objective by investing primarily in high yield fixed income securities issued by US and foreign corporations, which, respectively, have their head office or exercise an overriding part of their economic activity in the US, and high yield fixed income securities issued by governments and agencies in the US that are primarily denominated in US Dollars, that are listed, dealt or traded on Recognised Markets (as depicted in Annex I of the prospectus) without any particular focus on any one industrial sector.

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

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

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

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

ESG characteristics are considered at three different levels:

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

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

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

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

II. Engagement:

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

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

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

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

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

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

N/A

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

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

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

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

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

The Sub-Investment Manager may take into account other governance factors as appropriate from time to time. As described above, the Portfolio will only invest in securities issued by issuers whose activities do not breach the Neuberger Berman Global Standards Policy which identifies violators of the (i) UNGC Principles, (ii) OECD Guidelines, (iii) UNGPs and (iv) ILO Standards.

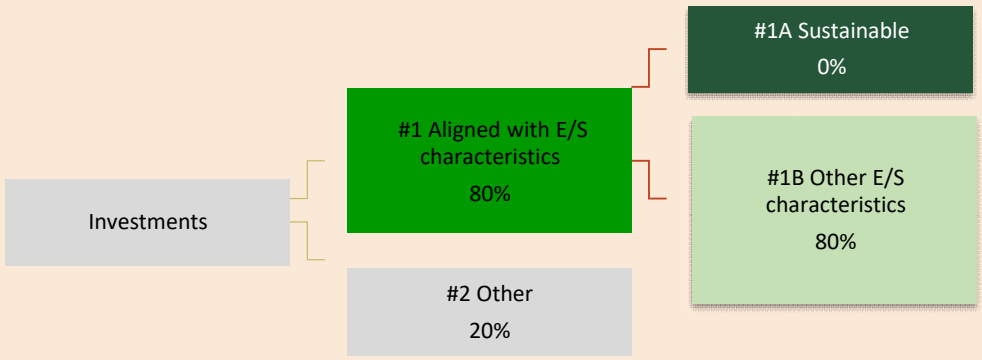
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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.

Taxonomy-aligned activities are expressed as a share of:

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

The analysis and disclosure requirements introduced by the EU Taxonomy are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the Portfolio makes. The 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 appendix will be updated if the Sub-Investment Manager amends the minimum Taxonomy alignment of the Portfolio.

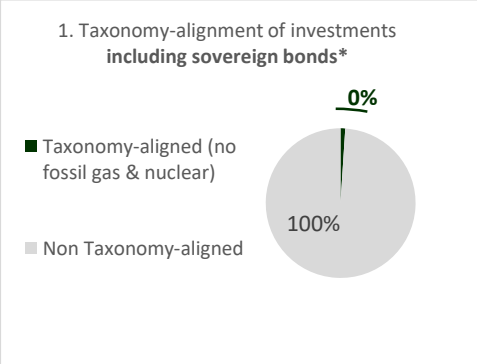
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]

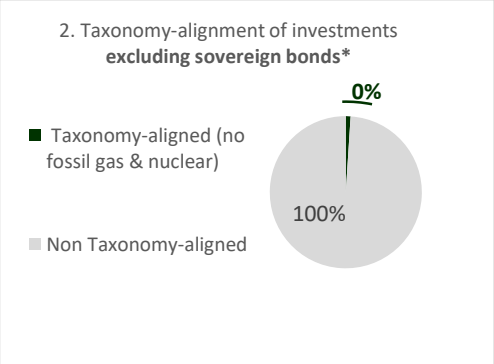
☐ Yes:

☐ 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.*

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

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

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

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

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

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

What is the minimum share of socially sustainable investments?

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

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

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

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

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

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

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

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

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

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

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

  N/A

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

  N/A

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

  N/A

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

  N/A

Where can I find more product specific information online?

Product overviews, factsheets, KIIDs and other literature can be found on the NB website, in our dedicated 'Investment Strategies' section at www.nb.com.

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

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

SFDR ANNEX

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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.

Product name: Neuberger Berman Short Duration High Yield SDG Engagement Fund (the "**Portfolio**")
Legal entity identifier: 5493009EN8Z7034TFP15

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, **it will have a minimum proportion of 10% of sustainable investments**
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

The Portfolio seeks to promote the achievement of the SDGs by engaging with at least 90% of corporate issuers, on incremental actions that they can take within their products, services, operations or processes which are aligned with these goals (or where there is potential for increased alignment with these goals, following engagement with these companies). Engagement with corporate issuers will take place within 12 months of purchasing the securities issued by the corporate issuer.

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

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

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

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

- ***Environmental Characteristics***: biodiversity & responsible land usage; carbon footprint reduction; greenhouse gas ("**GHG**") emissions; opportunities in clean technologies; opportunities in green building; responsible raw material sourcing; recycling practices & trends; toxic emissions & waste; waste management; and water management.

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

- ***Social Characteristics***: access to finance; access to healthcare; access to medicines; business ethics & transparency of government relations; chemical safety; community relations; controversial sourcing; corporate behaviour; drug safety & side effects management; health & nutrition; health & safety; human capital development; labour management; data privacy & security; product safety & quality; and quality of care & patient satisfaction.

The Sub-Investment Manager aims to maintain an average ESG rating for the Portfolio that is above that of the broad U.S. high yield market, as represented by the ICE BofA U.S. High Yield Index, which will be assessed based on third party ESG scores from an established external provider. The Portfolio is actively managed, the ICE BofA U.S. High Yield Index is used exclusively for ESG rating comparison purposes and carbon intensity reduction comparison purposes only.
Performance in relation to these environmental and social characteristics will be measured through the NB ESG Quotient, and will be reported in aggregate in the Portfolio's mandatory periodic report template (as per the requirements of Article 11 of SFDR).

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

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

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

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

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

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

I. The NB ESG Quotient:

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

The NB ESG Quotient assigns weightings to environmental, social and governance factors for each sector to derive the NB ESG Quotient rating. While the NB ESG Quotient rating of issuers is considered as part of the investment process, there is no minimum NB ESG Quotient rating to be attained by an issuer prior to investment. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of being included in the Portfolio. Issuers with a poor NB ESG Quotient rating, especially where

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

a poor NB ESG Quotient rating is not being addressed by an issuer, will be excluded from the Portfolio. In addition, the Sub-Investment Manager will seek to prioritise constructive engagement with 90% of corporate issuers, within 12 months of purchase, as discussed in more detail below. The success of the Sub-Investment Manager's constructive engagement efforts with issuers will depend on each of the issuer's receptiveness and responsiveness to such engagement.

II. Engagement reporting:

The Sub-Investment Manager will report on its engagement as part of periodic reporting going forward.

III. Climate Value-at-Risk:

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

IV. ESG exclusion policies:

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

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

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

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

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

The consideration of investments made by the Portfolio as sustainable investments is determined by reference to NB's sustainable investment framework. This framework includes an assessment as to (i) whether the investment contributes to an environmental and/or social objective, (ii) whether the investment causes significant harm to those objectives as described

below, and (iii) an assessment of an issuers' overall governance score to determine whether the issuer passes a good governance assessment. Under this sustainable investment framework, the Sub-Investment Manager utilises multiple datapoints that measure the alignment of a company's economic activity with environmental or social characteristics.

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

The Sub-Investment Manager measures this in two ways:

- Revenue alignment to the EU taxonomy (if any); and
- Revenue alignment to the SDGs.

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

While the sustainable investments may have a social or an environmental objective, the Sub-Investment Manager does not commit the Portfolio to holding sustainable investments that qualify as environmentally sustainable investments (or Taxonomy aligned investments) as defined under the EU Taxonomy.

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

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

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

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

☒ Yes, please see below

☐ No

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

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

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

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

- Stewardship and/or setting engagement objectives where the Portfolio falls below the quantitative and qualitative tolerance thresholds set for a Product Level PAI by the Sub-Investment Manager; and

- Application of the ESG exclusion policies referenced above, which includes consideration of several of the Product Level PAIs.

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

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

What investment strategy does this financial product follow?

The investment objective of the Portfolio is to generate high current income by investing in short-duration high yield fixed income securities that comply with the terms of the Neuberger Berman Sustainable Exclusion Policy and seeks to produce investment returns, support better-functioning capital markets and have a positive social and environmental impact.

The Portfolio will aim to achieve its objective by investing primarily in:

- Short duration, high yield fixed income securities issued by US and non-U.S. corporations, which, respectively, have their head office or exercise an overriding part of their economic activity in the US; and

- Short duration, high yield fixed income securities issued by governments and agencies in the US that are primarily denominated in US Dollars,

that comply with the terms of the Sustainable Exclusion Policy and are listed, dealt or traded on Recognised Markets (as depicted in Annex I of the prospectus) without any particular focus on any one industrial sector.

The Portfolio:

- Seeks to promote the achievement of the SDGs by engaging with at least 90% of corporate issuers, within 12 months of purchase, on incremental actions that they can take within their products, services, operations or processes which are aligned with these goals (or where there is potential for increased alignment with these goals, following engagement with these corporate issuers).

- Maintains an average ESG rating for the Portfolio that is above that of the broad U.S. high yield market, as represented by the ICE BofA U.S. High Yield Index, which will be assessed based on third party ESG scores from an established external provider.

In aiming to align the Portfolio with a net zero goal, the Sub-Investment Manager intends to reduce the Portfolio's carbon footprint across scope 1, 2, and material scope 3 GHG emissions, equating to a 50% reduction by 2030 relative to a 2019 baseline and a subsequent decline to net zero by 2050. The 2019 baseline may be subject to re-calculation as data quality and disclosure expands over time, particularly with respect to scope 3 emissions. Further details on Neuberger Berman's commitment to the Net Zero Asset Managers Initiative are contained in the "Sustainable Investment Criteria" section of the Prospectus.

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

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

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

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

ESG characteristics are considered at three different levels:

I. Integrating proprietary ESG analysis:

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

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

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

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

II. Engagement:

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

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

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

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

The Portfolio:

- Seeks to promote the achievement of the SDGs by engaging with at least 90% of corporate issuers, on incremental actions that they can take within their products, services, operations or processes which are aligned with these goals (or where there is potential for increased alignment with these goals, following engagement with these corporate issuers). Engagement with corporate issuers will take place within 12 months of purchasing the securities issued by the corporate issuer.

- Maintains an average ESG rating for the Portfolio that is above that of the broad U.S. high yield market, as represented by the ICE BofA U.S. High Yield Index, which will be assessed based on third party ESG scores from an established external provider.

The Sub-Investment Manager will use an in-house tool to screen for the likelihood of achieving success in engagement with an issuer prior to investment (the "**Engagement**

Potential Indicator"). The Engagement Potential Indicator, on a scale of 1-5, provides a systematic evaluation of an issuer's willingness and ability to engage with the Sub-Investment Manager on the SDGs. For example, an issuer determined to be unwilling or unable to engage would receive an Engagement Potential Indicator of "1", whereas an issuer willing to engage on becoming a leader in contributing to the SDGs would receive an Engagement Potential Indicator of "5". The Sub-Investment Manager will prioritise investments in issuers with an Engagement Potential Indicator rating between "2" and "5". The Engagement Potential Indicator considers a diverse set of factors including the relevance of the SDGs to an issuer's business operations, an issuer's disclosure practices and the Sub-Investment Manager's relationship with the issuer, in addition to the financial constraints of the issuers.

III. ESG sectoral exclusion policies:

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

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

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

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

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

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

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

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

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

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

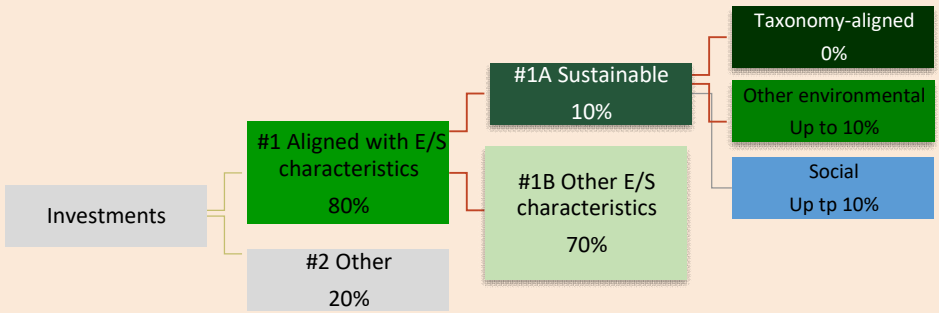
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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

What is the asset allocation planned for this financial product?

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

The analysis and disclosure requirements introduced by the EU Taxonomy are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the Portfolio makes. The 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 appendix will be updated if the Sub-Investment Manager amends the minimum Taxonomy alignment of the Portfolio.

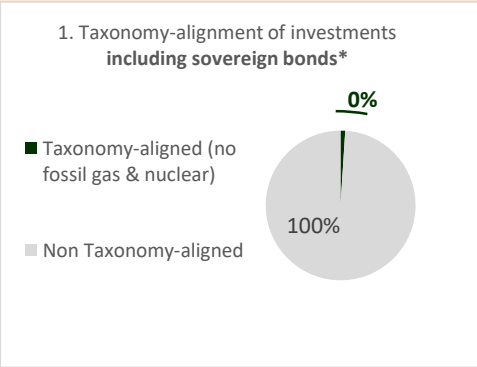
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]

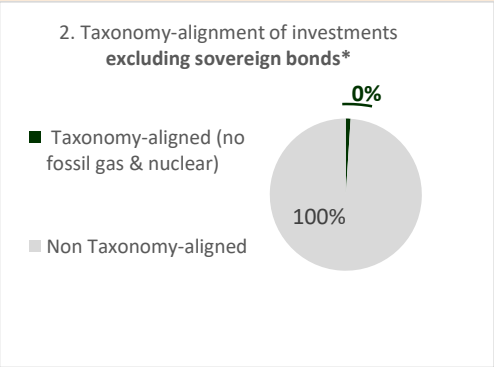
☐ Yes:

☐ 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.*

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

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

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

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?

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

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

What is the minimum share of socially sustainable investments?

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

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

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

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

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

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

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

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 does not use a benchmark for performance comparison purposes or as a universe for selection. However, it does use a benchmark for ESG rating comparison purposes and carbon intensity purposes only and this benchmark has not been designated as a reference benchmark. Therefore, it is not consistent with the environmental or social characteristics promoted by the Portfolio.

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

  N/A

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

  N/A

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

N/A

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

N/A

Where can I find more product specific information online?

Product overviews, factsheets, KIIDs and other literature can be found on the NB website, in our dedicated 'Investment Strategies' section at www.nb.com.

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

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

SFDR ANNEX

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

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

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

Product name: Neuberger Berman European High Yield Bond Fund (the "**Portfolio**")
Legal entity identifier: 549300Z7RL5FC5H5DB41

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**	●○ ☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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

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

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

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

- ***Environmental Characteristics***: biodiversity & responsible land usage; carbon footprint reduction; greenhouse gas ("**GHG**") emissions; opportunities in clean technologies; opportunities in green building; responsible raw material sourcing; recycling practices & trends; toxic emissions & waste; waste management; and water management.

- ***Social Characteristics***: access to finance; access to healthcare; access to medicines; business ethics & transparency of government relations; chemical safety; community relations; controversial sourcing; corporate behaviour; drug safety & side effects management; health & nutrition; health & safety; human capital development; labour management; data privacy & security; product safety & quality; and quality of care & patient satisfaction.

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

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

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

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

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

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

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

I. The NB ESG Quotient:

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

The NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. While the NB ESG Quotient rating of issuers is considered as part of the investment process, there is no minimum NB ESG Quotient rating to be attained by an issuer prior to investment. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of being included in the Portfolio. Issuers with a poor NB ESG Quotient rating, especially where a poor NB ESG Quotient rating is not being addressed by an issuer, are more likely to be removed from the investment universe or divested from the Portfolio. In addition, the Sub-Investment Manager will seek to prioritise constructive engagement with corporate issuers, as discussed in more detail below. The success of the Sub-Investment Manager's constructive engagement efforts with issuers will depend on each of the issuer's receptiveness and responsiveness to such engagement.

II. Climate Value-at-Risk:

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

applied across all issuers held by the Portfolio and is instead limited to the issuers for which the Sub-Investment Manager has sufficient and reliable data. The analysis from CVaR is reviewed at least once a year.

III. ESG exclusion policies:

To ensure that the environmental or social characteristics promoted by the Portfolio can be attained, the Portfolio will not invest in securities issued by issuers whose activities breach, or are not consistent with, the Neuberger Berman Controversial Weapons Policy, the Neuberger Berman Thermal Coal Involvement Policy and the Neuberger Berman Sustainable Exclusion Policy. In addition to the application of the Neuberger Berman Thermal Coal Involvement Policy, the Sub-Investment Manager will prohibit the initiation of new investment positions in securities issued by issuers that (i) derive more than 25% of their revenue from thermal coal mining; or (ii) are expanding new thermal coal power generation.

Furthermore, investments held by the Portfolio will not invest in securities issued by issuers whose activities have been identified as breaching the Neuberger Berman Global Standards Policy which excludes identified violators of (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs and (iv) the ILO Standards

Further details on these ESG exclusion policies are set out in the "Sustainable Investment Criteria" section of the main body of the Prospectus.

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

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

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

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

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

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

N/A

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

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

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

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

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

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

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

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

✖ Yes, please see below

☐ No

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

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

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

The Sub-Investment Manager will continue to work with issuers to encourage disclosure and envisages that the letter campaign will result in wider and more granular data coverage on the 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;
- Stewardship and/or setting engagement objectives where the Portfolio falls below the quantitative and qualitative tolerance thresholds set for a Product Level PAI by the Sub-Investment Manager; and
- Application of the ESG exclusion policies referenced above, which includes consideration of several of the Product Level PAIs.

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

What investment strategy does this financial product follow?

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

The investment objective of the Portfolio is to maximise current income whilst preserving capital by investing in the European high yield fixed income market. The Portfolio will aim to achieve its objective by investing primarily in corporate high yield fixed income securities, which are (i) denominated in a European currency or (ii) issued or guaranteed by companies of any industrial sector that are domiciled in or exercise the main part of their economic activity in a European country that are listed, dealt or traded on Recognised Markets (as depicted in Annex I of the prospectus).

The Sub-Investment Manager considers and evaluates ESG characteristics, as an important component of their credit analysis discipline, when making investment decisions. The Sub-Investment Manager utilises the NB ESG Quotient criteria as part of the Portfolio construction and investment management process. As noted above, NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. Issuers with a favourable and/or an

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

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

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

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

ESG characteristics are considered at three different levels:

I. Integrating proprietary ESG analysis:

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

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

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

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

II. Engagement:

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

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

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

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

III. ESG sectoral exclusion policies:

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

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

N/A

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

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

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

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

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

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

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

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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.

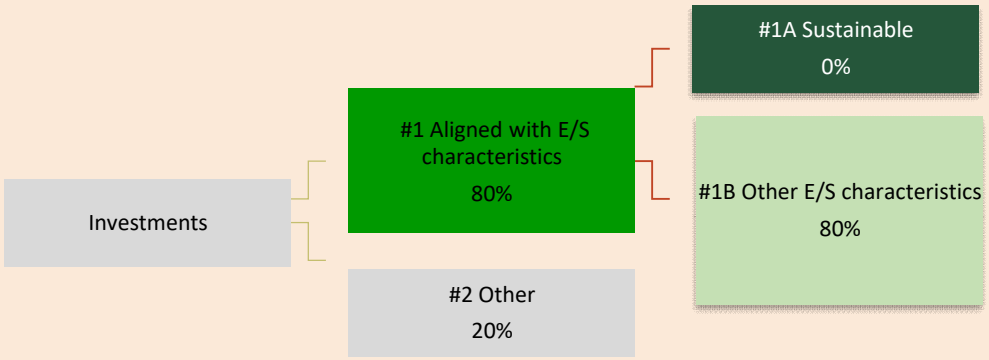
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

The analysis and disclosure requirements introduced by the EU Taxonomy are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the Portfolio makes. The 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 appendix will be updated if the Sub-Investment Manager amends the minimum Taxonomy alignment of the Portfolio.

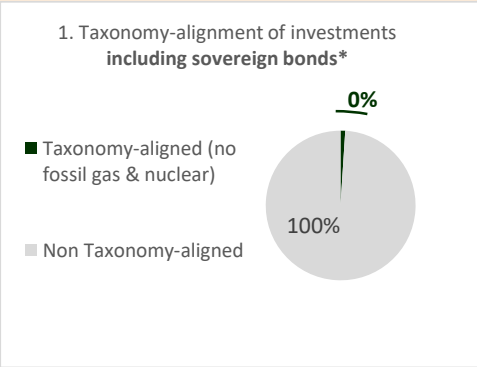
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]

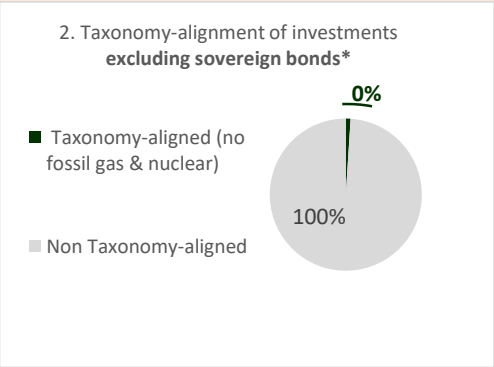
☐ Yes:

☐ 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.*

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

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

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

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

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

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

What is the minimum share of socially sustainable investments?

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

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

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

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

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

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

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

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

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

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

  N/A

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

  N/A

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

  N/A

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

  N/A

Where can I find more product specific information online?

Product overviews, factsheets, KIIDs and other literature can be found on the NB website, in our dedicated 'Investment Strategies' section at www.nb.com.

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

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

SFDR ANNEX

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

Product name: Neuberger Berman Global High Yield SDG Engagement Fund (the "**Portfolio**")
Legal entity identifier: 549300YE6BLJU5JCDI13

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

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

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**	●○ ☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, **it will have a minimum proportion of 10% of sustainable investments**
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

The Portfolio will promote the SDGs by aiming to engage directly with 100% of the corporate issuers. Engagement with corporate issuers will take place within 12 months of purchasing the securities issued by the corporate issuer.

The Sub-Investment Manager will set key performance indicators ("**KPIs**") for corporate issuers that are aligned to the SDGs which relate to the issuers' products, services, operations or processes, with the goal of having a positive outcome on the environment and/or society. The Sub-Investment Manager will prioritise investment in corporate issuers that have the ability and willingness to engage with the Sub-Investment Manager on specific KPIs aligned to the SDGs.

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

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

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

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

- ***Environmental Characteristics***: biodiversity & responsible land usage; carbon footprint reduction; greenhouse gas ("**GHG**") emissions; opportunities in clean technologies; opportunities in green building; responsible raw material sourcing; recycling practices & trends; toxic emissions & waste; waste management; and water management.

- ***Social Characteristics***: access to finance; access to healthcare; access to medicines; business ethics & transparency of government relations; chemical safety; community relations; controversial sourcing; corporate behaviour; drug safety & side effects management; health & nutrition; health & safety; human capital development; labour management; data privacy & security; product safety & quality; and quality of care & patient satisfaction.

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

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

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

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

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

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

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

I. The NB ESG Quotient:

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

The NB ESG Quotient assigns weightings to environmental, social and governance characteristics for each sector to derive the NB ESG Quotient rating. While the NB ESG Quotient rating of issuers is considered as part of the investment process, there is no minimum NB ESG Quotient rating to be attained by an issuer prior to investment. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of being included in the Portfolio. Issuers with a poor NB ESG Quotient rating, especially where a poor NB ESG Quotient rating is not being addressed by an issuer, are more likely to be removed from the investment universe or divested from the Portfolio. In addition, the Sub-Investment Manager will seek to prioritise constructive engagement with 100% of the corporate issuers. The success of the Sub-investment Manager's constructive engagement efforts with issuers will depend on each of the issuer's receptiveness and responsiveness to such engagement. Engagement with corporate issuers will take place within 12 months of purchasing the securities issued by the corporate issuer.

II. Engagement reporting:

The Sub-Investment Manager will report on its engagement as part of periodic reporting going forward.

III. Climate Value-at-Risk:

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

IV. ESG exclusion policies:

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

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

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

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

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

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

The Sub-Investment Manager screens companies for controversies, significant harm and violations of minimum safeguards. If the companies pass this screen, the Sub-Investment

Manager then proceeds to measure the companies' environmental or social economic contribution.

The Sub-Investment Manager measures this in two ways:

- Revenue alignment to the EU taxonomy (if any); and
- Revenue alignment to the SDGs.

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

While the sustainable investments may have a social or an environmental objective, the Sub-Investment Manager does not commit the Portfolio to holding sustainable investments that qualify as environmentally sustainable investments (or Taxonomy aligned investments) as defined under the EU Taxonomy.

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

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

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

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.

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

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

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

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

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

- Monitoring companies which fall below the quantitative and qualitative tolerance thresholds set for each PAI by the Sub-Investment Manager;

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

- Application of the NB ESG exclusion policies detailed above, which includes consideration of several of the PAIs.

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

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

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

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

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

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

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

✖ Yes, please see below

☐ No

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

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

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

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

- Stewardship and/or setting engagement objectives where the Portfolio falls below the quantitative and qualitative tolerance thresholds set for a Product Level PAI by the Sub-Investment Manager; and

- Application of the ESG exclusion policies referenced above, which includes consideration of several of the Product Level PAIs.

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

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

What investment strategy does this financial product follow?

The investment objective of the Portfolio is to seek to maximise current income whilst preserving capital by investing in securities in the global high yield fixed income market that produce investment returns and support better alignment with the SDGs by engaging with issuers in support of achieving the SDGs. The Portfolio will aim to achieve its objective by investing primarily in US dollar and non-U.S. dollar denominated high yield fixed income securities that are issued or guaranteed by corporate issuers of any industrial sector, and short duration, high yield fixed income securities issued by governments and agencies globally that are primarily denominated in US Dollars located throughout the world that are listed, dealt or traded on Recognised Markets (as depicted in Annex I of the prospectus).

The Portfolio promotes environmental and social characteristics, by contributing towards the achievement of the SDGs by aiming to engage directly with 100% of the corporate issuers, primarily through in-person meetings and calls, setting KPIs aligned to the SDGs which relate to the issuers' products, services, operations or processes, with the goal of having a positive outcome on the environment and/or society. Engagement with corporate issuers will take place within 12 months of purchasing the securities issued by the corporate issuer.

The Sub-Investment Manager will prioritise investment in corporate issuers that have the ability and willingness to engage with the Sub-Investment Manager on specific KPIs aligned to the SDGs. The corporate issuer's progress relative to the KPIs set is evaluated by the Sub-Investment Manager quarterly. This direct engagement with corporate issuers is an essential part of the investment process and the Portfolio's contribution towards the achievement of the SDGs.

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

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

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

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

ESG characteristics are considered at three different levels:

I. Integrating proprietary ESG analysis:

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

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

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

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

II. Engagement:

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

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

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

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

The Portfolio promotes environmental and social characteristics, whilst contributing towards the achievement of the SDGs by aiming to engage directly with 100% of the corporate issuers, primarily through in-person meetings and calls, setting key KPIs aligned to the SDGs which relate to the issuers' products, services, operations or processes, with the goal of having a positive outcome on the environment and/or society. Engagement with corporate issuers will take place within 12 months of purchasing the securities issued by the corporate issuer.

The Sub-Investment Manager will prioritise investment in corporate issuers that have the ability and willingness to engage with the Sub-Investment Manager on specific KPIs aligned to the SDGs. The corporate issuer's progress relative to the KPIs set is evaluated by the Sub-Investment Manager quarterly. This direct engagement with corporate issuers is an essential part of the investment process and the Portfolio's contribution towards the achievement of the SDGs.

The Sub-Investment Manager will use an in-house tool to screen for the likelihood of achieving success in engagement with an issuer prior to investment (the "**Engagement Potential Indicator**"). The Engagement Potential Indicator, on a scale of 1-5, provides a systematic evaluation of an issuer's willingness and ability to engage with the Sub-Investment Manager on the SDGs. For example, an issuer determined to be unwilling or unable to engage would receive an Engagement Potential Indicator of "1", whereas an issuer willing to engage on becoming a leader in contributing to the SDGs would receive an Engagement Potential Indicator of "5". The Sub-Investment Manager does not intend to invest in issuers with an Engagement Potential Indicator rating of below "2". The Engagement Potential Indicator considers a diverse set of factors including the relevance of the SDGs to an issuer's business operations, an issuer's disclosure practices and the Sub-Investment Manager's relationship with the issuer, in addition to the financial constraints of the issuers.

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

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

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

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

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

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

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

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

What is the asset allocation planned for this financial product?

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

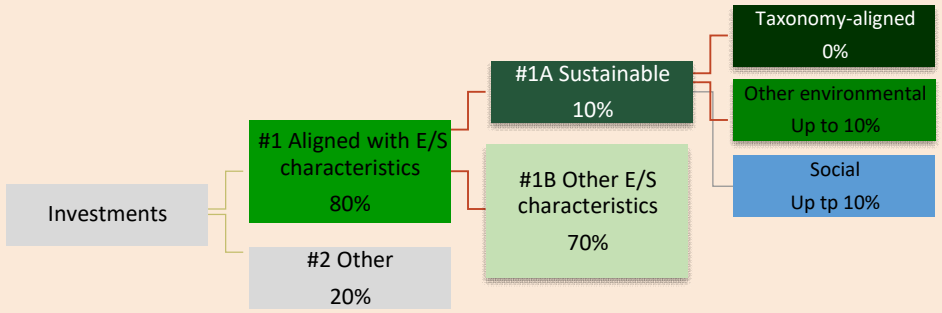
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



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

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

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

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

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

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

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

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

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

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

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

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

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

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

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

The analysis and disclosure requirements introduced by the EU Taxonomy are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the Portfolio makes. The 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 appendix will be updated if the Sub-Investment Manager amends the minimum Taxonomy alignment of the Portfolio.

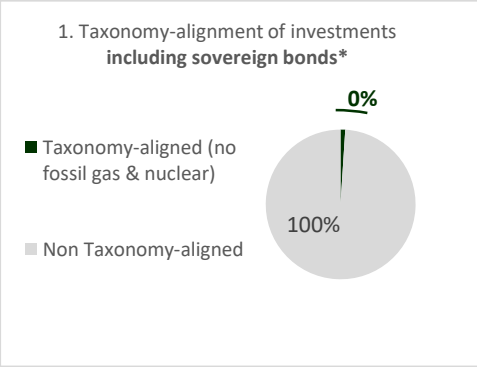
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[8]

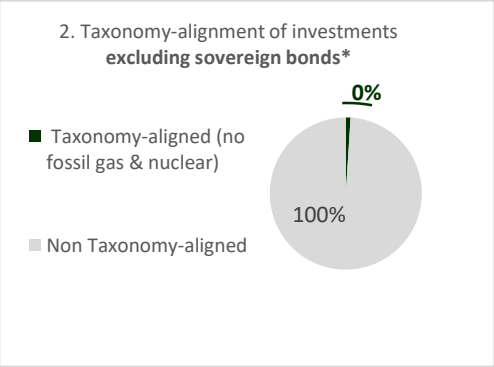
☐ Yes:

☐ 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.*

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

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

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

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?

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

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

What is the minimum share of socially sustainable investments?

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

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

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

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

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

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

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

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

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

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

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

  N/A

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

  N/A

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

  N/A

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

N/A

Where can I find more product specific information online?

Product overviews, factsheets, KIIDs and other literature can be found on the NB website, in our dedicated 'Investment Strategies' section at www.nb.com.

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

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