

Neuberger Berman SRI Statement on Climate Change

NB SRI recognizes that climate change is real. As part of our investment approach to integrate financial and environmental, social and governance (ESG) research into our long-term fundamental analysis, environmental impacts have always been an integral part of NB SRI's investment analysis

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- Environmental issues are relevant across all industries, up and down supply chains.
- Environmental considerations can create growth opportunities as well as contingent liabilities that need to be assessed when valuing a business as a prospective investment.
- Climate change is real and can have material impact on businesses, communities and the environment.
- Companies can impact climate change by contributing to it, mitigating it and by providing solutions.
- Environmental impacts are important considerations for businesses and are an integral part of our investment analysis.
- We seek companies that recognize and understand climate-related risks and opportunities relevant to their business.
- We seek companies that have a demonstrated commitment to environmental stewardship and sustainability.
- We have shared our perspective through support for a number of investor led environmental initiatives.

Energy and Environment

- Energy remains a critical input for the global economy.
- Energy issues are not confined to any one sector and can present challenges and opportunities for all companies.
- Energy issues need to be analyzed and understood from both supply and demand side. Social and environmental externalities can impact the current and future cost of operations.
- We take a diversified approach to investing across industries;
 - We consider the carbon intensity of businesses and associated risks. This includes evaluating the full life-cycle analysis of emission profiles across all fuel types. Differences between different types of fossil fuels and/or methods of extraction can have varying material environmental impact.
 - Our direct Energy Sector investments have been biased towards cleaner burning natural gas and energy service companies given their focus on; minimizing environmental footprint and facilitating aggregate emissions reductions.
 - We seek investment opportunities in energy efficiency across industries such as;
 - Industrial applications that can enable efficiency and reduce carbon footprints across a range of industries
 - Technologies that promote greater power and fuel efficiency and enhance performance.
 - Consumer product offerings that drive sustainable product choices and healthy lifestyles.



Engagement

- We directly engage managements on environmental issues best practices which include addressing issues in the areas of supply chain sustainability, produce integrity and life-cycle analysis, energy efficiency and political spending activities.
- We continue to consider environmental/climate change related issues when determining our votes on shareholder proposals on a case by case basis.
- We continue to support investor led environmental initiatives such as,
 - CDP Climate Change program that assists companies globally in providing a standardized method of reporting emissions data to investors.
 - CDP Carbon Action, an initiative requesting companies to implement cost-effective greenhouse gas emissions (GHG) reductions.
 - CDP Forests program assists companies and their investors worldwide to understand and address their exposure to deforestation risks through their use of five agricultural commodities that are responsible for most deforestation – timber products, palm oil, soy, cattle products and biofuels.
 - CDP Water program assists companies in driving greater transparency of water issues and reporting on water standard corporate practice globally.
 - The Sustainable Investment Research Analyst Network (SIRAN) which offers socially responsible investors regular collaborative engagement opportunities
- The following are examples of the types of questions we ask when engaging companies that are prospects for our portfolio.
 - Does the company acknowledge climate change and long-term sustainability challenges?
 - Does management promote a culture of high environmental health and safety standards?
 - Does management promote transparency and disclosure?
 - Does the company implement efficiency within its own operations?
 - Does the company enable its customers to operate more efficiently?
 - Does the company source from alternative energy resources or offset energy consumption?
 - Does the company have a bias towards a clean burning fuel? Or is the lifecycle analysis of this fuel more favorable than alternative sources available?
 - Is the company well positioned for an evolving regulatory environment?
 - Does the company have a human rights policy and good community relations?

Mission Consistency

- We are focused on delivering attractive risk-adjusted portfolio returns, while reflecting stated client mandates
- We have a long term track record of customizing portfolios based on specific client needs and ESG guidelines that reflect mission consistency
- In-house ESG research ensures adherence to client's social policy
- Integrated investment and ESG research results in a single point of portfolio accountability and a consistent SRI process



An investor should consider the Neuberger Berman Socially Responsive Fund's Investment objectives, risks, and fees and expenses carefully before investing. This and other important information can be found in the Fund's prospectus and summary prospectus, which you can obtain for free by calling 877.628.2583. Please read it carefully before making an investment.

Mid-capitalization stocks are more vulnerable to financial risks and other risks than larger stocks. They are generally less liquid than larger stocks, so their market prices tend to be more volatile. Large-cap stocks are subject to all the risks of stock market investing, including the risk that they may lose value.

To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may move up and down more than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events.

With a valuation sensitive approach, there is also the risk that stocks may remain undervalued during a given period. This may happen because value stocks, as a category, lose favor with investors compared to growth stocks, or because of a failure to anticipate which stocks or industries would benefit from changing market or economic conditions.

Although they may add diversification, foreign securities can be riskier, because foreign markets tend to be more volatile and currency exchange rates fluctuate. There may be less information available about foreign issuers than about domestic issuers.

The Fund's social policy could cause it to underperform similar funds that do not have a social policy. Among the reasons for this are: undervalued stocks that do not meet the social criteria could outperform those that do, economic or political changes could make certain companies less attractive for investment, and the social policy could cause the Fund to sell or avoid stocks that subsequently perform well.

Changes in currency exchange rates bring an added dimension of risk and could erase investment gains or add to investment losses.

This material is intended as a broad overview of the Portfolio Manager's style, philosophy and investment process and is subject to change without notice. The portfolio manager's views may differ from that of other portfolio managers as well as the views of Neuberger Berman LLC. Account holdings and characteristics may vary since investment objectives, tax considerations and other factors differ from account to account. Portfolio characteristics are subject to change without notice. Past performance is not indicative of future results.

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