

NEUBERGER BERMAN INVESTMENT FUNDS PLC

Registered Office
70 Sir John Rogerson's Quay
Dublin 2, Ireland

An umbrella fund with segregated liability between sub-funds

The directors of Neuberger Berman Investment Funds plc (the "Directors") accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement misleading.

This circular is important and requires your immediate attention. If you are in doubt as to the action you should take you should seek advice from your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent financial adviser. If you have sold or transferred all of your Shares please pass this circular at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee as soon as possible.

29 December 2020

Dear Hong Kong Shareholder,

NEUBERGER BERMAN INVESTMENT FUNDS PLC (THE "COMPANY")

We are writing to you in your capacity as a Shareholder in the Company. The purpose of this circular is to notify you of a number of key changes to the Company and to its sub-funds (the "**Portfolios**"), which will be reflected in a revised prospectus for the Company and revised supplements for the Portfolios, which are expected to be noted by the Central Bank of Ireland (the "**Central Bank**") on or about 29 January 2021. Unless otherwise indicated, all capitalised terms used in this circular and not defined herein shall have the meanings ascribed to them in the prospectus dated 16 September 2020 (the "**Prospectus**"), the supplements for the Portfolios dated 16 September 2020 (the "**Supplements**") and the Product Key Facts Statements of the Portfolios dated 17 November 2020 (together, the "**Hong Kong Offering Documents**").

1. Changes to the Prospectus

- a) *Thermal Coal Involvement Policy - This update is applicable to all Portfolios (save for the Neuberger Berman China Equity Fund)*

The Prospectus will be updated to include reference to the Investment Manager's thermal coal involvement policy within the "*Sustainable Investment Criteria*" section (the "**Policy**"). The Policy has been adopted by both the Investment Manager and the Sub-Investment Managers and is aimed at prohibiting the initiation of new investment positions in securities issued by companies that (i) derive more than 25% of their revenue from thermal coal mining; or (ii) are expanding new thermal coal power generation. As a result, none of the applicable Portfolios shall make any new investments in securities that have been identified by the Investment Manager and/or the Sub-Investment Manager through the utilisation of third party data, as being issued by such companies.

In addition, please note that each of the Neuberger Berman Emerging Market Debt – Local Currency Fund, the Neuberger Berman Emerging Market Debt – Hard Currency Fund, the Neuberger Berman Emerging Market Corporate Debt Fund, the Neuberger Berman Short Duration Emerging Market Debt Fund and the Neuberger Berman Emerging Market Debt

Blend Fund (collectively the “**EMD Funds**”) is phasing out its exposure to thermal coal and currently prohibits investment in securities issued by companies that derive more than 25% of revenue from thermal coal mining or are expanding new thermal coal power generation, as determined by internal screens, with this revenue threshold declining to 10% by 2022. Each of the EMD Funds also prohibits investments in issuers in the power generation industry that use thermal coal as an energy source for more than 95% of their installed power generation capacity, are expanding into new thermal coal power generation, or whose expansionary capital expenditure budgets do not include a minimum threshold for non-coal investments, as determined by internal screens.

Please note that the above amendments will not result in any changes to the existing holdings of the applicable Portfolios.

b) *Amendments to the Risk Disclosures*

The “*Risk Disclosures*” section of the Prospectus will be amended to include new additional risk disclosures in relation to mortgage REITs and Hybrid REITs. In addition, a number of the existing risk disclosures will be updated to include further information on the applicable risks set out in the Prospectus and some passage of time changes. Each of the risk tables in the supplements for the Portfolios will be updated to include these additional risk factors within the risk table and they have been flagged as being applicable to the relevant Portfolio where necessary. The inclusion of the new risk disclosures and the amendments to the existing risk disclosures do not represent any changes to the investment policies of the Portfolios.

2. **Changes to the Supplements**

a) *Enhancements to Financial Derivative Instruments (“FDI”) disclosures - this update is applicable to all Portfolios*

As part of this update, a number of the FDI disclosures in the Portfolios’ Supplements will be enhanced to clearly specify the FDI which are used by these Portfolios. Please note that these changes do not represent any changes to the Portfolios’ respective investment policies and will not impact on the currently disclosed leverage levels. Instead, these changes are intended to better reflect the descriptions of these instruments in the Company’s risk management process statement and also to standardise the disclosures of the types of FDI which the Portfolios may already use.

b) *Changes to the FDI used – these updates are applicable to Neuberger Berman Short Duration Emerging Market Debt Fund only*

It is proposed that the Neuberger Berman Short Duration Emerging Market Debt Fund will use repurchase and reverse repurchase agreements for liquidity management purposes, subject to a limit of 10% of the Portfolio’s Net Asset Value. The expected proportion of the Portfolio’s Net Asset Value that will be subject to repurchase and reverse repurchase agreements for liquidity management purposes is 5%. For the avoidance of doubt, there is no change to the expected maximum net derivative exposure of the Portfolio (i.e. up to 50% of its Net Asset Value.).

c) *Changes to the global exposure calculation method – this update is applicable to Neuberger Berman Strategic Income Fund only*

It is intended to change the global exposure calculation method for the Neuberger Berman Strategic Income Fund to Absolute Value at Risk (“VaR”) going forward.

The VaR of the Portfolio is a daily estimate of the maximum loss which the Portfolio may incur over a one day holding period and is arrived at through quantitative simulations with a 99% one tailed confidence interval and using a historical observation of at least 250 business days. The Investment Manager will ensure that on any day the Absolute VaR of the Portfolios will be no greater than 4.47% of its Net Asset Value.

Investors should note that these changes do not result in any change in the investment policy nor have a material impact on the overall risk profile of the Portfolio.

d) *Changes to the investment restrictions for the Neuberger Berman European High Yield Bond only*

Please note that the following investment restrictions will be included in the Supplement for the Neuberger Berman European High Yield Bond:

- 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.
- The Portfolio is prohibited from purchasing the securities of issuers which derive substantial revenue from the extraction of coal or the use of unconventional methods to extract oil and gas. Substantial revenue is defined for this purpose as follows:
 - more than 10% of revenue from the mining of thermal coal; and/or
 - more than 10% of revenue from oil sands extraction.
- The Portfolio is prohibited from purchasing the securities of issuers that are involved in the manufacturing of civilian firearms.
- The Portfolio is prohibited from purchasing the securities of issuers that own, operate or primarily provide integral services to private prisons, given significant social controversy, reputational risks, dependency on their local government policies and facilities which are not easily reconfigurable for alternate uses.
- The Portfolio will only purchase the securities of issuers for which power generation makes up more than 10% of revenue, where they are aligned with a lower carbon emissions economy. The Portfolio is therefore prohibited from investing in generators where:
 - More than 30% of MWh generation is derived from thermal coal.
 - More than 30% of MWh generation is derived from liquid fuels (oil).
 - More than 90% of MWh generation is derived from natural gas.

This threshold may decline over time, to align with a glide path to greater renewables penetration.

However, please note that these new restrictions will not impact the existing holdings of the

Neuberger Berman European High Yield Bond.

- e) *Updates to the Sustainable Investment Criteria applied to the Neuberger Berman US Real Estate Securities Fund, the Neuberger Berman Global Real Estate Securities Fund and the Neuberger Berman Next Generation Mobility Fund*

For the Neuberger Berman US Real Estate Securities Fund and the Neuberger Berman Global Real Estate Securities Fund, environmental, social and governance (“ESG”) risks and opportunities will be systematically considered in the selection of securities to be constituents of the respective Portfolios, as part of an ESG integration process. The Investment Manager and the Sub-Investment Manager will assess securities in relation to their exposure to and the management of ESG risks and the Supplements will be updated to disclose this. While the Investment Manager and the Sub-Investment Manager will assess these risks and opportunities for these Portfolios, they will not be the primary consideration for selection of investments.

For the Neuberger Berman Next Generation Mobility Fund, the “*Investment Approach*” section in the Supplement will be updated to provide that the Portfolio seeks to apply the Sustainable Exclusion Policy along with the application of the exclusions set out in the Enhanced Sustainable Exclusion Policy. Investors should refer to the information contained in the “*Sustainable Investment Criteria*” section of the Prospectus for further details about the application of the above policies.

Please note that the above amendments will not result in any changes to the existing holdings of the applicable Portfolios.

- f) *Updates to the investment policy of the Neuberger Berman Global Real Estate Securities Fund*

The Supplement for the Neuberger Berman Global Real Estate Securities Fund will be updated to provide that the Portfolio may invest indirectly in the China A Share market through investments in equity linked products issued by RQFIIIs, which is in addition to its ability to invest in similar investments issued by QFIIs.

The changes to the investment policies/ restrictions of the Portfolios as mentioned above is not expected to have a material impact on (i) the overall risk profile of the Portfolios; (ii) the manner in which the Portfolios is being operated and managed; and (iii) the levels of fees payable by the Portfolios and the Shareholders. It is not expected that the Shareholders will be prejudiced as a result of these changes.

The Directors believe that the above changes are in the best interests of the Shareholders of the Portfolios.

Please note that a number of additional, minor amendments, including to make conforming, consistency and clarification edits to the Hong Kong Offering Documents as well as some passage of time changes will also be made and are not specifically referenced in this circular. It is also possible that further amendments may be made to the Prospectus and the Supplements following the date of this circular in order to address the Central Bank’s comments which arise during its review of the documents.

The proposed changes as discussed in this circular will be reflected in the revised Hong Kong Offering Documents. Once noted by the Central Bank, the revised Prospectus and the Supplements, as well as

the rest of the revised Hong Kong Offering Documents, may be inspected free of charge at the offices of the Hong Kong Representative at 20th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong, during normal business hours on any Hong Kong business day..

Should you have any queries in relation to this matter please do not hesitate to contact your sales representative, or contact Neuberger Berman's client services team in Hong Kong at +852 3664 8868.

Yours sincerely,



Director
Neuberger Berman Investment Funds plc