

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.

24 June 2022

Dear Hong Kong Shareholder,

NEUBERGER BERMAN INVESTMENT FUNDS PLC (THE "COMPANY")

- **NEUBERGER BERMAN GLOBAL BOND FUND**
- **NEUBERGER BERMAN STRATEGIC INCOME FUND**
- **NEUBERGER BERMAN HIGH YIELD BOND FUND**
- **NEUBERGER BERMAN SHORT DURATION HIGH YIELD BOND FUND**
- **NEUBERGER BERMAN EUROPEAN HIGH YIELD BOND FUND**
- **NEUBERGER BERMAN EMERGING MARKET DEBT – LOCAL CURRENCY FUND**
- **NEUBERGER BERMAN EMERGING MARKET DEBT – HARD CURRENCY FUND**
- **NEUBERGER BERMAN EMERGING MARKET CORPORATE DEBT FUND**
- **NEUBERGER BERMAN SHORT DURATION EMERGING MARKET DEBT FUND**
- **NEUBERGER BERMAN EMERGING MARKET DEBT BLEND FUND**
- **NEUBERGER BERMAN US MULTI CAP OPPORTUNITIES FUND**
- **NEUBERGER BERMAN US SMALL CAP FUND**
- **NEUBERGER BERMAN CHINA EQUITY FUND**
- **NEUBERGER BERMAN EMERGING MARKETS EQUITY FUND**
- **NEUBERGER BERMAN US REAL ESTATE SECURITIES FUND**
- **NEUBERGER BERMAN NEXT GENERATION MOBILITY FUND**
- **NEUBERGER BERMAN 5G CONNECTIVITY FUND**
- **NEUBERGER BERMAN GLOBAL REAL ESTATE SECURITIES FUND**
- **NEUBERGER BERMAN CHINA BOND FUND**
- **NEUBERGER BERMAN SUSTAINABLE ASIA HIGH YIELD FUND (COLLECTIVELY, THE "PORTFOLIOS")**

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 certain of its sub-funds (the "**Portfolios**"), which will be reflected in revised Hong Kong offering documents (comprising of a Hong Kong Covering Document, Prospectus, relevant Supplements and Product Key Facts Statements) (collectively referred to as the "**Hong Kong Offering Documents**"), which are expected to be noted by the Central Bank of Ireland (the "**Central Bank**") on 19 August 2022 subject to the Central Bank's approval. The changes to the Prospectus and Supplements will take effect from such date (the

“**Effective Date**”), unless otherwise stated in this circular. All capitalised terms used in this circular and not defined herein shall have the meanings ascribed to them in the existing Hong Kong Offering Documents.

1. **Changes to the Prospectus**

a) *Amendment to the Recognised Markets*

The list of recognised exchanges and markets contained within “*Annex I Recognised Markets*” of the Prospectus has been updated to include reference to the Beijing Stock Exchange. Please note that the Beijing Stock Exchange is regulated, operates regularly and is recognised and open to the public.

b) *Passage of time updates to certain risk disclosures*

A number of passage of time changes have been made to certain risk disclosures, including the “*Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues*” disclosure, the “*Cessation of LIBOR*” disclosure and the “*Interest Rate Risk; Floating/Fixed Rate or Basis Mismatch; Timing Mismatch and Modified Rates*” disclosure to reflect updates in respect of the Covid-19 pandemic and the cessation of LIBOR.

c) *Amendment to the SFDR Annex*

A number of changes have been made to the disclosures contained within the “*SFDR Annex*” of the Prospectus to reflect recent regulatory changes driven by both the Sustainable Finance Disclosure Regulation (SFDR) and the Taxonomy Regulation.

A new disclosure has been included in relation to the Neuberger Berman ESG Quotient which is the proprietary ESG rating system used in respect of the Company and forms part of the investment process for each Portfolio that has been classified as an Article 8 or Article 9 Portfolio. As this ESG rating system currently forms part of the investment decision making process for these Portfolios, this update does not impact the way in which any of the relevant Portfolios are currently managed.

The ESG Quotient assigns weightings to environmental, social and governance characteristics of an issuer on material ESG factors (relative to their peer group) to derive the NB ESG Quotient rating. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of being included in the relevant 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 excluded from the investment universe or divested from the relevant Portfolio. In addition, constructive engagements are undertaken with issuers that have a poor NB ESG Quotient rating, in order to assess whether concerns are being addressed adequately.

In addition to the above, further information has been included in the “*Consideration of Adverse Sustainability Impacts of Investment Decisions on Sustainability Factors*” sub-section in the “*SFDR Annex*” of the Prospectus. It should be noted that the Manager and/or the Sub-Investment Manager will consider the Principal Adverse Impact Indicators (the “**PAIs**”) on sustainability factors at the product level for each of the Article 8 and Article 9 Portfolios. In addition, an Article 8 or Article 9 Portfolio may consider the Sovereign Principal Adverse Impact Indicators (“**Sovereign PAIs**”) where that Portfolio invests significantly in sovereign securities. Each PAI and, where relevant, each Sovereign PAI will be considered for each Article 8 and Article 9 Portfolio, where there is adequate, reliable and verifiable data coverage

for such indicators. Where such data is not available the relevant PAI and/or Sovereign PAI will not be reported against until such time as the data becomes available.

However, notwithstanding the above, the Manager and the Sub-Investment Manager do not currently consider the principal adverse impacts of its investment decisions on Sustainability Factors at entity level.

For the purposes of the above, please note that the following definitions in relation to "*Principal Adverse Impact Indicators*" and "*Sovereign Principal Adverse Impact Indicators*" which have been included in the Prospectus:

Principal Adverse Impact Indicators	greenhouse gas 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 UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, lack of processes and compliance mechanisms to monitor compliance with UN Global Compact Principles and OECD Guidelines for Multinational Enterprises, unadjusted gender pay gap, board gender diversity and exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons);
Sovereign Principal Adverse Impact Indicators	GHG intensity and investee countries subject to social violations;

2. Changes to the Supplements

a) *Update to the Neuberger Berman China Bond Fund*

To streamline resources for managing the Neuberger Berman China Bond Fund more efficiently, Neuberger Berman Asia Limited will no longer provide investment management services to the Neuberger Berman China Bond Fund. The Supplement for this Portfolio has therefore been updated to reflect that Neuberger Berman Asia Limited no longer acts as one of the Sub-Investment Managers appointed to this Portfolio with effect from the Effective Date.

b) *Update to the Neuberger Berman Global Bond Fund*

The Supplement for this Portfolio has been updated to amend the list of financial derivatives instruments that may be used in delivering the Portfolio's existing investment strategy for efficient portfolio management, investment purposes and/or hedging purposes in order to include inflation-linked swaps, swaptions on interest rates and non-deliverable forward currency contracts as well as options on UCITS eligible bond indices and currencies.

The Supplement for this Portfolio has also been updated to reflect that the Maximum Management Fee for the A Classes in the Portfolio will be reduced from 0.80% to 0.40% with effect from 1 July 2022.

c) *Update to the Neuberger Berman Short Duration High Yield Bond Fund*

The Supplement for this Portfolio has been updated to reflect the recent rebranding of the applicable benchmark, ICE BofA U.S. High Yield Index (formerly ICE / BAML U.S. High Yield Index) with effect from 6 April 2022.

In addition, the “*Environmental, Social and Governance (“ESG”)*” section of the Supplement for this Portfolio has been updated to include further information on the engagement process that occurs with investee companies for establishing objectives with these entities which are aligned with the UN Sustainable Development Goals. This section has also been updated to include further information on the criteria that is used as part of the ESG assessment that is undertaken on the securities by the Sub-Investment Manager. For this Portfolio, 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 ESG assessment undertaken in respect of the Portfolio. Security types which would typically not be covered by the ESG assessment in the context of the Portfolio include, but are not limited to, government debt securities and cash or cash equivalents and will represent at most 10% of the Portfolio’s Net Asset Value. Corresponding updates have also been made to the relevant disclosure for this Portfolio in the “*SFDR Annex*” of the Prospectus.

d) *Updates to the Neuberger Berman Emerging Markets Equity Fund*

To take into account the markets on which the underlying holdings of this Portfolio are listed, dealt or traded, the definition for “*Business Day*” for this Portfolio has been updated (with amendments highlighted in bold and underlined) to “*a day (except Saturday or Sunday) on which the relevant financial markets in London ~~and~~, New York and Hong Kong are open for business, provided that, if on any such day, the period during which banks in Hong Kong are open for normal trading is reduced as a result of a tropical cyclone warning signal (number 8 or higher), a black rainstorm warning signal or other similar event, such day shall not be a Business Day unless the Directors otherwise determine”*. As a result of this change, the number of Business Days in a calendar year for this Portfolio may be reduced.

e) *Changes to the Neuberger Berman Next Generation Mobility Fund and the Neuberger Berman 5G Connectivity Fund*

The “*Environmental, Social and Governance (“ESG”)*” sections of the Supplements for the above Portfolios have been updated to include further information on the investment processes which are currently implemented by the Sub-Investment Manager as part of their consideration of a variety of environmental and social characteristics for these Portfolios.

In particular, these environmental and social characteristics are considered using a proprietary Neuberger Berman ESG rating system (the “**NB ESG Quotient**”). To illustrate, below are some specific considerations the Sub-Investment Manager factors into the NB ESG Quotient rating of the companies:

- The Sub-Investment Manager assesses biodiversity and water stress as part of the ESG analysis of companies, which impacts the NB ESG Quotient rating for each company and therefore the issuer selection for the strategy.
- When an oppressive regime is a major shareholder in a company, the Sub-Investment Manager will take this into consideration in its bottom-up ESG assessment.

In addition, corresponding updates have been made to the relevant disclosure for this Portfolio in the “*SFDR Annex*” of the Prospectus.

Investors should note that the Neuberger Berman Next Generation Mobility Fund and the Neuberger Berman 5G Connectivity Fund are currently not recognised by the Hong Kong

Securities and Futures Commission (the “SFC”) as ESG funds in Hong Kong, and will not be recognised as such as a result of the above changes.

f) *Changes to the Neuberger Berman US Small Cap Fund*

The “*Environmental, Social and Governance (“ESG”)*” section of the Supplement for this Portfolio has been updated to include further information within the “*Environmental, Social and Governance (“ESG”)*” section on the exclusions that apply, to clarify that the Portfolio does not purchase securities of issuers that derive meaningful revenues from practices, which include firearms, tobacco, gambling, adult entertainment and coal.

g) *Changes to the Neuberger Berman Global Bond Fund and the Neuberger Berman Strategic Income Fund*

Please note that the Supplements for each of these Portfolios have been updated to provide that these Portfolios will not utilise securities lending.

h) *Change to the Neuberger Berman Sustainable Asia High Yield Fund*

The Supplement for this Portfolio has been updated to remove reference to the use of a proprietary human rights indicator as an exclusionary measure. Apart from the above update, there is no change to the rest of this Portfolio’s ESG policy and strategy. This Portfolio remains an ESG fund authorised by the SFC.

3. **Changes to the Hong Kong Covering Document**

a) *Update on the environmental or social characteristics promoted by the Neuberger Berman Short Duration High Yield Bond Fund*

As part of the Net Zero Asset Managers Initiative, to align the Neuberger Berman Short Duration High Yield Bond Fund with a net-zero goal, the first paragraph of the sub-section with respect to this Portfolio under the “Investment Restrictions” section of the Hong Kong Covering Document has been revised as from 21 April 2022 (with amendments highlighted in bold and underlined below).

*“For clarification, **in aiming to align** the Neuberger Berman Short Duration High Yield Bond Fund ~~contributes towards achievement of the Paris Climate Agreement by allocating capital to companies with lower carbon intensity, such that with a net-zero goal, the carbon intensity of Sub-Investment Manager intends to reduce~~ the Neuberger Berman Short Duration High Yield Bond Fund, **on a continuous basis, is 30% lower relative to the broad U.S. high yield market, as represented by the ICE / BAML U.S. High Yield Index and achieving a 7% per annum’s carbon footprint across scope 1, 2, and material scope 3 greenhouse gas emissions², equating to a 50% reduction in carbon intensity compared by 2030 relative** to a 2019 baseline ~~level~~ (i.e. the ~~carbon intensity of the~~ Neuberger Berman Short Duration High Yield Bond Fund’s **carbon footprint** as of 31 December 2019) **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**”*

² **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).**

to scope 3 emissions. Further details on Neuberger Berman's commitment to the Net Zero Asset Manager Initiative are contained in the section headed "Sustainable Investment Criteria" in the Irish Prospectus."

For the avoidance of doubt, there is no change to the ESG objectives of this Portfolio. Carbon emission reduction remains one of and not the sole ESG objective and characteristic of this Portfolio. Apart from the above update, there is no change to the rest of this Portfolio's ESG policy and strategy. This Portfolio remains an ESG fund authorised by the SFC.

Please note that a number of additional, minor amendments, including to make enhancements to the "Investment Approach" disclosures for certain Portfolios, conforming, consistency and clarification edits to the Hong Kong Offering Documents as well as some passage of time changes have also been made and are not specifically referenced in this circular. It is also possible that further amendments may be made to the Hong Kong Offering Documents following the date of this circular in order to address the Central Bank's comments which arise during its review of the Hong Kong Offering Documents.

Save as otherwise disclosed in this circular and for the avoidance of doubt, the changes as mentioned above (a) will not have a material impact on (i) the investment objectives and policies of the Portfolios; (ii) the manner in which the Portfolios are being operated and managed; and (iii) the features and the overall risk profiles of the Portfolios; and (b) will not increase the level of fees payable by the Portfolios and the Shareholders. It is also not expected that the Shareholders will be materially affected or prejudiced as a result of the above changes. Finally, the costs incurred in relation to the changes discussed above will be borne by each relevant Portfolio in proportion to its fund size and are estimated to be less than 0.25 basis points of the total Net Asset Value of all sub-funds of the Company.

Please note that you do not need to respond to this circular as it is for notification purposes only. Shareholders who do not wish to remain invested in the Portfolios as a result of the proposed changes as set out in this circular may request the redemption or switching of their Shares on any Dealing Day in accordance with the normal procedures as set out in the Hong Kong Offering Documents. Currently, no redemption or switching fee is charged by the Company on redemption or switching of Shares. However, please note that additional fees and service charges in respect of redemption or switching of Shares may be payable by Shareholders to intermediaries/distributors through whom they invest in such amount as they may agree with the relevant intermediaries/distributors.

Once the revised Hong Kong Offering Documents are noted by the Central Bank and authorised by the SFC, the revised Hong Kong Offering Documents will be available for inspection 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 as well as being available on the Hong Kong Representative's website at www.nb.com (Hong Kong investors should note that this website has not been reviewed by the SFC and may contain information on funds not authorised by the SFC).

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