NEUBERGER BERMAN

Sustainable Finance Disclosure Regulation

Neuberger Berman Asset Management Ireland Limited

Sustainable Finance Disclosure Regulation

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**") seeks to (i) establish a harmonised approach in respect of sustainability-related disclosures made by financial market participants to investors within the European Union's financial services sector and (ii) to achieve more transparency regarding how financial market participants integrate Sustainability Risks (as defined below) into their investment decisions and the consideration of adverse sustainability impacts into the investment process. Financial market participants include AIFMs, investment firms and UCITS management companies, in their capacity as manager of financial products (which includes all forms of AIFs, UCITS and/or segregated client accounts). For the purposes of SFDR, Neuberger Berman Asset Management Ireland Limited ("**NBAMIL**") is a financial market participant for the financial products listed below.

Integration of Sustainability Risks

Unless otherwise specified, NBAMIL applies Neuberger Berman's Stewardship and Sustainable Investing Policy (the "**Stewardship and Sustainable Investing Policy**") for financial products under its management. In applying the Stewardship and Sustainable Investing Policy, NBAMIL (in conjunction with other companies in the Neuberger Berman group for which it is applicable) shall integrate financially material environmental, social and governance factors (including the consideration of Sustainability Risks) into the investment decision-making process. The specific approach to integration taken by NBAMIL in applying the Stewardship and Sustainable Investing Policy, in its role as portfolio manager (together with other companies in the Neuberger Berman group as applicable) will depend on multiple factors, including (i) the objectives of the financial product's strategy, (ii) the assets held by the financial product, (iii) the investment time horizon, (iv) any specific research undertaken by NBAMIL, (v) an assessment of the likely impact of Sustainability Risks on the returns of the financial product and (vi) the overall investment process.

NBAMIL (together with other companies in the Neuberger Berman group as applicable), in applying the Stewardship and Sustainable Investing Policy, determines whether financially material environmental, social or governance factors may be an important driver of long-term investment returns and that it is in Neuberger Berman's clients' best financial interests to integrate these factors in investment processes where we believe them to be potentially financial material. This may influence portfolio construction. The Stewardship and Sustainable Investing Policy requires that research analysts and portfolio managers, including NBAMIL, undertake their own research on financially material environmental, social or governance factors so they can consider them alongside other inputs as part of the overall investment process.

As per SFDR - Sustainability Risks are defined as environmental, social and governance events or conditions whose occurrence could have an actual or potential material negative impact on the value of an investment (and hence on the net asset value of the fund and on its returns). Typical examples of Sustainability Risks include but are not limited to, risks stemming from climate change (notably physical and transition risks), natural resource depletion, environmental degradation, human rights abuses, bribery, corruption, poor governance and social and employee matters.

Sustainability Risks can impact the value of an investment in a number of ways depending on the nature of individual investments, for example, through physical damage to assets, policy or technological changes impacting the economics of the investment or through changes in consumer preferences.

NBAMIL considers Sustainability Risks (as defined in the SFDR as per above) as a broad term which seeks to identify financially material risk that relates to environmental, social or governance factors. Therefore, potential risk posed by Sustainability Risks can be limited through the integration of financially material environmental, social and governance factors, sustainable investing and the responsible and proper management of portfolios.

Neuberger Berman ESG Quotient

Unless otherwise stated in the relevant supplement or Investment Management Agreement ("**IMA**"), for each of the Article 8 and Article 9 financial products, NBAMIL uses the proprietary in-house rating system (the "**NB ESG Quotient**") as part of the investment process. The NB ESG Quotient is built around the concept of specific industry or sovereign financially material environmental, social or governance risks and opportunities. Foundational to the NB ESG Quotient is the proprietary Neuberger Berman ("**Neuberger**") materiality matrix, which focuses on the environmental, social or governance characteristics that are considered to be the most material drivers of financially material environmental, social or governance risks and opportunities for each industry sector or sovereign issuer. Each industry sector or sovereign criteria is constructed using third party data leveraging the investment team's significant industry sector or sovereign expertise. Unless otherwise specified in the supplement or IMA for the relevant financial product, the NB ESG Quotient does not consider investments in money market instruments, cash, cash equivalents or derivatives.

The methodology for determining the NB ESG Quotient is a multi-step process. Firstly, NB's central research equity and fixed income analysts determine which environmental, social and governance factors are likely to be financially material across a given industry sector or to a sovereign issuer. Secondly, Neuberger identifies quantitative sources to measure a particular company's or sovereign issuer's performance against such factors by utilising third party data.

For issues requiring additional incremental insight, NB's research analysts use proprietary quantitative or qualitative assessments, informed by engagement. Each company or sovereign issuer is compared to their peer universe which includes other companies within the relevant industry sector or sovereign issuers to produce an overall performance rating for that company or sovereign issuer.

As a final step, further refinements are applied to the company's rating or the sovereign issuer's rating by the analysts based on their engagement with the company or sovereign issuer and their overall industry experience. The data underlying the company's or the sovereign issuer's ratings is updated regularly.

NBAMIL has noticed that small capitalisation companies tend to have less favourable NB ESG Quotient ratings when compared to large capitalisation companies. This can be due to lack of publicly disclosed data as well as fewer resources which can be dedicated to data disclosure (including ESG data disclosures) in small capitalisation companies.

Where relevant and where adequate and reliable data is available, NBAMIL will provide the NB ESG Quotient rating (or similar proprietary in-house rating) for the Article 8 or Article 9 Portfolios in the Portfolio's mandatory periodic report template (as per the requirements of Article 11 of SFDR). NBAMIL may elect to also provide an ESG rating (as generated by a third-party data provider) for informational purposes only in the financial product's mandatory periodic report template (as per the requirements of Article 11 of SFDR).

Adequate, reliable and verifiable ESG data coverage may not be available for all issuers, where that is the case, ESG ratings (as generated by a third-party data provider) may include qualitative judgment and/or may be based on estimates. NBAMIL uses data from third-party data providers (which may include providers for research, reports, screenings, ratings and/or analysis (such as index providers and consultants)) and, while Neuberger conducts due diligence on these third-party data providers, it cannot be ruled out that such information or data may be incomplete, inaccurate or inconsistent.

While NBAMIL will aim for all corporate and sovereign issuers held by a Portfolio to have an NB ESG Quotient rating, there may be some issuers held by a Portfolio that do not have an NB ESG Quotient rating. The number of issuers that do not hold an NB ESG Quotient rating is expected to be minimal. In such instances, the environmental, social and governance analysis is performed internally, with the support of third-party data, and is not outsourced.

Assessment of the impact on likely returns

In applying the Stewardship and Sustainable Investing Policy, NBAMIL may, depending on the particular strategy, deliberately forego opportunities for a financial product to gain exposure to certain companies, industries, sectors or countries that it believes may benefit the particular portfolio and it may choose to sell a security when, in hindsight, it might be seen to have been disadvantageous to do so. Certain financial products may focus on investment in companies that relate to certain sustainable development themes and demonstrate adherence to environmental, social and good governance practices. Accordingly, as the universe of investments for those financial products is smaller than that of other funds, NBAMIL has determined that those financial products could underperform the market as a whole if the investments underperform the market, which could negatively impact on returns. Notwithstanding the foregoing, the Stewardship and Sustainable Investing Policy seeks to formalise and focus Neuberger Berman's responsible investment efforts, with the belief that material environmental, social and governance characteristics are an important driver of long-term investment returns and mitigator of risk and have the follow-on effect of supporting better-functioning capital markets and having a positive impact for people and the planet.

Remuneration Considerations

NBAMIL has adopted remuneration policies consistent with applicable regulations and guidelines as an authorised AIFM and UCITS management company. NBAMIL's remuneration policies (i) promote sound and effective risk management and (ii) discourage excessive risk taking, including without limitation, with respect to Sustainability Risks, as defined above.

NBAMIL adheres to group-wide general principles, policies and practices. NBAMIL's remuneration policy applies in addition to the remuneration and employment policies and practices operated from time to time within NBAMIL itself and the Neuberger Berman group of companies (the "**Neuberger Group**"). The assessment of NBAMIL staff performance is based on a multi-year perspective in order to take into account the long-term performance of personnel, as well as the life cycle of the financial product under management. Performance objectives are therefore on a multi-year basis, ensuring that staff and end investors' interests are aligned.

Variable remuneration is dependent upon both corporate results and employee contribution to the Neuberger Group's objectives. The determination of an individual's entitlement to variable remuneration will in all cases take into account the individual staff member's performance in the relevant performance period based on an assessment of both quantitative and qualitative criteria including but not exclusively based on conduct related matters. In addition, with respect to portfolio management teams, the entitlement to variable remuneration is not solely linked to the performance of the financial products managed by that particular team, but to the broader assets under management of the Neuberger Group. This serves to discourage excessive risk taking, as no one individual can influence overall NB Group performance. Senior management within the Neuberger Group is responsible for approving the award of remuneration and benefits at a group level, while the Neuberger Berman EMEA Compensation Committee provides oversight in relation to the awarding of team as well as individual remuneration and benefit levels. The EMEA Compensation Committee has a number of responsibilities including but not exclusively, the oversight and implementation of remuneration policies, the review of identified staff and or material risk takers, assessment of management information supplied by Risk, Compliance and Human Capital Management on behaviours and conduct. In addition, the Committee, as appropriate may recommend bonus pool reductions and individual staff deductions and clawbacks. In no circumstances will any senior staff member who is eligible to participate in a bonus pool have authority (either individually or as part of a committee) to give the final approval for any bonus pool in which he or she is eligible to participate in nor will he or she be in a position to approve his or her own individual remuneration outcome.

Consideration of Principal Adverse Impacts

NBAMIL is supportive of the aims of the principal adverse impact indicators ("**PAIs**") to improve transparency for investors and the wider market as to how it (and other financial market participants) integrates the consideration of adverse impacts of investment decisions on Sustainability Factors.

NBAMIL does not currently consider the PAIs of its investment decisions on Sustainability Factors[1] at entity level in the manner prescribed under the SFDR. Nonetheless, NBAMIL wishes to affirm its overall

[1] Sustainability Factors are defined in the SFDR as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

commitment to consider financially material environmental, social and governance factors as an important driver of long-term investment returns from both an opportunity and a risk-mitigation perspective.

NBAMIL has less than 500 employees, allowing it to 'comply or explain' under the SFDR Article 4(1) requirement to publish a principal adverse sustainability impact ("**PASI**") entity level statement.

NBAMIL has opted against publishing a PASI entity level statement and has explained its reasons for doing so below.

NBAMIL took this decision because it believes that the current level of PAI data coverage combined with the volatility associated with PAI data (due to portfolio and market movements) would not provide reliable data that investors could consistently assimilate, use and compare from one reference period to another. NBAMIL has instead sought to provide investors with disclosures on how they have considered the PAIs at portfolio level (where relevant).

NBAMIL considers:

- a selection of the PAIs and the Sovereign Principal Adverse Impact Indicators ("**Sovereign PAIs**"), where relevant, at portfolio level, for the majority of Article 8 Portfolios;
- all the PAIs and the Sovereign PAIs, where relevant, for its Article 9 portfolios; and
- all the PAIs and the Sovereign PAIs, where relevant, as part of its process for identifying sustainable investments across Article 8 Portfolios and Article 9 Portfolios.

NBAMIL manages a range of different investment strategies across a variety of asset classes with varying investment objectives, some of which have a sustainable investment objective, targeting particular sustainability outcomes and/or to promote environmental or social characteristics. These are disclosed at the product level.

NBAMIL adopts a decentralized investment management model, with each investment team being ultimately responsible for integrating sustainability considerations, and where relevant, PAIs in their investment decision-making in a manner that is tailored to their investment styles and Portfolios, subject to NBAMIL's oversight and overall control framework. In some cases, the investment team has determined that: i) the PAIs are not relevant to the investment strategy of the Portfolio; or ii) the investment objective of the Portfolio is better served by focusing on financial performance and financially material Sustainability Risks (without considering the PAIs).

Additionally, NBAMIL believes that the tailored approaches adopted by investment teams on sustainability matters (including consideration of the PAIs) for specific investment strategies and/or Portfolios means that an entity level statement on PAI consideration would not appropriately represent its approach.

Finally, NBAMIL is also mindful of the European Supervisory Authorities' (the "**ESAs**") ongoing review of the SFDR regulatory technical standards ("**RTS**") as well as the European Commission's review of SFDR, and the expected impact that these developments will have on the PAI indicators, PAI disclosures, PAI formulae and calculation methodologies and the future comparability of PAI data. NBAMIL believes that this further evidences its view that the PAI regime is still developing and remains subject to change.

Article 8 & Article 9 Financial Products under SFDR

The following Neuberger Berman Investment Funds plc ("**NBIF**") sub-funds are classified as Article 8 financial products under SFDR:

1	Neuberger Berman Emerging Market Debt - Local Currency Fund	549300VLRPBFFXL0DB81
2	Neuberger Berman Emerging Market Debt - Hard Currency Fund	549300M7KHGG3BTZ3979
3	Neuberger Berman EMD Corporate - Social and Environmental Transition Fund	549300GFVSJXLSLRQ502
4	Neuberger Berman Short Duration Emerging Market Debt Fund	549300J30SXW5866TW70
5	Neuberger Berman Emerging Market Debt Blend Fund	549300JASQ1JIDYO8X22
6	Neuberger Berman Emerging Market Debt Sustainable Investment Grade Blend Fund	549300IFJK0FPOE1X496
7	Neuberger Berman Asia Responsible Transition Bond Fund	54930058PUF4SZOVOD17

8	Neuberger Berman Emerging Markets Equity Fund	549300XPW2SIPQYGFT52
9	Neuberger Berman Japan Equity Engagement Fund	549300ELGQMFUUPHG878
10	Neuberger Berman High Yield Bond Fund	549300IJY8N43QRUU802
11	Neuberger Berman Short Duration High Yield Engagement Fund	5493009EN8Z7034TFP15
12	Neuberger Berman European High Yield Bond Fund	549300Z7RL5FC5H5DB41
13	Neuberger Berman Global High Yield Engagement Fund	549300YE6BLJU5JCDI13
14	Neuberger Berman Next Generation Connectivity Fund	549300H0HOXG52ES7840
15	Neuberger Berman Global Equity Megatrends Fund	549300NOKC884YXB6S20
16	Neuberger Berman Next Generation Mobility Fund	5493000YD3J3W1CMMU74
17	Neuberger Berman US Long Short Equity Fund	54930034RCIO16VO2Z23
18	Neuberger Berman US Multi Cap Opportunities Fund	549300K77TBAIVA0NY51
19	Neuberger Berman Corporate Hybrid Bond Fund	549300TMYI9EFR4Q1G47
20	Neuberger Berman Global Opportunistic Bond Fund	549300ZNZZ2YDVTNRE14
21	Neuberger Berman Multi-Asset Income Fund	549300P7BLMM0H469F71
22	Neuberger Berman US Real Estate Securities Fund	549300T9PUOV1AK0OR82
23	Neuberger Berman China A-Share Equity Fund	54930037QMZTCH4D7291
24	Neuberger Berman US Equity Fund	549300GF328Y6TQJI517
25	Neuberger Berman Euro Bond Absolute Return Fund	549300ZPJNN43P39QR29
26	Neuberger Berman Short Duration Euro Bond Fund	5493005BLB45DI1FOM10
27	Neuberger Berman Euro Bond Fund	549300TQ5M6FBE2H8T74
28	Neuberger Berman Global Bond Fund	549300RDJHEJZZ6XVX05
29	Neuberger Berman Strategic Income Fund	549300RBLDK0PHH13M43
30	Neuberger Berman Global Flexible Credit Income Fund	5493004BPE0UFYX6FZ81
31	Neuberger Berman US Small Cap Fund	549300CG2QDECVFZQ378
32	Neuberger Berman Global Investment Grade Credit Fund	549300TIVE0UW3FSBE51
33	Neuberger Berman Sustainable Asia High Yield Fund	5493005FAT85HZ73DG37
34	Neuberger Berman US Large Cap Value Fund	549300J88053TDGDPM52
35	Neuberger Berman Next Generation Space Economy Fund	549300FT24ZYHNJCVO63
36	Neuberger Berman Global Sustainable Equity Fund	549300XRT8BVEN8P0A74
37	Neuberger Berman European Sustainable Equity Fund	549300K7Y3HBTEX71857
38	Neuberger Berman Global Value Fund	549300VLTCS1K4EA7H66
39	Neuberger Berman Developed Market FMP - 2027	549300GF7EOMWXAHXG64
40	Neuberger Berman CLO Income Fund	54930003X66WAS12MV11
41	Neuberger Berman US Small Cap Intrinsic Value Fund	5493006T4864Y1SNKA49

The following NBIF sub-fund is classified as an Article 9 financial product under SFDR:

1	Neuberger Berman Sustainable Emerging Market Debt– Hard Currency Fund	549300OWRIKGBWGY0X93

This finalised disclosures in respect of each NBIF sub-fund which meets the criteria of an Article 8 financial product under SFDR and those NBIF sub-funds meeting the criteria of an Article 9 financial product under SFDR are contained in the prospectus and relevant supplement at the following links:

https://www.nb.com/en/gb/legal-documents
https://www.nb.com/en/fr/sustainability-related-disclosures

The following Neuberger Berman Investment Funds II plc ("**NBIF II**") sub-funds are classified as Article 8 financial products under SFDR:

1	Neuberger Berman Global Senior Floating Rate Income Fund	549300N2FZ1HQO8EAX25

2	Neuberger Berman European Senior Floating Rate Income Fund	549300VAVSSEOEHL4G52
3	Neuberger Berman High Quality Global Senior Floating Rate Income Fund	54930025WWP1EGX28C06
4	Neuberger Berman Sogecap Emerging Market Debt Fund	549300OOIWC63PQNVG15
5	Neuberger Berman Global Subordinated Financials Fund	549300O55LNTCC30CH30
6	Neuberger Berman Brunel Multi Asset Credit Fund	549300IPEU88I8MLHN03
7	Neuberger Berman European Private Loans Fund I	549300U9YYSDFRXXDJ71
8	Neuberger Berman Climate Transition Global Credit Fund	549300CGQ38NQNAC6W93
9	Neuberger Berman Climate Transition Multi-Asset Credit Fund	549300QIZLH5TCSYJ835
10	Neuberger Berman European Private Loans Fund II	5493006AUBAJNG9CLI48
11	Neuberger Berman Investment Grade CLO Debt Fund	2549009Q7V2KS17TA912

Further disclosures in respect of each NBIF II sub-fund which meets the criteria of an Article 8 financial product under SFDR are contained in the prospectus and relevant supplement at the following link:

https://www.nb.com/en/gb/legal-documents

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NBAMIL has classified the following separate account as Article 8 financial product under SFDR:

1. EMD HC – DUTCH CLIENT 1
2. EMD HC – DUTCH CLIENT 2
3. EURO HY – DANISH CLIENT 2
4. EURO HY – DANISH CLIENT 3
5. US HY – DUTCH CLIENT 3
6. US EQUITY IMPACT – DUTCH CLIENT 4

This disclosure is accurate as at 18 November 2025

Website Disclosures

Article 10 EU Sustainable Finance Disclosure Regulation ("**SFDR**") disclosure – in accordance with Chapter IV, Section 2 of Delegated Regulation 2022 / 1288 ("**Level 2 RTS**")

In accordance with Article 10 of the SFDR, and Chapter IV, Section 2 of Delegated Regulation (EU) 2022/1288, this document provides information on the environmental and social characteristics promoted by EMD HC – Dutch Client 1 and the methodologies that are used to assess, measure and monitor these characteristics.

Defined terms used in this disclosure (unless defined herein) are as set out in Portfolio's investment management agreement. Terms used in the summary have the same meaning as in the rest of this website disclosure.

EMD HC – Dutch Client 1 (the "Portfolio") - summary	
Summary	The Portfolio is categorised as an Article 8 financial product for the purposes of SFDR. As part of the investment process, the investment team 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.
No Sustainable Investment Objective	This Portfolio promotes environmental or social characteristics, but does not have as its objective sustainable investment.
Environmental or social characteristics promoted by the Portfolio	The following environmental and social characteristics are considered as part of the NB ESG Quotient rating for sovereign issuers: • ***Environmental Characteristics***: sovereign energy efficiency; climate change adaptation; deforestation; greenhouse gas ("**GHG**") emissions; air and household pollution; and unsafe sanitation. • ***Social Characteristics***: progress towards UN Sustainable Development Goals ("**SDGs**"); health and education levels; regulatory quality; political stability and freedoms; gender equality; and research & development. The following environmental and social characteristics are considered, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating for corporate issuers: • ***Environmental Characteristics***: biodiversity and land usage; carbon emissions; opportunities in clean technologies; water stress; toxic emissions & waste; financing environmental impact; product carbon footprint; environmental policy; environmental management system; GHG reduction programme; green procurement policy; and non-GHG air emissions programmes. • ***Social Characteristics***: health & safety; human capital development; labour management; privacy & data security; product safety & quality; financial products safety; discrimination policy; community involvement programmes; diversity programmes and human rights policy.
Investment Strategy	The investment objective of the Portfolio is to produce 100-150 basis points out-performance in excess of the Benchmark on a 5-year rolling basis. The Portfolio will invest in: i) debt instruments denominated in US Dollar, which may include bonds and loan participation notes ("**Securities**") issued by

	Sovereigns, Quasi Sovereigns and Corporates; and ii) Cash and Cash Equivalents. <u>Assessment of Good Governance</u> The governance factors that the Manager tracks for corporate and quasi-sovereign issuers 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. The Manager may take into account other governance factors as appropriate from time to time.
Proportion of Investments	The Portfolio aims to directly 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.
Monitoring of environmental or social characteristics	The investment team considers a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Portfolio, including: (a) the NB ESG Quotient; and (b) NB ESG exclusion policies.
Methodologies for environmental or social characteristics	The investment team will track and report on the performance of the above sustainability indicators. 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.
Data sources and processing	ESG data inputs are derived from multiple datasets including international financial organisations, external vendors, company direct disclosures, company indirect disclosures, development agencies and specialty ESG research providers. ESG data feeds are monitored and reconciled by our data quality assurance team and critical data elements are closely reviewed as part of internal reporting.
Limitations to methodologies and data	Limitations in both methodology and data are listed under this heading in the main body of the website disclosure. Neuberger Berman is satisfied that such limitations do not affect the promotion of environmental or social characteristics as explained further under this heading below.
Due Diligence	Before making investments, Neuberger Berman will conduct reasonable and appropriate due diligence based on the facts and circumstances applicable to each investment.
Engagement Policies	Engagement is an important component of the Portfolio’s investment process.
Designated Reference Benchmark	N/A

SFDR Level 2 Article 8 website disclosure –EMD HC – Dutch Client 1 (the "Portfolio") – extended disclosure

No sustainable investment objective of the financial product

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The financial product will not make any sustainable investments.

Environmental or social characteristics of the financial product

As part of the investment process, Neuberger Berman Asset Management Ireland Limited (the "**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.

The 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 relatively favourable and/or an improving NB ESG Quotient rating. Pursuant to this, the Manager will limit exposure to issuers with the poorest NB ESG Quotient rating unless there is a reasonable expectation that the NB ESG Quotient rating will improve over time.

The following environmental and social characteristics are considered as part of the NB ESG Quotient rating for sovereign issuers:

- ***Environmental Characteristics***: sovereign energy efficiency; climate change adaptation; deforestation; greenhouse gas ("**GHG**") emissions; air and household pollution; and unsafe sanitation.

- ***Social Characteristics***: progress towards UN Sustainable Development Goals ("**SDGs**"); health and education levels; regulatory quality; political stability and freedoms; gender equality; and research & development.

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

- ***Environmental Characteristics***: biodiversity and land usage; carbon emissions; opportunities in clean technologies; water stress; toxic emissions & waste; financing environmental impact; product carbon footprint; environmental policy; environmental management system; GHG reduction programme; green procurement policy; and non-GHG air emissions programmes.

- ***Social Characteristics***: health & safety; human capital development; labour management; privacy & data security; product safety & quality; financial products safety; discrimination policy; community involvement programmes; diversity programmes and human rights policy.

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 ESG Quotient methodology will evolve over time and all ESG characteristics included therein are reviewed regularly and are subject to annual review to ensure that the most pertinent ESG characteristics are captured. 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 website disclosure 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.

Investment strategy

The investment objective of the Portfolio is to produce 100-150 basis points out-performance in excess of the Benchmark on a 5-year rolling basis.

The Portfolio will invest in: i) debt instruments denominated in US Dollar, which may include bonds and loan participation notes ("**Securities**") issued by Sovereigns, Quasi Sovereigns and Corporates; and ii) Cash and Cash Equivalents.

The Manager considers and evaluates ESG characteristics, as an important component of their credit analysis discipline, when making investment decisions. The 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 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.

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 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. The investment policy does not utilise minimum NB ESG Quotient scores, or minimum rate of NB ESG Quotient score improvement.

II. Engagement:

The Manager engages directly with management teams of issuers through a robust ESG engagement program.

The Manager also engages with sovereign issuers in developed and Emerging Market Countries. As part of its sovereign engagement, the Manager's portfolio managers and analysts speak regularly to government officials, policy makers and international financial organisations, such as the International Monetary Fund, World Bank and Asian Development Bank, with onsite visits whenever possible, and utilise such meetings to engage with sovereign issuers on ESG topics, where the Manager sees scope for improvement for the relevant country.

The sovereign engagement process tends to focus on the various areas relating to SDGs under the United Nations Global Compact Principles ("**UNGC Principles**"), and the United Nations Guiding Principles on Business and Human Rights ("**UNGPs**"). In addition, the Manager monitors and engages with countries on reducing GHG emissions and improving policies towards net zero alignment. Sovereign engagement is also carried out with countries to improve fiscal transparency, tackle corruption and comply with the Financial Action Task Force ("**FATF**") recommendations to address strategic deficiencies in counter money laundering, terrorist financing and proliferation financing. Progress on sovereign engagement is tracked centrally in the Manager's engagement log.

The Manager views this direct engagement with issuers, as an important part of its investment process (including the investment selection process). 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, email and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, the 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 Manager through the Manger's engagement log.

In addition, the Manager will seek to prioritise constructive engagements with corporate issuers which have high impact controversies, or which have a poor NB ESG Quotient rating, in order to assess whether those ESG controversies or what the Manager deems as weak ESG efforts, are being addressed adequately.

The Manager firmly believes this consistent engagement with 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 Manager also uses it to promote change, when necessary, which it believes 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 explained in more detail in the "Methodologies for environmental or social characteristics" section.

Policy to assess good governance practices of the investee companies

The governance factors that the Manager tracks for corporate and quasi-sovereign issuers 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. The Manager may take into account other governance factors as appropriate from time to time.

As described below, 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 (i) the UNGC Principles, (ii) the UNGPs, (iii) the OECD Guidelines for Multinational Enterprises ("**OECD Guidelines**"), and (iv) the International Labour Organization Standards Conventions ("**ILO Standards**").

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

The timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or M&A events that may prevent outreach actions. Ultimately, the Manager aims to prioritise engagement that is expected, based on the 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 an issuer, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities.

Additionally, the Manager also tracks governance factors for Emerging Market Countries such as: (i) the political sphere of the relevant country, (ii) the adherence to the rule of law, (iii) control of corruption, political uncertainty related to upcoming elections and (iv) a focus of the quality of economic governance, namely the government's role as an effective regulator and support of the private sector through responsible financial, macroeconomic and international trade policies.

Proportion of Investments

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.

Please note that while the 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 Manager has calculated the proportion of environmentally and/or socially aligned investments in the Portfolio by reference to the proportion of issuers in the Portfolio: i) that hold 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 Manager has engaged directly. The calculation is based on a mark-to-market assessment of the Portfolio. This calculation may rely on incomplete or inaccurate issuer or third party data.

The Portfolio will not use derivatives to promote environmental or social characteristics.

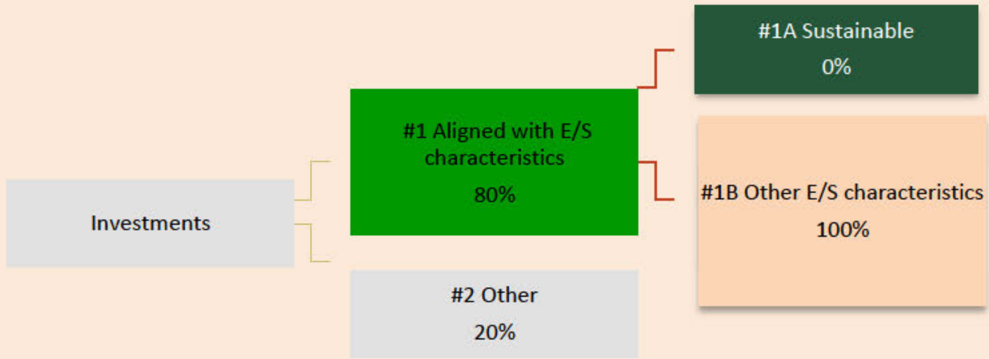
"Other" includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The "Other" section in the Portfolio is held for a number of reasons that the 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 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, captured through the NB Global Standards Policy.

The 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.



#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

Monitoring of environmental or social characteristics

Following investment, the Manager monitors issuers on an ongoing basis to track their performance with respect to environmental and social characteristics. In particular, the Manager will track and report on the performance of (i) the NB ESG Quotient, and (ii) the adherence to the ESG exclusion lists applied to the Portfolio. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Portfolio and will be included in the Portfolio's mandatory periodic report (as per the requirements of Article 11 of SFDR).

Methodologies for environmental or social characteristics

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

1. The NB ESG Quotient:

   The NB ESG Quotient (as explained in the section headed "Environmental or social characteristics of the financial product") is used to measure the environmental and social characteristics promoted by the Portfolio.

   The NB ESG Quotient assigns weightings to environmental, social and governance factors for countries and for corporate sectors 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 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 Manager will seek to prioritise constructive engagements with issuers that have a poor NB ESG Quotient rating, in order to assess whether concerns are being addressed adequately.

The Manager embeds ESG factors into its country research and aims to capture the qualitative factors driving the credit quality of sovereigns.

In terms of social factors, the Manager analyses a country's relative position on income, education and health as tracked by local and international organizations and development banks, female participation in society, as well as factors related to education, research & development, gender equality and freedoms. The Manager also monitors countries' contributions to the SDGs.

The environmental factors that the Manager tracks include the energy intensity of GDP, various climate change and air quality factors including GHG emissions levels per GDP, and how countries score in the Notre Dame Global Adaptation Initiative ("**ND-GAIN**") Index, a global adaptation ranking which looks at country preparedness to climate change.

Upon request, the Manager may share a document describing the methodology of the NB ESG Quotient.

2. 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 the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy. The Portfolio is phasing out its exposure to thermal coal and currently prohibits investment in securities issued by issuers that derive more than 10% of revenue from thermal coal mining or are expanding new thermal coal power generation, as determined by internal screens. The Portfolio 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. The 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 violators of (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs, and (iv) the ILO Standards.

   In addition, the Portfolio excludes securities issued by issuers which are involved in direct child labour, in tobacco production such as cigars, cigarettes, e-cigarettes, smokeless tobacco, dissolvable and chewing tobacco (this also includes companies that grow or process raw tobacco leaves), as well as certain issuers that derive more than 10% of revenue from oil sands.

   Additionally, the Manager will implement the exclusion lists supplied by the Client.

Data sources and processing

The Manager derives ESG data inputs from multiple datasets including international financial organizations, external vendors, company direct disclosures (e.g., sustainability reports, annual reports, regulatory filings, and company websites), company indirect disclosures (e.g., government agency published data; industry and trade association data; and third-party financial data providers), development agencies and specialty ESG research providers.

ESG data is a key domain and part of the internal data governance of the Manager with an assigned ESG Data Steward and a dedicated ESG Technology team. The Manager's ESG Data Steward has periodic engagements with ESG data vendors to discuss issues such as data coverage and will evaluate options to help resolve data gaps. The Manager subscribes to multiple data vendors to enable it to evaluate company coverage and quality of data between vendors. In addition, the Manager continues to explore new data products and vendors to evaluate potential enhancements to its existing data coverage.

The Manager's ESG data feeds are monitored and reconciled by its data quality assurance team and critical data elements are closely reviewed as part of its internal reporting. ESG Data is integrated throughout the Manager's operating management system, compliance and risk management systems, providing those stakeholders transparency into the Portfolio's ESG metrics in real time.

In addition, the Manager's internally derived data team work collaboratively with the ESG Investing team to identify innovative and non-traditional data sources which may provide additional insights. The Manager continuously seeks to identify additional data and research, which may enhance its analysis.

The Manager believes that the most effective way to integrate ESG into an investment process over the long term is for investment teams themselves to research ESG factors and consider them alongside other inputs into the investment process. For this reason, ESG research is included in the work of the Manager's research analysts rather than employing a separate ESG research team. The Manager embeds such research in the work of its security research analysts.

The Manager can then choose how best to apply all the tools of active management, whether that is to engage or ultimately to sell a security when it no longer offers an attractive risk-adjusted potential return.

The Manager expects that a low proportion of data will be estimated. The proportion of data that is estimated will depend on the composition of investee companies – the nature of their business and sectors in which they operate. The Manager expects that data availability and quality will improve as the market and methods for obtaining and reporting data mature.

Limitations to methodologies and data

Limitations in both methodology and data, experienced by the Manager, include but are not limited to:

- Lack of standardization;
- Gaps in company coverage especially in private companies and companies that reside in Emerging Markets;
- Limitations in application for both Public and Private Debt markets versus Public Equity;
- Some data sets such as Carbon Emissions are reported at a significant time-lag; and
- Some of the available third-party data is calculated based on data estimates.

As such, the Manager is not dependent on raw data. The Manager has developed a firm-wide proprietary ratings system, called the Neuberger Berman ESG Quotient, which is under continual testing to enhance methodology and data coverage.

In addition, the Manager continues to advocate for greater standardized disclosures; for example, the Manager is a member of the International Financial Reporting Standards (the "**IFRS**") Sustainability Alliance, which aims to develop a more coherent and comprehensive system for corporate disclosure.

The Manager is also a formal supporter of the recommendations of the Taskforce on Climate Related Financial Disclosure ("**TCFD**") because we believe that climate change is a material driver of investment risk and return across industries and asset classes. The TCFD will help develop voluntary, consistent climate-related financial risk disclosures.

The Manager is satisfied that such limitations do not affect the attainment of environmental or social characteristics, in particular because of the steps taken to mitigate such limitations:

- As noted above, the Manager periodically engages with data vendors on data quality, and the third party sources relied upon are the same as those relied upon by the broader market and so are likely to be refined as the market for products with environmental or social characteristics matures;

- The Manager engages directly with management teams of corporate issuers through a robust ESG engagement program; and

- Each investment opportunity's environmental and social characteristics are evaluated in detail by the Manager, in accordance with its internal frameworks and using a variety of data sources, having regard to these limitations as well (where appropriate).

Due diligence

Before making investments, the Manager will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The Manager will assess the investment's compliance with the environmental and social characteristics promoted by the product using (as appropriate) internal analyses, screens, tools and data sources, and may also evaluate other important and complex environmental, social and governance issues related to the investment. The Manager may select investments on the basis of information and data filed by the issuers of such securities with various regulatory bodies or made directly available to the Manager by the issuers of the securities and other instruments or through sources other than the issuers.

The Portfolio will not invest in securities issued by issuers whose activities breach the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy. Furthermore, the Portfolio does not invest in securities issued by issuers whose activities breach the Neuberger Berman Global Standards Policy. Please see above for a full list of the ESG exclusion policies applied by the Portfolio.

The Neuberger Berman Controversial Weapons Policy, Neuberger Berman Thermal Coal Involvement Policy and the Neuberger Berman Global Standards Policy are subject to internal review by the Neuberger Berman ESG Committee. The implementation of the Neuberger Berman Global Standards Policy is managed by the Neuberger Berman Asset Management Guideline Oversight Team in collaboration with legal and compliance.

The Manager's investment professionals responsible for portfolio management are the first step in maintaining compliance with the Portfolio's investment guidelines and ESG exclusions. While the Manager looks to the investment professionals as the first step in the compliance process, it recognizes the need for additional, independent oversight. To this end, the Manager has a rigorous risk management framework that features dedicated investment and operational risk teams inclusive of independent guidelines oversight such as ESG exclusions who work to protect client assets and its reputation. The Manager's risk professionals act as an independent complement to each investment team's portfolio construction process, driving investment and operational risk reviews in collaboration with other control units of the firm, such as information technology, operations, legal and compliance, asset management guideline oversight and internal audit.

Engagement policies

The Manager engages directly with management teams of issuers through a robust ESG engagement program.

The Manager also engages with sovereign issuers in developed and Emerging Market Countries. As part of its sovereign engagement, the Manager's portfolio managers and analysts speak regularly to government officials, policy makers and international financial organisations, such as the International Monetary Fund, World Bank and Asian Development Bank, with onsite visits whenever possible, and utilise such meetings to engage with sovereign issuers on ESG topics, where the Manager sees scope for improvement for the relevant country.

The sovereign engagement process tends to focus on the various areas relating to SDGs under the UN Global Compact, and the UNGP. In addition, the Manager monitors and engages with countries on reducing GHG emissions and improving policies towards net zero alignment. Sovereign engagement is also carried out with countries to improve fiscal transparency, tackle corruption and comply with the Financial Action Task Force ("**FATF**") recommendations to address strategic deficiencies in counter money laundering, terrorist financing and proliferation financing. Progress on sovereign engagement is tracked centrally in the Manager's engagement log.

The Manager views this direct engagement with issuers, as an important part of its investment process (including the investment selection process). 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, email and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, the 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 Manager through the Manger's engagement log.

In addition, the Manager will seek to prioritise constructive engagements with corporate issuers which have high impact controversies, or which have a poor NB ESG Quotient rating, in order to assess whether those ESG controversies or what the Manager deems as weak ESG efforts, are being addressed adequately.

The Manager firmly believes this consistent engagement with 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 Manager also uses it to promote change, when necessary, which it believes 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.

Designated reference benchmark

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

NEUBERGER BERMAN

EMD Hard Currency – DUTCH CLIENT 2

*The following disclosure is made in respect of the Portfolio pursuant to Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**") as supplemented by the Commission Delegated Regulation 2022/1288 of 6 April 2022 supplementing SFDR and the EU Taxonomy (the "**Delegated Act**"). The disclosure is provided pursuant to the requirements of SFDR and is provided solely for the benefit of investors in the European Union.*

This document does not constitute an offer or an invitation to subscribe for interests of the Portfolio or any other alternative investment vehicle, and the information presented in this document is provided for the benefit of investors in the European Union and may be subject to change.

The Portfolio is currently classified as an Article 8 financial product for the purposes of SFDR. However, the Manager (defined below) reserves the right to reclassify the Portfolio if legislative changes, enhancements, clarifications and/or minimum criteria are introduced which would impact its classification. Any such reclassification will be reflected in updated disclosures.

*In case of any inconsistency between this disclosure and the investment management agreement (the "**Agreement**") of the Portfolio, the provisions of the Agreement shall prevail. Any defined terms not otherwise defined, have the meaning given to them in the Agreement.*

EMD Hard Currency – DUTCH CLIENT 2

Summary

The Portfolio is categorised as an Article 8 financial product for the purposes of SFDR.

As part of the investment process, the investment team promotes a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are promoted 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.

No sustainable investment objective	This Portfolio promotes environmental or social characteristics, but does not have as its objective sustainable investment.
Environmental or social characteristics promoted by the Portfolio	The following environmental and social characteristics are promoted as part of the NB ESG Quotient rating for sovereign issuers: • Environmental Characteristics: sovereign energy efficiency; climate change adaptation; deforestation; greenhouse gas ("**GHG**") emissions; air and household pollution; and unsafe sanitation. • Social Characteristics: progress towards UN Sustainable Development Goals ("**SDGs**"); health and education levels; regulatory quality; political stability and freedoms; gender equality; and research & development. The following environmental and social characteristics are promoted, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating for corporate issuers: • Environmental Characteristics: biodiversity and land usage; carbon emissions; opportunities in clean technologies; water stress; toxic emissions & waste; financing environmental impact; product carbon footprint; environmental policy; environmental management system; GHG reduction programme; green procurement policy; and non-GHG air emissions programmes. The Portfolio commits to a net-zero goal. • Social Characteristics: health & safety; human capital development; labour management; privacy & data security; product safety & quality; financial products safety; discrimination policy; community involvement programmes; diversity programmes and human rights policy.
Investment strategy	The investable universe is emerging markets government and quasi-sovereign debt in USD, EUR, GBP, JPY (hard currency), and emerging markets local currency as well as emerging markets non-sovereign debt in USD, EUR, GBP and JPY (hard currency). <u>Assessment of Good Governance</u> Governance factors that the investment team 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.
Proportion of investments	The Portfolio aims to directly 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.
Monitoring of environmental or social characteristics	The investment team considers a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Portfolio, including: (a) the NB ESG Quotient; and (b) ESG exclusions
Methodologies for environmental or social characteristics	The investment team will track and report on the performance of the above sustainability indicators. 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.
Data sources and processing	ESG data and analytical inputs are derived from proprietary investment tools and in-house research (which incorporates critical thinking and human judgment into the process) alongside multiple datasets including international financial organisations, external vendors, company direct disclosures, company indirect disclosures, development agencies and specialty ESG research providers.
Limitations to methodologies and data	Limitations in both methodology and data may include but are not limited to: lack of standardisation of data providers' methodologies; low company coverage especially in private companies and companies that reside in Emerging Markets; divergence in the quality and quantity of disclosure globally for Private Markets (Debt and Equity); some data sets can be reported at a significant time-lag; and some of the available third-party data is calculated based on data estimates. Neuberger Berman is satisfied that for its financial products, classified as Article 8 or Article 9 under the SFDR, such limitations do not affect either the promotion of the environmental or social characteristics, or the attainment of the sustainable investment objective committed to, by the relevant financial product.
Due diligence	Before making investments, Neuberger Berman will conduct reasonable and appropriate due diligence based on the facts and circumstances applicable to each investment.
Engagement policies	Engagement is an important component of the Portfolio's investment process.
Designated reference benchmark	N/A

No sustainable investment objective of the financial product

The Portfolio aims to directly hold a minimum of 80% investments that are aligned with the environmental or social characteristics promoted by the Portfolio,, but does not have as its objective sustainable investment. The Portfolio does not commit to holding sustainable investments.

Environmental or social characteristics of the financial product

As part of the investment process, Neuberger Berman Asset Management Ireland Limited (the "**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.

The 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 relatively favourable and/or an improving NB ESG Quotient rating. Pursuant to this, the Manager will limit exposure to issuers with the poorest NB ESG Quotient rating unless there is a reasonable expectation that the NB ESG Quotient rating will improve over time.
The following environmental and social characteristics are promoted as part of the NB ESG Quotient rating for sovereign issuers:

- ***Environmental Characteristics***: sovereign energy efficiency; climate change adaptation; deforestation; GHG emissions; air and household pollution; and unsafe sanitation.

  The Manager will initiate engagement and endeavour to undertake regular engagements with the top five (5) sovereign emitters in the Portfolio, prioritising sovereigns that are considered to be 'Not-Aligned' based on the Neuberger Berman's proprietary Net Zero Alignment Indicator (the '**NB Net-Zero Alignment Indicator**').

- ***Social Characteristics***: progress towards SDGs; health and education levels; regulatory quality; political stability and freedoms; gender equality; and research & development.

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

- ***Environmental Characteristics***: biodiversity and land usage; carbon emissions; opportunities in clean technologies; water stress; toxic emissions & waste; financing environmental impact; product carbon footprint; environmental policy; environmental management system; GHG reduction programme; green procurement policy; and non-GHG air emissions programmes.

  In aiming to align the Portfolio with a net-zero goal, the Manager must reduce the carbon footprint[1] of its quasi-sovereign and corporate exposure across scope 1 and 2 GHG emissions by a minimum of 30% by 31 December 2030 relative to a 2019 baseline as further described in the Agreement and reach net zero by 31 December 2050. The 2019 baseline may be subject to re-calculation as data quality and disclosure expands over time.

[1] Carbon Footprints is derived from the absolute financed emissions for a portfolio, attributed to an investor based on their ownership share of a company's total invested capital as defined by EVIC (enterprise value including cash). Carbon emission is apportioned to the portfolio based on total assets the banking sector and enterprise value for all other sectors. Company carbon footprint contribution is normalized by the total market value of holdings covered by the portfolio carbon footprint.

Additionally, the Manager intends to have at least 90% of the Portfolio's quasi-sovereign and corporate issuers holdings invested in bonds that are considered 'Net Zero', 'aligned to Net Zero' or 'aligning to Net Zero' based on NB Net-Zero Alignment Indicator (or subject to engagement on an ongoing basis by 2030, and to reach 100% of the Portfolio's corporate and quasi-sovereign exposure by 2050. In any circumstances, the Manager will initiate and endeavour to undertake regular engagements with the top five (5) quasi-sovereign and corporate emitters in the Portfolio, prioritising quasi-sovereign and corporate emitters that are considered to be 'Not-Aligned' based on NB Net-Zero Alignment Indicator.

- ***Social Characteristics***: health & safety; human capital development; labour management; privacy & data security; product safety & quality; financial products safety; discrimination policy; community involvement programmes; diversity programmes and human rights policy.

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 periodic report (as per the requirements of Article 11 of SFDR).

In addition, the Manager considers Sustainable Development Goal 3 (*Good health and well-being*) and SDG 13 (*Climate action*) in the selection process of quasi-sovereign and corporate issuers.

The NB ESG Quotient methodology will evolve over time and all ESG characteristics included therein are reviewed regularly and are subject to annual review to ensure that the most pertinent ESG characteristics are captured. 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 website 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.

Investment strategy

The investable universe is emerging markets government and quasi-sovereign debt in USD, EUR, GBP, JPY (hard currency), and emerging markets local currency as well as emerging markets non-sovereign debt in USD, EUR, GBP and JPY (hard currency).

Quasi sovereign is an entity that is 100% guaranteed or 100% owned by the national government and resides in the respective country.

Emerging market countries are defined as countries outside MSCI Developed Markets classification. Developed market countries are not permitted other than developed markets derivatives for interest rate and cash management purposes.

The Portfolio is aiming to align with a net-zero goal, as further described above.

The Manager considers and evaluates ESG characteristics, as an important component of their credit analysis discipline, when making investment decisions. The 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 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.

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 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 Manager engages directly with management teams of issuers through a robust ESG engagement program.

The Manager will initiate and endeavour to undertake regular engagements with the top five (5) quasi-sovereign and corporate emitters in the Portfolio, prioritising quasi-sovereign and corporate emitters that are considered to be 'Not-Aligned' based on NB Net-Zero Alignment Indicator.

The Manager may also engage with sovereign issuers in developed and emerging market countries. Where the Manager seeks to engage with sovereigns, such engagement efforts may include speaking regularly to government officials, policy makers and international financial organisations, such as the International Monetary Fund, World Bank and Asian Development Bank, with onsite visits whenever possible, and utilise such meetings to engage with sovereign issuers on ESG topics, where the Manager sees scope for improvement for the relevant country.

The sovereign engagement process tends to focus on the various areas relating to SDGs under the United Nations Global Compact Principles ("**UNGC Principles**"), and the United Nations Guiding Principles on Business and Human Rights ("**UNGPs**"). In addition, the Manager monitors and engages with countries on reducing GHG emissions and improving policies towards net zero alignment. Sovereign engagement may also be carried out with countries to improve fiscal transparency, tackle corruption and comply with the Financial Action Task Force ("**FATF**") recommendations to address strategic deficiencies in counter money laundering, terrorist financing and proliferation financing. Progress on sovereign engagement is tracked centrally in the Manager's engagement log.

The Manager views this direct engagement with issuers, as an important part of its investment process (including the investment selection process). 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, email and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, the 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 Manager through the Manager's engagement log.

In addition, the 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 Manager deems as weak ESG efforts, are being addressed adequately. The Manager believes this consistent engagement with 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 Manager also uses it to promote change, when necessary, which it believes 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 exclusions:

To ensure that the environmental and social characteristics promoted by the Portfolio can be attained, the Portfolio will apply the ESG exclusions explained in more detail in the "Methodologies for environmental or social characteristics" section, which places limitations on the investable universe itself.

<u>Policy to assess good governance practices of the investee companies</u>

The governance factors that the Manager tracks for corporate and quasi-sovereign issuers 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 Manager engages directly with management teams of issuers through a robust ESG engagement program. This program is focused on in-person meetings, email and conference calls to understand risks, opportunities and assess good corporate governance practices of corporate issuers. As explained above, the Manager views this direct engagement with issuers, as an important part of its investment process.

The timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or M&A events that may prevent outreach actions. Ultimately, the Manager aims to prioritise engagement that is expected, based on the 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 an issuer, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities.

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

As described above, the Portfolio will not invest in securities issued by issuers whose activities have been identified as breaching, or are not consistent with, the Neuberger Berman Global Standards Policy which excludes identified violators of the (i) the UNGC Principles, (ii) OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (“**OECD Guidelines**”), (iii) the UNGPs, and (iv) the International Labour Organization Standards Conventions (“**ILO Standards**”).

Additionally, the Manager also tracks governance factors for emerging market countries such as: (i) the political sphere of the relevant country, (ii) the adherence to the rule of law, (iii) control of corruption, political uncertainty related to upcoming elections and (iv) a focus on the quality of economic governance, namely the government’s role as an effective regulator and support of the private sector through responsible financial, macroeconomic and international trade policies.

Proportion of investments

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.

Please note that while the 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 periodic report SFDR template, for the relevant reference period. This will be calculated based on the average of the four quarter ends.

The Manager has calculated the proportion of investments aligned with the environmental and/or social characteristics promoted by the Portfolio by reference to the proportion of issuers in 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 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.

The Portfolio will not use derivatives to promote environmental or social characteristics.

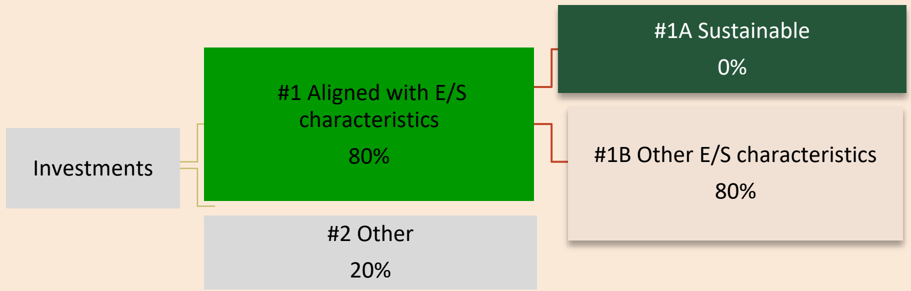
“Other” includes the remaining investments of the Portfolio which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The “Other” section in the Portfolio is held for a number of reasons that the 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 Portfolio will be invested in compliance with ESG exclusions, 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, captured through the Neuberger Berman Global Standards Policy.

The 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.



#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.

#2Other 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.

Monitoring of environmental or social characteristics

Following investment, the Manager monitors investee issuers on an ongoing basis to track their performance with respect to environmental and social characteristics. In particular, the Manager will track and report on the performance of (i) the NB ESG Quotient; and (ii) the adherence to the ESG exclusion lists applied to the Portfolio. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Portfolio and will be included in the Portfolio's mandatory periodic report (as per the requirements of Article 11 of SFDR).

Methodologies for environmental or social characteristics

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

1. The NB ESG Quotient:

   The NB ESG Quotient (as explained above) is used to measure the environmental and social characteristics promoted by the Portfolio.

   The NB ESG Quotient assigns weightings to environmental, social and governance factors for countries and for corporate sectors 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 Manager will seek to prioritise constructive engagement with 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 Manager deems as weak ESG efforts, are being addressed adequately. The success of the Manager's constructive engagement efforts with issuers will depend on each of the issuer's receptiveness and responsiveness to such engagement.

2. ESG exclusions:

   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 have been identified as breaching, or are not consistent with, the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy.

   The investments held by the Portfolio will not invest in securities issued by issuers whose activities have been identified as breaching, or are not consistent with, the Neuberger Berman Global Standards Policy which excludes 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 can be found through the following link.
   In addition to the above listed policies and exclusions, the Manager will seek to implement the Investor's Exclusion List (as defined in the Agreement) which aims to exclude issuers which fall into the below categories:_

   (a) Controversial Weapons
   Companies which are involved in the design, production, maintenance, refurbishment and/or sale of and/or research into controversial weapons and/or the greater part of such a weapon and/or essential components of such a weapon. Controversial weapons are weapons that cause disproportionate number of civilian victims compared to its military purpose. Examples of controversial weapons are cluster weapons, anti-personnel mines and biological, chemical and nuclear weapons, weapons with depleted uranium and white phosphor.

   (b) Tobacco Producers

Tobacco producers are defined as those companies that are active in the manufacturing and/or production of cigarettes, e-cigarettes and/or other tobacco products. Companies that are listed in the Global Industry Classification Standard ("**GICS**") tobacco subsector are excluded from investment.

(c) Thermal Coal
Companies that generate more than 1% of revenues from thermal coal mining activities; and companies whose energy generation mix accounts for more than 25% from thermal coal and that derive more than 1% of their total revenues from thermal coal-related energy generation. Thermal coal is defined as coal used to generate power, also known as steam or energy coal. This also includes recovered slurries, middlings and other low grade coal products not further classified by type.

(d) Artic Drilling
Companies that generate more than 1% of revenues in artic drilling. Arctic drilling is defined as owning an offshore lease or having exploration or production activities within the Arctic Circle.

(e) Oil Sands
Companies that generate more than 5% of revenues from the extraction of oil sands. Oil sands are also known as tar sands or bituminous sands.

(f) Shale Gas
Companies that generate more than 5% of revenues from the extraction of shale gas. Shale gas (or oil) is a type of unconventional natural gas, trapped in shales (sedimentary rocks).

Countries

The Portfolio also monitors and screens for certain countries, their government bonds and government entities, both central and local, from its investment universe. Companies (quasi-sovereign) that are more than 20% state-owned are also monitored and screened due to ESG considerations. Supranational organisations with aggregated 20% stake by such countries (one or multiple) are also monitored and screened. Other investments in these countries are not monitored and screened.

The Manager will track and report on the performance of the above sustainability indicators namely, (i) the NB ESG Quotient; and (ii) the adherence to the ESG exclusions 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 periodic report (as per the requirements of Article 11 of SFDR).

Data sources and processing

ESG data or analytical inputs are derived from proprietary investment tools and in-house research (which incorporates critical thinking and human judgment into the process) alongside multiple datasets including international financial organisations, external data vendors, company direct disclosures (e.g., sustainability reports, annual reports, regulatory filings, and company websites), company indirect disclosures (e.g., government agency published data, industry and trade association data, and third-party financial data providers), development agencies and specialty ESG research providers.

ESG data is a key domain and part of our internal data governance with an assigned ESG Data Steward and a dedicated ESG Technology Team. The ESG Data Steward has periodic engagements with ESG data vendors to discuss data coverage and evolution in methodologies. Subscription to multiple data vendors enables us to evaluate company coverage and quality of data between vendors. In addition, our ESG Investing and ESG Data teams continually explore new data products and vendors to evaluate potential enhancements to our existing data coverage and governance, as well as identifying innovative and non-traditional data sources, which may provide additional insights. NB continuously seeks to identify additional data and research, which may enhance our analysis.

ESG data is integrated throughout the firm's operating management system, compliance and risk management systems, providing all stakeholders transparency, into portfolio ESG metrics in real time.

NB believes that the most effective way to integrate ESG into an investment process over the long term is for investment teams themselves to research ESG factors and consider them alongside other inputs into the investment process. For this reason, ESG research is included in the work of our research analysts rather than employing a separate ESG Research Team.

The investment teams can then choose how best to apply all the tools of active management, whether that is to engage or ultimately to sell a company when it no longer offers an attractive risk-adjusted potential return.

NB expects that data availability and quality will improve as the market and methods for obtaining and reporting data mature, which would also reduce the proportion of data that is estimated.

Limitations to methodologies and data

As a global investor, NB operates in many different jurisdictions, all of which are adopting sustainability-related reporting and disclosure requirements. The need to comply with these regulations is taken into consideration when applicable in business decisions around developing or enhancing infrastructure such as committees focused on ESG matters, risk oversight and monitoring tools, and internal audit. NB monitors legal and regulatory requirements that may directly affect our business. For SFDR, NB considers that the limitations in both methodology and data may include but are not limited to:

- Lack of standardisation of data providers' methodologies;
- Incomplete corporate reporting standards and misalignment with the corporate ESG data provided by the vendors;
- Inconsistencies in the vendors' methodologies for reporting ESG data and disclosures of the underlying data used for deriving third-party metrics;
- Inconsistencies in corporate hierarchies and entity identifiers can lead to inconsistencies in how data providers assign and map ESG datasets to securities;
- Low company coverage across certain indicators and asset classes, especially in private companies and companies that reside in Emerging Markets;
- Divergence in the quality and quantity of disclosure globally for Private Markets (Debt and Equity);
- Some data sets can be reported at a significant time-lag; and
- Some of the available third-party data is calculated based on data estimates. There may be discrepancies between the models estimating the data and actual reported data, and significant deviations when data is restated or the underlying assumptions of these models are altered.

NB has developed a firm-wide proprietary ratings system, the NB ESG Quotient, which is under continual review to enhance methodology and data coverage. The NB ESG Quotient leverages third-party data, but not third-party aggregate scores. The NB ESG Quotient enhances the analysis and research of financially material ESG risks and opportunities.

In addition, NB continues to advocate for greater standardised disclosures; for example, NB is a member of the International Sustainability Standards Board's ("**ISSB**") Investor Advisory Group ("**IIAG**"), which aims to provide strategic guidance on developing International Financial Reporting Standards ("**IFRS**") Sustainability Disclosure Standards and ensure that the investor perspective is considered in the standard-setting process. NB is also a member of the IFRS Sustainability Alliance, which aims to develop a more coherent and comprehensive system for corporate disclosure.

In line with our belief that climate change is a material driver of investment risk and return across industries and asset classes, NB is also a formal supporter of the recommendations of the Taskforce on Climate Related Financial Disclosure ("**TCFD**") which have now come under the scope of the ISSB. Alongside ISSB standards, the TCFD recommendations continue to help develop voluntary, consistent climate-related financial risk disclosures.

The limitations discussed impact all consumers of ESG data and are not specific to NB. NB is satisfied that for its financial products, classified as Article 8 or Article 9 under the SFDR, such limitations do not affect the attainment of environmental or social characteristics or the attainment of the sustainable investment objective committed to by the relevant financial product, in particular because of the steps taken by NB to mitigate such limitations:

- As noted above, NB periodically engages with data vendors on data quality, and the third-party sources relied upon are the same as those relied upon by the broader market, and so are likely to be refined as the market for products with environmental or social characteristics matures;
- NB does not believe that there is currently one third-party data provider that holistically provides all data required under the SFDR. NB periodically reviews select third-party data providers, this allows NB to identify the best available data sources.
- NB engages directly with management teams of corporate issuers through a robust ESG engagement program; and
- Each investment opportunity's environmental and social characteristics are evaluated in detail, in accordance with our internal frameworks and using a variety of data sources, having regard to these limitations as well (where appropriate).

Due diligence

NB applies a high standard of due diligence in the selection and ongoing monitoring of investments made by the Portfolio to ensure delivery of the Portfolio's investment objectives and compliance with the investment, liquidity and risk guidelines of the Portfolio, as well as integrating sustainability risk and ESG considerations.

NB views ESG integration as the practice of incorporating material ESG risks and opportunities (as a binding element) into the investment decision-making process. ESG integration sits alongside traditional financial considerations and should enrich NB's investment teams' analysis of issuers by providing a toolkit for identifying material ESG risks and opportunities, informing investment decisions. NB believes that material ESG factors may be an important driver of long-term investment returns from both an opportunity and a risk-mitigation perspective.

Before making investments, the investment team will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The investment team will assess the investment's compliance with the environmental and social characteristics promoted by the product using (as appropriate) internal analyses, screens, tools, and third-party data sources, and may also evaluate other important and complex environmental, social and governance issues related to the investment. The investment team may select investments on the basis of information and data filed by the issuers of such securities with various regulatory bodies or made directly available to NB by the issuers of the securities, and other instruments or through sources other than the issuers.

The Portfolio applies the Neuberger Berman Thermal Coal Involvement Policy. The Portfolio will not invest in securities issued by issuers whose activities have been identified as breaching the Neuberger Berman Controversial Weapons Policy. Furthermore, the Portfolio does not invest in securities issued by issuers whose activities have been identified as breaching the Neuberger Berman Global Standards Policy. Please see above for a full list of the ESG exclusions applied by the Portfolio.

The Neuberger Berman Controversial Weapons Policy, Neuberger Berman Thermal Coal Involvement Policy, and the Neuberger Berman Global Standards Policy are subject to internal review by the NB ESG Committee. The implementation of these policies is managed by the NB Asset Management Guideline Oversight Team in collaboration with Legal and Compliance.

NB's ESG Investing Team provides expert guidance, resources, and training to investment professionals during the investment process and works to continuously improve the firm's ESG practices. In partnership with the firm's ESG Investing Team, investment teams are trained on ESG due diligence best practices and guidance at least once a year, but often more frequently. Investment professionals with deep expertise in ESG investing regularly engage with fund managers to further enhance ESG due diligence capabilities and to disseminate knowledge in practice.

The investment professionals responsible for portfolio management are the first step in maintaining compliance with the Portfolio's investment guidelines and ESG exclusions. While NB looks to the investment professionals as the first step in the compliance process, NB recognizes the need for additional, independent, and ongoing oversight. To this end, a rigorous risk management framework is established that features dedicated investment and operational risk teams inclusive of independent guidelines oversight, such as ESG exclusions, who work to protect client assets and our reputation. Our risk professionals act as an independent complement to each investment team's portfolio construction process, driving investment and operational risk reviews in collaboration with other control units of the firm, such as information technology, operations, legal and compliance, asset management guideline oversight and internal audit.

Engagement policies

The Manager engages directly with management teams of issuers through a robust ESG engagement program.

The Manager may also engage with sovereign issuers in developed and emerging market countries. Where the Manager seeks to engage with sovereigns, such engagement efforts may include speaking regularly to government officials, policy makers and international financial organisations, such as the International Monetary Fund, World Bank and Asian Development Bank, with onsite visits whenever possible, and utilise such meetings to engage with sovereign issuers on ESG topics, where the Manager sees scope for improvement for the relevant country.

The sovereign engagement process tends to focus on the various areas relating to SDGs under the UNGC Principles, and the UNGPs. In addition, the Manager monitors and engages with countries on reducing GHG emissions and improving policies towards net zero alignment. Sovereign engagement may also be carried out with countries to improve fiscal transparency, tackle corruption and comply with the FATF recommendations to address strategic deficiencies in counter money laundering, terrorist financing and proliferation financing. Progress on sovereign engagement is tracked centrally in the Manager's engagement log.

The Manager views this direct engagement with issuers, as an important part of its investment process (including the investment selection process). 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, email and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, the 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 Manager through the Manager's engagement log.

In addition, the 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 Manager deems as weak ESG efforts, are being addressed adequately. The Manager believes this consistent engagement with 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 Manager also uses it to promote change, when necessary, which it believes 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.

Designated reference benchmark

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

Last updated: 13 June 2024

Euro High Yield – Danish Client 2

*The following disclosure is made in respect of the Portfolio pursuant to Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**") as supplemented by the Commission Delegated Regulation 2022/1288 of 6 April 2022 supplementing SFDR and the EU Taxonomy (the "**Delegated Act**"). **The disclosure is provided pursuant to the requirements of SFDR and is provided solely for the benefit of investors in the European Union.***

This document does not constitute an offer or an invitation to subscribe for interests of the Portfolio or any other alternative investment vehicle, and the information presented in this document is provided for the benefit of investors in the European Union and may be subject to change.

The Portfolio is currently classified as an Article 8 financial product for the purposes of SFDR. However, the Investment Manager (defined below) reserves the right to reclassify the Portfolio if legislative changes, enhancements, clarifications and/or minimum criteria are introduced which would impact its classification. Any such reclassification will be reflected in updated disclosures.

*In case of any inconsistency between this disclosure and the investment management agreement (the "**Agreement**") of the Portfolio, the provisions of the Agreement shall prevail. Any defined terms not otherwise defined, have the meaning given to them in the Agreement.*

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Euro High Yield – Danish Client 2

Summary

The Portfolio is categorised as an Article 8 financial product for the purposes of SFDR.

As part of the investment process, the investment team promotes a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are promoted 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.

No sustainable investment objective	This Portfolio promotes environmental or social characteristics, but does not have as its objective sustainable investment.
Environmental or social characteristics promoted by the Portfolio	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.
Investment strategy	The investment objective for the Portfolio is to achieve total return (income plus capital appreciation) from 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, of the kinds listed in section 1 of Schedule 1 (*Statement of Investment Objective and Restrictions*) to the Agreement. <u>Assessment of Good Governance</u> Governance factors that the investment team 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.
Proportion of investments	The Portfolio aims to directly 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.
Monitoring of environmental or social characteristics	The investment team considers a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Portfolio, including:

	(a) the NB ESG Quotient; (b) Climate Value-at-Risk ("**CVaR**"); and (c) ESG exclusion policies.
Methodologies for environmental or social characteristics	The investment team will track and report on the performance of the above sustainability indicators. 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.
Data sources and processing	ESG data and analytical inputs are derived from proprietary investment tools and in-house research (which incorporates critical thinking and human judgement into the process) alongside multiple datasets including international financial organisations, external vendors, company direct disclosures, company indirect disclosures, development agencies and specialty ESG research providers.
Limitations to methodologies and data	Limitations in both methodology and data may include but are not limited to: lack of standardization of data providers' methodologies; low company coverage especially in private companies and companies that reside in Emerging Markets; divergence in the quality and quantity of disclosure globally for Private Markets (Debt and Equity); some data sets can be reported at a significant time-lag; and some of the available third-party data is calculated based on data estimates. Neuberger Berman is satisfied that for its financial products, classified as Article 8 or Article 9 under the SFDR, such limitations do not affect either the promotion of the environmental or social characteristics, or the attainment of the sustainable investment objective committed to, by the relevant financial product.
Due diligence	Before making investments, Neuberger Berman will conduct reasonable and appropriate due diligence based on the facts and circumstances applicable to each investment.
Engagement policies	Engagement is an important component of the Portfolio's investment process.
Designated reference benchmark	N/A

Euro High Yield – Danish Client 2

No sustainable investment objective of the financial product

The Portfolio aims to directly hold a minimum of 80% investments that are aligned with the environmental or social characteristics promoted by the Portfolio, but does not have as its objective sustainable investment. The Portfolio does not commit to holding sustainable investments.

Environmental or social characteristics of the financial product

As part of the investment process, Neuberger Berman Asset Management Ireland Limited (the "**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 Investment Manager to derive the NB ESG Quotient rating, to compare sectors and issuers relative to their environmental and social characteristics.

The 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 website disclosure 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.

Investment strategy

The investment objective for the Portfolio is to achieve total return (income plus capital appreciation) from 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, of the kinds listed in section 1 of Schedule 1 (*Statement of Investment Objective and Restrictions*) to the Agreement.

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

In addition, the 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 Investment Manager deems as weak ESG efforts, are being addressed adequately.

The 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 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 as explained in more detail in the "Methodologies for environmental or social characteristics" section, which places limitations on the investable universe.

Policy to assess good governance practices of the investee companies

Governance factors that the 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 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 Investment Manager views this direct engagement with corporate issuers, as an important part of its investment process.

The timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or M&A events that may prevent outreach actions. Ultimately, the Investment Manager aims to prioritise engagement that is expected, based on the 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 Investment Manager may take into account other governance factors as appropriate from time to time.

As described below, 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) the United Nations Global Compact Principles ("**UNGC Principles**"), (ii) the OECD Guidelines for Multinational Enterprises on Responsible Business

Conduct (the “**OECD Guidelines**”), (iii) the United Nations Guiding Principles on Business and Human Rights (the “**UNGPs**”) and (iv) the International Labour Standards (the “**ILO Standards**”).

Proportion of investments

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.

Please note that while the 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 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 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.

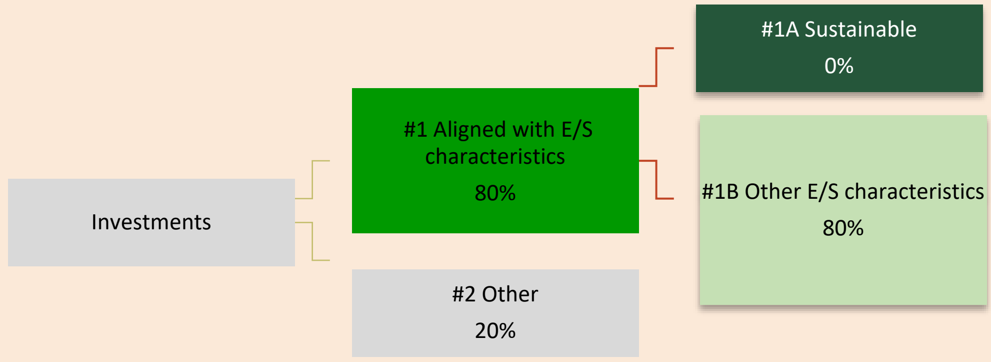
While the Portfolio may use derivatives for efficient portfolio management and/or hedging, it will not use derivatives to promote environmental or social characteristics.

“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 “Other” section in the Portfolio is held for a number of reasons that the 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 below, 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 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.



#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.

Monitoring of environmental or social characteristics

Following investment, the Investment Manager monitors investee companies on an ongoing basis to track their performance with respect to environmental and social characteristics. In particular, the Investment Manager will track and report on the performance of (i) the NB ESG Quotient; (ii) the Climate Value at Risk ("**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).

Methodologies for environmental or social characteristics

As part of the investment process, the 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 in the section headed "Environmental or social characteristics of the financial product") 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 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 Investment Manager will seek to prioritise constructive engagement with corporate issuers, as discussed in more detail below. The success of the 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:

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 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 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.

Furthermore, 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) UNGC Principles, (ii) OECD Guidelines, (iii) UNGPs and (iv) ILO Standards.

The 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).

Data sources and processing

ESG data or analytical inputs are derived from proprietary investment tools and in-house research (which incorporates critical thinking and human judgment into the process) alongside multiple datasets including international financial organisations, external data vendors, company direct disclosures (e.g., sustainability reports, annual reports, regulatory filings, and company websites), company indirect disclosures (e.g., government agency published data, industry and trade association data, and third-party financial data providers), development agencies and specialty ESG research providers.

ESG data is a key domain and part of our internal data governance with an assigned ESG Data Steward and a dedicated ESG Technology Team. The ESG Data Steward has periodic engagements with ESG data vendors to discuss data coverage and evolution in methodologies. Subscription to multiple data vendors enables us to evaluate company coverage and quality of data between vendors. In addition, our ESG Investing and ESG Data teams continually explore new data products and vendors to evaluate potential enhancements to our existing data coverage and governance, as well as identifying innovative and non-traditional data sources, which may provide additional insights. NB continuously seeks to identify additional data and research, which may enhance our analysis.

ESG data is integrated throughout the firm's operating management system, compliance and risk management systems, providing all stakeholders transparency, into portfolio ESG metrics in real time.

NB believes that the most effective way to integrate ESG into an investment process over the long term is for investment teams themselves to research ESG factors and consider them alongside other inputs into the investment process. For this reason, ESG research is included in the work of our research analysts rather than employing a separate ESG Research Team.

The investment teams can then choose how best to apply all the tools of active management, whether that is to engage or ultimately to sell a company when it no longer offers an attractive risk-adjusted potential return.

NB expects that data availability and quality will improve as the market and methods for obtaining and reporting data mature, which would also reduce the proportion of data that is estimated.

Limitations to methodologies and data

As a global investor, NB operates in many different jurisdictions, all of which are adopting sustainability-related reporting and disclosure requirements. The need to comply with these regulations is taken into consideration when applicable in business decisions around developing or enhancing infrastructure such as committees focused on ESG matters, risk oversight and monitoring tools, and internal audit. NB monitors legal and regulatory requirements that may directly affect our business. For SFDR, NB considers that the limitations in both methodology and data may include but are not limited to:

- Lack of standardisation of data providers' methodologies;
- Incomplete corporate reporting standards and misalignment with the corporate ESG data provided by the vendors;
- Inconsistencies in the vendors' methodologies for reporting ESG data and disclosures of the underlying data used for deriving third-party metrics;
- Inconsistencies in corporate hierarchies and entity identifiers can lead to inconsistencies in how data providers assign and map ESG datasets to securities;
- Low company coverage across certain indicators and asset classes, especially in private companies and companies that reside in Emerging Markets;
- Divergence in the quality and quantity of disclosure globally for Private Markets (Debt and Equity);
- Some data sets can be reported at a significant time-lag; and
- Some of the available third-party data is calculated based on data estimates. There may be discrepancies between the models estimating the data and actual reported data, and significant deviations when data is restated or the underlying assumptions of these models are altered.

NB has developed a firm-wide proprietary ratings system, the NB ESG Quotient, which is under continual review to enhance methodology and data coverage. The NB ESG Quotient leverages third-party data, but not third-party aggregate scores. The NB ESG Quotient enhances the analysis and research of financially material ESG risks and opportunities.

In addition, NB continues to advocate for greater standardised disclosures; for example, NB is a member of the International Sustainability Standards Board's ("**ISSB**") Investor Advisory Group ("**IIAG**"), which aims to provide strategic guidance on developing International Financial Reporting Standards ("**IFRS**") Sustainability Disclosure Standards and ensure that the investor perspective is considered in the standard-setting process. NB is also a member of the IFRS Sustainability Alliance, which aims to develop a more coherent and comprehensive system for corporate disclosure.

In line with our belief that climate change is a material driver of investment risk and return across industries and asset classes, NB is also a formal supporter of the recommendations of the Taskforce on Climate Related Financial Disclosure ("**TCFD**") which have now come under the scope of the ISSB. Alongside ISSB standards, the TCFD recommendations continue to help develop voluntary, consistent climate-related financial risk disclosures.

The limitations discussed impact all consumers of ESG data and are not specific to NB. NB is satisfied that for its financial products, classified as Article 8 or Article 9 under the SFDR, such limitations do not affect the attainment of environmental or social characteristics or the attainment of the sustainable investment objective committed to by the relevant financial product, in particular because of the steps taken by NB to mitigate such limitations:

- As noted above, NB periodically engages with data vendors on data quality, and the third-party sources relied upon are the same as those relied upon by the broader market, and so are likely to be refined as the market for products with environmental or social characteristics matures;
- NB does not believe that there is currently one third-party data provider that holistically provides all data required under the SFDR. NB periodically reviews select third-party data providers, this allows NB to identify the best available data sources.
- NB engages directly with management teams of corporate issuers through a robust ESG engagement program; and

Each investment opportunity's environmental and social characteristics are evaluated in detail, in accordance with our internal frameworks and using a variety of data sources, having regard to these limitations as well (where appropriate).

Due diligence

NB applies a high standard of due diligence in the selection and ongoing monitoring of investments made by the Portfolio to ensure delivery of the Portfolio's investment objectives and compliance with the investment, liquidity and risk guidelines of the Portfolio, as well as integrating sustainability risk and ESG considerations.

NB views ESG integration as the practice of incorporating material ESG risks and opportunities (as a binding element) into the investment decision-making process. ESG integration sits alongside traditional financial considerations and should enrich NB's investment teams' analysis of issuers by providing a toolkit for identifying material ESG risks and opportunities, informing investment decisions. NB believes that material ESG factors may be an important driver of long-term investment returns from both an opportunity and a risk-mitigation perspective.

Before making investments, the investment team will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The investment team will assess the investment's compliance with the environmental and social characteristics promoted by the product using (as appropriate) internal analyses, screens, tools, and third-party data sources, and may also evaluate other important and complex environmental, social and governance issues related to the investment. The investment team may select investments on the basis of information and data filed by the issuers of such securities with various regulatory bodies or made directly available to NB by the issuers of the securities, and other instruments or through sources other than the issuers.

The Portfolio applies the Neuberger Berman Thermal Coal Involvement Policy. The Portfolio will not invest in securities issued by issuers whose activities have been identified as breaching the Neuberger Berman Controversial Weapons Policy. Furthermore, the Portfolio does not invest in securities issued by issuers whose activities have been identified as breaching the Neuberger Berman Global Standards Policy. Please see above for a full list of the ESG exclusions applied by the Portfolio.

The Neuberger Berman Controversial Weapons Policy, Neuberger Berman Thermal Coal Involvement Policy, and the Neuberger Berman Global Standards Policy are subject to internal review by the NB ESG Committee. The implementation of these policies is managed by the NB Asset Management Guideline Oversight Team in collaboration with Legal and Compliance.

NB's ESG Investing Team provides expert guidance, resources, and training to investment professionals during the investment process and works to continuously improve the firm's ESG practices. In partnership with the firm's ESG Investing Team, investment teams are trained on ESG due diligence best practices and guidance at least once a year, but often more frequently. Investment professionals with deep expertise in ESG investing regularly engage with fund managers to further enhance ESG due diligence capabilities and to disseminate knowledge in practice.

The investment professionals responsible for portfolio management are the first step in maintaining compliance with the Portfolio's investment guidelines and ESG exclusions. While NB looks to the investment professionals as the first step in the compliance process, NB recognizes the need for additional, independent, and ongoing oversight. To this end, a rigorous risk management framework is established that features dedicated investment and operational risk teams inclusive of independent guidelines oversight, such as ESG exclusions, who work to protect client assets and our reputation. Our risk professionals act as an independent complement to each investment team's portfolio construction process, driving investment and operational risk reviews in collaboration with other control units of the firm, such as information technology, operations, legal and compliance, asset management guideline oversight and internal audit.

Engagement policies

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

In addition, the 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 Investment Manager deems as weak ESG efforts, are being addressed adequately.

The 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 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.

Designated reference benchmark

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

Last updated: 19 March 2024

NEUBERGER | BERMAN

Euro High Yield – DANISH CLIENT 3

*The following disclosure is made in respect of the Portfolio pursuant to Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**") as supplemented by the Commission Delegated Regulation 2022/1288 of 6 April 2022 supplementing SFDR and the EU Taxonomy (the "**Delegated Act**"). **The disclosure is provided pursuant to the requirements of SFDR and is provided solely for the benefit of investors in the European Union.***

This document does not constitute an offer or an invitation to subscribe for interests of the Portfolio or any other alternative investment vehicle, and the information presented in this document is provided for the benefit of investors in the European Union and may be subject to change.

The Portfolio is currently classified as an Article 8 financial product for the purposes of SFDR. However, the Investment Manager (defined below) reserves the right to reclassify the Portfolio if legislative changes, enhancements, clarifications and/or minimum criteria are introduced which would impact its classification. Any such reclassification will be reflected in updated disclosures.

*In case of any inconsistency between this disclosure and the investment management agreement (the "**Agreement**") of the Portfolio, the provisions of the Agreement shall prevail. Any defined terms not otherwise defined, have the meaning given to them in the Agreement.*

Euro High Yield – DANISH CLIENT 3

Summary

The Portfolio is categorised as an Article 8 financial product for the purposes of SFDR.

As part of the investment process, the investment team promotes a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are promoted 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.

Summary

No sustainable investment objective	This Portfolio promotes environmental or social characteristics, but does not have as its objective sustainable investment.
Environmental or social characteristics promoted by the Portfolio	The following environmental and social characteristics are promoted, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating for sovereign issuers: • 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. The Portfolio commits to a net-zero goal. • 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.
Investment strategy	The investment objective of the Portfolio is to achieve total return (income plus capital appreciation) from 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. <u>Assessment of Good Governance</u> Governance factors that the investment team 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.
Proportion of investments	The Portfolio aims to directly 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.

Monitoring of environmental or social characteristics	The investment team considers a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Portfolio, including: (a) the NB ESG Quotient; (b) Climate Value-at-Risk; and (c) ESG exclusions policies.
Methodologies for environmental or social characteristics	The investment team will track and report on the performance of the above sustainability indicators. 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.
Data sources and processing	ESG data and analytical inputs are derived from proprietary investment tools and in-house research (which incorporates critical thinking and human judgment into the process) alongside multiple datasets including international financial organisations, external vendors, company direct disclosures, company indirect disclosures, development agencies and specialty ESG research providers.
Limitations to methodologies and data	Limitations in both methodology and data may include but are not limited to: lack of standardisation of data providers' methodologies; low company coverage especially in private companies and companies that reside in Emerging Markets; divergence in the quality and quantity of disclosure globally for Private Markets (Debt and Equity); some data sets can be reported at a significant time-lag; and some of the available third-party data is calculated based on data estimates. Neuberger Berman is satisfied that for its financial products, classified as Article 8 or Article 9 under the SFDR, such limitations do not affect either the promotion of the environmental or social characteristics, or the attainment of the sustainable investment objective committed to, by the relevant financial product.
Due diligence	Before making investments, Neuberger Berman will conduct reasonable and appropriate due diligence based on the facts and circumstances applicable to each investment.
Engagement policies	Engagement is an important component of the Portfolio's investment process.
Designated reference benchmark	N/A

No sustainable investment objective of the financial product

The Portfolio aims to directly hold a minimum of 80% investments that are aligned with the environmental or social characteristics, but does not have as its objective sustainable investment. The Portfolio does not commit to holding sustainable investments.

Environmental or social characteristics of the financial product

As part of the investment process, Neuberger Berman Asset Management Ireland Limited (the "**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 Investment Manager to derive the NB ESG Quotient rating, to compare sectors and issuers relative to their environmental and social characteristics.
The 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 the Client's net-zero goal, the Investment Manager intends that by 2030 at least ninety per cent (90%) of the Portfolio's corporate and quasi-sovereign exposure shall:

  - (i) have Science-Based Targets initiative ("**SBTi**") validated targets or be considered as "achieving net-zero", "aligned to a net-zero pathway" or "aligning towards a net-zero pathway" as categorised by the Neuberger Berman Net-Zero Alignment Indicator (as defined in the Agreement); or

  - (ii) be subject to engagement by the Investment Manager on an ongoing basis.

  The Investment Manager intends that by 2050, one hundred per cent (100%) of the Portfolio's corporate and quasi-sovereign exposure will have SBTi validated targets or be considered as "achieving net-zero" as categorised by the Neuberger Berman Net-Zero Alignment Indicator or aligned to a net-zero pathway. Additionally, the Portfolio must reduce the carbon footprint of its corporate and quasi-sovereign exposure across scope 1, 2 and material scope 3 GHG emissions[1] by a minimum of thirty per cent (30%) by 2030

1Scope 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).

relative to a 2019 baseline. For the avoidance of doubt, there is no annual reduction target. Instead, the reduction target focuses solely on the 2030 milestone and the 2050 net-zero goal.

- ***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 website disclosure 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.

Investment strategy

The investment objective of the Portfolio is to achieve total return (income plus capital appreciation) from 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.

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

In addition, the 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 Investment Manager deems as weak ESG efforts, are being addressed adequately.

The 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 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 as explained in more detail in the "Methodologies for environmental or social characteristics" section, which places limitations on the investable universe.

Policy to assess good governance practices of the investee companies

Governance factors that the 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 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 Investment Manager views this direct engagement with corporate issuers, as an important part of its investment process.

The timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or M&A events that may prevent outreach actions. Ultimately, the Investment Manager aims to prioritise engagement that is expected, based on the 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 Investment Manager may take into account other governance factors as appropriate from time to time.

As described below, 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) the United Nations Global Compact Principles ("**UNGC Principles**"), (ii) the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (the "**OECD Guidelines**"), (iii) the United Nations Guiding Principles on Business and Human Rights (the "**UNGPs**") and (iv) the International Labour Standards (the "**ILO Standards**").

Proportion of investments

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.

Please note that while the 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 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 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.

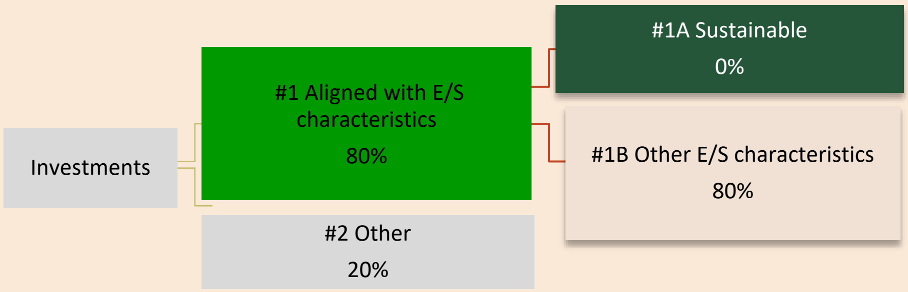
While the Portfolio may use derivatives for efficient portfolio management and/or hedging, it will not use derivatives to promote environmental or social characteristics.

"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 "Other" section in the Portfolio is held for a number of reasons that the 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 below, 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 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.



#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.

#2Other 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.

Monitoring of environmental or social characteristics

Following investment, the Investment Manager monitors investee issuers on an ongoing basis to track their performance with respect to environmental and social characteristics. In particular, the Investment Manager will track and report on the performance of (i) the NB ESG Quotient; (iii) Climate Value-at-Risk; 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).

Methodologies for environmental or social characteristics

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

1 The NB ESG Quotient:

The NB ESG Quotient (as explained in the section headed “Environmental or social characteristics of the financial product”) 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 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 Investment Manager will seek to prioritise constructive engagement with corporate issuers, as discussed in more detail below. The success of the Investment Manager's constructive engagement efforts with issuers will depend on each of the issuer's receptiveness and responsiveness to such engagement.

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

3 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.

Furthermore, 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 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).

In addition to the above listed policies and exclusions, the Investment Manager will seek to implement the Client's Restricted Securities List (as agreed and defined in the Agreement).

Data sources and processing

ESG data or analytical inputs are derived from proprietary investment tools and in-house research (which incorporates critical thinking and human judgment into the process) alongside multiple datasets including international financial organisations, external data vendors, company direct disclosures (e.g., sustainability reports, annual reports, regulatory filings, and company websites), company indirect disclosures (e.g., government agency published data, industry and trade association data, and third-party financial data providers), development agencies and specialty ESG research providers.

ESG data is a key domain and part of our internal data governance with an assigned ESG Data Steward and a dedicated ESG Technology Team. The ESG Data Steward has periodic engagements with ESG data vendors to discuss data coverage and evolution in methodologies. Subscription to multiple data vendors enables us to evaluate company coverage and quality of data between vendors. In addition, our ESG Investing and ESG Data teams continually explore new data products and vendors to evaluate potential enhancements to our existing data coverage and governance, as well as identifying innovative and non-traditional data sources, which may provide additional insights. NB continuously seeks to identify additional data and research, which may enhance our analysis.

ESG data is integrated throughout the firm's operating management system, compliance and risk management systems, providing all stakeholders transparency, into portfolio ESG metrics in real time.

NB believes that the most effective way to integrate ESG into an investment process over the long term is for investment teams themselves to research ESG factors and consider them alongside other inputs into the investment process. For this reason, ESG research is included in the work of our research analysts rather than employing a separate ESG Research Team.

The investment teams can then choose how best to apply all the tools of active management, whether that is to engage or ultimately to sell a company when it no longer offers an attractive risk-adjusted potential return.

NB expects that data availability and quality will improve as the market and methods for obtaining and reporting data mature, which would also reduce the proportion of data that is estimated.

Limitations to methodologies and data

As a global investor, NB operates in many different jurisdictions, all of which are adopting sustainability-related reporting and disclosure requirements. The need to comply with these regulations is taken into consideration when applicable in business decisions around developing or enhancing infrastructure such as committees focused on ESG matters, risk oversight and monitoring tools, and internal audit. NB monitors legal and regulatory requirements that may directly affect our business. For SFDR, NB considers that the limitations in both methodology and data may include but are not limited to:

- Lack of standardisation of data providers' methodologies;
- Incomplete corporate reporting standards and misalignment with the corporate ESG data provided by the vendors;
- Inconsistencies in the vendors' methodologies for reporting ESG data and disclosures of the underlying data used for deriving third-party metrics;
- Inconsistencies in corporate hierarchies and entity identifiers can lead to inconsistencies in how data providers assign and map ESG datasets to securities;
- Low company coverage across certain indicators and asset classes, especially in private companies and companies that reside in Emerging Markets;
- Divergence in the quality and quantity of disclosure globally for Private Markets (Debt and Equity);
- Some data sets can be reported at a significant time-lag; and
- Some of the available third-party data is calculated based on data estimates. There may be discrepancies between the models estimating the data and actual reported data, and significant deviations when data is restated or the underlying assumptions of these models are altered.

NB has developed a firm-wide proprietary ratings system, the NB ESG Quotient, which is under continual review to enhance methodology and data coverage. The NB ESG Quotient leverages third-party data, but not third-party aggregate scores. The NB ESG Quotient enhances the analysis and research of financially material ESG risks and opportunities.

In addition, NB continues to advocate for greater standardised disclosures; for example, NB is a member of the International Sustainability Standards Board's ("**ISSB**") Investor Advisory Group ("**IIAG**"), which aims to provide strategic guidance on developing International Financial Reporting Standards ("**IFRS**") Sustainability Disclosure

Standards and ensure that the investor perspective is considered in the standard-setting process. NB is also a member of the IFRS Sustainability Alliance, which aims to develop a more coherent and comprehensive system for corporate disclosure.

In line with our belief that climate change is a material driver of investment risk and return across industries and asset classes, NB is also a formal supporter of the recommendations of the Taskforce on Climate Related Financial Disclosure ("**TCFD**") which have now come under the scope of the ISSB. Alongside ISSB standards, the TCFD recommendations continue to help develop voluntary, consistent climate-related financial risk disclosures.

The limitations discussed impact all consumers of ESG data and are not specific to NB. NB is satisfied that for its financial products, classified as Article 8 or Article 9 under the SFDR, such limitations do not affect the attainment of environmental or social characteristics or the attainment of the sustainable investment objective committed to by the relevant financial product, in particular because of the steps taken by NB to mitigate such limitations:

- As noted above, NB periodically engages with data vendors on data quality, and the third-party sources relied upon are the same as those relied upon by the broader market, and so are likely to be refined as the market for products with environmental or social characteristics matures;
- NB does not believe that there is currently one third-party data provider that holistically provides all data required under the SFDR. NB periodically reviews select third-party data providers, this allows NB to identify the best available data sources.
- NB engages directly with management teams of corporate issuers through a robust ESG engagement program; and
- Each investment opportunity's environmental and social characteristics are evaluated in detail, in accordance with our internal frameworks and using a variety of data sources, having regard to these limitations as well (where appropriate).

Due diligence

NB applies a high standard of due diligence in the selection and ongoing monitoring of investments made by the Portfolio to ensure delivery of the Portfolio's investment objectives and compliance with the investment, liquidity and risk guidelines of the Portfolio, as well as integrating sustainability risk and ESG considerations.

NB views ESG integration as the practice of incorporating material ESG risks and opportunities (as a binding element) into the investment decision-making process. ESG integration sits alongside traditional financial considerations and should enrich NB's investment teams' analysis of issuers by providing a toolkit for identifying material ESG risks and opportunities, informing investment decisions. NB believes that material ESG factors may be an important driver of long-term investment returns from both an opportunity and a risk-mitigation perspective.

Before making investments, the investment team will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The investment team will assess the investment's compliance with the environmental and social characteristics promoted by the product using (as appropriate) internal analyses, screens, tools, and third-party data sources, and may also evaluate other important and complex environmental, social and governance issues related to the investment. The investment team may select investments on the basis of information and data filed by the issuers of such securities with various regulatory bodies or made directly available to NB by the issuers of the securities, and other instruments or through sources other than the issuers.

The Portfolio applies the Neuberger Berman Thermal Coal Involvement Policy. The Portfolio will not invest in securities issued by issuers whose activities have been identified as breaching the Neuberger Berman Controversial Weapons Policy. Furthermore, the Portfolio does not invest in securities issued by issuers whose activities have been identified as breaching the Neuberger Berman Global Standards Policy. Please see above for a full list of the ESG exclusions applied by the Portfolio.

The Neuberger Berman Controversial Weapons Policy, Neuberger Berman Thermal Coal Involvement Policy, and the Neuberger Berman Global Standards Policy are subject to internal review by the NB ESG Committee. The implementation of these policies is managed by the NB Asset Management Guideline Oversight Team in collaboration with Legal and Compliance.

NB's ESG Investing Team provides expert guidance, resources, and training to investment professionals during the investment process and works to continuously improve the firm's ESG practices. In partnership with the firm's ESG Investing Team, investment teams are trained on ESG due diligence best practices and guidance at least once a year, but often more frequently. Investment professionals with deep expertise in ESG investing regularly engage with fund managers to further enhance ESG due diligence capabilities and to disseminate knowledge in practice.

The investment professionals responsible for portfolio management are the first step in maintaining compliance with the Portfolio's investment guidelines and ESG exclusions. While NB looks to the investment professionals as the first step in the compliance process, NB recognizes the need for additional, independent, and ongoing oversight. To this end, a rigorous risk management framework is established that features dedicated investment and operational risk teams inclusive of independent guidelines oversight, such as ESG exclusions, who work to protect client assets and our reputation. Our risk professionals act as an independent complement to each investment team's portfolio construction process, driving investment and operational risk reviews in collaboration with other control units of the firm, such as information technology, operations, legal and compliance, asset management guideline oversight and internal audit.

Engagement policies

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

In addition, the 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 Investment Manager deems as weak ESG efforts, are being addressed adequately.

The 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 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.

Designated reference benchmark

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.

Last updated: 10 June 2024

Website Disclosures

Article 10 EU Sustainable Finance Disclosure Regulation ("**SFDR**") disclosure – in accordance with Chapter IV, Section 2 of Delegated Regulation 2022 / 1288 ("**Level 2 RTS**")

In accordance with Article 10 of the SFDR, and Chapter IV, Section 2 of Delegated Regulation (EU) 2022/1288, this document provides information on the environmental and social characteristics promoted by US HY – DUTCH CLIENT 3 and the methodologies that are used to assess, measure and monitor these characteristics.

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US HY – DUTCH CLIENT 3 (the "Portfolio") – Summary of Website Disclosure	
Summary	The Portfolio is categorised as an Article 8 financial product for the purposes of SFDR. As part of the investment process, Neuberger Berman Asset Management Ireland Limited (the "**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 environmental, social and governance ("**ESG**") risk and opportunity, and produces an overall ESG rating for issuers by assessing them against certain ESG metrics.
No Sustainable Investment Objective	This Portfolio promotes environmental or social characteristics but does not have as its objective sustainable investment.
Environmental or social characteristics promoted by the Portfolio	The following environmental and social characteristics are promoted as part of the NB ESG Quotient rating: • Environmental Characteristics: biodiversity & responsible land usage; GHG emissions; opportunities in clean technologies; opportunities in green building; responsible raw material sourcing; toxic emissions & waste; waste management; water management; and hazardous waste management. • Social Characteristics: access to finance; access to healthcare; business ethics; chemical safety; community relations; controversial sourcing; health & nutrition; health & safety; human capital development; labour management; data privacy & security; product safety & quality; responsible advertising, labelling and marketing; and human rights.
Investment Strategy	The investment objective of the Portfolio is that the time weighted rates of return of the Portfolio will exceed the time weighted rates of return of the Customized MSCI North America Net Total Return Index (the "**Benchmark**") cumulated by at least 0.50% annualized over each 36 month period. The Portfolio seeks to achieve its investment objective through investment in a portfolio of US high yield bonds that are included within the Benchmark. The Manager considers and evaluates ESG characteristics, as a component of their credit analysis discipline, when making investment decisions.
Proportion of Investments	The Portfolio aims to directly 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.

Monitoring of environmental or social characteristics	The Manager considers a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Portfolio, including: (a) Eligible ESG Rating and NB ESG Quotient; and (b) ESG exclusion and Involvement policies.
Methodologies for environmental or social characteristics	The Manager will track and report on the performance of the above sustainability indicators. 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 periodic report.
Data sources and processing	The Manager derives ESG data inputs from multiple datasets including international financial organisations, external vendors, company direct disclosures, company indirect disclosures, development agencies and specialty ESG research providers. ESG data feeds are monitored and reconciled by the Manager's data quality assurance team and critical data elements are closely reviewed as part of internal reporting.
Limitations to methodologies and data	Limitations in both methodology and data are listed under this heading in the main body of the website disclosure. The Manager is satisfied that such limitations do not affect the promotion of environmental or social characteristics as explained further under this heading in the main body of the website disclosure.
Due Diligence	Before making investments, the Manager will conduct reasonable and appropriate due diligence based on the facts and circumstances applicable to each investment.
Engagement Policies	Engagement is an important component of the Manager's investment process for the Portfolio.
Designated Reference Benchmark	A reference benchmark has not been designated, by the Manager, for the purpose of attaining the environmental or social characteristics promoted by the Portfolio.

SFDR Level 2 Article 8 website disclosure – US HY – DUTCH CLIENT 3 – extended disclosure

No sustainable investment objective of the financial product

This Portfolio promotes environmental or social characteristics, but does not have as its objective sustainable investment.

This Portfolio will not make any sustainable investments.

Environmental or social characteristics of the financial product

As part of the investment process, the Manager considers a variety of environmental and social characteristics. 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 Manager to derive the NB ESG Quotient rating, to compare sectors and companies relative to their environmental and social characteristics.

The Manager uses the NB ESG Quotient to promote the environmental and social characteristics listed below. Pursuant to this, the Manager will engage with issuers with a poor NB ESG Quotient rating with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

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

- **Environmental Characteristics:** biodiversity & responsible land usage; GHG emissions; opportunities in clean technologies; opportunities in green building; responsible raw material sourcing; toxic emissions & waste; waste management; water management; and hazardous waste management.

- **Social Characteristics:** access to finance; access to healthcare; business ethics; chemical safety; community relations; controversial sourcing; health & nutrition; health & safety; human capital development; labour management; data privacy & security; product safety & quality; responsible advertising, labelling and marketing; and human rights.

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 periodic report (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.

The NB ESG Quotient methodology will evolve over time and all ESG characteristics included therein are reviewed regularly and are subject to annual review to ensure that the most pertinent ESG characteristics are captured. Accordingly, the environmental and social characteristics considered as part of the NB ESG Quotient are subject to change.

Exclusions are also applied as part of the construction and ongoing monitoring of the Portfolio. These represent additional environmental and social characteristics promoted by the Portfolio.

Investment strategy

The investment objective is that the time weighted rates of return of the Portfolio will exceed the time weighted rates of return of the Benchmark cumulated by at least 0.50% annualized over each 36 month period.

The Portfolio seeks to achieve its investment objective through investment in a portfolio of US high yield bonds that are included within the Benchmark.

The Manager considers and evaluates ESG characteristics, as a component of their credit analysis discipline, when making investment decisions.

The Manager considers and evaluates ESG characteristics, as an important component of their credit analysis discipline, when making investment decisions. The 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 to derive the NB ESG Quotient rating.

ESG characteristics are considered at three different levels:

I. Integrating the Eligible ESG Rating and proprietary ESG analysis:

The Eligible ESG Rating will be considered alongside the NB ESG Quotient ratings.

The Eligible ESG Rating is measured by the MSCI ESG data field 'Overall ESG Rating' for the issuer, issuer group or the parent of the issuer group.

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 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.

II. Engagement:

The Manager engages directly with management teams of issuers through a robust ESG engagement program. The Manager views this direct engagement with issuers, as an important part of its investment process (including the investment selection process). 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 issuers.

As part of the direct engagement process, the 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 Manager through an internal NB engagement tracker.

In addition, constructive engagements are undertaken with issuers which have high impact controversies, or which have a low NB ESG Quotient rating in order to assess whether those ESG controversies or what the Manager deem as weak ESG efforts, are being addressed adequately.

The Manager believes this consistent engagement with 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 Manager also uses it to promote change, when necessary, which it believes 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.

Policy to assess good governance practices of the investee companies

The governance factors that the Manager tracks for corporate and quasi-sovereign issuers 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 Manager engages directly with management teams of 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 issuers.

The Manager views this direct engagement with issuers, as an important part of its investment process.

The timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or M&A events that may prevent outreach actions. Ultimately, the Manager aims to prioritise engagement that is expected, based on the 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 an issuer, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities.

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

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.

Proportion of Investments

The Portfolio aims to hold a minimum of 80% investments that are aligned with the environmental or social characteristics promoted by the Portfolio. The Portfolio does not commit to holding sustainable investments.

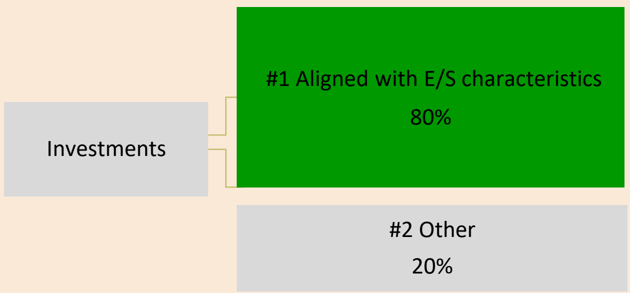
The Portfolio aims to hold a maximum of 20% investments that are not aligned with the environmental or social characteristics promoted by the Portfolio and are not sustainable investments, and which fall into the “Other” section of the Portfolio.

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

Please note that while the 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 periodic reporting, for the relevant reference period. This will be calculated based on the average of the four quarter ends.

The Manager has calculated the proportion of environmentally and/or socially aligned investments in the Portfolio by reference to the proportion of issuers in the Portfolio: i) that hold 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 Manager has engaged directly. The calculation is based on a mark-to-market assessment of the Portfolio. This calculation may rely on incomplete or inaccurate issuer or third party data.



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

#2Other 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

Monitoring of environmental or social characteristics

Following investment, the Manager monitors investee issuers on an ongoing basis to track their performance with respect to environmental and social characteristics. In particular, the Manager will track and report on the performance of the NB ESG Quotient 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 periodic report (as per the requirements of Article 11 of SFDR).

Methodologies for environmental or social characteristics

As part of the investment process, the Manager considered the below sustainability indicator to measure the environmental and/or social characteristics promoted by the Portfolio.

I. Eligible ESG Rating and NB ESG Quotient

Pursuant to the Guidelines of the IMA, the Manager shall invest only in corporate bonds and loans which, among other requirements, are issued by an Issuer with an Eligible ESG Rating.

Additionally, as set out in the Guidelines of the IMA, the Manager may invest up to 10% of the Value of the Portfolio in Fixed-income Securities without a rating that meets the criteria specified in limb (A) of the definition of Eligible ESG Rating provided that such securities have an internal ESG rating that is higher than or equal to NB ESG Quotient 50. In the event that the Security no longer has an Eligible ESG Rating as defined under limb (B) of the "Eligible ESG Rating" definition, the Security has to be sold within 90 days after the occurrence or (with respect to Securities that are included within the Benchmark) 90 days after the Security has been removed from the Benchmark, whichever date comes later.

Eligible ESG Rating

"Eligible ESG Rating" means:

A. MSCI ESG Rating of BB or higher, as measured by the MSCI ESG data field 'Overall ESG Rating' for the issuer, issuer group or the parent of the issuer group. For the avoidance of doubt if a security does not have a MSCI ESG Rating but the security is part of the issuer, issuer group or the parent of the issuer group that does have a MSCI ESG Rating of BB or higher the security counts as on benchmark;

B. Or, an internal ESG rating of the Manager that is higher than or equal to NB ESG Quotient rating of 50, only in case that MSCI does not have a MSCI ESG rating available for the issuer, issuer group or the parent of the issuer group.

II. ESG exclusion and involvement 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, (i) the Neuberger Berman Controversial Weapons Policy, (ii) the Neuberger Berman Thermal Coal Involvement Policy; and (iii) the Neuberger Berman Global Standards Policy.

By way of further clarification, the Neuberger Berman Global Standards Policy excludes identified violators of: (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs and (iv) the ILO Standards.

Moreover, the Portfolio will not invest in issuers listed in the investors exclusion list.

Copies of the aforementioned Manager's ESG exclusion policies are available on [https://www.nb.com/en/gb/esg.]

Data sources and processing

The Manager derives ESG data inputs from multiple datasets including international financial organizations, external vendors, company direct disclosures (e.g., sustainability reports, annual reports, regulatory filings, and company websites), company indirect disclosures (e.g., government agency published data; industry and trade association data; and third-party financial data providers), development agencies and specialty ESG research providers.

ESG data is a key domain and part of the internal data governance of the Manager with an assigned ESG "Data Steward" and a dedicated ESG Technology team. The Manager's ESG Data Steward has periodic engagements with ESG data vendors to discuss issues such as data coverage and will evaluate options to help resolve data gaps. The Manager subscribes to multiple data vendors to enable it to evaluate company coverage and quality of data between vendors. In addition, the Manager continues to explore new data products and vendors to evaluate potential enhancements to its existing data coverage.

The Manager's ESG data feeds are monitored and reconciled by its data quality assurance team and critical data elements are closely reviewed as part of its internal reporting. ESG Data is integrated throughout the Manager's operating management system, compliance and risk management systems, providing those stakeholders transparency into the Portfolio's ESG metrics in real time.

In addition, the Manager's internally derived data team work collaboratively with the ESG Investing team to identify innovative and non-traditional data sources which may provide additional insights. The Manager continuously seeks to identify additional data and research, which may enhance its analysis.

The Manager believes that the most effective way to integrate ESG into an investment process over the long term is for investment teams themselves to research ESG factors and consider them alongside other inputs into the investment process. For this reason, ESG research is included in the work of the Manager's research analysts rather than employing a separate ESG research team. The Manager embeds such research in the work of its security research analysts.

The Manager can then choose how best to apply all the tools of active management, whether that is to engage or ultimately to sell a security when it no longer offers an attractive risk-adjusted potential return.

The Manager expects that a low proportion of data will be estimated. The proportion of data that is estimated will depend on the composition of investee companies – the nature of their business and sectors in which they operate. The Manager expects that data availability and quality will improve as the market and methods for obtaining and reporting data mature.

Limitations to methodologies and data

Limitations in both methodology and data, experienced by the Manager, include but are not limited to:

- Lack of standardization;
- Gaps in company coverage especially in private companies and companies that reside in Emerging Markets;
- Limitations in application for both Public and Private Debt markets versus Public Equity;
- Some data sets such as carbon emissions are reported at a significant time-lag; and
- Some of the available third-party data is calculated based on data estimates.

As such, the Manager is not dependent on raw data. The Manager has developed a firm-wide proprietary ratings system, called the Neuberger Berman ESG Quotient, which is under continual testing to enhance its methodology and data coverage.

In addition, the Manager continues to advocate for greater standardized disclosures; for example, the Manager is a member of the International Financial Reporting Standards (the "**IFRS**") Sustainability Alliance, which aims to develop a more coherent and comprehensive system for corporate disclosure.

The Manager is also a formal supporter of the recommendations of the Taskforce on Climate Related Financial Disclosure ("**TCFD**") because it believes that climate change is a material driver of investment risk and return across industries and asset classes. The TCFD will help develop voluntary, consistent climate-related financial risk disclosures.

The Manager is satisfied that such limitations do not affect the attainment of environmental or social characteristics, in particular because of the steps taken to mitigate such limitations:

- As noted above, the Manager periodically engages with data vendors on data quality, and the third party sources relied upon are the same as those relied upon by the broader market and so are likely to be refined as the market for products with environmental or social characteristics matures;

- The Manager engages directly with management teams of corporate issuers through a robust ESG engagement program; and

- Each investment opportunity's environmental and social characteristics are evaluated in detail, by the Manager, in accordance with its internal frameworks and using a variety of data sources, having regard to these limitations as well (where appropriate).

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 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.

The investment policy does not utilise minimum NB ESG Quotient scores, or minimum rate of NB ESG Quotient score improvement.

Engagement policies

The Manager engages directly with management teams of issuers through a robust ESG engagement program. The Manager views this direct engagement with issuers, as an important part of its investment process (including the investment selection process). 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 issuers.

As part of the direct engagement process, the 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 Manager through an internal NB engagement tracker.

In addition, constructive engagements are undertaken with issuers which have high impact controversies, or which have a low NB ESG Quotient rating in order to assess whether those ESG controversies or what the Manager deem as weak ESG efforts, are being addressed adequately.

The Manager believes this consistent engagement with 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 Manager also uses it to promote change, when necessary, which it believes 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.

ESG sectoral exclusions

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

Designated reference benchmark

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

The following disclosure is made in respect of Focus Portfolio – Noord-Amerika (the "**Portfolio**") pursuant to Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**") as supplemented by the Commission Delegated Regulation 2022/1288 of 6 April 2022 supplementing SFDR and the EU Taxonomy (the "**Delegated Act**"). **The disclosure is provided pursuant to the requirements of SFDR and is provided solely for the benefit of investors in the European Union.**

This document does not constitute an offer or an invitation to subscribe for interests of the Portfolio or any other alternative investment vehicle, and the information presented in this document is provided for the benefit of investors in the European Union and may be subject to change.

The Portfolio is currently classified as an Article 8 financial product for the purposes of SFDR. However, the Investment Manager reserves the right to reclassify the Portfolio if legislative changes, enhancements, clarifications and/or minimum criteria are introduced which would impact its classification. Any such reclassification will be reflected in updated disclosures.

In case of any inconsistency between this disclosure and the Investment Management Agreement effective as of 1 September 2025, as amended from time to time (the "**IMA**"), the provisions of the IMA shall prevail. Any defined terms not otherwise defined, have the meaning given to them in the IMA.

This disclosure is provided in the English language. In case of discrepancies between the English version and any translation of the Summary section of this disclosure, the English version shall prevail.

Focus Portfolio – Noord-Amerika

Summary	The Portfolio is categorised as an Article 8 financial product for the purposes of SFDR. As part of the investment process, Neuberger Berman Asset Management Ireland Limited (the "**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 environmental, social and governance ("**ESG**") risk and opportunity, and produces an overall ESG rating for issuers by assessing them against certain ESG metrics.
No sustainable investment objective	This Portfolio promotes environmental or social characteristics, but does not have as its objective sustainable investment.
Environmental or social characteristics promoted by the Portfolio	The following environmental and social characteristics are promoted, where relevant to the specific industry and company, as part of the NB ESG Quotient rating: ***Environmental Characteristics***: biodiversity; circular economy; energy transition; physica limpact of climate change; air quality, waste and harmful substances; and water scarcity. ***Social Characteristics***: working conditions; equality; child labour and modern slavery; living wage and income; product quality and safety; medicines, healthcare and healthy food; trade union freedom and social dialogue; and privacy and data security and data use.
Investment strategy	The investment objective of the Portfolio is that the time weighted rates of return of the Portfolio, net of management fees will track or preferably exceed the Customized MSCI North America Net Total Return Index cumulated over a rolling period of 36 months. The Portfolio seeks to achieve its investment objective through investment in a portfolio of instruments comprising of the Permitted Securities as listed in Annex 2 of the IMA. The Investment Manager considers and evaluates ESG characteristics, as an important component of their analysis discipline, when making investment decisions.
Proportion of investments	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.

Monitoring of environmental or social characteristics	The Investment Manager considers a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Portfolio, including: I. the NB ESG Quotient; and II. ESG exclusion and involvement policies:
Methodologies for environmental or social characteristics	The Investment Manager will track and report on the performance of the above sustainability indicators. 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.
Data sources and processing	ESG data and analytical inputs are derived from proprietary investment tools and in-house research (which incorporates critical thinking and human judgment into the process) alongside multiple datasets including international financial organisations, external vendors, company direct disclosures, company indirect disclosures, development agencies and specialty ESG research providers. ESG data feeds are monitored and reconciled by the Investment Manager's data quality assurance team and critical data elements are closely reviewed as part of internal reporting.
Limitations to methodologies and data	Limitations in both methodology and data may include but are not limited to: lack of standardisation of data providers' methodologies; low company coverage especially in private companies and companies that reside in Emerging Markets; divergence in the quality and quantity of disclosure globally for Private Markets (Debt and Equity); some data sets can be reported at a significant time-lag; and some of the available third-party data is calculated based on data estimates. The Investment Manager is satisfied such limitations do not affect the promotion of the environmental or social characteristics by the Portfolio.
Due diligence	Before making investments, the Investment Manager will conduct reasonable and appropriate due diligence based on the facts and circumstances applicable to each investment.
Engagement policies	Engagement is an important component of the Portfolio's investment process.
Designated reference benchmark	A reference benchmark has not been designated by the Investment Manager for the purpose of attaining the environmental or social characteristics promoted by the Portfolio.

No sustainable investment objective of the Portfolio

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The Portfolio will not make any sustainable investments.

Environmental or social characteristics of the Portfolio

As part of the investment process, the Investment Manager promotes a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are promoted 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 companies 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 Investment Manager to derive the NB ESG Quotient rating, to compare sectors and companies relative to their environmental and social characteristics.

The Investment Manager uses the NB ESG Quotient to promote the environmental and social characteristics listed below. Pursuant to this, the Investment Manager will engage with companies with a poor NB ESG Quotient rating with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

The following environmental and social characteristics are promoted (as further described in the IMA), where relevant to the specific industry and company, as part of the NB ESG Quotient rating:

- **Environmental Characteristics:** biodiversity; circular economy; energy transition; physical impact of climate change; air quality, waste and harmful substances; and water scarcity.
- **Social Characteristics**: working conditions; equality; child labour and modern slavery; living wage and income; product quality and safety; medicines, healthcare and healthy food; trade union freedom and social dialogue; and privacy and data security and data use.

Performance in relation to these environmental and social characteristics will be measured through the NB ESG Quotient, and will be reported annually in accordance with Annex 16 of the IMA.

The NB materiality matrix will evolve over time and all sector specific ESG characteristics included therein are reviewed at least every two years with the sector analysts to ensure that the most pertinent sector specific ESG characteristics are captured through the NB materiality matrix. Accordingly, the environmental and social characteristics promoted as part of the NB ESG Quotient are subject to change.

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.

Investment strategy

The investment objective of the Portfolio is that the time weighted rates of return of the Portfolio, net of management fees will track or preferably exceed the Customized MSCI North America Net Total Return Index cumulated over a rolling period of 36 months.

The Portfolio seeks to achieve its investment objective through investment in a portfolio of instruments comprising of the Permitted Securities as listed in Annex 2 of the IMA.

The Investment Manager considers and evaluates ESG characteristics, as an important component of their analysis discipline, when making investment decisions.

ESG characteristics are promoted at three different levels:

I. Integrating proprietary ESG analysis:

The NB ESG Quotient ratings are generated for company holdings in the Portfolio.

The NB ESG Quotient rating for companies is utilised to help to better identify risks and opportunities in the overall assessment.

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

Pursuant to this, the Investment Manager will engage with companies with a poor NB ESG Quotient rating with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

II. Engagement:

The Investment Manager engages directly with management teams of companies through a robust ESG engagement program. The Investment Manager views this direct engagement with companies as an important part of its investment process (including the investment selection process).

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

In addition, the Investment Manager will seek to prioritise constructive engagement with companies which have high impact controversies (such as companies 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 Investment Manager deems as weak ESG efforts, are being addressed adequately. The success of the Investment Manager's constructive engagement efforts with companies will depend on each of the company's receptiveness and responsiveness to such engagement.

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

III. ESG sectoral exclusion and involvement policies:

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

IV. Client's ESG Framework:

The Investment Manager shall construct a portfolio that adheres to the guidance and guidelines outlined in the Client's ESG Framework, as specified in Annex 2 of the IMA, which may be subject to change from time to time.

<u>Policy to assess good governance practices of the investee companies</u>

Governance factors that the Investment Manager tracks may include: (i) remuneration policy; (ii) board composition; (iii) ownership structure and shareholder rights; (iv) bribery, fraud and corruption; (v) transparency and accountability; and (vi) responsible tax policy.

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

The timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or M&A events that may prevent outreach actions. Ultimately, the Investment Manager aims to prioritise engagement that is expected, based on the 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 company, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities.

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

As described above, the Portfolio will only invest in securities issued by companies whose activities do not breach the Neuberger Berman Global Standards Policy which identifies violators of the following international standards: (i) the United Nations Global Compact Principles ("**UNGC Principles**"), (ii) the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct ("**OECD Guidelines**"), (iii) the United Nations Guiding Principles on Business and Human Rights ("**UNGPs**") and (iv) the International Labour Standards ("**ILO Standards**").

Proportion of investments

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.

Please note that while the 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 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 Investment Manager has engaged directly. The calculation is based on a mark-to-market assessment of the Portfolio and may rely on incomplete or inaccurate company or third-party data.

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.

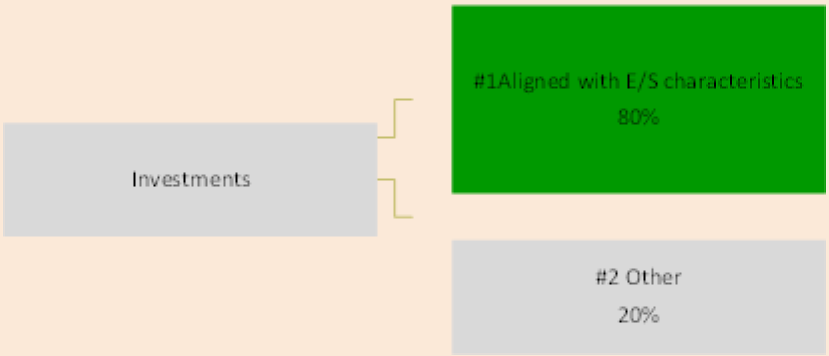
"Other" includes the remaining investments of the Portfolio (which may include but are not limited to derivatives or security collateralized by a pool of similar assets or receivables listed in the IMA) that are neither aligned with the environmental or social characteristics, nor are qualified as sustainable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

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

The Portfolio will be invested in compliance with ESG exclusion and involvement 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 Investment Manager believes that these policies prevent investment in companies that most egregiously violate environmental and/or social minimum standards and ensures that the Portfolio can successfully promote its environmental and social characteristics.

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



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

Monitoring of environmental or social characteristics

Following investment, the Investment Manager monitors issuers on an ongoing basis to track their performance with respect to environmental and social characteristics. In particular, the Investment Manager will track and report on the performance of (i) the NB ESG Quotient; and (ii) the adherence to the ESG exclusion and involvement 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 annual report in accordance with Annex 16 of the IMA.

Methodologies for environmental or social characteristics

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

I. The NB ESG Quotient:

The NB ESG Quotient (as explained above) is used to measure the environmental and social characteristics promoted by the Portfolio. Foundational to the NB ESG Quotient is the NB materiality matrix (as explained above), which focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk for each sector. Each sector criteria is constructed using third-party and internally derived ESG data and supplemented with internal qualitative analysis, leveraging the 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 companies is considered as part of the investment process, there is no minimum NB ESG Quotient rating to be attained by a company prior to investment. Pursuant to this, the Investment Manager will engage with companies with a poor NB ESG Quotient rating with the aim to seek improvement in the underlying environmental and social characteristics (which make up the NB ESG Quotient) over time.

II. ESG exclusion and involvement policies:

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

In addition, the Investment Manager has adopted an exclusions policy on the basis of certain ethical or financial considerations as agreed pursuant to Annex 2 of the IMA from time to time.

The Investment Manager will track and report on the performance of the above sustainability indicators namely, (i) the NB ESG Quotient; and (ii) the adherence to the ESG exclusion and involvement 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 annual report in accordance with Annex 16 of the IMA.

Data sources and processing

ESG data or analytical inputs are derived from proprietary investment tools and in-house research (which incorporates critical thinking and human judgment into the process) alongside multiple datasets including international financial organisations, external data vendors, company direct disclosures (e.g., sustainability reports, annual reports, regulatory filings, and company websites), company indirect disclosures (e.g., government agency published data, industry and trade association data, and third-party financial data providers), development agencies and specialty ESG research providers.

ESG data is a key domain and part of the internal data governance of the Investment Manager with an assigned ESG "Data Steward" and a dedicated ESG "Technology Team". The ESG Data Steward has periodic engagements with ESG data vendors to discuss issues such as data coverage and evolution in methodologies. Subscription to multiple data vendors enables the Investment Manager to evaluate company coverage and quality of data between vendors. In addition, the Investment Manager continually explores new data products and vendors to evaluate potential enhancements to their existing data coverage and governance, as well as identifying innovative and non-traditional data sources, which may provide additional insights. The Investment Manager continuously seeks to identify additional data and research, which may enhance its analysis.

ESG data is integrated throughout the Investment Manager's operating management system, compliance and risk management systems, providing all stakeholders transparency into the Portfolio's ESG metrics in real time.

The Investment Manager believes that the most effective way to integrate ESG into an investment process over the long term is for investment teams themselves to research ESG factors and consider them alongside other inputs into the investment process. For this reason, ESG research is included in the work of our research analysts rather than employing a separate ESG Research Team.

The Investment Manager can then choose how best to apply all the tools of active management, whether that is to engage or ultimately to sell a position when it no longer offers an attractive risk-adjusted potential return.

The Investment Manager expects that data availability and quality will improve as the market and methods for obtaining and reporting data mature, which would also reduce the proportion of data that is estimated.

Limitations to methodologies and data

Limitations in both methodology and data may include but are not limited to:

- Lack of standardisation of data providers’ methodologies;

- Incomplete corporate reporting standards and misalignment with the corporate ESG data provided by the vendors;
- Inconsistencies in the vendors' methodologies for reporting ESG data and disclosures of the underlying data used for deriving third-party metrics;
- Inconsistencies in corporate hierarchies and entity identifiers can lead to inconsistencies in how data providers assign and map ESG datasets to securities;
- Low company coverage across certain indicators and asset classes, especially in private companies and companies that reside in Emerging Markets;
- Divergence in the quality and quantity of disclosure globally for Private Markets (Debt and Equity);
- Some data sets can be reported at a significant time-lag; and
- Some of the available third-party data is calculated based on data estimates. There may be discrepancies between the models estimating the data and actual reported data, and significant deviations when data is restated or the underlying assumptions of these models are altered.

As such, the Investment Manager is not dependent on raw data. The Investment Manager has developed a proprietary ratings system, the NB ESG Quotient, which is under continual review to enhance methodology and data coverage. The NB ESG Quotient leverages third-party data, but not third-party aggregate scores. The NB ESG Quotient enhances the analysis and research of financially material ESG risks and opportunities.

In addition, the Investment Manager continues to advocate for greater standardised disclosures; for example, the Investment Manager is a member of the International Sustainability Standards Board's ("**ISSB**") Investor Advisory Group ("**IIAG**"), which aims to provide strategic guidance on developing International Financial Reporting Standards ("**IFRS**") Sustainability Disclosure Standards and ensure that the investor perspective is considered in the standard-setting process. The Investment Manager is also a member of the IFRS Sustainability Alliance, which aims to develop a more coherent and comprehensive system for corporate disclosure.

In line with the Investment Manager's belief that climate change is a material driver of investment risk and return across industries and asset classes, the Investment Manager is also a formal supporter of the recommendations of the Taskforce on Climate Related Financial Disclosure ("**TCFD**") which have now come under the scope of the ISSB. Alongside ISSB standards, the TCFD recommendations continue to help develop voluntary, consistent climate-related financial risk disclosures.

The limitations discussed impact all consumers of ESG data and are not specific to the Investment Manager. The Investment Manager is satisfied such limitations do not affect the attainment of environmental or social characteristics of the Portfolio, in particular because of the steps taken by the Investment Manager to mitigate such limitations:

- as noted above, the Investment Manager periodically engages with data vendors on data quality, and the third-party sources relied upon are the same as those relied upon by the broader market, and so are likely to be refined as the market for products with environmental or social characteristics matures;
- the Investment Manager does not believe that there is currently one third-party data provider that holistically provides all data required under the SFDR. The Investment Manager periodically reviews select third-party data providers, this allows the Investment Manager to identify the best available data sources;
- the Investment Manager engages directly with management teams of corporate issuers through a robust ESG engagement program; and
- each investment opportunity's environmental and social characteristics are evaluated in detail, in accordance with our internal frameworks and using a variety of data sources, having regard to these limitations as well (where appropriate).

Due diligence

The Investment Manager applies a high standard of due diligence in the selection and ongoing monitoring of investments made by the Portfolio to ensure delivery of the Portfolio's investment objectives and compliance with the investment, liquidity and risk guidelines of the Portfolio, as well as integrating sustainability risk and ESG considerations.

The Investment Manager views ESG integration as the practice of incorporating material ESG risks and opportunities (as a binding element) into the investment decision-making process. ESG integration sits alongside traditional financial considerations and should enrich the Investment Manager's analysis of issuers by providing a toolkit for identifying material ESG risks and opportunities, informing investment decisions. The Investment Manager believes that material ESG factors may be an important driver of long-term investment returns from both an opportunity and a risk-mitigation perspective.

Before making investments, the Investment Manager will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The Investment Manager will assess the investment's compliance with the environmental and social characteristics promoted by the product using (as appropriate) internal analyses, screens, tools, and third-party data sources, and may also evaluate other important and complex environmental, social and governance issues related to the investment. The Investment Manager may select investments on the basis of information and data filed by the issuers of such securities with various regulatory bodies or made directly available to the Investment Manager by the issuers of the securities, and other instruments or through sources other than the issuers.

The Portfolio applies the Neuberger Berman Thermal Coal Involvement Policy. The Portfolio will not invest in securities issued by issuers whose activities have been identified as breaching the Neuberger Berman Controversial Weapons Policy. Furthermore, the Portfolio does not invest in securities issued by issuers whose activities have been identified as breaching the Neuberger Berman Global Standards Policy. Please see above for a full list of the ESG exclusions applied by the Portfolio.

The Neuberger Berman Controversial Weapons Policy, Neuberger Berman Thermal Coal Involvement Policy, and the Neuberger Berman Global Standards Policy are subject to internal review by the NB ESG Committee. The implementation of these policies is managed by the NB Asset Management Guideline Oversight Team in collaboration with Legal and Compliance.

The NB ESG Investing Team provides expert guidance, resources, and training to the investment professionals of the Investment Manager during the investment process and works to continuously improve the Investment Manager's ESG practices. In partnership with the NB ESG Investing Team, the investment professionals of the Investment Manager are trained on ESG due diligence best practices and guidance at least once a year, but often more frequently. Investment professionals with deep expertise in ESG investing regularly engage with the Investment Manger to further enhance ESG due diligence capabilities and to disseminate knowledge in practice.

The investment professionals of the Investment Manager responsible for portfolio management are the first step in maintaining compliance with the Portfolio's investment guidelines and ESG exclusions. While the Investment Manager looks to the investment professionals as the first step in the compliance process, the Investment Manager recognizes the need for additional, independent, and ongoing oversight. To this end, a rigorous risk management framework is established that features dedicated investment and operational risk teams inclusive of independent guidelines oversight, such as ESG exclusions, who work to protect client assets and our reputation. The Investment Manager's risk professionals act as an independent complement to each investment team's portfolio construction process, driving investment and operational risk reviews in collaboration with other control units of the firm, such as information technology, operations, legal and compliance, asset management guideline oversight and internal audit.

Engagement policies

The Investment Manager engages directly with management teams of companies through a robust ESG engagement program. The Investment Manager views this direct engagement with companies, as an important part of its investment process (including the investment selection process).

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

In addition, the Investment Manager will seek to prioritise constructive engagement with companies which have high impact controversies (such as companies 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 Investment Manager deems as weak ESG efforts, are being addressed adequately. The success of the Investment Manager's constructive engagement efforts with companies will depend on each of the company's receptiveness and responsiveness to such engagement.

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

Designated reference benchmark

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.