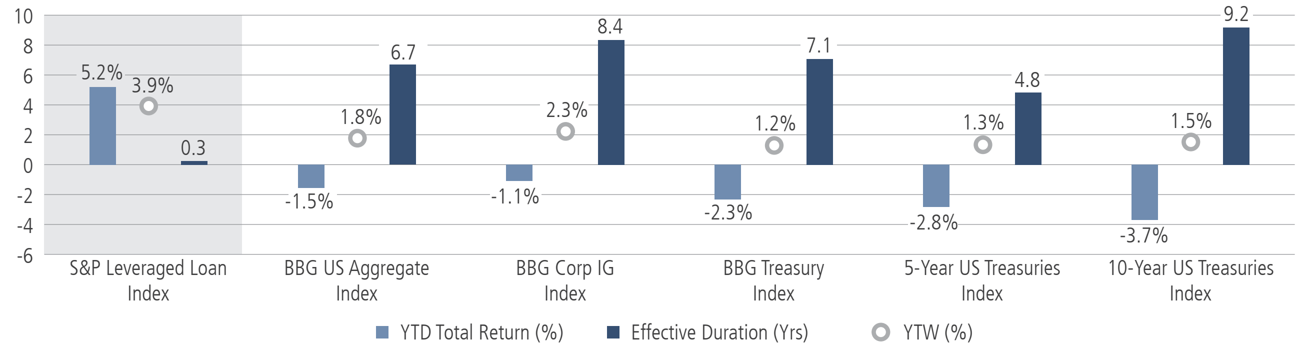
Three Reasons to Allocate to Senior Floating Rate Loans

Seek to generate consistent, diversified current income in a rising rate environment

1. INFLATION-HEDGING POTENTIAL – senior floating rate loans have outperformed broader fixed income in inflationary periods[1]

Senior Floating Rate Loans Performed Well in 2021 Given Rise in Treasury Yields



2. DIVERSIFICATION BENEFITS – senior floating rate loans offer risk mitigation through portfolio diversification[2]

1997 – January 31, 2022 Correlation Matrix

	Senior Floating Rate Loans	High Yield	10yr US Treasuries	S&P 500	High Grade Corp
Senior Floating Rates Loans	1.000	–	–	–	–
High Yield	0.791	1.000	–	–	–
10yr US Treasuries	-0.352	-0.164	1.000	–	–
S&P 500	0.487	0.645	-0.269	1.000	–
High Grade Corp	0.415	0.59	0.564	0.283	1.000

3. BENIGN DEFAULT OUTLOOK – default outlook suggests investors are being more than compensated for the low default risk[3]

Senior Floating Rate Loans Default Expectations (Face Value %)

Actual 2021	Estimated 2022	Estimated 2023	Estimated 2-year Total (2022/2023)
0.51%	0.72%	1.11%	1.83%

[1] Source: S&P LCD and Bloomberg. Data as of market close 31 December 2021. Indexes used include the S&P Leveraged Loan Index, the Bloomberg US Aggregate Bond Index, the Bloomberg Corporate Investment Grade Index, the Bloomberg Treasury Index, the ICE BofA Current 5-Year US Treasury Index and the ICE BofA Current 10-Year US Treasury Index. For index returns please see index calendar year returns table on the following page.

[2] Source: Bloomberg, as at 31 December 2021. Senior Floating Rate Loans are represented by the CSFB Leveraged Loan Index; High Yield is represented by the ICE Bank of America US High Yield Constrained Index; US Treasuries is represented by ICE Bank of America US Treasury Current 10 Year Index; Equities are represented by the S&P 500 Index; and High Grade Corporates are represented by the ICE Bank of America US Corporate Master Index.

[3] Source: Neuberger Berman. Data as at 30 November 2021. Data represented by S&P/LSTA Leveraged Loan Index.

Past performance is no guarantee of future results. Indexes are unmanaged and are not available for direct investment. Actual investment results will vary. As with any investment, there is the possibility of profit as well as the risk of loss.

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Fixed Income Capabilities at Neuberger Berman

- Investment philosophy centred around three key principles: 1) process-led investing, 2) commitment to research, 3) integrated global platform
- 180+ investment professionals in 9 portfolio management centres across 3 continents
- Managing senior floating rate loans since 2010
- Disciplined ESG-integrated process with proprietary "Credit Best Practices" checklist
- Centralised in-house data science team and proprietary ESG insights enhance fundamental analysis

INDEX CALENDAR YEAR RETURNS

Index Name	Calendar Year Return				
	2017	2018	2019	2020	2021
S&P LEVERAGED LOAN ALL LOANS	-8.55	5.51	10.64	-5.39	13.19
BLOOMBERG US CORPORATE INVESTMENT GRADE	6.42	-2.51	14.54	9.89	-1.04
BLOOMBERG US AGGREGATE	3.54	0.01	8.72	7.51	-1.54
BLOOMBERG TREASURY	2.31	0.86	6.86	8.00	-2.32
ICE US TREASURY CURRENT 5 YR	0.72	1.46	5.91	7.2	-2.82
ICE US TREASURY CURRENT 10 YR	2.07	-0.03	8.91	10.58	-3.68

GLOBAL PERSPECTIVE AND LOCAL INVESTMENT PRESENCE

As at 31 December 2021.

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