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Additional Website Disclosures for the Neuberger Berman Short Duration High Yield Bond Fund

Overview

The following are additional disclosures for the Neuberger Berman Short Duration High Yield Bond Fund (the "**Portfolio**"), a sub-fund of Neuberger Berman Investment Funds plc ("**NBIF**"), as required by the Securities and Futures Commission of Hong Kong.

Capitalised terms not defined herein shall have the meaning given to them in the prospectus for NBIF (the "**Prospectus**") and the supplement for the Portfolio (the "**Supplement**").

As noted in the Supplement, the Portfolio will invest primarily in short duration, high yield fixed income securities issued by US corporations and non-U.S. corporations, (which have their head office or exercise an overriding part of their economic activity in the US) and by governments and agencies in the US that are primarily denominated in US Dollars and listed, dealt or traded on Recognised Markets without any particular focus on any one industrial sector.

The Manager and the Sub-Investment Managers have fully integrated the ESG Policy in its investment process, in particular in the portfolio construction process. A summary of the ESG Policy is available here. In addition to the ESG Policy the Manager and the Sub-Investment Managers shall also apply (i) the Sustainable Exclusion Policy; (ii) the Controversial Weapons Policy; and (iii) the Thermal Coal Involvement Policy. For further details on these policies please refer to the "Sustainable Investment Criteria" section of the Prospectus. The Manager and the Sub-Investment Managers also exclude securities issued by issuers whose activities violate the United Nations Global Compact Principles.

A description of how the ESG focus is measured and monitored throughout the lifecycle of the ESG fund and the related internal or external control mechanisms

The Portfolio aims to align with a net-zero goal. The Sub-Investment Managers intend to reduce the Portfolio's carbon footprint across scope 1, 2, and material scope 3 greenhouse gas emissions[1], equating to a 50% reduction by 2030 relative to a 2019 baseline and a subsequent decline to net zero by 2050. The 2019 baseline may be subject to re-calculation as data quality and disclosure expands over time, particularly with respect to scope 3 emissions.

The Portfolio aims to engage with at least 90% of issuers owned in the Portfolio on objectives which encourage companies to make contributions towards the U.N Sustainable Development Goals.

The Portfolio aims to maintain an average ESG Rating that is above that of the broad market U.S. High Yield index, as represented by the ICE BofA U.S. High Yield Index, as measured using data from a recognised third-party.

The Manager and the Sub-Investment Managers shall also apply the Controversial Weapons Policy, the Sustainable Exclusion Policy and the Thermal Coal Involvement Policy when determining what investments to make for the Portfolio. The Manager and the Sub-Investment Managers believe that these policies prevent investment in companies that most egregiously violate environmental and/or social minimum standards. For further details on these policies please refer to the "Sustainable Investment Criteria" section of the Prospectus. The Manager and the Sub-Investment Managers also exclude securities issued by issuers whose activities violate the United Nations Global Compact Principles.

The Manager and the Sub-Investment Managers have fully integrated the ESG Policy in its investment process, in particular in the portfolio construction process.

As part of the investment process, the Manager and the Sub-Investment Managers consider 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. Foundational to the NB ESG Quotient is the proprietary NB materiality matrix, which focuses on the ESG characteristics that are considered to be the most material drivers of ESG risk for each sector. The NB materiality matrix enables the Manager and the Sub-Investment Managers to derive the NB ESG Quotient rating, to compare sectors and companies relative to their environmental and social characteristics.

The ESG analysis is performed internally, with the support of third party data, and is not outsourced.

[1] Scope 1 emissions are direct emissions from an issuer's owned or controlled sources (such as emissions created directly by the issuer's business processes or from vehicles owned by the issuer). Scope 2 emissions are indirect emissions from the generation of electricity, steam, heating and cooling consumed by the issuer. Scope 3 emissions are all other indirect emissions that occur in an issuer's value chain (such as emissions from products or services consumed by the issuer, disposal of its waste, employee commuting, distribution and transport of its products or its investments).

A description of the methodologies adopted to measure the ESG focus and the fund's attainment of the ESG focus

ESG factors are considered at three different levels

1. Tilting towards ESG characteristics:

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 are notched up or down based on the NB ESG Quotient rating, and this is monitored by the Manager and the Sub-Investment Managers 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.

2. Engagement:

The Manager and the Sub-Investment Managers engage directly with management teams of issuers through a robust ESG engagement program. The Manager and the Sub-Investment Managers view this direct engagement with issuers, as an essential 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 and the Sub-Investment Managers may set objectives for the issuers to attain. These objectives as well as the issuers' progress with respect to the same are monitored and tracked by the Sub-Investment Managers 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 violations, controversies or what we deem as weak ESG efforts, are being addressed adequately.

The Manager and the Sub-Investment Managers firmly believe 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 and the Sub-Investment Managers also use 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.

3. Sectoral exclusion policies:

To ensure that the environmental and social characteristics promoted by the Portfolio can be attained, the Portfolio will not invest in securities issued by issuers whose activities breach the (i) Sustainable Exclusion Policy; (ii) the Controversial Weapons Policy and (iii) the Thermal Coal Involvement Policy. The Manager and the Sub-Investment Managers also exclude securities issued by issuers whose activities violate the United Nations Global Compact Principles.

A description of due diligence carried out in respect of the ESG-related attributes of the fund's underlying assets

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.

In addition to applying the proprietary NB ESG Quotient, the Manager and Sub-Investment Managers also maintain continuous compliance with the ESG Policy, the Controversial Weapons Policy, the Thermal Coal Involvement Policy and the Sustainable Exclusion Policy.

A description of the engagement (including the proxy voting) policies (if any)

The Manager and Sub-Investment Managers will engage with at least 90% of issuers owned in the Portfolio on objectives, which encourage issuers to contribute to the U.N. Sustainable Development Goals. Progress towards these engagement objectives, along with other related information will be tracked by the Manager and Sub-Investment Managers and will be reported at least annually or on a more frequent basis.

Engagement with management is a critical component of the Portfolio’s investment process, and the Manager and Sub-Investment Managers engage 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 at investee issuers. The Manager and Sub-Investment Managers view this direct engagement with issuers, as an essential part of its investment process.

While the prioritisation assessment is ongoing, 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 and Sub-Investment Managers aim to prioritise engagement that is expected 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.

As noted above, 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 and the Sub-Investment Managers 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 Sub-Investment Managers through an internal NB engagement tracker. The Manager and the Sub-Investment Managers firmly believe 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 and the Sub-Investment Managers also use 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.

A description of the sources and processing of ESG data or a description of any assumptions made where relevant data is not available

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 proprietary NB materiality matrix (as explained above), which focuses on the ESG characteristics that are considered to be the most material drivers of ESG risk for each sector. Each sector criteria is constructed using third party ESG data and supplemented with internal qualitative analysis, leveraging the Manager's and the Sub-Investment Managers' analyst team’s significant sector expertise.