Sustainable Finance Disclosure Regulation

Neuberger Berman Europe Limited

SUSTAINABLE FINANCE DISLOSURE 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 Europe Limited ("**NBEL**") is a financial market participant for the financial product listed below.

INTEGRATION OF SUSTAINABILITY RISKS

Unless otherwise specified, NBEL applies the Neuberger Stewardship and Sustainable Investing ("**SSI**") Policy for financial products under its management. In applying the SSI Policy, NBEL (in conjunction with other companies in the Neuberger group for which it is applicable) shall integrate environmental, social and governance factors (including the consideration of Sustainability Risks) into the investment decision-making process. The specific approach to environmental, social and governance integration taken by NBEL in applying the SSI Policy, in its role as portfolio manager (together with other companies in the Neuberger 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 NBEL, (v) an assessment of the likely impact of Sustainability Risks on the returns of the financial product and (vi) the overall investment process.

NBEL (together with other companies in the Neuberger group as applicable), in applying the SSI Policy, determines how to (i) achieve its environmental, social and governance integration objective and (ii) undertake environmental, social and governance analysis to potentially increase return or mitigate risk (including Sustainability Risk). Each of those steps influences portfolio construction. The SSI Policy requires that research analysts and portfolio managers, including NBEL, undertake their own research on environmental, social and 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.

NBEL 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 and governance issues. Therefore, potential risk posed by Sustainability Risks can be limited through environmental, social and governance integration, sustainable investing and the responsible and proper management of portfolios.

NEUBERGER QUOTIENT

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

The methodology for determining the Neuberger Quotient is a multi-step process. Firstly, Neuberger's central research equity and fixed income analysts determine which environmental, social and governance issues 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 environmental, social and governance factors by utilising third party data.

For issues requiring additional incremental insight, Neuberger'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 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.

NBEL has noticed that small capitalisation companies tend to have less favourable Neuberger 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 adequate and reliable data is available, NBEL will provide the Neuberger Quotient rating (or a 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). NBEL may elect to also provide an ESG rating (as generated by a third-party data provider) for informational purposes only in the Portfolio'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, third-party ESG data or ratings may be supplemented with qualitative judgment and/or may be based on proxy data or data estimates or NBEL's analysis may take proxy or estimated data into account. NBEL 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 NBEL will aim for all corporate and sovereign issuers held by a Portfolio to have an Neuberger Quotient rating rating (or a similar proprietary in-house rating), there may be some issuers held by a Portfolio that do not have an Neuberger Quotient rating rating (or a similar proprietary in-house rating) especially upon initial investment. The number of issuers that do not hold an Neuberger Quotient rating (or a similar proprietary in-house 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 OF SUSTAINABILITY RISKS ON LIKELY RETURNS

The likely impacts of Sustainability Risks are difficult to quantify. Although the sustainability practices of a company may influence its long-term value, there can be no guarantee regarding the performance of individual investments, nor on the returns of the strategy, despite the integration of Sustainability Risks.

In applying the SSI Policy, NBEL 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, NBEL 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 Neuberger SSI Policy seeks to formalise and focus Neuberger's responsible investment efforts, with the belief that financially 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[1]

NBEL has adopted remuneration policies consistent with its regulatory obligations. NBEL'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.

NBEL adheres to group-wide general principles, policies and practices. NBEL's remuneration policy applies in addition to the remuneration and employment policies and practices operated from time to time within NBEL itself and the Neuberger Berman group of companies (the "**NB Group**"). The assessment of NBEL 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 NB 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 NB Group. This serves to discourage excessive risk taking, as no one individual can influence overall NB Group performance. Senior management within the NB 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 OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

NBEL 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) integrate the consideration of adverse impacts of investment decisions on Sustainability Factors.

NBEL does not currently consider the PAIs of its investment decisions on Sustainability Factors[2] at entity level in the manner prescribed under the SFDR. Nonetheless, NBEL wishes to affirm its overall 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.

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

NBEL 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.

[1] The Remuneration Considerations disclosure is accurate as of 25 November 2025.

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

NBEL 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.

NBEL 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 NBEL'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, NBEL 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, NBEL is also mindful of the ongoing review of the SFDR, and the expected removal of entity level PAI reporting. NBEL believes that this further evidences its view that PAI disclosures are most useful to investors when disclosed at product level.

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

1. EMD Local Currency – DANISH CLIENT 1

This disclosure is accurate as at 14 September 2026