

NEUBERGER BERMAN LAUNCHES CLO INCOME FUND

London, 16th August 2018 - Neuberger Berman, a private, independent, employee-owned investment manager, has launched a UCITS strategy investing primarily in collateralised loan obligations (CLO) mezzanine debt securities.

Targeted at sophisticated investors, the Neuberger Berman CLO Income Fund launched with \$77m of seed client investment. The Fund is managed by Pim van Schie, Joseph Lynch, and Stephen Casey, senior portfolio managers in Neuberger Berman's \$43bn non-investment grade and structured credit team.

The Fund aims to generate an attractive risk-adjusted return relative to comparably rated corporates with minimal duration by investing primarily in US dollar and euro-denominated floating rate CLO mezzanine debt securities, as well as US high yield securities. CLOs are highly diversified pools of primarily first-lien senior secured bank loans, with diversified exposure to typically at least 150-200 issuers. Over the past 20 years, CLO mezzanine debt securities have experienced significantly lower defaults than corporate bonds of equivalent rating, an indication of the structural protections afforded to investors.

Neuberger Berman has a large and experienced non-investment grade and structured credit team, with 23 dedicated credit research analysts providing in-depth coverage for loans in CLO portfolios. The team also has a long history of issuing and managing CLOs having issued 28 CLOs to date.

"CLO debt can offer economic and fundamental advantages over other asset classes and is typically issued with significant credit enhancement to absorb credit losses in the underlying loan portfolios. Neuberger Berman's combined strengths of fundamental credit research, CLO structuring and legal expertise offers a unique position to seek to maximize this investment opportunity," van Schie says.

Dik van Lomwel, Head of EMEA and Latin America at Neuberger Berman, adds: "We have seen significant interest from clients who are comfortable with non-investment grade credit and are looking to capture the additional yield and fundamental credit enhancement offered by CLO debt. We are pleased to be able to extend our offering with this CLO UCITS fund designed for sophisticated investors."

The Fund is a sub-fund of the Irish-domiciled UCITS fund umbrella, Neuberger Berman Investment Funds plc. It is registered for sale in the UK and across the European Union and is in the process of being registered in Switzerland.

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For further information please contact:

Neuberger Berman, Joanna Pope, + 44 203 214 9087, Joanna.Pope@nb.com

About Neuberger Berman

Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager. The firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity and hedge funds—on behalf of institutions, advisors and individual investors globally. With offices in 20 countries, Neuberger Berman's team is more than 2,000 professionals. For four consecutive years, the company has been named first or second in Pensions & Investments Best Places to Work in Money Management survey (among those with 1,000 employees or more). Tenured, stable and long-term in focus, the firm fosters an investment culture of

fundamental research and independent thinking. It manages \$304 billion in client assets as of June 30, 2018. For more information, please visit our website at www.nb.com.

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