Neuberger Berman Global Sustainable Equity Fund

ARSN 641 099 738

Annual report

For the year ended 30 June 2023

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For the year ended 30 June 2023

Contents

This annual report covers Neuberger Berman Global Sustainable Equity Fund as an individual entity.

The Responsible Entity of Neuberger Berman Global Sustainable Equity Fund is Neuberger Berman Australia Limited (ABN 90 146 033 801) (AFSL 391401).

The Responsible Entity's registered office is:

Level 14, 500 Collins Street
Melbourne, VIC 3000.

Directors' report

The directors of Neuberger Berman Australia Limited, the Responsible Entity of Neuberger Berman Global Sustainable Equity Fund (the “Fund”), present their report together with the financial statements of the Fund for the year ended 30 June 2023.

Principal activities

The Fund invests primarily in a portfolio of equity securities that are listed or traded on global exchanges in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution. The Fund may use derivatives to manage foreign exchange or interest rate risk for portfolio management purposes.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Neuberger Berman Australia Limited
Investment Manager	Neuberger Berman Asset Management Ireland Limited
Custodian and Administrator	JPMorgan Chase Bank, N.A.
Statutory Auditor	Ernst & Young

Directors

The following persons held office as directors of the Responsible Entity during or since the end of the year and up to the date of this report:

Paul O’Halloran

Jason Henchman

Matthew Thompson

Heather Zuckerman

Review and results of operations

During the year, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund’s performance was (19.40%) (net of fees) for the year ended 30 June 2023. The Fund’s benchmark, the MSCI World Net Total Return Index (AUD) returned 22.43% for the same year.

Directors' report (continued)

Review and results of operations (continued)

The performance of the Fund, as represented by the results of its operations, was as follows:

	Year ended	
	30 June 2023	30 June 2022
Profit/(loss) before finance costs attributable to unit holders for the year ($)	930,314	(1,081,855)
Distributions - I class		
Distributions paid and payable ($)	-	-
Distributions (cents per unit)	-	-
Distributions - N class		
Distributions paid and payable ($)	-	-
Distributions (cents per unit)	-	-
Distributions - W class		
Distributions paid and payable ($)	-	-
Distributions (cents per unit)	-	-

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may have a significant effect on:

(i) the operations of the Fund in future financial years; or

(ii) the results of those operations in future financial years; or

(iii) the state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of the Responsible Entity or the auditor of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnification of auditor

The Responsible Entity has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify the auditor of the Fund against a liability incurred as auditor.

Directors' report (continued)

Fees paid to and interests held in the Fund by the Responsible Entity and its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 13 to the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are also disclosed in Note 13 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 6 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Rounding of amounts to the nearest dollar

Amounts in the Directors' report have been rounded to the nearest dollar in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191,* unless otherwise indicated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors of Neuberger Berman Australia Limited through a delegated authority given by Neuberger Berman Australia Limited's Board.

Paul O'Halloran
Director

Melbourne
27 September 2023

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Auditor's independence declaration to the Directors of Neuberger Berman Australia Limited as the Responsible Entity of Neuberger Berman Global Sustainable Equity Fund

As lead auditor for the audit of the financial report of Neuberger Berman Global Sustainable Equity Fund for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young

Ernst & Young

Rohit Khanna
Partner
27 September 2023

Statement of comprehensive income

	Note	Year ended 30 June 2023 $	30 June 2022 $
Investment income			
Interest income from financial assets at fair value through profit or loss		**387**	-
Dividend and distribution income		**48,825**	31,852
Net realised loss on investment securities transactions		**(107,394)**	(52,201)
Net change in unrealised gain/(loss) on investment securities transactions		**1,046,166**	(1,016,921)
Net loss on foreign currency transactions		**(875)**	(2,550)
Other income		**1**	-
Total investment income/(loss)		**987,110**	(1,039,820)
Expenses			
Management fees and costs	13	**41,884**	32,063
Withholding taxes		**8,108**	4,149
Transaction costs		**6,310**	3,419
Other expenses		**494**	2,404
Total expenses		**56,796**	42,035
Profit/(loss) before finance costs attributable to unit holders for the year		**930,314**	(1,081,855)
Finance costs attributable to unit holders			
Distributions to unit holders	7	**-**	-
(Increase)/decrease in net assets attributable to unit holders	6	**(930,314)**	1,081,855
Profit/(loss) for the year		**-**	-
Other comprehensive income		**-**	-
Total comprehensive income for the year		**-**	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

		As at	
		30 June 2023	30 June 2022
	Note	**$**	$
Assets			
Cash and cash equivalents	8	**27,340**	46,054
Receivables	10	**8,830**	5,167
Financial assets at fair value through profit or loss	5	**5,945,643**	4,484,014
Total assets		**5,981,813**	4,535,235
Liabilities			
Payables	11	**11,782**	32,068
Total liabilities (excluding net assets attributable to unit holders)		**11,782**	32,068
Net assets attributable to unit holders - liability	6	**5,970,031**	4,503,167

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Year ended	
	30 June 2023	30 June 2022
	$	$
Total equity at the beginning of the financial year	**-**	-
Comprehensive income for the financial year		
Profit/(loss) for the year	**-**	-
Other comprehensive income	**-**	-
Total comprehensive income	**-**	-
Transactions with owners in their capacity as owners	**-**	-
Total equity at the end of the financial year*	**-**	-

*Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial year.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

	Note	Year ended 30 June 2023 $	30 June 2022 $
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		**831,557**	1,195,861
Payments for purchase of financial instruments at fair value through profit or loss		**(1,358,050)**	(6,783,573)
Dividends and distributions received		**39,095**	22,686
Transaction costs on purchase of financial instruments at fair value		**(6,310)**	(3,419)
Management fees and cost		**(62,498)**	-
Other expenses paid		**(3,322)**	(2,402)
Interest income received from financial assets at fair value through profit or loss		**387**	-
Other income received		**1,140**	-
Net cash outflow from operating activities	9(a)	**(558,001)**	(5,570,847)
Cash flows from financing activities			
Proceeds from applications by unit holders		**599,421**	5,585,022
Payments for redemptions by unit holders		**(62,871)**	-
Distributions paid to unit holders		**-**	-
Net cash inflow from financing activities		**536,550**	5,585,022
Net (decrease)/increase in cash and cash equivalents		**(21,451)**	14,175
Cash and cash equivalents at the beginning of the year		**46,054**	-
Effect of foreign currency exchange rate changes on cash and cash equivalents		**2,737**	31,879
Cash and cash equivalents at the end of the year	8	**27,340**	46,054

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Contents

1 General information

These financial statements cover Neuberger Berman Global Sustainable Equity Fund (the “Fund”) as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 3 June 2020 under the Neuberger Berman Select Opportunities Fund. On 8 September 2021, the Fund changed its name to AUT/Neuberger Berman Global Sustainable Equity Fund and will terminate in accordance with the provisions of the Fund's Constitution or by Law. Although the Fund's registered name is AUT/Neuberger Berman Global Sustainable Equity Fund, for the purpose of the Fund's Product Disclosure Statement and any material prepared and published for use with investors (including these financial statements), the Fund is referred to as Neuberger Berman Global Sustainable Equity Fund).

The Responsible Entity of the Fund is Neuberger Berman Australia Limited (ABN 90 146 033 801) (AFSL 391401) (the "Responsible Entity"). The Responsible Entity's registered office is Level 14, 500 Collins Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The Fund invests primarily in a portfolio of equity securities in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The financial statements were authorised for issue by the directors on the date the Directors’ declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The Responsible Entity of the Fund is a subsidary of Neuberger Berman Group LLC. The information included here represents US GAAP equivalent disclosures that are provided in order to enable the Responsible Entity to avail of certain exemptions available to it under the SEC Custody Rule.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities and net assets attributable to unit holders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(iii) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2023 and have not been early adopted in preparing these financial statements.

None of these are expected to have a material effect on the financial statements of the Fund.

2 Summary of significant accounting policies (continued)

(b) Financial instruments

(i) Classification

- Financial assets

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund's portfolio of financial assets are managed and its performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Equity securities are measured at fair value through profit or loss.

For cash and cash equivalents and receivables, these assets are held in order to collect the contractual cash flows. The contractual terms of these assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial liabilities

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (management fees payable).

(ii) Recognition and derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

(iii) Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Fund measures a financial asset and a financial liability at its fair value. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets or liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within 'Net realised (loss)/gain on Investment securities transactions' in the period in which they arise.

For further details on how the fair value of financial instruments is determined please see Note 5 to the financial statements.

- Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses.

Cash and cash equivalents and receivables are carried at amortised cost.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iv) Impairment

At each reporting date, the Fund shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The Expected Credit Loss (ECL) approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Fund has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

(c) Net assets attributable to unit holders

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders.

The Fund's units are classified as equity when they satisfy the following criteria under AASB 132 *Financial Instruments: Presentation:*

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

The units in the Fund are classified as financial liabilities as they do not meet the requirements of equity in accordance with AASB 132 *Financial Instruments: Presentation*.

The units can be put back to the Fund at any time for cash based on the current redemption price which is equal to a proportionate share of the Fund's net asset value attributable to the unit holders.

The units are carried at the current redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund.

2 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represents the Fund's main income generating activity.

(e) Investment income

(i) Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

(ii) Dividends and distributions

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

Trust distributions are recognised on an entitlement basis.

(f) Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

(g) Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unit holders.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included in the statement of comprehensive income as an expense.

(h) Distributions

The Fund may distribute its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unit holders.

(i) Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. As the Fund's units are classified as financial liabilities, movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

2 Summary of significant accounting policies (continued)

(j) Foreign currency translation

(i) Functional and presentation currency

Balances included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The Fund does not isolate that portion of unrealised gains or losses on financial instruments at fair value through profit or loss which is due to changes in foreign exchange rates. Such fluctuations are included in the net realised gain/(loss) on investment securities transactions.

(k) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and is recognised initially at fair value and subsequently measured at amortised cost.

(l) Receivables

Receivables may include amounts for interest and dividends. Dividends and trust distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

(m) Payables

Payables include liabilities and accrued expenses owed by the Fund which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

(n) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

(o) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

2 Summary of significant accounting policies (continued)

(p) Use of estimates and judgements

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund’s financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations, require management to make estimates and judgements. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Fund estimates that the ECL derived from using impairment model, has not materially impacted the Fund. Please see Note 3 for more information on credit risk.

For more information on how fair value is calculated refer to Note 5 to the financial statements.

(q) Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191* relating to the “rounding off” of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest dollar, unless otherwise indicated.

(r) Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3 Financial risk management

The Fund’s activities expose it to a variety of financial risks including market risk (which incorporates price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Fund’s overall risk management programme focuses on ensuring compliance with the Fund’s Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund’s financial performance. The Fund’s policy allows it to use derivative financial instruments in managing its financial risks.

All investments present a risk of loss of capital. The maximum loss of capital on long equity securities and unit trusts is limited to the fair value of those positions. The maximum loss of capital on derivatives is limited to the notional contract values of those positions.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, Neuberger Berman Asset Management Ireland Limited (the "Investment Manager") under an Investment Management Agreement (IMA) approved by the Responsible Entity and containing the investment strategy and guidelines of the Fund, consistent with those stated in the Product Disclosure Statement.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

3 Financial risk management (continued)

(a) Market risk

(i) Price risk

The Fund is exposed to price risk on equity securities listed or quoted on recognised securities exchanges. Price risk arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk.

Price risk is managed through diversification of the investment portfolio across countries, sectors and securities. The Investment Manager moderates this risk by the selection of countries, sectors and securities within the limits set by its internal disciplines. Portfolio weights of countries, sectors and securities are reviewed daily by the Investment Manager. In addition, these positions are reviewed at weekly and monthly meetings by the portfolio managers of the Investment Manager. The process assumes that adequate diversification can be obtained by limited portfolio holdings relative to the weight of the country or sector in the benchmark. The portfolio remains exposed to general market declines that are not limited to a single country or region. The objective is to limit risk through diversification.

The Investment Manager uses a number of quantitative techniques to assess the impact of market risks including credit events, changes in interest rates, credit spreads and recovery values on the Fund’s investment portfolio. The Investment Manager uses Value at Risk (“VaR”) analysis, a technique widely used by financial institutions to quantify, assess, and report market risks. VaR is a statistical framework that supports the quantification of market risk within a portfolio at a specified confidence interval over a defined holding period. VaR seeks to quantify the expected maximum dollar losses that may result from the interactive behaviour of all material market prices, spreads, volatilities, and rates based on the historically observed relationships between these markets.

Although the use of derivatives (whether for hedging or investment purposes) may give rise to additional leveraged exposure, any such additional exposure will be covered and will be risk managed using the VaR methodology. The Investment Manager monitors portfolio risk using market factor exposures on a daily basis.

Potential market risk is calculated using the factor model approach. VaR is calculated and reported automatically each day using the closing prices and market information of the most recent business day. Depending on the application of the risk statistics, various confidence levels (such as 99%) and time horizons (weeks, months, or year) might be selected.

(ii) Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

Foreign exchange risk is managed as a part of price risk and measured using VaR analysis.

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign Exchange Risk (continued)

The table below summarises the fair value of the Fund's financial assets and liabilities, monetary and non-monetary, which are denominated in a currency other than the Australian dollar.

	US Dollars	Euro	British Pounds	All other foreign currencies
As at 30 June 2023	**AUD**	**AUD**	**AUD**	**AUD**
Cash and cash equivalents	**20,501**	**-**	**-**	**-**
Receivables	**735**	**-**	**2,549**	**3,526**
Financial assets held at fair value through profit or loss	**4,219,233**	**743,373**	**166,733**	**816,304**
Net exposure	**4,240,469**	**743,373**	**169,282**	**819,830**
Net increase/(decrease) in exposure from forward currency contracts	**-**	**-**	**-**	**-**
Net exposure including forward currency contracts	**4,240,469**	**743,373**	**169,282**	**819,830**
As at 30 June 2022				
Cash and cash equivalents	46,054	-	-	-
Receivables	641	-	2,782	1,741
Financial assets held at fair value through profit or loss	3,284,724	481,797	160,164	557,329
Net exposure	3,331,419	481,797	162,946	559,070
Net increase/(decrease) in exposure from forward currency contracts	-	-	-	-
Net exposure including forward currency contracts	3,331,419	481,797	162,946	559,070

(iii) Interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk.

Interest rate risk management is undertaken by maintaining as close to a fully invested position as possible thus limiting the exposure of the Fund to interest rate risk.

(b) Summarised VaR Analysis

Value-at-risk ("VaR") VaR is a statistical technique that attempts to summarise the exposure of a given portfolio to market risk by making assumptions about the expected probability distribution of future portfolio returns. VaR represents the maximum reasonable loss that an investor could expect during a time period, with a given probability. In order to estimate this future market risk, VaR assumes a normal or "bell shaped" curve of future portfolio returns and uses the unique characteristics of the normal distribution primarily symmetry of future returns both higher and lower than the average future return to estimate the amount of the possible future losses.

To calculate VaR, the Responsible Entity uses the historic price volatility and correlations of current portfolio holdings to calculate both the historic average return and the historic standard deviation of returns around the average. These statistics are then extrapolated into the future using the assumption of normal distribution to calculate an expected loss if the future portfolio return volatility behaves according to these assumptions. The VaR calculation presented here for the Fund use a 99% confidence interval and assumes a 1 month holding period.

3 Financial risk management (continued)

(b) Summarised VaR Analysis (continued)

Assumptions and limitations of VaR

The calculation process involves gathering the historical price volatility and correlations of the current portfolio holdings to arrive at an estimate of predicted future volatility and expected risk of loss. These limitations and the nature of the VaR measures mean that the Fund can neither guarantee that losses will not exceed the VaR amounts indicated nor that losses in excess of the VaR amounts will not occur more frequently than is stipulated by the model. VaR represents the probable expected loss that could be experienced during a given period - not the maximum loss that an investor could experience. It must be noted however that while the VaR model is an important and valuable risk management tool, it cannot and does not take account of all possible market conditions and extremities that may impact market price risk. For further information regarding market price risk and other risk factors please refer to the Fund's Product Disclosure Statement.

The following table summarises the estimated market risk impact to the profitability of the Fund. The estimated impact has been calculated on the basis of a VaR number incorporating market price and currency into an overall return risk.

	VaR Factor	Net assets attributable to unit holders	Estimated impact of net assets attributable to unit holders
	%	$	$
As at 30 June 2023	**10.64**	**5,970,031**	**635,211**
As at 30 June 2022	13.14	4,503,167	591,926

Not all risks to which the portfolio may be exposed are intended to be captured by the VaR and, in particular, the framework does not seek to capture liquidity risk, counterparty credit risk, or extreme credit events such as an issuer default. In practice, the actual trading results will differ from the VaR and may not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored to test the validity of the assumptions and parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Fund would withstand an extreme market event.

(c) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

The Fund does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Fund is exposed, arises from cash and cash equivalents, receivables and due from brokers balances. None of these assets are impaired nor past their due date. The maximum exposure to credit risk at the reporting date is the carrying amount of these balances at the reporting date.

(d) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests or to fund foreign exchange related cash flow requirements.

Liquidity risk is managed by investing the majority of its assets in investments that can be readily disposed off.

In order to manage the Fund’s overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Fund did not reject or withhold any redemptions during 2023 and 2022.

(i) Maturities of non-derivative financial liabilities

All non-derivative financial liabilities of the Fund in the current year have maturities of less than 1 month .

3 Financial risk management (continued)

(d) Liquidity risk (continued)

(e) Derivative contracts

The Fund may transact in a variety of derivative instruments including swaptions, forward currency contracts, futures contracts, contracts for differences, equity, index and currency options contracts, interest rate, credit default, cross currency, inflation and total return swap contracts.

Typically derivatives serve as components of the Fund's investment strategy and are utilized primarily to structure and hedge investments, to enhance performance and reduce risk to the Fund (the Fund does not designate any derivative as a hedging instrument for hedge accounting purposes). The Fund uses financial derivative instruments to economically hedge its risks associated primarily with interest rate and foreign currency fluctuations.

Derivatives may also be used for trading purposes where the Investment Manager believes this would be more effective than investing directly in the underlying financial instruments. Derivatives often reflect, at their inception only a mutual exchange of promises with little or no transfer of tangible consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the underlying of a derivative contract may have a significant impact on the profit or loss of the Fund.

The Investment Manager closely monitors the Fund's exposure under derivatives as part of the overall management of the Fund. The Fair Value of these derivative instruments is included in the statement of financial position with changes in Fair Value included in Net gain/(loss) on Financial Assets and Liabilities at Fair Value through Profit and Loss Account.

The Fund does not have any derivatives contract including forward currency contracts as at the end of reporting year.

4 Fair value measurement

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets at fair value through profit or loss (see Note 5)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Unadjusted quoted prices in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

4 Fair value measurement (continued)

(a) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as listed equity securities and listed unit trusts) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the current bid price; the quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(b) Fair value in an inactive or unquoted market (level 2)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

(c) Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2023 and 30 June 2022.

	Level 1 $	Level 2 $	Level 3 $	Total $
As at 30 June 2023				
Financial assets				
International equity securities listed on a prescribed stock exchange	**5,945,643**	**-**	**-**	**5,945,643**
Total financial assets	**5,945,643**	**-**	**-**	**5,945,643**
As at 30 June 2022				
Financial assets				
International equity securities listed on a prescribed stock exchange	4,484,014	-	-	4,484,014
Total financial assets	4,484,014	-	-	4,484,014

4 Fair value measurement (continued)

(d) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

(e) Financial instruments not carried at fair value

The carrying values of receivables and payables approximate their fair values due to their short-term nature.

5 Financial assets at fair value through profit or loss

	As at	
	30 June 2023	30 June 2022
	$	$
International equity securities listed on a prescribed stock exchange	**5,945,643**	4,484,014
Total financial assets at fair value through profit or loss	**5,945,643**	4,484,014

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 and Note 4 to the financial statements.

6 Net assets attributable to unit holders - liability

Movements in the number of units and net assets attributable to unit holders during the year were as follows:

	Year ended		Year ended	
	30 June 2023	**30 June 2023**	30 June 2022	30 June 2022
	Units	**$**	Units	$
I class				
Opening balance	**99,900**	**80,605**	-	-
Applications	**-**	**-**	99,900	100,000
Redemptions	**-**	**-**	-	-
Units issued upon reinvestment of distributions	**-**	**-**	-	-
Increase/(decrease) in net assets attributable to unit holders	**-**	**15,725**	-	(19,395)
Closing balance	**99,900**	**96,330**	99,900	80,605

6 Net assets attributable to unit holders - liability (continued)

	Year ended		Year ended	
	30 June 2023	**30 June 2023**	30 June 2022	30 June 2022
	Units	**$**	Units	$
N class				
Opening balance	**184,534**	**149,098**	-	-
Applications	**685,353**	**599,421**	184,534	175,000
Redemptions	**(67,084)**	**(62,871)**	-	-
Units issued upon reinvestment of distributions	**-**	**-**	-	-
Increase/(decrease) in net assets attributable to unit holders	**-**	**90,412**	-	(25,902)
Closing balance	**802,803**	**776,060**	184,534	149,098

	Year ended		Year ended	
	30 June 2023	**30 June 2023**	30 June 2022	30 June 2022
	Units	**$**	Units	$
W class				
Opening balance	**5,304,717**	**4,273,464**	-	-
Applications	**-**	**-**	5,304,717	5,310,022
Redemptions	**-**	**-**	-	-
Units issued upon reinvestment of distributions	**-**	**-**	-	-
Increase/(decrease) in net assets attributable to unit holders	**-**	**824,177**	-	(1,036,558)
Closing balance	**5,304,717**	**5,097,641**	5,304,717	4,273,464

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund.

There are three separate classes of units. Each unit within the same class has the same rights as all other units within that class. Each unit class has a different management fee rate and investment restrictions.

Units are redeemed on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

The Fund considers its net assets attributable to unit holders as capital, notwithstanding that net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unit holders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

7 Distributions to unit holders

There are no distributions declared during the current year and previous year.

8 Cash and cash equivalents

	As at	
	30 June 2023	30 June 2022
	$	$
Cash at bank	**6,839**	-
Cash at bank - Foreign	**20,501**	46,054
Total cash and cash equivalents	**27,340**	46,054

9 Reconciliation of profit/(loss) to net cash outflow from operating activities

	Year ended	
	30 June 2023	30 June 2022
	$	$
(a) Reconciliation of profit/(loss) to net cash outflow from operating activities		
Increase/(decrease) in net assets attributable to unit holders	**930,314**	(1,081,855)
Proceeds from sale of financial instruments at fair value through profit or loss	**831,557**	1,195,861
Payments for purchase of financial instruments at fair value through profit or loss	**(1,358,050)**	(6,783,573)
Net realised and unrealised (gain)/loss on investment securities transactions(including FX (gains)/losses)	**(937,897)**	1,071,673
Net change in receivables	**(3,639)**	(5,021)
Net change in payables	**(20,286)**	32,068
Net cash outflow from operating activities	**(558,001)**	(5,570,847)
(b) Non-cash operating and financing activities		
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plans	**-**	-
Total non-cash operating and financing activities	**-**	-

10 Receivables

	As at	
	30 June 2023	30 June 2022
	$	$
Dividends receivable	**3,284**	2,999
Withholding tax receivable	**3,526**	2,165
RITC receivable	**2,020**	3
Total receivables	**8,830**	5,167

11 Payables

	As at	
	30 June 2023	30 June 2022
	$	$
Management fees and costs payable	**11,449**	32,063
Other payables	**333**	5
Total payables	**11,782**	32,068

12 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditors of the Fund:

	As at	
	30 June 2023	30 June 2022
	$	$
Audit and other assurance services		
Audit of the financial statements - Ernst & Young	**17,500**	17,160
Audit of compliance plan - PricewaterhouseCoopers	**-**	49,500
Total auditor remuneration and other assurance services	**17,500**	66,660
Taxation services		
Tax compliance services	**11,138**	-
Total remuneration for taxation services	**11,138**	-
Total remuneration of PricewaterhouseCoopers	**28,638**	-

13 Related party transactions

The Responsible Entity of the Neuberger Berman Global Sustainable Equity Fund is Neuberger Berman Australia Limited (ABN 90 146 033 801) (AFSL 391401).

Neuberger Berman Australia Limited is incorporated in Australia. The Fund does not employ personnel in its own right. However, it is required to have an incorporated Responsible Entity to manage the activities of the Fund and this is considered the key management personnel.

The Responsible Entity has contracted services to Neuberger Berman Asset Management Ireland Limited, to act as Investment Manager for the Fund, and JPMorgan Chase Bank, N.A. to act as Custodian and Administrator for the Fund. The contracts are on normal commercial terms and conditions.

(a) Key management personnel

(i) Directors

Key management personnel include persons who were directors of the Responsibility Entity at any time during or since the end of the financial year and up to the date of this report.

Paul O'Halloran

Jason Henchman

Matthew Thompson

Heather Zuckerman

(ii) Responsible Entity

Other than fees paid to the Responsible Entity, there were no other transactions.

(iii) Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the financial year.

(b) Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

(c) Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 30 June 2023 (30 June 2022: nil).

(d) Key management personnel compensation

Key management personnel are paid by Neuberger Berman Australia Limited. Payments made from the Fund to Neuberger Berman Australia Limited do not include any amounts directly attributable to the compensation of key management personnel.

(e) Key management personnel loans

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to key management personnel or their personally related entities at any time during the reporting period.

(f) Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving management personnel's interests existing at year end.

13 Related party transactions (continued)

(g) Management costs and other transactions

Under the terms of the Fund's Constitution and Product Disclosure Statement for the Fund, the Responsible Entity is entitled to charge management fees and costs to the Fund.

The transactions during the year and amounts payable as at year end between the Fund, the Investment Manager were as follows:

	Year ended	
	30 June 2023	30 June 2022
	$	$
Management fees and costs for the year	**41,884**	32,063
Management fees and costs payable at year end	**11,449**	32,063

For information on how management fees and costs are calculated please refer to the Fund's Product Disclosure Statement.

The management fees and costs (other than indirect costs) borne by the Fund are paid to the Responsible Entity, who in turn provides the on-payment of the fees to the respective service providers. Expense recoveries include investment management fees, custodian and administrator fees and other expenses.

(h) Related party unit holdings

The Responsible Entity, its related parties and other funds managed by the Responsible Entity did not hold any units in the Fund as at 30 June 2023 (30 June 2022: nil).

(i) Investments

The Fund did not hold any investments in funds also managed by the Responsible Entity or its related parties during the year (30 June 2022: nil).

14 Schedule of Investments

Sector	Shares held	Value (AUD)	% holding
Common Stocks (Cost: AUD 5,916,398)			
Communication Services		**620,505**	**10%**
Alphabet, Inc.	2,000	359,648	
Match Group, Inc.	1,193	74,987	
Netflix, Inc.	281	185,870	
Consumer Discretionary		**621,259**	**10%**
Amazon.com, Inc.	1,742	340,942	
NIKE, Inc.	992	164,392	
Ulta Beauty, Inc.	164	115,925	
Consumer Staples		**631,010**	**11%**
Bakkafrost P/F	1,847	166,273	
Estee Lauder Cos., Inc.	562	165,793	
HelloFresh SE	2,824	104,883	
L'Oreal SA	142	99,402	
Nestle SA (Registered)	524	94,659	
Financials		**1,164,760**	**20%**
3i Group plc	4,486	166,733	
Adyen NV	63	163,745	
Brown & Brown, Inc.	1,217	125,841	
Mastercard, Inc.	205	121,020	
Moody's Corp.	263	137,389	
Nasdaq, Inc.	1,193	89,307	
Partners Group Holding AG	71	100,314	
S&P Global, Inc.	240	144,541	
Visa, Inc.	325	115,870	
Health Care		**966,054**	**16%**
Abbott Laboratories	491	80,401	
Danaher Corp.	319	115,063	
Elevance Health, Inc.	198	132,093	
Novo Nordisk A/S	396	95,954	
Straumann Holding AG (Registered)	264	64,324	
Thermo Fisher Scientific, Inc.	244	191,117	
UnitedHealth Group, Inc.	305	220,151	
Zoetis, Inc.	259	66,951	
Industrials		**538,865**	**9%**
Alfen N.V.	1,545	155,784	
Assa Abloy AB	2,319	83,666	
Atlas Copco AB	4,350	93,868	
Nordson Corp.	237	88,302	
Recruit Holdings Co. Ltd.	1,400	66,312	
VAT Group AG	82	50,933	
Information Technology		**1,403,190**	**24%**
Adobe, Inc.	264	193,849	
Applied Materials, Inc.	510	110,711	
ASML Holding NV	142	154,282	
Intuit, Inc.	216	148,622	
Microsoft Corp.	981	501,502	
SolarEdge Technologies, Inc.	175	70,652	
Synopsys, Inc.	242	158,295	
TeamViewer SE	2,702	65,277	
Total Investment		**5,945,643**	**100%**
Other assets less liabilities		**24,388**	**-**
Net Assets		**5,970,031**	**100%**

15 Financial highlights

Financial highlights for the year ended 30 June 2023 are as follows:

	W Class	I Class	N Class
Net Assets Value per unit at inception	$0.8055	$0.8069	$0.8080
Net Asset Value per unit at end of year	$0.9610	$0.9643	$0.9667
Total Return	19.30%	19.51%	19.64%
Ratio of Expenses to Average Net Assets	1.13%	0.93%	0.86%
Ratio of Net Investment Income/(Loss)* to Average Net Assets	(0.19)%	0.01%	0.23%
Portfolio Turnover Rate	16.15%	16.15%	16.15%

* Net Investment Loss is comprised of the following

	Year ended	
	30 June 2023 $	30 June 2022 $
Dividend and distribution income	48,825	31,852
Interest and other income	388	-
Less: Total expenses	56,796	42,035
Net Investment Loss	(7,583)	(10,183)

Please note that the Investment Income/(Loss) listed above is only reflective of the total income less expenses in the Fund. It does not take into account any capital movements within the underlying securities. For a complete overview, please refer to the statement of comprehensive income on Page 5.

Financial highlights for the year ended 30 June 2023 is ($7,583) (30 June 2022: net investment loss $10,183).

16 Events occurring after the reporting period

No significant events have occurred since the end of the year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2023 or on the results and cash flows of the Fund for the year ended on that date.

17 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2023 (30 June 2022: nil).

Directors' declaration

In the opinion of the directors of Neuberger Berman Australia Limited (the "Responsible entity"), the Responsible entity of Neuberger Berman Global Sustainable Equity Fund (the "Fund"):

(a) The financial statements and notes set out on pages 28 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Fund’s financial position as at 30 June 2023 and of its performance for the financial year ended on that date.

(b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

(c) Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration made in accordance with a resolution of the directors.

Signed in accordance with a resolution of the Responsible Entity made pursuant to s.295(5) of the *Corporations Act 2001*.

Paul O'Halloran
Director

Melbourne
27 September 2023

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Independent auditor's report to the unit holders of Neuberger Berman Global Sustainable Equity Fund

Opinion

We have audited the financial report of Neuberger Berman Global Sustainable Equity Fund (the Fund), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Fund is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors of the Neuberger Berman Australia Limited (the 'Responsible Entity') are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Building a better working world

Responsibilities of the directors for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Responsible Entity.

- Conclude on the appropriateness of the directors of the Responsible Entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors of the Responsible Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

Rohit Khanna
Partner
Sydney
27 September 2023

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Independent auditor's report to the unitholders of Neuberger Berman Global Sustainable Equity Fund

The Directors

Neuberger Berman Global Sustainable Equity Fund

We have audited the Neuberger Berman Global Sustainable Equity Fund (the "Fund"), which comprise the statement of financial position, including schedule of investment as of June 30, 2023 and 2022, and the related statements of comprehensive income, changes in equity and cash flows for the years then ended and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund at June 30, 2023 and 2021, and the results of its operations, changes in equity and its cash flows for the years then ended in accordance with Australian Accounting Standards ("AAS").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst & Young

Ernst & Young
Sydney, Australia
27 September 2023