Independent Verification Report

Alignment of NB Impact Strategies with the Operating Principles for Impact Management

Overview
As a signatory of the Operating Principles for Impact Management (the Impact Principles), the Neuberger Berman (“NB”) Internal Audit team performed an independent verification of the alignment of NB’s Impact strategies with the Impact Principles. NB’s Assets Under Management (“AUM”) covered by the Impact Principles (Covered Assets) totals $512.4 million as of 6/30/2022. Covered Assets are comprised of three Impact investment strategies: Private Equity (“PE”) Impact ($329M), Municipal Impact ($176.4M), and US Equity Impact ($7M). The PE Impact strategy is a closed-end private fund. The Municipal Impact strategy is offered as an open-ended 40 Act fund and used to manage various separate accounts. The US Equity Impact strategy is offered as a 40 Act fund and used to manage a seed capital account.

Conclusion
Based on the procedures performed and the evidence obtained, the NB Internal Audit department determined that the Covered Assets complied, in all material respects, with the Impact Principles. The descriptive narrative against each of the principles, as included in the Disclosure Statement for each of the in-scope strategies, fairly presents the impact management systems and processes, and how these are aligned with the Impact Principles as designed and implemented. The total AUM reported as aligned with the Impact Principles (as of 6/30/2022) was properly compiled.

Internal Audit Independence
The Neuberger Berman Internal Audit Department is responsible for evaluating the adequacy of design and operating effectiveness of policies, procedures, and internal controls of functions across the Firm. The Internal Audit department is an independent function and the Head of Internal Audit reports to the Audit Committee Chairman and has an administrative reporting line into the Firm’s Chief of Staff. As of June 30, 2022 the department is staffed with a team of 12 professionals. One employee has 5 years of experience, the remainder have experience ranging from 11 to 32 years. Most team members have graduate degrees (e.g., MBA, MS, etc.) and/or industry certifications (e.g., CPA, CISA, CIA, CTA, CFE, CFSA, Series 7, 63, 66, etc.).

Approach
The NB Internal Audit department performed a limited scope review specific to the alignment of the NB Impact strategies with the Impact Principles, as implemented in actual practice and as described in its Annual Disclosure Statement for each strategy. Internal Audit conducted its review in accordance with the International Standards for the Professional Practice of Internal Audit issued by the Institute of Internal Auditors (IIA). Such Standards require that we plan and perform this engagement to verify whether the Statement is free from material misstatement.

The expectation is that this review will be performed on a cycled basis every 3-4 years for the Impact strategies covered under this Verification statement. The Internal Audit team will perform inquiry procedures with the investment teams managing these strategies on an annual basis to determine if any material changes in methodology would warrant a review outside of the anticipated cycle. Additionally, verification will be performed for any new Impact strategies that are managed in alignment with the Impact Principles within 18 months of the initial launch date.

Assessment Methodology & Scope
Based on its professional judgment, the NB Internal Audit department performed the following procedures in support of the verification process for the Covered Assets (Private Equity Impact, Municipal Impact, and US Equity Impact):
- interviewed NB personnel responsible for managing each of the Impact strategies, as well as those responsible for setting internal expectations for Impact strategies and those responsible for the Disclosure Statement
- performed walkthroughs to verify the information captured in the Disclosure Statement for each of the Impact strategies fairly and accurately represented actual practices that have been implemented by the responsible investment teams
- performed sample testing of the information captured in the Disclosure Statement for each of the Impact strategies to verify that the information was supported through formal documentation and that it was appropriately collected, recorded, aggregated, and reported
- verified the amount of assets under management aligned with the Impact Principles (as of 6/30/2022)
- reviewed the Disclosure Statement for each of the Impact strategies to ensure assumptions and judgements have been clearly disclosed.

The NB Internal Audit department asserts that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.

Please note that the scope of procedures performed included verification that the proprietary methodology utilized by each of the responsible investment teams to measure the impact potential of prospective portfolio holdings was consistently applied, but not a verification of the methodology itself.