NEUBERGER BERMAN

Disclosure Statement: Operating Principles for Impact Management

2022

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, real estate and hedge funds—on behalf of institutions, advisors and individual investors globally. With offices in 25 countries, Neuberger Berman's diverse team has over 2,500 professionals. For eight 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). In 2020, the PRI named Neuberger Berman a Leader, a designation awarded to fewer than 1% of investment firms for excellence in Environmental, Social and Governance (ESG) practices. The PRI also awarded Neuberger Berman an A+ in every eligible category for our approach to ESG integration across asset classes. The firm manages $418 billion in client assets as of June 30, 2022. For more information, please visit our website at www.nb.com.

Neuberger Berman Investment Advisers LLC
1290 Avenue of the Americas
New York, NY 10104
Tel. 212.476.9000

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Neuberger Berman Disclosure Statement
Operating Principles for Impact Management

30 August 2022

I. Statement by Authorized Executive

Neuberger Berman is a founding signatory of the Operating Principles for Impact Management ("the Impact Principles"), a framework adopted by leading global impact investors. We are committed to integrating impact management best practice and through this statement affirm that the Neuberger Berman U.S. Equity Impact, Private Equity Impact, and Municipal Impact strategies including (i) policies and practices and (ii) impact management systems are managed in alignment with the Impact Principles.

This disclosure statement covers $512.4 million of Neuberger Berman's Assets Under Management (the "Covered Assets"), which covers the Neuberger Berman U.S. Equity Impact, Private Equity Impact, and Municipal Impact strategies[1].

Principle 9 requires a regular, independent verification that discloses alignment with the Impact Principles in the form of an independent verification statement. The verification statement is enclosed separately.

Sincerely,

George Walker
CEO and Chairman, Neuberger Berman

[1] As of June 30, 2022.

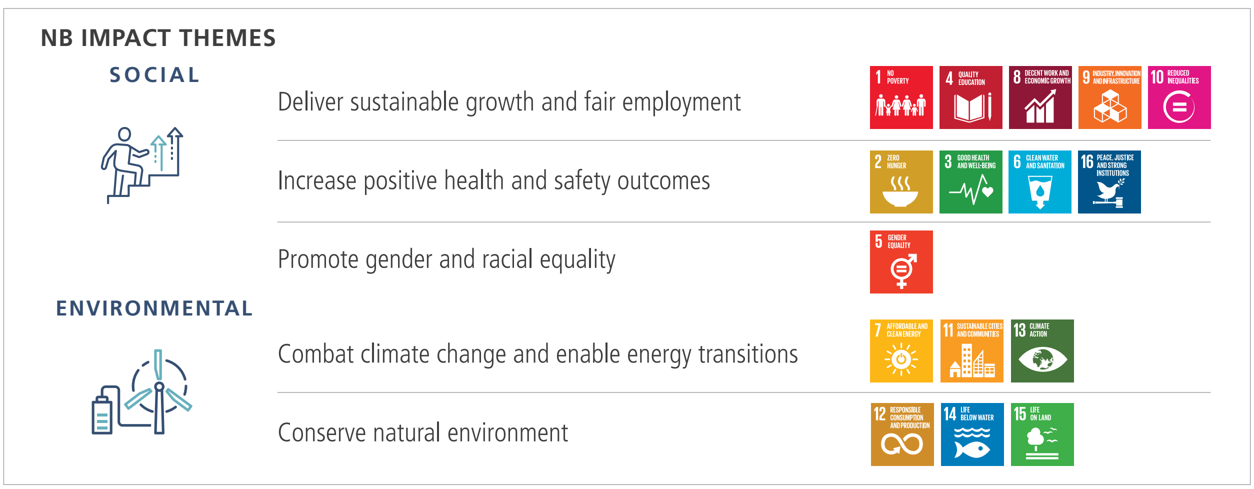
PRINCIPLE 1: Define strategic impact objective(s), consistent with the investment strategy.

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

As an active manager, Neuberger Berman has a long-standing belief that material environmental, social and governance (ESG) factors are an important driver of long-term investment returns from both an opportunity and a risk-mitigation perspective. From our first application of "avoidance screens" in the early 1940s to the launch of our U.S. Sustainable Equity team in 1989, Neuberger Berman has been at the forefront of integrating ESG factors into investment processes.

Neuberger Berman is a leader in environmental, social and governance (ESG) integration and it is integral to our firm. Neuberger Berman was awarded top scores across all categories in the PRI's assessment report of ESG integration efforts as of year-end 2020. The firm obtained the highest score, A+, for its overarching approach to ESG strategy and governance as well as for ESG integration across each asset category in which it reported. Furthermore, the firm has been named to the PRI Leaders Group.[1]

We believe the 17 United Nations' Sustainable Development Goals (SDGs), adopted in 2015 to address the world's most pressing social and environmental challenges by 2030, are important to formulating and communicating objectives of sustainable and impact investment strategies. At Neuberger Berman, we have organized the SDGs into consistent, investable themes and believe investors can contribute to the SDGs by investing in or engaging with companies whose products and services have the potential to deliver significant positive social or environmental outcomes.



Source: UN Nations. For illustrative and discussion purposes only.

[1] Given PRI's decision to delay the opening of the next reporting period until 2023, our 2020 PRI scores remain the most up to date information available. These scores remain up to date. For illustrative and discussion purposes only. PRI grades are based on information reported directly by PRI signatories, of which investment managers totaled 1,924 for 2020, 1,119 for 2019, 1,120 for 2018 and 935 for 2017. All signatories are eligible to participate and must complete a questionnaire to be included. ThE underlying information submitted by signatories is not audited by the PRI or any other party acting on its behalf. Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module houses a variety of indicators that address specific topics of responsible investment. Signatories' answers are then assessed and results are compiled into an Assessment Report. The Assessment Report includes indicator scores, summarizing the individual scores achieved and comparing them to the median; section scores, grouping similar indicator scores together into categories (e.g. policy, assurance, governance) and comparing them to the median; module scores, aggregating all the indicator scores within a module to assign one of six performance bands (from E to A+). Awards and ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf. While every effort has been made to produce a fair representation of performance, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this report. Information about PRI grades is sourced entirely from PRI and Neuberger Berman makes no representations, warranties or opinions based on that information.

U.S. Equity Impact

The Neuberger Berman U.S. Equity Impact Strategy ("U.S. Equity Impact") seeks to invest in U.S.-listed public companies whose products and services have the potential to deliver significant positive social and environmental impact alongside attractive long-term financial returns. The United States faces numerous environmental and societal challenges from climate change to public health and social tensions. The events of recent years have served to accelerate and exacerbate the need for meaningful action to address these challenges. In response to this need, we invest in, and engage with, companies with significant positive impact potential to support their journeys and contribute to positive solutions for people and planet.

Private Equity Impact

The Neuberger Berman Private Equity Impact strategy ("Private Equity Impact") seeks investments that both: 1) achieve positive social and environmental outcomes aligned with the SDGs in a measurable way; and 2) meet NB Private Equity's underwriting standards.

Private Equity Impact identifies companies at the intersection of global macro trends where there is high growth potential and also outsized potential for positive social and environmental impact. We believe the market today is conducive to investing in macrotrends that intersect with solutions to social and environmental challenges – such as climate solutions and the energy transition or access to quality and affordable healthcare with a greater focus on improving long-term health outcomes while driving down costs, and a broader awareness and demand from consumers for more sustainably sourced, manufactured and delivered goods and services. In addition to organizing the SDGs into impact themes, we have also mapped SDG targets to these business models and themes that we would deem investable.

Municipal Impact

The Neuberger Berman Municipal Impact Fund ("Municipal Impact") invests in municipal securities that fund projects that support positive social and environmental outcomes with a bias to underserved communities. It seeks to achieve its objective by strategically allocating capital to issuers and projects that promote the goals and targets of the SDGs. Our bond selection process focuses on two factors, the use of proceeds and the relative need of the community. The process of analyzing use of proceeds involves linking them to the SDGs. For establishing the level of impact for each investment, we have an internal scoring system which is applied to each investment and is also rolled-up to the aggregate portfolio level to measure the overall impact of the Fund. Neuberger Berman has developed computer applications for storing data and measuring overall portfolio scores.

PRINCIPLE 2: Manage strategic impact on a portfolio basis.

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

U.S. Equity Impact

The U.S. Equity Impact team's approach to impact investing is an integrated process focused on three main components: rigorous impact analysis, consideration of ESG factors, and assessment of company financials. We utilize proprietary research tools, datasets, and impact ratio analysis to distill opportunities seeking to effect incremental positive impact. We leverage in-house capabilities and frameworks to underwrite and ensure alignment in material ESG factors that could affect performance. We conduct deep fundamental research into company financials seeking to identify quality businesses with demonstrated records of building shareholder value. These three components are combined to build a focused impact portfolio, where we engage constructively with portfolio companies to better measure and seek to drive incremental positive impact.

We believe the achievement of impact and ESG factors will have a direct impact on the long-term investment performance of the portfolio, especially considering the collinearity between business fundamentals and key impact performance indicators we seek through the investment process. As such, the variable pay of investment professionals is dependent on the overall investment performance, including achievement of impact and ESG considerations. In addition, the investment professionals have specific goals relating to responsible investment in their objectives and performance against these objectives are evaluated in their appraisal process. Lastly, all members of the investment team are personally invested in the strategy for further alignment with financial and impact performance.

Private Equity Impact

As previously mentioned, Private Equity Impact seeks investments that both: 1) achieve positive social and environmental outcomes aligned with the SDGs in a measurable way; and 2) meet NB Private Equity's underwriting standards. To ensure this is uniformly applied to investments, prospective primary, co-investment, and secondary investments for Private Equity Impact undergo the same rigorous due diligence process, including ESG due diligence, as non-impact strategies and are subject to approval by the same NB Private Equity investment committee. The following graphic shows the impact diligence that occurs in parallel:

SDG ALIGNMENT

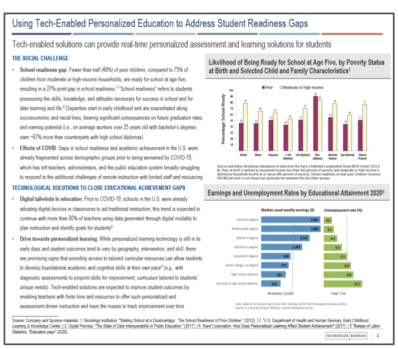
Articulate social or environmental challenge and SDG addressed

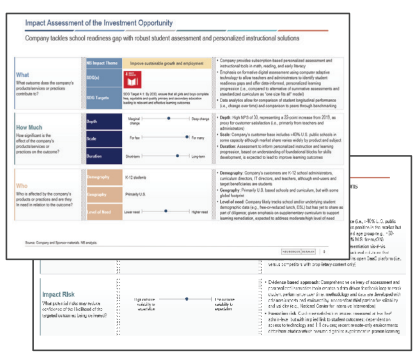
IMPACT DIMENSIONS ANALYSIS

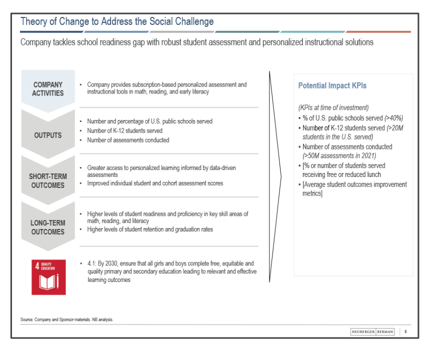
Assess potential impact according to five dimensions of impact

THEORY OF CHANGE

Articulate social or environmental challenge and SDG addressed







Source: UN Nations. For illustrative and discussion purposes only.

While there is no formal integration of ESG information into our remuneration process, we incorporate ESG factors into our investment process, which is tied to overall investment performance, which, in turn, directly impacts the variable pay of investment professionals at all levels. As such, we believe there is an indirect tie between the appropriate integration of ESG issues and the compensation of portfolio managers and analysts.

Municipal Impact

When constructing a portfolio to maximize impact, each investment is scored for both use of proceeds and community need. When analyzing a security, the research analyst discusses these factors with the portfolio manager and the purchase decision will not only take into account the individual securities' impact profile, but how that security will affect the overall portfolio score.

PRINCIPLE 3: Establish the Manager's contribution to the achievement of impact.

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

U.S. Equity Impact

As investors, we believe we can help companies increase impact and unlock value through:

- Early identification of a company's impact potential through proprietary impact ratio analysis and active engagement.
- Partnering with management through engagement in an effort to increase company impact over time through intentionality, capital allocation decisions, industry collaboration and reporting.
- Investments via IPOs, follow-on offerings and private companies (pre-IPO) can provide capital to grow the businesses that may have a positive impact.

Engagement is a central pillar of the U.S. Equity Impact strategy. We deeply value the touch points that we have with our portfolio companies. Through thoughtful, consistent and long-term oriented engagement with corporations, we have the potential to help our portfolio companies maximize their impact potential, while managing for long-term shareholder value. All of our engagements involve direct dialogue with a company. Over 54% of our engagements were with CEOs and CFOs, demonstrating the importance of our long-term relationship with portfolio holdings. The strength of these relationships and our long-term perspective enable us to have direct and meaningful dialogue with companies, which we believe drives a higher likelihood of success in effecting change and positive impact through our engagements.

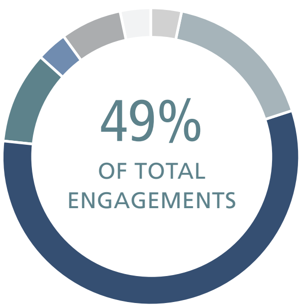
ABOUT OUR APPROACH TO ENGAGEMENT

98%
OF PORTFOLIO COMPANIES ENGAGED WITH

129 | ENGAGEMENT MEETINGS

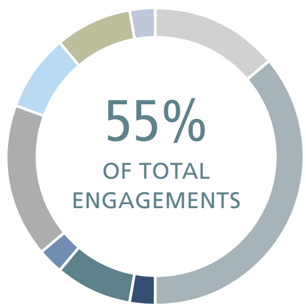
54% | OF ENGAGEMENTS WITH CEO OR CFO

ENVIRONMENTAL



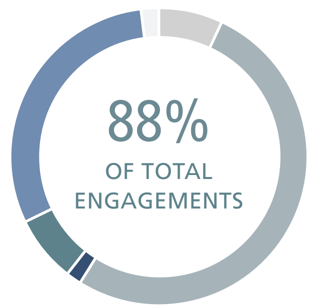
- Climate Change
- Disclosure of Key Environmental Metrics
- Green Opportunities
- Pollution and Mitigation Management
- Support of Relative Frameworks and Policies
- Waste and Water Management

SOCIAL



- Access to Healthcare and Benefits
- Community/Government Relations
- Cybersecurity
- Diversity of Workforce
- Gender
- Health and Safety
- Human Capital Management
- Labor Relations
- Modern Slavery

GOVERNANCE



- Board Independence and Quality
- Capital Structure
- Compensation of Structure
- Disclosure and Financial Control
- Long-Term Business Strategy

Engagements between 1/1/2021 and 12/31/2021 for holdings as of 6/30/2021.

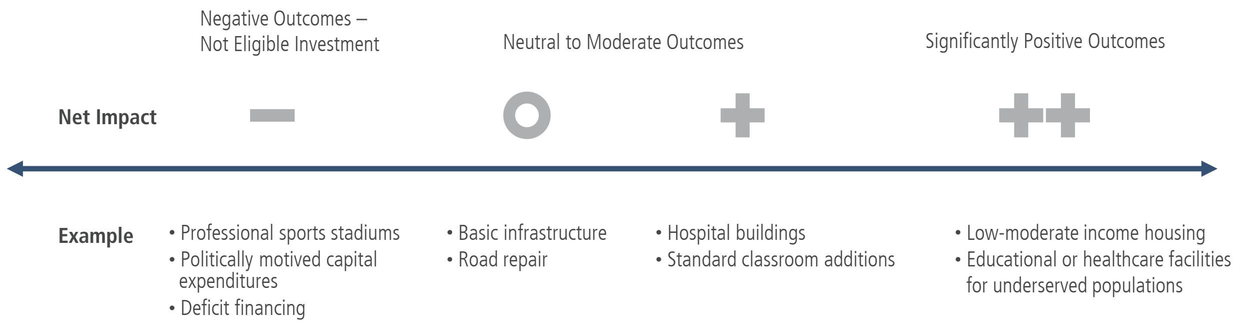
Private Equity Impact

Impact contribution: Private Equity Impact believes that its impact lens can help drive value creation. By supporting managers whose strategies have significant impact potential but may require guidance to realize that potential, , Private Equity Impact believes it can help drive higher exit valuations to acquirers that value additional KPI reporting. Specifically, Private Equity Impact does so by guiding managers to better measure impact performance metrics that are aligned with the value proposition of their portfolio companies.

ESG contribution/engagement: Private Equity Impact additionally engages its GP partners to share ESG best practices and often seeks to play an active leadership role in ESG-related industry collaborations. We believe that engagement with private equity managers on ESG topics is an important part of our role in the ecosystem. We engage with GPs in both seminar and one-on-one settings to provide guidance and support to improve ESG integration policies and practices.

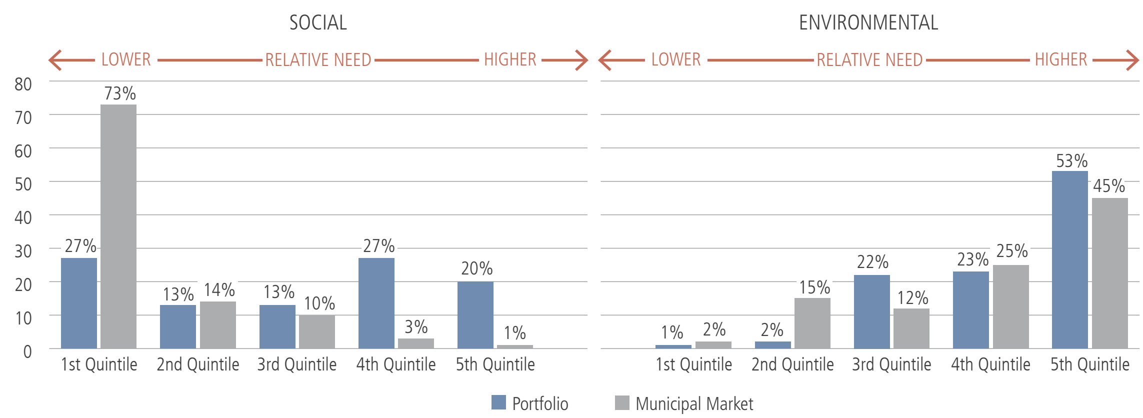
Municipal Impact

Capital allocation toward municipal financing wherein the 'use of proceeds' aligns with the goals and targets of the SDGs, is the primary means of achieving impact. The level of impact of an individual investment is established by looking at two factors, the use of proceeds and the needs of the community. Use of proceeds is measured with a proprietary scoring system called the "Project Impact Spectrum". The system provides a process for scoring project categories and accommodates analyst input and override when impact alignment is idiosyncratic in nature. We seek to purchase bonds with positive or significantly positive scores, although on rare occasions bonds with neutral scores are purchased where the community need is elevated.



The community need factor is determined by looking at median household income to determine wealth levels and U.S. Federal Environmental Protection Agency Air Quality data to gain an understanding of environmental conditions. Our goal is to focus our investments on communities that fall within the third to fifth quintile on one or both of these measurements. We compare this data at the portfolio level to the overall municipal market as represented by the Bloomberg Barclays Municipal Bond Index. Below is a comparison of the Neuberger Municipal Impact Fund versus the index on each measure.

REPRESENTATIVE ACCOUNT AS OF 3/31/2022[1]



Source: Neuberger Berman. Data as of 3/31/2022. Please see attached disclosures. U.S. Census Bureau and U.S. Environmental Protection Agency.

*Based upon a representative account. For illustrative purposes only. This material is intended as a broad overview of the portfolio managers' style, philosophy and investment process and is subject to change without notice. See Additional Disclosures at the end of this presentation. Municipal market is represented by the Bloomberg Barclays Municipal Bond Index

[1] Based on the geographical county in which the issuer is located, Neuberger Berman calculates the social and environmental need based on the median household income and air quality relative to other counties in the U.S. Based on portfolio holdings, we present a weighted average of which quintiles are represented.

PRINCIPLE 4: Assess the expected impact of each investment, based on a systematic approach.

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

U.S. Equity Impact

The U.S. Equity Impact strategy's impact diligence process incorporates both the established Impact Management Project (IMP) framework as well as our proprietary impact ratio analysis. We qualitatively evaluate every company we invest in across the IMP's dimensions of impact in order to assess the alignment of its business with the specific impact target. Supported by real world evidence, the materiality of the outcomes generated by the business are analyzed. We enforce a stringent minimum threshold and conduct this diligence for every investment and all companies on our watchlist.

IMP ANALYSIS

WHAT	What impact themes does the company's products / services address? What outcome(s) do business activities drive? Are the outcomes positive or negative?
HOW MUCH	How significant is the effect of the company's products / services on the targeted impact theme? How much of the outcome occurs in terms of scale, depth and duration?
WHO	Who experiences the outcome? How underserved are the stakeholders in relation to the outcome?
CONTRIBUTION	What is the company's unique contribution to the impact theme?
RISK	What is the risk to people that impact does not occur as expected?

Our proprietary impact ratio analysis requires a deep understanding of a company's potential product outcomes for key stakeholders and adds additional insight to the fundamental investment process. This quantitative analysis and forecasting enables us to compare the relative impact of companies within the same theme and informs our engagement with companies by deepening our understanding of the key operational drivers of positive impact. The impact ratio is calculated on an annual basis. For every holding, we have an impact ratio for the most recent period and an expected ratio for the next year. We monitor impact performance in relation to the expected ratio over time and review where positive and negative impact significantly differed from our estimates.

Private Equity Impact

The impact analysis conducted by Private Equity Impact comprises a four-page template and leverages both the SDGs and Impact Management Project's five dimensions of impact. In addition to characterizing the dimensions of the expected impact (i.e., what, who, how much, contribution, and impact risk), the impact analysis also entails developing a theory of change and evidence base. Part of this theory of change exercise linking a company's activities to observable outputs and short-/long-term outcomes that are supported by an evidence base such as academic research and studies. We utilize this analysis to help inform the identification and measurement of impact KPIs.

As an integrated facet of due diligence, impact diligence questions will be addressed in order to further refine and develop the preliminary impact thesis. The team will also conduct an ESG evaluation of the lead sponsors involved, in addition to assessing the various dimensions of impact and identifying preliminary impact KPIs.

While conducting impact diligence on direct investment opportunities (e.g., co-investments, single-asset secondaries), NB Private Equity seeks to understand the following dimensions of impact:

- What impact themes do the company's products/services address?
- How significant is the effect of the company's products/services on the identified impact theme?
- Who is positively affected by the company's products/services?
- What is the unique contribution of the company's products/services to the identified impact theme? (i.e., if the company did not exist, would the intended outcome occur anyway?)
- What potential risks may reduce the likelihood of the identified impact?

While slightly different, our approach to conducting impact diligence on primary fund managers includes (but is not limited to) the following:

- The fund's investment strategy's potential to contribute to the SDGs;
- Historical track record;
- Investment strategy and philosophy; and
- Commitment to tracking and reporting impact KPIs

WHAT	HOW MUCH	WHO
What impact theme does the company's products/services address?	How significant is the effect of the company's products/services on the targeted impact theme?	Who is positively affected by the company's products/services?
Impact Themes SOCIAL: Improve sustainable growth and employment; Improve health outcomes; Promote gender and racial equality ENVIRONMENTAL: Address climate change and energy needs; Conserve natural environment	**Depth** **Scale** **Duration**	**Demography** **Geography** **Level of Need**
Specific SDG(s) SUSTAINABLE DEVELOPMENT GOALS		

OTHER IMPACT DIMENSIONS	
	Contribution to Impact: What is the unique contribution of the company's products/services to the targeted impact theme? (i.e., if the company did not exist, would the intended outcome occur anyway?) **Potential Impact Risk:** What potential risks may reduce the likelihood of the targeted impact?

Note: For illustrative purposes only.

Municipal Impact

The nature and structure of the municipal bond market makes it an ideal asset class for sustainable and impact investing. The foundation of the municipal market is to fund projects that support and improve local communities, and there is high potential to connect the use of proceeds to impact objectives in addition to fulfilling community need investing objectives. The Municipal Impact strategy focuses on directing capital to bonds that support projects that generate positive social and environmental outcomes for public benefit, with a bias to communities with a higher relative need (who experiences the intended impact). We detail our impact indicator measurement approach in Principle 3. Impact scoring and evaluation is embedded into the investment process, and specifically is a part of the investment requirements in the investment team's order management system. Therefore, to make a new purchase, each investment must meet minimum impact characteristics as it relates to the Project Impact Spectrum.

PRINCIPLE 5: Assess, address, monitor, and manage potential negative impacts of each investment.

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

U.S. Equity Impact

Negative impacts of investments are first considered in the qualitative Impact Management Project score and quantitatively represented in the impact ratio where possible. A minimum threshold is enforced for the Impact Management Project score to avoid any systematic or persistent negative impacts, while also evaluating the risk for negative outcomes to occur. As further support we use ESG integration and various portfolio monitoring tools to surface new negative outcomes. Any negative outcomes are evaluated as a team and if severe enough, we can exit the position or engage with the company to attempt to resolve.

The U.S. Equity Impact team is supported by Neuberger Berman's ESG Investing team and utilizes Neuberger Berman's proprietary ESG Quotient when analyzing current and prospective investments. The ratings are a result of the efforts of Neuberger Berman's Global Equity Research Department working with the ESG Investing team. We believe the strength of our ESG integration is well reflected in our portfolio, which scores a B2 on our NB Quotient (A1-D4 scale). For holdings with a low NB Quotient we pinpoint the drivers, first understanding the weaknesses and then set engagement objectives to address those that are financially material or could jeopardize the impact thesis.

The U.S. Equity Impact strategy also applies an Enhanced Sustainable Exclusion Policy, an exclusion policy designed for our sustainable and impact strategies. The Enhanced Sustainable Exclusions Policy screens out companies that have business involvement in activities that do not meet minimum sustainability criteria. The policy is aligned with European Sustainability labels such as Febelfin's Towards Sustainability.

For more on Neuberger Berman's Enhanced Sustainable Exclusions Policy, please refer to our website: https://www.nb.com/handlers/documents.ashx?id=9f4c417f-be80-43d7-832f-d0afa081b36a&name=Enhanced_Sustainable_Exclusion_Policy_US_version.pdf

Private Equity Impact

Private Equity Impact generally integrates ESG considerations throughout the investment process as it believes this potentially can lead to more consistent and better investment outcomes by helping to identify both material risks and opportunities to drive value. The Neuberger Berman Private Markets Responsible Avoidance Policy (the "Avoidance Policy") is based upon our dual focus on financial performance and protecting and enhancing financial value on behalf of our clients. Tn addition, the Avoidance Policy is consistent with global standards, including the United Nations Global Compact (UNGC) principles, as well as topics related to sanctions, controversial weapons, and Neuberger Berman's Thermal Coal Involvement Policy.[2]

As previously mentioned, prospective primary, co-investment, and secondary investments for Private Equity Impact undergo the same rigorous due diligence process, including ESG due diligence, as non-impact strategies and are subject to approval by the same NB Private Equity investment committee.

[2] The Neuberger Berman Private Markets Responsible Avoidance Policy covers certain primary, direct co-investment, secondary and private debt/credit strategies. This policy available to implement for certain mandates and funds, as applicable.

When conducting diligence on primary fund commitments, NB Private Equity investment teams are able to utilize our proprietary Manager ESG Scorecard to assess the lead GP's level of ESG integration at both the firm and the fund strategy level based on industry best practices. Our Manager ESG Scorecard assesses the GP's commitment to ESG by evaluating the firm's ESG policy and governance, ESG objectives and how well ESG is incorporated into the investment process (due diligence and selection, ownership, and ongoing monitoring and reporting). Our Manager ESG Scorecard results in a weighted quantitative score (on a scale of 1 to 4) that can be tracked over time. Importantly, it can serve as a starting point for engagement with GPs on areas of improvement.

When conducting due diligence on companies (e.g., direct co-investment, private debt, capital solutions, and GP-led secondary), the investment team can utilize the proprietary NB Materiality Matrix to assess industry specific ESG factors that are likely to be financially material (informed by the firm's research analysts) as well as the lead GP's level of ESG integration based on our Manager ESG Scorecard. In 2021, NB Private Equity began seeking to collect carbon footprint and intensity data on potential direct co-investments, to the extent companies were already reporting such information.

In addition to monitoring investments for ESG issues as a part of our ongoing dialogue with the GP, NB Private Equity leverages data analytics to track publicly available information to flag significant ESG-related issues, when applicable.

Municipal Impact

Neuberger Berman considers the assessment of material ESG risks as an integrated part of traditional investment analysis, with a particular focus on risk mitigation. Neuberger Berman's security selection is informed by a traditional municipal credit process that has integrated qualitative ESG factors related to governance, and data on climate risk and social factors, where material. We consider strong governance practices to be essential to an issuer's ability to monitor and manage material ESG risks. As such, we examine the relevant budgetary discipline and political environment in order to assess the fiscal resilience of investments in the portfolio.

PRINCIPLE 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

The Manager shall use the results framework (referenced in Impact Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

U.S. Equity Impact

Our proprietary impact ratio is calculated on a 1-year basis. A historical ratio is generated for the most recent period and a forward-looking estimated ratio is generated for the next year. The responsibility for data collection and estimation lies with the covering analysts. Data sources include but are not limited to company disclosures, academic papers, industry research, government cost benefit analysis and ESG data providers (e.g., MSCI, TruCost, ISS-Oekom). On an annual basis, the team compares achieved impact ratio performance against what was expected. These outcomes are shared with clients in the U.S. Equity Impact Strategy Annual Report.

Our approach to buying and selling portfolio holdings seeks to maximize upside potential while minimizing downside risk. Disciplined sell decisions can be made based on a number of factors including:

- a price target achieved;
- superior opportunities available elsewhere;
- and/or research indicates deteriorating fundamental, the impact thesis proves wrong or significant negative impact arises.

Private Equity Impact

Private Equity Impact's approach to impact metric selection and reporting is grounded in several key principles:

- Prioritize impact key performance indicators: Private Equity Impact works closely with GPs and companies to understand the metrics that are useful to managing and improving the businesses, as well as align with Private Equity Impact's impact thesis
- Built on foundation of evidence: Private Equity Impact grounds its impact metrics in a theory of change for each investment, supported by a robust evidence base. Private Equity Impact articulates a theory of change to demonstrate the link between the social or environmental challenge being addressed and the positive social or environmental outcomes measured by impact Key Performance Indicators (KPIs)
- Aligned with industry standards: Private Equity Impact leverages industry standards, where appropriate, when identifying and reporting impact metrics. In particular, Private Equity Impact believes it aligns itself with the SDGs and applies the Impact Management Project framework

The graphic below shows how impact measurement and management is integrated throughout the Private Equity Impact investment and decision-making process:

SOURCING
Assess potential impact measurability

- NB considers investment opportunities that align to identified SDG themes whereby the positive social/environmental impact potential is core to the business model or fund strategy
- NB evaluates the ability to map measurable impact outcomes to SDG indicators

DUE DILIGENCE
Identify potential impact metrics

- NB conducts impact due diligence and prepares a dedicated impact section for the IC memo
- NB articulates the impact challenge to be addressed and builds an evidence base
- NB assesses the investment's expected impact using a framework aligned with the IMP's Five Dimensions of Impact
- NB develops a theory of change to link the company activities to long-term outcomes aligned with SDG indicators, which inform the impact KPIs

POST-APPROVAL
Monitor and report impact performance

- NB collects impact KPIs from GPs and companies on an annual basis, which supplements regular, ongoing investment monitoring
- NB generates an annual impact report, which includes impact KPIs at the time of investment and during the ownership period. Quantitative metrics are complemented by qualitative components such as case studies

Note: For illustrative purposes only.

Private Equity Impact aggregates annual impact and ESG KPIs for its underlying portfolio investments and shares these with investors in its Annual Impact Report.

Municipal Impact

Municipal Impact's approach is to target specific projects that have a clear and compelling potential for social and environmental impact as opposed to building a portfolio based on meeting a minimum or threshold level of impact achievement. As described in Principle 3, a proprietary Community Needs Assessment guides security selection and capital allocation towards maximizing positive impact through SDG-aligned investment opportunities in underserved populations. To monitor our approach and the continuing alignment of investments with impact objectives, we rely on industry disclosure platforms such as EMMA (Electronic Municipal Market Access), third-party data providers, public datasets, and proprietary research.

PRINCIPLE 7: Conduct exits considering the effect on sustained impact.

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

U.S. Equity Impact

There are several companies that we follow closely for an extended period before owning. In this period, we focus on developing our impact theses and assessing the theory-of-change, generating quantitative estimates of the scale of positive impact generated by companies and identifying opportunities for further impact potential. Once we own a company, we leverage this due diligence to advocate for specific opportunities to enhance impact potential alongside long-term financial returns. We track performance of portfolio holdings against key performance indicators developed in our research and diligence process and collaborate with management to establish and work towards impact targets, while also sharing best practices. Finally, companies that deviate significantly from our financial and impact investment theses may call for divestment from the portfolio.

Operating in the public equity market, sales will almost always be to a secondary market buyer, but that we do look carefully at corporate actions which might lead to a company we own being owned by a specific entity. If our impact thesis is proven to be correct, a company's positive impact should be better understood in the marketplace and valued by the purchasing parties.

However, we often maintain a post-exit relationship with these companies, and continue to monitor for impact and financial performance to assess opportunities to reinvest. For example, we have continued to engage on material ESG or impact factors with companies we have exited in an attempt to remediate issues that arose.

Private Equity Impact

Private Equity Impact's co-investments typically are minority investments, alongside a lead sponsor, who controls or has significant control rights over the portfolio company. Generally, as a minority investor, Private Equity Impact has limited governance and ability to dictate or interfere with the affairs of the portfolio company. In our co-investments, we typically partner with well-established lead private equity firms who will be the party primarily responsible for setting the strategy, guiding the affairs and implementing the proposed value creation plan for the investee company, including ESG considerations.

Although we generally do not control the exit strategy or timing , including consideration of ESG factors in relation to the exit, in certain cases the investment team expresses its views as to exit strategy and may influence the exit process on the margin.

Municipal Impact

Municipal Impact seeks a traditional fixed income high current income objective and therefore the concept of strategic exits is not applicable. Furthermore, given that the Fund invests exclusively in municipal bonds which position it as a holder of publicly traded debt, exit considerations are not relevant or appropriate to the management of the vehicle.

PRINCIPLE 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

U.S. Equity Impact

Impact measurement and reporting is a critical aspect of our investing process, and we are proud that the companies within our portfolio are delivering material positive environmental and social outcomes across each of the NB impact themes. Below is an example of our Annual Impact Portfolio reporting.

CO_2

195 million

tons of avoided greenhouse gas emissions from portfolio companies annually

1 million

customers in rural area across the U.S. with highspeed internet access

4 million

quality adjusted life years provided through therapeutics and treatments per year

12,000

nursing and healthcare degrees granted in the U.S. to help fill healthcare labor shortages

1 billion

gallons of water treated per day by portfolio companies

Lower

climate value-at-risk compared to Russell 3000 benchmark in a top-down climate scenario analysis

We are continuously seeking to improve our processes. As companies disclose relevant ESG and impact data, the team compares our proprietary and third-party estimates to reported data. We continue to consider new data sources and measurement frameworks as they become available. On an annual basis, we set engagement objectives for our holdings and monitor progress toward designated outcomes over time. When engagement objectives are achieved, new engagement objectives are set.

Private Equity Impact

As previously mentioned, Private Equity Impact aggregates annual impact and ESG KPIs for its underlying investments and shares these with investors in its Annual Impact Report. Part of this effort includes identifying impact KPIs under each of our impact themes to understand the aggregate impact potential at the portfolio-level. We additionally calculate year-over-year changes in impact KPIs and percent cumulative change since investment. In instances of unexpected negative impact performance, we may follow up with GPs to understand relevant factors.

Over time we have also used the Annual Impact Report as an opportunity to reflect on lessons learned and make strategic improvements to our process. For example, NB Private Equity recently became a signatory to the ESG Data Convergence Project, an initiative aimed at encouraging greater disclosure and consistency of ESG data in private equity and has begun requesting the standard set of ESG KPIs from GPs and underlying portfolio companies, using Private Equity Impact investments as a pilot.

Municipal Impact

To review, document and improve decision making and process, we record and monitor project impact alignment and intensity, as well as need assessment at the security level in an internal database. The database can generate security and portfolio level reports that are leveraged for internal and external purposes, which allows us to ensure process and identify strategic gaps and opportunities in our investment approach. Each quarter, the Municipal Impact investment team meets with the ESG Investing team to discuss purchases and security scoring to ensure the process reflects firm-level impact criteria. In addition to the quarterly meetings, the investment team must complete an annual review of the investment process with the firm's ESG Product Oversight Committee. This process involves the verification that the portfolio meets firm-established standards for 'Sustainable' or 'Impact' labeled products. The quarterly meetings, along with the annual review are two of the ways in which we regularly improve operational and strategic investment decisions, as well as management processes.

In addition to internal review and audit processes, the Municipal Impact Fund publicly discloses its activities and impact criteria, along with case studies of select investments, in an Annual Impact Report. Transparency and reporting are important parts of the process by which we improve and develop our impact investment strategy.

PRINCIPLE 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

The statements in this disclosure have been independently verified by Neuberger Berman Internal Audit and a verification statement is attached. Independent verification will be conducted on a regular basis. The expectation is at 3-year intervals, or earlier if there is a significant change to the impact management strategies and/or supporting systems.

PRI has delayed publication of 2021 scores. These scores remain up to date. For illustrative and discussion purposes only. PRI grades are based on information reported directly by PRI signatories, of which investment managers totaled 1,924 for 2020, 1,119 for 2019, 1,120 for 2018 and 935 for 2017. All signatories are eligible to participate and must complete a questionnaire to be included. The underlying information submitted by signatories is not audited by the PRI or any other party acting on its behalf. Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module houses a variety of indicators that address specific topics of responsible investment. Signatories' answers are then assessed and results are compiled into an Assessment Report. The Assessment Report includes indicator scores, summarizing the individual scores achieved and comparing them to the median; section scores, grouping similar indicator scores together into categories (e.g. policy, assurance, governance) and comparing them to the median; module scores, aggregating all the indicator scores within a module to assign one of six performance bands (from E to A+). Awards and ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf. While every effort has been made to produce a fair representation of performance, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this report. Information about PRI grades is sourced entirely from PRI and Neuberger Berman makes no representations, warranties or opinions based on that information.

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Firm data, including employee and assets under management figures, reflect collective data for the various affiliated investment advisers that are subsidiaries of Neuberger Berman Group LLC (the "firm"). Firm history and timelines include the history and business expansions of all firm subsidiaries, including predecessor entities and acquisition entities. Investment professionals referenced include portfolio managers, research analysts/associates, traders, product specialists and team-dedicated economists/strategists.

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Neuberger Berman
1290 Avenue of the Americas
New York, NY 10104-0001

www.nb.com