

NEUBERGER BERMAN

Quality of Execution Report

Debt Instruments – Bonds

Period covering 1 January 2023 – 31 December 2023

Quality of Execution Report, period covering 1 January 2023 – 31 December 2023

Investment Services – Portfolio Management / Reception and Transmission, Professional Clients

Class of Instrument Debt Instruments – Bonds

Notification if <1 average trade per business day in the previous year N

| Top five execution brokers ranked in terms of trading volumes (descending order) | Proportion of volume traded as a percentage of total | Proportion of orders executed as a percentage of total | Percentage of Passive orders | Percentage of Aggressive orders | Percentage of Directed orders |
|--|--|--|------------------------------|---------------------------------|-------------------------------|
| Morgan Stanley & CO International PLC– 4PQUHN3JPF GFNF3BB653 | 12.96% | 10.08% | 100% | 0% | 0% |
| HSBC Bank PLC- MP6I5ZY ZBEU3UXPYFY54 | 10.86% | 13.42% | 100% | 0% | 0% |
| JP Morgan Securities PLC- K6Q0W1PS1L1O4IQL9C32 | 8.24% | 10.31% | 100% | 0% | 0% |
| Barclays Capital Securities Ltd – K9WDOH4D2PYBSLSOB484 | 7.60% | 5.47% | 100% | 0% | 0% |
| Jefferies International Ltd - S5THZMDUJCTQZBTRVI98 | 6.23% | 10.15% | 100% | 0% | 0% |

Notes:

- The reporting period covered is from 1 January 2023 to 31 December 2023
- Class of Instrument (Debt Instruments – Bonds) contains corporate, government, municipal and inflation bonds
- Notification of < 1 average trade per business day in the previous year is indicated with 'Y' for 'Yes' where there was less than 1 trade on average per business day in 2023. 'N' indicates 'No' there was more than 1 trade on average per business day

Quality of Execution Report, period covering 1 January 2023 – 31 December 2023

Investment Services – Order Execution, Professional Clients

Class of Instrument Debt Instruments – Bonds

Notification if <1 average trade per business day in the previous year N

| Top five execution venues ranked in terms of trading volumes (descending order) | Proportion of volume traded as a percentage of total | Proportion of orders executed as a percentage of total | Percentage of Passive orders | Percentage of Aggressive orders | Percentage of Directed orders |
|---|--|--|------------------------------|---------------------------------|-------------------------------|
| BMTF - Bloomberg Trading Facility Limited | 22.12% | 20.45% | 100% | 0% | 0% |
| MLEX - BOFA Securities Europe SA | 17.02% | 17.13% | 0% | 100% | 0% |
| GSSI - Goldman Sachs International | 12.69% | 10.19% | 0% | 100% | 0% |
| CGMD - Citigroup Global Markets Europe AG | 12.28% | 11.85% | 0% | 100% | 0% |
| JPEU - JP Morgan AG | 10.64% | 7.63% | 0% | 100% | 0% |

Notes:

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- Where the Percentage of Aggressive orders is 100%, the trades were executed through a broker who is a systematic internalizer (SI). Any broker acting as an SI is considered an execution venue

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Portfolio Management / Reception and Transmission

Neuberger Berman Asset Management Ireland Limited (NBAMIL) has published for each class of financial instrument, that it has either traded in or placed with a counterparty for execution, a summary of its analysis and the conclusions drawn from detailed monitoring of the quality of execution obtained for all client orders during 2023.

The following qualitative information is a summary analysis based on NBAMIL, and relevant Neuberger Berman group affiliates, detailed ongoing monitoring of execution quality for **Debt Instruments** including **Bonds**.

| Requirement | |
|--|---|
| A. an explanation of the relative importance NBAMIL and its group affiliates gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution; | <p>NBAMIL's central focus is the best execution for all its clients. The considerations which will be taken into account when trading in this asset class are a combination of the following factors:</p> <ul style="list-style-type: none">▪ Price – the spread between the market's mid-price and the executable price shown by the counterparty or venue. The size of the trade is also taken into account in order to define the fair bid-offer spread expected.▪ Likelihood of execution – for larger trade sizes, our assessment of the counterparty and/or venue's capacity to handle the trade in size, and at a fair price, is an important factor. Not getting the trade executed at the optimal time is highly likely to raise the final trading cost.▪ Market impact – the ability of the counterparty and/or venue to absorb the trade without impacting the wider market through information leakage.▪ Consistency of execution – in respect of pricing, speed of execution, reliability (robustness of electronic systems and ability to show competitive prices during times of high market volatility) and the operational aspects of order execution – interaction with middle-office, system and settlement issues, as well as connectivity. <p>The relative importance of the execution factors above are variable, and will depend on market conditions and other execution considerations. That said, the particular combination of total consideration (price of the instrument and costs of execution, both implicit and explicit) and size are usually the most considered factors when setting our execution strategy. NBAMIL's goal is always to treat all its clients fairly in achieving the best possible execution outcome.</p> |

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| Requirement | |
|---|--|
| <p>B. description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;</p> | <p>NBAMIL and/or any other Neuberger Berman group affiliates do not trade with or have any close links or common ownership with any execution venues or counterparties used to execute orders.</p> |
| <p>C. a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or nonmonetary benefits received;</p> | <p>NBAMIL and/or any other Neuberger Berman group affiliates will not receive payments, discounts or rebates in its debt instrument trading arrangements. Certain non-monetary benefits may be given and/or received by NBAMIL employees, but in all cases will comply with internal policies which deal with gifts/entertainment, and potential conflict of interest scenarios that may arise as a result.</p> |
| <p>D. an explanation of the factors that led to a change in the list of execution venues listed in NBAMIL's execution policy, if such a change occurred;</p> | <p>Having been initially approved, a counterparty will remain on NBAMIL's approved list of execution brokers and be subject to an ongoing monitoring process. This includes, but is not limited to, an assessment of creditworthiness and financial stability, a review of the execution services provided, and the counterparty's ability to trade effectively on our client's behalf. Each counterparty we use are dependent on their execution capabilities fitting the needs of a specific order, such as liquidity, market impact and certainty of execution. Counterparties will be removed from our list where they are found to be consistently delivering poor execution.</p> <p>Four of the five top brokers are the same reported year on year. Morgan Stanley & Co International Plc is new to the top five but is a preexisting broker Neuberger Berman commonly trades with in this asset class.</p> |
| <p>E. an explanation of how order execution differs according to client categorisation, where NBAMIL treats categories of clients differently and where it may affect the order execution arrangements;</p> | <p>All NBAMIL clients are treated the same. However, the efficiency of NBAMIL's process can be constrained in this asset class for certain clients by counterparty availability – certain clients may limit the ability to transact to certain counterparties. In such cases, any decision to execute or place an order with a particular counterparty will be made from the available set of counterparties/venues for that client.</p> |

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| Requirement | |
|--|---|
| F. an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client; | This is not applicable, as NBAMIL does not execute retail client orders. |
| G. an explanation of how NBAMIL has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575 – RTS27; | NBAMIL’s trade execution is reviewed as part of the Neuberger Berman Best Execution Committee’s oversight of execution quality. As part of this review, NBAMIL makes use of a third party independent TCA (transaction Cost Analysis) provider to assist with detailed monitoring of the quality of execution obtained across the counterparties and/or venues where we execute and/or place client orders for execution. RTS27 reports are not used in any analysis to establish the quality of execution. |
| H. where applicable, an explanation of how NBAMIL has used output of a consolidated tape provider. | This is not applicable, as there are currently no consolidated tape providers in Europe providing this data. |

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