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Article 10 (SFDR)

Website disclosure for an Article 8 fund

NB Alternative Funds SICAV S.A – LIQID Infrastructure NXT

Version	Date of publication	Date of update (if any)	Explanation (if any)
1.0	TBC	N/A	N/A



A. Summary

No sustainable investment objective

This financial product promotes environmental and social characteristics, but does not have as its objective a sustainable investment.

Environmental or social characteristics of the financial product

As part of the Sub-Fund's investment process, the Portfolio Managers' investment teams sourcing core, illiquid investment opportunities for the Sub-Fund (the "Investment Team(s)") consider, to the extent they deem appropriate, a variety of environmental and social characteristics, including environmental (e.g., GHG emissions, energy consumption); social (e.g., data privacy and security, product safety); workforce (e.g., workforce safety, employee engagement); supply chain (e.g., material sourcing, supply chain management); or leadership and Governance (e.g., business ethics, exposure to evolving regulation).

Investment strategy

To promote the environmental and social characteristics, the Sub-Fund will:

- Invest with or alongside lead sponsors, general partners or managers (each "**Lead Sponsor**") who have demonstrated evidence of a commitment to integrating financially material environmental, social, governance considerations throughout their investment processes at both the firm and fund-strategy level. Environmental and social characteristics are considered by the NBAA and NBEL Portfolio Managers in respect of each Lead Sponsor by qualitatively and quantitatively assessing environmental, social, governance integration at the level of the Lead Sponsor and the underlying Lead Sponsor's fund's investment strategy – across commitment, oversight, selection, ownership, and measurement – based on industry best practices through the Manager Integration of financially material environmental social, governance considerations Scorecard (the "**Manager Integration Scorecard**");
- Invest with or alongside Lead Sponsors who have demonstrated evidence of a climate commitment such as through governance, climate risk management, net zero alignment or carbon reporting. Environmental characteristics are considered by Investment Teams in respect of each Lead Sponsor by qualitatively and quantitatively assessing where Lead Sponsors are in their carbon reduction and net zero-alignment journeys at the level of the Lead Sponsor and the underlying Lead Sponsor's fund's investment strategy (the "**Manager Climate Assessment**");
- Invest in companies in respect of which the Investment Teams have undertaken an assessment of industry-specific financially material environmental, social, governance factors at the company level ("**Direct Investment Additional Industry-Specific Due Diligence**"), built around the concept of industry-specific financially material environmental, social, governance considerations. For fossil-fuel related infrastructure assets, Investment Teams will further assess management of potential negative environmental outcomes and require mitigation plans at the companies (the "**Direct Investment Climate Risk Assessment**"); and
- Avoid investee companies whose activities at the time of investment by the Sub-Fund are inconsistent with the NB Private Markets Avoidance Policy (the "**NB Private Markets Avoidance Policy**") and the Sub-Fund's specific avoidance investment guidelines (together with the NB Private Markets Avoidance Policy, the "**Sub-Fund's Avoidance Investment Guidelines**").
- When making fund investments which attain the environmental or social characteristics promoted by the Sub-Fund, the Sub-Fund will only invest in (1) an Aligned Article 8 Fund, (2) an Article 9 Fund, or (3) a fund that has neither been designated as Article 8 or Article 9 pursuant to SFDR or does not fall within the scope of SFDR but which the Portfolio Managers have determined complies with standards equivalent to the requirements applicable to an Aligned Article 8 Fund.

Proportion of Investments

The minimum planned proportion of investments used to meet the E/S characteristics described above (#1 Aligned with E/S characteristics) is 60% of its invested capital. The Sub-Fund may generally invest up to 40% of its invested assets in other investments (#2 Other).

Monitoring of environmental or social characteristics

The Investment Team will track and report on the performance of sustainability indicators, set out in more detail below, in relation to the Sub-Fund's investments which promote the E/S Characteristics, namely through: (i) the Manager Integration Scorecard; (ii) the Manager Climate Assessment; (iii) the Direct Investment Additional Industry-Specific Due Diligence; (iv)

to the extent applicable, the Direct Investment Climate Risk Assessment and (v) the Sub-Fund's Avoidance Investment Guidelines.

Methodologies

Each Lead Sponsor is given a weighted average score across the assessed categories as part of the Manager Integration Scorecard and the Manager Climate Assessment. The Sub-Fund will not invest in fund investments with Lead Sponsors within the lowest two categories of the Manager Integration Scorecard ('Absent' or 'Initial'), in direct investments with Lead Sponsors within the lowest category of the Manager Integration Scorecard ('Absent'), and with Lead Sponsors within the lowest category of the Manager Climate Assessment ('Absent'). Furthermore, alignment with the environmental and social characteristics is assessed by using the Direct Investment Additional Industry-Specific Due Diligence which is based on the proprietary Neuberger Berman Materiality Matrix. The Sub-Fund commits to applying the NB Private Markets Avoidance Policy and the Sub-Fund's Avoidance Investment Guidelines.

Data sources and processing

The Investment Team generally has access to many of the same due diligence resources used by the Lead Sponsor including (i) reports prepared by external consultants, auditors, financial advisors, lawyers and other third-party experts; (ii) meetings and discussions with management; (iii) meetings and discussions with advisors, consultants, financing providers and other third parties; as well as (iv) the Lead Sponsor's financial models, investment memoranda and other internal analyses. A low proportion of data is expected to be estimated, and will depend on the composition, nature, business, and sector of investee companies.

Limitations to methodologies and data

Limitations in both methodology and data include but are not limited to lack of standardization and limited and inconsistent reporting by private equity sponsors. Engagement is used as a means to improve the understanding of Lead Sponsors and investee companies on such matters. Such limitations are not expected to affect the attainment of environmental or social characteristics of the Sub-Fund, in particular because of the steps taken to mitigate such limitations.

Due diligence

Before making investments, the Investment Team will conduct due diligence (as described below) that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The Investment Team will conduct diligence at the company level with a focus on financially material environmental, social, governance factors specific to the target company and industry as well as the Lead Sponsor's practices. After investment, an annual due diligence questionnaire will be issued to each Lead Sponsor that the Sub-Fund invests in to track progress on financially material environmental, social, governance matters. Additionally, the Investment Team periodically monitors investee companies for financially material environmental, social, or governance violations and real-time risks. The Investment Team works closely with the Portfolio Managers' Sustainable Investing Team to ensure adherence to industry best practices in terms of financially material environmental, social, governance integration into the due diligence process through regular meetings and periodic teach-ins.

Engagement policies

An engagement policy is not part of the environmental or social investment strategy of the Sub-Fund. However, all investments by the Sub-Fund will be periodically monitored on an on-going basis for real-time risks, including with regards to sustainability-related controversies in investee companies. To the extent the Portfolio Managers identify relevant and financially material environmental, social, governance issues at a Lead Sponsor or an investee company as a result of such monitoring, the Portfolio Managers will determine an appropriate course of action, including engagement with the Lead Sponsor, based on the prevailing facts and circumstances and having regards to its intention to attain the environmental and social characteristics promoted by the Sub-Fund.

Designated reference benchmark

No, a reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.



B. No sustainable investment objective

This financial product promotes environmental and social characteristics, but does not commit to making sustainable investments.



C. Environmental or social characteristics of the financial product

What environmental and/or social characteristics are promoted by this financial product?

As part of the Sub-Fund's investment process, the Portfolio Managers' investment teams consider, to the extent they deem appropriate and as applicable, a variety of environmental and social characteristics including:

- Environmental (e.g., GHG emissions, energy consumption);
- Social (e.g., data privacy and security, product safety);
- Workforce (e.g., workforce safety, employee engagement);
- Supply Chain (e.g., material sourcing, supply chain management); or
- Leadership and Governance (e.g., business ethics, exposure to evolving regulation),

To promote the environmental and social characteristics, the Sub-Fund will:

- Invest with or alongside lead sponsors, general partners or managers (each "**Lead Sponsor**") who have demonstrated evidence of a commitment to integrating financially material environmental, social, governance considerations throughout their investment processes at both the firm and fund-strategy level. Environmental and social characteristics are considered by the NBAA and NBEL Portfolio Managers in respect of each Lead Sponsor by qualitatively and quantitatively assessing environmental, social, governance integration at the level of the Lead Sponsor and the underlying Lead Sponsor's fund's investment strategy – across commitment, oversight, objective, selection, ownership, and measurement – based on industry best practices through the Manager Integration of financially material environmental, social, governance considerations Scorecard (the "**Manager Integration Scorecard**");
- Invest with or alongside Lead Sponsors who have demonstrated evidence of a climate commitment such as through governance, climate risk management, net zero alignment or carbon reporting. Environmental characteristics are considered by Investment Teams in respect of each Lead Sponsor by qualitatively and quantitatively assessing where Lead Sponsors are in their carbon reduction and net zero-alignment journeys at the level of the Lead Sponsor and the underlying Lead Sponsor's fund's investment strategy (the "**Manager Climate Assessment**");
- Invest in companies in respect of which the Investment Teams have undertaken an assessment of industry-specific financially material environmental, social, governance factors at the company level ("**Direct Investment Additional Industry-Specific Due Diligence**"), built around the concept of industry-specific financially material environmental, social, governance considerations. For fossil-fuel related infrastructure assets, Investment Teams will further assess management of potential negative environmental outcomes and require mitigation plans at the companies (the "**Direct Investment Climate Risk Assessment**"); and
- Seek to avoid investee companies whose activities at the time of investment by the Sub-Fund are inconsistent with the NB Private Markets Avoidance Policy (the "**NB Private Markets Avoidance Policy**") and the Sub-Fund's specific avoidance investment guidelines (together with the NB Private Markets Avoidance Policy, the "**Sub-Fund's Avoidance Investment Guidelines**").

For indirect illiquid investments, which may include secondary investments, the Investment Teams will consider and apply the same material environmental and social characteristics criteria.

Investments in third-party investment funds used to attain the environmental or social characteristics promoted by the Sub-Fund will only be made in funds which, at the time the Sub-Fund makes a commitment:

- (i) are financial products referred to in Article 8(1) of the SFDR (an "Article 8 Fund") and which the Portfolio Managers have determined satisfy its requirements of aligning with the environmental and social characteristics promoted by the Sub-Fund (an "Aligned Article 8 Fund"); or
- (ii) are financial products referred to in Article 9(1)-(3) of the SFDR, having sustainable investment as their objective (an "**Article 9 Fund**"); or
- (iii) are financial products that (a) have not been designated as Article 8 or Article 9 pursuant to SFDR or (b) do not fall within the scope of SFDR (e.g., they are not made available or marketed in the EU) but which the Portfolio Managers have determined comply with standards equivalent to the requirements applicable to an Aligned Article 8 Fund.

The Sub-Fund's investments will typically be minority investments, with or alongside a Lead Sponsor who controls or has significant control rights over the infrastructure investee company. Generally, as a minority investor, the Portfolio Managers and the Sub-Fund will have limited control or governance rights in respect of the Sub-Fund's investee companies. However, in the vast majority of cases, funds and client accounts managed by the Portfolio Managers or their affiliates (other than the Sub-Fund) are existing investors in the Lead Sponsors' funds that the Sub-Fund is expected to invest with, and in such circumstances the NBEL and NBAA Portfolio Managers can and intend to engage with such Lead Sponsors directly as a result of such relationships on financially material environmental, social, governance-related risks and matters at the Lead Sponsor and its portfolio companies to the extent determined to be appropriate by such Portfolio Managers.



D. Investment strategy

What investment strategy does this financial product follow?

Manager Integration Scorecard

Pursuant to the Manager Integration Scorecard, the Investment Team gives each Lead Sponsor a weighted average score on a scale of 'Absent', 'Initial', 'Developing', or 'Integrated' across the assessed categories that is tracked over time and compared to proprietary peer benchmarks. The Sub-Fund will promote environmental and social characteristics by only investing with or alongside Lead Sponsors which the Manager Integration Scorecard shows have demonstrated evidence of a commitment to integrating financially material environmental, social, governance considerations throughout their investment processes at both the firm and Sub-Fund-strategy level. Such evidence may include formal documentation of philosophy and commitment, oversight of initiatives, consideration of financially material environmental, social, governance factors during investment selection and diligence, investment monitoring and/or engagement and initiatives on such topics at the underlying portfolio-level, and/or measurement and reporting of environmental, social, governance performance.

The Sub-Fund will promote environmental and social characteristics by not making fund investments with Lead Sponsors who have a weighted average score in the Manager Integration Scorecard in the two lowest categories ('Absent' and 'Initial') and will not make direct investments with Lead Sponsors who have a weighted average score in the Manager Integration Scorecard in the lowest category ('Absent'), because these 'Absent' Lead Sponsors typically lack evidence of financially material environmental, social, governance considerations within the investment process. At the firm level, these Lead Sponsors may lack an environmental, social and governance policy or oversight. At the Lead Sponsor's fund strategy level, there is typically a lack of evidence of financially material environmental, social, governance considerations within the investment process, and for those reasons the Portfolio Managers, NBAA and NBEL, have determined that the Sub-Fund should not invest with such Lead Sponsors. The Manager Integration Scorecard threshold for fund investments is set higher

due to the additional risk the Sub-Fund takes on with fund investments whereby the investments to be acquired by such fund(s) are either unknown or may not be fully known at the time the Sub-Fund invests in such fund(s).

In addition to undertaking the Manager Integration Scorecard analysis prior to each core investment (if not already done as a result of a prior investment including in relation to a primary fund commitment made by funds and/or client accounts managed by the Portfolio Managers or their affiliates (other than the Sub-Fund)), the Portfolio Managers will issue annual questionnaires to each Lead Sponsor that the Sub-Fund has invested with to track progress on such matters with such Lead Sponsor over the duration of the investment holding period.

Manager Climate Assessment

Pursuant to the Manager Climate Assessment, the Investment Team gives each Lead Sponsor a weighted average score on a scale of 'Absent', 'Initial', 'Developing', or 'Developed' across the assessed categories. The Sub-Fund will promote environmental characteristics through a climate assessment by only investing with Lead Sponsors which the Manager Climate Assessment shows have demonstrated evidence of a climate commitment such as through governance, climate risk management, net zero alignment or carbon reporting.

The Sub-Fund will promote environmental characteristics by not making investments with Lead Sponsors who have a weighted average score in the Manager Climate Assessment in the lowest category ('Absent') because these Lead Sponsors typically lack evidence of a climate commitment, and for those reasons the Portfolio Managers have determined that the Sub-Fund should not invest with such Lead Sponsors.

Direct Investment Additional Industry-Specific Due Diligence and Monitoring

The Sub-Fund will promote environmental and social characteristics by only investing directly in companies in respect of which the Investment Team has carried out the Direct Investment Additional Industry-Specific Due Diligence. Additionally, for direct illiquid fossil-fuel related infrastructure assets (including but not limited to extraction, refining, distribution or electricity generation), the Sub-Fund will promote environmental characteristics by assessing management of potential negative environmental outcomes and requiring mitigation plans at the companies through the Direct Investment Climate Risk Assessment.

Foundational to the Direct Investment Additional Industry-Specific Due Diligence is the proprietary Neuberger Berman Materiality Matrix (the "**NB Materiality Matrix**"), which supports the Investment Team to identify industry-specific environmental, social, governance factors that are likely to be financially material for a given company relative to its environmental and social characteristics.

The NB Materiality Matrix defines financially material environmental, social, governance issues as those that the NBAA and NBEL Portfolio Managers believe have the ability to either positively or negatively impact (either directly or indirectly) the financial performance of an investment. The Investment Team may consider the following factors, including the below examples of environmental or social characteristics:

- Environmental (e.g., GHG emissions, energy consumption);
- Social (e.g., data privacy and security, product safety);
- Workforce (e.g., workforce safety, employee engagement);
- Supply Chain (e.g., material sourcing, supply chain management); or
- Leadership and Governance (e.g., business ethics, exposure to evolving regulation).

The above environmental and social characteristics may be considered, where relevant to the specific industry and company. Historically, these environmental and social characteristics have been the more prevalent characteristics assessed in the Direct Investment Additional Industry-Specific Due Diligence; however, these characteristics may change over time.

For direct illiquid fossil-fuel related infrastructure assets, the Investment Team utilizes the Direct Investment Climate Risk Assessment to examine mitigation plans and management of potential negative environmental outcomes at the company-level such as through evidence of mitigation strategies for reducing potential negative environmental outcomes, environmental policies, or the measurement and monitoring of GHG emissions.

Financially material incidents or issues (e.g., past litigation) identified by the Direct Investment Additional Industry-Specific Due Diligence will be considered by the relevant Portfolio Manager in its appraisal of the relevant investment opportunity.

All companies invested in directly by the Sub-Fund will be periodically monitored on an on-going basis for financially material environmental, social, governance violations and real-time risks by leveraging the Portfolio Managers' data capabilities as well as a monitoring questionnaire that is sent to Lead Sponsors at least annually which enquires about such matters including, but not limited to, whether there are material changes to such Lead Sponsor's environmental, social, governance practices or policies, or if there are any related risk events that occur at the investee company level. To the extent the Portfolio Managers identify relevant and financially material environmental, social, governance issues at a Lead Sponsor or an investee company as a result of such monitoring, the Portfolio Managers will determine an appropriate course of action, including engagement with the Lead Sponsor, based on the prevailing facts and circumstances and having regards to its intention to attain the environmental and social characteristics promoted by the Sub-Fund. However, given the illiquid nature of the Sub-Fund's underlying investments and the Portfolio Managers' duties towards the Sub-Fund, investors should be aware that it is unlikely that the Portfolio Managers would determine that an expedited realization of an investment in any such investee company would be an appropriate course of action.

Investment Restrictions

The Sub-Fund has also adopted the NB Private Markets Avoidance Policy pursuant to which the Sub-Fund will not knowingly invest in companies (i) that have been identified as being in violation of the Portfolio Managers' expectations of companies to uphold fundamental responsibilities in regards to human rights, labor, the environment and anti-corruption, whether through child labor, human trafficking, forced labor or otherwise. In circumstances where financially material risks have been identified in relation to such fundamental responsibilities through diligence and / or third-party screening on any new investment, and the Sub-Fund's Investment Team believes such risks are adequately mitigated and addressed, a formal review and approval process by the Portfolio Managers' Private Markets Avoidance Review Group (the "**PMARG**") will be required before the initiation of any new investment in such company, (ii) which have economic sanctions issued by the U.S. through the Office of Foreign Assets Control (OFAC), European Union, United Nations Security Council or His Majesty's Treasury (U.K.) applied to or in respect of them ("**Sanctions-Related**"), (iii) that it believes have been identified as being involved in the manufacture of controversial weapons (namely, Biological and Chemical Weapons, Anti-Personnel Mines, Cluster Munitions and Depleted Uranium Weapons), either being responsible for end manufacture and assembly of controversial weapons, or have been identified as being responsible for the manufacture of intended use components for controversial weapons, or dual-use component manufacturers or delivery platform manufacturers in order to help mitigate reputational and potential legal risks which could negatively impact the return on investments.

In addition, consistent with the Portfolio Managers' duties to investors to seek to provide attractive investment returns while mitigating risks, the Sub-Fund is committed to subject investments in companies that derive more than 25% of their revenue from thermal coal mining or are expanding new thermal coal power generation to formal review and approval by the PMARG before the initiation of any new direct investment in those companies. The NB Private Markets Avoidance Policy is available to investors, upon request. Further, the Sub-Fund shall apply the following enhanced avoidance areas or thresholds pursuant to the Sub-Fund's Avoidance Investment Guidelines, whereby the Sub-Fund will not knowingly directly invest in (i) investments which do not comply with the SVVK ASIR Recommendations for Exclusion and (ii) companies that are either expanding new upstream oil or gas development, production or extraction or which derive more than 25% of their revenue from upstream oil or gas production or extraction. Additionally, the Sub-Fund shall only make direct investments in fossil-fuel related infrastructure assets (including but not limited to extraction, refining, distribution or electricity generation) where the Lead Sponsors have evidenced an ability to assess, mitigate, and monitor climate-related risks at the company level. Investments in companies who supply, service or otherwise deal with companies not in conformity with the Sub-Fund's Avoidance Investment Guidelines shall not themselves be prohibited pursuant to the Sub-Fund's Avoidance Investment Guidelines.

The Sub-Fund will not make investments in companies that have been identified as being in violation of the United Nations Global Compact ("**UNGC**") Principles.

As noted above, the Sub-Fund will not commit to fund investments with Lead Sponsors who have a weighted average score in the Manager Integration Scorecard in the two lowest categories ('Absent' and 'Initial'), will not commit to direct investments with Lead Sponsors who have a weighted average score in the Manager Integration Scorecard in the lowest category ('Absent'), and will not commit to investments with Lead Sponsors who have a weighted average score in the Manager Climate Assessment in the lowest category ('Absent').

The Sub-Fund commits to seeking to avoid investee companies whose activities are inconsistent with the Sub-Fund's Avoidance Investment Guidelines. Compliance with the Sub-Fund's Avoidance Investment Guidelines shall be assessed at the level of the investee companies.

The Portfolio Managers will assess during due diligence analysis whether each potential investee company complies with the Sub-Fund's Avoidance Investment Guidelines and will decline to invest in opportunities that would not be in conformity with the Sub-Fund's Avoidance Investment Guidelines. The Portfolio Managers will use commercially reasonable efforts to monitor the conformity of the Sub-Fund's investments with the Sub-Fund's Avoidance Investment Guidelines through regular updates and communication with the Lead Sponsors. Further, the Sub-Fund will generally not invest in funds whose strategy is misaligned with the Sub-Fund's Avoidance Investment Guidelines or whose existing portfolio companies are not in compliance with the Sub-Fund's Avoidance Investment Guidelines and, in respect of primary fund commitments, where appropriate, will seek contractual confirmation (through side letter provisions or other fund governing documents, where possible) of a right to be excused from participating in investments which would be prohibited by the Sub-Fund's Avoidance Investment Guidelines, provided however that nothing in the Sub-Fund's Avoidance Investment Guidelines shall prevent the Sub-Fund from making a primary fund investment even if such excuse rights are not obtained.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental and/or social characteristics promoted by this financial product?

The binding elements of the investment strategy used to select the investments to achieve the E/S characteristics promoted by the Sub-Fund are the following:

- The Sub-Fund will only invest in fund investments with Lead Sponsors with a weighted average score in the Manager Integration Scorecard above the two lowest categories ('Absent' and 'Initial') and the Sub-Fund will only make direct investments with Lead Sponsors with a weighted average score in the Manager Integration Scorecard above the lowest category ('Absent');
- The Sub-Fund will only make investments with Lead Sponsors with a weighted average score in the Manager Climate Assessment above the lowest category ('Absent');
- The Sub-Fund will only invest in direct investments in respect of which the Investment Team has completed the Direct Investment Additional Industry-Specific Due Diligence;
- The Sub-Fund will only invest in direct investments in fossil-fuel related infrastructure assets in respect of which the Investment Team has completed the Direct Investment Climate Risk Assessment;
- The Sub-Fund will not make investments which do not comply with the Sub-Fund's Avoidance Investment Guidelines;
- When making fund investments which attain the environmental or social characteristics promoted by the Sub-Fund, the Sub-Fund will only invest in (1) an Aligned Article 8 Fund, (2) an Article 9 Fund, or (3) a fund that has neither been designated as Article 8 or Article 9 pursuant to SFDR or does not fall within the scope of SFDR but which the Portfolio Managers have determined complies with standards equivalent to the requirements applicable to an Aligned Article 8 Fund.

What is the policy to assess good governance practices of the investee companies?

The Portfolio Managers will assess governance practices of the investee companies in respect of direct investments directly and, due to the nature of fund investments, with respect to fund investments, the NBAA and NBEL Portfolio Managers will assess governance practices of the Lead Sponsor, including its approach to governance practices at the underlying investee companies. The Investment Team assess governance during pre-investment diligence and then monitor governance on a periodic basis, in each case pursuant to a proprietary "**Good Governance Assessment**".

- Sound Management Practices
- Tax Compliance
- Employee Relations
- Remuneration of Staff

As part of its good governance assessment, and pursuant to the Sub-Fund's Avoidance Investment Guidelines, the Sub-Fund will not make investments in companies that have been identified as being in violation of the UNGC Principles.

All companies invested in directly by the Sub-Fund will be periodically monitored on an on-going basis for financially material environmental, social, governance violations and real-time risks by leveraging the Portfolio Managers' data capabilities as well as a monitoring questionnaire that is sent to Lead Sponsors at least annually which enquires about such matters including, but not limited to, whether there are material changes to such Lead Sponsor's environmental, social, governance practices or policies, or if there are any related risk events that occur at the investee company level. To the extent the Portfolio Managers identify relevant and financially material environmental, social, governance issues at a Lead Sponsor or an investee company as a result of such monitoring, the Portfolio Managers will determine an appropriate course of action, including engagement with the Lead Sponsor, based on the prevailing facts and circumstances and having regards to its intention to attain the environmental and social characteristics promoted by the Sub-Fund. However, given the illiquid nature of the Sub-Fund's underlying investments and the Portfolio Managers' duties towards the Sub-Fund, investors should be aware that it is unlikely that the Portfolio Managers would determine that an expedited realisation of an investment in any such investee company would be an appropriate course of action.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

N/A

Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes

☒ No



E. Proportion of investments

What is the asset allocation planned for this financial product?

The Portfolio Managers will attain the environmental or social characteristics promoted by the Sub-Fund by applying the binding elements of the Sub-Fund's investment strategy to all of the Sub-Fund's core illiquid investments.

Accordingly, investments will, for the purposes of the chart below, qualify as either "#1 Aligned with E/S characteristics" investments or, in the case of cash, cash-equivalents and hedging tools as well as other investments that do not meet the Sub-Fund's minimum environmental or social thresholds, "#2 Other" investments.

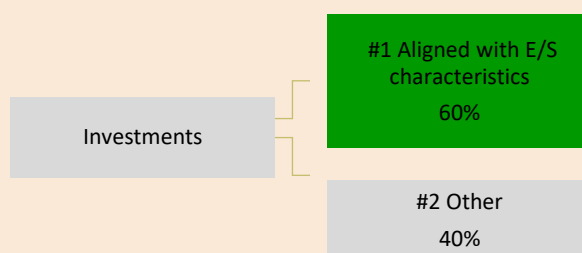
The minimum planned proportion of investments used to meet the environmental and/or social characteristics promoted by the Sub-Fund described above (#1 Aligned with E/S characteristics) is 60% of its invested capital.

The Sub-Fund may generally invest up to 40% of its invested capital in other investments (#2 Other).

In addition, the Sub-Fund will draw down capital from investors on an "as needed" basis and is generally expected to invest such capital in the short-term. As such, from time to time in the ordinary course, the Sub-Fund will hold such cash which is

pending investment only in the short-term and, due to their short-term nature, any such cash holdings are disregarded for purposes of the Sub-Fund's asset allocation.

Notwithstanding the foregoing, given the Sub-Fund's structure as an open-ended vehicle which has a "ramp-up period" (which begins on the date of the first closing of the Sub-Fund and will end on the fourth anniversary of the first closing of the Sub-Fund (unless extended as per the legal terms of the Fund)), the actual percentage of "#2 Other" investments (in the form of cash and cash-equivalents but also including hedging tools) might exceed the above stated value during the ramp-up period.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to making a minimum portion of sustainable investments with an environmental objective aligned with the EU Taxonomy.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU Criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

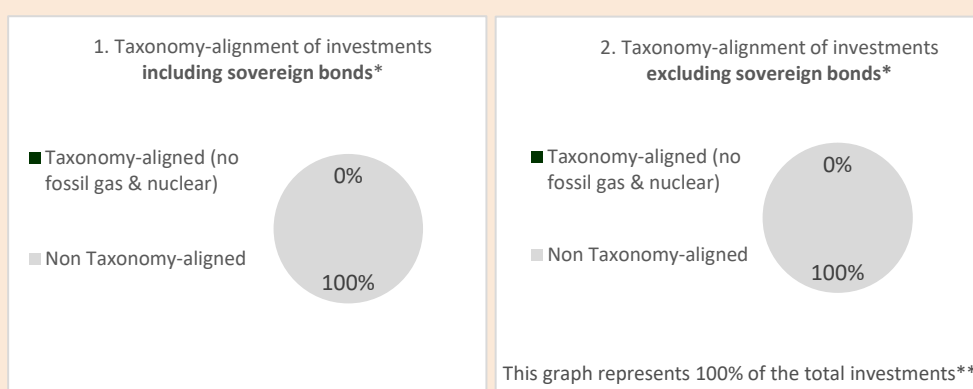
Does the financial product invest in fossil gas and/ or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

What is the minimum share of investments in transitional and enabling activities?

As the Sub-Fund does not commit to invest any sustainable investment within the meaning of the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund promotes environmental and social characteristics but does not commit to making any sustainable investments. As a consequence, the Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

All the Sub-Fund's core investments will be aligned with the environmental and social characteristics that the Sub-Fund is promoting.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Investments under “#2 Other” include cash and cash-equivalents and may also include hedging tools, as well as other investments that do not meet the Sub-Fund’s minimum environmental or social thresholds which do not include environmental or social safeguards.



F. Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The Investment Team will track and report on the performance of sustainability indicators, set out in more detail below, in relation to the Sub-Fund’s investments which promote the E/S Characteristics, namely through: (i) the Manager Integration Scorecard; (ii) the Manager Climate Assessment; (iii) the Direct Investment Additional Industry-Specific Due Diligence; (iv) to the extent applicable, the Direct Investment Climate Risk Assessment and (v) the Sub-Fund’s Avoidance Investment Guidelines. The Investment Team uses the following sustainability indicators to measure the attainment of the material environmental and social characteristics aligned factors:

- Percentage of illiquid fund investments with Lead Sponsors with a weighted average score in the Manager Integration Scorecard above the two lowest categories (“Absent”) and (“Initial”) and percentage of direct investments made with or alongside Lead Sponsors with a weighted average score in the Manager Integration Scorecard above the lowest category (“Absent”);
- Percentage of illiquid investments with Lead Sponsors with a weighted average score in the Manager Climate Assessment above the lowest category (“Absent”);
- Percentage of direct illiquid investments in respect of which the Investment Team completed the Direct Investment Additional Industry-Specific Due Diligence and percentage of direct illiquid fossil fuel related infrastructure assets in respect of which the Investment Team has also completed the Direct Investment Climate Risk Assessment;
- Percentage of illiquid investments complying with the Sub-Fund’s Avoidance Investment Guidelines.

These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Sub-Fund and will be reported to the Sub-Fund’s investors annually and included in the Sub-Fund’s periodic report (as per the requirements of Article 11 of SFDR).

For further detail on the Portfolio Managers’ ongoing monitoring of investments and related internal or external control mechanisms please refer to the section titled “Methodologies” below. Please also refer to the section titled “Environmental or social characteristics of the financial product” above for details of the Portfolio Managers’ engagement policies with Lead Sponsors.

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product?

Investments made by the Sub-Fund will be periodically monitored on an on-going basis for financially material environmental, social, governance violations and real-time risks by leveraging the Portfolio Managers’ big data capabilities as well as a monitoring questionnaire that is sent to Lead Sponsors at least annually which enquires about financially material environmental, social, governance matters including, but not limited to, whether there are material changes to such Lead Sponsor’s environmental, social, governance integration practices or policies, or if there are financially material risk events that occurred at the investee company level. To the extent that the Portfolio Managers identify relevant and financially material environmental, social, governance issues at a Lead Sponsor or an investee company as a result of such monitoring, the Portfolio Managers will determine an appropriate course of action, including engagement with the Lead Sponsor, based on the prevailing facts and circumstances and having regards to its intention to attain the E/S Characteristics, its duties to act in the best interests of the Fund and its investors as well as the inherent illiquidity of the Sub-Fund’s investments.



G. Methodologies

What are the methodologies used to measure the attainment of the environmental or social characteristics promoted by the financial product?

The Portfolio Managers' methodology for measuring how the environmental or social characteristics promoted by the Sub-Fund are met is based on its binding investment strategy, as outlined above in section (D) Investment Strategy.

Each Lead Sponsor is given a weighted average score across the assessed categories as part of the Manager Integration Scorecard and the Manager Climate Assessment. As part of these assessments, the Sub-Fund will not invest in fund investments with Lead Sponsors within the lowest two categories of the Manager Integration Scorecard ('Absent' or 'Initial'), in direct investments with Lead Sponsors within the lowest category of the Manager Integration Scorecard ('Absent'), and with Lead Sponsors within the lowest category of the Manager Climate Assessment ('Absent').

Furthermore, alignment with the environmental and social characteristics is assessed by using the Direct Investment Additional Industry-Specific Due Diligence which is based on the proprietary Neuberger Berman Materiality Matrix. Additionally, for direct illiquid fossil-fuel related infrastructure assets, the Investment Team utilizes the Direct Investment Climate Risk Assessment to examine mitigation plans and management of potential negative environmental outcomes at the company-level.

The Sub-Fund has also adopted the NB Private Markets Avoidance Policy pursuant to which the Sub-Fund will not knowingly invest in companies as further described under section (D) Investment Strategy above. Further, the Sub-Fund shall apply enhanced avoidance areas or thresholds pursuant to the Sub-Fund's Avoidance Investment Guidelines as also further described under section (D) Investment Strategy.

The Portfolio Managers will assess during due diligence analysis whether each potential investee company complies with the Sub-Fund's Avoidance Investment Guidelines and will decline to invest in opportunities that would not be in conformity with the Sub-Fund's Avoidance Investment Guidelines. The Portfolio Managers will use commercially reasonable efforts to monitor the conformity of the Sub-Fund's investments with the Sub-Fund's Avoidance Investment Guidelines through regular updates and communication with the Lead Sponsors. Further, the Sub-Fund will generally not invest in funds whose strategy is misaligned with the Sub-Fund's Avoidance Investment Guidelines or whose existing portfolio companies are not in compliance with the Sub-Fund's Avoidance Investment Guidelines and, in respect of primary fund commitments, where appropriate, will seek contractual confirmation (through side letter provisions or other fund governing documents, where possible) of a right to be excused from participating in investments which would be prohibited by the Sub-Fund's Avoidance Investment Guidelines, provided however that nothing in the Sub-Fund's Avoidance Investment Guidelines shall prevent the Sub-Fund from making a primary fund investment even if such excuse rights are not obtained.



H. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics?

The Investment Team generally has access to many of the same due diligence resources used by the Lead Sponsor in whose portfolio company the Sub-Fund is considering a relevant investment, including (i) reports prepared by external consultants, auditors, financial advisors, lawyers and other third-party experts; (ii) meetings and discussions with management; (iii) meetings and discussions with advisors, consultants, and other third parties; as well as (iv) the Lead Sponsor's financial models, investment memoranda and other internal analyses. The Investment Team also has access to third-party diligence resources which include outside research organizations as well as expert networks. As part of due diligence, documents that may be reviewed and processed as part of the assessment of financially material environmental, social, governance factors can include the Lead Sponsor's environmental, social, governance policy and latest annual environmental, social, governance report if available, as well as any company-specific environmental, social, governance information provided (e.g., environmental, social, governance diligence findings report on the company prepared by a third-party consultant, such related initiatives included in the Lead Sponsor's value creation plan). The Investment Team is able

to utilize the firm's broader environmental, social, governance capabilities and resources, including: the Stewardship and Sustainable Investing Policy and climate strategy, and environmental, social, governance data and analytics.

The Portfolio Managers send a questionnaire to Lead Sponsors that help the Investment Team understand a Lead Sponsor's environmental, social, governance practices and policies as well as collect information on financially material risk incidents at the portfolio company-level. In addition, the Portfolio Managers utilize a data platform for annual environmental, social, governance monitoring purposes.

There are currently no additional measures performed by the Investment Team to ensure data quality as the data is mainly provided from the Lead Sponsors (at both, General Partner and underlying company levels) relying on the Lead Sponsors' knowledge and expertise to provide accurate and reliable data. Upon the receipt of information from the Lead Sponsors, the Investment Team and the Sustainable Investing Team process the information internally before proceeding with the assessment that is usually qualitative based on the type of information received.

We expect that a low proportion of information will be estimated as its environmental, social, governance diligence processes rely on information provided by Lead Sponsors. The proportion of information that is estimated will depend on the composition of investee companies – the nature of their business and sectors in which they operate. We expect that data availability and quality will improve as the market and methods for obtaining and reporting data mature.



I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources?

Limitations in both methodology and data include but are not limited to lack of standardization and limited and inconsistent reporting by private equity sponsors.

The Portfolio Managers and the Investment Team continue to monitor financially material environmental, social, governance risk incidents in the Sub-Fund's investments on an ongoing basis. The Portfolio Managers do not expect such limitations to affect the Sub-Fund's ability to promote environmental and/or social characteristics as the data underlying such characteristics, as defined by the Portfolio Managers, is processed and/or produced by the Investment Team and subject to due diligence.

Furthermore, the Portfolio Managers can and intend to engage with Lead Sponsors directly (as a result of the Portfolio Managers' existing relationships with such Lead Sponsors) to improve the understanding of environmental, social, governance matters at the Lead Sponsor and its portfolio companies and to encourage improvement in such processes. To the extent that the Portfolio Managers identify relevant and financially material environmental, social, governance issues at a Lead Sponsor or an investee company as a result of such monitoring, the Portfolio Managers will determine an appropriate course of action, including engagement with the Lead Sponsor, based on the prevailing facts and circumstances and having regards to its intention to attain the environmental and social characteristics promoted by the Sub-Fund.

We are satisfied that such limitations do not affect the attainment of environmental or social characteristics. Each investment opportunity's environmental and social characteristics are evaluated in detail, in accordance with our internal frameworks and using a variety of data sources, having regard to these limitations as well (where appropriate).



J. Due diligence

What is the due diligence carried out on the underlying assets?

In evaluating investment opportunities, the Investment Team has access to substantial due diligence resources and follow a highly disciplined and rigorous investment process to identify and assess the investment merits and risks of each investment opportunity.

As outlined in the “Data sources and processing” section above, the Investment Team generally has access to many of the same due diligence resources used by the Lead Sponsor in relation to a potential investment opportunity for the Sub-Fund, in addition to a wide range of internal and external due diligence resources that it utilizes as part of its initial due diligence of prospective investments. The Investment Team uses these resources to develop its own analyses, financial models, memoranda and ultimately form independent views as to the merits and risks of each investment opportunity being evaluated.

In addition, the Portfolio Managers believe that incorporating financially material environmental, social, governance considerations throughout the Sub-Fund’s investment process can lead to more consistent and better investment outcomes by helping identify both financially material risks and provide opportunities to drive value. Environmental, social, governance analysis is a part of the due diligence process for investment opportunities evaluated by the Investment Team, and diligence is conducted at the company level with a focus on financially material environmental, social, governance factors specific to the target company and industry as well as the Lead Sponsor’s practices.

The Investment Team will also assess governance practices of the investee companies during due diligence and then monitor governance on a periodic basis, in each case pursuant to a proprietary “Good Governance Assessment”. As part of its governance assessment, and pursuant to the Sub-Fund’s Avoidance Investment Guidelines, the Fund will not make investments in companies that have been identified as being in violation of the UNGC Principles.

After investment, an annual monitoring questionnaire will be issued to the Lead Sponsors that the Sub-Fund has invested in to track progress on financially material environmental, social, governance matters over the duration of the investment holding period. Additionally, and as part of the due diligence, the Investment Team periodically monitors investee companies on an on-going basis for financially material environmental, social, governance violations and real-time risks.

The Portfolio Managers’ Sustainable Investing Team provides expert guidance, resources, and training to investment professionals during the investment process and works to continuously improve the firm’s integration of financially material environmental, social, governance factors. In partnership with the firm’s Sustainable Investing team, the Investment Team is trained on due diligence best practices for integration of financially material environmental, social, governance factors and guidance at least once a year but often more frequently. Investment professionals with deep expertise in environmental, social, governance integration regularly engage with the Investment Team to further enhance environmental, social, governance due diligence capabilities and to disseminate knowledge in practice.

All of the above encompasses the internal controls put in place as part of the due diligence and ongoing monitoring process.



K. Engagement policies

Is engagement part of the environmental or social investment strategy?

☐ Yes

☒ No

What are the engagement policies?

An engagement policy is not part of the environmental or social investment strategy of the Sub-Fund. However, all investments by the Sub-Fund will be periodically monitored on an on-going basis for real-time risks, including with regards to sustainability-related controversies in investee companies. To the extent the Portfolio Managers identifies relevant and financially material environmental, social, governance issues at a Lead Sponsor or an investee company as a result of such monitoring, the Portfolio Managers will determine an appropriate course of action, including engagement with the Lead Sponsor, based on the prevailing facts and circumstances and having regards to its intention to attain the environmental and social characteristics promoted by the Sub-Fund.

**L. Reference benchmark**

Has a specific index designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product?

☐ Yes

☒ No, a reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

Where can more product-specific information be found?

More product-specific information can be found in the pre-contractual template:

Please note that product-specific information is not made publicly available due to local offering restrictions and will only be available on the investor portal for the Sub-Fund.

More product-specific information can be found in the periodic reports:

Not applicable as the Sub-Fund's first periodic report has not yet been made available. Please note that product-specific information is not made publicly available due to local offering restrictions and will only be available on the investor portal for the Sub-Fund.