NEUBERGER | BERMAN

Neuberger Berman Thermal Coal Involvement Policy

Updated as of May 24, 2022

1. INTRODUCTION

Founded in 1939, Neuberger Berman is a private, 100% independent, employee-owned investment manager. From offices in 34 cities worldwide, the firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity and hedge funds—on behalf of institutions, advisors and individual investors globally.

2. SCOPE

Thermal-coal generation is a significant contributor to incremental global emissions and creates material climate-related risks for companies. Neuberger Berman believes there is a weak economic case for construction of assets related to thermal-coal generation, and that companies should be transitioning to other fuel sources in new capacity plans to avoid capital destruction and asset stranding. Furthermore, challenges related to financing and insuring coal-related projects as well as significant regulatory scrutiny serve as additional risk factors for investors in those businesses. Consistent with our fiduciary duty to clients to provide attractive investment returns while mitigating risk, we are committed across all of our co-mingled U.S. registered mutual, exchange traded and closed-end funds and international UCITS range, to subject investments in companies that have more than 25% of revenue derived from thermal coal mining or are expanding new thermal coal power generation to formal review and approval by Neuberger Berman's Environmental, Social and Governance ("ESG") Committee before the initiation of any new investment positions in the securities of those companies.

3. DEFINITION OF LIMITATIONS

Thermal Coal Mining. We define thermal coal mining as:

a. The percentage of revenue the issuer derives from the mining of thermal coal including lignite, bituminous, anthracite and steam coal, its sale to external parties and through contract mining services

b. This does not include revenue from metallurgical coal, intra-company sales of mined thermal coal, revenue from coal trading and royalty income for non-involved parties

c. The 25% threshold will be evaluated at least once annually by our ESG Committee

We believe a prudent portfolio neutralizes the exposure to thermal coal mining, which as a byproduct of combustion, is a large contributor to greenhouse gas emissions globally.

Thermal Coal Power Generation. We define new thermal coal power generation expansion as:

a. The addition of new and substantial thermal coal-fired generation capacity into the construction, development, permitting or planning phase by companies defined as a generating company (>10% of revenue derived from power generation)

b. We will use reputable and recognized third parties in coordination with our own internal investment research teams to maintain a list of companies expanding thermal coal power generation

c. We do not consider investments in existing coal plants for pollution control equipment, regular operations and maintenance spend as within the scope of this policy.

d. The list of companies that portfolio managers must seek approval to invest in by the NB ESG Committee will be updated at least semi-annually and investment teams are able to challenge/remove names on the list through attestation if the project's power purchase agreement was signed prior to September 30, 2020

Receipt of securities pursuant to a corporate action or similar event that would otherwise be subject to this policy are expected to be sold in a reasonably prompt and prudent manner unless otherwise approved by the NB ESG Committee, consistent with our fiduciary duty and applicable law.

4. IMPLEMENTATION

The policy is subject to review by our ESG Committee. We use reputable, recognized third parties to help identify companies that partake in thermal coal-related businesses, unless otherwise noted. Where a portfolio manager disagrees with a third-party assessment, a challenge to such assessment may be part of a submission to the ESG Committee.

Only long positions in operating companies *(i.e.*, does not apply to investments in pooled investment vehicles, including ETFs) are considered for this policy– our funds may take short positions in companies without approval of the ESG Committee. This policy does not apply to funds, or portions of funds, that are managed by third party sub-advisers.

Implementation of this policy is managed by our Asset Management Guideline Oversight team, in collaboration with legal and compliance. Investment in companies identified and not approved for investment by the ESG Committee through this process is restricted through Neuberger Berman's trade compliance system.

The list of companies subject to this policy that have not been approved by the ESG Committee will be provided to clients upon request. As with any investment policy or limitation, we can also implement customized limitations based upon a client's own objectives in separately managed accounts. Utilizing specialist research, we can help develop investment universes that reflect a client's objectives and exclude companies that have a material exposure to a particular issue or that breach specific international standards.