NEUBERGER | BERMAN

2024 DISCLOSURE STATEMENT: OPERATING PRINCIPLES FOR IMPACT MANAGEMENT

This report covers Neuberger Berman public markets impact strategies.

Neuberger Berman is an employee-owned[1], private, independent investment manager founded in 1939 with over 2,800 employees in 26 countries. The firm manages $482 billion of equities, fixed income, private equity, real estate and hedge fund portfolios for global institutions, advisors and individuals. Neuberger Berman's investment philosophy is founded on active management, fundamental research and engaged ownership. The PRI identified the firm as part of the Leader's Group, a designation awarded to fewer than 1% of investment firms for excellence in environmental, social and governance practices. Neuberger Berman has been named by *Pensions & Investments* as the #1 or #2 Best Place to Work in Money Management for each of the last 10 years (firms with more than 1,000 employees). Visit www.nb.com for more information. Data as of June 30, 2024.

[1] Includes the firm's current and former employees, directors and, in certain instances, their permitted transferees.

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Neuberger Berman Disclosure Statement
Operating Principles for Impact Management
July 22, 2024

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. Through this statement we affirm that the following strategies are managed in line with the Impact Principles, including their (i) policies and practices and (ii) impact management systems:

- Neuberger Berman U.S. Equity Impact
- Neuberger Berman Global Equity Impact
- Neuberger Berman Private Equity Impact
- Neuberger Berman Municipal Impact

This disclosure statement covers $818.5 million of Neuberger Berman's Assets Under Management (the "Covered Assets") for the strategies listed above.[2] This report covers the public markets impact strategies that we offer—U.S. Equity Impact, Global Equity Impact and Municipal Impact.

Sincerely,

George H. Walker

George Walker
CEO and Chairman, Neuberger Berman

[2] As of June 30, 2024.

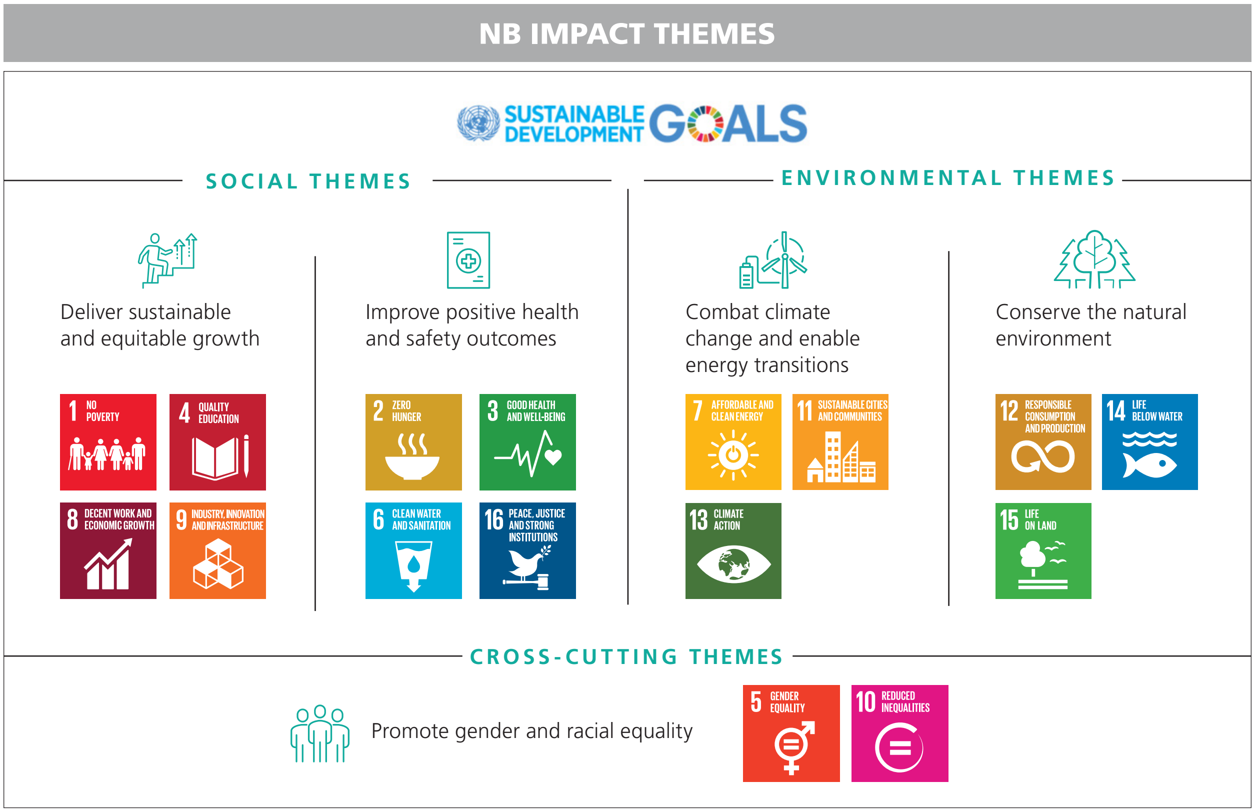
PRINCIPLE 1: DEFINE STRATEGIC IMPACT OBJECTIVE(S), CONSISTENT WITH THE INVESTMENT STRATEGY.

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.

Since our inception in 1939, Neuberger Berman's (NB) purpose has been to deliver compelling investment results for our clients over the long term, supporting them to achieve their investment objectives. We have a long-standing belief that financially material environmental, social and governance (ESG) factors may be an important driver of long-term investment returns from both an opportunity and a risk-mitigation perspective. We also understand that for some clients the outcomes that their portfolios enable are an important consideration in conjunction with investment performance. 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 remains at the forefront, partnering with clients to provide innovative solutions that seek to achieve the outcomes they value. Today, we continue to innovate, driven by our belief that the determination of the financial materiality of ESG factors, like the determination of the financial materiality of any other factor, should be incorporated in a manner appropriate for the specific asset class, investment objective and style of each investment strategy.

Our portfolio managers consider financially material ESG factors alongside other traditional financial factors in their investment decisions. For clients who desire strategies that go beyond ESG integration, we offer outcome-based strategies such as impact strategies, which seek to intentionally generate positive, measurable social and environmental outcomes for people and the planet alongside a market rate financial return, by investing in issuers whose core business, products, services or use of proceeds of each investment contributes to solutions of pressing environmental and social issues. This report covers the public markets impact strategies that we offer—U.S. Equity Impact, Global Equity Impact and Municipal Impact.

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 impact investment strategies. At NB, we have organized the SDGs into consistent, investable themes across our impact strategies and believe investors can contribute to the achievement of positive social or environmental outcomes by investing in or engaging with companies whose products and services are aligned with the achievement of the SDGs. For more information about our approach to ESG and impact investing, please read our 2023 Stewardship & Sustainability Report here.



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

U.S. Equity Impact and Global Equity Impact

The Neuberger Berman U.S. Equity Impact Strategy (U.S. Equity Impact) and the Neuberger Berman Global Equity Impact Strategy (Global Equity Impact) seek to invest in listed public companies whose products and services have the potential to deliver positive social and environmental impact alongside attractive long-term financial returns. In our view, the world faces numerous environmental and societal challenges from climate change to public health and geopolitical risks. In response, we invest in, and engage with, companies with significant positive impact potential to support their journeys and contribute to positive solutions for people and the planet.

We build a theory of change and identify a specific SDG target within our NB impact themes for our portfolio companies. The theory of change and company performance are monitored over the course of the investment holding period to verify the specific contribution.

Municipal Impact

The Neuberger Berman Municipal Impact Strategy (Municipal Impact) pursues a dual investment objective that includes the strategic allocation of capital to issuers and projects that promote the goals and targets of the SDGs, alongside preservation of capital and high current income exempt from U.S. federal income tax. Capital allocation toward municipal financing wherein the 'use of proceeds' aligns with the International Capital Market Association's (ICMA) Green/Social Bond project categories and meets the requisite governance criteria, is the primary means of achieving the objective as it pertains to impact. Managers seek to align at least 80% of portfolio net assets with these criteria. The strategy is implemented through a proprietary Municipal Impact Analysis Framework that considers and scores investment opportunities based on criteria designed to assess the fundamental strengths of the issuer, relevance and alignment to green or social project categories, and the potential for positive impact on the community which the investment intends to benefit.

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 and Global Equity Impact

The U.S. Equity Impact and Global Equity Impact (together Listed 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 and compare impact performance across the opportunity set. We leverage in-house capabilities and frameworks to underwrite and ensure alignment with 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 objectives 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 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.

Municipal Impact

Each investment in the Municipal Impact strategy receives an overall Social Impact Score (SI Score), a cumulative, weighted consideration of the individual pillar scores. Pillar scores reflect systematic analysis of relevant individual sub-factors at the security level by the research analyst, through either quantitative or qualitative methodologies.

Evaluating and scoring investments based on their impact characteristics is embedded into the investment process, and specifically, is a part of the investment team's order management system. Therefore, to make a new purchase, each investment must meet minimum impact characteristics within the Municipal Impact Analysis Framework (the Framework).

The three-pillar Framework is supported and informed by the following specific factors within each of the pillars:

- Issuer governance practices are qualitatively assessed through the lens of fiscal soundness, proactive ESG risk management, stakeholder relations, and transparency and disclosure
- Use of proceeds is assessed by confirming the alignment and designation of bond proceeds to one or more project categories as defined in the ICMA Green and Social Bond Principles
- Community need is understood through a proprietary, quantitative synthesis of several publicly available social and environmental indicators that help identify and direct capital to more vulnerable communities and demographic groups

At the portfolio level, impact achievement is quantified by ensuring that a minimum of 80% of portfolio net assets are invested in securities that meet the key criteria of the Framework.

NB has a long-standing belief that financially material ESG factors may be an important driver of long-term investment returns from both an opportunity and a risk-mitigation perspective. While there is currently no formal alignment of the Municipal Impact team's incentive systems with the achievement of impact, this may be considered as best practices emerge.

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 and Global Equity Impact

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

- Early identification of 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, following-on offerings and private companies (pre-IPO) can provide capital to grow the business, which may have a positive impact.

Engagement is a central pillar of the U.S. and Global Equity Impact strategies. 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. In 2023, around 55% 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. On an annual basis, we set engagement objectives for our holdings and monitor progress toward designated outcomes over time. We classify each holding based on the status of engagement and when engagement objectives are achieved, new engagement objectives are set.

ABOUT OUR APPROACH TO ENGAGEMENT

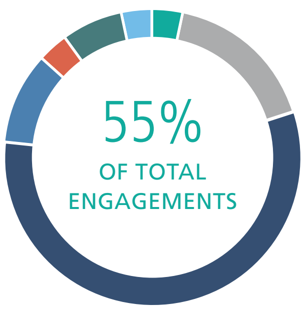
100%

OF PORTFOLIO COMPANIES ENGAGED WITH

127 | ENGAGEMENT MEETINGS

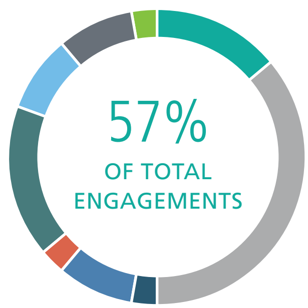
55% | OF ENGAGEMENTS WITH CEO OR CFO

ENVIRONMENTAL



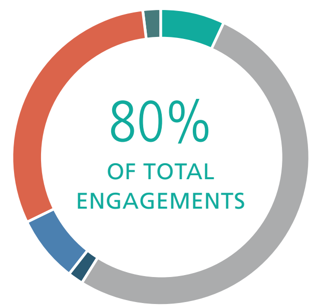
- Climate Change
- Disclosure of Key Environmental Metrics
- Green Opportunities
- Pollution and Mitigation Management
- Support of Relative Frameworks and Policies
- Waste and Water Management

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 January 1, 2023 and December 31, 2023 for holdings as of June 30, 2023. One engagement can extend across environmental, social and governance categories. Sub-categories reflect the primary topic of conversation in an engagement meeting. An engagement meeting refers to a substantive meeting with portfolio company management to discuss the advancement of one or more ESG goals.

Municipal Impact

The opportunities and channels to contribute to the achievement of impact are generally more limited for a debt investor. Nevertheless, we believe the nature and structure of the municipal bond market makes it an ideal asset class for impact investing aligned with the SDGs. As an investor in the municipal market, our contribution to impact is largely driven by our ability to select issuers and projects from an extraordinarily diverse opportunity set of debt financing designated for building and maintaining essential infrastructure and critical assets, providing essential public services such as education and healthcare, and aiding local governments and enterprises in other ways of effecting positive impact.

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 bond proceeds to impact objectives, in addition to selectively directing funds to communities with higher need. The Municipal Impact strategy focuses on directing capital to bonds that support projects that generate positive social and environmental outcomes for public benefit while addressing the unique needs of the communities that experience the intended impact. Our approach is to define the impact criteria and its minimum thresholds for evaluation of investments, and to target specific projects that have a clear and compelling potential for social and environmental impact.

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 and Global Equity Impact

The impact due diligence process for the U.S. and Global Equity Impact strategies incorporates both the established Impact Management Project (IMP) framework[3] as well as our proprietary Impact ratio analysis. We qualitatively evaluate every company we invest in across the IMP's five 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. Where outcomes are variable by segment of business line, we evaluate them individually and then aggregate at the company level to ensure the minimum threshold is met and negative impacts are considered.

IMPACT MANAGEMENT PROJECT 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 past, current and future years. We monitor impact performance in relation to the expected ratio over time and review where positive and negative impact significantly differed from our estimates.

Municipal Impact

As previously detailed, the Municipal Impact Analysis Framework (the Framework) serves as the principal methodology for assessing the nature, intent and significance of the impact associated with each investment. The Social Impact Score (the SI Score), which reflects a systematic analysis of sub-factors under the Issuer Governance, Use of Proceeds (UOP) and Community Need pillars of the Framework, provides a quantitative measure of the impact potential deriving from the investment.

[3] From 2016 to 2018, the Impact Management Project (IMP) convened a Practitioner Community of over 3,000 enterprises and investors to build global consensus on how we measure, improve and disclose our positive and negative impacts (otherwise known as "impact management"). The resulting consensus (or "norms") provide a common logic to help enterprises and investors understand their impacts on people and the planet, so that they can reduce the negative and increase the positive. For more information on the IMP framework please see https://impactfrontiers.org/norms/.

Our impact assessment is integrated with our investment process. Impact analysis is considered alongside fundamental credit analysis and security valuation, which includes traditional financial factors. Our impact framework is based on a "three-pillar model."

AGGREGATE IMPACT ASSESSMENT

GOVERNANCE	USE OF PROCEEDS	COMMUNITY NEED
• Sound fiscal management • Proactive ESG risk management • Stakeholder relations • Transparency & disclosure	• Use of proceeds likely to generate positive social and/or environmental outcome • Clear and designated application of proceeds	• Focus on higher relative need communities • Social data including median income, income disparity, poverty and social vulnerabilityfactors • Sector-relevant environmental event and disaster risks, air-quality, and heat and drought metrics

Each investment in the Municipal Impact strategy receives an overall SI Score, a cumulative, weighted consideration of the individual pillar scores. Pillar scores reflect systematic analysis of relevant individual sub-factors at the security level by the research analyst, through either quantitative or qualitative methodologies. At the portfolio level, impact achievement is quantified by ensuring that a minimum of 80% of portfolio net assets are invested in securities that meet the key criteria of the Framework.

Evaluating and scoring investments based on their impact characteristics is embedded into the investment process, and specifically, is a part of the investment team's order management system. Therefore, to make a new purchase, each investment must meet minimum impact characteristics within the Framework. The three-pillar Framework is supported and informed by the following specific factors within each of the pillars:

- **Issuer governance practices** are qualitatively assessed through the lens of fiscal soundness, proactive ESG risk management, stakeholder relations, and transparency and disclosure
- **Use of proceeds** is assessed by confirming the alignment and designation of bond proceeds to one or more project categories as defined in the ICMA Green and Social Bond Principles
- **Community need** is understood through a proprietary, quantitative synthesis of several publicly available social and environmental indicators that help identify and direct capital to more vulnerable communities and demographic groups

The Framework is the primary tool used by the portfolio managers in the understanding of impact characteristics and the likelihood of achieving the investment's expected impact as a result of the financing. Several of its inputs contribute to the understanding of who experiences the intended impact and measuring progress over the life of the investment. The Community Need analysis that each investment is subject to provides insight into the socio-economic and demographic indicators of the population that individual projects and programs impact, and whether there is a greater relative need or benefit the investment will help address or advance. Furthermore, the Framework includes an assessment of the issuers' transparency and disclosure practices that are relevant to the nature of the entity and its mission in the community, and reflect and adequately meet the statutory or widely accepted means of disclosure that governments and public enterprises are subject to. The means of disclosure and reporting we assess typically define the population base and scope of goods and services the public entities provide, their understanding of community needs and priorities, and an assessment of progress and impact at the project level. Each investment may represent one or more such projects and services the municipal entity undertakes as part of its normal course of operations. Each varies by issuance, and is evaluated in the Framework over the life of the investment.

The SI Scores, and the performance of individual investments on the sub-factors, is monitored on an annual basis. Material developments and new information can be integrated on an ongoing basis. If an SI Score is negatively impacted in the process of a review or update, the investment team will consider options such as targeted issuer engagement for additional disclosure, further inquiry to understand drivers of deterioration, a security sale, or a stepwise combination of the above. 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 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 and Global 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 apply 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 Listed Equity Impact team is supported by NB's ESG Investing team and utilizes the proprietary NB ESG Quotient rating system when analyzing current and prospective investments. The ratings are a result of the efforts of NB's Global Equity Research Department working with the ESG Investing team and is based on the NB Materiality Matrix, which identifies material ESG factors across over 70 industries. We believe the strength of our ESG integration is well reflected in our portfolios, with each receiving an NB ESG Quotient equity rating of B2, on a scale of A1 (highest) to D4 (lowest). For holdings with a low NB ESG 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.

NEUBERGER BERMAN INDUSTRY MATERIALITY MATRIX

	ENVIRONMENTAL		SOCIAL		WORKFORCE		SUPPLY CHAIN		LEADERSHIP AND GOVERNANCE	
SECTOR ▼ FACTOR ▶	Emissions	Water Management	Data Privacy & Security	Pricing Transparency	Health & Safety	Human Capital Development	Product Safety & Integrity	Materials Sourcing	Innovation	Policy & Regulation Risk
Consumer Goods										
Extractives & Mineral Processing										
Financials										
Food & Beverage										
Health Care										

Likely to be Material   Not Likely to be Material

Neuberger Berman Materiality Matrix. Represents a subset of factors. For illustrative purposes only.

Municipal Impact

As part of their fundamental investment analysis, the portfolio managers consider relevant ESG factors they believe are financially material to individual investments, where applicable. The analysis is inherently subjective and is informed by internally generated, as well as third-party metrics, data and other information the analysts collect in their research process. The portfolio managers believe that the consideration of financially material ESG factors, alongside traditional financial metrics, may improve credit analysis, security selection and relative value analysis, and enhance their overall investment process.

Municipal Impact benefits from this practice as material ESG factors are integrated into the fundamental research process of the asset class and includes qualitative ESG factors related to governance, environmental and climate risks, and socio-demographic indicators.

Engagement with municipal issuers is pursued primarily with the objective of promoting and improving disclosure and transparency in reporting. Municipal Impact leverages engagement with the issuer where it can offer additional insight or relevant information on individual investments. This may occur during multiple stages of the investment lifecycle, including the initial research and impact analysis, as well as during the ongoing performance monitoring and surveillance of the investment.

More details on our firmwide approach to ESG Investing can be found in our ESG Policy.

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 and Global Equity Impact

Our proprietary Impact ratio is calculated on a one-year basis using the key impact performance indicators we have identified as consistent, measurable and aligned with financial performance. Where possible we assess the impact potential of investments based on their contributions to impact metrics set forward by the Global Impact Investing Network (GIIN) in its IRIS+ database.[4] A historical ratio is generated for the past year and a forward-looking estimated ratio is generated for future years. The responsibility for data collection and estimation lies with the covering analysts. Data sources for evidence include but are not limited to company disclosures, academic papers, industry research, primary sources, government cost benefit analysis and ESG data providers (e.g., MSCI, TruCost, ISS-Oekom).

We sometimes follow companies 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 (our proprietary impact ratio) and identifying opportunities with impact potential through engagement. 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 the KPIs developed in our research and diligence process, and collaborate with management to work toward impact targets, while also sharing best practices.

On an annual basis, the team compares achieved impact ratio performance against what was expected. These outcomes are shared with clients in the 2023 U.S. Equity Impact Annual Report on an aggregated and individual basis for transparency. An impact report disclosing positive outcomes for Global Equity Impact will also be released after the strategy has completed its first full calendar year (2024), and updated annually thereafter. Companies that deviate significantly from our financial and impact investment theses may be divested from the portfolio or engagement efforts are enhanced if we see a reasonable path to improvement.

Municipal Impact

The Municipal Impact strategy'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. The Social Impact Scores, and the performance of individual investments on the sub-factors, are monitored on an annual basis. Material developments and new information can be integrated on an ongoing basis. If an SI Score is negatively impacted in the process of a review or update, the investment team will consider options such as targeted issuer engagement for additional disclosure, further inquiry to understand drivers of deterioration, a security sale or a stepwise combination of the above. 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. We share the progress and outcomes for the strategy's investments with our clients in our annual 2023 Municipal Impact Report.

[4] IRIS+ is the generally accepted system for impact investors to measure, manage and optimize their impact. For more information on the IRIS+ system please see https://iris.thegiin.org/.

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 and Global Equity Impact

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 factors that include:

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

We maintain a post-exit relationship with the companies that we exit, 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 some companies we have exited in an attempt to remediate issues that arose.

Operating in the public equity market, sales will almost always be to a secondary market buyer, but 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.

Municipal Impact

The Municipal Impact strategy employs a traditional fixed income fundamental investment strategy and therefore the concept of strategic exits is not applicable. Furthermore, given that the strategy invests in municipal bonds which position it as a holder of publicly traded debt, it assumes no fiduciary duties to the issuers of the transactions, thus making exit considerations not relevant or appropriate to the management style of the strategy.

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 and Global 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 for U.S. Equity Impact.

342 million

tons of avoided greenhouse gas (GHG) emissions from portfolio companies annually[5]

7.6 billion

pounds of waste avoided from landfills by portfolio companies annually[6]

3.2 million

quality-adjusted life years provided through therapeutics and treatments annually[7]

13,000

local, state and federal sites served by efficiency enhancing software solutions[8]

1.6 billion

gallons of water treated per day by portfolio companies[9]

40%

of holdings have SBTi-approved emission reduction target vs. 37% for Russell 3000 benchmark[10]

An impact report disclosing positive outcomes for Global Equity Impact will also be released after the strategy has completed its first full calendar year (2024), and updated annually thereafter.

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.

Based on portfolio holdings as of December 31, 2023. For a more complete discussion of our Portfolio company impact metrics and our impact measurement methodology, please see Appendix A – Impact Measurement.

[5] Source: Sustainability reports for Brookfield Renewable, CSX, Ecolab, Hannon Armstrong, Pentair, Tetra Tech, Trimble and Trane Technologies. Aligned with IRIS Metric, Greenhouse Gas Reductions due to Products Sold (PI5376).

[6] Source: Sustainability and annual reports for Ball Corp, Ecolab and Graphic Packaging, Aligned to IRIS Metric Waste Reductions from Products Sold (PI5926).

[7] Source: Sustainability and annual reports for Boston Scientific, Dexcom, HCA Healthcare, Eli Lilly, Merck and Humana.

[8] Source: Sustainability report for Tyler Technologies.

[9] Source: Sustainability reports for Ecolab, Xylem, Hannon Armstrong, Tetra Tech and Veralto. Aligned with IRIS Metrics. Water Conserved (OI4015) and Wastewater Treated (OI9412).

[10] Source: Science-Based Targets Initiative, Neuberger Berman.

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 seek to improve operational and strategic investment decisions, as well as management processes.

In addition to internal review and audit processes, the Municipal Impact strategy publicly discloses its activities and impact criteria, along with case studies of select investments, in our annual 2023 Municipal Impact Report. Transparency and reporting are important parts of the process by which we work to 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.

Independent verification will be conducted on a regular basis and the statements in this disclosure will next be independently verified by Neuberger Berman Internal Audit in 2025. The expectation is at three-year intervals or earlier if there is a significant change to the impact management strategies and/or supporting systems.

The latest published verifier statement (completed in 2022 and which contains a brief description of the verification process and scope, qualification of the internal audit team and how it is independent from operational units and the investment decision process) can be found here.

Risk Considerations

Currency Risk: Investments in a currency other than the base currency of the portfolio are exposed to currency risk. Fluctuations in exchange rates may affect the return on investment. If the currency of the portfolio is different from your local currency, then you should be aware that due to exchange rate fluctuations the performance may increase or decrease if converted into your local currency.

Market Risk: The risk of a change in the value of a position as a result of underlying market factors, including among other things, the overall performance of companies and the market perception of the global economy.

Liquidity Risk: The risk that the portfolio may be unable to sell an investment readily at its fair market value. In extreme market conditions this can affect the portfolio's ability to meet redemption requests upon demand.

Counterparty Risk: The risk that a counterparty will not fulfil its payment obligation for a trade, contract or other transaction on the due date.

Operational Risk: The risk of direct or indirect loss resulting from inadequate or failed processes, people and systems, including those relating to the safekeeping of assets or from external events.

Concentration Risk: The portfolio's investments may be concentrated in a small number of investments and its performance may therefore be more variable than the performance of a more diversified portfolio.

Sustainable Risk: The strategy may focus on investments in companies that relate to certain sustainable development themes and demonstrate adherence to environmental, social and corporate governance practices. This may mean the universe of securities from which the portfolio can invest in may be smaller than that of other strategies and may underperform the market as a result.

Emerging Markets Risk: Emerging markets are likely to bear higher risk due to a possible lack of adequate financial, legal, social, political and economic structures, protection and stability as well as uncertain tax positions, which may lead to lower liquidity.

Geopolitical Risk: Neuberger Berman's business activities as well as the activities of the portfolio and its operations and investments could be materially adversely affected by global geopolitical issues. In particular, conflicts between the two nations and the varying involvement of the United States and other NATO countries could preclude prediction as to their ultimate adverse impact on global economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Fund and the performance of its investments or operations, and the ability of the Fund to achieve its investment objectives. Intra-country conflicts can cause a negative impact on and significant disruptions to the economy within that country as well as to business activities globally (including in the countries in which the Fund Invests), and therefore could also adversely affect the authorized use of the Fund's investments. Additional governmental actions (sanctions-related, military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy that the Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives. Additionally, to the extent that third parties, investors or related customer bases have material operations or assets in any of the impacted countries, they may have adverse consequences related to the ongoing conflict.

Valuation Risk: Due to the illiquid nature of many portfolio investments, any approximation of their value will be based on a good-faith determination as to the fair value of those investments. There can be no assurance that these values will equal or approximate the price at which such investments may be sold or otherwise liquidated or disposed of.

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