Article 10 (SFDR)

Website disclosure for an Article 8 fund

CMB Global Lux – Dette Emergente

MEDIOBANCA
MANAGEMENT COMPANY SA

Product name: CMB Global Lux – Dette Emergente (the "**Sub-Fund**"), a sub-fund of CMB Global Lux (the "**Fund**")	**Legal entity identifier:** 549300UFCXQIQ1FQT735
Does this financial product have a sustainable investment objective?	
☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** __%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

A. Summary

The Sub-Fund is a feeder fund of Neuberger Berman Emerging Market Debt Blend Fund (the "Master Fund"), meaning that at least 85% of the assets are always invested into the Master Fund.

The Master Fund targets an average return of 1 – 3% and does so by primarily investing in "*debt securities and money market instruments which are issued by governments, government agencies in or corporate issuers issuers which have their head office or exercise an overriding part of their economic activity in Emerging Market Countries and which are either denominated in or are exposed to the currencies of such Emerging Market Countries ("**Local Currency**") or denominated in Hard Currency*".

The environmental and social characteristics are promoted through the NB ESG Quotient rating system for sovereign issuers. Some characteristics are only considered, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating for corporate issuers. This NB ESG Quotient rating system is included in their internal credit rating system and helps the manager and sub-investment manager in their investment management process. To map the development of different sovereign issuers, the manager and sub-investment manager are directly engaging with the sovereign issuers. Engagement entails in-person meetings, e-mails and conferences on ESG topics to evaluate current standings and room for improvement. Issuers that have a poor NB ESG Quotient rating, are being supported adequately to address the situation accordingly. Should insufficient improvements become visible, exclusion policies will be implemented.

The NB ESG Quotient methodology will evolve over time and all ESG characteristics included therein are reviewed regularly and are subject to annual review to ensure that the most pertinent ESG characteristics are captured. Accordingly, the environmental and social characteristics considered as part of the NB ESG Quotient are subject to change.

B. No sustainable investment objective

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

C. Environmental or social characteristics of the financial product

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

According to the SFDR disclosures of the Master Fund, "*as part of the investment process, the manager and the sub-investment manager* [of the Master Fund] *consider a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are considered using a proprietary Neuberger Berman ESG rating system (the "**NB ESG Quotient**"). The NB ESG Quotient is built around the concept of sector specific ESG risk and opportunity, and produces an overall ESG rating for issuers by assessing them against certain ESG metrics.*

The manager and the sub-investment manager [of the Master Fund] *use the NB ESG Quotient to promote the environmental and social characteristics listed below by prioritising investment in securities issued by issuers with a relatively favourable and/or an improving NB ESG Quotient rating. Pursuant to this, the manager and the sub-investment manager will limit exposure to issuers with the poorest NB ESG Quotient ratings, unless there is a reasonable expectation that the NB ESG Quotient rating will improve over time.*

The following environmental and social characteristics are considered as part of the NB ESG Quotient rating for sovereign issuers:

• ***Environmental Characteristics**: sovereign energy efficiency; climate change adaptation; deforestation; greenhouse gas (“**GHG**”) emissions; air and household pollution; and unsafe sanitation.*

• *• **Social Characteristics:** progress towards UN Sustainable Development Goals (“**SDGs**”); health and education levels; regulatory quality; political stability and freedoms; gender equality; and research & development.*

The following environmental and social characteristics are considered, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating for corporate issuers:

• *• **Environmental Characteristics**: biodiversity and land usage; carbon emissions; opportunities in clean technologies; water stress; toxic emissions & waste; financing environmental impact; product carbon footprint; environmental policy; environmental management system; GHG reduction programme; green procurement policy; and non-GHG air emissions programmes.*

• *• **Social Characteristics**: health & safety; human capital development; labour management; privacy & data security; product safety & quality; financial products safety; discrimination policy; community involvement programmes; diversity programmes; and human rights policy.*

Performance in relation to these environmental and social characteristics will be measured through the NB ESG Quotient, and will be reported in aggregate in the portfolio [of the Master Fund]*’s mandatory periodic report template (as per the requirements of Article 11 of SFDR).*

The NB ESG Quotient methodology will evolve over time and all ESG characteristics included therein are reviewed regularly and are subject to annual review to ensure that the most pertinent ESG characteristics are captured. Accordingly, the environmental and social characteristics considered as part of the NB ESG Quotient are subject to change. For the avoidance of doubt, if the environmental or social characteristics considered as part of the NB ESG Quotient change, this pre-contractual disclosure document will be updated accordingly.

Exclusions are also applied (as further set out below) as part of the construction and ongoing monitoring of the portfolio [of the Master Fund]*. These represent additional environmental and social characteristics promoted by the portfolio* [of the Master Fund].

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the portfolio [of the Master Fund].”

D. Investment strategy

What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?

According to the SFDR disclosures of the Master Fund, the investment objective of the Master Fund is “*to achieve a target average return of 1-3% over the Benchmark (as defined below), before fees over a market cycle (typically 3 years) from a blend of Hard Currency-denominated debt issued in Emerging Market Countries, local currencies of Emerging Market Countries and debt issued by corporate issuers in Emerging Market Countries.*
The Benchmark comprises the following blend:

• • *50% weighting to JP Morgan GBI Emerging Markets Global Diversified (Total Return, Unhedged, USD) which measures the performance of debt markets of Emerging Countries expressed in local currencies;*

• • *25% weighting to JP Morgan EMBI Global Diversified (Total Return, USD) which measures the performance of debt markets of Emerging Market Countries expressed in USD; and*

• *25% weighting to JP Morgan CEMBI Diversified (Total Return, USD) which measures the performance of corporate debt markets of Emerging Market Countries (the "**Benchmark**").”*

The Master Fund “*will invest primarily in debt securities and money market instruments which are issued by governments, government agencies in or corporate issuers which have their head office or exercise an overriding part of their economic activity in Emerging Market Countries and which are either denominated in or are exposed to the currencies of such Emerging Market Countries (“**Local Currency**”) or denominated in Hard Currency. For the purposes of the portfolio* [of the Master Fund]*, Hard Currency means US Dollar, Euro, Sterling, Japanese Yen, and Swiss Franc.*

With the exception of permitted investments in transferable securities and money market instruments which are unlisted, all securities invested in by the portfolio [of the Master Fund] *will be listed, dealt or traded on Recognised Markets (as depicted in Annex I of the prospectus) globally, without any particular focus on any one industrial sector or region.*

The manager and the sub-investment manager [of the Master Fund] *implement a systematic and disciplined framework for analysing sovereign and corporate Local Currency and Hard Currency debt securities. Decisions on how to allocate the portfolio* [of the Master Fund]*’s assets between sovereign and corporate and Local Currency and Hard Currency Emerging Market Country debt securities, money market instruments and FDI are dependent on the Manager’s and the Sub-Investment Manager’s outlook on such securities. This outlook focuses on the global market environment, the economic environment of the relevant Emerging Market Countries, the attractiveness of the valuations available in the asset classes and their liquidity.*

The manager and the sub-investment manager [of the Master Fund] *will conduct fundamental analysis on the issuers that they track in order to identify undervalued and overvalued securities and exploit investment opportunities. The fundamental analysis used for the selection of governments or government-related issuers incorporates quantitative macroeconomic data and qualitative aspects such as political stability, structural reforms and other ESG characteristics. The fundamental analysis used for the selection of corporates incorporates assessments of the issuer’s financial performance such as revenue/earnings before interest, tax, depreciation, and amortisation ("**EBITDA**") growth, cash flow growth, capital expenditures, leverage trends and liquidity profile. Qualitative factors aim to complement the evaluation of corporate credit worthiness by including such factors as corporate governance, quality of earnings and debt structure.*

The manager and the sub-investment manager [of the Master Fund] *consider and evaluate ESG characteristics, as an important component of their credit analysis discipline, when making investment decisions. The manager and the sub-investment manager* [of the Master Fund] *utilise the NB ESG Quotient criteria as part of the portfolio* [of the Master Fund] *construction and investment management process. As noted above, NB ESG Quotient assigns weightings to environmental, social and governance characteristics to derive the NB ESG Quotient rating. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of ending up in the portfolio. Issuers with a poor NB ESG Quotient rating especially where these are not being addressed by that issuer, are more likely to be removed from the investment universe or divested from the portfolio* [of the Master Fund]*.*
The ESG analysis is performed internally, with the support of third-party data, and is not outsourced.”

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

According to the SFDR disclosures of the Master Fund, "*ESG characteristics are considered at three different levels:*

I Integrating proprietary ESG analysis:

The NB ESG Quotient ratings are generated for issuers in the portfolio [of the Master Fund]*. The NB ESG Quotient rating for issuers is utilised to help to better identify risks and opportunities in the overall credit and value assessment.*

The NB ESG Quotient is a key component of the internal credit ratings and can help to identify business risks (including ESG risks), which would cause deterioration in an issuer's credit profile. Internal credit ratings can be notched up or down based on the NB ESG Quotient rating, and this is monitored by the manager and the sub-investment manager [of the Master Fund] *as an important component of the investment process for the portfolio* [of the Master Fund]*.*

By integrating the investment team's proprietary ESG analysis (the NB ESG Quotient) into their internal credit ratings, there is a direct link between their analysis of material ESG characteristics and portfolio construction activities across their strategy.

Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of ending up in the portfolio [of the Master Fund]*. Issuers with a poor NB ESG Quotient rating especially where these are not being addressed by that issuer, are more likely to be removed from the investment universe or divested from the portfolio* [of the Master Fund]*.*

II Engagement:

The manager and the sub-investment manager [of the Master Fund] *engage directly with management teams of issuers through a robust ESG engagement program.*

The manager and the sub-investment manager [of the Master Fund] *also engage with sovereign issuers in developed and Emerging Market Countries. As part of its sovereign engagement, the Manager's and the Sub-Investment Manager's portfolio managers and analysts speak regularly to government officials, policy makers and international financial organisations, such as the International Monetary Fund, World Bank and Asian Development Bank, with onsite visits whenever possible, and utilise such meetings to engage with sovereign issuers on ESG topics, where the manager and the sub-investment manager* [of the Master Fund] *see scope for improvement for the relevant country.*

The sovereign engagement process tends to focus on the various areas relating to SDGs under the UN Global Compact, and the UNGP. In addition, the manager and the sub-investment manager [of the Master Fund] *monitor and engage with countries on reducing GHG emissions based on the Climate Watch Net Zero Tracker managed by World Resources Institute. Sovereign engagement is also carried out with jurisdictions under increased monitoring, who are actively working with the Financial Action Task Force ("**FATF**") to address strategic deficiencies in counter money laundering, terrorist financing and proliferation financing. Progress on sovereign engagement is tracked centrally in the Manager's and the Sub-Investment Manager's engagement log.*

The manager and the sub-investment manager [of the Master Fund] *view this direct engagement with issuers, as an important part of its investment process (including the investment selection process). Issuers that are not receptive to engagement are less likely to be held (or to continue to be held) by the portfolio* [of the Master Fund]*.*

This program is focused on in-person meetings, email and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, the manager and the sub-investment manager [of the Master Fund] *may set objectives for the issuers to attain. These objectives as well as the issuers' progress with respect to*

same are monitored and tracked by the manager and the sub-investment manager [of the Master Fund] *through an internal Neuberger Berman ("**NB**") engagement tracker.*
In addition, constructive engagements are undertaken with issuers which have high impact controversies, or which have a poor NB ESG Quotient rating, in order to assess whether those ESG controversies or what the manager and the sub-investment manager [of the Master Fund] *deem as weak ESG efforts, are being addressed adequately.*
The manager and the sub-investment manager [of the Master Fund] *firmly believe this consistent engagement with issuers can help reduce credit risk and promote positive sustainable change. It is an important tool to identify and better understand an issuer's risk factors and performance. The manager and the sub-investment manager* [of the Master Fund] *also use it to promote change, when necessary, which they believe will result in positive outcomes for creditors and broader stakeholders. Direct engagement when paired with other inputs, creates a feedback loop that allows analysts in the investment team to evolve their ESG scoring process and prioritise risks that are most relevant to a sector.*

III ESG sectoral exclusion policies:
To ensure that the environmental and social characteristics promoted by the portfolio [of the Master Fund] *can be attained, the portfolio* [of the Master Fund] *will apply the ESG exclusion policies referenced above.*"

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

According to the SFDR disclosures of the Master Fund, "*The governance factors that the manager and the sub-investment manager* [of the Master Fund] *track for corporate and quasi-sovereign issuers may include: (i) senior management experience and sector expertise; (ii) ownership/board experience and alignment of incentives; (iii) corporate strategy and balance sheet strategy; (iv) financial and accounting strategy & disclosure; and (v) regulatory / legal track record.*
Engagement with management is an important component of the portfolio [of the Master Fund]*'s investment process, and the manager and the sub-investment manager* [of the Master Fund] *engage directly with management teams of issuers through a robust ESG engagement program. This program is focused on in-person meetings, email and conference calls to understand risks, opportunities and assess good corporate governance practices of investee issuers. The manager and the sub-investment manager* [of the Master Fund] *view this direct engagement with issuers, as an important part of its investment process.*
While the prioritisation assessment is ongoing, the timing of the engagement may be reactionary in certain cases, opportunistic in cases of industry events or pre-planned meetings, or proactive where time allows and without undue restrictions such as during quiet periods or M&A events that may prevent outreach actions. Ultimately, the manager and the sub-investment manager [of the Master Fund] *aim to prioritise engagement that is expected, based on the Manager's and the Sub-Investment Manager's subjective analysis, to have a high impact on the protection of and improvement to the value of the portfolio* [of the Master Fund]*, be it through the advancement of actionable disclosure, understanding of risks and risk management at an issuer, or through influence and action to mitigate risks (including sustainability risks) and take advantage of investment opportunities. Additionally, the manager and the sub-investment manager* [of the Master Fund] *also track governance factors for Emerging Market Countries such as: (i) the political sphere of the relevant country, (ii) the adherence to the rule of law, (iii) control of corruption, political uncertainty related to upcoming elections and (iv) a focus of the quality of economic governance, namely the government's role as an effective regulator and support of the private sector through responsible financial, macroeconomic and international trade policies."*

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

☒ Yes, according to the SFDR disclosures of the Master Fund, "*the manager and the sub-investment manager* [of the Master Fund] *will consider the following principal adverse impacts, namely: GHG intensity and investee countries subject to social violations (the "**Sovereign PAIs**") for the sovereign issuers, and GHG emissions, carbon footprint, GHG intensity, fossil fuel exposure, board gender diversity, UNGC & OECD violations and controversial weapons for the corporate issuers (together the "**Product Level PAIs**").*

With respect to the Product Level PAIs, the manager and the sub-investment manager [of the Master Fund] *utilise third party data and proxy data along with internal research to consider them.*

Additionally, the manager and the sub-investment manager [of the Master Fund] *have conducted a letter campaign where they have written to select corporate issuers asking for direct disclosure on the PAIs in order to offer high-quality disclosures to investors.*

The manager and the sub-investment manager [of the Master Fund] *will continue to work with issuers to encourage disclosure and to gather wider and more granular data coverage on the PAIs.*

The Product Level PAIs that are taken into consideration are subject to there being adequate, reliable and verifiable data coverage for such indicators, and may evolve with improving data quality and availability. Where such data is not available the relevant Product Level PAI will not be considered until such time as the data becomes available. The manager and the sub-investment manager [of the Master Fund] *will keep the list of Product Level PAIs they consider under active review, as and when data availability and quality improves.*

Consideration of the Product Level PAIs by the manager and the sub-investment manager [of the Master Fund] *will be through a combination of:*

- • *Monitoring the portfolio* [of the Master Fund]*, in particular where it falls below the quantitative and qualitative tolerance thresholds set for each Product Level PAI;*

- • *Stewardship and/or setting engagement objectives where the portfolio* [of the Master Fund] *falls below the quantitative and qualitative tolerance thresholds set for a Product Level PAI; and*

- • *Application of the ESG exclusion policies referenced above.*

Reporting on consideration of Product Level PAIs will be available in an annex to the annual report of the portfolio [of the Master Fund]."

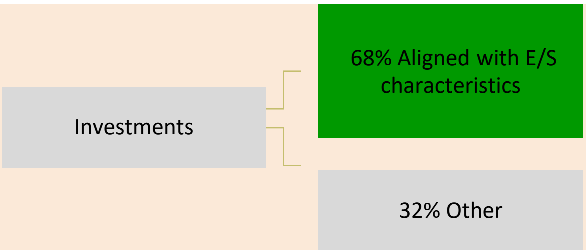
☐ No

E. Proportion of investments

What is the planned asset allocation for this financial product?

The management company of the Fund undertakes to allocate at least 85% of its net assets in the Master Fund. Consequently, the Management Company undertakes to allocate the remaining 15% of the net assets of the Sub-Fund in investments categorized under "#2 Other".

According to the SFDRD template of the Master Fund, the Master Fund has 80% of its investments aligned with E/S characteristics, and 20% categorized under "#2 Other". Included in category "#2 Other" is (i) cash (*i.e.* bank demand deposits, such as cash held in current accounts with a bank accessible at all times) for cash purposes or in the event of adverse market conditions and (ii) derivatives for efficient portfolio management, investment and/or hedging purposes. There are no minimum social safeguards.



#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.

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

What is the minimum share of investments with an environmental objective aligned with the EU Taxonomy? (including what methodology is used for the calculation of the alignment with the EU Taxonomy and why; and what the minimum share of transitional and enabling activities)

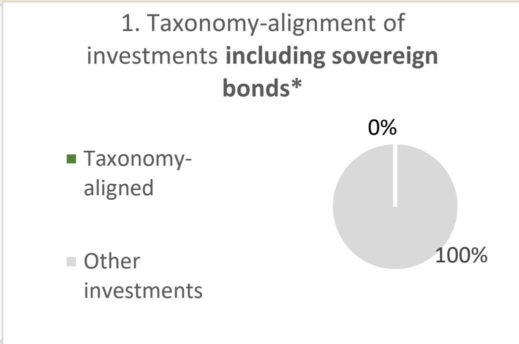
The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

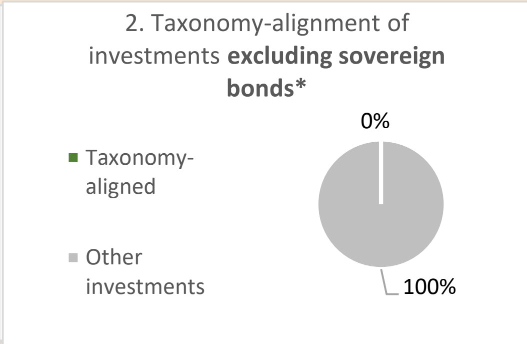
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the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

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

The Sub-Fund does not currently commit to invest in any sustainable investment within the meaning of the EU Taxonomy.
According to the SFDR disclosures of the Master Fund, "*N/A - The analysis and disclosure requirements introduced by the Taxonomy Regulation are very detailed and compliance with them requires the availability of multiple, specific data points in respect of each investment which the portfolio [of the Master Fund] makes. The manager and the sub-investment manager* [of the Master Fund] *are not committing that the portfolio* [of the Master Fund] *will invest in investments that qualify as environmentally sustainable for the purposes of the Taxonomy Regulation. As such, the minimum proportion of the portfolio [of the Master Fund]'s investments that contribute to environmentally sustainable economic activities for the purposes of the Taxonomy Regulation will be 0%. It cannot be excluded that some of the portfolio [of the Master Fund]'s holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on Taxonomy alignment will develop as the EU framework evolves and data is made available by issuers.*"

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 Master Fund (and 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?

0%

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

The management company of the Fund also allows itself the possibility of holding cash in the form of demand bank deposits for treasury purposes.

These assets do not take into account the sustainability characteristics promoted by the Sub-Fund, nor minimum 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?

According to the SFDR disclosures of the Master Fund, "*as part of the investment process, the manager and the sub-investment manager* [of the Master Fund] *consider a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the portfolio* [of the Master Fund]. *These are listed below:*

I. The NB ESG Quotient:
The NB ESG Quotient (as explained above) is used to measure the environmental and social characteristics promoted by the portfolio [of the Master Fund].

The NB ESG Quotient assigns weightings to environmental, social and governance factors for countries and for corporate sectors to derive the NB ESG Quotient rating. Issuers with a favourable and/or an improving NB ESG Quotient rating have a higher chance of being included in the portfolio [of the Master Fund]. *Issuers with a poor NB ESG Quotient rating, especially where a poor NB ESG Quotient rating is not being addressed by an issuer, are more likely to be removed from the investment universe or divested from the portfolio* [of the Master Fund]. *In addition, constructive engagements are undertaken with issuers that have a poor NB ESG Quotient rating, in order to assess whether concerns are being addressed adequately.*

II. ESG exclusion policies:

To ensure that the environmental or social characteristics promoted by the portfolio [of the Master Fund] *can be attained, the portfolio* [of the Master Fund] *will not invest in securities issued by issuers whose activities breach the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy. The portfolio* [of the Master Fund] *is phasing out its exposure to thermal coal and currently prohibits investment in securities issued by issuers that derive more than 10% of revenue from thermal coal mining or are expanding new thermal coal power generation, as determined by internal screens. The portfolio* [of the Master Fund] *also prohibits investments in issuers in the power generation industry that use thermal coal as an energy source for more than 95% of their installed power generation capacity, are expanding into new thermal coal power generation, or whose expansionary capital expenditure budgets do not include a minimum threshold for non-coal investments, as determined by internal screens. The investments held by the portfolio* [of the Master Fund] *will not invest in securities issued by issuers whose activities have been identified as breaching the Neuberger Berman Global Standards Policy which excludes violators of (i) the United Nations Global Compact Principles ("**UNGC Principles**"), (ii) the OECD Guidelines for Multinational Enterprises ("**OECD Guidelines**"), (iii) the United Nations Guiding Principles on Business and Human Rights ("**UNGPs**") and (iv) the International Labour Standards ("**ILO Standards**"). In addition, the portfolio* [of the Master Fund] *excludes securities issued by issuers which are involved in direct child labour, in the tobacco industry, as well as certain issuers with significant exposure to oil sands. Further details on these ESG exclusion policies are set out in the "Sustainable Investment Criteria" section of the main body of the Prospectus.*

The manager and the sub-investment manager [of the Master Fund] *will track and report on the performance of the above sustainability indicators namely, (i) the NB ESG Quotient; and (ii) the adherence to the ESG exclusion lists applied to the portfolio* [of the Master Fund]. *These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the portfolio* [of the Master Fund] *and will be included in the portfolio* [of the Master Fund]*'s mandatory periodic report (as per the requirements of Article 11 of SFDR)."*

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

According to the SFDR website disclosure of the Master Fund, "f*ollowing investment, the manager and the sub-investment manager* [of the Master Fund] *monitor issuers on an ongoing basis to track their performance with respect to environmental and social characteristics. In particular, the manager and the sub-investment manager* [of the Master Fund] *will track and report on the performance of (i) the NB ESG Quotient, and (ii) the adherence to the ESG exclusion lists applied to the Portfolio. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the portfolio* [of the Master Fund] *and will be included in the Portfolio's mandatory periodic report (as per the requirements of Article 11 of SFDR).*"

G. Methodologies

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

This Sub-Fund is a feeder fund. The following information are aligned with the information of the Master Fund.

According to the SFDR disclosures of the Master Fund, the sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the portfolio [of the Master Fund] and will be included in the [Master Fund's] portfolio's mandatory periodic report.

H. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

According to the SFDR disclosures of the Master Fund, "*ESG data inputs are derived from multiple datasets including international financial organizations, external vendors, company direct disclosures (e.g., sustainability reports, annual reports, regulatory filings, and company websites),* company indirect disclosures (e.g., government agency published data; industry and trade association data; and third-party financial data providers), development agencies and specialty ESG research providers.

ESG data is a key domain and part of our internal data governance with an assigned ESG Data Steward and a dedicated ESG Technology team. The ESG Data Steward has periodic engagements with ESG data vendors to discuss issues such as data coverage and will evaluate options to help resolve data gaps. Subscription to multiple data vendors enables us to evaluate company coverage and quality of data between vendors. In addition, our investment teams continue to explore new data products and vendors to evaluate potential enhancements to our existing data coverage. ESG data feeds are monitored and reconciled by our data quality assurance team and critical data elements are closely reviewed as part of internal reporting. ESG Data is integrated throughout the firm's operating management system, compliance and risk management systems, providing all stakeholders transparency into portfolio ESG metrics in real time.

In addition, the firm's internally derived data team work collaboratively with the ESG Investing team to identify innovative and non-traditional data sources which may provide additional insights. We continuously seek to identify additional data and research, which may enhance our analysis.

[The Master Fund] *believes that the most effective way to integrate ESG into an investment process over the long term is for investment teams themselves to research ESG factors and consider them alongside other inputs into the investment process. For this reason, ESG research is included in the work of our research analysts rather than employing a separate ESG research team. We embed such research in the work of our security research analysts.*

The investment teams can then choose how best to apply all the tools of active management, whether that is to engage or ultimately to sell a security when it no longer offers an attractive risk-adjusted potential return.

We expect that a low proportion of data will be estimated. The proportion of data 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? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

According to the website disclosures of the Master Fund, "*Limitations in both methodology and data include but are not limited to:*

- *Lack of standardization;*
- *Gaps in company coverage especially in private companies and companies that reside in Emerging Markets;*
- *Limitations in application for both Public and Private Debt markets versus Public Equity;*
- *Some data sets such as Carbon Emissions are reported at a significant time-lag; and*
- *Some of the available third-party data is calculated based on data estimates.*

As such, investment teams are not dependent on raw data. Neuberger Berman has developed a firm-wide proprietary ratings system, called the Neuberger Berman ESG Quotient, which is under continual testing to enhance methodology and data coverage.

*In addition, Neuberger Berman continues to advocate for greater standardized disclosures; for example, Neuberger Berman is a member of the International Financial Reporting Standards (the "**IFRS**") Sustainability Alliance, which aims to develop a more coherent and comprehensive system for corporate disclosure.*

*Neuberger Berman is also a formal supporter of the recommendations of the Taskforce on Climate Related Financial Disclosure ("**TCFD**") because we believe that climate change is a material driver of investment risk and return across industries and asset classes. The TCFD will help develop voluntary, consistent climate-related financial risk disclosures.*

Neuberger Berman is satisfied that such limitations do not affect the attainment of environmental or social characteristics, in particular because of the steps taken to mitigate such limitations:

- *As noted above, we periodically engage with data vendors on data quality, and the third party sources relied upon are the same as those relied upon by the broader market and so are likely to be refined as the market for products with environmental or social characteristics matures;*
- *We engage directly with management teams of corporate issuers through a robust ESG engagement program; and*

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 and what are the internal and external controls in place?

According to the SFDR website disclosures of the Master Fund *"before making investments, the investment team will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The investment team will assess the investment's compliance with the environmental and social characteristics promoted by the product using (as appropriate) internal analyses, screens, tools and data sources, and may also evaluate other important and complex environmental, social and governance issues related to the*

investment. The investment team may select investments on the basis of information and data filed by the issuers of such securities with various regulatory bodies or made directly available to Neuberger Berman by the issuers of the securities and other instruments or through sources other than the issuers.
The [Master Fund] *will not invest in securities issued by issuers whose activities breach the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy. Furthermore, the* [Master Fund] *does not invest in securities issued by issuers whose activities breach the Neuberger Berman Global Standards Policy. Please see above for a full list of the ESG exclusion policies applied by the* [Master Fund]*.*
The Neuberger Berman Controversial Weapons Policy, Neuberger Berman Thermal Coal Involvement Policy and the Global Standards Policy are subject to internal review by the Neuberger Berman ESG Committee. The implementation of the Global Standards Policy is managed by the Neuberger Berman Asset Management Guideline Oversight Team in collaboration with legal and compliance.
The investment professionals responsible for portfolio management are the first step in maintaining compliance with the [Master Fund]*'s investment guidelines and ESG exclusions. While we look to the investment professionals as the first step in the compliance process, we recognize the need for additional, independent oversight. To this end, a rigorous risk management framework is established that features dedicated investment and operational risk teams inclusive of independent guidelines oversight such as ESG exclusions who work to protect client assets and our reputation. Our risk professionals act as an independent complement to each investment team's portfolio construction process, driving investment and operational risk reviews in collaboration with other control units of the firm, such as information technology, operations, legal and compliance, asset management guideline oversight and internal audit."*

K. Engagement policies

Is engagement part of the environmental or social investment strategy?

☒ Yes
☐ No

If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)

According to the Master Fund's website disclosures, "*The manager and the sub-investment manager* [of the Master Fund] *engage directly with management teams of issuers through a robust ESG engagement program.*
The manager and the sub-investment manager [of the Master Fund] *also engage with sovereign issuers in developed and Emerging Market Countries. As part of its sovereign engagement, the manager and the sub-investment manager portfolio managers and analysts* [of the Master Fund] *speak regularly to government officials, policy makers and international financial organisations, such as the International Monetary Fund, World Bank and Asian Development Bank, with onsite visits whenever possible, and utilise such meetings to engage with sovereign issuers on ESG topics, where the manager and the sub-investment manager* [of the Master Fund] *see scope for improvement for the relevant country.*
The sovereign engagement process tends to focus on the various areas relating to SDGs under the UN Global Compact, and the UNGP. In addition, the *manager and the sub-investment manager* [of the Master Fund] *monitor and engage with countries on reducing GHG emissions based on the Climate Watch Net Zero Tracker managed by World Resources Institute. Sovereign engagement is also carried out with jurisdictions under increased monitoring, who are actively working with the Financial Action Task Force ("**FATF**") to address strategic deficiencies in counter money laundering,*

terrorist financing and proliferation financing. Progress on sovereign engagement is tracked centrally in the [Master Fund's] *manager's and sub-investment manager's engagement log*.
The manager and the sub-investment manager [of the Master Fund] *view this direct engagement with issuers, as an important part of its investment process (including the investment selection process). Issuers that are not receptive to engagement are less likely to be held (or to continue to be held) by the portfolio* [of the Master Fund].
This program is focused on in-person meetings, email and conference calls to understand ESG risks, opportunities, and assess good corporate governance practices of issuers. As part of the direct engagement process, the manager and the sub-investment manager [of the Master Fund] *may set objectives for the issuers to attain. These objectives as well as the issuers' progress with respect to same are monitored and tracked by the manager and the sub-investment manager* [of the Master Fund] *through an internal NB engagement tracker*.
The manager and the sub-investment manager [of the Master Fund] *firmly believe this consistent engagement with issuers can help reduce credit risk and promote positive sustainable change. It is an important tool to identify and better understand an issuer's risk factors and performance. The manager and the sub-investment manager* [of the Master Fund] *also use it to promote change, when necessary, which they believe will result in positive outcomes for creditors and broader stakeholders. Direct engagement when paired with other inputs, creates a feedback loop that allows analysts in the investment team to evolve their ESG scoring process and prioritise risks that are most relevant to a sector."*

L. Reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

☐ Yes

☒ No