

Neuberger Berman Europe Limited

Client Brochure

March 28, 2024

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This brochure (“**Brochure**”) provides information about the qualifications and business practices of Neuberger Berman Europe Limited (“**NBEL**”). If you have any questions about the contents of this Brochure, please contact us at +44 203 214 9000 or by email at clientservices@nb.com.

This Brochure provides information for NBEL’s U.S. Clients. Most provisions of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) and of this Brochure do not apply to NBEL’s non-U.S. Clients. Registration as an investment adviser does not imply any particular level of skill or training.

Additional information about NBEL is also available on the SEC’s website at www.adviserinfo.sec.gov.

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The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Item 2: Material Changes

This Brochure dated March 28, 2024, has been prepared in accordance with rules adopted by the U.S. Securities and Exchange Commission. This Brochure will be updated at least annually, and we may further provide other ongoing disclosure information about material changes as necessary. There have not been material changes to this Brochure. This Brochure was last updated on March 31, 2023.

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Item 4: Advisory Business

A. Description of NBEL and the Firm

NBEL

NBEL is a United Kingdom company with limited liability formed in May 2005. It is authorized and regulated by the United Kingdom Financial Conduct Authority to undertake various investment management activities, including dealing in securities, advising on securities and asset management.

NBEL is directly owned by NBEH Limited, which, in turn, is owned by Neuberger Berman Europe Holdings II LLC, which is a wholly owned subsidiary of Neuberger Berman Europe Holdings LLC. It is an indirect, wholly owned subsidiary of Neuberger Berman Group LLC (“NBG”).

The Firm

NBG is a holding company, the subsidiaries of which (collectively referred to herein as the “**Firm**” or “**Neuberger Berman**”) provide a broad range of global investment solutions – equity, fixed income and alternatives – to institutions and individuals through customized separately managed accounts, registered funds and alternative investment vehicles. As of December 31, 2023, Neuberger Berman had approximately \$463 billion under management.¹

NBG’s voting equity is wholly owned by NBSH Acquisition LLC (“**NBSH**”). NBSH is owned by current and former employees, directors, consultants and in certain instances their permitted transferees.

Neuberger Berman is headquartered in New York City. As of December 31, 2023, Neuberger Berman had approximately 2,826 employees in 39 cities around the world.

NBEL’s investment management services are further discussed below.

B. Types of Advisory Services

NBEL currently provides the following types of investment management services:

Funds

NBEL currently serves as the investment manager for pooled investment vehicles (the “**Funds**”) and has been granted discretionary investment authority over the assets of each of the Funds pursuant to investment management agreements entered into with each Fund. NBEL may engage an affiliate (“**Advisory Affiliate**”) to act as sub-adviser or sub-investment manager to certain of the Funds, whereby NBEL delegates the majority of its discretionary authority to the Advisory Affiliate. In addition to the discretionary investment management services, NBEL also provides non-discretionary investment management services.

Investors should refer to each Fund’s prospectus, offering memorandum or other offering

¹ Firm assets under management figures reflect the collective assets for the various subsidiaries of NBG.

materials (“**Offering Documents**”) for additional information.

Sub-Advised Accounts

NBEL also serves as sub-adviser to certain other pooled investment vehicles and accounts managed by Advisory Affiliates (“**Sub-Advised Accounts**”). NBEL acts as sub-adviser for many accounts primarily for currency hedging purposes. Those Sub-Advised Accounts for which NBEL's services are limited to providing currency hedging have been excluded from the calculation of NBEL's regulatory assets under management.

Separate Accounts

NBEL provides ongoing discretionary investment management services to institutional clients with respect to assets held in the client's custodial account (collectively, “**Separate Accounts**”) based on customized investment objectives or guidelines, time horizons, risk tolerances, policies and limitations of such clients.

The Funds, Sub-Advised Accounts and Separate Accounts to which NBEL provides investment management services are each referred to in this Brochure as a “**Client**”, and collectively referred to as “**Clients**.” Further, the accounts to which NBEL provides investment management services are referred to collectively in this Brochure as “**Client Accounts**.”

C. Client Tailored Services and Client Tailored Restrictions

NBEL generally provides its investment management services pursuant to a discretionary investment management agreement.

NBEL's advisory services are performed in accordance with the terms of each investment management agreement. Each Client may impose investment restrictions or guidelines for its Client Account as it deems appropriate to achieve its particular investment objective. Such investment restrictions and/or guidelines are typically described in the respective Offering Document for each Fund, or in the case of other Client Accounts, in the relevant investment management agreement.

D. Wrap and Related Programs

NBEL does not sponsor or participate in wrap fee programs.

E. Assets under Management

<u>Discretionary Amounts:</u>	<u>Non-Discretionary Amounts:</u>	<u>Date Calculated:</u>
\$79.0bn	\$106.0mm	12/31/2023

Item 5: Fees and Compensation

A. Fee Schedule

Funds and Separate Accounts

Client Accounts are charged a management fee. In very limited circumstances, Client Accounts may also be charged a fee based on the performance of the Account (a “**performance fee**”) in addition to the management fee. Fees are negotiable and are set forth in the investment management agreement with the Client. There may be differences in fees paid by certain Clients or Client Accounts. In addition, some Client Accounts may pay more or less than others for the same or similar services depending on, for example, account inception dates, number or value of related accounts, total assets under management, fee negotiation, fee waiver or the manner in which NBEL services are obtained.

Detailed descriptions of the management and performance fees can be found in the respective Offering Documents of the Funds, or the applicable investment management agreement for the Separate Accounts.

Sub-Advised Accounts

Sub-advisory fees for the Sub-Advised Accounts are individually negotiated and vary depending on the account. NBEL receives management fees in its role as sub-adviser to certain funds and accounts offered, sponsored or managed by its affiliates.

B. Payment Method

Calculation and Payment of Fees

Management fees generally accrue on a daily or monthly basis, depending on the particular requirements of each Client Account, and generally are charged monthly in arrears as documented in the relevant investment management agreement. Where a performance fee is charged for a Client Account, such fees accrue on a daily, monthly basis or other basis, depending on the particular requirements of each Client Account, and may be payable semi-annually or annually in arrears, as set forth in the investment management agreement of each particular Client Account.

Client Accounts may be invoiced for any management fees or performance fees (where applicable), or such fees may be deducted directly from the Client Account, in accordance with the investment management agreement governing the particular Client Account.

Where NBEL begins managing an account during the applicable fee calculation period, the fee charged for such period will be pro-rated based on the portion of the period that NBEL actually manages the account.

Termination of an agreement will not affect or preclude the consummation of any transaction initiated prior to termination and the Client Account may be subject to transaction-related costs associated with the unwinding of such transactions.

Valuation of Assets

The market value of securities and other financial instruments is determined by unaffiliated third-party service providers, which also serve as administrator or custodian for NBEL Client Accounts. NBEL uses market values of securities generally obtained from various quotation services for its own internal purposes. Each Client generally retains a third-party administrator or custodian to provide various administrative services to the Client. For each Client, this may include keeping the official books and records, calculating the Client Account's NAV, as well as other administrative services on behalf of the Client.

Where significant issues regarding valuation arise that cannot be addressed by the methods described above, NBEL will convene the European Valuations and Pricing Committee to evaluate the issues and seek prompt resolution thereof.

C. Other Fees and Expenses

In addition to the management and performance fees paid to NBEL, Client Accounts are charged other fees associated with their accounts and investments. Such fees include the following:

Custodial Fees

Each Client has generally engaged either a prime broker or custodian, depending on the specific requirements of the Client, to hold the Client's assets and will bear any fees charged by such prime broker or custodian. To the extent that cash is held in such accounts and fees are charged by the provider of such service, the fees so incurred by the Client will be in addition to the fee payable to NBEL on the overall value of the account. See Item 15.

Transaction-Related Fees

Client Accounts generally must bear all transaction-related costs, including brokerage commissions, for transactions affected for the account. See Item 12.

Other Fees and Expenses

Investors in the Funds will incur other fees and expenses associated with their investments in such Funds. Fund expenses are described in the respective Fund's Offering Document. These expenses, in addition to brokerage and other transaction-related costs will generally include the fees and expenses of other service providers to the Fund, such as prime brokers, custodians, transfer agents, administrators, valuation agents, auditors and counsel.

The Client Accounts may themselves invest in other funds as described in each Fund's Offering Document or investment management agreement. To the extent a Client Account invests in another unaffiliated fund, it will bear the costs and expenses associated with an investment in that underlying fund. If, however, a Client Account invests in another affiliated Fund, the fees associated with that underlying fund will typically be waived.

D. Prepayment of Fees and Refunds

As described above, management fees may be paid monthly or quarterly, in arrears depending on the particular requirements of each Client Account. Certain Clients are charged performance fees at the end of their fiscal year, or upon withdrawal by an investor in the case of a Fund. Investors should refer to the applicable Offering Document if investing in a Fund for more information

related to fees.

E. Sales Compensation

NBEL's products and strategies may be marketed by the Firm's central sales force, which also markets the products and strategies of NBEL's affiliates. Certain members of the sales force are registered representatives of NBEL's affiliate, Neuberger Berman BD LLC (formerly Neuberger Berman LLC) ("**NBB**D") and as such, with respect to the Funds offered by NBEL and other pooled investment vehicles offered by its affiliates, may be entitled to sales compensation in connection with the introduction of investors to such funds. Given that the sales persons may market a wide range of products offered by NBEL and its affiliates, with differing sales compensation, the sales persons may have an incentive to promote or recommend certain products over others based on the compensation to be received and not on the specific requirements or investment objectives of the investor.

The Firm's central sales force also markets the investment management products and services of NBEL for which certain members may not receive any direct compensation. Certain Firm employees who are not members of the central sales force may be eligible to earn an account referral bonus for referring a Client to NBEL.

Item 6: Performance-Based Fees and Side-By-Side Management
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Performance-Based Fees

“Performance-Based Fees” are fees that are based on a share of the capital gains or capital appreciation of the assets of an account. Examples of performance-based fees include, but are not necessarily limited to:

- an incentive fee, where the fee is calculated as a percentage of a fund’s profits, taking into consideration both realized and unrealized profits;
- high water mark, where the manager receives performance fees only on increases in the net asset value of a fund in excess of the highest net asset value it has previously achieved; and
- Hurdle rate, where a manager does not charge a performance fee until the fund’s annualized performance exceeds a benchmark rate, such as T-bill yield or a fixed percentage.

As discussed above, NBEL charges performance fees in connection with the management of a very limited number of Client Accounts.

To the extent that NBEL and its portfolio managers manage accounts that charge both management fees and performance fees, NBEL and/or its portfolio managers may have a conflict of interest in that an account with a performance fee arrangement will offer the potential for higher profitability when compared to an account with a management fee. Performance fee arrangements may create an incentive for NBEL and/or its portfolio managers to recommend investments, which may be riskier or more speculative than those, which would be recommended under a different fee arrangement. Performance fee arrangements may also create an incentive to favor higher fee-paying accounts over other accounts in the devotion of time, resources and allocation of investment opportunities.

To manage these conflicts, NBEL has adopted a number of compliance policies and procedures. These policies and procedures include (i) the NBEL Personal Account Dealing Policy (see Item 11), (ii) various NBEL Compliance policies and procedures including the Conflicts of Interest Policy and the Order Execution Policy, which seek to ensure that investment opportunities are allocated fairly among Clients and that all accounts are managed in accordance with their investment mandate, and (iii) best execution and order allocation monitoring reasonably designed to identify unfair or unequal treatment of accounts. NBEL does not consider fee structures in allocating investment opportunities.

Item 7: Types of Clients

NBEL provides investment management services to institutional clients, including insurance companies, banks, investment companies, pension schemes, trusts, charitable organizations foundations, corporations, other financial institutions and other business entities.

The minimum investment required by an investor in a Fund varies depending on the particular Fund. In general, NBEL requires a commitment in excess of \$50 million in order to set up a Separate Account, but may consider smaller investments in its discretion. A detailed description of the minimum investments for each Fund is contained in the relevant Fund's Offering Documents.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analyses

Investment Analysis

NBEL, either directly, or indirectly through its sub-advisers, utilizes a variety of investment analysis methodologies including:

- **Charting analysis** involves the use of patterns in performance charts. NBEL uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.
- **Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.
- **Macroeconomic analysis** involves reviewing the domestic or international economies as a whole, potentially including factors such as historical, present and estimated GDP, securities markets activity and valuations, and other economic data such as unemployment, labor force participation, productivity levels, geopolitical issues and domestic political issues.
- **Technical analysis** involves the analysis of past market data, primarily price and volume.
- **Cyclical analysis** involves the analysis of business and market cycles to find favorable conditions for buying and/or selling a security or other investment.
- **ESG analysis** involves the analysis of environmental, social and corporate governance (“ESG”) factors and their implications on valuation, risk and sustainable growth, with a view towards socially responsive investing. While that analysis is inherently subjective and may be informed by both internally generated and third-party metrics, data and other information, NBEL believes that the consideration of financially material ESG factors, alongside traditional financial metrics, enhances its overall investment process, and is designed to have a positive effect on the risk/return profile of client portfolios. The consideration of ESG factors as part of an integrated investment process does not mean that NBEL pursues a specific “impact” or “sustainable” investment strategy for any particular Client Account, other than as described in Offering Documents or other documents related to those particular Client Accounts.
- **Statistical analysis** involves the examination of data to draw conclusions or insights, and determine cause-and-effect patterns between events. **Qualitative analysis** involves the subjective evaluation of non-quantifiable factors such as the quality of management, labor relations, and strength of research and development factors not readily subject to measurement, in an attempt to predict changes to share price based on that data.

Portfolio managers of NBEL bear primary responsibility for implementing the day-to-day investment activities and decisions on behalf of each Client Account and may consider these and other factors when implementing a Client Account’s investment program.

No method of securities analysis can guarantee a particular investment result or outcome and the use of investment tools cannot and does not guarantee investment performance.

Sources of Information

In conducting investment analysis, NBEL utilizes a broad spectrum of information, including, but not limited to:

- financial publications, industry and trade journals;
- inspections of corporate activities;
- proprietary and third-party research materials;
- corporate rating services;
- annual reports, prospectuses, and filings with the SEC or regulators in other jurisdictions;
- newspapers, magazines, websites, trade journals;
- discussions and meetings with NBEL's staff of research analysts;
- charts, statistical material and analysis;
- company press releases, presentations and interviews (in person or by telephone);
- contact or meetings with management of various companies, analysts and consultants;
- personal assessment of the financial consequences of world events derived from general information; and
- Such other material as is appropriate under the particular circumstances.

NBEL may also rely on the research and portfolio management of its Advisory Affiliates. See Item 10.C.3.

B. Investment Strategies

Investments in securities and other assets involve risk of loss that investors must be prepared to bear.

In carrying out its discretionary investment strategies, NBEL, or its sub-advisers, may offer advice on a wide range of securities and other financial instruments including, but not limited to:

- Corporate debt securities;
- Asset-backed securities, including, without limitation, mortgage-backed securities;
- Loan assets, including, without limitation, distressed debt;
- Rule 144A securities;
- Convertible bonds;
- Commercial paper;
- Certificates of deposit;
- Money market instruments;
- Municipal securities;
- Depositary receipts;

- Sovereign, quasi-sovereign and sub-sovereign securities;
- Supranational securities;
- Warrants;
- GDP performance linked securities (also known as GDP warrants);
- Put and call options;
- Swaptions;
- Inflation-linked securities;
- Exchange traded funds;
- Securities traded over-the-counter;
- Futures contracts on tangibles and intangibles and options thereon;
- Listed and over-the-counter derivatives, including, without limitation, credit default swaps, interest rate swaps, currency swaps, total return swaps, commodity swaps, forward contracts and other synthetic exposure instruments;
- Residential mortgage loans;
- Trade claims;
- Real estate investment trust (REITS);
- Credit-linked notes (CLN) and non-deliverable forward currency contracts (NDF);
- Equity securities;
- Currencies;
- Forward currency contracts;
- Investments in registered and unregistered investment companies (including mutual funds);
- Collateralized loan obligations (CLOs)
- Sukuk (Islamic bonds); and
- Other alternative investments.

To the extent NBEL uses derivative instruments, it does so consistent with each Client Account's investment objective and policies, including hedging, managing risk, or attempting to enhance returns. Additionally, NBEL may hedge its exposure to currency fluctuations for foreign securities owned by Clients. For Funds that offer non-U.S. dollar denominated share classes, or Clients with non-U.S. denominated accounts, NBEL may also engage in foreign exchange hedging activities in an attempt to limit currency fluctuations (relative to the U.S. dollar).

As financial markets and products evolve, or at the investment discretion of NBEL, NBEL may invest in other financial instruments or securities, whether currently existing or developed in the future, when consistent with the guidelines, objectives and policies of a Client Account.

As previously noted, NBEL may provide investment management services in relation to investment strategies, which are delegated to, and managed by, Advisory Affiliates. As such, Client participation in such other types of investments will be performed consistent with the Advisory

Affiliate's respective compliance policies and procedures and applicable rules and regulations.

Subject to firm-wide restrictions dealing with prudence, conflicts of interest and compliance with securities laws and regulations, the purchases and sales for Client Accounts is based upon the judgment of the individual portfolio manager or group supervising the particular account, who are encouraged to use those methods with which they have been successful.

The following is a summary of the principal investment strategies employed by NBEL, either directly or indirectly through its sub-advisers. Certain material risks associated with these strategies are set forth in Section (C), below. This is a summary only. Clients should not rely solely on the descriptions provided below.

Cash and Short-Term Duration Strategies: The focus is on investment strategies that utilize short-term instruments and bonds with durations of less than five years. The investment team that manages these strategies primarily manages client accounts with broader discretion to utilize securities with longer maturities.

Municipal Strategies: The investment team manages strategies across the duration spectrum focusing on tax-exempt municipal securities with the investment objectives of competitive after tax returns, preservation of capital as well as the maintenance of sufficient liquidity to meet clients' needs. These securities are typically investment grade.

Non-Investment Grade Credit Strategies: The investment team for these strategies focuses on high yield bonds, leveraged loans, and distressed debt investing strategies. The high yield strategy focuses on investing in non-investment grade fixed income securities for Client Accounts that permit full discretion to invest across broad credit tiers as well as Client Accounts that are limited in terms of minimum credit rating. The distressed debt strategy seeks to provide investors with attractive risk-adjusted returns through long biased, opportunistic stressed, distressed and special situation investments in credit related products. This strategy may invest with the intention of taking a control position in a company or as a non-control participant.

Investment Grade Strategies: The investment team for these strategies focuses on a universe of investment grade issuers. The strategies are utilized in Client Accounts that span a continuum from highly structured portfolios with tight risk constraints to those that provide broad discretion with less focus on tracking error variability, including exposure to below-investment grade investments in some cases.

Crossover Credit Strategies: The investment team for this strategy focuses on investment grade credit, high yield bonds and leveraged loans. The crossover credit strategy invests in both investment grade and non-investment grade fixed income securities for Client Accounts that permit full discretion to invest across credit tiers as well as Client Accounts that impose limitations in terms of minimum credit rating.

Structured Products Strategies: Includes: (1) traditional portfolio management of asset-backed securities (including residential and commercial mortgage-backed securities) managed in accordance with client objectives and constraints and spanning from defensive buy/sell mandates to high-yield return objectives; (2) structured investments, including CDOs; and (3) investment advisory and consulting services with respect to both asset-backed securities and whole loan mortgage portfolios.

Emerging Market Debt Strategies: The focus of the investment team for these emerging market debt strategies is hard currency, local currency and corporate debt strategies. These strategies

may be applied to the management of an entire Client Account or a portion of a Client Account invested in other NBEL or other affiliates' strategies. Derivative instruments are frequently utilized in these strategies. The hard currency strategy primarily invests in debt instruments denominated in core currencies such as U.S. dollars, Euro and Japanese Yen ("**Hard Currency**") and issued by issuers (sovereign, quasi-sovereign, sub-sovereign or corporate) which have their head office or exercise an overriding part of their economic activity in emerging market countries. The local currency strategy primarily invests in debt instruments denominated in, or exposed to, local currencies and issued by issuers (sovereign, quasi-sovereign, sub-sovereign or corporate) from emerging market countries. The corporate debt strategy primarily invests in debt instruments issued by corporate issuers in emerging market countries, which may be denominated in Hard Currency or the currencies of such emerging market countries.

Global Bond Strategy: The focus is on investment grade debt securities issued by governments and corporations from countries comprising the Organization for Economic Co-operation and Development (OECD). Securities may be dollar and non-dollar denominated. This strategy may be applied to the management of an entire Client Account or a portion of a Client Account invested in other NBEL strategies.

Diversified Currency Strategy: The investment team within this strategy invests primarily in global liquid currencies (including, without limitation, Australian Dollars, Canadian Dollars, Swiss Franc, Euro, Sterling, Japanese Yen, Norwegian Krone, New Zealand Dollars, Swedish Krona and US Dollars) using a fundamentally driven, relative value approach. This strategy may be applied to the management of an entire Client Account or a portion of a Client Account invested in other NBEL strategies. Derivative instruments are frequently utilized in this strategy, typically for purposes of hedging against currency fluctuations.

Quantitatively Driven Strategies: Includes a broad array of strategies that incorporate internally developed quantitative investment models that seek to exploit short-term and long-term investment opportunities.

Equity Strategies: NBEL may provide investment management services in relation to equity investment strategies, which are delegated to, and managed by, Advisory Affiliates. Equity investment approaches may be defined by or based upon a variety of factors including investment styles, market capitalization, geography or some combination thereof. Equity investment styles may include: (i) growth - a style that focuses on growth companies; (ii) value - a style that focuses on undervalued companies; (iii) core/blend - a style that is a combination of growth and value; as well as (iv) neutral style, which does not have a specific style approach. Market capitalization factors include a focus on issuers with large market capitalization ("large-cap"), mid-size market capitalization ("mid-cap") or small market capitalization ("small-cap"), a combination thereof or all market capitalization range focus, or a market capitalization neutral approach. Geographic focus includes a global or multi-national approach, a specific geographic region or county focus, or approaches that are geographically neutral. Non-traditional equity investment strategies may be specialized or not defined by or focused on a specific investment style, market capitalization, geography or some combination thereof. That includes equity strategies that are defined or focused on (i) specific market sectors, such as energy, master limited partnerships, infrastructure, or real estate investment trusts, (ii) specific objectives, such as equity income, or (iii) unique approaches such as strategies that are based upon quantitative investment tools, strategies that incorporate socially responsible investing principles or strategies that are based primary on the ratings of the firm's Global Equity Research Department.

C. Material Risks

Investments in securities and other financial instruments involve risk of loss that investors must be prepared to bear.

The following is a summary of the principal risks associated with the investment strategies managed by NBEL, or its sub-advisers, in its Client Accounts. This is a summary only and not every strategy may be subject to every risk discussed below:

Risk of Loss. Clients should understand that all investment strategies and the investments made pursuant to such strategies involve risk of loss, including the potential loss of the entire investment in the Client Accounts, which clients should be prepared to bear. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's investments will fluctuate due to market conditions and other factors. The investment decisions made and the actions taken for Client Accounts will be subject to various market, liquidity, currency, economic, political and other risks, and will not necessarily be profitable and it is possible that they will lose value. Past performance of Client Accounts is not indicative of future performance.

In addition to the risks listed here, there may be additional material risks associated with the types of products in which a Client Account invests. Clients should refer to the prospectus or Offering Documents, as applicable, of those particular products for a discussion of applicable risk factors for that particular investment.

Limited Regulatory Oversight for Funds. The Funds are not registered as investment companies under the Investment Company Act of 1940, as amended ("**Investment Company Act**"), and, accordingly, the significant investor protection provisions of the Investment Company Act (which provides certain regulatory safeguards to investors in registered investment companies), will not apply to investments in the Funds.

Asset-Backed Securities. Asset-backed securities represent direct or indirect participations in, or are secured by and payable from, pools of assets such as, among other things, motor vehicle installment sales contracts, installment loan contracts, leases of various types of real and personal property, and receivables from revolving credit (credit card) agreements, or a combination of the foregoing. These assets are securitized through the use of trusts and special purpose vehicles. Credit enhancements, such as various forms of cash collateral accounts or letters of credit, may support payments of principal and interest on asset-backed securities. Although these securities may be supported by letters of credit or other credit enhancements, payment of interest and principal ultimately depends upon individuals or other borrowers paying the underlying loans, which may be affected adversely by general downturns in the economy. Asset-backed securities are subject to the same risk of prepayment associated with mortgage-backed securities.

Bank Loan Agents. Bank loans are typically administered by a bank, insurance company, finance company or other financial institution (the "**agent**") for a lending syndicate of financial institutions. In a typical bank loan, the agent administers the terms of the loan agreement and is responsible for the collection of principal and interest and fee payments from the borrower and the apportionment of these payments to all lenders that are parties to the loan agreement. In addition, an institution (which may be the agent) may hold collateral on behalf of the lenders. Typically, under loan agreements, the agent is given broad authority in monitoring the borrower's performance and is obligated to use the same care it would use in the management of its own

property. In asserting rights against a borrower, the Client Account normally would be dependent on the willingness of the lead bank to assert these rights, or upon a vote of the lenders to authorize the action.

If an agent becomes insolvent, or has a receiver, conservator, or similar official appointed for it by the appropriate bank or other regulatory authority, or becomes a debtor in a bankruptcy proceeding, the agent's appointment may be terminated and a successor agent would be appointed. If an appropriate regulator or court determines that assets held by the agent for the benefit of the purchasers of bank loans are subject to the claims of the agent's general or secured creditors, the purchasers might incur certain costs and delays in realizing payment on a bank loan or suffer a loss of principal and/or interest.

Call Risk. When interest rates are low, issuers will often repay the obligation underlying a "callable security" earlier than expected, thereby affecting the investment's average life and perhaps its yield. Furthermore, the Client Account will likely have to reinvest the proceeds from the called security at the current, lower rates.

Collateralized Loan Obligations ("CLOs") and Collateralized Debt Obligations ("CDOs"). CLOs and CDOs issue classes or "tranches" that vary in risk and yield, and may experience substantial losses due to actual defaults, decrease of market value due to collateral defaults and disappearance of subordinate tranches, market anticipation of defaults, and investor aversion to CLO and CDO securities as a class. The risks of investing in CLOs and CDOs depend largely on the type of the underlying collateral.

Commodity Risk. A Client Account with investments in physical commodity-linked derivative instruments may be subject to greater volatility than investments in traditional securities. The value of physical commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Because a Client Account may concentrate assets in a particular sector of the commodities market (such as oil, metal or agricultural products), it may be more susceptible to risks associated with those sectors.

Competition for Fund Portfolio Investments. Identifying, completing and realizing attractive private equity investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance that NBEL will be able to locate, consummate and exit investments that satisfy a Fund's investment objectives or realize their values or be able to invest fully a Fund's committed capital.

Counterparty Risk. To the extent that a Client Account invests in over-the-counter or OTC derivatives, the Client Account is subject to a range of risks, including the credit risk of its derivative counterparty (i.e., counterparty default), the risk of the counterparty delaying the return of or losing collateral relating to OTC derivatives, or the bankruptcy of the counterparty. Although there are risks in the trading of listed derivatives which are settled by means of a clearing house, risks associated with OTC derivatives may differ materially from those involved in exchange-traded transactions that generally are backed by clearing organization guarantees, daily marking-to-market and settlements, and the segregation and minimum capital requirements applicable to the financial intermediaries participating on the exchange. OTC derivatives entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default, especially in instances where OTC derivatives are not collateralized. From time to time, the counterparties with which a Client Account effects

transactions might cease making markets or quoting prices in certain of the instruments. In such instances, a Client Account might be unable to enter into a desired transaction or to enter into any offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward or spot contracts generally do not provide a trader with the right to offset its obligations through an equal and opposite transaction. For this reason, a Client Account entering into forward or spot contracts must be required and able to perform its obligations under the contract.

Credit Default Swaps. Certain Client Accounts in accordance with their investment guidelines may purchase and sell credit derivatives — such as credit default swaps (or “**CDS**”) referencing single names, a basket or an index—both for hedging and other purposes. The typical CDS contract requires the protection seller (which is, in trade parlance, the “seller of protection” or the seller of the CDS) to pay to the protection buyer, (or the “**buyer of protection**”) a settlement amount, typically in cash, upon the occurrence of a “credit event”. A credit event is a failure to pay, default, bankruptcy, moratorium or restructuring of the debt referenced in the CDS, and the settlement amount generally is the difference between, in the case of a CDS referencing a single name, the notional amount of the contract and the value of a referenced bond or portfolio of securities issued by the reference entity (after the occurrence of a credit event) that the buyer of protection delivers to the protection seller (cash settlement is also a widely accepted form of CDS settlement). In return, for cash or physical settlement by the protection seller upon the occurrence of a credit event, the protection buyer agrees to make periodic payments equal to a fixed percentage of the notional amount of the contract.

As a buyer of protection under the terms of a CDS which calls for physical settlement, the Client Account may be exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavorable prices, as would be the case in a so-called “short squeeze.” In these and other instances involving a reference obligor (or issuer) default, or restructurings of debt underlying the CDS, there was at least in the past a lack of clarity over whether or not a “credit event” triggering the protection seller’s payment obligation had occurred and an inability to settle the CDS by physical delivery.

Industry committees have been formed to address these issues but the possibility of dispute over the existence or non-existence of a credit event still exists albeit in limited cases. If such a dispute were to occur, the Client Account may not be able to realize the full value of the CDS upon a default by the reference entity.

As a seller of CDS, the Client Account may incur leveraged exposure to the credit of the reference entity and may be subject to many of the same risks they would incur if the Client Account were the holder of debt securities issued by the reference entity. CDS synthetically replicate bond ownership. However, depending on the circumstances, if the Client Account is a party to a CDS, it will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity’s debt obligations. In the past, the CDS buyer was able to exercise broad discretion to select which of the reference entity’s debt obligations to deliver to the Client Account following a credit event and would in that case likely choose the obligations with the lowest market value in order to maximize the payment obligations of the Client Account. Today, CDS buyers have more limited discretion to settle CDS after the occurrence of a credit event. This is due to industry-wide efforts to bring about more effective settlement of CDS.

More recently, trade group-led efforts have attempted to minimize certain risks associated with CDS settlement. After February 2007, the International Swaps and Derivatives Association

("ISDA"), in an effort to standardize CDS, reduce settlement risk and minimize difficulties previously associated with physical settlement, published templates to facilitate the settlement of CDS referencing single-names. Settlement of single-name CDSs was then subject to industry-wide protocols published by ISDA which were designed to bring about cash settlement of most single-name CDS; cash settlement is based on the final price of the obligations of the reference entity under the CDS as determined by an auction following the determination of a credit event by a committee led by ISDA. Five years later, in February 2012, ISDA published a new series of standard template documentation for trading CDS based on an index (CDX and iTraxx). The Client Account may enter into a single name, basket, or index-based CDS but many of the risks accompanying CDS (including settlement risk, risk that a credit event specified in the CDS may not be formally declared) may still exist as industry-led protections to minimize such risks are relatively new and untested.

Credit Risk. A Client Account could lose money if the issuer or guarantor of a security (including a security purchased with securities lending collateral), or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to honor its obligations. The downgrade of the credit of a security or of the issuer of the security held by the account may lessen its value. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

Currency Risk. Currency fluctuations could negatively impact investment gains or add to investment losses. The value of Client Accounts invested in currencies may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. The investments may be hedged. However, currency hedging transactions, while potentially reducing the currency risks to which a Client Account would otherwise be exposed, involve certain other risks, including the risk of a default by counterparty. Where a Client Account engages in foreign exchange transactions, which alter the currency exposure characteristics of its investments, the performance of such Client Account may be strongly influenced by movements in exchange rates as currency positions held by the Client Account may not correspond with the securities positions held. Where a Client Account enters into "cross hedging" transactions (e.g., utilizing currency different than the currency in which the security being hedged is denominated), the Client Account will be exposed to the risk that changes in the value of the currency used to hedge may not correlate with changes in the value of the currency in which the securities are denominated, which could result in losses in both the hedging transaction and the Client Account securities.

Cybersecurity Risks. NBEL and its service providers will depend on information technology systems and, notwithstanding the diligence that NBEL may perform on its or the Client Accounts' service providers, it may not be in a position to verify the risks or reliability of such information technology systems. NBEL and its service providers will be subject to risks associated with a breach in cybersecurity. "Cybersecurity" is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. NBEL's service providers, and their information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their

respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although NBEL and its affiliates have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, NBEL may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Client Accounts and NBEL's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm NBEL's or a Client Account's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to the Client Account or individual investors by interfering with the operations of NBEL, its affiliates and/or the funds managed by NBEL or Neuberger Berman. A Client Account may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose one or more of a Client Account or NBEL to civil, legal or regulatory liability as well as regulatory inquiry and/or action. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

Dependence on NBEL. The performance of a Client Account depends on the skill of NBEL (or a sub-adviser to which NBEL delegates investment authority) and its portfolio managers in making appropriate investment decisions. Any Client Account's success depends on NBEL's ability to develop and implement investment strategies and to apply investment techniques and risk analyses that achieve the Client Account's investment objectives. Subjective decisions made by NBEL (or a sub-adviser) may cause the account to incur losses or to miss profit opportunities on which it may otherwise have capitalized.

Derivatives Risk. Derivatives are financial contracts whose value depend on, or are derived from, the value of an underlying asset, reference or index. Derivatives may be used in Client Accounts as part of a strategy designed to reduce exposure to other risks or to take a position in an underlying asset. Derivatives may involve risks different from, or greater than, those associated with more traditional investments. Derivatives can be highly complex, can create investment leverage and may be highly volatile, which could result in the Client Account losing more than the amount it invested. Derivatives may be difficult to value and highly illiquid, and the Client Account may not be able to close or sell a derivative position at a particular time or at an anticipated price. NBEL is not required to engage in derivative transactions to achieve the foregoing purposes, even when doing so would be beneficial to the account.

Distressed Securities. A Client Account where the strategy invests in distressed securities may be exposed to greater risks than if the strategy only invested in higher grade securities. Distressed securities are those issued by companies that are, or might be, involved in reorganizations or financial restructurings, either out of court or in bankruptcy. As a result, it is often difficult to obtain information as to the true condition of financially distressed securities. In certain periods, there may be little or no liquidity in the markets for distressed securities or instruments. The prices of such securities may be subject to periods of abrupt and erratic market movements and above-average price volatility and it may be more difficult to value such securities. The account may lose a substantial portion of all of its investment in distressed securities or it may be required

to accept cash or securities with a value less than the account's original investment.

Diversification Risk. It is possible that Client Accounts will not be diversified across a wide range of asset classes or issuers, which could increase the risk of loss and volatility than would be the case if the Client Account were diversified across asset classes or issuers because the value of holdings would be more susceptible to adverse events affecting that asset classes or issuers.

Emerging Markets. Emerging markets are those of countries with immature economic and political structures. Securities issued in emerging markets have more risk than securities issued in more developed foreign markets. Investing in emerging markets may involve heightened and significant risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include, but are not limited to: (i) greater social, economic and political uncertainty including war; (ii) higher dependence on exports and the corresponding importance of international trade; (iii) greater risk of inflation;

(iv) increased likelihood of governmental involvement in and control over the economies; (v) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (vi) the possibility of nationalization, expropriation, confiscatory tax policies and social instability; and (vii) considerations regarding the maintenance of a Client Account's securities and cash with non-U.S. brokers and custodians. Emerging market securities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities' prices and the liquidity of the account's investments. Volatility or illiquidity could impair an account's profitability or result in losses. In addition, custodial and/or settlement systems may not be fully developed in emerging market countries, thereby exposing a Client's Account to the risk of a sub-custodian's failure with no recourse against the custodian.

Epidemics, Pandemics, Outbreaks of Disease, and Public Health Issues. An epidemic or pandemic outbreak and governments' reactions to such an outbreak could cause uncertainty in the markets and could adversely affect the performance of the global economy. Outbreaks such as the severe acute respiratory syndrome, avian influenza, H1N1/09, or other similarly infectious diseases can have material adverse impacts on Client Accounts. In particular, coronavirus, or COVID-19, has spread and continues to spread around the world since its initial emergence in December 2019 and has negatively affected (and may continue to negatively affect or materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks). A recurrence of an outbreak of any kind of epidemic, communicable disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which would be reasonably likely to adversely affect the business, financial condition and operations of NBEL and its affiliates and Client Accounts. Should major public health issues, including pandemics, arise or spread farther (or worsen), NBEL and its affiliates and Client Accounts could be adversely affected by travel restrictions (such as mandatory quarantines and social distancing), additional limitations on their operations and business activities, and governmental actions limiting the movement of people and goods between regions and other activities or operations.

As the U.S. economy continues to recover from the shocks it experienced at the beginning of the COVID-19 pandemic, the Federal Reserve has eased its emergency relief measures. The Federal Reserve increased interest rates by four and one-quarter percentage points in 2022 and raised

rates an additional one-quarter percentage point in 2023. However, in recent months, the Federal Reserve has signaled that it may begin to reduce interest rates in 2024. Additionally, in June 2022, it began a quantitative tightening program to reduce its U.S. Treasury and mortgage-backed securities holdings in an effort to reduce the liquidity in the banking system. The continued withdrawal of this emergency support could negatively affect financial markets generally as well as reduce the value and liquidity of certain securities. Reduced liquidity may result in emerging market issuers having more difficulty obtaining financing, which may cause a decline in the prices of their securities. Additionally, with continued economic recovery and the cessation of certain market support activities, Client Accounts may face a heightened level of interest rate risk as a result of a rise or increased volatility in interest rates. Over the longer term, rising interest rates may present greater risks than has historically been the case due to the recent extended period of low rates, the effect of government fiscal initiatives, and the potential market reaction to those initiatives. To the extent that these developments affect the financial markets and issuers in which Client Accounts invest, they may adversely affect the investment performance of the Client Accounts.

ESG Investing Risk. Companies across all industries are facing increasing scrutiny relating to their ESG policies. Certain investor advocacy groups, institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. The increased focus and activism related to ESG and similar matters may hinder access to capital, as investors and lenders may decide to reallocate capital or not to commit capital as a result of their assessment of a company's ESG practices. Companies that do not adapt to or comply with investor, lender or other industry shareholder expectations and standards, that are evolving, or that are perceived not to have responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage, and the business, financial condition, or stock price of such a company could be materially and adversely affected.

Applying ESG investment criteria to a Client Account may be viewed as providing opportunities for long-term rather than short-term returns and, as applied to certain strategies that are designed for investors interested in impact or sustainable outcomes, may result in the selection or exclusion of securities of certain issuers for reasons other than financial performance. As a result, those types of Client Accounts may forgo opportunities to buy certain securities when it might be otherwise advantageous to do so or sell certain securities when it might be otherwise disadvantageous to do so. ESG-focused investing also carries the risk that a Client Account's investment returns may underperform Client Accounts that do not incorporate ESG-driven factors into their investment process. The incorporation of ESG criteria into the investment process for those strategies that are impact or sustainable focused may affect a Client Account's investment exposure to certain companies, sectors, regions, countries, or types of investments, which could negatively impact the Client Account's performance, depending on whether such investments are in or out of favor. Applying ESG criteria generally to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by NBEL or any judgment exercised by NBEL will improve the financial performance of a Client Account or reflect the beliefs or values of any particular investor. NBEL's analysis is informed by both internally generated and third-party metrics, data and other information that may be incomplete or inaccurate, or unavailable, which could cause NBEL to incorrectly assess an issuer's ESG practices, including indicators of financial strength or risk reduction. ESG standards and disclosure practices differ by

region and industry, and a company's ESG practices or NBEL's assessment of a company's ESG practices may change over time. A Client Account will vote proxies in a manner that is consistent with its investment objective and strategy, including the manner that ESG criteria, if any, is applied to the investment process, which for certain strategies designed for investors interested in impact or sustainable outcomes, may not always be consistent with maximizing short-term performance of the issuer.

In addition, ESG matters have been the subject of increased focus by certain regulators in the European Union (the "EU") and the United States. For example, in May 2018, the European Commission proposed a package of measures as a follow-up to its action plan on financing sustainable growth. The proposed legislative reforms related in part to formalizing the duties and disclosure obligations of companies and asset managers in relation to ESG. These and other proposals have resulted in the Sustainable Finance Disclosure Regulation (the "SFDR"), Non-Financial Disclosure Regulation and EU Taxonomy, among other initiatives. The SFDR Level 1 was introduced on March 10, 2021. The EU Taxonomy Level 1 was introduced on January 1, 2022. The SFDR and EU Taxonomy Regulatory Technical Standards (the "SFDR Level 2"), which set out the content, methodology and detailed disclosure requirements, were implemented on January 1, 2023. In December 2023, the Joint Committee of the European Supervisory Authorities published a report containing proposed amendments to SFDR Level 2.

Those legislative developments, which create a common classification system and disclosure obligations focusing on ESG issues, require additional disclosures to clients with respect to ESG. Because relations between the United Kingdom (the "UK") and the EU are still in a time of transition, cross-border implementation may be subject to rapid changes. The UK has published final rules and guidance to promote better climate-related financial disclosures, which build upon the 2017 recommendations of the United Nations Task Force on Climate-related Financial Disclosures.

In the United States, the SEC has indicated a greater focus on developing disclosure frameworks for climate and other ESG factors. Specifically, the SEC proposed amendments to existing rules and reporting forms on May 25, 2022 that are designed to promote consistent, comparable, and reliable information for investors concerning the incorporation of ESG factors in investment funds and strategies. If adopted substantially as proposed, those rules would apply to registered funds as well as to investment advisers registered under the Advisers Act. The adoption of the proposed rules or of any future rules or regulations may require NBEL to change its investment process with respect to ESG investing.

Equity Market Risk. Client Accounts invested in equity securities (e.g., common stocks, preferred stocks, convertible securities, rights, warrants and Depositary Receipts ("DRs")) are subject to market risks that may cause their prices to fluctuate over time. Historically, the equity markets have moved in cycles and the value of the strategy's securities may fluctuate substantially from day to day. Investments in income-producing equity securities are also subject to the risk that the issuer may discontinue paying dividends.

Failure to Make Capital Contributions. With respect to Funds that utilize investor capital calls, the consequences of defaulting on a capital call notice generally are material and adverse to the defaulting investor. In addition, if an investor fails to make a capital contribution when due and the capital contributions made by non-defaulting investors and short-term borrowings by the Fund are inadequate to cover the defaulted capital contribution, the Fund itself may be unable to pay its obligations when due. As a result, Funds may be subjected to significant penalties that could

materially adversely affect the returns to the non-defaulting investors.

Fixed Income Securities. Fixed-income securities include traditional debt securities issued by corporations, such as bonds and debentures and debt securities that are convertible into common stock and interests. The market value of fixed-income securities is sensitive to changes in interest rates. In general, when interest rates rise, the fixed income security's market value declines and when interest rates decline, its value rises. Normally, the longer the remaining maturity of a security, the greater the effect of interest rate changes on the market value of the security. In addition, changes in the ability of an issuer to make payments of interest and principal and in the market's perception of an issuer's creditworthiness affect the market value of fixed-income securities of that issuer.

Fixed-income securities may also be subject to yield curve risk. When the yield curve shifts, the price of a bond which was initially priced based on the initial yield curve will change. Yield curve risk is reduced by keeping the duration of the bond portfolio relatively short.

Additionally, fixed-income securities are subject to inflation risk, liquidity risk and reinvestment risk. Inflation risk is the risk that inflation will erode the purchasing power of the cash flows generated by debt securities. Fixed-rate debt securities are more susceptible to this risk than floating rate debt securities. Liquidity risk is the risk that certain fixed income securities may be difficult to sell at the time and at the price the account would like, which may cause the account to hold these securities for longer than it would like or to forego other investment opportunities. Reinvestment risk is the risk that when interest income from debt securities is reinvested, interest rates will have declined so that income must be reinvested at a lower interest rate. A decline in income could affect an account's overall return.

Foreign Securities. Securities in different jurisdictions, including countries with immature economic and political structures, can be volatile and experience rapid and extreme changes in price. Securities Markets in such jurisdictions are generally small with a limited number of issuers representing fewer industries. In many countries, there is less publicly available and lower quality information about issuers than is available in the reports and ratings published about issuers in more economically developed jurisdictions. In addition, issuers from such jurisdictions may not be subject to uniform accounting, auditing and financial reporting standards. Many securities from these jurisdictions may be less liquid than those from more economically sophisticated jurisdictions, which could affect the investments under a strategy that utilizes these types of securities. Further, exchange rates between currencies might fluctuate, which could negatively affect the value of the strategy's investments.

Securities from varying jurisdictions are also subject to higher political, social and economic risks. These risks include, but are not limited to, a downturn in the country's economy, excessive taxation, political instability, exchange control regulations and expropriation of assets by foreign governments. Adverse conditions in a particular region could negatively affect securities of countries whose economies appear to be unrelated or not interdependent. Compared to the United Kingdom, foreign governments and markets often have less stringent accounting, disclosure and financial reporting requirements.

Forward Contracts. If Client Account investment guidelines permit, NBEL may enter into forward contracts and options thereon which are not traded on exchanges and are generally not regulated on behalf of such account. There are no limitations on daily price moves of forward contracts. Banks and other dealers with which a Client Account may maintain accounts may require the Client Account to deposit margin with respect to such trading, although margin requirements are

often minimal or non-existent. The counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually widespread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which NBEL would otherwise recommend, to the possible detriment of a Client Account. Market illiquidity or disruption could result in major losses to a Client Account. In addition, a Client Account may be exposed to credit risks with regard to counterparties with whom they trade as well as risks relating to settlement default. Such risks could result in substantial losses to a Client Account.

Fraudulent Conveyance Considerations. Various laws enacted for the protection of creditors may apply to certain investments that are debt obligations, although the existence and applicability of such laws will vary from jurisdiction to jurisdiction. For example, if a court were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of any security interest or other lien securing such investment, and, after giving effect to such indebtedness, the borrower

(i) was insolvent, (ii) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate such indebtedness and such security interest or other lien as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower (including to a Client Account) in satisfaction of such indebtedness or proceeds of such security interest or other lien previously applied in satisfaction of such indebtedness. In addition, if an issuer in which a Client Account has an investment becomes insolvent, any payment made on such investment may be subject to avoidance as a “preference” if made within a certain period of time (which may be as long as one year) before insolvency.

In general, if payments on an investment are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient or from subsequent transferees of such payments. To the extent that any such payments are recaptured from a Client Account, the resulting loss will be borne by the Client Account or, indirectly, by investors in a Private Fund, as applicable.

Futures. NBEL may engage in regulated futures transactions. Trading in futures and options on futures involve significant risks, including the following: (i) futures contracts and options on futures are volatile in price; (ii) futures trading is highly leveraged; (iii) futures trading may be illiquid; (iv) the clearing broker, or “futures commission merchant” may misuse or lose collateral (“margin”) associated with the futures contracts; and (v) the clearing broker may default, file for bankruptcy or be insolvent for any number of reasons including the default of a customer of the broker, and such event may lead to a loss within the Client Account of margin deposits made by the Client Account. Client Accounts may sustain a total loss of the futures contracts including the initial margin and any maintenance margin that it deposits with a broker to establish or maintain a position in the commodity futures market. If the market moves against a position in a Client Account such Client Account may be required to deposit a substantial amount of additional margin, on short notice, in order to maintain its position. If the Client Account does not provide the

required margin within the prescribed time, its position may be liquidated at a loss, and the Client will be liable for any resulting deficit in its account. The high degree of leverage that is often obtainable in futures trading can work against a Client Account, as well as for it. The use of leverage can lead to large losses. Futures markets in certain countries may have greater risk than other futures markets. Trading on commodity exchanges in less economically sophisticated jurisdictions may not be regulated to the same extent as more economically sophisticated jurisdictions, and as such may be subject to greater risks. Futures markets may also be illiquid which could prevent NBEL from promptly liquidating unfavorable positions and adversely affect trading and profitability.

General Risks of Owning Physical Assets. From time to time, particularly with respect to the distressed debt and residential loan modification strategies, a Client Account may be involved in transactions which result in the Client Account owning physical assets (typically collateral for secured loans acquired by the Client Account) directly. In such cases, the Client Account will be subject to all the risks inherent in owning physical assets such as real estate. These risks may include, without limitation: general and local economic and social conditions; fluctuations in asset values; over-concentration in the physical asset, declines in the financial resources of the prospective purchasers or lessees for such assets; a drop in demand and/or an increase in the competition for such assets; storage, insurance and other maintenance costs; destruction, spoilage, impairment, damage, depreciation and obsolescence; changes in tax, environmental and other applicable laws and regulations, increasing the costs and/or restricting the use of such assets; environmental protection penalties and liabilities (including those attributable to the conduct of prior owners of such assets); increases in interest rates and, accordingly, of the cost of inventory as well as of the availability of financing in order to maintain such assets or to finance purchases of such assets; a shortage of financing (irrespective of interest rates); and/or increases in operating expenses which could adversely affect the value of such assets to a potential purchaser or lessee. There can be no assurance of the profitable ownership or operation of any physical asset. The cost of operating and/or maintaining an asset may materially exceed the income or sale proceeds generated by such asset, while such asset itself — as opposed to the loans formerly secured by such asset — may not generate any cash flow.

Hedging. Hedging techniques involve one or more of the following risks: (i) imperfect correlation between the performance and value of the hedging instrument and the Client Account's position being hedged; (ii) possible lack of a secondary market for closing out a position in such instruments; (iii) losses resulting from interest rate, spread or other market movements not anticipated by NBEL; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the Client Account's position; and (v) default or refusal to perform on the part of the counterparty with which the Client Account trades. Furthermore, to the extent that any hedging strategy involves the use of derivatives instruments, such strategy will be subject to the risks applicable to such instruments, as described herein.

Illiquid Securities. Illiquid securities are securities that are not readily marketable, and as a result, may be more difficult to purchase or sell at an advantageous price or time. A Client Account could lose money if it cannot sell a security at the time and price that would be most beneficial to it. Further, the lack of an established secondary market may make it more difficult to value illiquid securities, which could vary from the amount the Client Account could realize upon disposition.

Increased Prepayment Risks with To-Be-Announced ("TBA") Mortgage-Backed Securities. NBEL may sell TBA mortgage-backed securities it has committed to purchase on behalf of Client Accounts before those securities are delivered to the account on the settlement date. The account

may also enter into a TBA agreement and “roll over” such agreement prior to the settlement date by selling the obligation to purchase the pools set forth in the agreement and entering into a new TBA agreement for future delivery of mortgage-backed securities. TBA mortgage-backed securities may increase prepayment risks because the underlying mortgages may be less favorable than anticipated by NBEL.

Inflation Risk. Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of a Client Account can decline. In addition, during periods of rising inflation, short term interest rates would likely increase, potentially reducing returns to clients. Inflation rates may change frequently and drastically as a result of various factors, including unexpected shifts in the domestic or global economy, and a Client Account’s investments may be affected, which may reduce the Client Account’s performance. Further, if inflation leads to a rise in interest rates, such rise in interest rates may negatively affect the value of debt instruments held by a Client Account, resulting in a negative impact on the Client Account’s performance. Generally, securities issued in emerging markets are subject to a greater risk of inflationary or deflationary forces, and more developed markets are better able to use monetary policy to normalize markets.

Current economic indicators have shown inflation accelerating at a faster pace than in recent years. These circumstances may continue for an extended period of time, and may continue to affect adversely the value and liquidity of the investments of a Client Account.

Countries and/or governments may institute measures designed to increase the cost of borrowing, impose wage and price controls or otherwise intervene in an attempt to stabilize inflation. However, governmental efforts to curb inflation often have had negative effects on the level of economic activity as shown by the countries where such measures were employed.

Junior Loans. NBEL’s loan strategy may utilize secured and unsecured subordinated loans and second lien loans (“**Junior Loans**”). Secured second lien loans are generally second in line in terms of repayment priority. A secured second lien loan may have a claim on the same collateral pool as the first lien or may be secured by a separate set of assets, such as property, plants, or equipment. Second lien loans generally give investors priority over general unsecured creditors in the event of an asset sale. Junior Loans are subject to the same general risks inherent to any loan investment, including credit risk, market and liquidity risk, and interest rate risk. Due to their lower place in the borrower’s capital structure, Junior Loans involve a higher degree of overall risk than senior loans of the same borrower.

Lack of Liquidity. There is no public market for interests in the Funds. Substantial transfer restrictions typically exist with respect to such interests. Investors can only redeem all or any permissible part of their investments in accordance with the governing documents of the Fund, and may be subject to suspensions and other restrictions.

Lender Liability Risk. A number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively referred to as “lender liability.” Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Client Accounts that invest in loans, particularly distressed debt, can become subject to allegations of lender liability, which could subject them to significant liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender: (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower; (ii) engages in other inequitable conduct to the detriment of such other creditors; (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors; or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender to the claims of the disadvantaged creditor or creditors, a remedy called “equitable subordination.” If a Client Account that invests in loans became subject to equitable subordination, it could result in substantial losses for the Client Account.

Leverage. The use of leverage allows NBEL to control positions with a nominal value significantly more than its investment in such positions. As such, the amount that NBEL may lose in the event of adverse price movements will be high in relation to the amount of its investment. In the presence of leverage, relatively small price movements in market prices may result in immediate and substantial losses to Client Accounts.

London Interbank Offered Rate (“LIBOR”) Discontinuance or Unavailability Risk. As of June 30, 2023, the ICE Benchmark Administration Limited (the “ICE”), the administrator of LIBOR, ceased the publication of the few remaining tenors of U.S. Dollar LIBOR. On April 3, 2023, the UK Financial Conduct Authority (“FCA”) authorized the publication of 1-, 3- and 6-month synthetic U.S. Dollar LIBOR for a limited time after June 30, 2023 to facilitate a smoother transition to an alternative reference rate. Specifically, overnight, and 12-month U.S. Dollar LIBOR permanently ceased on June 30, 2023, while the 1-, 3- and 6-month U.S. Dollar LIBOR tenors will continue until September 30, 2024, using an unrepresentative “synthetic” methodology. The synthetic LIBOR rates are available for all legacy contracts except cleared derivatives and may not be used in new issues. Additionally, the 3-month synthetic sterling LIBOR is expected to cease on March 28, 2024. In 2017, the Alternative Reference Rates Committee, a group of large U.S. banks working with the Federal Reserve, announced its selection of a new Secured Overnight Funding Rate (“SOFR”), which is a broad measure of the cost of overnight borrowings secured by Treasury Department securities, as an appropriate replacement for U.S. dollar LIBOR.

There is no assurance that the composition or characteristics of any alternative reference rate will be similar to or produce the same value or economic equivalence as LIBOR or that it will have the same volume or liquidity as did LIBOR prior to its discontinuance or unavailability, which may affect the value or liquidity or return on certain investments and result in costs incurred in connection with closing out positions and entering into new trades. As such, there can be no assurance that unpredictable or unexpected events, reports, or consequences, or the costs to address such events, inaccurate reports, or consequences, would not have a material adverse effect on certain Client Accounts or NBEL’s financial condition (including, but not limited to, business prospects).

Litigation. Foreclosures and reorganizations are contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. NBEL anticipates that the Firm and/or Client Accounts that invest in distressed debt or the residential loan modification strategies may be named as defendants in civil proceedings relating to certain of such accounts’ investments. The expense of defending against such claims and paying any resulting settlements or judgments will generally be borne by the relevant Client Account. Any indemnification obligations would adversely affect such Client Account’s returns.

Loan Interests. Loans generally are subject to restrictions on transfer, and NBEL may be unable to sell loans at a time when it may otherwise be desirable to do so or may be able to sell them only at prices that are less than their fair market value. NBEL may find it difficult to establish a fair value for loans held by the Client Account. Loans normally are not registered with the SEC or any state securities commission or listed on any securities exchange. As a result, the amount of public information available about a specific loan historically has been less extensive than if the loan were registered or exchange traded. Bank loan interests may also not be rated by independent rating agencies. Therefore, investments in a particular loan may depend almost exclusively on the credit analysis of the borrower performed by NBEL. Also, there is a risk that the value of the collateral securing a loan may decline after the Client Account invests or that the collateral may not be sufficient to cover the amount owed to the Client Account. Loans are also subject to the risk of a borrower defaulting, which may limit or delay the account's access to the collateral under bankruptcy or other insolvency laws. Additionally, if the account acquires a participation interest in a loan, it may not be able to control the exercise of any remedies that the lender would have under the loan and likely would not have any rights against the borrower directly. Loans purchased by an account may represent interests in loans made to finance highly leveraged corporate acquisitions, known as "leveraged buyout" transactions, leveraged recapitalization loans and other types of acquisition financing. The highly leveraged capital structure of the borrowers in such transactions may make such loans especially vulnerable to adverse changes in economic or market conditions.

Lower-Rated Debt Securities. Fixed income securities receiving below investment grade ratings may have speculative characteristics, and, compared to higher-grade securities, may have a weakened capacity to make principal and interest payments in adverse economic conditions or other circumstances. High-yield, high-risk, and lower rated securities are subject to additional risk factors, such as increased possibility of default, decreased liquidity and fluctuations in value due to public perception of the issuer of such securities. In addition, both individual high-yield securities and the entire high yield bond market can experience sharp price swings due to a variety of factors, including changes in economic forecasts, stock market activity, large sustained sales by major investors or a high profile default.

Market Events. World financial markets may, from time to time, experience extraordinary market conditions. In reaction to these events, regulators in the U.S. and other countries may undertake extraordinary regulatory measures, such as bailout and liquidity programs. The U.S. government and securities regulators of other jurisdictions may also implement other measures seeking to stabilize and further regulate U.S. and global financial markets. Despite these efforts, global financial markets may remain volatile.

Master Limited Partnerships ("MLPs"). Investments in securities (units) of MLPs involve risks that differ from an investment in common stock. Holders of the units of MLPs have more limited control and limited rights to vote on matters affecting the partnership. For example, unit holders may not elect the general partner or the directors of the general partner and they have limited ability to remove a MLP's general partner. MLPs may issue additional common units without unit holder approval, which would dilute existing unit holders. In addition, conflicts of interest may exist between common unit holders, subordinated unit holders and the general partner of a master limited partnership, including a conflict arising as a result of incentive distribution payments. There are also certain tax risks associated with an investment in units of MLPs.

Model Valuations Risk. Certain of the Funds' investments, particularly those that invest in asset-backed securities and mortgage loans, will be based, in part, on complex models that incorporate

a range of different inputs. Inadequate or incorrect factual information, misstated assumptions, as well as unforeseeable changes in economic factors can cause these models to yield materially inaccurate valuations — even if the model is fundamentally sound. Moreover, there can be no assurance that NBEL’s models are fundamentally sound or contain fully accurate data. The models used by NBEL will typically require certain market forecasts that are based on analytical models and assumptions. There can be no assurance that such models are accurate or that assumptions are not oversimplified, which would adversely affect market forecasts leading to potential losses and cash flow insufficiencies.

Mortgage-Backed Securities. Mortgage-backed securities represent “pools” of mortgages and other assets, including consumer loans or receivables held in trust. Investment in mortgage-backed securities poses several risks, including market and credit risk. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-backed securities, making them more sensitive to interest rate changes. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the return in a Client Account because the account may have to reinvest those funds at lower prevailing interest rates. Market risk reflects the risk that the price of a security may fluctuate over time. Credit risk reflects the risk that the strategy may not receive all or part of its principal because the issuer or credit enhancer has defaulted on its obligations. The value of mortgage-backed securities may also change due to shifts in the market’s perception of issuers and regulatory or tax changes adversely affecting the mortgage securities market as a whole. In addition to these risks, the 2008 sub-prime mortgage crisis continues to have a negative impact on the value of some mortgage-backed securities and continues to result in limited liquidity in the secondary market for mortgage-related securities.

Mortgage Loan Modification Risk. Modification of troubled loans and real estate acquired with loan pools involve substantial risks including declines in the value of residential real estate, general economic conditions that contribute to declining home prices, deterioration of a borrower’s ability to keep payments current on a modified loan or to refinance a loan, increases in the cost of property maintenance, taxes and insurance, natural disasters and casualty losses, borrower bankruptcies, moratoriums on foreclosures, zoning changes, incomplete or defective loan documentation, and fluctuations in interest rates. In addition, active federal and state government scrutiny and enforcement actions against mortgage loan holders and new legislation could adversely affect the ability to foreclose on a timely basis and impose conditions, restrictions and additional costs on loan modifications. The success of a loan modification program depends significantly on the ability of third party, unaffiliated servicers to follow modification guidelines, negotiate acceptable workout terms, provide delinquency notices, initiate foreclosure proceedings, monitor re-performing loans and liquidate real estate. Some servicing agreements with third parties provide for incentive compensation as a percentage of cash flows or profits from a modified loan. These arrangements could lead to more aggressive and riskier servicing practices by the servicer that adversely affect the results of a loan modification and may lead to legal or regulatory actions.

Municipal Securities. Municipal securities rely on the creditworthiness or revenue production of their issuers. Municipal securities may be difficult to obtain because of limited supply, which may increase the cost of such securities and effectively reduce a strategy’s yield. Typically, less information is available about a municipal issuer than is available for other types of securities issuers. Additionally, because interest income on municipal obligations is normally not subject to regular federal income taxation, the attractiveness of municipal obligations in relation to other investment alternatives is affected by changes in federal income tax rates applicable to, or the

continuing tax exempt status of, such interest income. In addition, a Client Account that concentrates its investments in a particular state's municipal bonds may be affected significantly by economic, regulatory or political developments affecting the ability of that state's issuers to pay interest or repay principal. Any provisions of the state's constitution and statutes which limit the taxing and spending authority of the state governmental entities may impair the ability of the state's issuers to pay principal and/or interest on their obligations. Each state's economy may be sensitive to economic problems affecting particular industries. Future state or local political and economic developments, constitutional amendments, legislative measures, executive orders, administrative regulations, litigation and voter initiatives could have an adverse effect on the debt obligations of the state's issuers.

Necessity for Counterparty Trading Relationships. Participants in the OTC markets typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy. There can be no assurance that NBEL will be able to establish the necessary counterparty business relationships to permit it to effect transactions in the OTC markets. An inability to establish such relationships would limit its OTC activities and could require it to conduct a more substantial portion of such activities in the futures markets.

Participation in Control Situations. From time to time with respect to distressed debt investments, subject to the applicable investment guidelines, NBEL on behalf of a Client Account will take control positions in an issuer in an effort to maximize value. Not only can control investments take an inordinately long period to exit, but also the investment manager's position of control can be highly resource-intensive and contentious. NBEL and the Client Account may be particularly vulnerable to being named as defendants in litigation relating to their actions while in control of an issuer and may, from time to time, come into possession of material non-public information concerning specific issuers. However, internal structures are in place to prevent misuse of such information.

Projections. NBEL will make investments relying, in part, upon projections developed by itself concerning an issuer or its securities or other assets' future performance, cash flow, recovery value and other factors. Projections are inherently uncertain and subject to factors beyond the control of NBEL. The inaccuracy of certain assumptions, the failure of an issuer to satisfy certain financial requirements and the occurrence of unforeseen events could cause any such projection to be materially inaccurate.

Rating Agency Risk. NBEL may purchase securities for Client Accounts rated by a rating agency. NBEL may use these ratings to determine whether to purchase, sell or hold a security. Ratings are not absolute standards of quality. Securities with the same maturity, interest rate and rating may have different market prices. Credit ratings attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value. In addition, rating agencies may fail to make timely changes in credit ratings. An issuer's current financial condition may be better or worse than a rating indicates.

Reliance on Corporate Management and Financial Reporting. NBEL will select investments for Client Accounts in part based on information and data filed by issuers of securities with various government regulators, publicly available or made directly available to NBEL by such issuers or third parties. Although NBEL will evaluate all such information and data and seek independent corroboration when it considers it appropriate and reasonably available, NBEL will not always be in a position to confirm the completeness, genuineness or accuracy of such information and data. NBEL is dependent upon the integrity of the management of such issuers and of such third parties

as well as the financial reporting process in general. Client Accounts may incur material losses as a result of corporate mismanagement, fraud and accounting irregularities relating to issuers of securities or other assets they hold.

Recent Market Conditions. Events in certain sectors can result in an unusually high degree of volatility in the financial markets, both domestic and foreign. Those events have included, but are not limited to: bankruptcies, corporate restructurings, and other similar events; governmental efforts to limit short selling and high frequency trading; measures to address U.S. federal and state budget deficits; social, political, and economic instability in Europe; economic stimulus by the Japanese central bank; sudden shifts in oil prices; dramatic changes in currency exchange rates; and China's economic slowdown. Relatively high volatility and reduced liquidity in fixed income and credit markets could negatively affect many issuers worldwide, which would have an adverse effect on Client Accounts.

In addition, global economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country or region might adversely impact issuers in a different country or region.

Volatility in the financial markets following the 2008 financial crisis resulted in the U.S. and other governments and the Federal Reserve and certain non-U.S. central banks taking steps to support financial markets. In some countries where economic conditions have somewhat recovered, they are nevertheless perceived as still fragile. Withdrawal of government support, failure of efforts in response to the crisis, or investor perception that such efforts have not succeeded, could adversely impact the value and liquidity of certain securities. The severity or duration of adverse economic conditions may also be affected by policy changes made by governments or quasi-governmental organizations, including changes in tax laws. The impact of new financial regulation legislation on the markets and the practical implications for market participants may not be known for some time. Regulatory changes are causing some financial services companies to exit long-standing lines of business, resulting in dislocations for other market participants. In addition, political events within the U.S. and abroad may affect investor and consumer confidence and may adversely impact financial markets and the broader economy, perhaps suddenly and to a significant degree. High public debt in a number of countries creates ongoing systemic and market risks and policymaking uncertainty. The numerous countries struggling under such public debt have brought to the forefront tension within the European economic structure that, if not handled skillfully, could result in economic disruption in the Eurozone, which could occur abruptly.

Political and military events, including in North Korea, Venezuela, Ukraine, Iran, Syria, Israel, the Gaza Strip, and other areas of the Middle East, and nationalist unrest in Europe and South America, also may cause market disruptions. Additionally, the continued spread of COVID-19 (and other pathogens) could stretch the resources and deficits of many countries in the EU and throughout the world, increasing the risk of default on their sovereign debt. The precise details and the resulting impact of the UK's departure from the EU are discussed in "Risk Relating to Brexit" in this Item 8.C.

In the United States, political and diplomatic events, including a contentious domestic political environment, changes in political party control of one or more branches of the U.S. government, the U.S. government's inability at times to agree on a long-term budget and deficit reduction plan, the threat of a U.S. government shutdown, and disagreements over, or threats not to increase, the U.S. government's borrowing limit (or "debt ceiling"), as well as political and diplomatic events abroad, may affect investor and consumer confidence and may adversely affect financial markets

and the broader economy, perhaps suddenly and to a significant degree. A downgrade of the ratings of U.S. government debt obligations, or concerns about the U.S. government's credit quality in general, could have a substantial negative effect on the U.S. and global economies. Moreover, although the U.S. government has honored its credit obligations, it remains possible that the United States could default on its obligations. The consequences of such an unprecedented event are impossible to predict, but it is likely that a default by the United States would be highly disruptive to the U.S. and global securities markets and could significantly impair the value of a Client Account's investments.

Decisions by the Federal Reserve regarding interest rate and monetary policy, which can be difficult to predict and sometimes change direction suddenly in response to economic and market events, continue to have a significant impact on securities prices as well as the overall strength of the U.S. economy. While interest rates had been unusually low in recent years in the U.S. and abroad, the Federal Reserve increased interest rates by four and one-quarter percentage points in 2022 and an additional one percentage point in 2023. However, in recent months, the Federal Reserve has signaled that it may begin to reduce interest rates again in 2024. Actions taken by the Federal Reserve or foreign central banks to stimulate or stabilize economic growth, such as interventions in currency markets, could cause high volatility in the market. The U.S. is also renegotiating many of its global trade relationships and has imposed or threatened to impose significant import tariffs. These actions could lead to price volatility and overall declines in U.S. and global investment markets. A significant increase in interest rates could cause a decline in the market for equity securities. Also, regulators have expressed concern that rate increases contribute to price volatility.

In addition, there is a risk that the prices of goods and services in the U.S. and many non-U.S. economies will decline over time, known as deflation (the opposite of inflation). Deflation could have an adverse effect on stock prices and creditworthiness and would make defaults on debt more likely. If a country's economy slips into a deflationary pattern, it could last for a prolonged period and is often difficult to reverse.

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks amplified by digital communications, have in the past and may in the future lead to market-wide liquidity problems which could adversely affect NBEL. For example, the recent banking turmoil spread uncertainty over liquidity concerns broadly across the global financial system and jolted financial markets. On March 10, 2023, Silicon Valley Bank ("SVB"), was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (the "FDIC"), as receiver. Similarly, on March 12, 2023, Signature Bank was placed into FDIC receivership. Following the collapse of these institutions, the Department of the Treasury, the Federal Reserve, and the FDIC issued a joint statement promising to protect all depositors of these institutions regardless of deposit insurance limits. There is no guarantee that the Department of the Treasury, the Federal Reserve, and the FDIC would make a similar systemic risk exception to protect all deposits in the event of the failure of a different institution. While the situation around recent banking turmoil is still fluid and the overall impact of it is unknown, if any parties with which NBEL conducts business were unable to access deposits with another financial institution, or were unable to access funds pursuant to instruments or lending arrangements with such a financial institution, such parties' credit quality, ability to pay their obligations to NBEL, or ability to enter

into new commercial arrangements requiring additional payments to NBEL could be adversely affected.

Russia's invasion of Ukraine, and corresponding events in late February 2022, have had, and could continue to have, severe adverse effects on regional and global economic markets for securities and commodities. Following Russia's actions, various governments, including the United States, have issued broad-ranging economic sanctions against Russia, including, among other actions, a prohibition on doing business with certain Russian companies, large financial institutions, officials and oligarchs; the removal by certain countries and the EU of selected Russian banks from the Society for Worldwide Interbank Financial Telecommunications ("SWIFT"), the electronic banking network that connects banks globally; and restrictive measures to prevent the Russian Central Bank from undermining the impact of the sanctions. The current events, including sanctions and the potential for future sanctions, including any impacting Russia's energy sector, and other actions, and Russia's retaliatory responses to those sanctions and actions, may continue to adversely impact the Russian and Ukrainian economies and may result in the further decline of the value and liquidity of Russian and Ukrainian securities, a continued weakening of the ruble and hryvnia and continued exchange closures, and may have other adverse consequences on the Russian and Ukrainian economies that could impact the value of these investments and impair the ability of a Client Account to buy, sell, receive or deliver those securities. Moreover, those events have, and could continue to have, an adverse effect on global markets performance and liquidity, thereby negatively affecting the value of a Client Account's investments beyond any direct exposure to Russian and Ukrainian issuers. The duration of ongoing hostilities and the vast array of sanctions and related events cannot be predicted. Those events present material uncertainty and risk with respect to markets globally and the performance of a Client Account and its investments or operations could be negatively impacted.

On October 7, 2023, a Hamas militant group breached the fences separating Israel and Gaza and carried out a violent terrorist attack. The attack sparked an armed conflict (the "2023 Israel-Hamas Conflict"), which is currently ongoing, between Palestinian militant groups led by Hamas and Israel. Although, since the establishment of the State of Israel, a state of hostility has existed, in varying degrees of intensity, between various Arab countries and Israel, the current conflict between Israel and Hamas has escalated to a heightened level not seen in recent years and may escalate further. Additionally, while Israel has entered into peace agreements with both Egypt and Jordan, and several other countries have previously announced their intentions to establish trade and other relations with Israel, the 2023 Israel-Hamas Conflict has created tremendous unrest and uncertainty in the region, which may threaten any such peace agreements. The effects of the 2023 Israel-Hamas Conflict may be far-reaching, and could result in significant negative impacts to Client Accounts.

In recent years, there have been periods of extended volatility and disruption in the global financial markets. The risks of potential trade wars, tariffs and supply chain disruptions, the threat of attacks by terrorist organizations, volatility in the Middle East (including the 2023 Israel-Hamas Conflict and conflict in Syria, Libya and Yemen and concerns over a nuclear Iran), the possibility of U.S.-China "decoupling," North Korean nuclear missile capabilities, and escalations in the conflict between Russia and Ukraine and its spread to NATO or other European countries, among other things, may contribute to substantial future volatility in global financial markets. Volatility and disruption in the equity and credit markets could adversely affect a Client Account's investments, which, in turn, would adversely affect the performance of such Client Account. In addition, volatility may directly affect the market prices of securities issued by many companies

for reasons unrelated to their operating performance and may adversely affect the valuation of a Client Account's investments. Any or all of these factors could result in lower investment returns for a Client Account.

Global climate change could have an adverse effect on property and security values. A rise in sea levels or a storm-driven increase in coastal flooding could cause such properties to lose value or become unmarketable altogether. Large wildfires driven by high winds and prolonged drought could devastate entire communities and could be very costly to any business found to be responsible for the fire. These losses could adversely affect mortgage lenders, the value of mortgage-backed securities, the bonds of municipalities that depend on tax revenues and tourist dollars generated by such properties, and insurers of the property or municipal or mortgage-backed securities. Since property and security values are driven largely by buyers' perceptions, it is difficult to know the time period over which these effects might unfold. Economists warn that, unlike previous declines in the real estate market, it is possible that properties in coastal flood zones will never recover their value. In addition, voluntary initiatives and mandatory controls have been adopted or are being discussed worldwide to reduce emissions or "greenhouse gases" such as carbon dioxide, a by-product of burning fossil fuels, and methane, the major constituent of natural gas, which many scientists and policymakers believe contribute to global climate change. These measures, and other programs addressing greenhouse gas emissions, could reduce demand for energy or raise prices, and could have an adverse impact on investments made for Client Accounts.

Artificial intelligence ("AI") has seen a dramatic rise in usage and popularity in recent years. AI refers to the development of computer systems that can perform tasks that typically require human intelligence. These tasks include learning from experience (machine learning), understanding natural language, recognizing patterns, solving problems, and making decisions. AI aims to simulate human cognitive functions, enabling machines to analyze data, adapt to changing inputs, and improve performance over time. The proliferation of AI poses several risks that warrant careful consideration. One significant concern is the potential for biased algorithms, which may perpetuate and amplify existing societal biases present in training data. The lack of transparency in complex AI systems raises issues of accountability and ethical implications, as decision-making processes become opaque. Additionally, there are concerns about job displacement due to increased automation, leading to economic and social disruptions. Furthermore, the rapid advancement of AI technology raises security concerns, with the potential for malicious uses such as deepfake generation and cyberattacks. As AI develops further, there is a risk that unforeseen technological and societal changes could negatively impact Client Accounts.

Those and other events and the potential for continuing market turbulence may have an adverse effect on Client Accounts. Because the impact on the markets has been widespread, it may be difficult to identify both risks and opportunities using past models of the interplay of market forces, or to predict the duration of these market conditions. Changes in market conditions will not have the same impact on all types of securities..

Risks Relating to Brexit. In January 2020, the UK left the EU, commonly referred to as "Brexit." Following a transition period during which the EU and the UK Government engaged in a series of negotiations regarding the terms of the UK's future relationship with the EU, the EU and the UK government signed a trade and cooperation agreement (the "Trade and Cooperation Agreement") on December 30, 2020 regarding the economic relationship between the UK and the EU. This agreement became permanent on May 1, 2021 after it received formal approval from the European Parliament and the European Council. While the economic integration does not reach the level

that existed during the time the UK was a member state of the EU, the Trade and Cooperation Agreement sets out preferential arrangements in areas such as trade in goods and in services, digital trade and intellectual property. Negotiations between the UK and the EU are expected to continue in relation to the relationship between the UK and the EU in certain other areas that are not covered by the Trade and Cooperation Agreement. The long-term effects of Brexit will depend on the effects of the implementation and application of the Trade and Cooperation Agreement and any other relevant agreements between the UK and the EU, as well as any trade agreements between the UK and other countries. As such, it is difficult to assess the precise impact of Brexit on U.S.-based and other Client Accounts. The future application of EU-based legislation generally, and to banking, financial services and insurance industries in particular, will ultimately depend on how the UK renegotiates its relationship with the EU and other countries. There is no assurance that any renegotiated terms or regulations will not have an adverse impact on the Client Accounts or NBEL, including the ability of a Client Account to achieve its investment objective. The outcome could also impact the affiliated entities that advise or sub-advise the Client Accounts or to which NBEL delegates investment or other authority.

Regulatory Events and Government Intervention. Volatility in the financial markets has resulted in increased regulation, and the need of many financial institutions for government help has given lawmakers and regulators increased leverage. The Dodd-Frank Act, among other things, granted regulatory authorities broad rulemaking and enforcement authority to implement and oversee various provisions of the Dodd-Frank Act, including comprehensive regulation of over-the-counter derivatives and consumer credit markets. Until the regulations mandated by the Dodd-Frank Act are implemented completely, it will not be possible to determine the complete impact of the Dodd-Frank Act and related regulations on the Client Accounts. Additionally, other G-20 countries have implemented or are in the process of adopting regulations to govern swap transactions, and particular transactions will be subject to the laws and regulations of other jurisdictions.

Changes in political administrations could herald changes in certain policies, among them proposals relating to, the regulation of certain players in the financial markets and, the reversal or repeal of numerous rules and regulations already put in place, including by the Dodd-Frank Act. While those proposed policies are going through the political process, markets could react strongly to expectations, which could increase volatility, especially if a market's expectations for changes in government policies are not borne out.

Client Accounts are also subject to the risk of local, national and global economic disturbances based on unknown conditions in the markets in which the Client Accounts invest. In the event of such disturbances, issuers of securities held by the Client Account may suffer significant declines in the value of these assets and even terminate operations. Such issuers also may receive government assistance accompanied by increased control and restrictions or other government intervention. It is not clear whether the U.S. government will intervene in response to such disturbances, and the effect of any such intervention is unpredictable.

Repurchase Agreements and Reverse Repurchase Agreements. In a repurchase agreement, the Client Account purchases securities from a bank or a securities dealer that agrees to repurchase the securities from the Client Account at a higher price on demand or on a designated future date. Repurchase agreements generally are for a short period of time, usually less than a week. Costs, delays or losses could result if the selling party to a repurchase agreement becomes bankrupt or otherwise defaults.

A reverse repurchase agreement involves the sale of a security, with an agreement to repurchase the same or substantially similar securities at an agreed upon price and date. As such, they are a form of financing and leverage. Whether such a transaction produces a gain for the Client Account depends upon the cost of the agreement and the income and gains on the securities purchased with the proceeds received from the sale of the repurchased security. If the income and gain on the securities purchased fail to exceed the costs, or if the Client Account incurs a loss on such securities, the Client Account's value will incur a loss on the leveraged transactions. As a leveraging technique, reverse repurchase agreements often increase a Client Account's yield; however, such transactions also increase the Client Account's risk and could result in a loss of principal.

Sector Risk. Strategies that focus on a particular sector or limited sectors bear much greater risk of adverse developments and price movements in these markets than an account that invests in a wider range of market sectors. Individual sectors may move up and down more than the broader market. The instruments or industries that constitute a sector may all react in the same way to economic, political or regulatory events.

Stripped Mortgage-Backed Securities Risk. Stripped mortgage-backed securities ("SBMS") are derivative multi-class mortgage securities issued by agencies and instrumentalities of the U.S. Government or by private originators of, or investors in, mortgage loans. They are typically structured with two classes that receive different proportions of the interest and principal distributions on a pool of mortgage assets. As such, these classes can be very sensitive to changes in interest rates and the rate of prepayments.

Stripped Securities Risk. Stripped securities are the separate income or principal components of debt securities. These securities are particularly sensitive to changes in interest rates, resulting in greater fluctuations in price than other debt securities and traditional government securities with identical credit ratings.

Tax Risk. Tax laws and regulations applicable to a Client Account are subject to change, and unanticipated tax liabilities could be incurred by investors as a result of such changes. Investors should consult their own tax advisors to determine the potential tax-related consequences of investing in a Separate Account or Fund.

Terrorism Risk. Terrorist attacks often lead to increased short-term market volatility and may have long-term effects on United States and world economies and markets. Terrorist attacks also could adversely impact interest rates, auctions, secondary trading, ratings, credit risk, inflation and other factors relating to a Client Account's securities and adversely affect such account's service providers and operations.

Trade Claims. Certain Client Accounts that invest in distressed debt may acquire trade claims i.e., amounts due from a company to its suppliers. Trade claims are not "securities" for regulatory purposes, and a Client Account, in investing in trade claims, will not have the protection of the securities laws. Trade claims are typically highly illiquid and may have a relatively junior position as compared to securities and other debt owed by the issuer. There may be defenses to trade claims — for example, the services or products furnished not meeting specifications — of which NBEL may not be aware at the time of a Client Account's acquisition of such claims.

Uncertainties of Foreclosure Process. With respect to Client Accounts that invest in distressed debt, NBEL generally concentrates on acquiring debt that is secured by assets that NBEL believes to have a value adequate to ensure payment of such debt. However, if it becomes necessary to foreclose on the assets underlying a loan acquired by a Client Account, significant uncertainty may

arise as to the outcome of the proceeding. Bankruptcy judges have broad discretion as to how they deal with the claims of different creditors, and the claims of secured creditors may not despite their legal entitlement — always be respected as a matter of policy. These Client Accounts may make investments in restructurings and workouts that involve companies that are experiencing, or are expected to experience, severe financial difficulties, which may never be overcome and may lead to uncertain outcomes. The Bankruptcy Courts have broad discretion to control the terms of a reorganization, and political factors may be of significant importance in the higher profile bankruptcies.

The foreclosure process with respect to the residential mortgage loan modification strategy may result in procedural delays and uncertainties in many jurisdictions. Federal, state and local laws and ordinances have considered or are considering, legislation or regulations that would hinder or delay foreclosure proceedings against defaulted mortgage borrowers or limit a residential mortgage loan servicer's ability to take actions that are necessary or appropriate to preserve mortgage loan value. Judicial decisions also have imposed significant requirements and burdens on lenders that could result in delays and further expense. The inability to foreclose on defaulted borrowers when or as anticipated, or an increase of expenses for foreclosure proceedings, could result in increased costs, reduced collections and lower returns. In addition, any limitations on foreclosure are likely to cause delayed or reduced collections from mortgagors and generally increased servicing costs.

U.S. Government/Agency Risk. U.S. Government/Agency Risk is the risk that the U.S. government will not provide financial support to U.S. government agencies, instrumentalities or sponsored enterprises if it is not obligated to do so by law. Not all U.S. government securities are backed or guaranteed by the U.S. government. Some U.S. government securities are supported only by the credit of the issuing agency, which depends entirely on its own resources to repay the debt and are subject to the risk of default. For example, U.S. government securities issued by the Federal National Mortgage Association ("**Fannie Mae**"), Federal Home Loan Mortgage Corporation ("**Freddie Mac**") and Federal Home Loan Banks may be chartered or sponsored by Acts of Congress, and their securities are neither issued nor guaranteed by the United States Treasury. Therefore, these securities are not backed by the full faith and credit of the United States. The maximum potential liability of the issuers of some U.S. government securities may greatly exceed their current resources, including their legal right to support from the U.S. Treasury. It is possible that these issuers will not have the funds to meet their payment obligations in the future. Importantly, the future of the entities is in serious question as the U.S. government continues to consider multiple options, including privatization, consolidation, and abolishment of the entities.

This risk factor applies similarly in respect of European or other agencies and governments.

When-Issued and Delayed Delivery Transactions Risk. When-issued and delayed delivery transactions occur when securities are purchased or sold by the strategy with payment and delivery taking place in the future to secure an advantageous yield or price. These transactions may expose the strategy to counterparty risk of default as well as the risk that securities may experience fluctuations in value prior to their actual delivery. Purchasing securities on a when-issued or delayed-delivery basis can involve the additional risk that the price or yield available in the market when the delivery takes place may not be as favorable as that obtained in the transaction itself.

Whole Loans Risk. Certain Client Accounts may acquire whole loans — as opposed to commercial mortgage-backed securities whose payment flows are dependent on payments of the underlying

loans. When the Client Account holds a whole loan, NBEL will be responsible for dealing directly with the issuer — which can both consume valuable investment adviser resources which could be more profitably employed in other investments as well as subject the Client Account to all the uncertainties, expenses and adversary proceedings which surround foreclosures in general.

Investing in the PRC. Investments in the People’s Republic of China (“PRC”) involve certain risks and special considerations not typically associated with Anglosphere markets (i.e., Australia, Canada, New Zealand, the UK and the U.S.), such as greater government control over the economy, political and legal uncertainty, controls imposed by the PRC authorities on foreign exchange and movements in exchanges rates (which impact the operations and financial results of PRC companies), risks related to the Qualified Foreign Investor (QFI) scheme, confiscatory taxation, the risk that the PRC government will decide not to continue to support economic reform programs, the risk of nationalization or expropriation of assets, lack of uniform auditing and accounting standards, less publicly available financial and other information, potential difficulties in enforcing contractual obligations and limitations on the ability to distribute dividends due to currency exchange issues, which could likely result in risk of loss of favorable tax treatment.

Additionally, the liquidity and availability of certain securities of Chinese issuers may be adversely affected by international sanctions, including those imposed by the United States. In mid-2021, the U.S. government announced a new sanctions program imposing restrictions on transactions by U.S. persons in publicly traded securities of certain designated Chinese issuers in the defense and surveillance sectors, as well as restrictions on transactions in derivatives and securities designed to provide investment exposure to those securities. A number of Chinese issuers have been designated under this program and more could be added. Although the full effect of these prohibitions is unclear, they may significantly reduce the liquidity of such securities, force a Client Account to sell certain positions at inopportune times or for unfavorable prices, and restrict future investments by a Client Account.

China PRC/RQFII Risks. Some Funds may make investments that are tied economically to issuers from the PRC. This exposure to the China bond market may be obtained via the Renminbi Qualified Foreign Institutional Investor (“**RQFII**”) scheme, within certain investment quotas as approved under and subject to applicable Chinese regulatory requirements.

RQFII Regulatory Risks. PRC investments by overseas institutions can be made by or through holders of an RQFII license, which must act within certain investment quotas, as approved under and subject to applicable Chinese regulations and regulatory requirements (the “**RQFII Regulations**”), which are governed by PRC authorities, including the China Securities Regulatory Commission (“**CSRC**”), the State Administration of Foreign Exchange (“**SAFE**”) and the People’s Bank of China (“**PBOC**”). Where a RQFII license (“**RQFII License**”) is granted by CSRC that RQFII quota may be allocated across different products, and the Funds may not have exclusive use of the assigned RQFII quota. However, the relevant requirements and restrictions under the RQFII Regulations apply to the RQFII license holder and its RQFII quota as a whole, and not simply to investments made by such Funds.

Shareholders should be aware that violations of any RQFII Regulations arising from activities related to portions of the relevant RQFII quota other than those which are utilized by some Funds could result in the revocation of, or other regulatory action in respect of the RQFII quota as a whole, including the portion utilized by such Funds. As a result, the ability of such Funds to make investments and/or repatriate monies under the relevant RQFII quota may be affected adversely by the investments or performance by other investors utilizing the RQFII quota.

As the RQFII Regulations have a relatively short history and their application and interpretation remain relatively untested, there is uncertainty as to how they will be applied and interpreted by the PRC authorities or how regulators may exercise the wide discretionary powers given to them thereunder in future. Any changes to the relevant rules may have a material adverse impact on investors' investment in such Funds.

RQFII Quota Risks. Once its RQFII quota has been fully utilized, an application can be made by the RQFII License holder to increase its quota, although no assurance can be given that additional RQFII quota will be granted. The directors of such Funds may, in their absolute discretion, refuse to accept any subscription for Shares, in whole or in part, without giving advance notice and may choose to exercise this discretion in circumstances where the RQFII quota allocated to a Fund is fully utilized. Where additional RQFII quota is granted, there can be no assurance that sufficient RQFII quota will be obtained to fully meet the preferred investment allocations for a Fund or to allocate sufficient RQFII quota to that Fund to meet all applications for subscription of Shares in such Fund.

Furthermore, investors should note that there is no guarantee that the RQFII License will not be suspended or revoked, in which case the Fund may be required to dispose of its underlying investments, potentially resulting in a material adverse effect on a Fund's performance. There is no guarantee that the relevant Chinese authorities will not reduce the size of, or cancel, the RQFII quota granted in the event that the quota cannot be used effectively within one year of the RQFII quota being granted. Regulatory sanctions may also be imposed if the RQFII Regulations are breached, which may result in the revocation of the RQFII quota or reduce the amount of the RQFII quota available for investment. This could result in such Fund being prevented from investing directly in the PRC or having to dispose of its investments in the PRC domestic securities market, which could have an adverse effect on its performance or result in a significant loss.

Investors should be aware that rejection of subscription applications without any prior notice might be exercised with greater frequency in respect of such Funds than might be the case for other Funds, as a consequence of the limitations imposed on the management of the Fund by the RQFII quota system. In order to seek to manage the potential for conflicts of interest in re-opening such Fund after a period of closure, NBEL will procure that endeavors are made to notify shareholders of the pending change in advance of subscription applications being accepted again. For the avoidance of doubt, shareholders may continue to redeem their investment in such Fund during any period where subscriptions are not being accepted, provided that dealings in such Fund have not been suspended temporarily in accordance with the "Temporary Suspension of Dealings" section of the prospectus.

RQFII Repatriation Risks. Repatriation of funds out of the PRC in respect of such Funds, currently monitored by SAFE, may be impacted by restrictions under the RQFII Regulations and may have a material adverse impact on such Fund's performance and/or liquidity and impact on such Fund's ability to meet redemption requests from the shareholders. Such repatriations are currently conducted daily and are not subject to repatriation restrictions or prior approval. However, it should be noted that the actual time required for the completion of the relevant repatriation will be beyond NBEL's control. It should also be noted that the RQFII Regulations may be amended, and repatriation restrictions may be imposed in the future. These repatriation restrictions could result in NBEL being obliged to suspend dealings in such Fund temporarily, in accordance with the "Temporary Suspension of Dealings" section of the prospectus so that a redeeming shareholder may not be able to redeem on its chosen Dealing Day or may experience a delay in receiving the redemption proceeds.

In extreme circumstances, the Funds may incur significant losses due to limited investment capabilities or may not be able fully to implement or pursue its investment objectives or strategies, due to RQFII investment restrictions, illiquidity of the PRC's securities market and delay or disruption in execution of trades or in settlement of trades.

RQFII Custody Risks. Pursuant to PRC requirements, fixed income securities traded on the interbank bond market and the exchange markets in the PRC through an RQFII quota will be safe-kept by a local custodian (an "**RQFII Custodian**") through securities accounts with the China Securities Depository and Clearing Corporation Limited, the China Central Depository & Clearing Co. Ltd and/or the Shanghai Clearing House Co. Ltd. Cash shall be maintained in a cash account with the RQFII Custodian.

The custodian shall ensure that the RQFII Custodian has appropriate procedures to properly safe-keep the assets of the Fund including the maintenance of records that the Fund's assets are recorded in the name of the Fund and segregated from the other assets of the RQFII Custodian. Under RQFII Regulations, any securities held pursuant to a RQFII License will be registered in the joint names of the RQFII License holder and such Fund for the sole benefit and use of such Fund. However, it is possible that the judicial and regulatory authorities in China may interpret that the RQFII License holder could be the party entitled to the securities in such securities trading account. Such securities may be vulnerable to a claim by a liquidator and may not be as well protected as if they were registered solely in the name of the Fund. In particular, the RQFII License holder's creditors may seek to gain control of such Fund's assets to meet any liabilities owed to such creditors.

Investors should also note that cash deposited in the cash account of the Fund with the RQFII Custodian will not be segregated but will be a debt owing from the RQFII Custodian to such Fund as a depositor. Any such cash may be co-mingled with cash belonging to other clients of the RQFII Custodian. In the event of bankruptcy or liquidation of the RQFII Custodian, the Fund will become an unsecured creditor ranking *pari passu* with all other unsecured creditors and without any proprietary rights to the deposited cash. Such Fund may not be able to recover it in full or at all, in which case the Fund may suffer losses. Also, such Fund may incur losses due to the acts or omissions of the RQFII Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities.

Risk of not obtaining PBOC approval. Approval from PBOC is required before an RQFII License holder can invest in PRC bonds via the China Interbank Bond Market for a Fund. There is no guarantee that any such approval will be obtained or, if obtained, such approval will not be revoked. The investment options available to such Fund will be adversely affected and restricted if the required PBOC approval is not obtained or revoked. This may have adverse impact on the performance of the Fund.

RMB Currency Risk. RMB is currently not a freely convertible currency and is subject to exchange controls and restrictions. Some Funds invest primarily in securities denominated in RMB, but its net assets will be quoted in foreign currencies. Accordingly, such Fund's investment may be adversely affected by movements of exchange rates between RMB and other currencies. There can be no assurance that the RMB exchange rate will not fluctuate widely against the US Dollar or any other currency in the future. Any depreciation of the RMB will decrease the value of RMB-denominated assets, which may have a detrimental impact on the performance of such Fund.

The RMB is traded in both the onshore and offshore markets. While both onshore RMB ("**CNY**") and offshore RMB ("**CNH**") represent the same currency, they are traded in different and separate

markets which operate independently. Therefore, CNY and CNH do not necessarily have the same exchange rate and their movement may not be in the same direction. When calculating the Net Asset Value of Shares of a non-RMB denominated Class, the Administrator will apply the exchange rate for offshore RMB market in Hong Kong, i.e., the CNH exchange rate, which may be at a premium or discount to the exchange rate for onshore RMB market in the PRC, i.e. the CNY exchange rate.

Disclosure of Interests. Whereas the PRC disclosure of interest requirements generally applies to the equities investment in PRC listed companies, the convertible bonds (if any) held by an investor which can be converted to shares of the listed company may also be subject to such requirements. In addition, Funds investing in relevant securities via an RQFII quota may be deemed to be acting in concert with other funds or portfolios managed by the RQFII License holder and therefore may be subject to the risk that such Fund's investments may have to be reported in aggregate with the holdings of such other funds or portfolios above should the aggregate holding triggers the reporting threshold under the PRC law, currently being 5% of the total issued shares of the relevant PRC listed company. This may expose certain of such Fund's investments to the public and may adversely impact the performance of such Fund.

PRC Debt Instruments Market Risk. Investment in the Chinese debt instruments market may have higher volatility and price fluctuation than investment in debt instrument products in more developed markets.

Taxation in the PRC. Tax regulations in the PRC are subject to change, possibly with retroactive effect. Changes in PRC tax regulations could have a significant adverse effect on the Fund and its Investments, including reducing returns, reducing the value of the Fund's Investments and possibly impairing capital invested by the Fund.

Taxation on RQFII. The PRC has not issued guidance with respect to the tax ownership of securities held through an intermediary for PRC tax purposes. In addition, there is a general lack of guidance in the PRC tax law with respect to the application of PRC taxes in situations where legal title to assets are held by an intermediary on behalf of the beneficial owners of such assets. Based on current PRC administrative practice, an intermediary that holds Chinese assets is generally treated as the taxpayer with respect to those assets for PRC tax purposes notwithstanding the fact that such assets may be beneficially owned by another entity. It is therefore expected that, although the Fund will be the beneficial legal owner of securities held through the RQFII License holder will be treated as responsible for the tax payable relating to the trading of securities for PRC tax purposes. In the event the PRC tax authorities issue guidance with respect to the application of PRC taxes in situations where legal title to assets are held by an intermediary on behalf of the beneficial owners of such assets, the expected treatment described above could change, possibly with retroactive effect.

Withholding Income Tax ("WIT") and Capital Gains Tax provision. Unless a specific exemption or reduction is available under current PRC tax laws and regulations or relevant tax treaties, non-tax resident enterprises without place of business ("PE") in the PRC are subject to WIT, generally at a rate of 10%, to the extent it directly derives PRC sourced passive income. PRC sourced passive income (such as dividend income or interest income) may arise from investments in the PRC securities. Accordingly, a Fund may be subject to WIT and/or other PRC taxes on any cash dividends, distributions and interest it receives from its investment in PRC securities. The entity distributing such interests is required to withhold such tax. On the other hand, interests derived from government bonds issued by the in-charge Finance Bureau of the State Council and/or local

government bonds approved by the State Council are exempt from PRC income tax under the prevailing PRC tax regulations. NBEL will procure that a WIT provision of 10% is made for the account of such Fund on dividend and interest if the WIT is not withheld at source.

Specific rules governing taxes on RQFII's capital gains derived from the trading of PRC debt securities have yet to be announced. In the absence of such specific rules, the PRC income tax treatment should be governed by the general tax provisions of the PRC CIT Law. It is possible that a foreign enterprise that is not a PRC tax resident enterprise and has no permanent establishment in the PRC could be potentially subject to a 10% PRC WIT on its China-sourced capital gains derived from the trading of debt securities issued by PRC issuers, unless exempt or reduced under the current laws and regulations or relevant tax treaties. The recent temporary exemption granted under the circular of Caishui 2014 no. 79 jointly issued by the PRC Ministry of Finance, State Administration of Tax and CSRC on 14 November 2014 did NOT refer to trading of PRC bonds by RQFIIs. Despite the tax seminar organized by the Asset Management Association of China in Beijing on 26 February 2015, the PRC tax authorities' position on whether capital gains derived from trading of PRC bonds (except convertible bonds that have been converted before any transfer) by RQFIIs are subject to PRC WIT is not free from doubt.

Therefore, it remains uncertain as to whether gain on disposal of debt securities is PRC sourced and hence subject to PRC WIT. However, in practice, the PRC tax authorities have not enforced the collection of PRC WIT in respect of gains derived by non-PRC tax resident enterprises from the trading of debt instruments issued by PRC tax resident enterprises.

In light of the uncertainty of the income tax treatment on capital gains and in order to meet this potential tax liability for capital gains, NBEL reserves the right to provide for WIT on such gains or income and withhold the tax for the account of a Fund. Currently a Fund will make provisions for any PRC taxes payable by such Fund on the gross realized and unrealized capital gains derived from the disposal of onshore debt instruments issued by PRC tax resident enterprises at a rate of 10% (or as otherwise advised by the relevant tax adviser). Investors should note that such provisions may be excessive or inadequate to meet actual PRC tax liabilities on investments made by the Fund. Given the possibility of the PRC tax authorities not implementing the current tax rules, the tax rules being changed, and the taxes being applied retrospectively, any provision for taxation made by NBEL, as arranged with the custodian, may be excessive or inadequate to meet actual PRC tax liabilities in connection with investments made for the account of the Fund in the PRC. Accordingly, the value and the profitability of such Fund may be affected. Upon the availability of a definitive tax assessment or the issue of announcements or regulations by the competent authorities promulgating definitive tax assessment rules, any sums withheld in excess of the tax liability incurred or is expected to be incurred by the Fund shall be released and transferred to such Fund's accounts forming part of such Fund's assets.

Any tax provision, if made, will be reflected in the net asset value of such Fund at the time of debit or release of such provision and thus will only impact on Shares which remain in the Fund at the time of debit or release of such provision. Shares which are redeemed prior to the time of debit of such provision will not be affected by reason of any insufficiency of the tax provision. In the event that it is satisfied (based on tax advice) that part of the tax provisions are not required, arrangements will be made with the custodian to release such provisions back into the Fund.

Investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed and when they subscribed and/or redeemed the Shares of the Fund. Investors should note that no Unitholders who have redeemed their Shares in the Fund before the release

of any excess tax provision shall be entitled to claim in whatsoever form any part of the tax provision or withholding amounts released to the Fund, which amount will be reflected in the value of Shares in the Fund. Shareholders should seek their own tax advice on their tax position with regard to their investment in the Fund.

Business Tax. In the absence of specific exemptions, foreign enterprises are subject to Business Tax at the rate of 5% in respect of gains derived from the trading of marketable securities in China.

The current Business Tax law does not specifically exempt Business Tax on interest earned by non-financial institutions. Hence, interest on both government and corporate bonds in theory should be subject to 5% Business Tax. As such, Business Tax at 5% may apply to interest income derived on bond investments.

If Business Tax is applicable, there are also other surtaxes (which include City Construction Tax, Education Surcharge and Local Education Surcharge) that would amount to as high as 12% of Business Tax payable.

Potential Changes in PRC Tax Policy or Regulation. There is no guarantee that there will be no new tax regulations and practice in China specifically relating to RQFIIs will not be promulgated in the future. Such uncertainties may operate to the advantage or disadvantage of shareholders of the Fund and may result in an increase or decrease in the total value of the Fund. For example, to the extent that the PRC tax authority retrospectively imposes taxes on the capital gains realized by such Fund through RQFIIs, the total value of the Fund would be adversely affected but the amount previously paid to a redeeming shareholder would not be adjusted. As a result, any detriment from such change would be suffered by the remaining shareholders.

Settlement Risk. Investment in debt securities will expose some Funds to counterparty default risks. Exchange traded debt securities may be subject to counterparty risk, although such risk may be reduced by a centralized clearing system. Investors may be subject to a higher counterparty risk in the interbank bond market. Interbank bond market is a quote-driven over-the-counter (OTC) market where deals are negotiated between two counterparties through a trading system. The counterparty which has entered into a transaction with the Fund may default in its obligation to settle the transaction. There are various transaction settlement methods in the interbank bond market, such as the delivery of security by the counterparty after receipt of payment by the Fund; payment by the Fund after delivery of security by the counterparty; or simultaneous delivery of security and payment by each party. Although NBEL may procure to negotiate terms which are favorable to the Fund, there is no assurance that settlement risks can be eliminated. Where its counterparty does not perform its obligations under a transaction, the Fund will sustain losses.

Liquidity Risk. The CNY denominated debt securities market is at a developing stage and the market capitalization and trading volume may be lower than those of the more developed markets. Market volatility and potential lack of liquidity due to low trading volume in the CNY denominated debt securities market may result in prices of debt securities traded on such markets fluctuating significantly and may affect the volatility of the Fund's Net Asset Value.

The debt securities in which a Fund invests may not be listed on a stock exchange or a securities market where trading is conducted on a regular basis. Even if the debt securities are listed, the market for such securities may be inactive and the trading volume may be low. In the absence of an active secondary market, the Fund may need to hold the debt securities until their maturity date. If sizeable redemption requests are received, the Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Fund may suffer losses in trading

such securities.

The price at which the debt securities are traded may be higher or lower than the initial subscription price due to many factors including the prevailing interest rates. Further, the bid and offer spreads of the price of debt securities in which the Fund invests may be high, and the Fund may therefore incur significant trading costs and may even suffer losses when selling such investments.

Risks relating to credit ratings. Some Funds may invest in securities the credit ratings of which are assigned by the Chinese local credit rating agencies. However, the rating criteria and methodology used by such agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, such rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies.

If assessments based on Chinese local credit ratings do not reflect the credit quality of and the risks inherent in a security, investors may suffer losses, possibly greater than originally envisaged.

Credit Rating Downgrading Risk. An issuer of RMB denominated debt instruments may experience an adverse change in its financial condition which may in turn result in a decrease in its credit rating. The adverse change in financial condition or decrease in credit rating of an issuer may result in increased volatility in, and adverse impact on, the price of the relevant RMB denominated debt instruments and negatively affect liquidity, making any such debt instruments more difficult to sell.

PRC Debt Instruments Market Risk. Investment in the Chinese debt instruments market may have higher volatility and price fluctuation than investment in debt instrument products in more developed markets.

Credit Risk of Counterparties to RMB Denominated Debt Instruments. Investors should note that as China's financial market is nascent, most of the RMB denominated debt instruments are and will be unrated. RMB denominated debt instruments can be issued by a variety of issuers inside or outside China including commercial banks, state policy banks, corporations etc. These issuers may have different risk profiles and their credit quality may vary. Furthermore, RMB denominated debt instruments are generally unsecured debt obligations not supported by any collateral. Some Funds may be fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

Interest Rate Risk. Changes in macro-economic policies of China (i.e., monetary policy and fiscal policy) will have an influence over capital markets affecting the pricing of the debt instruments and thus, the return of the Fund. The value of RMB denominated debt instruments held by the Fund generally will vary inversely with changes in interest rates and such variation may affect value of the Fund's assets accordingly. Typically, when interest rates increase, the value of fixed income assets tend to depreciate. On the contrary, when interest rates decrease, the value of fixed income assets tend to appreciate.

Valuation Risk. RMB denominated debt instruments are subject to the risk of mispricing or improper valuation, i.e., operational risk that the debt instruments are not priced properly. Valuations are primarily based on the valuations from independent third-party sources where the prices are available, accordingly valuations may sometimes involve uncertainty and judgmental determination and independent pricing information may not be available at all times.

Unrated or High Yield Debt Instruments. Subject to the RQFII Regulations and the investment

objective of a Fund, the assets of such Fund may be invested in unrated or low-grade debt instruments which are subject to greater risk of loss of principal and interest than higher-rated debt instruments. The lower ratings of certain debt instruments or unrated debt instruments held for the account of the Fund reflect a greater possibility that adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and principal. Such debt instruments generally carry a higher degree of default risk which may affect the capital value of an investment. Unrated debt instruments may be less liquid than comparable rated debt instruments and involve the risk that the Fund may not accurately evaluate the debt instrument's comparative credit rating.

Clients should look to their investment advisory agreements with NBEL and other client materials provided. Fund investors should look to the Offering Document for a more complete description of the risks involved with the strategies offered by NBEL. Clients should not rely solely on the descriptions provided above.

Acquiring interests in the Funds is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular current income from their investment with NBEL and can accept a potential loss of their entire investment.

Item 9: Disciplinary Information
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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client's or potential Client's evaluation of the firm or the integrity of the firm's management in this item.

NBEL had been named as a target in an action brought by the UK Pensions Regulator in relation to certain underfunding of the Defined Benefit portion of the Lehman Brothers Pension Scheme. These proceedings have now been settled with no liabilities attached to Neuberger Berman Europe Limited. In any event, Neuberger Berman is indemnified by the Lehman Brothers estate against all costs and liabilities should any arise from this action.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker-Dealer or Registered Representative

NBEL is not a registered broker or dealer. Some of NBEL's personnel are registered representatives with the Financial Industry Regulatory Authority ("FINRA") through their affiliation with NBBD, a registered broker-dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor or Associated Person

NBEL is exempt from registration as a futures commission merchant, commodity pool operator (CPO) or commodity trading advisor (CTA). With respect to the operation of its Client Accounts, NBEL is exempt from registration as a CPO and CTA pursuant to the exemptions in U.S. Commodity Futures Trading Commission ("CFTC") rules 4.13(a)(3) and 4.14(a)(8).

C. Material Relationships

NBEL currently has certain relationships or arrangements with related persons that are material to its advisory business or its Clients. Below is a description of such relationships/arrangements, the related conflicts of interest, and issues that present the appearance of a conflict of interest.

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker

NBEL is affiliated with NBBD, a U.S. registered broker-dealer.

In providing services to its Clients, NBEL draws upon the operational and administrative resources of NBBD and other affiliates. NBEL may use security analysis and research reports prepared by its affiliates' dedicated research staff, such as Neuberger Berman Investment Advisors LLC ("NBIA").

Registered representatives of NBBD have, and in the future can be expected to, solicit Clients for NBEL or investors for the Funds for NBEL. See Item 14.

NBEL may utilize placement agents in offering the Funds to investors. These placement agents may include NBBD or unaffiliated registered broker-dealers. See Item 5.

The Firm has established policies and procedures ("**Procedures**") reasonably designed to prevent the misuse by the Firm and its personnel of material information regarding issuers of securities that has not been publicly disseminated ("**material non-public information**"). See Item 11.D.1.

2. Investment Company or other pooled investment vehicle

NBEL is investment manager or sub-investment manager of the Funds.

Neither NBEL nor its related persons are obligated to allocate any specific amount of time or investment opportunities to a particular Fund. NBEL and its related persons intend to devote as much time as they deem necessary for the management of each Fund, and will allocate investment opportunities in accordance with NBEL's Order Execution Policy described in Item 12.B. below.

3. **Other investment adviser or financial planner**

NBEL has relationships that are material to its investment management business with the following affiliated investment advisers (the “Affiliated Advisers”):

SEC-Registered Advisers

Neuberger Berman Asia Limited
Neuberger Berman BD LLC*
Neuberger Berman Canada ULC
Neuberger Berman Investment Advisers LLC
Neuberger Berman Loan Advisers LLC
Neuberger Berman Loan Advisers II LLC
Neuberger Berman Loan Advisers IV LLC
Neuberger Berman Singapore Pte. Limited
NB Alternatives Advisers LLC

Neuberger Berman AIFM S.à.r.l. (Exempt Reporting Adviser)
Neuberger Berman Asset Management Ireland Limited (Exempt Reporting Adviser)

Non-SEC-Registered Advisers

Neuberger Berman Australia Limited
Neuberger Berman East Asia Limited
Neuberger Berman Information Consulting (Shanghai) Limited
Neuberger Berman Taiwan (SITE) Limited
Neuberger Berman India Private Limited

* While NBBD is also registered with the SEC as an investment adviser, it does not currently provide advisory services to any Clients.

In providing services to its Client Accounts, NBEL may draw upon the portfolio management, trading, research, operational and administrative resources of the Advisory Affiliates.

Advisory Affiliates may engage NBEL as subadvisor or may treat NBEL as a “participating affiliate,” in accordance with applicable SEC No-Action Letters. As a subadvisor, investment professionals from NBEL may be delegated decision-making roles for some or all aspects of the strategy, including the opening of brokerage accounts and the placement of orders to deploy the strategy.

As a participating affiliate, NBEL may provide designated investment personnel to associate with Advisory Affiliates and perform specific advisory services to Advisory Affiliates consistent with the powers, authority and mandates of such Advisory Affiliate’s clients. The designated investment personnel from NBEL are subject to certain policies and procedures of the Advisory Affiliate as well as supervision and periodic monitoring by the relevant Advisory Affiliate. As a participating affiliate, NBEL agrees, in addition to making available certain of its employees to provide investment advisory services to its Advisory Affiliate’s clients through the Advisory Affiliate, to keep certain books and records in accordance with the Investment Advisers Act and to submit the designated personnel to requests for information or testimony before the SEC. NBEL may also be

delegated the duty to place orders for certain securities and commodity interest transactions pursuant to an agreement between the Advisory Affiliate and NBEL as participating affiliate.

Neither NBEL nor its related persons are obligated to allocate any specific amount of time or investment opportunities to a particular Client Account. NBEL and its related persons intend to devote as much time as they deem necessary for the conduct of each Client Account's management and will allocate investment opportunities in accordance with NBEL's Order Execution Policy.

Depending on the strategy, investment professionals from Advisory Affiliates may have decision-making roles for certain Clients of NBEL.

NBEL may engage any of these Advisory Affiliates as a sub-adviser to manage its Client Accounts (see Item 10.D) , and to act in such a sub-advisory capacity for certain of the Funds.

The views and opinions of NBEL, and those of these Advisory Affiliates and their research departments, may differ from one another. See Item 11.B.7.

The Firm has established Procedures reasonably designed to prevent the misuse by the Firm and its personnel of material non-public information. See Item 11.D.1.

Certain employees of Affiliated Advisers may provide marketing and/or Client-related services in connection with NBEL's investment strategies.

4. Futures commission merchant, commodity pool operator, or commodity trading adviser

NBBD is registered with the CFTC as a CTA and Introducing Broker and is a member of the NFA. NBIA is registered as a CTA and CPO with the CFTC.

5. Banking or thrift institution

None.

6. Accountant or accounting firm

None.

7. Lawyer or law firm

None.

8. Insurance company or agency

None.

9. Pension consultant

None.

10. Real estate broker or dealer

None.

11. Sponsor or syndicator of limited partnerships

Affiliates of NBEL may serve as the general partner or investment manager to one or more of the Funds. Further information about the partnerships where affiliates of NBEL serve as the general partners or investment manager is available in Section 7.B.(1) and (2) of Schedule D of Part 1 of NBEL's affiliated SEC-registered investment advisers' Form ADVs.

D. Selection of Other Investment Advisers

NBEL may engage other advisers, including its Advisory Affiliates, to act as sub-advisers or managers for its Client Accounts. As discussed further below, NBEL does not employ the same selection criteria with respect to its Advisory Affiliates, given that it already knows a great deal about each of their advisory businesses, by virtue of their affiliation. Where NBEL has delegated the discretionary day-to-day management of certain strategies to Advisory Affiliates, the due diligence conducted may not include all components of the standard due diligence program. NBEL selects Advisory Affiliates based on the investment strategy of the Client Account, and the expertise of the particular Advisory Affiliate.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

NBEL has adopted policies (the “**Policies**”), which governs the activities of all NBEL employees. Employees are required not only to comply with the Policies but with all applicable laws and regulations.

The Policies include (1) Personal Account Dealing Policy and Procedures, including outside business activities, (2) Gifts and Entertainment Policy and Procedures,

(3) Market Abuse Policy and (4) Whistleblowing Policy, which support NBEL’s fiduciary duty to place the interests of the Firm’s clients before the interests of the Firm and its employees. Each employee must avoid any activity or relationship that may reflect unfavorably on the Firm as a result of a possible conflict of interest, the appearance of such a conflict, the improper use of confidential information or the appearance of any impropriety.

In managing assets for Clients, NBEL has a fiduciary responsibility to treat all Clients fairly. This duty requires a course of conduct, consistent with other statutory obligations, that seeks to be prudent and in the Client’s best interest. The nature of NBEL’s fiduciary obligations necessarily requires some restrictions on the investment activities of its employees and their domestic dependents. If amendments are made to the Policies other than on an annual basis and determined to be material, employees will be required to submit a written acknowledgement that they have received, read and understood the amendments.

Compliance will receive and review all reports submitted pursuant to the Policies and determine whether the investment or business activities of employees are consistent with requirements and restrictions set forth in the Policies and do not otherwise indicate any improper activities. Compliance will also ensure that books and records relating to the Policies are properly maintained. Employees must immediately report any violation of the Policies to Compliance. All reports will be treated confidentially and investigated promptly and appropriately. Compliance will keep records of any violation of the Policies, and of any action taken as a result of the violation. Violations of the Policies may lead to disgorgement of profits, suspension of trading privileges for the particular employee, or disciplinary action up to and including termination.

B. Participation or Interest in Client Transactions

From time to time, NBEL may participate or have an interest in Client transactions as described below.

NBEL makes all investment management decisions in its Clients’ best interests.

Principal and Agency Transactions

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to a Client Account. A principal transaction would occur if NBEL bought securities for its own inventory from a NBEL Client Account or sold securities from its inventory to a NBEL Client

Account.

If NBEL, its affiliates or their respective principals own a substantial equity interest in a Client Account, a transaction involving such Client Account and another client could be characterized as a principal transaction.

From time to time, NBEL or one or more of its affiliates may invest seed capital in an Affiliated Fund managed by NBEL and may, from time to time, own or control a significant percentage of the Affiliated Fund's interests. NBEL or its affiliate may redeem all or a portion of its interest in the Affiliated Fund, including where it is required to redeem or withdraw all or a portion of its interest in order to comply with applicable regulatory restrictions. Redemptions or withdrawals therefrom may force the Affiliated Fund to sell securities at an unfavorable time and/or under unfavorable conditions, or sell more liquid assets of the fund, in order to meet redemption or withdrawal requests. These sales may adversely affect an Affiliated Fund's net asset value and may result in increasing the fund's liquidity risk, transaction costs and/or taxable distributions. Transactions involving NBEL and its affiliates will be effected in accordance with applicable regulatory restrictions.

A principal transaction presents conflicts of interest which may include the adviser or affiliate earning a fee or earning (or losing) money as a result of the transaction.

NBEL does not generally engage in principal transactions with Client Accounts.

Cross Transactions

NBEL may permit cross trading transactions for its Clients, provided that there is a benefit to those Clients and that no Client is being disadvantaged.

Affiliated Brokers

NBEL is affiliated with NBBD, a U.S. registered broker-dealer, but does not affect any transactions in securities or other instruments for Client Accounts through NBBD. See Item 12.

Financial Interests in Securities or Investment Products

NBEL may invest Client Accounts in securities or other assets of companies with which NBEL or its affiliates have a business relationship, whether Client, broker, vendor or investment consultant.

Employee Investment in NBEL Products

NBEL personnel, and their family members, may be investors in the Funds. Any such investments are made in conformity with the Policies, which include procedures regarding the use of confidential information and personal investing.

Buying and Selling Securities That Are Recommended to Clients

Whilst NBEL may recommend investments in which NBEL, its affiliates or advisory personnel are also invested, to Clients, in practice, it does not provide advice. Personnel of NBEL may also be invested directly in the Funds, subject to applicable law, and the performance fee distributions and management fee payable by such Funds may be separately negotiated by NBEL. Certain Funds may elect to waive management or performance fees/allocation for employees of the Firm who invest in the Fund pursuant to the Firm's employee investment program.

NBEL may recommend to Clients securities or financial instruments, in which a related person has established an interest independent of NBEL.

Other Interests in Client Transactions

NBEL advisory personnel may also be officers, employees and/or registered representatives of NBBD or any of the Advisory Affiliates. In such capacity, they may sell or provide similar services as the services offered by NBEL. The views and opinions of NBEL, NBBD or any of the Advisory Affiliates and their research staff, may differ from one another. As a result, Client Accounts may hold securities or other investment products for which each of these entities may have a different investment opinion or outlook at the time of their acquisition or subsequent thereto.

C. Personal Trading

The Policies contain NBEL's Personal Account Dealing Policy and Procedures. Key aspects of this policy include:

Disclosure of Personal Investment Accounts and Pre-Approval of Transactions

Employees or other parties named in an employee-related account are required to disclose the existence of certain outside brokerage account to Compliance. Employees must arrange for copy contract notes for all transactions to be sent to Compliance. Subsequently, employees or other parties named in an employee-related account must obtain prior approval from Compliance before placing an order for a covered transaction.

Holding Periods

Employee and employee-related accounts must hold investments for a minimum of sixty (60) calendar days after purchase.

Specific Investment Restrictions

- Short sales are permitted in certain circumstances, but are strongly discouraged.
- Employees and employee related accounts are prohibited from receiving allocations of initial public offerings.
- Any employee who wishes to invest in a hedge fund, limited partnership, closely held corporation or other outside private investment must obtain pre-approval from Compliance.

Reporting and Certification Requirements

Initial

On commencing employment at NBEL, employees are required to disclose certain outside broker accounts. A sample email is prepared by Compliance and provided to employees for them to instruct their brokers to send duplicate confirmations and/or monthly statements to Compliance.

Approval to open new outside brokerage accounts

When an existing employee wishes to open a new outside brokerage account, it is compulsory for the employee to notify Compliance. The employee must advise their broker that they are an employee of NBEL and arrange for copy contract notes for all transactions to be sent to Compliance.

Annual

Employees are required to declare annually that: they have read, understand, and complied with the Policies; they have reported any employee and employee-related accounts to Compliance; that certain transactions executed in these accounts have been approved as necessary; and, they have

obtained the required approval and submitted the required reporting for any Outside Business Activities.

D. Other Conflicts of Interest

1. Non-Public Material Inside Information/Insider Trading

The Firm has established policies and procedures, including certain information barriers within the Firm, (“**Procedures**”) reasonably designed to prevent the misuse by the Firm and its personnel of material information regarding issuers of securities that has not been publicly disseminated (“**material non-public information**”). The Procedures are designed to be in accordance with the requirements of the Advisers Act and other federal securities laws. In general, under the Procedures and applicable law, when the Firm is in possession of material non-public information related to a publicly-traded security or the issuer of such security, whether acquired unintentionally or otherwise, neither the Firm nor its personnel are permitted to render investment advice as to, or otherwise trade or recommend a trade in, the securities of such issuer until such time as the information that the Firm has is no longer deemed to be material non-public information.

In the ordinary course of operations, however, certain businesses within the Firm may seek access to material non-public information. The Procedures address the process by which material non-public information may be acquired intentionally by the Firm and the sharing of information between different businesses within the Firm. When considering whether to acquire or share material non-public information, the Firm will attempt to balance the interests of all Clients, taking into consideration relevant factors, including, but not limited to, the extent of the prohibition on trading that may occur, the size of the Firm's existing position in the issuer, if any, and the value of the information as it relates to the investment decision-making process. The intentional acquisition of material non-public information may give rise to a potential conflict of interest since NBEL may be limiting the universe of public securities that NBEL may purchase or sell. Similarly, where the Firm declines access to (or otherwise does not receive or share within the firm) material non-public information regarding an issuer, NBEL may base its investment decisions with respect to assets of such issuer solely on public information, thereby limiting the amount of information available to NBEL in connection with such investment decisions. In determining whether or not to elect to receive material non-public information, the Firm will endeavor to act fairly to its clients as a whole. If material non-public information is inadvertently obtained, employees are required to disclose it to Compliance whereupon the issuer to whom the material non-public information relates will be included in a “Restricted List” distributed by Compliance. Any activities relating to such securities are required to be cleared by Compliance.

2. Gifts and Entertainment

Gifts and entertainment provided or received by NBEL's employees to/from Clients, prospective clients, vendors, suppliers, consultants and others with whom NBEL conducts business can strengthen business relationships yet may also create actual or apparent conflicts of interest. Therefore, in accordance with its Gifts and Entertainment policy, all NBEL employees are required to follow the following guiding principles:

- No gifts or entertainment may be solicited

- No cash or cash equivalents should be offered or accepted
- Any gifts and entertainment received or offered should be for a clear business purpose
- Gifts and entertainment should not be excessive, inappropriate or intended to influence recipients inappropriately.

In addition to the above, NBEL imposes certain specific restrictions on providing and receiving gifts and entertainment, including the imposition of monetary limits and requiring employees to report to, and, in certain circumstances, to obtain prior approval from Compliance.

Compliance is responsible for monitoring practices on giving gifts, including travel, entertainment and contributions, and carries out ongoing monitoring of NBEL's practices

3. Political Contributions

Due to the potential for conflicts of interest, the Firm has established policies and procedures relating to political activities which are designed to comply with applicable federal, state and local law. Each employee is required to seek preapproval before the employee, the employee's spouse or domestic partner, the employee's dependent children or any other person that the employee materially supports (where any such person is either a U.S. citizen or a green card holder) makes any political contribution or engages in other political activities, including, but not limited to, volunteering or fundraising for a campaign

Finally, employees are required (1) to comply with the limitations on volunteer activity so as not to cause an in-kind contribution by the Firm, and (2) to keep records of their political contributions.

4. Outside Business Activities

Given the nature of NBEL's business, employees who engage in outside activities may face numerous and significant conflicts of interest. Each new employee is required to complete an Outside Affiliation Form to disclose any outside activities, including service as an employee, consultant, board member, partner, officer, director, owner or trustee of an organization that is not an affiliate of NBEL. Prior to pursuing any outside business activity, an employee must:

- complete the Outside Affiliation form;
- receive written approval from his/her manager; and
- Receive written approval from Compliance.

General Guidelines

When engaged in an approved outside business activity, an employee must always:

- act in the best interest of NBEL, and the Clients of NBEL in the event a potential conflict of interest arises;
- remain aware of how personal activities can lead to conflicts, such as taking a second job with, or making an investment in, a customer, vendor or competitor;
- disclose any situation that could be perceived as a potential conflict of interest; and
- pro-actively address situations that may put his/her interests or those of a family member or friend in potential conflict with NBEL's.

Service on Outside Boards

Compliance determines procedures to prevent the misuse of material non-public information which may be acquired through outside board service, as well as other procedures or investment restrictions which may be required to prevent actual or potential conflicts of interest.

In addition to complying with the policies and procedures set forth in the Policies, employees must be vigilant in identifying and managing the potential conflicts of interest that may arise by virtue of their service on outside boards. Depending on the circumstances, these conflicts may require the employee to recuse him or herself from deliberations of the board. In some cases, it may be necessary to resign from the Board entirely. Employees are encouraged to seek guidance from Compliance as to how these potential conflicts may be best addressed.

5. Outsourcing/Service Providers

The Firm must conduct appropriate due diligence on any outside vendor that provides products or services to the Firm and enter into an appropriate contract. The Firm's relationships with outside vendors must be managed so that appropriate controls and oversight are in place to protect the Firm's interests, including safeguarding of private and confidential information regarding the Firm's clients and employees.

Item 12: Brokerage Practices

A. Criteria for Selection of Broker-Dealers

Except where NBEL has delegated investment discretion to a Sub-Adviser, NBEL has discretion to select the broker-dealer for securities transactions for each Client Account. NBEL looks to the overall quality of service provided by the broker-dealer and will consider many factors when making a selection for execution. The broker-dealer's ability to provide best execution is of paramount importance in NBEL's selection of the broker-dealer. Best execution is an evaluation of a number of quantitative and qualitative factors.

The factors that NBEL will take into account when executing orders on behalf of a Client Account will include price, costs, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the execution of the order in question (including market impact). The best possible result for a particular transaction will be determined by the relative importance given by NBEL to those factors, which will in turn determine the choice of broker. NBEL will also take into account the following criteria:

- Client's characteristics, including Client's categorization as a professional client;
- the characteristics of the relevant order;
- the characteristics of the instruments or products that are the subject of the relevant order; and
- The characteristics of the broker and the place of execution.

Research and Other Soft Dollar Benefits

NBEL does not operate a soft dollar program. Its Advisory Affiliates may acquire soft dollar benefits when sub-advising NBEL's Client Accounts. Please refer to Part 2A of the SEC registered Advisory Affiliates' Form ADVs for details.

Brokerage for Client Referrals

NBEL does not enter into agreements with, or make commitments to, any broker-dealer that would bind NBEL to compensate that broker-dealer, directly or indirectly, for Client referrals (or sale of fund interests) through the placement of brokerage transactions.

Directed Brokerage

NBEL has a small number of Clients that specify which brokers must be used to execute transactions on their account.

Other Fees in Connection with Trading

In an effort to achieve best execution of portfolio transactions, NBEL may place securities or future transactions for Client Accounts by utilizing electronic marketplace or trading platforms. Some of these electronic systems may impose additional service fees or commissions. NBEL may pay these fees directly to the provider of the service or these fees may be included in the execution price of a security. NBEL's intention is that it will only use such systems and incur such fees if it believes that doing so helps it to achieve the best execution of the applicable transaction, taking into account all relevant factors under the circumstances. For example, NBEL will consider the speed

of the transaction, the price of the security, its ability to block the transaction and other factors discussed in this Brokerage Practices section.

Trade Errors

On occasion, an error may be made in a Client Account. For example, a security may be erroneously purchased for a Client Account instead of sold. In these situations, NBEL seeks to rectify the error by placing the Client Account in a similar position as it would have been had no error occurred. Depending on the circumstances, various corrective steps may be taken which may include, canceling the trade, or reimbursing the account. While NBEL will generally compensate Client Accounts for actual losses suffered as a result of a trade error caused through the fault of NBEL. NBEL does not compensate its Clients for lost investment opportunities (e.g., the failure to take advantage of investment or market improvements).

B. Aggregation of Orders/Allocation of Trades

Aggregation

Transactions for each Client Account generally will be effected on a block trade basis, where NBEL decides to purchase or sell the same security or financial instrument for several Client Accounts at approximately the same time. NBEL may (but is not obligated to) combine or block trade such orders in order to secure certain efficiencies and results with respect to execution, clearance and settlement of orders.

This aggregation of orders across Client Accounts could lead to a conflict of interest in the event an order cannot be entirely fulfilled and NBEL is required to determine which accounts should receive executed shares and in what order. To mitigate such conflicts, NBEL has adopted allocation procedures, reasonably designed to treat participating accounts fairly (see below).

NBEL is not obligated to include every Client Account in an aggregated trade. A variety of factors are used to determine whether a particular Client Account may or may not participate in a particular aggregated transaction. These include investment objectives and strategies, position weightings, cash availability, and risk tolerance.

NBEL will aggregate and allocate orders only in a manner designed to ensure that no Client Account is favored or disfavored and that participating Client Accounts are treated in a fair and equitable manner over time. NBEL may not intentionally allocate profitable trades at each day's end so as to favor disproportionately certain clients without appropriate disclosure.

When a block trade order is filled in its entirety, each participating Client Account will participate at the average price paid or received, per share or unit, on that day for the order, and share in any associated transaction costs, based upon the initial amount requested for the account (subject to certain size- or cost-related exceptions). When price averaging is used, some Client Accounts may get a better price and some Client Accounts may get a worse price than they would have received if price averaging was not used.

When a block trade order is partially filled, the order will be allocated in accordance with NBEL's written aggregation and allocation procedures. These procedures are described generally below.

NBEL receives no additional compensation or remuneration of any kind as a result of the aggregation of Client trades.

Allocation of Investment Opportunities

NBEL provides investment management services to a number of Client Accounts and may deal with conflicts of interest when allocating investment opportunities among such Client Accounts. For example: (i) NBEL receives different investment management fees in respect of different Client Accounts; (ii) the performance records of some Client Accounts are more public than the performance records of other Clients; and (iii) NBEL and its affiliates, owners, officers and employees have invested substantial amounts of their own capital in some Client Accounts, but do not invest their own capital in every Client Account. The majority of NBEL's Clients pursue specific investment strategies, many of which are similar. NBEL expects that, over long periods of time, most Client Accounts employing similar investment strategies should experience similar, but not identical, investment performance. Many factors affect investment performance, including but not limited to: (i) the timing of cash deposits and withdrawals to and from an account; (ii) the fact that NBEL may not purchase or sell a given security on behalf of all Client Accounts employing similar strategies; (iii) price and timing differences when buying or selling securities; (iv) the size of the Client Account; and (v) each Client Account's own different investment restrictions. The Order Execution policy for NBEL is designed to minimize possible conflicts of interest in trading for Client Accounts.

NBEL considers many factors when allocating securities and financial instruments among Client Accounts, including but not limited to the Client's investment objectives, applicable restrictions, the type of investment or financial instrument, the number of shares or contracts purchased or sold, the size of the account, the amount of available cash or the size of an existing position or weighting in an account. Client Accounts are not assured of participating equally or at all in particular investment allocations. The nature of a Client Account's investment style may exclude it from participating in many investment opportunities, even if the Client is not strictly precluded from participation based on written investment restrictions.

NBEL attempts to allocate limited investment opportunities, including IPOs, among Client Accounts in a manner that is fair and equitable when viewed over a considerable period of time and involving many allocations. NBEL follows detailed procedures allocating shares in IPOs and in secondary offerings. The factors taken into account in allocating shares of IPOs include whether the account's investment objectives fall primarily within the market capitalization of the issuer of securities to be allocated, cash available and legal restrictions on the account. Once those requirements are met, shares are generally allocated on a *pro rata* basis based on total AUM of each participating manager and thereafter based on the AUM of each Client Account.

Compliance is responsible for monitoring and interpreting these policies. Any exceptions to these policies require the prior written approval of Compliance, in conjunction with the senior portfolio manager.

Item 13: Review of Accounts

A. Periodic Reviews

Within certain teams, NBEL's portfolio managers, research analysts and traders hold weekly meetings where they review market conditions in a broader context. Portfolio managers review market and Client positioning on a daily ongoing basis. If a Client requests, NBEL may prepare material for them on a monthly, quarterly or ad-hoc basis.

Transactions are reviewed for compliance with investment guidelines, possible conflicts and adherence to the Policies and regulatory obligations. Reviews may be in the form of trade data and exception reports. Topics covered in the review include, but are not limited to, trading on the basis of material, non-public information and trading in affiliated securities.

For the Funds, additional reviews are also performed regularly by the Fund Accounting team, in conjunction with the Portfolio Management team, Operations and the respective fund administrator.

B. Non-Periodic Reviews

Other than the periodic review of accounts described above, a review of individual Client Accounts will also be triggered by performance anomalies in the investment strategy. Account reviews may also take place as a result of major changes in macro- or micro-economic conditions, and material market, economic or political events. Further, changes in regulation may cause NBEL to review Client Accounts.

C. Client Reports

Clients receive such reports as are provided for in the Fund's Offering Document (or, on rare occasion, as otherwise negotiated with NBEL), or relevant investment management agreement.

Depending on the account, Clients or investors may also receive some of the following regular written reports:

- Monthly commentary from NBEL;
- Monthly/ Quarterly statement from the fund administrator;
- Monthly Fact Sheet; and
- Annual letter from NBEL.

Clients should carefully review any statements or other reports that they receive from a custodian and compare them to the client reports provided by NBEL.

Item 14: Client Referrals and Other Compensation

A. Compensation by Non-Clients

Not Applicable.

B. Compensation for Client Referrals

Subject to applicable law, certain Firm employees are eligible to earn an account referral bonus for referring a potential client to NBEL. Firm senior management determines whether an employee's involvement was significant enough to warrant this bonus.

From time to time, in accordance with applicable law, NBEL may retain and compensate third parties for introducing new Clients to NBEL. The compensation to such parties generally represents a percentage of the management fee paid by the Client to NBEL.

Clients do not pay a higher fee than they would otherwise pay due to the solicitor's or placement agent's involvement in the introduction.

From time to time, NBEL may refer a Client to unaffiliated financial institutions or other professional service providers for purposes of rendering certain services to the Client. These services are generally not directly provided by NBEL. The referral may result in the Client allocating additional assets to NBEL for management.

Item 15: Custody

NBEL or its affiliates will not maintain physical possession of the funds or securities of any Fund. However, for those Funds where an affiliate serves as managing member or general partner, the affiliate will have “legal custody” to access the Fund’s account, and as a result, will be deemed to have custody over that account for purposes of the Custody Rule under the Advisers Act. To comply with the Custody Rule, with respect to such Fund, NBEL or the third-party administrator to the Fund will provide each investor, annually, with audited financial statements, prepared in accordance with GAAP or IFRS, within 120 days following the end of the Fund’s fiscal year.

Item 16: Investment Discretion

Except to the extent that NBEL has delegated investment discretion to a sub-adviser, NBEL has the authority to determine, without obtaining specific Client consent, the securities or financial instruments to be bought or sold and the amount of securities or financial instruments to be bought or sold for a Client Account. NBEL's discretionary authority is derived from an express grant of authority under each Client Account's investment management agreement with NBEL.

Purchases and sales must be suitable for the particular Client Account and limitations may be imposed as a result of instructions from the Client. Clients may limit NBEL's authority by prohibiting or by limiting the purchasing of certain securities or financial instruments. See Item 4.

Pursuant to the Firm's Procedures on material non-public information, when the Firm is in possession of material non-public information related to a publicly-traded security or the issuer of such security, whether acquired unintentionally or otherwise, neither the Firm nor its personnel are permitted to render investment advice as to, or otherwise trade or recommend a trade in, the securities of such issuer until such time as the information that the Firm has is no longer deemed to be material non-public information. As such, there may be circumstances which will prevent the purchase or sale of securities for Client Accounts for a period of time.

Item 17: Voting Client Securities

Investments in which NBEL invests on behalf of its Clients are typically debt instruments that do not have voting rights, and as such, NBEL currently has not adopted a policy with respect to voting client securities. There is a Firm proxy voting policy which the sub-adviser follows, where it has invested the Client's account in securities.

Item 18: Financial Information

A. Prepayment of Fees (Six or more months in advance)

Not applicable.

B. Impairment of Contractual Commitments

NBEL has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

C. Bankruptcy Petitions

NBEL has not been the subject of a bankruptcy proceeding.