



LEA 02	Disclosures	Monetary	Principles
<p>By providing investors the most up-to-date and comprehensive information for use in their investment decisions, we are committed to transparency and accountability. We will disclose the following information:</p> <p>1. The nature and extent of our engagement activities, including the number of companies engaged, the number of issues identified, and the number of companies that have responded to our engagement activities.</p> <p>2. The results of our engagement activities, including the number of companies that have improved their ESG practices, the number of companies that have adopted our recommendations, and the number of companies that have been removed from our investment portfolio.</p> <p>3. The impact of our engagement activities on our investment performance, including the number of companies that have improved their ESG practices, the number of companies that have adopted our recommendations, and the number of companies that have been removed from our investment portfolio.</p>	<p>LEA 02</p>	<p>Monetary</p>	<p>Principles: PRI 1, 2, 3</p>
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p>Reason for interaction</p> <p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's material ESG areas</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> <p><input type="checkbox"/> To support investment decision-making in &amp; company's material ESG areas</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making in &amp; company's material ESG areas</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in service provider engagements</p> <p><input type="checkbox"/> To support investment decision-making in &amp; company's material ESG areas</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p>		

# RI TRANSPARENCY REPORT

## 2014/15

Neuberger Berman Group LLC

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Private							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Private	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	✓	Private	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Private		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	⚡	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	⚡	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	✓	Public		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Private	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Private	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Private	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	✓	Private		✓					
FI 20	Engagement with government issuers	✓	Private		✓					

# Neuberger Berman Group LLC

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Execution and advisory services

OO 01.2

Additional information. [Optional]

### Firm Overview

Neuberger Berman is an independent, employee-controlled investment management firm. We partner with institutions, advisors and individuals throughout the world to customize solutions that seek to address their needs for income, growth and capital preservation. With 2,091 professionals focused exclusively on asset management, we are deeply grounded in original, fundamental research and offer an investment culture of independent thinking. Founded in 1939, Neuberger Berman had \$250 billion [1] in assets under management as of December 31, 2014 invested across equities, fixed income and alternative strategies.

At Neuberger Berman, our mission is to partner with clients to achieve their unique investment objectives. Four key elements reinforce our efforts:

**Experience [2]:** Our portfolio managers have seen both good and bad markets. Some 94% of our clients' assets are managed by lead portfolio managers with over 20 years of industry experience.

**Stability [2]:** Neuberger Berman is a destination for successful investors, who often stay for the duration of their careers. We hire and retain employees based on merit, and strive to attract talent with the dedication and creativity needed to foster diverse perspectives and a passion for investing. Over 91% of clients' assets are managed by lead portfolio managers with a firm tenure of more than 10 years.

**Alignment [2]:** Portfolio manager incentives are closely tailored to the interests of clients. 100% of the firm is employee owned, as of December 31, 2014. Up to 50% of portfolio managers' deferred compensation is invested in their own strategies.

**Performance [2]:** Our managers focus on achieving long-term success for our clients. By AUM, 80% of the firm's equity managers and 77% of its fixed income managers have outperformed their benchmarks over the past 10 years. Approximately 98% of our private equity funds raised between 2002 and 2012 have outperformed their respective IRR benchmarks based on invested capital. We believe that excellent performance is forged over time through independent thought and challenging dialogue, as well as investment discipline and a dedication to research. In seeking to attain superior performance, we understand the crucial role of risk management, and communicate to clients through comprehensive and individualized service.

[1] Firm data reflects the collective data for the various subsidiaries of Neuberger Berman Group LLC.

[2] All information is as of December 31, 2014, except as otherwise noted. AUM outperformance data is asset-weighted and based on the gross of fee performance of the firm's traditional equity and fixed income strategies against their respective benchmarks and peer categories. Individual strategies may have experienced negative performance during certain periods of time. NB private equity fund outperformance data is gross of fees and as of March 31, 2014. Additional information regarding AUM outperformance (including 3- and 5-yr. statistics) and the private equity outperformance statistics, as well as the definition of "lead portfolio manager" and "employee ownership" is available upon request. Indices are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Includes firm tenure at companies acquired by Neuberger Berman. Gross of fee returns do not reflect the deduction of investment advisory fees and other expense. If such fees and expense were reflected, returns referenced would be lower. A client's return will be reduced by the advisory fees and any other expenses it may incur in the management of its account. The deduction of fees has a compounding effect on performance results. For example, assume Neuberger Berman achieves a 10% annual return prior to the deduction of fees each year for a period of ten years. If a fee of 1% of assets under management were charged and deducted from the returns, the resulting compounded annual return would be reduced to 8.91%. Please note that there is no comparable reduction from the indices for the fees. Past performance is no guarantee of future results.

OO 02	Mandatory	Peering	General
-------	-----------	---------	---------

OO 02.1	Select the location of your organisation's headquarters.
---------	--

United States

OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).
---------	---

- 1
- 2-5
- 6-10
- >10

OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).
---------	---

FTE	2,091
-----	-------

OO 02.4	Additional information. [Optional]
---------	------------------------------------

Neuberger Berman is headquartered in New York City, where the majority of our asset management services are performed. As of January 1, 2015, Neuberger Berman had 31 offices in 30 cities and 18 countries.

OO 03	Mandatory	Descriptive	General
-------	-----------	-------------	---------

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 03.3

Additional information. [Optional]

**Ownership Structure**

Neuberger Berman is a private, independent, 100% employee owned investment manager. As of December 31, 2014, approximately 400 employees, former employees and permitted transferees (collectively, "employee owners") own the firm. We believe this aligns the firm's interests with those of our clients, supporting our investment culture and reinforcing our track record of very high retention rates amongst our senior professionals.

Neuberger Berman Group LLC ("NBG") is a holding company for subsidiaries operating investment management businesses.

**Board of Directors**

As of December 31, 2014, NBG's Board of Directors includes five individuals, including the Chief Executive Officer, four directors appointed by the Management Members (of which two must be independent as defined in the New York Stock Exchange Listed Company Standards).

**Culture**

We believe that being an independent, employee-controlled organization aligns the firm's interests with those of our clients, supporting our investment culture and reinforcing our track record of very high retention rates amongst our senior professionals.

*We have no subsidiaries that are PRI signatories in their own right. All subsidiaries are committed to PRI as part of NBG's engagement as a signatory in June of 2012.*

OO 04

Mandatory

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2014

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		250	041	000	000
Currency	USD				
Assets in USD		250	041	000	000

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 04.6

Additional information. [Optional]

Neuberger Berman's primary business is asset management. The firm is well positioned across a broad range of investment capabilities and services, managed by distinct investment teams, unified by a common commitment to research and a singular focus on delivering attractive performance.

**Equities:** Our equity portfolios are managed by teams comprised of dedicated, experienced portfolio managers and analysts solely focused on delivering attractive performance for clients. Our equity suite of products spans the global market capitalization and style spectrum.

**Fixed Income:** Our fixed income investment teams offer a broad, diverse range of investment solutions across investment grade, non-investment grade, emerging markets, global, specialty, tax-exempt, and cash/short duration strategies.

**Alternative Investments:** Our private equity capabilities-primaries, secondaries, co-investments, and direct strategies-are distinguished by a research-driven approach with industry-leading, sophisticated risk management and reporting capabilities. Our hedge fund strategies bring together extensive capital markets expertise of dedicated hedge fund professionals and include hedge fund of funds as well as single-manager hedge funds, quantitative strategies and long-only commodity funds.

**Multi-Asset Class Strategic Solutions:** Neuberger Berman has deep experience partnering with the world's largest and most sophisticated institutional investors, many of whom require customized multi-asset class solutions. Delivering the entire firm to such clients is our top priority, and we do this by directly involving senior investment staff and management to help leverage the many resources of our firm. We refer to such broad-based yet highly customized mandates as "strategic partnerships."

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

☉ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	0
Fixed income – corporate	10-50%	0
Fixed income – government	10-50%	0
Fixed income – other	<10%	0
Private debt	<10%	0
Private equity	<10%	0
Property	0	0
Infrastructure	0	0
Commodities	<10%	0
Hedge funds	<10%	<10%

11

Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

### Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
-------	-----------	---------	---------

**OO 10.1**

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

OO 11	Mandatory	Gateway	General
-------	-----------	---------	---------

**OO 11.1**

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Private debt
- Private equity
- Commodities
- Hedge funds
- None of the above

OO 11.2

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Hedge funds
- None of the above

OO 12

Mandatory

Gateway

General

OO 12.1

The modules and sections that you will be required to complete are listed below.

*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed Income - Corporate
- Fixed Income - Government

Direct - Other asset classes with dedicated modules

- Private Equity

**Closing module**

- Closing module

# Neuberger Berman Group LLC

## Reported Information

## Public version

## Overarching Approach

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

**OA 01.1** Indicate if you have a responsible investment policy.

- Yes  
 No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes  
 No

**OA 01.3** Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Our Responsible Investment Policy which is promoted internally, and available publicly, focuses on our approach to the consideration of ESG factors in our investment making decisions. Key elements include a description of our broadly representative PRI Committee which includes senior and influential thought leaders who help drive our ESG agenda at the firm, our investment and research strategy and our ongoing commitment to engagement.

We also have an internal FAQ that is updated periodically so that employees can understand where we are in our process of implementing the PRI. The FAQ is distributed by our firm's President and Chief Investment Officer, who also serves as the chair of our PRI Committee, as a sign of our commitment to responsible investment at the most senior levels of our firm.

Our portfolio management teams make use of the resources and insights we have when it comes to ESG matters. When it comes to investment strategies themselves, two in particular are worth mentioning when it comes to the work we do to integrate these insights into our investment decisions. Our Socially Responsive Investment (SRI) group fully integrates ESG criteria into its investment analysis, seeking opportunities in well-positioned businesses demonstrating leadership and progress in the areas of environmental, social and governance impact. Our Emerging Markets Debt team considers and analyzes, at both a country and corporate level, environmental, social and governance factors in the investment process.

OA 02	Mandatory	Core Assessed	PRI 6
-------	-----------	---------------	-------

**OA 02.1** Indicate if your responsible investment policy is publicly available.

- Yes

**OA 02.2** Provide a URL to your responsible investment policy.

URL

<http://www.nb.com/pages/public/global/principles-for-responsible-investment.aspx>

- No



**OA 02.3**

Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes
  - Yes, all
  - Yes, some

**OA 02.4**

List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Proxy Voting Policy	<a href="http://www.nb.com/pages/public/en-us/proxy-voting-policy.aspx">http://www.nb.com/pages/public/en-us/proxy-voting-policy.aspx</a>
Ethics and Compliance Committee Charter	<a href="http://www.nb.com/pages/public/global/fund-governance.aspx">http://www.nb.com/pages/public/global/fund-governance.aspx</a>
Governance and Nominating Committee Charter	<a href="http://www.nb.com/pages/public/global/fund-governance.aspx">http://www.nb.com/pages/public/global/fund-governance.aspx</a>

No

**OA 03**

**Mandatory**

**Core Assessed**

**PRI 1,2**

**OA 03.1**

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

<b>OA 03.2</b>	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
----------------	---

Specific guidelines on corporate governance, environmental issues, social issues apply only to the Neuberger Berman Socially Responsive Strategy (NB SRI).

<b>OA 03.3</b>	Additional information. [Optional]
----------------	------------------------------------

Proxy Voting Policy (posted on [www.nb.com](http://www.nb.com))

Neuberger Berman has implemented written Proxy Voting Policies and Procedures ("Proxy Voting Policy") that are designed to reasonably ensure that Neuberger Berman votes proxies prudently and in the best interest of its advisory clients for whom Neuberger Berman has voting authority. The Proxy Voting Policy also describes how Neuberger Berman addresses any conflicts that may arise between its interests and those of its clients with respect to proxy voting.

Neuberger Berman's Proxy Committee is responsible for developing, authorizing, implementing and updating the Proxy Voting Policy, overseeing the proxy voting process, and engaging and overseeing any independent third-party vendors as voting delegate to review, monitor and/or vote proxies. In order to apply the Proxy Voting Policy noted above in a timely and consistent manner, Neuberger Berman utilizes Glass, Lewis & Co. LLC ("Glass Lewis") to vote proxies in accordance with Neuberger Berman's proxy voting guidelines.

For socially responsive clients, Neuberger Berman has adopted socially responsive voting guidelines. For non-socially responsive clients, Neuberger Berman's guidelines adopt the voting recommendations of Glass Lewis. Neuberger Berman retains final authority and fiduciary responsibility for proxy voting. Neuberger Berman believes that this process is reasonably designed to address material conflicts of interest that may arise between Neuberger Berman and a client as to how proxies are voted.

In the event that an investment professional at Neuberger Berman believes that it is in the best interest of a client or clients to vote proxies in a manner inconsistent with Neuberger Berman's proxy voting guidelines or in a manner inconsistent with Glass Lewis recommendations, the Proxy Committee will review information submitted by the investment professional to determine that there is no material conflict of interest between Neuberger Berman and the client with respect to the voting of the proxy in that manner.

If the Proxy Committee determines that the voting of a proxy as recommended by the investment professional presents a material conflict of interest between Neuberger Berman and the client or clients with respect to the voting of the proxy, the Proxy Committee shall: (i) take no further action, in which case Glass Lewis shall vote such proxy in accordance with the proxy voting guidelines or as Glass Lewis recommends; (ii) disclose such conflict to the client or clients and obtain written direction from the client as to how to vote the proxy; (iii) suggest that the client or clients engage another party to determine how to vote the proxy; or (iv) engage another independent third party to determine how to vote the proxy.

<b>OA 04</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>General</b>
--------------	------------------	----------------------	----------------

<b>OA 04.1</b>	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
----------------	---

Yes

OA 04.2

Describe your policy on managing potential conflicts of interest in the investment process.  
[Optional]

Generally, employees of Neuberger Berman's U.S. based registered investment advisers are subject to the firm's Code of Ethics (the "Code"). The Code of Ethics complies with Rule 204A-1 of the Investment Advisers Act (the "Advisers Act") and Rule 17j-1 of the Investment Company Act (the "Company Act"), which requires registered investment advisers and investment companies to adopt and enforce codes of ethics applicable to its supervised persons (as defined in the Code) that include certain provisions regarding standards of business conduct; compliance with applicable federal securities laws; reporting and reviewing of personal securities and holdings; reporting of code violations; and the furnishing and acknowledging of a firm's code of ethics.

The Code of Ethics contains standards of business conduct based upon established principles, including: (a) placing client interests ahead of employees' personal interests; (b) refraining from any practice which would operate as a fraud or deceit; (c) conducting personal securities transactions in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; (d) reporting actual and potential conflicts of interest; and (e) maintaining confidentiality of client information.

The Code of Ethics also contains employee trading policies and procedures that are closely monitored by our Legal and Compliance Department. Key aspects of the employee trading policies and procedures include: (a) requirements for securities account to be maintained with the firm or other approved entities; (b) an employee price restitution policy; (c) prohibitions against employee participation in initial public offerings; (d) prohibitions against trading on the basis of material non-public information; (e) pre-approval requirements for certain security transactions such as private placement offerings; (f) minimum holding periods for most personal securities transactions; and (g) annual written affirmation of reporting obligations and compliance with the Code.

The price restitution policy attempts to address the potential conflict that could arise from employees owning the same securities as clients, or where the accounts of both enter the market at the same time. Subject to certain exclusions, employee trades that are executed on the same day and in the same security as a client's account are reviewed to ensure that the employee does not receive a better price than the client. In the event that the employee does receive a better price, the employee's price is "switched" to that of the client's and the cash difference in the execution price is disgorged from the employee account. Disgorged proceeds are often allocated to client accounts in the form of revised execution prices. In some instances, however, a revised execution price may for operational reasons not be feasible and the proceeds will either be remitted to client accounts or donated to charity.

Advisory Persons (as defined by the Code) are subject to a broader review period with respect to their own clients. There may also be differences in policies within the Code as it relates to Advisory Persons of the NB Mutual Funds with respect to certain employee trading policies and procedures, such as holding periods, blackout periods and price switch/discouragement policies.

No

## Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

OA 05.1

Indicate if your organisation sets objectives for its responsible investment activities.

Yes

**OA 05.2**

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

**OA 05.3**

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
  - Biannually
  - Annually
  - Every two years or less
  - It is not reviewed
- No

**OA 05.4**

Additional information. [Optional]

Our Responsible Investment objectives are set by our PRI Advisory Committee which was formed shortly after we became a signatory at the end of June of 2012. It was important to us not to "delegate" responsibility for carrying out the PRI to a small department, hence our President and Chief Investment Officer is the chair of our committee which includes senior representatives from businesses across the firm including: Head of Central Research, Head of Marketing and Product Development, Heads of High Yield and Investment Grade Fixed Income Research, Head of Corporate Social Responsibility, Head of Europe, Middle East & Latin America, Co-Head Emerging Markets Debt, Co-Head Social Responsible Investment (SRI) Group and senior executives from Legal and Compliance, Equities, Institutional Client Service, and Alternatives.

We held our first meeting in September of 2012 and set out several initial objectives. These are revisited and reported on at each successive meeting. Meetings are taken quite seriously and well attended. Formal minutes are taken and circulated to all members.

The NB SRI group meets annually with the SRI Advisory Committee (the "Committee"), the members of which include, among others, the Chief Investment Officer of equities asset management, the Chief Compliance Officer of the firm's mutual funds, the Chief Compliance Officer of the firm's equities separate accounts, the compliance officer responsible for the firm's mutual fund sub-advisory business, a senior member of the legal department, and the president of the firm's mutual funds. The Committee meets on an annual basis to provide oversight with respect to the SRI team's investment process, including its use of third party sources as well as the SRI team's in house research, its proxy voting policy and the SRI team's portfolio avoidance compliance. The Committee conducts a review of the predominant policies relating to investment, proxy voting and portfolio avoidance compliance, and then specific examples and decisions are discussed. Industry trends that have impacted or may affect the conduct of the SRI team's business may also be reviewed.

## Governance and human resources

**OA 08**

**Mandatory**

**Gateway/Core Assessed**

**General**

**OA 08.1**

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

## Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- External managers or service providers
- Other role, specify
- Other role, specify

**OA 08.2**

Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

0

**OA 08.3**

Additional information. [Optional]

Although we do not have one person dedicated to responsible investment, our senior leadership team invests a significant amount of time on its implementation including Head of Corporate Social Responsibility; Deputy Head, Private Asset Management; Manager of External Research, Global Equity Research Department; Co-Portfolio Manager, SRI Group; and Co-Head of Emerging Markets Debt. We made a conscious decision not to compartmentalize or isolate the function to one staff or department so that the opportunity and responsibility can be shared by a number of key players that are integral to our investment process.

## Promoting responsible investment

**OA 10**

**Mandatory**

**Core Assessed**

**PRI 4,5**

**OA 10.1**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We take our responsibility as a PRI signatory quite seriously and are eager to report our progress for the second year in a row, so we can continue to make progress as a firm that values environmental, social and governance issues in the investment evaluation process.

ESG integration is a formal and regular part of our research process. Our portfolio managers take into account ESG factors such as environmental and product liabilities, legal risk and corporate governance in their investment processes; such factors are also considered and analyzed by our centralized research teams. Our investment professionals can access an array of ESG-related analytical sources.

Below are several "stand outs" in terms of engagement with PRI in 2014.

Co-heads of our Emerging Markets Debt team, Rob Drijkoningen and Gorky Urquieta along with Kaan Nazli - Senior Economist, were contributors to the PRI Fixed Income Investor Guide "Putting Responsible Investment into Practice in Fixed Income" published in September 2014. Nazli committed to participate in the PRI's engagement sub-committee, which will convene this year,

In July 2014, Neuberger Berman hosted a panel for PRI called "Asset Owner Approaches to Mainstreaming Responsible Investing" discussing the role of investment beliefs in responsible investment. Attendees included PRI Board and Council Members, signatories and NB clients.

We periodically host CIO roundtables for clients to share perspectives of peers and industry experts on timely and critical topics and related policies. A recent CIO lunch in July 2014, focused on "ESG/SRI Investing Approaches to Fossil Free", a complex issue that many investors and asset owners are grappling with. Through these discussions we have educated clients on the PRI and encouraged their participation as signatories.

PRI Committee members Joe Herlihy, Deputy Head, Private Asset Management, and Elizabeth Cribbs, Head of Corporate Social Responsibility attended PRI In Person in Montreal.

We are eager to work with and learn from our colleagues in the industry and PRI staff.

- Asian Corporate Governance Association  
 Association for Sustainable & Responsible Investment in Asia  
 Australian Council of Superannuation Investors  
 CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Neuberger Berman became a signatory to the CDP in 2004. The NB SRI Team members are users of CDP data and often participate in CDP related events held in NY throughout the year including the 2014 S&P 500 Report Pre-Launch Event and the 2013 CDP S&P 500 Report Launch on the floor of the NYSE.

In June 2013, Neuberger Berman hosted an internal research meeting with the CDP's Director of Investor Initiatives for North America to discuss carbon disclosure and reduction Initiatives.

In April 2013, NB SRI Team co- Portfolio Manager, Ingrid Dyott, served on an investor panel at CDP's Spring Workshop in NYC. Ingrid discussed the importance of disclosure and how investors incorporate CDP data into the investment process. The audience consisted of 200+ corporate sustainability professionals responsible for CDP reporting.

In addition, NB research utility analyst worked with the CDP on utility sector related data disclosure enhancements.

Finally, in addition to joining CDP Water and CDP Forests, in 2012 NB became an Investor Signatory to the CDP Carbon Action, an initiative requesting companies to implement cost-effective greenhouse gas emissions (GHG) reductions.

CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In January of 2013 NB became a signatory to the Forest Footprint Disclosure Project (FFD). As a PRI signatory and a firm that has supported transparency and disclosure for years, we felt it was important to encourage greater transparency from companies whose businesses have a high degree of exposure to the five agricultural commodities that are tied the most to deforestation.

CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In 2010, Neuberger Berman became a signatory to the CDP Water Disclosure Project. As a PRI signatory and a firm that has supported transparency and disclosure for years, we felt it was important to encourage greater transparency and standardized disclosure of water data from companies that operate in water intensive industries or are exposed to water-related risks in their supply chains.

- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In 2004, NB became an Affiliate Member of ICCR. Members of the SRI Team participate in the ICCR conferences held in NYC as well as relevant meetings. NB SRI Team also supports ICCR investor initiatives on a case by case basis. For example, in May 2013, NB SRI signed onto the organization's *Investor Statement on Bangladesh* urging the garment industry to ensure workplace safety.

In October 2014, Neuberger Berman sponsored ICCR's event; *Weathering the Storm: Inspiring innovation through investments that meet the climate challenge*.

In February and September 2014, NB SRI Team member participated in the week long ICCR conferences held at the Interfaith Center for Corporate Responsibility in New York. (selected sessions).

- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced



Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The NB SRI Team has attended Ceres conferences in the past with most recent participation in April 2014. The team also participates in INCR/Ceres webinars made available to non-members.

- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify  
US SIF

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Neuberger Berman has been active members of US SIF since 1989. The firm has also been a sponsor of the biennial SIF Trends Survey publication since 2002 and have sponsored all US SIF conferences annually.

Ingrid Dyott, Co-portfolio Manager of NB SRI, served on the Board of Directors in the capacity as treasurer for 6 years, 2006-2012.

The NB SRI Group also participates in The Sustainable Investment Research Analyst Network (SIRAN) events and members of the team have provided information for the recently created SIF Advisor Training module on SRI/ESG investing.

- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Sustainability Accounting Standards Board -

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In October of 2014 we brought in the Director of Stakeholder Engagement at SASB to further educate our research teams and PM's on SASB's mission to increase the usefulness of ESG information available to investors, and improve corporate performance on ESG issues most likely to impact value. We felt that support and understanding of SASB was aligned quite well with PRI and our commitment to the principles. After the meeting we signed on to lend our expertise to two sector working groups focusing on the creation of appropriate SASB standards. One of our analysts joined the retail working group - that convened in late 2014. Another analyst has committed to join the utilities working group that will convene in this year. We also discussed sponsoring a working group as private sector funding is necessary for SASB to host meetings and aggregate the data and findings.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

OA 11	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

OA 11.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
---------	--

Yes

OA 11.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.
---------	--

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

OA 11.3	Additional information. [Optional]
---------	------------------------------------

Please see some detail on the boxes checked above:

**Box 1: Provided or supported education....**

Throughout the year we hold panels, round tables and meetings (some internal directed to educating our own portfolio managers and research analysts) and others in which we invite outside guests including clients and other PRI signatories). See below for some examples

- External: In July 2014, Neuberger Berman hosted a panel for PRI called "Asset Owner Approaches to Mainstreaming Responsible Investing" discussing the role of investment beliefs in responsible investment. Attendees included PRI Board and Council Members, signatories and NB clients.
- External: We periodically host CIO roundtables for clients to share perspectives of peers and industry experts on timely and critical topics and related policies. A recent CIO lunch in July 2014, focused on "ESG/SRI Investing Approaches to Fossil Free", a complex issue that many investors and asset owners are

grappling with. Through these discussions we have educated clients on the PRI and encouraged their participation as signatories.

- External: In April 2014, Neuberger Berman held a Spring Investment Insight Forum where ESG integration was discussed during the Sustainability panel.
- External: Sept 2014, SRI/ESG panel presentation at Neuberger Berman Investment Insight Forum (LPL due diligence) panel presentation to advisors
- External: Sept 2014, SRI/ESG panel presentation to Registered Investment Advisors and family offices
- Internal meetings hosted to educate our portfolio managers and research analysts: President of the Center for Political Accountability  
Director of Stakeholder Engagement, SASB  
Commissioner, Federal Energy Regulatory Commission  
Global Co-Head Green Bonds, B of America, Merrill  
Sustainability analyst from UBS, SocGen  
Thematic Investment Strategist, Merrill Lynch Global Research  
MSCI ESG Research  
Bloomberg ESG

ESG Analyst, Morgan Stanley

ESG analysts from Sustainalytics

ESG ratings from GRI Ratings

Washington Analysis environmental policy meetings and calls

Credit Suisse ESG related analyst mtg

One of our PRI Advisory Committee members also participates in an informal "Chicago SRI/ESG Working Group" that meets every-other month in Chicago to raise and discuss ESG investing related matters and challenges to the group. Some are new to the space, others well versed and the group includes those serving various roles/functions such as investment managers, investment consultants, wealth managers, a university professor and SRI specific investment managers.

In addition, NB SRI Team Associate PM regularly participates in conference calls and in person meetings and events to promote SRI to a range of audiences. Some examples in 2014 include;

Sept 2014, San Francisco, Morgan Stanley IMPACT investing series highlighting ESG/SRI strategies across the country. The panel presentation addressed how ESG factors are incorporated into investment portfolios - and how ESG factors are integrated into NB's investment process. The session was part of Morgan Stanley's initiative on "Impact Investing" given to an audience of Morgan Stanley advisors.

Nov. 2014, California, Morgan Stanley Seminar on Sustainable Investing. The presentation focused on what fiduciaries need to know about SRI, ESG and Sustainable Investing as part of a Foundation and Endowment Educational Seminar on Sustainable Investing.

Participation in the CFA Symposium, Nov 2013, to discuss sustainability and socially responsible investing.

Participation in Responsible Investment Forum, June 2014, in Amsterdam on ESG factors in private equity investing.

Provided assistance and information to US SIF staff for the recently created SIF Advisor Training module on SRI/ESG investing.

Participation in ongoing internal/external calls and meetings with investment advisors, consultants and institutional investors to discuss ESG factors and socially responsible investing.

## **Box 2: Provided financial support for academic or industry research on responsible investment**

Neuberger Berman has been a long-time sponsor(**since 2008**) of the Moskowitz Prize for Socially Responsible Investing, a global award that recognizes outstanding quantitative research in socially responsible investing. The Moskowitz Prize was named for Milton Moskowitz, one of the first investigators to publish comparisons of the financial performance of screened and unscreened portfolios. The prize is awarded annually by the Center for Responsible Business at UC Berkeley's Haas School of Business.

Neuberger Berman has been a long-time sponsor(**since 2001**) of the biennial *Report on Sustainable and Responsible Investing Trends in the United States* published by the Forum for Sustainable and Responsible

Investment (US SIF). In 2011, Neuberger Berman sponsored a report on *Opportunities for Sustainable and Responsible Investing in US Defined Contribution Plans*, a survey conducted of US defined contribution plans to better understand SRI options across the industry (published by US SIF and Mercer).

**Box 3: Encouraged better transparency and disclosure of responsible investment practices across the investment industry**

As an investor signatory to the CDP, including the CDP Water Disclosure Project, the CDP Forest Footprint Disclosure Project (FFD) and the Carbon Action Initiative, Neuberger Berman encourages enhanced transparency and disclosure across the industry.

**Box 4: Spoke publicly at events....**

Dec. 2015, United Nations International Volunteer Day - NB Head of Corporate Social Responsibility, Elizabeth Cribbs, served on panel discussing Corporate Volunteering and its contribution to the Millennium Development Goals (MDGs).

Oct. 2014, Sailor for the Sea event - Presentation on SRI/ESG by NB SRI Team Co-PM and (Ken Rende, Head of Wealth Management, Neuberger Berman)

Nov. 2014, Denver - Schwab Impact conference SRI/ESG presentation by NB SRI Team Co-PM. The presentation focused on why SRI/ESG issues are relevant for investors, ESG Funds performance, SRI, ESG and Impact investing and client demand to an RIA audience.

Dec. 2014, NYU Sustainability Forum, SRI/ESG panel presentation by NB SRI Team Co-PM. The purpose of the series is to raise awareness to the need for better literacy on the subject of sustainability in business and society. The audience consisted of corporate, non-profit, and government executives.

In April 2013, NB SRI Team co- Portfolio Manager, Ingrid Dyott, served on an investor panel at CDP's Spring Workshop in NYC. Ingrid discussed the importance of disclosure how investors incorporate CDP data into the investment process to an audience of 200+ corporate sustainability professionals responsible CDP reporting.

In May 2013, NB Managing Director, Lori Holland, served as panelist on the PRI and ESG Integration panel at the US SIF conference in Chicago. In addition, NB SRI Associate PM, MG Subhas, provided a brief overview of the NB SRI strategy at the annual US SIF conference in Chicago. Neuberger Berman was a Prime sponsor of the conference.

**Box 5: Wrote and published in-house research papers....**

The NB SRI Team has published various white papers and newsletters highlighting our key ESG research and key engagement issues over the past several years. Most SRI related publications can also be found on our Web site, [www.nb.com/sri](http://www.nb.com/sri).

*Energy, the Environment and the Investment Process.* This paper discusses ESG issues associated with energy-related investments-both in terms of their effect on underlying companies and their businesses, and their broader implications for the environment and economy. (2014)

*Sustainability, the Investment Process and its Relevance for Investors.* This white paper identifies key sustainability issues and examples of industry leaders that are making an impact in these areas. (2013)

*Human Rights in the Global Supply Chain and its Relevance for Investors.* In this publication, we conducted an interview with supply chain expert, Dan Viederman, CEO of Verite, to discuss the risks and opportunities relating complex human rights and workplace issues within company supply chains. (2013)

*Investment Opportunities from Energy Efficiency.* This publication highlights how making substantial investments in energy efficient technologies can enable new and growing markets with a customer value proposition driven by energy savings as well as environmental and social benefits. (2012)

Our Emerging Markets Debt team published a white paper on ESG Factors in Sovereign Debt Investing. This publication includes data and examples supporting the use of an "ESG framework as a useful tool for comparisons across countries and time periods." It further concludes that "ESG factors are a necessary complement to fundamental macroeconomic analysis in sovereign debt investing." (2014)

**Box 6: Encouraged the adoption of the PRI.....**

Through our CIO roundtables outlined in "Box 1" and one-on-one client discussions, we have educated clients on the PRI and encouraged their participation as signatories.

# Neuberger Berman Group LLC

## Reported Information

### Public version

### Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed listed equities

### Implementation processes


LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
--------	-----------	-----------------------	-------

**LEI 03.1**


Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 90
--	--

- Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 10
--	--

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed listed equities

100%

**LEI 03.2**

Describe your primary reasons for choosing a particular ESG incorporation strategy.

Neuberger Berman's general approach to investing in listed equities is to build client portfolios from the bottom up. This involves thoughtfully researching each potential investment, using multiple tools and techniques. Due to the nature of this investing style, primarily using "Integration alone" is the most effective means to both assess the overall merits of a potential investment, as well as meet our fiduciary responsibility to our clients. Hence this is the method we follow for the vast majority of our investments.

LEI 03.3

Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

The NB SRI team is responsible for the Socially Responsive Investing and Guardian/Core Equity strategies. Both products implement the same investment process with a high degree of overlap in holdings and integrate environmental, social and governance (ESG) criteria that are relevant to the businesses in which they invest including a focus on management teams that are thoughtful about their impact on all stakeholders. The NB SRI product further integrates avoidance criteria ensuring compliance with the Fund's social policy and has adopted socially responsive voting guidelines for its socially responsive clients. In addition, the NB SRI team reports annually to the SRI Advisory Committee (the "Committee"), the members of which include, among others, the Chief Investment Officer of equities asset management, the Chief Compliance Officer of the firm's mutual funds, the Chief Compliance Officer of the firm's equities separate accounts, the compliance officer responsible for the firm's mutual fund sub-advisory business, a senior member of the legal department, and the president of the firm's mutual funds. The Committee meets on an annual basis to provide oversight with respect to the NB SRI team's investment process, including its use of third party sources as well as the NB SRI team's in house research, its proxy voting policy and the SRI team's portfolio avoidance compliance. The Committee conducts a review of the predominant policies relating to investment, proxy voting and portfolio avoidance compliance, and then specific examples and decisions are discussed. Industry trends that have impacted or may affect the conduct of the SRI team's business may also be reviewed.

For the purposes of this questionnaire, we have included Guardian/Core Equity strategy's assets within the ESG Integration category, while assets for the NB SRI strategy have been included in the ESG Integration + Screening category.

For the Integration + Screening Responses we ask that the reader keep in mind that we are describing two different strategies in this section:

- a) NB SRI Group managed assets (Fund and separate account strategies) that incorporate ESG integration and avoidance criteria. This also includes client requested customized social policies.
- b) Assets managed by various other PM teams that comply with client requested screens. At the request of clients, Neuberger Berman implements certain social and country-specific screening into their accounts. This is in addition to Neuberger Berman's general approach to investing (Integration alone) as outlined in LEI 03.2. For the purposes of this questionnaire, we have included these accounts in ESG Integration + Screening category.

### (A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 06.1

Indicate and describe the type of screening you apply to your internally managed active listed equities.

#### Type of screening

- Negative/exclusionary screening

#### Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description
-------------

The SRI process integrates ESG leadership and avoidance criteria. Avoidance criteria are dependent on the product vehicle. As stated in the SRI Fund's statement of additional information (SAI), the Fund endeavors to avoid companies that derive revenue from gambling or the production of: tobacco, alcohol, weapons or nuclear power. The Fund may also consider public health issues, externalities associated with a company's products and general corporate citizenship in making its investment decisions. For further details, please refer to the Fund's SAI. For separate account vehicles, the SRI team may also tailor portfolios to include commonly requested avoidance criteria that are client driven and implemented on a revenue basis.

At the request of clients invested in strategies other than NB SRI managed assets, Neuberger Berman is able to implement certain social and country-specific screening on client accounts. Neuberger Berman utilizes third party research to implement these exclusionary tests in our trading systems. In some instances, clients provide their own exclusionary list. Client-mandated screening makes use of the following screens: product; country/geographic region; and environmental and social practices and performance.

- Positive/best-in-class screening

**Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description
-------------

The NB SRI team looks for companies that show leadership in their environmental and workplace practices. The NB SRI team seeks to invest in companies that demonstrate ESG policies in the following areas:

- Environmental issues
- Employment practices and diversity policies
- Community relations
- Supply chain issues
- Product integrity (safety, quality)
- Disclosure and sustainability reporting

For non-SRI Group managed assets, client-mandated screens do not make use of Positive/best-in-class screening.



Norms-based screening

**LEI 06.2**

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

For client-mandated screening of non-SRI Group managed assets, Neuberger Berman contracts with a 3rd party research firm which provides monthly exclusionary lists, based on their most up-to-date research. Clients may be notified, as applicable, in instances where a security which was previously held is added to the "involvement-list".

**LEI 07**

**Mandatory**

**Core Assessed**

**PRI 1**

**LEI 07.1**

Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

**LEI 07.2**

Additional information. [Optional]

The NB SRI group meets annually with the SRI Advisory Committee (the "Committee"), the members of which include, among others, the Chief Investment Officer of equities asset management, the Chief Compliance Officer of the firm's mutual funds, the Chief Compliance Officer of the firm's equities separate accounts, the compliance officer responsible for the firm's mutual fund sub-advisory business, a senior member of the legal department, and the president of the firm's mutual funds. The Committee meets on an annual basis to provide oversight with respect to the SRI team's investment process, including its use of third party sources as well as the SRI team's in house research, its proxy voting policy and the SRI team's portfolio avoidance compliance. The Committee conducts a review of the predominant policies relating to investment, proxy voting and portfolio avoidance compliance, and then specific examples and decisions are discussed. Industry trends that have impacted or may affect the conduct of the SRI team's business may also be reviewed.

For non-SRI Group managed assets that comply with client-mandated screens, comprehensive ESG research is undertaken or sourced to determine companies' activities and products; and company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies.

## (C) Implementation: Integration of ESG issues

LEI 11

Mandatory

Core Assessed

PRI 1

LEI 11.1

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 11.2

Additional information. [Optional]

Neuberger Berman portfolio managers and research analysts perform thorough due diligence on all holdings and potential investments. Their research includes evaluation of strategy, financial measures, as well as ESG related issues.

Since inception, the NB SRI strategy has been integrating ESG issues into its investment process. The SRI team believes that responsibility is a hallmark of quality and that the biggest risk in investing is "not knowing what you own". This belief underlies the investment process which integrates business, financial, investment and ESG criteria. The NB SRI team constructs portfolios from the bottom-up, focusing their research on company-specific business fundamentals with the goal of identifying high quality businesses with the potential to grow at a premium to peers and the broader economy then determining the earnings power of these prospective investments over a three to five year time horizon. In validating a new idea for the prospect list, their goal is to answer the question, "Does this business have attractive long-term fundamentals?" While conducting industry research, the team seeks to characterize end market dynamics, identify and measure the company's total and served market, and understand secular and cyclical dynamics. This includes understanding the industry dynamics that impact the company's business, management's track record of success, its approach to corporate governance and shareholder disclosure and the relevant environmental, workplace, and community characteristics. The ESG research is based on both avoidance and leadership parameters. The team also tailors client portfolios to meet client driven ESG criteria. The team consists of active equity managers and the same portfolio management team performs business and ESG research functions in-house. In this way there is a single point of accountability for all portfolio management decisions. By having both functions in-house, the team believes that their process ensures greater consistency and accountability.

## Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

**LEI 18.1** Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly

Provide URL

<http://www.nb.com/pages/public/en-us/insights/environmental-social-and-governance-factors-in-investing.aspx>

Provide URL

<http://www.nb.com/pages/public/global/principles-for-responsible-investment.aspx>

**LEI 18.2** Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

**LEI 18.3** Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

**LEI 18.4** Indicate how frequently you typically report this information.

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify
- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries

**LEI 18.7** Additional information. [Optional]

We have an external section of our public website exclusively dedicated to Environmental, Social and Governance factors as they relate to investing. From this website clients and the public have access to our investment philosophy and process as it relate to ESG in certain funds such as SRI, as well as key ESG criteria that we believe are critical for sustainable growth and profitability. Access to white papers and articles that outline our approach to ESG investing and analysis on the broader industry can be found in this area of our site including most recently: 2014 Report on Sustainable and Responsible Investing Trends in the United States, Neuberger Berman SRI Supports Enhanced Disclosure and Methane Reduction, and ESG Factors in Sovereign Debt Investing.

We report to ESG sensitive clients according to their respective interests and requirements.

The NB SRI strategy proactively discloses our approach to ESG incorporation publicly. Information can be found on the strategy's designated Web site: [www.nb.com/sri](http://www.nb.com/sri). The team also periodically releases newsletters and white

paper publications which are also posted to the site along with interim updates on ESG issues of focus and industry news. We communicate these updates to clients on a quarterly basis or upon request.

# Neuberger Berman Group LLC

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Engagement

### Overview

LEA 02	Mandatory	Gateway	PRI 1,2,3
--------	-----------	---------	-----------

LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
----------	---

Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

**LEA 03.1**

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

- Yes
- No

**LEA 04**

**Mandatory**

**Core Assessed**

**PRI 2**

**LEA 04.1**

Indicate if you define specific objectives for your engagement activities.

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- No

**LEA 04.2**

Indicate if you monitor the actions that companies take following your engagements.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases

**LEA 04.3**

Describe how you monitor and evaluate the progress of your engagement activities.

Our research analysts monitor progress/resolution on ESG issues raised in discussions with management teams

The NB SRI Team continuously monitors engagement activities on an ongoing basis by attending in person meetings with company management and participating on company conference calls. All engagements are tracked and documented internally.

- No

### Process for engagements conducted via collaborations

**LEA 05**

**Mandatory**

**Core Assessed**

**PRI 2**

**LEA 05.1**

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

- Yes
- No

**LEA 06**

**Mandatory**

**Core Assessed**

**PRI 2**

**LEA 06.1** Indicate if the collaborative engagements in which you are involved have defined objectives.

- Yes
  - Yes, for all collaborative engagement activities
  - Yes, for the majority of collaborative engagement activities
  - Yes, for a minority of collaborative engagement activities
- No

**LEA 06.2** Indicate if you monitor the actions companies take following your collaborative engagements.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases

**LEA 06.3** Describe how you monitor and evaluate the progress of your collaborative engagement activities.

The NB SRI Team continuously monitors engagement activities on an ongoing basis and follows up as needed, typically by attending in person meetings with company management and participating on company conference calls. All engagements are tracked and documented internally.

- No

**General processes for all three groups of engagers**

**LEA 10**      **Mandatory**      **Gateway/Core Assessed**      **PRI 2**

**LEA 10.1** Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<ul style="list-style-type: none"> <li><input type="radio"/> Yes, we track the number of our engagements in full</li> <li><input checked="" type="radio"/> Yes, we partially track the number of our engagements</li> <li><input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers</li> <li><input type="radio"/> No, we do not track and cannot estimate our engagements</li> </ul>
<b>Collaborative engagements</b>	<ul style="list-style-type: none"> <li><input type="radio"/> Yes, we track the number of our engagements in full</li> <li><input checked="" type="radio"/> Yes, we partially track the number of our engagements</li> <li><input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers</li> <li><input type="radio"/> No, we do not track and cannot estimate our engagements</li> </ul>



LEA 10.2 Additional information. [Optional]

The NB SRI Team tracks all company engagements related to ESG issues, however, for other equity strategies, no formal tracking is in place.

## Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA 15.1

Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 15.8

Additional information. [Optional]

We provide examples of some of the engagement topics relevant to company holdings in the SRI portfolio on our web site [www.nb.com/sri](http://www.nb.com/sri).

## (Proxy) voting and shareholder resolutions

### Process

LEA 17

Mandatory

Descriptive

PRI 2

LEA 17.1

Indicate how you typically make your (proxy) voting decisions and what this approach is based on.

Approach

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

### Based primarily on

- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting decisions on our behalf.

### LEA 17.2

### Additional information.[Optional]

Neuberger Berman does have several policy guidelines which deviate from the Glass Lewis policy. Such differences are incorporated into the Glass Lewis voting system for Neuberger Berman accounts. Portfolio managers may also petition the Neuberger Berman Proxy Voting Committee in cases where they want to vote contrary to Glass Lewis and/or Neuberger Berman policy. In such instances, the Committee will review the request and decide whether or not to allow the requested change.

For socially responsive clients, the NB SRI Team has adopted socially responsive voting guidelines that outline how the team examines and votes on shareholder resolutions related to environmental, social and governance issues on a case-by-case basis.

### LEA 18

### Mandatory

### Descriptive

### PRI 2

### LEA 18.1

Of the voting recommendations that your service provider made in the reporting year, indicate what percentage your organisation reviewed, and the reasons for the review.

#### Percentage of voting recommendations your organisation reviewed

- >20%
- 5-20%
- 1-5%
- <1%

#### Reasons for review

- Specific ESG issues
- Votes where a significant level of ownership is held
- Votes against management or abstentions
- Conflicts of interest
- Corporate actions such as M&A, disposal, etc.
- Other, explain

Reasons for reviewing would be on a case-by-case basis, depending on the portfolio manager or research analyst involved.

LEA 18.2	Additional information [Optional]
----------	-----------------------------------

For socially responsive clients, the NB SRI Team has adopted socially responsive voting guidelines that outline how the team examines and votes on shareholder resolutions related to environmental, social and governance issues on a case-by-case basis. The NB SRI team reviews 100% of all management and shareholder proposals for the companies held in their portfolio and the accompanying recommendations suggested by our service provider (Glass Lewis).

LEA 21	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
----------	---

- Yes, in most cases
- Sometimes, in the following cases:
  - votes in selected markets
  - votes on certain issues (all markets)
  - votes for significant shareholdings (all markets)
  - other, explain
    - We communicate our votes to issuers which reach out to us following a meeting.
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes			
----------------------	--	--	--

LEA 22	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
----------	---

- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

99

	Specify the basis on which this percentage is calculated
--	--

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

<b>LEA 22.2</b>	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
-----------------	--

Neuberger Berman does not vote in shareblocking markets.

We do not track or collect this information

## Communication

<b>LEA 26</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
---------------	------------------	----------------------	----------------

<b>LEA 26.1</b>	Indicate if your organisation proactively discloses information on your voting activities.
-----------------	--

We disclose it publicly

	provide URL
--	-------------

<http://www.nb.com/pages/public/global/fund-governance.aspx>

<b>LEA 26.2</b>	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
-----------------	---

Yes

<b>LEA 26.3</b>	Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.
-----------------	--

	Indicate how much of your voting record you disclose
--	--

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

	Indicate what level of explanation you provide
--	--

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

**LEA 26.4**

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

**LEA 26.8**

Additional information. [Optional]

We disclose votes as required by SEC Form NPX for the Neuberger Berman mutual funds and as described in LEA 26.4 above.

# Neuberger Berman Group LLC

## Reported Information

### Public version

#### Direct - Fixed Income

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed fixed income

### Fixed Income - Corporate

#### Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
-------	-----------	-----------------------	-------

FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	 66
---	--------

- Screening + Integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	 34
---	--------

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed fixed income - corporate

100%

<b>FI 04.2</b>	Describe your primary reasons for choosing a particular incorporation strategy.
----------------	---

Neuberger Berman's fixed income portfolios are constructed through a detailed research driven framework that looks to capitalize on our proprietary bottom up fundamental credit analysis. This is then overlaid with a macro focused analysis that optimizes the appropriate risk adjusted sector weightings in order to construct a portfolio that meets the clients' needs. The integration of ESG factors are fundamental to our research analysis and are part of our credit selection process. We believe this is the most effective means to both assess the overall merits of a potential investment as well as meeting our fiduciary responsibility to our clients.

<b>FI 04.3</b>	If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]
----------------	---

At the request of clients, Neuberger Berman implements certain social and country-specific screening of their accounts. This is in addition to Neuberger Berman's general approach to investing (Integration alone) as outlined above. For the purposes of this questionnaire, we have included these accounts in ESG Integration + Screening category.

**(A) Implementation: Screening**

<b>FI 06</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 1</b>
--------------	------------------	--------------------	--------------

<b>FI 06.1</b>	Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.
----------------	---

**Type of screening**

- Negative/exclusionary screening

**Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

	Description
--	-------------

At the request of clients, Neuberger Berman is able to implement certain social and country-specific screening on client accounts. Neuberger Berman utilizes 3rd party research to implement these exclusionary tests in our trading systems. In some instances, clients provide their own exclusionary list.

- Positive/best-in-class screening
- Norms-based screening



FI 06.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

Neuberger Berman contracts with a 3rd party research firm which provides monthly exclusionary lists, based on their most up-to-date research. Clients may be notified, as applicable, in instances where a security which was previously held is added to the "involvement-list".

FI 07

Mandatory

Core Assessed

PRI 1

FI 07.1

Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.

- Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

### (C) Implementation: Integration of ESG factors

FI 11

Mandatory

Core Assessed

PRI 1

FI 11.1

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 11.2 Additional information. [Optional]

Neuberger Berman portfolio managers and research analysts perform thorough due diligence on all holdings and potential investments. Their research includes evaluation of strategy, financial measures, as well as ESG related issues.

## Fixed income - Government

FI 13

Mandatory

Core Assessed

PRI 1

FI 13.1

Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.

Yes

FI 13.2

Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.

- <10%  
 10-50%  
 51-90%  
 >90%

FI 13.3

Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

<b>FI 13.4</b>	Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]
----------------	---

**The Emerging Markets Debt Team's** ESG model draws upon carefully selected series of research, statistical and survey data provided by international organizations, offering a comprehensive framework to complement our analysis of country-specific macroeconomic developments.

In Hard Currency Sovereigns, ESG factors make up 40% of the Country Credit Model (CCM), our proprietary analytical tool that rates relative sovereign debt creditworthiness in emerging markets. ESG factors include environmental (energy efficiency), social (public perceptions of government effectiveness, regulatory quality, political stability and security; human development), and governance (rule of law, corruption, politics and election calendar, funding sources, banking sector risk assessment and asset quality, ease of doing business, market capitalization, and trade openness). ESG factors are reviewed by our sovereign analysts/economists on the team and are incorporated into our CCM to assign a score from 1 to 100 on each of the ESG indicators. The portfolio managers incorporate the CCM scores in their investment process as a critical component to portfolio positioning.

In Local Currency Sovereigns, we have incorporated ESG factors in the Currency Scorecards, an important tool in portfolio positioning that are comprised of our analysis of country fundamentals, market technicals and valuation. We use a number of the aforementioned ESG indicators to produce a quarterly signal. ESG factors make up to 30% of the highest possible score in our Currency Stability Scorecard (CSS), which we use to develop our fundamental view of the emerging market currencies in our universe.

**The Municipal Fixed Income Team** utilizes a security selection focused approach to constructing our portfolios. Prior to purchase each security is review by the research utilizing a bottom-up approach which is consistent with the principles of ESG. Our review process covers the following 5 areas: Economy, Debt Factors, Finances, Management, and Legal Factors. Different portions of these factors combine to cover all the issues that are relevant to Environment, Social and Governance. Additionally, the research team manages a systematic surveillance process to ensure the investments continue to remain consistent with the principles of ESG as well as the attributes necessary to provide excess returns to our clients.

No

**Communication**

FI 18	Mandatory	Core Assessed	PRI 2,6
-------	-----------	---------------	---------

FI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.
---------	--

- We disclose it publicly
- We disclose it to clients/beneficiaries only

FI 18.5	Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.
---------	--

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

FI 18.6	Indicate how frequently you typically report this information.
---------	--

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify
- We do not proactively disclose it to the public and/or clients/beneficiaries

FI 18.7	Additional information. [Optional]
---------	------------------------------------

We report to ESG sensitive clients according to their respective interests and requirements.