



NEUBERGER BERMAN

Private Markets ESG Report 2020



About Neuberger Berman

Founded in 1939, Neuberger Berman is a private, 100% independent, employee-owned investment manager. From offices in 36 cities in 25 countries, the firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity and hedge funds—on behalf of institutions, advisors and individual investors globally. With more than 650 investment professionals and over 2,300 employees in total, Neuberger Berman has built a diverse team of individuals united in their commitment to deliver compelling investment results for our clients over the long term. Our culture has afforded us enviable retention rates among our senior investment staff and has earned us a citation from *Pensions & Investments* as a Best Place to Work in Money Management for seven consecutive years.¹ In 2020, the PRI named Neuberger Berman a Leader, a designation awarded to fewer than 1% of investment firms for excellence in Environmental, Social and Governance (ESG) practices. The PRI also awarded Neuberger Berman an A+ in every eligible category for our approach to ESG integration across asset classes.² The firm manages \$402 billion¹ in client assets as of March 31, 2021.³

NB Private Markets has been an active and successful private equity investor since 1987. NB Private Markets manages over \$75 billion of investor commitments across fund and direct investments since inception and has committed over \$8.5 billion annually on average over the past three years. NB Private Markets has a global presence with over 190 professionals in offices in the United States, Europe and Asia.⁴

Over the past 10 years, NB Private Markets has seen strong and prudent growth, largely driven by (i) our product innovation as we have continued to capitalize on opportunities we see in the market, as well as (ii) our increased focus on delivering customized solutions to our clients. We have continued to scale our business model, team and portfolio planning commensurate with our private equity clients' needs and requirements. The platform invests in funds (both on a primary and secondary basis) as well as direct equity co-investments, private credit and specialty strategies including brand licensing ("Marquee"), direct Italian investments ("Renaissance" and "Aurora"), health care credit ("Athyrium")⁵ and real estate investments ("Almanac").

Please note that the following material is intended as a broad overview of the portfolio managers' style, philosophy and process and is subject to change without notice. ESG ratings for equities and fixed income are the Central Research Analysts' view of the environmental, social and governance characteristics of a company on material factors relative to the peer group. The summary output of the material factors evaluated by the Central Research Analysts are summarized as a proprietary resource available to the firm. ESG ratings developed for public securities are not directly applied to private markets. Subject to Neuberger Berman's policies and procedures, including certain information barriers within Neuberger Berman that are designed to prevent the misuse by Neuberger Berman and its personnel of material information regarding issuers of securities that has not been publicly disseminated.

First North American asset manager with
a Sustainability-Linked Credit Facility⁶

Investor in

540+ Active private equity funds⁸

Representation on over

230 Limited Partner advisory
committees¹²

Investment offices in
New York, Dallas, Boston, London,
Milan, Hong Kong and Tokyo



Best Places to Work

Awarded Last 7 Consecutive Years
by *Pension & Investments*⁹



150+ investment professionals
with formal ESG responsibility⁷

Private Equity Manager of the Year¹⁰
–Asset Management Awards 2020

A+

Awarded Top Score

In the most recent UN-supported Principles for
Responsible Investment (PRI) assessment report
for our overarching approach to ESG strategy
and specific to Indirect – Private Equity²



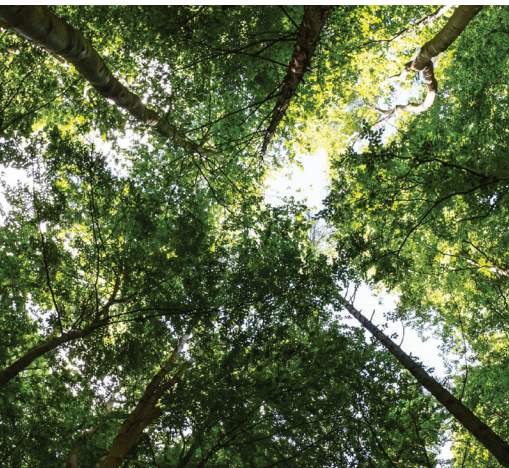
Unique access to proprietary firm
resources such as research analysts,
data science and ESG analytics as a
multi-asset class manager⁷

\$75
Billion

Private markets commitments managed¹¹



Named to PRI 2020 Leaders' Group,
awarded to only 20 of 2,100+ PRI investment manager signatories²



“WE BELIEVE INTEGRATING ESG CONSIDERATIONS THROUGHOUT OUR INVESTMENT PROCESS CAN LEAD TO MORE CONSISTENT AND BETTER INVESTMENT OUTCOMES, AND MANY OF OUR CLIENTS ARE FOCUSED ON ESG AND SUSTAINABILITY OBJECTIVES.”



—ANTHONY D. TUTRONE
Global Head of Alternatives

Neuberger Berman Private Markets ESG Philosophy

We believe that integrating ESG considerations throughout our investment process can lead to more consistent and better investment outcomes—by helping to identify both material risks and opportunities to drive value.

We are focused on long-term partnerships, and engage with our partners to promote best practices in ESG integration.

Our Approach to ESG Integration

We believe the most effective way to integrate ESG factors into an investment process is for investment teams to consider ESG factors as part of rigorous due diligence and ongoing portfolio management.

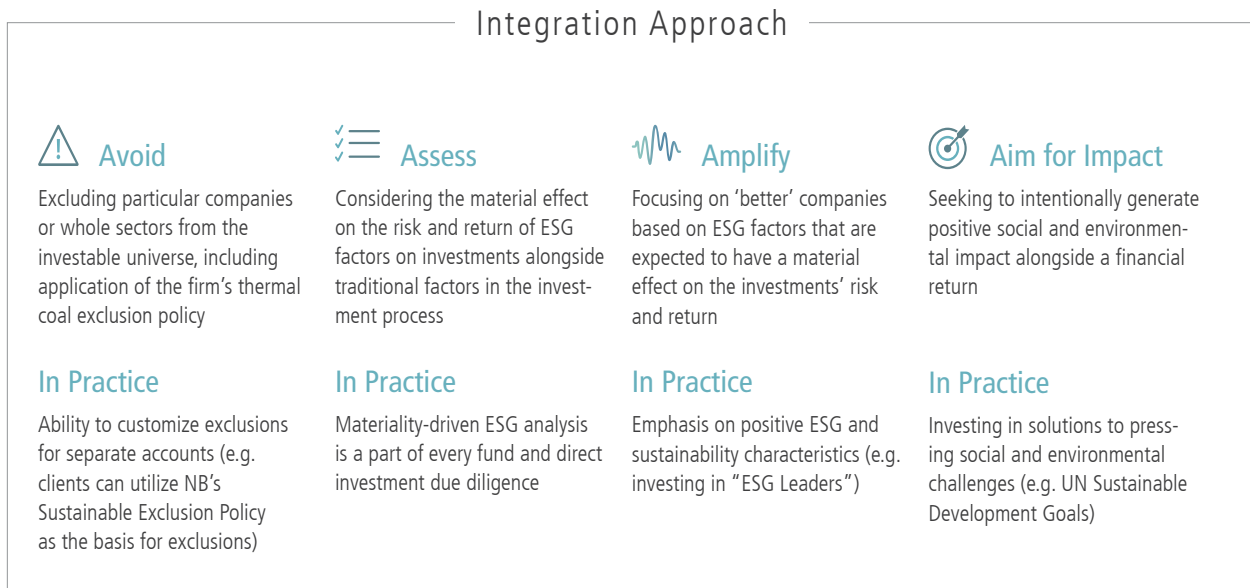
The firm’s ESG Investing team provides expert guidance, resources and training to investment professionals during the investment process and to continuously improve our ESG practices. Our ESG Committee formally reviews ESG integration claims and processes of investment strategies with a lens of integrity and consistency across strategies, while internal audit periodically tests to confirm whether our overall framework and application by portfolio managers remain consistent with our representations and UN PRI requirements.

Our ESG Integration Framework

We seek to formally integrate ESG factors into our private markets investment processes. Because we consider ESG analysis to be an essential part of fundamental investment due diligence, our diversified private equity portfolios and private debt portfolios are ESG-integrated or in the “Assess” category.

We also manage certain portfolios focused on the “Amplify” or “Aim for Impact” approach to ESG integration, as well as have the ability to apply “Avoid” negative screens for certain client accounts, including through application of our Private Markets Avoidance Policy.

Neuberger Berman ESG Integration Framework



Oversight of ESG Integration at Neuberger Berman

The ESG Committee is responsible for overseeing ESG integration activities across the firm. The Committee is chaired by the Head of ESG Investing and is comprised of senior investment professionals, including the Chief Investment Officer (CIO) for Equities, and representatives from Equity, Fixed Income and Private Equity teams.¹³ Current Private Equity representation on the ESG Committee includes: Maura Reilly Kennedy, Managing Director, Joana Rocha Scaff, Head of Europe Private Equity, and Jennifer Signori, Managing Director. The Committee also includes our Chief Risk Officer and senior professionals from our client organization and legal and compliance.

Our dedicated ESG Investing team is responsible for setting the firm's ESG strategy in collaboration with the Committee and after consultation with portfolio managers, CIOs and our CEO. The ESG strategy is reviewed by the firm's Partnership Committee and Board of Directors on an annual basis. A detailed description of the Committee's broader responsibilities can be found in our ESG Policy.

The ESG Committee delegates responsibility for the detailed review of new and existing strategies, making an ESG-related claim to the ESG Product Committee to ensure integrity and consistency in their integration of ESG. The ESG Product Committee is responsible for determining whether Portfolio Managers systematically and explicitly include material ESG risks and opportunities in investment analysis and investment decision making for all securities. In addition to ongoing monitoring by risk and internal audit teams, the ESG Product Committee provides an annual review of sustainable- and impact-labeled products.

ESG in Practice at NB Private Markets



OVERSIGHT AND RESPONSIBILITY

- Deal teams are responsible for conducting the ESG analysis, and the Investment Committee evaluates ESG considerations as a part of their overall investment evaluation. ESG is also a part of Operational Due Diligence
- Private markets team is able to leverage the firm's broader ESG capabilities and resources, including: firm ESG policy and climate strategy, proprietary ESG ratings for equities and fixed income, and ESG data and analytics¹⁴



DUE DILIGENCE AND SELECTION

- ESG analysis is a part of fund and direct investment due diligence and is included in Investment Committee memos
- Fund due diligence includes an assessment of ESG integration of the firm and fund strategy, and direct investments are frequently focused on assessing industry-specific material ESG factors



MONITORING AND OWNERSHIP

- Investments may be monitored for ESG violations and risks in real time by leveraging big data capabilities to complement regular GP monitoring activities
- We frequently engage with our GP partners to share ESG best practices and play an active leadership role in ESG-related industry collaborations

Due Diligence and Selection

Primary Fund Investments

When conducting diligence on primary fund commitments, the investment team is able to utilize our proprietary Manager ESG Scorecard to assess the lead GP's level of ESG integration at both the firm and the fund strategy level based on industry best practices. Our Manager ESG Scorecard assesses the GP's commitment to ESG by evaluating the firm's ESG policy and governance, ESG objectives and how well ESG is incorporated into the investment process (due diligence and selection, ownership, and ongoing monitoring and reporting).

Our Manager ESG Scorecard results in a weighted quantitative score (on a scale of 1 to 4) that can be tracked over time. Importantly, it serves as a starting point for engagement with GPs on areas of improvement. We also engage with GPs in both seminar and one-on-one settings to provide guidance and support to improve ESG integration policies and practices. Over the past several years, we have observed an improvement in the private equity industry overall in ESG integration policies and practices.

Manager ESG Scorecard	
FUND MANAGER	FUND STRATEGY
What is the firm's ESG commitment and governance?	How is ESG integrated throughout the investment life cycle?
POLICY	DUE DILIGENCE
GOVERNANCE	SELECTION
RESOURCES	OWNERSHIP
	REPORTING

ESG Diligence in Practice – Primary

While conducting primary due diligence on a venture capital fund investment, our Manager ESG Scorecard identified significant areas for improvement, which was generally consistent with other venture capital fund managers. We engaged with the GP about our philosophy and approach to ESG integration and the GP agreed to document its commitment to use commercially reasonable efforts to consider ESG issues more formally in the due diligence of each investment. This was the first time the GP provided this level of commitment on ESG integration. NB holds an LPAC seat with the fund and continues to engage with the GP on ESG topics.

Case studies discussed throughout the NB Private Markets ESG Report do not represent all past investments. It should not be assumed that an investment in the case studies presented was or will be profitable. Additionally, there is no guarantee that other investment opportunities will have similar characteristics, nor that Neuberger Berman will conduct a similar ESG analysis, to those investments described herein. The information supplied about the case studies is intended to show investment process and not performance.

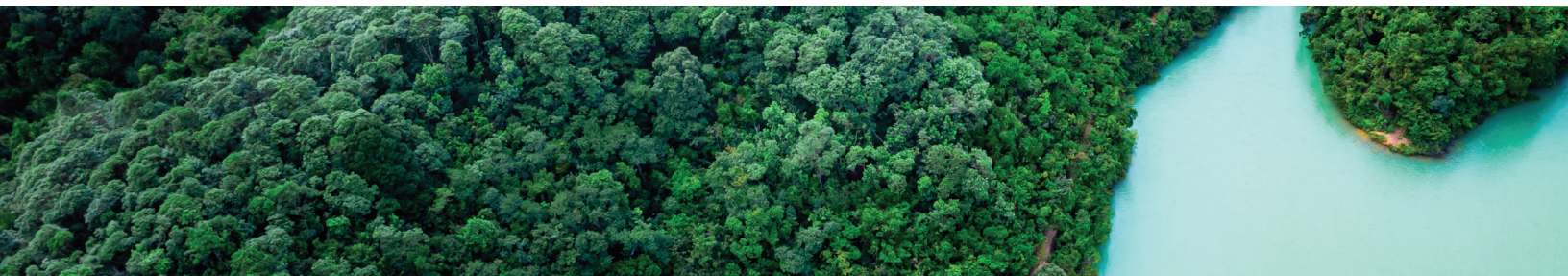
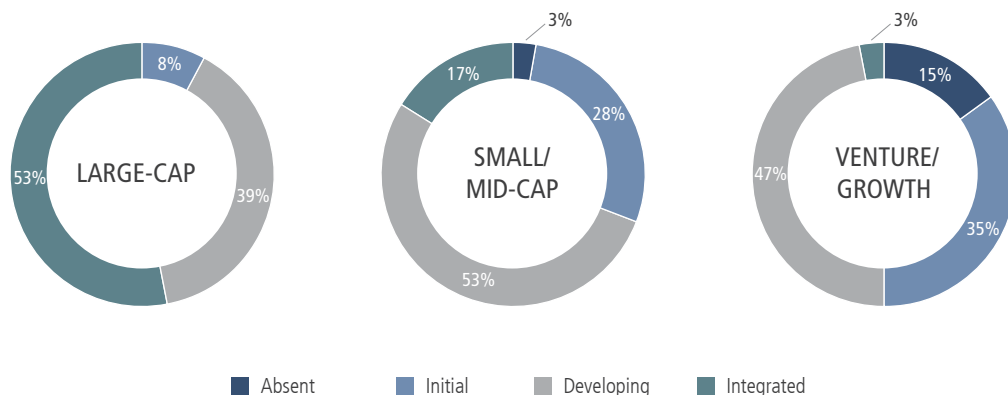
Manager ESG Score Benchmarking

We have the ability to assess a GP's progress on ESG integration over time as well as compared to peers according to our Manager ESG Scorecard benchmarking. For example, we are able to observe certain trends and patterns across asset classes within private equity and geography.

Asset Class¹⁵

Across the private equity platform's three prominent asset classes—large-cap, small/mid-cap and venture/growth capital—we notice larger firms tend to have higher levels of ESG integration than their smaller counterparts, a possible reflection of having greater access to resources, in-house expertise and dedicated oversight. However, we have noticed an increased appetite for engagement around ESG topics with many small and mid-cap GPs, who recognize that, in addition to improving their internal decision-making processes, a robust ESG practice can help differentiate them.

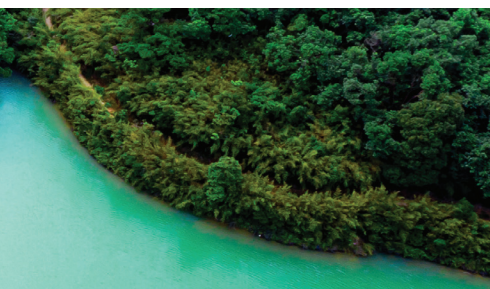
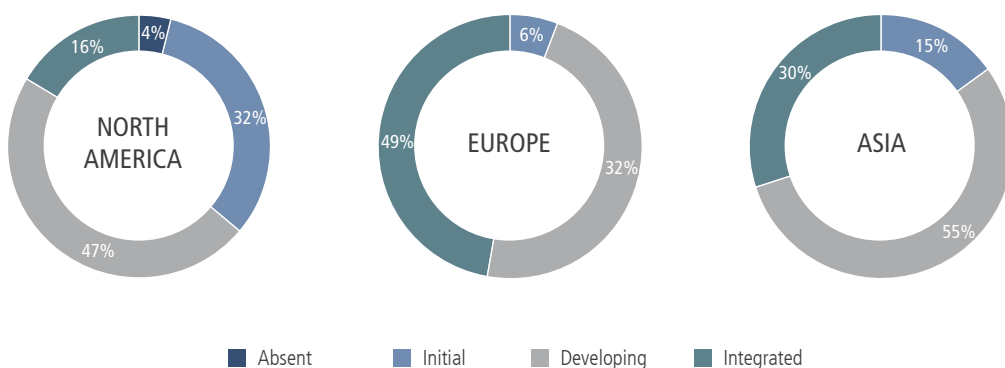
It is less surprising that from our observed sample, venture capital funds have been slower to adopt ESG integration best practices in a formalized way. This is perhaps attributable to the preliminary stage of the businesses being considered and the related challenge of reliably tracking key ESG metrics at such a point in the company's life cycle, as well as more general industry dynamics. However, even in the past year, we've noticed markedly more engagement in the venture capital segment, with firms committing to ESG policies or hiring specialized support.



Geography¹⁶

From a geographical standpoint, while the three regions below all have a significant portion of GPs that are progressing in their respective ESG integration practices ("developing"), European GPs are generally more advanced in their levels of ESG integration. This is consistent with what we have seen more broadly, as Europe as a whole has generally been forward-leaning in their standardization of ESG expectations in addition to commitments to mitigate climate change through policy and regulations. We also witness a greater share of European asset owners and managers with net-zero emission commitments in a formalized manner, such as through partnerships like the Institutional Investor Group on Climate Change, with over 300 members, mainly pension funds and asset managers.

North American and Asian GPs continue to make progress in fully integrating ESG into their investment approaches and are well positioned to continue in this direction with the support of political and regulatory tailwinds. We especially see proactive interest in Australia and Japan with respect to the encouragement of broader ESG integration as an integral part of investment activities. GPs across pan-Asia including China and India are also making notable strides in their ESG integration practices. ESG integration is truly global in nature.



Direct Investments

Neuberger Berman Private Markets is able to leverage our position as a diversified asset manager to integrate ESG insights in order to identify opportunities with respect to direct private markets investments.

When conducting diligence on direct investments (e.g. equity co-investment and private debt), the investment team utilizes our proprietary NB Materiality Matrix to assess industry-specific ESG factors that are likely to be financially material (informed by the firm's research sector experts) as well as the lead GP's level of ESG integration based on our Manager ESG Scorecard.¹⁷

NB Materiality Matrix¹⁸

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

Represents a subset of factors for illustrative purposes only.

ESG Diligence in Practice – Equity Co-Investment

While conducting due diligence on a co-investment in a company that designs, assembles, distributes and services point-of-use water systems, the NB Materiality Matrix was utilized to help identify the material ESG factors in the industry. Factors such as supply chain resilience, product safety, employee safety and environmental considerations were important areas of due diligence.

Given the company's core value proposition of providing reliably safe drinking water in a more cost-effective manner with a lower environmental footprint by displacing plastic bottles, sustainability is central to the company's brand and the successful management of ESG factors are particularly material. The investment team evaluated product efficacy studies and control processes, for instance. The investment team also evaluated the company's management of a global supply chain that included multiple manufacturing locations, the importance of which was highlighted by the pandemic.

In addition, the team assessed the lead sponsor's integration of ESG in the investment process using the Manager ESG Scorecard. The GP evaluated the ESG factors as part of due diligence, including reports related to environmental topics and employee safety. The GP has worked with the company to further enhance their existing sustainability reporting, which we consider industry-leading in its coverage of material ESG topics and level of quantitative detail.

ESG Diligence in Practice – Private Debt

While conducting due diligence on a manufacturer of gene therapy inputs, the NB Materiality Matrix was utilized to help identify the material ESG factors in the industry. The company is a manufacturer of plasmid DNA, a crucial raw material input used in gene and cell therapies made by pharmaceutical companies. Gene therapy provides a potential cure for incurable genetic disorders and debilitating diseases. Factors such as product safety and quality, and product innovation were important areas of due diligence.

The investment team homed in on topic areas highlighted by the NB Materiality Matrix, such as ensuring products are up to quality standards. The investment team believed potential ESG risk factors were appropriately managed and the company was playing a key role in helping cure rare diseases by supplying a key input to FDA-approved and clinical-stage gene and cell therapy drugs.

In addition, the team assessed the private equity sponsor's integration of ESG in the investment process using the Manager ESG Scorecard. The Investment Committee approved this investment opportunity.



Secondary Investments

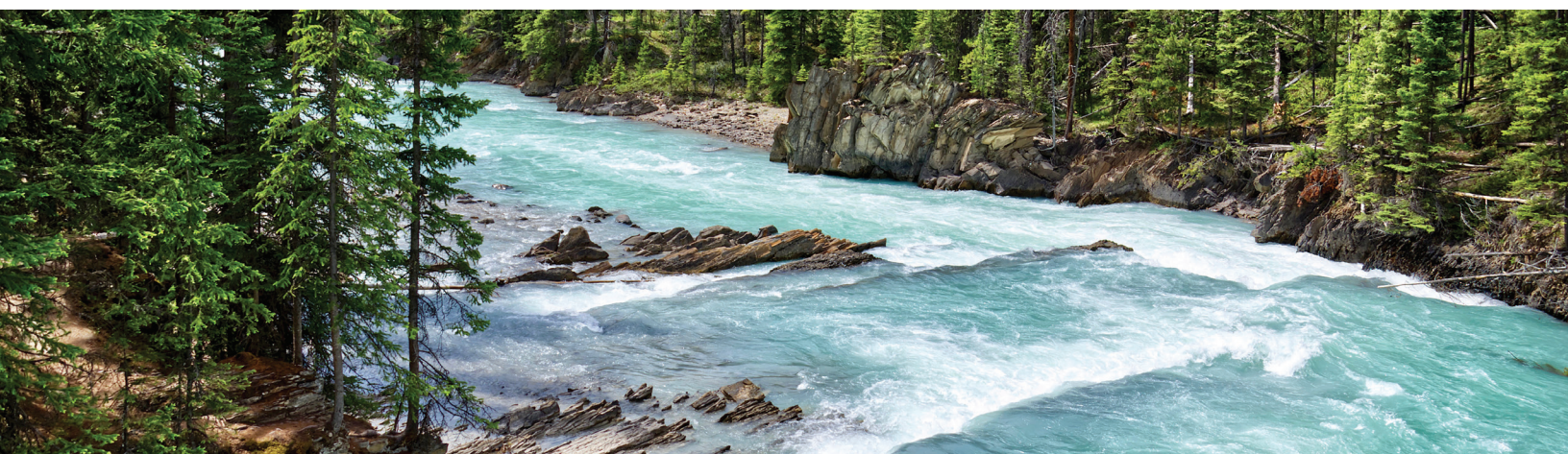
When conducting diligence on secondary investments, the investment team has the ability to leverage Manager ESG Scorecards that may be available from primary fund due diligence. The investment team similarly may assess a GP's level of ESG integration at both the firm and the fund strategy level based on industry best practices. In addition, the investment team has the ability to leverage the NB Materiality Matrix when assessing existing portfolio companies.

The secondaries team generally considers material ESG issues as an integrated part of its due diligence process for its investments. Additionally, the team completes the Manager ESG Scorecard and the co-investment ESG materiality analysis with more material exposures.

ESG Diligence in Practice – Secondary

While conducting ESG due diligence on a GP-led restructuring secondary opportunity, NB determined the GP did not have existing formal processes for integrating ESG considerations into its investment process. The Investment Committee identified this as an area of improvement and the investment team engaged with the GP on ESG topics. The GP's willingness to formalize its ESG policy and ESG investment practices was an important factor in the team's decision to invest.

The GP agreed in a side letter that its management team would work with NB in good faith to develop an ESG policy for the partnership that is mutually acceptable to both parties. NB has initiated the first in this series of ongoing conversations and continues to communicate in a transparent and collaborative manner, sharing practical tools, examples and references with the GP on ESG industry best practices and insights.



Monitoring and Ownership

Investment Monitoring

ESG is a part of the Investment Monitoring Committee, which provides regular updates to the Investment Committee. NB Private Markets monitors each investment through the periodic review of the underlying portfolio; meetings with the sponsoring private equity firm and, in certain cases, the fund's portfolio company management; quarterly and annual reviews; and active participation on advisory boards and committees when appropriate. We are an active investor with investments in over 540+ active private equity funds and representation on over 230 LP advisory committees.¹⁹

In addition to monitoring investments for ESG issues as a part of our ongoing dialogue with the GP, we leverage data analytics to track publicly available information to flag significant ESG-related issues. We may track portfolio companies and GPs to identify key ESG risks such as United Nations Global Compact violations and safety issues via a watchlist and alert system on a real-time basis. Our ESG monitoring system helps to identify potential topics of ESG engagement and to track ESG-related reputational risk of a company compared to peers and over time. As an illustrative example, below is a sample portfolio with 108 companies with varying levels of risk scores per a third-party ESG controversies and violations data provider.²⁰ This risk score fluctuates over time based on the frequency and severity of publicly reported events and is one of many factors that inform ongoing monitoring, requiring investment team judgment.

Sample Portfolio ESG Monitoring

Portfolio ESG Incidents Trend

Range	Frequency	% of Portfolio	% Environmental	% Social	% Governance
Risk Category 0	105	97.2%	3.5%	10.7%	58.7%
Risk Category 1	2	1.9%	0.0%	16.3%	0.0%
Risk Category 2	1	0.9%	2.9%	11.4%	2.7%
Risk Category 3	0	0.0%	N/A	N/A	N/A
Risk Category 4	0	0.0%	N/A	N/A	N/A
Total	108	100.0%	6.4%	38.4%	61.4%

Engagement

We believe that engagement with private equity managers on ESG topics is an important part of our role in the ecosystem. Our ESG due diligence, informed by the Manager ESG Scorecard and NB Materiality Matrix, serves as a starting point for engagement with GPs on areas of improvement. We endeavor to identify ESG engagement objectives at the time of due diligence and selection, and monitor and track progress over time.

For example, we hosted a webinar in 2020 on “What Does Becoming a UN PRI Signatory Really Entail?” to streamline information flow and offer a forum to answer questions from GPs. Afterward, we received feedback from various GPs who shared that they were able to draw on our presentation materials to inform their decision to become PRI signatories.

In one-on-one settings, we often help GPs sift through the “noise” of ESG frameworks, terminologies, industry associations and service providers, and share our experience in developing our approach to ESG integration.

More broadly, we disseminate our insights and information through participation on industry advisory boards and working groups—particularly on timely topics like ESG-related regulations, climate analysis, and diversity and inclusion.

The role we can play in the private equity ecosystem is directly connected to the scale of the platform and the partnerships we’ve been able to build with leading GPs. We have 540+ of active fund commitments, exposure to over 5,200 active underlying portfolio companies and many of our GP partners also recognize the importance of ESG factors as a part of their investing activities.²¹

Private equity is experiencing a sea change, where some of the largest, most sophisticated asset owners have become leaders in cutting-edge thinking in ESG and sustainable investing. Private equity managers have been moving quickly and dramatically over the past couple of years to enhance their ESG integration and sustainable investment practices. We anticipate the pace of adoption to accelerate, and will continue to partner with managers and clients to continue advancing rigorous solutions for a changing environment.



“THROUGH OUR
COLLABORATION AND
SHARING ESG-RELATED
BEST PRACTICES WITH THE
PRIVATE EQUITY INDUSTRY,
WE BELIEVE WE CAN
MEANINGFULLY DRIVE
CHANGE.”

– **JENNIFER SIGNORI**

Managing Director,
ESG and Impact Investing



JENNIFER SIGNORI

Managing Director, ESG and Impact Investing

JONATHAN BAILEY

Head of ESG Investing

Insights: Spotlight on Climate

A large and influential portion of the investment industry has committed to measure and manage portfolio carbon emissions, with the ultimate goal to eliminate them. What does this mean in practice? And what initial steps can asset owners take on the road to net-zero alignment?

Neuberger Berman was one of the 20 investment managers named to the Principles for Responsible Investment (PRI) 2020 Leaders' Group for our approach to managing climate-related risks.²² We recognize the impact of climate change, the urgent need to accelerate the sustainable transition toward global net-zero emissions and the critical role that investor capital has to play in that transition.

We believe that climate change will affect businesses in two major ways. First is the physical impact of climate change itself. Extreme weather events, wildfires, floods and rising sea levels are likely to disrupt some supply chains and threaten the viability of some capital assets. Second are business risks associated with the transition toward global net-zero emissions. Efforts to slow climate change through carbon taxes, regulation, green fiscal spending, energy transitions and changing purchasing behavior are likely to create new winners and losers in business, and new risks and opportunities in investment.

As such, many investors are seeking to bring portfolio emissions to net zero both to mitigate their contribution to climate change and manage their exposure to the low-carbon transition, as part of their return- and risk-management. The Intergovernmental Panel on Climate Change (IPCC) estimates that to maintain global temperature within 1.5°C of pre-industrial levels this century, net-zero global emissions will be necessary by 2050.

We increasingly find many of our clients not only echoing these investment beliefs around the impact that climate change can have on businesses, but also calling on us to help manage the associated risks and opportunities, and align portfolios with their long-term goals—which now often include explicit net-zero commitments. Momentum is growing as an increasing number of corporations and investors make public net-zero pledges.

Widespread skepticism remains, much of it justified, around whether such targets are achievable in a way that genuinely reduces emissions and does not simply outsource them to other parties (by subcontracting carbon-intensive manufacturing processes, for example).

Nonetheless, investor expectations are growing and uncertainties such as these only underline that Chief Investment Officers, Boards of Directors and Trustees whose institutions have made these net-zero commitments face a daunting task. How does one envisage the long-term strategy that maps a realistic path to net-zero portfolio emissions by 2050, while also identifying the first steps that can be taken on that path today? These are the questions that Neuberger Berman is tackling in partnership with many of our institutional clients across asset classes right now.

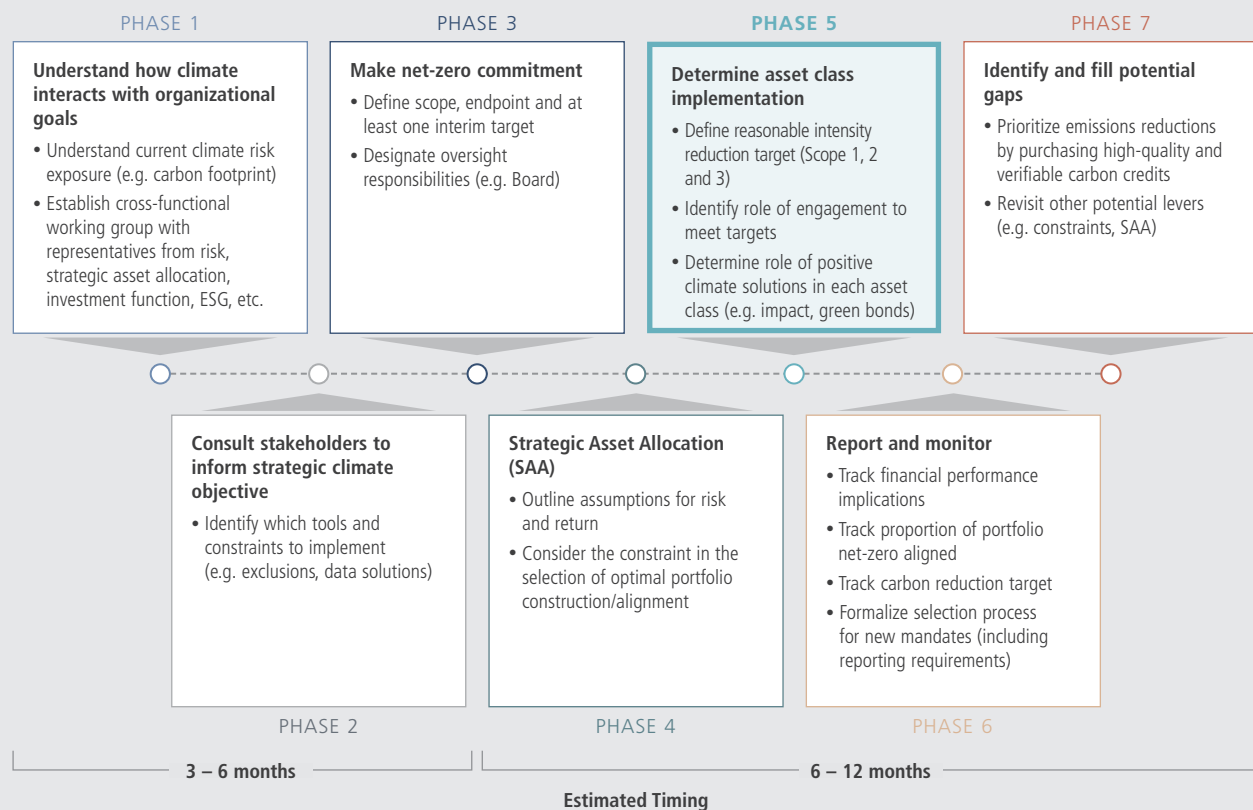
Getting Started

We think a good place to start is with the Net Zero Investment Framework set out for consultation by one of the Founding Partner investor networks of the Net Zero Asset Managers Initiative, Europe's Institutional Investors Group on Climate Change (IIGCC), in August 2020.²³

This framework seeks to provide practical methods, actions and assessment metrics for aligning portfolios with the goals of the Paris Agreement. At Neuberger Berman, we find it helpful to take these components and their associated actions and reframe them as an action plan, or seven distinct phases on the journey to a comprehensive net-zero strategy, as set out in Figure 1.

The initial steps establish the governance structure required to make the journey to net-zero emissions, and define and quantify the nature of the

Figure 1: Neuberger Berman's Action Plan to a Net-Zero Strategy



challenge. What is the portfolio's current carbon footprint, and where are the gaps in your data? Which of your organization's functions need to be included in discussions and decisions? These steps are designed to enable an institution to agree to the net-zero commitment with its stakeholders and establish the broad scope of the tools and approaches it will use to pursue that commitment. What should be the balance between exclusions and engagement? What will be the threshold for moving from considering exclusion and engagement to increasing allocation to investments that offer potential climate solutions, and ultimately to accepting the need to purchase carbon credits directly, in addition to the portfolio's investments in companies?

As more of our institutional clients make net-zero investment commitments, we are helping them understand the carbon footprint of their existing investments. For example, we helped to assess the carbon intensity of a private equity portfolio that we manage on behalf of a pension fund as part of efforts to quantify its whole-portfolio carbon emissions. Generally, we and other asset managers work with emissions data gathered by what we regard as reputable third-party specialists to help build this picture with the client, filling in the information gaps that may exist in private asset portfolios and niche strategies with our own research and analysis. In order to support these analyses going forward, we have formalized our collection of carbon footprint data, as reported and available, from our equity co-investments at the time of due diligence.

Implementation

In the early phases, an investor should have built a fairly comprehensive picture of where its portfolio carbon emissions

are coming from. This will go a long way to inform the balance of exclusion and engagement in the strategy, and certain investors may choose to emphasize one lever more than others.

Decarbonizing one's portfolio requires an evolving balance between exclusion, engagement, climate solutions and, in some cases, carbon allowances or sequestration projects. Some actions will have a direct effect on a portfolio's risk and return profile. At the portfolio level, some investors have gone as far as building climate change risks into the capital market assumptions that inform Strategic Asset Allocation decisions, which could have positive or negative implications for their views on certain asset classes or industry sectors. We believe the nature of current portfolio emissions will determine the evolving balance between exclusions and engagement and the extent to which positive climate solutions and carbon allowances can be additive to or complement an investor's strategy.

A Collaborative Effort

There is no doubt that the journey to net-zero emissions in investment portfolios is a daunting task, almost as daunting as the journey to net-zero emissions in the world economy. But we think sequential steps can break the process down into manageable and achievable targets. Most importantly, this will be a collaborative effort. As more and more investors make net-zero commitments, knowledge and experience will be built and shared. And, of course, emissions reduction will be happening not only at the level of investors' portfolios, but at the level of portfolio companies. As the wider economy sets net zero as an ambition, we expect to see more company disclosure, new and innovative tools, and growing collaboration.

Impact Investing at NB Private Equity

Case Study: **NB Private Equity Impact Fund I**



Neuberger Berman's private equity impact investing approach is to invest in businesses that are positively contributing to solutions addressing pressing global social and environmental challenges. Neuberger Berman closed on the NB Private Equity Impact Fund with nearly \$280 million of commitments in March 2021.



The Impact Fund primarily invests in direct and fund investments that seek to achieve positive social and environmental outcomes that are aligned with the United Nations Sustainable Development Goals (UN SDGs)²⁴ and that also meet NB Private Equity's traditional underwriting standards.



The Fund invests in opportunities that are aligned with broader themes such as improving health outcomes, addressing climate change and energy needs, and improving sustainable growth and employment. Neuberger Berman has mapped 15 of the 17 UN SDGs to investable opportunities, which align with five social and environmental themes. The team evaluates five dimensions of impact, aligned with The Impact Management Project, as an integral part of its impact due diligence, measurement and management.



As of March 31, 2021, the Impact Fund has committed \$132 million to direct investments (co-investments), primary fund commitments and secondary transactions, each representing a compelling impact and investment thesis. Investments in the portfolio so far include market-leading businesses that meet Neuberger Berman's traditional underwriting standards while also generally providing essential products and services that contribute to social and environmental solutions.

NB Private Equity Impact Fund I

Portfolio Company Examples:



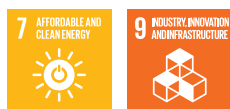
The Impact Fund invested in Smart Wires, in partnership with Lime Rock New Energy. The Company designs, manufactures and deploys modular power flow control solutions that allow utilities to control power flows on their high-voltage transmission systems. One of the Company's customers, National Grid Electricity Transmission (NGET), named Smart Wires as the innovative and transformative technology behind the world's first large-scale use of power flow technology on NGET's transmission network, unlocking 1.5GW of network capacity—enough transmission capacity to deliver renewable energy to 1 million homes and support the United Kingdom's net zero ambitions.²⁵

Impact Thesis

Challenge: Grid constraints are growing globally due to aging infrastructure and increasing power demand, and the adoption and distribution of renewable energy is limited by existing infrastructure

Contribution to Solution: Company's modular power flow control solutions allow utilities to more effectively utilize existing transmission system capacity and improve renewable energy integration into the grid

Address climate change and energy needs



The Impact Fund invested in Innovacare, in partnership with Summit Partners and Athyrum. The Company is a managed care organization (MCO) delivering Medicare Advantage (MA) and Medicaid integrated health plans and clinical care models. The Company managed Puerto Rico's largest MA plan, reaching more than 267,000 MA members and over 305,000 Medicaid members. Anthem is acquiring the Puerto Rico subsidiaries of the Company, announced in February 2021.²⁶

Impact Thesis

Challenge: Aging demographic and associated health care costs, especially related to elderly and low-income dual eligible populations

Contribution to Solution: Company is facilitating the provision of essential health services to an exclusively in-need patient base. Structure of the delivery model incentivizes the delivery of high-quality care that leads to better health outcomes over the long term

Improve health outcomes





More ESG in Practice at NB Private Markets

Almanac Realty Investors

Almanac provides growth capital to private and public companies that own and operate real estate. Integrating ESG into Almanac's flagship investment process enables Almanac to reduce overall portfolio risk, identify value-creation opportunities during the ownership period, and augment its ability to generate attractive returns.

ESG-related factors are considered throughout all parts of Almanac's flagship investment process, formally as of February 2021. Almanac conducts thorough due diligence of each prospective portfolio company, including existing governance structures, environmental matters, relationships between companies and communities in which they invest, and policies to support employees. During the ownership period, Almanac identifies areas for improvement, which typically include improving governance structures, increasing reporting capabilities and formalizing organizational, ESG, and diversity and inclusion policies.

Marquee Brands

Marquee Brands operates as a brand acquisition, licensing and management company, uniquely qualified to capitalize on the retail dislocation in today's marketplace. Marquee Brands leverages its global platform as well as its digital marketing and direct-to-consumer eCommerce capabilities to maximize value of its owned brands.

Marquee Brands views ESG as a critical factor when addressing the needs of consumers using its brands' goods and services, as well as the reputation of its brands in the global marketplace. Marquee Brands believes it has a responsibility to operate and conduct its business in an ethical way, and expects the same from its operating partners and licensees. To help enforce this, Marquee Brands includes a Code of Business Conduct and Ethics in its license agreements that addresses relevant ESG considerations, formally as of October 2020. Marquee Brands as an operating company has ESG-focused priorities, including licensee's use of sustainable materials for both products and packaging, inclusive marketing campaigns and content, opportunities for carbon offsetting, and workplace diversity and inclusion.

Neuberger Berman Private Equity's Commitment to Diversity and Inclusion

Case Study: Diverse and Emerging Managers Program

Within Neuberger Berman Private Markets, the NorthBound platform is focused on identifying high-performing investment opportunities in diverse and emerging managers.²⁷ Established in 2007, the NorthBound platform seeks to capture the value proposition of emerging managers, which are often overlooked and underappreciated. Neuberger Berman Private Equity serves as a long-term partner who can anchor first-time funds and help managers scale and institutionalize throughout their development.

Example:

In 2020, NB invested in a first-time fund focused on supporting founder-owned companies in fragmented segments of the services and consumer sectors. Two of the GP's three founding partners are Hispanic, and diversity is an integrated part of the team's recruitment philosophy. Regarding its core investment strategy, the firm's thesis centers on delivering services to meet the needs of the growing but underserved US Hispanic market.

NB had a longstanding relationship with the founding team through prior professional networks. Recognizing some of the common challenges faced by first-time funds, NB worked with the GP to provide support on both the operations and fundraising aspects of the business. Regarding the former, NB's operational due diligence team worked closely with the GP to think through key considerations necessary for building out their back-office operations, including on compliance, accounting and finance functions, in alignment with industry best practices.

On the fundraising front, NB made a commitment in the Fund's first close and served as a reference to multiple prospective LPs, given the challenges for new funds in the market with limited institutional track records. NB continues to engage with the GP on an ongoing basis through its role as an LPAC member.



Industry Leadership and Collaboration

We are actively engaged to improve diversity and inclusion in the private equity industry. For instance, our involvement in NAIC helps increase the flow of capital to diverse investment managers, which can provide the potential opportunity for differentiated outperformance. We are a supporter of the ILPA Diversity in Action initiative and involved in the development of best practices of tracking and managing diversity-related metrics in the private equity industry.

In addition, Neuberger Berman is a key sponsor of many conferences and events focused on increasing diversity in private equity. This includes, but is not limited to: Women in Private Equity Summits, SEO Conference, Consortium Conference, Executive Leadership Council, Big Ideas Conference (focused on Private Equity at largest HBCU in the country) NAIC Annual Private Equity and Hedge Fund Conference, Annual NY Common Emerging Manager & MWBE Conference, Kayo Annual Women's Private Markets Summit, Thirty Percent Coalition, Private Equity Women Investor Network, and 100 Women in Finance. Neuberger Berman recognizes the importance of building a pipeline of talent. We helped to develop and launch the inaugural year of the NAIC Paradigm Changers Internship Program and will be both hosting and mentoring as a member of the program. Launched in January 2021, the program seeks to promote greater diversity in private equity investing roles and seeks to encourage recruiting from a diverse set of schools and backgrounds.

Our Commitment to Equity, Inclusion & Diversity (EID)

We believe firms perform better for clients and stakeholders when there is a diverse population and a true equitable and inclusive environment. Diversity alone is not enough.



Diversity by the Numbers in Neuberger Berman Private Equity²⁸



Recognitions and Highlights



NAMED A BEST PLACE TO WORK BY *PENSIONS & INVESTMENTS* FOR 7 CONSECUTIVE YEARS

- Joana Rocha Scaff, Head of Europe Private Equity, was named among the “50 Most Influential” (*Financial News*), “50 Most Influential in European Private Equity” (*Private Equity News*) and “Top 100 Women in Finance (Europe)” (*Financial News*) in 2019
- Heather Zuckerman, Chief of Staff, named a Top Woman in Asset Management by *Money Management Executive* in 2020
- Four Neuberger Berman Advisors among *Barron's* Top 100 Women Financial Advisors
- NB Alternatives received the National Association of Investment Companies’ “Pacesetter Award in 2018”²⁹



Industry Collaborations and Engagements

Select Industry Organizations



Neuberger Berman is an active member of the PRI since 2012. In 2019, we were appointed as a member of PRI's Private Equity Advisory Committee (PEAC)



Neuberger Berman is a founding member of the SASB Alliance and the SASB Standards Advisory Group, and a member of its Investor Advisory Group



Neuberger Berman is a member of the Advisory Board of the Impact Management Project, an industry collaboration on the measurement and management of impact



Neuberger Berman is a signatory of the UN Global Compact. In 2020, Neuberger Berman submitted its second Communication on Progress (COP), demonstrating the firm's commitment to implement the Ten Principles, and qualified for the Global Compact Advanced Level³⁰



Neuberger Berman is a member of the British Private Equity & Venture Capital Association (BVCA) Limited Partner Committee



Neuberger Berman is a member of the Invest Europe Limited Partner Council and engaged in ESG-related working groups



¹ Among organizations with over 1,000 employees by *Pensions & Investments*. For additional information on the criteria for the award, please visit <https://www.pionline.com/specialreports/best-places-to-work/20181210>.

² For illustrative and discussion purposes only. PRI grades are based on information reported directly by PRI signatories, of which investment managers totaled 1,924 for 2020, 1,119 for 2019, 1,120 for 2018 and 935 for 2017. All signatories are eligible to participate and must complete a questionnaire to be included. The underlying information submitted by signatories is not audited by the PRI or any other party acting on its behalf. Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module houses a variety of indicators that address specific topics of responsible investment. Signatories' answers are then assessed and results are compiled into an Assessment Report. The Assessment Report includes indicator scores, summarizing the individual scores achieved and comparing them to the median; section scores – grouping similar indicator scores together into categories (e.g. policy, assurance, governance) and comparing them to the median; module scores – aggregating all the indicator scores within a module to assign one of six performance bands (from E to A+). Awards and ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf. While every effort has been made to produce a fair representation of performance, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this report. Leaders' Group: 2020 PRI Leaders Group. The PRI Leaders' Group is based on a different theme each year. In 2020, the theme is climate reporting. All investor signatories—asset owners and investment managers—were eligible. To be considered for the Leaders' Group 2020, signatories had to demonstrate a strategic approach to aligning their organization with the FSB's Task Force on Climate-related Financial Disclosures (TCFD) in their 2020 responses to the PRI Reporting Framework. To assess this, UN PRI looked at their publicly disclosed responses throughout the climate change reporting indicators of the Strategy and Governance (SG) module, as well as whether they reported: publicly expressing support for the TCFD; having a board-approved implementation plan in place; how their organization is using scenario analysis; considering both short- and long-term climate risks; and working toward specific climate-related targets. Having screened all signatories against this year's theme, a combined score using responses from across the Reporting Framework was used to identify, from that pool, the Leaders' Group 2020.

³ Neuberger Berman Group and affiliates.

⁴ As of March 31, 2021.

⁵ Athyrium is managed by Athyrium Capital Management, and as of the date of this publication, the ESG policies and practices of Neuberger Berman do not apply to Athyrium.

⁶ Neuberger Berman Sustainability-Linked Corporate Revolving Credit Facility, as of February 2020. The firm's cost of debt will be higher or lower depending on its performance against key ESG metrics. The \$175 million credit facility, which matures on February 4, 2025, will be benchmarked annually against principles and practices, some of which include: 1) Alignment with clients, 2) Objective ESG integration and 3) Increased diversity.

⁷ Note: ESG integration discussed herein may be subject to Neuberger Berman's policies and procedures, including certain information barriers within Neuberger Berman that are designed to prevent the misuse by Neuberger Berman and its personnel of material information regarding issuers of securities that has not been publicly disseminated.

⁸ Data reported as of year-end 2020.

⁹ See footnote 1.

¹⁰ The Asset Management Awards 2020. <https://www.moneyage.co.uk/assetmanagementawards/winners20.php>. The Asset Management Awards' judging is undertaken by a group of judges with expertise across the UK institutional and retail asset management spaces. Each judge reviews submitted entry material and then scores the entries out of a total score of 10, providing their reasoning as to why they have submitted that score. Two judges analyze each category and the firm with the highest overall score wins that category. Votes are verified by *Insurance Asset Management's* editorial team. NB Private Equity did not pay a fee to participate. Awards and ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or

assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service.

¹¹ As of March 31, 2021. Represents aggregate committed capital since inception in 1987, including commitments in the process of documentation or finalization. Includes estimated allocations of dry powder for diversified portfolios consisting of primaries, secondaries, and co-investments. Therefore, amounts may vary depending on how mandates are invested over time.

¹² Includes Limited Partner Advisory Committee seats and observer seats for PIPCO and Secondaries since inception. Data as of December 31, 2020. Underlying portfolio company data as of September 30, 2020.

¹³ See footnote 7.

¹⁴ See footnote 7.

¹⁵ Totals may not equal 100% due to rounding.

¹⁶ See footnote 15.

¹⁷ See footnote 7.

¹⁸ Neuberger Berman, 2020.

¹⁹ See footnote 12.

²⁰ RepRisk is a third-party provider specializing in ESG and business conduct risk research and quantitative solutions. The platform provides daily screening of big data (over 80,000 public sources and stakeholders in 20 languages) to identify and assess ESG risks with coverage of over 100,000 public and private companies.

²¹ See footnote 12.

²² See footnote 2.

²³ IIGCC, Consultation: Net Zero Investment Framework (August 2020).

²⁴ The UN Sustainable Development Goals (UN SDGs) is a taxonomy comprising 17 interlinked global goals designed to be a blueprint for sustainable and equitable growth (<https://sdgs.un.org/goals>).

²⁵ "World's first large-scale use of power flow technology on transmission network will unlock 1.5GW of electricity capacity." National Grid Group, May 10, 2021.

²⁶ The acquisition is expected to close by the second quarter of 2021 and is subject to approval by the Commonwealth of Puerto Rico regulatory authorities, standard closing conditions and customary approvals required under the Hart-Scott-Rodino Antitrust Improvements Act. The company's 2021 EPS guidance remains unchanged as a result of this acquisition. <https://www.summitpartners.com/news/anthem-to-acquire-mmm-holdings-and-affiliates-from-innovacare-health>.

²⁷ The program seeks to work with overlooked and underserved emerging managers of funds that are: 1) minority and/or woman-owned; 2) under \$1 billion in size; or 3) first-/second-time funds.

²⁸ Data as of March 31, 2021. 49% and 54% new hire statistics are as of 12/31/20.

²⁹ Note: Eligibility criteria and award decisions for the National Association of Investment Companies ("NAIC") Pacesetter Award were made by NAIC's board of directors. The NAIC Pacesetter Award recognizes individuals and organizations whose efforts toward supporting diverse investment managers have created new paradigms, accelerated the flow of capital to diverse-owned firms and demonstrates a clear recognition of the talent, leadership and capabilities residing within the businesses. NB Private Equity pays an annual due for membership with NAIC. Third-party accolades referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Third-party accolades are not indicative of the past or future performance of any Neuberger Berman product or service.

³⁰ Global Compact Active COPs meet minimum requirements, including a statement by the Chief Executive expressing continued support for the UNGC and renewing the participant's ongoing commitment, a description of practical actions the company has taken or plans to take to implement the Ten Principles of the UN Global Compact and a measurement of outcomes.

RISK CONSIDERATIONS RELATING TO PRIVATE EQUITY FUNDS

Prospective investors should be aware that an investment in any private equity fund is speculative and involves a high degree of risk that is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of such investment and for which the investment does not represent a complete investment program. An investment should only be considered by persons who can afford a loss of their entire investment. This material is not intended to replace any the materials that would be provided in connection with an investor's consideration to invest in an actual private equity fund, which would only be done pursuant to the terms of a confidential private placement memorandum and other related material. Prospective investors are urged to consult with their own tax and legal advisors about the implications of

investing in a private equity strategy, including the risks and fees of such an investment.

You should consider the risks inherent with investing in private equity funds:

Market Conditions: Private equity strategies are based, in part, upon the premise that investments will be available for purchase by at prices considered favorable. To the extent that current market conditions change or change more quickly anticipated investment opportunities may cease to be available. There can be no assurance or guarantee that investment objectives will be achieved, that the past, targeted or estimated results be achieved or that investors will receive any return on their investments. Performance may be volatile. An investment should only be considered by persons who can afford a loss of their entire investment.

Legal, Tax and Regulatory Risks: Legal, tax and regulatory changes (including changing enforcement priorities, changing interpretations of legal and regulatory precedents or varying applications of laws and regulations to particular facts and circumstances) could occur that may adversely affect a private equity strategy.

Default or Excuse: If an Investor defaults on or is excused from its obligation to contribute capital to a private equity fund, other Investors may be required to make additional contributions to replace such shortfall. In addition, an Investor may experience significant economic consequences should it fail to make required capital contributions.

Leverage: Investments in underlying portfolio companies whose capital structures may have significant leverage. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to finance their future operations and capital needs. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio company or its industry.

Highly Competitive Market for Investment Opportunities: The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. There can be no assurance or guarantee that a private equity strategy will be able to locate, consummate and exit investments that satisfy rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital.

Reliance on Key Management Personnel: The success of a private equity strategy may depend, in large part, upon the skill and expertise of investment professionals that manage the strategy.

Limited Liquidity: There is no organized secondary market for investors in most private equity funds, and none is expected to develop. There are typically also restrictions on withdrawal and transfer of interests.

Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues: Private equity funds' operations and investments could be materially adversely affected by outbreaks of disease, epidemics and public health issues in Asia, Europe, North America, the Middle East and/or globally, such as COVID-19 (and other novel coronaviruses), Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics, pandemics, outbreaks of disease or public health issues. In particular, coronavirus, or COVID-19, has spread around the world since its initial emergence in December 2019 and has negatively affected (and will likely continue to negatively affect or materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks). Although the long-term effects of coronavirus, or COVID-19 (and the actions and measures taken by governments around the world to halt the spread of such virus), cannot currently be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as H5N1, H1N1 and the Spanish flu, had material adverse effects on the economies, equity markets and operations of those countries and jurisdictions in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which would be reasonably likely to adversely affect the business, financial condition and operations of private equity funds. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to worsen), private equity funds could be adversely affected by more stringent travel restrictions (such as mandatory quarantines and social distancing), additional limitations on fund operations and business activities and governmental actions limiting the movement of people and goods between regions and other activities or operations.

Valuation Risk: Due to the illiquid nature of many fund investments, any approximation of their value will be based on a good-faith determination as to the fair value of those investments. There can be no assurance that these values will

equal or approximate the price at which such investments may be sold or otherwise liquidated or disposed of. In particular, the impact of the recent COVID-19 pandemic is likely to lead to adverse impacts on valuations and other financial analyses for current and future periods.

The information contained herein must be treated in a confidential manner and may not be reproduced, used or disclosed, in whole or in part, without the prior written consent of the Adviser or the Fund. Disclosure to persons other than the recipient potential Investor and their representatives is prohibited.

This presentation (the "Presentation") is being furnished on a confidential basis to a sophisticated investor for informational and discussion purposes only and does not constitute an offer to sell or a solicitation of an offer to purchase any security. Any such offer or solicitation shall be made pursuant to additional documentation relating to the Fund, which documentation describes risks related to an investment in the Fund as well as other important information about the Fund and its sponsor. The information set forth herein does not purport to be complete and is subject to change. This Presentation is qualified in its entirety by all of the information set forth in any such additional documentation. This Presentation does not constitute a part of any offering documentation of any Fund. Please refer to the Memorandum for important disclosures regarding various risks related to investment in the Fund. An investment in the Fund involves significant risks, including the risk of total loss of capital.

This presentation may include information from other funds managed by the Adviser and its predecessors-in-interest. Neuberger Berman and its affiliates are the successor to all of the predecessors' operational assets, and employ substantially all of their key personnel, and the Adviser became either the advisor or sub-advisor to the funds previously advised by the predecessors. Historical information contained herein is for illustrative purposes only; such information is based on market and other conditions at the time that may significantly change, and should not be relied upon. **Past performance is not indicative of future results.** There can be no assurance that investments marked with the footnote "Pending investments in process of documentation" will close, or that any of the terms of such transactions described herein or under discussion will be achieved. There can be no assurance that the Fund will achieve comparable results, that targeted diversification or asset allocations will be met or that the Fund will be able to implement its investment strategy and investment approach or achieve its investment objective.

Where an unrealized investment has been valued by the general partner of the fund, there can be no assurance that these values will ultimately be realized upon disposition of the investments. The values of unrealized investments are estimated, inherently uncertain and subject to change. Actual returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfer that may limit liquidity, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the valuations used in the prior performance data contained herein are based. Accordingly, actual realized returns on unrealized investments may differ materially from the returns indicated herein. Statements contained in this Presentation that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of the General Partner. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. In addition, this Presentation contains "forward-looking statements." Actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. No presentation or warranty is made as to future performance or such forward-looking statements. Financial or other projections described herein are illustrative and intended for discussion purposes only. Alternative assumptions may result in significant differences in such illustrative projections. Opportunities described in such illustrative projections may not be found nor is prospective performance of the type described guaranteed, and the Fund may not be able to achieve its objective or implement its strategy. Certain economic and market information contained herein has been obtained from published sources prepared by third parties and in certain cases has not been updated through the date hereof. While such sources are believed to be reliable, neither the Fund, its General Partner, the Adviser nor their respective affiliates or employees assume any responsibility for the accuracy or completeness of such information. Unless otherwise indicated, returns are presented on a "gross" basis (i.e. they do not reflect the management fees, carried interest, transaction costs and other expenses that may be paid by Investors, which may be significant and may lower returns).

Neither Neuberger Berman nor any of its affiliates has made any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy,

reasonableness or completeness of any of the information contained herein (including but not limited to information obtained from third parties unrelated to Neuberger Berman), and they expressly disclaim any responsibility or liability therefore. In particular, no third party has prepared, reviewed or approved the information contained herein and, accordingly, no third party has made any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any portion of the information contained herein. Neither Neuberger Berman nor any of its affiliates have any responsibility to update any of the information provided in this summary document. Fund terms described herein are summaries only and may be incomplete. Such summaries are qualified in their entirety by the Memorandum and fund documents, including the Partnership Agreement, which may change without notice.

These materials and the information contained herein are not, and under no circumstances are to be construed as, an advertisement or a public offering of securities in Canada or any province or territory thereof. Under no circumstances are these materials and the information contained herein to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the deal registration requirement in the relevant province or territory of Canada in which such offer or sale is made. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon the merits of the investments described herein and any representation to the contrary is an offence. In Canada, NB Alternatives Advisers LLC relies on the "international investment fund manager exemption" under Multilateral Instrument 32-102 Registration Exemptions For Non-Resident Investment Fund Managers in Ontario, Quebec and Newfoundland and Labrador, and the "international adviser exemption" under National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations in Ontario.

This material is general in nature and is not directed to any category of investors and should not be regarded as individualized, a recommendation, investment advice or a suggestion to engage in or refrain from any investment-related course of action. Neuberger Berman is not providing this material in a fiduciary capacity and has a financial interest in the sale of its products and services. Investment decisions and the appropriateness of this material should be made based on an investor's individual objectives and circumstances and in consultation with his or her advisors. This material may not be used for any investment decision in respect of any US private sector retirement account unless the recipient is a fiduciary that is a US registered investment adviser, a US registered broker-dealer, a bank regulated by the United States or any State, an insurance company licensed by more than one State to manage the assets of employee benefit plans subject to ERISA, or, if subject to Title I of ERISA, a fiduciary with at least \$50 million of client assets under management and control, and in all cases financially sophisticated, capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies. This means that "retail" retirement investors are expected to engage the services of an advisor in evaluating this material for any investment decision. If your understanding is different, we ask that you inform us immediately.

©2021 NB Alternatives Advisers LLC

This material is provided for informational purposes only and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. Information is obtained from sources deemed reliable, but there is no representation or warranty as to its accuracy, completeness or reliability. All information is current as of the earlier of the dates specified herein or the date of this presentation and is subject to change without notice. Any views or opinions expressed may not reflect those of the firm as a whole. Neuberger Berman products and services may not be available in all jurisdictions or to all client types. Investing entails risks, including possible loss of principal. Investments in hedge funds and private equity are speculative and involve a higher degree of risk than more traditional investments. Investments in hedge funds and private equity are intended for sophisticated investors only. Indexes are unmanaged and are not available for direct investment. **Past performance is no guarantee of future results.**

All information as of the date indicated. Firm data, including employee and assets under management figures, reflect collective data for the various affiliated investment advisers that are subsidiaries of Neuberger Berman Group LLC (the "firm"). Firm history and timelines include the history and business expansions of

all firm subsidiaries, including predecessor entities and acquisition entities. Investment professionals referenced include portfolio managers, research analysts/associates, traders, product specialists and team-dedicated economists/strategists.

This material is being issued on a limited basis through various global subsidiaries and affiliates of Neuberger Berman Group LLC. Please visit www.nb.com/disclosure-global-communications for the specific entities and jurisdictional limitations and restrictions.

The "Neuberger Berman" name and logo are registered service marks of Neuberger Berman Group LLC.

This document is addressed to professional clients only.

United Kingdom: This document is a financial promotion and is issued by Neuberger Berman Europe Limited, which is authorised and regulated by the Financial Conduct Authority and is registered in England and Wales, at The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ.

European Economic Area (EEA): This is a marketing document and is issued by Neuberger Berman Asset Management Ireland Limited, which is regulated by the Central Bank Ireland and is registered in Ireland, at MFD Secretaries Limited, 32 Molesworth Street, Dublin 2.

Switzerland: For qualified investors use only. This document is provided to you by Neuberger Berman Europe Limited.

Neuberger Berman Europe Limited is also a registered investment adviser with the Securities and Exchange Commission in the US, and the Dubai branch is regulated by the Dubai Financial Services Authority in the Dubai International Financial Centre. Neuberger Berman Europe Limited is an authorised financial services provider with the South African Financial Sector Conduct Authority, FSP number 45020.

This document is presented solely for information purposes and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security.

We do not represent that this information, including any third party information, is complete and it should not be relied upon as such.

No recommendation or advice is being given as to whether any investment or strategy is suitable for a particular investor. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of any investment, and should consult its own legal counsel and financial, actuarial, accounting, regulatory and tax advisers to evaluate any such investment.

It should not be assumed that any investments in securities, companies, sectors or markets identified and described were or will be profitable.

Any views or opinions expressed may not reflect those of the firm as a whole.

All information is current as of the date of this material and is subject to change without notice.

The product described in this document may only be offered for sale or sold in jurisdictions in which or to persons to which such an offer or sale is permitted. The product can only be promoted if such promotion is made in compliance with the applicable jurisdictional rules and regulations.

Indices are unmanaged and not available for direct investment.

An investment in this product involves risks, with the potential for above-average risk, and is only suitable for people who are in a position to take such risks.

Past performance is not a reliable indicator of current or future results. The value of investments may go down as well as up and investors may not get back any of the amount invested. The performance data does not take account of the commissions and costs incurred on the issue and redemption of units.

The value of investments designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital.

Tax treatment depends on the individual circumstances of each investor and may be subject to change. Investors are therefore recommended to seek independent tax advice.

Investment in this strategy should not constitute a substantial proportion of an investor's portfolio and may not be appropriate for all investors. Diversification and asset class allocation do not guarantee profit or protect against loss.

No part of this document may be reproduced in any manner without prior written permission of Neuberger Berman Europe Limited.

The "Neuberger Berman" name and logo are registered service marks of Neuberger Berman Group LLC.