Template Website Disclosures for Article 8 funds

Article 10 EU Sustainable Finance Disclosure Regulation ("**SFDR**") disclosure – in accordance with Chapter IV, Section 2 of Delegated Regulation 2022 / 1288 ("**Level 2 RTS**")

Sustainability-related Disclosures section of the NB Website

In accordance with Article 10 of the SFDR, and Chapter IV, Section 2 of Delegated Regulation (EU) 2022/1288, this document provides information on the environmental and social characteristics promoted by the Neuberger Berman Japan Equity Engagement Fund and the methodologies that are used to assess, measure and monitor these characteristics.

Defined terms used in this disclosure (unless defined herein) are as set out in Portfolio offering documents. Terms used in the summary have the same meaning as in the rest of this website disclosure.

Neuberger Berman Japan Equity Engagement Fund (the "Portfolio")	
Summary	The Portfolio is categorised as an Article 8 financial product for the purposes of SFDR. As part of the investment process, the investment team considers a variety of environmental and social characteristics, as detailed below. These environmental and social characteristics are considered using a Neuberger Berman ("NB") proprietary ESG score which is bespoke to the Japanese market. The NB proprietary ESG score considers engagement potential as key components in its scoring model. The NB proprietary ESG score also considers the environmental and social characteristics identified in the NB materiality matrix, which is based on the Sustainability Accounting Standards Board ("**SASB**") materiality framework.
No Sustainable Investment Objective	This Portfolio promotes environmental or social characteristics, but does not have as its objective sustainable investment.
Environmental or social characteristics promoted by the Portfolio	The following environmental and social characteristics are considered, where relevant to the specific industry and issuer, as part of the NB ESG Quotient rating: **Environmental Characteristics**: air quality; biodiversity & land use; energy management; environmental risk exposure; fuel economy; greenhouse gas ("**GHG**") emissions; opportunities in clean technologies; toxic emissions & waste; water management; packaging lifecycle management; materials sourcing; and product lifecycle management. **Social Characteristics**: access to finance; access to healthcare; community relations; data privacy & security; employee incentives & risk taking; health & nutrition; health & safety; human capital development; labour management; product safety & integrity; supply chain labour standards; workforce diversity & inclusion; pricing transparency; and responsible marketing.
Investment Strategy	The objective of the Portfolio is to achieve a target average return of 3% over the MSCI Japan Small Cap Net Index (Total Return, JPY) before fees over a market cycle (typically 3 years) from investing primarily in a portfolio of Japanese equity holdings. The Portfolio will primarily invest in equity securities issued by small and mid-capitalisation companies which have either their head office or exercise an overriding part of their economic activity in Japan and that are listed or traded on Recognised Markets globally. <u>Assessment of Good Governance</u> To objectively evaluate the company's governance framework, the investment team focuses on three key components: 1) diversity and independence, 2) management structure, 3) management vision and execution.

Proportion of Investments	The Portfolio aims to directly hold a minimum of 80% investments that are aligned with the environmental or social characteristics promoted by the Portfolio. The Portfolio does not commit to holding sustainable investments.
Monitoring of environmental or social characteristics	The investment team considers a variety of sustainability indicators to measure the environmental and/or social characteristics promoted by the Portfolio, including: (a) the NB proprietary ESG score; (b) Climate Value-at-Risk ("**CVaR**"); and (c) NB ESG exclusion policies.
Methodologies for environmental or social characteristics	The investment team will track and report on the performance of the above sustainability indicators. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Portfolio and will be included in the Portfolio's mandatory periodic report.
Data sources and processing	ESG data inputs are derived from multiple datasets including international financial organisations, external vendors, company direct disclosures, company indirect disclosures, development agencies and specialty ESG research providers. ESG data feeds are monitored and reconciled by our data quality assurance team and critical data elements are closely reviewed as part of internal reporting.
Limitations to methodologies and data	Limitations in both methodology and data are listed under this heading in the main body of the website disclosure. Neuberger Berman is satisfied that such limitations do not affect the promotion of environmental or social characteristics as explained further under this heading in the main body of the website disclosure.
Due Diligence	Before making investments, Neuberger Berman will conduct reasonable and appropriate due diligence based on the facts and circumstances applicable to each investment.
Engagement Policies	Engagement is an important component of the Portfolio's investment process.
Designated Reference Benchmark	N/A

SFDR Level 2 Article 8 website disclosure – Neuberger Berman Japan Equity Engagement Fund (the "Portfolio")

In accordance with Article 10 of the SFDR, and Chapter IV, Section 2 of Delegated Regulation (EU) 2022/1288, this document provides information on the social and environmental characteristics promoted by the Neuberger Berman Japan Equity Engagement Fund and the methodologies that are used to assess, measure and monitor these characteristics.

Defined terms used in this disclosure (unless defined herein) are as set out in Portfolio offering documents. Terms used in the summary have the same meaning as in the rest of this website disclosure

No sustainable investment objective of the financial product

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment. The financial product will not make any sustainable investments.

Environmental or social characteristics of the financial product

As part of the investment process, the Sub-Investment Manager considers a variety of environmental and social characteristics (see below) as part of its scoring model. The Sub-Investment Manager applies a Neuberger Berman ("**NB**") proprietary ESG score which is bespoke to the Japanese market. The NB proprietary ESG score also considers engagement potential as key components in its scoring model. The NB proprietary ESG score also considers the environmental and social characteristics identified in the NB materiality matrix, which is based on the Sustainability Accounting Standards Board ("**SASB**") materiality framework. The NB materiality matrix focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk and opportunity for each sector.

The following environmental and social characteristics are considered, where relevant to the specific industry and company, as part of the NB proprietary ESG score:

- ***Environmental Characteristics***: air quality; biodiversity & land use; energy management; environmental risk exposure; fuel economy; greenhouse gas ("**GHG**") emissions; opportunities in clean technologies; toxic emissions & waste; water management; packaging lifecycle management; materials sourcing; and product lifecycle management.

- ***Social Characteristics***: access to finance; access to healthcare; community relations; data privacy & security; employee incentives & risk taking; health & nutrition; health & safety; human capital development; labour management; product safety & integrity; supply chain labour standards; workforce diversity & inclusion; pricing transparency; and responsible marketing.

Promotion of these environmental and social characteristics will be measured through the NB proprietary ESG score, and will be reported in aggregate in the Portfolio's mandatory periodic report template (as per the requirements of Article 11 of SFDR).

The NB materiality matrix will evolve over time and all sector specific ESG characteristics included therein are reviewed annually to ensure that the most pertinent sector specific ESG characteristics are captured through the NB materiality matrix. Accordingly, the environmental and social characteristics considered as part of the NB proprietary ESG score are subject to change. For the avoidance of doubt, if the environmental or social characteristics considered as part of the NB proprietary ESG score change, this website disclosure document will be updated accordingly.

Exclusions are also applied (as further set out below) as part of the construction and ongoing monitoring of the Portfolio. These represent additional environmental and social characteristics promoted by the Portfolio.

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Portfolio.

Investment strategy

The objective of the Portfolio is to achieve a target average return of 3% over the MSCI Japan Small Cap Net Index (Total Return, JPY) before fees over a market cycle (typically 3 years) from investing primarily in a portfolio of Japanese equity holdings.

The Portfolio will primarily invest in equity securities issued by small and mid-capitalisation companies which have either their head office or exercise an overriding part of their economic activity in Japan and that are listed or traded on Recognised Markets globally.

The Sub-Investment Manager will employ a research driven, bottom-up, fundamental approach to stock selection, with a long term perspective that combines both quantitative analysis and qualitative judgment to identify investments that the Sub-Investment Manager considers to be attractive and have the potential to increase their corporate value and achieve sustainable growth, through active engagement i.e. constructive and purposeful dialogue, based upon a deep understanding of the investment company and their business environment.

ESG considerations are integrated throughout the investment process: starting with investment universe screening, followed by company-level due diligence, and finally the NB proprietary ESG score that ultimately helps determine the company’s weighting in the portfolio.

The Sub-Investment Manager believes engaging companies on financially material issues such as capital management and ESG topics enables them to improve the fundamental quality of their holdings over the medium to longer term horizon. The Sub-Investment Manager also believes that in addition to the engagement of capital management and corporate governance elements, which often other asset managers try to focus on, engagement of environment and social responsibility issues enhances long term sustainability of the company's business. These factors are inextricably linked and for this reason the responsibility of the strategy’s ESG analysis and engagement, including proxy voting, rests on the investment team and not on a separate entity such as a stewardship or responsible investing team. This ensures that the Sub-Investment Manager’s engagement on material ESG issues is linked to factors that move the needle specifically for the business and ultimately performance of the portfolio. The Sub-Investment Manager believes core to the success of engagement is 1) to select the right companies, which is based on in-depth qualitative/quantitative analysis and dialogue with the management, and 2) set clear engagement plans and roadmaps based on past successes and know-how from other teams.

ESG characteristics are considered at three different levels:

I. Integrating proprietary ESG analysis:

   As noted above, for environment and social responsibility issues, the Sub-Investment Manager takes a top-down approach, through the NB proprietary ESG score. The NB proprietary ESG score leverages the NB materiality matrix to identify the sustainability factors that could have a material impact on the sustainability of the company. The Sub-Investment Manager will then scrutinize these issues with respect to the business model, value chain, growth phase of the company, and competitive position to highlight high-priority issues that need to be addressed immediately. This is done through on-the-ground research combing through years of publicly available company disclosure and through meetings with the company, competitors, suppliers, clients, and external research providers, if available.

II. Engagement:

As noted above, once the Portfolio has invested in a company, the Sub-Investment Manager will set an engagement objective and a customized strategy to address the financially material issues identified in the scoring process. The Sub-Investment Manager’s engagement with portfolio holdings is aimed at helping these companies achieve long-term growth. As long-term investors focused on bottom-up stock selection, the Sub-Investment Manager believes that through in-depth engagement on capital management, financially material environment and social issues, and corporate governance, they can help the company sustain a growth profile over the long-term that will ultimately contribute to the Portfolio's performance. The Sub-Investment Manager's experience engaging with companies has shown that smaller companies require more time and resources to address these issues (average 2-3 years for environmental and social issues). Hence, given this relatively lengthy process, the Sub-Investment Manager has adopted a milestone system to ensure engagement remains on track to achieve the objective.

III. ESG sectoral exclusion policies:

To ensure that the environmental and social characteristics promoted by the Portfolio can be attained, the Portfolio will apply the ESG exclusion policies explained in more detail in the “Methodologies for environmental or social characteristics” section.

<u>Policy to assess good governance practices of the investee companies</u>

On corporate governance, the Sub-Investment Manager employs a bottom-up approach assessing the company’s governance framework on a case-by-case basis. This is based on the Sub-Investment Manager’s view that a company’s corporate governance evolves in accordance with the growth phase of the business. However, a key underlying theme within the Sub-Investment Manager’s analysis is the protection of shareholder rights and management’s commitment to growing corporate value over the long-term. To objectively evaluate the company’s governance framework, the Sub-Investment Manager focuses on three key components: 1) diversity and independence, 2) management structure, 3) management vision and execution.

On diversity and independence, the Sub-Investment Manager looks for boards with an appropriate level of independence and a strong representation of not just gender but also of skill set and experience that can help foster dynamic discussions about the company’s long-term strategy while also ensuring adequate monitoring of management.

On management structure, the Sub-Investment Manager looks for frameworks that protect and safeguard the contribution of independent executives in the overall board structure.

Finally, on management vision and execution, the Sub-Investment Manager looks for management to set a long-term vision and for the current business plan to be designed to achieve that goal from both a capital management and sustainability standpoint. The goal of this corporate governance analysis is to ensure that management continues to run the business to achieve sustainable long-term growth for the sake of all shareholders. In the event that the investment holding undertakes poor corporate-governance action(s) that the Sub-Investment Manager believes will be detrimental to shareholder rights and ultimately to the long-term sustainable growth of the company, the Sub-Investment Manager will analyse the severity of the incident and will reflect this in the NB proprietary score accordingly. Concurrently, the Sub-Investment Manager will engage the company to address the issue(s) in an appropriate and timely manner. However, if the Sub-Investment Manager believes the issue is not rectifiable via engagement, it may choose to further lower the score and/or exit the position.

Proportion of investments

The Portfolio aims to hold a minimum of 80% investments that are aligned with the environmental or social characteristics promoted by the Portfolio. The Portfolio does not commit to holding sustainable investments. The Portfolio aims to hold a maximum of 20% investments that are not aligned with the environmental or social characteristics promoted by the Portfolio and are not sustainable investments, and which fall into the “Other” section of the Portfolio.

Please note that while the Sub-Investment Manager aims to achieve the asset allocation targets outlined above, these figures may fluctuate during the investment period and ultimately, as with any investment target, may not be attained.

The exact asset allocation of this Portfolio will be reported in the Portfolio’s mandatory periodic report SFDR template, for the relevant reference period. This will be calculated based on the average of the four quarter ends.

The Sub-Investment Manager has calculated the proportion of environmentally and/or socially aligned investments in the Portfolio by reference to the proportion of companies in the Portfolio: i) that hold an NB proprietary score or a third party equivalent ESG rating that is used as part of the portfolio construction and investment management process of the Portfolio; and/or ii) with whom the Sub-Investment Manager has engaged directly. The calculation is based on a mark-to-market assessment of the Portfolio. This calculation may rely on incomplete or inaccurate company or third party data.

While the Portfolio may use derivatives for efficient portfolio management, investment purposes and/or hedging, it will not use derivatives to promote environmental or social characteristics.

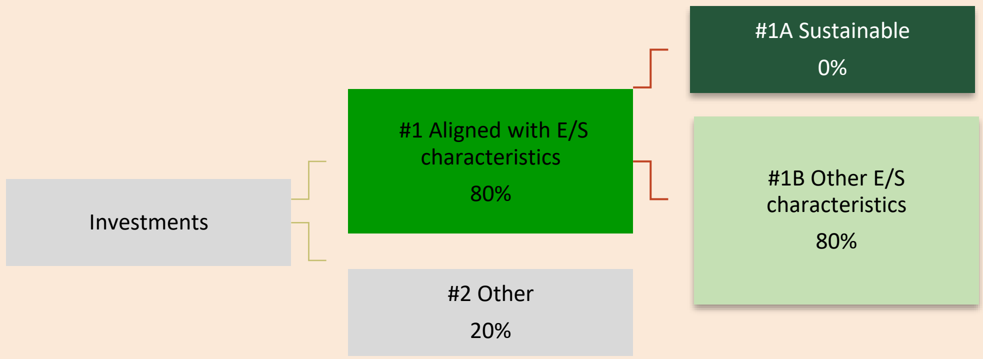
“Other” includes the remaining investments of the financial product (including but not limited to any derivatives or any security collateralized by a pool of similar assets or receivables listed in the Supplement for the Portfolio) which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The “Other” section in the Portfolio is held for a number of reasons that the Sub-Investment Manager feels will be beneficial to the Portfolio, such as, but not limited to, achieving risk management, and/or to ensure adequate liquidity, hedging and collateral cover.

The Portfolio will be invested in compliance with ESG exclusion policies, on a continuous basis. This ensures that investments made by the Portfolio seek to align with international environmental and social safeguards such as the United Nations Global Compact Principles (“**UNGC Principles**”), United Nations Guiding Principles on Business and Human Rights (“**UNGPs**”), OECD Guidelines for Multinational Enterprises (“**OECD Guidelines**”) and International Labour Organization Standards Conventions (“**ILO Standards**”), captured through the NB Global Standards Policy.

The Sub-Investment Manager believes that these policies prevent investment in companies that most egregiously violate environmental and/or social minimum standards and ensures that the Portfolio can successfully promote its environmental and social characteristics.

The above steps ensure that robust environmental and social safeguards are in place.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

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

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Monitoring of environmental or social characteristics

Following investment, the Sub-Investment Manager monitors investee companies on an ongoing basis to track their performance with respect to environmental and social characteristics. In particular, the Sub-Investment Manager will track and report on the performance of (i) the NB proprietary ESG score; (ii) the Climate Value at Risk ("**CVaR**"); and (iii) the adherence to the ESG exclusion lists applied to the Portfolio. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Portfolio and will be included in the Portfolio's mandatory periodic report (as per the requirements of Article 11 of SFDR).

Methodologies for environmental or social characteristics

The following sustainability indicators will be used to measure the environmental and/or social characteristics promoted by the Portfolio. These are listed below:

I. The NB proprietary ESG score:

The NB proprietary ESG score (as explained in the section headed "Environmental or social characteristics of the financial product") is used to measure the environmental and social characteristics promoted by the Portfolio. Foundational to the NB proprietary ESG score is the proprietary NB materiality matrix (which, as explained above, is based on the SASB materiality framework). The NB materiality matrix focuses on the ESG characteristics that are considered to be the most likely to be the material drivers of ESG risk for each sector. Each sector criteria is constructed using third party and internally derived ESG data and supplemented with internal qualitative analysis, leveraging the Sub-Investment Manager's analyst team's significant sector expertise.

The NB proprietary ESG score assigns weightings to environmental, social and governance factors for each sector to derive an NB proprietary ESG score for companies held by the Portfolio. Companies with a favourable and/or an improving NB proprietary ESG score receive higher scores, which is a key area of consideration in raising the companies' weight in the Portfolio. Conversely, companies with a poor NB proprietary ESG score, especially where a poor NB proprietary ESG score is not being addressed by a company, are more likely to receive lower scores that could result in reducing the companies' weight in the Portfolio. In addition, constructive engagements are undertaken with holding companies to support their efforts in addressing key issues the Sub-Investment Manager deems critical to the company's business fundamentals and long-term growth including material environment and social issues.

II. Climate Value-at-Risk:

CVaR measures the exposure to transition and physical climate risks. CVaR is a scenario analysis tool evaluating economic risks under various degree scenarios (i.e., the amount of warming targeted) and potential regulatory environments in varying countries. On a holistic basis the results are evaluated by the Sub-Investment Manager's portfolio managers and analysts. CVaR provides a framework for identifying climate-risk over the long-term to assist in understanding how companies can shift their operations and risk practices over time. The scenario analysis can serve as a starting point for further bottom-up analysis and identifying potential climate-related risks to address through company engagement. Due to data limitations, CVaR is not applied across all companies held by the Portfolio and is instead limited to the top 10 companies in the Portfolio, which the Sub-Investment Manager believes have the highest climate transition risk and the companies for which the Sub-Investment Manager has sufficient and reliable data. The analysis from CVaR is reviewed at least once a year.

III. ESG exclusion policies:

To ensure that the environmental or social characteristics promoted by the Portfolio can be attained, the Portfolio will not invest in companies whose activities breach the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy. In addition to the application of the Neuberger Berman Thermal Coal Involvement Policy, the Sub-Investment Manager will prohibit the initiation of new investment positions in securities issued by companies that (i) derive more than 25% of their revenue from thermal coal mining; or (ii) are expanding new thermal coal power generation. Furthermore, investments held by the Portfolio will not invest in companies whose activities have been identified as breaching the Neuberger Berman Global Standards Policy which excludes violators of (i) the UNGC Principles, (ii) the OECD Guidelines, (iii) the UNGPs and (iv) the ILO Standards.

Additionally, the Portfolio will also apply the Sustainable Exclusion Policy. Further details on these ESG exclusion policies are set out in the "Sustainable Investment Criteria" section of the main body of the Prospectus.

Data sources and processing

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

ESG data is a key domain and part of our internal data governance with an assigned ESG Data Steward and a dedicated ESG Technology team. The ESG Data Steward has periodic engagements with ESG data vendors to discuss issues such as data coverage and will evaluate options to help resolve data gaps. Subscription to multiple data vendors enables us to evaluate company coverage and quality of data between vendors. In addition, our investment teams continue to explore new data products and vendors to evaluate potential enhancements to our existing data coverage.

ESG data feeds are monitored and reconciled by our data quality assurance team and critical data elements are closely reviewed as part of internal reporting. ESG Data is integrated throughout the firm's operating management system, compliance and risk management systems, providing all stakeholders transparency into portfolio ESG metrics in real time.

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

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

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

We expect that a low proportion of data will be estimated. The proportion of data that is estimated will depend on the composition of investee companies – the nature of their business and sectors in which they operate. We expect that data availability and quality will improve as the market and methods for obtaining and reporting data mature.

Limitations to methodologies and data

Limitations in both methodology and data include but are not limited to:

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

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

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

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

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

- as noted above, we periodically engage with data vendors on data quality, and the third party sources relied upon are the same as those relied upon by the broader market and so are likely to be refined as the market for products with environmental or social characteristics matures;
- we engage directly with management teams of corporate issuers through a robust ESG engagement program; and
- each investment opportunity's environmental and social characteristics are evaluated in detail, in accordance with our internal frameworks and using a variety of data sources, having regard to these limitations as well (where appropriate).

Due diligence

Before making investments, the investment team will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The investment team will assess the investment's compliance with the environmental and social characteristics promoted by the product using (as appropriate) internal analyses, screens, tools and data sources, and may also evaluate other important and complex environmental, social and governance issues related to the investment. The investment team may select investments on the basis of information and data filed by the issuers of such securities with various regulatory bodies or made directly available to Neuberger Berman by the issuers of the securities and other instruments or through sources other than the issuers.

The Portfolio will not invest in securities issued by issuers whose activities breach the Neuberger Berman Controversial Weapons Policy and the Neuberger Berman Thermal Coal Involvement Policy.

Furthermore, the Portfolio does not invest in securities issued by issuers whose activities breach the Neuberger Berman Global Standards Policy. Please see above for a full list of the ESG exclusion policies applied by the Portfolio.

The Neuberger Berman Controversial Weapons Policy, Neuberger Berman Thermal Coal Involvement Policy and the Global Standards Policy are subject to internal review by the Neuberger Berman ESG Committee. The implementation of the Global Standards Policy is managed by the Neuberger Berman Asset Management Guideline Oversight Team in collaboration with legal and compliance.

The investment professionals responsible for portfolio management are the first step in maintaining compliance with the Portfolio's investment guidelines and ESG exclusions. While we look to the investment professionals as the first step in the compliance process, we recognize the need for additional, independent oversight. To this end, a rigorous risk management framework is established that features dedicated investment and operational risk teams inclusive of independent guidelines oversight such as ESG exclusions who work to protect client assets and our reputation. Our risk professionals act as an independent complement to each investment team's portfolio construction process, driving investment and operational risk reviews in collaboration with other control units of the firm, such as information technology, operations, legal and compliance, asset management guideline oversight and internal audit.

Engagement policies

As noted above, once the Portfolio has invested in a company, the Sub-Investment Manager will set an engagement objective and a customized strategy to address the financially material issues identified in the scoring process. The Sub-Investment Manager’s engagement with portfolio holdings is aimed at helping these companies achieve long-term growth. As long-term investors focused on bottom-up stock selection, the Sub-Investment Manager believes that through in-depth engagement on capital management, financially material environment and social issues, and corporate governance, they can help the company sustain a growth profile over the long-term that will ultimately contribute to the Portfolio's performance. The Sub-Investment Manager's experience engaging with companies has shown that smaller companies require more time and resources to address these issues (average 2-3 years for environmental and social issues). Hence, given this relatively lengthy process, the Sub-Investment Manager has adopted a milestone system to ensure engagement remains on track to achieve the objective.

Designated reference benchmark

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Portfolio.