

NEUBERGER

Wealth

Neuberger IA Fiduciary Recommendation Disclosure for Covered ERISA and IRA Accounts

Neuberger Berman Investment Advisers LLC

Overview

This Neuberger IA Fiduciary Recommendation Disclosure for Covered ERISA and IRA Accounts (“Neuberger IA Fiduciary Recommendation Disclosure”) provides additional information to employee benefit plans subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and plans subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the “IRC” or the “Code”) in respect of certain recommendations made by Neuberger Berman Investment Advisers LLC (“Neuberger IA,” “us,” “our,” or “we”) and its wealth advisors or portfolio managers, in their capacity as associated persons of Neuberger IA (“Neuberger IA Advisers” and such plans, collectively, “Plan Clients”).

Neuberger IA provides non-discretionary and discretionary advice with respect to strategy selection for Plan Clients that invest through Neuberger’s Wealth Advisory Program (“Non-Discretionary Program” and “Discretionary Program,” respectively, and collectively, the “Advisory Program”). For Plan Clients in the Discretionary Program, Neuberger IA provides non-discretionary advice with respect to potential investments in closed-end funds registered under the Investment Company Act of 1940, as amended (the “Investment Company Act” and such funds, “Closed-End Registered Funds”) and privately offered investment vehicles that provide for periodic liquidity (“Liquid Private Funds”) that are available in the Advisory Program. Where Neuberger IA or a Neuberger IA Adviser provides individualized recommendations to a Plan Client in the Advisory Program based on Plan Client’s particular needs with respect to any Neuberger IA Fiduciary Recommendation (as defined below), Neuberger IA (and the relevant Neuberger IA Adviser) is a fiduciary within the meaning of ERISA for those Plan Clients subject to Title I of ERISA, and Section 4975(e)(3) of the Code for those Plan Clients subject to Section 4975 of the Code.

In addition to this Neuberger IA Fiduciary Recommendation Disclosure, Plan Clients should also carefully review Neuberger IA’s Form ADV Part 2A (the “Neuberger IA ADV Brochure”) for additional disclosure and information related to Neuberger IA Fiduciary Recommendations.

Where Neuberger IA makes Neuberger IA Fiduciary Recommendations to a Plan Client, it may rely upon one or more exemptions, including, among others, Prohibited Transaction Exemption 2020-02 from rules under Title I of ERISA and/or Section 4975 of the Code, as may be applicable (“PTE 2020-02”), that are intended to regulate conflicts of interests. PTE 2020-02 is designed to permit Neuberger IA and Neuberger IA Advisers to provide Neuberger IA Fiduciary Recommendations in your Best Interest (as defined below) under a fiduciary standard of care (as defined under ERISA and the Code) while adhering to prescribed conditions designed to mitigate conflicts.

Neuberger IA Fiduciary Recommendations

Neuberger IA (and the Neuberger IA Adviser) will be deemed to be an “investment advice” fiduciary for purposes of ERISA and the Code when Neuberger IA or a Neuberger IA Adviser makes individualized recommendations based on Plan Client’s particular needs concerning the following (each of the following, when individualized based on Plan Client’s particular needs, a “Neuberger IA Fiduciary Recommendation”):

- (i) for Plan Clients in the Non-Discretionary Program, Plan Client’s asset allocation as among strategies available through the Advisory Program; and
- (ii) for Plan Clients in the Discretionary Program, Plan Client’s potential investment in Closed-End Registered Funds and Liquid Private Funds available through the Advisory Program.

Transactions and services provided by Neuberger IA and its affiliates (“Neuberger”) arising out of Neuberger IA Fiduciary Recommendations that may be subject to ERISA’s and the Code’s conflict of interest rules may be covered by PTE 2020-02 and under other applicable exemptions. From time to time, Neuberger may utilize one or more other prohibited transaction exemptions, to the extent they may be necessary or appropriate.

Requirements under PTE 2020-02

The way Neuberger IA and Neuberger IA Advisers make money creates some conflicts with the interests of Plan Clients, so Neuberger IA and Neuberger IA Advisers may operate under PTE 2020-02 with respect to Neuberger IA Fiduciary Recommendations. PTE 2020-02 requires Neuberger IA and Neuberger IA Advisers to satisfy the Care Obligation and Loyalty Obligation (each as defined below).

Under PTE 2020-02's provisions, Neuberger IA and Neuberger IA Advisers must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put the financial interests of Neuberger IA or Neuberger IA Advisers (or their affiliates) ahead of Plan Client's when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees and investments;
- Follow policies and procedures designed to ensure that Neuberger IA and Neuberger IA Advisers give advice that is in Plan Client's best interest;
- Charge no more than is reasonable for Neuberger IA's services; and
- Give Plan Client basic information about conflicts of interest.

Advice meets the "Care Obligation" if, with respect to a Neuberger IA Fiduciary Recommendation to a Plan Client, the advice reflects the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk tolerance, financial circumstances, and needs of Plan Client. Advice meets the "Loyalty Obligation" if, with respect to a Neuberger IA Fiduciary Recommendation to a Plan Client, the advice does not place the financial or other interests of Neuberger IA, the Neuberger IA Adviser, or other party ahead of the Plan Client, or subordinate the Plan Client's interests to those of Neuberger IA, the Neuberger IA Adviser, or other party. In addition, neither Neuberger IA nor the Neuberger IA Adviser may make statements (whether written or oral) to Plan Client about a Neuberger IA Fiduciary Recommendation or any other relevant matter that are materially misleading at the time statements are made (including omitting information that is needed to prevent the statement from being misleading to Plan Client under the circumstances), and neither Neuberger IA nor any Neuberger IA Adviser will be insulated or relieved of liability that is imposed upon either as a fiduciary under ERISA and the Code, as may be applicable, when making Neuberger IA Fiduciary Recommendations. When effecting securities transactions arising out of Neuberger IA Fiduciary Recommendations, Neuberger IA and the Neuberger IA Adviser must seek to obtain best execution reasonably available under the circumstances in accordance with applicable securities rules. Finally, the compensation Neuberger IA and the Neuberger IA Adviser receive directly or indirectly arising out of any Neuberger IA Fiduciary Recommendation must not exceed reasonable compensation under applicable ERISA guidance and related guidance under the Code. Under the exemption, Neuberger IA is required to establish, maintain and enforce written policies and procedures prudently designed to ensure satisfaction of these "Impartial Conduct Standards." PTE 2020-02 also contains additional requirements concerning our compliance. For more information, see <https://www.federalregister.gov/documents/2020/12/18/2020-27825/prohibited-transaction-exemption-2020-02-improving-investment-advice-for-workers-and-retirees> and <https://www.federalregister.gov/documents/2024/04/25/2024-08066/amendment-to-prohibited-transaction-exemption-2020-02>.

Conflicts of Interest

The way Neuberger IA and Neuberger IA Advisers make money creates some conflicts with the interests of Plan Clients. For this purpose, a conflict of interest is defined as "an interest that might incline a financial institution or an investment professional-consciously or unconsciously-to make a recommendation that is disinterested."

Where possible, Neuberger IA has taken steps to mitigate or eliminate material conflicts of interest associated with Neuberger IA Fiduciary Recommendations. For a detailed discussion of the material conflicts of interest associated with Neuberger IA Fiduciary Recommendations, please see Neuberger IA's Conflict Disclosures at <https://www.nbprivatewealth.com/conflicts-disclosure-nbia>.

Material Facts About Neuberger IA's Relationship With You

The material fees and costs that apply to Neuberger IA Fiduciary Recommendations made by Neuberger IA to Plan Client and the type and scope of services provided to Plan Client, including any material limitations on the recommendations that may be made to Plan Client, are provided in the Neuberger IA ADV Brochure and the agreement between Plan Client and Neuberger IA.