

March 2023

## Conflict Disclosures for Retail Clients

### Neuberger Berman Canada ULC

Neuberger Berman Canada ULC ("NB Canada") is registered with the Securities and Exchange Commission ("SEC") as an investment adviser. NB Canada is an indirect subsidiary of Neuberger Berman Group LLC ("NBG"). NBG is a holding company, the subsidiaries of which (collectively referred to herein as the "Firm" or "Neuberger Berman") provide a broad range of global investment solutions — equity, fixed income, multi-asset class and alternatives — to institutions and individuals through products including separately managed accounts, registered funds and private investment vehicles. As a global investment firm providing various advisory, brokerage and other services, the Firm engages in and will continue to engage in activities that conflicts with the interests of its retail clients and their investments.

Generally, a conflict of interest involves a scenario that could create an incentive for NB Canada or its portfolio managers, in their capacity as supervised persons of NB Canada ("NB Canada Advisers"), to serve one interest over another interest or obligation. Conflicts of interest that arise include the Firm, NB Canada or NB Canada Advisers serving the interest of NB Canada or the Firm over that of a retail client, NB Canada or NB Canada Advisers serving the interest of one client or group of clients over those of other clients, or NB Canada Advisers serving their own interests over those of the Firm, NB Canada or its retail clients.

The following summarizes certain conflicts of interest that exist with respect to NB Canada's business and its retail clients. The Firm has adopted policies and procedures reasonably designed to comply with applicable law (including their fiduciary duty under ERISA (as defined below)) and reduce and manage many of the conflicts described below, but it cannot eliminate or mitigate all conflicts. Please see NB Canada's Form ADV, Part 2A brochure at <https://www.nb.com/en/us/regulatory-disclosures/form-adv-part-2a-canada-ulc> or contact your NB Canada Adviser for additional information regarding NB Canada and its advisory services, or your investment advisory account(s).

Currently, NB Canada's retail client base in the United States is made up entirely of clients for which NB Canada is providing sub-advisory services through its affiliate, Neuberger Berman Investment Advisers LLC. These Conflicts Disclosures should be read in conjunction with NBIA's Conflicts Disclosures at <https://www.nb.com/en/us/regulatory-disclosures/conflicts-disclosure-nbia>.

If you are not a retail client and would like additional information regarding the services provided to you by NB Canada, please contact your NB Canada Adviser.

## Compensation of NB Canada and NB Canada Advisers

In general, most NB Canada Advisers are compensated based on the revenues generated by NB Canada and its affiliates with respect to the clients they cover. NB Canada Advisers are eligible to participate in a compensation pool made available to the NB Canada Adviser's team, the amount of which is determined based on a number of factors including the revenue that is generated by that team. The percentage of revenue received by an NB Canada Adviser or the NB Canada Adviser's team varies across products and strategies. Based on applicable rules and consistent with NB Canada's fiduciary duties under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), NB Canada has established additional limitations on the compensation of NB Canada Advisers with respect to the revenue generated by clients that are employee benefit plans subject to Title I of ERISA or plans or individual retirement accounts ("IRAs") subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code," and such plans and accounts subject to Title I of ERISA or Section 4975 of the Code, collectively, "Plans").

### CONFLICTS:

Because NB Canada and NB Canada Advisers are generally compensated based on the revenues generated, this creates an incentive for NB Canada and NB Canada Advisers to increase the amount of assets invested with NB Canada and its affiliates. In addition, in certain cases, NB Canada Advisers receive a fixed amount and are eligible for special payouts upon hitting certain targets, which creates an incentive for NB Canada Advisers to take actions to hit those targets. To increase the amount of assets invested with NB Canada and its affiliates (whether to increase revenue—and therefore compensation — or to hit certain targets), NB Canada and NB Canada Advisers have an incentive to promote or recommend that retail clients or prospective retail clients invest more of their money with NB Canada and its affiliates, including by transferring assets from other managers to NB Canada for NB Canada to manage and rolling over the assets from a client's workplace retirement plan (e.g., a 401K plan) to an IRA managed by NB Canada.

Similarly, on a limited basis, NB Canada and NB Canada Advisers have an incentive to promote or recommend trading on margin and investing in overlay strategies. Both of those actions would increase the assets managed by NB Canada and, accordingly, the revenue generated from the retail client, but meanwhile, increase the amount of money that the client stands to lose.

## Separate Accounts

### Generally

NB Canada provides discretionary investment advisory services to clients through separately managed accounts ("NB SMAs"). NB SMAs will generally be invested in individual securities, but from time to time, the portfolio managers of an NB SMA ("NB SMA Managers") will invest NB SMA assets in mutual funds or ETFs (including those managed by NB Canada or an affiliate ("NB Mutual Fund" or "NB ETFs," respectively)). In most cases, retail clients' NB SMAs are charged an "all-inclusive" advisory fee that includes the brokerage fees of NB Canada's broker-dealer affiliate, Neuberger Berman BD LLC ("NBBD"). Most NB SMAs have a "balanced" fee schedule where the annual investment advisory fee ranges between 0.450% and 1.750% for equity securities (and all other assets, including cash, not held for permanent investment in fixed income securities), and is up to 0.750% for fixed income securities (and all other assets, including cash, of the account being held for permanent investment in fixed income securities). For each NB SMA that is on a "balanced" fee schedule, the retail client will select an equity investment goal ("EIG") that represents the NB SMA's target allocation to equity. Where NB SMA assets are invested in an NB Mutual Fund or NB ETF, any advisory fees incurred as an investor in the NB Mutual Fund or NB ETF will be offset in accordance with the terms and conditions of the client's advisory agreement and the Firm's policies and procedures.

There are a limited number of existing NB SMAs that are subject to advisory fees pursuant to a customized fee schedule that are not "all-inclusive" (i.e., the accounts will pay separate brokerage commissions and other execution and transaction-related costs), which could result in higher or lower overall costs and reduced performance for NB SMAs billed under these fee schedules.

In each case, advisory fees are charged based on the market value of the relevant assets.

### CONFLICT:

NB Canada has an incentive to encourage NB SMA Managers to invest client assets in NB Mutual Funds or NB ETFs because while the NB Mutual Fund's and NB ETF's advisory fees will be offset, NB Canada or its affiliate will generally retain the administrative fees charged with respect to the NB Mutual Fund or NB ETF.

For those limited number of existing NB SMAs that are subject to advisory fees that are not "all-inclusive" (i.e., the accounts will pay separate brokerage commissions and other execution and transaction-related costs), NB Canada and NB SMA Managers have an incentive to execute more trades to generate more revenue for NBBD (and, because NB Canada Advisers are generally compensated based on revenue generated for NB Canada and its affiliates (including NBBD) more compensation for NB SMA Managers).

To the extent NB Canada wishes to seed or otherwise increase the assets under management ("AUM") of any particular NB Mutual Funds or NB ETFs, NB Canada has an incentive to invest, and to encourage NB SMA Managers to invest, client assets in those NB Mutual Funds or NB ETFs.

See below for further discussion of conflicts associated with performance-based fees.

## Valuation for Fee Calculation Purposes

For NB Canada's advisory services, retail clients typically pay advisory fees that are based on the market value of the client's assets. The value of the client's assets is determined by NB Canada or the client's custodian. NB Canada will generally use independent third-party pricing services or broker quotes to value assets. In certain cases, NB Canada will use its fair valuation procedures to obtain an internally generated valuation.

### **CONFLICT:**

Where NB Canada's advisory fees are based on the market value of a client's assets (including where performance fees based on unrealized gains are a component of NB Canada's compensation) and NB Canada determines the value of the client's assets, NB Canada has an incentive to assign higher values to the assets in order to increase its advisory fees.

## Allocation of Investment Opportunities

NB Canada serves as investment adviser for a number of clients, many of whom pursue similar or overlapping investment strategies. NB Canada considers many factors when allocating investment opportunities among clients, including each client's investment objectives, applicable restrictions, the type of investment, the number of shares purchased or sold, the size of each client's account, and the amount of available cash or the size of an existing position in each client's account. The nature of a client's investment style could preclude it from participating in many investment opportunities, even if the investment would otherwise be permissible under the client's written investment restrictions. Although NB Canada seeks to allocate investments fairly and equitably over time, clients are not assured of participating equally or at all in any particular investment opportunity. While some investments have regulatory eligibility requirements, NB Canada will also, from time to time, impose its own additional eligibility requirements with respect to certain investments.

### **CONFLICT:**

When allocating investment opportunities, especially those that are limited and initial public offerings ("IPOs"), NB Canada and NB Canada Advisers have an incentive to favor certain clients or accounts, such as higher fee-paying accounts (including accounts that are subject to performance fees), larger institutional clients, or clients from whom they are seeking additional business (collectively, "Favored Clients"). In addition, by imposing additional eligibility requirements, NB Canada can further limit the universe of clients to which it will allocate certain investment opportunities. NB Canada has allocation policies in place, including with respect to Private Investments and IPOs, that seek to mitigate those conflicts.

## Family Billing

Based upon particular facts and circumstances and, as permitted by applicable law, NB Canada as a courtesy will, in its sole discretion, permit “family billing” arrangements, where the account values of two or more related retail client accounts are combined for the purpose of reducing the overall fees paid by the account (generally as a result of breakpoints in fee schedules). Family billing arrangements are non- contractual and NB Canada is permitted to terminate family billing arrangements at any time.

### **CONFLICT:**

Because “family billing” would result in the client paying lower fees to NB Canada, and NB Canada and NB Canada Advisers are compensated based on the revenues generated by NB Canada and its affiliates with respect to its retail clients, this creates an incentive for NB Canada and NB Canada Advisers to limit “family billing” arrangements or to combine accounts in a manner that limits the reductions of fees.

## Other Clients

NB Canada and its affiliates provide advisory and other services for many clients. Specifically, NB SMA Managers manage accounts for many clients in accordance with various strategies. Similarly, many NB Canada Advisers manage more than one strategy or more than one product type (e.g., NB SMAs for retail clients, separately managed accounts for institutional and other clients, Private Funds). In most cases, those services, strategies and products will have differing fees.

### **CONFLICTS:**

In providing various services to its retail clients, NB Canada (and NB Canada Advisers) and its affiliates (and their financial professionals) face conflicts of interest with respect to activities performed for, or opportunities recommended or provided to, retail clients, on the one hand, and their other clients on the other hand. For example, in determining how to allocate certain investment opportunities, NB Canada and NB Canada Advisers have an incentive to allocate the best opportunities to certain clients or groups of clients (e.g., Favored Clients), which can mean allocating those opportunities away from other clients. Similarly, NB Canada and NB Canada Advisers have an incentive to dedicate more time and resources to certain clients or groups of clients (e.g., Favored Clients).

NB Canada and NB Canada Advisers have an incentive to use their knowledge of trading for client accounts to generate greater profits from trading in accounts for certain clients or groups of clients (e.g., Favored Clients).

It is possible that, from time to time, the strategy or product to which one retail client is allocated could create or involve conflicts with the strategies or products to which another retail client is allocated. For example, an NB SMA Manager could negotiate a purchase of securities from an issuer for some client accounts that would negatively impact other securities issued by the same issuer held in other client accounts or take an action with respect to some clients’ securities that adversely impact other clients’ interests in securities of the issuer (see “Proxy Voting”, below).

From time to time, NB Canada and NB Canada Advisers will, on behalf of different client accounts, make different investment decisions, including investing in different parts of the same issuer’s capital structure (e.g., equity or debt or different positions in the debt structure), investing in different classes of securities that have different rights or priorities, or taking long and short positions in the same security.

### **CONFLICTS:**

Where NB Canada and NB Canada Advisers, on behalf of different client accounts, make investments in different parts of an issuer’s capital structure, NB Canada could pursue rights and privileges or otherwise make decisions with respect to an issuer (e.g., whether to exercise certain rights or take an action, proxy voting, corporate reorganization, how to exit an investment, or bankruptcy or similar matters) that have, or could have, an adverse effect on some retail client accounts.

NB Canada and NB Canada Advisers could negotiate a purchase of securities from an issuer for some client accounts that would negatively impact other securities issued by the same issuer held in other client accounts.

NB Canada and NB Canada Advisers could refrain from recommending or making certain investments or be limited by law, courts or otherwise in the actions they can recommend or take on behalf of certain clients as a result of the holdings of, or investment decisions made on behalf of, other clients.

If NB Canada and NB Canada Advisers take a short position in a security for certain clients while holding a long position in that security

for certain other clients, the short position could negatively impact the value of the long positions held by certain retail clients.

## Material Non-Public Information/Insider Trading

From time to time, the Firm and its financial professionals (including NB Canada and NB Canada Advisers) can acquire material non-public information ("MNPI"). Where it acquires MNPI, in accordance with the Firm's procedures and applicable law, NB Canada and NB Canada Advisers are prohibited from rendering investment advice or otherwise using MNPI until such time as the information is no longer deemed to be non-public or material. The Firm will further determine whether to share any MNPI between different businesses within the Firm or with certain clients of the Firm. Alternatively, it is possible that the Firm and its financial professionals (including NB Canada and NB Canada Advisers) will, at times, decline to receive MNPI or take actions to avoid obtaining MNPI (e.g., NB Canada could decide not to join a creditor's committee), which could lead to lost investment opportunities.

### CONFLICTS:

If the Firm or its financial professionals (including NB Canada and NB Canada Advisers) acquire MNPI (whether intentionally or unintentionally), that would restrict the ability of NB Canada and NB Canada Advisers from making allocations or investments based on or otherwise using MNPI, even on behalf of retail clients. In those cases when the Firm declines access to (or otherwise does not receive or share within the Firm) MNPI regarding an issuer, NB Canada and NB Canada Advisers could potentially base their investment decisions with respect to assets of that issuer solely on public information, thereby limiting the amount of information available to NB Canada and NB Canada Advisers in connection with the investment decisions. Additionally, when the Firm declines to receive or share MNPI, retail clients could miss the opportunity to make certain investments, such as SPAC PIPEs, that require potential investors to be "brought over the wall" and accept MNPI prior to making the investment.

When considering whether to acquire MNPI, the Firm will attempt to balance the interests of all clients, taking into consideration relevant factors, including the extent of the prohibition on trading that would occur, the size of the Firm's existing position in the issuer, if any, and the value of the information as it relates to the investment decision-making process. Because the interests of its clients could differ, the Firm will be conflicted in making its determination.

## Environmental, Social and Governance ("ESG") Standing

NB Canada and its affiliates often reference their integration of ESG factors in their marketing materials, including certain scores they have been awarded for their overarching approach(es) to ESG strategy and governance and integration across asset classes. In addition, under the terms of one of the Firm's credit agreements, the Firm has an incentive to maintain or improve certain of its ESG ratings.

### CONFLICT:

NB Canada and its affiliates have an incentive to encourage NB Canada Advisers to invest or allocate retail client assets and vote proxies based on ESG factors in order to maintain the Firm's ESG scores or improve the Firm's ESG standing so that the Firm can continue referencing those scores in marketing materials in an effort to attract new clients or additional assets from existing clients, and maintain or improve those scores to retain the interest rate under one of the Firm's credit agreements. The use of ESG factors is not always consistent with maximizing the performance of retail client accounts.

## Proxy Voting

NB Canada generally has voting power with respect to securities in NB SMAs unless the client has not delegated voting power to NB Canada.

### **CONFLICT:**

While NB Canada has a proxy voting policy in place reasonably designed to ensure that NB Canada votes proxies in the best interest of its advisory clients for whom NB Canada has voting authority, it is possible that the Firm will vote proxies in a way that benefits its interests over the interests of clients or the interests of certain clients over other clients. For a copy of NB Canada's proxy voting policy, please visit <http://www.nb.com/proxy-voting> or contact your NB Canada Adviser.

## Personal Trading

From time to time, it is possible that NB Canada and NB Canada Advisers will invest for their own account in equity, fixed income, derivatives or other investments in which NB Canada and NB Canada Advisers also invest retail client assets. Any personal trading activities by NB Canada Advisers are governed by the Firm's Code of Ethics adopted pursuant Advisers Act Rule 204A-1. A copy of the Code is available from your NB Canada Adviser on request.

### **CONFLICTS:**

NB Canada and NB Canada Advisers have an incentive to use their knowledge of trading in client accounts to generate greater profits from trading in their personal accounts.

NB Canada and NB Canada Advisers who have access to client trading information have an incentive to execute a trade in the opposite direction from a client after a trade is executed on the client's behalf in order to receive a better price on a buy or sell.

## Outside Business Activities

In most cases, the Firm requires its employees, including NB Canada Advisers, to disclose outside activities and affiliations to the Firm in writing so that responsible personnel are able to assess the compatibility of the outside affiliation or activity with their role at the Firm. "Outside affiliations" include relationships in which a Firm employee serves as an employee, director, officer, partner or trustee of a public or private organization or company other than the Firm (paid or unpaid), including joint ventures, portfolio investment companies, or non-profit, charitable, civic or educational organizations. In some cases, those relationships are related to employment with the Firm. Additionally, Firm employees are generally prohibited from (i) being employed by another company or engaging in other activities that could interfere or conflict with their service at the Firm, (ii) being employed by, or serving on a board or in an advisory position with, any public company or with other firms in the financial services industry, or (iii) entering into independent non-Firm related business relationships with clients, vendors, or co-workers. Exceptions to these prohibitions can be made in writing on a case-by-case basis by the Legal and Compliance Department. Certain Firm employees serve, under certain limited circumstances, as an executor, trustee, guardian or conservator, with prior approval from the Legal and Compliance Department. Brokerage accounts under control of the employee as a result of their service as an executor, trustee, guardian or conservator must be disclosed in accordance with the Firm's Code of Ethics. The Firm generally permits employees to engage in philanthropic, charitable or other similar pursuits, subject to certain limitations and with prior approval from the Legal and Compliance Department.

### **CONFLICTS:**

Firm employees, including NB Canada Advisers, who spend some portion of their time on non-Firm matters have less time to allocate to managing the retail client accounts.

It is possible that, from time to time, the interests of an outside activity could conflict with the Firm, its clients or their investments.

## Political Contributions

While the Firm does not make political contributions, Firm employees, including NB Canada Advisers, are permitted, in compliance with the Firm's policy and procedures and applicable law, to make political contributions (including in-kind contributions) to government officials and political party committees. Some government officials have influence in awarding government or public pension investment advisory business (i.e., "pay-to-play" practices) or in other actions.

**CONFLICT:**

The Firm's employees, including NB Canada Advisers, have an incentive to make contributions to certain government officials and party committees in order to obtain government or public pension investment advisory business or influence other government actions.

## Gifts and Entertainment

The Firm allows its employees, including NB Canada Advisers, to provide limited business gifts and entertainment to personnel/representatives of clients or prospective clients, subject to the Firm's policies and procedures.

**CONFLICT:**

While the Firm prohibits its employees, including NB Canada Advisers, from providing business gifts or entertainment that is excessive, inappropriate or intended to cause any person to act against the best interests of their employer, the client they represent or those to whom they owe a fiduciary duty, the Firm and its employees, including NB Canada Advisers, have an incentive to provide such gifts and entertainment in order to obtain advisory business or influence the decisions of the recipient.

The Firm allows its employees, including NB Canada Advisers, to accept limited business gifts and entertainment from clients, prospective clients, employees or agents of clients, outside vendors, suppliers, consultants, and other persons or entities with whom the Firm does business, subject to the Firm's policies and procedures.

**CONFLICT:**

While none of the Firm's employees, including NB Canada Advisers, is permitted to accept any gift or entertainment of a significant value or that impairs, or appears to impair, employee ethics, loyalty to the Firm, or ability to exercise sound judgment, the receipt of gifts or entertainment (or the possibility or expectation of any gift or entertainment) could affect the judgment of the Firm's employees, including NB Canada Advisers, when making decisions, including when selecting vendors or other service providers.

## Trade Errors

NB Canada has adopted policies and procedures for correcting trade errors. Errors can result from a variety of situations involving portfolio management (e.g., inadvertent violation of investment restrictions) or trading (e.g., miscommunication of information, such as wrong number of shares, wrong price, wrong account, calling the transaction a buy rather than a sell and vice versa). NB Canada's policies and procedures require that all errors affecting a client account be resolved promptly and fairly upon discovery. Under certain circumstances, the policy provides that trades can, where appropriate, be cancelled or modified prior to settlement. The intent of the policy is to reasonably assure that, if a trade error results in a client's account being in a worse financial position, the account is restored to the appropriate financial position considering all relevant circumstances surrounding the error.

**CONFLICT:**

In situations where correcting a trade error would result in NB Canada bearing financial losses, NB Canada has an incentive to ignore or understate the trade error.

## Vendor Selection

NB Canada utilizes various third-party service providers and vendors in connection with the provision of its advisory services.

**CONFLICT:**

When hiring third party vendors to service customer accounts, NB Canada has an incentive to choose vendors at the lowest possible cost to NB Canada or vendors that provide other financial incentives (e.g., potentially referring clients to NB Canada or its affiliates).