

# PRODUCT KEY FACTS

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## Neuberger Berman Investment Funds plc – Neuberger Berman Emerging Market Debt – Local Currency Fund

7 October 2022

**This statement provides you with key information about this product.**  
**This statement is a part of the offering document.**  
**You should not invest in this product based on this statement alone.**

### Quick facts

<b>Manager:</b>	Neuberger Berman Asset Management Ireland Limited																								
<b>Sub-Investment Managers:</b>	Neuberger Berman Investment Advisers LLC, located in the USA (internal delegation) Neuberger Berman Singapore Pte. Limited, located in Singapore (internal delegation) Neuberger Berman Europe Limited, located in England (internal delegation)																								
<b>Depository:</b>	Brown Brothers Harriman Trustee Services (Ireland) Limited																								
<b>Ongoing charges over a year:</b>	<table><tr><td>AUD A Accumulating Class:</td><td>1.70%<sup>(b)</sup></td></tr><tr><td>AUD A (Monthly) Distributing Class:</td><td>1.70%<sup>(b)</sup></td></tr><tr><td>EUR A Accumulating Class:</td><td>1.68%<sup>(a)</sup></td></tr><tr><td>EUR A (Monthly) Distributing Class:</td><td>1.70%<sup>(b)</sup></td></tr><tr><td>GBP A Accumulating Class:</td><td>1.70%<sup>(b)</sup></td></tr><tr><td>GBP A (Monthly) Distributing Class:</td><td>1.70%<sup>(b)</sup></td></tr><tr><td>HKD A Accumulating Class:</td><td>1.70%<sup>(b)</sup></td></tr><tr><td>HKD A (Monthly) Distributing Class:</td><td>1.70%<sup>(b)</sup></td></tr><tr><td>SGD A Accumulating Class:</td><td>1.70%<sup>(b)</sup></td></tr><tr><td>SGD A (Monthly) Distributing Class:</td><td>1.68%<sup>(a)</sup></td></tr><tr><td>USD A Accumulating Class:</td><td>1.68%<sup>(a)</sup></td></tr><tr><td>USD A (Monthly) Distributing Class:</td><td>1.68%<sup>(a)</sup></td></tr></table> <p>(a) This figure is based on the audited financial statements of the Fund for the period ended 31 December 2021 expressed as a percentage of the average net asset value of the relevant class for the same period. These figures may vary from year to year.</p> <p>(b) This share class has been established and is available for subscription by Hong Kong investors. As this share class has not yet been incepted / funded, the ongoing charge is estimated based on active share classes with a similar fee structure, and is expressed as a percentage of the estimated expenses over the average net asset value of the share class over a 12-month period.</p>	AUD A Accumulating Class:	1.70% <sup>(b)</sup>	AUD A (Monthly) Distributing Class:	1.70% <sup>(b)</sup>	EUR A Accumulating Class:	1.68% <sup>(a)</sup>	EUR A (Monthly) Distributing Class:	1.70% <sup>(b)</sup>	GBP A Accumulating Class:	1.70% <sup>(b)</sup>	GBP A (Monthly) Distributing Class:	1.70% <sup>(b)</sup>	HKD A Accumulating Class:	1.70% <sup>(b)</sup>	HKD A (Monthly) Distributing Class:	1.70% <sup>(b)</sup>	SGD A Accumulating Class:	1.70% <sup>(b)</sup>	SGD A (Monthly) Distributing Class:	1.68% <sup>(a)</sup>	USD A Accumulating Class:	1.68% <sup>(a)</sup>	USD A (Monthly) Distributing Class:	1.68% <sup>(a)</sup>
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<b>Base currency:</b>	USD																								
<b>Financial year end of this Fund:</b>	31 December																								
<b>Dealing frequency:</b>	Daily																								
<b>Dividend policy:</b>	Accumulating Shares: No dividends will be paid. Distributing Shares: Dividends may be payable at such frequency and amounts according to the Share Class at the discretion of the Directors of the Fund, as disclosed in the offering documents. The Directors may, at their discretion, pay dividends out of the capital and/or effectively out of the capital of the Fund. Any distribution involving payment of																								

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	dividends out of the Fund's capital may result in an immediate reduction in the net asset value per Share.			
<b>Minimum investment:</b>		<u>Currency:</u>	<u>Initial:</u>	<u>Additional:</u>
	"A" Class Shares:	AUD EUR GBP USD SGD	1,000	None
		HKD	10,000	None

### What is this product?

This fund is constituted in the form of a mutual fund corporation. It is domiciled in Dublin, Ireland and its home regulator is the Central Bank of Ireland ("CBI").

### Objectives and Investment Strategy

The Fund aims to achieve a target average return of 1-2% over the benchmark (as specified in the "How has the Fund performed?" section below) before fees over a market cycle (typically 3 years) from investing primarily in local currencies and local interest rates of Emerging Market Countries (as defined in the Prospectus).

Investors should note that the target return is not guaranteed over a market cycle, a 12 month or any period and the Fund's capital is at risk. Investors should also note that, over the course of a market cycle, there may be significant periods of time during which the performance of the Fund will deviate from the targeted return and the Fund may experience periods of negative return. There can be no guarantee that the Fund will ultimately achieve its investment objective.

The Fund will invest primarily in debt securities and money market instruments which are issued by governments, government agencies or corporate issuers which have their head office or exercise an overriding part of their economic activity in Emerging Market Countries and which are denominated in or are exposed to the currencies of such Emerging Market Countries.

With the exception of permitted investments in transferable securities and money market instruments which are unlisted, all securities invested in by the Fund will be listed, dealt or traded on recognised markets globally, without any particular focus on any one industrial sector or region.

Under normal market conditions, at least two thirds of the Fund's net asset value will be invested in debt securities, money market instruments and financial derivative instruments ("FDI") with the intention of gaining exposure to the performance of interest rates and/or currencies of Emerging Market Countries. Up to a maximum of one third of the Fund's net asset value may then be invested in money market instruments and debt securities issued by public or private issuers in OECD countries and/ or debt securities and money market instruments issued by public or private issuers in Emerging Market Countries which are denominated in the hard currency (defined for the purpose of this Fund as US Dollar, Euro, Sterling, Japanese Yen and Swiss Franc). The Fund may invest up to 20% of its net asset value in PRC onshore bonds via Bond Connect (i.e. a mutual bond market access programme between the PRC and Hong Kong). On an ancillary basis, the Fund may hold equity securities issued by public or private issuers in Emerging Market Countries, such as shares, as a result of the conversion of convertible debt securities or restructuring of debt securities.

The Fund may invest in investment grade, high yield (i.e. non-investment grade) and unrated debt securities. Debt securities and money market instruments issued by public or private issuers in

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Emerging Market Countries which are denominated in hard currency are limited to a maximum of 10% of the Fund's net asset value.

The Fund may invest up to 25% of its net asset value in debt securities issued by issuers located in any one country. The Fund may also invest up to 20% of its net asset value in debt securities issued by issuers which are not governments or government-related, with a maximum exposure of 4% of its net asset value to any one such issuer.

The Fund may invest up to 10% of its net asset value in warrants on transferable securities, up to 20% of its net asset value in asset-backed securities, and up to 10% of its net asset value in units of other collective investment schemes.

The Fund's net asset value exposure to a single Emerging Markets currency relative to the benchmark may not exceed +10/-10%.

**The Fund may invest up to 25% of its net asset value in debt securities and money market instruments that are issued or guaranteed by a single sovereign issuer (including its government and any public or local authority) that is below investment grade. This investment restriction does not apply to any securities issued by corporate issuers.** As certain emerging market countries may be rated below investment grade, the Manager and/or Sub-Investment Managers believe that it is necessary to retain the flexibility to invest in such securities issued or guaranteed by each such sovereign issuer above 10% of the Fund's net asset value in order to achieve the investment objective of the Fund. Currently, the single sovereign issuers with a credit rating below investment grade into whose securities the Manager and/or Sub-Investment Managers expect the Fund may invest more than 10% of its net asset value are Brazil and South Africa.

The Fund may invest less than 30% of its net asset value in instruments with loss-absorption features (such as contingent convertible bonds (subject to a 10% limit) and bail in bonds).

Further, ESG risks and opportunities are systematically considered in the selection of securities to be constituents of the Fund. The Manager and/or the Sub-Investment Managers assess securities in relation to their exposure to and the management of ESG risks. ESG represents governance (being the way in which the company is run), environmental issues (such as the impact on natural resources) and social issues (such as human rights). For the avoidance of doubt, the Sustainable Exclusion Policy and Enhanced Sustainable Exclusion Policy (each as defined in the Prospectus) will not be applied to the Fund's investment process.

The Fund may use financial derivative instruments (FDI) for hedging purposes. The Fund may also use FDIs (including futures, options, rights, warrants, swaps, swaptions and forwards) extensively for investment and/or efficient portfolio management purposes. For clarification, the maximum proportion of the Fund's net asset value that can be subject to total return swaps is 5%. The expected proportion of the Fund's net asset value that will be subject to total return swaps is 1%. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

No specific strategy relating to FDI is adopted by the Fund, however the Fund may use FDIs to achieve a profit or to hedge existing long positions, hedge against market risk or gain exposure to an underlying market and/or to hedge or gain exposure to an increase in the value of securities or currencies.

The Fund may utilise securities lending agreements, repurchase agreements and reverse repurchase agreements ("Repo Contracts") in aggregate for up to 60% of its net asset value. For clarification, the maximum proportion of the Fund's net asset value that can be subject to Repo Contracts is 10% and the expected proportion of the Fund's net asset value that will be subject to Repo Contracts is 3%. The maximum proportion of the Fund's net asset value that can be subject to securities lending

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agreements is 50% and the expected proportion of the Fund's net asset value that will be subject to securities lending agreements is 0-10%. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

Under normal market conditions, the Fund's average interest duration will be within the range of +2 years and -2 years compared to the benchmark.

The Fund is actively managed and does not intend to track the benchmark which is included in this document for performance comparison purposes and because the Fund's investment policy restricts the extent to which the Fund's holdings may deviate from the benchmark. This deviation may be significant.

### **Use of financial derivative instruments / investment in financial derivative instruments**

The Fund's net derivative exposure may be more than 100% of the Fund's net asset value.

### **What are the key risks?**

**Investment involves risks. Please refer to the offering document for details including the risk factors.**

#### **Investment Risk**

The Fund is an investment fund. The Fund's investment portfolio may fall in value and therefore your investment in the Fund may suffer losses.

#### **Fixed Income Securities and Downgrade Risk**

Fixed income securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). The Fund may invest in fixed-income securities which are interest rate sensitive. An increase in interest rates will generally reduce the value of fixed-income securities, while a decline in interest rates will generally increase the value of fixed-income securities. The performance of the Fund will therefore depend in part on the ability to anticipate and respond to such fluctuations on market interest rates, and to utilise appropriate strategies to maximise returns, while attempting to minimise the associated risks to investment capital. Fixed income securities are also exposed to the risk of being downgraded, which can cause a significant drop in the value of the Fund. The Manager or the Sub-Investment Managers may or may not be able to dispose of the debt instruments that are being downgraded.

#### **Lower Rated Securities Risk**

The Fund may invest in lower rated (i.e. non-investment grade or high yield) or unrated debt securities. Such securities are more likely to react to developments affecting market and credit risk than are more highly rated debt securities, which primarily react to movements in the general level of interest rates. Investors should carefully consider the relative risks of investing in high yield debt securities and understand that such securities generally are not meant for short-term investing.

The risk of loss due to default by these issuers is significantly greater because lower rated and unrated debt securities of comparable quality generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities. The Fund may therefore find it more difficult to sell such high yield debt securities or may be able to sell these

securities only at prices lower than if such securities were widely traded. Furthermore, the Fund may experience difficulty in valuing certain securities at certain times.

## **Sovereign Debt Risk**

The Fund may invest in government/sovereign fixed income securities. The Fund will be exposed to direct or indirect consequences of political, social and economic changes in various countries by investing in sovereign debts. These factors may affect a particular government's willingness to make timely payments for its debt obligations. Investment in sovereign debts issued or guaranteed by governments may involve a high degree of risk, as default can occur if the government or sovereign entity is not able or willing to repay the principal and/or interest when due and the Fund may suffer significant losses as a result.

## **Risk of investing in securities issued by or guaranteed by a single sovereign issuer with a credit rating below investment grade**

The Fund may invest up to 25% of the Fund's net asset value in securities issued or guaranteed by a single sovereign issuer (including its government and any public or local authority) with a sovereign credit rating below investment grade. Currently, the single sovereign issuers with a credit rating below investment grade into whose securities the Manager and/or Sub-Investment Managers expect the Fund may invest more than 10% of its net asset value are Brazil and South Africa. The Fund's investments may be concentrated in such a country and may be exposed to the direct or indirect consequences of political, social and economic change in such country. Owing to the potential concentration in a particular country, the Fund may be subject to higher volatility and risks than investing in a more diversified portfolio. The performance and value of the Fund could deteriorate should there be any adverse credit events in the sovereign, in particular if there is downgrading of the sovereign credit rating or a default or bankruptcy of a sovereign occurs. There are no bankruptcy proceedings by which sovereign debt on which a governmental entity has defaulted may be recovered in whole or in part. The Fund may suffer significant losses when there is a default of country issues.

## **Credit Risk**

The Fund may invest in corporate fixed income securities. The risk that corporate issuers of fixed income securities may fail to meet their interest repayments, or repay debt, which may result the Fund suffering temporary or permanent losses. This risk is greater for investments with a lower credit rating.

## **Emerging Markets Risk**

Investing in emerging markets may involve heightened risks (some of which could be significant) and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include, but are not limited to: (a) greater social, economic and political uncertainty including war; (b) higher dependence on exports and the corresponding importance of international trade; (c) greater risk of inflation; (d) increased likelihood of governmental involvement in and control over the economies; (e) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (f) certain considerations regarding the maintenance of the Fund's securities and cash with non-U.S. brokers and securities depositories; (g) lower standard of corporate governance; (h) currency risks/control. These factors may adversely affect the level and volatility of securities' prices and the liquidity of the Fund's investments. Volatility or illiquidity could impair the Fund's profitability or result in losses. Separately, bid and offer spreads of the price of securities may be significant and accordingly, the Fund may incur significant trading costs.

With respect to certain countries, there is the possibility of nationalisation, expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of a Fund, political changes, government regulation, social instability or diplomatic developments (including war), any of which could affect adversely the economies of such countries or the value of the Fund's investments in those countries.

**Currency Risk**

The base currency value of the investment of the Fund 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 of and a loss of capital.

The assets of Fund may generally be invested in non-US Dollar denominated securities and any income or capital received by the Fund from these investments may be denominated in the local currency of Investment, whereas the Fund will be denominated in US Dollars. Accordingly, changes in currency exchange rates (to the extent only partially or fully unhedged) between the currency of the relevant emerging market and the currency in which a Class of Shares is denominated may affect the value of the Shares. As the currency exchange rates of Emerging Market Countries tend to be more volatile than those of more developed economies, the effect of changes in exchange rates on the value of the Fund may be more pronounced than it would be for the Fund if it were investing in more developed markets.

**Currency Hedging Risk**

While potentially reducing the currency risks to which the Fund would otherwise be exposed, currency hedging instruments may involve the risk of a default by a counterparty (counterparty risk).

**Risks relating to the use of FDI**

Risks associated with FDI include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Fund. Exposure to FDI may lead to a high risk of significant loss by the Fund.

FDI may be used for hedging purposes. Hedging is a technique used to seek to minimise an exposure created from an underlying position by counteracting such exposure by means of acquiring an offsetting position. The use of hedging techniques may limit the potential upside of the Fund. There is no guarantee that such hedging techniques will be effective and there may be residual exposure of underlying positions remaining unhedged.

**High Leverage Risk**

The Fund may have a net derivative exposure of more than 100% of its net asset value. This may magnify any potential impact of any negative change in the value of the underlying assets on the Fund and may also increase the volatility of the Fund's price and may lead to significant losses.

**Risks relating to securities lending agreements**

Securities lending agreements may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out.

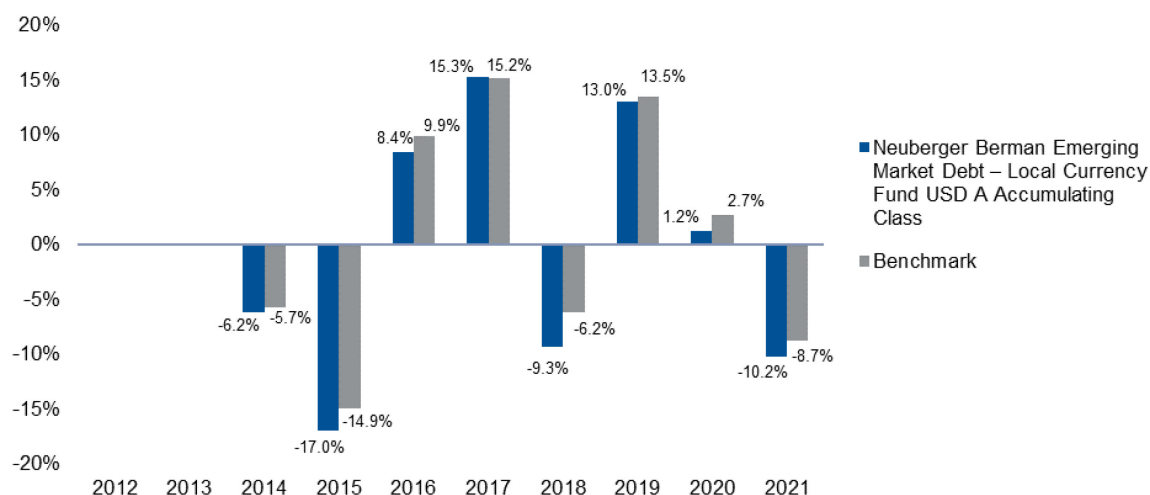
**Risks associated with distribution out of / effectively out of capital**

In respect of Distributing Shares, the Fund may at its discretion pay dividends out of the capital and/or effectively out of the capital of the Fund. Dividends paid out of the capital and/or effectively out of the capital amount to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Such dividends may result in an immediate decrease in the net asset value of the relevant shares. The distribution amount and net asset value of any hedged class may be adversely affected by differences in the interest rates of the reference currency of the hedged class and the Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than unhedged classes.

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### How has the Fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the USD A Accumulating Class increased or decreased in value during the calendar year being shown. The USD A Accumulating Class is the representative share class selected, being the share class available to the retail public in Hong Kong which is denominated in the Fund's base currency with the longest track record. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- The benchmark of the Fund is JPMorgan GBI Emerging Markets Global Diversified Index (Total Return, Unhedged, USD) (formerly known as JPMorgan GBI Emerging Markets Global Diversified (USD Unhedged Total Return))
- Fund launch date: 2013
- USD A Accumulating Class launch date: 2013

### Is there any guarantee?

This Fund does not have any guarantees. You may not get back the full amount of money you invest.

### What are the fees and charges?

#### Charges which may be payable by you

You may have to pay the following fees when dealing in the Shares of the Fund.

Fee	What you pay
Subscription fee (Initial Sales Charge)	Up to 5% of the amount you buy^
Switching fee (Exchange Charge)	Up to 1% of the subscription amount ^
Redemption fee	N/A^

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<sup>^</sup> Additional fees and service charges in respect of subscriptions for, redemptions of and exchange of Shares may be payable by investors to intermediaries/distributors through whom they invest in such amount as they may agree with the relevant intermediary/distributor.

### **Ongoing fees payable by the Fund**

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the Fund's value)
	"A" Class Shares
<b>Management fee</b>	1.50%
<b>Depositary fee</b>	no more than 0.02%
<b>Performance fee</b>	N/A
<b>Administration fee</b>	0.20%

### **Other fees**

You may have to pay other fees when dealing in the Shares of the Fund.

### **Additional Information**

- You generally buy and redeem Shares at the Fund's next-determined net asset value (NAV) after the Administrator receives your request in good order on or before 3.00 pm (Irish time) of the dealing day being the dealing cut-off time. The Hong Kong Representative/distributors may impose different dealing deadlines for receiving requests from investors.
- The net asset value of this Fund is calculated and the price of Shares published each "business day" on the following website: [www.nb.com](http://www.nb.com).
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from the Hong Kong Representative on request and at the following website: [www.nb.com](http://www.nb.com).
- The compositions of the dividends (i.e. the relative amounts paid from income and capital) for the last 12 months are available from the Hong Kong Representative on request and at the following website: [www.nb.com](http://www.nb.com). The Fund may amend the dividend policy subject to the SFC's prior approval and by giving not less than one month's notice to investors.
- Investors may obtain information on the intermediaries from the Fund's Hong Kong Representative, Neuberger Berman Asia Limited.
- The website mentioned in this document has not been reviewed by the SFC.

### **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.