

# Neuberger Berman Strategic Income Fund

N|B

26 February 2021

## INVESTMENT OBJECTIVE

The Portfolio seeks to maximize total return from high current income and long-term capital appreciation by opportunistically investing in a diversified mix of fixed rate and floating rate debt securities under varying market environments with a focus on downside protection.

## MANAGEMENT TEAM

### Ashok Bhatia

Senior Portfolio Manager

### Brad Tank

Senior Portfolio Manager

### Jon Jonsson

Senior Portfolio Manager

## FUND FACTS

|   |   |
|---|---|
| Inception Date (Share Class)            | 31 October 2014   |
| Base Currency (Fund)                    | USD   |
| Base Currency (Share Class)             | USD   |
| Fund AUM (USD million)                  | 1248.56   |
| Domicile                                | Ireland   |
| Vehicle                                 | UCITS   |
| Valuation                               | Daily   |
| Settlement (Subscription)               | T+3   |
| Trading Deadline                        | 15:00 (Dublin Time)   |
| Regulator                               | Central Bank of Ireland                                     |
| Management Fee (per annum) <sup>1</sup> | 1.00%   |
| Initial Sales Charge <sup>4</sup>       | 5.00%   |
| Benchmark <sup>2</sup>                  | Bloomberg Barclays U.S. Aggregate Index (Total Return, USD) |

## CUMULATIVE PERFORMANCE



This chart shows how an investment of USD 100 in the fund on its inception date would have performed and compares it against how a hypothetical investment of USD 100 in the Benchmark(s) would have performed.

## PERFORMANCE %

|  | CUMULATIVE |            |            |                         | ANNUALISED |            |                         |
|--|------------|------------|------------|-------------------------|------------|------------|-------------------------|
|  | 1<br>Year  | 3<br>Years | 5<br>Years | Since<br>inception<br>* | 3<br>Years | 5<br>Years | Since<br>inception<br>* |
| USD A (Monthly)<br>Distributing Class <sup>3</sup><br>(NAV to NAV)                                 | 7.93       | 15.30      | 28.68      | 24.73                   | 4.86       | 5.17       | 3.55                    |
| USD A (Monthly)<br>Distributing Class <sup>3</sup><br>(with Initial Sales<br>Charge <sup>4</sup> ) | 2.50       | 9.57       | 22.27      | 18.45                   | 3.09       | 4.10       | 2.71                    |
| Benchmark <sup>2</sup>   | 1.38       | 16.82      | 19.07      | 23.21                   | 5.32       | 3.55       | 3.35                    |
| SGD A (Monthly)<br>Distributing Class <sup>3</sup><br>(NAV to NAV)                                 | 7.00       | 12.53      | 25.10      | 22.64                   | 4.01       | 4.58       | 3.27                    |
| SGD A (Monthly)<br>Distributing Class <sup>3</sup><br>(with Initial Sales<br>Charge <sup>4</sup> ) | 1.68       | 6.93       | 18.82      | 16.52                   | 2.26       | 3.51       | 2.44                    |
| Benchmark <sup>2</sup>   | 1.38       | 16.82      | 19.07      | 23.21                   | 5.32       | 3.55       | 3.35                    |

**Past performance does not guarantee future results.** Source: Neuberger Berman.

\*Please refer to the "Share Class Data" table for inception dates of each share class.

## CONTACT

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## TOP 10 SECTOR ALLOCATIONS% (MV)

|                 | Fund  | Bmrk <sup>2</sup> |
|-----------------|-------|-------------------|
| High Yield      | 38.17 | 0.00              |
| US MBS          | 16.61 | 27.31             |
| IG Credit       | 16.55 | 29.71             |
| CRTs            | 8.14  | 0.00              |
| Bank Loans      | 7.87  | 0.00              |
| US TIPS         | 6.83  | 0.00              |
| Emerging Market | 6.31  | 1.63              |
| Municipal Bonds | 1.80  | 0.00              |
| CMBS            | 0.43  | 2.19              |
| US Agencies     | 0.08  | 1.65              |

## ACTIVE CURRENCY POSITIONS (%)

|                                | Fund  | Bmrk <sup>2</sup> |
|--------------------------------|-------|-------------------|
| United States Dollar           | 95.98 | 100.00            |
| Russian Ruble                  | 0.71  | 0.00              |
| Mexican Nuevo Peso             | 0.64  | 0.00              |
| Colombian Peso                 | 0.61  | 0.00              |
| Indonesian Rupiah              | 0.46  | 0.00              |
| South African Rand             | 0.43  | 0.00              |
| Brazilian Real                 | 0.32  | 0.00              |
| Chilean Peso                   | 0.30  | 0.00              |
| Turkish Lira                   | 0.25  | 0.00              |
| Indian Rupee                   | 0.24  | 0.00              |
| Korean Won                     | 0.16  | 0.00              |
| Israeli New Shekel             | 0.09  | 0.00              |
| Ukraine Hryvnia                | 0.06  | 0.00              |
| Kazakhstan Tenge               | 0.06  | 0.00              |
| Malaysian Ringgit              | 0.06  | 0.00              |
| China Yuan Renminbi (Offshore) | 0.06  | 0.00              |
| British Pound                  | 0.02  | 0.00              |

## CONTRIBUTION TO DURATION BY DISTRIBUTION (YEARS)

|                  | Fund  | Bmrk <sup>2</sup> |
|------------------|-------|-------------------|
| Less than 1 Year | 0.01  | 0.00              |
| 1 - 3 Years      | 0.22  | 0.55              |
| 3 - 5 Years      | 1.28  | 1.13              |
| 5 - 7 Years      | 0.72  | 0.90              |
| 7 - 10 Years     | 0.21  | 0.95              |
| 10 - 15 years    | 0.91  | 0.63              |
| 15 - 20 years    | -0.02 | 1.70              |
| 20+ years        | 0.82  | 0.78              |

## DURATION DISTRIBUTION % (MV)

|                  | Fund  | Bmrk <sup>2</sup> |
|------------------|-------|-------------------|
| Less than 1 Year | 18.45 | 0.31              |
| 1 - 3 Years      | 10.02 | 25.87             |
| 3 - 5 Years      | 22.50 | 29.06             |
| 5 - 7 Years      | 22.62 | 15.03             |
| 7 - 10 Years     | 10.20 | 11.57             |
| 10 - 15 years    | 6.59  | 4.91              |
| 15 - 20 years    | 6.63  | 9.68              |
| 20+ years        | 3.00  | 3.56              |

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## REGIONAL ALLOCATIONS % (MV)

|                        | Fund  | Bmrk <sup>2</sup> |
|------------------------|-------|-------------------|
| North America          | 84.13 | 93.15             |
| Emerging Latin America | 4.22  | 0.94              |
| Emerging Asia + MEA    | 3.21  | 0.48              |
| Europe ex-UK           | 2.94  | 2.95              |
| UK                     | 2.57  | 1.21              |
| Asia Pacific ex-Japan  | 1.59  | 0.29              |
| Emerging Europe        | 0.78  | 0.29              |
| Japan                  | 0.06  | 0.66              |
| Other                  | 0.50  | 0.03              |

## RISK MEASURES

|                    | 3 years |
|--------------------|---------|
| Sharpe Ratio       | 0.48    |
| Standard Deviation | 7.37    |

## CHARACTERISTICS

|  | Fund  | Bmrk <sup>2</sup> |
|--|-------|-------------------|
| Coupon (%)                             | 3.87  | 2.68              |
| Duration (years)                       | 4.15  | 6.64              |
| Number of Securities                   | 1,402 | 12,053            |
| OAS (bps)                              | 267   | 29                |
| S&P Rating                             | BBB-  | AA-               |
| Spread Duration (years)                | 5.69  | 4.00              |
| Weighted Average Time to Worst (years) | 8.32  | 8.07              |
| Weighted Average Yield to Worst (%)    | 3.81  | 1.38              |

## CREDIT QUALITY % (MV)<sup>6</sup>

|                     | Fund  | Bmrk <sup>2</sup> |
|---------------------|-------|-------------------|
| AAA                 | 19.55 | 70.19             |
| AA                  | 1.34  | 3.04              |
| A                   | 1.22  | 11.74             |
| BBB                 | 20.09 | 14.56             |
| BB                  | 27.27 | 0.00              |
| B                   | 21.63 | 0.00              |
| CCC Rated and Below | 6.92  | 0.00              |
| Not rated           | 0.47  | 0.47              |
| Cash                | 1.50  | 0.00              |

## SHARE CLASS DATA

| Share Class                                      | Currency | Inception Date<br>(Share Class) | ISIN         | Bloomberg  | Fund Price |
|--|----------|---------------------------------|--------------|------------|------------|
| USD A (Monthly) Distributing Class <sup>5</sup>  | USD      | 31-10-2014                      | IE00B7BTH691 | NBUSDAD ID | 9.58       |
| USD A Accumulating Class                         | USD      | 11-02-2015                      | IE00B87L2R26 | NBUSDAA ID | 12.44      |
| SGD A (Monthly) Distributing Class <sup>#5</sup> | SGD      | 31-10-2014                      | IE00BRJFZM13 | NBSSAMI ID | 18.84      |
| AUD A (Monthly) Distributing Class <sup>#5</sup> | AUD      | 15-09-2017                      | IE00BRJFZ213 | NBSAAMI ID | 9.69       |
| SGD A Accumulating Class <sup>#</sup>            | SGD      | 15-09-2017                      | IE00BQSBQV90 | NBUSGAA ID | 22.36      |
| EUR A Accumulating Class <sup>#</sup>            | EUR      | 04-02-2016                      | IE00BQR9PH35 | NBSIAEA ID | 11.62      |
| EUR A (Monthly) Distributing Class <sup>#5</sup> | EUR      | 07-08-2017                      | IE00BQR9PJ58 | NBSIAEI ID | 9.21       |

Some share classes listed are subject to restrictions, please refer to the Fund's Prospectus for further details. Before subscribing please refer to the Prospectus.

For a full glossary of terms, please refer to [www.nb.com/glossary](http://www.nb.com/glossary)

# Hedged Class.

<sup>1</sup> As a percentage of the Portfolio's Net Asset Value.

<sup>2</sup> Benchmark: Bloomberg Barclays U.S. Aggregate Index (Total Return, USD). Investors should note that the Portfolio does not intend to track this index, which is included here for performance comparison purposes only. Performance returns of the benchmark are calculated in USD.

<sup>3</sup> Performance returns are calculated in the currency of the relevant Share Class on (i) a NAV to NAV basis (ii) a NAV to NAV basis taking into account a 5% initial sales charge and nil realisation fee indicated in the table above as "with initial sales charge", and both (i) and (ii) are calculated on the assumption that all dividends and distributions made by the relevant Share Class (if any) are reinvested, taking into account all charges which would have been payable upon such reinvestment. Share Classes which are designated in a currency other than USD are hedged into the Base Currency of the Portfolios (i.e. USD). Further details are set out in the Prospectus under the section "Share Class Hedging".

<sup>4</sup> The initial sales charge is a percentage of the purchase price and may be charged by either the Distributor or any sub-distributor.

<sup>5</sup> Details on the distribution policies of the Share Classes are set out in the Prospectus under the section headed "Distribution Policy". Distributing classes may pay dividends out of capital and such dividends may result in an immediate decrease in the NAV of the relevant Shares. Distributions are not guaranteed.

<sup>6</sup>Source: Bloomberg Barclays PLC. Bloomberg Barclays credit quality rating is based on the conservative average of Moody's, S&P, and Fitch. If Moody's, S&P and Fitch all provide a credit rating, the rating is the median of the three agency ratings. If only two agencies provide ratings, the rating is the more conservative rating. If only one agency provides a rating, then the rating reflects that agency's rating. If none of the agencies provide ratings, the security is considered not rated and may be assigned an equivalent rating by the investment adviser.

Effective 29 December 2017 the Fund changed its name from the Neuberger Berman US Strategic Income Fund to the Neuberger Berman Strategic Income Fund.

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The Fund may use or invest in financial derivative instruments and you should be aware of the risks associated with investments in the financial derivative instruments which are described in the Fund's Prospectus. The Fund may experience high volatility in its NAV due to its investment policies or portfolio management techniques. Returns denominated in a

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currency other than the base currency of the Fund may increase or decrease as a result of the foreign exchange currency fluctuations. Any extraordinary performance may be due to exceptional circumstances which may not be sustainable.

Neuberger Berman Singapore Pte. Limited, company registration number: 200821844k

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