

NEUBERGER BERMAN INVESTMENT FUNDS PLC

*70 Sir John Rogerson's Quay
Dublin 2
Ireland*

An umbrella fund with segregated liability between sub-funds

The directors of the Company (the “Directors”) accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement misleading.

This circular is important and requires your immediate attention. If you are in doubt as to the action you should take you should seek advice from your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent financial adviser. If you have sold or transferred all of your Shares please pass this circular at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee as soon as possible.

7 September 2016

Dear Hong Kong Shareholder,

NEUBERGER BERMAN INVESTMENT FUNDS PLC (THE “COMPANY”)

Neuberger Berman China Equity Fund
Neuberger Berman Emerging Market Corporate Debt Fund
Neuberger Berman Emerging Market Debt - Hard Currency Fund
Neuberger Berman Emerging Market Debt - Local Currency Fund
Neuberger Berman Emerging Market Debt Blend Fund
Neuberger Berman Emerging Markets Equity Fund
Neuberger Berman European High Yield Bond Fund
Neuberger Berman Global Bond Fund
Neuberger Berman High Yield Bond Fund
Neuberger Berman Short Duration Emerging Market Debt Fund
Neuberger Berman Short Duration High Yield Bond Fund
Neuberger Berman US Multi Cap Opportunities Fund
Neuberger Berman US Real Estate Securities Fund
Neuberger Berman US Small Cap Fund
Neuberger Berman US Strategic Income Fund
(together, the “**Portfolios**”)

We are writing to you in your capacity as a Shareholder in the Company. The purpose of this circular is to notify you of a number of key changes to the Company and to certain Portfolios, which will be reflected in a set of revised Hong Kong offering documents (comprising of the Hong Kong covering document, Dublin Prospectus and relevant supplements, and product key facts statements) (together, the “**Hong Kong Offering Documents**”). The updated Hong Kong Offering Documents are expected to be effective on or about 1 November 2016. Please note that a number of non-substantive amendments to make conforming, consistency and clarification edits to the text of the Hong Kong Offering Documents have also been made and are not specifically referenced in this letter. All capitalised terms used in this letter and not defined herein shall have the meanings ascribed to them in the existing Hong Kong Offering Documents.

I. The following changes will affect all Portfolios

Umbrella Cash Collection Account. Pursuant to the disclosure requirements of the Central Bank in respect of the operation of umbrella cash accounts in the context of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers), additional disclosures have been included in the new section “*Information Specific to Redemptions*” to reflect the operation of the Umbrella Cash Collection Account. The Umbrella Cash Collection Account is a collection account established by the Company at umbrella level in the name of the Company. All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions, dividends or cash distributions payable from, a Portfolio will be channelled and managed through the Umbrella Cash Collection Account. A new risk factor entitled “*Umbrella Cash Collection Accounts*” has also been included to reflect the above.

Inclusion of Additional Risk Disclosures. Additional disclosures have been included to reflect: (i) the fact that the distribution amount and Net Asset Value per Share of any Hedged Class may be adversely affected by differences in the interest rates of the reference currency of the Hedged Class and the relevant Portfolio’s base currency; (ii) that “margin assets” deposited in respect of futures, options or other hedging contracts will be passed by means of title transfer to the broker and will not be held by the Custodian (the relevant Portfolio’s assets in this respect will instead be the futures and options contracts that the margin assets support); (iii) the risks associated with the credit facilities; (iv) the risks associated with FATCA; (v) the risks associated with the common reporting standard; (vi) the risks associated with foreign taxes and (vii) the risks associated with valuation.

Update of “Taxation” Section. The disclosure in respect of the taxation treatment of the Company and Shareholders has been updated to reflect recent developments of relevance to the Company and its investors, including in respect of the OECD Common Reporting Standard.

Swing Pricing. The relevant section of the Prospectus has been updated to note that the swing factor applied to the Net Asset Value on any Dealing Day is not expected to exceed 1% of the Net Asset Value of the relevant Portfolio. Please note that in extreme market conditions the factor may exceed that level. The Directors reserve the right to increase or vary the “swing” of the Net Asset Value without notice to Shareholders. The application of swing pricing may increase the variability of a Portfolio’s returns.

Investment Restrictions. The “*Investment Restrictions*” section of the Prospectus has been updated for consistency with other sections of the Prospectus, to confirm that, unless otherwise specified in the relevant Supplement, investment by a Portfolio in other collective investment schemes will not exceed 10% of the Portfolio’s Net Asset Value. This amendment will not result in a change to the investment objective and approach of any of the Portfolios.

Updates in respect of Directors. With effect from 31 July 2016, David Cruise resigned as a director of the Company. Michelle Green and Gráinne Alexander were appointed as directors of the Company on 1 August 2016.

Michelle Green is General Counsel for Neuberger Berman EMEA and is responsible for the legal and compliance functions across EMEA and LatAm. Prior to joining the firm, Michelle was General Counsel and Chief Legal and Risk Officer for Hermes Investment Management for 17 years. Michelle began her career at the City law firm Druces LLP. Michelle graduated

from Middlesex University with an LLB Honors degree in Law as well as the Maxwell Law Prize. Michelle subsequently continued her legal training at the College of Law in London.

Gráinne Alexander is an independent non-executive director. She has worked in the investment industry for over twenty years with experience as a senior executive in fund management, investment strategy, investment consultancy and company management. She was a European partner at Mercer Investment Consulting (involved in the establishment of Mercer’s funds business) and following that, chief executive at F&C Management’s Irish asset management firm, F&C Ireland. She was also a director of the Irish Association of Investment Managers and a director of Cayman listed funds. Gráinne is a Fellow of the Society of Actuaries in Ireland. She is a non-executive director at RBC Investor Services Ireland and is a director of Goldman Sach’s European domiciled fund companies. She received a Diploma in Company Direction from the Institute of Directors in 2013.

In addition, in accordance with the terms of the Articles, the maximum amount of remuneration payable to a Director in any one year in respect of the Company shall be increased from €35,000 to €55,000, or such other amount as the Directors may from time to time determine and disclose to Shareholders in the annual or semi-annual report.

UCITS V Changes. We have included additional disclosures in the Prospectus to reflect the new standards of care and levels of liability which the Company’s depository will bear following the implementation of EU Directive 2014/91/EU, known as “UCITS V”, earlier this year. We have also included details of the Company’s remuneration policy which is also a requirement of UCITS V. Where this remuneration policy disclosure was previously set out in certain Supplements, it has now been removed and is set out instead in the Prospectus.

Portfolio Information. The Prospectus has been updated to advise Shareholders that portfolio holdings and certain information in respect of the Company and the Portfolios may be made available from the Investment Manager on request.

II. The following change will affect the Neuberger Berman Emerging Market Debt – Local Currency Fund, Neuberger Berman Emerging Market Debt – Hard Currency Fund and the Neuberger Berman Emerging Market Debt Blend Fund

Change in relation to the investment in securities that are issued or guaranteed by a single sovereign issuer that are below investment grade

Owing to the change in the credit ratings of certain countries, the single sovereign issuers with a credit rating below investment grade for which the Investment Manager and/or Sub-Investment Manager expects the Portfolios may invest more than 10% of their net assets in will be updated as follows.

Portfolio	Sovereign issuers with a credit rating below investment grade for which the Portfolio is expected to invest more than 10% of net assets
Neuberger Berman Emerging Market Debt – Local Currency Fund	Hungary and Brazil
Neuberger Berman Emerging Market Debt – Hard Currency Fund	Argentina, Brazil and Russia
Neuberger Berman Emerging Market Debt	Argentina, Brazil, Hungary and Russia

Blend Fund	
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For the avoidance of doubt, the maximum exposure to securities that are issued or guaranteed by a single sovereign issuer that are below investment grade (including a country, its government, and any public or local authority of that country) in respect of these Portfolios remains unchanged at 25% of net assets. There is no change in the investment objective and approach of these Portfolios.

III. The following change will affect the Neuberger Berman Short Duration Emerging Market Debt Fund and the Neuberger Berman Emerging Market Corporate Debt Fund

Change in the maximum exposure to the securities that are issued or guaranteed by a single sovereign issuer that are below investment grade.

To better reflect the investment approach of the Portfolios, the Directors have decided to reduce the maximum exposure to securities that are issued or guaranteed by a single sovereign issuer that are below investment grade (including a country, its government, and any public or local authority of that country) in respect of these Portfolios from 25% to 10% of net assets. These Portfolios do not currently hold more than 10% of net assets in any securities that are issued or guaranteed by a single sovereign issuer that are below investment grade and there is no impact to the existing investment approach of these Portfolios as a result of this change.

IV. The following change will affect the Neuberger Berman China Equity Fund and the Neuberger Berman Emerging Markets Equity Fund

The Portfolios' benchmarks will change from the USD Total Return Gross of Tax and fees to the USD Net of Tax Total Return (gross of fees) versions of the relevant indices. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The benchmark is changed to better reflect how account returns are calculated.

The costs incurred in relation to the changes discussed above will be borne by the Company.

The revised Hong Kong Offering Documents may be inspected free of charge at the offices of the Hong Kong Representative during normal business hours on any Hong Kong business day on or about 1 November 2016.

Should you have any queries in relation to this matter, please do not hesitate to contact your sales representative, or contact Neuberger Berman's client services team in Hong Kong at +852 3664 8868 or at Suites 2007-20, 20th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong.

Yours sincerely



For and on behalf of
Neuberger Berman Investments Funds plc
Director