

NEUBERGER BERMAN



NEUBERGER BERMAN INVESTMENT FUNDS II PLC
2018 ANNUAL REPORT

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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Management and Administration

Directors:

Andy Olding (British)*
 Gráinne Alexander (Irish)**
 Tom Finlay (Irish)**
 Paul Sullivan (Irish)** (resigned on 20 February 2019)
 Michelle Green (British)* (appointed 10 August 2018)

*Non-Executive Director

**Independent, Non-Executive Director

Alternative Investment Fund Manager:

Neuberger Berman AIFM Limited
 Lansdowne House
 57 Berkeley Square
 London W1J 6ER
 England

Investment Managers:

Neuberger Berman Investment Advisers LLC
 1290 Avenue of the Americas
 New York, NY 10104-0002
 USA

Neuberger Berman Europe Limited
 Lansdowne House
 57 Berkeley Square
 London W1J 6ER
 England

Administrator:

Brown Brothers Harriman
 Fund Administration Services (Ireland) Limited
 30 Herbert Street
 Dublin 2
 Ireland

Auditors:

Ernst & Young
 Registered Auditors
 Block One, Harcourt Centre
 Harcourt Street
 Dublin 2
 Ireland

Legal Advisers as to Irish Law:

Matheson
 70 Sir John Rogerson's Quay
 Dublin 2
 Ireland

Depository:

Brown Brothers Harriman
 Trustee Services (Ireland) Limited
 30 Herbert Street
 Dublin 2
 Ireland

Sponsoring Euronext Dublin***Broker:

Matheson
 70 Sir John Rogerson's Quay
 Dublin 2
 Ireland

*** On 27 March 2018 Euronext completed its acquisition of the Irish Stock Exchange ("ISE"). The ISE has joined Euronext's federal model and now operates under the trading name Euronext Dublin.

Company Secretary & Registered Office:

Matsack Trust Limited
 70 Sir John Rogerson's Quay
 Dublin 2
 Ireland

Distributors:

Neuberger Berman Europe Limited
 Lansdowne House
 57 Berkeley Square
 London W1J 6ER
 England

Neuberger Berman Asia Limited
 Suites 2010-20
 20th Floor
 Jardine House
 1 Connaught Place Central
 Hong Kong

Neuberger Berman Singapore Pte. Limited
 Suite #15-05, Level 15
 Ocean Financial Centre
 10 Collyer Quay
 Singapore 049315

Management and Administration (Continued)

Important Information for Investors in Switzerland

Swiss Representative: ****

ACOLIN Fund Services AG
56 Affolternstrasse
Zurich CH-8050
Switzerland

Swiss Paying Agent:

NPB Neue Privat Bank AG
1 Limmatquai
Zurich CH-8022
Switzerland

**** The principal Fund documents of Neuberger Berman Global Senior Floating Rate Income Fund, Neuberger Berman US/European Senior Floating Rate Income Fund, Neuberger Berman High Quality Global Senior Floating Rate Income Fund and Neuberger Berman European Senior Floating Rate Income Fund may be obtained free of charge from the Swiss Representative. In respect of the Shares distributed in Switzerland to Qualified Investors, the place of performance and the place of jurisdiction is at the registered office of the Swiss Representative.

Only Shares in Neuberger Berman Global Senior Floating Rate Income Fund, Neuberger Berman US/European Senior Floating Rate Income Fund, Neuberger Berman High Quality Global Senior Floating Rate Income Fund and Neuberger Berman European Senior Floating Rate Income Fund may be distributed in Switzerland. Shares in any other Portfolio mentioned in this Annual Report may not be distributed in Switzerland and investors should note that a Swiss representative and paying agent has not been appointed for any other Portfolio that may be mentioned in this document. Neuberger Berman Global Senior Floating Rate Income Fund, Neuberger Berman US/European Senior Floating Rate Income Fund, Neuberger Berman High Quality Global Senior Floating Rate Income Fund and Neuberger Berman European Senior Floating Rate Income Fund are domiciled in Ireland.

General Information

The following information is derived from and should be read in conjunction with the full texts and definitions section of the Prospectus.

Neuberger Berman Investment Funds II plc (the "Company") is an investment company with variable capital incorporated in Ireland on 30 January 2013 under registration number 523110 as a public limited company. The Company has been authorised by the Central Bank of Ireland (the "Central Bank") pursuant to Part 24 of the Companies Act 2014 (as amended). The Company qualifies as a qualifying investor alternative investment fund for the purposes of the AIF Rulebook. The Company is constituted as an umbrella fund insofar as its share capital is divided into different series of shares with each series of shares representing a separate investment portfolio of assets ("Portfolio"). Shares of any Portfolio may be divided into different classes to accommodate different subscription and/or redemption provisions and/or dividend and/or charges and/or fee arrangements and/or currencies including different total expense ratios ("TERs"). The Directors may from time to time, with the prior approval of the Central Bank, issue different series of shares representing separate Portfolios.

The Portfolios have different investment objectives and invest in different types of investment instruments. Each Portfolio will be invested in accordance with the investment objectives and policies applicable to such Portfolio.

As at 31 December 2018, the Company was comprised of five separate portfolios of investments ("Portfolios"), each of which is represented by a separate series of Redeemable Participating Shares. These are set out in the table below:

Portfolio	Launch Date*
Neuberger Berman Global Senior Floating Rate Income Fund	28 March 2013
Neuberger Berman Global Senior Floating Rate Income Fund II	1 July 2014
Neuberger Berman US/European Senior Floating Rate Income Fund	2 February 2015
Neuberger Berman High Quality Global Senior Floating Rate Income Fund	13 March 2017
Neuberger Berman European Senior Floating Rate Income Fund	26 July 2017

*First day of operations.

The Company has segregated liability between its sub-funds and accordingly any liability incurred on behalf of or attributable to any sub-fund shall be discharged solely out of the assets of that sub-fund.

In order to reduce operational and administrative charges and to facilitate diversification of investments, the Directors may, for the purpose of efficient portfolio management, where the investment policies of the Portfolios so permit, choose that the assets of certain Portfolios be co-managed together with the assets of other Portfolios. This will be done by establishing a pool of assets ("Pool") comprising cash and investments contributed by all Portfolios which participate in the Pool ("Participating Portfolios"). This technique is known as pooling. As at 31 December 2018, the Participating Portfolios are Neuberger Berman Global Senior Floating Rate Income Fund and Neuberger Berman Global Senior Floating Rate Income Fund II. A Pool is not a separate legal entity and an investor may not invest directly in a Pool. Each of the co-managed Portfolios shall be allocated an appropriate portion of a pool's specific assets. The Directors may elect at any time to terminate the participation of a Portfolio in the Pool on notice to the Alternative Investment Fund Manager ("AIFM"), the Administrator and the Depositary.

At the year end there was an amount of US\$ 8,094,154 in Income receivable and other assets of Neuberger Berman Global Senior Floating Rate Income Fund and a corresponding amount in Other payables of Neuberger Berman Global Senior Floating Rate Income Fund II which represents unsettled capital transactions between the Participating Portfolios and the Pool (31 December 2017: US\$ 66,871). The Aggregate Financial Statements have been adjusted to eliminate unsettled capital transactions as at year end.

Neuberger Berman Global Senior Floating Rate Income Fund

The investment objective of Neuberger Berman Global Senior Floating Rate Income Fund (the "Portfolio") is to provide its shareholders with regular dividends, at levels that are sustainable whilst preserving the capital value of its investment portfolio, utilising the investment skills of Neuberger Berman Europe Limited and Neuberger Berman Investment Advisers LLC (the "Investment Managers") and Neuberger Berman AIFM Limited (designated on 2 November 2016 to act as the AIFM).

To pursue its investment objective, the Portfolio invests mainly in floating rate senior secured loans issued in U.S. dollars, sterling and euros by primarily North American and European Union corporations, partnerships and other business issuers. These loans are at the time of investment often non-investment grade. The Portfolio considers debt instruments to be non-investment grade if, at the time of investment, they are rated below the four highest categories (Aaa, Aa, A and Baa) by at least two independent credit rating agencies or, if unrated, are deemed by the Investment Manager(s) or the AIFM to be of comparable quality.

The Portfolio also makes investments in senior bonds on an opportunistic basis if the Investment Manager(s) or the AIFM believes that such investments are attractively valued, up to a maximum in aggregate of 20% of the Net Asset Value at the time of investment, provided that no more than 10% of the Net Asset Value may be invested in unsecured senior bonds at the time of investment. Additionally, the Portfolio will also make investments selectively in senior secured corporate bonds primarily issued by North American and European corporations, if the Investment Manager(s) or the AIFM believes such investments are attractively valued. These will also be denominated in U.S. dollars, euro and sterling. Any such bonds may have fixed or floating rates and may be rated investment grade or lower or be unrated.

General Information (Continued)

Neuberger Berman Global Senior Floating Rate Income Fund (continued)

The Portfolio seeks to focus on issuers that the Investment Manager(s) or the AIFM believes have the ability to generate cash flow through a full business cycle, maintain adequate liquidity, possess an enterprise value in excess of senior debt and have access to both debt and equity capital.

The following are the active share classes in the Portfolio at year end (referred to herein as the “year end” or “year ended”):

<i>Share Class Name</i>	<i>Share Class Launch Date</i>	<i>Currency</i>
GBP I Accumulating Class	28 March 2013	GBP
USD I Accumulating Class	28 March 2013	USD
USD U Accumulating Class	28 March 2013	USD
USD I2 Accumulating Class	4 April 2013	USD
GBP A (Monthly) Distributing Class	12 April 2013	GBP
USD A (Monthly) Distributing Class	15 April 2013	USD
USD A Distributing Class	18 April 2013	USD
EUR I Distributing Class	23 April 2013	EUR
HKD A (Monthly) Distributing Class	23 April 2013	HKD
USD A Accumulating Class	23 April 2013	USD
AUD A (Monthly) Distributing Class	24 April 2013	AUD
EUR A Accumulating Class	24 April 2013	EUR
USD I (Monthly) Distributing Class	24 April 2013	USD
USD I2 Distributing Class	24 April 2013	USD
EUR A (Monthly) Distributing Class	7 May 2013	EUR
SGD A Distributing Class	8 May 2013	SGD
SGD U (Monthly) Distributing Class	8 May 2013	SGD
USD U Distributing Class	8 May 2013	USD
AUD A Accumulating Class	13 May 2013	AUD
GBP A Accumulating Class	13 May 2013	GBP
CHF A Distributing Class	14 May 2013	CHF
USD I Distributing Class	15 May 2013	USD
SGD A Accumulating Class	22 May 2013	SGD
GBP A Distributing Class	24 May 2013	GBP
USD U (Monthly) Distributing Class	29 May 2013	USD
AUD U (Monthly) Distributing Class	30 May 2013	AUD
EUR I Accumulating Class	3 June 2013	EUR
GBP I Distributing Class	7 June 2013	GBP
CNY A Distributing Class	10 June 2013	CNY
CAD A Distributing Class	11 June 2013	CAD
SGD A (Monthly) Distributing Class	12 June 2013	SGD
CNY A (Monthly) Distributing Class	22 July 2013	CNY
AUD U Accumulating Class	31 July 2013	AUD
EUR A Distributing Class	2 August 2013	EUR
SGD U Accumulating Class	9 September 2013	SGD
SGD U Distributing Class	19 November 2013	SGD
ZAR A (Monthly) Distributing Class	9 April 2014	ZAR
CNY B (Monthly) Distributing Class	9 May 2014	CNY
CNY T (Monthly) Distributing Class	9 May 2014	CNY

General Information (Continued)

Neuberger Berman Global Senior Floating Rate Income Fund (continued)

<i>Share Class Name</i>	<i>Share Class Launch Date</i>	<i>Currency</i>
USD B (Monthly) Distributing Class	9 May 2014	USD
USD T (Monthly) Distributing Class	9 May 2014	USD
EUR I2 Accumulating Class	30 June 2014	EUR
JPY I Distributing Class	20 August 2014	JPY
CHF I Accumulating Class	31 March 2015	CHF
USD C2 (Monthly) Distributing Class	15 June 2015	USD
USD E (Monthly) Distributing Class	15 June 2015	USD
GBP I (Monthly) Distributing Class	8 September 2015	GBP
AUD I2 (Monthly) Distributing Class	24 September 2015	AUD
CAD I2 Distributing Class	24 September 2015	CAD
EUR I2 (Monthly) Distributing Class	24 September 2015	EUR
GBP I2 (Monthly) Distributing Class	24 September 2015	GBP
HKD I2 (Monthly) Distributing Class	24 September 2015	HKD
SGD I2 (Monthly) Distributing Class	24 September 2015	SGD
USD I2 (Monthly) Distributing Class	24 September 2015	USD
AUD A Distributing Class	14 October 2015	AUD
AUD I2 Accumulating Class	13 January 2016	AUD
CHF I2 Distributing Class	13 January 2016	CHF
EUR I2 Distributing Class	13 January 2016	EUR
GBP I2 Accumulating Class	13 January 2016	GBP
GBP I2 Distributing Class	13 January 2016	GBP
SGD I2 Accumulating Class	13 January 2016	SGD
SGD I2 Distributing Class	13 January 2016	SGD
ZAR I2 (Monthly) Distributing Class	3 March 2016	ZAR
GBP I Distributing Unhedged Class	11 December 2018	GBP

Neuberger Berman Global Senior Floating Rate Income Fund II

The investment objective of Neuberger Berman Global Senior Floating Rate Income Fund II (the "Portfolio") is to provide its shareholders with regular dividends, at levels that are sustainable whilst preserving the capital value of its investment portfolio, utilising the investment skills of the Investment Manager(s) and the AIFM.

To pursue its investment objective, the Portfolio invests mainly in floating rate senior secured loans issued in U.S. dollars, sterling and euros by primarily North American and European Union corporations, partnerships and other business issuers. These loans are at the time of investment often non-investment grade. The Portfolio considers debt instruments to be non-investment grade if, at the time of investment, they are rated below the four highest categories (Aaa, Aa, A and Baa) by at least two independent credit rating agencies or, if unrated, are deemed by the Investment Manager(s) or the AIFM to be of comparable quality.

The Portfolio also makes investments in senior bonds on an opportunistic basis if the Investment Manager(s) or the AIFM believes that such investments are attractively valued, up to a maximum in aggregate of 20% of the Net Asset Value at the time of investment, provided that no more than 10% of the Net Asset Value may be invested in unsecured senior bonds at the time of investment. The Portfolio may invest up to 100% of its Net Asset Value in corporate bonds meeting the criteria set out in the Prospectus and cash to provide liquidity. Additionally, the Portfolio will also make investments selectively in senior secured corporate bonds primarily issued by North American and European corporations, if the Investment Manager(s) or the AIFM believes such investments are attractively valued. These will also be denominated in U.S. dollars, euro and sterling. Any such bonds may have fixed or floating rates and may be rated investment grade or lower or be unrated.

The Portfolio seeks to focus on issuers that the Investment Manager(s) or the AIFM believes have the ability to generate cash flow through a full business cycle, maintain adequate liquidity, possess an enterprise value in excess of senior debt and have access to both debt and equity capital.

General Information (Continued)

Neuberger Berman Global Senior Floating Rate Income Fund II (continued)

The following are the active share classes in the Portfolio at year end:

<i>Share Class Name</i>	<i>Share Class Launch Date</i>	<i>Currency</i>
JPY I (Monthly) Distributing Class	1 July 2014	JPY
JPY J (Monthly) Distributing Class	1 July 2014	JPY
USD I Accumulating Class	1 July 2014	USD
JPY I4 (Monthly) Distributing Class	15 June 2016	JPY
USD Z Accumulating Class	30 March 2017	USD

Neuberger Berman US/European Senior Floating Rate Income Fund

The investment objective of Neuberger Berman US/European Senior Floating Rate Income Fund (the "Portfolio") is to provide its shareholders with regular dividends, at levels that are sustainable whilst preserving the capital value of its investment portfolio, utilising the investment skills of the Investment Manager(s) and the AIFM.

To pursue its investment objective, the Portfolio invests mainly in floating rate senior secured loans issued in U.S. dollars, sterling and euros by primarily North American and European Union corporations. The Portfolio will at times invest at least 30% - but not more than 70% - of its Net Asset Value in each of the European Union and North America regions. These loans are, at the time of investment, often non-investment grade. The Portfolio considers debt instruments to be non-investment grade if, at the time of investment, they are rated below the four highest categories (Aaa, Aa, A and Baa) by at least two independent credit rating agencies or, if unrated, are deemed by the Investment Manager(s) or the AIFM to be of comparable quality.

The Portfolio also makes investments selectively in senior secured corporate bonds primarily issued by North American and European corporations, if the Investment Manager(s) or the AIFM believes such investments are attractively valued. These will also be denominated in U.S. dollars, euro and sterling. Any such bonds may have fixed or floating rates and may be rated investment grade or lower or be unrated.

The Portfolio seeks to focus on issuers that the Investment Manager(s) or the AIFM believes have the ability to generate cash flow through a full business cycle, maintain adequate liquidity, possess an enterprise value in excess of senior debt and have access to both debt and equity capital.

The following are the active share classes in the Portfolio at year end:

<i>Share Class Name</i>	<i>Share Class Launch Date</i>	<i>Currency</i>
EUR I Distributing Class	2 February 2015	EUR
USD I Accumulating Class	2 February 2015	USD

Neuberger Berman High Quality Global Senior Floating Rate Income Fund

The investment objective of Neuberger Berman High Quality Global Senior Floating Rate Income Fund (the "Portfolio") is to seek to provide a stable level of current income, with the preservation of the Portfolio's capital value.

To pursue its investment objective, the Portfolio invests mainly in high quality senior secured non-investment grade floating rate loans issued in U.S. dollars, euro and sterling by North American and European Union corporations (including the United Kingdom). The loans will be considered non-investment grade if, at the time of investment, they are rated below the four highest categories by the Moody's and/or Standard & Poor's rating agencies. The portfolio is prohibited from investing in loans that are either rated below B-/B3 or are unrated.

The Portfolio also makes investments selectively in senior secured corporate bonds primarily issued by North American and European Union corporations (including the United Kingdom), if the Investment Manager(s) or the AIFM believes such investments are attractively valued. These will also be denominated in U.S. dollars, euro and sterling. Any such bonds may have fixed or floating rates and may be rated investment grade or lower, but bonds that are rated below B-/B3 or are unrated are prohibited.

The Portfolio focuses on loans of issuers that the Investment Manager(s) or the AIFM believes have the ability to generate cash flow through a full business cycle, maintain adequate liquidity, possess an enterprise value in excess of senior debt and have access to both debt and equity capital.

General Information (Continued)

Neuberger Berman High Quality Global Senior Floating Rate Income Fund (continued)

The following are the active share classes in the Portfolio at year end:

<i>Share Class Name</i>	<i>Share Class Launch Date</i>	<i>Currency</i>
USD I Accumulating Class	13 March 2017	USD
JPY I Distributing Class	13 March 2017	JPY
EUR I Distributing Class	30 June 2017	EUR

Neuberger Berman European Senior Floating Rate Income Fund

The investment objective of Neuberger Berman European Senior Floating Rate Income Fund (the "Portfolio") is to seek to provide a stable level of current income, with the preservation of the Portfolio's capital value.

To pursue its investment objective, the Portfolio invests mainly in senior secured, non-investment grade, floating rate loans issued in euro, sterling and U.S. dollars by mainly EEA (including the United Kingdom and Switzerland) and North American corporations. The loans will be considered non-investment grade if, at the time of investment, they are rated below the four highest categories by the Moody's and/or Standard & Poor's rating agencies. The portfolio is prohibited from investing in loans that are either rated below B-/B3 or are unrated.

The Portfolio also makes investments selectively in senior, secured, investment grade, floating rate loans and investment grade and non investment-grade senior bonds primarily issued by EEA (including the United Kingdom and Switzerland) and North American corporations, if the Investment Manager(s) or the AIFM believes such investments are attractively valued. These will also be denominated in euro, sterling and U.S. dollars. Any such bonds may have fixed or floating rates and may be rated investment grade or lower, but bonds rated below B-/B3 or unrated are prohibited.

The Portfolio focuses on loans of issuers that the Investment Manager(s) or the AIFM believes have the ability to generate cash flow through a full business cycle, maintain adequate liquidity, possess an enterprise value in excess of senior debt and have access to both debt and equity capital.

The following are the active share classes in the Portfolio at year end:

<i>Share Class Name</i>	<i>Share Class Launch Date</i>	<i>Currency</i>
JPY I Distributing Class	26 July 2017	JPY
EUR I Accumulating Class	1 August 2017	EUR
USD Z Accumulating Class	28 March 2018	USD

Directors' Report

The Directors present, herewith their annual report and audited financial statements for Neuberger Berman Investment Funds II plc (the "Company") for the year ended 31 December 2018 and comparatives for the year ended 31 December 2017.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable Irish Law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland.

Under Irish law, the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Company for the financial year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy, at any time, the assets and liabilities and financial position of the Company and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Part 24 of the Companies Act 2014 (as amended). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are required to entrust the assets of the Company to a Depositary for safe-keeping. In carrying out this duty, the Company has declared custody of the Company's assets to Brown Brothers Harriman Trustee Services (Ireland) Limited (the "Depositary").

The Directors in office at the date of this report have each confirmed that:

- as far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Accounting records

The Directors are responsible for ensuring that adequate accounting records as outlined in Section 281 of the Companies Act 2014 (as amended) are maintained by the Company. To achieve this, the Directors have appointed a service organisation Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Administrator"). The Company's accounting records are retained at Brown Brothers Harriman Fund Administration Services (Ireland) Limited, 30 Herbert Street, Dublin 2.

Principal Activities and Review of Business

The Company is an investment company with variable capital incorporated in Ireland on 30 January 2013 as a public limited company. The Company is structured as an umbrella fund with segregated liability between sub-funds in that the Directors may from time to time with the prior approval of the Central Bank of Ireland, issue different series of shares representing separate Portfolios. The assets of each Portfolio are invested in accordance with the investment objectives applicable to such Portfolio. Each Portfolio bears its own liabilities and none of the Company, any of the service providers appointed to the Company, the Directors, any receiver, examiner or liquidator, nor any other person will have access to the assets of a Portfolio in satisfaction of a liability of any other Portfolio.

As at 31 December 2018, the Company was comprised of five Portfolios, the Neuberger Berman Global Senior Floating Rate Income Fund which launched on 28 March 2013, Neuberger Berman Global Senior Floating Rate Income Fund II which launched on 1 July 2014, the Neuberger Berman US/European Senior Floating Rate Income Fund which launched on 2 February 2015, the Neuberger Berman High Quality Global Senior Floating Rate Income Fund which launched on 13 March 2017 and the Neuberger Berman European Senior Floating Rate Income Fund which launched on 26 July 2017.

Results for the Year and Assets, Liabilities and Financial Position at 31 December 2018

A detailed review of the year and factors which contributed to the performance for the year is included in the Investment Manager's reports. Details of the assets, liabilities and financial position of the Company and results for the year ended 31 December 2018 are set out in the Balance Sheet and Profit and Loss Account for each Portfolio.

Directors' Report (Continued)

Directors

The names of the persons who served as Directors at any time during the year ended 31 December 2018 are set out below:

Andy Olding*	British
Gráinne Alexander**	Irish
Tom Finlay**	Irish
Paul Sullivan** (resigned on 20 February 2019)	Irish
Michelle Green*	British

* Non-Executive Director

** Independent Non-Executive Director

Directors' and Company Secretary's Interests

Mr. Andy Olding and Ms. Michelle Green are Directors of the Company and are also employees of Neuberger Berman Europe Limited, the Investment Manager and Distributor of the Company.

None of the Directors, the Company Secretary, or their families holds or held any beneficial interests in the Company at 31 December 2018 or during the year (2017: Nil).

Transactions Involving Directors

There are no contracts or arrangements of any significance in relation to the business of the Company in which the Directors or the Company Secretary had any interest as defined in the Companies Act 2014 (as amended) at any time during the year ended 31 December 2018 other than those disclosed in note 10 of these financial statements (2017: same).

Connected Parties

In accordance with the Central Bank's AIF Rule Book, any transaction carried out with the Company by the Promoter, the Investment Manager, the Depository, the Investment Adviser and/or associated or group companies of these entities ("connected parties") must be carried out as if negotiated at arm's length. Such transactions must be in the best interest of the shareholders of the Company.

The Board of Directors of the Company is satisfied that (i) there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out above are applied to all transactions with connected parties; and (ii) transactions with connected parties entered into during the period complied with these obligations.

Political Donations

There were no political donations made during the year ended 31 December 2018 (2017: Nil).

Risk Management Objectives and Policies

Each Portfolio is invested in accordance with the investment objectives and policies applicable to the Portfolio as set out in detail in the Prospectus. Investment in the Company carries with it a degree of risk including, but not limited to, the risks referred to in note 12 of these financial statements.

Dividends and Retention

The dividend distributions declared and paid during the year are disclosed in the Profit and Loss Account under Finance Costs.

Future Developments

The Company will continue to pursue its investment objective as set out in the Prospectus and outlined in the general information section of these financial statements.

Brexit Statement

On 23 June 2016, the United Kingdom held a referendum and voted to leave the European Union. It is currently not known whether, when or on what terms the United Kingdom will terminate its membership of the European Union. During this period of uncertainty, there may be a significant increase in volatility and disruption in the global financial markets, including the currency markets. Such events may, in turn, contribute to worsening economic conditions and reduced liquidity in some segments of the market, not only in the UK and Europe but also in the rest of the world. Leaving the European Union may also result in significant changes to law and regulation in the UK. It is not currently possible to assess the effect of these changes on the Company or the position of the Shareholders (although such changes may result in the management arrangements for the Company having to be re-structured).

Investors should be aware that these and other similar consequences following from the referendum result may adversely affect the value of the shares and the Company's performance.

Directors' Report (Continued)

Significant Events During the Year

Ms. Michelle Green was appointed as Director of the Company on 10 August 2018.

A new version of the Company's Prospectus was approved by the Central Bank on 13 August 2018.

A new version of the Company's Prospectus was approved by the Central Bank on 18 December 2018.

Other than the above, there have been no significant events affecting the Company during the year.

Significant Events Since the Year End

Paul Sullivan resigned as Director of the Company on 20 February 2019.

Neuberger Berman US/European Senior Floating Rate Income Fund is due to be liquidated by the end of the second quarter 2019.

Neuberger Berman Asset Management Ireland Limited ("NBAMIL") has been appointed as the AIFM to the Company in place of the Company's previous AIFM, Neuberger Berman AIFM Limited on 12 April 2019.

Other than the above, there have been no significant events affecting the Company since the year end.

Independent Auditors

The Independent Auditors, Ernst & Young, Chartered Accountants, have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014 (as amended).

Corporate Governance

The Company is subject to and complies with Irish statute comprising the Companies Act 2014 (as amended) and with the AIF Rulebook and the Listing Rules of the Euronext Dublin. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Financial Reporting Process - Description of Main Features

The Directors are responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Directors have established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator to maintain the accounting records of the Company independently of Neuberger Berman Europe Limited (the "Investment Manager") and the Depositary. The Administrator is required under the terms of the administration agreement to maintain proper books and records on behalf of the Company. To that end the Administrator performs regular reconciliations of its records to those of the Depositary. The Administrator is also contractually obliged to prepare for review and approval by the Directors the annual report including financial statements intended to give a true and fair view and the interim report and unaudited abridged financial statements.

The Directors evaluate and discuss significant accounting and reporting issues as the need arises. From time to time the Directors also examine and evaluate the Administrator's financial accounting and reporting routines and monitor and evaluate the external auditors' performance, qualifications and independence. The Administrator has operating responsibility in respect of its internal controls in relation to the financial reporting process and the Administrator's report to the Directors.

Risk Assessment

The Directors are responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Directors have also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Neuberger Berman complete in depth reviews of the Financial Statements to ensure that all of the content included is accurate. Should a discrepancy be identified Neuberger Berman would report this to the Board of Directors at the next board meeting, or immediately where the discrepancy is deemed material. Changes in accounting rules and standards are monitored by Neuberger Berman and the Company's Administrator; all changes are reported to the board periodically. Neuberger Berman liaises with the Company's Administrator to ensure that all changes in accounting rules and standards are reflected in the financial statements in a timely manner. Neuberger Berman also has regular dialogue with the Company's Auditors.

Directors' Report (Continued)

Corporate Governance (continued)

Control Activities

The Administrator maintains control structures to manage the risks over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report. Examples of control activities exercised by the Administrator include analytical review procedures, reconciliations and automatic controls in IT systems. Prices not available from independent sources are typically valued by the Investment Manager using methods the Directors have approved in the good-faith belief that the resulting valuation will reflect the fair value of the security.

Diversity

With respect to diversity, the Company has no employees and the only individuals engaged directly by it are the Directors. When there is a vacancy on the Board of Directors, the objective is to ensure that the Board is diversified with an appropriate mix as regards age, gender, race and educational/professional backgrounds, while achieving compliance by all individuals with regulatory requirements and an overall composition with the requisite experience and skills. This was most recently reflected in 2018, in the context of the appointment of Michelle Green as a director.

Information and Communication

The Company's policies and the Directors' instructions with relevance for financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner.

Monitoring

The Directors receive regular presentations and review reports from the Depositary, Investment Manager and Administrator. The Directors also have an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors.

Capital Structure

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, Irish statute comprising the Companies Act 2014 (as amended) and with the AIF Rulebook and the Listing Rules of the Euronext Dublin as applicable to investment funds. The Articles of Association themselves may be amended by special resolution of the shareholders.

Powers of the Directors

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the Directors. The Directors have delegated the day to day administration of the Company to the Administrator and the investment management and distribution functions to the Investment Manager and the AIFM. Consequently none of the Directors is an executive Director.

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property or any part thereof and may delegate these powers to the Investment Manager.

The Directors may at any time, with prior notification to the Depositary, temporarily suspend the calculation of the Net Asset Value of a particular Portfolio and the issue, valuation, sale, purchase, redemption or conversion of shares and/or the payment of redemption proceeds at any time in any of the following instances:

- a) any period when any recognised market on which a substantial portion of the investments for the time being comprised in the relevant Portfolio are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings on any such recognised market are restricted or suspended;
- b) any period when, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, the disposal or valuation of investments for the time being comprised in the relevant Portfolio cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interests of shareholders;

Directors' Report (Continued)

Corporate Governance (continued)

Powers of the Directors (continued)

- c) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the relevant Portfolio or during any period when for any other reason the value of investments for the time being comprised in the relevant Portfolio cannot, in the opinion of the Directors, be promptly or accurately ascertained;
- d) any period when the Company is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the relevant Portfolio, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;
- e) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the relevant Portfolio or the remaining shareholders in such Portfolio;
- f) any period after a notice convening a meeting of shareholders for the purpose of dissolving the Company or terminating a Portfolio has been issued, up to and including the date of such meeting of shareholders;
- g) any period during which dealings in a collective investment scheme in which the Portfolio has invested a significant portion of its assets are suspended;
- h) any period in which the repurchase of the shares would, in the opinion of the Directors, result in a violation of applicable laws; or
- i) any period when the Directors determine that it is in the best interests of the shareholders to do so.

Notice of any such suspension shall be published by the Company at its registered office and in such newspapers and through such other media as the Directors may from time to time determine, if in the opinion of the Directors, it is likely to exceed thirty days, and shall be transmitted immediately to the Central Bank of Ireland, the Euronext Dublin and the shareholders. Shareholders who have requested the issue or redemption of shares of any series or class will have their subscription or redemption request dealt with on the first Dealing Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Registered shares may be transferred to another beneficial owner free of cash in a form that has been approved by the Directors. The instrument of transfer of a share must be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on to the Register in respect of such share.

The Directors may decline to register a transfer if they are aware or reasonably believe the transfer would result in the beneficial ownership of shares by a person in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the relevant Portfolio or shareholders generally.

Shareholder Meetings

The Annual General Meeting of the Company will be held in Ireland, normally during the month of June or such other date as the Directors may determine. Notice convening the Annual General Meeting in each year at which the audited financial statements of the Company will be presented (together with the Directors' and Auditors' Reports of the Company) will be sent to shareholders at their registered addresses not less than twenty one clear days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors in such manner as provided by Irish law.

Each of the shares entitles the holder to attend and vote at meetings of the Company and of the Portfolio represented by those shares. All votes shall be cast by a poll of shareholders present in person or by proxy at the relevant shareholder meeting or by unanimous written resolution of the shareholders.

No class of shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits of any other share class or any voting rights in relation to matters relating solely to any other share class.

Any resolution to alter the class rights of the shares requires the approval of three-fourths of the holders of the shares represented or present and voting at a general meeting of the class. The quorum for any general meeting of the class convened to consider any alteration to the class rights of the shares shall be present in person or by proxy two or more persons holding shares issued in that class. In the event that a quorum is not present at a meeting and the meeting is adjourned, the quorum for the adjourned meeting shall be one shareholder present in proxy or person.

Each of the shares other than subscriber shares entitle the shareholder to participate equally (subject to any differences between fees, charges and expenses applicable to different classes of shares) on a pro-rata basis in the profits and net assets of the Portfolio in respect of which the shares have been issued, save in the case of profits declared prior to becoming a shareholder.

Subscriber shares entitle the shareholders holding them to attend and vote at all general meetings of the Company but do not entitle the holders to participate in the profits or net assets of the Company except for a return of capital on a winding up.

Directors' Report (Continued)

Corporate Governance (continued)

Composition and Operation of Board and Committees

There are four Directors currently, all of whom are non-executive Directors. Mr. Andy Olding is a Director of the Company and also an employee of Neuberger Berman Europe Limited, the Investment Manager and Distributor of the Company. The Articles of Association do not provide for retirement of Directors by rotation. However, the Directors may be removed by the shareholders by ordinary resolution in accordance with the procedures established under the Irish Companies Act 2014 (as amended). The Board of Directors meets at least quarterly. There are no permanently authorised sub-committees of the Board of Directors.

The Board has satisfied itself that the Directors have sufficient time to fully discharge their duties and disclose in writing to the Board their other time commitments, including other CIS directorships and non fund directorships.

Irish Funds Corporate Governance Code

The Irish Funds ("IF") has published a corporate governance code ("IF Code") that may be adopted on a voluntary basis by Irish authorised collective investment schemes. It should be noted that the IF Code reflects existing corporate governance practices imposed on Irish authorised collective investment schemes, as noted above. If the IF Code is adopted on a voluntary basis, it can be referred to in the disclosures made in the Directors' Report in compliance with the provisions of the European Communities (Directive 2006/46/EC) Regulations (i.e. S.I. 450 of 2009 and S.I. 83 of 2010).

With effect from the date of incorporation, the Board of Directors (the "Board") voluntarily adopted the Corporate Governance Code for Irish Domiciled Collective Investment Schemes as published by the IF, as the Company's corporate governance code.

On behalf of the Board of Directors

Director

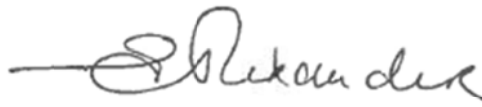
Tom Finlay



Date: 17 April 2019

Director

Gráinne Alexander



Date: 17 April 2019

Independent Auditor's Report to the Members of Neuberger Berman Investment Funds II Plc - International Standards on Auditing (Ireland)

Opinion

We have audited the financial statements of Neuberger Berman Investment Funds II PLC ('the Company') for the year ended 31 December 2018, which comprise the Aggregate Balance Sheet, the Aggregate Profit and Loss Account, the Aggregate Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and Accounting Standards including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Irish Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with Irish Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard as applied to public interest entities issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters, in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the Members of Neuberger Berman Investment Funds II Plc - International Standards on Auditing (Ireland) (Continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Existence of financial assets and financial liabilities at fair value through profit or loss amounting to \$1,493,497,243 (2017: \$1,425,670,392)</p> <p>We have considered the existence and ownership of financial assets and financial liabilities at fair value through profit or loss to be a key audit matter.</p> <p>This is one of the key areas our audit is concentrated on, because the existence and ownership of financial assets and financial liabilities at fair value through profit or loss is a key driver of the net asset value.</p> <p>Please refer to Note 2 – Financial assets and financial liabilities at fair value through profit or loss in the financial statements.</p>	<p>We obtained a listing of all financial assets and liabilities from the Administrator as at 30 June 2018 and 31 December 2018.</p> <p>We tested the existence and ownership of financial assets and financial liabilities at fair value through profit or loss directly with the depository or counterparties by obtaining independent confirmations as at 30 June 2018 or as at 31 December 2018.</p> <p>As at 31 December 2018 we performed roll forward procedure for all sub-funds.</p>	<p>Based on the procedures performed, no issues were noted.</p>

Independent Auditor's Report to the Members of Neuberger Berman Investment Funds II Plc - International Standards on Auditing (Ireland) (Continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Valuation of financial assets and financial liabilities at fair value through profit or loss amounting to \$1,493,497,243 (2017: \$1,425,670,392)</p> <p>We have considered valuation of financial assets and financial liabilities at fair value through profit or loss as a key audit matter as it is a key driver of the Company's performance and net asset value.</p> <p>Please refer to Note 2 – Financial assets and financial liabilities at fair value through profit or loss, Note 11 – Net gain / (loss) on financial assets and liabilities at fair value through profit or loss and Note 12 – Financial instrument disclosures in the financial statements.</p>	<p>We obtained the listing of financial assets and financial liabilities at fair value through profit or loss as at 31 December 2018 from the Administrator.</p> <p>We assessed the reasonableness of the valuation for all financial assets and financial liabilities at fair value through profit or loss, by:</p> <ul style="list-style-type: none"> • comparing values to quoted prices, broker prices or vendor prices, • recalculating fair value using industry standard models or • assessing the reasonableness of the assumptions and data inputs used by the Directors to value these financial assets and financial liabilities at fair value through profit or loss. 	<p>Based on the procedures performed, no issues were noted.</p>

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be 0.5% (2017: 0.5%) of Net Asset Value. We believe that Net Asset Value is an appropriate measurement basis since the users of the financial statements may focus more on assets or equity than earnings.

During the course of our audit, we reassessed initial materiality and there were no changes in the materiality.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2017: 75%) of our planning materiality. We have set performance materiality at this percentage due to our knowledge of the entity and industry, our past history with the entity, effectiveness of the control environment and our assessment of the risks associated with the engagement.

Independent Auditor's Report to the Members of Neuberger Berman Investment Funds II Plc - International Standards on Auditing (Ireland) (Continued)

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit report

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company statement of financial position is in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Independent Auditor's Report to the Members of Neuberger Berman Investment Funds II Plc - International Standards on Auditing (Ireland) (Continued)

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the parent Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are Companies Act 2014 and AIF Rulebook.
- We understood how Neuberger Berman Investment Funds II plc is complying with those frameworks by updating our understanding of the adequate system of internal control in place. We also considered the existence of independence service providers, proper segregation of duties and the regulated environment in which the Company operates, which may reduce opportunities for fraud to take place.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by management override of controls.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries to those charged with governance into possible instances of non-compliance with laws and regulations, review of board meeting minutes during the year and obtaining representation from the management.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at:

http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Directors in 2013 to audit the financial statements for the year ending 31 December 2013 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 6 years.

The non-audit services prohibited by IAASA's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Independent Auditor's Report to the Members of Neuberger Berman Investment Funds II Plc - International Standards on Auditing (Ireland) (Continued)

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report.



Lisa Kealy
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin

Date: 25 April 2019