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# Neuberger Disrupters ETF (NBDS)*

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## Performance Highlights

The Neuberger Disrupters ETF's (the "Fund" or the "ETF") absolute performance was down in the fourth quarter and underperformed its primary benchmark, the Russell 1000 Growth Index.

## Market Context

As we look back on 2025 and ahead to 2026, markets once again sit near all-time highs, led by a small group of very large, very profitable companies tied to artificial intelligence (AI), cloud computing, and digital platforms. The fiscal policy backdrop is more supportive than it has been in some time, with inflation largely moderating from its peaks and central banks moving from tightening to easing. At the same time, in general valuations are somewhat elevated relative to history, the economy is working through a number of structural frictions, and the impact of AI and fiscal policy on the real world is still developing.

## Portfolio Review

During the fourth quarter of 2025, on a relative basis, the ETF's portfolio performed best in Utilities and lost ground in Communication Services. On an individual stock basis, the best performers during the period were Intuitive Surgical, Advanced Micro Devices and Carvana. The worst performers were Robinhood, Spotify and ARM Holdings.

Intuitive Surgical outperformed as strong procedure growth and rising adoption of robotic surgery systems reinforced the company's long runway for recurring revenue and margin expansion.

Advanced Micro Devices outperformed as investors gained confidence in its datacenter and AI accelerator roadmap, supporting expectations for continued share gains in high-performance computing.

Carvana outperformed on improving profitability metrics and progress in reducing leverage, which together bolstered market confidence in the sustainability of its business model.

Robinhood underperformed as softer trading activity drove some consolidation following a very strong stock performance in the first three quarters of 2025.

Spotify underperformed as the stock consolidated after a strong run, amid investor debate over the longevity of recent margin gains and the pace of future subscriber and average revenue per user (ARPU) growth.

Arm Holdings underperformed following a period of heightened expectations, as investors reassessed valuation against near-term licensing trends and the timing of broader AI-driven monetization.

During the quarter, we added Carvana, Figure Technologies and Palantir, and we exited DraftKings, Toast and TransDigm.[1]

**BEST AND WORST PERFORMERS FOR THE QUARTER[2]**

| Best Performers | Worst Performers |
|---|---|
| Intuitive Surgical, Inc. | Robinhood Markets, Inc. Class A |
| Advanced Micro Devices, Inc. | Spotify Technology SA |
| Carvana Co. Class A | ARM Holdings PLC Sponsored ADR |

2. Reflects the best and worst performers for the quarter, in descending order, to the ETF's performance based on individual security performance and portfolio weighting. Specific securities identified and described do not represent all of the securities purchased, sold or recommended for the ETF. Positions listed may include securities that are not held in the ETF as of December 31, 2025. It should not be assumed that any investments in securities identified and described were or will be profitable.

## Outlook

Our stance remains constructive but measured: we believe there are real earnings and productivity drivers supporting today's leaders and many other high-quality businesses, but the path from here is unlikely to be smooth and we see value in thinking clearly about both the bull and bear cases for 2026.

It is tempting to lean on simple analogies, and when looking at the current market, the comparison many investors reach for is the late 1990s technology bubble. There are surface similarities in the concentration of market leadership and enthusiasm around a transformative technology. Yet there are important differences that we think matter. Many of the companies driving index returns today are generally profitable, tend to generate substantial free cash flow (although some are coming down on the AI buildout), and have strong balance sheets and entrenched competitive positions. Their businesses benefit from scale, data advantages, distribution networks, and ecosystem effects that are durable in a way many dot-com-era business models never were. That does not mean concentration is riskless or that valuations cannot overshoot; it does mean that the starting point for fundamentals today is much stronger than in 1996, which influences how we think about risk and position sizing.

AI sits at the center of many of the conversations we are having with clients, and it is rightly one of the main pillars in any 2026 outlook. On the one hand, demand related to AI has been exceptionally strong. "AI native" startups and certain consumer platforms whose recommendation engines and user experiences are increasingly AI-driven have often been beating already ambitious plans and accelerating. Some of the most prominent frontier model companies like Anthropic and OpenAI have seen their revenue expectations for 2025 and beyond revised sharply higher. We believe there is genuine product-market fit in areas

1. Represents all buys and sells for the quarter through December 31, 2025.

* Prior to December 18, 2025, the Fund included "Neuberger Berman" in place of "Neuberger" in its name.

like developer tools, search, media creation, and specialized applications in fields such as healthcare, and there is a growing ecosystem of companies providing the infrastructure and tools that make these applications possible.

On the other hand, in general enterprise AI adoption has been slower and more complicated than many had hoped for a year or two ago. For many large companies, security, regulatory, and compliance constraints are real; data is often messy and siloed; and integrating new tools into existing workflows requires change management that cannot be wished away. There are still relatively few examples of fully scaled production deployments at large enterprises where the return on investment is both clear and material at the company level. In our observation, the idea that cheap coding and intuitive interfaces would rapidly enable a wave of bespoke AI applications that could disrupt much of traditional software is proving more delayed and uncertain than some of the early narratives suggested.

This divergence between AI natives that are growing quickly and a broader enterprise landscape where return on investment (ROI) is harder to prove creates the foundation for both the optimistic and the pessimistic scenarios as we look toward 2026. As we consider the potential outlook, we envision in a more bullish path that AI-related capital spending continues at a healthy pace, but with an increasing share directed toward proven use cases where productivity gains and revenue uplift are demonstrable. Further, ore enterprises move beyond pilots into scaled deployments, and the earnings contribution from AI use becomes visible across a wider range of sectors, not just in a handful of infrastructure and platform names. In that world, earnings revisions for AI-exposed companies stay broadly positive, and valuation multiples that look demanding today are at least partly justified by real profit growth.

Alternatively, in a potentially more bearish path, early returns on AI projects disappoint as costs, complexity, and organizational friction prove higher than expected. Enterprises could slow or pause spending, more projects would be relegated to “experiments” with unclear payback, and the most aggressive expectations around AI’s contribution to earnings are likely revised lower. In this possible scenario, investors begin to question not only the pace of adoption but also the premium valuations ascribed to AI beneficiaries. At the same time, the market might be asked to absorb substantial equity supply from AI-related initial public offerings (IPOs), direct listings, and secondary offerings, including those by well-known private companies that choose to capitalize on perceived enthusiasm. If that supply arrives into a less ebullient backdrop, we believe that it could pressure valuations and challenge the market’s ability to sustain the current leadership structure.

We also believe that interest rates, fiscal policy, and the behavior of the bond market are another key axis along which 2026 can evolve in either direction. Policy rates have moved off their peaks, and currently the consensus expects further easing. Potentially, in the bullish scenario, lower policy rates in the near term could translate into meaningfully lower borrowing costs across the curve, including mortgage and corporate yields. We expect financial conditions would ease, credit becomes more available at reasonable terms, and both households and businesses feel the benefit. In our view, fiscal policy could add to this tailwind through measures that support disposable income for lower- and middle-income households, whether through targeted tax relief, improved refunds, or other credits. That combination of easier money and modest fiscal support would likely reinforce the existing wealth effect from higher home values and equity markets, sustaining consumption even as the labor market cools from very strong levels.

The potential bear case in our view is not that rates fail to come down at the front end but that the market remains concerned about longer-term fiscal sustainability and inflation, keeping term premiums and longer-dated yields elevated. In that world, the 10-year yield likely does not move nearly as much as the policy rate, mortgage rates stay high relative to the last cycle, and corporate borrowing costs remain a constraint on marginal investment. At the same time, rising commodity prices and higher yields in other major markets could amplify those concerns. Market signals like a stubbornly high long end of the curve and resilient commodity prices could suggest that cuts are doing less to stimulate the real economy than the headline numbers imply. In this environment, we expect the benefits of monetary easing are likely blunted, and the valuation headwind for longer-duration assets, including many growth equities, remains significant.

The consumer and housing sit at the junction between macro policy and real-world behavior, and we believe they will be critical to how 2026 markets play out. At year 2025 year-end, a very large share of outstanding U.S. mortgages carried interest rates well below the current levels for new loans, with many homeowners locked into mortgage rates under 5%. That has been a source of stability for household cash flows, but it has also created what amounts to a mobility tax. Moving often means giving up a very attractive mortgage rate for a much less attractive one, so many households simply stay put. At the same time, housing affordability for new buyers is near multi-decade lows, making it difficult for first-time buyers to enter the market or for families to upgrade. This combination suppresses transaction volumes, constrains geographic mobility, and dampens the ancillary spending that tends to accompany housing turnover.

Overlaying this is a bifurcated consumer. Higher-income households and those who own homes have seen substantial gains in housing and financial wealth over the last several years. They have the balance sheet capacity to spend on travel, experiences, premium products, and services, and in many categories, they are doing so. At the other end of the spectrum, lower-income households face persistent affordability pressures in housing, credit, and essentials, and are more sensitive to changes in employment conditions and policy support. In our view, the more favorable 2026 scenario would see continued strength among higher-income consumers, a still-healthy labor market even if slightly weaker, and targeted fiscal measures could offset some of the drag from housing constraints and support overall demand. Conversely, in a more challenging scenario, the strain on the lower end of the consumer base intensifies, housing remains stuck, and the breadth of demand narrows further even as headline unemployment remains relatively low.

At quarter end, the equity market itself reflects these cross-currents. A small group of mega-cap technology and communication services companies has driven a disproportionate share of index returns and has consistently beaten earnings expectations. These “big ten” stocks have delivered positive revisions to current-year earnings, while the other hundreds of companies in the S&P 500 Index (the “Index’) have, in aggregate, seen little or no upward revision to near-term forecasts. However, we see consensus forecasts currently expect an improved earnings performance in 2026 beyond the “big ten” leaders. If those forecasts prove accurate, there is scope for market leadership to broaden as more sectors participate in earnings growth. That broadening would be an important support for the potential bullish case, as it would reduce the market’s dependence on a handful of giants and create more opportunities for stock pickers across the market cap spectrum. If, instead, those earnings expectations for the “other 490” stocks in the Index do not materialize, or if equity supply from AI-related listings and secondaries weighs on multiples, the Index could remain narrow and vulnerable to disappointments in its biggest constituents.

Against this backdrop, our approach remains consistent with the philosophy we have articulated in prior letters. We focus on owning a concentrated portfolio of businesses that we believe have durable competitive advantages, attractive unit economics, strong balance sheets, and long runways for reinvestment. We are comfortable with concentration where our conviction is high and the underlying earnings and cash flow support it, but we are disciplined about position sizing and willing to trim holdings into strength when valuations move ahead of our assessment of intrinsic value. We prefer to deploy capital into companies that can benefit from AI and other structural drivers with clear paths to monetization, rather than those whose appeal rests primarily on aspirational narratives. We also recognize that some of the best opportunities may emerge outside the current market leaders, particularly if 2026 does bring a broadening in earnings growth and investor attention.

At the same time, we are attentive to the macro asymmetries that could shape outcomes next year. While our process to manage the ETF is grounded in bottom-up research, we do incorporate top-down considerations where we believe they could materially alter the distribution of outcomes, such as the interaction between fiscal policy and the bond market, the constraints imposed by housing and affordability, and the potential for an AI capital cycle to overshoot. In certain multi-asset contexts, our process can include the use of hedges or exposures that may benefit from fiscal or inflation concerns. In all cases, our objective is the same: to manage the ETF so that it can participate meaningfully if the more constructive aspects of the 2026 bull case develop, while remaining resilient if some of the more concerning elements of the bear case unfold.

We do not pretend to know exactly how the next year will evolve. What we can do is be clear-eyed about the forces at work, disciplined in how we underwrite businesses, and opportunistic when we see volatility creating attractive entry points. We expect more, not less, volatility around AI-related themes, around the interaction between rate cuts and the long end of the curve, and around the political and fiscal debates that will shape investor confidence. Our intent is to use that volatility to upgrade the portfolio over time, adding to outstanding businesses when they become temporarily cheaper, and reducing or exiting positions where our thesis has weakened or been proven wrong.

## FUND PERFORMANCE (%)

| For Periods Ended 12/31/2025 | 1 Month | 3 Months | YTD | 1 Year | 3 Years | Annualized Since Inception (4/6/22) |
|---|---|---|---|---|---|---|
| NBDS - NAV | -0.77 | -1.80 | 19.43 | 19.43 | 25.08 | 11.05 |
| NBDS - Market Price | -0.58 | -1.73 | 19.57 | 19.57 | 25.02 | 11.08 |
| Russell 1000 Growth Index | -0.62 | 1.12 | 18.56 | 18.56 | 31.15 | 16.96 |
| Russell Midcap Growth Index | -0.28 | 0.16 | 10.60 | 10.60 | 14.36 | 7.93 |
| Russell 2000 Growth Index | -1.28 | 1.22 | 13.01 | 13.01 | 15.59 | 8.08 |

**Performance data quoted represent past performance, which is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original costs. Current performance may be lower or higher than the performance data quoted. For current performance data, including current to the most recent month end, please visit nb.com/ETF. The Fund has a limited performance history that should not be relied on. Past performance, particularly for brief periods of time, are not indicative of future returns.** The **Market Price** is the official closing price as of the closing time of the NYSE Arca (typically 4 p.m., Eastern time). **Net Asset Value** is determined at the close of each business day, and represents the dollar value of one share of the Fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF s intraday trading value. ETF investors should not expect to buy or sell shares at NAV.

**FEES AND EXPENSES**

The table below describes the fees and expenses that you may pay if you buy, hold and sell shares of the Fund . You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the table below.

| Annual Fund Operating Expenses | |
|---|---|
| Gross Expense Ratio | 0.65% |
| Net Expense Ratio* | 0.55% |

*Net expense ratio represents the total annual operating expenses that shareholders pay (after the effect of fee waivers). The Fund's Investment Manager has contractually agreed to waive its management fee by 0.10% of the Fund's average daily net assets through April 8, 2027. Absent such arrangement, which may not be terminated without Board approval, the total returns would have been lower. Information as of the most recent prospectus dated December 18, 2025 as amended, restated and supplemented.

***An investor should consider the Fund's investment objectives, risks and fees and expenses carefully before investing. This and other important information can be found in the Fund's prospectus, and if available summary prospectus, which you can obtain by calling 877.628.2583. Please read the prospectus, and if available the summary prospectus, carefully before making an investment.***

The **Russell 1000® Growth Index** measures the performance of the large cap growth segment of the US equity universe. It includes those Russell 1000 companies with relatively higher price-to-book ratios. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics. Effective after the market close on March 21, 2025, FTSE Russell is implementing a capping methodology to all Russell U.S. Style Indices including this one. Any individual company weights in the index greater than 22.5% will be capped, and the sum of all individual companies that have an index weight greater than 4.5% will be capped to a 45% aggregate weight in the index. This will be applied quarterly going forward, but historical index returns will not be restated.

The **Russell Midcap Growth Index** measures the performance of the midcap growth segment of the US equity universe. It includes those Russell Midcap Index companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years). The Index is reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap growth market. Effective after the market close on March 21, 2025, FTSE Russell is implementing a capping methodology to all Russell U.S. Style Indices including this one. Any individual company weights in the index greater than 22.5% will be capped, and the sum of all individual companies that have an index weight greater than 4.5% will be capped to a 45% aggregate weight in the index. This will be applied quarterly going forward, but historical index returns will not be restated.

The **Russell 2000 Growth Index** measures the performance of the small cap growth segment of the US equity universe. It includes those Russell 2000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years). The Index is reconstituted annually to ensure the represented companies continue to reflect growth characteristics. Effective after the market close on March 21, 2025, FTSE Russell is implementing a capping methodology to all Russell U.S. Style Indices including this one. Any individual company weights in the index greater than 22.5% will be capped, and the sum of all individual companies that have an index weight greater than 4.5% will be capped to a 45% aggregate weight in the index. This will be applied quarterly going forward, but historical index returns will not be restated.

As of 12/31/2025, the weightings of the securities mentioned indicated as a percentage of Fund net assets were Intuitive Surgical, Inc., 5.05%; Advanced Micro Devices, Inc., 4.29%; Carvana Co. Class A. 2.61%; Robinhood Markets, Inc. Class A, 4.45%; Spotify Technology SA, 4.63%; ARM Holdings PLC Sponsored ADR, 2.70%.

Portfolio holdings are expressed as a percentage and are calculated by taking the market value of each holding and dividing it by the Fund's NAV. Portfolio holdings are subject to change. For current portfolio holdings please download "Fund Holdings" as a CSV or PDF at nb.com/ETF. Portfolio holdings should not be considered as investment advice or a recommendation to buy, sell or hold any particular security. It should not be assumed that an investment in the securities identified was or will be profitable.

Past performance does not guarantee future results. This material is not intended to address every situation, nor is it intended as a substitute for the legal, tax, accounting or financial counsel of your professional advisors with respect to your individual circumstances. This material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. This material is not intended to be a formal research report and should not be construed as an offer to sell or the solicitation of an offer to buy any security.

Unless otherwise stated, information (including holdings and portfolio characteristics) is as of the end of the period indicated in the document title and is subject to change without notice.

There can be no assurance that the Fund will achieve its investment objective. The Fund's investment strategies incorporate the identification of thematic investment opportunities, and its performance may be negatively impacted if the investment manager does not correctly identify such opportunities or if the theme develops in an unexpected manner.

There can be no guarantee that the Portfolio Managers will be successful in their attempts to manage the risk exposure of the Fund or will appropriately evaluate or weigh the multiple factors involved in investment decisions, including issuer, market and/or instrument-specific analysis, valuation and environmental, social and governance factors.

All ETF products are subject to risk, including possible loss of principal. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions, including adverse issuer, political, regulatory, market, economic or other developments that may cause broad changes in market value, public perceptions concerning these developments, and adverse investor sentiment. To the extent the Fund invests in securities of small-, mid-, or large-cap companies, it takes on the associated risks. Because the prices of most growth stocks are based on future expectations, these stocks tend to be more sensitive than value stocks to bad economic news and negative earnings surprises. An individual security may be more volatile, and may perform differently, than the market as a whole.

The Fund will invest in disruptive technologies or companies applying such technologies. In some cases, it may invest at early and perhaps speculative stages of development, when various consequences cannot necessarily be foreseen. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors.

Unlike mutual funds, ETF shares are purchased and sold in secondary market transactions at negotiated market prices rather than at net asset value (“NAV”) and as such ETFs may trade at a premium or discount to their NAV. As a result, shareholders of the Fund may pay more than NAV when purchasing shares and receive less than NAV when selling Fund shares. ETF shares may only be redeemed at NAV by authorized participants in large creation units. There can be no guarantee that an active trading market for shares will develop or be maintained or that the Fund’s shares will continue to be listed. The trading of shares may incur brokerage commissions. The Fund has a limited number of Authorized Participants. To the extent they exit the business or are otherwise unable to proceed in creation and redemption transactions with the Fund and no other Authorized Participant is able to step forward to create or redeem, shares of the Fund may be more likely to trade at a premium or discount to NAV and possibly face trading halts or delisting.

Foreign securities, including emerging markets, involve risks in addition to those associated with comparable U.S. securities. Additional risks include exposure to less developed or less efficient trading markets; social, political, diplomatic, or economic instability; trade barriers and other protectionist trade policies (including those of the U.S.); significant government involvement in an economy and/or market structure; fluctuations in foreign currencies or currency redenomination; potential for default on sovereign debt; nationalization or expropriation of assets; settlement, custodial or other operational risks; higher transaction costs; taxes; and less stringent auditing, corporate disclosure, governance, and legal standards. Changes in currency exchange rates could adversely impact investment gains or add to investment losses.

The Fund is classified as non-diversified. As such, the percentage of the Fund’s assets invested in any single issuer or a few issuers is not limited as much as it is for a Fund classified as diversified. Investing a higher percentage of its assets in any one or a few issuers could increase the Fund’s risk of loss and its share price volatility, because the value of its shares would be more susceptible to adverse events affecting those issuers.

High public debt in the U.S. and other countries creates ongoing systemic and market risks and policymaking uncertainty.

These and other risks are discussed in more detail in the Fund's prospectus. Please refer to the prospectus for a complete discussion of the Fund's principal risks.

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