Neuberger Emerging Markets Debt Hard Currency ETF

TICKER: NEMD

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Performance Highlights

During the most recent quarter, Neuberger Emerging Markets Debt Hard Currency ETF (NEMD) (the “Fund” or “ETF”) had net asset value (NAV) and market price-based total returns of 5.39% and 4.81%[1] respectively. In contrast, the JP Morgan EMBI Global Diversified Index (the “Index”), the ETF’s primary benchmark, reported a return of 4.63% for the same period.

Market Context

The Index delivered a 4.63% return in Q2, driven by tighter spreads – 235bps from 289bps at end-March, while Index yields edged 10bps lower from 7.02% to 6.92%. Geopolitics remained the dominant market theme throughout the quarter. The signing of a US-Iran interim deal triggered a significant wave of risk-on sentiment, leading to the sharpest quarterly oil price decline since Q1 2020. This dispelling stagflation fears and provided broad tailwinds for both bonds and equities. Central banks struck a more hawkish tone, underpinned by resilient global economic data. Kevin Warsh's inaugural press conference as Fed Chair was hawkish, while the ECB and the Bank of Japan hiked rates. The dollar index rose 1.2% in Q2 – a fourth consecutive quarterly gain.

High yielding markets delivered 6.7% return, outpacing investment grade credits at 2.5%. Ukraine was the top performer, delivering 25.9% as battlefield progress against Russia bolstered investor confidence, while Mozambique also rallied as restructuring concerns faded. India was the main laggard at just 1%, and Senegal followed, as President Faye's dismissal of Prime Minister Sonko raised concerns over IMF relations and a potential sovereign debt restructuring[2].

Portfolio Positioning

The Fund’s outperformance of its benchmark was primarily driven by country allocation, with security selection also contributing positively. Top-down positioning detracted.

In country allocation, the most significant contributors were overweight positions in higher-yielding countries, notably Argentina and Sri Lanka, and underweights to low yielding countries, such as Malaysia. The key detractors were the underweight position in higher-yielding Kenya, and the initial underweight to Ukraine. In security selection, our positioning in Mexico contributed, while Ivory Coast was the primary detractor.

In portfolio changes, we added to our overweight positions in Argentina, the Bahamas, and Sri Lanka, where we continue to see favorable and improving credit trajectories, as well as in Venezuela, which we believe remains supported by higher oil output and normalization of relations with the US. We also upgraded Ukraine to overweight and increased our overweight in Lebanon. We reduced our underweight in Indonesia as valuations became more attractive in our view.

We moved from overweight to neutral in Ecuador, and reduced positions in Brazil, Dominican Republic, El Salvador, Ghana, and South Africa, reflecting tight valuations and what we believe is limited further upside.

We participated in new issues from Brazil, Costa Rica, Mexico, Morocco, Poland, Serbia, Baiterek Holdings of Kazakhstan, and Argentina’s Chubut province.

Outlook

US policy and financial market dynamics are set to remain the principal driver of emerging market performance in the months ahead in our view. Geopolitical uncertainty in the Middle East persists, though the US-Iran interim deal has meaningfully improved the broader macroeconomic backdrop for the EM universe, in our view.

EM fundamentals remain on solid footing. The growth differential over developed markets is approaching 2%, credit quality continues to improve - evidenced by a broad wave of sovereign and corporate rating upgrades - and default rates remain low. Against this backdrop, EM fixed income is well-positioned to capture further upside from what we expect to be a sustained recovery in asset class flows.

While EM spreads have narrowed towards the tight end of their historical range, we continue to see what we believe are value and spread compression opportunities across improving credits with rating upgrade trajectories and selected off-benchmark bonds.

1. Please see the performance table on page 2 for additional performance information and for the definitions of market price and NAV.
2. Source: JP Morgan

Fund Performance (%)

				Annualized				
For Periods Ending 6/30/26	**1 Month**	**3 Months**	**YTD**	**1 Year**	**3 Years**	**5 Years**	**10 Years**	**Since Inception**
NEMD – NAV	0.77	5.39	4.21	11.92	9.99	3.20	3.78	3.16
NEMD – Market Price	0.48	4.81	4.44	11.97	10.01	3.21	3.79	3.17
J.P. Morgan EMBI Global Diversified Index	0.72	4.63	3.32	11.78	10.32	2.58	3.72	4.46
J.P. Morgan Emerging Market Blend Hard Currency / Local Currency 50-50 Index	0.38	3.69	2.16	8.59	8.26	2.42	3.38	2.91

Performance data quoted represents 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/ETFs. Return information shown for less than one year is cumulative, not annualized.

Prior to close of business on 8/8/2025, the ETF operated as an open-end mutual fund, Neuberger Berman Emerging Markets Debt Fund (the "Predecessor Fund"). Although the ETF operates using a different principal investment strategy than the Predecessor Fund, both have the same investment objective, which is to seek high total return consisting of income and capital appreciation. The Predecessor Fund's inception date was 9/27/2013. The NAV returns include the Institutional Class shares return of the Predecessor Fund prior to the ETF's commencement of operations. Prior to the ETF's listing on 8/11/2025, the NAV performance of the ETF and the Institutional Class shares of the Predecessor Fund are used as proxy market price returns. The ETF compares its performance to J.P. Morgan EMBI Global Diversified Index rather than the J.P. Morgan Emerging Markets Blended Hard Currency / Local Currency 50-50 Index or the secondary index because the J.P. Morgan EMBI Global Diversified has characteristics that are more representative of the Fund's investment strategy than the J.P. Morgan Emerging Markets Blended Hard Currency / Local Currency 50-50 Index and secondary index, which were used by the Predecessor Fund. Indices are unmanaged and not available for direct investment. Actual investment results will vary. As with any investment, there is the possibility of profit as well as the risk of loss. 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 ETF; 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	0.85%
Net Expense Ratio*	0.60%

* 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 undertaken to waive and/or reimburse certain fees and expenses of the Fund so that the total annual operating expenses (excluding interest, brokerage commissions, acquired fund fees and expenses, taxes including any expenses relating to tax reclaims, dividend and interest expenses relating to short sales, and extraordinary expenses, if any) of the Fund are limited to 0.59% of average net assets. It is projected that there will be 0.01% of expenses outside of the expense cap for an expected total net expense ratio of 0.60%. This undertaking lasts until 10/31/2029 and may not be terminated during its term without the consent of the Board of Trustees. The Fund has agreed that it will repay the Manager for fees and expenses waived or reimbursed for the Fund, including those fees and expenses waived or reimbursed for the Institutional Class of the predecessor fund, Neuberger Berman Emerging Markets Debt Fund, provided that repayment does not cause annual Operating Expenses to exceed 0.59% of the Fund's average net assets. Any such repayment must be made within three years after the year in which the Manager incurred the expense. Information as of most recent prospectus dated February 28, 2026, as amended 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 **J.P. Morgan EMBI Global Diversified Index** tracks the performance of U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities (Brady bonds, loans and Eurobonds), including emerging market countries from Asia, Europe, Latin America and the Middle East/Africa. The Global version of the index captures a broad, comprehensive universe of emerging market issues. The Diversified version of the index is market capitalization-weighted and limits the weights of those index countries with larger debt stocks by including only specified portions of those countries' eligible current face amounts of debt outstanding. Effective March 31, 2022, Russia and Belarus were excluded from the J.P. Morgan fixed income indices. The index market value for all Russian and Belarus debt was set to zero, reflecting a total return loss due to market disruption.

The **J.P. Morgan Emerging Markets Blended Hard Currency / Local Currency 50-50 Index** tracks the performance of a blend of US dollar emerging market (EM) sovereign and quasi-sovereign bonds (25% allocation), US dollar EM corporate bonds (25% allocation) and local currency denominated EM sovereign bonds (the remaining 50% of the allocation). Effective March 31, 2022, Russia and Belarus were excluded from the J.P. Morgan fixed income indices. The index market value for all Russian and Belarus debt was set to zero, reflecting a total return loss due to market disruption.

Performance data shown represents past performance and is no guarantee of future results. 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 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 financially material 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. An individual security may be more volatile and may perform differently than the market as a whole.

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.

Unexpected episodes of illiquidity, including due to market factors, instrument or issuer-specific factors and/or unanticipated outflows, could have a significant negative impact on the Fund's NAV, liquidity, and brokerage costs. To the extent the Fund's investments trade in markets that are closed when the Fund is open, premiums or discounts to NAV may develop in share prices.

Shares in the Fund may fluctuate, sometimes significantly, based on interest rates, market conditions, credit quality and other factors. Generally, bond values will decline as interest rates rise. Typically, the longer the maturity or duration of a debt security, the greater the effect a change in interest rates could have on the security's price. The market's behavior is unpredictable and there can be no guarantee that the Fund will achieve its goal.

Lower rated debt securities (also known as "junk bonds") involve greater risks and may fluctuate more widely in price and yield, and carry a greater risk of default, than investment grade debt securities. They may fall in price during times when the economy is weak or is expected to become weak.

Foreign securities, including those issued by foreign governments, 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.); imposition of economic sanctions against a particular country or countries, organizations, companies, entities and/or individuals; 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; confiscatory withholding or other taxes; and less stringent auditing, corporate disclosure, governance, and legal standards. These risks may be more pronounced for emerging market securities and frontier market securities, which involve additional risks and may be more volatile and less liquid than foreign securities tied to more developed economies. Frontier markets, which are foreign countries in the earliest stages of development, involve risks in addition to and greater than foreign and emerging markets. Frontier market securities are subject to extreme volatility and extended periods of illiquidity. In addition, the currencies of frontier market countries may exhibit erratic movements.

The Fund's performance could be affected if borrowers pay back principal on certain debt securities before or after the market anticipates such payments, shortening or lengthening their duration and could magnify the effect of the rate increase on such security's price.

Sovereign debt securities are subject to the risk that a governmental entity may delay or refuse to pay interest or repay principal on its sovereign debt, due, for example, to cash flow problems, insufficient foreign currency reserves, political considerations, the relative size of the governmental entity's debt position in relation to the economy, its policy toward international lenders or the failure to put in place economic reforms required by multilateral agencies. If a governmental entity defaults, it may ask for more time in which to pay or for further loans.

Non-U.S. currency forward contracts, options, swaps, or other derivatives contracts on nonU.S. currencies involve a risk of loss if currency exchange rates move against the Fund. Forward contracts are not guaranteed by an exchange or clearinghouse and a default by the counterparty may result in a loss to the Fund.

Leverage amplifies changes in the Fund's net asset value. Derivative instruments that the Fund uses can create leverage and can result in losses to the Fund that exceed the amount originally invested. Derivatives can be highly complex, can create investment leverage and may be highly volatile, and the Fund could lose more than the amount it invests. Derivatives may be difficult to value and may at times be highly illiquid, and the Fund may not be able to close out or sell a derivative position at a particular time or at an anticipated price. The Fund's investments in derivatives create counterparty risk.

An inability to sell a portfolio position can adversely affect the Fund's value or prevent the Fund from being able to take advantage of other investment opportunities. Unexpected episodes of illiquidity, including due to market or political factors, instrument or issuer-specific factors and/or unanticipated outflows, may limit the Fund's ability to pay redemption proceeds within the allowable time period. The Fund normally executes an above-average amount of fixed-income trading and has a high portfolio turnover rate, which may increase the Fund's transaction costs and may adversely affect the Fund's performance.

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

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