



# Neuberger Berman Carbon Transition & Infrastructure ETF (NYSE: NBCT)

## Megatrend-Driven Opportunity

~\$50tn in total carbon transition infrastructure investment<sup>1</sup>

## Accelerating Momentum

Near-term tailwinds from convergence of policy, green stimulus and investor focus on ESG factors

## Supporting Decarbonization

Invest in companies we believe will benefit by enabling global carbon transition

## Daily Liquid Access to Infrastructure

In an exchange-traded, transparent structure

## Experienced Team

Track record in infrastructure investing, with PMs averaging 23 years of experience

## Market Opportunity

We believe we are at the early stages of transformational investment in infrastructure enabling a carbon-neutral future



### INFRASTRUCTURE NEEDS

50%

of electricity globally must come from renewables to achieve net zero by 2050<sup>2</sup>

+



### POLICY COMMITMENTS

50%

of global GDP, representing more than 110 countries, have made carbon commitments<sup>3</sup>

=



### OPPORTUNITY

~\$50tn

total sustainable infrastructure investment opportunity through 2050<sup>1</sup>

<sup>1</sup> "Making Missions Possible: Delivering a Net Zero Economy," Energy Transitions Commission, September 2020.

<sup>2</sup> Net Zero by 2050: A Roadmap for the Global Energy Sector," International Energy Agency, 2021.

<sup>3</sup> Net-Zero Emissions Must Be Met by 2050 or COVID-19 Impact on Global Economies Will Pale Beside Climate Crisis," UN, November 2020.

# Neuberger Berman Carbon Transition & Infrastructure ETF

## Fund Strategy

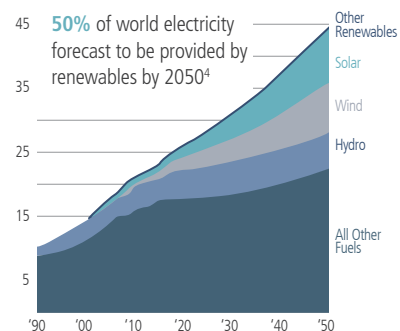
- Seeks to maximize long-term returns by investing in companies the portfolio managers view as **as innovative with commercial impact** in carbon transition infrastructure
- Invest across three key themes: **low-carbon resources**, **electrification** and **carbon transition solutions**
- Emphasize **companies with hard assets** and increasingly **cost-competitive clean energy resources**
- **Invests in companies at all stages of the growth-cycle**, including emerging companies alongside established industry leaders

## Key Investment Themes

### LOW-CARBON RESOURCES

Solar, wind, geothermal and other forms of renewable energy enable decarbonization, including green hydrogen

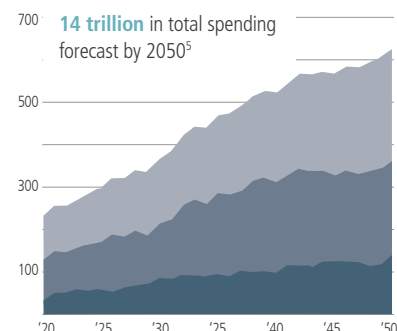
#### World Electricity Generation (trillion kilowatt-hours)



### ELECTRIFICATION

Electrification enablers will drive smart grid solutions and lower CO<sub>2</sub> emissions, like zero emission buildings

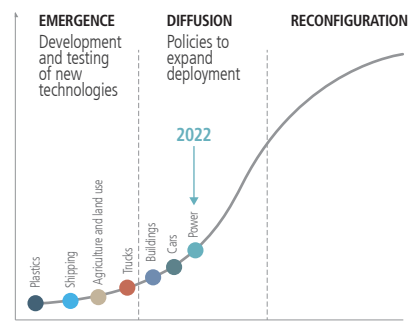
#### Global Annual Electric Grid Investment Dollars in billions



### CARBON REDUCTION SOLUTIONS

Products and services, like pipeline conversions, that facilitate carbon reduction are at a growth inflection point

#### Low or Zero-Emission Technology S-Curve<sup>6</sup>



## Portfolio Characteristics

### INDUSTRY EXPOSURE<sup>7</sup>

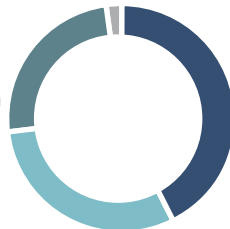
35%	Industrials
36%	Utilities
10%	Materials
10%	Information Technology
7%	Energy
2%	Cash

### MARKET CAPITALIZATION<sup>7</sup>

59%	Large Cap
23%	Mid Cap
16%	Small Cap
2%	Cash

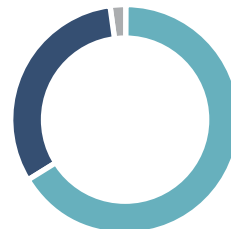
### SUBTHEME EXPOSURE<sup>7</sup>

43%	Low Carbon Resources
31%	Electrification
25%	Carbon Reduction Solutions
2%	Cash



### REGIONAL EXPOSURE<sup>7</sup>

2%	Cash
32%	EMEA
67%	North America



<sup>4</sup> "Net Zero by 2050: A Roadmap for the Global Energy Sector," International Energy Agency, 2021.

<sup>5</sup> BloombergNEF, S&P Global.

<sup>6</sup> Victor et. al (2019), Neuberger Berman.

<sup>7</sup> As of December 31, 2022. Large Cap: US \$20 billion or More; Mid Cap: US \$5 billion – 20 billion; Small Cap: US \$5 billion or Less.

## Investment Process

**GLOBAL STOCK UNIVERSE:** ~3,000+ Stocks from MSCI ACWI

### SCREENING

1,500 Stocks

- Eliminate unsuitable candidates (liquidity and market cap)
- Avoid companies with >25% of revenue derived from thermal coal mining or are expanding new thermal coal power generation

### THEMATIC PURITY EVALUATION

~330 Stocks

#### ESG

- Consider material Environmental, Social and Governance (ESG) factors in investment decisions

#### Data Science Analytics

- Seek to identify securities contributing to enablement of carbon transition using data science techniques, including Natural Language Processing

#### Deep Fundamental Research

- Utilize bottom-up analysis to identify companies we believe are 1. undervalued, 2. demonstrate potential for improvement or 3. are industry leaders
- Determine inclusion based on subthemes:
  1. Electrification
  2. Low Carbon Resources and
  3. Carbon Reduction Solutions
- Screen for thematic purity: revenues, assets, R&D or capex must align with theme
- Leverage insights of 50+ global research team

### PORTFOLIO CONSTRUCTION

Portfolio of:  
**30 – 50 Stocks**

- Invest in names based on our view of earnings power insight relative to market consensus

## Neuberger Berman Thematic Equity Platform

Extensive fundamental research, data science capabilities and innovative ESG approach

### PORTFOLIO MANAGEMENT TEAM



**Ronald Silvestri**  
Portfolio Manager  
33 Years of Experience



**Jared Mann**  
Portfolio Manager  
17 Years of Experience



**James Tyre**  
Portfolio Manager  
21 Years of Experience



**Hari Ramanan**  
CIO, Research Funds  
21 Years of Experience



**Tim Creedon**  
Director of Global Equity Research  
22 Years of Experience



#### PRI 2020 Leaders' Group Member

Awarded to only 20 of 2,100+ PRI investment manager signatories

A+

#### Awarded Top Score

For ESG approach by UN-supported Principles for Responsible Investment (PRI)<sup>8</sup>

150+

#### Investment Professionals

With formal ESG responsibility<sup>9</sup>

5,000+

#### Proprietary Ratings

For sector-relevant ESG company ratings<sup>9</sup>

**\$8bn**

AUM across thematic strategies<sup>9</sup>

**~1,450**

research meetings with company management virtually or in our offices<sup>9</sup>

**50+**

global centralized research professionals covering all sectors

<sup>8</sup> PRI grades are based on information reported directly by PRI signatories, of which investment managers totaled 1,924 for 2020, 1,119 for 2019, 1,120 for 2018 and 935 for 2017. Please see Principles for Responsible Investment (PRI) Scores and end of this material for information regarding PRI scores shown.

<sup>9</sup> As of December 31, 2022.

## Neuberger Berman Advantage

- \$427bn AUM across public & private markets
- 100% employee-owned
- Investing for clients for 80+ years
- 700+ investment professionals and 39 offices globally

Statistics as of December 31, 2022.

## Benefits of Our ETF Structure

- Daily portfolio transparency
- Intra-day tradability and pricing
- Potential for tax efficiency

**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 MSCI ACWI (Net) (All Country World Index) is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. The index consists of 48 country indexes comprising 23 developed and 25 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, the Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey, and the UAE. Net total return indexes reinvest dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and individuals cannot invest directly in an index. **Past performance does not guarantee future results.**

Information (including holdings and portfolio characteristics) is as of the date indicated and is subject to change without notice. The Fund is new with no operating history to evaluate. 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 its 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 (ESG) 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.

Carbon Transition Infrastructure companies may be more volatile than more established companies. If government policies and incentives for reducing greenhouse gas emissions are reduced or eliminated, the demand for the services provided by Carbon Transition Infrastructure companies may be negatively impacted. To the extent the Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may be more volatile, and may perform differently, than the broader market.

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 possible 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.

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. In addition, the Chinese investment and banking systems are materially different from many developed markets, which exposes the Fund to significant risks that are different from those in the U.S.

The Fund may engage in active and frequent trading and may have a high portfolio turnover rate, which may increase the Fund's transaction costs.

High public debt in the U.S. and other countries creates ongoing systemic and market risks and policymaking uncertainty. The COVID-19 pandemic has negatively affected and may continue to affect the economies of many nations, individual companies and the global securities and commodities markets. This has impacted and may continue to impact the issuers of the securities held by the Fund.

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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