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Neuberger Berman Next Generation Connected Consumer ETF (NBCC)

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Performance Highlights

The Neuberger Berman Next Generation Connected Consumer ETF (NBCC) generated net asset value (NAV) and market price based cumulative total returns of -4.1% and -3.9%[1] respectively, during the third quarter of 2022. Since its inception on April 6, the NAV and Market Price total returns were -27.3% and -26.9%, respectively. The MSCI All Country World Index ("ACWI Index"), the strategy's primary benchmark, generated total returns of -6.8% for the quarter and -20.5% over the time period since NBCT's inception.

Market Context

During the third quarter, market performance continued to reflect many of the factors that have pressured equities since the MSCI ACWI peak on Jan 4, 2022. Geopolitical uncertainty remains elevated, Interest rates and inflation have maintained their upward inertia, and covid-driven economic volatility continues to pop its head up as was the case in renewed lockdowns in China. Global equities fell sharply during the quarter, reflecting these challenges as forward P/E multiples for the ACWI Index declined further to 13.4 from 14.1 at the end of Q2 2022, and 19.2 at the end of 2021. The lower multiples reflect higher discount rates, outlook uncertainty, and margin risk attributable to inflationary pressure. Earnings estimates however, have been somewhat more resilient as ACWI Index EPS estimates for 2023 declined just 4.7% during 3Q 2022 and 5.4% YTD.

Within the benchmark, Communication Services, Real Estate, and Utilities led the market lower, while Energy, Consumer Discretionary, and Financials declined by less than the market. In terms of style factors, ACWI Growth outperformed ACWI Value by 122 bps and ACWI Small Mid Cap outperformed ACWI Large Cap by 82 bps. Regionally, the best performance was in Latin America (+3.72%) while the biggest laggard was in Asia ex Japan (-12.54%).

Portfolio Review

On a relative basis, the ETF performed best in Consumer Discretionary and underperformed in Financials. On an individual stock basis, the best performers during the period were DraftKings, Crocs, and Chipotle. The worst performers were Nike, Zhongan Online P&C Insurance, and Match Group.

Best Performers

DraftKings, Inc. (DKNG). DraftKings is the pure-play in legal N. American online sports betting and daily fantasy sports.. Shares outperformed meaningfully in the quarter reflecting cooling competitive fears as promotions waned, and a solid 2Q report and guidance eased fears. Beyond 3Q, we are optimistic in the long run growth potential of the category as other states open and profitability improves in recently launched states. On new jurisdictions, odds on legalized online sports betting in California appear unlikely in 2022 in our view, as opposition from Native American tribes has intensified in recent months. From our perspective, the failed California bid in 2022 is not necessarily bad news as new states, in particular ones as large as California, require significant upfront capital commitments and usually require ~3yr payback periods as demand scales. In the absence of these upfront costs we anticipate DKNG to be better positioned to achieve break-even by F'24 (prior F'25).

Crocs, Inc (CROX). Crocs is the vertically integrated producer and distributor of its eponymous footwear brand and the recently acquired HeyDude brand. While fluid industry supply and demand raises the risk of elevated industry promotions, our data analysis shows a healthy brand that can continue to deliver growth without painful promotions and discounting. In fact, data suggest both the Crocs and HeyDude brands offer compelling family value and may benefit from trade-down. Longer-term we believe balance sheet and free cash flow growth create financial flexibility to amplify Crocs' strategic strength.

Chipotle Mexican Grill, Inc. (CMG). Against the backdrop of being a brand-right/trend-right category leader, the focus for Chipotle has shifted toward execution. The company continues to expand access points, in particular with suburban drive-

1. Please see the performance table on page 3 for additional performance information and for the definitions of market price and NAV.

through markets, enabling for profitable (Return on Incremental Invested Captial (ROIIC) accretive) market share growth. Quarterly earnings provided relief with comp expectations inline and guidance reiterated. Looking into 2023 we expect restaurant industry price increases to moderate as inflation inputs ebb, thus creating incremental top-line growth scarcity with value accruing to industry growth leaders such as CMG.

Worst Performers:

NIKE, Inc. (NKE). NIKE is the global leader in footwear and athletic wear. Despite continued share gains, profitability growth has stalled due to the confluence of one-time freight, FX, and inventory challenges. Collectively we anticipate these headwinds to begin easing in 1H'23 with pronounced catch-up opportunities beginning in mid-to-late C'23. Furthermore, management is acutely aware of needed clarity for their increasing digital mix; we expect related communication to be a catalyst over the next several quarters.

Zhongan Online P&C Insurance Co., Ltd (6060-HK). ZhongAn is the leading online insurance company in China, founded in 2013 by Ant Financial, Tencent, and Ping An. Management warned of disappointing 1H22 in July and reported earnings in August – with a disappointing impact from currency and investment losses; however, improving underwriting profit was somewhat of an offset. In 2H22 and beyond, we expect improved growth of underwriting and technology export revenues, reflective of ZA's sizable long-term growth potential and its ongoing share gains under a new regulatory regime.

Match Group, Inc. (MTCH). Match is the leading online dating company globally. In recent quarters its business has been hurt by exogenous factors such as covid lockdowns, currency, macro, and execution-related challenges. The stock value has similarly ebbed as growth slowed and high-growth assets have been devalued across the market. Looking forward, we're encouraged about product innovation potential and Match's leverage to reopening, particularly in Japan – its 2nd largest market. Further, we believe the stock is now discounting permanently slower growth rates, while we believe the post-covid reopening and eventual economic recovery will lead to reaccelerating growth in the quarters ahead as online dating is still significantly unpenetrated globally.

BEST AND WORST PERFORMERS FOR THE QUARTER*

Best Performers *(% of ETF NAV as of 09/30/22)*	Worst Performers *(% of ETF NAV as of 09/30/22)*
DraftKings, Inc. *(2.42%)*	NIKE, Inc. *(3.40%)*
Crocs, Inc. *(2.89%)*	Zhongan Online P&C Insurance Co., Ltd *(1.99%)*
Chipotle Mexican Grill, Inc. *(2.15%)*	Match Group, Inc. *(2.54%)*

*Reflects the best and worst performers for the quarter, in descending order, to the ETF's performancebased 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 September 30, 2022. It should not be assumed that any investments in securities identified and described were or will be profitable.

Outlook

Over time, we believe the emergence of millennials and Gen Z into their peak earning and spending years will have titanic implications on the economy. These generations represent a large proportion of the population (~150mm ppl in US alone) with rapidly growing economic influence - 3x faster discretionary income growth plus estimated +$60T of wealth transfer by 2050[2]. These generations behave uniquely, rooted in their status as the world's first "digitally native" generations. Further, their degree of connectivity leaves behind data residue such that we are able to leverage data science to convert data to help inform our long-term investment insights based on their spending habits, and more predictably, based on what they are thinking and doing. We think this investment opportunity and our process to capture it will over time lead to compelling returns.

While this strategy is designed to identify investments with attractive long-term growth potential, it is not invulnerable to shorter-term market gyrations associated with slowing, and perhaps recessing, economic growth. On these near-term concerns that have gripped the broad equity market and particularly growth and consumer-facing stocks, we are increasingly optimistic that reset valuation multiples appropriately reflect higher rates and greater uncertainty. That said, we are cautious that risk to underlying earnings expectations remain due to structurally higher labor wages and logistical challenges stemming from deglobalization. We expect this adjustment phase to play out over the next several quarters, but with materially improved earnings visibility over the next quarter as retailers flush excess inventory.

For the consumer's part, we expect the near-term to continue to be non-linear with consumer spending power remaining surprisingly resilient, albeit not as robust as the last couple years. This moderating level of spending growth is still "good enough"in our view, so long as several medium-term developments manifest as we expect. Namely, we expect the consumer to face less incremental pressure from inflationary housing, energy, transportation and food. Early signs of this are

2. Cerulli Associates, Bloomberg

already emerging. Further, we believe that moving away from heightened stimulus payments and the initial surge in commodity costs will neutralize recent headwinds. Finally, we note that buoyant nominal wages and a relatively clean balance sheet should, in our view, enable the consumer to spend at a healthy rate.

While we optimize the portfolio for a choppier landscape, with one step back for every two steps forward, we believe long-term returns will be maximized by remaining true to our long-term discipline of identifying thematically-pure investment ideas with great business models and underappreciated long-term earnings growth potential. We believe our orientation around this longer-term thematic opportunity should expose the portfolio to the most powerful megatrends. At present, we see the best and most relevant opportunities around travel (lodging), unique goods (luxury), inventory destocking beneficiaries, and gaming (online + land-based). In our view, all of these tectonic consumption shifts are attributable to the unique characteristics of Generations Y and Z.

FUND PERFORMANCE (%)

For Periods Ended 9/30/2022	1 Month	3 Months	YTD	Cumulative Since Inception (4/6/22)
NBCC - NAV	-8.09	-4.14		-27.31
NBCC - Market Price	-8.11	-3.86	--	-26.86
MSCI (All Country World Index) (Net)	-9.57	-6.82	--	-20.48

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. Return information shown for less than one year is cumulative, not annualized. The Fund is new and has 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

These tables below describe the fees and expenses that you may pay if you buy, hold and sell shares of the Fund ("Shares"). You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the table and example 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, 2023. Absent such arrangement, which may not be terminated without Board approval, the total returns would have been lower. 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.

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.

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. Portfolio holdings and opinions expressed are as of the date herein and are subject to change without notice. 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.

Information (including holdings and portfolio characteristics) is as of the date indicated and is subject to change without notice.

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.

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.

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 success of many of the companies held by the Fund will be tied to the successful development, advancement, use or sale of products, processes or services related to connectivity-based consumerism, including 5G and future generations of mobile network connectivity and technology. Although the Fund seeks to invest in such companies, revenues or profits from such technologies may not materialize. 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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