

AUGUST 2018

Neuberger Berman Next Generation Mobility Strategy

A thematic, forward-looking, global equity portfolio investing in established companies that are enablers and beneficiaries of the disruption in the transportation industry.

Strategy Highlights




- 1 A portfolio focused on enablers tapping into the current and expected growth of autonomous, connected and electric vehicles
- 2 Invests in established companies set to benefit from the secular trend that is the disruption in the transportation industry
- 3 Research-intensive, bottom-up, concentrated portfolio, leverages Neuberger Berman’s research team sector experts identifying market leaders and their compelling advantage
- 4 Environmental, Social and Governance (ESG) factors are embedded in the portfolio themes, as transportation industry becomes cleaner, safer and more efficient
- 5 The existing Neuberger Berman Autonomous Vehicle strategy has a track record of over a year and assets under management of over \$1bn¹

¹Source: Neuberger Berman, as at 31 July 2018. This strategy excludes the themes of electrification and connectivity.

Why Now?

- Global trends such as the growth in population, an aging society and urbanisation are set to provide the backdrop for the development of next generation mobility technologies
- The \$4.2 trillion global transportation industry is poised for disruption facing environmental and safety issues
- The enhancements in connectivity technology, the increased preference for electrification and the development of autonomous technologies are and will continue to play a key role in years to come
- Next Generation Mobility Theme is highly visible with increased safety requirements and the growing use of greener energies and ride sharing
- Next Generation Mobility industry is expected to grow at a CAGR of 21% between 2017 – 2030 to reach \$623bn of annual revenue



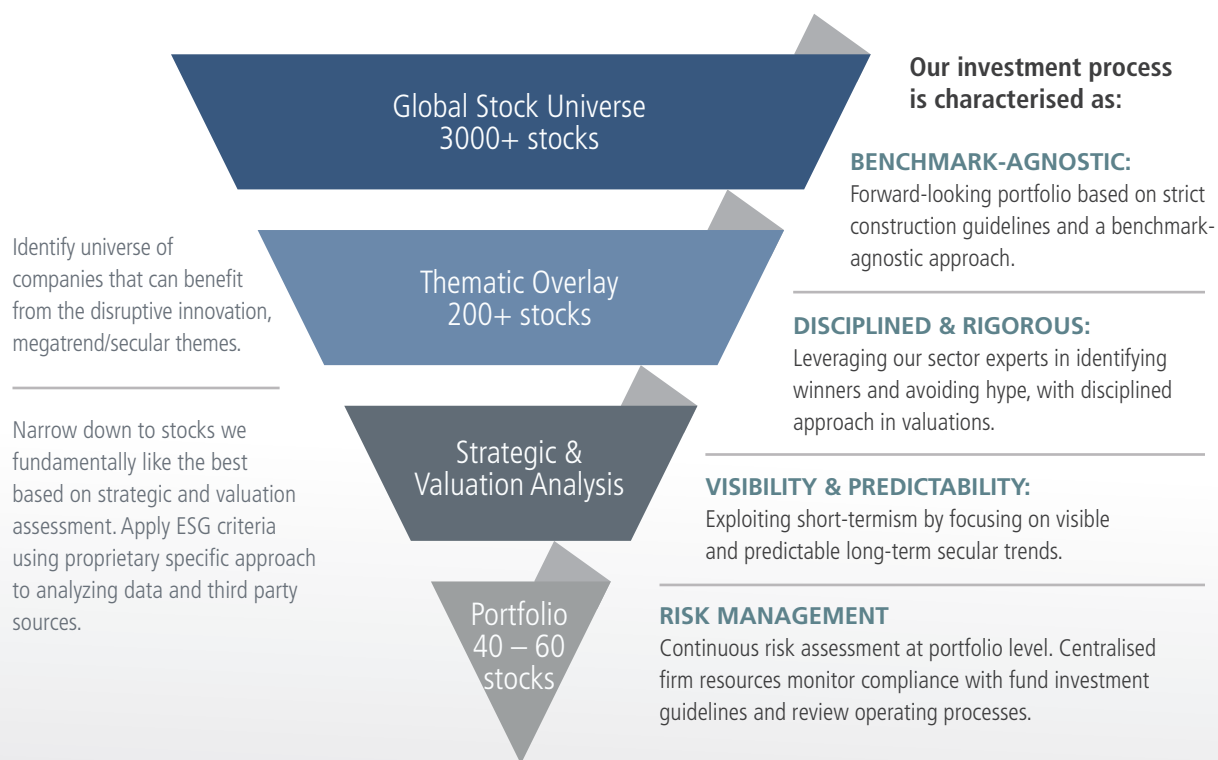
Current Problems	Next Generation Mobility		Future Benefit	
Dirty	Clean	Electric vehicles	66% Lower emissions	
Inefficient	Efficient	Connected vehicles	30% Shorter travel time	
Unsafe	Safe	Autonomous vehicles	87% Fewer accidents	

Source: Neuberger Berman, Smart, Plunkett Research, US Department of Transportation.

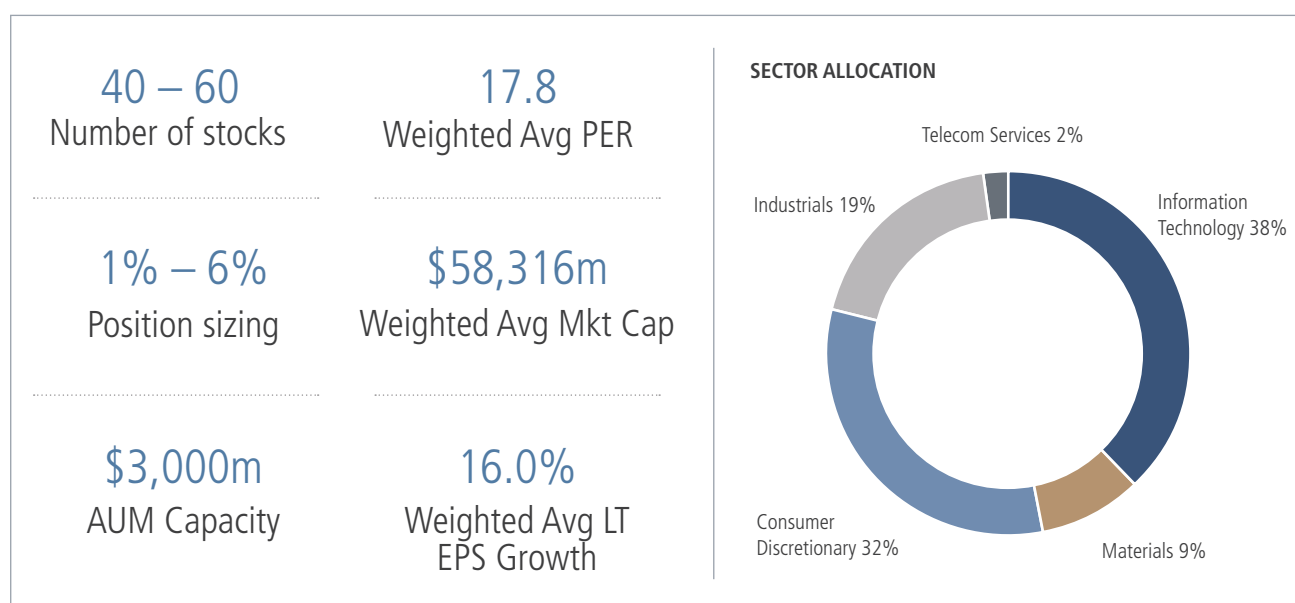
Seizing the Opportunity – Investment Process

A disciplined approach that seeks to translate disruptive themes into a compelling portfolio strategy.

We believe we are well positioned and that we have the vision, the capabilities and the resources to uncover the enablers and beneficiaries with sustainable technology and market leadership.



Model Portfolio Overview

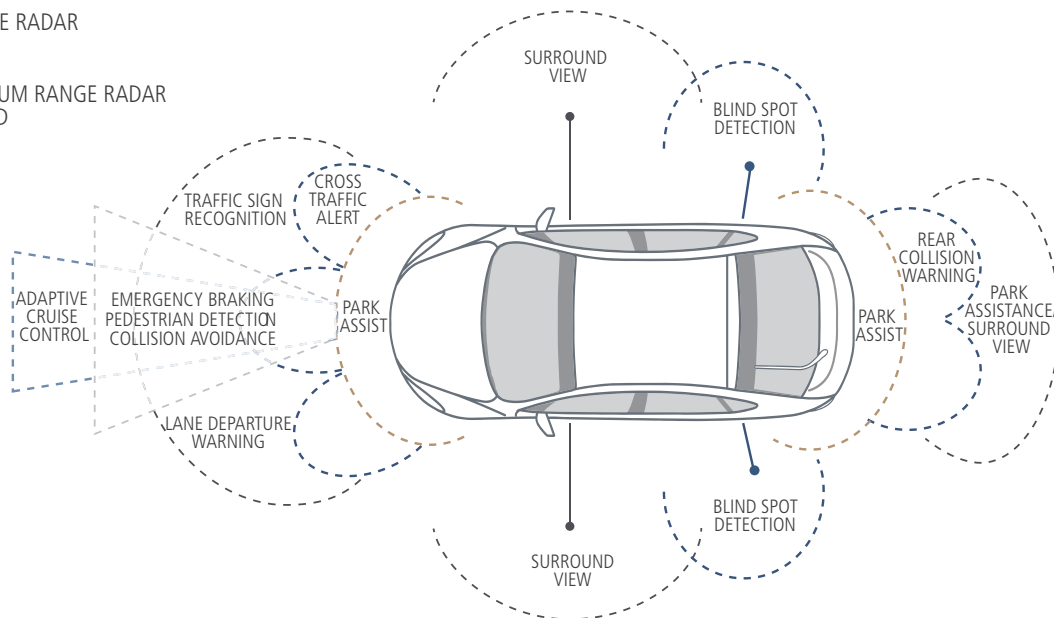


Source: Neuberger Berman. As at 17 May 2018. Neuberger Berman currently does not manage any actual accounts in accordance with the model portfolio shown. Actual accounts are individually managed and may vary significantly from any model data shown. Investing entails risks, including possible loss of principal.

Case Study: What are the Key Technologies in Autonomous Vehicles?

Autonomous cars of the future will be increasingly equipped with smarter sensors and microprocessors. As autonomy level increases, cameras per vehicle grows from one to two and eight to 12.

- LONG-RANGE RADAR
- LIDAR
- CAMERA
- SHORT-MEDIUM RANGE RADAR
- ULTRASOUND



Source: SAE International "Automated Driving" Levels of driving automation are defined in new SAE international standard J3016.

The Next Generation Mobility Team

To benefit from this broad spectrum of opportunities requires specialised expertise and deep resources. The strategy is managed by a team of multidisciplinary sector experts from offices in New York and Hong Kong. The team leverages the resources of the 40+ research analysts in Neuberger Berman's research team.

NEW YORK



Saurin D. Shah
Lead Portfolio Manager
Managing Director
Director of Thematic Research

Sector Focus:
Autos, Materials & Energy
29 Years of Industry Experience

8+ Years of industry experience as former Co-Portfolio Manager of the Global Equity Fund



HONG KONG



Yan Taw (YT) Boon
Co-Portfolio Manager
Senior Vice President
Director of Asia & Thematic Research

Sector Focus:
Technology
15 Years of Industry Experience

Former chip designer; Implemented Mobileye's first Autonomous prototype chip in 2004



NEW YORK



Michael Barr
Co-Portfolio Manager
Managing Director
Senior Research Analyst

Sector Focus:
Autos, Industrials
19 Years of Industry Experience

NEW YORK



John J. Hirt
Vice President
Thematic Research Analyst

Sector Focus:
Autos, Industrials
10 Years of Industry Experience

Risk Considerations:

Market Risk: The risk of a change in the value of a position as a result of underlying market factors, including among other things, the overall performance of companies and the market perception of the global economy.

Liquidity Risk: The risk that the portfolio may be unable to sell an investment readily at its fair market value.

Derivatives Risk: The strategy may use certain types of financial derivative instruments (including certain complex instruments). This may increase the portfolio's leverage significantly which may cause large variations in the value of investments. Investors should note that the strategy may achieve its investment objective by investing principally in Financial Derivative Instruments (FDI). There are certain investment risks that apply in relation to the use of FDI.

Concentration Risk: The investments may be concentrated in a small number of investments and its performance may therefore be more variable than the performance of a more diversified strategy.

Emerging Markets Risk: Emerging markets are likely to bear higher risk due to a possible lack of adequate financial, legal, social, political and economic structures, protection and stability as well as uncertain tax positions which may lead to lower liquidity. The value of a portfolio may experience medium to high volatility due to lower liquidity and the availability of reliable information, as well as due to the strategy's investment policies or portfolio management techniques.

Stock Connect Risk: The Shanghai/Shengzen-Hong Kong Stock Connect are relatively new trading programmes, where many of the relevant regulations are untested and subject to change at any moment as well as not as active as exchanges in more developed markets which may affect the ability to trade.

Smaller Companies Risk: In respect of portfolios which may invest in small capitalisation companies, such investments involve greater risk than is customarily associated with larger, more established companies due to the greater business risks of small size, limited markets and financial resources, narrow product lines and a frequent lack of depth of management.

Counterparty Risk: The risk that a counterparty will not fulfil its payment obligation for a trade, contract or other transaction, on the due date.

Operational Risk: The risk of direct or indirect loss resulting from inadequate or failed processes, people and systems, including those relating to the safekeeping of assets or from external events.

Currency Risk: Investments in a currency other than the base currency of the portfolio are exposed to currency risk. Fluctuations in exchange rates may affect the return on investment. If the currency of the portfolio is different from your local currency, then you should be aware that due to exchange rate fluctuations the performance may increase or decrease if converted into your local currency.

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