NEUBERGER BERMAN

For the quarter
ended 31 March 2020

NB Private Equity Partners Limited

31 March 2020 Quarterly Report

NB Private Equity Partners Limited

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Update from the Manager

The ongoing pandemic and resulting economic shock have had a devastating effect around the world. It will be some time before the full social and economic impact can be assessed and much will depend on how this virus is combatted in the coming months.

Most companies, public and private, have been and are being affected by the current situation and the ultimate impact on each company will be determined by the duration and severity of the ongoing economic downturn, the nature and speed of the recovery, the lingering behavioral changes which may stem from COVID-19 and the actions that management teams and owners take to optimise their companies for these variables. NBPE has a well diversified portfolio and owns stakes in companies whose lead GPs are experienced, well-resourced and who are focused on making sure that their portfolio companies can survive through a severe and possibly protracted recession. Examples of steps they have taken and remain focused on include:

- Ensuring there is appropriate cash and liquidity
- Implementing hiring freezes and cost reduction plans
- Working with lenders on capital structure matters
- Reviewing capital spending plans and postponing discretionary spending
- Working through reserve requirements to be able to support their companies with capital injections and for accretive add on acquisitions
- Working with portfolio companies on supply disruptions
- Working with portfolio companies on their respective technology and human resources needs, so that their companies can work and execute effectively while mobility is restricted

The first quarter valuations in this report reflect the initial impact of this crisis on the portfolio and resulted in a NAV per Share total return for the first quarter of (10.5%). While NBPE's share price discount widened significantly in March and remains wide compared to historical averages, we have been impressed with the speed and focus with which GPs have reacted to this crisis and believe this positions NBPE's portfolio as well as possible for the future.

Importantly, as a direct private equity fund, NBPE has the ability to stop its direct investment program when necessary. As a result of this, together with the increased, long term credit facility with MassMutual we believe that NBPE has ample liquidity and balance sheet resilience to weather a long downturn. We believe the positioning of the portfolio prior to the onset of the pandemic will serve NBPE well and that the company's capital position is strong.

We intend to provide a detailed portfolio update presentation and host an investor update call in the coming weeks, which will give additional details regarding portfolio performance and positioning and we look forward to updating you further then.

Company Overview

88% of fair value invested in direct equity of private equity backed companies

NBPE offers direct exposure to a diversified portfolio of private equity investments alongside high quality sponsors with an extra layer of due diligence through Neuberger Berman Private Equity's global investment team and processes. NBPE leverages the deep network of private equity relationships, deal flow and investment expertise of the private equity professionals of Neuberger Berman's $90[1] billion private equity platform. The Company invests across a variety of situations including new buyouts and "mid-life" transactions, which are investments into existing private equity sponsor portfolio companies, often to fund an acquisition or to provide partial liquidity to investors.

By leveraging the capabilities of the Neuberger Berman Private Equity platform, the Company seeks exposure to a broad set of private equity managers and companies and provides investors in the Company access which is more typically achieved by large-scale institutional investors with the ability to invest across a wide-range of the private equity universe. The current portfolio includes over 100 direct equity investments made alongside over 60 leading private equity sponsors and represents 88% of the portfolio's fair value, of which approximately 96% of the direct investments have no management fees or carried interest payable to third party GPs. In addition, NBPE seeks diversification in its equity portfolio across geography, industry, enterprise value, and vintage.

Furthermore, NBPE's investment strategy is executed on a fee-efficient basis and without need for significant long-term unfunded commitments. Typically, co-investments are made on a no management fee and no carried interest basis, resulting in only a single layer of fees, as opposed to the additional management fees or carried interest payable to third party GPs.

NBPE's objective is to give investors access to high quality private equity investments and industry leading sponsors, in a fee efficient portfolio, all through one share.

Since NBPE is a direct investor operating without third party fund investments, it is able to efficiently manage its capital deployment without significant long-term unfunded commitments, which is advantageous to its balance sheet management.

1. *As of 31 March 2020. Represents aggregate committed capital since inception in 1987, including commitments in the process of documentation or finalisation.*

Manager Overview

About the Manager

NBPE is managed by NB Alternatives Advisers LLC, the private equity group of Neuberger Berman (the "Manager" or the "Investment Manager"), which manages over $90 billion of private equity assets across multiple strategies.[1] The Investment Manager has 30 years of investing experience specialising in direct equity investments, income investments, private equity funds and secondary investments and has built deep relationships with leading private equity fund managers over that time. The Manager maintains over 530 active Limited Partner ("LP") fund relationships and has committed approximately $10 billion annually to private equity over the past three years.[2]

The Company is managed by the Investment Manager pursuant to an Investment Management Agreement, dated 2 May 2017. Subject to the board's overall strategic direction and instructions, the Investment Manager makes all of the Company's investment decisions. The board has delegated to the Investment Manager the day-to-day management and operations of the Company, including sourcing, evaluating and making investment decisions related to the Company and executing the Company's investment strategy. The Manager's Investment Committee is comprised of 12 members, with an average of over 30 years of experience. The 12 members of the Investment Committee average 16 years with the firm and all of the Investment Committee members have been with the private equity team for at least 10 years. The sourcing and evaluation of the Company's investments are conducted by the Investment Manager's team of over 145 dedicated private equity professionals who specialise in direct equity investments, income investments and fund investments. The Investment Manager currently maintains offices in New York, London, Boston, Dallas, San Francisco, Hong Kong, Tokyo, Milan, Zurich and Bogotá.

About Neuberger Berman

Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager. The firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity and hedge funds—on behalf of institutions, advisors and individual investors globally. With offices in 23 countries, Neuberger Berman's team is more than 2,200 professionals. For five consecutive years, the company has been named first or second in Pensions & Investments Best Places to Work in Money Management survey (among those with 1,000 employees or more). Tenured, stable and long-term in focus, the firm has built a diverse team of individuals united in their commitment to delivering compelling investment results for our clients over the long term. That commitment includes active consideration of environmental, social and governance factors. The firm manages $330 billion in client assets as of 31 March 2020. For more information, please visit our website at www.nb.com.

1. *As of 31 March 2020, including commitments in the process of documentation.*
2. *Average committed capital from 2017 to 2019.*

Financial Summary

Balance sheet with **$1,040 million** of private equity assets

Investment level **132%** as of 31 March 2020

Financial Summary	At 31 March 2020	At 31 December 2019
Net Asset Value ("NAV") of the Ordinary Shares	$787.8m	$894.8m
Direct Equity Investments[1]	$913.3m	$945.1m
Income Investments	$104.8m	$104.4m
Fund Investments	$21.9m	$37.5m
Total Private Equity Fair Value	$1,040.0m	$1,087.0m
Private Equity Investment Level	132%	121%
Cash and Cash Equivalents	$149.6m	$9.5m
Credit Facility Borrowings Drawn	($250.0m)	($47.0m)
2022 & 2024 ZDP Share Liabilities (Dollar equivalent liabilities)	($138.2m)	($146.1m)
Net Other Liabilities	($13.6m)	($8.6m)
NAV per Ordinary Share (USD)	**$16.84**	**$19.11**
NAV per Ordinary Share (GBP)	**£13.58**	**£14.43**
NAV per Ordinary Share including dividends paid during financial period	**$17.13**	**$19.68**
ZDP Shares (2022 / 2024)	£57.5m / £54.0m	£56.9m / £53.4m
Net Asset Value per ZDP Share (2022 / 2024)	114.91p / 107.95p	113.79p / 106.83p
Dividends per Ordinary Share:		
Dividends paid during financial period	$0.29	$0.57
Cumulative dividends paid since inception	$3.73	$3.44

Note: Numbers may not sum due to rounding.

1. *Includes direct equity investments into companies, co-investment vehicles and investments through NB-managed vehicles.*

Financial Highlights

Total Return during the first quarter of 2020

NBPE's portfolio had unrealised and realised net losses of ($91.7) million during the first quarter of 2020 due to valuation impact from the COVID-19 crisis. During the same time period, the quoted share price mostly declined from £12.09 to £6.84. Subsequent to the release of this report, shares were trading at £8.78 as of 29 May 2020 resulting in a YTD share price return of (26.0%).

(10.5%) NAV per Share[1]

(42.4%) Share price[1]

Portfolio at 31 March 2020

90% Equity investments[2]

10% Income investments

Cash Flows during the first quarter of 2020

$22.2M from Realisations to NBPE

$64.3M Invested into New Direct Investments and Follow-ons into Existing Investments

Dividends Paid to Shareholders

$0.29 per Share paid the first quarter of 2020

6.8% Annualised yield on share price at 31 March 2020 (5.4% based on 29 May 2020 share price)

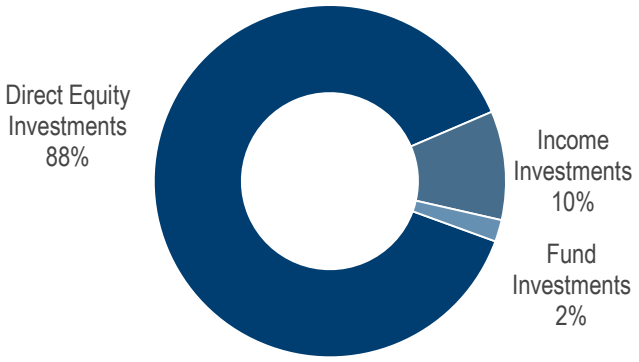
1. *Assumes re-investment of dividends at the closing NAV or share price, respectively, on the ex-dividend date. NAV total return figures reflect cumulative returns over the period shown and are based on USD. Share price return data based on London Stock Exchange, based on GBP returns.*
2. *Includes fund investments, including some which have a credit orientation.*

First Quarter 2020 Results

Unrealised & Realised Net Losses of ($91.7m) or ($1.96) per share

	Value in Millions	USD per Share
31 December 2019 Net Asset Value	**$894.8 M**	**$19.11**
Value Drivers		
- Unrealised & Realised Net Losses	($91.7) M	($1.96)
+ Yield Income & Dividends	$2.5 M	$0.05
Fees / Expenses		
- Management Fees & Operating Costs	($4.6) M	($0.10)
- Interest & Financing Costs	($2.8) M	($0.05)
FX Changes		
+ Foreign Exchange Movements	$3.7 M	$0.08
Dividends / Share Buybacks Paid to Shareholders		
- Dividends Paid	($13.6) M	($0.29)
- Share Buybacks / + Accretion per Share	($0.5) M	$0.00
31 March 2020 Net Asset Value	**$787.8 M**	**$16.84**

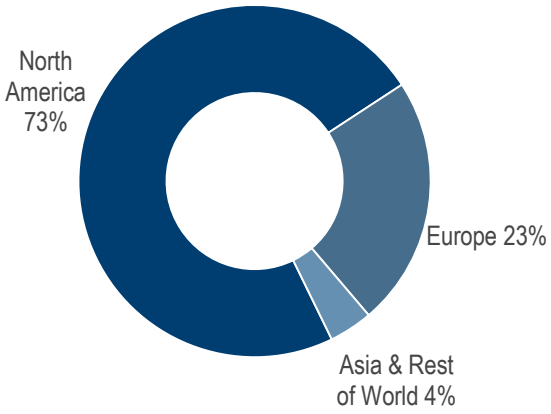
Note: Numbers may not sum due to rounding.



Investment Type

Weighted to Direct Equity Investments

The portfolio is weighted to direct equity investments, and 10% of the portfolio is in income investments. Fund investments now represent only 2% of private equity fair value.

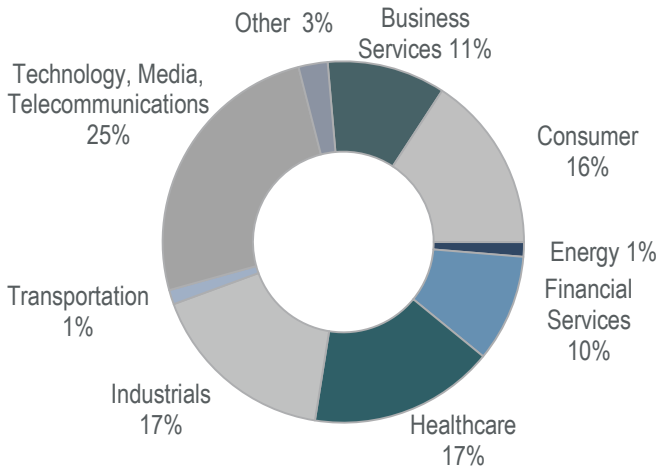


Geography

Weighted to North America

NBPE's portfolio is weighted to North American investments. This is the largest private equity market globally and the Manager believes the overall dynamics in this market relative to other geographies have generally offered the most attractive investment opportunities. The Manager is constantly monitoring and evaluating markets globally and may adjust this strategy over time. Approximately 23% of NBPE's portfolio is invested in European companies and 4% in other parts of the world, primarily Asia and Latin America.

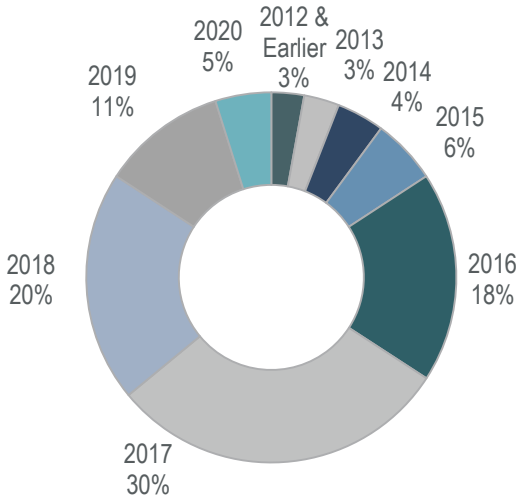
Note: Numbers may not sum due to rounding.



Industry

Broadly diversified across industries

NBPE's portfolio is broadly diversified across industries. The Manager does not set specific industry targets, because the Manager believes this could lead to selecting sub-optimal investments to meet a target. Instead the Manager looks for companies backed by high quality sponsors with favourable business characteristics in favoured sectors that the Manager believes can grow faster than gross domestic product.



Year of Investment

Diversified by vintage year, with limited exposure to older vintages

Approximately 94% of the portfolio fair value relates to investments made since the beginning of 2014 and the portfolio has a limited exposure to older vintages.

Note: Numbers may not sum due to rounding.

Portfolio & Performance

As of 31 March 2020, approximately 98% of the private equity fair value was invested in direct equity and income investments. The portfolio has been repositioned away from fund investments and we expect the fund portfolio to continue to wind down organically.

Over a one year period, NBPE's portfolio generated a gross IRR of (1.5%), with valuations across the portfolio being affected by the COVID 19 pandemic.

Investment Type	% of Fair value	One Year IRR	Three Year IRR	Five Year IRR
Direct Equity Investments	87.8%	(1.4%)	10.4%	13.5%
Income Investments	10.1%	5.1%	5.1%	4.5%
Fund Investments	2.1%	(20.9%)	(1.1%)	2.0%
Total Portfolio	**100%**	**(1.5%)**	**8.6%**	**9.6%**

Direct Equity Investments

During the first quarter of 2020, direct equity investments depreciated in value by $80.8[1] million. The largest valuation decreases measured by Q1 2020 value depreciation – Material Handling Systems, Viant, Tandem (fka Cortefiel), GFL, and Marquee Brands – in aggregate, depreciated by $25.9 million. The top five investments measured by Q1 2020 value appreciation – Beyond Trust, Hivory, Innovacare, Holley, and Petsmart / Chewy (NYSE: CHWY) – in aggregate, appreciated by $10.5 million. As of 31 March 2020, approximately $70.2 million of NBPE's direct equity portfolio fair value was held in public securities.

Income Investments

Returns in the income portfolio were driven by a $5.3 million realisation of NBPE's direct yielding investment in Galco as well as interest accruals from NB Credit Opportunities Program.

Fund Investments

Fund investments are "tail-end" positions and are winding down over time. NBPE has 18 legacy fund interests remaining and during the first quarter of 2020 these funds generated $5.8 million of realisations.

1. 2020 value depreciation and appreciation includes new investments and does not solely represent appreciation of the 2019 investment portfolio.

Direct Equity Investments

Made alongside leading private equity firms in their core areas of expertise

NBPE seeks to invest in high quality businesses across a variety of transaction types, including capital for new buyouts and "mid-life" transactions, where investments are made into a sponsor's existing private equity portfolio companies. The Investment Manager's team of professionals works alongside the general partners throughout the process and often engages with sponsors early on in a transaction. NBPE is able to leverage the deep networks of the Investment Manager's team to invest alongside numerous private equity sponsors.

INVEST IN NEW DEALS

NEW BUYOUTS

New buyouts are made alongside leading private equity firms and can be across a variety of transaction types including take-privates, buyouts of family businesses, carve-outs or divisional sales.

CO-INVEST "MID-LIFE" INTO EXISTING PRIVATE EQUITY PORTFOLIO COMPANIES

ADD-ON ACQUISITIONS / GROWTH CAPITAL

Add-on or growth capital typically helps finance an existing company's growth or M&A strategy.

New Direct Equity Investments

$56.9[1] million invested into 4 new direct equity investments during Q1 2020

Industry: Consumer

Sponsor: 3i

Investment: $25.4 million

Thesis: Substantial competitive advantages; High growth potential

Industry: Financial Services

Sponsor: Further Global

Investment: $20.0 million

Thesis: Resilience to cycles; Strong cash flow profile

Industry: Consumer

Sponsor: Neuberger Berman

Investment: $7.6 million

Thesis: Large industry with secular growth; M&A

Industry: Healthcare

Sponsor: Summit Partners

Investment: $3.9 million

Thesis: Robust business model; Vertically integrated network

Note: excludes $1.1 million of follow-on investments.

1. Investment in Innovacare was completed in Q1 2020 but includes $3.9 million of cash flow which occurred in April 2020.

Largest Companies in Investment Portfolio

The table below shows the largest company exposures in the portfolio. The top ten investments represented approximately 36.6% of NBPE's NAV and no company was larger than 5.0% of NAV.

Investment / Description	Sector	Year of Investment	Asset Class	Equity Sponsor	NBPE Fair Value
ProAmpac Leading global flexible packaging company	Industrials	2016	Mid-cap Buyout & 2nd Lien Debt	Pritzker Private Capital	$32.7 million
Engineering Ingegneria Informatica Italian IT firm	Technology	2016	Mid-cap Buyout	NB Renaissance	$32.6 million
USI Insurance brokerage & consulting services	Financial Services	2017	Large-cap Buyout	KKR	$32.0 million
Business Services Company* Business services company	Business Services	2017	Large-cap Buyout	Not Disclosed	$30.9 million
Material Handling Systems E-commerce infrastructure and automation company	Industrials	2017	Mid-cap Buyout	Thomas H Lee	$30.3 million
LGC Life sciences measurement and testing company	Healthcare	2016	Large-cap Buyout	KKR	$27.4 million
Marquee Brands Portfolio of consumer branded IP assets, licensed to third parties	Consumer	2014	Special Situations	Neuberger Berman	$27.0 million
Cotiviti (*fka Verscend*) Leading healthcare information company	Healthcare	2018	PIK Preferred / Income Investment	Veritas Capital	$26.5 million
Action European discount retailer	Consumer	2020	Large-cap Buyout	3i	$25.6 million
Beyond Trust Cyber security and secure access solutions	Technology	2018	Mid-cap Buyout	Francisco Partners	$23.3 million
Total Top Ten Largest Exposures					**$288.3 million**

Note: Numbers may not sum due to rounding.
**Due to confidentiality provisions, company name cannot be disclosed.*

Portfolio

The direct portfolio is comprised of 104 equity investments and 15 debt investments with a fair value of $1,018.1 million. The equity portfolio consists primarily of buyout investments and is diversified across industry, vintage year and sponsor. The portfolio includes investments with unique investment angles and the Manager seeks investments which have multiple value creation levers including: high-quality sponsors and management teams, industry growth or secular trends, growth of new markets or product offerings, operational enhancements or clear exit paths and the potential for shorter paths to liquidity. The portfolio is weighted towards buyout investments and the weighted average holding period of equity investments is 2.9 years.

Overview of 2020 Equity Investments

During the first quarter of 2020, NBPE deployed $56.9 million into four new equity investments in the financial services, healthcare, and consumer industries and $1.1 million to follow-on investments. Over a one year period, the direct equity portfolio generated a gross IRR of (1.4%), driven by write-downs across the portfolio largely due to the COVID pandemic. In aggregate there were $99.2 million of unrealised write-downs in the direct equity portfolio during 2020 and these write-downs were offset by $18.4 million in unrealised write-ups.

Company Sales and Realisations

During Q1 2020, the direct equity portfolio received distributions of $9.0 million. The majority of realisations resulted from dividends and other cash received as partial realisations. Notably, the direct yielding portion of Galco was also fully exited in 2020 and the mezzanine debt distributed $5.3 million during Q1 2020 and $6.5 million over the investment's life.

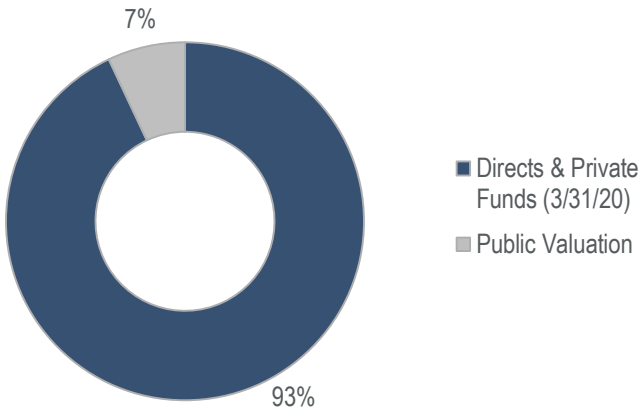
IPO Activity

In March 2020, GFL Environmental (NYSE: GFL) completed an IPO and NBPE's exposure converted into common shares. A Special Purpose Acquisition Company ("SPAC") acquired Vertiv (NYSE: VRT) in February 2020 and NBPE's exposure converted into common shares. No other IPOs happened in the first quarter of 2020.

Valuation

Following the receipt of additional valuation information after 30 April 2020, the publication date of the March monthly NAV estimate, the NAV per Share of $16.84 was a decrease of $1.20 from the previously reported estimate.[1]

NBPE carried direct equity and fund investments based on the most recently available fair value using financial information provided by the lead private equity sponsor. Debt investments made on a primary basis are generally carried at cost plus accrued interest, if any; debt investments made through secondary market trades are generally carried at market quotes, to the extent available.



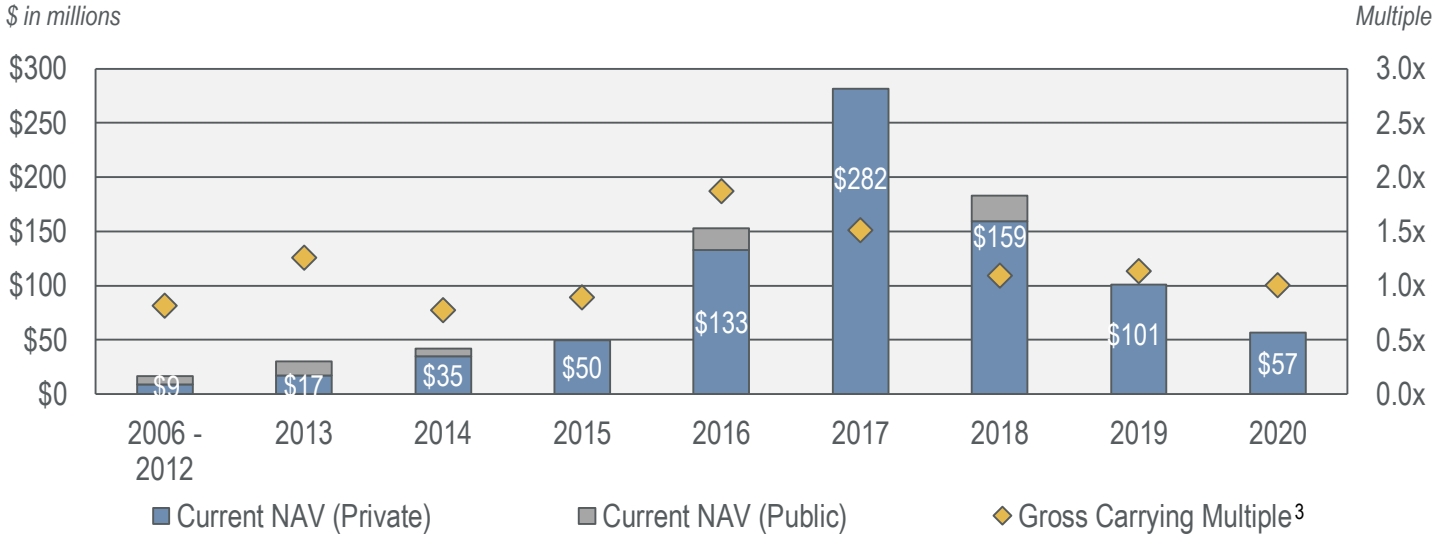
Public Valuation Information

As of 31 March 2020, approximately 7% of fair value was held in public securities. The top five public securities exposures are shown below[2]:

- GFL (NYSE: GFL): $14.8 million
- SolarWinds (NYSE: SWI): $11.4 million
- Vertiv (NYSE: VRT): $8.3 million
- Gardner Denver (NYSE: GDI): $7.3 million
- Evoqua (NYSE: AQUA): $5.2 million

Direct Equity Portfolio Valuation

The table below shows the private and public fair value and the current carrying multiple by vintage year of the direct equity portfolio. 93% of portfolio valuations are based on private information as of 31/3/2020 and the remaining 7% is based on public investments' closing share price as of 31/3/2020. The direct equity portfolio was held at a gross carrying multiple of 1.2x current cost as of 31 March 2020.



Note: Numbers may not sum due to rounding. Please refer to page 23 for a detailed description of the valuation methodology.

1. *As reported in the Monthly NAV estimate.*
2. *Public valuation includes investments that are held indirectly.*
3. *Returns are presented on a "gross" basis (i.e. they do not reflect the management fees, carried interest, transaction costs and other expenses that may be paid by investors, which may be significant and may lower returns).*

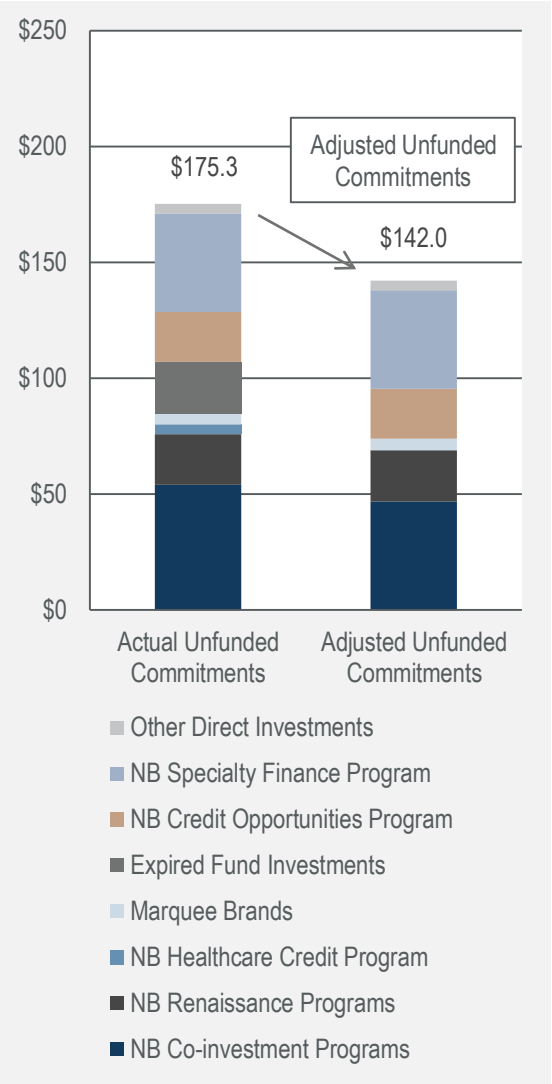
Unfunded Commitments

As of 31 March 2020, NBPE's unfunded commitments were approximately $175.3 million. Note that this does not include the impact of subsequent events prior to this release date. Of this, $149.1 million was unfunded to NB Programs, as detailed below:

- NB Co-investment Programs: $54.0 million
- NB Specialty Finance Program: $42.5 million
- NB Credit Opportunities Program: $21.5 million
- NB Renaissance Programs: $22.0 million
- Marquee Brands: $5.0 million
- NB Healthcare Credit Program: $4.1 million

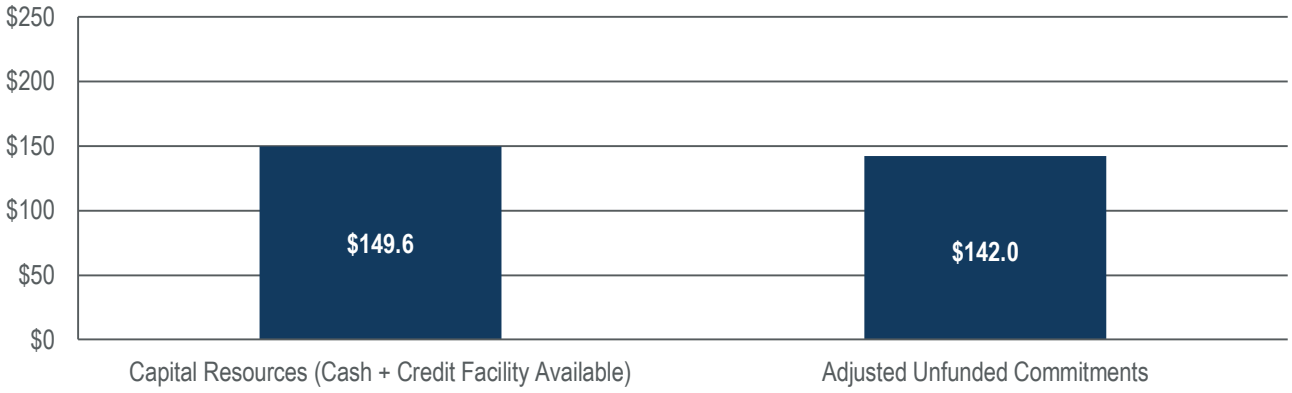
The remaining unfunded commitments were to legacy funds and other direct investments. The Manager believes a large portion of this amount is unlikely to be called. However, some amount may be called for fees, expenses and / or follow-on investments.

The Investment Manager analysed the unfunded commitments on an adjusted basis. In light of the changed economic outlook, the Investment Manager revised this calculation methodology to reflect a more conservative view of possible additional capital calls from underlying investments. Unfunded commitments were adjusted by removing unfunded commitments past their investment period (adjustment of $33.2 million), except for reserves which may be called for follow-ons. Following these adjustments, the unfunded commitments were $142.0 million as of 31 March 2020.



Capital Resources

As of 31 March 2020, NBPE had $149.6 million of total capital resources. On an adjusted basis, this corresponds to excess capital resources of $7.6 million and an adjusted commitment coverage ratio of 105% as of 31 March 2020. Subsequent to this reporting period, during May 2020, the Company increased the MassMutual Credit Facility from $250 million to $300 million, which increases NBPE's available capital resources by an additional $50 million.



Note: Numbers may not sum due to rounding.

Credit Facility

Massachusetts Mutual Life Insurance Company Credit Facility ("MassMutual Facility")

On 23 December 2019 NBPE entered into a new ten year $200 million credit facility ($250 million inclusive of a $50 million accordion) with MassMutual. On 26 March 2020, NBPE announced that the accordion feature was exercised, resulting in a facility size of $250 million. The borrowing availability period ends on 23 December 2029. The facility is secured by a security interest in the underlying cash flows from investments. As of 31 March 2020, there was $250.0 million borrowed under the MassMutual Facility (and a cash balance of $149.6 million).

Under the MassMutual Facility, the interest rate was originally calculated as LIBOR plus 275 basis points per annum (287.5 basis points following the additional extension in size described below). The company is also required to pay an undrawn fee of 55 basis points per annum on any undrawn amounts. Beginning 18 months after the closing date, the facility has a minimum draw requirement (being charged at the interest rate on drawn amounts whether the funds are drawn or not). Following the increase in the facility size to $300 million subsequent to this reporting date, the minimum draw amount was increased from $60 million to $90 million.

The Company is required to meet a LTV test on drawn amounts, based on anniversary dates of the MassMutual Facility. The LTV ratios are as follows: 45% through the 8th anniversary, 35% from the 8th anniversary to the 9th anniversary, 25% from the 9th anniversary to the 10th anniversary and 0% thereafter to maturity. The Company is subject to a number of diversification and portfolio concentration tests which limit the exposure the Company may have in certain areas. The Company is permitted to pay dividends, provided the Company satisfies the LTV ratio test and meets the requirements under the Facility agreement (in addition, both classes of the Company's Zero Dividend Preference Shares require a gross asset coverage ratio relative to the Company's liabilities of 2.75x or greater). The facility may not be terminated until the end of the availability period.

The MassMutual Facility also has a borrowing base concept. The borrowing base is the maximum amount NBPE can drawdown and is the lesser of: 30% of investment value plus cash or the total facility size.

As of 31 March 2020, the Company met all the requirements under the MassMutual Facility.

As previously noted, the Company announced that it has agreed to increase the existing credit facility by $50 million, resulting in a total size of $300 million as of 4 May 2020. The interest rate on the facility is now L+287.5bps (1% L Floor) on drawn amounts and the undrawn spread remains 55bps. On 29 May 2020, NBPE paid down $125.0 million of the outstanding credit facility and as of 31 May 2020, the Company had $125.0 million drawn from the credit facility.

ESG

ESG at Neuberger Berman

Neuberger Berman is highly focused on integrating environmental, social and governance ("ESG") issues across its equity, fixed income and alternatives businesses and is continually striving to deepen its commitment to ESG integration both at the individual strategy level, and as a firm as a whole. 60% of the assets managed by Neuberger Berman consistently and demonstrably integrate ESG factors in portfolio construction and security analysis. Neuberger Berman coordinates these efforts through the ESG Committee, which is chaired by the Head of ESG Investing, Jonathan Bailey. This committee includes the firm's President and CIO-Equities, Joe Amato, and senior representatives from across the firm including private equity. Since 2012, Neuberger Berman is a signatory of the Principles for Responsible Investment ("PRI"). In our 2019 PRI Assessment, NB Private Equity obtained the highest score, A+, for our overarching approach to ESG strategy and governance, as well as for our ESG integration across each of the four asset classes that Neuberger Berman manages as a firm. Overall, NB Private Equity rated above the peer median in every category, and have made meaningful improvements in our scores over recent years. In addition, Neuberger Berman is a signatory to the U.K. Stewardship Code, Japan Stewardship Code, and the U.S. Investor Stewardship Group, as well as the Global Investor Statement to Governments on Climate Change and the United Nations Global Compact. NB Private Equity works with like-minded institutions to advance the integration of ESG factors across markets, and Neuberger Berman is an active supporter of a range of industry groups including the Sustainability Accounting Standards Board ("SASB") Alliance as a founding member, US SIF, CDP, Global Impact Investing Network, Impact Management Project as an advisor, Task Force on Climate Related Financial Disclosure ("TCFD"), Transition Pathways Initiative, Ceres, FCLT Global, Council of Institutional Investors, and the World Benchmarking Alliance.

The firm's ESG Policy provides a broad framework for an approach to ESG integration. This policy is reviewed annually by the ESG Committee, which is responsible for overseeing the ESG integration efforts, setting goals, and reporting on the firm's performance. This ESG Policy is the guideline for formalising and focusing on responsible investment efforts, with the recognition that environmental, social and governance issues can be an important driver of investment returns. Neuberger Berman measures success through sustained improvement in ESG integration and building expertise across investment teams and central research capabilities. Over 150 professionals at Neuberger Berman are involved in ESG initiatives as part of their investment responsibilities or as part of working groups and committees.

The firm's policy statement and ESG annual report are disclosed to the public on the firm's website www.nb.com/esg and includes the latest white papers, articles and perspectives on ESG topics from investment professionals across the firm.

ESG Neuberger Berman Private Equity

NB Private Equity believes that integrating ESG considerations throughout our investment process can lead to more consistent and better investment outcomes – by helping to identify both material risks and opportunities to drive value.

NB Private Equity is focused on long-term partnerships and engage with our partners to promote ESG integration best practices and resources.

NB Private Equity leverages the broader firm's ESG capabilities and resources, but the investment deal teams are responsible for conducting the ESG analysis and the Investment Committee evaluates ESG considerations as a part of their overall investment evaluation. ESG analysis is a part of every fund and direct investment due diligence. During the ownership period, investments are monitored for ESG risks as part of portfolio monitoring and management. Importantly, NB Private Equity engages with our GP partners to share ESG best practices and resources and plays an active leadership role in ESG-related industry collaborations, such as the Principles for Responsible Investing Private Equity Advisory Committee, the Thirty Percent Coalition to encourage diversity and inclusion, and the TCFD to better assess climate-related considerations.

Board of Directors

Directors Biographies

William Maltby (Chairman of the Board, Independent Director) / Appointed 21 March 2019

William Maltby was vice chairman of Investment Banking at Deutsche Bank where he worked for more than 25 years. Mr. Maltby spent a further six years as a Senior Adviser to the Investment Banking Division of Deutsche Bank. Mr. Maltby was a corporate financier specialising in financial sponsors and leveraged finance, and was head of Deutsche Bank's European Financial Sponsor Coverage and Leveraged Finance businesses. He joined Morgan Grenfell in 1984 which was acquired by Deutsche Bank in 1989.

Mr. Maltby was chairman of Mithras Investment Trust Plc, a private equity fund of funds investment trust listed on the London Stock Exchange from 2012 to 2018, when it completed a successful realisation strategy.

Mr. Maltby is also chairman of Ekins Guinness LLP. He qualified as a Chartered Accountant with Peat Marwick and has a law degree from the University of Cambridge.

Trudi Clark (Chairman of the Management Engagement & Nomination and Remuneration Committees, Independent Director) / Appointed 24 April 2017

Trudi Clark qualified as a Chartered Accountant with Robson Rhodes in Birmingham, after graduating in Business Studies. Moving to Guernsey in 1987, Ms. Clark joined KPMG where she was responsible for an audit portfolio including some of the major financial institutions in Guernsey. After 10 years in public practice, Ms. Clark was recruited by the Bank of Bermuda as Head of European Internal Audit, later moving into corporate banking. In 1995 Ms. Clark joined Schroders in the Channel Islands as CFO. Ms. Clark was promoted in 2000 to Banking Director and Managing Director in 2003. From 2006 to 2009, Ms. Clark established a family office, specialising in alternative investments. From 2009 to 2018, Ms. Clark returned to public practice specialising in corporate restructuring services. Ms. Clark has several Non-Executive Director appointments for companies both listed and non-listed investing in property, private equity and other assets. Other public company directorships: BMO Commercial PropertyTrust Limited, River and Mercantile UK MicroCap Investment Company Limited, Alcentra European Floating Rate Income Fund and The Schiehallion Fund Limited.

John Falla (Chairman of the Audit Committee, Independent Director) / Appointed 21 December 2015

John Falla, a resident of Guernsey, is an Associate of the Institute of Chartered Accountants in England and Wales. Mr. Falla has a degree in Property Valuation and Management from City University London and is a Fellow of the Chartered Institute for Securities and Investment, holding their diploma. Mr. Falla qualified as a Chartered Accountant with Ernst and Young in London, before transferring to their Corporate Finance Department, specialising in the valuation of unquoted shares and securities, including private equity holdings. On Mr. Falla's return to Guernsey in 1996 he worked for an International Bank before joining The International Stock Exchange (formerly Channel Islands Stock Exchange) in 1998 on its launch as a member of the Market Authority. In 2000 Mr. Falla joined the Edmond de Rothschild Group. Although based in Guernsey he provided corporate finance advice to international clients including open and closed-ended funds, and institutions with significant property interests. Mr. Falla was also a director of a number of Edmond de Rothschild operating and investment entities. Mr. Falla has been a non-executive director of London listed companies for a number of years, and is now a full-time non-executive director and consultant.

Other public company directorships:

- SQN Asset Finance Income Fund Limited
- HWSI Realisation Fund Limited
- CIP Merchant Capital Limited
- Marble Point Loan Financing Limited

Directors Biographies (continued)

Wilken von Hodenberg (Senior Independent Director) /

Appointed 21 March 2019

Wilken von Hodenberg is a businessperson with 38 years of experience in private equity, investment banking and senior management. Mr. von Hodenberg has been at the head of five different entities and until recently occupied the position of Chairman of German Private Equity & Venture Capital Association.

Mr. von Hodenberg was a member of the Supervisory Board for Deutsche Beteiligungs AG since 2013 and left this position in February 2020. He is also a Non-Executive Director of Sloman Neptun AG, Schloss Vaux AG and Wepa SE.

From 2000-2013 Mr. von Hodenberg was CEO of Deutsche Beteiligungs AG. Mr. von Hodenberg also served as a Managing Director of Merrill Lynch in Frankfurt (1998-2000). Prior to this Mr. von Hodenberg was Managing Director at Baring Brother GmbH (1993-1997). From 1990-1992 he was CFO of Tengelmann Group, a major German retailing group. He started his career at JPMorgan in New York and Frankfurt (1983-1989).

Mr. von Hodenberg is a lawyer in Hamburg and holds a Law degree from the University of Hamburg.

Peter von Lehe (Director) / Appointed 22 June 2007

Peter von Lehe is the Head of Investment Solutions and Strategy and is a Managing Director of Neuberger Berman. He is also a member of the Athyrium, Co-Investment, Private Investment Portfolios, Marquee Brands and Renaissance Investment Committees. Mr. von Lehe sits on the Limited Partner Advisory Boards of a number of investment relationships globally on behalf of Neuberger Berman funds. Previously, Mr. von Lehe was a Managing Director and Deputy Head of the Private Equity Fund of Funds unit of Swiss Reinsurance Company. At Swiss Re, Mr. von Lehe was responsible for investment analysis and product structuring and worked in both New York and Zurich. Before that, he was an attorney with the law firm of Willkie Farr & Gallagher LLP in New York focusing on corporate finance and private equity transactions. Mr. von Lehe began his career as a financial analyst for a utility company, where he was responsible for econometric modeling. Mr. von Lehe received a B.S. with Honors in Economics from the University of Iowa and a J.D. with High Distinction, from the University of Iowa College of Law. He is a member of the New York Bar.

Mr. von Lehe has no other public company directorships. Mr. von Lehe is on the board of NB Reinsurance Limited.

Direct Investments	Principal Geography	Investment Date	Description	Fair Value $ M
Engineering	Italy	May-16	Italian based provider of systems integration, consulting and outsourcing services	32.6
USI	U.S.	Jun-17	Insurance brokerage and consulting services	32.0
Business Services Company*	U.S.	Oct-17	Business services company	30.9
Material Handling Systems	U.S./Europe	Apr-17	Systems and solutions utilised in distribution centres	30.3
LGC	Europe	Mar-16	Provider of life sciences measuring and testing products	27.4
Marquee Brands	Global	Dec-14	Portfolio of consumer branded IP assets, licensed to third parties	27.0
ProAmpac (Equity)	U.S.	Nov-16	Leading global supplier of flexible packaging	26.6
Cotiviti - fka Verscend (PIK Preferred)	U.S.	Aug-18	Payment accuracy and solutions for the healthcare industry	26.5
NB Alternatives Credit Opportunities Program	Global	Sep-19	Diversified credit portfolio	25.3
Action	Europe	Jan-20	European discount retailer	25.6
BeyondTrust	U.S.	Jun-18	Cyber security and secure access solutions	23.3
Agiliti	U.S.	Jan-19	Medical equipment management and services	23.2
AutoStore	Europe	Jul-19	Leading provider of automation technology	22.4
Telxius	Europe	Oct-17	Telecommunications infrastructure including fibre-optic cables and telecom towers	22.0
Staples	U.S.	Sep-17	Provider of office supplies through a business to business platform and retail	22.3
Duff & Phelps	Global	Mar-20	Multi-national financial consultancy firm	20.0
Omega	U.S.	Feb-17	Leading distributor and assembler of climate control components	18.5
Italian Mid-Market Buyout Portfolio	Europe	Jun-18	Portfolio of Italian mid-market buyout companies	16.8
Final Site	U.S.	Nov-16	Communications and learning management software	16.7
BCA Marketplace	U.K.	Nov-19	Provider of vehicle remarketing services	16.6
Excelitas	U.S.	Nov-17	Sensing, optics and illumination technology	16.4
Branded Cities Network	U.S.	Nov-17	North American advertising media company	15.7
Hivory	France	Dec-18	Owner of telecom towers in France	15.7
FV Hospital	Vietnam	Jun-17	Leading hospital provider in Vietnam	15.4
Accedian	U.S.	Apr-17	Network testing equipment and software	15.3
Advisor Group	U.S.	Jul-19	Independent broker dealer	14.9
GFL (NYSE: GFL)	U.S. / Canada	Jul-18	Waste management services	14.8
Qpark	Europe	Oct-17	European parking services operator	13.6
Petsmart / Chewy (NYSE: CHWY)	U.S.	Jun-15	Online and offline pet supplies retailer	13.6
Drive Medical (Debt)	U.S.	Jan-17	Global distributor of durable medical equipment	12.6
SolarWinds (NYSE: SWI)	U.S.	Feb-16	Provider of enterprise-class IT and infrastructure management software	11.4
Solace Systems	U.S. / Canada	Apr-16	Enterprise messaging solutions	10.6
CH Guenther	U.S.	May-18	Supplier of baking mixes, snacks and meals and other value-added food products for consumers	10.2
Leaseplan	Europe	Apr-16	Fleet management services	9.9
Schumacher (Debt)	U.S.	Oct-15	Produces and distributes agricultural machinery and tools	9.7
Bylight	U.S.	Jun-17	Provider of IT and technology infrastructure cyber solutions	9.5

Note: Numbers may not sum due to rounding.
**Due to confidentiality provisions, company name cannot be disclosed.*

Direct Investments	Principal Geography	Investment Date	Description	Fair Value $ M
Holley	U.S.	Oct-18	Automotive performance company	9.4
Carestream Dental Equipment (Debt)	U.S.	Aug-18	Utilises digital imaging equipment and captures two billion images annually	9.3
West Marine	U.S.	Sep-17	Specialty retailer of boating supplies	9.2
Digital River (Equity)	U.S.	Feb-15	Digital eCommerce, payments and marketing solutions	9.0
Ellucian	U.S.	Sep-15	Developer of higher education ERP software	8.5
Vertiv (NYSE: VRT)	U.S.	Nov-16	Provider of data center infrastructure	8.3
Viant	U.S.	Jun-18	Outsourced medical device manufacturer	8.2
Genetic Testing Company - Equity*	U.S.	Jun-13	Genetic testing company	8.1
Branded Toy Company*	U.S.	Jul-17	Specialty toy company	8.0
Lasko Products	U.S.	Nov-16	Manufacturer of portable fans and ceramic heaters	7.8
Compliance Solutions Strategies	U.S.	Apr-17	Provider of compliance solutions to the financial services sector	7.7
NB Specialty Finance Program	Global	Oct-18	Small balance loan portfolio	7.6
Tandem - fka Groupo Cortefiel	Spain	Oct-17	Spanish apparel retailer	7.5
ZPG	U.K.	Jul-18	Digital property data and software company	7.5
Renaissance Learning	U.S.	Jun-18	K-12 educational software & learning solutions	7.4
Ingersoll Rand (NYSE: IR)	U.S.	Jul-13	Maker of industrial equipment	7.3
Uniasselvi	Brazil	Jun-18	Post secondary education company	7.3
Verifone	Global	Aug-18	Electronic payment technology	7.2
Saguaro	Canada	Jul-13	E&P company pursuing unconventional light oil/liquids-rich gas properties	6.9
Wind River Environmental	U.S.	Apr-17	Waste management services provider	6.5
Exact	Netherlands	Aug-19	Accounting and ERP software for small / medium size businesses	6.5
StubHub	U.S.	Feb-20	Ticket exchange and resale company	6.1
ProAmpac (Debt)	U.S.	Nov-16	Leading global supplier of flexible packaging	6.0
Plaskolite	U.S.	Dec-18	Largest manufacturer of thermoplastic sheets in North America	5.7
Hub	Global	Mar-19	Leading global insruance brokerage	6.3
Nextlevel	U.S.	Aug-18	Designer and supplier of fashion-basic apparel	5.3
Innovacare[1]	U.S.	Apr-20	Operates leading Medicare Advantage plan and Medicaid plan	5.3
Evoqua Equity (NYSE: AQUA)	U.S.	Jan-14	Water treatment technology, equipment and services	5.2
Concord Bio	India	Jun-16	Active pharmaceutical ingredients manufacturer	5.2
MHS	U.S.	Mar-17	Provider of repair, maintenance and fleet management services	5.2
Boa Vista	Brazil	Nov-12	Second largest credit bureau in Brazil	5.1
Avantor (NYSE: AVTR)	U.S.	Feb-18	Provider of materials for life sciences and technology industries	5.0
Snagajob	U.S.	Jun-16	Job search and human capital management provider	5.0
CSC Service Works	U.S.	Mar-15	Provider of outsourced services to laundry & air vending markets	5.0
All Other Investments (63 Investments <$5m)				112.6
Net Other Assets, incl. Escrow / (Liabilities)				(20.1)
Total Direct Investments				**$1,018.1**

Note: Numbers may not sum due to rounding.
**Due to confidentiality provisions, company name cannot be disclosed.*
1. Investment exposure through the NB Co-investment Program as of 31 March 2020, but NBPE did not receive a capital call until April 2020.

Equity

It is expected that most of the investments in which the Fund invests will meet the criteria set forth under FASB ASC 820 Fair Value Measurement ("ASC 820") permitting the use of the practical expedient to determine the fair value of the investments. ASC 820 provides that, in valuing alternative investments that do not have quoted market prices, but calculate NAV per share or equivalent, an investor may determine fair value by using the NAV reported to the investor by the underlying investment. To the extent practice expedient is applicable to an investment, the Manager will value the Fund's investment based primarily on the value reported to the Fund by the investment or by the lead investor of a direct co-investment as of each quarter-end, as determined by the investments in accordance with its own valuation policies.

The Fund generally uses the NAV reported by the investments as a primary input in its valuation; however, adjustments to the reported NAV may be made based on various factors, including, but not limited to, the attributes of the interest held, including the rights and obligations, any restrictions or illiquidity on such interest, any potential clawbacks by the investments and the fair value of the investments' investment portfolio or other assets and liabilities. The valuation process for investments categorised in Level 3 of the fair value hierarchy is completed on a quarterly basis and is designed to subject the valuation of Level 3 investments to an appropriate level of consistency, oversight and review. The Manager has responsibility for the valuation process and the preparation of the fair value of investments reported in the financial statements. The Manager performs initial and ongoing investment monitoring and valuation assessments. In determining the fair value of investments, the Manager reviews periodic investor reports and interim and annual audited financial statements received from the investments, reviews material quarter over quarter changes in valuation, and assess the impact of macro market factors on the performance of the investments.

Debt

Debt investments made on a primary basis are generally carried at cost plus accrued interest, if any. Investments made through the secondary market are generally marked based on market quotations, to the extent available, and the manager will take into account current pricing and liquidity of the security.

For primary issuance debt investments, the Manager estimates the enterprise value of each portfolio company and compares such amount to the total amount of the company's debt as well as the level of debt senior to the Company's interest. Estimates of enterprise value are based on a specific measure (such as EBITDA, free cash flow, net income, book value or NAV) believed to be most relevant for the given company and compares this metric in relation to comparable company valuations (market trading and transactions) based on the same metric. In determining the enterprise value, the Manager will further consider the companies' acquisition price, credit metrics, historical and projected operational and performance, liquidity as well as industry trends, general economic conditions, scale and competitive advantages along with other factors deemed relevant. Valuation adjustments are made if estimated enterprise value does not support the value of the debt security the Company is invested in and securities senior to the Company's position.

If the principal repayment of debt and any accrued interest is supported by the enterprise value analysis described above, the Manager will next consider current market conditions including pricing quotations for the same security and yields for similar investments.

For investments made on a secondary basis, to the extent market quotations for the security are available, the Manager will take into account current pricing and liquidity. Liquidity may be estimated by the spread between bid and offer prices and other available measures of market liquidity, including number and size of recent trades and liquidity scores. If the Manager believes market yields for similar investments have changed substantially since the pricing of the security, the Manager will perform a discounted cash flow analysis, based on the expected future cash flows of the debt securities and current market rates. The Manager will also consider the maturity of the investment, compliance with covenants and ability to pay cash interest when estimating the fair value of debt investments.

This report contains certain forward-looking statements. Forward-looking statements speak only as of the date of the document in which they are made and relate to expectations, beliefs, projections (including anticipated economic performance and financial condition), future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts and are subject to risks and uncertainties including, but not limited to, statements as to:

- future operating results;
- business prospects and the prospects of the Company's investments;
- the impact of investments the Company expects to make;
- the dependence of future success on the general economy and its impact on the industries in which the Company invests;
- the ability of the investments to achieve their objectives;
- differences between the investment objective and the investment objectives of the private equity funds in which the Company invests;
- the rate at which capital is deployed in private equity investments, co-investments and opportunistic investments;
- expected financings and investments;
- the continuation of the Investment Manager as the service provider and the continued affiliation with the Investment Manager of its key investment professionals;
- the adequacy of the Company's cash resources and working capital; and
- the timing of cash flows, if any, from the operations of the underlying private equity funds and the underlying portfolio companies.

In some cases, forward-looking statements may be identified by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will," and "would," or the negative of those terms or other comparable terminology.

The forward-looking statements are based on the beliefs, assumptions and expectations of the future performance, taking into account all information currently available to the Manager. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to the Manager or are within the Manager's control. If a change occurs, the business, financial condition, liquidity and results of operations may vary materially from those expressed in the forward-looking statements. Factors and events that could cause the business, financial condition, liquidity and results of operations to vary materially include, among other things, general economic conditions, securities market conditions, private equity market conditions, the level and volatility of interest rates and equity prices, competitive conditions, liquidity of global markets, international and regional political conditions, macro-economic factors (including but not limited to war, civil unrest, natural disasters, pandemics, or epidemics) regulatory and legislative developments, monetary and fiscal policy, investor sentiment, availability and cost of capital, technological changes and events, outcome of legal proceedings, changes in currency values, inflation, credit ratings and the size, volume and timing of transactions, as well as other risks described elsewhere in this report and the prospectus relating to the Company's IPO and the Company's prospectus relating to the ZDP Shares.

The foregoing is not a comprehensive list of the risks and uncertainties to which the Company is subject. Except as required by applicable law, the Manager undertakes no obligation to update or revise any forward-looking statements to reflect any change in The Manager's expectations, or any changes in events, conditions or circumstances on which the forward-looking statement is based. In light of these risks, uncertainties and assumptions, the events described by the Company's forward-looking statements might not occur. The Manager qualifies any and all of the forward-looking statements by these cautionary factors.

Ordinary Share Information
Trading Symbol: NBPE
Exchanges: The Premium Segment of the Main Market of the London Stock Exchange
Premium Segment Trading Admission: 2 May 2017
Traded Currency: GBP; USD
Bloomberg: NBPE LN; NBPU LN
Reuters: NBPE.L; NBPU.L
ISIN: GG00B1ZBD492
COMMON: 030991001
LEI: 2138000JH93NH810FQ77

ZDP Share Information (2022 / 2024)
Trading Symbol: NBPP / NBPS
Exchanges: Specialist Fund Segment of the London Stock Exchange
Admission Date: 16 September 2016 / 30 May 2018
Base Currency: GBP / GBP
Bloomberg: NBPP: LN / NBPS: LN
Reuters: NBPEO.L / NBPSo.L
ISIN: GG00BD0FRW63 / GG00BD96PR19
SEDOL: BD0FRW6 / BD96PR1

Board of Directors
William Maltby (Chairman)
Trudi Clark
John Falla
Wilken von Hodenberg
Peter von Lehe

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