NB Private Equity Partners Limited

NEUBERGER BERMAN

30 November 2018[1]

FUND OBJECTIVE

NB Private Equity Partners Limited ("NBPE" or the "Company") is a closed-end investment company registered under the laws of Guernsey managed by NB Alternatives Advisers LLC (the "Investment Manager"), an indirect wholly owned subsidiary of Neuberger Berman Group LLC.

Our investment objective is to produce attractive returns on capital by investing directly into Private Equity backed companies with a focus on capital efficient strategies while managing risk through portfolio diversification. NBPE pursues diversification across capital structure, asset class, vintage year, geography, industry and sponsor.

FUND MANAGER: NB ALTERNATIVES

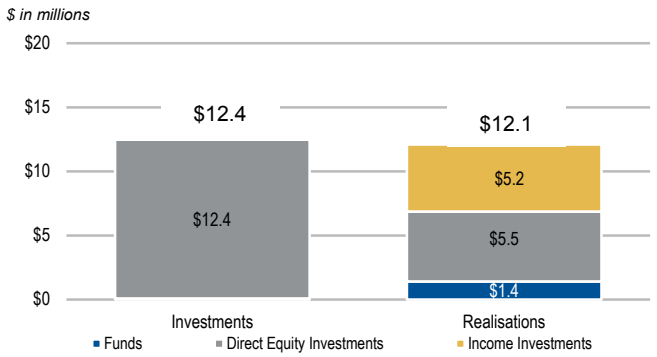
- Over 30 years private equity investing experience
- Over $65 billion of commitments managed
- Stable team with over 150 investment professionals with global presence
- Investments with over 200 private equity firms

MANAGER COMMENTARY

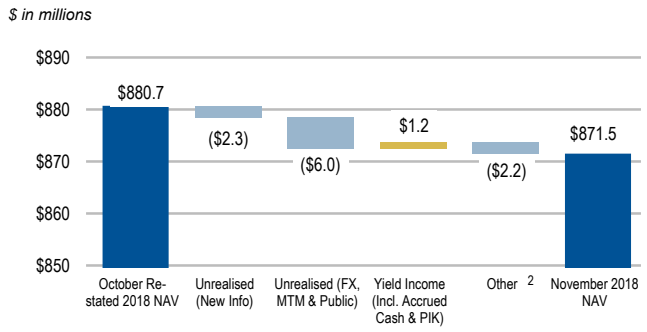
During November, NBPE funded a total of $12.4 million to direct equity investments, including a new investment in BK China, the exclusive master franchiser for Burger King in mainland China, and additional investments in Verifone, NextLevel and Marquee Brands.

In terms of distributions, NBPE received $5.5 million from direct equity investments as a result of the partial sale of public shares of Gardner Denver (NYSE: GDI) and a partial realisation of Staples. Income investments distributed $5.2 million consisting of proceeds received from the NB Credit Opportunities Program, principal repayments and interest receipts. Fund investments distributed $1.4 million during November. Year to date, fund investments have continued to generate strong liquidity and have distributed $40.1 million, or approximately 37% of the beginning of the year fund investment fair value.

PORTFOLIO ACTIVITY[5]



BALANCE SHEET DEVELOPMENT



NET ASSET VALUE DEVELOPMENT

($ in millions, unless otherwise noted)	30 November 2018	31 October 2018 (Restated,
Summary of NAV of Ordinary Shares	**(Unaudited)**	**Unaudited)**
Direct Investments		
Direct Equity Investments	$798.7	$800.3
Income Investments	$138.5	$142.6
Total Direct Investments	$937.2	$942.9
Fund Investments	$70.0	$71.1
Total Private Equity Investments	**$1,007.2**	**$1,014.0**
Cash and Cash Equivalents	$9.7	$10.3
Credit Facility Outstanding	($10.0)	($10.0)
2022 ZDP Share Liability	($69.6)	($69.4)
2024 ZDP Share Liability	($65.1)	($65.0)
Net Other Assets (Liabilities), incl. Minority Interest	($0.7)	$0.8
Net Asset Value	**$871.5**	**$880.7**
Net Asset Value per Share *	**$17.86**	**$18.05**
Net Asset Value per Share Including 2018 Dividends *	**$18.39**	**$18.58**
Net Asset Value (GBP per Share)	**£14.00**	**£14.14**
Closing Share Price (London Stock Exchange)	**£11.00**	**£10.85**
Premium (Discount)	**(21.4%)**	**(23.3%)**
Summary of Private Equity Exposure		
Estimated Fair Value of Private Equity Investments	$1,007.2	$1,014.0
Adjusted Unfunded Private Equity Commitments **	$46.8	$50.1
Adjusted Total Private Equity Exposure	**$1,054.0**	**$1,064.1**
Private Equity Investment Level	116%	115%
Cash + Undrawn Committed Credit Facility	$149.7	$150.3
Adjusted Commitment Cover Ratio **	320%	300%
Summary of ZDP Shares (£)		
Net Asset Value of the 2022 ZDP Shares ***	**£54.5**	**£54.4**
2022 ZDP Net Asset Value per Share ***	**109.05p**	**108.70p**
Closing Share Price (LSE) for 2022 ZDP shares	**114.50p**	**113.50p**
Premium (Discount)	**5.0%**	**4.4%**
Net Asset Value of the 2024 ZDP Shares ***	**£51.1**	**£50.9**
2024 ZDP Net Asset Value per Share ***	**102.12p**	**101.77p**
Closing Share Price (LSE) for 2024 ZDP shares	**104.00p**	**103.00p**
Premium (Discount)	**1.8%**	**1.2%**

ORDINARY SHARE INFORMATION

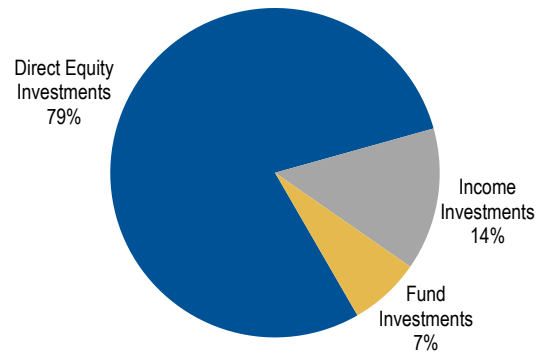
Trading Symbol:	NBPE
Exchanges:	Euronext & LSE
Euronext Admission Date:	25 July 2007
LSE Admission Date:	30 June 2009
Traded Currency:	GBP (LSE); USD (Euronext); USD (LSE)
Bloomberg Ticker:	NBPE NA, NBPE LN, NBPU LN
Reuters Ticker:	NBPE.AS, NBPE.L, NBPU.L
ISIN:	GG00B1ZBD492
Common:	030991001
Semi-annual Dividends:[3]	$0.28 per share
Annualised Dividend Yield:[3]	4.0% on share price, 3.1% on NAV

ZDP SHARE INFORMATION (2022 / 2024)

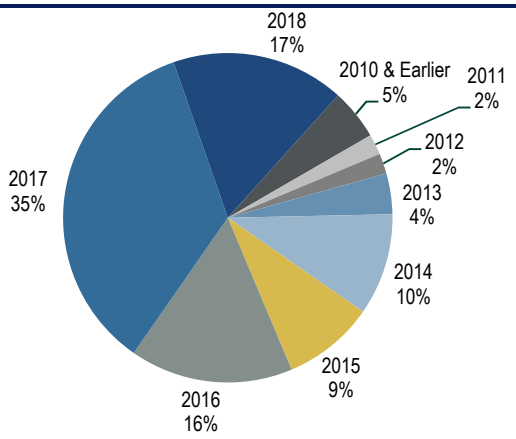
Trading Symbol:	NBPP / NBPS
Exchanges:	LSE / LSE
Admission Date:	16 September 2016 / 30 May 2018
Base Currency:	GBP / GBP
Bloomberg Ticker:	NBPP:LN / NBPS:LN
Reuters:	NBPEO.L / NBPSo.L
ISIN:	GG00BD0FRW63 / GG00BD96PR19
SEDOL:	BD0FRW6 / BD96PR1
GRY at Issuance:	4.0% / 4.25%
Share Life:	30 September 2022 / 30 October 2024
Capital Entitlement:	126.74p / 130.63p

*As of 30 November 2018 and 31 October 2018, there were 48,790,564 class A ordinary shares and 10,000 class B ordinary shares outstanding, with 3,150,408 class A ordinary shares held in treasury.
** Unfunded commitments are adjusted for amounts the Manager believes are unlikely to be called. As of 30 November 2018 (31 October 2018), unadjusted unfunded commitments are $243.5 million ($253.4 million), total private equity exposure is $1.3 billion ($1.2 billion) and the unadjusted commitment coverage ratio is 61.5% (59.3%).
*** As of 30 November 2018 there were 50,000,000 2022 ZDP and 50,000,000 2024 ZDP shares outstanding. Note: Numbers may not sum due to rounding.

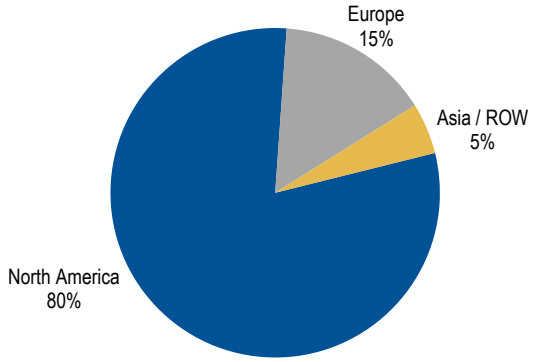
ASSET CLASS AND INVESTMENT TYPE BY FAIR VALUE



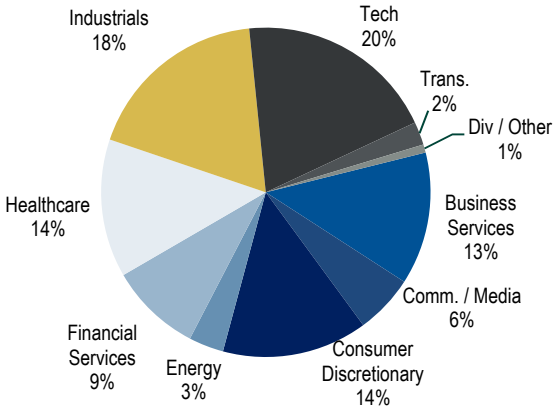
YEAR OF INVESTMENT BY FAIR VALUE



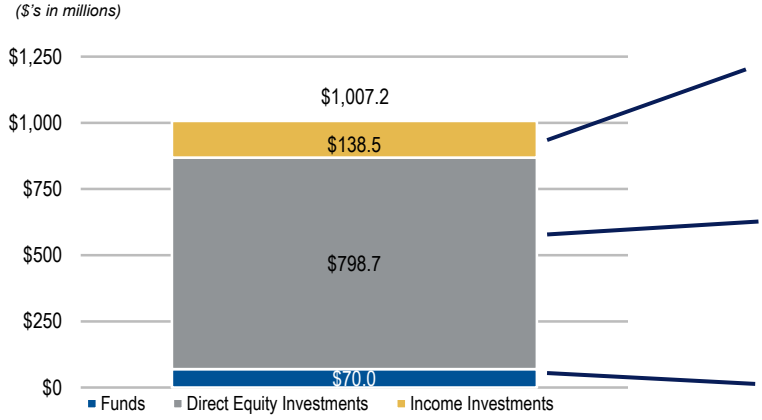
GEOGRAPHY BY FAIR VALUE



INDUSTRY BY FAIR VALUE



DIVERSIFICATION BY INVESTMENT TYPE

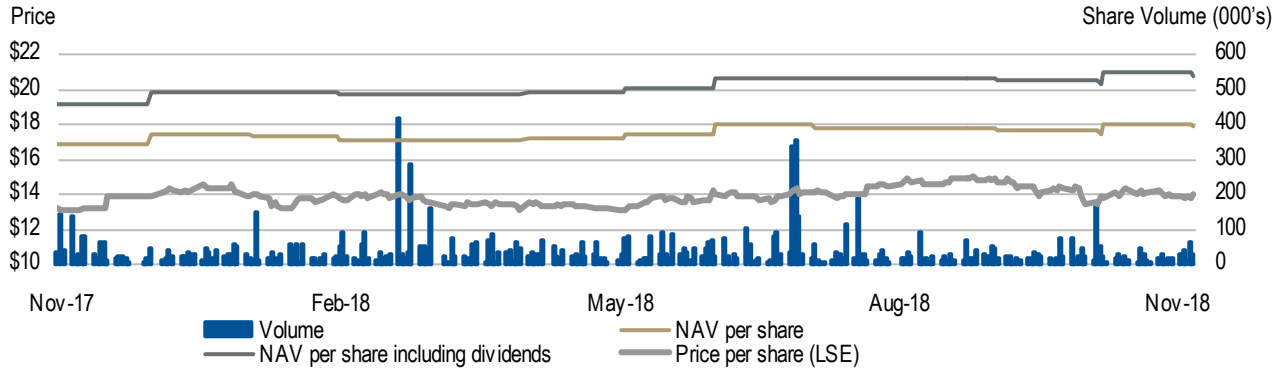


Top 3 Income Investments by NBPE NAV (excluding credit opportunities investments)
- Schumacher: $9.7 million
- Carestream: $9.4 million
- Dubois Chemical: $9.0 million

Top 3 Direct Equity Investments by NBPE NAV
- Staples: $33.4 million
- Material Handling Systems: $30.2 million
- Business Services Company (Undisclosed): $28.1 million

Top 3 Fund Investments by NBPE NAV
- Catalyst Fund III: $12.2 million
- NG Capital I: $8.2 million
- NB Crossroads Fund XVIII Mid-cap Buyout: $7.2 million

LTM ORDINARY SHARE PRICE AND NAV PERFORMANCE (TOTAL RETURN) AND TRADING VOLUME



VALUATION METHODOLOGY

It is expected that most of the investments in which the Company 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 ASC 820 is applicable to an investment, the General Partner will value the Company's investment based primarily on the value reported to the Company 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 Company 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 categorized 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 Investment Manager has ultimate responsibility for the valuation process and the fair value of investments reported in the financial statements. The Investment Manager performs initial and ongoing investment monitoring and valuation assessments. In determining the fair value of investments, the Investment 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 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.

TRADING VOLUME

During the month of November, NBPE's aggregate trading volume on the London Stock Exchange, Euronext Amsterdam, and over-the-counter trading platforms was 478,977 Class A ordinary shares, which represents an average daily trading volume of approximately 21,772 Class A ordinary shares.

INVESTMENT MANAGER

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1. Figures provided are unaudited and subject to change. Certain numbers may not total due to rounding.
2. Other includes realised gains, investment income not classified as yield income, expenses, the ZDP liability and value changes to other assets and liabilities.
3. NBPE declared a $0.28 per Share dividend on 19 July 2018, which was paid on 31 August 2018. On an annualised basis, this dividend payment represents a dividend yield of 3.1% based on the estimated 30 November 2018 NAV and 4.0% based on the London Stock Exchange closing price of £11.00 on 30 November 2018.
4. The diversification analysis by asset class and investment type is based on the fair value of underlying direct/co-investments and fund investments. The diversification analysis by year of investment, geography and industry is based on the diversification of underlying portfolio company investments at fair value as estimated by the Investment Manager. The year of investment is calculated at the portfolio company level and is defined as the date of capital deployment into a particular underlying investment. The diversification by year of investment also includes an allocation of net cash flows and valuation adjustments made since financial statements were last received from the investment sponsor. Accordingly, the actual diversification of the Company's investment portfolio and the diversification of the Company's investment portfolio on an ongoing basis may vary from the foregoing information.
5. Direct equity investment diversification includes all equity, including associated equity from income investments.
6. Based on 30 November 2018 GBP/USD FX of $1.276 and 31 October 2018 GBP/USD FX of $1.277 .

This document is not intended to be an investment advertisement or sales instrument; it constitutes neither an offer nor an attempt to solicit offers for the securities described herein. This report was prepared using financial information contained in NBPE's books and records as of the reporting date. This information is believed to be accurate but has not been audited by a third party. This report describes past performance, which may not be indicative of future results. None of NBPE or the Investment Manager accepts any liability for actions taken on the basis of the information provided.

NBPE is registered with the Dutch Authority for the Financial Markets as a collective investment scheme which may offer participations in The Netherlands pursuant to article 2:66 of the Financial Markets Supervision Act (Wet op het financieel toezicht). All investments are subject to risk. Past performance is no guarantee of future returns. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results.