For the period ended
30 June 2021

NB Private Equity Partners Limited

2021 Interim Report

Investing in Private Companies to Generate Long-term Growth

NB Private Equity Partners Limited

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Highlights

1H 2021 Summary

NAV per Share

$28.65

£20.74

NAV Growth

29.2%

NAV per Share Total Return (USD)

Realisations YTD

$149m

1H Dividends Paid

$0.31

per Share (USD)

Our Investment Opportunity

Investing in private companies to generate long-term growth

A portfolio of direct investments in highly attractive private companies

- Primarily invested in the US, the largest private equity market
- Diversified across sectors, underlying private equity managers and size
- Benefitting from the skills and initiatives of the private equity manager to drive value in the underlying companies

A strategy focused on co-investing alongside top tier private equity managers, in their core areas of expertise

- Leveraging the strength of Neuberger Berman's platform, relationships deal flow and expertise to access the most attractive investment opportunities
- Control of capital deployment through co-investments
- NBPE typically invests on a no management fee or carried interest basis[1]

A highly selective and responsible investment approach

- A focus on sectors and companies that benefit from long term structural growth trends
- Underpinned by a strong focus on responsible investment, with ESG considerations fully integrated into the investment process

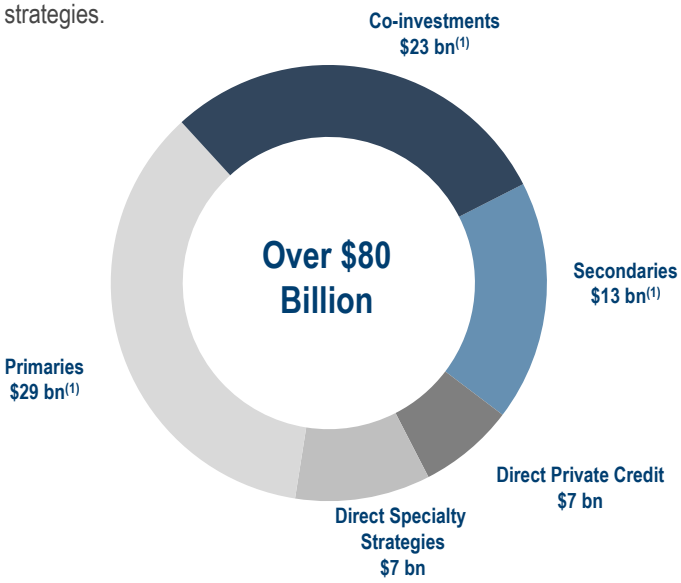
Strong Performance

- 18.0% annualised NAV total return over the last five years
- 23.2% Gross IRR from direct equity portfolio over five years

Note: As of 30 June 2021.
1. Approximately 97% of the direct investment portfolio (measured on 30 June 2021 fair value) is on a no management fee, no carry basis to underlying third-party GPs. Key Information Document is available on NBPE's website.

Investment Manager Overview

NB Private Equity Partners ("NBPE" or the "Company") is managed by NB Alternatives Advisers LLC (the "Manager" or the "Investment Manager"), the private equity group of Neuberger Berman, which manages over $80 billion of private equity assets across multiple strategies.



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.

Private Equity Assets Managed

$80 Bn

Across Multiple Strategies

Team

150+

Team Members working on primaries and co-investments

Experience

25 years

Average experience among Managing Directors

Industry Recognition

The Asset Management AWARDS 2020 WINNER PRIVATE EQUITY MANAGER OF THE YEAR

European Pensions AWARDS 2020 WINNER Private Equity Manager of the Year

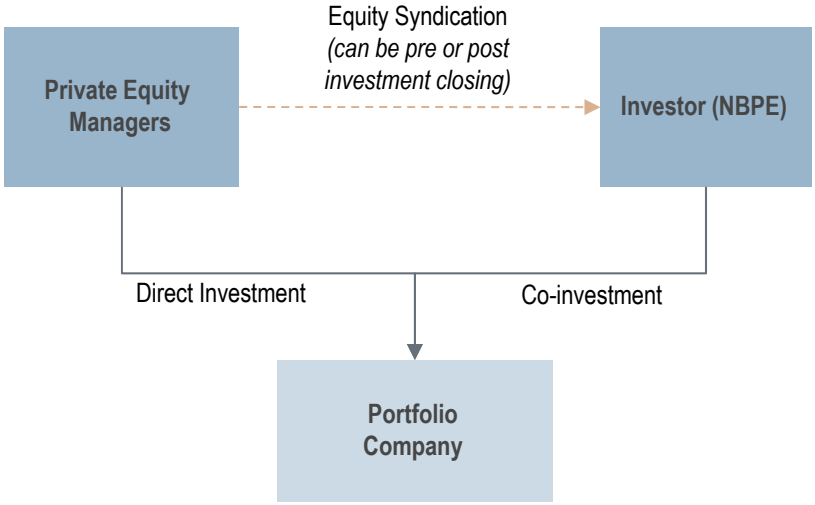
See endnote one related to AUM and Awards.

1. Includes estimated allocations of dry powder for diversified portfolios consisting of primaries, secondaries, and co-investments. Therefore, amounts may vary depending on how mandates are invested over time.

Investment Strategy

Direct private 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. The Investment Manager's team of professionals works alongside the private equity managers throughout the due diligence 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 managers. 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. Add-on or growth capital typically helps finance an existing company's growth or M&A strategy.



Why Private Equity Managers Seek Co-investors

- Provide equity to complete transactions
- Extend LP relationships
- Manage portfolio exposure
- Familiarise investors with PE sponsors' investment process
- Provide independent valuation for mid-life situations

What NB Looks For[1]

- Sound business model, with sustainable competitive advantages and low sensitivity to cyclicality
- Multiple and clear options for value creation
- Prudent capital structure
- Invest with experienced lead sponsor in their core area of expertise

1. These are general characteristics that the team looks for in transactions but there is no assurance that the deals completed by NBPE will have all these characteristics

Manager's Statement

Q2 2021 Results

Peter von Lehe, Head of Investment Solutions and Strategy, Managing Director, Neuberger Berman commented: "During the first six months, NBPE's portfolio has continued to build on its strong performance in 2020, with the direct equity investments generating attractive returns. Performance was predominantly driven by realisation activity and third-party financing, with $300 million of realisations announced primarily from 10 full or partial exits and strong uplifts across a number of investments."

Outlook

Paul Daggett, Managing Director, Neuberger Berman, added: "Constellation Automotive and Autostore drove significant value for the portfolio. NBPE continues to hold material positions in both companies and we remain very optimistic on their future prospects. Beyond these two investments, the broader portfolio is performing very well and we believe is well positioned to continue to deliver value."

Portfolio Overview

As of 30 June 2021, NBPE's direct equity portfolio had a total fair value of $1,346 million, and included 92 companies made alongside 55 different private equity sponsors. While the portfolio is broadly diversified, the top twenty investments represented approximately 53% of fair value (see page 16).

2021 Year to Date Performance

During the first half of 2021, NBPE's NAV increased by $288 million ($6.16 per share). On a total return basis, NAV increased by 29.2%, including the $15 million dividend ($0.31 per share) to shareholders in February 2021. On a gross basis, this performance was driven by direct equity investments, which increased in value by $328 million, of which the top ten direct equity investments increased in value by $250 million.

The two largest total value gains were from Autostore and Constellation Automotive; combined these two investments drove approximately $174 million of total value as a result of a realisation and third-party transaction pricing, respectively. Telxius, West Marine, Beyond Trust and Aldevron increased in value by approximately $46 million as a result of full or partial realisations. Action, USI and Excelitas increased in value by a combined $23 million as a result of private valuation increases and Agiliti (NYSE: AGTI) increased in value by $7 million, as a result of an increase in the company's public share price.

Investing in Key Themes & Portfolio Positioning

Over recent years, NBPE's portfolio was positioned in companies that benefit from key themes including long-term secular growth trends and businesses with lower cyclicality, which the Manager believes have the ability to perform well across diverse economic environments. As a result, the portfolio is focused on sectors which benefit from these themes including technology, industrial technology, consumer / e-commerce and healthcare.

Among the top 40 investments (representing 72% of value), technology and industrial technology is the largest growth theme, representing approximately 33% of value among the top 40 investments. NBPE's technology portfolio includes a number of areas that the Manager believes offer attractive growth potential together with reasonable downside protection characteristics which include infrastructure software, security, education software and other technology businesses. This theme also includes three investments predicated on the long term secular trend around industrial technology: MHS, which provides e-commerce infrastructure and services, Autostore, a global robotic technology company and Excelitas, which provides sensing, optics and illumination technology.

Manager's Statement (continued)

Investments made in businesses which the Manager believes were overall less cyclical than the broader economic environment represent 29% of value among the top 40 positions. Investments in this area are diversified, with example end markets including communications, insurance, medical devices and waste management.

Other investments within the top 40 investments were focused on distinct sectors or trends within the overall economy. For example, consumer e-commerce businesses represented approximately 14% of the value among the top 40 investments; several investments in these areas ultimately depend on the growing e-commerce trend. Healthcare represented 12% of value among the top 40 investments; companies within this sector demonstrate compelling growth prospects for their products or services, driven by long-term trends such as aging demographics, and increased demand for healthcare.

Finally, other businesses which demonstrated long-term secular growth trends represented 13% of value within the top 40 investments. These businesses are diversified across sectors including business services and financial services, but each demonstrates compelling long term growth prospects for their product or services.

Attractive vintage year maturity

The 2017 and 2018 direct equity vintages are the largest exposures within the portfolio representing over 48% of the portfolio's vintage year exposure. Importantly, this is the result of strong positive performance of the companies within these vintages resulting in valuation write-ups as value creation progresses within individual investments. With a weighted average age of approximately 3.3 years, the portfolio is within the window of the three to five year holding period that is typically targeted by most private equity sponsors, and given the strong performance of the portfolio, the Manager believes a number of companies are well positioned for near term exits.

Exits & New Investments

During the first half of this year there were ten announced transactions which will result in full or partial realisations to NBPE, and all but $3 million of this NAV uplift is incorporated in the 30 June 2021 net asset value. Four of the announced transactions have closed as of 30 June 2021 and we expect the remaining six transactions to close in the coming months. In aggregate, and inclusive of cash already received during the first half of 2021, NBPE expects total realisations of approximately $300 million once all ten of the announced transactions close. The Manager is actively reviewing a high level of attractive new investment opportunities and expects to continue prudently making new investments over time.

NB Alternative Advisers
Investment Manager
17 September 2021

Environmental, Social & Governance

Neuberger Berman, the parent company of the Manager, is highly focused on integrating environmental, social and governance ("ESG") standards 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. 80%[1] 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 its 2020 PRI Assessment, NB Private Markets obtained the highest score, A+, for its overarching approach to ESG strategy and governance, as well as for 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 its 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.

The Manager's Approach to ESG

The Manager believes that integrating ESG considerations throughout its investment process can lead to more consistent and better investment outcomes – by helping to identify both material risks and opportunities to drive value.

The Manager is focused on long-term partnerships and engages with its partners to promote ESG integration best practices and resources.

The Manager 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 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 private equity sponsors 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.

In the most recent UN-backed Principles for Responsible Investment (PRI) assessment report for its overarching approach to ESG strategy and governance and integration across asset classes, including Private Equity[2]

1. *"Based on AUM as of December 31, 2020 including strategies in late or final stages of approval by firm's ESG Committee."*
2. *PRI grades are based on information reported directly by PRI signatories, of which investment managers totaled 1,924 for 2020, 1,119 for 2019, 1,120 for 2018 and 935 for 2017. For full footnote, see endnote one.*

Responsible Investment

NBPE's Manager, Neuberger Berman, is a global leader in Environmental, Social, and Governance (ESG) investing. The Manager has been ESG-integrated in private equity investing since 2007 and was awarded an A+ Top Score in the most recent UN-supported Principles for Responsible Investment (PRI) assessment.

In August 2020, NBPE formalised the Company's ESG policy. The Manager integrates ESG considerations throughout the investment process which it believes can lead to more consistent and better investment outcomes - by helping to identify both material risks and opportunities to drive value. The Manager is focused on long-term partnerships and engages with partners to promote ESG integration best practices. The Manager will endeavor not to invest in companies which are engaged in negative human rights, sanction-related exclusions, controversial weapons, and others. Further information on the investment exclusions and the detailed ESG policy is outlined within NBPE's website under Responsible Investment.

As a value-add to its fundamental due diligence, the Manager seeks to assess company sustainability potential as further evidence of a company's ability to deliver long-term value during the due diligence process. The Manager believes responsible investing and the incorporation of material environmental, social, and governance considerations can help inform the assessment of overall investment risk and opportunities. NBPE also recognises that climate-related risk considerations are an increasingly important component of portfolio risk management.

The Manager analyses NBPE's portfolio through an additional sustainable lens. The Manager has conducted a sustainability potential assessment of NBPE's portfolio which determined that 99% of the portfolio does not have significant adverse sustainability potential and 29% of the portfolio[1] is deemed to have an overall positive sustainability potential or have an overall positive benefit to people or the environment.

The Manager integrates ESG factors into the investment process and believes material ESG factors are an important driver of long-term returns, offering potential for both opportunity and risk mitigation. NBPE integrates ESG factors into the investment process through a three-pillar approach: avoidance, assessment and amplification. This is a fundamental aspect of the Manager's due diligence.

Avoid

Ability to exclude particular companies or whole sectors from the investable universe

Assess

Considering the valuation implications of ESG risks and opportunities alongside traditional factors in the investment process

Amplify

Focusing on 'better' companies based on environmental, social and governance characteristics

1. *Based on direct investment portfolio fair value as of 30 June 2021; analysis excludes third party funds (which are past their investment period but which may call capital for reserves or follow-ons) and funds that are not deemed ESG integrated by the Manager. In aggregate these exclusions represent approximately 3.6% of fair value.*

2021 Net Asset Value Results

As of 30 June 2021, NBPE's NAV per Share was $28.65 (£20.74), a total return of 29.2% in the six months.

Net Asset Value Increase

$288 Million

After ~$15 million of dividend payments

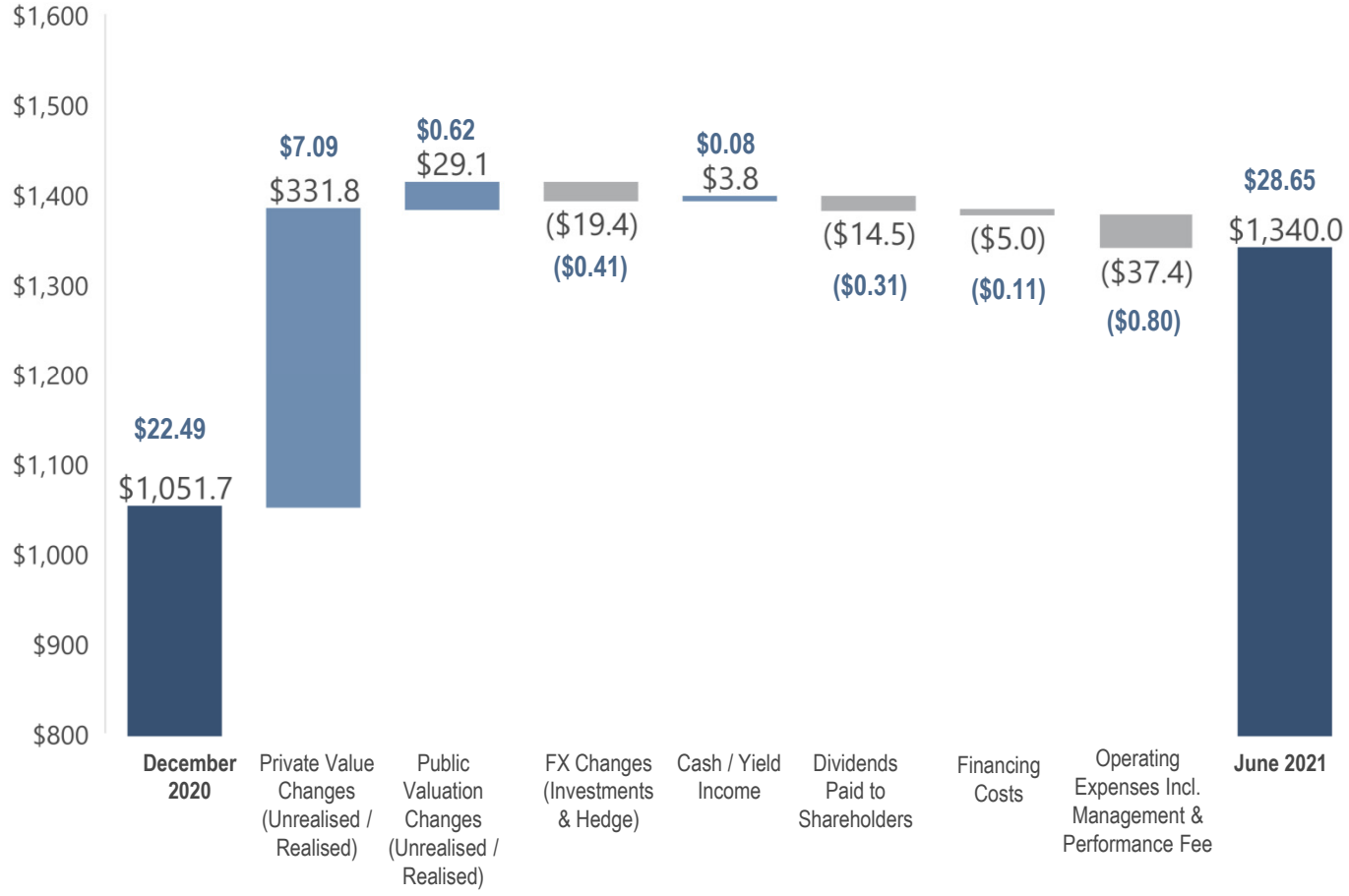
Valuation Gain

$361 Million

Gain in public and private investments

Change in Net Asset Value

$ in millions, per share amounts in blue



Note: Numbers may not sum due to rounding.

Financial Summary

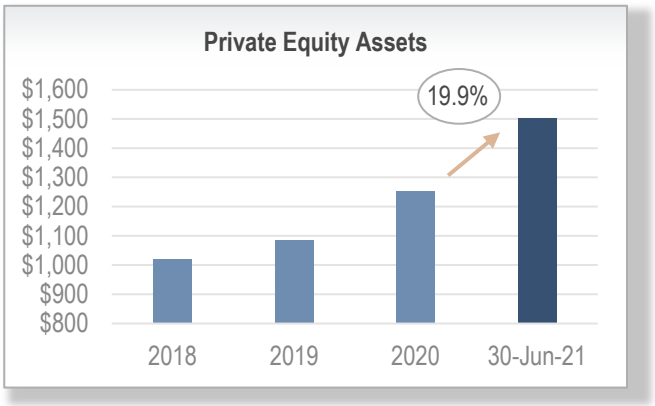
Net Asset Value of $1.34 billion

Assets[1]

Private Equity Assets

$1.5 Billion

Primarily Direct Equity Investments



Liabilities[1]

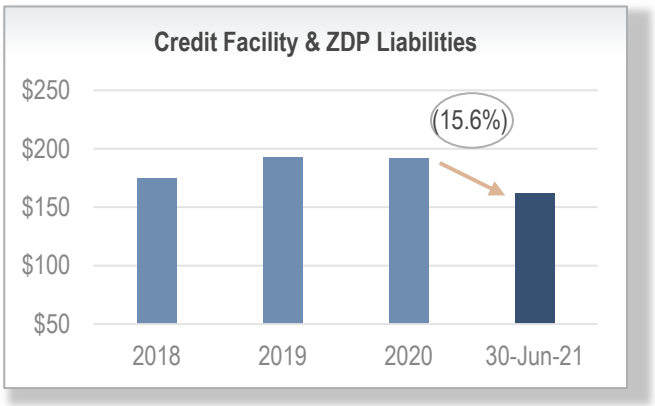
Credit Facility Drawn

$0 Million

With available capacity of $300 million

Zero Dividend Preference Shares

$162 Million

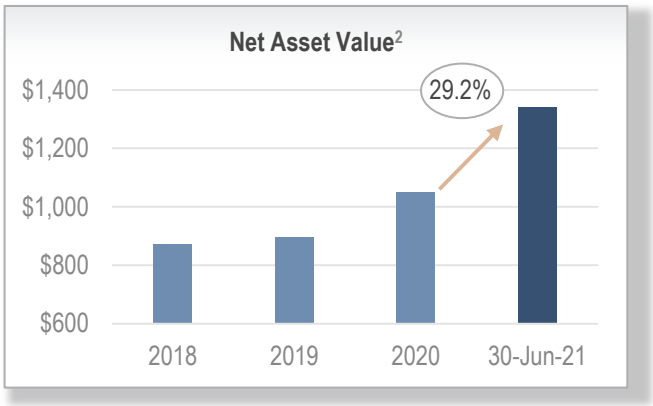


Net Asset Value

Net Asset Value

$1.34 Billion

NAV per Share of $28.65 / £20.74



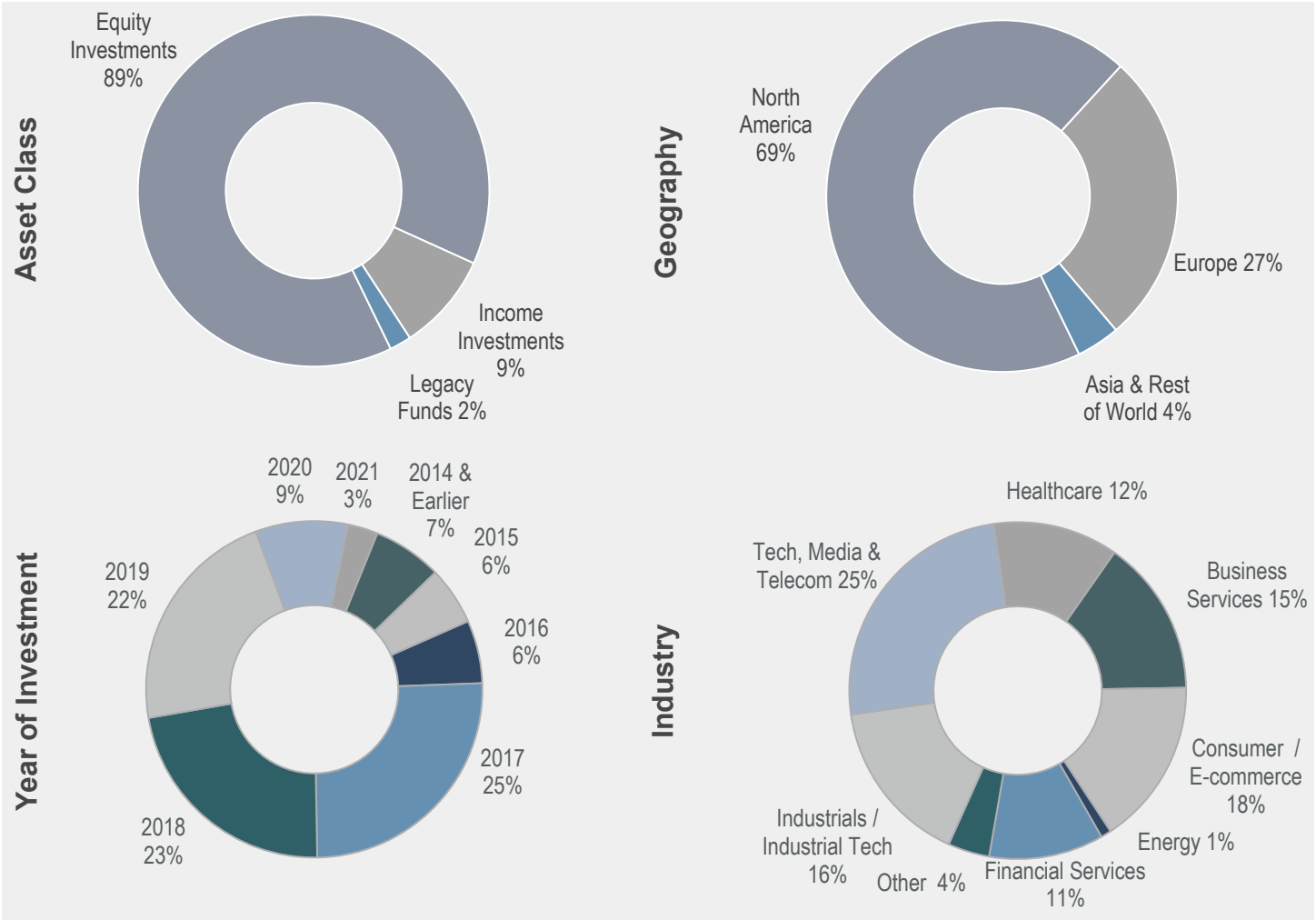
1. *Excludes cash and other assets and other expense accrual liabilities.*
2. *Total return reflects the impact of dividends paid during the year.*

Portfolio Overview

92 Direct equity Investments and 7 Income Investments with ~$1.5 billion of value

The equity portfolio consists primarily of buyout investments and is diversified across industry, vintage year and sponsor. 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 predominantly buyout investments and the weighted average holding period of equity investments is 3.3 years. Income investments (approximately 9% of fair value) include structured securities in PIK preferred instruments, second lien debt and commitments to the NB Credit Opportunities Program and Specialty Finance Program.

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 has generally offered the most attractive investment opportunities, but may adjust this strategy over time. 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.



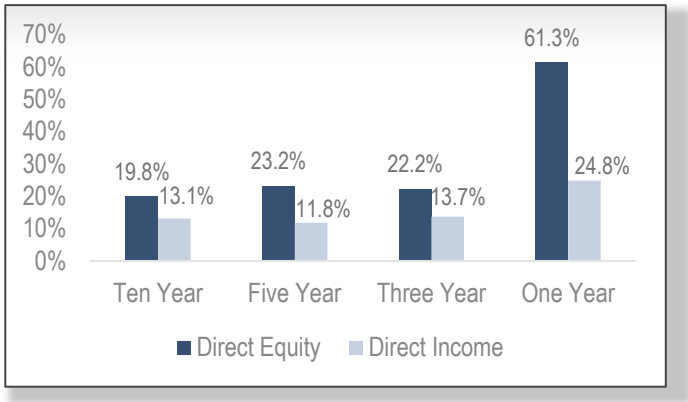
Note: Numbers may not sum due to rounding.

Direct Investment Performance

Strong IRR and Exits from Direct Equity Performance over the long-term

During the twelve months commencing 1 July 2020, NBPE's direct equity investments generated a gross IRR of approximately 61.3%, driven by private valuation increases. Given private equity investments are typically held for three to five years, the longer term five and ten year performance figures show the investment performance of both realised and unrealised investments, demonstrating the ability to achieve successful realisation outcomes, and re-deploy capital into other new attractive investment opportunities. With a ten year gross IRR from direct equity investments of 19.8% as of 30 June 2021, the Company's direct equity portfolio demonstrates highly attractive long-term investment performance.

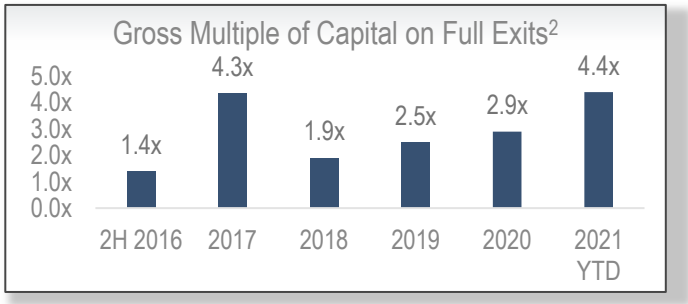
Gross Internal Rate of Return ("IRR")[1]

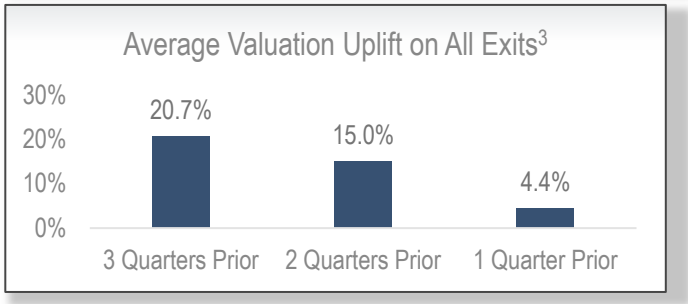


In terms of fully realised investments (not counting IPOs unless fully sold), the portfolio has generated strong realised multiples of invested capital. Since June 2016, the 36 full/final exits have generated over $530 million of cash which represented a weighted average gross multiple of 2.8x the aggregate invested capital of approximately $191 million across these 36 investments. In the first half of 2021, three full exits generated a gross multiple of invested capital of 4.4x and proceeds of approximately $62 million.

Generally, private equity investments are held at valuations which incorporate a discount for the inherent illiquidity and the uncertainty of timing of the exit. As a result, upon exit, typically there is meaningful uplift to the current carrying value. Across full exits since June 2016, and including IPOs based on the closing share price at the date of IPO, NBPE's exits have generated average uplift of approximately 20.7% relative to the valuation three quarters prior to the ultimate exit.

Realised Multiples of Capital & Average Uplift





1. *Fund IRRs are 64.6%, -1.3%, 5.7% and 6.7% over one, three, five and ten years, respectively. Total portfolio IRRs are 57.1%, 20.3%, 19.8%, 14.8% over one, three, five and ten years, respectively.*
2. *Based on trailing five year exits 30 June 2016 – 30 June 2021. Includes full exits and equity investments only. Excludes partial exits, recapitalisations and IPOs until the stock is fully exited. Year represents the year of final exit. Exit year for public companies determined by the date of the final cash flow. Proceeds include funds that are currently in escrow, but are expected to be received. 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). Past performance is not a guarantee of future returns.*
3. *As of 30 June 2021. Analysis includes 17 IPOs and 14 full direct equity investment exits since June 2016. For investments which completed an IPO, the value is based on the closing share price on the IPO date; however NBPE remains subject to customary IPO lockup restrictions. 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). Past performance is not a guarantee of future returns.*

Portfolio Company Operating Metrics

Commentary

The largest sector drivers of portfolio revenue growth were **business services**, **industrials**, and **consumer**. Revenue growth among business services was significantly driven by the performance of one company which saw strong organic growth in new and existing end markets. Revenue growth among **industrials** companies was driven by two underlying companies, one of which saw strong momentum for its products in 2021 and the other expanded its product portfolio and its end markets through an accretive acquisition. Two **consumer** companies in particular drove strong revenue growth as a result of increased demand for their products and services.

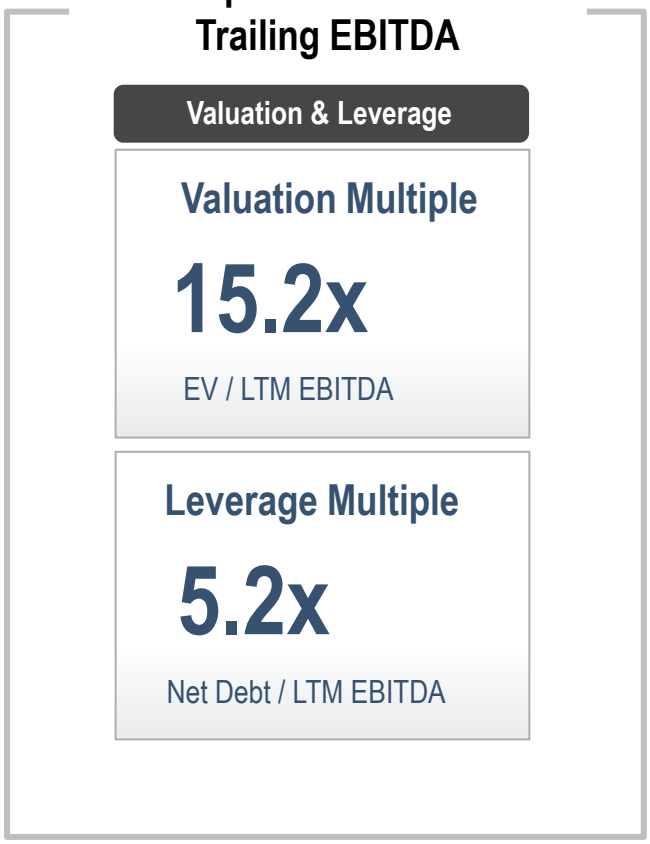
In terms of year over year EBITDA growth, **business services**, **consumer,** and **industrials** saw the largest overall increases. The increase in EBITDA among **business services** companies was driven by the aforementioned company's strong revenue growth. **Industrials** EBITDA performance was generally driven by higher demand for products and services and resulting growth. **Consumer** EBITDA growth was largely driven by continued strong performance at one retail company, and a number of smaller investments which showed favourable growth following some level of COVID impact in the first half of 2020.

1. Analysis based on 63 private companies. Data represents 75% of direct equity investment fair value within the dataset and excludes public companies. Five companies were excluded from revenue growth metrics and eight companies were excluded from EBITDA metrics, totaling $35 million and $51 million of value, respectively, due to anomalous percentage changes or incomplete information. Portfolio company operating metrics are based on the most recently available (unaudited) financial information for each company and based on as reported by the lead private equity sponsor. Where necessary, estimates were used, which include pro forma adjusted EBITDA and other EBITDA adjustments, pro forma revenue adjustments, run-rate adjustments for acquisitions, annualised quarterly operating metrics and all data is based on LTM periods as of 30/6/21 and 30/6/20. LTM Revenue and LTM EBITDA growth rates are weighted by fair value. Using the methodology in the 31 December 2020 annual report, the 30 June 2021 data would be reported as: LTM revenue 16.0% and LTM EBITDA 15.6%.

Portfolio Company Valuation Metrics

Valuation & Leverage[1]

This analysis is based on a sub-set of the private companies in the portfolio, those which are valued based on trailing EBITDA, which may include pro forma adjusted EBITDA and other EBITDA or revenue adjustments. Public investments and investments valued on forward earnings and multiples, announced exit pricing, DCF or revenue are excluded from the analysis.



1. Analysis based on 55 private companies which are valued based on EV/EBITDA metrics. Data represents 55% of direct equity investment fair value and excludes public companies. Portfolio company operating metrics are based on the most recently available (unaudited) financial information for each company and are as reported by the lead private equity sponsor. Companies not valued on multiples of trailing EBITDA and companies which have announced exits, but not yet closed are excluded from valuation and leverage statistics.

2021 Direct Equity Value Drivers

Ten companies collectively generated gains of $250 million, with further broad based gains across the portfolio

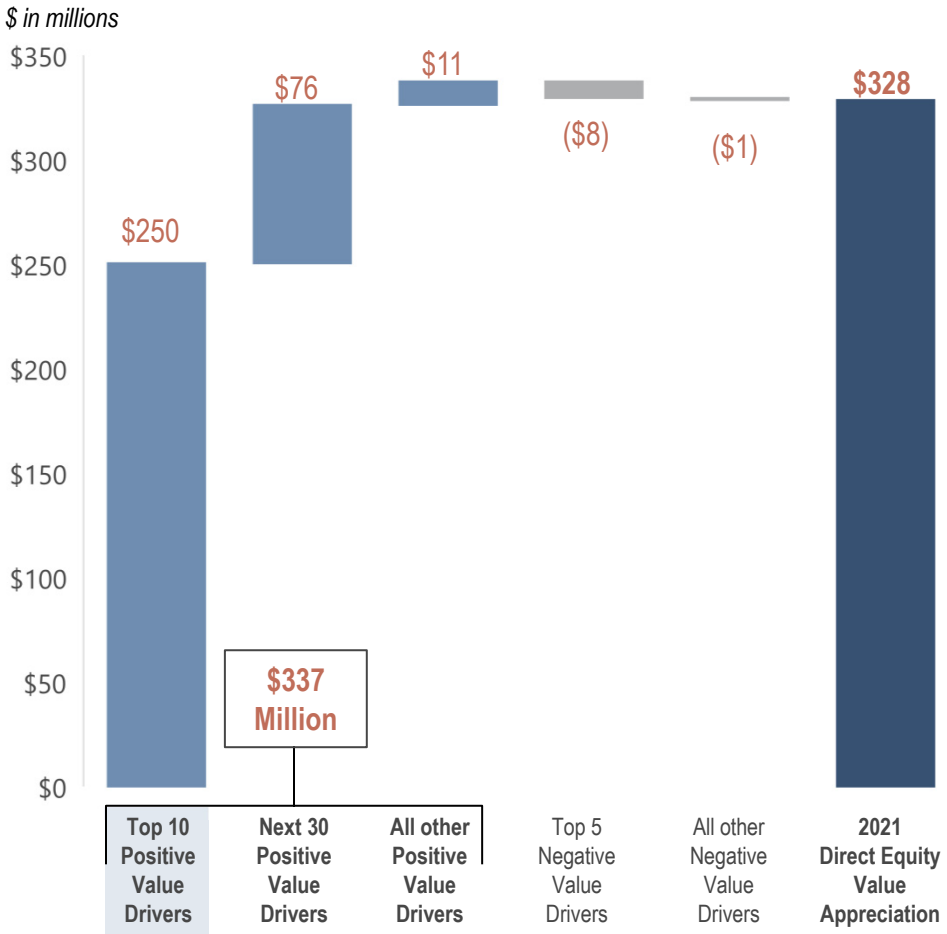
The top ten investments have generated a **3.4x gross multiple of invested capital to date**

AutoStore · CONSTELLATION AUTOMOTIVE GROUP · TELXIUS · West Marine · ACTION · USI · agiliti · BeyondTrust · aldevron · EXCELITAS TECHNOLOGIES

2021 Value Changes

$328 Million

Of Net Investment Appreciation From Direct Equity Investments



Note: Numbers may not sum due to rounding.

	Investment	Inv. Date	Industry	Description	Fair Value ($m)	% of Value
1	Constellation Automotive / BCA / cinch	2019	Business Services	Provider of vehicle remarketing services	$103.2	6.9%
2	AutoStore	2019	Industrials / Industrial Tech	Provider of warehouse automation technology	76.0	5.1%
3	agiliti	2019	Healthcare	Medical equipment management and services	54.7	3.6%
4	TELXIUS	2017	Tech, Media & Telecom	Telecom towers / fibre optic cables and infrastructure	45.2	3.0%
5	MHS	2017	Industrials / Industrial Tech	Systems/solutions utilised in distribution centres	44.7	3.0%
6	ACTION	2020	Consumer / E-Commerce	European discount retailer	44.3	2.9%
7	USI	2017	Financial Services	Insurance brokerage and consulting services	42.0	2.8%
8	PETSMART chewy.com	2015	Consumer / E-Commerce	Online and offline pet supplies retailer	40.8	2.7%
9	BeyondTrust	2018	Tech, Media & Telecom	Privileged access management / remote support software	37.2	2.5%
10	GFL	2018	Business Services	Waste management services	37.1	2.5%
11	Business Services Co.*	2017	Business Services	Undisclosed business services company	34.4	2.3%
12	MARQUEE BRANDS	2014	Consumer / E-Commerce	Portfolio of consumer branded IP assets	31.9	2.1%
13	KROLL	2020	Financial Services	Multi-national financial consultancy firm	31.0	2.1%
14	COTIVITI	2018	Healthcare	Payment accuracy and solutions for the healthcare industry	30.3	2.0%
15	EXCELITAS TECHNOLOGIES	2017	Tech, Media & Telecom	Sensing, optics and illumination technology	30.1	2.0%
16	AG Advisor Group	2019	Financial Services	Large network of independent wealth management firms	27.4	1.8%
17	Hivory	2018	Tech, Media & Telecom	Owner of telecom towers in France	21.9	1.5%
18	Holley	2018	Consumer	Automotive performance company	21.3	1.4%
19	STAPLES	2017	Business Services	Provider of office supplies through a business to business platform and retail	19.6	1.3%
20	RENAISSANCE	2018	Tech, Media & Telecom	K-12 educational software & learning solutions	19.0	1.3%
	Top 20 Investments				**$792.1**	**52.8%**

Note: Numbers may not sum due to rounding.

New Direct Investments & Realisations

Healthy realisations and new investment pace

New Investments

New Direct Equity Investments

$40 Million

Across three new investments and one re-investment

REALPAGE OUTPERFORM

ironSource

Undisclosed Financial Services Firm

RE-INVESTMENT

Peraton

Realisations/IPOs

Full/Final Exits

$62 Million

From the sale/exit of three companies

avantor™

West Marine®

perspecta™

Partial Sales, Re-capitalisations & Dividends

$54 Million

AutoStore

Ingersoll Rand

VERTIV.

EDELMAN FINANCIAL SERVICES

INNOVACARE HEALTH

IPO Activity

$55 Million

Fair value at 30 June 2021

agiliti

NYSE: AGTI

Constellation Automotive Case Study

Leading provider of vehicle remarketing services

Constellation, the parent company of BCA and Cinch, is one of Europe's leading providers of vehicle remarketing services and associated logistics and ancillary services, including stock financing, purchasing, transportation, storage, inspection and vehicle preparation and refurbishment.

Investment Summary

Year of Investment

2019

Fair Value

$103.2
million

Investment Thesis

- Market Leader
- Defensive business model
- B2C sales opportunities
- Strong cash flow generation

Investment Overview

Constellation (FKA BCA) plays a critical role in the car market enabling large vendors such as dealers, fleet managers, OEMs, car rental companies to sell their stock of used cars using Constellation's auction platform primarily to used car dealerships. Constellation sells approximately 1.5 million used cars a year and employs over 7,200 people. It has also built a sizeable business "We Buy Any Car" ("WBAC") purchasing cars directly from consumers in the UK for resale through Constellation's remarketing division, buying approximately 340,000 cars a year.

In October 2020, Constellation launched Cinch, an online marketplace enabling Constellation to sell its stock of used cars directly to consumers and advancing Constellation on its path to become an end-to-end digital marketplace. Cinch enables customers to buy a used car and to trade in their old one at the same time, as well as offering a range of ancillary services such as financing, insurance, warranty and delivery.

In May 2021, Cinch raised over £1 billion to accelerate the growth of its highly successful online B2C used car marketplace across the UK and Europe. The capital raise was from a group of leading global institutional investors, including other Neuberger Berman client funds. Cinch was launched in October 2020 and has quickly established itself as the largest online B2C marketplace for used cars in the UK. Cinch reached annualised sales of over 45,000 vehicles less than eight months after launch, growing at 45% month-over-month on average. Cinch has developed an ambitious expansion plan to expand rapidly in countries across Europe, and the latest funding round provides the group with the resources to accelerate this expansion and continue its extensive investment in people, technology, data science, infrastructure and brand building.

Further case studies on NBPE's largest investments can be found under the Insights and Research section of NBPE's website at www.nbprivateequitypartners.com.

Autostore Case Study

AutoStore

Leading provider of automation technology

AutoStore is an automated robotic storage and retrieval system equipment and software manufacturer for the warehouse and distribution end-market.

Investment Summary

Year of Investment

2019

Fair Value

$76.0 million

Investment Thesis

- Long-term secular tailwinds
- Strong competitive position
- Attractive financial profile
- Low payback period for customers

Investment Overview

The Company has developed grid-based proprietary robotics and software technology for collection of warehouse-stored goods, providing significant improvements in warehouse capacity and packing and picking performance. AutoStore's products are sold to distributors and partners around the world, who are responsible for installing all the automation equipment in a warehouse, linking it with a software and maintaining it.

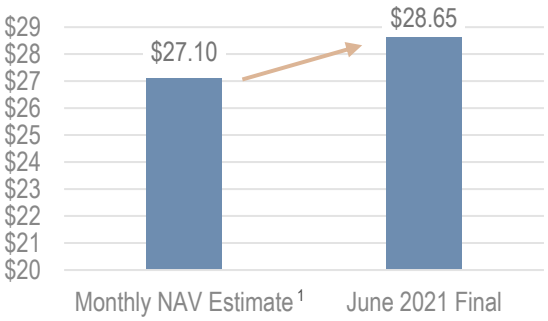
AutoStore's typical end-markets include industrials, apparel and sports, third-party logistics, consumer electronics and others. The company is headquartered in Norway and has a presence in 28 countries, having completed over 320 installations with more than 11,200 robots in the field at the time of investment close.

In April 2021, Softbank entered into an agreement to acquire 40% of Autostore. Post transaction, the lead sponsor THL continues to remain the majority shareholder.

Further case studies on NBPE's largest investments can be found under the Insights and Research section of NBPE's website at www.nbprivateequitypartners.com.

Valuation

Significant NAV uplift from Q2 valuation information



NAV per Share Uplift

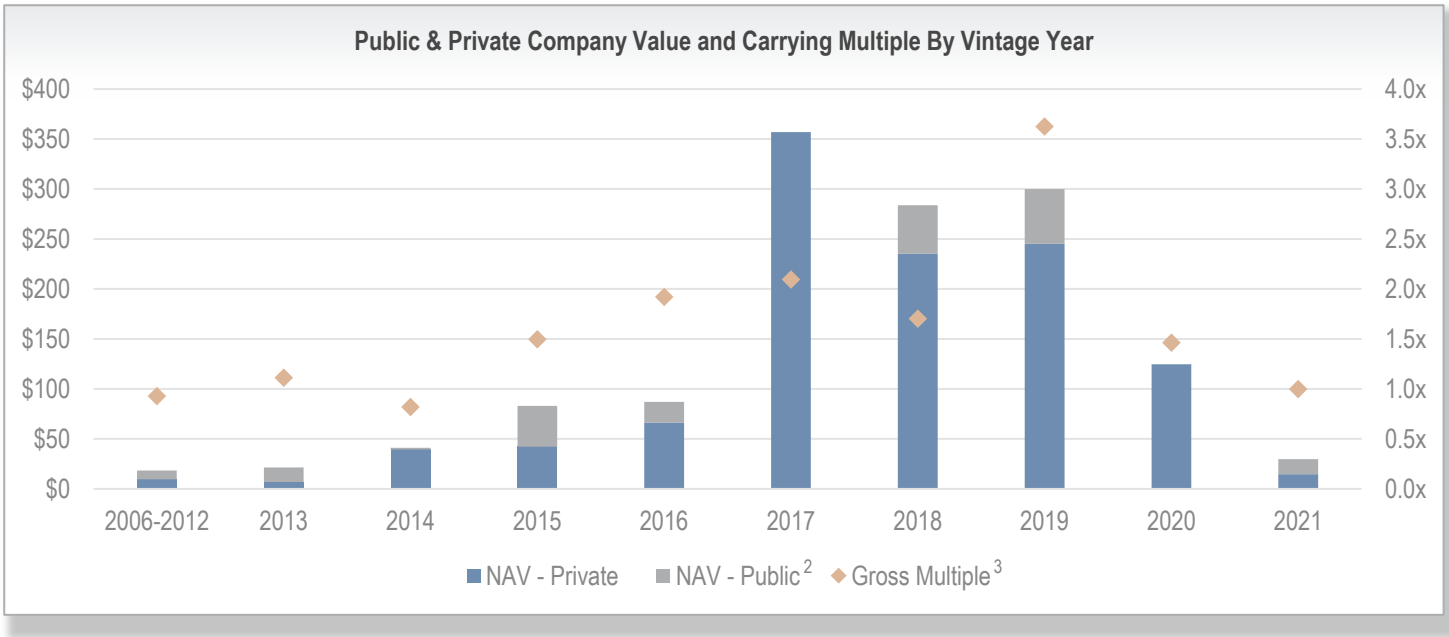
$1.55

From the receipt of Q2 2021 valuation information

NBPE's monthly NAV per share estimates provide the most up to date valuation information available by incorporating changes in public valuations, foreign exchange and the impact of expenses. However, until the receipt of updated quarterly private company valuation information (typically received one to three months after a quarter-end) the majority of assets are held at the prior quarter valuation, until updated information is received.

As a result, the quarterly, semi-annual and annual reports include this updated information, which results in an updated NAV relative to the monthly estimate. As of 30 June 2021, NBPE's NAV increased $1.55 per share versus the original estimate.

The table below shows the private and public fair value and the current carrying multiple by vintage year of the direct equity portfolio. The direct equity portfolio was held at a gross carrying multiple of 1.9x current cost as of 30 June 2021. $641 million of fair value is represented by 2017 and 2018 vintages which are maturing well and held at a gross carrying multiple of 2.1x and 1.7x, respectively.



Note: Numbers may not sum due to rounding.

1. *As reported in the Monthly NAV estimate.*
2. *Public valuation includes investments that are held indirectly. Includes Petsmart / Chewy as value is predominantly impacted by the public value of Chewy.*
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).*

Capital Position

Strong balance sheet with significant available liquidity

As a direct private equity investment company, NBPE is able to effectively manage its balance sheet without the need for significant long-term off-balance sheet commitments. On an adjusted basis, NBPE has $93 million of unfunded commitments, primarily to mature / maturing NB investment programs, which are nearly three times covered by available liquidity. The below analysis does not take into account the 2022 and 2024 ZDP liabilities of $83.4 million and $78.5 million, respectively. On, the final capital entitlement of the 2022 ZDPs is approximately $88 million based on 30 June 2021 foreign exchange rates.

Capital Position Calculation

Total Liquidity

$326 million

$26 million of cash and $300 million of borrowing availability

−

Adjusted Unfunded Commitments

$92 million

=

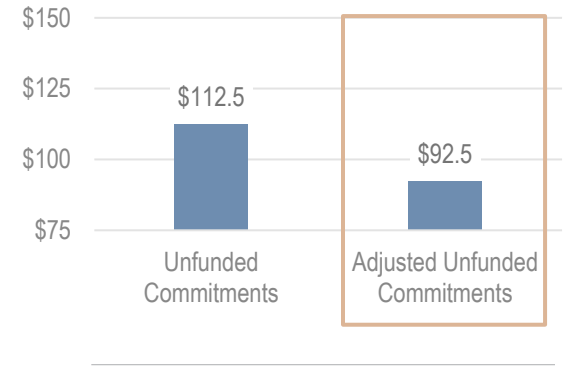
Excess Capital Resources

$234 million

354% coverage ratio of capital resources to adjusted unfunded commitments

$ in Millions

$ in Millions



Adjustments to Unfunded Commitments

Unfunded commitments were adjusted by removing unfunded commitments past their investment period (adjustment of $20.0 million), except for reserves which may be called for follow-ons.

Note: Numbers may not sum due to rounding.

Summary Balance Sheet	At 30 June 2021	At 31 December 2020
$ in millions		
Direct Equity Investments[1]	$1,345.5m	$1,091.6m
Income Investments	$134.5m	$140.5m
Fund Investments	$24.1m	$22.5m
Total Private Equity Fair Value	$1,504.1m	$1,254.6m
Private Equity Investment Level	112%	119%
Cash and Cash Equivalents	$26.2m	$3.0m
Credit Facility Borrowings Drawn	-	($35.0m)
2022 & 2024 ZDP Share Liabilities (Dollar equivalent liabilities)	($161.9m)	($157.0m)
Net Other Liabilities	($28.4m)	($14.0m)
NAV of the Ordinary Shares	**$1,340.0m**	**$1,051.7m**
NAV per Ordinary Share (USD)	$28.65	$22.49
NAV per Ordinary Share (GBP)	**£20.74**	**£16.45**
NAV per Ordinary Share including dividends paid during financial period	**$28.96**	**$23.07**
ZDP Shares (2022 / 2024)	£60.3m / £56.9m	£59.2m / £55.7m
Net Asset Value per ZDP Share (2022 / 2024)	120.67p / 113.70p	118.35p / 111.38p
Dividends per Ordinary Share:		
Dividends paid during financial period	**$0.31**	**$0.58**
Cumulative dividends paid since inception	$4.33	$4.02

Note: Numbers may not sum due to rounding.

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

Fee Analysis

Ongoing Charges

NBPE's rate of ongoing charges, as defined by the Association of Investment Companies ("AIC") ratio, was 2.03% for the first half of 2021. The ongoing charges were calculated in accordance with the AIC methodology and exclude interest and financing costs and other items not deemed to be ongoing in nature and therefore may differ from the total expense ratio found in note 12 of the Consolidated Financial Statements on page 52, which was prepared in conformity with US GAAP. The complete methodology can be found on the AIC's website.

The table on the right shows the breakdown of the ongoing expenses during 2021. On an annualised basis, total ongoing expenses in the first half of 2021 were $25.5 million, or 2.03%, based on the average 2021 NAV. The largest contribution to ongoing expenses was the management fee of $21.4 million (annualised), or 1.70% (note that percentages of ongoing charges are based on the average 2021 NAV and may differ from contractual rates which is based on 2021 private equity fair value), followed by the fund administration fee of $1.4 million, or 0.11% (annualised).

Total other ongoing expenses were $2.7 million in aggregate or 0.22% of ongoing charges (annualised). Other ongoing charges consisted of fees and other expenses to third party providers for ongoing services to the Company. In accordance with the AIC methodology, any fees payable to service providers deemed to be one-time and non-ongoing in nature have been excluded from the other expenses figures.

NBPE Fee Analysis

The directors believe the Company offers access to a diverse private equity and income portfolio at a lower cost than many other listed private equity vehicles. The Company's direct equity investments are included in the portfolio generally with no management fee and no carried interest due to underlying sponsors. Approximately 97% of the direct investment portfolio (measured on 30 June 2021 fair value) is on a no management fee, no carried interest basis payable to third party GPs. On a total portfolio basis, and including legacy fund investments, approximately 95% of the portfolio is on a no management fee, no carry basis payable to third party GPs. All of the legacy fund investments are past their investment period, when fees are typically charged at lower overall rates.

At the Company level, NBPE's management fees are 1.5% of private equity fair value (payable quarterly) and a 7.5% performance fee after a 7.5% hurdle rate. The directors believe these fees are a distinct advantage to shareholders and favourable relative to other listed direct funds, which often carry higher overall fee levels and listed fund of funds, which typically have a double layer of fees (charged at the vehicle level and underlying fund level).

Ongoing Charge *(Annualised)*	Value ($ in m)	% Ongoing Charge
Management Fee	$21.4m	1.70%
Fund Administration Fee	$1.4m	0.11%
Other Expenses	$2.7m	0.22%
Total Ongoing Charges	**$25.5m**	**2.03%**

Note: Ongoing charge expenses and percentages are annualised.

Credit Facility

$300 million credit facility with borrowing availability through December 2029

In December 2019 NBPE entered into a ten year $200 million credit facility with MassMutual, which has since been increased to a total size of $300 million. The borrowing availability period ends in December 2029. The facility is secured by a security interest in the underlying cash flows from investments. As of 30 June 2021, there was no outstanding capital borrowed under the MassMutual Facility (and a cash balance of $26.2 million).

Under the MassMutual Facility, the interest rate is calculated as LIBOR plus 287.5 basis points per annum. The company is required to pay a 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), of $90 million ($60 million in the prior year).

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 limits 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. 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 30 June 2021, the Company met all the requirements under the MassMutual Facility.

Board of Directors

Directors' Biographies

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

Relevant Experience:

- **Over 25 year career in investment banking**
- **Experience chairing listed investment companies**
- **Began career at Morgan Grenfell in 1984**

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 and a non-executive director of Pension SuperFund Capital GP II Limited. 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

Relevant Experience:

- **Extensive financial experience including audit, corporate finance and alternative investments since 1987**
- **Sits on a number of listed and non-listed company boards**
- **Former CEO of Schroders Channel Islands**

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, The Schiehallion Fund Limited and Taylor Maritime Investments Ltd.

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

Relevant Experience:

- **Extensive valuation and corporate finance advisory experience**
- **Experience as a non-executive director of London listed companies**
- **Formerly worked at The International Stock Exchange on its launch**

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:

- CIP Merchant Capital Limited
- Marble Point Loan Financing Limited

Directors' Biographies (continued)

Louisa Symington-Mills (Independent Director) / Appointed 15 June 2021

Relevant Experience:

- **Extensive listed investment fund expertise**
- **Formerly COO of LPeC, the Listed Private Capital Association**
- **Award-winning entrepreneur and business leader**

Louisa has extensive experience of the listed private equity sector. She established a successful career at Royal Bank of Scotland and Jefferies as a listed alternative investment funds equity research analyst, with a particular focus on listed private equity investment companies, and has played a key role in increasing awareness and understanding of listed private equity. She subsequently became Chief Operating Officer at LPEQ (now LPeC), an international association of listed private equity companies, and is now an award-winning entrepreneur. Louisa began her career at M&G Investment Management in 2003 and has an English Literature degree from the University of Durham.

Wilken von Hodenberg (Senior Independent Director) / Appointed 21 March 2019

Relevant Experience:

- **Over 35 years of private equity, investment banking and management experience**
- **Board experience as a non-executive director of a number of companies**
- **Former CEO of Deutsche Beteiligungs AG**

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

Relevant Experience:

- **Currently serves as Head of Investment Solutions and Strategy & Managing Director of Neuberger Berman**
- **Sits on a number of the Investment Manager's Investment Committees**
- **27 years of industry experience**

Peter von Lehe, JD, 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, as well as a member of the NB Insurance-Linked Strategies Underwriting Committee and a Chairman of NB Reinsurance Ltd. 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. He began his career as a financial analyst for a utility company, where he was responsible for econometric modeling. Mr. von Lehe received a BS with Honors in Economics from the University of Iowa and a JD with High Distinction, from the University of Iowa College of Law. He is a member of the New York Bar.

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Statement of Principal Risks and Uncertainties

The principal risk and uncertainties of the Company include external risks, investment and strategic risks, financial risks and operational risks. These risks, and the way in which they are managed, are described in more detail under the heading "Risk Management and Principal Risks" in the Company's annual report for the year ended 31 December 2020. The Company's principal risks and uncertainties have not changed materially since the date of that report and the Company has not identified any new risks that will impact the remaining six months of the financial year; however, the directors recognise the risks associated with COVID-19 are ongoing and inherently difficult to forecast and may impact the Company's performance, perhaps significantly, in future reporting periods.

By order of the Board

William Maltby
Director

John Falla
Director

Date: 17 September 2021

Statement of Directors' Responsibility

The Directors confirm that to the best of our knowledge:

-the unaudited interim consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles, as required by DTR 4.2.4R of the Disclosure Guidance and Transparency rules;

-the Interim Financial Report and Consolidated Financial Statements meets the requirements of an interim financial report, together with the statement of principal risks and uncertainties above, includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R of the Disclosure Guidance and Transparency Rules and includes:

(a)an indication of important events that have occurred during the first six months of the financial year and their impact on the financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b)a description of related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last annual report that could do so. Please refer to Note 10 of the unaudited interim consolidated financial statements.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Review Report to NB Private Equity Partners Limited

Conclusion

We have been engaged by NB Private Equity Partners Limited (the "Company") to review the unaudited consolidated interim financial statements (the "financial statements") in the interim financial report for the six months ended 30 June 2021 of the Company and its subsidiaries (together the "Group") which comprises the consolidated balance sheet and consolidated condensed schedules of private equity investments as at 30 June 2021, consolidated statement of operations and changes in net assets, consolidated statements of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements for the six months ended 30 June 2021 do not give a true and fair view of the financial position of the Company at 30 June 2021 and of its financial performance and its cash flows for the six month period then ended in conformity with U.S. generally accepted accounting principles and the Disclosure Guidance and Transparency Rules (the "DTR") of the UK's Financial Conduct Authority (the "UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The financial statements of the Group are prepared in conformity with U.S. generally accepted accounting principles.

Our responsibility

Our responsibility is to express to the Company a conclusion on the financial statements in the interim financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Neale Jehan

for and on behalf of KPMG Channel Islands Limited
Chartered Accountants, Guernsey
17 September 2021

Assets	2021	2020
Private equity investments		
Cost of $872,976,354 at 30 June 2021 and $878,840,550 at 31 December 2020	$ 1,504,107,080	$ 1,254,644,523
Cash and cash equivalents	26,194,379	3,044,990
Other assets	3,688,219	9,106,692
Distributions and sales proceeds receivable from investments	2,955,608	627,801
Total assets	**$ 1,536,945,286**	**$ 1,267,424,006**
Liabilities and share capital		
Liabilities:		
ZDP Share liability	$ 161,887,730	$ 157,014,827
Credit facility loan	-	35,000,000
Carried interest payable to Special Limited Partner	24,656,363	15,181,843
Payables to Investment Manager and affiliates	5,563,072	4,616,314
Accrued expenses and other liabilities	2,943,305	2,434,531
Total liabilities	**$ 195,050,470**	**$ 214,247,515**
Share capital:		
Class A Shares, $0.01 par value, 500,000,000 shares authorised,		
49,911,438 shares issued and 46,761,030 shares outstanding at 30 June 2021	$ 499,115	$ 499,115
49,911,438 shares issued and 46,761,030 shares outstanding at 31 December 2020		
Class B Shares, $0.01 par value, 100,000 shares authorised,		
10,000 shares issued and outstanding	100	100
Additional paid-in capital	496,559,065	496,559,065
Retained earnings	852,215,450	563,841,429
Less cost of treasury stock purchased (3,150,408 shares)	(9,248,460)	(9,248,460)
Total net assets of the controlling interest	**1,340,025,270**	**1,051,651,249**
Net assets of the noncontrolling interest	1,869,546	1,525,242
Total net assets	**$ 1,341,894,816**	**$ 1,053,176,491**
Total liabilities and net assets	**$ 1,536,945,286**	**$ 1,267,424,006**
Net asset value per share for Class A Shares and Class B Shares	**$ 28.65**	**$ 22.49**
Net asset value per share for Class A Shares and Class B Shares (GBP)	**£ 20.74**	**£ 16.45**
Net asset value per 2022 ZDP Share (Pence)	**120.67**	**118.35**
Net asset value per 2024 ZDP Share (Pence)	**113.70**	**111.38**

The consolidated financial statements were approved by the board of directors on 17 September 2021 and signed on its behalf by

William Maltby **John Falla**

The accompanying notes are an integral part of the consolidated financial statements.

Private equity investments	Cost	Fair Value	Unfunded Commitment	Private Equity [1] Exposure
2021				
Direct equity investments				
NB Alternatives Direct Co-investment Program A	$ 60,826,134	$ 52,195,968	$ 18,546,386	$ 70,742,354
NB Alternatives Direct Co-investment Program B*	102,607,392	210,525,380	21,774,344	232,299,724
NB Renaissance Programs	10,687,576	18,969,838	15,256,767	34,226,605
NB Healthcare Credit Investment Program (Equity)	2,557,393	1,651,328	4,146,718	5,798,046
Marquee Brands	25,473,679	31,930,079	3,982,245	35,912,324
Direct equity investments[2]*	526,419,754	1,030,240,263	5,428,033	1,035,668,296
Total direct equity investments	$ 728,571,928	$ 1,345,512,856	$ 69,134,493	$ 1,414,647,349
Income Investments				
NB Credit Opportunities Program	37,321,825	49,116,802	10,010,900	59,127,702
NB Specialty Finance Program	31,330,281	30,339,508	23,500,000	53,839,508
Income investments	60,808,595	55,005,366	-	55,005,366
Total income investments	$ 129,460,701	$ 134,461,676	$ 33,510,900	$ 167,972,576
Fund investments	14,943,725	24,132,548	9,867,152	33,999,700
Total investments	**$ 872,976,354**	**$ 1,504,107,080**	**$ 112,512,545**	**$ 1,616,619,625**
2020				
Direct equity investments				
NB Alternatives Direct Co-investment Program A	$ 59,117,340	$ 45,124,705	$ 18,817,937	$ 63,942,642
NB Alternatives Direct Co-investment Program B*	102,702,561	160,075,296	22,386,300	182,461,596
NB Renaissance Programs	16,909,909	18,304,758	18,804,650	37,109,408
NB Healthcare Credit Investment Program (Equity)	2,576,084	2,579,932	4,146,718	6,726,650
Marquee Brands	25,464,414	29,927,308	4,024,452	33,951,760
Direct equity investments[2]*	503,282,327	835,576,537	4,245,021	839,821,558
Total direct equity investments	$ 710,052,635	$ 1,091,588,536	$ 72,425,078	$ 1,164,013,614
Income Investments				
NB Credit Opportunities Program	40,333,271	47,418,066	6,745,403	54,163,469
NB Specialty Finance Program	22,847,195	22,815,420	28,500,000	51,315,420
Income investments	78,350,466	70,286,055	-	70,286,055
Total income investments	$ 141,530,932	$ 140,519,541	$ 35,245,403	$ 175,764,944
Fund investments	27,256,983	22,536,446	21,671,287	44,207,733
Total investments	**$ 878,840,550**	**$ 1,254,644,523**	**$ 129,341,768**	**$ 1,383,986,291**

* These investments are above 5% of net asset value. Two of the underlying private equity investments held by the funds listed above, in aggregate, exceeded 5% of net asset value. See Note 3.

(1): *Private equity exposure is the sum of fair value and unfunded commitment.*

(2): *Includes direct equity investments into companies and co-investment vehicles.*

The accompanying notes are an integral part of the consolidated financial statements

Geographic diversity of private equity investments [1]	Fair Value 2021	Fair Value 2020
North America	$ 1,043,033,417	$ 973,088,498
Europe	399,080,204	234,882,061
Asia / rest of world	61,993,459	46,673,964
	$ 1,504,107,080	**$ 1,254,644,523**

Industry diversity of private equity investments [2]	2021	2020
Technology / IT	19.0%	18.1%
Healthcare	12.0%	14.5%
Industrials	15.0%	14.3%
Consumer	16.0%	18.9%
Financial services	11.0%	11.1%
Business services	15.0%	10.9%
Energy	1.0%	0.8%
Communications / media	6.0%	5.0%
Diversified / undisclosed / other	4.0%	5.0%
Transportation	1.0%	1.4%
	100.0%	**100.0%**

Asset class diversification of private equity investments [3]	2021	2020
Mid-cap buyout co-invest	48.0%	43.0%
Large-cap buyout co-invest	31.0%	31.0%
Special situation co-invest	7.0%	9.0%
Growth equity co-invest	4.0%	5.0%
Growth / venture	1.0%	1.0%
Income investments	9.0%	11.0%
	100.0%	**100.0%**

[1]: Geography is determined by location of the headquarters of the underlying portfolio companies in funds and direct co-investments. A portion of our fund investments may relate to cash or other assets or liabilities that they hold and for which we do not have adequate information to assign a geographic location.

[2]: Industry diversity is based on underlying portfolio companies and direct co-investments which may be held through either co-investments or NB-managed vehicles.

[3]: Asset class diversification is based on the net asset value of underlying fund investments and co-investments.

The accompanying notes are an integral part of the consolidated financial statements.

	2021	2020
Interest and dividend income	$ 3,795,921	$ 4,984,391
Expenses		
Investment management and services	10,718,071	7,747,139
Carried interest	24,547,692	-
Finance costs		
Credit facility	1,559,291	3,584,311
ZDP Shares	3,421,868	3,134,340
Administration and professional fees	2,096,685	1,979,826
	42,343,607	16,445,616
Net investment income (loss)	**$ (38,547,686)**	**$ (11,461,225)**
Realised and unrealised gains (losses)		
Net realised gain (loss) on investments and forward foreign exchange contracts, net of tax expense (benefit) of $3,067 for 2021 and $327,438 for 2020	$ 93,107,714	$ 27,015,635
Net change in unrealised gain (loss) on investments and forward foreign exchange contracts, net of tax expense (benefit) of $0 for 2021 and $0 for 2020	248,657,316	(41,479,089)
Net realised and unrealised gain (loss)	341,765,030	(14,463,454)
Net increase (decrease) in net assets resulting from operations	$ 303,217,344	$ (25,924,679)
Less net (increase) decrease in net assets resulting from operations attributable to the noncontrolling interest	(344,304)	32,769
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$ 302,873,040**	**$ (25,891,910)**
Net assets at beginning of period attributable to the controlling interest	1,051,651,249	894,767,554
Less dividend payment	(14,499,019)	(13,574,869)
Less cost of stock repurchased and cancelled (0 shares for 2021 and 38,854 shares for 2020)	-	(534,072)
Net assets at end of period attributable to the controlling interest	**$ 1,340,025,270**	**$ 854,766,703**
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	***$ 6.48***	***$ (0.55)***
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest (GBP)	***£ 4.67***	***£ (0.44)***

The accompanying notes are an integral part of the consolidated financial statements

	2021	2020
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$ 302,873,040	$ (25,891,910)
Net increase (decrease) in net assets resulting from operations attributable to the noncontrolling interest	344,304	(32,769)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realised (gain) loss on investments and forward foreign exchange contracts, net of tax expense	(93,107,714)	(27,015,635)
Net change in unrealised (gain) loss on investments and forward foreign exchange contracts, net of tax expense	(248,657,316)	41,479,089
Contributions to private equity investments	(8,890,955)	(29,554,501)
Purchases of private equity investments	(42,909,237)	(56,927,969)
Distributions from private equity investments	37,436,845	46,615,337
Proceeds from sale of private equity investments	110,238,801	18,097,161
In-kind payment of interest income	(2,535,441)	(2,262,062)
Amortisation of finance costs	355,402	333,698
Amortisation of purchase premium/discount (OID), net	(165,252)	(202,455)
Change in other assets	(2,251,341)	(208,061)
Change in payables to Investment Manager and affiliates	10,421,278	(6,847,779)
Change in accrued expenses and other liabilities	3,703,369	2,426,251
Net cash provided by (used in) operating activities	66,855,783	(39,991,605)
Cash flows from financing activities:		
Dividend payment	(14,499,019)	(13,574,869)
Stock repurchased and cancelled	-	(534,072)
Borrowings from credit facility	15,000,000	203,000,000
Payments to credit facility	(50,000,000)	(145,000,000)
Settlement of the forward foreign exchange contract and ongoing hedging activity	5,792,625	(5,057,520)
Net cash provided by (used in) financing activities	(43,706,394)	38,833,539
Net increase (decrease) in cash and cash equivalents	**23,149,389**	**(1,158,066)**
Cash and cash equivalents at beginning of period	3,044,990	9,536,568
Cash and cash equivalents at end of period	**$ 26,194,379**	**$ 8,378,502**
Supplemental cash flow information		
Interest paid	**$ 1,298,104**	**$ 3,309,673**
Net taxes paid (refunded)	**$ 3,067**	**$ 600,897**

The accompanying notes are an integral part of the consolidated financial statements.

Note 1 – Description of the Group

The Group is a closed-ended investment company registered in Guernsey. The registered office is Floor 2, Trafalgar Court, St Peter Port, Guernsey, GY1 4LY. The principal activity of the Group is to invest in direct private equity investments by co-investing alongside leading private equity sponsors in their core areas of expertise. From time to time, the Group also invests in income oriented investments, primarily the debt of private equity backed companies. The Group's fund investments are legacy assets, non-core to the current strategy and are in realisation mode. The Group may also make other opportunistic investments, as appropriate. The Company's Class A Shares are listed and admitted to trading on the Premium Segment of the Main Market of the London Stock Exchange ("Main Market") under the symbols "NBPE" and "NBPU" corresponding to Sterling and U.S. dollar quotes, respectively. NBPE has two classes of Zero Dividend Preference ("ZDP") Shares maturing in 2022 and 2024 (see note 5) which are listed and admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange ("Specialist Fund Segment") under the symbols "NBPP" and "NBPS", respectively.

The Group is managed by the Investment Manager, a subsidiary of Neuberger Berman Group LLC ("NBG"), pursuant to an Investment Management Agreement. The Investment Manager serves as the registered investment adviser under the Investment Advisers Act of 1940.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

These consolidated financial statements present a true and fair view of the financial position, profit or loss and cash flows and have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are in compliance with the Companies (Guernsey) Law, 2008. All adjustments considered necessary for the fair presentation of the consolidated financial statements for the periods presented have been included. These consolidated financial statements are presented in U.S. dollars.

The Group is an investment company and follows the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic ("ASC") 946. Accordingly, the Group reflects its investments on the Consolidated Balance Sheets at their estimated fair values, with unrealised gains and losses resulting from changes in fair value reflected in net change in unrealised gain (loss) on investments and forward foreign exchange contracts in the Consolidated Statements of Operations and Changes in Net Assets. The Group does not consolidate majority-owned or controlled portfolio companies. The Group does not provide any financial support to any of its investments beyond the investment amount to which it committed.

The directors considered that it is appropriate to adopt a going concern basis of accounting in preparing the consolidated financial statements. In reaching this assessment, the directors have considered a wide range of information relating to present and future conditions including the balance sheets, future projections, cash flows and the longer-term strategy of the business.

Principles of Consolidation

The consolidated financial statements include accounts of the Company consolidated with the accounts of all its subsidiaries in which it holds a controlling financial interest as of the financial statement date. All inter-group balances have been eliminated.

Partially owned subsidiary, NB PEP Investments, LP (incorporated) is incorporated in Guernsey.

Wholly-owned subsidiaries, NB PEP Holdings Limited, NB PEP Investments I, LP, NB PEP Investments LP Limited and NB PEP Investments Limited are incorporated in Guernsey.

Wholly-owned subsidiary, NB PEP Investments DE, LP is incorporated in Delaware and operating in the United States.

Use of Estimates and Judgements

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires the directors to make estimates and judgements that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The following estimates and assumptions were used at 30 June 2021 and 31 December 2020 to estimate the fair value of each class of financial instruments:

- Cash and cash equivalents - The carrying value reasonably approximates fair value due to the short-term nature of these instruments.
- Forward currency contracts are revalued using the forward exchange rate prevailing at the Consolidated Balance Sheet date.
- Other assets (excluding Forward currency contracts) - The carrying value reasonably approximates fair value.
- Distributions and sales proceeds receivable from investments - The carrying value reasonably approximates fair value.
- ZDP Share liability - The carrying value reasonably approximates fair value.
- Credit Facility Loan - The carrying value reasonably approximates fair value.
- Carried interest payable to Special Limited Partner - The carrying value reasonably approximates fair value.
- Payables to Investment Manager and affiliates - The carrying value reasonably approximates fair value.
- Accrued expenses and other liabilities - The carrying value reasonably approximates fair value.
- Private equity investments – Further information on valuation is provided in the Fair Value Measurements section below.

Fair Value Measurements

It is expected that most of the investments in which the Group invests will meet the criteria set forth under FASB ASC 820 *Fair Value Measurement and Disclosures* ("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 net asset value ("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 Investment Manager will value the Group's investment based primarily on the value reported to the Group by the investment or by the lead investor / sponsor of a direct co-investment as of each quarter-end, as determined by the investments in accordance with its own valuation policies.

ASC 820-10 *Fair Value Measurements and Disclosure* establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). ASC 820-10-35-39 to 55 provides three levels of the fair value hierarchy as follows:

Level 1:	Quoted prices are available in active markets for identical investments as of the reporting date.
Level 2:	Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
Level 3:	Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs used in the determination of the fair value require significant management judgement or estimation.

Observable inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, based on market data obtained from sources independent of the Group. Unobservable inputs reflect the Group's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the information available.

The inputs or methodology used for valuing assets or liabilities may not be an indication of the risks associated with investing in those assets or liabilities. The Group generally uses the NAV reported by the investments as a primary input in its valuation utilising the practical expedient method of determining fair value; 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' portfolio or other assets and liabilities. Investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient are not categorised in the fair value hierarchy.

Realised Gains and Losses on Investments

Realised gains and losses from sales of investments are determined on a specific identification basis. For investments in private equity funds, the Group records its share of realised gains and losses incurred when the Investment Manager knows that the private equity fund has realised its interest in a portfolio company and the Investment Manager has sufficient information to quantify the amount. For all other investments, realised gains and losses are recognised in the consolidated Statements of Operations and Changes in Net Assets in the year in which they arise.

Net Change in Unrealised Gains and Losses on Investments

Gains and losses arising from changes in value are recorded as an increase or decrease in the unrealised gains or losses of investments based on the methodology described above.

Foreign Currency

Assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the reporting date. Transactions denominated in foreign currencies, including purchases and sales of investments, and income and expenses, are translated into U.S. dollar amounts on the date of such transactions. Adjustments arising from foreign currency transactions are reflected in the net realised gain (loss) on investments and forward foreign exchange contracts and the net change in unrealised gain (loss) on investments and forward foreign exchange contracts on the Consolidated Statements of Operations and Changes in Net Assets.

The Group's investments of which capital is denominated in foreign currency are translated into U.S. dollars based on rates of exchange at the reporting date. The cumulative effect of translation to U.S. dollars has decreased the fair value of the Group's foreign investments by $12,696,719 for the six month period ended 30 June 2021. The cumulative effect of translation to U.S. dollars decreased the fair value of the Group's foreign investments by $6,859,849 for the six month period ended 30 June 2020.

Other than the ZDP Shares denominated in Sterling (see note 5 and note 6), the Group has unfunded commitments denominated in currencies other than U.S. dollars. At 30 June 2021, the unfunded commitments that are in Euros and Sterling amounted to €13,536,123 and £34,225, respectively (31 December 2020: €15,990,363 and nil). They have been included in the Consolidated Condensed Schedules of Private Equity Investments at the U.S. dollar exchange rates in effect at 30 June 2021 and 31 December 2020. The effect on the unfunded commitment of the change in the exchange rates between Euros and U.S. dollars was a decrease in the U.S. dollar obligations of $558,123 for 30 June 2021 and an increase in the U.S. dollar obligations of $1,519,710 for 31 December 2020. The effect on the unfunded commitment of the change in the exchange rates between Sterling and U.S. dollars was a decrease in the U.S. dollar obligations of $3,049 for 30 June 2021.

Investment Transactions and Investment Income

Investment transactions are accounted for on a trade date basis. Investments are recognised when the Group incurs an obligation to acquire a financial instrument and assume the risk of any gain or loss or incurs an obligation to sell a financial instrument and forego the risk of any gain or loss. Investment transactions that have not yet settled are reported as receivable from investment or payable to investment.

The Group earns interest and dividends from direct investments and from cash and cash equivalents. The Group records dividends on the ex-dividend date, net of withholding tax, if any, and interest, on an accrual basis when earned, provided the Investment Manager knows the information or is able to reliably estimate it. Otherwise, the Group records the investment income when it is reported by the private equity investments. Discounts received or premiums paid in connection with the acquisition of loans are amortised into interest income using the effective interest method over the contractual life of the related loan. Payment-in-kind ("PIK") interest is computed at the contractual rate specified in the loan agreement for any portion of the interest which may be added to the principal balance of a loan rather than paid in cash by the obligator on the scheduled interest payment date. PIK interest is added to the principal balance of the loan and recorded as interest income. Prepayment premiums include fee income from securities settled prior to maturity date, and are recorded as interest income in the Consolidated Statements of Operations and Changes in Net Assets.

For the six month period ended 30 June 2021, total interest and dividend income was $3,795,921, of which $68,030 was dividends, and $3,727,891 was interest income. For the six month period ended 30 June 2020, total interest and dividend income was $4,984,391, of which $79,522 was dividends, $4,888,028 was interest income, and $16,841 was other forms of income. Realised gains and losses from sales of investments are determined on a specific identification basis.

Cash and Cash Equivalents

Cash and cash equivalents represent cash held in accounts at banks and liquid investments with original maturities of three months or less. Cash equivalents are carried at cost plus accrued interest, which approximates fair value. At 30 June 2021 and 31 December 2020, cash and cash equivalents consisted of $26,194,379 and $3,044,990 of cash, respectively, primarily held in operating accounts with Bank of America Merrill Lynch. Cash equivalents are held for the purpose of meeting short-term liquidity requirements, rather than for investment purposes. As of 30 June 2021 and 31 December 2020, there were no cash equivalents. Cash and cash equivalents are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation ("FDIC") or Securities Investor Protection Corporation ("SIPC") limitations.

Income Taxes

The Company is registered in Guernsey as an exempt company. The States of Guernsey Income Tax Authority has granted the Group an exemption from Guernsey income tax under the provision of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and the Group has been charged an annual exemption fee of £1,200 (2020: £1,200). Generally, income that the Group derives from the investments may be subject to taxes imposed by the U.S. or other countries and will impact the Group's effective tax rate.

In accordance with FASB ASC 740-10, Income Taxes, the Group is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority based on the technical merits of the position. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense in the current year.

The Group files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Group is subject to examination by U.S. federal, state, local and foreign jurisdictions, where applicable. The Group's U.S. federal income tax returns are open under the normal three-year statute of limitations and therefore subject to examination. The Investment Manager does not expect that the total amount of unrecognised tax benefits will materially change over the next twelve months.

Investments made in entities that generate U.S. source investment income may subject the Group to certain U.S. federal and state income tax consequences. A U.S. withholding tax at the rate of 30% may be applied on the Group's distributive share of any U.S. sourced dividends and interest (subject to certain exemptions) and certain other income that the Group receives directly or through one or more entities treated as either partnerships or disregarded entities for U.S. federal income tax purposes.

Investments made in entities that generate business income that is effectively connected with a U.S. trade or business may subject the Group to certain U.S. federal and state income tax consequences. Generally, the U.S. imposes withholding tax on effectively connected income at the highest U.S. rate (generally 21%). In addition, the Group may also be subject to a branch profits tax which can be imposed

at a rate of up to 23.7% of the after-tax profits treated as effectively connected income associated with a U.S. trade or business. As such, the aggregate U.S. tax liability on effectively connected income may approximate 44.7% given the two levels of tax.

The Group recognises a tax benefit in the consolidated financial statements only when it is more likely than not that the position will be sustained upon examination by the relevant taxing authority based on the technical merits of the position. To date, the Group has not provided any reserves for taxes as all related tax benefits have been fully recognised. Although the Investment Manager believes uncertain tax positions have been adequately assessed, the Investment Manager acknowledges that these matters require significant judgement and no assurance can be given that the final tax outcome of these matters will not be different.

Deferred taxes are recorded to reflect the tax benefit and consequences of future years' differences between the tax basis of assets and liabilities and their financial reporting basis. The Group records a valuation allowance to reduce deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realised. Management subsequently adjusts the valuation allowance as the expected realisability of the deferred tax assets changes such that the valuation allowance is sufficient to cover the portion of the asset that will not be realised. The Group records the tax associated with any transactions with U.S. or other tax consequences when the Group recognises the related income.

Shareholders in certain jurisdictions may have individual income tax consequences from ownership of the Group's shares. The Group has not accounted for any such tax consequences in these consolidated financial statements. For example, the Investment Manager expects the Group and certain of its non-U.S. corporate subsidiaries to be treated as passive foreign investment corporations ("PFICs") under U.S. tax rules. For this purpose, the PFIC regime should not give rise to additional tax at the level of the Group or its subsidiaries. Instead, certain U.S. investors in the Group may need to make tax elections and comply with certain U.S. reporting requirements related to their investments in the PFICs in order to potentially manage the adverse U.S. tax consequences associated with the regime.

Forward Foreign Exchange Contracts

Forward foreign exchange contracts are reported on the balance sheets at fair value and included either in other assets or accrued expenses and other liabilities, depending on each contract's unrealised position (appreciated / depreciated) relative to its notional value as of the end of the reporting periods. See note 6.

Forward foreign exchange contracts involve elements of market risk in excess of the amounts reflected on the consolidated financial statements. The Group bears the risk of an unfavourable change in the foreign exchange rate underlying the forward foreign exchange contract as well as risks from the potential inability of the counterparties to meet the terms of their contracts.

Dividends to Shareholders

The Group pays dividends semi-annually to shareholders from net investment income and net realised gains on investments upon approval by the board of directors subject to the passing of the ZDP Cover Test (see note 5) and the solvency test under Guernsey law. Liabilities for dividends to shareholders are recorded on the ex-dividend date.

Operating Expenses

Operating expenses are recognised when incurred. Operating expenses include amounts directly incurred by the Group as part of its operations, and do not include amounts incurred from the operations of the Group's investments.

Carried Interest

Carried interest amounts due to the Special Limited Partner (an affiliate of the Investment Manager, see note 10) are computed and accrued at each period end based on period-to-date results in accordance with the terms of the Third Amended and Restated Limited Partnership Agreement of NB PEP Investments LP (Incorporated). For the purposes of calculating the incentive allocation payable to

the Special Limited Partner, the value of any fund investments made by the Group in other Neuberger Berman Funds ("NB Funds") in respect of which the Investment Manager or an affiliate receives a fee or other remuneration shall be excluded from the calculation.

Note 3 – Investments

The Group invests in a diversified portfolio of direct private equity companies (see note 2). As required by ASC 820, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Group has assessed these positions and concluded that all private equity companies not valued using the practical expedient, with the exception of marketable securities, are classified as either Level 2 or Level 3 due to significant unobservable inputs. Marketable securities distributed from a private equity company are classified as Level 1. As of 30 June 2021, there was one marketable security held by the Group. As of 31 December 2020, there were two marketable securities held by the Group.

The following table details the Group's financial assets and liabilities that were accounted for at fair value as of 30 June 2021 and 31 December 2020 by level and fair value hierarchy.

	Assets (Liabilities) Accounted for at Fair Value				
As of 30 June 2021	**Level 1**	**Level 2**	**Level 3**	**Investments measured at net asset value[1]**	**Total**
Common stock	$ 71,108	$ 6,868,655	$ -	$ -	$ 6,939,763
Private equity companies	-	1,120,437	206,082,311	1,289,964,569	1,497,167,317
Forward foreign exchange contract	-	-	-	-	-
Totals	**$ 71,108**	**$ 7,989,092**	**$ 206,082,311**	**$1,289,964,569**	**$1,504,107,080**
As of 31 December 2020	**Level 1**	**Level 2**	**Level 3**	**Investments measured at net asset value[1]**	**Total**
Common stock	$ 483,337	$ 6,195,161	$ -	$ -	$ 6,678,498
Private equity companies	-	947,397	216,675,547	1,030,343,081	1,247,966,025
Forward foreign exchange contract	-	4,994,199	-	-	4,994,199
Totals	**$ 483,337**	**$ 12,136,757**	**$ 216,675,547**	**$1,030,343,081**	**$1,259,638,722**

(1) Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorised in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Condensed Schedules of Private Equity Investments.

Significant companies:

At 30 June 2021, the Group's share of the following underlying private equity companies exceeded 5% of net asset value. At 31 December 2020, there were no underlying private equity companies which exceeded 5% of net asset value.

Company	Industry	Country	Fair Value	Fair Value as a Percentage of net asset value
Constellation Automotive[1] (LP Interest)	Business Services	United Kingdom	$ 103,232,413	7.70%
AutoStore[1] (LP Interest)	Industrials	Norway	75,984,246	5.67%

[1] The Company is held by NB Alternatives Direct Co-investment Program B and through a Direct equity investment vehicle.

The following table summarises the changes in the fair value of the Group's Level 3 private equity investments for the six month period ended 30 June 2021.

(dollars in thousands) For the Period Ended 30 June 2021	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/ Venture	Income Investments	Total Private Equity Investments
Balance, 31 December 2020	$ 25,249	$ 80,020	$ 22,725	$ 19,348	$ 69,334	$ 216,676
Purchases of investments and/or contributions to investments	-	-	-	427	-	427
Realised gain (loss) on investments	-	105	-	(252)	1,926	1,779
Changes in unrealised gain (loss) of investments still held at the reporting date	2,280	5,406	348	(857)	1,475	8,652
Changes in unrealised gain (loss) of investments sold during the period	-	-	-	932	946	1,878
Distributions from investments	(1,310)	(254)	(666)	(1,303)	(19,797)	(23,330)
Transfers into level 3	-	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-	-
Balance, 30 June 2021	**$ 26,219**	**$ 85,277**	**$ 22,407**	**$ 18,295**	**$ 53,884**	**$ 206,082**

The following table summarises changes in the fair value of the Company's Level 3 private equity investments for the year ended 31 December 2020.

(dollars in thousands) For the Year Ended 31 December 2020	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/ Venture	Income Investments	Total Private Equity Investments
Balance, 31 December 2019	$ 23,559	$ 100,593	$ 20,150	$ 16,237	$ 78,950	$ 239,489
Purchases of investments and/or contributions to investments	-	291	744	590	-	1,625
Realised gain (loss) on investments	-	264	1,343	-	(1,241)	366
Changes in unrealised gain (loss) of investments still held at the reporting date	7,980	14,951	4,081	3,364	(35)	30,341
Changes in unrealised gain (loss) of investments sold during the period	-	-	(1,404)	-	3,801	2,397
Distributions from investments	(6,290)	(264)	(2,189)	-	(12,141)	(20,884)
Transfers into level 3	-	-	-	-	-	-
Transfers out of level 3	-	(35,815)	-	(843)	-	(36,658)
Balance, 31 December 2020	**$ 25,249**	**$ 80,020**	**$ 22,725**	**$ 19,348**	**$ 69,334**	**$ 216,676**

Investments were transferred into Level 3 as management's fair value estimate included significant unobservable inputs. Investments were transferred out of Level 3 into Investments Measured at Net Asset Value.

The following table summarises the valuation methodologies and inputs used for private equity investments categorised in Level 3 as of 30 June 2021.

(dollars in thousands) Private Equity Investments	Fair Value 30 June 2021	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average)[2]	Impact to Valuation from an Increase in Input[3]
Direct equity investments					
Large-cap buyout	$ 26,219	Market Approach	LTM EBITDA	11.6x	Increase
Mid-cap buyout	85,277	Escrow Value	Escrow	1x	Increase
		Market Approach	LTM EBITDA	6.8x-15.3x (11.3x)	Increase
		Market Approach	LTM Net Revenue	3.6x-8.4x (5.3x)	Increase
Special situations	22,407	Market Approach	LTM EBITDA	8.3x-9.5x (8.5x)	Increase
		Market Approach	LTM Net Revenue	3.1x	Increase
Growth / venture	18,295	Market Approach	LTM Net Revenue	3.0x-44.1x (12.9x)	Increase
Income investments	53,884	Expected sales proceeds	N/A	N/A	Increase
		Market comparable companies	LTM EBITDA	9.6x-14.6x (11.4x)	Increase
		Market Approach	LTM EBITDA	18.2x	Increase
Total	$ 206,082				

(1) LTM means Last Twelve Months, EBITDA means Earnings Before Interest Taxes Depreciation and Amortisation.
(2) Inputs weighted based on fair value of investments in range.
(3) Unless otherwise noted, this column represents the directional change in the fair value of Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.

The following table summarises the valuation methodologies and inputs used for private equity investments categorised in Level 3 as of 31 December 2020.

(dollars in thousands) Private Equity Investments	Fair Value 31 December 2020	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average)[2]	Impact to Valuation from an Increase in Input[3]
Direct equity investments					
Large-cap buyout	$ 25,249	Market Approach	LTM EBITDA	11.6x	Increase
Mid-cap buyout	80,020	Escrow Value	Escrow	1x	Increase
		Market Approach	LTM EBITDA	6.8x-15.3x (11.3x)	Increase
		Market Approach	LTM Net Revenue	3.6x-8.4x (5.3x)	Increase
Special situations	22,725	Market Approach	LTM EBITDA	8.3x-9.5x (8.5x)	Increase
		Market Approach	LTM Net Revenue	3.1x	Increase
Growth / venture	19,348	Market Approach	LTM Net Revenue	3.0x-44.1x (12.9x)	Increase
Income investments	69,334	Expected sales proceeds	N/A	N/A	Increase
		Market comparable companies	LTM EBITDA	9.6x-14.6x (10.4x)	Increase
		Market Approach	LTM EBITDA	9.8x-18.2x (15.5x)	Increase
Total	$ 216,676				

(1) LTM means Last Twelve Months, EBITDA means Earnings Before Interest Taxes Depreciation and Amortisation.
(2) Inputs weighted based on fair value of investments in range.
(3) Unless otherwise noted, this column represents the directional change in the fair value of Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.

Since 31 December 2020, there have been no changes in valuation methodologies within Level 2 and Level 3 that have had a material impact on the valuation of private equity investments.

In the case of direct equity investments and income investments, the Investment Manager does not control the timing of all exits but at the time of investment, typically expects investment durations to be meaningfully shorter than fund investments. Therefore, although some fund and direct investments may take 10-15 years to reach final realisation, the Investment Manager expects the majority of the Group's invested capital in the current portfolio to be returned in much shorter timeframes. Generally, fund investments have a defined term and no right to withdraw. In the case of fund investments, fund lives are typically ten years; however, a series of extensions often mean the lives can extend significantly beyond this. It should be noted that the Group's fund investments are legacy assets, non-core to the current strategy and are in realisation mode.

Note 4 – Credit Facility

As of 30 June 2021, a subsidiary of the Company had an active secured revolving credit facility with Massachusetts Mutual Life Insurance Company ("MassMutual"). The MassMutual Facility's availability was initially up to $200.0 million plus a $50.0 million accordion subject to certain restrictions with a ten year borrowing availability period unless terminated earlier. On 20 March 2020, the accordion feature was exercised increasing the MassMutual Facility to $250.0 million. On 1 May 2020, the MassMutual Facility was amended to increase the availability up to $300.0 million. The ten year borrowing availability period of the MassMutual Facility expires on 23 December 2029, while the MassMutual Facility matures on 23 December 2031. The outstanding balances of the MassMutual Facility were nil at 30 June 2021 and $35.0 million at 31 December 2020.

Under the MassMutual Facility, the Group is required to meet certain portfolio concentration tests and certain loan-to-value ratios not to exceed 45% through its 8th anniversary with step-downs each year thereafter until reaching 0% on its 10th anniversary and through maturity. In addition, the MassMutual Facility limits the incurrence of loan-to-value ratios above 45%, additional indebtedness, asset sales, acquisitions, mergers, liens, portfolio asset assignments, or other matters customarily restricted in such agreements. The MassMutual Facility defines change in control as a change in the Company's ownership structure of certain of its subsidiaries or the event in which the Group is no longer managed by the Investment Manager or an affiliate. A change in control would trigger an event of default under the MassMutual Facility. At 30 June 2021, the Group met all requirements under the MassMutual Facility. The MassMutual Facility is secured by a security interest in the cash flows from the underlying investments of the Group.

Under the MassMutual Facility, the interest rate was calculated as the greater of either LIBOR or 1% plus 2.875% (2.75% prior to 1 May 2020) per annum. The Group is required to pay a commitment fee calculated as 0.55% per annum on the average daily balance of the unused facility amount. The Group is subject to a minimum utilisation of 30% of the facility size, or $90.0 million, beginning eighteen months after the closing date or 23 June 2021. If the minimum utilisation is not met, the Group is required to pay the amount of interest that would have been accrued on the minimum usage amount less any outstanding advances.

The following table summarises the Group's finance costs incurred and expensed under the MassMutual Facility for the six month periods ended 30 June 2021 and 2020.

		30 June 2021		30 June 2020
Interest expense	$	548,958	$	3,070,996
Undrawn commitment fees		745,250		276,696
Servicing fees and breakage costs		56,387		122,238
Amortisation of capitalised debt issuance costs		131,196		114,381
Minimum utilisation fees		77,500		-
Total Credit Facility Finance Costs	**$**	**1,559,291**	**$**	**3,584,311**

As of 30 June 2021 and 31 December 2020, unamortised capitalised debt issuance costs (included in Other assets on the Consolidated Balance Sheets) were $2,774,707 and $2,905,903, respectively. Capitalised amounts are being amortised on a straight-line basis over the terms of the applicable credit facility.

Note 5 – Zero Dividend Preference Shares ("ZDP Shares")

As of 30 June 2021, there were 50,000,000 ZDP Shares (the "2022 ZDP Shares") outstanding which were issued at a Gross Redemption Yield of 4.00%. The holders of the 2022 ZDP Shares will have a final capital entitlement of 126.74 pence on the repayment date of 30 September 2022.

As of 30 June 2021, there were 50,000,000 ZDP Shares (the "2024 ZDP Shares") outstanding at a Gross Redemption Yield of 4.25%. The 2024 ZDP Shares were issued pursuant to the Initial Placing and Offer for Subscription at a price per 2024 ZDP Share of 100 pence. The holders of the 2024 ZDP Shares will have a final capital entitlement of 130.63 pence on the repayment date of 30 October 2024.

The 2022 ZDP Shares and 2024 ZDP Shares rank prior to the Class A and Class B Shares in respect of repayment of the final entitlement. However, they rank behind any borrowings that remain outstanding. They carry no entitlement to income and their entire return takes the form of capital. The 2022 ZDP Shares and 2024 ZDP Shares require the Company to satisfy their respective ZDP Cover Test (the "Test") prior to taking certain actions. In summary, the Test requires that for the 2022 ZDPs the Gross Assets divided by liabilities adjusting for the final 2022 ZDP liability should be greater than 2.75, and that for the 2024 ZDPs the Gross Assets divided by the liabilities adjusting for the final 2022 and 2024 ZDP liabilities should be greater than 2.75. The details of the restrictions and the Tests are set out in the ZDP Prospectuses. Unless the Test is satisfied, the Company is not permitted to pay any dividend or other distribution out of capital reserves. A voluntary liquidation or winding-up of the Company would require ZDP Shareholder approval where such winding-up is to take effect prior to the relevant ZDP repayment date.

The following table reconciles the liability for ZDP Shares, which approximates fair value, for the six month period ended 30 June 2021 and the year ended 31 December 2020.

ZDP Shares	Pounds Sterling	U.S. Dollars
Liability, 31 December 2019	£ 110,310,029	$ 146,133,209
Net change in accrued interest on 2022 ZDP Shares	2,280,319	2,980,085
Net change in accrued interest on 2024 ZDP Shares	2,274,737	2,972,797
Currency conversion	-	4,928,736
Liability, 31 December 2020	£ 114,865,085	$ 157,014,827
Net change in accrued interest on 2022 ZDP Shares	1,161,249	1,599,347
Net change in accrued interest on 2024 ZDP Shares	1,160,483	1,598,315
Currency conversion	-	1,675,241
Liability, 30 June 2021	£ 117,186,817	$ 161,887,730

The total liability related to the 2022 ZDP Shares was £60,335,584 (equivalent of $83,350,594) and £59,174,336 (equivalent of $80,888,358) as of 30 June 2021 and 31 December 2020, respectively. The total liability balance related to the 2024 ZDP Shares was £56,851,233 (equivalent of $78,537,136) and £55,690,749 (equivalent of $76,126,469) as of 30 June 2021 and 31 December 2020, respectively.

As of 30 June 2021, the 2022 ZDP Shares and the 2024 ZDP Shares were the only outstanding ZDP Share classes.

ZDP Shares are measured at amortised cost. Capitalised offering costs are being amortised using the effective interest rate method. The unamortised balance of capitalised offering costs of the 2022 and 2024 ZDP Shares at 30 June 2021 was $870,086 and the unamortised balance of capitalised offering costs of the 2022 and 2024 ZDP Shares at 31 December 2020 was $1,094,292.

Note 6 – Forward Foreign Exchange Contracts

The Group utilises rolling forward foreign currency contracts to economically hedge, in part, the risk associated with the sterling contractual liability for the issued ZDP Shares (see note 5).

As of 30 June 2021, the Group does not hold any active forward foreign currency contracts. The below table presents the Group's forward foreign currency contracts held and their effect on the Consolidated Statements of Operations and Changes in Net Assets during the six month period ended 30 June 2021.

For the six month period ended 30 June 2021											
Currency Purchased		**Currency Sold**		**Counterparty**	**Settlement Date**		**Unrealised gain (loss)**		**Realised gain (loss)**		
£	75,000,000	$	97,585,125	Westpac Banking Corporation	14 April 2021	$	(4,994,199)	$	5,792,625		
Total						$	(4,994,199)	$	5,792,625		

The below table presents the Group's forward foreign currency contracts held and their effect on the Consolidated Statements of Operations and Changes in Net Assets during the six month period ended 30 June 2020.

For the six month period ended 30 June 2020								
Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealised gain (loss)		Realised gain (loss)
£	65,000,000	$	85,898,020	Westpac Banking Corporation	7 May 2020	$	(496,923)	$ (5,057,520)
£	75,000,000	$	93,340,500	Westpac Banking Corporation	21 October 2020		(608,606)	-
Total						$	(1,105,529)	$ (5,057,520)

Note 7 – Income Taxes

The Group is exempt from Guernsey tax on income derived from non-Guernsey sources. However, certain of its underlying investments generate income that is subject to tax in other jurisdictions, principally the United States ("U.S."). The Group has recorded the following amounts related to such taxes:

		30 June 2021		30 June 2020
Current tax expense	$	3,067	$	327,438
Deferred tax expense (benefit)		-		-
Total tax expense (benefit)	**$**	**3,067**	**$**	**327,438**

		30 June 2021		31 December 2020
Gross deferred tax assets	$	8,730,532	$	8,730,532
Valuation allowance		(8,726,226)		(8,726,226)
Net deferred tax assets		4,306		4,306
Gross deferred tax liabilities		(4,306)		(4,306)
Net deferred tax assets (liabilities)	**$**	**-**	**$**	**-**

Current tax expense (benefit) is reflected in Net realised gain/(loss) and deferred tax expense (benefit) is reflected in Net change in unrealised gain/(loss) on the Consolidated Statements of Operations and Changes in Net Assets. Net deferred tax liabilities are related to net unrealised gains and gross deferred tax assets, offset by a valuation allowance, are related to unrealised losses on investments held in entities that file separate tax returns.

The Group has no gross unrecognised tax benefits. The Group is subject to examination by tax regulators under the three-year statute of limitations.

Note 8 – Earnings (Loss) per Share

The computations for earnings (loss) per share for the six month periods ended 30 June 2021 and 2020 are as follows:

	2021	2020
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$ 302,873,040	$ (25,891,910)
Divided by weighted average shares outstanding for Class A Shares and Class B Shares of the controlling interest	46,771,030	46,784,703
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	**$ 6.48**	**$ (0.55)**

Note 9 – Share Capital, Including Treasury Stock

Class A Shareholders have the right to vote on all resolutions proposed at general meetings of the Company, including resolutions relating to the appointment, election, re-election and removal of directors. The Company's Class B Shares, which were issued at the time of the initial public offering to a Guernsey charitable trust, whose trustee is First Directors Limited ("Trustee"), usually carry no voting rights at general meetings of the Company. However, in the event the level of ownership of Class A Shares by U.S. residents (excluding any Class A Shares held in treasury) exceeds 35% on any date determined by the directors (based on an analysis of share ownership information available to the Company), the Class B Shares will carry voting rights in relation to "Director Resolutions" (as such term is defined in the Company's articles of incorporation). In this event, Class B Shares will automatically carry such voting rights to dilute the voting power of the Class A Shareholders with respect to Director Resolutions to the extent necessary to reduce the percentage of votes exercisable by U.S. residents in relation to the Director Resolutions to not more than 35%. Each Class A Share and Class B Share participates equally in profits and losses. There have been no changes to the legal form or nature of the Class A Shares nor to the reporting currency of the Company's consolidated financial statements (which will remain in U.S. dollars) as a result of the Main Market quote being in Sterling as well as U.S. dollars.

The following table summarises the Company's shares at 30 June 2021 and 31 December 2020.

	30 June 2021	31 December 2020
Class A Shares outstanding	46,761,030	46,761,030
Class B Shares outstanding	10,000	10,000
	46,771,030	46,771,030
Class A Shares held in treasury - number of shares	3,150,408	3,150,408
Class A Shares held in treasury - cost	$ 9,248,460	$ 9,248,460

The Company currently has shareholder authority to repurchase shares in the market, the aggregate value of which may be up to 14.99% of the Class A Shares in issue (excluding Class A Shares held in treasury) at the time the authority is granted; such authority will expire on the date which is 15 months from the date of passing of this resolution or, if earlier, at the end of the Annual General

Meeting ("AGM") of the Company to be held on 15 September 2021. The maximum price which may be paid for a Class A Share is an amount equal to the higher of (i) the price of the last independent trade and (ii) the highest current independent bid, in each case, with respect to the Class A Shares on the relevant exchange (being the Main Market).

During 2020, the Company has purchased and cancelled a total of 38,854 shares of its Class A stock (0.08% of the issued and outstanding shares as of 31 December 2019) pursuant to general authority granted by shareholders of the Company and the share buy-back agreement with Jefferies International Limited. On 26 March 2020, the Company announced a temporary suspension of the share buy-back agreement with Jefferies International Limited and hence the Company has not purchased any of its share during 2021.

Note 10 – Management of the Group and Other Related Party Transactions

Management and Guernsey Administration

The Group is managed by the Investment Manager for a management fee calculated at the end of each calendar quarter equal to 37.5 basis points (150 basis points per annum) of the fair value of the private equity and opportunistic investments. For purposes of this computation, the fair value is reduced by the fair value of any investment for which the Investment Manager is separately compensated for investment management services. The Investment Manager is not entitled to a management fee on: (i) the value of any fund investments held by the Company in NB Funds in respect of which the Investment Manager or an affiliate receives a fee or other remuneration; or (ii) the value of any holdings in cash and short-term investments (the definition of which shall be determined in good faith by the Investment Manager, and shall include holdings in money market funds (whether managed by the Investment Manager, an affiliate of the Investment Manager or a third party manager)). For the six month periods ended 30 June 2021 and 2020, the management fee expenses were $10,718,071 and $7,747,139, respectively, and are included in Investment management and services on the Consolidated Statement of Operations and Changes in Net Assets. If the Company terminates the Investment Management Agreement without cause, the Company shall pay a termination fee equal to: seven years of management fees, plus an amount equal to seven times the mean average incentive allocation of the three performance periods immediately preceding the termination, plus all underwriting, placement and other expenses borne by the Manager or affiliates in connection with the Company's Initial Public Offering.

The Group pays to Ocorian Administration (Guernsey) Limited ("Ocorian"), an affiliate of the Trustee, a fee for providing certain administrative functions relating to certain corporate services and Guernsey regulatory matters affecting the Group. Fees for these services are paid as invoiced by Ocorian. The Group paid Ocorian $154,349 and $ 97,724 for the six month periods ended 30 June 2021 and 2020, respectively, for such services. The Group also paid MUFG Capital Analytics LLC, an independent third party fund administrator, $724,161 and $533,220 for the six month periods ended 30 June 2021 and 2020, respectively, for administrative and accounting services. These fees are included in Administration and professional fees on the Consolidated Statements of Operations and Changes in Net Assets.

Directors' fees are denominated and paid in Sterling and they are based on each director's position on the board as follows: Chairman receives £70,000 annually (£17,500 quarterly), Audit Chairman receives £60,000 annually (£15,000 quarterly), and Non-executive independent directors each receive £50,000 annually (£12,500 quarterly).

For the six month periods ended 30 June 2021 and 2020, the Group paid the independent directors a total of $161,861 and $ 142,340, respectively. On 15 June 2021, the Company appointed an additional independent, Non-executive director. The total fee paid to the new director during the six month period ended 30 June 2021 was $2,889.

Expenses related to the Investment Manager are included in Investment management and services on the Consolidated Statements of Operations and Changes in Net Assets. Administration and professional fees include fees for directors, independent third party accounting and administrative services, audit, tax, and assurance services, trustee, legal, listing and other items.

For the six month periods ended 30 June 2021 and 2020, payables to Investment Manager and affiliates were $5,563,072 and $4,616,314, respectively, and relate to amounts due for Investment Management fees.

Special Limited Partner's Non-controlling Interest in Subsidiary

An affiliate of the Investment Manager is a Special Limited Partner in a consolidated partnership subsidiary. At 30 June 2021 and 31 December 2020, the non-controlling interest of $1,869,546 and $1,525,242, respectively, represented the Special Limited Partner's capital contribution to the partnership subsidiary and income allocation.

The following table reconciles the carrying amount of Net Assets, Net Assets attributable to the controlling interest and Net Assets attributable to the non-controlling interest at 30 June 2021 and 31 December 2020.

	Controlling Interest	Non-controlling Interest	Total
Net assets balance, 31 December 2019	**$ 894,767,554**	**$ 1,146,390**	**$ 895,913,944**
Net increase (decrease) in net assets resulting from operations	184,556,235	378,852	184,935,087
Dividend payment	(27,138,468)	-	(27,138,468)
Cost of stock repurchased and cancelled (38,854 shares)	(534,072)	-	(534,072)
Net assets balance, 31 December 2020	**$ 1,051,651,249**	**$ 1,525,242**	**$ 1,053,176,491**
Net increase (decrease) in net assets resulting from operations	302,873,040	344,304	303,217,344
Dividend payment	(14,499,019)	-	(14,499,019)
Net assets balance, 30 June 2021	**$ 1,340,025,270**	**$ 1,869,546**	**$ 1,341,894,816**

Carried Interest

The Special Limited Partner is entitled to a carried interest in an amount that is, in general, equal to 7.5% of the Group's consolidated net increase in net assets resulting from operations, adjusted by withdrawals, distributions and capital contributions, for a fiscal year in the event that the Group's internal rate of return for such period, based on the NAV, exceeds 7.5%. For the purposes of this computation, the value of any private equity fund investment in NB Funds in respect of which the Investment Manager or an affiliate receives a fee or other remuneration shall be excluded from the calculation of the incentive allocation payable to the Special Limited Partner. If losses are incurred for a period, no carried interest is earned and such loss amounts are carried forward to be included in the changes in net assets calculations for future periods. Carried interest is also accrued and paid on any economic gain that the Group realises on treasury stock transactions (see note 9). Carried interest is accrued periodically and paid in the subsequent year. As of 30 June 2021 and 31 December 2020, carried interest of $24,656,363 and $15,181,843 was accrued, respectively.

Private Equity Investments with NBG Subsidiaries

The Group holds limited partner interests in private equity fund investments and direct investment programs that are managed by subsidiaries of NBG ("NB-Affiliated Investments"). NB-Affiliated Investments will not result in any duplicative NBG investment management fees and carry charged to the Group. Below is a summary of the Group's positions in NB-Affiliated Investments.

NB-Affiliated Investments (dollars in millions)	Fair Value	Committed	Funded	Unfunded
2021				
NB-Affiliated Programs				
NB Alternatives Direct Co-investment Programs	$ 262.7	$ 275.0	$ 234.7	$ 40.3
NB Renaissance Programs	19.0	40.0	24.7	15.3
Marquee Brands	31.9	30.0	26.0	4.0
NB Healthcare Credit Investment Program	1.7	50.0	45.9	4.1
NB Credit Opportunities Program	49.1	50.0	40.0	10.0
NB Specialty Finance Program	30.3	50.0	26.5	23.5
Total investments in NB-Affiliated Programs	$ 394.7	$ 495.0	$ 397.8	$ 97.2
NB-Affiliated Funds				
NB Fund of Funds Secondary 2009	$ -	$ 10.4	$ 10.4	$ -
NB Crossroads Fund XVIII	-	75.0	75.0	-
Total investments in NB-Affiliated Funds	$ -	$ 85.4	$ 85.4	$ -
Total NB-Affiliated Investments	**$ 394.7**	**$ 580.4**	**$ 483.2**	**$ 97.2**
2020				
NB-Affiliated Programs				
NB Alternatives Direct Co-investment Programs	$ 205.2	$ 275.0	$ 233.8	$ 41.2
NB Renaissance Programs	18.3	40.0	21.2	18.8
Marquee Brands	29.9	30.0	26.0	4.0
NB Healthcare Credit Investment Program	2.6	50.0	45.9	4.1
NB Credit Opportunities Program	47.4	50.0	43.3	6.7
NB Specialty Finance Program	22.8	50.0	21.5	28.5
Total investments in NB-Affiliated Programs	$ 326.2	$ 495.0	$ 391.7	$ 103.3
NB-Affiliated Funds				
NB Fund of Funds Secondary 2009	$ -	$ 10.4	$ 10.4	$ -
NB Crossroads Fund XVIII	2.7	75.0	63.1	11.9
Total investments in NB-Affiliated Funds	$ 2.7	$ 85.4	$ 73.5	$ 11.9
Total NB-Affiliated Investments	**$ 328.9**	**$ 580.4**	**$ 465.2**	**$ 115.2**

Note 11 – Risks and Contingencies

Market Risk

The Group's exposure to financial risks is both direct (through its holdings of assets and liabilities directly subject to these risks) and indirect (through the impact of these risks on the overall valuation of its private equity companies). The Group's private equity companies are generally not traded in an active market, but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The fund investments of the Group each holds a portfolio of investments in underlying companies. These portfolio company investments vary as to type of security held by the underlying partnership (debt or equity, publicly traded or privately held), stage of operations, industry, geographic location and geographic distribution of operations and size, all of which may impact the susceptibility of their valuation to market price risk.

Market conditions for publicly traded and privately held investments in portfolio companies held by the partnerships may affect their value in a manner similar to the potential impact on direct co-investments made by the Group in publicly traded and privately held securities. The fund investments of the Group may also hold financial instruments (including debt and derivative instruments) in addition to their investments in portfolio companies that are susceptible to market price risk and therefore may also affect the value of the Group's investment in the partnerships. As with any individual investment, market prices may vary from composite index movements.

Credit Risk

Credit risk is the risk of losses due to the failure of a counterparty to perform according to the terms of a contract. The Group may invest in a range of debt securities directly or in funds which do so. Until such investments are sold or are paid in full at maturity, the Group is exposed to credit risk relating to whether the issuer will meet its obligations when the securities come due. Distressed debt securities by nature are securities in companies which are in default or are heading into default and will expose the Group to a higher than normal amount of credit risk.

The cash and other liquid securities held can subject the Group to a concentration of credit risk. The Investment Manager attempts to mitigate the credit risk that exists with cash deposits and other liquid securities by regularly monitoring the credit ratings of such financial institutions and evaluating from time to time whether to hold some of the Group's cash and cash equivalents in U.S. Treasuries or other highly liquid securities.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its obligations as they fall due. The Investment Manager mitigates this risk by monitoring the sufficiency of cash balances and availability under the Credit Facility (see note 4) to meet expected liquidity requirements for investment funding and operating expenses.

Contingencies

In the normal course of business, the Group enters into contracts that contain a variety of representations and warranties which provide general indemnifications. The Group's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Group that have not yet occurred. The Investment Manager expects the risk of loss to be remote and does not expect these to have a material adverse effect on the consolidated financial statements of the Group.

Other Matters

The outbreak of the coronavirus in many countries has, among other things, disrupted global travel and supply chains, and adversely impacted global commercial activity. The impact of the virus may continue to affect the economies of many nations, individual companies and the global securities and commodities markets, including liquidity and volatility, in ways that cannot necessarily be foreseen at the

present time. The fluidity of the situation precludes any prediction as to its ultimate impact, which may have a continued effect on the economic and market conditions. Such conditions, which may be across industries, sectors, or geographies, have impacted and may continue to impact the Company's portfolio companies.

Note 12 – Financial Highlights

The following ratios with respect to the Class A Shares and Class B Shares have been computed for the six month period ended 30 June 2021 and the year ended 31 December 2020:

Per share operating performance (based on average shares outstanding during the year)		**For the Six Month Period Ended 30 June 2021**		**For the Year Ended 31 December 2020**
Beginning net asset value	$	22.49	$	19.11
Net increase in net assets resulting from operations:				
Net investment income (loss)		(0.83)		(0.83)
Net realised and unrealised gain (loss)		7.30		4.79
Dividend payment		(0.31)		(0.58)
Ending net asset value	**$**	**28.65**	**$**	**22.49**

Total return (based on change in net asset value per share)	**For the Six Month Period Ended 30 June 2021**	**For the Year Ended 31 December 2020**
Total return before carried interest	31.10%	22.40%
Carried interest	(2.33%)	(1.67%)
Total return after carried interest	**28.77%**	**20.73%**

Net investment income (loss) and expense ratios (based on weighted average net assets)	**For the Six Month Period Ended (Annualised) 30 June 2021**	**For the Year Ended 31 December 2020**
Net investment income (loss), excluding carried interest	(2.52%)	(2.71%)
Expense ratios:		
Expenses before interest and carried interest	2.53%	2.52%
Interest expense	0.68%	1.27%
Carried interest	4.42%	1.75%
Expense ratios total	**7.63%**	**5.54%**

Net investment income (loss) is interest income earned net of expenses, including management fees and other expenses consistent with the presentation within the Consolidated Statements of Operations and Changes in Net Assets. Expenses do not include the expenses of the underlying private equity investment partnerships. The total return after carried interest ratio presented has not been annualised for the six month period ended 30 June 2021.

Individual shareholder returns may differ from the ratios presented based on differing entry dates into the Group.

Note 13 – Subsequent Events

On 31 August 2021, the Group paid a dividend of $0.41 per Ordinary Share to shareholders of record on 23 July 2021.

On 15 September 2021, the Company was granted shareholder authority to repurchase shares in the market, subject to certain restrictions, through 14 September 2022.

The Investment Manager and the board of directors have evaluated events through 17 September 2021, the date the financial statements are available to be issued and has determined there were no other subsequent events that require adjustment to, or disclosure in the financial statements.

Direct Investments	Principal Geography	Investment Date	Description	Fair Value $ M
Constellation Automotive	U.K.	Nov-19	Provider of vehicle remarketing services	103.2
AutoStore	Norway	Jul-19	Leading provider of automation technology	76.0
Agiliti	U.S.	Jan-19	Medical equipment management and services	54.7
NB Alternatives Credit Opportunities Program	Global	Sep-19	Diversified credit portfolio	49.1
Telxius	Europe	Oct-17	Telecommunications infrastructure including fibre-optic cables and telecom towers	45.2
Material Handling Systems	U.S./Europe	Apr-17	Systems and solutions utilised in distribution centres	44.7
Action	Europe	Jan-20	European discount retailer	44.3
USI	U.S.	Jun-17	Insurance brokerage and consulting services	42.0
Petsmart / Chewy (NYSE: CHWY)	U.S.	Jun-15	Online and offline pet supplies retailer	40.8
BeyondTrust	U.S.	Jun-18	Cyber security and secure access solutions	37.2
GFL (NYSE: GFL)	Canada	Jul-18	Waste management services	37.1
Business Services Company*	U.S.	Oct-17	Business services company	34.4
Marquee Brands	Global	Dec-14	Portfolio of consumer branded IP assets, licensed to third parties	31.9
Duff & Phelps	U.S.	Apr-20	Multi-national financial consultancy firm	31.0
NB Specialty Finance Program	Global	Oct-18	Small balance loan portfolio	30.3
Excelitas	U.S.	Nov-17	Sensing, optics and illumination technology	30.1
Advisor Group	U.S.	Jul-19	Independent network of wealth management firms	27.4
Hivory	France	Dec-18	Owner of telecom towers in France	21.9
Holley	U.S.	Oct-18	Automotive performance company	21.3
Staples	U.S.	Sep-17	Provider of office supplies through a business to business platform and retail	19.6
Renaissance Learning	U.S.	Jun-18	K-12 educational software & learning solutions	19.0
Omega	U.S.	Feb-17	Leading distributor and assembler of climate control components	18.5
Qpark	Europe	Oct-17	European parking services operator	17.7
Bylight	U.S.	Jun-17	Provider of IT and technology infrastructure cyber solutions	15.8
CH Guenther	U.S.	May-18	Supplier of baking mixes, snacks and meals and other value-added food products for c	15.6
FV Hospital	Vietnam	Jun-17	Leading hospital provider in Vietnam	15.4
Accedian	U.S.	Apr-17	Network testing equipment and software	15.3
Branded Cities Network	U.S.	Nov-17	North American advertising media company	14.5
Final Site	U.S.	Nov-16	Communications and learning management software	14.4
Drive Medical	U.S.	Jan-17	Global distributor of durable medical equipment	13.9
Engineering	Italy	Jul-20	Italian based provider of systems integration, consulting and outsourcing services	13.7
Leaseplan	Europe	Apr-16	Fleet management services	13.1
Lasko Products	U.S.	Nov-16	Manufacturer of portable fans and ceramic heaters	13.1
ZPG	U.K.	Jul-18	Digital property data and software company	12.6
Real Page	U.S.	Apr-21	Software and data analytics for the real estate industry	12.2
Innovacare	U.S.	Oct-19	Medicare advantage and Medicaid plan operator in Puerto Rico	12.0
Italian Mid-Market Buyout Portfolio	Europe	Jun-18	Portfolio of Italian mid-market buyout companies	12.0
Solace Systems	U.S./Cananda	Apr-16	Enterprise messaging solutions	11.8
Ellucian	Global	Sep-15	Developer of higher education ERP software	11.7
SolarWinds (NYSE: SWI)	U.S.	Feb-16	Provider of enterprise-class IT and infrastructure management software	11.6
Exact	Netherlands	Aug-19	Accounting and ERP software for small / medium size businesses	11.2
Digital River (Equity)	U.S.	Feb-15	Digital eCommerce, payments and marketing solutions	11.2
Viant	U.S.	Jun-18	Outsourced medical device manufacturer	10.8
Branded Toy Company*	U.S.	Jul-17	Specialty toy company	10.6
Tendam	Europe	Oct-17	Spanish apparel retailer	10.4

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

Direct Investments	Principl Geography	Investment Date	Description	Fair Value $ M
Peraton	U.S.	May-21	High-end systems engineering to US Intelligence Industry	10.0
Plaskolite	U.S.	Dec-18	Largest manufacturer of thermoplastic sheets in North America	9.9
MHS	U.S.	Mar-17	Provider of repair, maintenance and fleet management services	9.5
Aldevron	U.S.	Sep-19	Manufacturer of raw material input used in cell and gene therapies	9.2
Vertiv (NYSE: VRT)	U.S.	Nov-16	Provider of data center infrastructure	9.0
Compliance Solutions Strategies	U.S.	Apr-17	Provider of compliance solutions to the financial services sector	8.8
Hub	Global	Mar-19	Leading global insruance brokerage	8.7
Verifone	Global	Aug-18	Electronic payment technology	8.7
Clearent	U.S.	Jun-18	Credit card payment processing	8.5
Centro	U.S.	Jun-15	Provider of digital advertising management solutions	7.8
Stubhub	U.S.	Feb-20	Consumer retail company	7.6
Wind River Environmental	U.S.	Apr-17	Waste management services provider	7.1
Nextlevel	U.S.	Aug-18	Designer and supplier of fashion-basic apparel	6.6
Concord Bio	India	Jun-16	Active pharmaceutical ingredients manufacturer	6.3
Healthcare Company - In-home Devices	U.S.	Jun-18	Provider of pump medications and in-home intravenous infusion	6.2
Carestream Dental Equipment (Debt)	U.S.	Aug-18	Utilises digital imaging equipment and captures two billion images annually	6.2
Brightview (NYSE: BV)	U.S.	Dec-13	Commercial landscape and turf maintenance	6.1
Ingersoll Rand (NYSE: IR)	U.S.	Jul-13	Maker of industrial equipment	6.1
Vitru (NASDAQ: VTRU)	Brazil	Jun-18	Post secondary education company	6.1
CSC Service Works	U.S.	Mar-15	Provider of outsourced services to laundry & air vending markets	6.1
Healthcare Services Company	NA	Feb-18	Healthcare services company	6.0
ProAmpac	U.S.	Nov-16	Leading global supplier of flexible packaging	5.9
Edelman	U.S.	Aug-18	Independent financial planning firm	5.8
SafeFleet	U.S.	May-18	Safety and productivity solutoins for fleet vehicles	5.6
BK China	U.S.	Aug-18	Franchise of over 800 Burger King locations in mainland China	5.6
BackOffice	U.S.	Dec-17	Data management solutions provider	5.4
Destination Restaurants	U.S.	Nov-19	U.S. restaurant chain	5.1
Milani	U.S.	Jun-18	Cosmetics and beauty products	5.1
Uber (NYSE: UBER)	Global	Jul-18	Undisclosed consumer technology company	5.0
Snagajob	U.S.	Jun-16	Job search and human capital management provider	5.0
All Other Investments (17 investments <$5m)				63.1
Net Other Assets, incl. Escrow / (Liabilities)				(15.6)
Total Direct Investments				**$1,480.0**

Note: Numbers may not sum due to rounding.

1. For illustrative and discussion purposes only. Principles for Responsible Investment ("PRI") grades are based on information reported directly by PRI signatories, of which investment managers totaled 1,924 for 2020, 1,119 for 2019, 1,120 for 2018 and 935 for 2017. All signatories are eligible to participate and must complete a questionnaire to be included. The underlying information submitted by signatories is not audited by the PRI or any other party acting on its behalf. Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module houses a variety of indicators that address specific topics of responsible investment. Signatories' answers are then assessed and results are compiled into an Assessment Report. The Assessment Report includes indicator scores – summarizing the individual scores achieved and comparing them to the median; section scores – grouping similar indicator scores together into categories (e.g. policy, assurance, governance) and comparing them to the median; module scores – aggregating all the indicator scores within a module to assign one of six performance bands (from E to A+). Awards and ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf. While every effort has been made to produce a fair representation of performance, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this report. Leaders' Group: 2020 PRI Leaders Group. The PRI Leaders' Group is based on a different theme each year. In 2020, the theme is climate reporting. All investor signatories – asset owners and investment managers – were eligible. To be considered for the Leaders' Group 2020, signatories had to demonstrate a strategic approach to aligning their organization with the FSB's Task Force on Climate-related Financial Disclosures (TCFD) in their 2020 responses to the PRI Reporting Framework.' To assess this, UN PRI looked at their publicly disclosed responses throughout the climate change reporting indicators of the Strategy and Governance (SG) module, as well as whether they reported: publicly expressing support for the TCFD; having a board-approved implementation plan in place; how their organization is using scenario analysis; considering both short- and long-term climate risks; and working towards specific climate-related targets. Having screened all signatories against this year's theme, a combined score using responses from across the Reporting Framework was used to identify, from that pool, the Leaders' Group 2020.

NAV Total Return Calculation	NAV per share (USD)	Dividend	Dividend Compounding Factor
NAV per ordinary share at year end as per Statement of Financial Position in December 2020 (A)	$22.49	-	
Semi-annual dividend per ordinary share declared in respect of year	$22.18	$0.31	1.0140
NAV per ordinary share at end of year as per Statement of Financial Position In June 2021 (B)	$28.65	-	
2021 NAV total return per ordinary share [(B/A)*C] - 1	**29.2%**	**Product of Dividend Compounding (C)**	**1.0140**

Total Realisation Calculation	$ in millions
Proceeds from sale of private equity investments (A)	$110
Distributions from private equity investments (B)	$37
Interest and dividend income (C)	$1
2021 Portfolio Realisations (A+B+C)	**$149**

Multiple of Capital Calculation	
Exit Proceeds from Three Full Exits (A)	$62
Invested Capital into Three Full Exits (B)	$14
2021 Multiple on Invested Capital (A/B)	**4.4x**

Realisation Uplift Calculation	
Percentage Uplift Relative to Carrying Value Three Quarters Prior	346%
Total Observations	28
Average Upllift	**12.4%**

Adjusted Commitment Coverage	
Cash + Undrawn Committed Credit Facility (A)	$326
Adjusted Unfunded Private Equity Exposure (B)	$92
Adjusted Commitment Coverage Ratio (A/B) - 1	**354%**

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Peter von Lehe
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