NEUBERGER BERMAN

# NB PRIVATE EQUITY PARTNERS: INVESTOR PRESENTATION

FEBRUARY 2018

FINANCIAL INFORMATION AS OF 30 NOVEMBER 2017 UNLESS OTHERWISE NOTED

# NBPE OVERVIEW

## NBPE invests in private equity backed companies

### KEY HIGHLIGHTS

**Listing Date:** 2007

**Market Capitalisation (30/11/17)**: £470.9m

**Net Asset Value (NAV):** $823.0m

**NAV per Share:** $16.86 (£12.47)

**NAV Total Return USD / GBP**
**1 year:** 13.6% / 5.0%
**3 year:** 35.2% / 56.6%

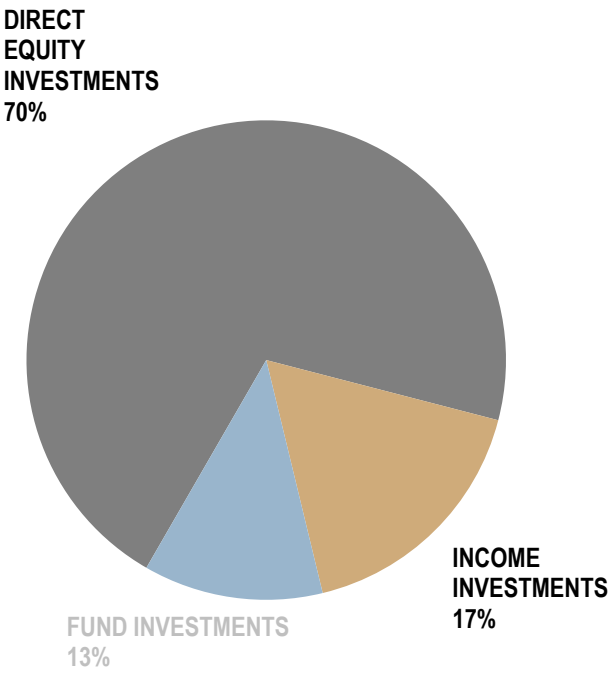
**Share Price Total Return USD / GBP**
**1 year:** 13.6% / 5.0%
**3 year:** 28.5% / 48.8%

**2017 Avg. Daily Trading Volume**: ~75k shares per day

**Current share price (19/1/18):** £10.33 (~17% discount)

**Dividend Yield (on Share Price):** 3.9%

### INVESTMENT TYPE BY FAIR VALUE



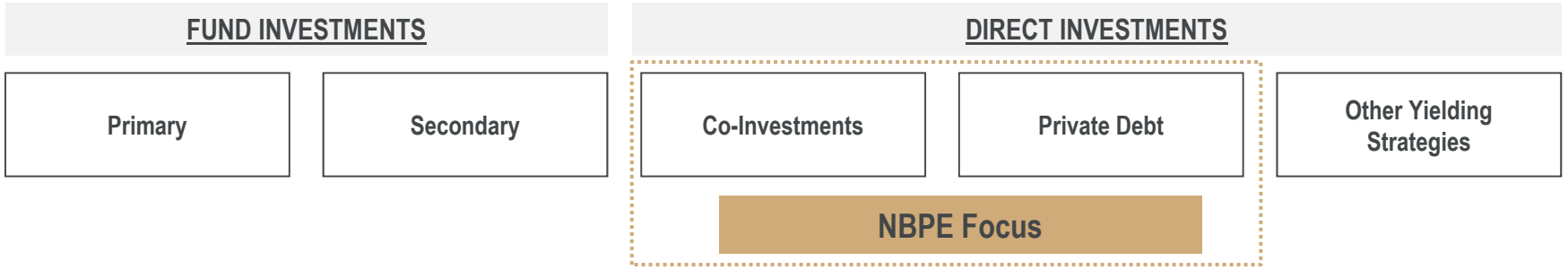

*Note: NBPE data as of 30 November 2017; GBP share price returns converted at daily GBP/USD close FX rates. Numbers may not sum due to rounding. All performance figures assume re-investment of dividends at NAV or closing share price on the ex-dividend date and reflect cumulative returns over the relevant time periods shown and are not annualised returns; share price return data based on the London Stock Exchange. Average trading volume represents daily average across London Stock Exchange, Euronext Amsterdam and over-the-counter trading platforms.*

# NBPE'S MANAGER: NEUBERGER BERMAN

## Neuberger Berman manages over $50 billion in Private Equity

**PRIVATE EQUITY PLATFORM**

Over $50 billion of commitments managed[1]




**KEY HIGHLIGHTS**

**Industry Leadership:** 30 years as a private equity investor; committed approximately $5 billion annually[2] to private equity over the past three years

**Active Fund Relationships**: 400+ with over 270 funds reviewed each year

**Experienced Investors:** Expertise across fund investments, direct investments and income investments

**Deep Team:** Over 140 dedicated private equity investment professionals with extensive networks

**Global Presence:** Investment offices in New York, Dallas, Boston, London, Milan, Hong Kong and Bogota

*1. Committed capital from inception through September 2017, including commitments in the process of documentation.*
*2. Average over the past three years (2014 – 2016).*

# NBPE'S VALUE PROPOSITION

## NBPE provides exposure to direct private equity and debt investments underwritten alongside a diversified group of high-quality private equity managers

### INVESTMENTS ALONGSIDE HIGH QUALITY PRIVATE EQUITY SPONSORS

- **Leverages the strength of the Neuberger Berman Platform:** Neuberger Berman Private Equity has invested over ~$3.7 billion in equity co-investments and ~$2.0 billion in debt investments over the last three years[1] with over 600 equity and over 500 debt opportunities reviewed during this period
- **Well diversified (but not over diversified) direct investment portfolio:** Portfolio of 123 direct investments over 55 different private equity sponsors
- **Able to invest in all parts of the capital structure** – tactical shifts over time to the most compelling risk / reward opportunities
- **Fee efficiency:** Direct investments generally with single layer of fees[2]

**REPRESENTATIVE PRIVATE EQUITY SPONSORS**

*Note: as of 31 December 2017. Private equity sponsors shown here are only a representative sample of those which NBPE has invested alongside. For a complete list of sponsors, see the appendix.*

1. *Reflects investments made from 2015 – 2017.*
2. *In some cases, private equity sponsors may charge management fees and / or carried interest.*

# NBPE NAV UPDATE

## December 2017 NAV per Share of $16.82

### SUMMARY BALANCE SHEET

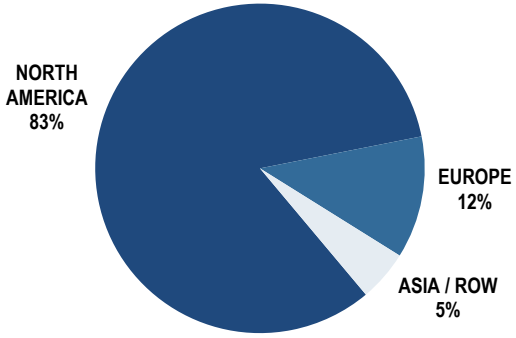
| *($ in millions, unless otherwise noted)* | 31 December 2017 (Unaudited) | 30 November 2017 (Unaudited) | 31 December 2016 (Audited) |
|---|---|---|---|
| *Direct Investments* | | | |
| Income Investments | $155.6 | $158.2 | $139.0 |
| Equity Investments | 662.5 | 657.9 | 474.9 |
| Total Direct Investments | 818.1 | 816.1 | 613.9 |
| Legacy Fund Investments | 111.1 | 119.5 | 153.4 |
| Total Private Equity Fair Value | 929.2 | 935.6 | 767.3 |
| Private Equity Investment Level | 113% | 114% | 99% |
| Cash and Cash Equivalents | 25.7 | 21.4 | 93.7 |
| Credit Facility Borrowings | (60.0) | (60.0) | - |
| ZDP Share Liability - 2017[1] | - | - | (14.5) |
| ZDP Share Liability - 2022, including FX Hedge | (71.1) | (70.9) | (62.4) |
| Net Other Assets (Liabilities), including Minority Interest | (3.0) | (3.1) | (7.5) |
| **Net Asset Value** | **$820.8** | **$823.0** | **$776.6** |
| **Net Asset Value per Share** | **$16.82** | **$16.86** | **$15.91** |
| **Net Asset Value per Share (GBP)[2]** | **£12.45** | **£12.47** | **£12.89** |
| **Net Asset Value Plus Dividends Paid During Financial Period** | **$17.32** | **$17.36** | **-** |

*Note: NBPE data as of 31 December 2017. Numbers may not sum due to rounding.*
1. *On 31 May 2017, the 2017 ZDP Shares were redeemed in full.*
2. *Based on 31 December 2017GBP/USD FX of $1.351 and the 30 November 2017 GBP/USD FX of $1.353.*

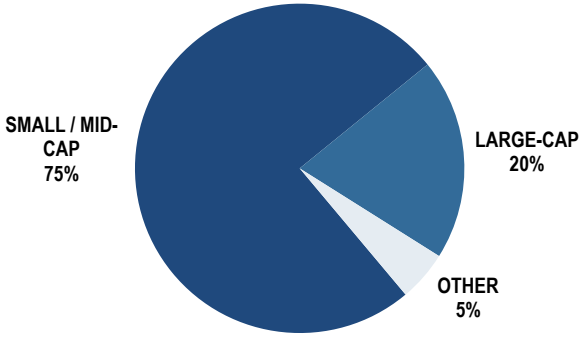
# NBPE PORTFOLIO DIVERSIFICATION

## Well diversified portfolio weighted to North American investments

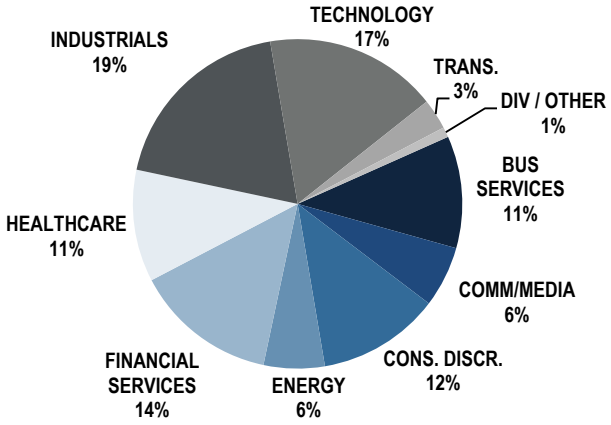
### GEOGRAPHY



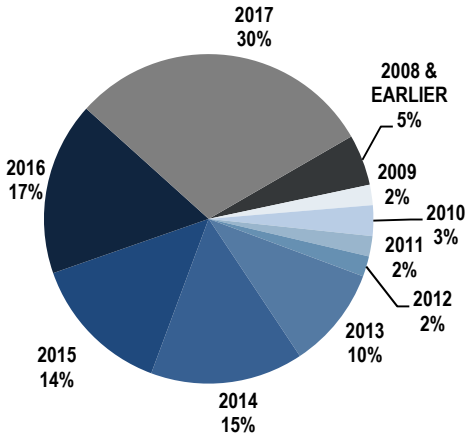

### COMPANY SIZE




### INDUSTRY



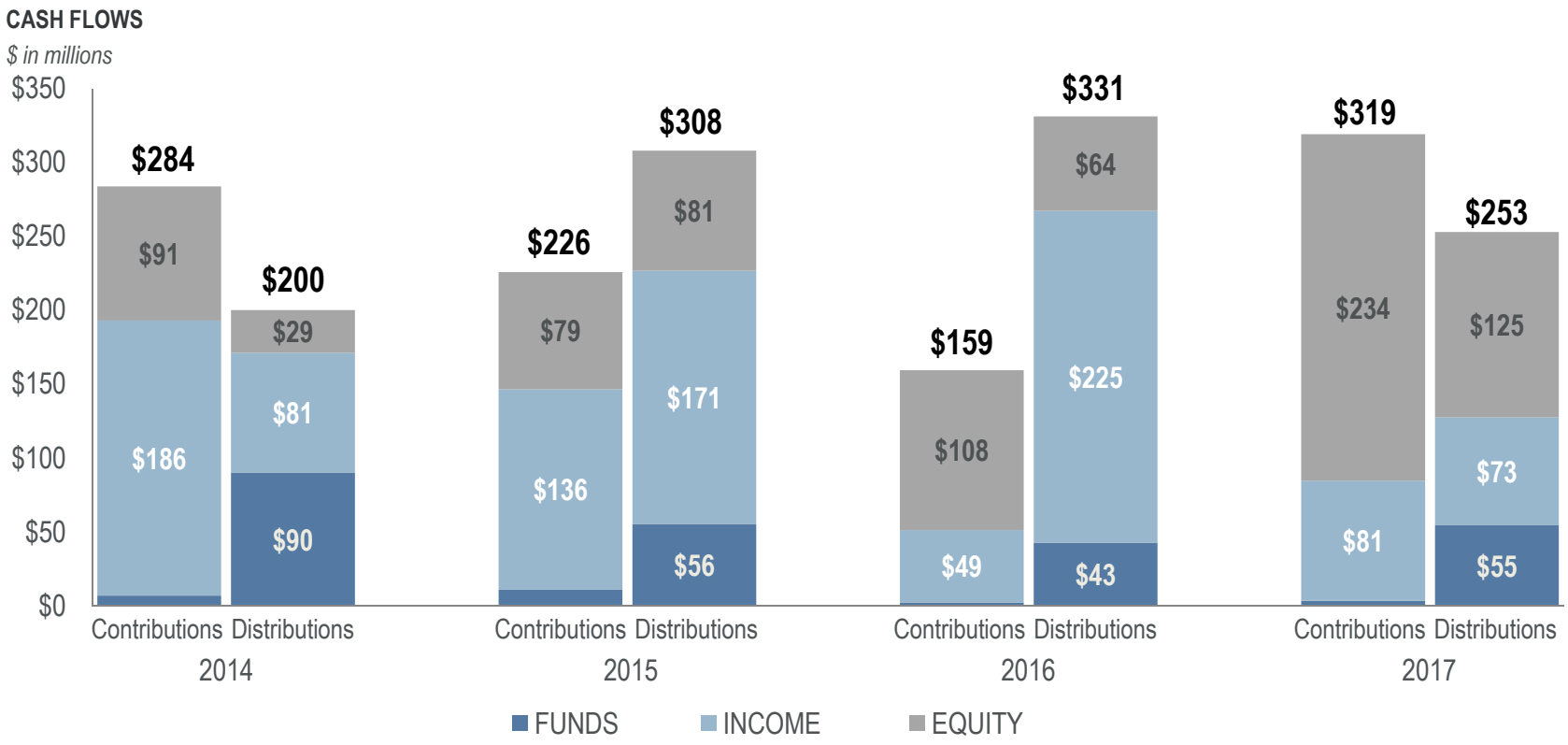

### VINTAGE YEAR




*Note: as of 30 November 2017. Numbers may not sum due to rounding. Please see endnotes for information on diversification calculations.*

# PORTFOLIO INVESTMENT ACTIVITY & LIQUIDITY

## Over $1.1 billion of distributions to NBPE since 2014




*Note: as of 31 December 2017. Numbers may not sum due to rounding.*

NEUBERGER BERMAN

# DIRECT EQUITY INVESTMENTS

# NBPE DIRECT EQUITY INVESTMENT STRATEGY

## Build and maintain a portfolio of direct private equity investments alongside leading private equity firms

- High quality businesses
- Reasonable investment valuations
- Co-investing alongside Managers in their core areas of expertise
- Bias towards investments with shorter expected time to liquidity

### INVEST IN NEW DEALS

#### NEW BUYOUTS

- Working alongside lead GPs

VERTIV.
LGC
ProAmpac
Deltek.

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

#### ADD-ON ACQUISITIONS/ GROWTH CAPITAL

- Provides primary equity for **growth / M&A**

OMEGA ENVIRONMENTAL TECHNOLOGIES
EXTRACTION Oil & Gas
KIK CUSTOM PRODUCTS

#### PARTIAL REALISATIONS

- Provides **liquidity** to investors

Patheon Performance the World Over®

#### RECAPITALISATIONS

- Provides primary equity to **recapitalise balance sheets**

BAKERCORP PEOPLE. EQUIPMENT. SOLUTIONS.

# NBPE DIRECT EQUITY PORTFOLIO

## NBPE has a well diversified direct equity portfolio, giving access to growing companies alongside high quality PE sponsors

**NBPE DIRECT EQUITY INVESTMENTS**

**84** direct equity investments with **$657.9** million of fair value

**DIVERSIFIED PORTFOLIO**

Diversified by industry, geography, vintage year and sponsor

**LTM GROWTH[1]**

**4%** LTM Revenue growth / **7%** LTM EBITDA growth

**VALUATION & LEVERAGE[1]**

**11.0x** EV / EBITDA & **4.7x** Net Debt / EBITDA

**2017 EXITS[2]**

**7** Full exits generating a **4.4x** gross multiple and **41%** IRR

**TOP TEN INVESTMENTS**

| Investment Name | Vintage | Industry | FV ($m) |
|---|---|---|---|
| Extraction Oil & Gas (NASDAQ: XOG) | 2014 | Energy | $24.6 |
| Staples | 2017 | Consumer | 23.4 |
| ProAmpac | 2016 | Packaging | 22.0 |
| Q Park | 2017 | Transportation | 20.0 |
| Telxius | 2017 | Telecom | 20.0 |
| USI Insurance | 2017 | Fin. Serv. | 20.0 |
| Gardner Denver (NYSE: GDI) | 2013 | Industrials | 19.8 |
| The Warranty Group | 2014 | Fin. Serv. | 19.6 |
| Business Services Company* | 2017 | Business Serv. | 19.0 |
| Material Handling Systems | 2017 | Technology | 17.0 |
| **TOP TEN INVESTMENTS** | | | **$205.3** |

*Note: As of 30 November 2017. *Undisclosed company.*

1. *As of 30 June 2017. Portfolio company operating and valuation metrics are based on the most recently available (unaudited) financial information for each company. Where necessary, estimates were used, which include pro forma adjusted EBITDA and Revenue, annualised quarterly operating metrics and LTM periods as of 30/6/17 and 31/3/17. Data based on 46 traditional buyout companies valued based on EV/EBITDA; excludes companies based on other valuation metrics including book value, revenue multiples, discounted cash flow, latest round of financing and public share price.*
2. *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).*

# NEW EQUITY INVESTMENTS IN 2017

## $216.5 million invested in 20 new equity investments during 2017

| INVESTMENT | INDUSTRY | SPONSOR | DESCRIPTION | THESIS |
|---|---|---|---|---|
| USI | Insurance | KKR | Insurance brokerage | Buy & Build. Defensive sector; strong cash generation |
| MHS | Business Services | Thomas H. Lee | Material handling systems for the courier industry | Secular industry growth trends |
| **Branded Toy Company*** | Consumer | Not disclosed | Specialty toy company | Diverse tangible growth strategies |
| ACCEDIAN NETWORKS | Technology | Bridge Growth | Network technology company | Technology differentiation & market trends |
| OMEGA ENVIRONMENTAL TECHNOLOGIES | Industrials | AEA Small Business Fund | Distributor of aftermarket climate control components for vehicles | Buy & Build. Mid-life equity co-investment to fund an acquisition |
| FV HOSPITAL | Healthcare | Quadria Capital | Leading hospital provider in Vietnam | Operational enhancement & expansion |
| WIND RIVER ENVIRONMENTAL | Industrials | Gryphon Partners | Waste management services | Buy & Build. Mission critical, regulatory-driven services |
| MHS Material Handling Services | Business Services | Harvest Partners | Outsourced service partner for material handling and service needs | Buy & Build. Fragmented market with strong consolidation drivers and multiple organic growth levers |
| Compliance Solutions Strategies | Business Services | CIP Capital | Provider of compliance solutions for the financial services industry | Organic and acquisition growth opportunities. Strong industry tailwinds |
| BYLIGHT | Technology | Sagewind Partners | IT, cloud, cyber and infrastructure solutions | Strong industry tailwinds. Recurring contract base |

*Note: As of 31 December 2017. Excludes follow-on investments.*
**Due to confidentiality provisions, company name cannot be disclosed.*

# NEW EQUITY INVESTMENTS IN 2017 (CONT.)

## $216.5 million invested in 20 new equity investments during 2017

| INVESTMENT | INDUSTRY | SPONSOR | DESCRIPTION | THESIS |
|---|---|---|---|---|
| STAPLES | Consumer / Business Svs | Sycamore Partners | Provider of office supplies through B2B platform & retail | Market leading, stable cash flow business |
| West Marine | Consumer | Monomoy Capital | Retailer of boat supplies | Strategy re-focus and business optimisation |
| Hospitalist Group | Healthcare | Gryphon Investors | Healthcare service provider | Long-term contracts / high retention; attractive market |
| QPARK | Transportation / Infrastructure | KKR | European parking services provider | Leader in space, high quality assets with strong cash flow visibility |
| TELXIUS | Telecommunications | KKR | Telecommunications infrastructure | Strong cash flow generation; growth in mobile traffic |
| CORTEFIEL | Retail | PAI | Spanish apparel retailer | Favourable sector tailwinds and market position |
| BRANDED CITIES NETWORK | Media / Advertising | Shamrock | North American advertising media company | High quality portfolio of assets, expansion opportunities |
| **Business Services Company*** | Business Services | Not Disclosed | Business services company | High quality business; economically resilient demand drivers |
| EXCELITAS TECHNOLOGIES | Industrial Technology | AEA Investors | Sensing, optics and illumination technology for multiple end-markets | Mission-critical solutions and large product portfolio; multiple value creation levers |
| BackOffice ASSOCIATES | Technology | Bridge Growth | Data management solutions provider | Strong blue-chip customer base and industry tailwinds with a large addressable market |

*Note: As of 31 December 2017. Excludes follow-on investments.*
**Due to confidentiality provisions, company name cannot be disclosed.*

# EQUITY REALISATIONS AND ANNOUNCED EXITS IN 2017

## NBPE has continued to produce strong liquidity from its equity investments in 2017

| INVESTMENT | VINTAGE | DESCRIPTION | OUTCOME |
|---|---|---|---|
| CAPSUGEL | 2011 | • Developer and manufacturer of capsules for biopharmaceutical, health and nutrition industries | • Acquired by Lonza for $5.5 bn |
| Deltek | 2012 | • Provider of enterprise software and information solutions for project-focused organisations | • Sold to Roper Technologies for $2.8 bn |
| The EVANS NETWORK OF COMPANIES | 2012 | • Market-leading provider of intermodal, flatbed, brokerage, dry van and other trucking services | • Sold to Calera Capital |
| Gabe's | 2012 | • Off-price retailer offering well-known brands in apparel and accessories, operating 106 stores | • Sold to Warburg Pincus |
| VERTIV. | 2016 | • Provider of data center infrastructure | • Recapitalisation / divisional sale |
| Patheon | 2014 | • Pharmaceutical contract development and manufacturing organisation | • IPO in 2016; acquired by Thermo Fisher in 2017 |
| Ortholite | 2014 | • Provider of high-performance insoles and related shoe components | • Acquired by Trilantic North America |
| ÓTICAS CAROL | 2013 | • Second largest eyewear retailer in Brazil | • Acquired by Luxottica |
| evoqua WATER TECHNOLOGIES | 2014 | • Water treatment technology, equipment and services | • IPO (NYSE:AQUA) at $18 / share on 2/11/17 |

**SUBSEQUENT EXITS**[1]

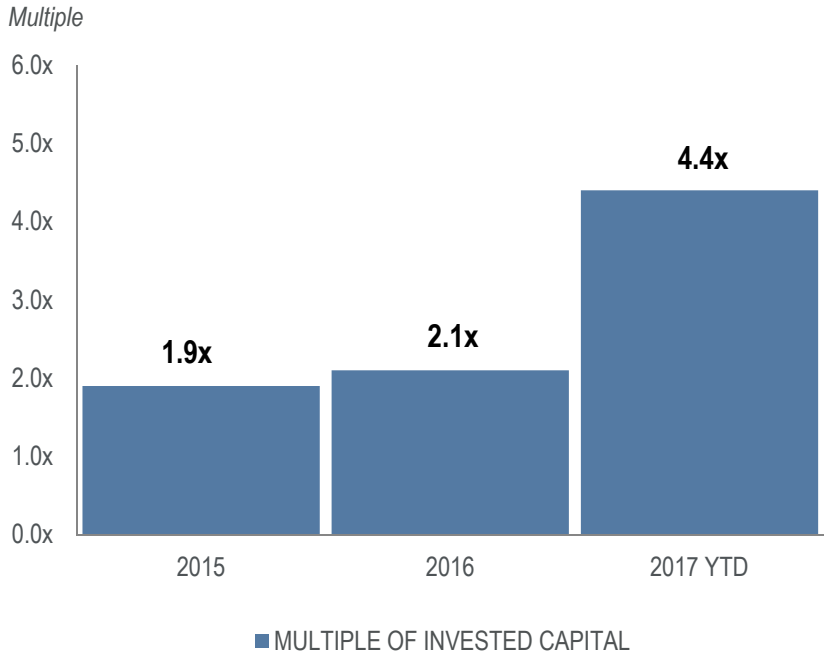
| INVESTMENT | VINTAGE | DESCRIPTION | OUTCOME |
|---|---|---|---|
| the warranty group | 2014 | • Underwriter and administrator of extended warranties | • Sold to Assurant for $2.5 billion |
| Financial Services Company* | 2016 | • Global financial advisory and investment banking firm | • Not disclosed |

*Note: As of 31 December 2017.*
*1. May lead to future distributions to NBPE. Subject to customary closing conditions and no assurances are given to the outcome of these investments.*
**Due to confidentiality provisions, company name cannot be disclosed.*

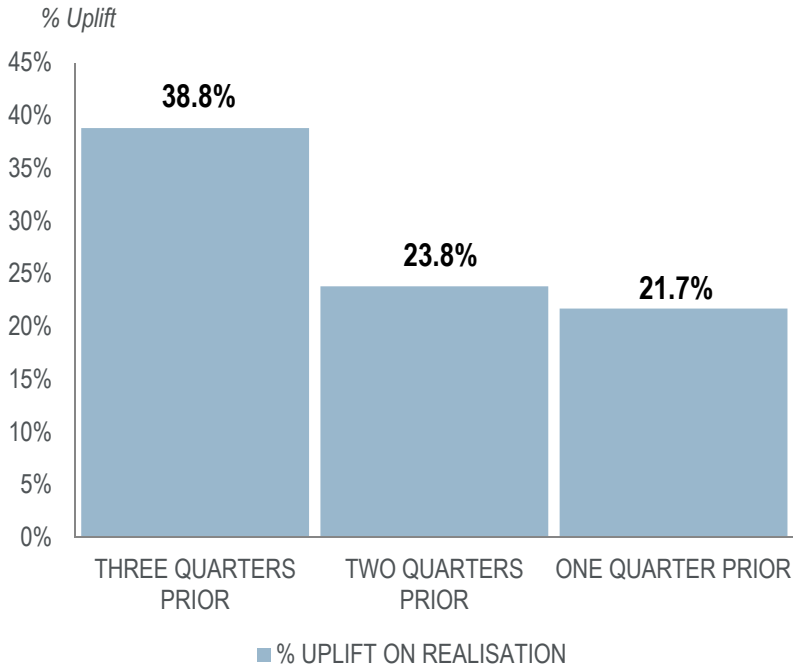
# EQUITY EXITS & UPLIFT

## NBPE has seen strong exits and valuation uplift relative to carrying values

**GROSS MOIC ON EXITS[1] (FULL EXITS ONLY)**




**VALUATION UPLIFT ON EXIT[2] (ALL EXITS)**




*1. As of 30 November 2017. Includes full exits 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).*

*2. As of 30 November 2017. Analysis includes six IPOs, one partial exit, and nineteen full direct equity investment exits since January 2015. 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).*

# CASE STUDY: VERTIV

## Acquisition of Network Power business from Emerson alongside Platinum Equity

### SUMMARY

| | |
|---|---|
| **Investment date** | November 2016 |
| **Lead investor** | Platinum Equity |
| **Industry** | Industrials |
| **Sourcing** | NB Private Equity Relationship |

### COMPANY OVERVIEW

- Platinum Equity acquired the Network Power business from Emerson and rebranded as Vertiv
- Vertiv (FKA Emerson) provides mission-critical infrastructure technologies for vital applications in data centers, communication networks, and commercial and industrial environments
  - Major customers include AT&T, China Mobile, Microsoft, Ericsson and Facebook
- Vertiv is headquartered in Ohio and has ~20,000 employees worldwide

### INVESTMENT THESIS

- **Build on broad portfolio offering**: product and services for power, thermal and IT management capabilities
- **Drive transformation:** emphasise growth, speed, agility, and profitability
- **Identify and purse add-ons:** rationalise complex systems landscape through multiple acquisitions

### INVESTMENT UPDATE

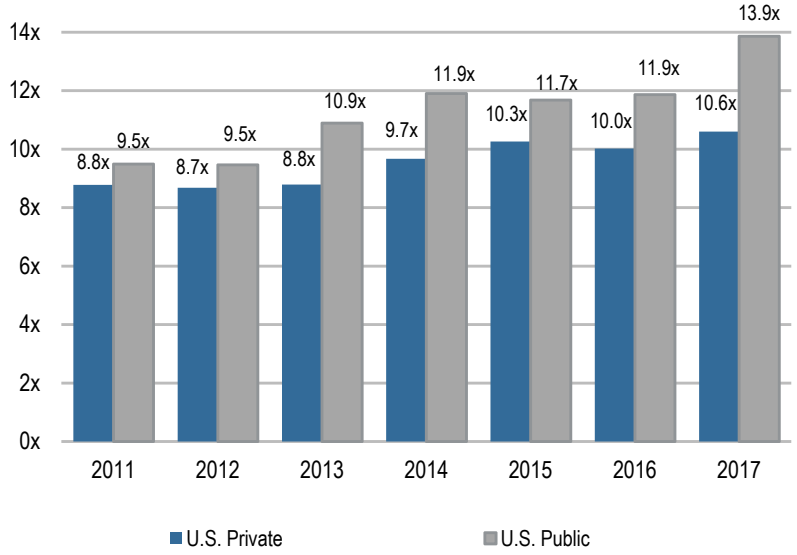
- Focus on operational, financial and M&A capabilities to support growth and innovation
- Sale of ASCO division to Schneider Electric in July 2017 for $1.25 billion to help position Vertiv for a greater focus on core business

*Source: company website, Platinum Equity website.*

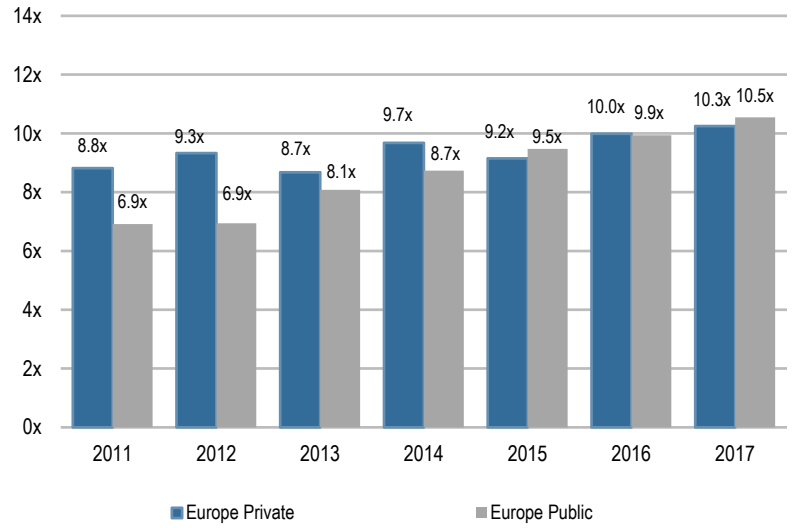
# PUBLIC MARKET VS. PRIVATE EQUITY VALUATIONS

## Private equity valuations remain at a discount to the public markets on average

### U.S. PUBLIC VS. PRIVATE VALUATIONS




### EUROPEAN PUBLIC VS. PRIVATE VALUATIONS

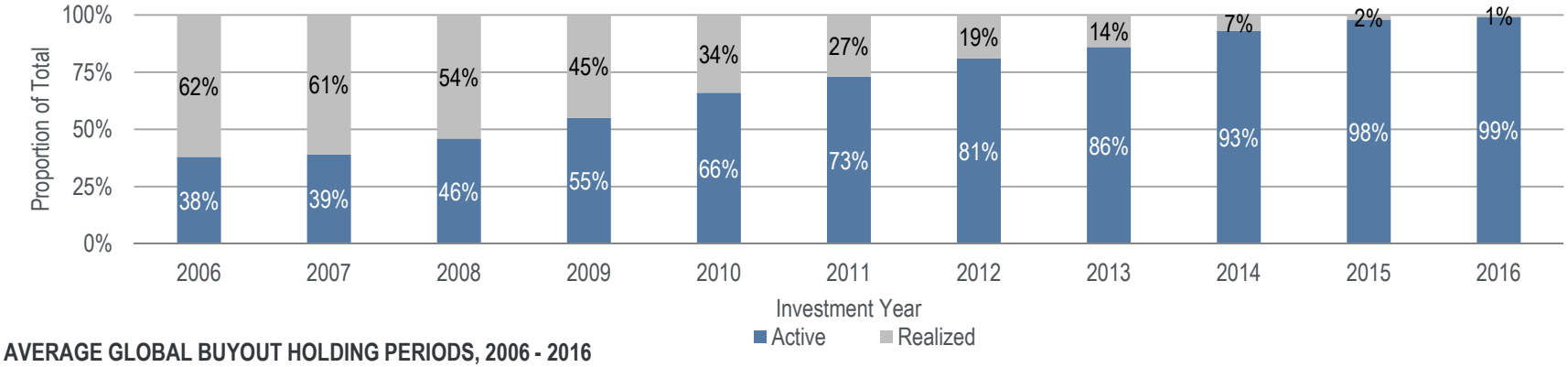



Source: S&P Leveraged Buyout Quarterly Review. S&P Capital IQ.
Note: Public multiples based on Russell 2000 for the US and FTSE All-World Developed Europe Index for Europe.
Multiples reflect EV / LTM EBITDA.

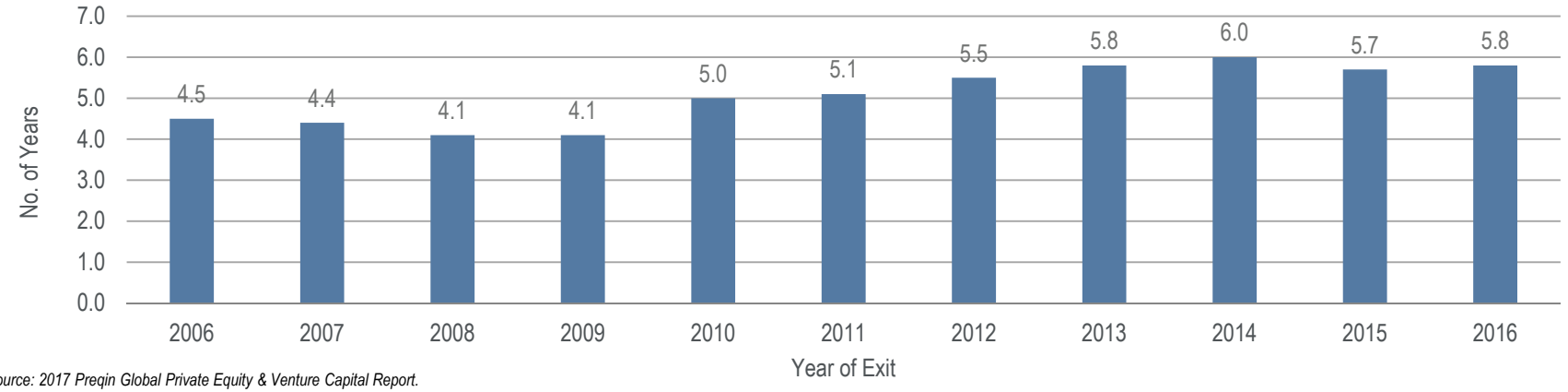
# PRIVATE EQUITY MARKET – GLOBAL BUYOUT EXIT OVERVIEW

## A large proportion of companies remain active in older portfolios, as average holding periods have increased

**PROPORTION OF ACTIVE AND REALISED PRIVATE EQUITY-BACKED BUYOUT DEALS BY INVESTMENT YEAR, 2006 - 2016**




**AVERAGE GLOBAL BUYOUT HOLDING PERIODS, 2006 - 2016**




*Source: 2017 Preqin Global Private Equity & Venture Capital Report.*

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# INCOME INVESTMENTS

# NBPE INCOME INVESTMENT STRATEGY

## Since inception, robust deal flow and selectivity have led to strong and stable performance

- Invest in the debt of private equity backed businesses
- Use the knowledge and relationships of the NB Private Equity platform for sourcing and due diligence
- Invest on a Primary and Secondary basis

**INVEST IN THE DEBT OF PRIVATE EQUITY BACKED COMPANIES**

### CORPORATE DEBT - PRIMARY

**First / Second Lien**

ProAmpac, Digital River, OPTIV, SUNGARD, Schumachergroup, K&N, Central Security Group, FLEXERA, DuBois, GCA Services Group, evoqua water technologies, LINXENS

**Mezzanine**

THE EVANS NETWORK OF COMPANIES

### CORPORATE DEBT - SECONDARY

**Mispricings or Dislocations**

**Misunderstood Credits**

- Target smaller, less liquid issuers
- Rigorous fundamental private equity due diligence
- Long-term investment capabilities
- Target equity-like returns in fixed income

# NBPE INCOME PORTFOLIO

## The NBPE income portfolio is well diversified, performing well and has a reasonable average level of total leverage

### NBPE INCOME INVESTMENTS

**36** income investments with **$158.2** million of fair value

### CASH YIELD & LEVERAGE STATISTICS[1]

- **8.7%** cash yield / **12.1%** estimated yield to maturity
- **6.1x** total leverage / **4.3x** senior leverage
- **76%** of fair value in floating rate debt
- **55%** dividend coverage from portfolio cash yield

### KEY STATS[2]

- **60%** are in asset light companies
- **93%** are in a market leading position[3]
- **48%** are in companies with a >40% equity cushion
- **96%** are in companies with a >20% equity cushion
- **52%** are in companies with a >25% EBITDA margin
- **100%** are in performing credits with no covenant issues

### TOP TEN INVESTMENTS*

| Investment Name | Industry | Cash Yield | FV ($m) |
|---|---|---|---|
| Linxens | Technology | 9.7% | 10.0 |
| Schumacher Group | Healthcare | 9.9% | 9.7 |
| Carestream Dental | Healthcare | 9.6% | 9.4 |
| Dubois Chemical | Industrials | 9.4% | 9.0 |
| ProAmpac | Packaging | 10.0% | 5.9 |
| Central Security Group | Consumer | 10.7% | 5.9 |
| Taylor Precision Products | Consumer | 12.8% | 5.9 |
| Optiv | Technology | 8.5% | 5.7 |
| Galco Industrial | Industrials | 10.2% | 5.4 |
| Sungard | Technology | 9.8% | 5.0 |
| **TOP TEN INVESTMENTS** | | | **$71.8** |

*Note: As of 30 November 2017. *Top 10 Investments exclude credit opportunities investments.*

1. *Leverage statistics exclude small business loan programs, credit opportunities and healthcare credit investments. Based on portfolio company data as of 30 June 2017. Small business loan programs are excluded from yield calculations but are at an interest rate at least at the rate stated above.*
2. *Debt key statistics exclude healthcare credit investments and small business loan portfolios.*
3. *Companies have a leading market position in their industry or niche based on NB's due diligence.*

# NEW INCOME INVESTMENTS IN 2017

## $80.7 million invested in 12 new income investments during 2017

**NEW INCOME INVESTMENTS[1]**

| INVESTMENT | INDUSTRY | EQUITY SPONSOR | INVESTED ($MM) | DESCRIPTION |
|---|---|---|---|---|
| Carestream DENTAL | Healthcare | CD&R | $9.2 | • L+8.00%, 1% L Floor / Second Lien<br>• Dental imaging and software |
| DuBois | Industrials | Jordan Group | $9.0 | • L+8.00%, 1% L Floor / Second Lien<br>• Second lien<br>• Producer of chemicals for the manufacturing industry |
| OPTIV | Technology | KKR | $6.0 | • L+7.25%, 1% L Floor / Second Lien<br>• Cyber security solutions provider |
| SUNGARD Public Sector | Technology | Vista Equity Partners | $4.9 | • L+8.50%, 1% L Floor / First Lien<br>• Technology solutions for governments / education |
| blue nile THE SOURCE OF BRILLIANCE™ | Consumer | Bain Capital | $3.6 | • L+6.50%, 1% L Floor / Second Lien<br>• Online jewelry retailer |
| Hospitalist GROUP | Healthcare | Gryphon Investors | $3.8 | • L+8.50%, 1% L Floor / Second Lien<br>• Healthcare service provider |
| EPIC | Insurance | Oak Hill Capital | $2.8 | • L+9.25%, 1% L Floor / Second Lien<br>• Insurance provider |
| FirstLight | Communications | Oak Hill Capital | $1.3 | • L+8.00%, 1% L Floor / Second Lien<br>• Fiber optic network provider |

*Note: As of 31 December 2017.*
*1. Excludes four undisclosed investments made through the NB Credit Opportunities program.*

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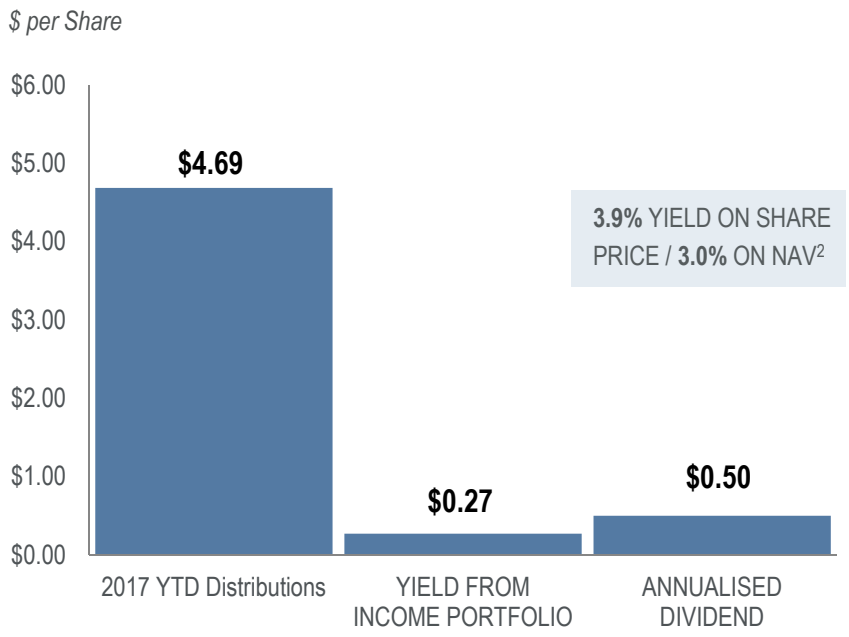
# DIVIDENDS, CAPITAL POSITION & PERFORMANCE

# DIVIDENDS AND CAPITAL POSITION

## Dividends strongly covered by cash distributions and yield from the income portfolio

**DIVIDENDS**




**3.9%** YIELD ON SHARE PRICE / **3.0%** ON NAV[2]

**CAPITAL POSITION**[1]

| CASH POSITION |
| --- |
| **$111.4** million of cash & available credit facility |
| **UNFUNDED COMMITMENTS** |
| **$20.0** million of adjusted unfunded commitments |
| **COMMITMENT COVERAGE** |
| **559%** adjusted commitment coverage |

*Note: See endnote #2 for important information related to the dividend. Total yield (inclusive of PIK interest) represents the return (IRR) from this reporting period to the maturity of the investment. As of 30 November 2017.*

1. *Unfunded commitments are adjusted by funds past their investment period and amounts which NBPE has the right to terminate if it so chooses.*
2. *Based on the company's most recent dividend and the London Stock Exchange closing share price of £9.65 on 30 November 2017 and the 30 November 2017 NAV of $16.86 per share.*

# HISTORIC PERFORMANCE

## Strong NAV and share price performance over the short, medium and long term

**CUMULATIVE RETURNS OVER TIME[1]**

| TOTAL RETURN | YTD 2017 | ONE YEAR | THREE YEAR | FIVE YEAR | SINCE INCEPTION |
|---|---|---|---|---|---|
| **NET ASSET VALUE** *USD / GBP* | 9.4% / 0.0% | 13.6% / 5.0% | 35.2% / 56.6% | 75.7% / 108.6% | 99.6% / 202.3% |
| **SHARE PRICE** *USD / GBP* | 12.5% / 2.8% | 13.6% / 5.0% | 28.5% / 48.8% | 106.8% / 145.4% | 61.8% / 145.1% |

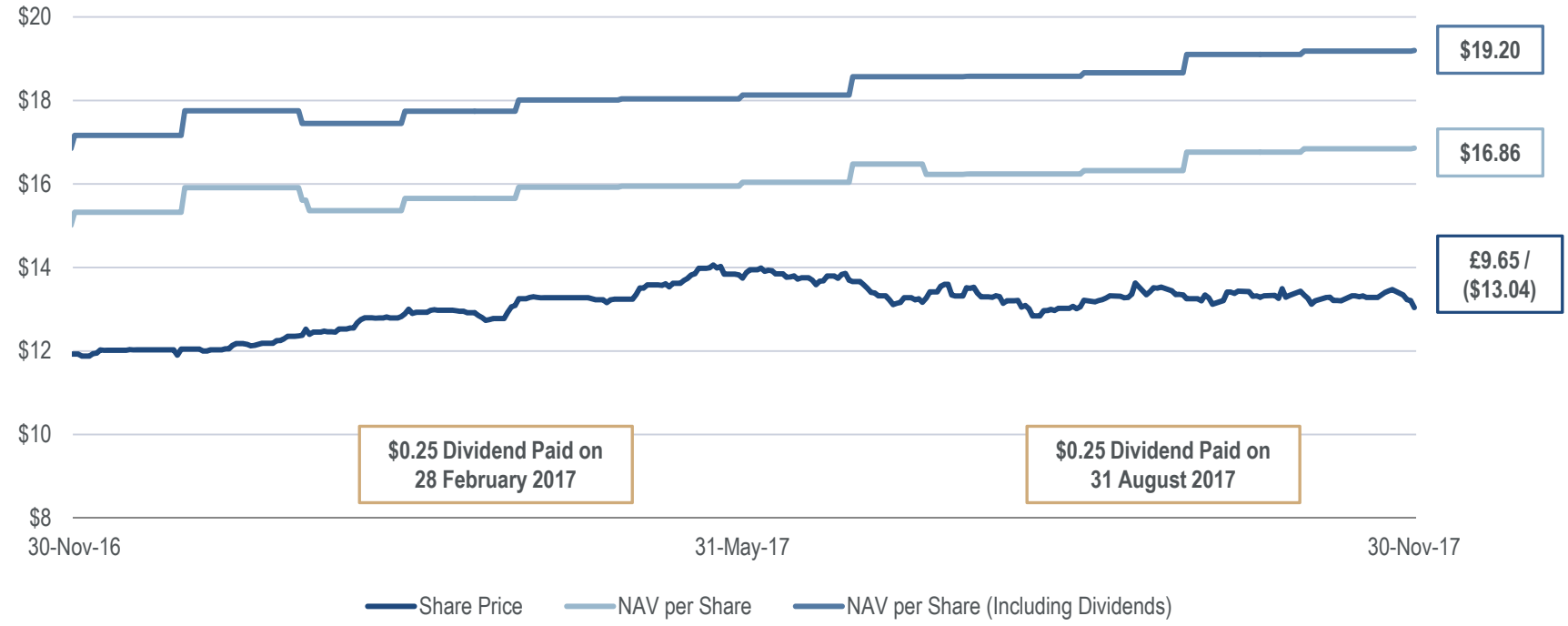
*Note: NAV data as of 30 November 2017. NBPE share price data based on the London Stock Exchange as of 30 November 2017. Prior to 30 June 2009, NBPE was only listed on the Euronext Amsterdam exchange; the Euronext Amsterdam exchange share price has been substituted for performance calculations prior to this date. GBP share price returns converted at daily GBP/USD close FX rates.*

*1. All performance figures assume re-investment of dividends at NAV or closing share price on the ex-divided date and reflect cumulative returns over the relevant time periods shown and are not annualised returns.*

# NAV & SHARE PRICE DEVELOPMENT

## On a total return basis, including dividends, NAV per Share has increased 9.4% through 30 November 2017[1]

**NBPE NAV & SHARE PRICE DEVELOPMENT (NOVEMBER 2016 – NOVEMBER 2017)**




*Note: Based on London Stock Exchange price data. As of 30 November 2017. USD share price based on daily close GBP/USD FX rate.*
*1. As of 30 November 2017.*

# NBPE – EFFICIENT PRIVATE EQUITY

## We believe NBPE offers access to a diverse private equity and income portfolio at a lower cost than many other listed private equity vehicles

**Listed Fund of Funds**

- Charge double layer of fees
  - Often 1.5% - 2.0% management fee on committed capital and 20% carry at the underlying fund level in addition to fund of funds fees & carry
- Hyper-diversified portfolios
- Potential for significant capital structure risk from any over commitment strategy and / or return dilution from cash drag

**Listed Direct Funds**

- Single layer of fees, but at a higher level
  - 1.5% management fee on NAV (or NAV + committed capital) and 15 – 20% carry
- Concentrated lead manager risk and often more concentrated portfolio
- Multiple "direct" vehicles invest in third party funds and have multiple layers of fees

**NBPE**

- Single layer of fees on direct investments
  - 1.5% on NAV and 7.5% performance fee
- Appropriately diversified with multiple top tier managers
- Low over commitment risk

*Note: Fee characteristics are described generally above and are typical fees in direct and fund of funds. Fees may vary and the examples above are based on the Manager's assessment of the current market*

# ATTRACTIVE VALUE PROPOSITION

## We believe NBPE offers a compelling investment opportunity

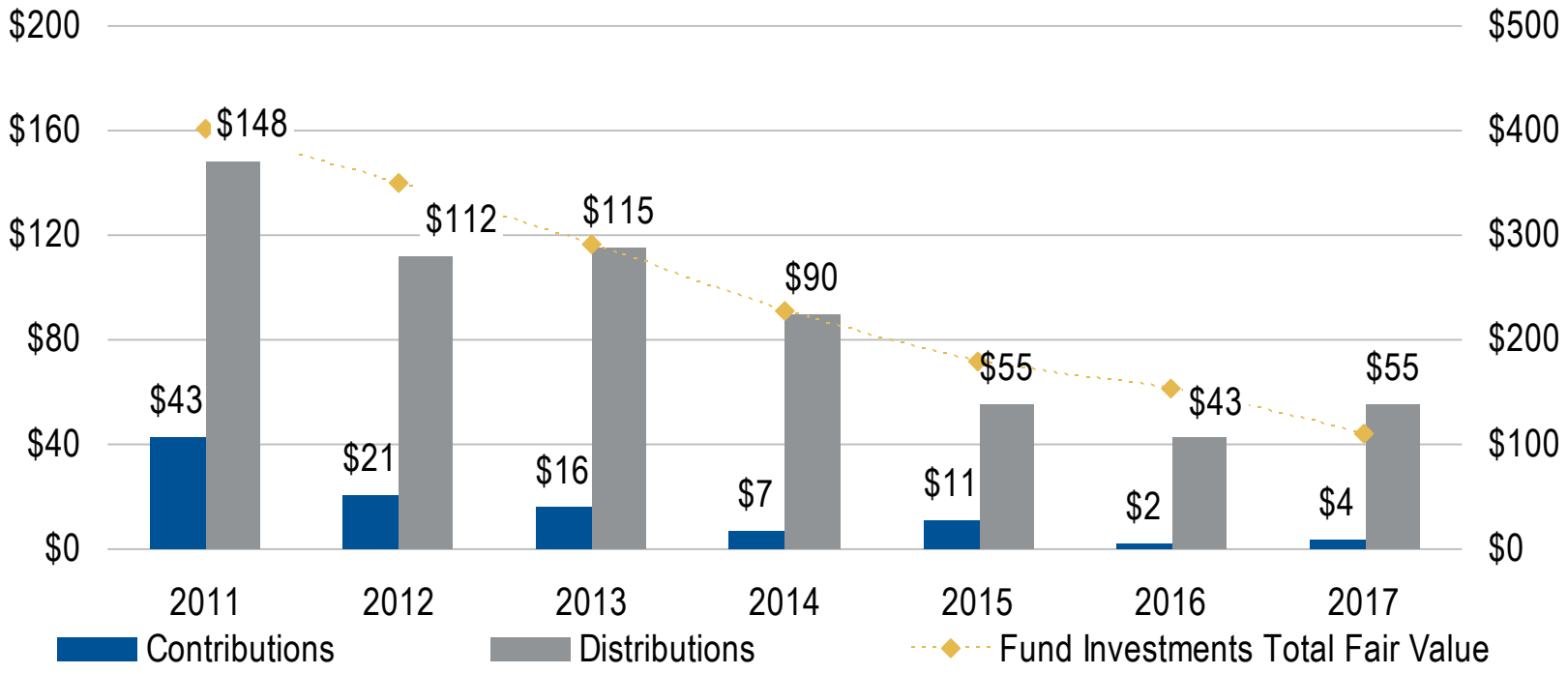
- Capital appreciation and growth from equity investments
- Income through an attractive dividend, supported by the cash yield from the income portfolio and investment realisations
- Strong capital structure and commitment coverage
- Private equity exposure with attractive fee structure – direct investments in portfolio typically feature lower all-in fees than investing directly into LP funds

NEUBERGER BERMAN

# APPENDIX

# FUND INVESTMENT PORTFOLIO LIQUIDITY

NBPE's fund portfolio has continued to produce strong liquidity while becoming an increasingly immaterial component of the overall portfolio

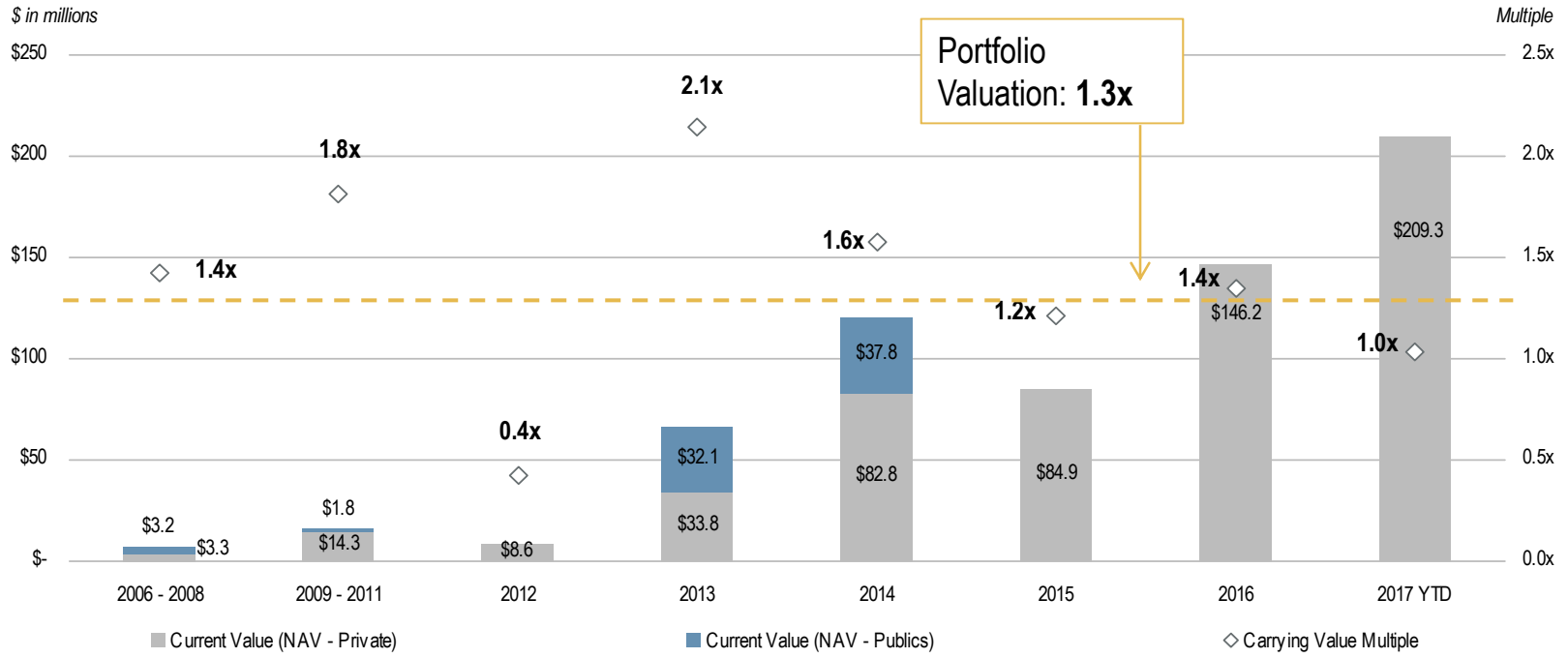



*Note: as of 31 December 2017. Numbers may not sum due to rounding.*

# CURRENT EQUITY PORTFOLIO VALUATION BY YEAR

## The equity co-investment portfolio is held at a 1.3x multiple of cost

### EQUITY PORTFOLIO VALUATION BY VINTAGE YEAR




*Note: as of 30 November 2017.*

# TRADING INFORMATION

| | |
|---|---|
| **Trading Symbol:** | Class A Ordinary Shares: NBPE |
| **Exchanges:** | London Stock Exchange & Euronext Amsterdam |
| **Traded Currency:** | GBP (LSE); USD (Euronext) |
| **Bloomberg:** | NBPE NA, NBPE LN |
| **Reuters:** | NBPE.AS, NBPE.L |
| **ISIN:** | GG00B1ZBD492 |
| **COMMON:** | 030991001 |

| | |
|---|---|
| **Trading Symbol:** | 2022 ZDPs: NBPP |
| **Exchanges:** | London Stock Exchange |
| **Base Currency:** | GBP |
| **Bloomberg:** | NBPP:LN |
| **ISIN:** | GG00BD0FRW63 |
| **SEDOL:** | BD0FRW6 |
| **Gross Redemption Yield at Issuance:** | 4.0% |
| **Share Life:** | 30 September 2022 |
| **Final Capital Entitlement:** | 126.74p |

# CONTACT INFORMATION

| | |
|---|---|
| **Registered Office:** | NB Private Equity Partners Limited<br>P.O. Box 225<br>Heritage Hall, Le Marchant Street<br>St. Peter Port, Guernsey GY1 4HY<br>Channel Islands<br>Tel: +44.(0).1481.716.000 |
| **Investment Manager:** | NB Alternatives Advisers LLC<br>325 N. Saint Paul Street<br>Suite 4900<br>Dallas, TX 75201<br>United States of America |
| **Investor Relations:** | Web: www.nbprivateequitypartners.com<br>Email: IR_NBPE@nb.com<br>Tel: +1.214.647.9593 |
| **Media Relations:** | Neustria Partners<br>Nick Henderson<br>Tel: +44.20.3021.2583 |

| | |
|---|---|
| **Corporate Brokers:** | Stifel Nicolaus<br>Neil Winward<br>Tel: +44.20.7710.7600<br>Jefferies International Limited<br>Gary Gould/Stuart Klein<br>Tel: +44.20.7029.8766 |
| **Research Analysts:** | Stifel Nicolaus – Iain Scouller<br>Email: iain.scouller@stifel.com<br>Jefferies – Matthew Hose<br>Email: matt.hose@jefferies.com<br>J.P. Morgan Cazenove – Christopher Brown<br>Email: christopher.brown@jpmorgan.com<br>Canaccord Genuity – Alan Brierley<br>Email: abrierley@canaccordgenuity.com<br>Fidante – Joachim Kelment<br>Email: jklement@fidante.com<br>Liberum Capital – Coner Finn<br>Email: coner.finn@liberumcapital.com<br>Numis – Charles Cade<br>Email: c.cade@numis.com<br>Winterflood – Simon Elliott<br>Email: simon.elliott@wins.co.uk<br>finnCap – Monica Tepes<br>Email: mtepes@finncap.com<br>Cantor Fitzgerald – Markuz Jaffe<br>Email: markuz.jaffe@cantor.com<br>Panmure Gordon – Charles Murphy<br>Email: charles.murphy@panmure.com |

# EQUITY INVESTMENTS

| Company Name | Asset Class | Investment Date | Lead Sponsor | Fair Value | % of NBPE NAV |
|---|---|---|---|---|---|
| Accedian | Growth / Venture | Apr-17 | Bridge Growth Partners | $10.0 | 1.2% |
| Acteon | Large-cap Buyout | Dec-12 | KKR | 1.0 | 0.1% |
| Alex & Ani | Mid-cap Buyout | May-15 | Lion Capital | 3.7 | 0.5% |
| American Dental Partners, Inc. | Mid-cap Buyout | Feb-12 | JLL Partners | 5.2 | 0.6% |
| ARUHI Corporation | Mid-cap Buyout | Oct-14 | Carlyle Group | 10.4 | 1.3% |
| Aster / DM Healthcare | Mid-cap Buyout | Jun-14 | Olympus Capital | 7.0 | 0.8% |
| Berlin Packaging | Mid-cap Buyout | Oct-14 | Oak Hill Capital Partners | 6.6 | 0.8% |
| Black Knight Financial Services | Large-cap Buyout | Dec-13 | Thomas H. Lee | 12.3 | 1.5% |
| Boa Vista | Mid-cap Buyout | Nov-12 | TMG Capital | 1.3 | 0.2% |
| Branded Cities Network | Mid-cap Buyout | Nov-17 | Shamrock Capital | 14.6 | 1.8% |
| Branded Toy Company* | Mid-cap Buyout | Jul-17 | Not Disclosed | 10.6 | 1.3% |
| Brightview | Large-cap Buyout | Dec-13 | KKR | 7.0 | 0.9% |
| Business Services Company* | Large-cap Buyout | Oct-17 | Not Disclosed | 19.0 | 2.3% |
| Bylight | Mid-cap Buyout | Jun-17 | Sagewind Partners | 2.5 | 0.3% |
| Centro | Growth / Venture | Jun-15 | FTV Capital | 3.5 | 0.4% |
| Compliance Solutions Strategies | Mid-cap Buyout | Apr-17 | CIP Capital | 3.9 | 0.5% |
| Concord Bio | Growth / Venture | Jun-16 | Quadria Capital | 3.6 | 0.4% |
| Connector Company* | Growth / Venture | Oct-15 | Not Disclosed | 4.0 | 0.5% |
| Consilio | Growth / Venture | Jul-15 | Shamrock Capital | 11.0 | 1.3% |
| Corona Industrials | Mid-cap Buyout | Jun-14 | Victoria Capital | 1.6 | 0.2% |
| Counsyl | Growth / Venture | Jul-14 | Pilot Growth | 5.5 | 0.7% |
| CSC Service Works | Mid-cap Buyout | Mar-15 | Pamplona Capital | 6.7 | 0.8% |
| Digital River (Equity) | Mid-cap Buyout | Feb-15 | Siris Capital | 9.5 | 1.2% |
| Ellucian | Large-cap Buyout | Sep-15 | TPG Capital | 7.0 | 0.9% |
| Engineering Ingegneria Informatica | Mid-cap Buyout | May-16 | NB Renaissance | 14.9 | 1.8% |
| Evoqua Equity | Mid-cap Buyout | Jan-14 | AEA Investors | 13.3 | 1.6% |
| Excelitas | Mid-cap Buyout | Nov-17 | AEA Investors | 5.0 | 0.6% |
| Extraction Oil & Gas | Mid-cap Buyout | May-14 | Yorktown Partners | 24.6 | 3.0% |
| Fairmount Minerals | Mid-cap Buyout | Aug-10 | American Securities Partners | 1.0 | 0.1% |
| Final Site | Mid-cap Buyout | Nov-16 | Bridge Growth Partners | 12.4 | 1.5% |
| Financial Services Company* | Large-cap Buyout | Sep-16 | Not Disclosed | 14.5 | 1.8% |
| First Data | Large-cap Buyout | Sep-07 | KKR | 3.2 | 0.4% |
| Formation Energy | Mid-cap Buyout | Jul-13 | Lindsay Goldberg | 1.1 | 0.1% |
| Fortress | Mid-cap Buyout | Jun-17 | Quadria Capital | 7.0 | 0.9% |
| Galco Industrials Equity | Special Situations | May-14 | AEA Investors | 0.8 | 0.1% |
| Gardner Denver, Inc. | Large-cap Buyout | Jul-13 | KKR | 19.8 | 2.4% |
| GC Services | Mid-cap Buyout | Jan-16 | Owner Resource Group | 6.9 | 0.8% |
| Genetic Testing Company - Equity* | Special Situations | Jun-13 | Not Disclosed | 8.2 | 1.0% |
| Groupo Cortefiel | Large-cap Buyout | Oct-17 | PAI | 8.8 | 1.1% |
| Hilsinger | Mid-cap Buyout | May-14 | Blue Point Capital | 4.9 | 0.6% |
| Incipio | Growth / Venture | Feb-16 | Goode Partners | 0.8 | 0.1% |
| Inflection Energy | Mid-cap Buyout | Oct-14 | Chambers Energy | 4.6 | 0.6% |
| Innovation Group | Large-cap Buyout | Dec-15 | Carlyle Group | 0.8 | 0.1% |
| Into University Partnerships | Mid-cap Buyout | Apr-13 | Leeds Equity Partners | 1.5 | 0.2% |
| J.Crew Group | Large-cap Buyout | Mar-11 | TPG / Leonard Green | 0.4 | 0.0% |
| Kyobo Life Insurance Co. | Mid-cap Buyout | Dec-07 | Corsair Capital Partners | 2.4 | 0.3% |
| Lasko Products | Special Situations | Nov-16 | Comvest Partners | 8.4 | 1.0% |
| Leaseplan | Mid-cap Buyout | Apr-16 | TDR Capital | 12.0 | 1.5% |
| LGC | Large-cap Buyout | Mar-16 | KKR | 13.7 | 1.7% |
| Looking Glass | Growth / Venture | Feb-15 | Alsop Louie | 7.1 | 0.9% |
| Marquee Brands | Special Situations | Dec-14 | Neuberger Berman | 13.8 | 1.7% |
| Material Handling Systems | Mid-cap Buyout | Apr-17 | Thomas H. Lee | 17.0 | 2.1% |
| MBI Energy | Mid-cap Buyout | Jun-14 | Lindsay Goldberg | 0.0 | 0.0% |
| MHS | Mid-cap Buyout | Mar-17 | Harvest Partners | 4.9 | 0.6% |
| Mills Fleet Farms | Large-cap Buyout | Feb-16 | KKR | 4.4 | 0.5% |
| OB Hospitalist Group | Mid-cap Buyout | Aug-17 | Gryphon Partners | 0.4 | 0.1% |
| Omega Environmental Technologies | Mid-cap Buyout | Feb-17 | AEA Investors | 9.3 | 1.1% |
| Petsmart | Large-cap Buyout | Jun-15 | BC Partners | 7.2 | 0.9% |
| ProAmpac | Mid-cap Buyout | Nov-16 | Pritzker Group | 22.0 | 2.7% |
| ProMach | Mid-cap Buyout | Nov-14 | AEA Investors | 6.2 | 0.7% |
| Prosper | Growth / Venture | Apr-15 | Multiple Sponsors | 2.1 | 0.3% |
| Qpark | Large-cap Buyout | Oct-17 | KKR | 20.0 | 2.4% |
| RiverBed | Mid-cap Buyout | Feb-15 | Thoma Bravo | 9.5 | 1.2% |
| Saguaro | Mid-cap Buyout | Jul-13 | Pine Brook | 14.5 | 1.8% |
| Shelf Drilling | Mid-cap Buyout | Feb-13 | Castle Harlan Partners | 1.3 | 0.2% |
| Snagajob | Growth / Venture | Jun-16 | NewSpring Capital | 4.6 | 0.6% |
| Solace Systems | Growth / Venture | Apr-16 | Bridge Growth Partners | 7.2 | 0.9% |
| SolarWinds | Large-cap Buyout | Feb-16 | Thoma Bravo | 8.4 | 1.0% |
| Specialty Drug Pharma. Company* | Mid-cap Buyout | Oct-15 | Not Disclosed | 0.6 | 0.1% |
| Standard Aero | Mid-cap Buyout | Jun-15 | Veritas Capital | 9.1 | 1.1% |
| Staples | Large-cap Buyout | Sep-17 | Sycamore Partners | 23.4 | 2.8% |
| Stratus Technologies | Mid-cap Buyout | Apr-14 | Siris Capital | 2.9 | 0.3% |
| Syniverse Technologies | Large-cap Buyout | Feb-11 | Carlyle Group | 3.0 | 0.4% |
| Taylor Precision Products | Mid-cap Buyout | Jul-12 | Centre Partners | 2.3 | 0.3% |
| Technology Company (Encryption App)* | Growth / Venture | Aug-14 | Not Disclosed | 1.5 | 0.2% |
| Telxius | Large-cap Buyout | Oct-17 | KKR | 20.0 | 2.4% |
| The Warranty Group | Large-cap Buyout | Jul-14 | TPG | 19.6 | 2.4% |
| Univar | Large-cap Buyout | Nov-10 | Clayton, Dublier & Rice | 0.8 | 0.1% |
| USI | Large-cap Buyout | Jun-17 | KKR | 20.0 | 2.4% |
| Velocidi | Growth / Venture | Dec-16 | Pilot Growth | 2.0 | 0.2% |
| Vencore | Mid-cap Buyout | Nov-10 | Veritas Capital | 10.5 | 1.3% |
| Vertiv | Special Situations | Nov-16 | Platinum Equity | 10.4 | 1.3% |
| West Marine | Mid-cap Buyout | Sep-17 | Monomoy Capital | 7.0 | 0.9% |
| Wind River Environmental | Mid-cap Buyout | Apr-17 | Gryphon Partners | 5.9 | 0.7% |
| Net Other Assets, incl. Escrow / (Liabilities) | | | | $0.9 | n.a. |
| **Total Equity Co-investment Portfolio** | | | | **$657.9** | **79.8%** |

*Note: As of 30 November 2017.*
** Due to confidentiality provisions, company name cannot be disclosed.*

# INCOME INVESTMENTS

| INVESTMENT NAME | SECURITY DETAILS | INVESTMENT DATE | MATURITY DATE | FAIR VALUE[1] | CASH + PIK COUPON | CASH YIELD | TOTAL EST. YTM |
|---|---|---|---|---|---|---|---|
| *Corporate Private Debt Investments* | | | | | | | |
| 2017 | | | | | | | |
| Firstlight Fiber | Second Lien (L+8.0% Cash, 1% L Floor, 1.5% OID) | Sep-17 | Dec-22 | 2.4 | 9.4% | 5.2% | 9.8% |
| Epic Insurance | Second Lien (L+9.25% Cash, 1% L Floor, 3% OID) | Sep-17 | Sep-25 | 3.4 | 10.6% | 9.1% | 11.0% |
| Carestream Dental | Second Lien (L+8.0% Cash, 1% L Floor, 3% OID) | Sep-17 | Sep-25 | 9.4 | 9.4% | 9.4% | 9.8% |
| OB Hospitalist | Second Lien (L+8.5% Cash, 1% L Floor, 2% OID) | Aug-17 | Aug-25 | 3.6 | 9.9% | 10.8% | 12.1% |
| Dubois Chemical | Second lien (L+8.00% Cash, 1% L Floor, 1% OID) | Mar-17 | Mar-25 | 9.0 | 9.4% | 9.4% | 9.7% |
| Blue Nile | First Lien (L+6.50% Cash, 1% L Floor, 3% OID) | Mar-17 | Feb-23 | 3.5 | 7.9% | 8.1% | 8.4% |
| Optiv | Second Lien (L+7.25%, 1% Floor, 0.5% OID) | Feb-17 | Feb-25 | 5.7 | 8.6% | 8.5% | 8.7% |
| Sungard | Second Lien (L+8.50%, 1% Floor, 1.0% OID) | Feb-17 | Jan-25 | 5.0 | 9.9% | 9.8% | 10.3% |
| 2016 | | | | | | | |
| ProAmpac | Second Lien (L+8.50%, 1% L Floor) | Nov-16 | Oct-24 | 5.9 | 9.9% | 10.0% | 10.1% |
| 2015 | | | | | | | |
| Linxens | Second lien (L+8.25% Cash, 1.0% L Floor, 1% OID) | Oct-15 | Oct-23 | 10.0 | 9.6% | 9.7% | 10.1% |
| Schumacher Group | Second lien (L+8.5% Cash, 1.0% L Floor, 1% OID) | Oct-15 | Oct-23 | 9.7 | 9.9% | 9.9% | 10.4% |
| Funding Circle | Portfolio of small business loans | Jan-15 | N/A | 3.7 | N/A | N/A | N/A |
| Digital River Debt | First lien (L+5.75% Cash, 1.0% L Floor, 1% OID) | Jan-15 | Feb-21 | 1.2 | 7.1% | 11.3% | 7.3% |
| Digital River Debt | Second lien (L+11.0% Cash, 1.0% L Floor, 1% OID) | Jan-15 | Feb-22 | 1.0 | 12.4% | 12.2% | 12.9% |
| 2014 | | | | | | | |
| Central Security Group | Second lien (L+9.0% Cash, 1% L Floor, 5% OID) | Nov-14 | Oct-21 | 5.9 | 10.4% | 10.7% | 10.9% |
| Galco Industrial Electronics | Sr. sub notes (10.75% Cash, 1.25% PIK, 1.5% OID) | May-14 | May-21 | 5.4 | 12.0% | 10.2% | 11.7% |
| 2013 | | | | | | | |
| Taylor Precision Products | Sr. sub notes (13% Cash, 1.5% OID) | Nov-13 | May-19 | 5.9 | 13.0% | 12.8% | 11.4% |
| P2 Energy Solutions | Second lien (L+8.00% Cash, 1.0% L Floor, 1% OID) | Nov-13 | May-21 | 4.5 | 9.4% | 10.4% | 13.5% |
| **Total Corporate Private Debt Investments Fair Value** | | | | **$95.2** | **9.9%** | **9.8%** | **10.4%** |
| **Total Credit Opportunities Investments** | | | | **$57.3** | **9.9%** | **11.6%** | **15.2%** |
| *Healthcare Credit Investments** | | | | | | | |
| 2016 | | | | | | | |
| Generic Pharmaceutical Company | Senior secured term loan (L + 5.375%, 1% Floor) | Jan-16 | Jan-23 | - | 6.7% | 7.7% | 8.6% |
| 2014 | | | | | | | |
| Convertible Notes (Specialty Pharmaceuticals) | Convertible notes (4.5% Cash) | Apr-14 | May-20 | - | 4.5% | 6.8% | 4.6% |
| Term Loan (Specialty PCP and Pediatric Pharmaceuticals) | Senior secured loan (first lien, 12% cash, 0.75% fee) | Feb-14 | Feb-19 | - | 12.0% | N/M | N/M |
| Term Loan (Medical Diagnostics) | Senior secured loan (10.5% Cash) | Jan-14 | Dec-18 | - | 10.5% | 11.1% | 11.1% |
| 2013 | | | | | | | |
| Royalty Notes (Hormone Therapy) | Royalty backed note | Apr-11 | N/A | - | N/A | N/M | N/M |
| **Total Healthcare Credit Investments Fair Value** | | | | **$5.7** | **7.6%** | **8.6%** | **8.6%** |
| **Total Income Portfolio Fair Value** | | | | **$158.2** | **9.8%** | **8.7%** | **12.1%** |

*Note: As of 30 November 2017.*
*1. See endnote #3 for important information on the income investment portfolio.*
** Due to confidentiality provisions, company name cannot be disclosed.*

# FUND INVESTMENTS

| Investment Name | Asset Class | Vintage Year | Unfunded Commitment | Fair Value | % of NBPE NAV |
|---|---|---|---|---|---|
| Catalyst Fund III | Special Situations Funds | 2011 | $1.2 | $14.1 | 1.7% |
| NB Crossroads Fund XVIII - Mid-cap Buyout | Mid-cap Buyout Funds | Fund XVIII | 7.1 | 11.4 | 1.4% |
| Bertram Growth Capital II | Growth / Venture Funds | 2010 | 1.8 | 9.9 | 1.2% |
| Platinum Equity Capital Partners II | Special Situations Funds | 2007 | 3.3 | 5.4 | 0.7% |
| NG Capital Partners I , L.P. | Growth / Venture Funds | 2010 | 0.3 | 7.4 | 0.9% |
| Bertram Growth Capital I | Growth / Venture Funds | 2007 | 1.0 | 6.1 | 0.7% |
| NB Crossroads Fund XVII | Fund XVII (Diversified) | Fund XVII | 1.7 | 4.3 | 0.5% |
| NB Crossroads Fund XVIII - Venture Capital | Growth / Venture Funds | Fund XVIII | 1.7 | 5.7 | 0.7% |
| Corsair III Financial Services Capital Partners | Mid-cap Buyout Funds | 2007 | 0.7 | 5.7 | 0.7% |
| Sun Capital Partners V | Special Situations Funds | 2007 | 1.0 | 5.4 | 0.7% |
| Avista Capital Partners | Mid-cap Buyout Funds | 2006 | 0.2 | 3.3 | 0.4% |
| DBAG Expansion Capital Fund | Growth / Venture Funds | 2012 | 0.9 | 4.3 | 0.5% |
| NB Crossroads Fund XVIII - Large-cap Buyout | Large-cap Buyout Funds | Fund XVIII | 2.2 | 3.5 | 0.4% |
| Sankaty Credit Opportunities III | Special Situations Funds | 2007 | 0.0 | 2.5 | 0.3% |
| NB Crossroads Fund XVIII - Special Situations | Special Situations Funds | Fund XVIII | 0.9 | 3.1 | 0.4% |
| NB Fund of Funds Secondary 2009 | Mid-cap Buyout Funds | 2009 | 0.6 | 3.0 | 0.4% |
| OCM Principal Opportunities Fund IV | Mid-cap Buyout Funds | 2007 | 2.0 | 2.4 | 0.3% |
| Aquiline Financial Services Fund L.P. | Mid-cap Buyout Funds | 2005 | 0.0 | 2.6 | 0.3% |
| Oaktree Opportunities Fund VIII | Special Situations Funds | 2009 | 0.0 | 1.9 | 0.2% |
| ArcLight Energy Partners Fund IV | Mid-cap Buyout Funds | 2007 | 4.6 | 2.2 | 0.3% |
| OCM Opportunities Fund VIIb | Special Situations Funds | 2008 | 3.0 | 2.3 | 0.3% |
| Trident IV | Mid-cap Buyout Funds | 2007 | 0.5 | 1.8 | 0.2% |
| Highstar Capital Fund II | Mid-cap Buyout Funds | 2004 | 0.1 | 2.3 | 0.3% |
| CVI Global Value Fund | Special Situations Funds | 2006 | 0.8 | 2.1 | 0.3% |
| J.C. Flowers II | Large-cap Buyout Funds | 2006 | 0.3 | 2.1 | 0.3% |
| First Reserve Fund XI | Large-cap Buyout Funds | 2006 | 0.0 | 1.3 | 0.2% |
| Centerbridge Credit Partners | Special Situations Funds | 2008 | 0.0 | 1.1 | 0.1% |
| American Capital Equity II | Mid-cap Buyout Funds | 2005 | 0.5 | 0.8 | 0.1% |
| Strategic Value Global Opportunities Fund I-A | Special Situations Funds | 2010 | 0.1 | 0.5 | 0.1% |
| Lightyear Capital Fund II | Mid-cap Buyout Funds | 2006 | 1.4 | 0.3 | 0.0% |
| Strategic Value Special Situations Fund | Special Situations Funds | 2010 | 0.0 | 0.2 | 0.0% |
| Carlyle Europe Partners II | Large-cap Buyout Funds | 2003 | 0.7 | 0.2 | 0.0% |
| Clessidra Capital Partners | Mid-cap Buyout Funds | 2004 | 0.1 | 0.0 | 0.0% |
| Prospect Harbor Credit Partners | Special Situations Funds | 2007 | 0.0 | 0.0 | 0.0% |
| **Total Fund Portfolio** | | | **$38.8** | **$119.5** | **14.5%** |

*Note: As of 30 November 2017.*

# ENDNOTES

1. The diversification analysis by geography, industry and vintage is based on the fair value of underlying fund investments and direct/co-investments; the diversification analysis for company size is based on the fair value of the underlying direct/co-investments and the fair value of funds with a focus on the company size described. Determinations regarding geography, industry, vintage and company size represent the Investment Manager's estimates. Accordingly, the actual diversification of our investment portfolio and the diversification of our investment portfolio on an ongoing basis may vary from the foregoing information.

2. Guidance regarding NBPE's future portfolio and performance is a target only and not a profit forecast. There can be no assurance that this target will be met or that the Company will make any future distributions whatsoever. Any such changes will be notified to shareholders through a regulatory information service. NBPE's Board of Directors will continue to evaluate the Company's financial position, annual dividend target and the timing of future dividends. Future dividend payments will be announced by NBPE after the Board of Directors have completed such evaluation.

3. Yield to maturities represent the return (IRR) from this reporting period to maturity of the investment. Includes a portfolio of small business loans at an interest rate at least at the rate stated above but not included in the yield calculations. The Taylor Precision Products debt notes currently pay 13% cash, but issuer has the option to pay 11% and 2% PIK.

4. Actual unfunded commitments are $240.8 million at 30 November 2017, corresponding to actual over commitment of $129.4 million and an actual commitment coverage ratio of 46.3%. Unfunded adjustments include removing unfunded commitments to funds past their investment period (although some amount may be called for future follow-ons or expenses), and amounts which can be terminated by NBPE if it so chooses.

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