

NB Private Equity Partners Publishes November 2020 NAV Update and Third Quarter 2020 Report

11 December 2020

NB Private Equity Partners Limited (“NBPE” or the “Company”), a closed-end private equity investment company, today announces an updated Net Asset Value (“NAV”) estimate for the month ended 30 November 2020 and the publication of the Q3 2020 quarterly report.

Key Highlights

10.3% year to date total return NAV growth and 30 November 2020 NAV per share of \$20.42 (£15.30), an increase of 6.9% compared to the 31 October 2020 issued monthly NAV estimate of \$19.11 (£14.78). This corresponds to a total NAV increase of \$61.3 million from \$893.8 million at 31 October 2020 to \$955.1 million

- The table below summarises the monthly, year to date and LTM NAV performance through 30 November 2020:

(Returns in USD)	Month	30 Nov-20 YTD	30 Nov-20 LTM
Total return NAV development per Share ¹	6.9%	10.3%	11.5%
NAV development per Share	6.9%	6.9%	8.1%

- NBPE is expecting material realisations totalling \$50 million to NBPE in mid-December from the sale of a portfolio company and liquidation of certain legacy fund investments. Pro forma for this, NBPE’s investment level is expected to be 120% and borrowings reduced to \$35 million. The balance sheet below is presented pro forma²

\$ in millions	30 November 2020	
<u>NBPE Balance Sheet Summary</u>	<u>Actual</u>	<u>Pro Forma</u>
Investment Value	\$1,195.8	\$1,145.4
Cash	3.7	4.0
Credit Facility	(85.0)	(35.0)
ZDPs	(152.8)	(152.8)
Other	(6.5)	(6.5)
NAV	\$955.1	\$955.1
Investment Level	125%	120%

¹ Assumes reinvestment of dividends on the ex-dividend date and reflects cumulative returns over time period shown. GBP NAV total return for the monthly, year to date and LTM periods are 3.5%, 9.5% and 8.1%, respectively; GBP NAV return for the monthly, year to date and LTM periods are 0.2%, 6.1% and 4.8%, respectively.

² NBPE’s actual 30 November 2020 fair value was \$1,195.8 million, actual cash was \$3.7 million and actual credit facility borrowings drawn were \$85.0 million. Private equity fair value has been adjusted for the expected realisation amount of \$50.3 million in aggregate. The diversification metrics and top ten company listings have not been adjusted for these events. After increasing cash balances by this aggregate amount, the pro forma analysis assumes \$50 million of cash reduces the credit facility borrowings drawn from \$85.0 million to \$35.0 million. There is no net NAV impact and actual NAV per share as of 30 November 2020 is \$20.42 per share. There can be no assurances the pro forma realisations contained within these adjustments occur or that the pro forma figures shown are ultimately achieved.

- 30 November 2020 NAV growth of \$61.3 million, or \$1.31 per share, relative to the originally issued 31 October 2020 NAV driven by:
 - \$39.6 million, or \$0.85 per share, of unrealised gains from additional private valuation information
 - \$26.9 million, or \$0.58 per share, of unrealised gains from public stock appreciation
 - \$6.1 million, or \$0.13 per share, of unrealised gains from changes in FX rates
 - This performance was offset by \$11.3 million of expenses, \$0.25 per share, attributable to management fee, carried interest accrual and other fee accruals, as well as credit facility interest and expenses
- 30 September 2020 NAV per share was \$19.87 (£15.37) which is an increase of \$1.59 per share or 8.7%, relative to the originally issued 30 September 2020 monthly NAV estimate. \$97.7 million of value gains (realised and unrealised) in the third quarter of 2020 from direct equity investments:
 - \$70.1 million of unrealised gains as a result of updated private company valuation information
 - \$14.2 million of unrealised gains on public investments
 - \$7.9 million of unrealised gains attributable to changes in FX rates
 - \$5.6 million of realised gains

Peter Von Lehe, Managing Director of Neuberger Berman commented:

“We are extremely pleased with the performance of NBPE’s portfolio and its underlying companies in 2020 year to date and believe the 10.3% year to date total return NAV growth demonstrates the high quality of the portfolio’s assets. The focusing of NBPE’s portfolio to predominantly direct equity investments, together with the positioning of those investments in sectors and end markets which have generally proven to be resilient through the pandemic, have resulted in NBPE’s direct equity investments producing over \$120 million of total gains in 2020 year to date. In addition, including the expected realisation events in December, the portfolio has generated approximately \$188 million of realisations in 2020. Overall, the portfolio is performing well and is maturing and with a weighted average direct equity investment holding period of 3.3 years, we believe NBPE’s portfolio is well positioned for future additional liquidity.”

Portfolio Valuation

The value of NBPE’s private equity portfolio as of 30 November 2020 was based on the following information³:

- 14% of the private equity fair value was valued as of 30 November 2020
 - 8% in public securities
 - 6% in private direct debt investments
- 86% of the private equity fair value was valued as of 30 September 2020
 - 85% in private direct equity investments
 - 1% in fund investments

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About NB Private Equity Partners Limited

NBPE invests in direct private equity investments alongside market leading private equity firms globally. NB Alternatives Advisers LLC (the “Investment Manager”), an indirect wholly owned subsidiary of Neuberger Berman Group LLC, is responsible for sourcing, execution and management of NBPE. The vast majority of direct investments are made with no management fee / no carried interest payable to third-party GPs, offering greater fee efficiency than other listed private equity companies. NBPE seeks capital appreciation through growth in net asset value over time while paying a bi-annual dividend.

³ Please refer to the valuation methodology section of the monthly report for a description of the Manager’s valuation methodology. 86% of underlying valuation data is as of 30 September 2020. Given the current market / economic environment the Manager notes that while this valuation data may be stale, it remains the best estimate we are currently able to provide but may not accurately reflect the fair value at 30 November 2020.

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About Neuberger Berman

Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager. The firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity, real estate and hedge funds—on behalf of institutions, advisors and individual investors globally. With offices in 24 countries, Neuberger Berman's diverse team has over 2,300 professionals. For six consecutive years, the company has been named first or second in Pensions & Investments Best Places to Work in Money Management survey (among those with 1,000 employees or more). In 2020, the [PRI](#) named Neuberger Berman a Leader, a designation awarded to fewer than 1% of investment firms for excellence in Environmental, Social and Governance (ESG) practices. The PRI also awarded Neuberger Berman an A+ in every eligible category for our approach to ESG integration across asset classes. The firm manages \$374 billion in client assets as of September 30, 2020. For more information, please visit our website at www.nb.com.

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