Investing in private companies to generate long-term growth

NB | Private Equity Partners

Interim Report 2023

Our Purpose

To give shareholders access to the long-term returns available from a portfolio of direct investments in highly attractive private companies through leveraging the strength of the Neuberger Berman global platform, while investing responsibly to create value for our stakeholders.

Interim Report 2023

NB Private Equity Partners ("NBPE") invests directly in private companies, alongside some of the world's leading private equity managers.

NBPE is managed by the private markets division of Neuberger Berman (the "Manager" or the "Investment Manager"), a leading private markets investor. NBPE leverages the strength of Neuberger Berman's platform, relationships, deal flow and expertise to access the most attractive investment opportunities, providing shareholders with access to a portfolio of direct investments diversified by manager, sector, geography and size.

Performance highlights

6 months to 30 June 2023

4.8% [1]
NAV total return ($)

-3.9% [1]
Total shareholder return (£)

$0.47
Dividends per share

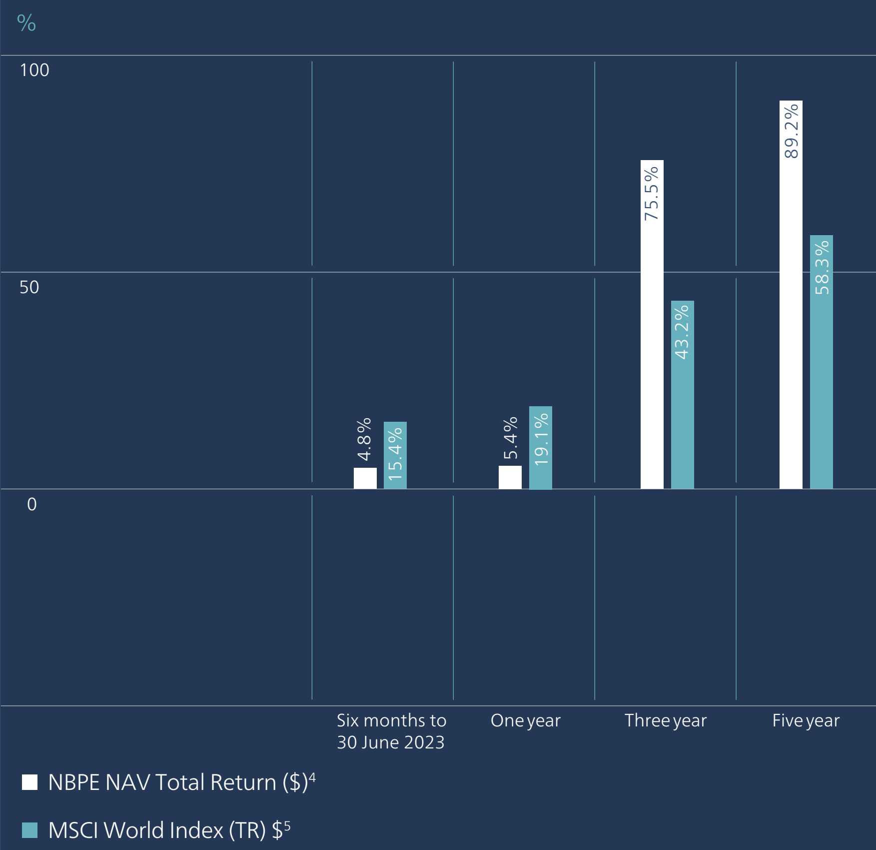
4.9%
Dividend yield on share price

$127m [2]
Announced Realisations

$45m [3]
Proceeds received in the first half

NAV Total Return

Cumulative at 30 June 2023 (% total return)



See footnotes on pages **71-72**

> "Our portfolio is navigating a challenging macroeconomic environment well"

William Maltby
Chairman

The first half of 2023 has seen some renewed optimism with our underlying portfolio companies adapting well to the new operating environment, despite continued headwinds and uncertainty. Against this backdrop, I am pleased to report a total return NAV increase of 4.8% during the first half of 2023. The growth was driven by strong operating performance across our underlying companies, and in many cases, initiatives enacted in 2022 feeding through to top and bottom-line performance. On a constant currency basis our private companies delivered a return of 3.8%.

High quality portfolio continuing to deliver growth

The portfolio continues to generate strong LTM revenue and LTM EBITDA growth of 14.9% and 15.4%, respectively. This has been achieved despite challenges in the macro-economic environment persisting, notably, elevated inflation and higher interest costs. We believe the portfolio's strong operating performance, coupled with the generally resilient nature of the portfolio companies' business models and underlying growth drivers, positions the portfolio well to navigate a range of economic conditions. At the same time, accretive M&A continues to be a strong theme within the portfolio as a route to value creation in companies that have been in our portfolio for both the short and long term. This M&A drives top-line growth and brings the benefits of scale alongside customer and end-market diversification. Within our largest 30 companies, 70% have successfully completed M&A transactions during their holding periods and a number of our largest write-ups in the period benefitted from accretive M&A.

Continued exit activity within the portfolio

Despite a challenging exit market for private equity portfolios, especially in the first half, $127 million of realisations have been announced year to date , which compares to $143 million for the whole of 2022.

Proceeds of $45 million were received in the six months to June 2023, the largest of which was the partial liquidity received from our investment in Action, as NBPE took advantage of an opportunity to crystalise some of the gains from that investment, which is currently valued at 3.5x cost. Since June, we have received an additional $20 million[6] of proceeds, including ongoing sales of some of the public positions in the portfolio, including Boa Vista and Vertiv. We expect a further $62 million of proceeds from the full sales of a number of our smaller and more mature investments, including FV Hospital, Accedian and Concord Biotech which are expected to close in the latter half of the year.

Private Portfolio Fair value

+3.8%

Constant Currency Basis

See footnotes on pages **71-72**

Two follow-on investments to support transformative acquisitions

NBPE deployed $13 million of follow-on equity into two existing portfolio companies, Solenis and Renaissance Learning, to support transformative acquisitions. Solenis acquired a public company, Diversey, and Renaissance Learning recently acquired GL Learning. Each investment had already generated successful returns, and the M&A opportunities allowed NBPE to put further capital to work in attractive, performing assets that are well known to our Manager's investment team. We are excited by the prospects of each company.

RENAISSANCE — See case study, page **19**

SOLENIS — See case study, page **21**

In addition to these two follow-on investments, a further $3 million was invested in the portfolio, taking total investment in the portfolio for the six months to $16 million.

NBPE's co-investment model enables it to be highly selective in choosing when to put capital to work. At an investment level of 107% at 30 June 2023, NBPE is under no pressure to invest and can balance the pace of investment activity to ensure we maintain a strong balance sheet. Neuberger Berman has an ongoing active pipeline of co-investment opportunities. This positions NBPE well to find attractive investments which are a good fit for the portfolio at the right time, alongside further opportunities to deploy capital into existing performing companies, particularly to support M&A and growth, as in Solenis and Renaissance.

Summary balance sheet

$m	30 June 2023 (Unaudited)	31 Dec 2022 (Audited)
Direct equity investments	$1,354.1	$1,286.4
Income investments	$95.0	$107.3
Total investments*	**$1,456.8**	**$1,401.4**
Investment level	107%	106%
Cash	$1.2	$7.0
Credit facility drawn	($10.0)	–
ZDPs	($78.5)	($72.8)
Other	($9.1)	($8.4)
Net asset value	**$1,360.4**	**$1,327.3**
NAV per share ($)	**$29.24**	**$28.38**
NAV per share (£)	**£23.00**	**£23.59**

* Total investments include approximately $7.7 million of fund investments as of 30 June 2023 and $7.7 million as of 31 December 2022.

See footnotes on pages **71-72**

Strong balance sheet and simplification of capital structure

At 30 June 2023, NBPE had total available liquidity of $291 million ($1 million cash and $290 million undrawn credit line).

The Directors intend for NBPE to repay the final entitlement of £65 million ($83 million) of NBPE's 2024 ZDPs when they mature in October 2024. To facilitate efficient cash management, towards the end of August we drew down the minimum utilisation amount on our credit facility ($90 million) and invested a portion of this amount in US Treasury Bills, partially offsetting NBPE's minimum utilisation fee.

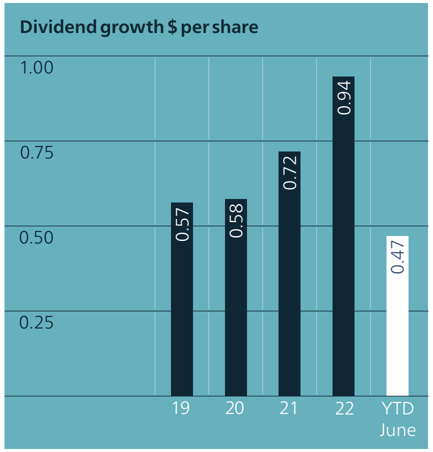
10 consecutive years of dividend payments

The first 2023 semi-annual dividend payment of $0.47 was paid in February, with the Board maintaining the dividend at 2022 levels. The second 2023 dividend of $0.47 was paid on 31 August 2023 and marks the tenth-consecutive year of dividend payments, with the Company returning over $315 million to shareholders via dividends over the past 10 years. The Board recognises the importance of a reliable source of income for shareholders and remains committed to the Company's policy of targeting an annualised dividend yield of 3% of NAV, giving shareholders the opportunity to participate directly in the performance of the underlying portfolio.

Dividends

$0.47

Total dividends paid in 1H 2023



Sector sentiment beginning to improve

While more recently sentiment toward listed private equity has begun to improve, the headwinds that faced share prices within the sector for much of 2022 persisted in the first half of 2023. NBPE's share price was not immune to these headwinds, declining by (3.9)% in the six months to June. The share price has since recovered, closing at £17.14 on 22 September, an increase of 12.3% year to date, on a total return basis.

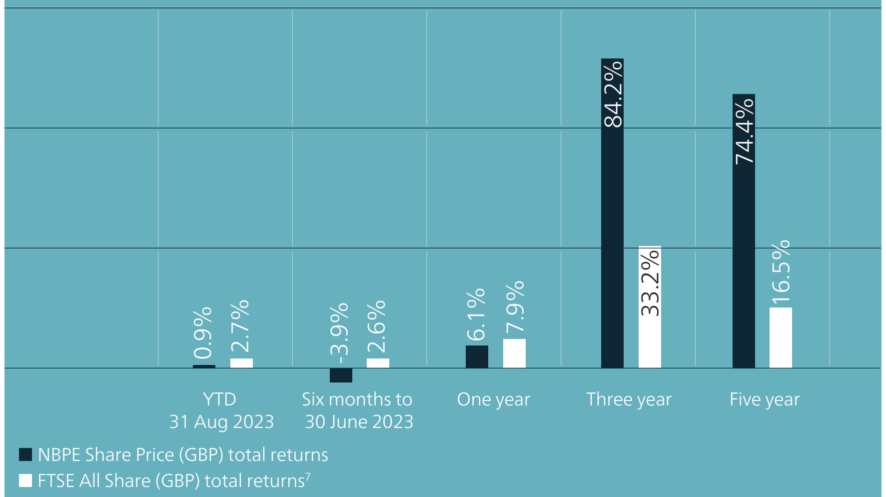
Although discounts across the sector appear to have stabilised in 2023, they remain wide, despite overall positive performance from most listed private equity funds, including NBPE. We believe that NBPE's strategy of investing in high quality private companies and aiming to deliver multiples of capital and strong compounding returns over time will drive the best long-term performance for shareholders. However, the Directors believe NBPE's discount remains unjustifiably wide given the quality and performance of the portfolio. Whilst the Company will continue to make new investments to drive longer term growth, the wide discount level represents an opportunity to invest in a portfolio that is performing strongly and our Manager knows well. So far this year, the Company has repurchased approximately $5 million of shares, at a weighted average discount of 32%, resulting in a $0.05 accretion to NAV.

The Board does not see buybacks narrowing the discount by itself, rather we believe the best way to narrow NBPE's discount is outstanding long-term investment performance, coupled with excellent investor relations and strong corporate governance. NBPE's portfolio continues to perform well, and our NAV continues to outperform public markets over the longer term.

Board evolution

As we stated in the 2022 Annual report, the Directors decided to increase the size of the Board temporarily from five to six Directors, as part of our succession planning process. In particular, we were keen to recruit early for the succession of the current Audit Chair, John Falla, who is due to retire at the 2025 AGM, after nine years of service on the Board. As part of this planning, Pawan (Pav) Dhir was appointed to the Board on 19 September 2023. He brings over three decades of global experience in finance in private equity, as well as the wider asset and wealth management sectors. He has held a number of leadership positions in finance, risk management and valuation functions in particular, including specialising in the valuation of unquoted shares and securities. Pav worked for UBS for nearly 25 years, where he was latterly Managing Director and Global Head of Financial Accounting & Controlling. His background in finance, audit and risk management are highly complementary to the skills and expertise of the Board.

Total share return (£)
vs. FTSE All-Share (cumulative)



Except for YTD 31 August 2023, cumulative return as at 30 June 2023

Update to our Responsible Investment Policy

ESG considerations are an integral part of Neuberger Berman's investment process. In 2020, NBPE adopted its own Responsible Investment Policy to underscore the importance the Board places on delivering better investment outcomes by identifying both material ESG risks and opportunities to drive value. Since then, regulation around Responsible Investing has evolved, and new regulatory definitions and disclosure frameworks have been developed. While none of these changes impact the integration of ESG considerations into Neuberger Berman's investment process, which remains unchanged, we have recently taken the opportunity to update the language in NBPE's policy to reflect these evolving regulatory definitions. The updated policy is available on our website.

Market environment

Despite some recent signs of more positive developments in the US macroenvironment, the market and investment environment remain challenging. While inflation in the US has retreated significantly from its peak, it remains elevated, leading to the potential of higher interest rates for longer. The knock-on effect is higher interest costs and underlying private equity managers are continuing to pursue operational improvement plans with intensity. Private equity managers are active owners and in this high interest rate environment the demonstrated ability of our portfolio companies to add value and execute on operational improvements is even more important.

Outlook

We have a portfolio that has broad exposure to different and attractive industries. Our underlying companies continue to perform well against a challenging economic backdrop, underscoring the value of our strategy of focusing on businesses with long-term secular growth and/or low expected cyclicality. NBPE has a strong balance sheet and a high-quality portfolio that is well positioned to navigate a wide range of economic conditions to generate significant value for shareholders.

William Maltby
Chairman
25 September 2023

See footnotes on pages **71-72**

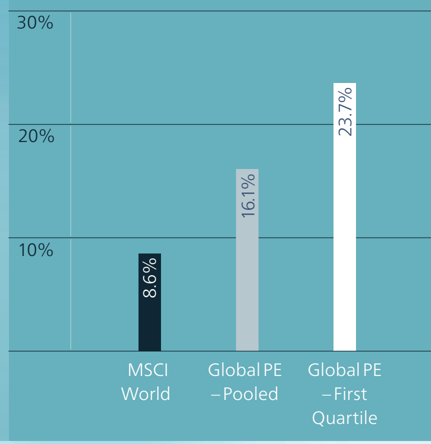
Private equity – Accessing true alpha

Driving returns that outperform public markets

An active investment model that offers the potential for returns that outperform the public markets.

Private equity managers as owners, rather than minority shareholders, can drive strategy and change to build long-term value.

10-year comparison of horizon returns for publicly-traded indices versus private equity



Source[8]

See footnotes on pages **71-72**

We offer the best of both worlds

Listed private equity funds bridge the gap between private and public equity, and are typically split between specialist direct investors and highly diversified 'fund of funds'.

NBPE's co-investment approach aims to combine the best of both the direct and fund of funds' models.

	Portfolio company diversification	Number of PE managers	Over commitment level	Fees
	NBPE offers investors exposure to a well-diversified portfolio of companies, with visibility of key underlying positions.	Investing alongside numerous leading private equity managers limits single manager and strategy risk.	NBPE's deal-by-deal investment approach means that it can be more capital efficient and remain fully invested without taking on over-commitment risk.	Around 96%[9] of the direct investment portfolio incurs neither management nor performance fees to underlying third-party managers.
Single manager	<40 companies Top 10 concentration 50%+	1	Medium	Single layer, higher performance fee 1.0% – 1.5% vehicle management fee 15% – 20% performance fee
NB Private Equity Partners	89 companies Top 10 concentration 33%	54	Very Low	Single layer, lower performance fee 1.5% vehicle management fee 7.5% performance fee
Fund of Funds	500+ companies Top 10 concentration ~10%	50+	High	Double layer, higher performance fee 0.8% – 1.5% vehicle management fee 1.5% – 2.0% underlying fund management fee 20% performance fee

See footnotes on pages 71-72

Why invest in NBPE?

Access to direct investments in high-quality private companies
NBPE co-invests alongside top-tier managers in their core area of expertise, with a focus on companies that benefit from long-term secular growth trends and/or less cyclical industries.

Benefits of NBPE's co-investment model:

Diversified
across sectors, private equity managers and company size

Focused
on the best opportunities, controlling the investment decision

Dynamic
invest deal by deal so able to respond to market conditions

ESG
ESG assessments made at both manager and company levels

Fee efficient
a single layer of fees

Strong long term performance

16.5%
Average gross IRR on direct equity investments (5 years)

2.4x[10]
Average multiple of cost on realisations (5 years)

38%[11]
Average uplift on IPOs/realisations (5 years)

See footnotes on pages **71-72**

Patricia Miller Zollar
Managing Director, Member of the Investment Committee

NBPE invests in companies that benefit from two key themes

Long-term secular growth trends

Companies that are expected to benefit from higher growth rates due to long-term trends or behaviour changes

- Often structural changes driven by changes in customer demands
- Creates new sources of demand, which can often be sustainable over long periods (versus more cyclical demand)
- Not confined to any one type of business or sector

Businesses with low cyclicality

These companies tend to be characterised by more defensive sectors or end markets

- Generally companies which are less susceptible to changes in overall GDP
- May offer reasonable downside protection during periods of economic contraction
- Can often be 'essential services' or quasi-infrastructure, such as waste management, insurance or mobile phone towers

Building the portfolio from the bottom up, investment by investment, backing companies with resilient business models and the potential to create strong earnings growth

Technology	Consumer and E-commerce	Industrial/Industrial Technology	Financial and Business Services	Other
AUCTANE	ACTION	AutoStore	CONSTELLATION AUTOMOTIVE GROUP	agiliti
RENAISSANCE	PETSMART chewy	FORTNA	USI	COTIVITI
EXCELITAS TECHNOLOGIES	MARQUEE BRANDS	MONROE BRAKES	KROLL	GFL
REALPAGE		SOLENIS	true potential	FV HOSPITAL
			Addison Group	
			osaic	

Resulting in a portfolio with a focus on these key sectors

Technology

- Significant exposure to software across industry verticals
- Companies with diversified end markets/applications
- Mission-critical applications and sticky customer bases

Consumer and E-commerce

- Companies with large-scale competitive positioning and strong brands
- Companies benefiting from significant e-commerce trends

Industrial/Industrial Technology

- Focus on 'enabling' businesses helping to drive macro trends
- Companies supporting growth of e-commerce, efficiencies and automation

Financial and Business Services

- Differentiated, technology-integrated businesses
- Sticky and diverse customer bases

Other

- Other businesses that exhibit our key themes

Our Manager has over 30 years' experience in private equity investing

The Private Markets team at Neuberger Berman is an industry-leading private markets platform, with robust deal flow, demonstrated access and selectivity, and a vast network of relationships.

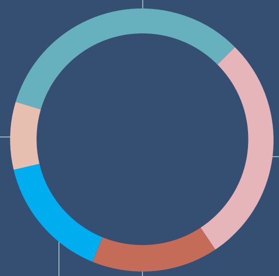
NBPE leverages the strength of the Neuberger Berman Private Markets platform to seek the most attractive direct investment opportunities.

The strength and depth of the relationships on Neuberger Berman's Private Markets platform are the principal source of deal flow for its co-investment programme.

+$120bn[12]
Private equity commitments managed

$34bn[16]
Co-investments

- 302 opportunities reviewed in first six months of 2023 from 195 unique managers



$9bn
Direct specialty strategies

$40bn[16]
Primaries

$19bn
Direct private credit

$19bn[16]
Secondaries

670+[13]
Fund commitments

360+[14]
Limited partner Advisory Committee seats

24+[15]
Years average experience among Managing Directors

Anthony Tutrone
Global Head of NB Alternatives, Managing Director, Member of the Investment Committee

See footnotes on pages **71-72**

An industry leader with an integrated platform and attractive market position

With over 300 private market professionals across 16 global locations, Neuberger Berman Private Markets' fully integrated approach to private markets investing provides robust deal flow and enhanced due diligence and execution capabilities, resulting in a long and successful investment history.

> "Our integrated global platform is one of the broadest in the marketplace. Our model affords us a differentiated position in the private markets ecosystem that drives deep relationships with leading private equity managers globally."

David Stonberg
Deputy Head of NB Alternatives and Global Co-Head of Private Equity Co-investments, Managing Director, Member of the Investment Committee

16
offices globally

300+
team members

98%
retention rate of Managing Directors and Principals

See footnotes on pages **71-72**

A global leader in ESG-integrated private equity investing

Neuberger Berman was an early pioneer in ESG investing, and has been an industry leader since.

Neuberger Berman's approach to ESG

Neuberger Berman believes that integrating ESG considerations throughout the investment process can potentially lead to more consistent and better investment outcomes by helping to identify both material risks and opportunities to drive value. We are focused on long-term partnerships and seek to engage with investee General Partners to promote ESG integration.

Deep resources

- NBPE benefits from the ESG leadership and resources of Neuberger Berman
- Responsible Investment Policy: Dedicated NBPE Responsible Investment Policy formalises NBPE's commitment to integrating ESG throughout its investment process
- NB ESG Integration Framework: Provides framework for ESG integration (e.g. 'Avoid', 'Assess' and 'Amplify')

Direct investments

- NBPE invests directly into companies and conducts ESG due diligence directly at the company-level
- Neuberger Berman Materiality Matrix: Identifies categories of factors likely to be financially material to a company given its industry/sector
- Sustainability potential: As a value-add to its fundamental due diligence, the Manager seeks to assess company UN Sustainable Development Goals (UN SDGs) thematic alignment potential

5★[17]
rating by PRI for ESG integration

PRI Principles for Responsible Investment

Member of the PRI 2020 Leaders' Group

26[18]
ESG investing professionals supporting the deepening of ESG integration into investment strategies across various asset classes

OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

UN GLOBAL COMPACT

Focusing on resilience and earnings growth

A focus on...

1 Investing in high-quality companies...

2 alongside premier private equity managers...

3 in their core areas of expertise...

4 in companies with the potential to create strong earnings growth...

5 and prudent capital structures.

David Stonberg
Deputy Head of NB Alternatives and Global Co-Head of Private Equity Co-Investments, Managing Director, Member of the Investment Committee

1 Investing in high-quality companies...

Neuberger Berman looks to invest in market-leading companies and those with sustainable competitive advantages, such as:

- Business models that are hard to replicate
- High barriers to entry
- Recurring revenue streams
- Ability to maintain revenue stability in the face of macroeconomic headwinds
- Strong management teams with the resources and incentives to implement the changes necessary to create value

2 alongside premier private equity managers...

Neuberger Berman has a deep understanding of private markets.

Its strong relationships give access to investment opportunities as well as the ability to choose some of the best managers alongside whom we work.

The team targets managers who have demonstrated a track record of:

- Investment discipline
- Value creation
- Generating strong performance through changing investment environments

89
portfolio companies

54
underlying managers in NBPE's portfolio

Elizabeth Traxler
Managing Director, Member of the Investment Committee

3 in their core areas of expertise.

Neuberger Berman's co-investment strategy focuses on partnering with the right private equity managers, with the right experience for the right opportunity.

This experience includes:

- Deep sector expertise, such as technology, industrials or financial services
- Geographic focus
- Ability and track record of investing in complex transactions
- Generating value through accretive bolt-on acquisitions

4 Investing in companies with the potential to create strong earnings growth…

Neuberger Berman aims to invest in opportunities where private equity managers can add value and generate sustained earnings growth.

Examples of this include:

- Introducing new products or entering new markets or geographies
- Finding efficiencies, or optimising management teams and people, such as ramping up a sales force
- Acquiring complementary businesses through M&A to capture synergies, increasing market share and overall scale, as well as the attractiveness to potential buyers

14.9%[19]

LTM revenue growth (at June 2023)

15.4%[19]

LTM EBITDA growth (at June 2023)

5 with prudent capital structures.

Investing in companies with prudent capital structures is paramount.

Companies should have the ability to support the investment thesis, without raising concerns about managing their debt.

Neuberger Berman looks for companies that have:

- Prudent absolute leverage level
- Covenant-lite debt
- Strong interest coverage

5.4x[20]

Net debt to EBITDA multiple (at June 2023)

See footnotes on pages **70-71**

A well-diversified portfolio

Our direct private equity portfolio

With $1.4 billion invested across 89 private companies, NBPE's portfolio is well diversified by company, manager and sector.

$1.4bn
value of direct equity investments

89
portfolio companies

67%
fair value of top 30 companies

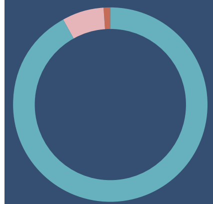
92%
of fair value invested in direct equity

54
private equity managers co-invested alongside

4.5
years private company average age

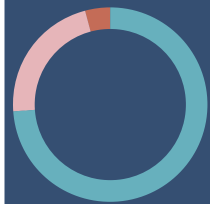
Total portfolio composition

Investment type



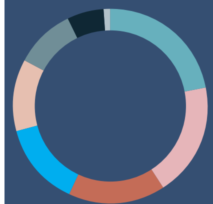
Equity	92%
Income	7%
Legacy Funds	1%

Geography



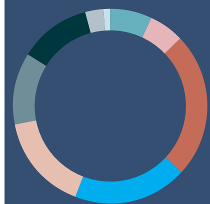
North America	74%
Europe	22%
Asia/RoW	4%

Industry



Tech, Media & Telecom	22%
Consumer/E-commerce	19%
Industrials/Industrial Technology	16%
Financial Services	14%
Business Services	12%
Healthcare	10%
Other	6%
Energy	1%

Vintage year



2015 & earlier	7%
2016	6%
2017	24%
2018	19%
2019	16%
2020	12%
2021	12%
2022	3%
2023	1%

Strong operating performance driving value

Peter von Lehe
Managing Director, Head of Investment Solutions and Strategy, Member of the Investment Committee

Paul Daggett CFA
Managing Director, Member of the Investment Committee

During the first six months of 2023, NBPE's private investments continued to perform well, increasing by 3.8% on a constant currency basis, with strong operating performance driving value, despite the challenging backdrop. This performance was further supported by positive returns from NBPE's quoted portfolio and foreign exchange movements, taking NAV total return to 4.8%.

4.8%
NAV Total Return

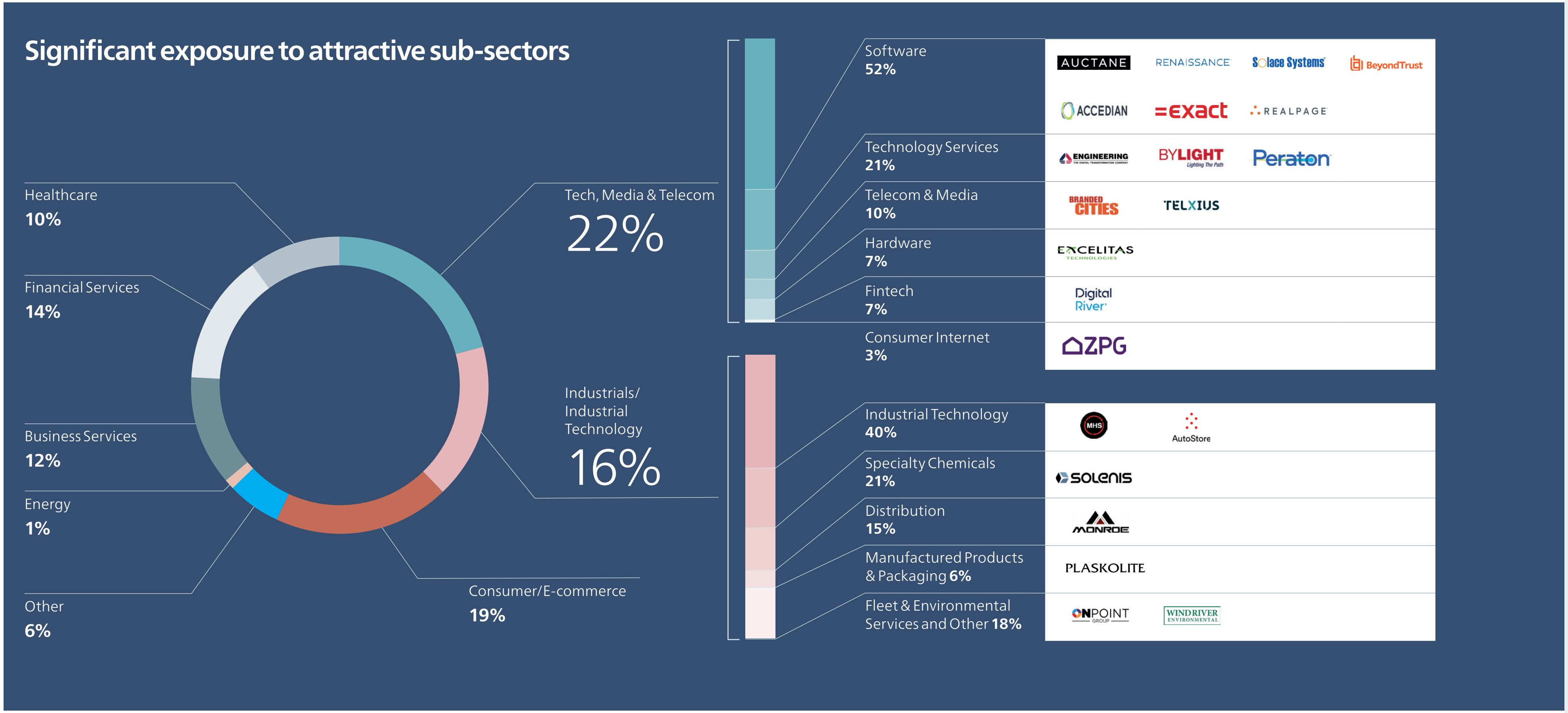
See footnotes on pages **71-72**

Co-investment portfolio invested alongside leading private equity managers

The 89 direct equity investments in NBPE's portfolio are valued at $1,354 million and constitute 92% of the overall portfolio. Of this, $1,162 million is invested in 77 private companies, while $192 million, or 13%, of the portfolio is invested in public companies – formerly private companies which have since IPO'd, but where we retain an investment which will be sold down over time.

NBPE's portfolio is built investment by investment by co-investing alongside leading private equity managers. The portfolio's focus is on two key themes: companies with long-term secular growth trends and/or lower expected cyclicality. In either case, we seek investments which demonstrate attractive characteristics including resilient business models, mission-critical products or services (those which are essential for other businesses to function), recurring or reocurring revenue and the potential for strong growth – both organically and through M&A. This focus means we do not set specific targets for industries or geographies and instead build the portfolio from the bottom-up, selecting what we believe are the best investment opportunities, sourced from our team of investment professionals worldwide.

We believe this portfolio construction lends NBPE's portfolio the ability to perform across a wide-range of economic environments, and while no company or sector is immune to the overall economic environment, we do believe the assets in the portfolio demonstrate the potential to achieve attractive performance through revenue and EBITDA growth over time.



Accretive M&A a notable theme across the portfolio

On a constant currency basis, NBPE's private direct equity investments increased in value by $47 million in aggregate over the six months, with $86 million of write ups partially offset by $39 million negative value drivers.

Valuation increases were broadly distributed across industries including technology, media and telecom (TMT), industrials, consumer and financial services sectors.

Within these sectors, TMT was driven by companies in the security, enterprise infrastructure and other software areas. These companies had strong growth in renewals and subscription revenue, further supported by sector tailwinds, in addition to recent operating expense and R&D investment beginning to drive growth. Given the essential nature of many of the products to the businesses they serve, performing critical functions and allowing their customers to operate more efficiently, in general, companies within the TMT portfolio are continuing to perform well.

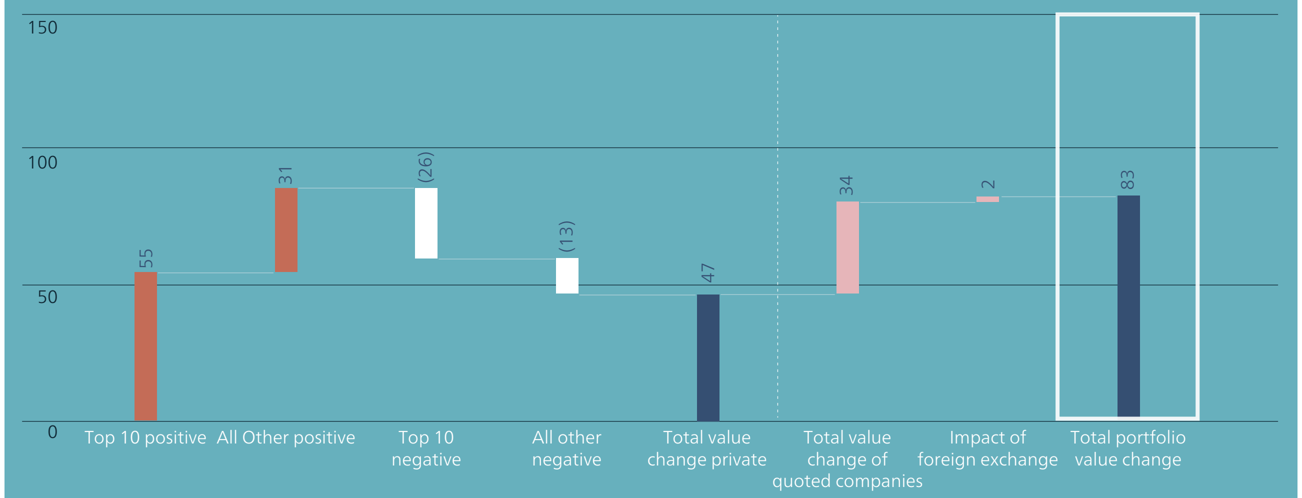
Valuation gains in industrials were driven by two companies in particular, Solenis and Monroe Engineering, as they successfully executed M&A strategies. Solenis, NBPE's sixth largest portfolio company by value, announced the $4.6 billion acquisition of Diversey, creating a 'one-stop shop' suite of solutions that meet customer demand and address water management, cleaning and hygiene needs on a global basis. In the case of Monroe Engineering, in the 18 months since AEA and NBPE invested in the business, Monroe has continued to execute on its successful acquisition playbook and has integrated an additional 10 businesses into the 'OneMonroe' platform. These acquired companies help accelerate the growth of the company, in both the base platform and the acquired entities, through a variety of proven and data-driven sales and marketing strategies.

Within the consumer sector, NBPE's investment in Action, a European discount retailer, continued its strong operating performance in the first half of 2023, with 90 new store openings. The company's recent expansion into Slovakia marks Action's 11th country in Europe and it sees significant white space opportunities to drive further growth. Alongside Action, one other consumer business increased in value, with the valuation increase driven by pricing actions, easing inflationary pressures and improved labour dynamics.

Finally, in financial services, growth through M&A continues to drive meaningful value and performance in the sector. Two notable drivers during the first six months were Osaic, one of the largest networks of wealth management professionals in the US (formerly known as Advisor Group), and USI, an insurance, brokerage and consulting company, as both companies continue to execute on their M&A strategies (case study on page 19).

In terms of negative value drivers in the first six months, in general, these companies faced stronger headwinds in the current environment, largely due to slowdowns in spending and overall activity. In certain companies, the weaker overall consumer environment caused orders to be delayed or projects limited, as business customers worked through backlogs or destocking of inventories. Private equity managers have taken action in these instances in several ways including reducing costs and optimising operating costs, monitoring margins, and in some cases, upgrading management teams.

Key performance drivers in 2023, $m



$47m

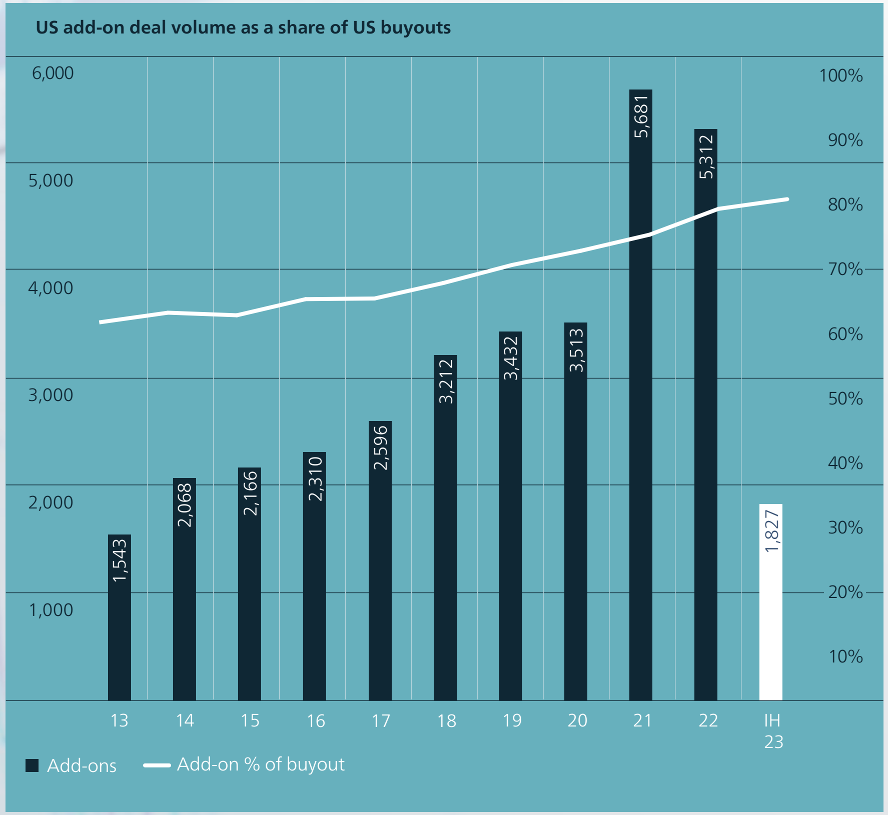
aggregate increase in value of the private companies (ex FX)

Growth opportunities: strategic and roll-up M&A

Case study Together with the need for organic growth and operational value add, mergers and acquisitions (M&A) have become an increasingly important driver of value for private equity-owned companies. In particular, there has been a noticeable uptick in the number and value of add-on deals completed over the past two years as a proportion of the market. In the first half of 2023, almost 80% of all deals in the US private equity market consisted of portfolio company add-ons.

M&A can serve as a powerful tool to strengthen a company's position in the market – by adding complementary products to a company's range, helping it reach new geographies, access a wider array of customers, and bring economies of scale to the business. Acquisitions can also bring about synergies that result in improved processes, optimised resource allocation and operational efficiencies – ultimately increasing profitability.

Amid challenging economic conditions, it's no surprise that private equity groups are exploring M&A as an engine for growth; it is necessary to improve and sometimes transform companies in order to generate requisite growth. Generally, M&A strategies can take two forms: roll up M&A or strategic M&A, each of which have unique execution characteristics and profiles for driving future growth.



See footnotes on pages **71-72**

Case study

Investment	Theme/Sector	Description
Fair value	PE manager	Investment thesis
USI	Financial Services	**Insurance brokerage and consulting services**
$54.0m	KKR	■ Favourable industry dynamics ■ Attractive financial profile and high-quality cash flow ■ Ability to grow organically and through M&A

Roll-up M&A

With roll-up M&A, the private equity sponsor acquires a number of smaller companies within the same, highly fragmented industries. The end goal is to integrate the businesses and create a company of higher value than the sum of its parts. As roll-up acquisitions typically involve smaller businesses, these acquisitions often occur at relatively lower multiples. Providing the acquisitions are successfully integrated and well managed and the company continues to demonstrate good organic growth, it should be worth more than the sum of its parts and as a larger platform, can attract new buyers due to the larger scale and higher strategic value to the next owner.

USI

USI provides consulting and brokerage services across property, casualty and employee benefits, mostly to mid-market US companies. NBPE co-invested $20.0 million alongside KKR's core private equity strategy when it acquired USI in 2017. USI operates in a highly fragmented market, with thousands of small independent insurance agents, and over the past six years has completed numerous acquisitions under KKR's ownership, growing revenue by 250%. In addition to adding scale, USI has leveraged M&A to extend its geographic reach and build out its product capabilities. Key transactions to date include the acquisitions of Wells Fargo Insurance Services USA in December 2017 and Associate Benefits & Risk Consulting in July 2020 – two complex carve outs of insurance brokerage businesses from banks. Alongside its acquisition strategy, USI management continues to execute organic growth initiatives through investment in producer hiring and technology to enhance sales effectiveness, improve client experience, and streamline training processes. NBPE's investment in USI is now the third largest, valued at $54 million.

Case study

Investment	Theme/Sector	Description
Fair value	PE manager	Investment thesis
RENAISSANCE	Technology/IT	**Education software company**
$19.8m	Francisco Partners	■ Well-known and leading brand in the education space ■ Sticky customer base ■ Attractive financial profile with high gross margins and free cash flow ■ Opportunity for M&A

Strategic M&A

Strategic M&A can greatly change the breadth and depth of a business by adding scale and complementary products, as well as new markets and geographic expansion. While roll-up M&A can be central to the investment thesis of a transaction, quite regularly strategic or transformational M&A is contemplated at the time of the investment, but is not included in base case underwriting assumptions or returns. With longer-term views and operational expertise to execute these types of transactions, private equity managers have the potential to fundamentally transform businesses, opportunities which are often difficult, or even not feasible, in the public markets.

In addition to Solenis, which is described on page 21, Renaissance Learning is another example of these kinds of opportunities.

Renaissance

Renaissance is a software company focused on analytics and content for K-12 schools in the US (ages 5-18 years). NBPE originally invested $13 million in Renaissance in 2018 alongside Francisco Partners. Since then, Francisco Partners has focused on building out the technology platform and making a number of targeted add-on acquisitions, which have increased the breadth and depth of Renaissance's learning products, complementing the company's core assessment engine; 40% of K-12 schools in the US now rely on Renaissance solutions. More recently, Renaissance completed the acquisition of GL Education, the leading provider of formative assessments to schools across the UK and Ireland. This acquisition not only increased the company's product offering, but also extended its international footprint, with its products now being used for learning in more than 100 countries. Following Blackstone's minority investment in 2021 resulting in a partial realisation to NBPE, Renaissance is now NBPE's 30th largest company, valued at $19.8 million.

Two follow-on investments to support transformative acquisitions

NBPE deployed $16 million of capital in the first six months of this year, primarily in follow-on equity into two existing portfolio companies, Solenis and Renaissance Learning, in order to support each of their transformative acquisitions and allowing NBPE to put further capital to work in attractive, performing assets that are well known to the investment team (case studies on pages 19 and 21).

First half private valuation uplift the result of continued strong operating performance from private companies

During the first six months of 2023, companies have, on the whole, adapted to the current environment. From an operating perspective, the portfolio is performing well, despite ongoing challenges, including higher interest costs, elevated inflation, and concerns about an economic downturn.

On a last 12 months (LTM) basis as of 30 June 2023, NBPE's private portfolio generated a weighted average LTM revenue and LTM EBITDA growth of 14.9% and 15.4%, respectively, with the top 30 companies generating weighted average LTM revenue and LTM EBITDA growth of 16.6% and 16.4%, respectively.

All sectors contributed to revenue growth. Healthcare was the strongest performing sector, but was smaller relative to other parts of the portfolio; outside of healthcare, other strong performing sectors on a top-line basis were business and financial services and consumer. Companies within these sectors continued to demonstrate strong top-line growth, driven both through organic growth into new markets and M&A which meaningfully added to the scale of certain companies while providing new revenue sources and end-markets.

On a weighted average LTM EBITDA basis we continued to see growth across all sectors, with the strongest performing sectors being industrials, financial services and consumer. Many of the operational enhancements enacted in 2022 by private equity managers through active ownership continued to produce benefits and the further easing of supply chain pressures during the year provided additional benefits.

14.9%	15.4%
LTM revenue	LTM EBITDA

96%

of the portfolio is profitable on an LTM EBITDA

Companies adapting to a higher interest rate environment

Higher interest rates are undoubtedly a top concern among investors and we are closely monitoring the ability of companies to continue to operate in a higher interest rate environment. We believe that higher interest costs generally have a larger impact on companies which are underperforming and not growing to plan. As the average growth in the portfolio EBITDA illustrates, this is generally not the case for NBPE. There are also no material near-term debt maturities across the portfolio (c.85% of portfolio debt maturity falls in 2026 or later) and the vast majority of debt (>80%) is covenant lite.

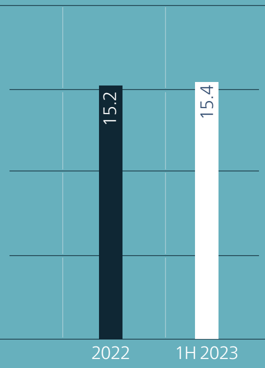
Increases in value across the portfolio driven by operating performance

As of 30 June 2023, the weighted average EV/EBITDA multiple of the Top 30 investments was 15.5x, while the total portfolio was 15.4x. This compared with a weighted average EV/EBITDA multiple of the Top 30 investments and total portfolio of 15.4x and 15.2x respectively, as of 31 December 2022, with the portfolio valuation increase of 3.8% (ex-FX) largely attributable to earnings growth through operating performance, rather than multiple expansion. The weighted average Net Debt/EBITDA multiple as of 30 June 2023 was 5.4x for the portfolio and was 5.2x for the top 30 companies. Relative to 31 December 2022, the Net Debt/EBITDA multiple of the total portfolio decreased slightly, while the Net/Debt to EBITDA multiple for the top 30 companies increased slightly.

Valuation multiples and net debt

15.4x[21] EBITDA valuation multiple

5.4x[21] Net Debt/EBITDA



See footnotes on pages **71-72**

Case study

Investment	Theme/Sector	Description
Fair value	PE manager	Investment thesis
SOLENIS		Specialty chemicals and services provider
$47.2m	Industrials Platinum Equity	■ Sticky and diverse customer base/trusted provider ■ Natural barriers to entry, benefiting from scale ■ Mid-life investment/transformative M&A

Advanced technologies and expert support for water-intensive industries

$4.6bn
acquisition of Diversey by Solenis

15,000
employees

71
manufacturing facilities in 130 countries

Company snapshot

Solenis is a manufacturer and distributor of specialty chemicals and solutions, offering an array of process aids, water treatment chemistries, and additives for water intensive industries. The company serves diversified consumer markets including food packaging and processing, packaging, papers, pool solutions, and industrial markets such as manufacturing, power generation and refining and chemical processing.

Investment thesis

Solenis was acquired by Platinum Equity in 2021, with NBPE co-investing $19.5 million alongside Platinum to help support the acquisition and merger with Sigura, an existing Platinum portfolio company. The transaction valued Solenis at approximately $6.5 billion and the combination of the two highly complementary businesses helped increase scale and broaden end markets.

Opportunity to support further growth by transformative M&A

In July 2023, Solenis acquired Diversey, a provider of hygiene, infection prevention and cleaning solutions, in an all-cash transaction valued at an enterprise value of $4.6 billion. NBPE supported the transaction through a follow-on equity investment, transforming the business and providing a broader and more diversified platform for growth.

The transaction combines two industry leaders in adjacent but highly complementary markets through a transformational acquisition, which creates a larger and more expansive platform. Post merger, Solenis is a more diversified company with significantly increased scale, broader global reach and the ability to offer a 'one-stop shop' suite of solutions that meet customer demand and address water management, cleaning and hygiene needs on a global basis. With the acquisition, Solenis has grown to an enterprise operating in over 130 countries with 71 manufacturing facilities and more than 15,000 employees.

See footnotes on pages **71-72**

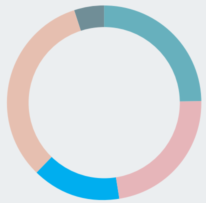
$127 million of announced realisations year to date

Despite the challenging exit market, especially in the first half, $127 million of realisations have been announced year to date, which compares to $143 million for the whole of 2022.

In the six months to 30 June 2023, NBPE received proceeds of $45 million, the largest of which was from the partial realisation of Action, where we took the opportunity to crystalise some gains. In addition, NBPE also received proceeds from the full stock sale and exit of Uber, partial sales of stock in GFL Environmental Inc, together with interest and principal receipts attributable to the NB Specialty Finance Program[22] which is in realisation mode.

Since June, we have received a further $20 million of proceeds[23], including proceeds from the sale of Leaseplan to Euronext Paris-listed ALD Automotive (NBPE also received ALD shares), ongoing sales of positions in public companies, in particular the full sale of Boa Vista. We expect a further $62 million of proceeds from sales of additional public stock and four announced but not yet closed realisations (FV Hospital, Concord Biotech, Accedian and partial sale of Petsmart) later this year, taking NBPE's total year to date announced realisations to $127 million on a pro forma basis, or 9.1% of opening portfolio value.

$127m of announced realisations - types of exit



Sale to Strategic	55%
Sale to PE/Investor	9%
Sale of Public Stock	18%
Income Portfolio	14%
Other Portfolio Realisations	4%

Apart from the partial realisation of Action, realisations year to date have been driven by investments outside of our largest 10 companies, and are from smaller and more mature investments, highlighting the benefits of diversification. The majority of exits have been to either strategic buyers or private equity, however, almost 20% of realisations have been through the sale of quoted holdings which have undergone an IPO in recent years. These investments have been very successful for NBPE, however, given the volatility that quoted holdings can bring to NAV, we are pleased to see value being crystalised through these sell-downs.

Outlook

Given the ongoing economic uncertainty and the possibility of interest rates remaining higher for longer, underwriting from private equity sponsors is, in general, quite conservative. Coupled with different price expectations of buyers and sellers, this has led to lower overall transaction volumes. M&A has become an even more meaningful part of the overall investment thesis in many investments as private equity managers seek growth initiatives. In general, pricing has remained competitive and trading activity has been concentrated in high-quality assets, which helps explain why pricing dynamics overall haven't retreated meaningfully.

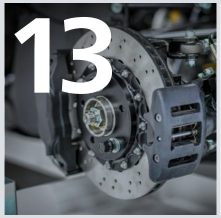
In NBPE, we believe we have a high quality portfolio. At a 107% investment level, we are under no pressure to deploy capital. We continue to review an active pipeline of attractive co-investment opportunities from leading private equity managers which we believe positions us well to find attractive investments which are a good fit for the portfolio at the right time. We assess these alongside opportunities to put capital to work in existing companies, particularly to support M&A. We will continue to balance the pace of investment activity while maintaining a strong balance sheet. We believe the current portfolio is well positioned in the current environment.

Neuberger Berman
25 September 2023

Top 20 companies

#	Company	Investment % of FV/$m	Theme/Sector PE manager	Description Investment thesis
 1	ACTION	$76.9m 5%	Consumer E-commerce 3i	**European discount retailer** ■ Grow store network and expand to other European countries ■ Strengthen supply chain ■ Operational enhancements
 2	osaic	$56.5m 4%	Financial Services Reverence Capital	**Independent network of wealth management firms** ■ Strong M&A track record in a fragmented, consolidating industry ■ Secular tailwinds support share gains for independent platforms ■ Multiple levers for organic growth and value creation
 3	USI	$54.0m 4%	Financial Services KKR	**Insurance brokerage and consulting services** ■ Favourable industry dynamics ■ Attractive financial profile and high-quality cash flow ■ Ability to grow organically and through M&A
 4	AutoStore	$52.8m 4%	Industrials Industrial technology THL	**Leading provider of automation technology** ■ Growth driven by megatrends ■ Strong value proposition with attractive financial characteristics ■ Embedded growth options
 5	CONSTELLATION	$49.4m 3%	Business Services TDR Capital	**Leading provider of vehicle remarketing services** ■ Market leader ■ Defensive business model ■ B2C sales opportunity ■ Strong cash flow generation
 6	SOLENIS	$47.2m 3%	Industrials Platinum Equity	**Specialty chemicals and services provider** ■ Sticky and diverse customer base/trusted provider ■ Natural barriers to entry, benefitting from scale ■ Mid-life investment/transformative M&A
 7	agiliti	$41.2m 3%	Healthcare THL	**Medical equipment management and services** ■ Industry dynamics support growth ■ Leading provider in end-to-end medical equipment solutions ■ Diversified and loyal customer and supplier base
 8	FORTNA	$37.9m 3%	Industrials Industrial Technology THL	**Systems and solutions utilised in distribution centres** ■ Rapidly growing market driven by e-commerce ■ Strong market position ■ High visibility on revenue
 9	COTIVITI	$35.9m 2%	Healthcare Veritas Capital	**Payment accuracy and clinical software solutions for the healthcare industry** ■ Compelling strategic rationale for the combination of two businesses ■ Market leader with enduring competitive advantages ■ Attractive financial profile and free cash flow generation
 10	GFL	$33.9m 2%	Business Services BC Partners	**Waste management services** ■ Favourable environmental services industry dynamics ■ Sticky and diverse customer base ■ Fragmented industry provides opportunities for M&A

Top 20 companies

	Investment % of FV/$m	Theme/Sector PE manager	Description Investment thesis
	Not disclosed $33.4m 2%	Business Services Undisclosed	**Undisclosed business services company** ■ Low expected cyclicality end markets ■ Essential service with 'utility-like' characteristics ■ Attractive financial profile with stable cash flow
	BeyondTrust $32.7m 2%	Technology/IT Francisco Partners	**Cyber security and secure access solutions** ■ Business combinations create a highly attractive position in the market ■ Blue chip customer base
	MONROE BRAKES $31.9m 2%	Industrials AEA Investors	**Distributor of mission-critical standard and custom engineered products** ■ Leading market opportunity with diverse end-markets ■ Significant growth opportunities ■ Proven acquisition platform
	true potential $30.7m 2%	Financial Services Cinven	**Wealth management technology platform** ■ Strong value proposition and focus on customer outcomes ■ Leading technology platform ■ Attractive market dynamics and track record of financial performance
	KROLL $30.1m 2%	Financial Services Further Global	**Multinational financial consultancy firm** ■ Market-leading businesses ■ Recent M&A has diversified revenue streams and reduced cyclicality ■ Continued execution of accretive M&A

	Investment % of FV/$m	Theme/Sector PE manager	Description Investment thesis
	BRANDED CITIES $29.9m 2%	Communications/ Media Shamrock Capital	**North American advertising media company** ■ Barriers to entry lead to competitive advantage ■ High-quality assets in leading locations ■ Leading private equity manager in the media space
	MARQUEE BRANDS $28.9m 2%	Consumer E-commerce Neuberger Berman	**Portfolio of consumer-branded IP assets, licensed to third parties with a number of internally managed DTC platforms** ■ Established platform with experienced management team ■ Unique business model ■ Strong free cash flow with revenue visibility
	StubHub $26.4m 2%	Consumer E-commerce Neuberger Berman	**Ticket exchange and resale platform for buyers and sellers** ■ Large scale and competitive positioning ■ High barriers to entry ■ Attractive entry price
	STAPLES $25.6m 2%	Business Services Sycamore Partners	**Provider of office supplies through a business-to-business platform and retail** ■ Market leading business with attractive financial profile and strong cash flow characteristics ■ Significant cost savings opportunity ■ Experienced sponsor with strong track record in the consumer/retail sector
	ENGINEERING $25.3m 2%	Technology/IT NB Renaissance	**Provider of systems integration, consulting and outsourcing services** ■ Leading technology company in Italy ■ Attractive IT services market with secular growth from digital transformation

A focus on ESG at all points of the investment process

The three pillars of NBPE's Responsible Investment Policy

Our policy is centred on three pillars to seek better investment outcomes through incorporating environmental, social and governance (ESG) considerations into the investment process.

Avoid

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

NBPE seeks to avoid companies that produce controversial weapons, tobacco, civilian firearms, fossil fuels and private prisons. NBPE also seeks to avoid companies with known serious controversies related to human rights or serious damage to the environment, including as outlined by the United Nations Global Compact (UNGC) and OECD Guidelines for Multinational Enterprises

Assess

Portfolio manager considers material ESG factors alongside traditional factors in their investment decisions. ESG factors are generally no more significant than other factors in the investment selection process

Material ESG factors are formally incorporated in Investment Committee memoranda

Amplify

Seek to achieve a financial goal by investing in high-quality issuers with sustainable business models, practices, products or services and leadership on relevant ESG factors

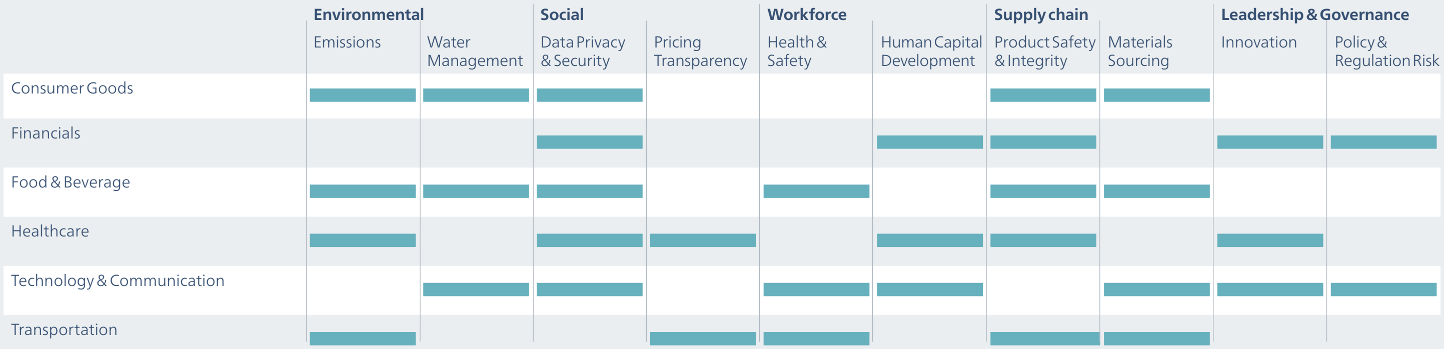
Simultaneously seeking to minimise exposure to companies with potential adverse social and/or environmental impacts

How ESG is integrated into the investment process

Neuberger Berman Private Markets is able to leverage its position as a diversified asset manager, integrating ESG insights in order to identify opportunities with respect to direct private markets investments.

How ESG materiality is assessed

When conducting due diligence on direct investments, the investment team utilises our proprietary NB Materiality Matrix to assess industry-specific ESG factors that are likely to be financially material (informed by the firm's research sector[24] experts and highlighted in blue, below) as well as the lead GP's level of ESG integration based on our Manager ESG Scorecard.



Represents a subset of factors for illustrative and discussion purposes only.

Private equity can be well-aligned to ESG integration

Private equity investors have the potential to drive improvements.

Sector focus

Private equity managers tend to focus on sectors that are less resource intensive or asset heavy. As such, these also tend to be sectors that are more efficient and experience less volatility, benefiting from secular tailwinds

Deep due diligence

Private equity managers are able to conduct deep and meaningful due diligence on a company's specific ESG factors that are financially material

Control

Private equity managers own and control their portfolio companies and may improve the environmental, social or governance aspects of a company during ownership

How ESG factors can affect valuations

Day-to-day operations

Incremental improvements may have positive implications for profits

Examples

- Proactive approach to environmental issues, such as resource consumption and waste management, may lower operating costs
- Conscientious employee policies may lead to greater retention and productivity

Tail risks

Addressing systematic ESG issues that have the potential to affect business

Examples

- Seeking to understand climate risk on portfolio companies may mitigate risks associated with extreme weather
- Pre-empting potential ESG issues may mitigate risk of breaches and cost of compliance

See footnotes on pages **71-72**

NBPE portfolio through A UN Sustainable Development Goal (UN SDG) thematic lens

+

Potential UN SDG thematic alignment

Companies that may have an overall positive benefit to people or the environment, such as outlined by the UN SDG themes

++

Companies whose products or services offer solutions to long-term social and environmental challenges, such as those outlined by the UN SDGs in addition to additional social or environmental dimensions as defined by the Impact Management Project

O

78%

Neutral potential UN SDG thematic alignment

Companies that have a mixed or unknown benefit to people or the environment, as outlined by the UN SDGs

–

1%

No potential UN SDG thematic alignment[27]

Companies whose products & services may potentially conflict with the promotion of positive outcomes for people or the environment

See footnotes on pages **71-72**

NBPE's portfolio through a thematic lens

FV Hospital[28]

Case study

Investment	UN SDG alignment
FV HOSPITAL	**UN SDG Goal 3 Sub-Target 3.4:** By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being. **UN SDG Goal 3 Sub-Target 3.8:** Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all

- FV Hospital (FVH) provides quality health services across 30+ specialties to a patient base in Vietnam, where an ageing population, growing middle class, and proliferation of chronic diseases (which account for 10 out of 12 causes of death) have overburdened the country's public healthcare system
- The company is a leading tertiary hospital in Ho Chi Minh City and the only JCI-accredited hospital in South and South Central Vietnam, an acknowledgment of the hospital's pursuit towards quality yet affordable patient care. Today, FVH operates two facilities with more than >211 operational beds and caters to >250k patients per annum

Notable PE financing milestones

In July 2017, NBPE made an initial co-investment in FV Hospital, alongside Quadria Capital

Quadria has worked with FVH on ESG initiatives including continuing education for employees and creation of economic opportunities for women in support of gender equality.

70+%

The company's commitment to diversity is apparent given its female staff ratio of over 70%

In 2022, FVH completed its first milestone acquisition of the American Chiropractic Clinic (ACC) as part of its long-term growth strategy. ACC services strengthen and broaden chiropractic, sports injury, and rehabilitative therapies (e.g., stroke) available to patients

In July 2023, Quadria signed a transaction to sell its interest in FV Hospital to Thompson Medical Group and the deal is expected to close in Q4–23

2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023

Throughout the ownership period, FVH has undertaken several initiatives to optimise the capacity of its existing facilities. In addition, seeing increasing demand in several services, the company began an extension on a state-of-the-art cancer centre in November 2018

In 2022, FVH received its third consecutive Joint Commission International (JCI) accreditation – Gold Seal of Approval for achievements and commitment to excellence

Notable company milestones

See footnotes on pages **71-72**

Neuberger Berman, a client-led partnership

As a private, independent, employee-owned investment manager, Neuberger Berman has the freedom to focus exclusively on investing for its clients for the long term.

By design, Neuberger Berman attracts individuals who share a passion for investing and who thrive in an environment of rigorous analysis, challenging dialogue, and professional and personal respect.

An award-winning culture

For eight consecutive years, Neuberger Berman 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)

98%

Retention levels of NB Private Markets Managing Directors and Principals

Neuberger Berman's business principles

- Our clients come first
- We are passionate about investing
- We invest in our people
- We motivate through alignment
- We continuously improve and innovate
- Our culture is key to our long-term success

Neuberger Berman's commitment to equity, inclusion and diversity

We believe firms perform better for clients and stakeholders when there is a diverse population, and a true equitable and inclusive environment. Diversity alone is not enough.

Equity

To be 'equitable' is to level the playing field for all

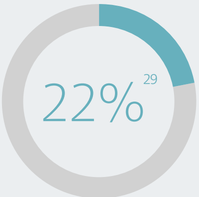
Inclusion

An environment where everyone can flourish and be their best selves

Diversity

We look for a breadth of diversity across many characteristics

of Neuberger Berman Private Markets employees are female



of Neuberger Berman Private Markets Managing Directors are female

"We believe that partnering with colleagues who have a myriad of experiences, backgrounds and perspectives is fundamental to our firm's and our clients' success. Ultimately, we perform better for our stakeholders when diverse, authentic voices are valued, and our teams operate in a fair and unbiased environment."

Maura Reilly Kennedy
Managing Director

See footnotes on pages **71-72**

The Investment Committee

Full biographies available online

The Investment Committee has an average of approximately 30 years of professional experience and has worked together for an average of more than 19 years.

Anthony Tutrone

Global Head of NB Alternatives, Managing Director
35 years of industry experience

David Stonberg

Deputy Head of NB Alternatives and the Global Co-Head of Private Equity Co-Investments, Managing Director
32 years of industry experience

Joana Rocha Scaff

Head of Europe Private Equity, Managing Director
24 years of industry experience

Peter von Lehe, JD

Head of Investment Solutions and Strategy, Managing Director
29 years of industry experience

Paul Daggett, CFA

Managing Director
24 years of industry experience

Patricia Miller Zollar

Managing Director
36 years of industry experience

The Investment Committee continued

Full biographies available online

Michael Kramer

Managing Director
27 years of industry experience

Kent Chen, CFA

Head of Asia Private Equity, Managing Director
30 years of industry experience

Elizabeth Traxler

Managing Director
21 years of industry experience

Jonathan Shofet

Global Head of Private Investment Portfolios and Co-Investments
Managing Director
26 years of industry experience

Jacquelyn Wang

Managing Director
21 years of industry experience

David Morse

Global Co-Head of Private Equity Co-Investments,
Managing Director
37 years of industry experience

Brien Smith

Senior Advisor to the Neuberger Berman
Private Equity Division
41 years of industry experience

Investment policy

Investment objective

The Company's investment objective is to produce attractive returns by investing mainly in the direct equity of private equity-backed companies while managing investment risk through diversification across asset class, vintage year, geography, industry and sponsor. The vast majority of direct investments are made with no management fee/no carried interest payable to third-party private equity sponsors, offering greater fee efficiency than other listed private equity companies. NBPE seeks capital appreciation through growth in net asset value (NAV) over time while returning capital by paying a semi-annual dividend.

Investment policy

In order to achieve its investment objective, the Company intends to maintain a diversified portfolio of private equity related assets composed predominantly of direct private equity investments, but which may also include private debt investments and private equity fund investments.

In addition, the Company may make other opportunistic investments from time to time, provided that such investments will account for no more than 10% of the Company's gross assets at the time the opportunistic investment is made without approval from a majority of the Board and, in any event, no more than 20% of the Company's gross assets at the time the opportunistic investment is made.

The Company's investments are made across different levels of the capital structure of investee entities. There are no restrictions on the type or form of investments or securities which the Company may hold. The Company may make its investments in primary or secondary markets and either directly or indirectly through intermediary holding vehicles or collective investment vehicles (including co-investment vehicles or other funds) managed by either an affiliate of the Investment Manager or third-party managers.

Diversification and investment guidelines

The Company intends to maintain portfolio diversification across some or all of the following metrics: private equity asset class, investment type, vintage year, geography, industry and sponsor.

Diversification is dynamic and varies according to where the most attractive opportunities arise. However, no single exposure to an investee entity will account for more than 20% of the Company's gross assets (as at the time of making such investment).

Cash and short-term investments

In addition to the investments referred to above, the Company may also hold cash and may temporarily invest such cash in cash equivalents, money market instruments, government securities, asset-backed securities and other investment grade securities, pending investment in private equity related assets or opportunistic investments or otherwise for efficient portfolio management. The Company may also utilise (either directly or via investment in a collective investment vehicle) the services of an affiliate of the Investment Manager or a third party to manage this excess cash. If a third party or an affiliate of the Investment Manager is so appointed, the Company may pay a market rate for those services.

Investment restrictions

The Company will not invest more than 10%, in aggregate, of its total assets in other UK-listed closed-ended investment funds.

Financials

Statement of Principal Risks and Uncertainties

The principal risks 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 2022.

The Company's principal risks and uncertainties have not changed overall since the date of that report; however, the board has identified heightened risk related to the overall economic and investment environment as well as sovereign and geo-political factors, which could impact investment valuations in future periods. The board continues to evaluate and monitor the Company's discount to NAV as result of this heightened uncertainty. Finally, the directors recognise that some of the risks associated with COVID-19 have reduced somewhat, but are nevertheless ongoing and inherently difficult to forecast. This may impact the Company's performance, perhaps significantly, in future reporting periods.

By order of the Board

William Maltby
Chairman

John Falla
Director

25 September 2023

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 consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2023 of the Company and its subsidiaries (together, the "Group"), which comprises the consolidated balance sheet, consolidated condensed schedule of private equity investments, consolidated statement of operations and changes in net assets, consolidated statement 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 consolidated financial statements in the half-yearly financial report for the period ended 30 June 2023 do not give a true and fair view of the financial position of the Company as at 30 June 2023 and of its financial performance and its cash flows for the six month period then ended, in accordance 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) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued by the Financial Reporting Council 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 consolidated 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.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Scope of review section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Director's responsibilities

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

The consolidated financial statements included in this interim report have been prepared in accordance with U.S. generally accepted accounting principles.

In preparing the half-yearly financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless liquidation is imminent.

Our responsibility

Our responsibility is to express to the Company a conclusion on the consolidated financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the scope of review paragraph of this report.

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.

Rachid Frihmat
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants, Guernsey

26 September 2023

Consolidated Balance Sheets

30 June 2023 (unaudited) and 31 December 2022 (audited)

	2023	2022
Assets		
Private equity investments		
Cost of $839,150,677 at 30 June 2023 and $840,971,544 at 31 December 2022	**$1,456,782,553**	$1,401,430,601
Cash and cash equivalents	**1,209,382**	7,034,276
Other assets	**2,639,685**	2,662,851
Distributions and sales proceeds receivable from investments	**213,198**	199,924
Total assets	**$1,460,844,818**	$1,411,327,652
Liabilities and share capital		
Liabilities:		
ZDP Share liability	**$78,546,937**	$72,800,912
Credit facility loan	**10,000,000**	–
Payables to Investment Manager and affiliates	**5,396,266**	5,177,372
Accrued expenses and other liabilities	**4,489,759**	4,126,709
Net deferred tax liability	**9,113**	9,113
Total liabilities	**$98,442,075**	$82,114,106
Share capital:		
Class A Shares, $0.01 par value, 500,000,000 shares authorised,		
49,661,414 shares issued, 46,511,006 shares outstanding at 30 June 2023	**$496,614**	$499,115
49,911,438 shares issued, 46,761,030 shares outstanding at 31 December 2022		
Class B Shares, $0.01 par value, 100,000 shares authorised,		
10,000 shares issued and outstanding	**100**	100
Additional paid-in capital	**491,718,207**	496,559,065
Retained earnings	**877,411,942**	839,456,403
Less cost of treasury stock purchased (3,150,408 shares)	**(9,248,460)**	(9,248,460)
Total net assets of the controlling interest	**1,360,378,403**	1,327,266,223
Net assets of the noncontrolling interest	**2,024,340**	1,947,323
Total net assets	**$1,362,402,743**	$1,329,213,546
Total liabilities and net assets	**$1,460,844,818**	$1,411,327,652
Net asset value per share for Class A Shares and Class B Shares	**$29.24**	$28.38
Net asset value per share for Class A Shares and Class B Shares (GBP)	**£23.00**	£23.59
Net asset value per 2024 ZDP Share (Pence)	**123.56**	121.04

The consolidated financial statements were approved by the Board of Directors on 25 September 2023 and signed on its behalf by

William Maltby **John Falla**

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

Consolidated Condensed schedules of private equity investments

30 June 2023 (unaudited) and 31 December 2022 (audited)

Private equity investments	Cost	Fair Value	Unfunded Commitment	Private Equity[1] Exposure
2023				
Direct equity investments				
NB Alternatives Direct Co-investment Program A	$57,749,684	$39,285,948	$18,274,463	$57,560,411
NB Alternatives Direct Co-investment Program B	75,125,974	182,862,893	20,794,076	203,656,969
NB Renaissance Programs	11,582,418	25,728,854	7,202,772	32,931,626
Marquee Brands	26,072,189	28,880,926	3,410,816	32,291,742
Direct equity investments[2][3]	570,619,371	1,077,354,090	3,731,282	1,081,085,372
Total direct equity investments	$741,149,636	$1,354,112,711	$53,413,409	$1,407,526,120
Income Investments				
NB Credit Opportunities Program	25,071,516	36,725,000	11,981,976	48,706,976
NB Specialty Finance Program	16,986,742	16,696,695	15,000,000	31,696,695
Income investments	46,185,602	41,572,743	–	41,572,743
Total income investments	$88,243,860	$94,994,438	$26,981,976	$121,976,414
Fund investments	9,757,181	7,675,404	8,164,443	15,839,847
Total investments	**$839,150,677**	**$1,456,782,553**	**$88,559,828**	**$1,545,342,381**
2022				
Direct equity investments				
NB Alternatives Direct Co-investment Program A	$46,212,909	$39,055,204	$18,274,463	$57,329,667
NB Alternatives Direct Co-investment Program B	74,940,419	174,540,368	20,794,076	195,334,444
NB Renaissance Programs	7,791,651	20,790,191	10,537,743	31,327,934
NB Healthcare Credit Investment Program (Equity)	1,599,864	8,018	4,146,718	4,154,736
Marquee Brands	26,133,313	28,544,245	3,410,816	31,955,061
Direct equity investments[2][3]	574,858,103	1,023,499,804	3,731,282	1,027,231,086
Total direct equity investments	$731,536,259	$1,286,437,830	$60,895,098	$1,347,332,928
Income Investments				
NB Credit Opportunities Program	27,823,406	39,650,000	11,981,976	51,631,976
NB Specialty Finance Program	27,708,871	27,524,276	15,000,000	42,524,276
Income investments	44,071,383	40,148,251	–	40,148,251
Total income investments	$99,603,660	$107,322,527	$26,981,976	$134,304,503
Fund investments	9,831,625	7,670,244	8,169,742	15,839,986
Total investments	**$840,971,544**	**$1,401,430,601**	**$96,046,816**	**$1,497,477,417**

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

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

(3) This includes investment(s) above 5% of net asset value. See Note 3.

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

Consolidated Condensed schedules of private equity investments

30 June 2023 (unaudited) and 31 December 2022 (audited)

Geographic diversity of private equity investments[1]	Fair Value 2023	Fair Value 2022
North America	**$1,070,048,483**	$1,024,091,245
Europe	**330,866,133**	325,117,876
Asia/rest of world	**55,867,937**	52,221,480
	$1,456,782,553	$1,401,430,601

Industry diversity of private equity investments[2]	2023	2022
Consumer	**19.3%**	19.9%
Technology/IT	**18.4%**	18.0%
Industrials	**17.2%**	15.3%
Financial services	**13.8%**	14.3%
Business services	**12.3%**	12.2%
Healthcare	**10.1%**	10.0%
Diversified/undisclosed/other	**4.2%**	5.3%
Communications/media	**2.3%**	2.6%
Energy	**1.2%**	1.3%
Transportation	**1.2%**	1.1%
	100.0%	100.0%

Asset class diversification of private equity investments[3]	2023	2022
Direct Equity Investments		
Mid-cap buyout	**48.4%**	47.1%
Large-cap buyout	**31.5%**	32.4%
Special situation	**9.1%**	7.8%
Growth equity	**4.3%**	4.8%
Income investments	**6.5%**	7.7%
Growth/venture funds	**0.2%**	0.2%
	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.

Consolidated Statements of operations and changes in net assets

For the six month periods ended 30 June 2023 and 2022 (unaudited)

	2023	2022
Interest and dividend income	**$2,503,183**	$2,173,584
Expenses		
Investment management and services	**10,536,415**	10,947,422
Finance costs		
Credit facility	**4,286,358**	2,488,431
ZDP Shares	**1,602,405**	3,402,776
Administration and professional fees	**2,268,823**	2,294,972
Total expenses	**18,694,001**	19,133,601
Net investment loss	**$(16,190,818)**	$(16,960,017)
Realised and unrealised gains (losses)		
Net realised gain on investments, translation of foreign currencies, and forward foreign exchange contracts, net of tax expense of $50,443 for 2023 and $63,223 for 2022	**$23,245,776**	$31,056,173
Net change in unrealised gain (loss) on investments and forward foreign exchange contracts, net of tax expense (benefit) of $0 for 2023 and $0 for 2022	**52,959,982**	(131,479,077)
Net realised and change in unrealised gain (loss)	**76,205,758**	(100,422,904)
Net increase (decrease) in net assets resulting from operations	**$60,014,940**	$(117,382,921)
Less net (increase) decrease in net assets resulting from operations attributable to the noncontrolling interest	**(77,017)**	119,362
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$59,937,923**	$(117,263,559)
Net assets at beginning of period attributable to the controlling interest	**1,327,266,223**	1,480,178,782
Less dividend payment	**(21,982,384)**	(21,982,385)
Less cost of stock repurchased and cancelled (250,024 shares for 2023 and 0 shares for 2022)	**(4,843,359)**	–
Net assets at end of period attributable to the controlling interest	**$1,360,378,403**	$1,340,932,838
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	**$1.28**	$(2.51)
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest (GBP)	**£1.05**	£(1.93)

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

Consolidated Statements of cash flows

For the six month periods ended 30 June 2023 and 2022 (unaudited)

	2023	2022
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$59,937,923**	$(117,263,559)
Net increase (decrease) in net assets resulting from operations attributable to the noncontrolling interest	**77,017**	(119,362)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realised gain on investments and forward foreign exchange contracts, net of tax expense	**(23,245,776)**	(31,056,173)
Net change in unrealised (gain) loss on investments and forward foreign exchange contracts, net of tax expense	**(52,959,982)**	131,479,077
Contributions to private equity investments	**(3,786,555)**	(2,939,466)
Purchases of private equity investments	**(13,517,184)**	(32,751,968)
Distributions from private equity investments	**26,865,484**	18,542,276
Proceeds from sale of private equity investments	**17,684,702**	48,339,981
In-kind payment of interest income	**(2,101,082)**	(1,862,260)
Amortisation of finance costs	**200,410**	361,725
Amortisation of purchase premium/discount (OID), net	**(17,693)**	(38,724)
Change in other assets	**(201,107)**	61,118
Change in payables to Investment Manager and affiliates	**218,172**	(37,895,072)
Change in accrued expenses and other liabilities	**1,846,520**	3,181,737
Net cash provided by (used in) operating activities	**11,000,849**	(21,960,670)
Cash flows from financing activities:		
Dividend payment	**(21,982,384)**	(21,982,385)
Stock repurchased and cancelled	**(4,843,359)**	–
Borrowings from credit facility	**30,000,000**	–
Payments to credit facility	**(20,000,000)**	–
Net cash used in financing activities	**(16,825,743)**	(21,982,385)
Effect of exchange rates on cash balances	**–**	(1,347,560)
Net decrease in cash and cash equivalents	**(5,824,894)**	(45,290,615)
Cash and cash equivalents at beginning of period	**7,034,276**	116,486,687
Cash and cash equivalents at end of period	**$1,209,382**	$71,196,072
Supplemental cash flow information		
Credit facility financing costs paid	**$4,152,319**	$2,347,042
Net taxes paid	**$36,063**	$6,253

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

Note 1 – Description of the Group

NB Private Equity Partners Limited (the "Company") and its subsidiaries, collectively (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. 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 a class of Zero Dividend Preference ("ZDP") Shares maturing in 2024 (see note 5) which is listed and admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange ("Specialist Fund Segment") under the symbol "NBPS".

The Group is managed by NB Alternatives Advisers LLC ("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 U.S. generally accepted accounting principles ("U.S. GAAP") and are in compliance with the Companies (Guernsey) Law, 2008 (as amended). 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.

The Company's partially owned subsidiary, NB PEP Investments, LP (incorporated) is incorporated in Guernsey.

The Company's 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.

The Company's wholly-owned subsidiary, NB PEP Investments DE, LP is incorporated in Delaware and operates 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 2023 and 31 December 2022 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 (see note 5).

Note 2 – Summary of Significant Accounting Policies continued

Use of Estimates and Judgements continued

- Credit Facility Loan – 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.

Recent Accounting Pronouncements

In June 2022, the FASB issued ASU 2022-03 Topic 820, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. ASU 2022-03 amends Topic 820 to clarify that a contractual sale restriction is not considered in measuring an equity security at fair value. This update is effective for fiscal years beginning after 15 December 2024, and early adoption is permitted. The Group has early adopted and this guidance is not expected to have a material impact on the Group's financial statements.

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.

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 investments, the Group records its share of realised gains and losses incurred when the Investment Manager knows that the private equity investment 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.

Note 2 – Summary of Significant Accounting Policies continued

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 increased the fair value of the Group's foreign investments by $2,309,843 for the six month period ended 30 June 2023. The cumulative effect of translation to U.S. dollars decreased the fair value of the Group's foreign investments by $30,994,205 for the six month period ended 30 June 2022.

The ZDP Shares are 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 2023, the unfunded commitments that are in Euros and Sterling amounted to €7,258,587 and £32,138, respectively (31 December 2022: €10,531,115 and £32,138). 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 2023 and 31 December 2022. The effect on the unfunded commitment of the change in the exchange rates between Euros and U.S. dollars was an increase in the U.S. dollar obligations of $171,796 for 30 June 2023 and a decrease in the U.S. dollar obligations of $759,592 for 31 December 2022. The effect on the unfunded commitment of the change in the exchange rates between Sterling and U.S. dollars was an increase in the U.S. dollar obligations of $2,200 for 30 June 2023 and a decrease in the U.S. dollar obligations of $5,212 for 31 December 2022.

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 2023, total interest and dividend income was $2,503,183, of which $2,825 was dividends, and $2,500,358 was interest income. For the six month period ended 30 June 2022, total interest and dividend income was $2,173,584, of which $2,825 was dividends, and $2,170,759 was interest income.

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 2023 and 31 December 2022, cash and cash equivalents consisted of $1,209,382 and $7,034,276 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 2023 and 31 December 2022, 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 (2022: £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.

Note 2 – Summary of Significant Accounting Policies continued

Income Taxes continued

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 (see note 7).

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 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.

Note 2 – Summary of Significant Accounting Policies continued

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. There were two marketable securities held by the Group as of 30 June 2023 and 31 December 2022.

The following table details the Group's financial assets and liabilities that were accounted for at fair value as of 30 June 2023 and 31 December 2022 by level and fair value hierarchy.

	Assets (Liabilities) Accounted for at Fair Value				
As of 30 June 2023	**Level 1**	**Level 2**	**Level 3**	**Investments measured at net asset value[1]**	**Total**
Common stock	**$7,199,401**	**$13,149,268**	**$–**	**$–**	**$20,348,669**
Private equity companies	**–**	**–**	**194,023,327**	**1,242,410,557**	**1,436,433,884**
Totals	**$7,199,401**	**$13,149,268**	**$194,023,327**	**$1,242,410,557**	**$1,456,782,553**

	Assets (Liabilities) Accounted for at Fair Value				
As of 31 December 2022	**Level 1**	**Level 2**	**Level 3**	**Investments measured at net asset value[1]**	**Total**
Common stock	$4,759,318	$8,987,311	$–	$–	$13,746,629
Private equity companies	–	–	195,780,024	1,191,903,948	1,387,683,972
Totals	$4,759,318	$8,987,311	$195,780,024	$1,191,903,948	$1,401,430,601

(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 investments:

At 30 June 2023, the Group's share of the following underlying private equity company exceeded 5% of net asset value.

Company (Legal Entity Name)	Industry	Country	Fair Value 2023	Fair Value as a Percentage of net asset value
3i 2020 Co-investment 1 SCSp (Action) (LP Interest)	Consumer/Retail	Netherlands	$76,904,890	5.65%

Note 3 – Investments continued

Significant investments continued:

At 31 December 2022, the Group's share of the following underlying private equity companies exceeded 5% of net asset value.

Company (Legal Entity Name)	Industry	Country	Fair Value 2022	Fair Value as a Percentage of net asset value
3i 2020 Co-investment 1 SCSp (Action) (LP Interest)	Consumer/Retail	Netherlands	$72,177,584	5.44%

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 2023.

	For the Period Ended 30 June 2023					
(dollars in thousands)	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/Venture	Income Investments	Total Private Equity Investments
Balance, 31 December 2022	**$38,312**	**$84,149**	**$13,383**	**$19,789**	**$40,147**	**$195,780**
Purchases of investments and/or contributions to investments	**–**	**–**	**–**	**–**	**–**	**–**
Realised gain (loss) on investments	**–**	**4**	**–**	**–**	**2,130**	**2,134**
Changes in unrealised gain (loss) of investments still held at the reporting date	**1,165**	**3,914**	**(3,241)**	**(5,020)**	**(705)**	**(3,887)**
Changes in unrealised gain (loss) of investments sold during the period	**–**	**–**	**–**	**–**	**–**	**–**
Distributions from investments	**–**	**(4)**	**–**	**–**	**–**	**(4)**
Transfers into level 3	**–**	**–**	**–**	**–**	**–**	**–**
Transfers out of level 3	**–**	**–**	**–**	**–**	**–**	**–**
Balance, 30 June 2023	**$39,477**	**$ 88,063**	**$10,142**	**$14,769**	**$41,572**	**$194,023**

There were no transfers into Level 3. There were no transfers out of Level 3

The following table summarises changes in the fair value of the Company's Level 3 private equity investments for the year ended 31 December 2022.

	For the Year Ended 31 December 2022					
(dollars in thousands)	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/Venture	Income Investments	Total Private Equity Investments
Balance, 31 December 2021	$36,269	$93,070	$21,836	$19,279	$37,226	$207,680
Purchases of investments and/or contributions to investments	–	7,290	1,760	202	–	9,252
Realised gain (loss) on investments	–	8,915	58	387	3,887	13,247
Changes in unrealised gain (loss) of investments still held at the reporting date	2,556	5,501	(9,204)	548	(966)	(1,565)
Changes in unrealised gain (loss) of investments sold during the period	–	(9,394)	–	(240)	–	(9,634)
Distributions from investments	(513)	(18,175)	(1,067)	(387)	–	(20,142)
Transfers into level 3	–	–	–	–	–	–
Transfers out of level 3	–	(3,058)	–	–	–	(3,058)
Balance, 31 December 2022	**$38,312**	**$84,149**	**$13,383**	**$19,789**	**$40,147**	**$195,780**

There were no transfers into Level 3. Investments were transferred out of Level 3 into Investments Measured at Net Asset Value.

Note 3 – Investments continued

The following table summarises the valuation methodologies and inputs used for private equity investments categorised in Level 3 as of 30 June 2023.

(dollars in thousands) Private Equity Investments	Fair Value 30 June 2023	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average)[2]	Impact to Valuation from an Increase in Input[3]
Direct equity investments					
Large-cap buyout	$39,477	Market Comparable Companies	LTM EBITDA	12.8x	Increase
		Market Comparable Companies	Forward EBITDA	18.3X	Increase
Mid-cap buyout	88,063	Escrow Value	Escrow	1.0x	Increase
		Market Comparable Companies	LTM Revenue	3.8x	Increase
		Market Comparable Companies	LTM EBITDA	11.0x-13.8x (13.2x)	Increase
Special situations	10,142	Market Comparable Companies	LTM EBITDA	13.8x	Increase
		Market Comparable Companies	LTM Net Revenue	1.9x	Increase
		Escrow Value	Escrow	1.0x	Increase
Growth/venture	14,769	Market Comparable Companies	LTM Net Revenue	1.5x-3.2x (2.5x)	Increase
		Market Comparable Companies	LTM EBITDA	30.2x	Increase
		Escrow Value	Escrow	1.0x	Increase
Income investments	41,572	Market Comparable Companies	LTM EBITDA	9.6x-14.7x (14.0x)	Increase
Total	**$194,023**				

(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 2022.

(dollars in thousands) Private Equity Investments	Fair Value 31 December 2022	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average)[2]	Impact to Valuation from an Increase in Input[3]
Direct equity investments					
Large-cap buyout	$38,312	Market Comparable Companies	LTM EBITDA	12.8x-21.0x (15.6x)	Increase
Mid-cap buyout	84,149	Escrow Value	Escrow	1.0x	Increase
		Income Approach	Discount Rate	12.0x	Increase
		Market Comparable Companies	LTM Revenue	3.9x	Increase
		Market Comparable Companies	LTM EBITDA	11.0x-14.3x (13.3x)	Increase
Special situations	13,383	Market Comparable Companies	LTM EBITDA	9.0x	Increase
		Market Comparable Companies	LTM Net Revenue	2.0x	Increase
		Escrow Value	Escrow	1.0x	Increase
Growth/venture	19,789	Market Comparable Companies	LTM Net Revenue	1.5x-6.0x (4.6x)	Increase
		Escrow Value	Escrow	1.0x	Increase
Income investments	40,147	Market Comparable Companies	LTM EBITDA	9.6x-15.8x (14.9x)	Increase
Total	$195,780				

(1) LTM means Last Twelve Months, EBITDA means Earnings Before Interest Taxes Depreciation and Amortisation, Boed means Barrels of oil equivalent per day

(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.

Note 3 – Investments continued

Since 31 December 2022, 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 2023, a subsidiary of the Company had a $300.0 million secured revolving credit facility with Massachusetts Mutual Life Insurance Company ("MassMutual"). The ten year borrowing availability period of the MassMutual Facility expires on 23 December 2029, while the MassMutual Facility matures on 23 December 2031. For the six month period ended 30 June 2023 and the year ended 31 December 2022, the borrowings from the MassMutual Facility were $30,000,000 and $30,000,000, respectively, and the payments to the MassMutual Facility were $20,000,000 and $30,000,000, respectively. The outstanding balances of the MassMutual Facility were $10,000,000 at 30 June 2023 and nil at 31 December 2022.

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 2023, 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. On 30 June 2023 the MassMutual Facility was amended for the interest rate calculation from greater of either LIBOR or 1% plus 2.875% to SOFR plus 2.875% per annum, subject to a credit spread adjustment. The amended Credit Facility agreement results in no material economic changes to the facility.

The following table summarises the Group's finance costs incurred and expensed under the MassMutual Facility for the six month periods ended 30 June 2023 and 2022.

	30 June 2023	30 June 2022
Interest expense	**$170,305**	$–
Undrawn commitment fees	**580,708**	580,709
Servicing fees and breakage costs	**17,236**	–
Amortisation of capitalised debt issuance costs	**131,196**	131,196
Minimum utilisation fees	**3,386,913**	1,776,526
Total Credit Facility Finance Costs	**$4,286,358**	$2,488,431

As of 30 June 2023 and 31 December 2022, unamortised capitalised debt issuance costs (included in Other assets on the Consolidated Balance Sheets) were $2,245,574 and $2,376,770, 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")

On 30 September 2022, the 2022 ZDP Shares were redeemed and delisted from the Specialist Fund Segment.

As of 30 June 2023, 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 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 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 2024 ZDPs the Gross Assets divided by the liabilities adjusting for the final 2024 ZDP liabilities should be greater than 2.75. The details of the restrictions and the Tests are set out in the ZDP Prospectus. 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 2023 and the year ended 31 December 2022.

ZDP Shares	Pounds Sterling	U.S. Dollars
Liability, 31 December 2021	£119,595,183	$161,985,696
Net change in accrued interest on 2022 ZDP Shares	1,830,558	2,456,277
Net change in accrued interest on 2024 ZDP Shares	2,465,426	3,200,424
Redemption of 2022 ZDP Shares	(63,370,000)	(68,100,570)
Currency conversion	–	(26,740,915)
Liability, 31 December 2022	£60,521,167	$72,800,912
Net change in accrued interest on 2024 ZDP Shares	1,261,141	1,533,191
Currency conversion	–	4,212,834
Liability, 30 June 2023	£61,782,308	$78,546,937

The total liability related to the 2022 ZDP Shares was nil as of 31 December 2022. The total liability balance related to the 2024 ZDP Shares was £61,782,308 (equivalent of $78,546,937) and £60,521,167 (equivalent of $72,800,912) as of 30 June 2023 and 31 December 2022, respectively.

As of 30 June 2023, the 2024 ZDP Shares were the only outstanding ZDP share class.

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 2024 ZDP Shares at 30 June 2023 was $186,587 and the unamortised balance of capitalised offering costs of the 2022 and 2024 ZDP Shares at 31 December 2022 was $255,801.

Note 6 – Forward Foreign Exchange Contracts

The Group currently does not employ specific hedging techniques to reduce the risks of adverse movements in securities prices, currency exchange rates and interest rates; however, the investments may employ such techniques. While hedging techniques may reduce certain risks, such transactions themselves may entail other risks. Thus, while the investments may benefit from the use of these hedging mechanisms, unanticipated changes in securities prices, currency exchange rates or interest rates may result in poorer overall performance for the investments than if they had not entered into such hedging transactions. The Group may utilise forward foreign currency contracts to hedge, in part, the risk associated with the Sterling contractual liability for the issued ZDP Shares (see note 5).

As of 30 June 2023 and 31 December 2022, the Group did not hold any active forward foreign currency contracts.

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 2023	30 June 2022
Current tax expense	**$50,443**	$63,223
Deferred tax expense	**–**	–
Total tax expense	**$50,443**	$63,223

	30 June 2023	31 December 2022
Gross deferred tax assets	**$7,872,867**	$7,872,867
Valuation allowance	**(7,872,867)**	(7,872,867)
Net deferred tax assets	**–**	–
Gross deferred tax liabilities	**(9,113)**	(9,113)
Net deferred tax liabilities	**$(9,113)**	$(9,113)

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 2023 and 2022 are as follows:

	2023	2022
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$59,937.923**	$(117,263,559)
Divided by weighted average shares outstanding for Class A Shares and Class B Shares of the controlling interest	**46,742,619**	46,771,030
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	**$1.28**	$(2.51)

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. Additional paid-in capital ("APIC") is the excess amount paid by shareholders over the par value of shares. The Company's APIC is included on the Consolidated Balance Sheets.

The following table summarises the Company's shares at 30 June 2023 and 31 December 2022.

	30 June 2023	31 December 2022
Class A Shares outstanding	**46,511,006**	46,761,030
Class B Shares outstanding	**10,000**	10,000
	46,521,006	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 held in June 2024. 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).

Note 9 – Share Capital, Including Treasury Stock continued

The Company entered into a new share buyback agreement with Jefferies International Limited ("Jefferies") on 5 October 2022, subject to renewals.

During 2023, the Company purchased and cancelled a total of 250,024 shares of its Class A stock (0.05% of the issued and outstanding shares as of 31 December 2022) pursuant to general authority granted by shareholders of the Company and the share buy-back agreement with Jefferies International Limited. The Company did not purchase any of its shares during the year ended 31 December 2022.

The Company may declare dividend payments from time to time. Prior to each dividend announcement, the Board reviews the appropriateness of the dividend payment in light of macro-economic activity and the financial position of the Company. The Company targets an annualised dividend yield of 3.0% or greater on NAV which has been paid out semi-annually.

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 2023 and 2022, the management fee expenses were $10,536,415 and $10,947,422, respectively, and are included in Investment management and services on the Consolidated Statement of Operations and Changes in Net Assets. As of 30 June 2023 and 2022, Investment Management fees payable to the Investment Manager and its affiliates were $5,396,266 and $5,248,298, respectively. 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 Investment 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 and the holder of 100% of the Class B shares, 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 $54,552 and $100,877 for the six months periods ended 30 June 2023 and 2022, respectively, for such services. The Group also paid MUFG Capital Analytics LLC, an independent third party fund administrator, $650,000 and $650,000 for the six month periods ended 30 June 2023 and 2022, respectively. MUFG Capital Analytics LLC receives $1,300,000 annually ($325,000 quarterly) 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 paid in Sterling and they are based on each Director's position on the Company's Board. Directors' fees are subject to an annual increase equivalent to the annual rise in the Guernsey retail price index, subject to a 1% per annum minimum. However, the final level of fees is reviewed each year by the Board, who decided for 2023 to limit the increase to 6% which was below the rate of inflation. As of 30 June 2023, Directors' fees were as follows: Chairman receives £80,231 annually (£20,058 quarterly), Audit Chairman receives £68,612 annually (£17,153 quarterly), Senior independent Director receives £63,078 annually (£15,770 quarterly), and Non-executive independent Directors each receive £57,545 annually (£14,386 quarterly). As of 30 June 2023, an additional fee was assessed in the amount of £11,066 annually and payable to two Directors (£5,533 each) for serving as directors of the Guernsey Subsidiaries of the Company. At 30 June 2023 the beneficial interests of the Directors in the issued share capital of the Company was 141,753 ordinary shares.

For the six month periods ended 30 June 2023 and 2022, the Group paid the independent directors a total of $217,040 (of which $8,736 related to services provided to the Guernsey Subsidiaries of the Company) and $194,826 (of which $6,297 related to services provided to the Guernsey Subsidiaries of the Company), respectively.

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.

Related Parties

In order to execute on its investing activities, the Investment Manager may create an intermediary entity for tax, legal, or other purposes. These intermediary entities do not charge management fees nor incentive allocations. Additionally, the Group may co-invest with other entities with the same Investment Manager as the Group.

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

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 2023 and 31 December 2022, the non-controlling interest of $2,024,354 and $1,947,323, 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 2023 and 31 December 2022.

	Controlling Interest	Noncontrolling Interest	Total
Net assets balance, 31 December 2021	**$1,480,178,782**	**$2,054,635**	**$1,482,233,417**
Net increase (decrease) in net assets resulting from operations	(108,947,791)	(107,312)	(109,055,103)
Dividend payment	(43,964,768)	–	(43,964,768)
Net assets balance, 31 December 2022	**$1,327,266,223**	**$1,947,323**	**$1,329,213,546**
Net increase (decrease) in net assets resulting from operations	59,937,923	77,017	60,014,940
Dividend payment	(21,982,384)	–	(21,982,384)
Cost of stock repurchased and cancelled (250,024 shares)	(4,843,359)	–	(4,843,359)
Net assets balance, 30 June 2023	**$1,360,378,403**	**$2,024,340**	**$1,362,402,743**

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 will be earned for any period until the subsequent net profits exceed the cumulative net losses. Carried interest is also accrued and paid on any economic gain that the Group realises on treasury stock transactions. Carried interest is accrued periodically and paid in the subsequent year. As of 30 June 2023 and 31 December 2022, carried interest of nil 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 (1)	Committed	Funded	Unfunded
2023				
NB-Affiliated Programs				
NB Alternatives Direct Co-investment Programs	**$222.1**	**$275.0**	**$235.9**	**$39.1**
NB Renaissance Programs	**25.7**	**40.0**	**32.8**	**7.2**
Marquee Brands	**28.9**	**30.0**	**26.6**	**3.4**
NB Credit Opportunities Program	**36.7**	**50.0**	**38.0**	**12.0**
NB Specialty Finance Program	**16.7**	**50.0**	**35.0**	**15.0**
Total NB-Affiliated Investments	**$330.1**	**$445.0**	**$368.3**	**$76.7**
2022				
NB-Affiliated Programs				
NB Alternatives Direct Co-investment Programs	$213.6	$275.0	$235.9	$39.1
NB Renaissance Programs	20.8	40.0	29.5	10.5
Marquee Brands	28.5	30.0	26.6	3.4
NB Healthcare Credit Investment Program (2)	0.0	50.0	45.9	4.1
NB Credit Opportunities Program	39.7	50.0	38.0	12.0
NB Specialty Finance Program	27.5	50.0	35.0	15.0
Total NB-Affiliated Investments	**$330.1**	**$495.0**	**$410.9**	**$84.1**

(1) Fair value does not include distributions. At 30 June 2023 and 31 December 2022, the total distributions from NB-Affiliated Investments were $436.4 and $421.0, respectively.

(2) Fair value was not zero, but rounded to zero.

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. Each fund investment of the Group 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 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.

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. As of 30 June 2023, the Group does not hold any U.S. Treasuries or other highly liquid securities.

The Group's investments are subject to various risk factors including market and credit risk, interest rate and foreign exchange risk, inflation risk, and the risks associated with investing in private securities. Non-U.S. dollar denominated investments may result in foreign exchange losses caused by devaluations and exchange rate fluctuations. In addition, consequences of political, social, economic, diplomatic changes, or public health condition may have disruptive effects on market prices or fair valuations of foreign investments.

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.

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 periods ended 30 June 2023 and 2022 and for the year ended 31 December 2022:

Per share operating performance (based on average shares outstanding during the year)	**For the Six Month Period Ended 30 June 2023**	**For the Year Ended 31 December 2022**	**For the Six Month Period Ended 30 June 2022**
Beginning net asset value	$28.38	$31.65	$31.65
Net increase in net assets resulting from operations:			
Net investment income (loss)	(0.35)	(0.71)	(0.36)
Net realised and unrealised gain (loss)	1.63	(1.62)	(2.15)
Dividend payment	(0.47)	(0.94)	(0.47)
Stock repurchased and cancelled	0.05	–	–
Ending net asset value	**$29.24**	**$28.38**	**28.67**

Total return (based on change in net asset value per share)	**For the Six Month Period Ended 30 June 2023**	**For the Year Ended 31 December 2022**	**For the Six Month Period Ended 30 June 2022**
Total return before carried interest	4.69%	(7.36%)	(7.93%)
Carried interest	–	–	–
Total return after carried interest	**4.69%**	**(7.36%)**	**(7.93%)**

Net investment income (loss) and expense ratios (based on weighted average net assets)	**For the Six Month Period Ended (Annualised) 30 June 2023**	**For the Year Ended 31 December 2022**	**For the Six Month Period Ended (Annualised) 30 June 2022**
Net investment income (loss), excluding carried interest	(2.46%)	(2.40%)	(2.34%)
Expense ratios:			
Expenses before interest and carried interest	2.58%	2.30%	2.20%
Interest expense	0.26%	0.43%	0.44%
Carried interest	–	–	–
Expense ratios total	**2.84%**	**2.73%**	**2.64%**

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.

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

Note 13 – Subsequent Events

On 31 August 2023, the Group paid a dividend of $0.47 per Ordinary Share to shareholders of record on 28 July 2023.

The Board of Directors made a clarificatory amendment to the cash management section of NBPE's Investment Policy as follows: "In addition to the investments referred to above, the Company may also hold cash and may temporarily invest such cash in cash equivalents, money market instruments, government securities, asset-backed securities and other investment grade securities, pending investment in private equity related assets or opportunistic investments or otherwise for efficient portfolio management."

On 28 August 2023 the Group drew $60,000,000 on its Credit Facility for the purpose of purchasing cash equivalents, money market instruments, government securities, asset-backed securities and other investment grade securities.

The Investment Manager and the Board of Directors have evaluated events through 25 September 2023, the date the financial statements are available to be issued and have determined there were no other subsequent events that require adjustment to, or disclosure in, the financial statements.

Schedule of investments (unaudited)

Investments	Principal Geography	Investment Date	Description	Fair Value $ M
Action	Europe	Jan-20	European discount retailer	76.9
Osaic	U.S.	Jul-19	Independent broker dealer	56.5
USI	U.S.	Jun-17	Insurance brokerage and consulting services	54.0
AutoStore (OB.AUTO)	Europe	Jul-19	Leading provider of automation technology	52.8
Constellation Automotive	UK	Nov-19	Provider of vehicle remarketing services	49.4
Solenis	Global	Sep-21	Specialty chemicals and services provider	47.2
Agiliti (NYSE: AGTI)	U.S.	Jan-19	Medical equipment management and services	41.2
Fortna	U.S./Europe	Apr-17	Systems and solutions utilised in distribution centres	37.9
NB Alternatives Credit Opportunities Program	Global	Sep-16	Diversified credit portfolio	36.7
Cotiviti	U.S.	Aug-18	Payment accuracy and solutions for the healthcare industry	35.9
GFL (NYSE: GFL)	U.S/Canada	Jul-18	Waste management services	33.9
Business Services Company*	U.S.	Oct-17	Business services company	33.4
BeyondTrust	U.S.	Jun-18	Cyber security and secure access solutions	32.7
Monroe Engineering	U.S.	Dec-21	Industrial products distributor	31.9
True Potential	Europe	Jan-22	Wealth management technology platform serving advisors and retail clients	30.7
Kroll	Global	Mar-20	Multinational financial consultancy firm	30.1
Branded Cities Network	U.S.	Nov-17	North American advertising media company	29.9
Marquee Brands	Global	Dec-14	Portfolio of consumer branded IP assets, licensed to third parties	28.9
Stubhub	U.S.	Feb-20	Ticket exchange and resale company	26.4
Staples	U.S.	Sep-17	Provider of office supplies through a business-to-business platform and retail	25.6
Engineering	Europe	Jul-20	Italy-based provider of systems integration, consulting and outsourcing services	25.3
Bylight	U.S.	Aug-17	Provider of IT and technology infrastructure cyber solutions	23.9
Addison Group	U.S.	Dec-21	Professional services provider specialising in staffing and consulting services	23.9
Auctane	U.S.	Oct-21	E-commerce shipping software provider	22.9
Petsmart/Chewy (NYSE: CHWY)	U.S.	Jun-15	Online and offline pet supplies retailer	21.9
Excelitas	U.S.	Nov-17	Sensing, optics and illumination technology	21.9
Accedian	U.S.	Apr-17	Network testing equipment and software	21.3
Branded Toy Company*	U.S.	Jul-17	Specialty toy company	21.2

Schedule of investments

Investments	Principal Geography	Investment Date	Description	Fair Value $ M
FV Hospital	Vietnam	Jun-17	Leading hospital provider in Vietnam	20.5
Renaissance Learning	U.S.	Jun-18	K-12 educational software & learning solutions	20.0
Solace Systems	U.S./Canada	Apr-16	Enterprise messaging solutions	19.8
Viant	U.S.	Jun-18	Outsourced medical device manufacturer	19.1
Qpark	Europe	Oct-17	European parking services operator	17.7
NB Specialty Finance Program	Global	Oct-18	Small balance loan portfolio	16.7
Exact	Netherlands	Aug-19	Accounting and ERP software for small to medium-sized businesses	16.0
Chemical Guys	U.S.	Sep-21	Direct to consumer automotive products brand	15.8
CH Guenther	U.S.	May-18	Supplier of mixes, snacks and meals and other value-added food products for consumers	15.3
Tendam	Spain	Oct-17	Spanish apparel retailer	14.8
Peraton	U.S.	May-21	Provider of enterprise IT services serving the U.S. government	14.2
Real Page	U.S.	Apr-21	Provides software solutions to the rental housing industry	14.0
Wind River Environmental	U.S.	Apr-17	Waste management services provider	12.4
Hub	Global	Mar-19	Leading global insurance brokerage	11.9
Nextlevel	U.S.	Aug-18	Designer and supplier of fashion-basic apparel	10.9
Xplor Technologies	U.S.	Jun-18	Credit card payment processing	10.6
SafeFleet	U.S.	May-18	Safety and productivity solutions for fleet vehicles	9.6
MHS	U.S.	Mar-17	Provider of repair, maintenance and fleet management services	9.5
Concord Bio	India	Jun-16	Active pharmaceutical ingredients manufacturer	8.6
ZPG	UK	Jul-18	Digital property data and software company	8.0
Italian Mid-Market Buyout Portfolio	Europe	Jun-18	Italian mid-market buyout portfolio	8.0
Milani	U.S.	Jun-18	Cosmetics and beauty products	7.6
Verifone	Global	Aug-18	Electronic payment technology	7.4
Leaseplan	Europe	Apr-16	Fleet management services	7.4
Lasko Products	U.S.	Nov-16	Manufacturer of portable fans and ceramic heaters	7.2
Unity Technologies (NYSE:U)	U.S.	Jun-21	Business platform for app developers	7.1
ProAmpac	U.S.	Dec-20	Leading global supplier of flexible packaging	6.8
Vertiv (NYSE: VRT)	U.S.	Nov-16	Provider of data centre infrastructure	6.6
Saguaro	North America	Jul-13	E&P company pursuing unconventional light oil/liquids-rich gas properties	6.4
Holley (NYSE: HLLY)	U.S.	Oct-18	Automotive performance company	6.3
Healthcare Company – In-home Devices	U.S.	Jun-18	Provider of pump medications and in-home intravenous infusion	6.2
BackOffice	U.S.	Dec-17	Data management solutions provider	5.9

Schedule of investments

Investments	Principal Geography	Investment Date	Description	Fair Value $ M
Destination Restaurants	U.S.	Nov-19	U.S. restaurant chain	5.9
Carestream	U.S.	Apr-16	Utilises digital imaging equipment and captures two billion images annually	5.7
Vitru (NASDAQ: VTRU)	Brazil	Jun-18	Post secondary education company	5.7
CrownRock Minerals	U.S.	Aug-18	Minerals acquisition platform	5.6
Centro	U.S.	Jun-15	Provider of digital advertising management solutions	5.4
Edelman	U.S.	Aug-18	Independent financial planning firm	5.2
N-Able (NYSE: NABL)	U.S.	Jul-21	IT management solutions	4.9
Plaskolite	U.S.	Dec-18	Largest manufacturer of thermoplastic sheets in North America	4.6
Inflection Energy	U.S.	Oct-14	Dry gas exploration company in the Marcellus Shale	4.5
Rino Mastrotto Group	Europe	Apr-20	Leading producer of premium leather	4.4
BK China	U.S.	Nov-18	Franchise of over 800 Burger King locations in mainland China	4.2
SolarWinds (NYSE: SWI)	U.S.	Feb-16	Provider of enterprise-class IT and infrastructure management software	3.8
SICIT	Europe	Aug-21	Producer of high value-added products such as biostimulants for agriculture	3.8
Healthcare Services Company	NA	Feb-18	Healthcare services company	3.7
Digital River (Equity)	U.S.	Feb-15	Digital e-commerce, payments and marketing solutions	3.7
Catalyst Fund III	North America	Mar-11	Legacy fund investment targeting North American companies	3.6
Mills Fleet Farms	U.S.	Feb-16	Value-based retailer with 35 stores in the Midwest U.S.	3.4
Husky Injection Molding	U.S.	Sep-18	Designs and manufacturers injection moulding equipment	3.2
Brightview (NYSE: BV)	U.S.	Dec-13	Commercial landscape and turf maintenance	2.7
Boa Vista (BVMF: BOAS3)	South America	Nov-12	Second largest credit bureau in Brazil	2.6
Snagajob	U.S.	Jun-16	Job search and human capital management provider	2.4
DBAG Expansion Capital Fund	Europe	Jan-12	Legacy fund investment targeting investments in Germany	2.4
Aster/DM Healthcare (NSEI: ASTERDM)	Middle East	Jun-14	Operator of hospitals, clinics and pharmacies	2.3
Hydro	Europe	Apr-20	Largest European manufacturer of hydraulic components	2.2
Syniverse Technologies	U.S.	Feb-11	Global telecommunications technology solutions	2.1
Inetum	Europe	July-22	IT services and solutions provider headquartered in France	2.0
Undisclosed Financial Services Company	North America	May-21	Undisclosed fintech company	1.9
Arbo	Europe	Jun-22	Italian distributor of heating, sanitary, plumbing, and air conditioning system spare parts	1.9
Corona Industrials	South America	Jun-14	Building materials company	1.6
Neopharmed	Europe	Jun-23	Specialty pharmaceuticals company	1.5
Innovacare	U.S.	Apr-20	Operates leading Medicare Advantage plan and Medicaid plan	1.4
Into University Partnerships	UK	Apr-13	Collegiate recruitment, placement and education	1.3

Investments	Principal Geography	Investment Date	Description	Fair Value $ M
Kyobo Life Insurance Co.	S. Korea	Dec-07	Life insurance in Korea	1.1
Taylor Precision Products	U.S.	Jul-12	Consumer & food service measurement products	0.7
NG Capital Partners I, L.P.	Peru	May-11	Legacy fund investment targeting investments in Peru	0.6
Bertram Growth Capital II	U.S.	Sep-10	Legacy fund investment targeting lower middle-market companies	0.2
Looking Glass	U.S.	Feb-15	Cyber security technology company	0.2
Bertram Growth Capital I	U.S.	Sep-07	Legacy fund investment targeting lower middle-market companies	0.2
Other Direct Equity Investments				0.6
Other Debt Investments				–
Other Fund Investments				0.7
Total Portfolio				**1,457**

Valuation methodology

Equity

It is expected that most of the investments in which the Fund invests will meet the criteria set forth under FASB ASC 820 Fair Value Measurement ("ASC 820") permitting the use of the practical expedient to determine the fair value of the investments. ASC 820 provides that, in valuing alternative investments that do not have quoted market prices, but calculate NAV per share or equivalent, an investor may determine fair value by using the NAV reported to the investor by the underlying investment. To the extent practical expedient is applicable to an investment, the Manager will value the Fund's investment based primarily on the value reported to the Fund by the investment or by the lead investor of a direct co-investment as of each quarter-end, as determined by the investments in accordance with its own valuation policies. The Fund generally uses the NAV reported by the investments as a primary input in its valuation; however, adjustments to the reported NAV may be made based on various factors, including, but not limited to, the attributes of the interest held, including the rights and obligations, any restrictions or illiquidity on such interest, any potential clawbacks by the investments and the fair value of the investments' investment portfolio or other assets and liabilities. The valuation process for investments categorised in Level 3 of the fair value hierarchy is completed on a quarterly basis and is designed to subject the valuation of Level 3 investments to an appropriate level of consistency, oversight and review. The Manager has responsibility for the valuation process and the preparation of the fair value of investments reported in the financial statements. The Manager performs initial and ongoing investment monitoring and valuation assessments. In determining the fair value of investments, the Manager reviews periodic investor reports and interim and annual audited financial statements received from the investments, reviews material quarter-over-quarter changes in valuation, and assesses the impact of macro-market factors on the performance of the investments.

Debt

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

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

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

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

Forward-looking statements

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

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

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

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

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

Alternative performance calculations

Alternative Performance Measures ("APMs") is a term defined by the European Securities and Markets Authority as "financial measures of historical or future performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework".

APMs are used in this report if considered by the Board and the Manager to be the most relevant basis for shareholders in assessing the overall performance of the Company and for comparing the performance of the Company to its peers, taking into account industry practice.

1H 2023 NAV Total Return Calculation	NAV per share (USD)	Dividend (USD)	Dividend Compounding Factor
NAV per Ordinary Share at year end as per Statement of Financial Position in December 2022 (A)	$28.38	–	
Semi-annual dividend per Ordinary Share declared in respect of year	$27.91	$0.47	1.01684
NAV per Ordinary Share at end of year as per Statement of Financial Position in June 2023 (B)	$29.24	–	
1H 2023 NAV total return per Ordinary Share (B/A)*C – 1	**4.8%**	**Product of dividend compounding (C)**	**1.01684**

One Year NAV Total Return Calculation	NAV per share (USD)	Dividend (USD)	Dividend Compounding Factor
NAV per ordinary share as per Statement of Financial Position in June 2022 (A)	$28.67	–	
2022 Semi-annual Dividend	$28.20	$0.47	1.0167
2023 Semi-annual Dividend	$27.91	$0.47	1.0168
NAV per ordinary share as per Statement of Financial Position in June 2023 (B)	$29.24	–	
NAV total return per ordinary share (B/A)*C – 1	**5.4%**	**Product of Dividend Compounding (C)**	**1.0338**

Three-year NAV Total Return Calculation	NAV per share (USD)	Dividend (USD)	Dividend Compounding Factor
NAV per Ordinary Share at year end as per Statement of Financial Position in June 2020 (A)	$18.28	–	
2020 Semi-annual dividend	$17.99	$0.29	1.0161
2021 Semi-annual dividend	$22.18	$0.31	1.0140
2021 Semi-annual dividend	$28.24	$0.41	1.0145
2022 Semi-annual dividend	$31.18	$0.47	1.0151
2022 Semi-annual dividend	$28.20	$0.47	1.0167
2023 Semi-annual dividend	$27.91	$0.47	1.0168
NAV per Ordinary Share at end of year as per Statement of Financial Position in June 2023 (B)	$29.24	–	
NAV Total Return per Ordinary Share (B/A)*C – 1	**75.5%**	**Product of dividend compounding (C)**	**1.0969**

Five Year NAV Total Return Calculation	NAV per share (USD)	Dividend (USD)	Dividend Compounding Factor
NAV per ordinary share as per Statement of Financial Position in June 2018 (A)	$18.03	–	
2018 Semi-annual Dividend	$17.75	$0.28	1.0158
2019 Semi-annual Dividend	$17.79	$0.28	1.0157
2019 Semi-annual Dividend	$18.83	$0.29	1.0154
2020 Semi-annual Dividend	$18.82	$0.29	1.0154
2020 Semi-annual Dividend	$17.99	$0.29	1.0161
2021 Semi-annual Dividend	$22.18	$0.31	1.0140
2021 Semi-annual Dividend	$28.24	$0.41	1.0145
2022 Semi-annual Dividend	$31.18	$0.47	1.0151
2022 Semi-annual Dividend	$28.20	$0.47	1.0167
2023 Semi-annual Dividend	$27.91	$0.47	1.0168
NAV per ordinary share as per Statement of Financial Position in June 2023 (B)	$29.24	–	
NAV total return per ordinary share (B/A)*C – 1	**89.2%**	**Product of Dividend Compounding (C)**	**1.1669**

1H 2023 Shareholder Total Return Calculation	Share price (GBP)	Dividend (GBP)	Dividend Compounding Factor
Share price at year end as per the London Stock Exchange on 31 December 2022 (A)	£16.00	–	
Semi-annual dividend per Ordinary Share declared in respect of year	£15.90	£0.38	1.0239
Share price at 1H 2023 as per the London Stock Exchange on 30 June 2023 (B)	£15.02	–	
1H 2023 share price Total Return per Ordinary Share (B/A)*C – 1	**-3.9%**	**Product of dividend compounding (C)**	**1.0239**

One Year Share Price Total Return Calculation	Share price (GBP)	Dividend (GBP)	Dividend Compounding Factor
Share price as per the London Stock Exchange on 30 June 2022 (A)	£14.85	–	
2022 Semi-annual Dividend	£15.75	£0.39	1.0246
2023 Semi-annual Dividend	£15.90	£0.38	1.0239
Share price per the London Stock Exchange on 30 June 2023 (B)	£15.02	–	
Share price total return per ordinary share (B/A)*C – 1	**6.1%**	**Product of Dividend Compounding (C)**	**1.0491**

Three-year Share Price Total Return Calculation	Share price (GBP)	Dividend (GBP)	Dividend Compounding Factor
Share price at year end as per the London Stock Exchange on 30 June 2020 (A)	£9.28	–	
2020 Semi-annual dividend	£9.30	£0.23	1.0245
2021 Semi-annual dividend	£11.85	£0.23	1.0191
2021 Semi-annual dividend	£15.30	£0.30	1.0195
2022 Semi-annual dividend	£17.75	£0.34	1.0194
2022 Semi-annual dividend	£15.75	£0.39	1.0246
2023 Semi-annual dividend	£15.90	£0.38	1.0239
Share price at year end as per the London Stock Exchange on 31 December 2022 (B)	£15.02	–	
Share price total return per Ordinary Share (B/A)*C – 1	**84.2%**	**Product of dividend compounding (C)**	**1.1383**

Five Year Share Price Total Return Calculation	Share price (GBP)	Dividend (GBP)	Dividend Compounding Factor
Share price as per the London Stock Exchange on 30 June 2018 (A)	£10.60	–	–
2018 Semi-annual Dividend	£10.70	£0.21	1.0199
2019 Semi-annual Dividend	£10.90	£0.21	1.0196
2019 Semi-annual Dividend	£11.25	£0.23	1.0207
2020 Semi-annual Dividend	£11.95	£0.22	1.0185
2020 Semi-annual Dividend	£9.30	£0.23	1.0245
2021 Semi-annual Dividend	£11.85	£0.23	1.0191
2021 Semi-annual Dividend	£15.30	£0.30	1.0195
2022 Semi-annual Dividend	£17.75	£0.34	1.0194
2022 Semi-annual Dividend	£15.75	£0.39	1.0246
2023 Semi-annual Dividend	£15.90	£0.38	1.0239
Share price per the London Stock Exchange on 30 June 2023 (B)	£15.02	–	
Share price total return per ordinary share (B/A)*C – 1	**74.4%**	**Product of Dividend Compounding (C)**	**1.2304**

Total 2023 Expected Realisation Calculation	$ in millions
Proceeds from sale of private equity investments (A)	$45.0
Net Additional Cash Proceeds Expected in 2023 (B)	$81.8
2023 portfolio realisations (A+B)	**$126.8**

Multiple of Capital Calculation	
Exit proceeds from full exits over the last five years (A)	$461.0
Invested capital into full exits over the last five years (B)	$195.9
Multiple on invested capital (A/B)	**2.4x**

Realisation Uplift Calculation	
Percentage uplift relative to carrying value three quarters prior	1,334%
Total observations	35
Average uplift	**38.1%**

Adjusted Commitment Coverage	
Cash + undrawn committed credit facility (A)	$291.2
Adjusted unfunded private equity exposure (B)	$44.3
Adjusted commitment coverage ratio (A/B) – 1	**657%**

* Unfunded commitments are adjusted for amounts the Manager believes are unlikely to be called.

Share Price Yield	
Annualised 2023 Dividend (GBP equivalent) (A)	£0.74
Share price on 30 June 2023 (B)	£15.02
Share Price Yield (A/B) – 1	**4.9%**

Realisation Uplift Full/Partial Sales (Including Pending Sales)	
Three quarters prior aggregate valuation	$63.2
Aggregate announced/expected realisation value at sale/IPO	$68.8
Average uplift	**9.0%**

Multiple of Capital Calculation Full/Partial Sales (Including Pending Sales)	
Total value from announced/expected 2023 direct equity investment exits (A)	$72.5
Invested capital into announced/expected 2023 direct equity investment exits (B)	$37.0
Multiple on invested capital (A/B)	**2.0x**

Glossary (unaudited)

Buyout is the purchase of a controlling interest in a company.

Compound Annual Growth Rate ("CAGR") represents the annual growth rate of an investment over a specified period of time longer than one year.

Carried interest is equivalent to a performance fee. This represents a share of the profits that will accrue to the underlying private equity managers, after achievement of an agreed preferred return.

Co-investment is a direct investment in a company alongside a private equity fund.

Debt Multiple Ratio of net debt to EBITDA.

Direct equity investments are investments in a single underlying company.

Discount arises when a company's shares trade at a discount to NAV. In this circumstance, the price that an investor pays or receives for a share would be less than the value attributable to it by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. For example, if the NAV was l00p and the share price was 90p, the discount would be 10%.

Dry powder is capital raised and available to invest but not yet deployed.

EBITDA stands for earnings before interest, tax, depreciation and amortisation, which is a widely used performance measure in the private equity industry.

Enterprise value is the aggregate value of a company's entire issued share capital and net debt.

Exit is the realisation of an investment usually through trade sale, sale by public offering (including IPO), or sale to a financial buyer.

FTSE All-Share Index Total Return is the change in the level of the FTSE All-Share Index, assuming that dividends are re-invested on the ex-dividend date.

Full realisations are exit events (e.g. trade sale, sale by public offering, or sale to a financial buyer) following which the residual exposure to an underlying company is zero or immaterial.

Fund-of-funds is a private equity fund that invests in a portfolio of several private equity funds to achieve, compared with a direct investment fund, a broader diversification of risk, including individual private equity manager risk.

General Partner ("GP") is the entity managing a private equity fund that has been established as a limited partnership. This is commonly referred to as the Manager.

Initial Public Offering ("IPO") is an offering by a company of its share capital to the public with a view to seeking an admission of its shares to a recognised stock exchange.

Internal Rate of Return ("IRR") is a measure of the rate of return received by an investor in a fund. It is calculated from cash drawn from and returned to the investor together with the residual value of the investment.

Last Twelve Months ("LTM") refers to the timeframe of the immediately preceding 12 months in reference to a financial metric used to evaluate the Company's performance.

Limited Partner ("LP") is an institution or individual who commits capital to a private equity fund established as a limited partnership. These investors are generally protected from legal actions and any losses beyond the original investment.

Market capitalisation Share price multiplied by the number of shares outstanding.

Multiple of cost or invested capital ("MOIC" or cost multiple) A common measure of private equity performance, MOIC is calculated by dividing the fund's cumulative distributions and residual value by the paid-in capital.

Net asset value ("NAV") Amount by which the value of assets of a fund exceeds liabilities, reflecting the value of an investor's attributable holding.

Net asset value per share ("NAV per share") is the value of the Company's net assets attributable to one Ordinary Share. It is calculated by dividing 'shareholders' funds' by the total number of Ordinary Shares in issue. Shareholders' funds are calculated by deducting current and long-term liabilities, and any provision for liabilities and charges, from the Company's total assets.

Net asset value per share Total Return is the change in the Company's net asset value per share, assuming that dividends are re-invested on the ex-dividend date.

Net debt is calculated as the total short-term and long-term debt in a business, less cash and cash equivalents.

Net debt to EBITDA is the ratio of a company's net debt to its LTM EBITDA

Premium occurs when the share price is higher than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets.

Public to private ("P2P") or take private, is the purchase of all of a listed company's shares and the subsequent delisting of the company, funded with a mixture of debt and unquoted equity.

Quoted company is any company whose shares are listed or traded on a recognised stock exchange.

Realisation proceeds are amounts received by the Company from the sale of a portfolio company, which may be in the form of capital proceeds or income such as interest or dividends.

Realisations – multiple to cost is the average return from full and partial exits in the period.

Realisations – uplift to carrying value is the aggregate uplift on full and partial exits

Share price Total Return is the change in the Company's share price, assuming that dividends are re-invested on the day that they are paid.

Total Return is a performance measure that assumes the notional re-investment of dividends. This is a measure commonly used by the listed private equity sector and listed companies in general.

Undrawn commitments are commitments to funds that have not yet been drawn down.

Valuation multiples are earnings or revenue multiples applied in valuing a business enterprise.

Vintage is the year in which a private equity fund makes its first investment.

Directors, Advisors and contact information

Board of Directors

William Maltby (Chairman)
Trudi Clark
John Falla
Wilken von Hodenberg
Louisa Symington-Mills
Pawan Dhir (appointed 19 September 2023)

Registered Office

NB Private Equity Partners Limited
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Investment Manager

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Email: IR_NBPE@nb.com

Guernsey Administrator

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St. Peter Port, Guernsey GY1 4LY
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Fax: +44-(0)1481-728-452

Fund Service and Recordkeeping Agent

MUFG Capital Analytics LLC
325 North St. Paul Street, Suite 4700
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Independent Auditors

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Glategny Esplanade
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101 Barclay Street, 22nd Floor
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Paying Agent

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68 Upper Thames Street
London EC4V 3BJ
Tel: +44 (0) 20 7029 8766

Joint Corporate Brokers

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100 Bishopsgate
London EC2N 4JL
Tel: +44 (0) 20 7029 8766

Stifel Nicolaus Europe Limited
150 Cheapside
London, EC2V 6ET
Tel: +44 (0) 20 7710 7600

Registrar

Link Market Services (Guernsey) Limited
Mont Crevelt House,
Bulwer Avenue
St. Sampsons
GY2 4LH
Guernsey Channel Islands

Useful information

Financial calendar

Approximate timing

Monthly NAV update
Generally 10-15 days after month-end

Annual financial report
April

Interim Report
September

Key Information Document Update
Annually, following release of the annual financial report.

All announcements can be viewed on the Company's website – www.nbprivateequitypartners.com.

Register to receive news alerts

Please register for news alerts on the Company's website – https://www.nbprivateequitypartners.com/en/investors/news-and-alerts.

Events timing

Annual General Meeting
June

Capital Markets Day
5 October 2023 at 2.00pm

Dividends
Semi-annual

Payment of dividends

Dividends are declared in U.S. dollars and paid in pounds Sterling, but the Company also offers both a Currency Election for US shareholders and a dividend re-investment plan for shareholders who wish to reinvest their dividends to grow their shareholding. The foreign exchange rate at which dividends declared will be converted into pounds Sterling will be at the spot rate prior to the payment of the dividend.

Dividend information

The dividend documents on the Company's website provide information to Shareholders regarding NBPE's Dividend Re-investment Plan and USD Dividend Election for as well as election forms for each of the options. Investors should read the dividend documentation carefully prior to choosing an election. If an election is not made, investors will receive cash dividends in Sterling. Shareholders are advised to consult with a tax advisor concerning potential tax consequences of an election.

Anyone acting for the account or benefit of a U.S. person who elects to receive additional shares through the dividend re-investment plan would need to sign a Qualified Purchaser certification, which is available on the website. The completed forms should be returned to NBPE's Investor Relations department by email at IR_NBPE@nb.com or by the Investment Manager's mailing address (see page 66 for contact information).

For further information on the Dividend Re-investment Plan and Currency Election, please contact the Company's registrar, Link Market Services, at enquiries@linkgroup.co.uk. Please see Link's mailing address below.

Registrar services

Communications with shareholders are mailed to the address held on the share register. Any notifications and enquiries relating to registered shareholdings, including a change of address or other amendment, should be directed to Link Asset Services.

Address:
Link Asset Services
PXS 1
34 Beckenham Road
Beckenham BR3 4ZF
http://ips.linkassetservices.com/
Email: enquiries@linkgroup.co.uk
By phone:
UK: +44 (0) 333 300 1950

From overseas: +44 20 333 300 1950. Calls outside the United Kingdom will be charged at the applicable international rate. Link Asset Services are open between 9.00am and 5.30pm, Monday to Friday, excluding public holidays in England and Wales.

E-communications for shareholders

NBPE would like to encourage shareholders to receive shareholder documents electronically, via our website or email notification instead of hard copy format. This is a faster and more environmentally friendly way of receiving shareholder documents.

The online Share Portal from our registrar, Link Asset Services, provides all the information required regarding your shares. Through the Share Portal, shareholders can access details of their holdings in NBPE online. You can also make changes to address details and dividend payment preferences online.

Shareholders who wish to receive future communications via electronic means can register this preference through the Share Portal (https://www.signalshares.com/).

ISIN/SEDOL numbers

The ISIN, SEDOL numbers and ticker for the Company's Ordinary Shares are as follows:

	£ share class	US$ share class
Ticker:	NBPE	NBPU
ISIN	GG00B1ZBD492	GG00B1ZBD492
SEDOL	B28ZZX8	BD9PCY4

Information about the 2024 ZDP shares:

	2024
Capital entitlement	130.63p
Maturity	20 Oct 24
GRY at issue	4.25%
Ticker	NBP5
ISIN	GG00BD96PR19
SEDOL	BD96PR1

AIC

The Company is a member of the Association of Investment Companies (https://www.theaic.co.uk/).

How to invest

NBPE is listed on the London Stock Exchange and its shares can be bought and sold just as those of any other listed company.

A straightforward way for individuals to purchase and hold shares in the Company is to contact a stockbroker, savings plan provider or online investment platform. NBPE's shares may be purchased under the ticker symbol NBPE.

To help people trying to choose a platform, the Association of Investment Companies ("AIC") provides up-to-date information on the platforms where investment companies are available, and what you'll pay to invest on each platform (https://www.theaic.co.uk/availability-on-platforms).

If you'd prefer to use a financial adviser, advice on how to find one can be found at https://www.thepfs.org/yourmoney/find-an-adviser/.

ISA status

The Company's shares are eligible for tax-efficient wrappers such as Individual Savings Accounts ("ISAs"), Junior ISAs, and Self Invested Personal Pensions ("SIPPs").

Information about ISAs and SIPPs, as well as general advice on saving and investing, can be found on the government's free and independent service at www.moneyadviceservice.org.uk.

As with any investment into a company listed on the stock market, you should remember that:

- the value of your investment and the income you get from it can fall as well as rise, so you may not get back the amount you invested; and
- past performance is no guarantee of future performance.

This is a medium- to long-term investment so you should be prepared to invest your money for at least five years. If you are uncertain about any aspect of your decision to invest, you should consider seeking independent financial advice.

1. Assumes re-investment of dividends at the closing NAV or share price on the ex-dividend date.
2. Realisations announced in 2023, not all of which had closed. $45 million received during 2023, of which $11 million was received in 2023 from announced transactions during 2022.
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 will lower returns). Past performance is not a guarantee of future returns. Proceeds include funds that are currently in escrow, but are expected to be received and from investments which are signed but not yet closed.
4. All performance figures assume re-investment of dividends at NAV on the ex-dividend date and reflect cumulative returns over the relevant time periods shown and are not annualised returns.
5. The MSCI World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,513 constituents as of 31 August 2023, the index covers approximately 85% of the free float-adjusted market capitalisation in each country (MSCI World Factsheet, 31 August 2023, the latest available). The benchmark performance is presented for illustrative purposes only to show general trends in the market for the relevant periods shown. The investment objectives and strategies in the benchmark may be different than the investment objectives and strategies of NBPE and may have different risk and reward profiles. A variety of factors may cause this comparison to be an inaccurate benchmark for any particular fund and the benchmarks do not necessarily represent the actual investment strategy of a fund. It should not be assumed that any correlations to the benchmark based on historical returns would persist in the future. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results.
6. As at 25 September 2023, with $15 million received in July and August 2023.
7. The FTSE All-Share Index represents the performance of all eligible companies listed on the London Stock Exchange's (LSE) main market, which pass screening for size and liquidity. The index captures 98% of the UK's market capitalization (FTSE All Share Factsheet, 31 August 2023, the latest data available). The benchmark performance is presented for illustrative purposes only to show general trends in the market for the relevant periods shown. The investment objectives and strategies in the benchmark may be different than the investment objectives and strategies of NBPE and may have different risk and reward profiles. A variety of factors may cause this comparison to be an inaccurate benchmark for any particular fund and the benchmarks do not necessarily represent the actual investment strategy of a fund. It should not be assumed that any correlations to the benchmark based on historical returns would persist in the future. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results.
8. For illustrative purposes only. The benchmark performance is presented for illustrative purposes only to show general trends in the market for the relevant periods shown. The investment objectives and strategies of the benchmarks may be different than the investment objectives and strategies of a particular private fund, and may have different risk and reward profiles. A variety of factors may cause this comparison to be an inaccurate benchmark for any particular type of fund and the benchmarks do not necessarily represent the actual investment strategy of a fund. It should not be assumed that any correlations to the benchmark based on historical returns would persist in the future. Past performance is no guarantee of future results. Indexes are unmanaged and are not available for direct investment.

   Source: Private equity data from Burgiss. Represents pooled horizon IRR and first quartile return for Global Private Equity Buyout as of March 31, 2023, which is the latest data available. Public market data sourced from Neuberger Berman. The benchmark performance is presented for illustrative purposes only to show general trends in the market for the relevant periods shown. The investment objectives and strategies of each fund in the benchmark may be different than the investment objectives and strategies of NBPE and may have different risk and reward profiles. A variety of factors may cause this comparison to be an inaccurate benchmark for any particular fund and the benchmarks do not necessarily represent the actual investment strategy of a fund. It should not be assumed that any correlations to the benchmark based on historical returns would persist in the future. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results.
9. Approximately 96% of the direct investment portfolio (measured on 30 June 2023 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.
10. Includes full exits only over the last five years. Excludes partial exits, recapitalisations and IPOs until the stock is fully exited. Exit year for public companies determined by the final sale of public shares. 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).
11. Over the last five years. 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 or the timing of stock sales at the GP's discretion. 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).
12. As of June 30, 2023. Represents aggregate committed capital since inception in 1987, including commitments in the process of documentation or finalisation.
13. As of June 30, 2023.
14. Includes Limited Partner Advisory Committee seats and observer seats for PIPCO and Secondaries since inception as of June 30, 2023.
15. Reflects Private Investment Portfolios and Co-investment ("PIPCO") Managing Directors only.
16. 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.
17. For illustrative and discussion purposes only. PRI grades are based on information reported directly by PRI signatories, of which investment managers totaled 3,404 for 2021, 1,924 for 2020, and 1,119 for 2019 . Note that scores for the 2021 reporting cycle cannot be compared to previous years due to the change in PRI assessment methodology. Unlike previous years, the indicator scores are assigned one of five performance bands (from 1 to 5 stars) instead of six performance bands (from A+ to E). All PRI 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. Neuberger Berman pays a fee to be a member of PRI and the grades are only available to PRI members. 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. Information about PRI grades is sourced entirely from PRI and Neuberger Berman makes no representations, warranties or opinions based on that information.
18. As of June 30, 2023.

19 Revenue & EBITDA Growth: Past performance is no guarantee of future results. Fair value as of 30 June 2023 and the data is subject to the following adjustments: 1) Excludes public companies. 2) Analysis based on 65 private companies and excludes Marquee Brands and one PIK preferred investment. 3) The private companies included in the data represent approximately 81% of the total direct equity portfolio. 4) Five companies were excluded from the revenue and EBITDA growth metrics on the basis of the following: a) one company used an industry-specific metric as a measurement of cash flow b)one company (less than 1.5% of direct equity fair value) had anomalous percentage changes which the manager believed to be an outlier c) three investments held less than one year. One company was included in the 30 June 2023 growth metrics, but was excluded at 31 December 2022 due to an extraordinary growth rate. If this company was excluded at 30 June 2023 from the growth metrics, LTM Revenue and LTM EBITDA would have been 14.3% and 14.4%, respectively. 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 to the Manager as of 21 September 2023. Where necessary, estimates were used, which include pro forma adjusted EBITDA and other EBITDA adjustments, pro forma revenue adjustments, run-rate adjustments for acquisitions, and annualised quarterly operating metrics. LTM periods as of 30 June 2023 and 31 March 2023 and 30 June 2022 and 31 March 2022. LTM revenue and LTM EBITDA growth rates are weighted by fair value.

20 Valuation & Leverage: Past performance is no guarantee of future results. Fair value as of 30 June 2023 and subject to the following adjustments. 1) Excludes public companies, one PIK preferred investment and Marquee Brands. 2) Based on 65 private companies which are valued based on EV/EBITDA metrics, but excludes two companies due to the following: a) one company used an industry-specific metric as a measurement of cash flow b) one company was valued based on a recent transaction pricing. 3) The private companies included in the data represents 71% of direct equity investment fair value. 4) Companies not valued on multiples of trailing EBITDA are excluded from valuation statistics. 5) Leverage statistics exclude companies with net cash position and leverage data represents 67% of direct equity investment fair value. 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 to the Manager as of 21 September 2023, based on reporting periods as of 30 June 2023 and 31 March 2023. EV and leverage data is weighted by fair value.

21 Debt Covenant Statistics: Past performance is no guarantee of future results. Fair value as of 30 June 2023, subject to the following adjustments. 1) Excludes public companies. 2) Analysis based only on the top 30 private companies and excludes Marquee Brands. 3) The private companies included in the data represent approximately 65% of the total direct equity portfolio. 4) Debt covenant analysis does not consider springing debt covenants which may apply to certain draw percentages of underlying company revolvers. Portfolio company debt details are based on the most recently available (unaudited) financial information for each company and based on as reported by the lead private equity sponsor to the Manager as of 21 September 2023.

Debt Maturity: Past performance is no guarantee of future results. Based on 30 June 2023 fair value, with investment fair values weighted by the company's debt to total capitalization ratio. Fair value is also subject to the following adjustments: 1) Excludes public companies. 2) Analysis based only on the top 30 private companies and excludes Marquee Brands. 3) The private companies included in the data represent approximately 65% of the total direct equity portfolio. Portfolio company debt details are based on the most recently available (unaudited) financial information for each company and based on as reported by the lead private equity sponsor to the Manager as of 21 September 2023.

Interest Coverage Ratio: Past performance is no guarantee of future results. Based on LTM 30 June 2023 and LTM 31 March 2023 and weighted by fair value. Fair value is also subject to the following adjustments: 1) excludes public companies 2) analysis is based only on the top 30 private companies and excludes Marquee Brands 3) the private companies included in the data represent approximately 65% of the total direct equity portfolio. 4) Three companies, totaling $62 million of value were excluded from the values due to having no debt or negative EBITDA. Interest coverage of one company (less than 2% of fair value) was estimated by the Manager. Other portfolio company debt details are based on the most recently available (unaudited) financial information for each company and based on as reported by the lead private equity sponsor to the Manager as of 21 September 2023.

22 Small balance loan portfolios in realisation mode.

23 As at 22 September 2023.

24 Many of the firm level processes described herein are subject to Neuberger Berman's policies and procedures, including certain information barriers within Neuberger Berman that will, from time to time, limit communications between the NB Private Markets team and the public side investment and ESG teams

25 Amounts may not add up to 100% due to rounding. Based on direct investment portfolio fair value and NBAA analysis as 30 June 2023; 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 1.7% of fair value. There can be no assurance that NBPE will achieve comparable results in the future, that targeted diversification or asset allocations will be met, or that NBPE will be able to implement its investment strategy and investment approach or achieve its investment objective.

26 Based on Neuberger Berman Private Equity Analysis.

27 No potential UN SDG Thematic Alignment reflects investments made prior to NBPE adopting its Responsible & Sustainable Investment Policy in 2020.

28 This material is intended as a broad overview of the portfolio manager's style, philosophy and investment process and is subject to change without notice. This or any other case study discussed in this material does not represent all past investments. It should not be assumed that an investment in any case study listed was or will be profitable. The information supplied about an investment is intended to show investment process and not performance.

29 As at 30 June 2023.

NB | Private Equity Partners

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