Investing in private companies to generate long-term growth

NB | Private Equity Partners

Annual Report 2022

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.

Annual Report 2022

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

12 months to 31 December 2022

-7.5%[1]
NAV Total Return ($)

-9.7%[1]
Total Shareholder Return (£)

$0.94
Dividends per share

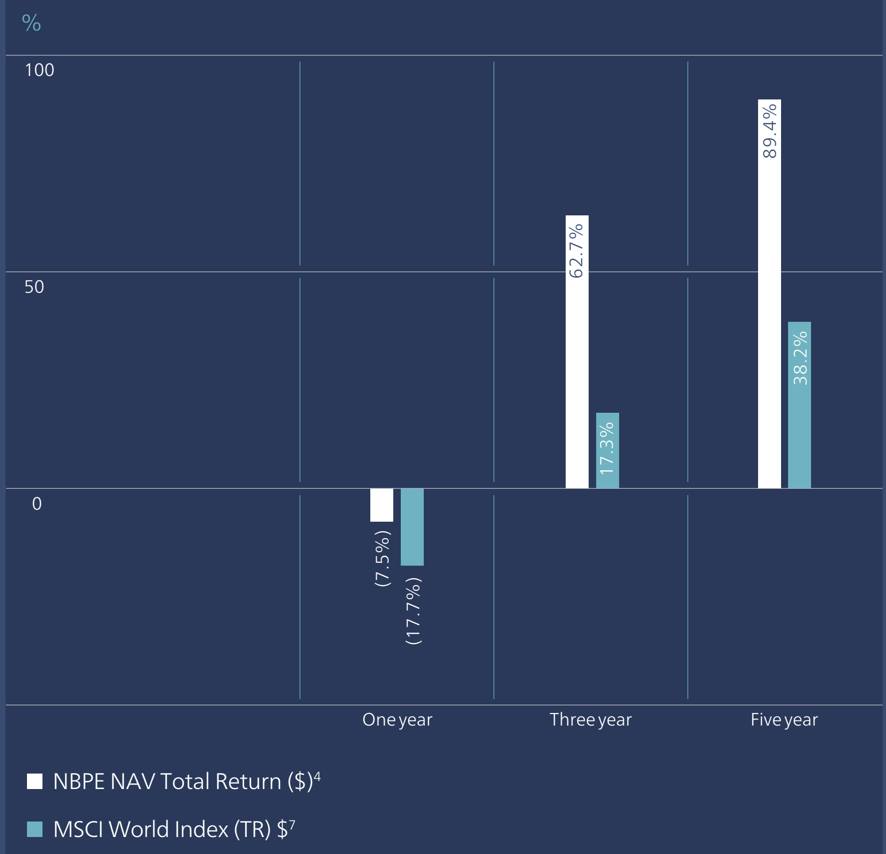
4.9%
Dividend yield on share price

$142.9m[2]
Announced realisations

2.7x[3]
Return on cost

NAV Total Return

Cumulative at 31 December 2022 (% total return)



"Our portfolio is navigating a challenging macroeconomic environment well"

William Maltby Chairman

With an increasingly uncertain macroeconomic outlook, intensifying geopolitical tensions and volatile equity and bond markets, 2022 proved to be a challenging year for investors generally. Against this backdrop, NBPE's performance, especially for its direct private equity investments was resilient, with the 7.5% decline in NAV, on a total returns basis, driven by falls in the value of our quoted holdings and foreign exchange headwinds. NBPE's private investments increased in value by 4.4%, in aggregate, on a constant currency basis, with strong operating performance more than outweighing the decline in valuation multiples across the portfolio.

This performance underscores the value of NBPE's investment strategy: a focus on two key themes – businesses with long-term secular growth and/or low expected cyclicality. NBPE does this by combining the flexibility of its co-investment model, with the strength of Neuberger Berman's private markets platform. By focusing on our two key themes and building a portfolio deal by deal rather than through funds, Neuberger Berman has built a portfolio with broad exposure to companies operating in different industries, but with similar characteristics: resilient business models with high barriers to entry and strong recurring revenue streams with the potential to create strong earnings growth. It offers shareholders access to a well-diversified and carefully constructed portfolio of attractive maturing private companies with significant long-term growth potential.

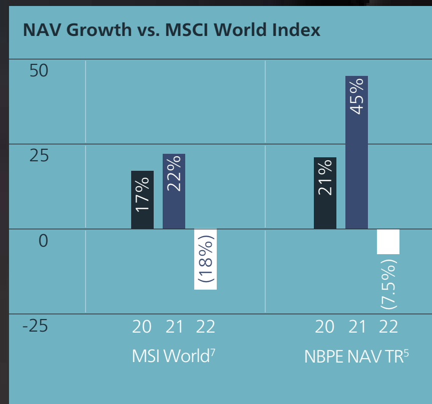
High-quality and well-positioned portfolio

NBPE's private portfolio continues to navigate the economic environment well, generating strong LTM Revenue and LTM EBITDA growth of 14.4%and 11.9%[6], respectively, during 2022. This is despite continued elevated inflationary pressures, supply chain challenges and a higher interest rate environment. Despite some margin compression in certain segments of the portfolio as a result of the inflationary environment, by the second half of the year, portfolio companies had generally mitigated these challenges through operational enhancements as well as price increases.

Private Portfolio Fair value

+4.4%

Constant Currency Basis



After a record year of realisations in 2021, activity slowed in 2022. $143 million of total announced realisations, of which seven were full or partial exits, generated a 2.7x gross multiple of invested capital and a 6% uplift to 31 December 2021 value[8]. While the level of realisation activity for the year was 9% of opening portfolio value and below our long-term average of 21%, we are pleased by the level of cash returned to the Company during a challenging year. This demonstrates both the attractiveness of the portfolio companies to acquirers, and also the multiple liquidity routes available to our underlying private equity managers with whom we co-invest.

Strong balance sheet and flexibility to make new investments

Following $44 million of dividends paid to shareholders and the repayment of the 2022 Zero Dividend Preference (ZDP) Shares in September, NBPE ended the year with $7 million of cash and no borrowings drawn from its credit facility.

NBPE completed two new investments totalling $41 million in 2022: one into a wealth management technology platform, and the other into an existing portfolio company that has performed strongly, whereby NBPE recycled some of the proceeds from a liquidity event back into the company. Our co-investment model means we invest on a deal-by-deal basis, and at 106% invested at 31 December 2022, we are under no pressure to make new investments, and can therefore be highly selective. Neuberger Berman continues to review investment opportunities from its active co-investment pipeline. However, pricing for new transactions remains competitive for high-quality assets. Therefore, with the exception of follow-on activity for accretive acquisitions within our existing portfolio, we do not expect the pace of new investments to pick up materially in the near term for NBPE.

Since the December 2022 year end, we have received $37 million of proceeds (of which approximately $10 million was announced in 2022 but received in 2023), and paid the first 2023 semi-annual dividend. At 31 March 2023 we had cash balances of $7 million and available liquidity on our credit facility of $300 million. We expect a further $16 million of distributions in the coming months from announced but not yet closed transactions and we remain committed to maintaining our balance sheet strength .

Continued commitment to the dividend policy

The first 2022 semi-annual dividend payment of $0.47 per share was made in February, a 14.6% increase over the August 2021 dividend payment, reflecting the strong growth in NAV in 2021. Despite the decline in NAV during 2022, we maintained our August dividend payment at $0.47 per share, taking total dividends for the year 2022 to $0.94 per share, a yield of 3.4% on NAV (above NBPE's policy of annualised yield of 3.0% of NAV) and a 4.9% yield on the year-end share price.

Our February 2023 semi-annual dividend of $0.47 per share was maintained in line with the previous dividend. The Directors recognise the importance of paying a reliable dividend to our shareholders and we remain committed to the Company's policy.

Summary balance sheet

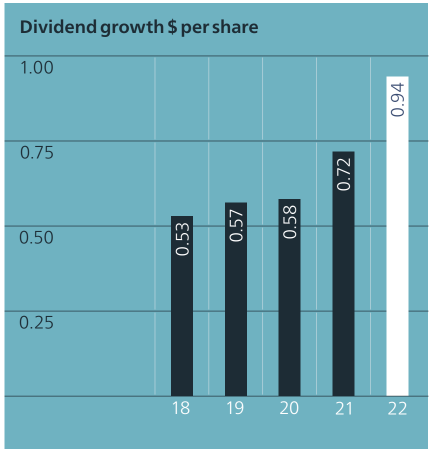
$m	31 Dec 2022 (Audited)	31 Dec 2021 (Audited)
Direct equity investments	$1,286.4	$1,430.2
Income investments	$107.3	$125.1
Total investments*	**$1,401.4**	**$1,569.3**
Investment level	106%	106%
Cash	$7.0	$116.5
Credit facility drawn	–	–
ZDPs	($72.8)	($162.0)
Other	($8.4)	($43.6)
Net Asset Value	**$1,327.3**	**$1,480.2**
NAV per share ($)	**$28.38**	**$31.65**
NAV per share (£)	**£23.59**	**£23.37**

* Total investments include approximately $7.7 million of fund investments as of 31 December 2022 and $14.0 million as of 31 December 2021

Dividend growth

$0.94

Total dividends paid in 2022

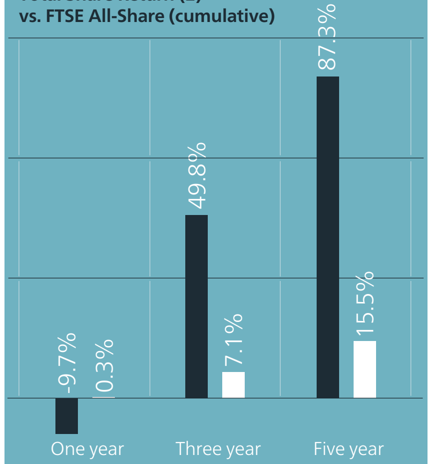


Share price impacted by market sentiment

Global markets faced significant challenges during 2022, with sentiment impacted by ongoing macroeconomic headwinds, especially inflationary pressures. For the listed private equity sector, this shift in sentiment led to discounts widening significantly across the sector as concerns about the outlook for valuations of private companies took hold. NBPE's share price was not immune. While the share price recovered some ground from the lows in June 2022, it ended the year at £16.00, a decline of 9.7% on a total return basis for the year, which compares to a small positive return of 0.3% from the FTSE All-Share in 2022. Over three, five and 10 years the shares continue to outperform materially the FTSE All-Share.

Although the share price improved and discount narrowed in the first few months of 2023, the market turmoil in March, following the failure of Silicon Valley Bank (SVB) and UBS's rescue of Credit Suisse, impacted general investor sentiment towards risk assets with share prices across the listed private equity sector falling significantly. Although NBPE and its portfolio companies have no material exposure to SVB, our share price retreated to £14.70 with the discount widening to 37%[9]. The Directors believe this discount materially undervalues our portfolio, balance sheet strength and prospects. We believe the share price represents a very attractive entry point for investors to gain exposure to high-quality private companies and we continue to expand our investor relations initiatives to increase NBPE's profile among existing and new investors. Alongside this, in October 2022, we entered into an agreement with Jefferies, which allows them, in their sole discretion, to repurchase NBPE shares based on certain criteria. To date, no shares have been repurchased and we will be renewing our agreement with Jefferies.

Total Share Return (£) vs. FTSE All-Share (cumulative)



Cumulative return as at 31 December 2022 over time periods shown

Recognition of Neuberger Berman's ESG credentials

The Board remains focused on ESG and responsible investing. We are pleased that approximately 98% of NBPE's portfolio continues to have a positive or neutral sustainability rating (please see page 31). Of course, none of this would be possible without the skills and expertise of Neuberger Berman's ESG team.

We were delighted that for the third year in a row, Neuberger Berman was awarded top scores (5 stars) across all categories for its approach to ESG by the UN PRI. Alongside this, NB Private Markets received the BVCA's Excellence in ESG Award (LP Category) for its commitment to fostering innovation on ESG objectives, engagement with private equity managers, and efforts related to ESG data and climate initiatives. Now in its third year, this award seeks to recognise outstanding contributions to ESG and Impact Investing across the private capital ecosystem.

Value of the private equity model in a challenging market environment

While there were significant macroeconomic challenges and heightened volatility across asset classes in the first half of 2022, in the second half, investors saw generally improving conditions in equity and bond markets, although the performance of major U.S. indices remained deeply negative for the year. The majority of NBPE's portfolio is invested in the U.S. By the end of the year, U.S. inflation remained elevated, but overall inflation measures were trending downward and remained well below levels in Europe. In general, throughout the year, particularly in the second half, companies had implemented operational changes and were managing supply chain disruptions better. Nevertheless, the tragic events in Ukraine persisted and certain markets, such as energy, remained destabilised, presenting challenges from elevated pricing. Importantly, for NBPE, energy is not a significant input cost across the portfolio.

The Federal Reserve continues to try to fight inflation with successive interest rate hikes, which started in March last year. While long-term interest rates in the U.S. have begun declining from their peak in 2022, relatively high inflation and rising short-term interest rates have led some investors to raise the prospects of a recession in 2023. In this challenging environment, we believe the private equity model is highly advantageous. At its core, private equity centres on ownership - an ability to control and guide business strategy and direction. The managers with whom we co-invest have a number of tools at their disposal to unlock and drive long-term value – the hiring of management teams to execute growth strategies, M&A, or operational enhancements, away from the glare of the public markets. Importantly, as owners, private equity managers are also able to adapt quickly to change, a great strength in the current environment.

Outlook

NBPE has a high-quality portfolio and, despite the current headwinds, we are optimistic about its prospects. NBPE is in a strong financial position and its investment model enables it to be highly selective about where and when it invests. We believe NBPE is well positioned to deliver long-term value for shareholders.

William Maltby
Chairman

24 April 2023

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.

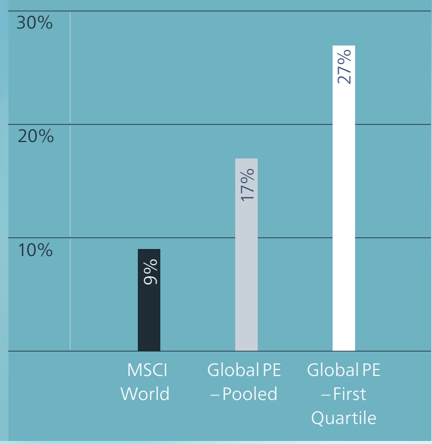
Private equity managers as owners, rather than minority shareholders, can drive strategy and change to build long-term value.

Control investors

Due diligence	Deep understanding of each company and its market informs investment decision
Strategic change	Entering new markets or products, accretive acquisitions
Operational change	Focus on increasing efficiencies to enhance margins
Alignment of interests	Management teams, private equity managers and investors are fully aligned to achieve goals
Long-term investment horizon	Prioritising fundamental value creation over short-term profit targets

Sustained earnings growth

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



Source[10]

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 97%[11] 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	93 companies Top 10 concentration 33%	56	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

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

16.6%	2.5x[12]	37%[13]
Average gross IRR on direct equity investments (5 years)	Average multiple of cost on realisations (5 years)	Average uplift on IPOs/realisations (5 years)

Patricia Miller Zollar
Managing Director, Member of 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	agiliti
RENAISSANCE	PETSMART chewy	MHS	USI	COTIVITI
EXCELITAS	MARQUEE BRANDS	MONROE	KROLL	GFL
REALPAGE		SOLENIS	true potential	FV HOSPITAL
			Addison Group	
			Advisor Group	

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 benefitting 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.

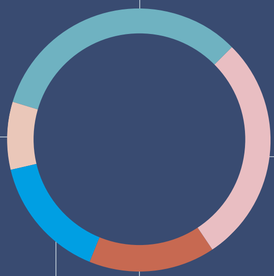
NBPE leverages the strength of the Neuberger Berman Private Markets platform to seek the most attractive direct investment opportunities.

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.

+$110bn[14]
Private equity commitments managed

$31bn[18]
Co-investments

- 566 opportunities reviewed in 2022 from 320 unique managers



$9bn
Direct specialty strategies

$36bn[18]
Primaries

$17bn
Direct private credit

$17bn[18]
Secondaries

650+[15]
Fund commitments

265+[16]
Limited partner Advisory Committee seats

~25[17]
Years average experience among Managing Directors

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

An industry leader with an integrated platform and attractive market position

With over 300 private market professionals across 14 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.

//

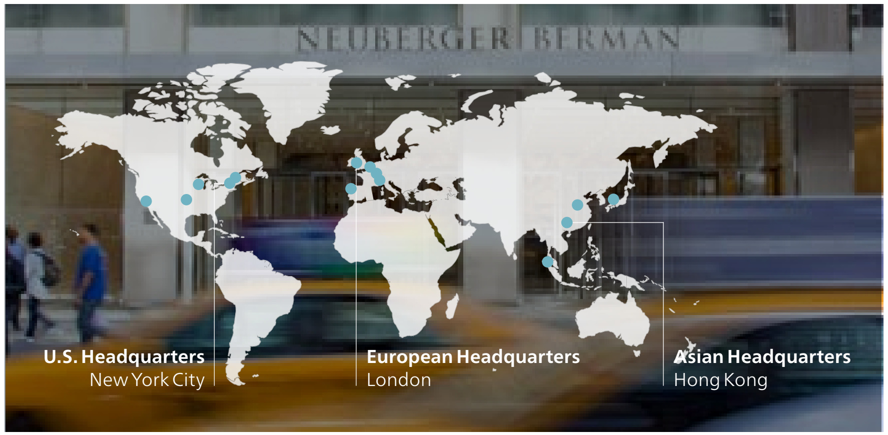
Our integrated global platform is one of the broadest in the marketplace. Our model affords us a differentiated position in the private markets ecosystem that drives deep relationships with leading private equity managers globally."

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

14
offices globally

300+
team members

99%
retention rate of Managing Directors and Principals



A global leader in ESG-integrated private equity investing

Neuberger Berman has been integrating ESG into its investment process since 2007.

Neuberger Berman's approach to ESG

Neuberger Berman believes that integrating ESG considerations throughout the investment process can 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 engage with our partners to promote best practices in ESG integration.

Deep resources

- NBPE benefits from the ESG leadership and resources of Neuberger Berman
- Responsible & Sustainable Investment Policy: Dedicated NBPE Responsible and Sustainable 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's materiality matrix: identifies categories of factors likely to be financially material to a company given its industry/sector
- Sustainability potential: Applies a lens to understand a company's potential positive benefit to people and the environment

5★[19]
rating by PRI for ESG integration

100%
of co-investments are ESG integrated

How NBPE creates value

Investing globally, with a focus on the U.S.…

Investing globally, with a focus on the U.S.

Our portfolio is geographically representative of the global private equity market, of which the U.S. is the largest and deepest market.

Focusing on buyout transactions

Our primary focus is on buyout transactions (acquisition of a controlling interest in a company), for example, take-privates, buyouts of family businesses, carve-outs or divisional sales. Growth strategies are usually through some combination of organic revenue growth, cost efficiencies or M&A.

… in a flexible and disciplined way that builds resilience…

Investing on a deal-by-deal basis

Investment decisions are taken on a deal-by-deal basis. We can speed up or slow down our investment pace, depending on market conditions.

Prudently managed balance sheet

Disciplined capital allocation and access to long-term credit facility ensure we can be fully invested, without the need for significant long-term off-balance sheet commitments.

… and a co-investment model that sets us apart.

Co-investing alongside leading private equity managers in their core area of expertise

We generate long-term growth by building a portfolio of direct investments in high-quality private companies.

Building a resilient portfolio

We build our portfolio investment by investment, rather than through funds. Our co-investment approach allows us to invest alongside a wide selection of top-tier private equity managers. We focus on backing business models that we believe will deliver sustainable earnings growth from long-term secular growth trends and/or from lower expected cyclicality due to their sectors or end markets.

Supported by the strengths of Neuberger Berman

- Strength and depth of the team
- Expertise and strong track record
- Extensive insight into the private equity marketplace
- Highly selective investment approach
- Strong ESG credentials
- Client-focused culture
- Integrated private markets investment platform

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

93
portfolio companies

56
underlying managers in NBPE's portfolio

Elizabeth Traxler
Managing Director, Member of the Investment Committee

3 in their core area 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

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

14.4%[6]

LTM revenue growth (at December 2022)

11.9%[6]

LTM EBITDA growth (at December 2022)

5.5x[20]

net debt to EBITDA multiple (at December 2022)

A well-diversified portfolio

Our direct private equity portfolio

With $1.4 billion invested across 93 private companies, NBPE's portfolio is well diversified by company, manager and sector.

$1.4bn
value of direct equity investments

93
portfolio companies

51%
fair value of top 20 companies

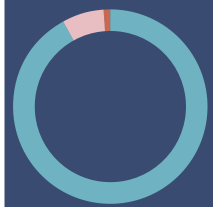
92%
of fair value invested in direct equity

56
private equity managers co-invested alongside

4.2
years private company average age

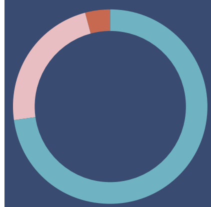
Total portfolio composition

Investment type



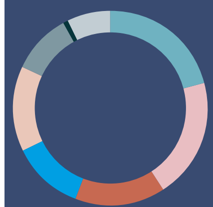
Equity	92%
Income	7%
Legacy Funds	1%

Geography



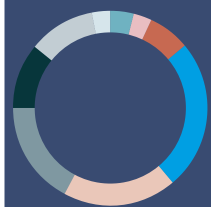
North America	73%
Europe	23%
Asia / RoW	4%

Industry



Tech, Media & Telecom	21%
Consumer/E-commerce	20%
Industrials/Industrial Technology	15%
Business Services	12%
Financial Services	14%
Healthcare	10%
Energy	1%
Other	7%

Vintage Year



2014 & Earlier	4%
2015	3%
2016	7%
2017	25%
2018	19%
2019	17%
2020	11%
2021	11%
2022	3%

Resilient performance against a challenging backdrop

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

Paul Daggett, CFA, Managing Director, Member of Investment Committee

NBPE's NAV total return declined by 7.5%[5] in 2022, with performance impacted by falls in the value of our quoted holdings and foreign exchange headwinds, which together outweighed an aggregate 4.4% increase in the value of our private investments (on a constant currency basis).

4.4%

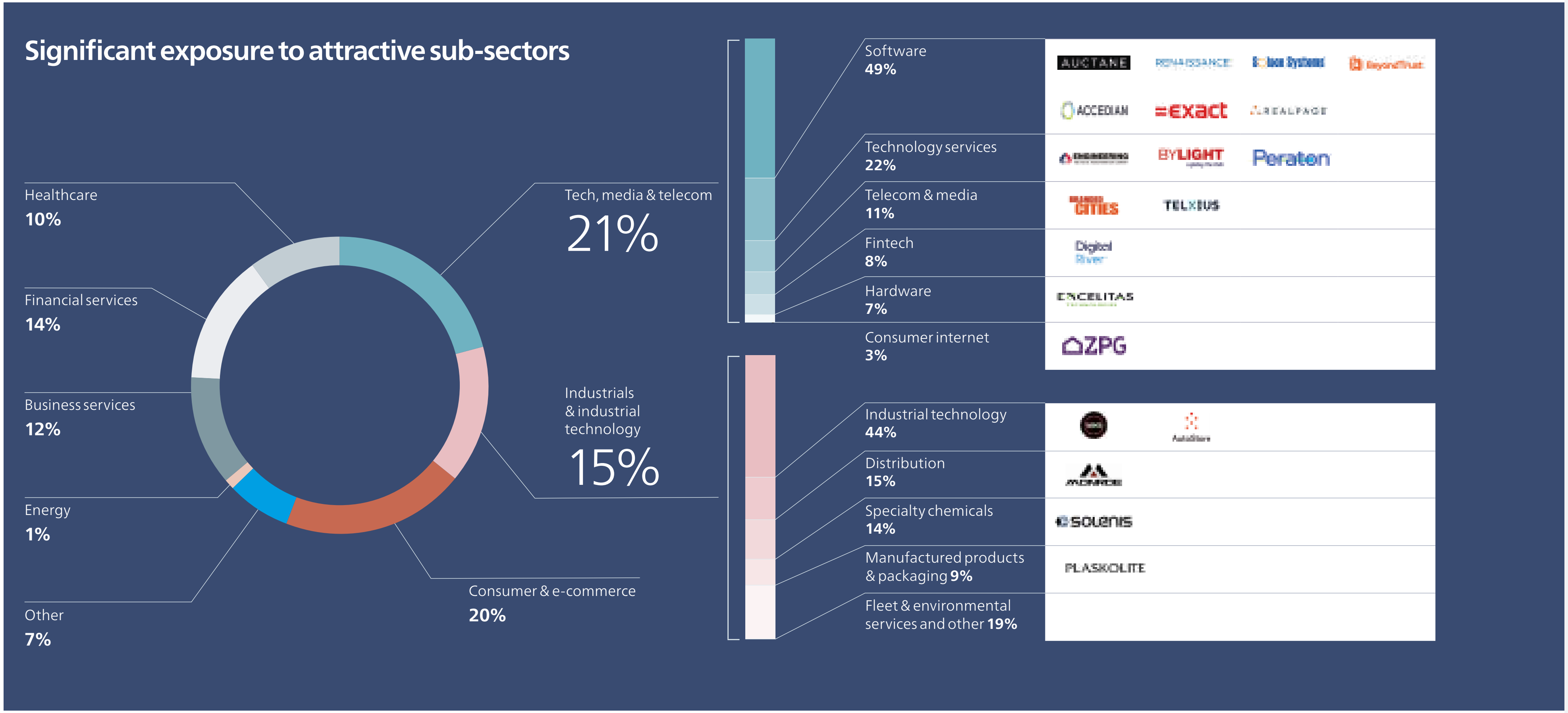
Aggregate increase in private investments valuations (Ex-FX)

A well-diversified carefully constructed portfolio focused on two key themes

As of 31 December 2022, the portfolio consisted of 93 direct equity investments valued at $1.4 billion. Of these 93 investments, the vast majority (75 companies, or 80% of the portfolio), is invested in private investments, with the remaining 18 companies (12% of the portfolio) invested in public holdings, most of which is in companies that have IPO'd in recent years. Although these companies are no longer in lock up, the timing of sales is controlled by the underlying private equity managers.

The portfolio is built from the bottom up, investment by investment and is focused on two key themes: expected long-term secular growth, and/or companies and business models with lower expected cyclicality. The underlying companies share common characteristics such as: high barriers to entry, strong market share, recurring revenue streams, and the potential for revenue and earnings growth. We are sector agnostic, however, our focus on two key themes and backing resilient business models means that the portfolio is weighted towards companies that tend to operate in certain sectors or sub-sectors. While no company or sector is immune to economic headwinds, our portfolio, as a whole, has been constructed to perform across a range of economic environments.

During the year, while certain companies in some sectors experienced challenges mostly due to issues caused by supply chain pressures, inflation or labour costs, this was offset by resilient performance in other areas of the portfolio, which we believe speaks to the advantages of maintaining diversification and investing across our key themes. In addition, we saw the benefits of private equity ownership in the portfolio during the year, with mitigating actions generally taken quickly in many companies.



Valuation uplifts across a range of companies in the private portfolio

Our most material write-up in the year was Action, with value appreciation driven by strong operating performance . It is now NBPE's largest portfolio company holding (see case study on page 19).

Elsewhere in the portfolio, in general, underlying companies within the financial services, healthcare, and the sub-sectors of industrials focused on specialty chemicals, manufacturing and distribution saw positive valuation adjustments. In addition, NBPE is invested in a number of profitable technology companies, many of which showed resilience during the year.

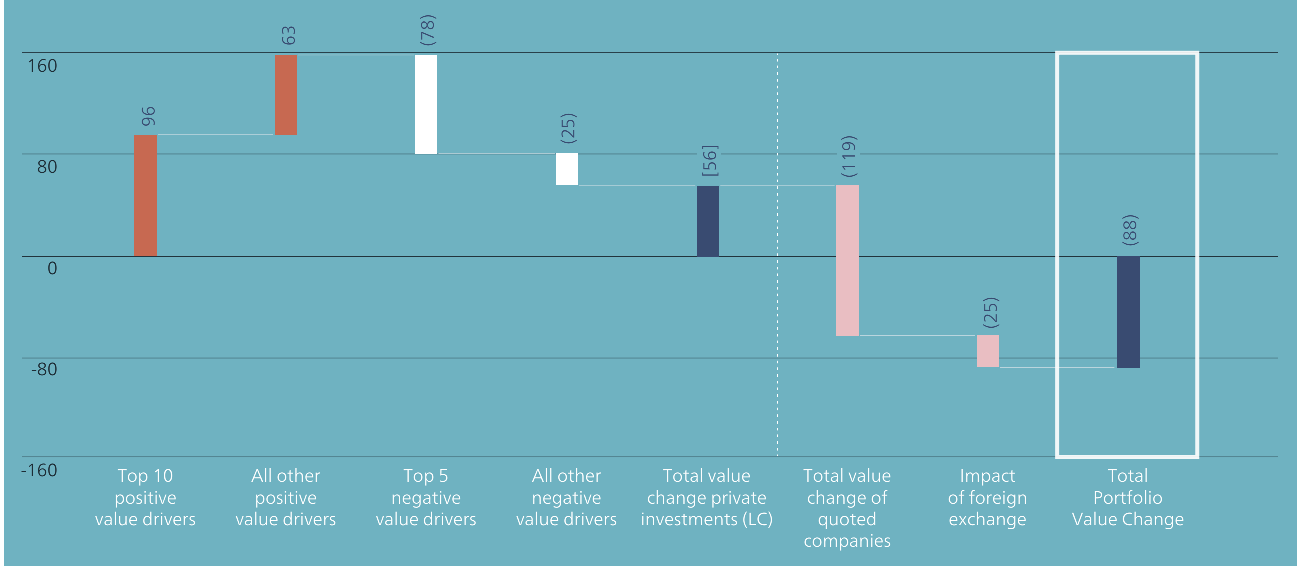
Many of these technology companies provide mission critical software essential to the customers' business operations and have attractive characteristics of high switching costs, recurring revenue and being a relatively low-input cost to the buyer. Against this, companies within the business services industry and certain companies in the consumer and industrial sectors more prone to supply chain and input cost pressures saw negative valuation adjustments during the year. In general, this was largely attributable to earnings pressure from higher input costs due to inflation, supply chain issues and other factors arising from changes in the economic environment.

Looking at specific write-ups across the private portfolio, excluding the impact of FX, there were a total of $159 million of positive valuation gains across the portfolio, with the largest 10 positive valuation movements accounting for $96 million of these gains. Against this, there were $103 million of negative valuation adjustments, resulting in a net positive increase of $56 million. However, these gains were offset by the negative impact of public valuations and foreign exchange headwinds. In a period of significant market volatility, NBPE's 18 public investments declined in value by approximately $119 million in total during 2022. Of this, the three largest holdings, Autostore, Agiliti and GFL, accounted for over 65% of this fall.

Both Autostore and GFL continue to report strong revenue and EBITDA growth, whereas Agiliti has reported revenue and EBITDA contraction in the fourth quarter of 2022, relative to the same period one year earlier. The impact from foreign exchange on investments contributed to a decline of $25 million during 2022, with the U.S. dollar strengthening, particularly against Sterling and the Euro.

Finally, of note, we saw particularly strong revenue and EBITDA growth from many of our 2021 investments, which in turn resulted in a number of write-ups, despite falling multiples.

Key performance drivers in 2022, $m



$56m

Aggregate increase in value of the private companies (excluding FX)

$(143)m

Negative impact of quoted companies and FX

A leading European discount retailer

Investment Fair value	Theme/Sector PE manager	Description Investment thesis
ACTION $72.2m	Low Cyclicality Consumer 3i	**Action is the fastest growing non-food discounter in Europe** ■ Grow store network within existing countries ■ Expand into other European countries ■ Strengthen supply chain ■ Opportunity for operational enhancements

Action[21] is a leading European discount retailer which sells products for everyday household needs, seasonal products, consumables and textiles in a convenient discount format. With only approximately 35% of the total product range fixed, Action aims to surprise its customers with a refreshed product at low prices. Action's business model is simple: win customers by offering large product categories at low prices, with assortments and promotions in an easy and efficient store format. Today the company sells more than 6,000 products across 14 retail categories (cleaning products, toiletries, office supplies, toys, garden utensils, homeware, etc.) to 12 million customers, across its 2,200 stores.

Action's business model is based on a single store format, which is scalable and repeatable. It relies on buying big volumes, maintaining low overhead and marketing expense, and standardised store processes, all coupled with an efficient logistics network. 3i originally invested in Action in 2011, and under their ownership, the company has demonstrated considerable growth. Action grew from 514 stores in 4 countries in 2014 to 1,552 stores in 7 countries by 2019. Sales increased from €1,506 million to €5,114 million and operating EBITDA increased more than three-fold over this same time period. In 2019 alone, the year prior to NBPE's investment, Action had increased its store count with 230 new store openings.

At the time of NBPE's investment, Action had been the largest investment and a material driver of long-term growth for 3i, which had owned Action in one of 3i's flagship funds since 2011. In order to provide liquidity to its fund investors, the fund sold its entire stake in Action which valued the company at €10.25 billion, representing an 18.2x September run-rate EBITDA valuation multiple. As part of this transaction, NBPE co-invested alongside a group of select co-investors and other Neuberger Berman funds to enable the company's next phase of growth.

Neuberger Berman believed Action represented an attractive opportunity to invest in the company's continued growth. At the time of NBPE's investment, store roll-out was rapid but there was considerable white space potential, both in terms of new countries and existing markets. Germany, France and Poland were strong growth markets at the time, while significant opportunities existed for expansion into new markets, including Czech Republic, Italy and the rest of Europe. With an average of a one-year historical payback on new store capex, growth unit economics were very attractive. In addition, strong expansion presented further opportunities for supply-chain and sourcing enhancements. Neuberger Berman believed there was a compelling opportunity to participate in the continued development of the Action distribution network focused on 'one-day delivery' distribution centres to reduce average delivery distance and provide more efficient service to stores.

In 2022, Action had another strong year of performance with strong sales growth in all countries. It was another record year of store openings with 280 net stores added to its network, of which growth in France and Poland were the largest drivers. Total net sales increased 29.6% to €8.9 billion while operating EBITDA grew 45.5% to €1.2 billion. Operating EBITDA margin increasing from 12.1% to 13.6%. While Action did see some impact from lower gross margins due to cost inflation, this was more than offset by the positive effect of operating leverage, as scale effects increasingly benefit margins. Through 19 March 2023, relative to the prior year comparable period, net sales were up 37%, and 2023 store expansion was on track with 23 stores added year to date in 2023.

Over the next four years, Action is targeting between 1,300 and 1,400 new store openings with average like-for-like growth from the mid-single digits to high-single digits. Neuberger Berman believes that, as Action continues to scale, its business model becomes increasingly difficult to replicate, and that the company continues to have a long growth runway ahead of it over the next several years.

Continued strong earnings and revenue growth, despite challenging backdrop

Overall, the portfolio generated LTM revenue and LTM EBITDA growth of 14.4% and 11.9%, respectively[6], during 2022, with several companies reporting EBITDA growth in excess of 30%. Nevertheless,certain parts of the portfolio were growing slower and overall portfolio revenue growth outpaced EBITDA growth. We did see some margin pressure across the portfolio, particularly in companies facing higher input costs, supply chain costs or labour cost inflation. However, a number of companies were able to maintain or expand margins, particularly those in the consumer, financial and business services sectors. In general, by the latter part of the year many companies were benefitting from the operational changes which began in the first half, whether they were cost savings initiatives, price increases, supply chain improvements, or a combination of enhancements. Active ownership of underlying private equity managers in general meant they were quick to adapt to changes in the economic environment and, by working closely with underlying company management, could drive changes in portfolio company operations, which allowed companies to quickly adapt and be better positioned for the current environment. As a result, aggregate EBITDA margin compression across the portfolio in the year was less than 1%.

In terms of LTM revenue growth, all sectors contributed to positive revenue growth during the year, driven by both organic revenue growth and M&A. Healthcare, industrials and business services sectors grew LTM revenue the fastest, although at slower rates relative to last year. While consumer, financial services and TMT continued to grow revenue, these were at slower rates relative to other sectors in the portfolio.

In terms of LTM EBITDA growth, five of the six sectors contributed to growth, although at slower rates versus 2021. Nevertheless, three sectors, industrials, healthcare and consumer, grew LTM EBITDA at strong growth rates. Against this, LTM EBITDA growth was slower in TMT and business and financial services relative to other sectors and last year.

14.4%[6]

LTM Revenue growth

11.9%[6]

LTM EBITDA growth

96%

Portfolio is profitable on a LTM EBITDA basis

This performance included companies which were growing strongly, certain companies investing for growth as well as companies which had to adapt to challenges in the operating environment.

However, over 95% of the portfolio's fair value as of 31 December 2022 is in companies which were profitable on an LTM EBITDA basis.

Operating performance outweighed decline in valuation multiples

Aggregating valuations across the portfolio resulted in a weighted average valuation multiple of 15.2x LTM EBITDA[20] at 31 December 2022, which was a decline of over two turns, relative to the valuation multiple at the end of 2021. With valuations within our private portfolio up 4.4% in 2022 on a constant currency basis, lower valuation multiples were generally the result of strong operating performance.

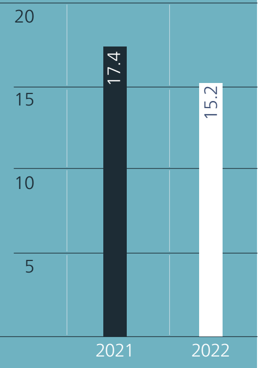
Valuation multiples declined YoY

15.2x[20]

EBITDA valuation multiple

5.5x[20]

Net Debt/EBITDA



Small increase in Net Debt/EBITDA multiple

The average net debt/EBITDA multiple was 5.5x[20], a small increase during the year, which included the impact of debt to finance M&A, partially offset by strong earnings growth. In some cases, companies used free cash flow to deleverage.

Looking across our portfolio, returns continued to be driven by growth in EBITDA rather than multiple expansion, and we believe our strategy of investing in companies with prudent capital structures, and that we believe have the potential to create strong sustainable earnings growth, positions the portfolio well to continue to perform across a range of interest rate and economic conditions. From a debt maturity perspective, over 79% of the portfolio company debt matures after 2025.

M&A continues to be a driver of value creation in the portfolio

Within the top 10 investments in particular, M&A activity has contributed meaningfully to growth and business transformation. Private equity managers often use M&A to drive value by finding attractive consolidation opportunities, usually in fragmented markets. Often, these acquisitions are of smaller scale businesses, which can be purchased for lower multiples and then integrated into a larger business, creating scale and efficiencies.

This can have the added impact of allowing a private equity manager to, over time, "buy down" their initial purchase multiple of a platform business through M&A, when successful integration occurs. Within NBPE's top portfolio company holdings, a number of companies including Advisor Group, USI, and Kroll completed acquisitions which added scale and additional product or service capabilities during 2022. Another way M&A can add value is through transformative acquisitions – and MHS was a good example of this during 2022.

M&A spotlight[22]

Systems and solutions utilised in distribution centres

MHS, a provider of systems and solutions used in distribution centres, was combined with Fortna in 2022. NBPE invested in MHS alongside THL Partners in 2017 and the combination of the two businesses creates a global leader in e-commerce and logistics automation which valued the combined business at approximately $4 billion.

The combination merges MHS's expertise in automation technology and systems integration with Fortna's capabilities around software and solutions for warehouse and distribution. The combination of automation technology and operational optimisation software is expected to provide end-to-end solutions in logistics operations, with customers benefitting from the breadth and depth of both companies' offerings, allowing customers to further leverage advanced automation to drive greater cost savings and efficiencies.

Seven full or partial realisations

Following a record year for realisations in 2021, NBPE announced $143 million of realisations during 2022. As a percentage of our opening portfolio, this was below our long-term average of 21%, as private equity exits slowed materially during the year. Despite this slowdown there were seven full or partial exits, which generated a 2.7x multiple of capital, and an uplift of 6% relative to their valuation at 31 December 2021. While the multiple of cost achieved on these sales was consistent with our five-year average, the uplift to carrying value is below our five-year average of 37%. This is largely driven by a relatively high weighting to companies that were valued at or near sales proceeds at 31 December 2021.

Including expected proceeds from sales which were announced but not closed during the year, these seven full or partial exits represented $89 million of realisations. There was also $13 million of proceeds generated from the sale of public stock and approximately $40 million of other portfolio realisations, of which $24 million was driven by realisations from NBPE's investment in NB Credit Opportunities and NB Specialty Finance – both of which are in realisation mode.

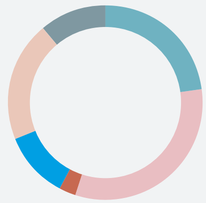
$143m

of announced realisations[2]

2.7x

Multiple of cost[3]

Types of exits



Sale to Strategic	23%
Sale to PE/Investor	32%
Dividends	3%
Sale of Public Stock	11%
Income Portfolio	20%
Other Portfolio Realisations	11%

Selective investment in two companies

NBPE invested a total of $55 million during the year, with $41 million invested into two direct equity investments.

The first new investment was a $26 million investment into True Potential, alongside Cinven, a leading international private equity firm with a 30-year track record of investing across six sectors primarily across Europe, but also in North America. The second was a $15 million re-investment in an existing portfolio company that has been a strong performer, following a liquidity event, whereby NBPE recycled some proceeds back into the company to support its future growth plans.

The remaining $14 million was invested in planned follow-ons in the portfolio.

New investment spotlight[23]

Wealth management technology platform

True Potential is a wealth management technology platform serving advisors and retail clients in the UK. The company provides advice, investment platform and fund solutions to more than 1.4 million retail clients, with approximately 20% of the financial advisor market in the UK using True Potential's technology and support services. We believe there were several factors which made this a compelling opportunity, including attractive market dynamics, and differentiated business model, a strong management team with a track record of growth, and an experienced sponsor in Cinven, with significant expertise in both financial services and TMT. The investment supports the existing growth strategy and builds on the company's significant potential, backed by a digital-first and client-focused strategy with the goal to revolutionise the way wealth management services are provided. We believe True Potential has performed well to date and are pleased with the start the investment has made.

Outlook

As we look forward, we believe NBPE's portfolio is well positioned to generate strong growth over the long-term. From an operating perspective, as demonstrated by our private company performance, private equity's ability to respond quickly to market forces, whether those be opportunities or threats, should continue to grow value over the longer term.

Pricing for new investment remains robust for high-quality assets and, while both the volume and value of exits declined from record highs in 2021, there were still over $530 billion of exits completed in 2022. By far the largest buyers of private equity backed assets are corporate strategic buyers and other private equity funds, both of whom remain open to new acquisitions, in particular private equity. Alongside this we also expect to see more GP-led secondaries and continuation funds across the market, as GPs look to continue to hold performing assets longer, while providing an exit for investors that need liquidity.

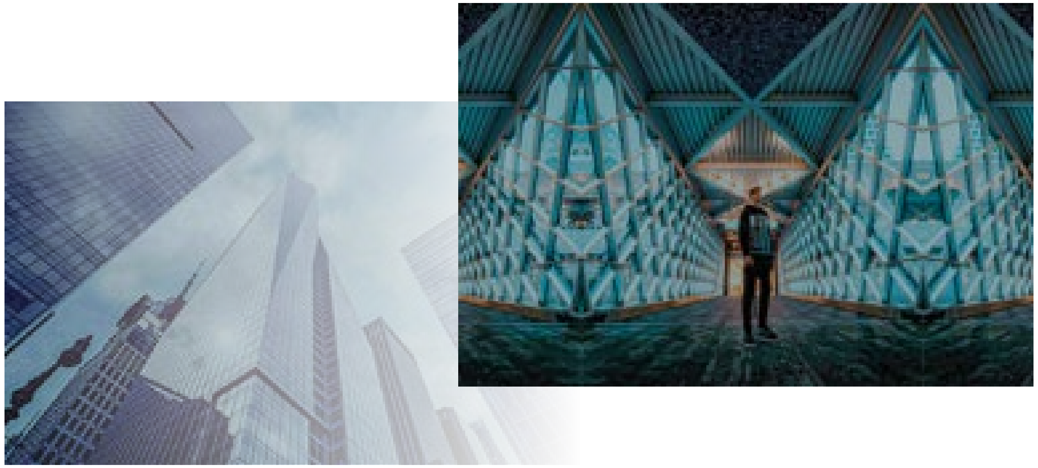
For NBPE, we believe we have a high-quality portfolio and at 106% invested we are under no pressure to invest and can be highly selective. Given the pricing environment for in-demand assets, excluding the possibility of follow-on activity for accretive M&A in our existing portfolio companies, we do not expect the pace of new investments to increase materially in the short term. We have a strong balance sheet and are well placed to take advantage of opportunities and benefit from an investment model that allows us to manage our new investment pacing, dependent on market conditions, deal-flow and the portfolio as a whole.

Top 20 companies

#	Company	Investment $m	% of FV	Theme/Sector	PE manager	Description	Investment thesis
1 	ACTION	$72.2m	5%	Consumer; E-commerce	3i	**European discount retailer**	■ Grow store network and expand to other European countries ■ Strengthen supply chain ■ Operational enhancements
2 	Advisor Group	$54.2m	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 	Constellation	$53.2m	4%	Business Services	TDR Capital	**Leading provider of vehicle remarketing services**	■ Market leader ■ Defensive business model ■ B2C sales opportunity ■ Strong cash flow generation
4 	USI	$50.0m	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
5 	AutoStore	$44.9m	3%	Industrials; Industrial technology	THL	**Leading provider of automation technology**	■ Growth driven by megatrends ■ Strong value proposition with attractive financial characteristics ■ Embedded growth options
6 	agiliti	$40.8m	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
7 	MHS	$39.7m	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
8 	COTIVITI	$34.5m	3%	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
9 	Not disclosed	$32.9m	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
10 	KROLL	$32.1m	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

No.	Image	Investment % of FV/$m	Theme/Sector PE manager	Description Investment thesis
11		$29.4m 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
12		$28.7m 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
13		$28.5m 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
14		$27.0m 2%	Consumer 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
15		$27.0m 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
16		$26.6m 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
17		$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
18		$25.1m 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
19		$23.9m 2%	Business Services Trilantic Capital	**Professional services provider specialising in staffing and consulting services** ■ Scaled business with diversified end-markets ■ Large underlying market with positive growth trends ■ Attractive financial profile
20		Not disclosed $23.8m 2%	Consumer Undisclosed	**Branded Toy Company** ■ Strong brand with high-quality products ■ Multiple avenues for growth ■ Strong financial profile

Throughout 2022 and the start of 2023, geopolitical tensions, high inflation, interest rate hikes and, most recently, a turbulent banking sector, have created a period of uncertainty for investors. However, we believe private market investments have unique characteristics which generally allow them to better navigate significant market volatility compared to public markets. Additionally, private markets have particular qualities that support the case for including them in a diversified portfolio throughout a cycle. Some of those qualities may even support the case for committing new capital to the asset class at times like the present, as private equity has the ability to take advantage of opportunity sets that tend to emerge in relatively weak points in the market cycle.



Opportunities for Growth

Private equity firms are largely focused today on strategic and operational value creation as opposed to relying on leverage or multiple expansion as value drivers, and thus typically make investments with deep, well-thought-out plans with the goal of accelerating earnings growth. They often also have more flexibility to adapt operationally to a changing economic environment relative to larger, public companies. In particular, sustaining margins and investing in growth initiatives through difficult environments may be easier for a smaller company working away from the glare and short-term focus of public markets. In recent years, this was paramount, as underlying companies faced headwinds related to the pandemic, supply chain disruption, geopolitical unrest, inflationary pressure, and higher interest rates.

Further, private equity firms today have greatly improved on operating resources in-house, and they can use their position of control or influence to respond quickly to changes in the market environment. The value of this became particularly apparent during the recent banking crisis as we saw sponsors react with speed to help their firms and portfolio companies safeguard assets and maintain access to credit, while simultaneously identifying exposures and proactively communicating to investors in real time.

Although standard for public equities, this rapid response and willingness to provide investors with transparency is a shift for private equity, and an example of the evolution and growing sophistication of the asset class.

Performance

The impact of market volatility has historically been more muted on private markets given the long-term nature of the underlying investments. Capital is locked up, fire sales are rare and, in times of volatility, sellers can simply hold on to an asset longer and continue executing on their operational and growth plans. Furthermore, private equity managers can be quicker than their public counterparts to manage costs, conserve cash, or improve management. Private firms also tend to have ready access to capital in turbulent times, so they can inject more equity into businesses that may be temporarily affected by external weakness.

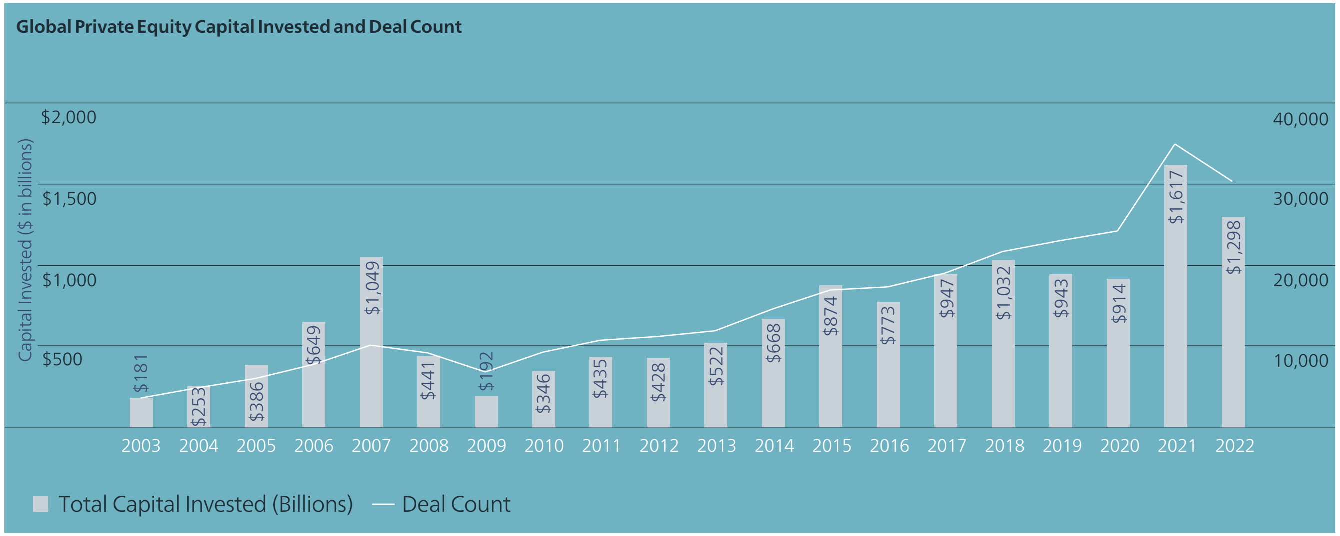
As potential evidence of these benefits, operating performance of many private equity backed companies has held up well despite the more difficult recent macroeconomic backdrop, and many portfolio companies are still growing at or above plan.

This active management has allowed overall performance to hold up relatively well compared to the declining public market multiples. Some of that may be due to lagging or over-optimistic valuations that may ultimately have to be written down – but not as much as many fear, in our view.

Investment Activity

Global private equity deal activity slowed during 2022, as evidenced in the chart below. The first three quarters of the year saw a run rate that was 80% as high as that for the full year 2021 - and 2021 was an extraordinarily busy year as the industry got back to work following the disruption of the pandemic. Moreover, this slowdown in activity partly reflects another quality that private equity brings to a portfolio: private asset owners can be strategic and opportunistic about when to monetize their assets - if the market is weak, they can often hold onto fundamentally high-quality assets until the environment has recovered.

We are starting to see entry valuations come down slightly, with the potential to decrease further, but this likely won't occur until broader dealmaking activity further rebounds. In contrast, one area of the market where we have seen valuations reset is in the public markets. This is still an opportunity for larger-scale private equity managers because they can acquire the majority of these companies and delist them in "take private" transactions. The companies can benefit from the sponsor transformation plans outside of the public eye, which take time to implement and are hard to execute with the short-term scrutiny that comes with quarterly earnings reporting. We believe this will represent a significant opportunity for larger private equity managers if the market uncertainty and volatility persists.



Source: [24]

Outlook for 2023 and Beyond

We believe that private equity is an all-weather asset class: private equity managers derive returns from buying high-quality businesses, putting in strong management, and implementing strategic operating plans to create value.

Over the years and across market environments, we have found that volatile times often provide a more favourable backdrop for investments and tend to be the best vintages in private equity. In our view, the industry is now better suited to the task of finding opportunities than in the past, given lessons learned through previous market cycles and the structural improvements many private equity firms have made to their operational playbooks and teams. Although it will be important to monitor the ongoing market volatility, we think this remains a good time to commit to private markets.

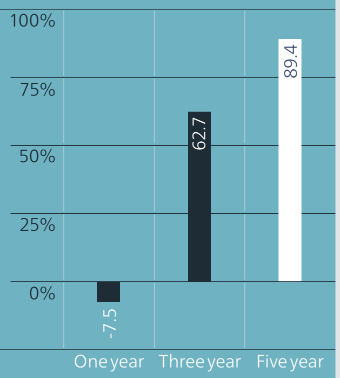
Pinpointing market turns is hard in any asset class, but almost impossible in private equity, given its long investment timeframe, which sometimes cover multiple economic and market cycles. Importantly, private equity investments have a natural hedge against any specific year, as investment strategies are normally executed over four to seven years, insulating investors from an annual peak or trough. We would argue that private equity is a strategic asset class, to which investors should maintain exposure through all market environments – although it has the potential to be very opportunistic when dislocations arise.

Neuberger Berman Private Markets
24 April 2023

	NAV total return $	**Total shareholder return** £	**Dividend growth over time**
Rationale	Reflects the growth in the value of the Company's assets less its liabilities. It includes all the components of NBPE's investment performance and is shown net of all costs and includes dividends paid	Measures performance in the delivery of shareholder value, after considering share price movements (capital growth) and any dividends paid in the period	A reliable source of income is important for shareholders. NBPE targets an annualised dividend yield of 3.0% of NAV
Progress	▪ NAV total return declined by 7.5%[1] ▪ Five-year cumulative NAV total return of 89%[1] ▪ Performance driven by decline in value of quoted holdings and foreign exchange headwinds on non-USD assets outweigh 4% positive return from private companies (in constant currencies)	▪ Decline of 9.7% in share price total return during 2022[1] ▪ Five-year cumulative share price total return of 87.3%[1]	▪ Total dividend increase of 31% to $0.94 per share in 2022 versus 2021 ▪ Dividend maintained in 2H 2022, despite fall in NAV in the year ▪ Over 10-year track record of dividend payments with prudent increases over time
Examples of related factors that we monitor	▪ Performance and valuations of the underlying investments ▪ Efficiency of NBPE's balance sheet ▪ Ongoing charges ratio	▪ Rate of NAV growth ▪ Share price performance relative to wider public markets and listed private equity peer group ▪ Level of discount in absolute terms and relative to the wider listed private equity peer group ▪ Trading liquidity and demand for NBPE's shares	▪ Available liquidity ▪ Proceeds received and expected during the year ▪ Investment pipeline
Link to objectives	▪ Capital appreciation through growth in net asset value over time while returning capital by paying a semi-annual dividend	▪ Shareholder returns through long-term capital growth and dividend	▪ Returning capital to shareholders by paying a semi-annual dividend

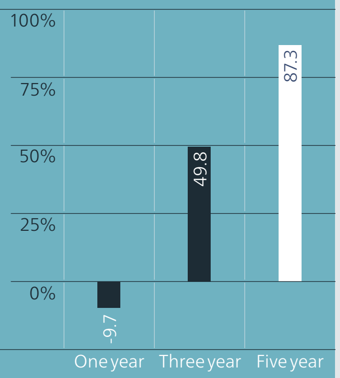
NAV Total Return cumulative, $

(7.5)%
2022



Total Shareholder Return cumulative, £

(9.7)%
2022

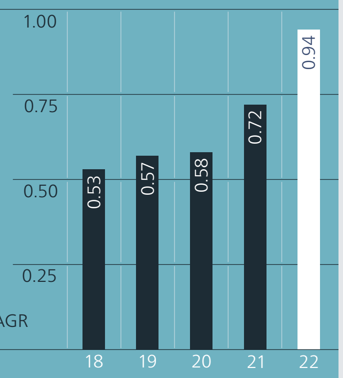


Dividend growth $ per share

$0.94
dividends

4.9%
yield on share price

13.5%
five year dividend growth CAGR



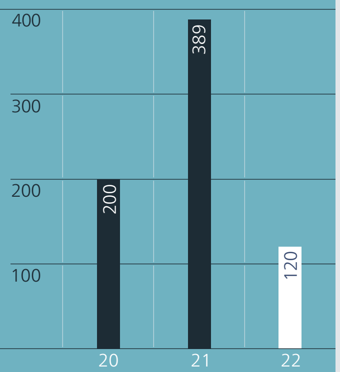
	Maintain healthy pace of realisations and uplift on exit	Invest selectively in new investment opportunities over time	Prudent and efficient balance sheet management
Rationale	Realisations are a core driver of NAV growth and a source of liquidity to make new investments and dividend payments	Maintain a prudent investment pace based on the level of portfolio realisations, quality of investment pipeline and market environment	Maintaining a robust financial position and strong asset coverage in a range of forecast scenarios. NBPE has a long-term investment level target range of 110%-115%
Progress	▪ $143 million of realisations announced[2]; $120 million of proceeds received ▪ Announced realisations at a 6% uplift[8] to December 2021 values and a 2.7x[3] multiple to cost ▪ 10-year average annual liquidity of ~21% of the opening portfolio value	▪ $41 million invested into one new and one existing portfolio company; $14 million of follow-on investments ▪ Investing in key themes and sectors	▪ $7 million of gross cash and $307 million of available liquidity ▪ 106% investment level ▪ Unfunded commitments are adjusted for amounts the Manager believes are unlikely to be called. As of 31 December 2022, unadjusted unfunded commitments were $96.0 million (adjusted $47.6 million) and the unadjusted commitment coverage ratio was 320%[25] (645% adjusted) ▪ Repaid 2022 ZDPs on maturity in September 2022
Examples of related factors that we monitor	▪ Vintage year diversification, maturity of the portfolio, average holding periods ▪ Uplifts to carrying value and cost ▪ Liquidity as a percentage of opening portfolio	▪ Available liquidity and realisation outlook ▪ Balance sheet strength ▪ Market environment and pricing	▪ Available liquidity and realisation outlook ▪ Compliance with financial covenants of RCF ▪ Ensure the maturity profile of ZDPs and RCF are well covered
Link to objectives	▪ Capital appreciation through growth in net asset value over time while returning capital by paying a semi-annual dividend	▪ Capital appreciation through growth in net asset value over time through a highly selective investment approach	▪ Long-term investment target level range of 110%-115%

Total proceeds received $m

$120m
proceeds received

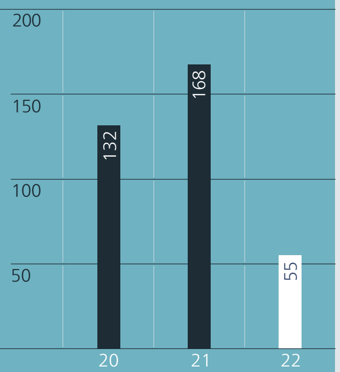
6.4%
2022 uplift to carrying value[8]

2.7x[3]
original cost



Total new investment $m

$55m
invested in 2022



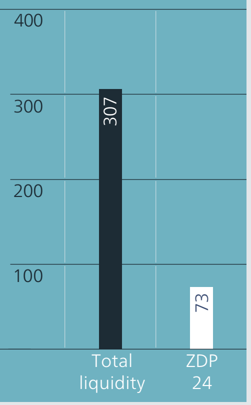
Maturity profile/total liquidity $m

$1.4bn
gross assets

106%
invested

$7m
gross cash balances

$300m
undrawn credit facility



A focus on ESG at all points of the investment process

The three pillars of NBPE's Responsible Investment Policy

Our policy is centered on the objective of seeking to achieve 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

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

Material ESG factors are formally incorporated in Investment Committee memorandums

Amplify

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

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[26] experts and highlighted in blue, below) as well as the lead GP's level of ESG integration based on our Manager ESG Scorecard.

	Environmental		Social		Workforce		Supply chain		Leadership & governance	
	Emissions	Water management	Data privacy & security	Pricing transparency	Health & safety	Human capital development	Product safety & integrity	Materials sourcing	Innovation	Policy & regulation risk
Consumer goods	■	■	■				■	■		
Extractives/Minerals	■	■			■					
Financials			■			■	■		■	■
Food & beverage	■	■	■		■		■	■		
Health Care	■		■	■		■	■		■	
Infrastructure	■	■	■	■	■	■	■			■

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, benefitting 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

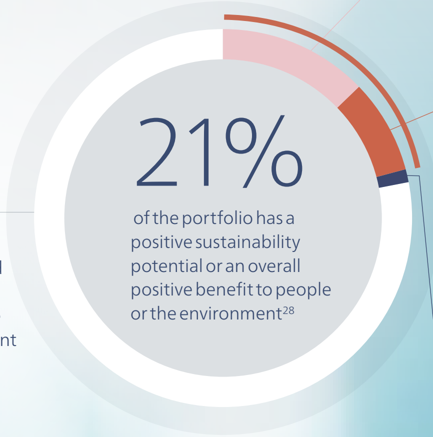
Addressing systematic ESG issues that have the potential to affect business

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

NBPE's portfolio through a sustainability lens

NBPE Portfolio Through A Sustainability Lens[27]



78%
Neutral

Companies that may have a mixed or unknown benefit to people or the environment

\+
13%
Positive Sustainability Potential

Companies that have the potential for overall positive benefit to people or the environment

++
8%

Companies that have the potential to contribute solutions to pressing social or environmental challenges

–
1%
Adverse Potential[29]

Companies that may contribute to significant adverse outcomes for people or the environment

Renaissance Learning[30]

Investment	UN SDG alignment
Renaissance	4.1 Ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes

- Disparities in "school readiness" start in early childhood and are exacerbated along socioeconomic and racial lines, bearing significant consequences on future graduation rates and earning potential[31]
- Company is a software and learning analytics company, tackling the school readiness gap through personalised assessment and instructional tools in math, reading, and early literacy for K-12 students, covering >40% U.S. public schools

Ownership timeline

Notable PE financing milestones

2018: NBPE makes an **initial investment** in Renaissance Learning, alongside Francisco Partners and other co-investors for a majority interest.

2019–2020: NBPE makes additional **follow-on equity investments**, in addition to funding from Francisco Partners, in order to fund anticipated acquisitions.

2021: Blackstone announced a significant minority investment to further accelerate growth. In connection with this, NBPE received a **partial realisation** of $14 million.

2022: NBPE **invests additional capital**; NBPE retains meaningful ownership post this transaction to participate in future growth.

2018 | 2019 | 2020 | 2021 | 2022

Notable company milestones

2018–2020: Renaissance's product suite grows as it acquires:
- **Early Learning Labs** preschool assessment tools
- **Freckle** student-centered practice platform
- **Schoolzilla** data-based insights on progress and growth

2021–2022: Renaissance expands its offerings as it acquires:
- **Nearpod** collaborative instructional platform
- **Lalilo** foundational literacy solution for K–2 students

2022: Renaissance earned several industry awards such as the SIIA CODiE Award for Excellence in Diversity & Inclusion in EdTech.

Jennifer Signori
Managing Director

Q&A

Interview with Jennifer Signori, Managing Director

Jennifer oversees environmental, social and governance integration in private markets and multi-asset class solutions. Jennifer also leads the development and implementation of sustainable and impact investing strategies with a portfolio management focus on private equity.

How does ESG create value within private equity?

Private equity investors are uniquely positioned to effect change, given they generally have controlling ownership of companies. This means private equity investors potentially have more ability to influence strategic and operational change – whether to tackle climate risks or other business challenges – than many public equity investors.

ESG has been integrated into Neuberger Berman Private Equity's investment process since 2007 – but we have made improvements along the way and are continuously looking to enhance our practices. We are focused on investing with long-term partners and engaging to promote ESG integration best practices.

Fundamentally, we believe incorporating ESG into our investment process can potentially lead to more consistent and better investment outcomes – because it helps identify material investment risks, as well as opportunities to drive value.

Historically, private equity's focus on ESG has been weighted towards the 'G', through an emphasis on driving value and working closely with management teams to lead operational and strategic change. However, there is a growing focus on how social and environmental factors can be material to financial value. For example, the COVID-19 pandemic highlighted the need for responsible supply chain management, business continuity planning and timely management of employee health and safety.

From an environmental standpoint, the physical risks from climate change are already materialising, with greater prevalence and severity of extreme weather events being felt around the globe. Real economic value is at stake, so adaptation and mitigation plans are necessary. Governments are beginning to take steps to reduce emissions and slow the impact of climate change – through legislation and regulation, as well as encouraging emissions reduction commitments.

All of this affects how companies do business in these markets. Companies that succeed in this changing environment or, even better, thrive while leading the adoption of new approaches, are likely to be viewed more favourably and to create value for their investors.

How can private equity tackle the challenge that we face on climate change?

As mentioned, private equity's controlling ownership of companies can enable the strategic and operational change necessary to tackle climate change. Private equity firms are also well positioned to invest in companies developing targeted climate products or services, which are often run by smaller or earlier stage companies, and to help those business scale and become mainstream.

A serious impediment to measuring the effectiveness of this change is the lack of climate data across the industry. Most private companies are not currently doing carbon footprint assessments, which makes it difficult for private equity managers to measure the carbon footprint of their portfolio and set emissions reduction targets. Because of this, private equity managers and investors often rely on top-down emissions estimates, based on proxies, to understand their financed emissions.

Given the data challenges, private equity managers are still in the early stages of committing to net zero. For example, only a handful of firms have emissions reduction targets that are validated by the World Resources Institute's Science Based Targets initiative (SBTi).[32]

That said, initiatives such as the ESG Data Convergence Initiative, which brings together various private equity stakeholders, are encouraging greater disclosure of metrics. However, the impact will take time, due to the inevitable lag between private equity firms making commitments on new funds and investing the capital.

How do you engage with the industry and your managers on climate risk?

We participate in industry groups that aim to promote climate disclosure and analysis, including as a member of the Carbon Disclosure Project's private equity technical working group, the Initiative Climat International (iCI) net-zero working group, and the Net Zero Asset Managers Initiative[33].

Alongside this, we engage with our private equity managers on a variety of climate-related topics, and collect ESG Data Convergence Initiative metrics from our investees, where available. Our recent webinar on net zero investing best practices with the Institutional Investor Group on Climate Change (IIGCC) reached more than 80 private equity managers globally, to discuss the unique challenges of net zero implementation in the private equity context.

How do you assess climate risk and opportunities within your investment process?

As a firm, Neuberger Berman supports the Task Force on Climate-related Financial Disclosure (TCFD), and we are committed to understanding our climate-related risks and opportunities, while managing the risks that are material to our investment portfolios and our firm.

Within Neuberger Berman Private Equity, we screen potential investments for material ESG risks and collect carbon emissions data at the time of due diligence – to the extent it is reported by the company. As part of diligence, we may also conduct climate risk analysis for specific direct investments where climate risks – especially physical risk – may be more material. On an ongoing basis, we monitor investments for ESG issues as part of our dialogue with GPs. We also leverage a data analytics platform to track publicly available information that allows us to flag significant ESG-related issues.

Importantly, the sectors in which private equity tends to invest, such as the technology, consumer discretionary, and healthcare sectors, are usually less affected by climate costs. Typical private companies in a particular sector may also have lower climate costs than their public market counterparts. For example, in the energy and utilities sector, traditional utility companies are more likely to be public companies, whereas a private company in the same sector is more likely to be an asset-light business providing services to utility companies.

Can you tell us a little more about how you calculated the carbon footprint estimates for NBPE's portfolio this year?

In 2021, we started collecting carbon footprint data on potential direct co-investments, and since 2022 we have been collecting Scope 1 and 2 emissions data from investees, where available, as part of the ESG Data Convergence Initiative. As this data is generally not readily reported, we developed a methodology for estimating carbon footprint information for private equity investments.

In 2022, we conducted the first top-down estimate of NBPE's carbon footprint using third-party emissions data proxies – given the limited actual disclosure of private companies. Due to the inherent challenges of using estimations, we are continuing to refine this methodology. At the same time, we are exploring climate analysis tools and resources through pilot partnerships and industry collaborations.

Neuberger Berman's Industry Collaborations on Climate

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)

99%

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

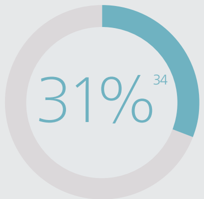
To be 'equitable' is to level the playing field for all

Inclusion

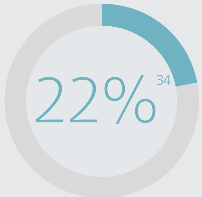
An environment where everyone can flourish and be their best selves

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

The Investment Committee

Full biographies available online

The Investment Committee has an average of ~30 years of professional experience and 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

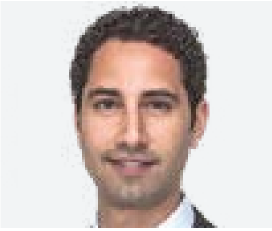
Managing Director
27 years of industry experience

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

Stakeholder engagement

The Directors are responsible for acting in a way that they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they have had regard to the factors set out in section 172(1)(a) to (f) of the UK Companies Act 2006, which includes the needs of stakeholders and wider society.

As NBPE is a Guernsey company, this legislation does not directly apply to it, but the Board is cognisant of the importance of these matters, and by virtue of the requirement set out in the AIC Code of Corporate Governance, holds itself to these standards.

The Board provides appropriate training to all new Directors, which includes training on their duties, and maintains a programme of continuing development. More details on Director induction and Board evaluation can be found on pages 51-52.

Set out below is a summary of NBPE's key stakeholder groups and how it engages with them, in addition to examples of key topics of relevance to the stakeholder groups and how their interests have been considered in decision making. As an investment company, the Company does not have any employees.

How the Board engages with stakeholders

Stakeholder	How the Board engages	Key topics in the year	Examples of considering stakeholder interests
Shareholders			
The support of the Company's current and future shareholders is critical to the continued success of the business and the achievement of its strategic objectives. The board understands that, in addition to performance, shareholders also place great emphasis on governance and regulatory compliance and ESG. The Company's business is conducted taking these factors into account.	The Board welcomes the views of shareholders and places great importance on communication with its shareholders. The Board maintains awareness of shareholder views by means of regular updates and insights from the Manager and advisers as well as meetings with shareholders. Key communication channels with shareholders include: ▪ **Shareholder engagement:** The Manager holds regular meetings with analysts and existing, new and potential shareholders. The Manager also presents at industry conferences. Feedback from these meetings is shared with the Board. ▪ **Publications:** In addition to the Annual Report, the Company publishes interim accounts, monthly NAV updates and factsheets, and investor presentations to provide regular financial updates throughout the year. ▪ **Capital Markets Days and AGM:** The Directors are available to meet shareholders directly through NBPE's annual Capital Markets Day (or virtual equivalent) or via the AGM. ▪ **Website:** To provide significant transparency and help inform investors, all the Company's publications are available on the website. ▪ **Shareholder concerns:** Shareholders may also contact the Chairman, Senior Independent Director and other Directors through the Company Secretary.	▪ Portfolio performance, including the impact of the inflationary environment, rising interest rates and supply chain issues ▪ How companies navigated operational challenges and inflationary pressures, and impacts to supply chains ▪ Discussions around the general state of markets/economy and the rising cost of living and the impact on companies in the portfolio ▪ Information on any new investments and realisations ▪ Shareholder communications ▪ Share price performance and discount ▪ Appointed Jefferies, at their discretion, to repurchase shares, based on criteria set by the board ▪ Dividend policy ▪ Private equity market environment ▪ Information on the Company's Responsible and Sustainable Investment Policy ▪ Balance sheet management, including the maturity and final payoff of the 2022 ZDPs	The Board comprises five independent directors. The AGM that took place on 14 June 2022 provided an opportunity for Shareholders to engage with the Board. The Board reviewed and discussed the underlying performance of portfolio companies in the context of the broader operating environment. The Board held numerous discussions throughout the year with Company advisors related to the share price discount to NAV. In October 2022, the Board announced Jefferies was appointed to repurchase shares at their discretion, based on criteria set by the board. No repurchases were made in 2022. The Capital Markets Day was held virtually. Shareholders were able to ask questions, via a Q&A facility. A replay was made available on the website for any shareholders unable to attend.

Stakeholder	How the Board engages	Key topics in the year	Examples of considering stakeholder interests
Investment Manager			
It is important that the Board maintains a strong relationship with the Manager. The Company leverages the strength of Neuberger Berman's private equity platform to seek the most attractive direct investment opportunities. The Manager prepares detailed financial reports to the Board on the portfolio, performance, cash flow modeling and other financial data to help guide discussions and decisions.	The Board maintains good relationships with key members of the Investment Manager's investment team, as well as other functions, including finance and legal. The Manager also interacts with other service providers as necessary for the day-to-day management of the Company. The Directors review financial reports prepared by the Investment Manager ahead of each quarterly Board meeting. Annually, the Audit Committee reviews detailed reports from financial models prepared to support the Company's Viability Statement. In conjunction with the Manager, the Audit Committee reviews and monitors the Company's investment level and investment pacing forecasts contained within the support of the Viability Statement.	▪ Portfolio performance, including the impact of the inflationary environment, rising interest rates, and supply chains and other macro economic risks ▪ Information on any new investments and realisations ▪ Private equity market environment ▪ Information on the Company's Responsible and Sustainable Investment Policy ▪ Balance sheet management, including the maturity and final payoff of the 2022 ZDPs ▪ Share price performance and discount ▪ Investment level and cash flow forecasts ▪ Debt maturities	The Manager and the Company work together to ensure they are aligned. Both share a mutual interest in the success of the investments as well as the Company's perception and reputation in the marketplace. Both the Manager and the Board strive to maintain a strong working relationship to achieve these goals. In October 2022, the Directors attended an onsite at the Manager's offices in New York and met with senior professionals across various functions at Neuberger Berman, including investments, ESG, risk, legal/compliance, finance and internal audit. In addition, the Directors also met with key service providers including MUFG, PWC and KPMG. Further detail of this onsite meeting can be found on page 56. The Board reviewed detailed financial model forecasts prepared by the Manager to assist with cash forecasting and available liquidity, post the 2022 ZDP payoff.
Investee entities			
The Manager is responsible for executing the Company's overall investment policy and objective, as approved by the Board. As such day-to-day engagement with underlying private equity managers, and investee companies is undertaken by the Manager.	The Board receives updates at each scheduled Board meeting from the Manager on the investment portfolio, including regular valuation reports and detailed portfolio and returns analyses.	The Manager maintains a wide range of private equity networks and close relationships with leading private equity managers globally. The Manager regularly conducts discussion of key private equity topics, including deal sourcing, market environment, fundraising, team composition, investment performance and monitoring, ESG and other factors with various managers.	The Manager strives to be a solutions provider and strategic partner to underlying private equity managers, which ultimately, over time, strengthens and cultivates the relationship.

Stakeholder	How the Board engages	Key topics in the year	Examples of considering stakeholder interests
Lenders			
The Company's co-investment model means that NBPE can respond to market conditions and be capital efficient. NBPE does not need to take off-balance sheet risk in the form of unfunded commitments to achieve a target investment level. In order to achieve this, the Company's lenders provide the Company with debt and debt-like financing with maturity dates, fixed capital entitlements which bear interest and fees at various interest and fee rates.	At the overall direction of the Board, members of the Manager's finance and investment teams maintain dialogue with the Company's bank and lender counterparties. Feedback on these discussions is shared with the Board at the quarterly Board meetings, or as required.	The lenders are focused on asset coverage, valuation of assets and key financial ratios on the Company's liquidity and financial position. On 30 September 2022, the Company repaid the final capital entitlement of the Company's 2022 ZDP Shares.	The Manager keeps the Company's lenders aware of portfolio developments throughout the year through both public disclosures and private investment monitoring reports. In addition, the Company provides detailed compliance reports to the Company's credit facility lender and the Board, showing asset coverage, ratios and covenant tests. Information regarding the Company's current borrowing can be found at Note 4 to the Financial Statements on page 90.
Other service providers			
The Company's service providers work with the Manager, Company Secretary and Board to achieve the Company's objectives. Other service providers include but are not limited to: fund administrators, tax accountants, auditors, brokers, investor relations, legal counsel, marketing and advisory services, external research, and media relations.	The Board maintains regular contact with its key service providers and receives regular reporting from them, both through the Board and committee meetings, as well as outside the regular Board meeting cycle.	The Management Engagement Committee formally assesses performance, fees and continuing appointments annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service. The Management Engagement Committee reviews and evaluates the financial reporting control environments in place at each service provider.	The Company's service providers have been carefully selected for their relevant expertise. Their advice, as well as their needs and views, are routinely considered by the Board. More information concerning the service provider review undertaken by the MEC can be found on page 56.

Stakeholder	How the Board engages	Key topics in the year	Examples of considering stakeholder interests
The community and the environment			
NBPE believes investing responsibly incorporating material ESG considerations can help inform the assessment of overall investment risk and opportunities. To reflect the Company's ongoing commitment to ESG, the Company published a Responsible and Sustainable Investment Policy in 2020.	ESG issues are a standard part of the Manager's investment process, and increasingly integral to the Board's thinking. The Manager integrates ESG considerations throughout the investment process by helping to identify both material risks and opportunities, and the Board receives regular updates on the Manager's ESG practice. The Board reviews the Company's compliance with its Responsible and Sustainable Investment Policy.	In addition to the regular updates from the Manager's ESG team, the Board receives and discusses detailed analysis of the sustainability impact of the portfolio on an annual basis, which includes details on material ESG risks of underlying portfolio companies.	ESG considerations and the impact of the Company on the community and environment are regular topics at Board meetings. During the onsite in New York, the Directors discussed updates on the ESG team and evolution in the marketplace, the Manager's ESG strategy, integration and analysis and NBPE's portfolio. More information concerning the Company's approach to ESG can be found on pages 29-33.

Risk management framework

The Board considers the risk management framework with investment, financial, strategic, operational and external risks to be the principal risks and uncertainties of the Company. Within each of the five principal risks and uncertainties categories on pages 43 and 44, the Directors have identified a number of key underlying risks. While it is not possible to identify and manage every risk to the Company, the Directors seek to identify the key underlying risks within each category where possible.

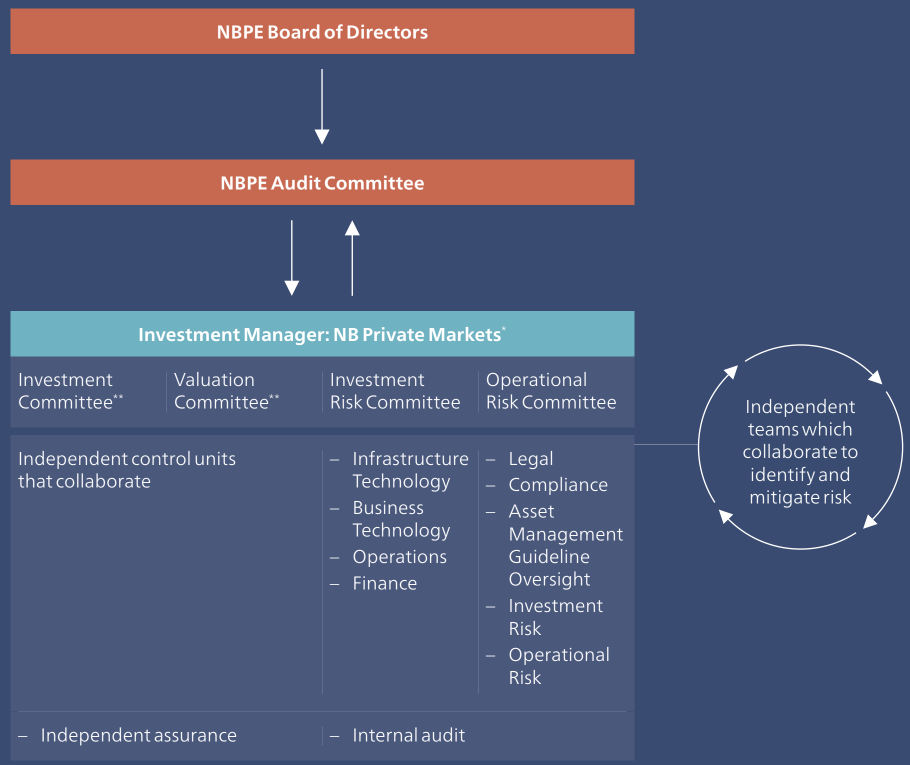
Each identified key underlying risk includes information on the controls relied upon by the Board, and the responsible provider or providers. Through a matrix, each key underlying risk is colour-coded between green (low-risk) and red (high/elevated risk) by calendar quarter, in order to show the evolution of the key underlying risk over time. Judgement is applied to determine these assessments and the Board considers any changes to the assessments of the key underlying risks on a quarterly basis. Not all risks can be eliminated; therefore, there is only a reasonable assurance against fraud, misstatements or losses to the Company.

The Board is ultimately responsible for the identification and assessment of risk as well as for monitoring the key risks to the Company on an ongoing basis. In order to identify and assess key risks to the Company, the Directors rely on a risk matrix prepared and maintained by the Investment Manager and reviewed by the Board on a quarterly basis. The risk matrix identifies risks categorised by the principal risks and uncertainties. The principal risks identified by the Board are set out on pages 43-44.

The Board also monitors the outlook of the key underlying risks to assess future risk areas. As of 31 December 2022, the Board identified several underlying risks which were determined to have an elevated or high risk outlook. These risks included sovereign and political factors, the general market environment and rising interest rates, and risks related to the potential for ongoing elevated inflation. In addition, while no successful cyber attacks had occurred, the board acknowledged the potential for cyber attacks were an elevated and continuing risk.

The Board considers emerging risks as those which can be identified in the current environment, but which are inherently longer-term in nature or uncertain as to their timing. The Board further recognises emerging risks are difficult to quantify and highly uncertain as to if and when they may impact the Company and to what extent. However, the Board considers a number of emerging risks to the Company, which include: the general market environment and impacts from inflation and rising interest rates, geopolitical risks, the share price discount to NAV, and cyber risks. The Board believes the Company is mitigating these risks to the extent possible and noted the robust investment and portfolio monitoring procedures by the Manager to understand the operating environment of portfolio companies, including dialogues with lead private equity managers.

Risk management framework



* NB Private Markets is a general description of the business of the Investment Manager, NB Alternatives Advisers LLC; there has been no change to the Investment Manager of NBPE

** Highlights represent committees of the Investment Manager; other committees presented above are resources of the parent company, Neuberger Berman, of the Investment Manager

Principal risks and uncertainties

The table below shows a summary of the key underlying risks within each of the five principal risks and uncertainties identified by the Board. The status below shows whether the principal risks are increasing, decreasing or not changing compared to the previous year.

Key risks	Potential Impact	Key Controls	Assessment
Investment risk			
Investment decisions – Selecting investments to generate the best risk adjusted returns	Sub-optimal risk-return investment decisions could lead the Company to higher risk investments to generate a desired level of return.	■ Highly experienced Manager with deep team ■ Extensive due diligence process ■ ESG-integrated investment process ■ Thorough investment underwriting and due diligence ■ Regular Board review of Manager performance, operations and capabilities ■ Robust, consistent valuation processes ■ Monthly NAV updates ■ Quarterly valuation review ■ Annual audit and semi-annual review ■ Manager review of portfolio and monitoring of foreign exchange exposure when analysing new investments, if applicable	↔
Performance – Achieving underwriting case and meeting long-term objectives	Inconsistent investment performance would impact the Company's financial position.		
Valuations – Misstatements to NAV	The valuation of investments directly impacts the Company's financial position, key ratios/covenants and performance.		
Foreign exchange – Fluctuations of exchange rates of non-USD investments in local currency relative to USD	Fluctuations of exchange rates can impact performance when translated to dollars.		
Financial risk			
Liquidity management – Inadequacy of cash balances for short-term needs	Poor management of near-term cash requirements and of credit facility borrowings impacts the Company's ability to make new investments and carry out day-to-day operations.	■ Monitoring of cash balances ■ Review of management reports and financials ■ Monitoring of headroom and financial ratios ■ Monthly calculations of liability ■ Known final capital entitlement and maturity date ■ Ability to fully or partially hedge currency risk through forward currency contracts	↓
Credit facility – Availability of borrowings and maintenance of covenants	The Company's 2022 ZDPs were fully repaid at maturity in September 2022, de-risking the Company's balance sheet. The remaining ZDP securities mature in 2024.		
ZDP liabilities – Ability to repay at maturity	Company's creditworthiness would be materially impacted by not meeting liabilities when they come due.		
Foreign exchange – Fluctuations in GBP/USD exchange rate for Sterling denominated liabilities			

Key risks	Potential Impact	Key Controls	Assessment
Strategic risk			
Share price discount – Monitoring of share price discount to NAV **Meeting business objectives** – Ability to meet business and investment objectives in current environment	A failure within strategic risks could impact the Company's reputation and performance. Over time, the Company has completed a number of initiatives aimed at enhancing shareholder value and narrowing the discount, from portfolio construction, investor relations initiatives, dividend policy and share buybacks.	▪ Monitoring discount and review market research ▪ Strategic investor relations programme ▪ Periodic review of appropriateness of investment objective and policy ▪ Appointed Jefferies in October 2022, at their sole discretion, to repurchase shares, based on criteria set by the board	⟷
Operational risk			
Legal/Compliance – Investment activity legal risks, including investing within policy limits and compliance with regulations **Litigation** – Legal action brought against the Company or Board **Business operations and continuity** – Day-to-day operations and management of the Company. Frameworks for business continuity **Internal policies and procedures** – Policies and procedures of Investment Manager and key service providers of the Company **Governance** – Company governance and oversight by the Board **Key professionals** – Retention of key staff	Legal and compliance risks and the potential of litigation action creates significant risk and uncertainty if brought against the Company, Board or Manager. Company operations are carried out by the Investment Manager and the Administrator; a negative event at either could impact the Company's ability to operate day to day. Policies and procedures at key service providers designed to reduce or mitigate risks to the Company as a policy violation could be impactful. The Board oversees all aspects of the Company. The Company itself has no operations or employees and instead relies on that of key service providers. A loss of key professionals could impact the ability of the Company to operate.	▪ Reliance on in-house legal teams of the Manager and external counsel ▪ Legal negotiations and procedures to ensure adherence to investment guidelines ▪ Reliance on operational staff of the Manager and fund administrator ▪ Reviews of service providers to ensure control environments are adequate ▪ Business Continuity Plans of Manager and administrator ▪ Policies and procedures of the Manager and service providers and internal controls designed to pick up potential issues ▪ Assessment processes; review of best practices ▪ Resources of the Manager for attracting and retaining talent	⟷
External risk			
Sovereign/Political risks – Changes in economical and political environment **General market/Investment environment** – Changes in market or regulatory environment – Inflationary environment and supply chain risks – Interest rate environment **COVID-19** – Potential further risks related to COVID-19	External risks impact the Company's investment portfolio to varying degrees, which could have an impact on the Company's performance. External risks are inherently difficult to forecast and impacts are uncertain. Impacts to supply chains and the inflationary environment in 2022 posed certain operating challenges during the year. Further, portfolio companies are adapting to higher interest rate environment, given elevated inflationary pressures. While mitigated in 2022 relative to prior years, potential risks related to COVID-19 remain.	▪ The Board and Manager are aware of the general market environment and global risks generally ▪ Risk mitigation is difficult, other than during the investment analysis phase prior to making a new investment ▪ Investment Manager maintains discussions with underlying general partners to assess and understand potential exposure/degree of impact ▪ Consultation with other outside advisors	↑

Going concern and Viability Statements

Going concern

The Group's principal activities and investment objectives are described on pages 59 and 62 of the Report, and the Group's financial position is stated on page 78 of the Report. Note 11 of the Consolidated Financial Statements describes the Group's risks with respect to market, credit and liquidity risk. On page 90 of the report, the Group's liquidity and available borrowing facilities are described.

The Group's cash flows are provided on page 82 of the Report. Given the Group's cash flows and financial position, the Directors believe the Group has the financial resources to meet its financial commitments as they fall due.

Therefore, having considered a 12-month horizon from the date of authorisation of this annual financial report, the Directors have a reasonable expectation that the Group has adequate resources to continue to operate into the foreseeable future and accordingly the Consolidated Financial Statements have been prepared on a going concern basis.

Viability Statement

The Board has evaluated the long-term prospects of the Group, beyond the 12-month time horizon assumption within the going concern framework. Further details of the forecast and the process for assessing long-term prospects of the Group are set out below and the Board believes this analysis provides a reasonable basis to support the viability of the Group.

The Directors have selected a three-year window for evaluating the potential impact to the Group on the following basis:

- Investments are subject to overall financial market and economic conditions. Projecting long-term financial and economic conditions is inherently difficult, but a three-year window is a reasonable time horizon.
- Value creation plans are executed over a number of years and private equity managers generally take a longer-term view on performance, rather than a focus on "quarterly earnings"; three to five years is a typical holding period target for private equity managers.
- Medium-term outlook of underlying Company performance is typically assessed for valuation purposes.

The Company fully repaid the 2022 ZDP Shares at maturity and the remaining class of ZDP Shares will not mature until October 2024. The Group's ability to refinance or repay the 2024 ZDPs is a medium-term risk as they mature within the three-year forecast period. The Company has no other financings maturing within the three-year forecast period.

Based on the 31 December 2022 GBP/USD exchange rate of $1.20, the final capital entitlement of the 2024 ZDP Shares is approximately $78 million. To evaluate the Company's financial position, the Directors reviewed a financial model prepared by the Investment Manager. The financial model includes projections of cash flows, expenses and liabilities, as well as NAV growth assumptions to evaluate loan to value and coverage test ratios.

The Board believes the Company is in a healthy financial position and able to meet upcoming liabilities when they mature. The Directors further note the Company's $300 million revolving credit facility was fully undrawn as of 31 December 2022. Further, the borrowing availability period extends to 2029, beyond the maturity of the 2024 ZDP Shares. The Board noted the credit facility could be used in whole or in part (based on availability) to repay the 2024 ZDP Shares.

The Manager discussed the key financial assumptions and findings of the model with the Board. The model forecasts returns and cash flows on an asset-by-asset basis to evaluate cash and investment pacing considerations and the Manager selected two cases to evaluate the viability of the Company over the three-year window. Both cases included expected realisations from signed but not yet closed transactions.

The base case made further assumptions of NAV growth and additional realisations, both of which were below the long-term averages of the Company. The model also assumed a certain pace of re-investment, based on the level of realisations from the portfolio. The Manager views this as a reasonable case to evaluate the prospects of the Company even in the current economic environment.

However, the Directors recognise that overall market conditions represent a continued risk and uncertainty for the Company. In light of this, the Manager prepared a second forecast case which was a downside case scenario, indicative of a deep recession and slow recovery. This case assumed a 10% NAV decline in 2023 and no growth in 2024 and 2025. Further, this case only assumed $52 million of realisations during 2023, of which $37 million had been received through Q1 2023. 2024 and 2025 assumed only a limited amount of realisations below historical averages.

The key findings from this analysis and discussions with the Manager was that, in both cases, NBPE could continue to fund its existing commitments, pay dividends and ongoing expenses and have borrowing capacity available to repay the 2024 ZDPs at maturity. The downside case showed a higher investment level in later periods of the forecast (as a result of the decline in valuations). Over the forecast period of the downside case, NBPE maintained ample liquidity and LTV ratios; in addition, the 2024 ZDP's had a healthy coverage cushion. In light of this analysis, the Directors concluded the Company could continue to operate over the three-year viability window.

Governance

Board structure and Committees

Board of Directors

P49

William Maltby
Chairman, Independent Director

Wilken von Hodenberg
Senior Independent Director

Trudi Clark
Independent Director

John Martyn Falla
Independent Director

Louisa Symington-Mills
Independent Director

Gender

60% Male
40% Female

Good corporate governance is fundamental to the way NBPE conducts business.

Effective oversight of strategy and risk is particularly important to promote the long-term success of the Company.

The Chairman is responsible for ensuring that the Board upholds a high standard of corporate governance and operates effectively and efficiently, promoting a culture of openness and debate.

The Board seeks to be responsive to both the evolving regulatory environment and changing expectations about the role of business in society. In particular, the Board seeks to ensure that its own culture and that of the Manager are aligned with the Company's purpose and values, and that the Company has the necessary service providers with the appropriate financial and human resources to deliver its strategy.

William Maltby
Chairman

Audit Committee

P66

John Martyn Falla C
Trudi Clark
Wilken von Hodenberg
Louisa Symington-Mills

Provides oversight and reassurance to the Board, specifically with regard to the integrity of the Company's financial reporting, audit arrangements, risk management, and internal control processes and governance framework.

Management Engagement Committee

P56

Trudi Clark C
John Martyn Falla
William Maltby
Wilken von Hodenberg
Louisa Symington-Mills

Reviews annually the terms of the Investment Management Agreement. Additionally, the Committee reviews the performance and terms of engagement of other key service providers to the Company.

Nomination and Remuneration Committee

P57

Trudi Clark C
John Martyn Falla
William Maltby
Wilken von Hodenberg
Louisa Symington-Mills

Assists the Board in filling vacancies on the Board and its committees and to review and make recommendations regarding Board structure, size and composition. Additionally, the Committee reviews the remuneration of the Chairman and Non-Executive Directors.

C Committee Chair

The Board

The Board is responsible for oversight of NBPE, and for effective stewardship of the Company's affairs.

M Management Engagement Committee

A Audit Committee

N&R Nomination and Remuneration Committee

Committee chair

William Maltby

Chairman, Independent Director M N&R

Appointed 21 March 2019

Background and experience

William Maltby was vice chairman of Investment Banking at Deutsche Bank where he worked for more than 25 years. Mr. Maltby spent a further six years as a Senior Adviser to the Investment Banking Division of Deutsche Bank. Mr. Maltby was a corporate financier specialising in financial sponsors and leveraged finance, and was head of Deutsche Bank's European Financial Sponsor Coverage and Leveraged Finance businesses. He joined Morgan Grenfell in 1984 which was acquired by Deutsche Bank in 1989.

Mr. Maltby was chairman of Mithras Investment Trust Plc, a private equity fund of funds investment trust listed on the London Stock Exchange from 2012 to 2018, when it completed a successful realisation strategy.

Mr. Maltby is also chairman of Ekins Guinness LLP. He qualified as a Chartered Accountant with Peat Marwick and has a law degree from the University of Cambridge.

Contribution to NBPE

Mr Maltby's expertise brings a wealth of knowledge of listed investment trusts, investment banking and private equity to the Board, in addition to being an experienced and effective Chairman.

Other public directorships

Mr Maltby has no other public directorships.

Wilken von Hodenberg

Senior Independent Director M A N&R

Appointed 21 March 2019

Background and experience

Wilken von Hodenberg is a businessperson with 39 years of experience in private equity, investment banking and senior management. Mr. von Hodenberg has been at the head of five different entities and for some years occupied the position of chairman of German Private Equity & Venture Capital Association.

Mr. von Hodenberg was a member of the Supervisory Board for Deutsche Beteiligungs AG from 2013 until February 2020. He is also a non-executive director of eCapital Entrepreneurial Partners AG; Mr. von Hodenberg became vice chair of Wepa SE in April 2022.

From 2000-2013 Mr. von Hodenberg was CEO of Deutsche Beteiligungs AG. Mr. von Hodenberg also served as a managing director of Merrill Lynch in Frankfurt (1998-2000). Prior to this Mr. von Hodenberg was managing director at Baring Brothers GmbH (1993-1997). From 1990-1992 he was CFO of Tengelmann Group, a major German retailing group. He started his career at JPMorgan in New York and Frankfurt (1983-1989). Mr. von Hodenberg holds a Law degree from the University of Hamburg.

Contribution to NBPE

Mr von Hodenberg's private equity investment expertise is highly valuable for Board discussions and of particular relevance for the Company.

Other public directorships

Sloman Neptun AG.

Matrix of skills and experience

Board member	Investment Trusts	Private Equity	Asset Management	Investment Banking	Finance/ Audit
William Maltby	✓	✓		✓	✓
Wilken von Hodenberg		✓	✓	✓	✓
Trudi Clark	✓	✓	✓		✓
John Martyn Falla	✓	✓	✓	✓	✓
Louisa Symington-Mills	✓	✓	✓	✓	

Trudi Clark

Independent Director M A N&R

Appointed 24 April 2017

Background and experience

Trudi Clark qualified as a chartered accountant with Robson Rhodes in Birmingham, after graduating in Business Studies. Moving to Guernsey in 1987, Ms. Clark joined KPMG where she was responsible for an audit portfolio including some of the major financial institutions in Guernsey. After 10 years in public practice, Ms. Clark was recruited by the Bank of Bermuda as Head of European Internal Audit, later moving into corporate banking. In 1995 Ms. Clark joined Schroders in the Channel Islands as CFO. Ms. Clark was promoted in 2000 to Banking Director and Managing Director in 2003.

From 2006 to 2009, Ms. Clark established a family office, specialising in alternative investments. From 2009 to 2018, Ms. Clark returned to public practice specialising in corporate restructuring services. Ms. Clark has several non-executive director appointments for companies both listed and non-listed investing in property, private equity and other assets.

Contribution to NBPE

Ms Clark has significant expertise in both accountancy and Guernsey regulations, as well as being an experienced non-executive director of public companies, all of which have proven beneficial to both the Board and its Committees.

Other public directorships

BMO Commercial Property Trust Limited, The Schiehallion Fund Limited and Taylor Maritime Investments Ltd.

John Martyn Falla

Independent Director M A N&R

Appointed 21 December 2015

Background and experience

John Falla, a resident of Guernsey, is an Associate of the Institute of Chartered Accountants in England and Wales. Mr. Falla has a degree in Property Valuation and Management from City University London and is a Chartered Fellow of the Chartered Institute for Securities and Investment, holding their diploma. Mr. Falla qualified as a chartered accountant with Ernst and Young in London, before transferring to their Corporate Finance Department, specialising in the valuation of unquoted shares and securities, including private equity holdings. On Mr. Falla's return to Guernsey in 1996, he worked for an International Bank before joining The International Stock Exchange (formerly Channel Islands Stock Exchange) in 1998 on its launch as a member of the Market Authority.

In 2000, Mr. Falla joined the Edmond de Rothschild Group. Although based in Guernsey, he provided corporate finance advice to international clients including open and closed-ended funds, and institutions with significant property interests. Mr. Falla was also a director of a number of Edmond de Rothschild operating and investment entities. Mr. Falla has been a non-executive director of London listed companies for a number of years, and is now a full-time non-executive director and consultant.

Contribution to NBPE

Mr Falla has significant expertise as an accountant and as a non-executive director of listed companies for over 10 years, both of which contribute to his role as a non-executive director of the Company and as Chair of the Audit Committee.

Other public directorships

Marble Point Loan Financing Limited and Baker Steel Resources Trust Limited.

Louisa Symington-Mills

Independent Director M A N&R

Appointed 15 June 2021

Background and Experience

Louisa Symington-Mills has extensive experience of the listed private equity sector. She was a listed alternative investment funds equity research analyst at Royal Bank of Scotland and Jefferies, with a particular focus on listed private equity investment companies. She has played a key role in increasing awareness and understanding of listed private equity.

She subsequently became chief operating officer at LPEQ (now part of Invest Europe), an international association of listed private equity companies, and is now an award-winning entrepreneur. Ms Symington-Mills began her career at M&G Investment Management in 2003 and has an English Literature degree from the University of Durham.

Contribution to NBPE

Ms Symington-Mills' experience in listed private equity, and as a research analyst, provides a depth of insight to the Board during meetings . Her input is particularly valued during discussions with the Company's corporate brokers and other investor relations advisers.

Other public directorships

Ms Symington-Mills has no other public directorships.

Corporate governance

The Directors believe in strong corporate governance and are committed to the appropriate standards of corporate governance.

The Board of NBPE has considered the Principles and Provisions of the AIC Code of Corporate Governance ("AIC Code"). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional Provisions on issues that are of specific relevance to NBPE. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Guernsey Financial Services Commission, provides more relevant information to shareholders.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Company has complied with the Principles and Provisions of the AIC Code, except as set out below:

- The role of the chief executive;
- Executive Directors' remuneration; and
- The need for an internal audit function.

The Board considers these provisions are not relevant to the position of NBPE, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions were outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

The Company is also subject to the Alternative Investment Fund Managers Directive ("AIFMD") and has a management agreement with NB Alternatives Advisers, LLC (the "Investment Manager" or the "Manager") to act as its Alternative Investment Fund Manager ("AIFM"). The Bank of New York acts as its depositary, in accordance with the requirements of the AIFMD.

Composition and independence

The Board comprises five Non-Executive Directors. The Board regularly reviews the independence of its members and, having due regard to the definitions and current guidelines on independence under the AIC Code, considers all Directors to be independent and confirms that the Chairman was independent on appointment and has remained so during his tenure. Biographies of each Director can be found on pages 49 to 50.

The Company does not have a chief executive officer and day-to-day management of the Company has been delegated to the Investment Manager by the Board.

Role of Senior Independent Director

The Senior Independent Director ("SID") works closely with the Chairman and ensures each of the Non-Executive Directors' concerns are heard and is available to attend meetings with a range of major shareholders to understand potential concerns. The Board has appointed Wilken von Hodenberg to fill this role. The SID Roles and Responsibilities Policy can be found on the Company's website.

Induction and training

Directors are provided, on a regular basis, with key information on the Company's policies, regulatory requirements and its internal controls. Regulatory and legislative changes affecting Directors' responsibilities are advised to the Board as they arise, along with changes to best practice by, among others, the Company Secretary and the Auditors. Advisers to the Company also prepare reports for the Board from time to time on relevant topics and issues. In addition, directors attend relevant seminars and events to allow them to refresh their skills and knowledge and keep up with changes within the investment company industry.

When a new Director is appointed to the Board, he/she is provided with relevant information regarding the Company and their duties and responsibilities as a Director. In addition, the new Director also spends time with representatives of the Company Secretary and the Investment Manager in order to learn more about their processes and procedures.

The induction process covers a number of key business areas and teams, including: meetings with the Board and Chairman to discuss the Company's business, operations and governance; meetings with the Company's investment advisor to look at the Company's portfolio, investment management and operations; meetings with the Company's administrator to discuss legal and regulatory obligations and requirements, processes and governance generally; meetings with the Company's corporate brokers to discuss investor perceptions, capital markets, and the development of the Company's shareholder base; and meetings with the Company's Auditors and PR advisors.

The Board provides appropriate training to all new Directors, which includes training on their duties, including those under Section 172 of the UK Companies Act 2006, and provides refresher courses from time to time. When a new Director joins the Board, they receive regular and ongoing training, including details of all regulatory and legal duties as a director of a Guernsey domiciled investment company listed on the Main Market of the London Stock Exchange. Furthermore, the Chairman reviews the training and development needs of each Director during the annual Board evaluation process.

Performance evaluation

In accordance with the AIC code, the Company undergoes an annual evaluation of the Board's performance, its committees, the Chair and the individual Directors. This process takes place in the form of questionnaires and discussion and helps ensure that the Board's operations remain aligned with the culture, purpose and values of the Company, and help identify areas for improvement. The Senior Independent Director leads the appraisal of the Chairman's performance.

In 2022, an external review of the Board's performance took place. This external evaluation was undertaken by Fletcher Jones Limited, who are independent from the Board and the individual Directors. The lead evaluator received briefings from the Chairman before reviewing all Board and Committee materials from the prior year. A detailed bespoke questionnaire was issued to each Director as well as a number of employees of the Manager, who regularly present, engage with or observe meetings of the Board or one or more of the Committees. Each participant then met with the evaluators to discuss points raised. The evaluator also attended a Board meeting.

The independent review raised no substantive issues and concluded the Board is well managed and an effective Board that works well together. Discussions are transparent and clear and the Board operated with skill and focus on all areas of importance. The evaluation did not highlight any material weaknesses or concerns. A small number of areas were identified for further focus, including succession planning, adding a further skillset to the board and expanding the investor relations resource in London. The Board welcomed all recommendations provided by Fletcher Jones and intends to proceed accordingly, particularly in reference to the succession planning for the Chair of the Audit Committee.

Directors' time commitments

At the time a new Director is appointed to the Company, consideration is given to his or her time commitments and availability in order to fulfil the role. A schedule of each Directors' appointments is tabled quarterly for each Board meeting. In the year under review, all directors were considered to have sufficient time to commit to their respective roles on the Board, taking account of their external appointments.

Diversity and inclusion

The Board 's ongoing objective is to have an appropriately diversified representation by gender, ethnic background, skills and experience.

The Board welcomes and supports the recently updated Listing Rules, on a comply or explain basis, reflecting the recommendations set by both the Hampton-Alexander Review on gender diversity and the Parker Review regarding minority ethnicity representation on boards. The Board currently has two female Directors making the gender balance 40% female and 60% male. The Board is cognisant that a female director does not currently hold one of the senior positions (that are appliable to the Company) of either the Chair or the Senior Independent Director, but notes Trudi Clark chairs both the Management Engagement Committee and Nomination and Remuneration Committee. The Board is also cognisant that, at the present time, there is no representation from a minority ethnic background.

The Board acknowledges the importance of gender and minority ethnic diversity within the Boardroom. Whilst all future appointments will be made based on merit, the consideration of the Board's diversity will form an integral part of succession planning. The Board's long-term succession plan takes account of future retirements of directors upon reaching nine years of service and the skills that they bring that will need replacement. The Board envisages that successors will be sought ahead of retirements to allow for an appropriate handover period with minimal disruption. As part of this planning, the Board will be appointing a search consultant in the coming months for the appointment of one new non-executive director, and while, at the date of this report, the composition of the Board is not wholly compliant with the Financial Conduct Authority's diversity rules, the Board is seeking to be fully compliant by the end of 2024.

Gender diversity

Director	Number of Board members in scope	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)*
Men	3	60%	2
Women	2	40%	0
Not specified/prefer not to say	0	0%	0

* As the roles of CEO and CFO are not applicable for investment trusts, this criteria cannot be met in full.

Ethnic diversity

Of the five board members, 100% are from White British or other White backgrounds at 31 December 2022.

Tenure of Non-Executive Independent Directors

Each Non-Executive Director is appointed by a letter of appointment on an ongoing basis, and shareholders vote on whether to elect/re-elect him or her at every AGM. A Non-Executive Director will only be proposed for re-election at an AGM if the Board is satisfied with the Non-Executive Director's performance, independence and ongoing time commitment.

The Board has adopted a policy on tenure that is considered appropriate for an investment company. The Board does not believe that length of service, by itself, leads to a closer relationship with the Investment Manager or necessarily affects a director's independence. The Board's tenure and succession policy seeks to ensure that the Board is well balanced and will be refreshed from time to time by the appointment of new Directors with the skills and experience necessary to replace those lost by Directors' retirements. Directors must be able to demonstrate their commitment to the Company. The Board seeks to encompass past and current experience of various areas relevant to the Company's business.

Chair Tenure Policy

The Company's policy on Chair tenure is that the Chair should normally serve no longer than nine years as a Director but, when it is in the best interests of the Company, shareholders and stakeholders, the Chair may serve for a limited time beyond that. Such circumstances may include, but not be limited to, periods of succession planning or to provide stability during a period of major change in the Company. In such circumstances, the independence of the other Directors will ensure that the Board as a whole remains independent.

Role of the Board

It is the responsibility of the Board to ensure that there is effective stewardship of the Company's affairs. Strategic issues are determined by the Board. A formal schedule of operational matters reserved for the Board has been adopted in order to enable it to discharge its responsibilities, and enable directors to have full and timely access to relevant information.

Board meetings and meeting attendance

The Board meets at least four times a year to discuss Company developments and ongoing activities. This includes reviewing and evaluating the dividend, monitoring and adapting, as necessary, the investment strategy, and reviewing the financial and investment performance of the Company. The Investment Manager and the Company's Administrator furnish the Directors with relevant materials, including investment reports, risk analysis and other documents in a timely manner prior to each Board meeting. In addition, an agenda is circulated to the Directors prior to the meeting and the Directors may consider additional topics for discussion prior to each Board meeting. Representatives from the Investment Manager attend the meetings to report to the Board on relevant updates regarding investment performance and investment activities. Other service providers to the Company are invited to speak at Board meetings on relevant matters, as necessary. In addition to the four quarterly Board meetings, there were other ad hoc Board meetings throughout the year to approve various documentation, dividend payments, and other matters. The quorum for any Board meeting is two Directors but attendance by all Directors at each meeting is strongly encouraged.

During 2022, there were four quarterly Board meetings. Attendance by the Directors at these meetings and other committee meetings during the year is below:

Director	Board Meeting	Audit Committee	MEC	NRC
	4	**3**	**1**	**1**
William Maltby	4	3	1	1
John Martyn Falla	4	3	1	1
Trudi Clark	4	3	1	1
Wilken von Hodenberg	4	3	1	1
Louisa Symington-Mills	4	3	1	1

In the unlikely event of any Directors being unable to attend Board or Committee meetings, the relevant Directors would be contacted by the Chairman before and/or after the meeting to ensure they are aware of the issues being discussed and to obtain their input.

Company Secretary

The Directors also have access to the advice and services of the Company Secretary, Ocorian Administration (Guernsey) Limited, which is responsible to the Board for ensuring the timely delivery of information and reports and for ensuring that statutory obligations of the Company are met. Ocorian Administration (Guernsey) Limited, an affiliate of First Directors Limited (the "Trustee"), provides certain administrative functions relating to certain corporate services and Guernsey regulatory matters affecting the Company.

Flow of information

The Company places a great emphasis on the flow of information from the Investment Manager to the Board, ensuring that the Directors have relevant information to make informed decisions for the benefit of the shareholders. Alongside the quarterly meeting, the Board often meets on an ad hoc basis as needed to discuss other Company matters, such as dividend payments. The Manager provides the Board with key information regarding the underlying investments, ideas for new initiatives that will help drive shareholder value and continual feedback from shareholders. This information assists the Board's evaluation of the Company's Key Performance Indicators, found on pages 27 and 28 of the Strategic Report.

The Investment Manager's report to the board included:

- Investment performance and portfolio composition: the Board reviewed detailed performance of underlying portfolio company investments as well as detailed analysis on the underlying portfolio composition as a whole. The Board evaluated the portfolio to assist in decisions regarding dividends paid by the Company.
- Company financial position and net asset value (NAV): the Board reviewed the Company's financial position and the performance of the Company's NAV.
- Returns information: the Board evaluated both the NAV per share return and the NAV total return, including the Company's dividends.

The Board gives feedback on all relevant items discussed to help achieve success for the benefit of shareholders as a whole. Furthermore, the Board has access to the advice and services of the Company Secretary, brokers and lawyers and any other advisers as deemed necessary, at the expense of the Company, to discharge their responsibilities properly.

The Board recognises that much of the decision making, particularly with respect to underlying investments, is delegated to the Investment Manager as per the Investment Management Agreement; however, the Board regularly reviews information to ensure decisions are in line with the overall strategy set by the Board. The Board also reviews service provider contracts, including the Investment Manager's, annually to ensure terms of the contract are executed and remain in the best interest of shareholders.

Director indemnity

To the extent permitted by the Companies (Guernsey) Law, 2008 (as amended), the Company's Articles of Incorporation indemnify the Directors out of the Company's assets from and against all liabilities in respect of which they may be lawfully indemnified, except for any liability (if any) as they shall incur or sustain by or through their own wilful act, negligence or default.

During the year, the Company has maintained insurance cover for its Directors and officers under a directors and officers liability insurance policy.

Disclosures required under LR 9.8.4R

The Financial Conduct Authority's Listing Rule 9.8.4R requires that the Company includes certain information relating to arrangements made between a controlling shareholder and the Company, waivers of directors' fees, and long-term incentive schemes in force. The Directors confirm that there are no disclosures to be made in this regard.

Conflicts of interest

The Company has adopted a policy requiring Directors to disclose any conflicts of interest, including those resulting from significant shareholders in the Company or an investee company and other directorships, shareholdings or historic employment linked to the Investment Manager. In accordance with the policy, any such conflicts require approval from the remainder of the Board. A list of each Director's directorships are tabled at each quarterly meeting and the Board considers any potential arising conflicts at each Board meeting held prior to proceeding with any business. Currently there are no material conflicts in respect of any Director.

Anti-bribery and corruption policy

The Manager has processes in place to ensure that bribery and corruption do not take place within the Manager or the Company. These include formal policies and regular training for all staff. The Board has reviewed these processes and found them adequate.

Environmental policy

Due to the Company's premium listing on the London Stock Exchange, the Company is required to disclose its environmental policy. As an investment company, NBPE is not required to report against the Task Force on Climate-Related Financial Disclosures ("TCFD") framework, however, understanding and managing climate-related risks and opportunities based on the TCFD´s recommendations is part of the Investment Manager's Responsible Investment Policy.

Further information on the social and environmental policies of the Manager can be found in the Environmental, Social and Governance section on pages 29 to 33 and in the Manager's ESG report, which can be found on the Company's website https://www.nbprivateequitypartners.com/en/responsible-investing.

Whistleblowing policy and arrangements

The Board and the Audit Committee have been made aware of the processes the Investment Manager has in place to ensure that staff of the Investment Manager may in confidence raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for the proportionate and independent investigation of such matters and follow-up action. The Investment Manager has established and implemented processes. These include formal policies and regular training for all staff. The Board was satisfied that the processes in place are appropriate.

Board committees

The terms of reference for all committees described below are available on the Company's website.

Management Engagement Committee

The Management Engagement Committee ("MEC") comprises all of the Directors and is chaired by Ms. Clark. The MEC meets at least once a year pursuant to the Committee's Terms of Reference, and at other times as required by the Board.

The principal duties of the MEC are to:

- Review the terms of the Investment Management Agreement, as well as any other key service providers;
- Propose any changes to the terms of the Investment Management Agreement, or that of any other key service provider agreement that it considers necessary and desirable as a result of its review;
- Review the fees payable to the Investment Manager to ensure that it does not encourage excessive risk and that it rewards demonstrable superior performance;
- Review the overall performance of the Investment Manager and other key service providers;
- Satisfy itself that the duties of the parties as set out in the relevant agreements are being performed as required;
- Consider any changes proposed by the parties to the terms of the relevant agreements and to review, at the intervals provided for in the agreements, the amount and terms of payment of the parties' remuneration;
- Consider any specific matters relating to the engagement of the parties which the Board may request;
- Report to the Board on its conclusions and to make recommendations in respect of any matters within its remit; and
- Ensure that service providers are not operating conflicts of interest in accordance with Authorised Closed Ended Investment Scheme Rules.

The Company has agreements with service providers, the following of which are considered significant:

- NB Alternatives Advisers LLC, as Investment Manager, pursuant to an Investment Management Agreement
- MUFG Capital Analytics LLC, as Administrator
- Ocorian Administration (Guernsey) Limited, as Company Secretary and Guernsey Administrator
- Link Market Services, as Registrar
- Jefferies and Stifel, as joint Corporate Brokers.
- Herbert Smith Freehills and Carey Olsen, as Legal Counsel
- Kepler Partners, as Marketing advisor
- Kaso Legg Communications as Public Relations Advisor
- AS&I Consulting Limited, as Investor & Communications Advisor
- PricewaterhouseCoopers Dallas, as Tax Advisor

Information regarding the consolidated fees paid to service providers can be found on Note 10 to the Financial Statements.

During 2022, the MEC conducted a review of the key service providers, including the Investment Manager. The MEC invited each of the key service providers to give the Board a self-assessment review of their performance during the year, through a questionnaire. The Directors reviewed each of the questionnaires and held a discussion regarding the performance of each of the Company's key service providers, level of service and service contracts. Following this discussion, the MEC was satisfied with the level of service the Company was receiving from each of the key service providers.

Onsite meeting with Neuberger Berman

In October 2022, the Directors met with representatives of the Investment Manager and other external advisors at Neuberger Berman's headquarters in New York, NY. Over the course of two days, the Directors met senior Neuberger Berman professionals in key service areas for the Company, including: investment management, internal audit, risk, valuations, and legal and compliance. As part of the meetings related to investments and the Company's focus on co-investments, the Directors met key senior members of the Investment Manager's Co-investment Platform and held detailed discussions around strategy, sourcing, the investment legal process, managing conflicts, allocations, and investment monitoring. In addition, the Directors discussed the Company's ongoing marketing and investor relations initiatives and strategy with advisors and the Investment Manager. The Directors also met representatives from MUFG, the Company's fund service and record keeping agent, PWC, the Company's tax advisors, and KPMG Dallas, which performs audit work under the direction of the Company's external Auditor, KPMG Channel Islands. The Directors believed the sessions were thoughtful and informative. Following the onsite, the Directors were reminded and assured of the strong processes and controls in place at the Company's various service providers, and in particular at Neuberger Berman.

Audit Committee

The Audit Committee comprises Mr. Falla as Chairman, Ms. Clark, Ms. Symington-Mills and Mr. von Hodenberg. All Directors on the committee bring relevant experience and perspectives; the composition of the Audit Committee is considered appropriate for the Company's size and strategy. In accordance with best practice governance, the Chairman, William Maltby, resigned from the Audit Committee during the year.

Details of the role of the Audit Committee can be found in the Audit Committee Report on page 66.

A full copy of the Audit Committee terms of reference are available on the Company's website and from the Company Secretary.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") is comprised of all of the Directors and is chaired by Ms. Clark.

The duties and responsibilities of the Committee are summarised below:

Nomination

- Identifying and nominating, for approval by the Board, suitable candidates to fill Board vacancies
- Considering the services of external advisers to facilitate a director search
- To review regularly the Board structure, taking into consideration the skills, knowledge, diversity and experience of the Board
- To review the results of the annual Board evaluation process
- To review annually the time requirements from the Non-Executive Directors
- Succession planning

Remuneration

- To agree and determine the remuneration of the Chairman and Non-Executive Directors whilst ensuring that no Director is involved in any decisions regarding their own remuneration and taking into consideration all relevant legal and regulatory compliance
- To obtain reliable and up-to-date information regarding remuneration in other comparable companies
- To review and consider any additional ad hoc payments in relation to duties undertaken over and above normal business

During 2022, the NRC considered proposals for the appointment of an external board evaluator and recommended to the Board the appointment of Fletcher Jones. The NRC monitored the progress of the external evaluation which took place during 2H 2022 and discussed the effectiveness of the process. The Committee met in early 2023 to discuss the report produced by the evaluator. Further details in respect of the external evaluation process can be found on page 52. Additionally, the NRC considered the Directors' remuneration for the year 2022.

The NRC regularly considers the Board succession plan with the next planned Director retirement being Mr. Falla at the 2025 AGM. The NRC is also aware that the Company needs to improve the Board's ethnic diversity. Therefore the Board felt it was appropriate to increase the Board to six for a period of time, by recruiting early for Mr. Falla's succession but also to hopefully recruit to the Board a Director with the appropriate skills and merit but from a minority ethnic background. In the longer term it is the Board's intention for the number of Directors to remain at five.

The NRC will be hiring an external agency to assist with searches for a new director candidate.

Full details of the Remuneration Report can be found on pages 63 to 65.

Internal controls

As explained in more detail in the Report of the Audit Committee, the Board, as advised by the Audit Committee, monitors the risks facing the Company and the controls put in place to help mitigate those risks. The Company itself has no premises nor employees, and operates by delegating functions to service providers subject to the oversight of the Board.

The Board assesses the internal controls of the Company's service providers annually as part of the provider self-assessment review. Service providers are asked to provide the Board with information, and relevant policies, regarding effective internal controls, appropriate disaster recovery/business continuity arrangements, technology to maintain information security and client confidentiality, compliance with anti-bribery and corruption laws, details on the prevention of the facilitation of tax evasion, compliance with data protection legislation, their organisation's ESG considerations, and any details regarding cyber-attacks. The Investment Manager, to whom is delegated the day-to-day management of the Company, is also assessed as part of this review.

In line with the FRC guidance, the Audit Committee keeps under review the need for an internal function. The Audit Committee is satisfied that the systems of internal control of the Company, the Investment Manager and the Administrator are adequate to fulfil the Board 's obligation in this regard and that currently an internal audit function is not necessary.

Culture and purpose

The Company's purpose is 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.

The Directors believe that maintaining a healthy corporate culture among the Board and in its interaction with the Investment Manager, shareholders and other stakeholders will support the delivery of the Company's purpose, values and strategy. As part of this, the Board recognises the importance of ensuring that the Company's culture and that of the Investment Manager are aligned. The Board, together with the Investment Manager, promotes and facilitates a strong culture of communication, respect and trust through ongoing dialogue and engagement with its service providers. As the Company has no employees and acts through the Investment Manager, the Board continues to monitor culture on an ongoing basis via feedback from shareholders, the Investment Manager or input from other advisers.

As part of this culture, the Board and Investment Manager believe responsible investing is an important part of operating in today's society and assessing overall investment risk and opportunities (see page 29). For more information on the Company's Responsible Investment policy and the Investment Manager's culture and values, please see pages 29 to 33.

Stakeholder engagement

NBPE's Section 172 statement, which details engagements with stakeholders during the year, can be found on pages 38 to 41.

Shareholder communication

The Board welcomes shareholders' views and places great importance on communication with the Company's shareholders.

Both the Company's Annual Report and consolidated financial statements, containing a detailed review of performance and of changes to the investment portfolio, and monthly factsheets with details of the Company's strategy and performance, the financial position of the Company and the underlying diversification of the portfolio, are made available to investors through the Company's website. A copy of investor presentations are also available on the Company's website. The Company also publishes interim and annual financial reports which provide shareholders and other stakeholders with more detail on the portfolio and an update on the performance of the Company.

A structured programme of shareholder presentations by the Manager to institutional shareholders takes place following the publication of the Annual Report and quarterly updates. In addition, the Chairman and the Board members are available to meet shareholders.

NBPE also holds an annual Capital Markets Event webinar. Last year's event was held virtually on 6 October 2022 to update shareholders and research analysts on the Company's performance and investment activities during the year. A recording of the event is available on the Company's website.

The Company maintains a website which contains comprehensive information about the Company. Detailed information is presented on the Company's investment strategy, share information, the Investment Manager's platform and team, insights from the Investment Manager's team of investment professionals, investment performance, as well as an investor centre, which has a library of all publications and details of how to register for Company notifications.

The Board receives regular updates from the Company's brokers and is kept informed of all material discussions with investors and analysts, which helps the Directors develop their understanding of shareholders' views and expectations. A detailed list of the Company's major shareholders is reviewed at each Board meeting.

William Maltby
Chairman
24 April 2023

Directors' report

The Directors' report should be read in conjunction with the Strategic report (pages 2 to 46) and the Remuneration report (pages 63 to 65).

The Directors present their annual financial report and consolidated financial statements of NB Private Equity Partners Limited and its subsidiaries for the year ended 31 December 2022.

Principal activity

NBPE is a closed-ended investment company, which invests in direct private equity backed companies, and is registered in Guernsey. The Company's registered office is PO Box 26, Floor 2, Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 4LY. The Company's Class A Ordinary Shares are listed and admitted to trading on the Main Market of the London Stock Exchange under the symbol "NBPE" and "NBPU", corresponding to the Sterling and U.S. Dollar quotes, respectively. NBPE has 2024 ZDP Shares admitted to trading on the Specialist Fund Segment under the symbol "NBPS" (see Note 1 of the consolidated financial statements).

Investment policy

The Company's investment policy is set out on page 62.

Political donations and policy

The Company does not pay any political donations in cash or in-kind.

Directors

As of 31 December 2022, the Board had five Independent Directors: William Maltby, Wilken von Hodenberg, Trudi Clark, John Falla and Louisa Symington-Mills.

The Directors review their independence and offer themselves up for re-election annually.

The biographical information also includes a list of other public company directorships for each of the Directors. In its consideration of any new or additional Directors, the Board seeks to make the most appropriate appointments, taking into full account the benefits of diversity, including gender. More information on the Board's approach to diversity can be found on page 52 and NBPE's diversity policy is available on the website.

Articles of Incorporation

Holders of the Company's Class A Ordinary Shares enjoy the rights set out in the Company's Articles of Incorporation and The Companies (Guernsey) Law, 2008, as amended. Holders of the Class A Ordinary Shares have the right to receive notice of general meetings of the Company and have the right to vote at all general meetings; however, Class A Ordinary Shareholders have no right to vote on a 2024 ZDP Liquidation Resolution or a 2024 ZDP Reconstruction Resolution (as such terms are defined in the Company's Articles of Incorporation). The Company's Articles of Incorporation may be amended by special resolution in a general meeting.

Purchase of shares

The Company is authorised, in accordance with Section 315 of the Companies (Guernsey) Law 2008, as amended (the "Companies Law"), subject to the Listing Rules made by the United Kingdom Financial Conduct Authority and all other applicable legislation and regulations, to make market acquisitions (within the meaning of Section 316 of the Companies Law) of its own Class A Shares (as defined in the Company's Articles of Incorporation), which may be cancelled or held as treasury shares, provided that:

i. The maximum number of Class A Shares authorised to be purchased under this authority shall be 7,009,478 Class A Shares (being 14.99 per cent. of the Class A Shares in issue (excluding Class A Shares held in treasury)) as at 12 May 2022;

ii. The minimum price (exclusive of expenses) which may be paid for a Class A Share is U.S.$0.01;

iii. The maximum price (exclusive of expenses) which may be paid for a Class A Share shall be not more than an amount equal to the higher of (a) 5 per cent. above the average mid-market value of the Class A Shares on the regulated market where the repurchase is carried out for the five business days prior to the day the purchase is made; and (b) the higher of (i) the price of the last independent trade and (ii) the highest current independent bid price, in each case on the regulated market where the purchase is carried out; and such authority expires on the date which is 15 months from the date of passing of the resolution or, if earlier, at the end of the Company's Annual General Meeting to be held in 2023 (unless previously renewed, revoked or varied by the Company by special resolution) save that the Company may make a contract to acquire Class A Shares under this authority before its expiry which will or may be executed wholly or partly after its expiration and the Company may make an acquisition of Class A Shares pursuant to such a contract.

The authority will only be exercised if the Directors believe that to do so would be in the best interest of shareholders generally. Any shares purchased under this authority would be at a discount to net asset value (NAV) per share and therefore accretive to the NAV per share for the remaining shareholders.

Investment Manager

The Company is managed by the NB Alternatives Advisers, LLC pursuant to an Investment Management Agreement, dated 2 May 2017. Subject to the Board's overall strategic direction and instructions, the Investment Manager makes all of the Company's investment decisions. The Manager has been appointed since 2007, and remains appointed, unless terminated by the Company with 30 days prior written notice and approved by an ordinary resolution or with immediate effect under certain conditions. The Manager is responsible for the day-to-day management of the Company, sourcing, evaluating and making investment decisions related to the Company.

The Manager makes the decisions regarding individual investments in line with the investment strategy set by the Board. The Manager's team of professionals is also responsible for managing the Company's assets, including monitoring the Company's investment portfolio and assigning valuations to the Company's investments based on the Company's valuation methodology, which can be found on page 104. The Board keeps the performance of the Investment Manager under continual review. The ongoing review of the Investment Manager includes activities and performance over the course of the year, including, but not limited to, overall investment performance, portfolio risk, cash flow projections, assessment of internal controls, fees payable by the Company to the Manager, as well as a review of the Company's peer group. The Board believes the Investment Manager's experience, track record, team and platform is advantageous to the Company and the Investment Manager's continued appointment is in the best interest of shareholders.

Dividend policy

The Company instituted a long-term policy of paying sustainable dividends to shareholders in 2013. The Company targets an annualised dividend yield of 3.0% or greater on NAV, with the goal to maintain or progressively increase the level of dividends over time.

Historically, a dividend has been paid semi-annually in line with NBPE's dividend target. Prior to each dividend announcement, the Board reviews the appropriateness of the dividend payment in light of macroeconomic activity and the financial position of the Company. In times of extraordinary circumstances, the Board does not guarantee a dividend, but rather evaluates the suitability of a dividend payment based on the magnitude of the situation.

Dividends are declared in U.S. dollars and normally paid in pounds Sterling, but the Company also offers both a currency election for shareholders wishing to be paid in U.S. dollars and a dividend re-investment plan for shareholders who wish to re-invest their dividends to grow their shareholding. Please reference pages 90 and 91 for the credit facility and ZDP terms regarding dividends.

Results and dividends

The financial results for the year ended 31 December 2022 are included in the consolidated financial statements, beginning on page 78. As of 31 December 2022, the NAV attributable to the Class A Shares was $1,327.3 million (2021:$1,480.2 million), which represents a decrease of $153.0 million (2021: increase of $428.5 million). On 13 January 2022, the Company declared the first semi-annual dividend of $0.47 per share and on 18 July 2022 declared an interim dividend of $0.47 per share. Both dividends were approved in line with NBPE's dividend policy and resulted in total dividends of $0.94 per share ($44 million) paid during 2022. Including the dividend payment, the NAV total return for the year was (7.5)% (2021:44.8%), assuming the re-investment of dividends on the ex-dividend date.

Fee analysis

NBPE's rate of ongoing charges, as defined by the Association of Investment Companies ("AIC") ratio, was 1.90% for the year ended 31 December 2022 (2021:1.96%). The ongoing charges were calculated in accordance with the AIC methodology and exclude interest and financing costs and other items not deemed to be ongoing in nature and therefore may differ from the total expense ratio found in Note 12 of the consolidated financial statements on page 97, which was prepared in conformity with U.S. GAAP. The complete methodology can be found on the AIC's website.

Total ongoing expenses in 2022 were $25.6 million (2021:US$26.8 million), or 1.90%, based on the average 2022 NAV. Note that percentages of ongoing charges are based on the average 2022 NAV and may differ from contractual rates based on 2022 private equity fair value. Other ongoing charges consisted of fees and other expenses to third-party providers for ongoing services to the Company. In accordance with the AIC methodology, the performance fee payable to the Investment Manager is excluded from the calculation.

Ongoing Charge	Value (US$ in m)	% Ongoing Charge
Management fee	21.1	1.57%
Fund administration fee	1.3	0.10%
Other expenses	3.2	0.24%
Total Ongoing Charges	25.6	1.90%

Approximately 97% of the direct investment portfolio (measured on 31 December 2022 fair value) is on a no management fee, no carried interest basis to the underlying sponsor.

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

The Directors believe the fee efficiency from the Company's co-investment strategy provides investors with diversified private equity access at a lower total cost than most other listed private equity vehicles.

Share capital

As at 31 December 2022, 46,761,030 Class A Shares were issued and outstanding; 3,150,408 Treasury Shares, representing 6.3% of the Company's issued share capital, were held as at 24 April 2023, being the latest practical date before publication of this document.

Major shareholders

As of 31 December 2022, insofar as is known to NBPE, the shareholders below held, either directly or indirectly, greater than 5.0% of the Class A Shares in issue (excluding Class A Shares held in treasury). Note that the amounts below may have subsequently fluctuated after 31 December 2022:

Shareholder	Shares held	% Ownership of Class A Shares
Quilter Cheviot	6,195,562	13.3%
Evelyn Partners LLP	4,185,458	9.0%
City of London Investment Management	3,154,338	6.8%
Cazenove Capital	2,842,489	6.1%
New Jersey Division of Investment	2,475,000	5.3%

Risks and Risk Management

The Group is exposed to financial risks such as price risk, interest rate risk, credit risk and liquidity risk, and the management and monitoring of these risks are detailed on the Principal Risks and Uncertainties on pages 43 to 44 and in Note 3 to the Consolidated Financial Statements on pages 87 to 90.

Annual Report

After due consideration, the Board believes the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and is therefore of the opinion that the Annual Report provides the information necessary for shareholders to assess the position, performance, strategy and business model of the Company.

The Board recommends that the Annual Report, the Report of the Directors and the Independent Auditors' Report for the year ended 31 December 2022 are received and adopted by shareholders and a resolution concerning this will be proposed at the AGM.

Independent Auditors

The Directors will propose the reappointment of KPMG Channel Islands Limited as the Company's Auditors, and resolutions concerning this, and the remuneration of the Company's Auditors will be proposed at the AGM.

At the time that this report was approved, so far as each of the Directors is aware:

- There is no relevant audit information of which the Auditors are unaware; and
- Each Director has taken all the steps they ought to have taken to make themselves aware of any audit information and to establish that the Auditors are aware of that information.

Annual General Meeting

The Company's AGM will be held in Guernsey at Floor 2, Trafalgar Court, Les Banques, St Peter Port, GY1 4LY, Guernsey at 1:45pm on 15 June 2023. Formal notice will be sent to registered shareholders in advance.

Subsequent events

Significant subsequent events have been disclosed in Note 13 to the Consolidated Financial Statements.

By order of the Board:

William Maltby
Chairman
24 April 2023

Investment Objective and 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. 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 per cent., in aggregate, of its total assets in other UK-listed closed-ended investment funds.

Remuneration report

The Board has established a Nomination and Remuneration Committee ("NRC") to assist the Board with remuneration duties. Details on the NRC's responsibilities can be found on page 57. During a remuneration review, the NRC takes into account the time commitments and responsibilities of the Directors and other factors which it deems necessary, including the recommendations of the AIC Code and any relevant legal requirements. The NRC also takes into consideration relevant remuneration data collated in respect of comparable companies. The NRC meets once per year and reports to the Board on all matters within its duties and responsibilities. The Company's remuneration policy is available on the Company's website.

Details of the NRC's activities during the year can be found on page 57.

Components of annual remuneration

The Company pays a fee to the Independent Directors for their work related to the Company's business. The fees for the Directors are determined within the limit set out in the Company's Articles of Incorporation. The present limit is an aggregate of £400,000 per annum. This total limit cannot be changed without seeking shareholder approval at a general meeting.

The fees, which are subject to an annual increase based on the rise in the Guernsey Retail Price Index ("GRPI"), subject to a 1% per annum minimum, are paid quarterly in arrears. For the 12 months to 31 December 2022, the GRPI increased to 8.5%, compared to 4.4% in 2021. While the Directors' fees are subject to an increase at the rate of GRPI, the Board also considers any increase in the context of the increasing regulatory and governance demands and market trends for directors' fees when proposing any increase. Having undergone this assessment the Directors consider an increase of 6% to be appropriate. Directors are not entitled to any bonus, long-term incentive plans or other benefits.

The below table reflects actual fees paid for 2021 and 2022 and the expected fees for 2023 (using an increase of 6% versus the GPRI rate of 8.5% as at 31 December 2022):

	2023	2022	2021
Chairman	£80,231	**£75,690**	£70,625
Chairman of the Audit Committee	£68,612	**£64,728**	£60,500
Senior Independent Director	£63,078	**£59,508**	£51,750
Non-Executive Directors	£57,545	**£54,288**	£50,500
Subsidiary appointments (pro-rata from 1 June 2021)	£11,066	**£10,440**	£5,000

* The amount reported in the 2021 Annual Report in regards to the SID remuneration was £57,420. However, the fee, adjusted for Guernsey Retail Price Index, should have been £59,508 and the table above represents the corrected figure.

Directors' appointment

The Company's Memorandum and Articles of Incorporation provides the requirements of the company regarding the appointment and removal of Directors, a copy of which is available for inspection from the Registered Office of the Company. No Director has a service contract with the Company.

Notice period

There is no director resignation notice period stipulated within the Company's Articles of Incorporation, any Director may resign in writing to the Board at any time.

Statement of consideration of conditions elsewhere in the Company

The Company does not have any operations and therefore no employees. As a result, the Board does not consider pay and employment conditions of any employees.

Statement of consideration of shareholder views

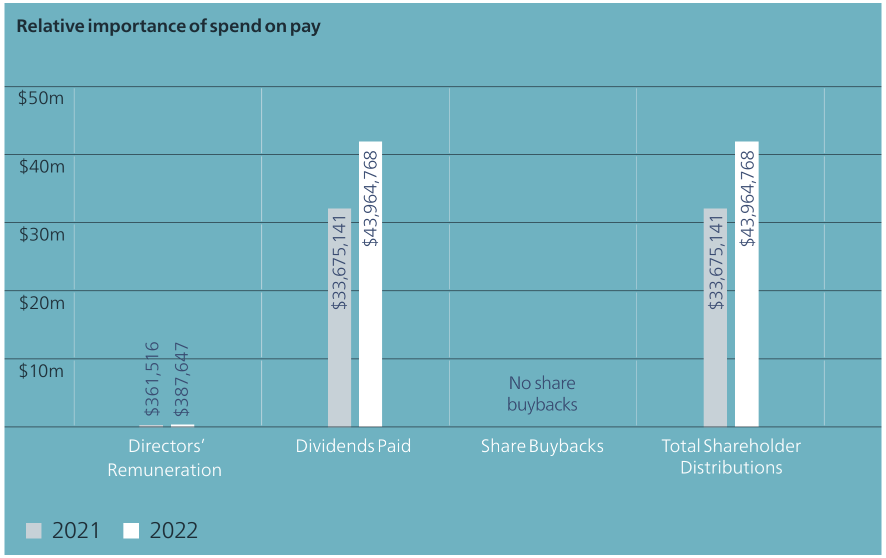
The Board welcomes feedback and places a significant importance on communication with shareholders. The Board noted that 99.45% of shareholders voted in favour of the Directors' remuneration at the AGM held in 2022.

Directors' remuneration and aggregate shareholder distributions

The tables to the right compare the total Directors' remuneration paid with total distributions to shareholders for the years ended 31 December 2022 and 2021. While this disclosure is a statutory requirement, the Directors view this as not a meaningful comparison as the Company has no operations, and therefore, no employees and the Company's objective is long-term NAV growth over time, of which dividends form only a portion of a Shareholders' overall return.

	2022	2021
Directors' Remuneration	**$387,647**	$361,516

	2022	2021
Dividends paid	**$43,964,768**	$33,675,142
Share buybacks	**–**	–
Total shareholder distributions	**$43,964,768**	$33,675,142



Remuneration by Director and year

	2022	2021
Trudi Clark*	**£59,508**	£53,000
John Falla*	**£69,948**	£63,000
Wilken von Hodenberg	**£59,508**	£51,750
William Maltby	**£75,690**	£70,625
Louisa Symington-Mills	**£54,288**	£27,583

The Chairman of the Board, William Maltby, was the highest paid Director for the year 2022.

* The two Guernsey resident Directors (Trudi Clark and John Falla) also act as directors for the Guernsey subsidiaries for which they each received an annual fee of £5,220 for the 12 months to 31 December 2022.

Shareholdings of the Directors

The Directors' interests in Class A Shares of $0.01 each as at 31 December 2022 were as follows:

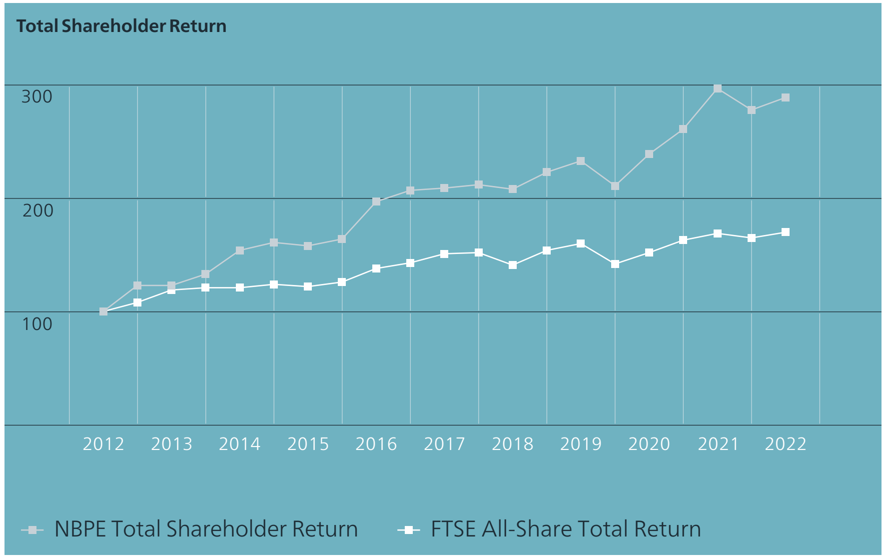
	31 December 2022	31 December 2021
Trudi Clark	**6,433**	6,433
John Falla	**10,000**	10,000
Wilken von Hodenberg*	**99,425**	97,541
William Maltby**	**23,298**	23,298
Louisa Symington-Mills	**1,350**	–

* Total includes a closely associated person related to Wilken von Hodenberg who holds 45,712.5 shares of the Company. Furthermore, the total reported in the 2021 Annual Report was 89,316. However, it should have stated 97,541 and the table above reflects the corrected figure.

** Total includes a closely associated person related to William Maltby who holds 5,465 shares of the Company.

Performance graph

In setting the Directors' remuneration, consideration is given to the size and relative performance of the Company. A performance graph which measures the Company's total shareholder return (share price and dividends) ("TSR") over the period from 31 December 2013 against that of a broad equity market index is shown below. This is calculated by reference to the Company's share price including dividend re-investment.



Resolution to approve Directors' remuneration

Whilst Guernsey-registered companies are not obliged to prepare and publish a Directors' Remuneration report, an ordinary resolution will be put to the shareholders seeking approval of the Remuneration report within the Annual Report and Accounts; this vote will be advisory only, but the Directors of the Company will take the outcome of the vote into consideration when reviewing and setting the Directors' remuneration.

In addition, to facilitate the temporary increase of the size of the Board as detailed on page 57, a resolution to approve an increase in the annual aggregate director fee limit, from £400,000 to £450,000, will be put forth at the Company's upcoming Annual General Meeting.

On behalf of the Board:

Trudi Clark
Chair
24 April 2023

Report of the Audit Committee

Role of the Audit Committee

The Audit Committee assisted the Board in carrying out its responsibilities in relation to the financial reporting requirements, risk identification and management, and the assessment of internal controls. It also managed the Company's relationship with KPMG.

The primary function of the Audit Committee is to provide oversight and reassurances to the Board, specifically with regard to:

- The Company's financial reporting, including finalisation of its Annual Reports;
- Audit arrangements, including competency and independence of the external Auditors;
- Risk management, including identifying and managing the Company's principal risks;
- Internal controls; and
- The Company's governance framework.

Composition of the Committee

The Audit Committee is comprised of four of the Board Directors, namely John Martyn Falla, Trudi Clark, Wilken von Hodenberg and Louisa Symington-Mills. John Martyn Falla, who brings significant expertise as an accountant, is the Chair of the Committee. In accordance with best practice governance, the Chairman, William Maltby, resigned from the Audit Committee during the year.

Committee meetings

The Audit Committee meets at least three times a year and met four times in 2022. All Committee members were present at these four meetings. Only members and the secretary of the Audit Committee have the right to attend Audit Committee meetings. However, the Chairman of the Board and representatives of the Investment Manager and the Administrator are invited to attend Audit Committee meetings on a regular basis, and other non-members may be invited to attend all or part of the meeting as and when appropriate and necessary. The Company's Independent Auditor, who is currently KPMG, is also invited on a regular basis. The Audit Committee determines, in conjunction with the Independent Auditor, when to meet with the Auditor.

Meetings of the Audit Committee generally take place prior to the Company Board meeting and the Committee reported to the Board as part of a separate agenda item, on the activities of the Audit Committee and matters of particular relevance to the Board in the conduct of their work.

The Audit Committee meets with the Independent Auditor without the Manager and Administrator present to seek their views on the quality of the control environment and the processes around the preparation of the financial statements.

Key areas of focus

During 2022, the Audit Committee was involved with monitoring valuations and evaluating the Company's capital position and key financial ratios. In addition, the Audit Committee reviewed valuation analysis prepared by the Investment Manager on a quarterly basis, which includes cash flow forecasts and the performance of the underlying investments. Such information is used to evaluate the impact on the Company's capital structure and allocation.

The Audit Committee also conducted a review of auditor independence, effectiveness, and reviewed the full-year audit plan with the Investment Manager and KPMG. In addition, the Audit Committee reviewed and held detailed discussions on the Annual Report and consolidated financial statements including a robust assessment of the principal risks, as well as reviewing and challenging the viability analysis before its approval.

The key areas of focus for the Committee for the year 2022 were:

Financial statements and reporting matters

The Audit Committee review with the Investment Manager, MUFG Capital Analytics and KPMG the appropriateness of the semi-annual and annual financial statements. The Committee focuses on, among other matters:

- The quality and acceptability of accounting policies and practices;
- The clarity of the disclosures and compliance with financial reporting standards and relevant financial governance reporting requirements;
- Material areas in which significant judgments have been applied or there has been discussion with KPMG; whether the annual financial report and consolidated financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- Any correspondence from regulators in relation to financial reporting.

To aid its review, the Audit Committee considered reports from the Investment Manager, Fund Administrator, the Company Secretary, and also reports from the Independent Auditor on the outcomes of their half-year review and annual audit.

During the year, the Audit Committee reviewed the Company's Annual Report and interim financial statements for the period ending 30 June 2022 (the "Interim Financial Statements") before recommending approval to the Board. The Committee considered the Interim Financial Statements and Annual Report to be fair and balanced, and provided the Company's shareholders with the information necessary to assess the Company's performance, business model and strategy, and was satisfied that narratives provided were consistent with all numerical disclosures.

In addition, the Audit Committee met KPMG Dallas, the Administrator and members of the Neuberger Berman finance team in person in October 2022.

Audit planning and key audit matters

The Audit Committee provided oversight to the planning of the audit in respect of the Company's annual accounts for the period ending 31 December 2022. The following table details the key audit matters and how the Company's Independent Auditor addressed them:

Valuation of investments

The valuation of the Company assets are considered a significant area of focus as it represents the majority of the NAV for the Group. The Auditors made enquiries with the Investment Manager to understand the processes and procedures around operational due diligence, ongoing monitoring of the underlying investments and the control over the valuations of all private equity investments. The Auditors then tested the design and implementation of the controls which monitor and approve the valuation of investments.

The Independent Auditors did not report any significant differences between the valuations used by the Company and the work performed during their testing process. Similar to prior years, the Independent Auditors noted they had utilised their in-house valuation experts to assist with the audit of valuations and used a number of techniques to evaluate the valuation of selected income investments.

Audit planning and key audit matters (continued)

The Audit Committee noted that the Investment Manager's valuation methodology for direct equity investments begins with the most recently available financial information obtained from the underlying companies or sponsors. The Investment Manager noted to the Audit Committee that the valuation process used by the Investment Manager was consistent with the prior year. For investments where the Manager was invested in the same security at the same underlying cost basis as the lead private equity sponsor, the Investment Manager utilised the practical expedient valuation methodology. Generally, this approach relied on using the best information from the private equity sponsor, including but not limited to: audited financial statements, co-investment holding vehicle financial statements or capital accounts, or other financial information deemed reliable by the Investment Manager. The Independent Auditor reviewed the supporting financial information for investments valued under the practical expedient methodology.

Management override of controls

The Auditors reviewed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicated a possible bias. They additionally reviewed the minutes of both the Board and the Audit Committee.

Compliance with the AIC Code of Corporate Governance

The Audit Committee continued to monitor the Company's governance framework and compliance with the AIC Code of Corporate Governance (the "AIC Code"). In 2022, the Audit Committee undertook a review of the Company's compliance with the AIC Code's stipulated provisions. The Audit Committee proposed that certain updates be made to provide a clearer reflection of the Company's manner of compliance and remains satisfied that the Company upholds satisfactory compliance with the provisions of the AIC Code.

Internal control and risk assessment

During the year, the Audit Committee received reports from the Investment Manager, who as AIFM assesses the Company's internal controls on an ongoing basis, and reviewed any changes to significant risks.

Each quarter, the Board receives a formal risk report from the Investment Manager, which provides a summary of the elevated residual risks to the Company. The Audit Committee monitored the key areas of elevated risk including those that are not directly the responsibility of the Investment Manager. The Investment Manager has established an internal control framework to provide reasonable, but not absolute, assurance on the effectiveness of internal controls operated on behalf of its clients.

Annually, and in accordance with Provision 33 of the AIC Code, the Board undertakes a full review of the Company's business risks which have been analysed and recorded in the principal risks and uncertainties matrix. Following the review, the Audit Committee confirmed that it was satisfied with the key underlying assumptions of the viability statement and the resulting forecast prepared. The Audit Committee regularly discussed the heightened external risks associated with the Ukraine war, the related economic sanctions against Russia and the general market conditions, including, but not limited to, rising interest rates, heightened inflation, operational performance of underlying investments and other matters. They also considered the impact of climate change both on the investment risk environment, but also on the emerging regulatory requirements for disclosures by investing entities on such matters. The principal risks and uncertainties of the Company and respective controls are outlined in the risk matrix as set out on pages 43 to 44 of the Strategic Report.

The effectiveness of the internal controls at the Investment Manager is assessed by the Investment Manager's compliance and risk department on an ongoing basis. In the second half of the year, the Board met the Investment Manager in person at the Manager's headquarters in New York, NY to discuss all aspects of the Company's portfolio, investment management and operations, including the mechanisms for their review of the Company's internal controls; this is discussed in more detail on pages 57 and 58. The Audit Committee subsequently met to review the findings from this meeting in the context of the control environment and was satisfied with the internal controls of the Investment Manager.

Internal control and risk assessment (continued)

Furthermore, the Management Engagement Committee undergoes an annual review whereby the Investment Manager and the Company's service providers populate responses regarding their control environment and internal control systems, which are reported to the Audit Committee.

The Audit Committee confirms that it reviewed the effectiveness of the Company's system of internal controls for the year ended 31 December 2022 and through to the approval date of this annual financial report and that no issues were noted.

Internal audit

The Company itself does not have an internal audit function, but instead relies on the internal audit functions and departments of the Investment Manager and other service providers. The Audit Committee notes the independent segregation of duties due to having separate Investment Management, Administrator and Depository functions. Due to the presence of an internal audit function within the Investment Manager, the Audit Committee is satisfied that the control environment is sufficient to mitigate risks to the Company.

Terms of engagement

The Audit Committee reviewed the audit scope and fee proposal through engagement letters and Audit Committee reports issued by KPMG to the Directors. The Committee approved the fees for audit services for 2022 after a review of the level and nature of work to be performed. The Board was satisfied that the fees were appropriate for the scope of the work required.

The Independent Auditors were remunerated $260,000 in relation to the 2022 annual audit (2021 fee: $210,000). They received a fee of $40,000 in relation to their review of the interim financial statements, which was unchanged from the prior year.

Auditor effectiveness

The Audit Committee received a detailed audit plan from the Auditors, identifying their assessment of the key risks. For the 2022 financial year, the significant risk identified was the valuation of investments. This risk is tracked through the year and the Audit Committee challenged the work done by the Auditors to test management's assumptions. The Audit Committee assessed the effectiveness of the audit process in addressing these matters through the reporting received from the Auditors at both the half-year and year-end meetings. In addition, the Audit Committee sought feedback from the Investment Manager and MUFG Capital Analytics on the effectiveness of the audit process.

For the 2022 financial year, the Audit Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be appropriate.

Independent audit and appointment

KPMG is NBPE's Independent Auditor. KPMG performed an audit of the Company's consolidated financial statements in accordance with applicable law and International Standards on Auditing (UK). Prior to beginning the audit, the Audit Committee received a report from the Independent Auditors and reviewed the scope of the audit, identified significant audit risk and areas of audit focus as well as the terms of the audit engagement.

The Audit Committee understands the importance of auditor independence and, during 2022, the Audit Committee reviewed the independence and objectivity of KPMG. The Audit Committee received a report from KPMG describing its independence, controls and current practices to safeguard and maintain auditor independence. KPMG confirmed that they did not perform any work with respect to the preparation of the financial statements or valuations, the taking of management decisions, or provision of investment advice.

The Audit Committee also focused on the non-audit services, which requires the consent of the Audit Committee, a description of which is shown in the table below.

Non-audit work	Description
Review of Interim Financial Statements	A review of the Company's interim financial statements was undertaken by KPMG in 2022.

There was no other non-audit work performed by KPMG during the year other than described above. The Audit Committee was satisfied that the level of non-audit services did not conflict with their statutory audit responsibilities.

The Audit Committee reviewed the effectiveness and independence of the Auditor and believes that the performance of the Independent Auditor remains satisfactory, and that they provide effective challenge to the Board and the Investment Manager. The Audit Committee continues to monitor the performance of the Independent Auditor annually and considers their independence and objectivity, having due regard to the appropriate guidelines. KPMG were reappointed after an open tender process completed in 2019.

The Audit Committee has a policy to conduct a tender process at least every 10 years and to rotate auditors at least every 20 years, as recommended by the UK Statutory Auditors and Third Country Auditors Regulations 2016.

Committee evaluation

The Board underwent an external evaluation during 2022. This encompassed the contribution made by the Board's Committees, including an appraisal of the respective Committee Chairs and an evaluation of the competence and performance of the Audit Committee and its individual members in understanding the security of the Company's Annual Report and Accounts prior to publication. The external evaluator was satisfied that the Audit Committee was chaired efficiently and inclusively and that a proactive approach was taken to prepare for relevant regulatory changes. Among recommendations made by the external evaluator for the Board to consider, the evaluator recommended the commencement of the succession planning for the Chair of the Audit Committee to allow for sufficient handover and onboarding as required.

As with previous years, the Audit Committee will conduct a self-appraisal of its performance for 2023.

Terms of reference

The Audit Committee's terms of reference were reviewed during the year and the Audit Committee concluded that they remained relevant and up to date. The terms of reference can be found on our website atwww.nbprivateequitypartners.com/en/investors/corporate-governance.

Conclusion

As Audit Committee Chairman, I was pleased with the work performed during the year. In addition, I was satisfied with the level of work performed by the Investment Manager, and the Administrator in relation to the preparation of the Company's consolidated financial statements and the thoroughness of the year-end audit process conducted by KPMG.

John Martyn Falla
Audit Committee Chairman

24 April 2023

Statement of Directors' responsibilities

Annual financial report and consolidated financial statements

The Directors are responsible for preparing the annual financial report and consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare consolidated financial statements for each financial year. Under the law they have chosen to prepare the consolidated financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") and applicable law.

Under company law the Directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of its profit or loss for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable, relevant and reliable;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless liquidation is imminent.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008 (as amended). They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Disclosure of information to Auditor

The Directors confirmed that, so far as they were each aware, there is no relevant audit information of which the Company's Auditor was unaware; and each Director took all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Responsibility statement of the Directors in respect of the annual financial report

The Directors confirmed that, to the best of their knowledge:

- The consolidated financial statements, prepared in conformity with U.S. GAAP, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole as required by the Disclosure Guidance and Transparency Rules ("DTR") 4.1.12R and are in compliance with the requirements set out in The Companies (Guernsey) Law, 2008 (as amended); and
- The annual financial report includes a fair review of the information required by DTR 4.1.8R and DTR 4.1.11R of the Disclosure Guidance and Transparency Rules, which provides an indication of important events that have occurred since the end of the financial year and the likely future development of the Company and a description of principal risks and uncertainties during the year.

We consider that the annual financial report and consolidated financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

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.

By order of the Board

William Maltby
Director

John Martyn Falla
Director

Date: 24 April 2023

Financials

Independent Auditor's report

to the members of NB Private Equity Partners Limited

Our opinion is unmodified

We have audited the consolidated financial statements of NB Private Equity Partners Limited (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated balance sheet and the consolidated condensed schedule of private equity investments as at 31 December 2022, the consolidated statements of operations and changes in net assets and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the financial position of the Group as at 31 December 2022, and of the Group's financial performance and cash flows for the year then ended;
- are prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"); and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company and Group in accordance with, UK ethical requirements including the FRC Ethical Standard as required by the Crown Dependencies' Audit Rules and Guidance. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2021):

Valuation of private equity investments

$1,401,430,601;
(2021: $1,569,276,895)

Refer to pages 66 to 70 of the Audit Committee Report, pages 79 to 80 of the consolidated condensed schedule of private equity investments, note 2 accounting policy and note 3 disclosures

The risk

Basis:

The Group's private equity investment portfolio represents the most significant balance on the consolidated balance sheet and is the principal driver of the Group's net asset value (2022: 105.4%; 2021: 105.9%). The investment portfolio is comprised of direct equity and fund investments ("Direct Equity Investments") and Income Investments (together the "Investments").

Certain Direct Equity Investments, representing 82% of the fair value of Investments, are valued using the net asset value as practical expedient in conformity with U.S. GAAP to determine the fair value of the underlying Direct Equity Investments, adjusted if considered necessary by the Investment Manager. The remaining Direct Equity Investments, representing 10% of the fair value of Investments, are valued using comparable company multiples, third party valuation or listed prices, as applicable.

Income Investments, representing 8% of the fair value of Investments, are valued based on valuation models that take into account the factors relevant to each investment and use relevant third party market data where available ("Model Valuations"). Any remaining Income Investments are valued using third party data sources.

Our response

Our audit procedures included:

Controls evaluation:

We tested the design and implementation of the Investment Manager's review control in relation to the valuation of Investments.

Challenging managements' assumptions and inputs including use of KPMG valuation specialist:

For all Investments we assessed the appropriateness of the valuation technique used to estimate fair value.

For a selection of Direct Equity Investments, chosen on the basis of their fair value:

- We confirmed their fair values to supporting information, including audited information where available, such as: financial statements, limited partner capital account statements, lead sponsor or co-investor information or other information provided by the underlying funds' general partners, investee managers or similar.
- For investments using a guideline public companies multiple approach, we obtained the valuation provided by the sponsor and assessed assumptions based on observable market data. We assessed the reliability of information obtained.
- For unaudited information we either obtained the information directly or assessed the Investment Manager's process for obtaining this information and conducted retrospective testing to confirm its reliability.
- For audited information, we assessed the appropriateness of the accounting framework utilized and whether the audit opinion was modified.
- For listed Direct Equity Investments we independently priced these to a third party source.

Valuation of private equity investments	The risk	Our response
	Risk: The valuation of the Group's Investments is considered a significant area of our audit, given that it represents the majority of the net assets of the Group. The valuation risk incorporates both a risk of fraud and error given the significance of estimates and judgements that may be involved in the determination of fair value.	For a selection of Income Investments, chosen on the basis of their fair value, where market quotes were available, we used our KPMG valuation specialist to independently value them based on prices obtained from third party pricing vendors. For the remaining population of Income Investments, we made a selection of Model Valuations, chosen on the basis of their fair value. We corroborated key inputs in the Model Valuations to supporting documentation such as management accounts. With the support of our KPMG valuation specialist, we challenged the key assumptions used, such as comparable multiples and market yields. **Assessing transparency:** We also considered the Group's disclosures (see Note 3) in relation to the use of estimates and judgments regarding the fair value of investments and the Group's investment valuation policies adopted and the fair value disclosures in note 2 and note 3 for conformity with U.S. GAAP.

Our application of materiality and an overview of the scope of our audit

Materiality for the consolidated financial statements as a whole was set at $27,100,000, determined with reference to a benchmark of group net assets of $1,329,213,546, of which it represents approximately 2.0% (2021: 2.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Group was set at 75.0% (2021: 75.0%) of materiality for the financial statements as a whole, which equates to $20,300,000.

We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding $1,350,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Group was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

The group team performed the audit of the Group as if it was a single aggregated set of financial information. The audit was performed using the materiality level set out above and covered 100% of total group revenue, total group profit before tax, and total group assets and liabilities.

Going concern

The directors have prepared the consolidated financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the consolidated financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group and the Company's business model and analysed how those risks might affect the Group and the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Group and the Company's financial resources or ability to continue operations over this period were:

- Availability of capital to meet operating costs and other financial commitments;
- The ability of the Group to comply with debt covenants; and
- The ability of the Company to repay the outstanding Zero Dividend Preference shares upon their maturity

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group's financial forecasts.

We considered whether the going concern disclosure in note 2 to the financial statements gives a full and accurate description of the directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors' statement in the notes to the consolidated financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and the Company's use of that basis for the going concern period, and that statement is materially consistent with the consolidated financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Group's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates such as valuation of unquoted investments. On this audit we do not believe there is a fraud risk related to revenue recognition because the Group's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures; and
- assessing significant accounting estimates for bias

Further detail in respect of valuation of unquoted investments is set out in the key audit matter section of in this report.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the consolidated financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Group is subject to laws and regulations that directly affect the consolidated financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the consolidated financial statements, for instance through the imposition of fines or litigation or impacts on the Group and the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the consolidated financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the consolidated financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual financial report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Disclosures of emerging and principal risks and longer term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the consolidated financial statements and our audit knowledge. We have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability statement (pages 45 and 46) that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the viability statement (pages 45 and 46) as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement, set out on pages 45 and 46 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the consolidated financial statements and our audit knowledge.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the consolidated financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the consolidated financial statements and our audit knowledge:

- the directors' statement that they consider that the annual financial report and consolidated financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual financial report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual financial report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the consolidated financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on pages 71 and 72, the directors are responsible for: the preparation of the consolidated financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company'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.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report.

Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008 and, in respect of any further matters on which we have agreed to report, on terms we have agreed with the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Neale Jehan
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognised Auditors
Guernsey

24 April 2023

Consolidated Balance Sheets

31 December 2022 and 31 December 2021

	2022	2021
Assets		
Private equity investments		
Cost of $840,971,544 at 31 December 2022 and $870,294,049 at 31 December 2021	**$1,401,430,601**	$1,569,276,895
Cash and cash equivalents	**7,034,276**	116,486,687
Other assets	**2,662,851**	3,524,339
Distributions and sales proceeds receivable from investments	**199,924**	280,977
Total assets	**$1,411,327,652**	$1,689,568,898
Liabilities and share capital		
Liabilities:		
ZDP Share liability	**$72,800,912**	$161,985,696
Carried interest payable to Special Limited Partner	**–**	37,341,460
Payables to Investment Manager and affiliates	**5,177,372**	5,801,910
Accrued expenses and other liabilities	**4,126,709**	2,206,415
Net deferred tax liability	**9,113**	–
Total liabilities	**$82,114,106**	$207,335,481
Share capital:		
Class A Shares, $0.01 par value, 500,000,000 shares authorised,		
49,911,438 shares issued and 46,761,030 shares outstanding	**$499,115**	$499,115
Class B Shares, $0.01 par value, 100,000 shares authorised,		
10,000 shares issued and outstanding	**100**	100
Additional paid-in capital	**496,559,065**	496,559,065
Retained earnings	**839,456,403**	992,368,962
Less cost of treasury stock purchased (3,150,408 shares)	**(9,248,460)**	(9,248,460)
Total net assets of the controlling interest	**1,327,266,223**	1,480,178,782
Net assets of the noncontrolling interest	**1,947,323**	2,054,635
Total net assets	**$1,329,213,546**	$1,482,233,417
Total liabilities and net assets	**$1,411,327,652**	$1,689,568,898
Net asset value per share for Class A Shares and Class B Shares	**$28.38**	$31.65
Net asset value per share for Class A Shares and Class B Shares (GBP)	**£23.59**	£23.37
Net asset value per 2022 ZDP Share (Pence)	**–**	123.08
Net asset value per 2024 ZDP Share (Pence)	**121.04**	116.11

The consolidated financial statements were approved by the Board of Directors on 24 April 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

31 December 2022 and 31 December 2021

Private equity investments	Cost	Fair Value	Unfunded Commitment	Private Equity[1] Exposure
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**
2021				
Direct equity investments				
NB Alternatives Direct Co-investment Program A	$46,142,215	$45,903,484	$18,274,463	$64,177,947
NB Alternatives Direct Co-investment Program B[3]	83,646,928	192,329,730	21,476,452	213,806,182
NB Renaissance Programs	9,677,956	20,844,892	14,059,072	34,903,964
NB Healthcare Credit Investment Program (Equity)	2,545,471	1,256,065	4,146,718	5,402,783
Marquee Brands	26,015,569	32,688,590	3,410,816	36,099,406
Direct equity investments[2]	568,497,871	1,137,186,554	31,455,857	1,168,642,411
Total direct equity investments	$736,526,010	$1,430,209,315	$92,823,378	$1,523,032,693
Income Investments				
NB Credit Opportunities Program	33,911,457	49,004,673	11,981,976	60,986,649
NB Specialty Finance Program	39,064,395	38,882,486	15,000,000	53,882,486
Income investments	45,607,166	37,226,870	–	37,226,870
Total income investments	$118,583,018	$125,114,029	$26,981,976	$152,096,005
Fund investments	15,185,021	13,953,551	9,537,154	23,490,705
Total investments	**$870,294,049**	**$1,569,276,895**	**$129,342,508**	**$1,698,619,403**

(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.

Consolidated Condensed schedules of private equity investments

31 December 2022 and 31 December 2021

Geographic diversity of private equity investments[1]	Fair Value 2022	Fair Value 2021
North America	**$1,024,091,245**	$1,135,687,289
Europe	**325,117,876**	376,021,623
Asia / rest of world	**52,221,480**	57,567,983
	$1,401,430,601	$1,569,276,895

Industry diversity of private equity investments[2]	2022	2021
Consumer	**19.9%**	19.5%
Technology / IT	**18.0%**	18.2%
Industrials	**15.3%**	18.2%
Financial services	**14.3%**	9.8%
Business services	**12.2%**	13.8%
Healthcare	**10.0%**	9.7%
Diversified / undisclosed / other	**5.3%**	6.2%
Communications / media	**2.6%**	2.7%
Energy	**1.3%**	0.9%
Transportation	**1.1%**	1.0%
	100.0%	100.0%

Asset class diversification of private equity investments[3]	2022	2021
Direct Equity Investments		
Mid-cap buyout	**47.1%**	49.0%
Large-cap buyout	**32.4%**	30.0%
Special situation	**7.8%**	8.0%
Growth equity	**4.8%**	4.0%
Income investments	**7.7%**	8.0%
Growth / venture funds	**0.2%**	1.0%
	100.0%	100.0%

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

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

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

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

Consolidated Statements of operations and changes in net assets

For the years ended 31 December 2022 and 31 December 2021

	2022	2021
Interest and dividend income (net of foreign withholding taxes of $7,261 for 2022 and $5,180 for 2021)	**$4,544,339**	$5,725,688
Expenses		
Investment management and services	**21,144,589**	22,483,005
Carried interest	**–**	37,232,789
Finance costs		
Credit facility	**5,999,532**	4,084,128
ZDP Shares	**6,039,881**	6,942,354
Administration and professional fees	**4,485,332**	4,324,409
	37,669,334	75,066,685
Net investment income (loss)	**$(33,124,995)**	$(69,340,997)
Realised and unrealised gains (losses)		
Net realised gain on investments, translation of foreign currencies, and forward foreign exchange contracts, net of tax expense (benefit) of $2,260,993 for 2022 and $756,098 for 2021	**$51,179,567**	$212,372,218
Net change in unrealised gain (loss) on investments and forward foreign exchange contracts, net of tax expense (benefit) of $9,113 for 2022 and $0 for 2021	**(127,109,675)**	319,700,846
Net realised and change in unrealised gain (loss)	**(75,930,108)**	532,073,064
Net increase (decrease) in net assets resulting from operations	**$(109,055,103)**	$462,732,067
Less net (increase) decrease in net assets resulting from operations attributable to the noncontrolling interest	**107,312**	(529,393)
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$(108,947,791)**	$462,202,674
Net assets at beginning of period attributable to the controlling interest	**1,480,178,782**	1,051,651,249
Less dividend payment	**(43,964,768)**	(33,675,141)
Net assets at end of period attributable to the controlling interest	**$1,327,266,223**	$1,480,178,782
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	**$(2.33)**	$9.88
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest (GBP)	**£(1.88)**	£7.18

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

Consolidated Statements of cash flows

For the years ended 31 December 2022 and 31 December 2021

	2022	2021
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$(108,947,791)**	$462,202,674
Net increase (decrease) in net assets resulting from operations attributable to the noncontrolling interest	**(107,312)**	529,393
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realised (gain) loss on investments and forward foreign exchange contracts, net of tax expense	**(51,179,567)**	(212,372,218)
Net change in unrealised (gain) loss on investments, translation of foreign currencies, and forward foreign exchange contracts, net of tax expense	**127,109,675**	(319,700,846)
Contributions to private equity investments	**(3,664,041)**	(19,918,366)
Purchases of private equity investments	**(36,203,158)**	(147,086,034)
Distributions from private equity investments	**55,978,140**	105,532,235
Proceeds from sale of private equity investments	**63,520,093**	281,199,375
In-kind payment of interest income	**(3,840,330)**	(4,361,301)
Amortisation of finance costs	**647,746**	719,878
Amortisation of purchase premium/discount (OID), net	**(56,667)**	(311,331)
Change in other assets	**283,491**	1,042,713
Change in payables to Investment Manager and affiliates	**(37,965,276)**	23,345,213
Change in accrued expenses and other liabilities	**5,315,280**	5,502,828
Net cash provided by operating activities	**10,890,283**	176,324,213
Cash flows from financing activities:		
Dividend payment	**(43,964,768)**	(33,675,141)
Redemption of 2022 Zero Dividend Preference Shares	**(68,100,570)**	–
Borrowings from credit facility	**30,000,000**	15,000,000
Payments to credit facility	**(30,000,000)**	(50,000,000)
Settlement of the forward foreign exchange contract and ongoing hedging activity	**–**	5,792,625
Net cash used in financing activities	**(112,065,338)**	(62,882,516)
Effect of exchange rates on cash balances	**(8,277,356)**	–
Net increase (decrease) in cash and cash equivalents	**(109,452,411)**	113,441,697
Cash and cash equivalents at beginning of period	**116,486,687**	3,044,990
Cash and cash equivalents at end of period	**$7,034,276**	$116,486,687
Supplemental cash flow information		
Credit facility financing costs paid	**$5,552,971**	$3,658,042
Net taxes paid (refunded)	**$(22,805)**	$1,268,764

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 operating in the United States.

Use of Estimates and Judgements

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

The following estimates and assumptions were used at 31 December 2022 and 31 December 2021 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

- Carried interest payable to Special Limited Partner – The carrying value reasonably approximates fair value.
- Payables to Investment Manager and affiliates – The carrying value reasonably approximates fair value.
- Accrued expenses and other liabilities – The carrying value reasonably approximates fair value.
- Private equity investments – Further information on valuation is provided in the Fair Value Measurements section below.

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 decreased the fair value of the Group's foreign investments by $24,580,105 for the year ended 31 December 2022. The cumulative effect of translation to U.S. dollars decreased the fair value of the Group's foreign investments by $27,126,075 for the year ended 31 December 2021.

Other than the ZDP Shares denominated in Sterling (see note 5 and note 6), the Group has unfunded commitments denominated in currencies other than U.S. dollars. At 31 December 2022, the unfunded commitments that are in Euros and Sterling amounted to €10,531,115 and £32,138, respectively (31 December 2021: €13,033,970 and £34,225). They have been included in the Consolidated Condensed Schedules of Private Equity Investments at the U.S. dollar exchange rates in effect at 31 December 2022 and 31 December 2021. The effect on the unfunded commitment of the change in the exchange rates between Euros and U.S. dollars was a decrease in the U.S. dollar obligations of $759,592 for 31 December 2022 and a decrease in the U.S. dollar obligations of $1,196,119 for 31 December 2021. The effect on the unfunded commitment of the change in the exchange rates between Sterling and U.S. dollars was a decrease in the U.S. dollar obligations of $5,212 for 31 December 2022 and an increase in the U.S. dollar obligations of $2,124 for 31 December 2021.

Investment Transactions and Investment Income

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

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

For the year ended 31 December 2022, total interest and dividend income was $4,544,339, of which $57,782 was dividends, and $4,486,557 was interest income. For the year ended 31 December 2021, total interest and dividend income was $5,725,688, of which $406,544 was dividends, and $5,319,144 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 31 December 2022 and 31 December 2021, cash and cash equivalents consisted of $7,034,276 and $116,486,687 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 31 December 2022 and 31 December 2021, 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 (2021: £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 from net investment income and net realised gains on investments upon approval by the Board of Directors subject to the passing of the ZDP Cover Test (see note 5) and the solvency test under Guernsey law. Liabilities for dividends to shareholders are recorded on the ex-dividend date.

Operating Expenses

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

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 31 December 2022 and 31 December 2021.

The following table details the Group's financial assets and liabilities that were accounted for at fair value as of 31 December 2022 and 31 December 2021 by level and fair value hierarchy.

	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**

	Assets (Liabilities) Accounted for at Fair Value				
As of 31 December 2021	**Level 1**	**Level 2**	**Level 3**	**Investments measured at net asset value[1]**	**Total**
Common stock	$11,685,316	$27,192,165	$–	$–	$38,877,481
Private equity companies	–	–	207,680,425	1,322,718,989	1,530,399,414
Totals	$11,685,316	$27,192,165	$207,680,425	$1,322,718,989	$1,569,276,895

(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 31 December 2022, 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 2022	Fair Value as a Percentage of net asset value
3i 2020 Co-investment 1 SCSp (LP Interest)	Consumer/Retail	Netherlands	$72,177,584	5.44%

Note 3 – Investments continued

Significant investments continued:

At 31 December 2021, 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 2021	Fair Value as a Percentage of net asset value
THL Equity Fund VIII Investors (Automate), L.P.[1] (LP Interest)	Industrials	Norway	$97,393,384	6.58%
NB Bluebird S.à.r.l. [1] (LP Interest)	Business Services	United Kingdom	87,293,710	5.90%

(1) The Company is held by NB Alternatives Direct Co-investment Program B and through a direct equity co-investment vehicle.

The following table summarises the changes in the fair value of the Group'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.

The following table summarises changes in the fair value of the Company's Level 3 private equity investments for the year ended 31 December 2021.

	For the Year Ended 31 December 2021					
(dollars in thousands)	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/Venture	Income Investments	Total Private Equity Investments
Balance, 31 December 2020	$25,249	$80,020	$22,725	$19,348	$69,334	$216,676
Purchases of investments and/or contributions to investments	12,200	15,656	–	729	–	28,585
Realised gain (loss) on investments	–	(3,488)	–	(4,414)	5,540	(2,362)
Changes in unrealised gain (loss) of investments still held at the reporting date	1,900	26,126	(223)	1,904	(1,076)	28,631
Changes in unrealised gain (loss) of investments sold during the period	–	3,343	–	3,122	1,293	7,758
Distributions from investments	(3,080)	(1,072)	(666)	(1,410)	(37,865)	(44,093)
Transfers into level 3	–	–	–	–	–	–
Transfers out of level 3	–	(27,515)	–	–	–	(27,515)
Balance, 31 December 2021	**$36,269**	**$93,070**	**$21,836**	**$19,279**	**$37,226**	**$207,680**

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 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.
(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 2021.

(dollars in thousands) Private Equity Investments	Fair Value 31 December 2021	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average)[2]	Impact to Valuation from an Increase in Input[3]
Direct equity investments					
Large-cap buyout	$36,269	Market Comparable Companies	LTM EBITDA	12.0x	Increase
Mid-cap buyout	93,070	Escrow Value	Escrow	1.0x	Increase
		Market Comparable Companies	LTM EBITDA	8.8x-15.3x (12.6x)	Increase
		Market Comparable Companies	Production multiple ($/Boed)	$24,811	Increase
		Market Comparable Companies	Implied transaction production multiple ($/Boed)	$18,343	Increase
Special situations	21,836	Market Comparable Companies	LTM EBITDA	7.7x-8.6x (8.5x)	Increase
		Market Comparable Companies	LTM Net Revenue	3.5x	Increase
Growth / venture	19,279	Market Comparable Companies	LTM Net Revenue	3.0x-6.5x (5.6x)	Increase
		Escrow Value	Escrow	1.0x	Increase
Income investments	37,226	Market Comparable Companies	LTM EBITDA	9.6x	Increase
		Market Comparable Companies	LTM EBITDA	17.8x	Increase
Total	$207,680				

(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 2021, 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 31 December 2022, 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 years ended 31 December 2022 and 2021, the borrowings from the MassMutual Facility were $30,000,000 and $15,000,000, respectively, and the payments to the MassMutual Facility were $30,000,000 and $50,000,000, respectively. The outstanding balances of the MassMutual Facility were nil at 31 December 2022 and nil at 31 December 2021.

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 31 December 2022, the Group met all requirements under the MassMutual Facility. The MassMutual Facility is secured by a security interest in the cash flows from the underlying investments of the Group.

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

The following table summarises the Group's finance costs incurred and expensed under the MassMutual Facility for the years ended 31 December 2022 and 2021.

	31 December 2022	31 December 2021
Interest expense	**$235,545**	$548,958
Undrawn commitment fees	**1,171,041**	1,335,583
Servicing fees and breakage costs	**40,722**	75,020
Amortisation of capitalised debt issuance costs	**264,567**	264,567
Minimum utilisation fees	**4,287,657**	1,860,000
Total Credit Facility Finance Costs	**$5,999,532**	$4,084,128

As of 31 December 2022 and 31 December 2021, unamortised capitalised debt issuance costs (included in Other assets on the Consolidated Balance Sheets) were $2,376,770 and $2,641,336, 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 31 December 2022, 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 year ended 31 December 2022 and the year ended 31 December 2021.

ZDP Shares	Pounds Sterling	U.S. Dollars
Liability, 31 December 2020	£114,865,085	$157,014,827
Net change in accrued interest on 2022 ZDP Shares	2,365,106	3,243,593
Net change in accrued interest on 2024 ZDP Shares	2,364,992	3,243,449
Currency conversion	–	(1,516,173)
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

The total liability related to the 2022 ZDP Shares was nil and £61,539,442 (equivalent of $83,352,098) as of 31 December 2022 and 31 December 2021, respectively. The total liability balance related to the 2024 ZDP Shares was £60,521,167 (equivalent of $72,800,912) and £58,055,741 (equivalent of $78,633,598) as of 31 December 2022 and 31 December 2021, respectively.

As of 31 December 2022, 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 31 December 2022 was $255,801 and the unamortised balance of capitalised offering costs of the 2022 and 2024 ZDP Shares at 31 December 2021 was $638,981.

Note 6 – Forward Foreign Exchange Contracts

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 31 December 2022 and 31 December 2021, the Group did not hold any active forward foreign currency contracts.

The below table presents the Group's forward foreign currency contract held and its effect on the Consolidated Statements of Operations and Changes in Net Assets during the year ended 31 December 2021.

		For the year ended 31 December 2021			
Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealised gain (loss)	Realised gain (loss)
£75,000,000	$97,585,125	Westpac Banking Corporation	14 April 2021	$(4,994,199)	$5,792,625

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:

	31 December 2022	31 December 2021
Current tax expense	**$2,260,993**	$756,098
Deferred tax expense (benefit)	**9,113**	–
Total tax expense (benefit)	**$2,270,106**	$756,098

	31 December 2022	31 December 2021
Gross deferred tax assets	**$7,872,867**	$11,685,030
Valuation allowance	**(7,872,867)**	(9,690,782)
Net deferred tax assets	**–**	1,994,248
Gross deferred tax liabilities	**(9,113)**	(1,994,248)
Net deferred tax assets (liabilities)	**$(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 years ended 31 December 2022 and 2021 are as follows:

	2022	2021
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$(108,947,791)**	$462,202,674
Divided by weighted average shares outstanding for Class A Shares and Class B Shares of the controlling interest	**46,771,030**	46,771,030
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	**$(2.33)**	$9.88

In accordance with Article 104(2) of the Commission Delegated Regulation (EU) No 231/2013 (and the UK version of this regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018), the Group is required to disclose additional information on the classification of the balances presented within the net realised gain (loss) on investments and forward foreign exchange contracts, and net change in unrealised gain (loss) on investments and forward foreign exchange contracts presented on the Consolidated Statements of Operations and Changes in Net Assets. For the years ended 31 December 2022 and 2021, the balances include the following:

Classification of Realised Gain (Loss) and Unrealised Gain (Loss)[1]	31 December 2022	31 December 2021
Realised gain on investments and forward foreign exchange contracts	**$85,321,404**	$245,140,677
Realised loss on investments and forward foreign exchange contracts	**(31,880,844)**	(32,012,361)
Net realised gain (loss) on investments and forward foreign exchange contracts	**$53,440,560**	$213,128,316
Unrealised gain on investments and forward foreign exchange contracts	**$138,811,079**	$407,844,305
Unrealised loss on investments and forward foreign exchange contracts[2]	**(265,911,641)**	(88,143,459)
Net unrealised gain (loss) on investments and forward foreign exchange contracts	**$(127,100,562)**	$319,700,846

(1) Above amounts are presented gross and, as such, exclude the tax expense (benefit) reported on the Consolidated Statements of Operations and Changes in Net Assets

(2) Includes unrealised gain reversal of $76,798,321 and $68,324,306 for the periods ended 31 December 2022 and 2021, respectively, as a result of realised investment transactions.

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 31 December 2022 and 2021.

	31 December 2022	31 December 2021
Class A Shares outstanding	**46,761,030**	46,761,030
Class B Shares outstanding	**10,000**	10,000
	46,771,030	46,771,030
Class A Shares held in treasury - number of shares	**3,150,408**	3,150,408
Class A Shares held in treasury - cost	**$9,248,460**	$9,248,460

The Company currently has shareholder authority to repurchase shares in the market, the aggregate value of which may be up to 14.99% of the Class A Shares in issue (excluding Class A Shares held in treasury) at the time the authority is granted; such authority will expire on the date which is 15 months from the date of passing of this resolution or, if earlier, at the end of the Annual General Meeting ("AGM") of the Company to be held in June 2023. 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).

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

The Company has not purchased any of its shares during the year ended 31 December 2022 or during the year ended 31 December 2021.

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 years ended 31 December 2022 and 2021, the management fee expenses were $21,144,589 and $22,483,005, respectively, and are included in Investment management and services on the Consolidated Statement of Operations and Changes in Net Assets. As of 31 December 2022 and 2021, Investment Management fees payable to the Investment Manager and its affiliates were $5,177,372 and $5,801,910, 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.

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

The Group pays to Ocorian Administration (Guernsey) Limited ("Ocorian"), an affiliate of the Trustee, a fee for providing certain administrative functions relating to certain corporate services and Guernsey regulatory matters affecting the Group. Fees for these services are paid as invoiced by Ocorian. The Group paid Ocorian $287,062 and $330,096 for the years ended 31 December 2022 and 2021, respectively, for such services. The Group also paid MUFG Capital Analytics LLC, an independent third party fund administrator, $1,300,000 and $1,519,263 for the years ended 31 December 2022 and 2021, 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 denominated and paid in Sterling and they are based on each Director's position on the Company's Board. Effective on 1 October 2021, Directors' fees were increased to account for an inflation adjustment. Directors' fees are subject to an annual increase equivalent to the annual rise in the UK retail prices index, subject to a 1% per annum minimum. As of 31 December 2022, Directors' fees were as follows: Chairman receives £75,690 annually (£18,992 quarterly), Audit Chairman receives £64,728 annually (£16,182 quarterly), Senior independent Director receives £59,508 annually (£14,877 quarterly), and Non-executive independent Directors each receive £54,288 annually (£13,572 quarterly). As of 31 December 2022, an additional fee was assessed in the amount of £10,440 annually and payable to two Directors (£5,220 each) for serving as Directors on the Board of the Guernsey Subsidiaries of the Company.

For the year ended 31 December 2022, the Group paid the independent Directors $375,018 and an additional $12,629 related to services provided to the Guernsey Subsidiaries of the Company. For the year ended 31 December 2021, the Group paid the independent Directors $354,694 and an additional $6,822 related to services provided to the Guernsey Subsidiaries of the Company.

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.

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 31 December 2022 and 2021, the non-controlling interest of $1,947,323 and $2,054,635, 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 31 December 2022 and 2021.

	Controlling Interest	Noncontrolling Interest	Total
Net assets balance, 31 December 2020	**$1,051,651,249**	**$1,525,242**	**$1,053,176,491**
Net increase (decrease) in net assets resulting from operations	462,202,674	529,393	462,732,067
Dividend payment	(33,675,141)	–	(33,675,141)
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**

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 (see note 9). Carried interest is accrued periodically and paid in the subsequent year. As of 31 December 2022 and 31 December 2021, carried interest of nil and $37,341,460 was accrued, respectively.

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

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
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	–	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**
2021				
NB-Affiliated Programs				
NB Alternatives Direct Co-investment Programs	$238.2	$275.0	$235.2	$39.8
NB Renaissance Programs	20.8	40.0	25.9	14.1
Marquee Brands	32.7	30.0	26.6	3.4
NB Healthcare Credit Investment Program	1.3	50.0	45.9	4.1
NB Credit Opportunities Program	49.0	50.0	38.0	12.0
NB Specialty Finance Program	38.9	50.0	35.0	15.0
Total NB-Affiliated Investments	**$380.9**	**$495.0**	**$406.6**	**$88.4**

(1): Fair value does not include distributions. At 31 December 2022 and 31 December 2021, the total distributions from NB-Affiliated Investments were $421.0 and $374.2, respectively.

Note 11 – Risks and Contingencies

Market Risk

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

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

Credit Risk

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

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

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 years ended 31 December 2022 and 2021:

Per share operating performance (based on average shares outstanding during the year)	For the Year Ended 31 December 2022	For the Year Ended 31 December 2021
Beginning net asset value	$31.65	$22.49
Net increase in net assets resulting from operations:		
Net investment income (loss)	(0.71)	(1.48)
Net realised and unrealised gain (loss)	(1.62)	11.36
Dividend payment	(0.94)	(0.72)
Ending net asset value	**$28.38**	**$31.65**

Total return (based on change in net asset value per share)	For the Year Ended 31 December 2022	For the Year Ended 31 December 2021
Total return before carried interest	(7.36%)	47.47%
Carried interest	–	(3.54%)
Total return after carried interest	**(7.36%)**	**43.93%**

Net investment income (loss) and expense ratios (based on weighted average net assets)	For the Year Ended 31 December 2022	For the Year Ended 31 December 2021
Net investment income (loss), excluding carried interest	(2.40%)	(2.55%)
Expense ratios:		
Expenses before interest and carried interest	2.30%	2.44%
Interest expense	0.43%	0.55%
Carried interest	–	2.95%
Expense ratios total	**2.73%**	**5.94%**

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 28 February 2023, the Group paid a dividend of $0.47 per Ordinary Share to shareholders of record on 20 January 2023.

The Investment Manager and the Board of Directors have evaluated events through 24 April 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.

NB Private Equity Partners Limited (the "Fund") AIFMD Disclosure Addendum to the 2022 Annual Report (Unaudited)

1. Changes To Article 23(1) AIFMD Disclosures

Directive 2011/61/EU on Alternative Investment Fund Managers ("AIFMD") requires certain information to be made available to investors in alternative investment funds ("AIFs") before they invest and requires that material changes to this information be disclosed in the annual report of each AIF.

There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure.

2. Leverage

For the purposes of this disclosure, leverage is any method by which an AIF's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in foreign exchange forward contracts or by any other means.

The AIFMD requires that each leverage ratio be expressed as the ratio between an AIF's exposure and its net asset value ("NAV"), and prescribes two required methodologies, the gross methodology and the commitment methodology, for calculating such exposure. Using the methodologies prescribed under the AIFMD, the leverage of the Fund as at 30 September 2022 is disclosed below:

Leverage calculated pursuant to the gross methodology:	0.98
Leverage calculated pursuant to the commitment methodology:	0.99

3. Liquidity and risk management systems

The portfolio managers and risk management professionals of NB Alternative Advisers LLC (the "AIFM") regularly review the investment performance and the portfolio composition of the Fund in the light of the Fund's investment objective, policy and strategy; the principal risks and investment or economic uncertainties that have been identified as relevant to the Fund; internal risk measures and the interests and profile of investors.

The AIFM assesses the Fund's current and prospective need for liquidity on an on-going basis and ensures that liquidity is available when required. The risk profile of the Fund as assessed as at 30 September 2022 was as follows:

3.1 Market Risk Profile

The market risk indicators contained in the Annex IV regulatory reporting template were not applicable to the Fund.

3.2 Counterparty Risk Profile

As at 30 September 2022, the counterparties to which the Fund had the greatest mark-to-market net counterparty credit exposure, measured as a % of the NAV of the Fund are listed in the table below:

Ranking	Name of Counterparty	NAV percentage of the total exposure value of the counterparty
First counterparty exposure	Others	1.85
Second counterparty exposure	Bank of America Merrill Lynch	0.41
Third counterparty exposure	JP Morgan	0.00

As at 30 September 2022, the counterparty risk indicators contained in the Annex IV regulatory reporting template in respect of mark-to- market credit exposure to the Fund were not applicable.

3.3 Liquidity Profile

3.3.1 Portfolio Liquidity Profile

100 percent of the portfolio is incapable of being liquidated within 365 days.

The Fund had USD 5,678,456 unencumbered cash available to it.

3.3.2 Investor Liquidity Profile

100 percent of investor equity is incapable of being redeemed within 365 days. Investors do not have any withdrawal or redemption rights in the ordinary course. However, shares are freely traded on the London Stock Exchange.

3.3.3 Investor Redemption

Does the Fund provide investors with withdrawal / redemption rights in the ordinary course? No

4. Report on remuneration

The Neuberger Berman Compensation Committee is responsible for the compensation practices within the Neuberger Berman group, and Neuberger Berman also operates a structure throughout the group to ensure appropriate involvement and oversight of the compensation process, so that compensation within the group rewards success whilst reflecting appropriate behaviours.

Neuberger Berman recognises the need to ensure that compensation arrangements do not give rise to conflicts of interest, and this is achieved through the compensation policies as well as through the operation of specific policies governing conflicts of interests.

Neuberger Berman's compensation philosophy is one that focuses on rewarding performance and incentivizing employees. Employees at Neuberger Berman may receive compensation in the form of base salary, discretionary bonuses and/or production compensation. Investment professionals receive a fixed salary and are eligible for an annual bonus. The annual bonus for an individual investment professional is paid from a "bonus pool" made available to the portfolio management team with which the investment professional is associated. Once the final size of the available bonus pool is determined, individual bonuses are determined based on a number of factors including the aggregate investment performance of all strategies managed by the individual (including the three-year track record in order to emphasize long-term performance), effective risk management, leadership and team building, and overall contribution to the success of Neuberger Berman.

Neuberger Berman considers a variety of factors in determining fixed and variable compensation for employees, including firm performance, individual performance, overall contribution to the team, collaboration with colleagues across the firm, effective partnering with clients to achieve goals, risk management and the overall investment performance. Neuberger Berman strives to create a compensation process that is fair, transparent, and competitive with the market.

A portion of bonuses may be awarded in the form of contingent or deferred cash compensation, including under the "Contingent Compensation Plan", which serves as a means to further align the interests of employees with the interest of clients, as well as rewarding continued employment. Under the Contingent Compensation Plan a percentage of a participant's compensation is awarded in deferred contingent form.

Contingent amounts take the form of a notional investment based on a portfolio of Neuberger Berman investment strategies and/or a contingent equity award, and Neuberger Berman believes that this gives each participant further incentive to operate as a prudent risk manager and to collaborate with colleagues to maximise performance across all business areas. The programs specify vesting and forfeiture terms, including that vesting is normally dependent on continued employment and contingent amounts can be forfeited in cases including misconduct or the participants participating in detrimental activity.

The proportion of the total remuneration of the staff of the AIFM attributable to the Fund, calculated with reference to the proportion of the value of the assets of the Fund managed by the AIFM to the value of all assets managed by the AIFM, was USD 2,019,007, representing USD 507,126 of fixed compensation and USD 1,511,881 of variable compensation. There were 205 of staff of the AIFM who shared in the remuneration paid by the AIFM.

Compensation by the AIFM to senior management and staff whose actions had a material impact on the risk profile on the Fund in respect of 2022 was USD 115,376,541 in relation to senior management and USD 1,407,631 in respect of 'risk takers'. The compensation figure for senior management has not been apportioned, while the compensation figure for risk takers has been apportioned by reference to the number of AIFs whose risk profile was materially impacted by each individual staff member.

Carried interest accrued to the Special Limited Partner for the years ended 31 December 2022 and 31 December 2021 was nil and USD 37,341,460 respectively. Carried interest is paid in the year subsequent to the year in which it was accrued.

5. European Taxonomy Regulation

Regulation (EU) 2020/852 (the "**Taxonomy Regulation**") requires fund managers such as the AIFM to disclose the extent of their alignment to the Taxonomy Regulation in the annual report for each fund they manage. As the Fund is not classified as an Article 8 or Article 9 fund under Regulation (EU) 2019/2088 ("**SFDR**"), the following statement must be disclosed in the annual report for the Partnership:

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

April 2023

Schedule of investments (unaudited)

Investments	Principal Geography	Investment Date	Description	Fair Value $ M
Action	Europe	Jan-20	European discount retailer	72.2
Advisor Group	U.S.	Jul-19	Independent broker dealer	54.2
Constellation Automotive	UK	Nov-19	Provider of vehicle remarketing services	53.2
USI	U.S.	Jun-17	Insurance brokerage and consulting services	50.0
AutoStore (OB.AUTO)	Europe	Jul-19	Leading provider of automation technology	44.9
Agiliti (NYSE: AGTI)	U.S.	Jan-19	Medical equipment management and services	40.8
Material Handling Systems	U.S./Europe	Apr-17	Systems and solutions utilised in distribution centres	39.7
NB Alternatives Credit Opportunities Program	Global	Sep-16	Diversified credit portfolio	39.7
Cotiviti	U.S.	Aug-18	Payment accuracy and solutions for the healthcare industry	34.5
Business Services Company*	U.S.	Oct-17	Business services company	32.9
Kroll	Global	Mar-20	Multinational financial consultancy firm	32.1
BeyondTrust	U.S.	Jun-18	Cyber security and secure access solutions	29.4
True Potential	Europe	Jan-22	Wealth management technology platform serving advisors and retail clients	28.7
Marquee Brands	Global	Dec-14	Portfolio of consumer branded IP assets, licensed to third parties	28.5
NB Specialty Finance Program	Global	Oct-18	Small balance loan portfolio	27.5
Solenis	Global	Sep-21	Specialty chemicals and services provider	27.0
GFL (NYSE: GFL)	U.S/Canada	Jul-18	Waste management services	27.0
Monroe Engineering	U.S.	Dec-21	Industrial products distributor	26.6
Stubhub	U.S.	Feb-20	Ticket exchange and resale company	26.4
Engineering	Europe	Jul-20	Italy-based provider of systems integration, consulting and outsourcing services	25.1
Addison Group	U.S.	Dec-21	Professional services provider specialising in staffing and consulting services	23.9
Branded Toy Company*	U.S.	Jul-17	Specialty toy company	23.8
Branded Cities Network	U.S.	Nov-17	North American advertising media company	23.8
Staples	U.S.	Sep-17	Provider of office supplies through a business-to-business platform and retail	22.8
Auctane	U.S.	Oct-21	E-commerce shipping software provider	21.9
Bylight	U.S.	Aug-17	Provider of IT and technology infrastructure cyber solutions	21.9
Excelitas	U.S.	Nov-17	Sensing, optics and illumination technology	21.7
Petsmart/Chewy (NYSE: CHWY)	U.S.	Jun-15	Online and offline pet supplies retailer	20.6

Schedule of investments

Investments	Principal Geography	Investment Date	Description	Fair Value $ M
Accedian	U.S.	Apr-17	Network testing equipment and software	20.6
FV Hospital	Vietnam	Jun-17	Leading hospital provider in Vietnam	20.4
Solace Systems	U.S./Canada	Apr-16	Enterprise messaging solutions	17.2
Renaissance Learning	U.S.	Jun-18	K-12 educational software & learning solutions	16.5
Leaseplan	Europe	Apr-16	Fleet management services	16.5
Chemical Guys	U.S.	Sep-21	Direct to consumer automotive products brand	15.8
Nextlevel	U.S.	Aug-18	Designer and supplier of fashion-basic apparel	15.2
Peraton	U.S.	May-21	Provider of enterprise IT services serving the U.S. government	15.2
Viant	U.S.	Jun-18	Outsourced medical device manufacturer	15.1
Qpark	Europe	Oct-17	European parking services operator	15.1
Tendam	Spain	Oct-17	Spanish apparel retailer	13.7
Exact	Netherlands	Aug-19	Accounting and ERP software for small to medium-sized businesses	13.7
Real Page	U.S.	Apr-21	Provides software solutions to the rental housing industry	13.2
CH Guenther	U.S.	May-18	Supplier of mixes, snacks and meals and other value-added food products for consumers	12.5
Xplor Technologies	U.S.	Jun-18	Credit card payment processing	11.8
Hub	Global	Mar-19	Leading global insurance brokerage	10.8
Telxius	Europe	Oct-17	Telecommunications infrastructure including fibre-optic cables and telecom towers	10.3
Wind River Environmental	U.S.	Apr-17	Waste management services provider	9.9
MHS	U.S.	Mar-17	Provider of repair, maintenance and fleet management services	9.4
Lasko Products	U.S.	Nov-16	Manufacturer of portable fans and ceramic heaters	9.3
Concord Bio	India	Jun-16	Active pharmaceutical ingredients manufacturer	8.5
SafeFleet	U.S.	May-18	Safety and productivity solutions for fleet vehicles	8.5
Italian Mid-Market Buyout Portfolio	Europe	Jun-18	Italian mid-market buyout portfolio	8.0
Vitru (NASDAQ: VTRU)	Brazil	Jun-18	Post secondary education company	7.9
Saguaro	North America	Jul-13	E&P company pursuing unconventional light oil/liquids-rich gas properties	7.8
ZPG	UK	Jul-18	Digital property data and software company	7.4
Verifone	Global	Aug-18	Electronic payment technology	7.2
Milani	U.S.	Jun-18	Cosmetics and beauty products	6.9
ProAmpac	U.S.	Dec-20	Leading global supplier of flexible packaging	6.9
Healthcare Company – In-home Devices	U.S.	Jun-18	Provider of pump medications and in-home intravenous infusion	6.2
Plaskolite	U.S.	Dec-18	Largest manufacturer of thermoplastic sheets in North America	6.0
Syniti	U.S.	Dec-17	Data management solutions provider	6.0

Investments	Principal Geography	Investment Date	Description	Fair Value $ M
CrownRock Minerals	U.S.	Aug-18	Minerals acquisition platform	5.8
Destination Restaurants	U.S.	Nov-19	U.S. restaurant chain	5.7
Carestream	U.S.	Apr-16	Utilises digital imaging equipment and captures two billion images annually	5.7
Digital River (Equity)	U.S.	Feb-15	Digital e-commerce, payments and marketing solutions	5.6
Centro	U.S.	Jun-15	Provider of digital advertising management solutions	5.4
Healthcare Services Company	NA	Feb-18	Healthcare services company	4.8
Inflection Energy	U.S.	Oct-14	Dry gas exploration company in the Marcellus Shale	4.8
Edelman	U.S.	Aug-18	Independent financial planning firm	4.8
BK China	U.S.	Nov-18	Franchise of over 800 Burger King locations in mainland China	4.8
Unity Technologies (NYSE:U)	U.S.	Jun-21	Business platform for app developers	4.7
Looking Glass	U.S.	Feb-15	Cyber security technology company	4.5
Mills Fleet Farms	U.S.	Feb-16	Value-based retailer with 35 stores in the Midwest U.S.	3.9
Rino Mastrotto Group	Europe	Apr-20	Leading producer of premium leather	3.7
Vertiv (NYSE: VRT)	U.S.	Nov-16	Provider of data centre infrastructure	3.7
Catalyst Fund III	North America	Mar-11	Legacy fund investment targeting North American companies	3.6
N-Able (NYSE: NABL)	U.S.	Jul-21	IT management solutions	3.5
SolarWinds (NYSE: SWI)	U.S.	Feb-16	Provider of enterprise-class IT and infrastructure management software	3.5
Holley (NYSE: HLLY)	U.S.	Oct-18	Automotive performance company	3.4
Husky Injection Molding	U.S.	Sep-18	Designs and manufacturers injection moulding equipment	3.1
Brightview (NYSE: BV)	U.S.	Dec-13	Commercial landscape and turf maintenance	2.6
SICIT	Europe	Aug-21	Producer of high value-added products such as biostimulants for agriculture	2.6
Snagajob	U.S.	Jun-16	Job search and human capital management provider	2.5
Uber (NYSE: UBER)	Global	Jul-18	Provides mobility as a service through a technology platform	2.5
Hydro	Europe	Apr-20	Largest European manufacturer of hydraulic components	2.3
Boa Vista (BVMF: BOAS3)	South America	Nov-12	Second largest credit bureau in Brazil	2.2
Aster/DM Healthcare (NSEI: ASTERDM)	Middle East	Jun-14	Operator of hospitals, clinics and pharmacies	2.2
DBAG Expansion Capital Fund	Europe	Jan-12	Legacy fund investment targeting investments in Germany	2.1
Corona Industrials	South America	Jun-14	Building materials company	2.1
Syniverse Technologies	U.S.	Feb-11	Global telecommunications technology solutions	2.1
Undisclosed Financial Services Company*	North America	May-21	Undisclosed fintech company	1.9
Inetum	Europe	July-22	IT services and solutions provider headquartered in France	1.8
Innovacare	U.S.	Apr-20	Operates leading Medicare Advantage plan and Medicaid plan	1.4

Investments	Principal Geography	Investment Date	Description	Fair Value $ M
Kyobo Life Insurance Co.	S. Korea	Dec-07	Life insurance in Korea	1.4
Arbo	Europe	Jun-22	Italian distributor of heating, sanitary, plumbing, and air conditioning system spare parts	1.2
Into University Partnerships	UK	Apr-13	Collegiate recruitment, placement and education	1.2
Taylor Precision Products	U.S.	Jul-12	Consumer & food service measurement products	0.8
NG Capital Partners I, L.P.	Peru	May-11	Legacy fund investment targeting investments in Peru	0.5
CSC Service Works	U.S.	Mar-15	Provider of outsourced services to laundry & air vending markets	0.5
Bertram Growth Capital II	U.S.	Sep-10	Legacy fund investment targeting lower middle-market companies	0.4
Bertram Growth Capital I	U.S.	Sep-07	Legacy fund investment targeting lower middle-market companies	0.3
West Marine	U.S.	Sep-17	Specialty retailer of boating supplies	0.3
Progenity (NASDAQ: PROG)	U.S.	Jun-13	Genetic testing company	0.0
Other Direct Equity Investments				(9.5)
Other Debt Investments				–
Other Fund Investments				0.8
Total Portfolio				**1,401**

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 assess 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 Manager as the service provider and the continued affiliation with the Investment Manager 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 Manager. 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 Manager or are within the Manager'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 Manager undertakes no obligation to update or revise any forward-looking statements to reflect any change in the Manager'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 Manager 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.

One-year NAV Total Return Calculation	NAV per share (USD)	Dividend	Dividend Compounding Factor
NAV per Ordinary Share at year end as per Statement of Financial Position in December 2021 (A)	$31.65	–	
Semi-annual dividend per Ordinary Share declared in respect of year	$31.18	$0.47	1.0151
Semi-annual dividend per Ordinary Share declared in respect of year	$28.20	$0.47	1.0167
NAV per Ordinary Share at end of year as per Statement of Financial Position in December 2022 (B)	$28.38	–	
2022 NAV total return per Ordinary Share (B/A)*C – 1	**-7.5%**	**Product of dividend compounding (C)**	**1.0320**

Total Realisation Calculation	$ in millions
Proceeds from sale of private equity investments (A)	$64
Distributions from private equity investments (B)	$56
Interest and dividend income (C)	$1
2022 portfolio realisations (A+B+C)	**$120**

Multiple of Capital Calculation	
Exit proceeds from full exits over the last five years (A)	$466.9
Invested capital into full exits over the last five years (B)	$191.1
Multiple on invested capital (A/B)	**2.4x**

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 December 2019 (A)	$19.11	–	
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
NAV per Ordinary Share at end of year as per Statement of Financial Position in December 2022 (B)	$28.38	–	
NAV Total Return per Ordinary Share (B/A)*C – 1	**62.7%**	**Product of dividend compounding (C)**	**1.0953**

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 31 December 2019 (A)	£12.09		
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
Share price at year end as per the London Stock Exchange on 31 December 2022 (B)	£16.00		
Share price total return per Ordinary Share (B/A)*C – 1	**49.8%**	**Product of dividend compounding (C)**	**1.1323**

Realisation Uplift Calculation	
Percentage uplift relative to carrying value three quarters prior	1,524%
Total observations	41
Average uplift	**37.2%**

Adjusted Commitment Coverage	
Cash + undrawn committed credit facility (A)	$307
Adjusted unfunded private equity exposure (B)	$48
Adjusted* commitment coverage ratio (A/B) – 1	**645%**

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

Share Price Yield	
Annualised dividend based on 2022 dividends (GBP equivalent) (A)	£0.69
Share price on 31 December 2022 (B)	£16.00
Adjusted commitment coverage ratio (A/B) – 1	**4.3%**

One Year Shareholder Total Return Calculation	Share Price (GBP)	Dividend	Dividend Compounding Factor
Share price at year end as per the London Stock Exchange on 31 December 2021 (A)	£18.50	–	
Semi-annual dividend per Ordinary Share declared in respect of year	£17.75	£0.34	1.0194
Semi-annual dividend per Ordinary Share declared in respect of year	£15.75	£0.39	1.0246
Share price at year end as per the London Stock Exchange on 31 December 2022 (B)	£16.00	–	
2022 share price Total Return per Ordinary Share (B/A)*C – 1	**-9.7%**	**Product of dividend compounding (C)**	**1.0445**

Realisation Uplift	
Aggregate valuation at 31 December 2021	$131.1
Aggregate realisation value at sale/IPO	$139.6
Average uplift	**6.4%**

Multiple of Capital Calculation 2022 Realisations	
Total value from 2022 exits (A)	$177.9
Invested capital into 2022 exits (B)	$66.4
Multiple on invested capital (A/B)	**2.7x**

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.

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

Registered Office

NB Private Equity Partners Limited
P.O. Box 286 Floor 2
Trafalgar Court, Les Banques
St. Peter Port, Guernsey GY1 4LY
Channel Islands
Tel: +44-(0)1481-742-742
Fax: +44-(0)1481-728-452

Investment Manager

NB Alternatives Advisers LLC
325 North St. Paul Street, Suite 4900
Dallas, TX 75201
United States of America
Tel: +1-214-647-9593
Fax: +1-214-647-9501
Email: IR_NBPE@nb.com

Guernsey Administrator

Ocorian Administration (Guernsey) Limited
Trafalgar Court, Les Banques
St. Peter Port, Guernsey GY1 4LY
Channel Islands
Tel: +44-(0)1481-742-742
Fax: +44-(0)1481-728-452

Fund Service and Recordkeeping Agent

MUFG Capital Analytics LLC
325 North St. Paul Street, Suite 4700
Dallas, TX 75201
United States of America

Independent Auditors

KPMG Channel Islands Limited
Glategny Court
Glategny Esplanade
St. Peter Port, Guernsey GY1 1WR
Tel: +44 (0) 1481 721000
Fax: +44 (0) 1481 722373

Depositary Bank

The Bank of New York
101 Barclay Street, 22nd Floor
New York, NY 10286
United States of America
Tel: +1-212-815-2715
Fax: +1-212-571-3050

Paying Agent

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

Joint Corporate Brokers

Jefferies International Limited
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
15 June 2023 at 1.45pm

Capital Markets Day
5 October 2023 at 2.00pm

Investor update calls
Typically twice a year

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 110 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 share classes:

	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 2022, not all of which had closed. $120 million received during 2022, of which $17 million was received in 2022 from announced transactions during 2021.
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. Assume re-investment of dividends at NAV on the ex-dividend date.
6. Revenue & EBITDA Growth: Past performance is no guarantee of future results. Fair value as of 31 December 2022 and the data is subject to the following adjustments: 1) Excludes public companies. 2) Analysis based on 67 private companies. 3) The private companies included in the data represent approximately 81% of the total direct equity portfolio. 4) Six companies were excluded from the revenue and EBITDA growth metrics on the basis of the following: a) one company with a value of $24 million used an industry-specific metric as a measurement of cash flow b) one company experienced extraordinary positive growth rates c) two companies (less than 1% of direct equity fair value) had anomalous percentage changes which the manager believed to be outliers d) two investments held less than one year. If all exclusions had been included (except for investments held less than one year), LTM Revenue and LTM EBITDA growth would be higher. 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 31 March 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 31/12/22 and 30/9/22 and 31/12/21 and 30/9/21. LTM revenue and LTM EBITDA growth rates are weighted by fair value.
7. The MSCI World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,509 constituents as of 31 December 2022 (1,555 at 2021, 1,585 at 2020), the index covers approximately 85% (85% at 2021, 85% at 2020) of the free float-adjusted market capitalisation in each country (MSCI World Factsheet, 28 February 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.
8. Based on 2022 announced realisations. Represents uplift from valuation versus 31 December 2021. 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.
9. As at 19 April 2023.
10. 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 September 30, 2022, 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.
11. Approximately 97% of the direct investment portfolio (measured on 31 December 2022 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.
12. 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).
13. Analysis includes direct equity investment exits 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).
14. As of December 31, 2022. Represents aggregate committed capital since inception in 1987, including commitments in the process of documentation or finalisation.
15. As of December 31, 2022.
16. Includes Limited Partner Advisory Committee seats and observer seats for PIPCO and Secondaries since inception as of December 31, 2022.
17. Reflects Private Investment Portfolios and Co-investment ("PIPCO") Managing Directors only.
18. 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.
19. 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.

20 Valuation & Leverage: Past performance is no guarantee of future results. Fair value as of 31 December 2022 and subject to the following adjustments. 1) Excludes public companies. 2) Based on 55 private companies which are valued based on EV/EBITDA metrics. 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 and leverage statistics. 5) Leverage statistics exclude companies with net cash position and leverage data represents 71% 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 31 March 2023, based on reporting periods as of 31/12/22 and 30/9/22. EV and leverage data is weighted by fair value.

21 Information based on company earnings announcements and investor update presentations.

22 Source: Fortna announcement.

23 Cinven press release.

24 Source: Pitchbook as of 2022 Q4. Includes buyout, late stage VC, and growth equity. Includes completed deals only.

25 Unfunded commitments are adjusted for amounts the Manager believes are unlikely to be called. As of 31 December 2022, actual unfunded commitments are comprised of $56.8 million, $31.1, and $8.2 million to direct equity investments, income investments, and fund investments, respectively. Unfunded amounts are to funds only and exclude direct investments committed to but not yet closed.

26 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.

27 Amounts may not add up to 100% due to rounding. Based on direct investment portfolio fair value as of 31 December 2022; 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 2.5% of fair value. Adverse potential reflects investments made prior to NBPE adopting its Responsible & Sustainable Investment Policy in 2020.

28 Based on Neuberger Berman Private Equity Analysis.

29 Adverse potential reflects investments made prior to NBPE adopting its Responsible & Sustainable Investment Policy in 2020.

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

31 U.S. Department of Health and Human Services, Early Childhood Learning & Knowledge Center.

32 Source: download (unpri.org) as at 18 November 2022

33 iCI is a global, practitioner-led community of private markets firms and investors that seek to better understand and manage the risks associated with climate change. Its members share a commitment to reducing the carbon emissions of private markets-backed companies and secure sustainable investment performance by recognising and incorporating the materiality of climate risk.

The Net Zero Asset Managers initiative is an international group of 301 signatory asset managers with $59 trn in assets under management, who are committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner.

34 As at 6 March 2023.

NB | PRIVATE EQUITY PARTNERS

To learn more about NB Private Equity Partners Limited, visit our website, or contact your Neuberger Berman Representative.

ir_nbpe@nb.com
US: +1 214 647 9593
UK: +44 (0) 20 3214 9000

nbprivateequitypartners.com

Designed and produced by **Friend**
www.friendstudio.com