Investing in private companies
to generate long-term growth

NB | PRIVATE EQUITY PARTNERS

Annual Report 2021

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 equity 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 2021

Peter von Lehe, Head of Investment Solutions and Strategy, Managing Director Neuberger Berman

"2021 marks the strongest year for performance in NBPE's history, and our third consecutive year of double-digit growth."

45%[1]
NAV Total Return ($)

65%[1]
Total Shareholder Return (£)

$0.72
Dividends per share

$401m[2]
Announced realisations

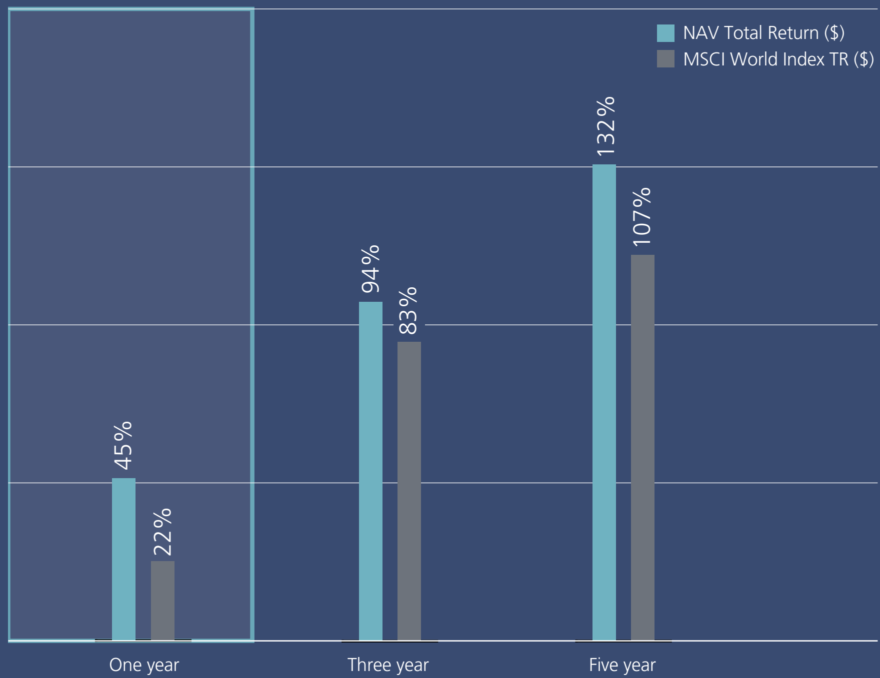
83%[3]
Realisation uplift

3.3x
Return on cost

Delivering strong NAV growth

Outperforming the MSCI World Index TR[4]

NAV Total Return[5]
Cumulative at 31 December 2021 (% total return)



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NB Private Equity Partners
Annual Report 2021

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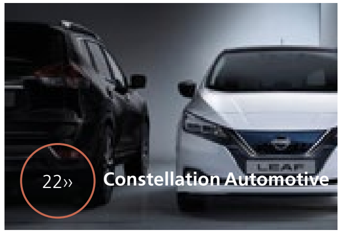
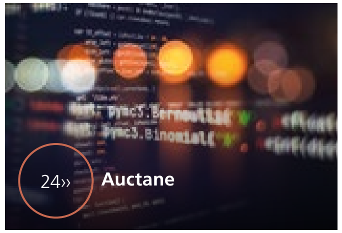
Portfolio company case studies





For more information on our Top 20 companies

27»

nbprivateequitypartners.com

- Latest Insights and case studies
- Portfolio information
- Responsible investing
- All investor materials

NEUBERGER BERMAN

Interview with the Manager, Neuberger Berman[25]

About NB Private Equity Partners[25]

Chairman's statement

William Maltby Chairman

"Our strong performance speaks to the quality and resilience of the portfolio, and the benefits of our focus on investing in two core themes; secular growth and companies with low cyclicality."

A record year

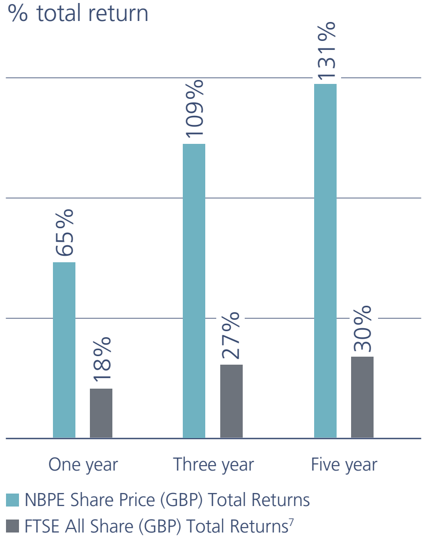
I am delighted to report on a year of excellent performance. We finished the year with net assets of $1.5bn, an increase of 45% on a total return basis, marking the third consecutive year of double digit NAV growth. Performance was driven by a record level of realisations at significant uplifts to 31 December 2020 values and cost, as well as strong operating performance in companies across the portfolio.

The groundwork for last year's performance began a number of years ago. Benefitting from Neuberger Berman's deep network of relationships within the private equity industry and its expertise in analysing investments, the portfolio is proactively positioned in line with two core themes: long-term secular growth and/or businesses with low cyclicality. This focus has meant that the portfolio has been and remains well positioned to weather an uncertain macro-economic environment, while benefitting from secular tailwinds such as tech-enabled services, automation and e-commerce.

High-quality companies continue delivering growth

Our strong performance speaks to the quality and resilience of the portfolio in a year dominated by the challenges presented by COVID-19, with portfolio companies successfully navigating the uncertain economic environment to deliver weighted average last 12-month (LTM) revenue and EBITDA growth of 27% and 28%[6] respectively. There were over $400 million of announced realisations, at average uplifts of 83% relative to 31 December 2020 values and a 3.3x multiple of cost on the 14 full or partial realisations during the year. NBPE's assets have been attractive to financial and strategic buyers, as well as to public markets. As investors increasingly seek assets that are resilient to macro-economic headwinds, and given the maturity of the portfolio, we are optimistic that realisations will continue in 2022.

Share price total return (GBP)
% total return



Cumulative return as at 31 December 2021 over time periods shown

65%

Total Shareholder Return[1]

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Selective investment in high-quality private companies

We made nine new investments during the year, investing $144 million into attractive, market-leading businesses in sectors backed by megatrends, high-growth or secular tailwinds, and in many cases, high barriers to entry or the delivery of mission-critical products or services. Key sectors included technology, industrials, consumer/e-commerce and business and financial services. We are excited by the potential of these new portfolio companies.

Strong balance sheet and significant liquidity

The record level of proceeds received in 2021 meant that we finished the year with $116 million of cash and an undrawn $300 million credit line. This puts the Company in a strong position to take advantage of new investment opportunities, as well as repay the 2022 ZDPs which mature in September.

NBPE's co-investment model enables the Company to be nimble and capital efficient. By investing on a deal-by-deal basis our Manager can adjust the investment pace as necessary. This allows us to position the portfolio for prevailing market conditions. It also means that we do not need to take off-balance sheet risk by over-committing to underlying funds in order to achieve a target investment level.

Over the year, our investment level moved from 110% to 106%, below our long-term target level of 110%-115%. This is in part a reflection of the high level of realisations, but also a deliberate decision to maximise the strength and flexibility of NBPE's balance sheet in uncertain times. Since we are fully invested, we are under no pressure to invest and are being highly selective.

Summary balance sheet

$m	31 Dec 2021 (Audited)	31 Dec 2020 (Audited)
Direct equity investments	$1,430.2	$1,091.6
Income investments	$125.1	$140.5
Total investments*	**$1,569.3**	**$1,254.6**
Investment level	106%	119%
Cash	$116.5	$3.0
Credit facility drawn	–	($35.0)
ZDPs	($162.0)	($157.0)
Other	($43.6)	($14.0)
Net Asset Value	**$1,480.2**	**$1,051.7**
NAV per share ($)	**$31.65**	**$22.49**
NAV per share (£)	**£23.37**	**£16.45**

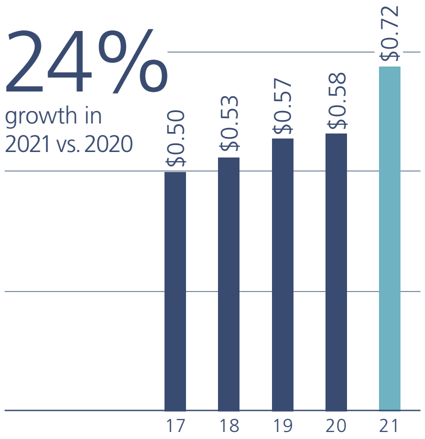
* Total investments include approximately $14.0 million of fund investments as of 31 December 2021 and $22.5 million as of 31 December 2020

Share price outpaces FTSE All-Share

The share price generated a total return of 65% during the year, outperforming the FTSE All-Share Total Return[7], which returned 18%. NBPE was highlighted by the Association of Investment Companies as a Top 10 performing investment trust in 2021, one of only two listed private equity investment trusts to be included. Volatility and sentiment towards risk assets in 2022 has meant that some of these gains have been given up in the first quarter. We have seen share prices across the listed private equity sector retreat and discounts widen again, as concerns around inflation, and more recently Russia's invasion of Ukraine, overshadow the outlook.

NBPE's portfolio has deliberately been positioned for a range of macro-economic conditions. With a focus on secular growth and/or low cyclicality we believe the portfolio will continue to generate value for shareholders. We do not believe the current share price reflects the value or prospects of these companies and remain very focused on narrowing the discount.

Dividend growth
US$ per share



As at 31 December 2021

A growing dividend

Our dividend allows shareholders to participate in NBPE's NAV growth directly and we have a policy to pay an annualised yield of 3.0% of NAV through semi-annual dividend payments to shareholders. Given the Company's significant growth in NAV, NBPE's dividends to shareholders in 2021 totalled $0.72 per share, versus $0.58 per share paid in 2020, an increase of 24%.

In January 2022, subsequent to this reporting period, the Company declared its first 2022 semi-annual dividend of $0.47 per share, a further increase of 15% from the Company's August 2021 dividend.

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A focus on ESG and responsible investment

The Board continues to increase its focus on ESG and Responsible Investing, benefitting from the expertise at Neuberger Berman, which is a leader in this field. For two consecutive years, Neuberger Berman has been awarded an A+ for ESG integration, the top score given by the UN-supported Principles for Responsible Investment (PRI), and in 2020 became part of the PRI Leaders' Group. The PRI Leaders' Group showcases signatories at the cutting edge of responsible investment and Neuberger Berman was one of only 20 investors to be named.

Both the Board and Neuberger Berman have a firmly held view that better outcomes, both financial and non-financial, can be achieved through incorporating ESG considerations into investment decisions. We are fortunate that ESG considerations have been a core part of the investment process over many years and 99% of NBPE's portfolio does not have significant adverse sustainability potential. More information on Neuberger Berman's approach to ESG can be found on pages 31 to 38.

A refreshed, independent board

We were delighted to welcome Louisa Symington-Mills to the Board in June 2021. Louisa brings significant buy and sell-side private equity and broader listed private equity experience, which we believe will complement the Board's expertise. We now have a Board of five independent Directors, with a broad cross section of business skills and experience.

Expanding our investor relations programme

We have continued to expand our investor relations programme and launched several new initiatives during the year, including a new website, factsheet and a greater focus on increasing the Company's profile among new and existing investors. In March 2022, NBPE was promoted to the FTSE 250 Index, an important milestone for the Company, and I would like to thank our shareholders for their continued support. We remain focused on expanding our shareholder base and raising the Company's profile among both retail and institutional investors.

Market environment

The last two years have been defined by the broader healthcare and economic impacts of COVID-19 and the world's adjustment to changes in work and lifestyle habits. As vaccines paved the way for an easing of restrictions and the reopening of economies, 2021 marked a turning point for many economies with a strong rebound in growth, albeit clouded by inflationary pressures, and the prospect of higher interest rates. Against this backdrop, the portfolio has continued to perform incredibly well.

Board evolution

Louisa Symington-Mills joined the Board in June 2021 and has significant experience in the listed private equity sector.

53» Board biographies

Louisa Symington-Mills
Independent Director

"NBPE has a strong track record and a unique co-investment model, and I am excited about working with the rest of the Board as NBPE seeks to engage with a wider range of investors."

Looking ahead

Volatility increased across markets at the start of 2022, with many indices declining significantly in the early months of the year. The terrible events in Ukraine have led to heightened volatility in markets as governments grapple with the potential longer-term impacts to economies and international relations, not to mention the devastating humanitarian crisis.

We believe the private equity model – control ownership of underlying companies – is a significant advantage in this uncertain environment. Private equity managers can be quick to react to change, and importantly take advantage of opportunities. For NBPE, our focus on secular growth and low cyclicality has resulted in a portfolio that should be relatively resilient to inflationary pressures. Energy is not a significant input cost across the portfolio and many of NBPE's portfolio companies provide critical solutions to their clients; we would therefore expect less pressure on margins. In addition, over 70% of NBPE's portfolio companies are headquartered in the US, and 25% in Western Europe; the portfolio has no direct investment exposure to Russia, Ukraine or Belarus.

Despite the obvious challenges that the current uncertain environment presents, we are optimistic about the future for the portfolio. We enter 2022 in a strong financial position and with a portfolio that is well positioned to generate significant value for shareholders.

William Maltby
Chairman
25 April 2022

An expanding investment universe

The private companies universe has continued to grow, with over 9,500[9] private equity-owned companies in the US alone. These companies represent all sizes and industries, offering the potential for returns that outperform the public markets.

$5.3trn

Private equity assets under management globally[24]

Access to a wide opportunity set

Investing in private equity offers exposure to a wide universe of companies.

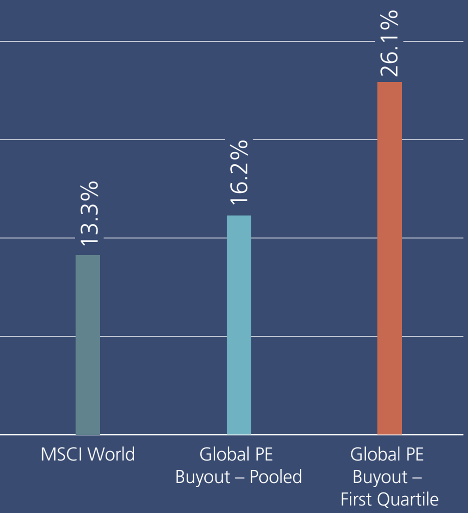
Chief among these are small to medium sized businesses, operating in sectors that are often harder to reach through public markets. These businesses are better suited to the private markets, where transformation can happen away from the glare of the public markets and its focus on shorter-term earnings.

In 2022 Investors that ignore private markets are missing out on access to a significant and growing investment universe, likely limiting both diversification and return potential.

Private equity is a long-term asset class driving returns in excess of public markets

10-year return
as at 30 September 2021

26.1%
for Global Buyout Index first quartile[8]



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The power of private equity

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

A hands-on investment model

A key driver of private equity's outperformance of public indices is its 'hands-on' investment model and a focus on generating growth through operational and strategic change. By working closely with companies to drive value through sustained earnings growth, private equity can generate returns that outperform wider equity markets.

Private equity managers, as control investors, are ideally placed to drive these changes and work closely with portfolio company management teams to meaningfully improve performance.

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

Access to private equity returns

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

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% of the direct investment portfolio incurs neither management nor performance fees to underlying third-party managers.

	Portfolio company diversification	Number of PE managers	Over commitment level	Fees
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	94 companies Top 10 concentration 34%	55	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

Access to high-quality private equity investments

Direct investments in highly attractive private companies

Investing globally, with a focus on the US, the largest private equity market

Investing alongside top-tier managers, in their core areas of expertise

Leveraging the strength of Neuberger Berman's platform, relationships, deal flow and expertise to access the most attractive investment opportunities

A highly selective and responsible investment approach

Focusing on sectors and companies that benefit from long-term structural growth trends, such as changing consumer patterns, demographic shifts or less cyclical industries

Underpinned by a strong focus on responsible investment, with ESG considerations fully integrated into the investment process

23%
Average gross IRR on direct equity investments (5 years)

2.9x[10]
Average multiple of cost on realisations (5 years)

44%[11]
Average uplift on IPOs/realisations (5 years)

Benefits of NBPE's co-investment model

Diversified across sectors, private equity managers and company size

Focus on the best opportunities – controlling the investment decision

Dynamic – able to respond to market conditions

ESG due diligence – both manager and company-level assessment

Fee efficiency – single layer of fees

P114 Notes to page 08

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

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

NBPE leverages the strength of the Neuberger Berman private equity platform to seek what we believe are the most attractive direct investment opportunities.

$86bn[12]
private equity commitments managed

590+[13]
fund commitments

240+[14]
limited partner Advisory Committee seats

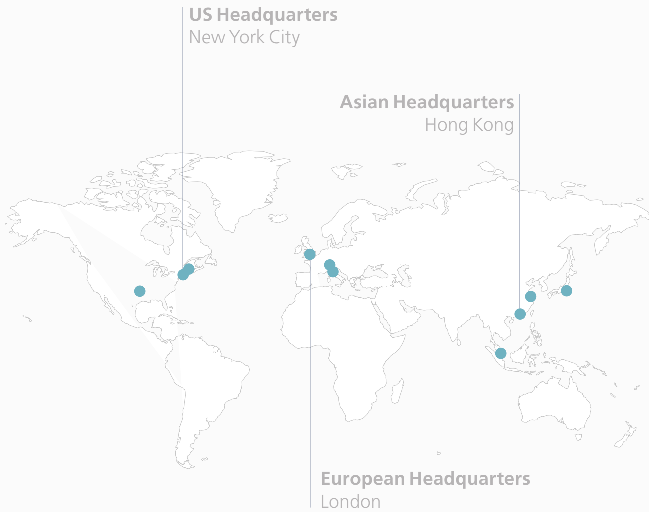
A+[15]
UN PRI score

p31 Environmental, Social and Governance

150+
team members

10
offices globally

25[16]
years average experience among Managing Directors



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An industry leader with an integrated platform and attractive market position

Over 30 years as a private market leader with a **unique position** in the private market ecosystem, and recognised within the industry.

David Stonberg, Managing Director, Global Co-Head of Private Equity Co-investments

With over 275 private equity manager relationships and $86 billion invested in the asset class, we believe we have a deep and wide lens on the private equity market."

The Asset Management AWARDS 2021 WINNER | The Asset Management AWARDS 2020 WINNER | privateequitywire European Awards Winner 2021 | European Pensions AWARDS 2020 WINNER

[18]

$22bn[17]
Co-investments

2021 co-investment deal flow

385 opportunities reviewed

208 unique managers ensured strong deal flow

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

$29bn[17]
Primaries

$14bn[17]
Secondaries

$12bn
Direct private credit

$9bn
Direct specialty strategies

P115 Notes to page 10

NBPE's approach to generating long-term growth

We invest in high-quality private companies...

Top 20 companies 27 »

Co-investing alongside high-quality private equity managers

Building a portfolio of direct investments, diversified by manager, strategy and sector.

How we invest p12

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.

Manager's review p18

Investing globally, with a focus on the US

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

Portfolio p16

in a disciplined way...

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 and our capital structure needs.

Prudently managed balance sheet

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

Chairman's statement p2

Effective risk management

Our comprehensive risk management framework supports long-term investment goals.

Risk management p46

benefitting from the strengths of Neuberger Berman...

Strength and depth of the team	p09 »
Expertise and strong track record	p09»
Extensive insight into the private equity marketplace	p10»
Highly selective investment approach	p12»
Strong ESG credentials	p31 »
Client-focused culture	p39 »
Integrated private equity investment platform	

A fully integrated private equity investment platform

With strong co-investment capabilities and expertise

Source

Active origination and investment approach, leveraging broad private equity relationships of the NB Private Markets' platform and network built over 20 years

Preliminary analysis

Highly selective with a focus on strategic proprietary transactions. 10-15% of opportunities typically taken to full due diligence stage

Deep due diligence

- Valuation and capital structure
- Business model characteristics
- Value creation plans
- Underlying growth drivers
- Manager's track record
- Portfolio company management team
- ESG opportunities and risks

Investment Committee

Formal presentation of the proposed investment to the Investment Committee for final investment decision. Members of the Investment Committee have an average of 30 years of professional experience

Monitor

The Neuberger Berman team works closely with private equity managers to understand performance drivers of the underlying companies. The team actively engages with underlying managers on portfolio monitoring on an ongoing basis

Realisation and reinvest

Proceeds from the sales of portfolio companies are reinvested in new investment opportunities

Neuberger Berman works alongside private equity managers throughout the due diligence process, and often engages very early in transactions. ESG factors are a standard part of the process, mitigating material risks and uncovering value-creation opportunities

A focus on resilience and 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

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 macro-economic headwinds
- Strong management teams with the resources and incentives to implement the changes necessary to create value

94
portfolio companies

Market trend

Competition for high-quality assets has led to an elevated valuation environment, aided by a strong fundraising market.

Response

A highly selective investment approach and a focus on sectors and businesses with expected faster earnings growth and companies with protected business models. Businesses that have multiple levers for growth, which we believe will generate strong risk adjusted returns. We focus on companies which will create value over the lifecycle of the investment, even if there is a possible compression in multiples on exit.

2 **Investing** alongside premier private equity managers

Neuberger Berman has a deep understanding of private markets.

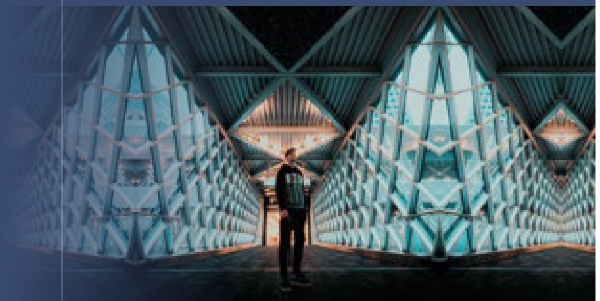
Its strong relationships give access to investment opportunities as well as the ability to choose some of the best managers to work alongside.

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

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

55

underlying managers in NBPE's portfolio



Market trend

Top performing managers are becoming increasingly over- subscribed and their funds are harder to access.

Response

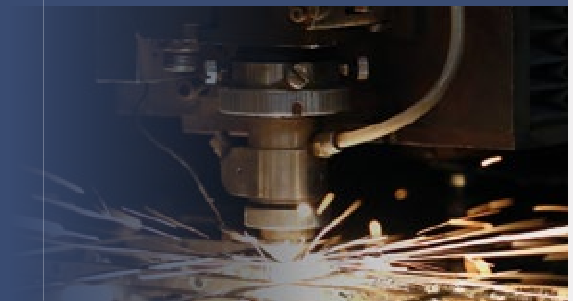
Neuberger Berman's strong relationships, significant commitments and in many cases years of working in partnership with many of the world's leading managers help ensure continued access.

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



Market trend

Demand from investors for high-quality co-investment opportunities has become increasingly competitive.

Response

Neuberger Berman has a large team focused on co-investments and is often brought in early to a transaction. It is considered a strategic partner as well as a supportive provider of capital by many of its private equity managers and is able to commit significant sums of capital from across its platform to a single transaction.

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

27%

LTM revenue growth (at December 2021)

28%[6]

LTM EBITDA growth (at December 2021)

Market trend

Investor concern about how higher inflation and a more uncertain macro-economic and geopolitical outlook will impact earnings growth and margins of underlying investments.

Response

We believe NBPE's portfolio has been built to be able to outperform on a relative basis through an economic contraction. We believe many of NBPE's companies are 'essential services' for other businesses, which we think provides some level of inflation protection.

5 ...with prudent capital structures

Investing in companies with prudent capital structures is paramount.

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

Neuberger Berman looks for companies that have:

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

5.2x[21]

net debt to EBITDA ratio (at December 2021)

Market trend

In 2021, the average net debt/EBITDA ratio for new private equity deals in the US was 5.8x and Europe was 6.8x. While below 2008 highs, average debt ratios have steadily been increasing over the last decade.

Response

Neuberger Berman focuses on companies with strong cash flow characteristics and interest coverage. NBPE's portfolio is reasonably leveraged and with an average age of private companies of 3.4 years many companies have reduced their level of leverage since acquisition, when leverage is usually the highest.

P114-115 Notes to page 15

A well-diversified portfolio

Our direct private equity portfolio

$1.4bn
value of direct equity investments

91%
of fair value invested in direct equity

94
portfolio companies

55
private equity managers co-invested alongside

53%
fair value of top 20 companies

3.4
years private company average age

Total portfolio composition

- **91%** Direct equity
- **8%** Income investments
- **1%** Legacy Fund investments

- **72%** North America
- **24%** Europe
- **4%** Asia and rest of the world

- **5%** 2014 & earlier
- **4%** 2015
- **8%** 2016
- **23%** 2017
- **21%** 2018
- **20%** 2019
- **9%** 2020
- **10%** 2021

- **21%** Tech, media & telecom
- **19%** Consumer/e-commerce
- **18%** Industrials/industrial tech
- **10%** Healthcare
- **10%** Financial services
- **14%** Business services
- **1%** Energy
- **7%** Other

We invest in companies that are expected to benefit from two core themes, positioning the portfolio for a range of macro-economic conditions

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

Key sectors

Technology

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

Consumer/E-commerce

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

Industrial technology

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

Healthcare-related

- Long-term demographic trends providing industry tailwinds
- Companies which focus on healthcare delivery, efficiency and cost improvements

+ other business that exhibit our key themes

Paul Daggett Managing Director, Neuberger Berman

Peter von Lehe Managing Director, Head of Investment Solutions and Strategy, Neuberger Berman

A record year of performance, with the portfolio generating an IRR of 46%."

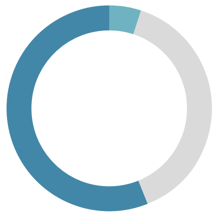
Can you tell us what the key drivers of value were in 2021?

PvL 2021 marks the strongest year for performance in NBPE's history, and our third consecutive year of double-digit growth. The portfolio grew by over $300 million during 2021, and generated an IRR of 46% and was valued at $1.6 billion at year end.

In broad terms, the portfolio's growth was not isolated to one sector, vintage or geography. Industrial technology, business services, consumer and technology all drove significant value in 2021. 2019 and 2018 vintage years performed strongly, driven by investments in AutoStore, Constellation and Renaissance Learning. While 72% of the portfolio is invested in the US, of the 10 largest value drivers during 2021, four companies were headquartered in Europe, which highlights the strength of the portfolio's investments outside of the US and benefits of the portfolio's geographic diversification.

There were three drivers behind the portfolio's performance: realisations, third-party pricings and private valuation adjustments. Of the total value appreciation of $536 million during 2021, 39% was attributable to realisations, both full and partial sales of companies or assets. A further 5% of growth was driven by portfolio company financing rounds, which provided additional capital from new investors, to support growth.

Drivers of portfolio valuation changes
%



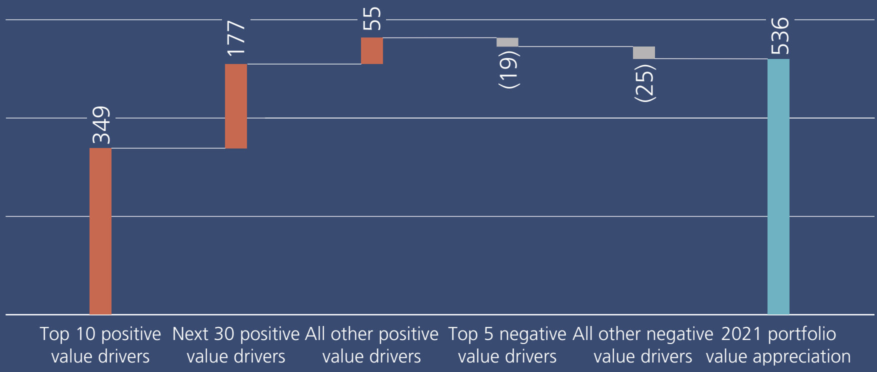
5% Transaction pricings
39% Realisations
56% Net valuation adjustments

Private company valuation adjustments were generally driven by improved company operating performance and the weighted average multiple across the portfolio was 17.4x. This multiple is based on data of 54 underlying portfolio companies, rather than those which are included in note 3 on page 90.

PD One of the advantages of NBPE's strategy is that investors can see the underlying performance drivers, while still benefitting from a diversified portfolio. From a bottom up, company specific basis, the 10 investments with the biggest increases in value, grew by $349 million, with the two largest increases in valuation, AutoStore and Constellation Automotive, generating $219 million of value, moving from NBPE's seventh and sixteenth largest companies to first and second largest portfolio companies, respectively (see case studies on pages 21 and 22).

The **top 10 value drivers** collectively generated **$349 million** of value appreciation in 2021

Key performance drivers in 2021
$m



AutoStore		Constellation	
Kroll	West Marine	StubHub	Renaissance
Action	Telxius	Branded Toy Company (Undisclosed)	NB Credit Opportunities Program

While these 10 investments generated $349 million of total valuation increases during the year, the next 30 investments generated $177 million in aggregate, and no company in the top 40 generated less than $2 million of uplift. Furthermore, the next 31 positive value drivers generated $58 million in aggregate of value appreciation. We believe this speaks to the broad-based performance that the portfolio experienced during the year, with strong growth from a number of investments.

2021 was a record year for realisations, how much of NAV growth did this drive?

PD The portfolio benefitted from significant liquidity in 2021, with 31% of the opening portfolio realised during the year and $401 million of proceeds announced in the year.

14 companies announced full or partial realisations during the year, at an 83% uplift to prior year values and 3.3x multiple of cost. Broadly speaking, these realisations were diversified by sector, exit type, underlying manager and date of first investment; however, we believe a common element among these assets were the high-quality of the companies, and their attractive operating performance.

83%
uplift to 31 December 2020 value

3.3x
cost

As shown in the graph overleaf, of the 14 realisations, six were full exits, which generated a 2.7x multiple of cost and 42% uplift to 31 December 2020. Exits were varied – two companies were sold to strategic buyers (Aldevron and CSS), one company (Hivory) sold its portfolio of infrastructure assets to a larger strategic buyer, and the remaining sales were to financial buyers. There were also six partial sales or partial asset sales during the year, which generated $56 million of realisation proceeds for NBPE at a 2.6x multiple of cost (including unrealised value) and an uplift of 54% to their 31 December 2020 values. In these cases, underlying managers sought liquidity events for these assets, but retained meaningful ownership positions as conviction of the future prospects remained high. As a result, in these instances, NBPE remains a holder of these businesses.

Realisations and IPOs

$127m
total value of full or final exits in 2021

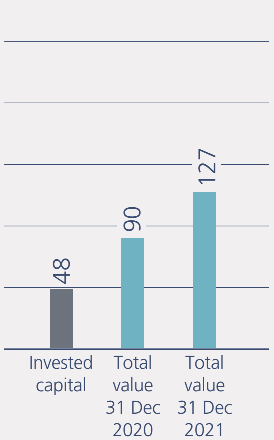
$159m
total value of partial sales, re-capitalisations and dividends

$242m
total value of IPO/merger with SPAC

Undisclosed Consumer Company

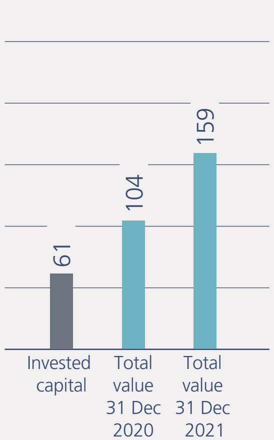
Full sales
$m

2.7x multiple/42% uplift



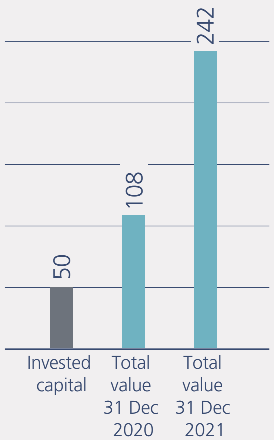
Partial sales/Asset sales
$m

2.6x multiple/54% uplift



IPO/Merger with SPAC[2]
$m

4.9x multiple/125% uplift[2]



Public exits were the final type of liquidity events in the portfolio during 2021. There were two public listings and one merger with a special purpose acquisition company, or SPAC. NBPE received $39 million of proceeds from AutoStore in connection with its IPO in October on the Norwegian exchange. Holley Performance Products merged with a Special Purpose Acquisition Company (SPAC), resulting in $8 million of proceeds for NBPE. Finally, Agiliti completed an IPO in April 2021, however, no shares were sold as part of the IPO.

Have you continued to see strong operating performance across your portfolio? Were any sectors particularly strong in 2021?

PvL Despite the challenging backdrop with the ongoing restrictions due to the pandemic during 2021, we saw continued strong operating performance across the portfolio. The portfolio companies generated weighted average LTM revenue and EBITDA growth of 27% and 28%, respectively. In particular, we saw strong performance within the business services, industrials and consumer sectors. Many companies within the business services and industrials sectors are essential to their customers' operations, which should provide some stability to their financials. Consumer performance was driven by the continued strong performance at one retail company, and a number of other small investments which showed favourable growth following some level of COVID impact during 2020.

27%
LTM Revenue Growth[6]

28%
LTM EBITDA Growth[6]

17.4x
Average valuation multiple

In terms of the operating environment, the weighted average compression in gross margin was only 0.1% year over year across NBPE's portfolio. In general, companies in the industrials and consumer sectors did see some impact to margins where there was more sensitivity to shipping or raw material costs. In certain businesses where labour costs are a greater cost input, there was some evidence of inflationary pressure due to higher wage costs. However, we believe the overall muted impact across the portfolio is the result of two factors: first, the portfolio's positioning to businesses and sectors which do not have heavy energy or other raw material input costs; second, many of these businesses have reasonable pricing power and can ultimately pass on rising costs.

P114 Notes to page 20

In addition, M&A activity was able to drive inorganic growth at a number of portfolio companies as private equity managers saw growth opportunities through bolt-on acquisitions. One of private equity's strengths is the ability of underlying private equity managers to drive value through operational improvements and M&A activity – finding attractive consolidation opportunities in fragmented markets to pursue 'bolt-on' acquisitions and integration to expand a company's size and leverages economies of scale.

We think this performance speaks to the quality of the companies in the portfolio and the benefits of its positioning around two core themes, long-term secular growth and/or businesses which are less exposed to the ups and downs of economic cycles. This has meant that the portfolio has been, and we believe will remain well positioned to weather an uncertain macro-economic environment.

You invest in companies that can benefit from secular growth trends or have non-cyclical growth drivers – what does this mean in practice?

PvL Companies that benefit from fundamental, or secular, growth trends are typically able to generate growth based on a long-term structural trends that are not normally impacted by market and economic cycles, making them more resilient to macro-economic headwinds. Secular growth trends can take many forms and are not necessarily isolated to a particular type of company or industry.

For example, one secular growth trend is the ongoing shift in purchasing behaviour from bricks-and-mortar retail to online, a trend that was accelerated by the pandemic. This trend is further supported by a growing demand for automation and supply chain efficiency. Both of these secular growth trends feature in NBPE's portfolio, via investments in consumer/e-commerce and industrial technology companies, such as Material Handling Systems, or MHS, which NBPE invested in alongside THL Partners in 2017. MHS provides systems and solutions utilised in distribution centres to support a variety of material handling processes including conveying, sortation and scanning. The growing need for automated parcel sortation systems was a substantial future growth prospect for the company and THL Partners brought extensive expertise, financial and operational resources to accelerate the company's growth strategy, both in terms of new products and geographies. Today, MHS' global installed base is over $6.5 billion for small to large distribution and fulfilment projects in a variety of industries including e-commerce, parcel delivery, third-party logistics and outside integrators.

Renaissance Learning, NBPE's sixth largest company, is another example of a company benefitting from long-term secular growth trends, in this case in education technology. Renaissance Learning provides solutions for teachers and administrators to plan, teach and help motivate students to learn. The company is one of the most trusted and recognised brands in the K-12 (primary and senior) education space serving more than 40%

AutoStore

Fair value

$97.4m

Theme/sector

INDUSTRIAL TECH

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

NBPE invested $22 million in AutoStore alongside THL in 2019.[22]

Investment thesis

- Secular industry growth driven by megatrends – Robotics/Automation/E-commerce/Urbanization
- Winning customer value proposition with attractive financial characteristics
- Embedded growth options through new system launches and after market services

AutoStore develops proprietary software and robotics technology for collection of warehouse-stored goods, providing significant improvements in warehouse capacity and packing/picking performance.

AutoStore has a strong competitive position in the warehouse automation market. AutoStore's technology (cubic) is relatively new versus other types (shuttle/mini-load) and there is less knowledge accumulated in the market – as one of the leaders in the space, it has an advantage through its patents and developed know-how.

In March 2021, Softbank acquired 40% of AutoStore at a valuation of $7.7bn, describing the asset as a 'foundational technology that enables rapid and cost-effective logistics for companies across the globe'. AutoStore subsequently completed its IPO in October 2021 and is listed on the OSLO Bors under the ticker AUTO.

NBPE received a total of $91 million during 2021, including $39 million from the sale of a percentage of its holding at the IPO, with the remaining holding valued at $97 million at the year end.

P115 Notes to page 21

of US schools and more than 16 million students worldwide. NBPE originally invested in Renaissance Learning in 2018, alongside Francisco Partners, a leading private equity manager focused on technology and tech-enabled businesses. Since 2018, the company has scaled its platform and product suite, organically and through acquisitions, and in November 2021, Blackstone announced a significant equity investment to further accelerate growth initiatives. In early 2022, NBPE received proceeds from this partial sale which returned more than its original cost; however, NBPE still retains meaningful ownership in the company to participate in its future growth.

NBPE also targets investments in sectors or sub-sectors with low expected cyclicality. These type of investments vary by sector but are generally characterised by businesses in more defensive sectors or end markets. Broadly, we look for companies that provide essential products or services, or have high-switching costs resulting in a sticky customer base. These types of businesses can be found in a variety of sectors including healthcare, business services, communications and certain sectors of consumer and financial services. For example, in NBPE's portfolio this includes businesses in insurance, communications, and waste management – which we believe demonstrate a healthy level of resilience based on the services they offer, providing some level of downside protection. As a result, we believe many of these businesses have the ability to perform well across diverse economic environments as these investments should generally be less impacted by economic cycles.

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Enabling digital transformation

Fair value

$87.3m

Theme/sector

BUSINESS SERVICES

Constellation Automotive (formerly BCA), is a provider of vehicle remarketing services. NBPE co-invested $17 million in BCA Marketplace alongside TDR Capital in 2019.[22]

Investment thesis

- Market leader
- Defensive business model with B2C sales opportunity
- Strong cash flow generation

TDR Capital, a leading European private equity manager, acquired BCA Marketplace in a public to private transaction in 2019. At the time of the investment, BCA Marketplace was the largest B2B provider of vehicle remarketing through physical auctions. Constellation Automotive had significant scale, data and technological know-how to source and provide the physical logistics for car auctions, serving as a strong core business platform for TDR's acquisition. WeBuyAnyCar, the UK's leading C2B online buying car platform owned by BCA Marketplace, was also acquired in the take private transaction which further diversified sourcing channels.

Under TDR's ownership, the company has focused on digitisation and technological transformation, moving from a physical auction marketplace to 100% digital auctions while also driving growth. Today, the company's technological transformation has enabled it to become a comprehensive digital auction platform that allows large vendors including dealers, fleet managers and car rental companies to sell their stocks of used cars quickly and easily. Constellation Automotive then sells this stock of used cars directly to dealers through its BCA division and to consumers through Cinch, the B2C online used car marketplace, which raised over £1bn in May 2021 from new and third-party investors. Today, Cinch is a UK household name. Finally, in October 2021, Constellation Automotive acquired CarNext, a leading B2B and B2C digital used car sales marketplace present across 22 European countries. This acquisition created Europe's largest digital used car marketplace, selling more than 2.5 million cars annually for a gross merchandise value of €21 billion.

TDR's acquisition and value creation strategies have completely repositioned the business and enabled the digital transformation of the company into a high-growth platform with a fully integrated C2B/B2B/B2C marketplace. This transformation would have been difficult in the public markets outside the control of a private equity investor with the skills and expertise and long-term focus to drive such a change.

Can you talk us through some of the new investments you made in 2021 and what investment themes you looked for?

PD During 2021, NBPE invested $144m into nine new direct equity investments. Five of these investments were in the technology sector, including software, government IT services and fintech. These investments were made in sub-sectors that we believe are highly attractive, where companies can benefit from strong secular growth trends and have multiple avenues for growth. Several investments were made into companies which can serve as a platform for future M&A opportunities. Eight companies are headquartered in the US and one is headquartered in Israel.

These investments were in market-leading platforms, with mission-critical software and services, backed by strong growth opportunities. For example, NBPE invested $30 million in Auctane (formerly Stamps.com), a software provider for e-commerce shipping, which is another investment which should benefit from the e-commerce megatrend (see case study on page 24). NBPE also invested $12 million in RealPage, the leading payment and software solutions for the real estate rental housing industry in the US. The company has built a market-leading franchise, with growth both organically and through M&A over time, and the Manager believes there are multiple levers for future value creation.

In addition, NBPE invested in two industrials companies, with $19 million in Solenis, a specialty chemicals and services provider, and $15 million in Monroe Engineering, an industrial products distributor. Solenis is a global leader in supplying innovative specialty chemicals and services for process, functional, and water treatment applications to consumer and industrial markets. Solenis was a mid-life investment in a Platinum Equity portfolio company, meaning NBPE invested new equity into an existing portfolio company, rather than a new buyout, alongside Platinum Equity. Mid-life investment opportunities can occur for a number of reasons, but in this case, the investment enabled Solenis to complete a transformative business acquisition and combination and we believe the combined company will benefit from additional scale and diversified end markets. Following the combination Solenis is expected to generate approximately $3.5 billion of revenue and serve a diverse range of customers around the world in industrials and pool water treatment markets.

$144 million invested in nine new companies, including:

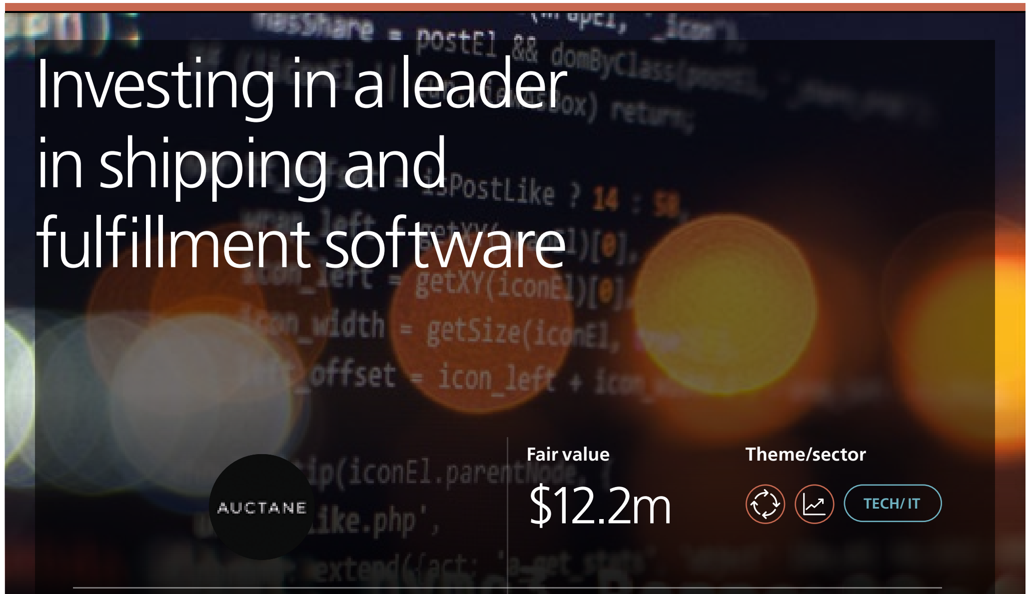
Investment	Theme/Sector	PE manager	Description	Investment thesis
RealPage	TECH, MEDIA & TELECOM	Thoma Bravo	Software solutions for the rental housing industry	– Market-leading franchise – Build on M&A track record – Multiple levers for value creation
Peraton	TECH, MEDIA & TELECOM	Veritas Capital	Enterprise IT services serving the US government	– Scaled franchise player in government IT/mission-critical services market – Differentiated IP portfolio
Monroe	INDUSTRIALS INDUSTRIAL TECHNOLOGY	AEA Investors	Industrial products distributor	– Leading market opportunity with diverse end markets – Significant growth opportunities – Proven acquisition platform
Addison Group	BUSINESS SERVICES	Trilantic Capital	Professional services provider	– Scaled business with diversified end markets – Attractive financial profile – Large and growing market with industry and talent tailwinds – Proven M&A platform
AUCTANE	SOFTWARE	Thoma Bravo	Software provider for e-commerce shipping	– Market leader with significant scale – Growing e-commerce megatrend – Attractive financial profile
ironSource	TECH, MEDIA & TELECOM	Thoma Bravo	Business platform for app developers	– Market-leading platform – Strong secular tailwinds through mobile device growth
Solenis	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
Chemical Guys	CONSUMER	AEA Investors	Provider of premium branded automotive care products	– Leading enthusiast brand – Strong historical performance and multiple growth avenues – Attractive financial profile

NBPE also invested $2m into one undisclosed fintech company.

Monroe Engineering was an investment alongside AEA Investors, a leading US mid-market buyout fund. Monroe is a provider of mission-critical hardware components to a diverse set of original equipment manufacturers. The company supplies a broad suite of engineered products, including fasteners, casters, hinges and wire/cable assemblies that are mission-critical to customers' final product performance and require technical consultation. The company is a leading business with a one-stop shop offering, providing simplification to component design and procurement, to diverse end markets. We believe this investment provided an opportunity to invest in platform growth, alongside AEA Investors, a leading private equity manager with a core focus on this segment.

In the consumer sector, NBPE invested $21 million in Chemical Guys, a leading enthusiast brand of premium automotive care products, also alongside AEA Investors. The company's products are positioned for the premium segment of the do-it-yourself automotive detailing market and span nearly all detailing needs across exterior and interior vehicle care. Market dynamics are compelling with accelerating growth through e-commerce, a characteristic well-aligned with our core investment themes. We believe the company has a differentiated brand with a unique model of customer interaction; the company has a strong social media presence, and strong channel capabilities to attract, upgrade and retain customers. With a market-leading position, we believe the company has the opportunity to continue to grow its addressable market by attracting new customers and cross-selling to existing customers. Expansion of products and services and entering new markets provides additional growth opportunities.

NBPE also invested $18 million in Addison Group, a provider of professional services, alongside Trilantic Capital. Addison Group specialises in talent solutions and consulting services, offering a full suite of capabilities across multiple sectors including information technology, finance and accounting, healthcare, human resources, administrative and digital marketing. Since 2016, Addison Group has grown through national expansion, investment in project consulting services, and has completed five strategic acquisitions of high-growth consulting services and talent solutions firms. Over the last several years, the company has consistently grown, even during the pandemic, and new opportunities are increasing in areas such as fintech and automation, cyber security, compliance, digital transformation and others which we believe offer highly attractive growth opportunities and end market diversification. Finally, with Addison Group's expansion into consulting services, the company has expanded its addressable market into staffing segments which have high growth and accelerating shortages in talent for highly-skilled positions.



Investing in a leader in shipping and fulfillment software

Fair value

$12.2m

Theme/sector

TECH/ IT

E-commerce shipping software provider to customers including consumers, small businesses, e-commerce shippers, enterprises and high-volume shippers.[22]

Investment thesis

- Leading market position in US e-commerce shipping software
- Large addressable market
- Significant free cash flow

In October 2021, NBPE invested alongside Thoma Bravo, a leading software private equity manager, in the take-private transaction of Stamps.com (now Auctane), a leading provider of e-commerce shipping software solutions.

The company's multi-carrier solutions enable customers to print approved shipping labels for more than 350 carriers and integrate with more than 300 partners including shopping carts, marketplaces, e-commerce tools and various other software products. Auctane solutions also provide customers with access to discounted carrier rates including the US Postal Service and UPS. In 2020, its software products enabled ~3.5 billion of shipped packages representing ~5% of worldwide e-commerce, and over 15% of US e-commerce GMV.

Neuberger Berman believe this was an attractive opportunity to invest in the theme of a large and growing e-commerce market. Importantly, this was also an opportunity to partner with Thoma Bravo, which brings extensive software and operational expertise, to support the company's next phase of growth.

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The final three investments were $10 million in Peraton, an Enterprise IT services company, $15 million in IronSource, a business platform for app developers, and $2 million into an undisclosed fintech company. We believe all of these new investments were compelling new opportunities with multiple growth avenues and attractive financial profiles, backed by leading private equity sponsors.

How important is ESG and sustainability in your investment decision making?

PvL ESG is integrated into our investment due diligence. We consider material ESG factors prior to making any new investment. We have a dedicated team of ESG professionals led by Jennifer Signori who oversee environmental, social and governance integration in private markets. Broadly speaking, each member of our investment team is responsible for conducting analysis on material ESG factors of the underlying investments as part of their due diligence. We seek to identify ESG factors as part of, not outside, financial performance, as we believe ESG characteristics can be an important driver of long-term returns from both an opportunity and risk-mitigation perspective.

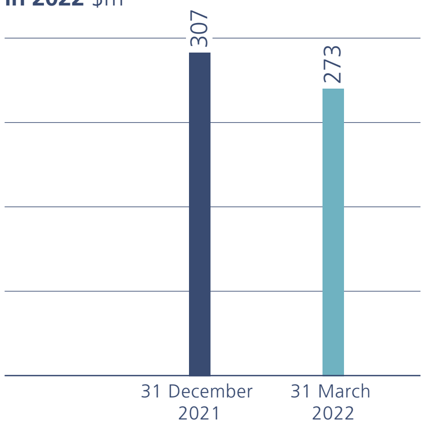
Because NBPE invests on a deal-by-deal basis, we can analyse ESG at the company level, prior to making an investment. We also analyse the ESG credentials of the lead private equity managers. However, as a result of analysing ESG on a deal-by-deal basis, our team actively reviews ESG factors for each investment, rather than effectively outsourcing this to the underlying manager as in the fund of funds approach.

Once the company level analysis is done, ESG factors influence our investment decisions and material unmitigated risks constitute a 'no-go' for an investment. For example, we would decline to invest in a company that, based on our due diligence findings, operates without sufficient regard to pollution, environmental laws and best practices. In addition, this company specific analysis helps us to identify and invest in companies that are deemed to have neutral or positive sustainability potential while avoiding exposure to companies that have known ESG-related controversies or business models deemed to have adverse sustainability potential. (See further information on ESG beginning on page 31).

The world and markets have changed significantly in 2022, how has this impacted the portfolio and the new investment pipeline?

PD Global events during 2022 have certainly increased risk and volatility in markets, while creating new uncertainties for investors in all asset classes. Broadly speaking there has been recognition of inflationary pressures for some time now but in the first quarter of 2022, risks around inflation heightened, exacerbated by higher commodity costs, and other pressures caused by the war in Ukraine. The rise in interest rates around the world have triggered declines in equity markets broadly and this had some level of impact on NBPE's quoted portfolio companies. For the private companies, we think our long-term focus on secular growth and low cyclicality has positioned NBPE well for an inflationary environment, due to the ability of many companies to pass on higher input costs. Energy is not a significant input cost across the portfolio and many of NBPE's portfolio companies provide critical solutions to their clients.

Changes in value of public stocks in 2022 $m



For new investments, we focus on investing alongside private equity managers with long track records, who have a demonstrated ability to invest across economic conditions and cycles. While we invest across sectors and industries, certain sectors are naturally better positioned to withstand a variety of economic conditions while also being well positioned for growth, such as technology (especially software), and certain areas of healthcare.

We look for opportunities where value creation can occur over a three to five-year period, across market cycles or environments. We continue to actively review opportunities, and remain focused on our core investment themes. NBPE is in a strong position to make new investments but is under no pressure to deploy capital which makes it well positioned to respond to market opportunities.

What is your outlook for private equity in the current market environment?

PvL We are optimistic that the buyout market will continue to offer attractive investment opportunities even in the current macro-economic environment and during these times of market uncertainty. Heightened risk levels and volatility in markets in response to recent global events, as well as inflationary pressure and risks associated with rising interest rates, are all significant concerns for investors. However, we believe the private equity model is at an advantage in the current environment with the ability to drive value creation and manage through a difficult environment because of the proactive ownership model.

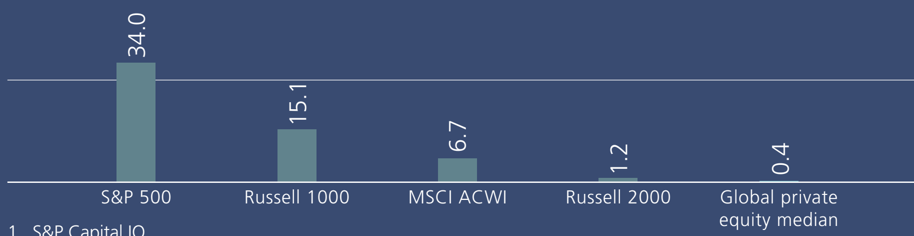
Figure 1 shows the relative market capitalisation of private equity versus public indices. As an asset class, private equity provides exposure to a highly differentiated investment universe, which is difficult to access through public markets. Many of these companies are small to medium size businesses relative to the size of many of the large-cap companies within public markets. Combined with the strong historical returns of the asset class relative to public markets, we believe investor appetite will continue for higher returning assets and that investors will seek to maintain private equity exposure.

As shown in Figure 2, global private equity capital and deal count increased meaningfully versus the prior year. With continued private equity activity, we would expect competition and pricing for high-quality assets to remain strong. Because of this, we believe investment selection will be critical going forward.

In terms of valuations, Figure 3 shows the EV/EBITDA multiple of private companies in both the US and Europe. Private equity valuations have steadily increased since the global financial crisis. In a highly competitive market, private equity managers have generally focused on deploying capital in high-quality companies with predictable revenues, strong cash flows and multiple levers for growth. These types of assets attract higher multiples, which contributed to the increase in market valuations overall. Debt continues to be available with borrower-friendly terms despite rising interest rates. Because of this, we focus on investing alongside private equity managers that can fundamentally drive value creation at portfolio companies by improving operations meaningfully and adding long-term value, rather than relying simply on financial engineering.

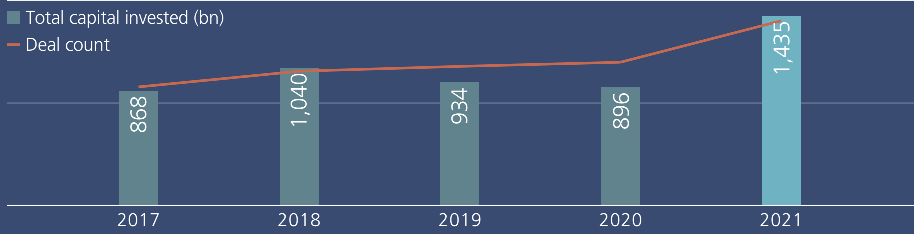
Key private market stats

Figure 1: Relative market capitalisation of public indices vs. private equity[1]
Median company market capitalisations ($bn)



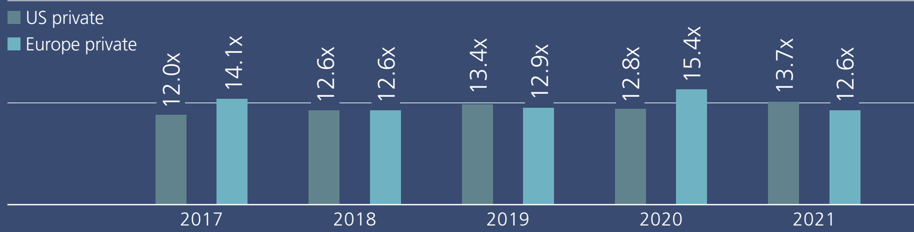
1. S&P Capital IQ.

Figure 2: Market environment
Global private equity capital invested and deal count[2]



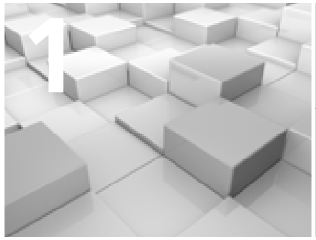
2. Source: Pitchbook as of 2021 Q4. Includes buyout, late stage VC, and growth equity.

Figure 3: US and European buyout valuations[3]
US and Europe private – EV/EBITDA multiple



3. FTSE, MSCI, S&P and Pitchbook.

Top 20 companies

	Company	Investment % of FV/$m	Theme/Sector	PE manager	Description	Investment thesis
 1	AutoStore	6% $98m	INDUSTRIALS, INDUSTRIAL TECHNOLOGY	THL	**Leading provider of automation technology**	– Growth driven by megatrends – Strong value proposition with attractive financial characteristics – Embedded growth options
 2	Constellation	6% $87m	BUSINESS SERVICES	TDR Capital	**Leading provider of vehicle remarketing services**	– Market leader – Defensive business model – B2C sales opportunity – Strong cash flow generation
 3	agiliti	4% $58m	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
 4	Action	3% $52m	CONSUMER, E-COMMERCE	3i	**European discount retailer**	– Grow store network and expand to other European countries – Strengthen supply chain – Operational enhancements
 5	MHS	3% $45m	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
 6	GFL	3% $44m	BUSINESS SERVICES	BC Partners	**Waste management services**	– Favourable environmental services industry dynamics – Sticky and diverse customer base – Fragmented industry provides opportunities for M&A
 7	USI	3% $42m	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
 8	Kroll	3% $41m	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
 9	PetSmart chewy	2% $37m	CONSUMER, E-COMMERCE	BC Partners	**Online and offline pet supplies retailer**	– Attractive pet market tailwinds – Full range of services offered – Strong financial performance and cash flow generation profile
 10	Renaissance	2% $34m	EDUCATION TECHNOLOGY	Francisco Partners	**K-12 (primary and secondary school) education technology**	– Well-known brand – Loyal customer base – Highly fragmented industry – Broad product suite – Opportunity for M&A

Top 20 companies continued

11

Investment % of FV/$m	Theme/Sector PE manager	Description Investment thesis
2% $33m	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

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Investment % of FV/$m	Theme/Sector PE manager	Description Investment thesis
2% $33m	TECHNOLOGY/IT AEA Investors	**Sensing, optical and illumination technology** – Market leader with a large and diverse product portfolio – Industry tailwinds from increased penetration of photonic technologies – Diversified end markets with low customer concentration

13

Investment % of FV/$m	Theme/Sector PE manager	Description Investment thesis
2% $32m	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

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Investment % of FV/$m	Theme/Sector PE manager	Description Investment thesis
Not disclosed 2% $32m	BUSINESS SERVICES Undisclosed	**Business services company** – Low expected cyclicality end markets – Essential service with 'utility-like' characteristics – Attractive financial profile with stable cash flows

15

Investment % of FV/$m	Theme/Sector PE manager	Description Investment thesis
2% $31m	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

16

Investment % of FV/$m	Theme/Sector PE manager	Description Investment thesis
2% $30m	TECHNOLOGY/IT Thoma Bravo	**Leading provider of e-commerce shipping software solutions** – Market leader with significant scale – Growing e-commerce megatrend – Attractive financial profile

17

Investment % of FV/$m	Theme/Sector PE manager	Description Investment thesis
2% $28m	TECHNOLOGY/IT Francisco Partners	**Cyber security and secure access solutions** – Business combinations create a highly attractive position in the market – Blue chip customer base

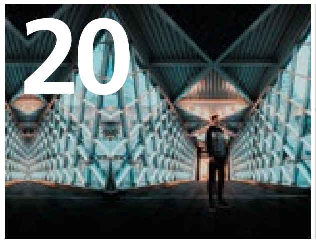
18

Investment % of FV/$m	Theme/Sector PE manager	Description Investment thesis
Not disclosed 1% $27m	CONSUMER Undisclosed	**Branded toy company** – Strong brand with high-quality products – Multiple avenues for growth – Strong financial profile

19

Investment % of FV/$m	Theme/Sector PE manager	Description Investment thesis
2% $26m	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

20

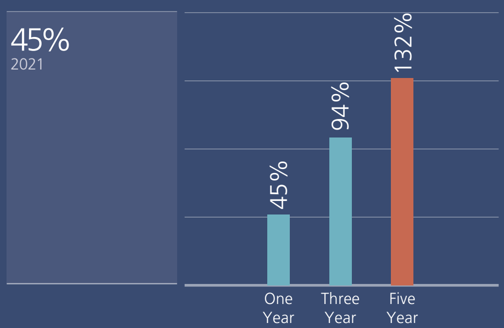


Investment % of FV/$m	Theme/Sector PE manager	Description Investment thesis
1% $23m	TECHNOLOGY NB Renaissance	**Provider of systems integration, consulting and outsourcing services** – Leading technology company in Italy – Attractive IT services market with secular growth from digital transformation

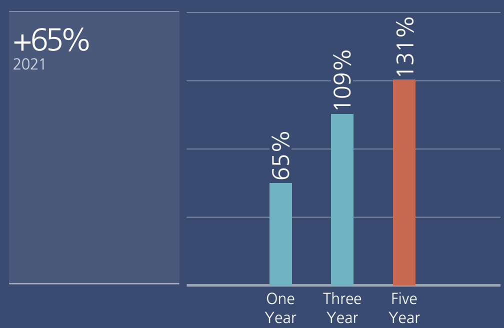
Key Performance Indicators

	1 NAV total return ($)	2 Total shareholder return (£)	3 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 increased by 45%[1] – Five-year cumulative NAV total return of 132%[1] – Performance underpinned by strong operating performance and realisations at significant uplifts to carrying value and cost	– 65% share price total return during 2021[1] – Five-year cumulative share price total return of 131%[1]	– Total dividend increase of 24% to $0.72 per share in 2021 versus 2020 – Nine-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

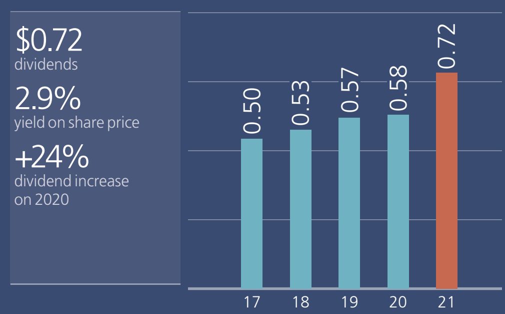
NAV Total Return cumulative, $



Total Shareholder Return cumulative, £



Dividend growth $ per share



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4 Maintain healthy pace of realisations and uplift on exit

Rationale

Realisations are a core driver of NAV growth and a source of liquidity to make new investments and dividend payments

Progress

- $401 million of realisations announced; $389 million of proceeds received
- Announced realisations at a 83% uplift to December 2020 values and a 3.3x multiple to cost
- 10-year average annual liquidity of ~20% of the opening portfolio value

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

Link to objectives

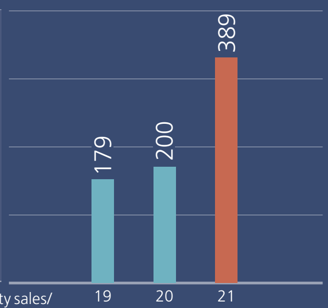
- Capital appreciation through growth in net asset value over time while returning capital by paying a semi-annual dividend

Total proceeds received $m

$389m
proceeds received

+83%
2021 uplift to carrying value*[11]

3.3x
original cost*



* Announced direct equity sales/ IPO in 2021

5 Invest selectively in new investment opportunities over time

Rationale

Maintain a prudent investment pace based on the level of portfolio realisations, quality of investment pipeline and market environment

Progress

- $168 million invested, including $144 million into nine new investments
- Investing in key themes and sectors

Examples of related factors that we monitor

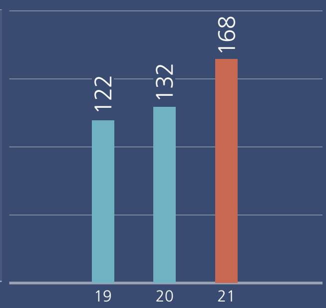
- Available liquidity and realisation outlook
- Balance sheet strength
- Market environment and pricing

Link to objectives

- Capital appreciation through growth in net asset value over time through a highly selective investment approach

Total new investment $m

$168m
Invested in 2021



6 Prudent and efficient balance sheet management

Rationale

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

- Strong balance sheet with $116 million of gross cash and $416 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 2021, unadjusted unfunded commitments were $129.3 million, total private equity exposure was $1.7 billion, and the unadjusted commitment coverage ratio was 322.1%[1]
- Will repay 2022 ZDPs on maturity in September 2022

Examples of related factors that we monitor

- 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

- Long-term investment target level range of 110%-115%

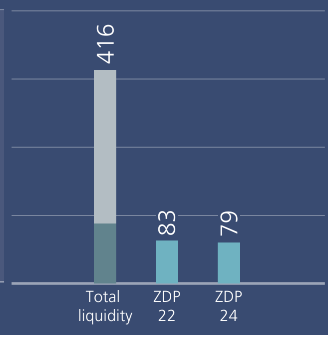
Maturity profile/total liquidity $m

$1.6bn
gross assets

106%
invested

$116m
gross cash balances

$300m
undrawn bank line



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

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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

Full Responsible Investment Policy

Our Manager is a global leader in ESG-integrated private equity investing

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

NBPE's differentiated approach to ESG

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
- NB 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

A+[15]
rating by PRI for private equity ESG integration

100%
of co-investments are ESG Integrated

150+
investment professionals with ESG responsibility

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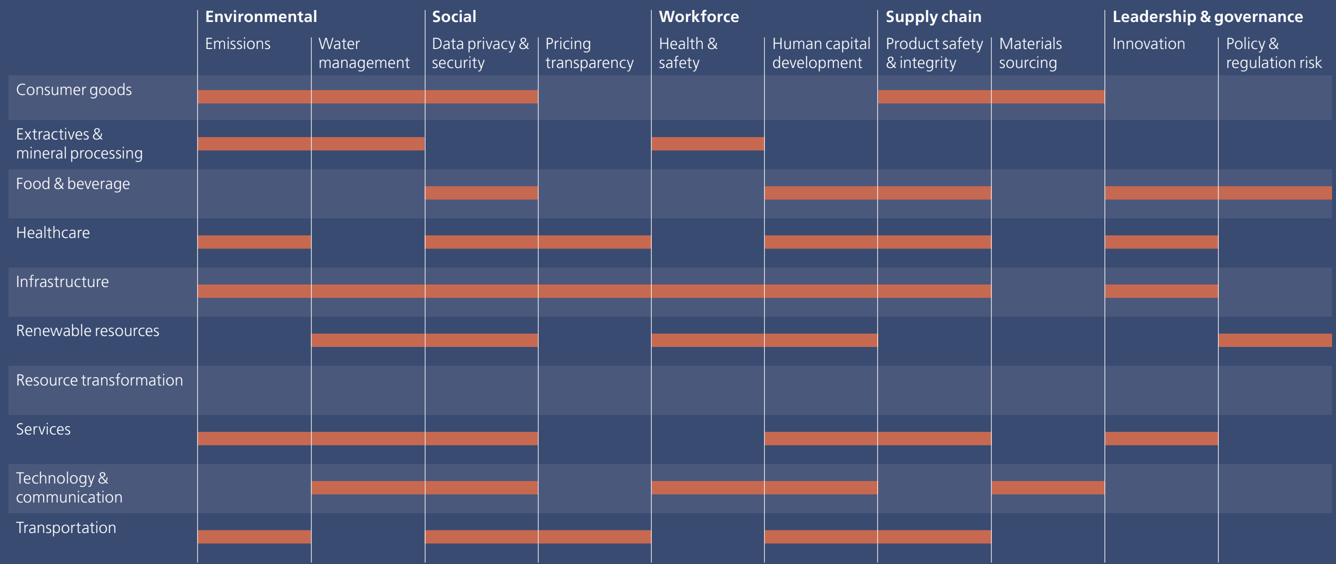
How ESG is integrated into the investment process

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 experts and highlighted in orange in the matrix on the right) as well as the lead GP's level of ESG integration based on our Manager ESG Scorecard.



Creating value through better ESG performance

Integrating ESG is a natural fit for private equity investors

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

The process in action: GFL Environmental[19]

GFL Environmental Inc. is a leading North American provider of diversified environmental solutions. GFL is one of the only major diversified environmental services companies in North America offering services in solid waste management, liquid waste management and infrastructure development.

Investment thesis

- Uniquely positioned to win in an attractive market
- Diversified business model
- Meaningful consolidation opportunity
- Operational value creation
- Exceptional entrepreneurial management team
- Exit optionality and upside

Ownership timeline

	2018	2019	2020	2021
Financing milestones	BC Partners, together with co-investors, invests in GFL for c. 54% ownership of the Company at entry		In March 2020, BC Partners successfully completed the IPO of GFL on the NYSE and TSX	In April 2021, announced follow-on offering
Company milestones		GFL rolled out the HR software, Workday, providing metrics into GFL's workforce to facilitate employee engagement and training At the end of 2019, 14% of GFL's solid waste collection fleet was powered by Compressed Natural Gas (CNG), and had 22 CNG fuelling stations across North America: the more sustainable fleet reduces GHG emissions by up to 25% per truck, compared to a diesel-powered vehicle	Awarded 2020 SEAL sustainability award in recognition of leading approach to ESG in environmental services in North America Awarded 2020 Recycling Facility of the Year for its Material Recovery Facility in Winnipeg, Canada for innovation and environmental impact ownership	

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An interview with Jennifer Signori and Maura Reilly Kennedy

Jennifer Signori, Managing Director

Maura Reilly Kennedy, Managing Director

"We perform a deep level of due diligence, which allows us to unturn every stone, including ESG. A forensic approach like this is a fundamental part of our investment process."

Can you tell us how ESG is embedded into the Neuberger Berman investment process?

JS We believe the most effective way to integrate ESG into an investment process is for investment teams to consider ESG as part of rigorous due diligence and portfolio management. We are able to leverage the broader firm's ESG capabilities and processes, from initial due diligence to ongoing investment monitoring which allows us to integrate ESG throughout the lifecycle of the investment process[23].

We do this in three ways:

Firstly, we apply robust oversight and responsibility to our process. Our investment teams are responsible for conducting the ESG analysis which is then complemented by the Investment Committee's evaluation of ESG considerations when the final investment decision is taken. Our ESG team is able to leverage the broader firm's ESG capabilities and resources, including Neuberger Berman's ESG policy, proprietary ESG materiality assessments, and ESG data and analytics.

The second part of the process is due diligence and selection. ESG analysis is included in Investment Committee memorandums and forms an essential part of the due diligence in direct investments we consider. This analysis includes an assessment of material ESG factors specific to the potential investment's industry sector. We also measure and assess the ESG integration of the lead private equity managers with which NBPE will co-invest before the final decision is taken.

Thirdly, we continue considering ESG once the investment decision is taken, through careful monitoring and ownership. Importantly, we monitor investments for ESG violations and risks. We also engage with all of our private equity managers to share ESG best practices and resources where possible and aim to take an active leadership role in ESG-related industry collaborations.

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The portfolio through a sustainability lens[20]

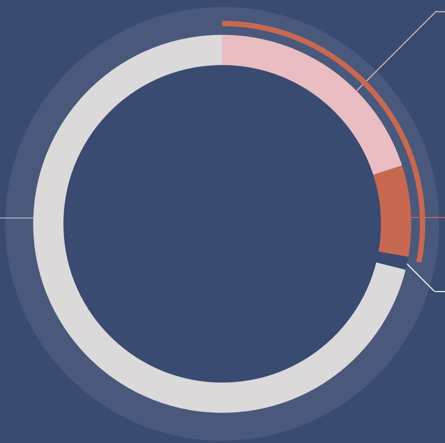
24%
positive sustainability potential

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

+

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

++



75%
Neutral

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

—

1%
Adverse potential
Companies that have the potential to contribute to significant adverse outcomes to people or the environment

Examples	—	O	+	++
	Oil and gas exploration company	Consumer retailer	Healthcare services	Recycling management company

For co-investments what additional screening do you do?

MRK ESG factors form a crucial part of our rigorous and resource-intensive company due diligence process. Specific to co-investments, the team conduct diligence on the specific co-investment opportunity to ensure the potential portfolio company and underlying private equity manager are appropriately managing ESG risks. We use the NB Materiality Matrix (see page 33) to assess industry-specific ESG factors that are likely to be financially material, as well as the private equity manager's level of ESG integration based on Neuberger Berman's manager ESG Scorecard.

Lastly, we have introduced specific investment screening and monitoring tools. For private market investments where disclosure is more limited, we use a reputable data science monitoring tool to identify past ESG issues at private companies. This helps us supplement direct dialogue with the private equity manager when making co-investments. Our investment professionals are also responsible for considering international standards violations and other topic areas in accordance with our Responsible Avoidance policy. Finally, but importantly, we engage with the private equity co-investment managers to understand how the company is managing and mitigating material ESG factors, and how the manager intends to improve on these over time.

NBPE's portfolio is also viewed through a sustainability lens. How is this assessed?

JS Each investment is made according to NBPE's Responsible and Sustainable Investment Policy. For every direct investment, we assign an overall sustainability rating of positive, neutral or adverse. As of 31 December 2021, approximately 24% of the portfolio shows an overall positive sustainability potential or an overall benefit to people or the environment. These companies operate in sectors such as healthcare or education. For example, Aldevron, which was realised in 2021, was a co-investment alongside EQT. Aldevron is a significant producer of plasmid DNA, which is a critical input into gene therapy and certain mRNA vaccines, including COVID-19, and was classified as a company with positive sustainability potential in the portfolio.

We designate 75% of the portfolio as neutral, with a mixed or unknown benefit to people or the environment. These companies operate in sectors such as technology, financial and business services. Finally, 1% is designated as having adverse sustainability potential or could contribute to significant adverse outcomes for people or the environment.

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In addition to communicating and engaging with private equity managers on an ongoing basis, we monitor ESG violations and risks in real time by leveraging our big data capabilities. Our ESG watchlists are updated regularly based on current portfolio investments, and we are alerted to controversial ESG issues that may affect portfolio companies, such as those related to the UNGC, of which Neuberger Berman is a signatory. When appropriate, we proactively engage with the private equity managers on these topics.

What role can private equity play in the challenges the world faces on climate change?

MRK We believe that climate change can be a material driver of investment risk and return across industries and asset classes and, as such, cannot be ignored. Private equity companies generally have lower carbon intensities based on sector representation. Furthermore, the private markets are generally where innovation and growth can be found. Private equity has an important role to play for safeguarding the planet – providing opportunities to invest in climate solutions, transition and adaptation.

What were Neuberger Berman's private markets key achievements in ESG over the last 12 months?

Continued industry leadership and collaboration

JS We actively participate in industry engagement and collaborate with other PE managers. For example, in December 2021, Neuberger Berman co-hosted a webinar with the Institutional Investor Group on Climate Change to help educate private equity managers on how to implement net zero objectives in private equity investing. We are also a member of the ILPA Diversity in Action working group, highlighting our engagement on diversity and inclusion initiatives.

Launched a dedicated impact strategy

Neuberger Berman closed its Private Equity Impact Fund in March 2021. The fund invests in direct and fund investments that seek to achieve positive social and environmental outcomes.

Implemented carbon footprint due diligence

In 2021, we implemented a formal step in our ESG due diligence process for co-investments to collect carbon footprint information. We are also a supporter of the CDP's private equity technical working group to encourage greater carbon disclosure in the private equity industry, among other initiatives such as Initiative Climate International.

What are Neuberger Berman's aspirations for ESG?

MRK We want to be our clients' partner of choice for their most innovative and forward-looking ESG objectives. We continually seek to improve how we incorporate ESG in our investment process in a way that is consistent, rigorous and evidenced. We also remain focused on solving collective challenges facing the private equity industry, such as greater ESG data consistency and transparency, and helping our clients understand the sustainability characteristics of their portfolios and how their investments have real world outcomes.

NBPE portfolio company: FV Hospital

Leading hospital provider in Vietnam

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**.

Award-winning culture

For eight consecutive years, Neuberger Berman has been named first or second in Pensions & Investments Best Places to Work in Money Management survey (among those with 1,000 employees or more)

98%

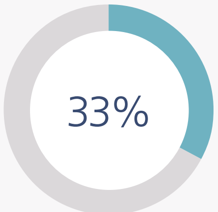
Retention levels of NB Private Markets Managing Directors and Principals

Neuberger Berman's commitment to equity, inclusion and diversity

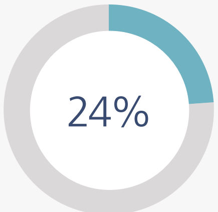
We believe firms perform better for clients and stakeholders when there is a diverse population, and a true equitable and inclusive environment. **Diversity alone is not enough**.

Joana Rocha Scaff, Head of Europe Private Equity, Managing Director

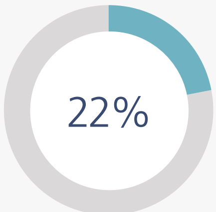
"We are committed to our efforts around sourcing and hiring the best talent from a broad and diverse population. We believe it is also crucial to focus on supporting the development and success, especially of under-represented groups, in order to maintain our team's diversity and growth over time."



of Neuberger Berman private equity employees are female



of Neuberger Berman private equity senior investment team members are female



of Neuberger Berman global Managing Director business unit heads are female

The Investment Committee

Full biographies available online

The Investment Committee has an average of over 30 years of professional experience and worked together for an average of more than 18 years.

Anthony Tutrone

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

Joana Rocha Scaff

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

Paul Daggett, CFA

Managing Director
23 years of industry experience

David Stonberg

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

Peter von Lehe, JD

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

Patricia Miller Zollar

Managing Director
35 years of industry experience

The Investment Committee continued

Full biographies available online

Michael Kramer
Managing Director
26 years of industry experience

Kent Chen, CFA
Head of Asia Private Equity, Managing Director
29 years of industry experience

Elizabeth Traxler
Managing Director
20 years of industry experience

Jonathan Shofet
Global Head of Private Equity Investment Portfolios,
Managing Director
25 years of industry experience

Jacquelyn Wang
Managing Director
20 years of industry experience

David Morse
Global Co-Head of Private Equity Co-Investments, Managing Director
36 years of industry experience

Brien Smith
Chief Operating Officer of the Neuberger Berman
Private Equity Division, Managing Director
40 years of industry experience

John Massey
Chairman, of Private Investment Portfolios &
Co-Investment Investment Committee
55 years of industry experience

Stakeholder engagement

As set out in the AIC Code of Corporate Governance, under Section 172 of the UK Companies Act 2006, Directors are required to act in good faith and in a way most likely to promote the success of the Company. In doing so, the Directors must also have regard to the long-term consequences of their decisions, the interests of the Company's various stakeholders, the impact of the Company's activities on the community and the environment, and maintaining a reputation for high standards of business conduct and fair treatment between members of the Company. As a Guernsey company that legislation does not directly apply to NBPE, but the Board recognises the importance of these issues and holds itself to these standards.

The Board provides appropriate training to all new Directors, which includes training on their duties, including those under Section 172, and provides refresher courses. More details on Director induction and Board evaluation can be found on page 56.

Below we set out our key stakeholder groups and how we engage 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 our objective. In addition to performance, we believe shareholders also place a great emphasis on other factors such as regulations, market convention and ESG. We aim to conduct the Company's business taking these factors into account.	The Board welcome 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 from the Manager and advisers and meetings with shareholders. Key channels that the Board and the Manager communicate with shareholders include: Shareholder engagement: The Manager holds regular meetings with analysts and new and potential shareholders and 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, quarterly statements 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 COVID-19 – Information on and new investments and realisations – Market environment – Information on the Company's Responsible and Sustainable Investment Policy – Balance sheet management, including ZDP maturities – Shareholder communications – Share price performance and discount	The Board appointed a new Non-Executive Director and the Manager representative stepped down from the Board at the 2021 AGM. The Board is now fully independent. The Board approved the design of a new website to help inform stakeholders about NBPE, responsible investment and the broader listed private equity opportunity. The Board agreed that the Annual Report format will be updated and will be optimised for digital use, enhancing usability and helping shareholders to more easily understand NBPE's strategy, business model and results. The Board agreed that the Capital Markets Day would be held virtually given ongoing uncertainty around travel restrictions at the time. 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 engagement continued

Stakeholder	How the Board engages	Key topics in the year	Examples of considering stakeholder interests
Our Investment Manager			
The Company leverages the strength of Neuberger Berman's private equity platform to seek the most attractive direct investment opportunities. As such it is important that the Board maintains a strong relationship with the Manager. 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 has developed 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 COVID-19 – Information on and new investments and realisations – Market environment – Information on the Company's Responsible and Sustainable Investment Policy – Balance sheet management – Share price performance and discount – Investment level and cash flow forecasts – Debt maturities	The Manager and the Company are fully aligned with one another. 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.
Our 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 investees 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 private equity discussion with various managers of key private equity topics, including deal sourcing, market environment, fundraising, team composition, investment performance and monitoring, ESG and other factors.	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.
Our lenders			
The Company's co-investment model means that the fund can be nimble and capital efficient. It means that 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 ad hoc as required.	The lenders are focused on asset coverage, valuation of assets and key financial ratios on the Company's liquidity and financial position.	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 provided detailed compliance reports to the Company's credit facility lender and the Board, showing asset coverage, ratios and covenant tests.

Stakeholder	How the Board engages	Key topics in the year	Examples of considering stakeholder interests
Other service providers			
Effective relations with service providers help the Company to operate in a compliant and efficient manner. The Company's service providers work with the Manager, Company Secretary and Board to achieve the Company's objectives. Other service providers include fund administrators, accountants, auditors, brokers, advisors, counsel, consultants, marketing and advisory services, external research, media relations and other service providers.	The Board maintains regular contact with its key external providers and receives regular reporting from them, both through the Board and committee meetings, as well as outside of the regular Board meeting cycle.	The Management Engagement Committee formally assesses performance, fees and continuing appointment 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 other service providers' advice, as well as their needs and views are routinely taken into account.
The community and the environment			
NBPE believes investing responsibly and the incorporation of 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 Company'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 to drive value 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.

Risk management framework

The Board considers external risk investment and strategic risk, financial risk, and operational risk to be the principal risks and uncertainties of the Company. Within each of the five principal risks and uncertainties on pages 47 and 48, 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.

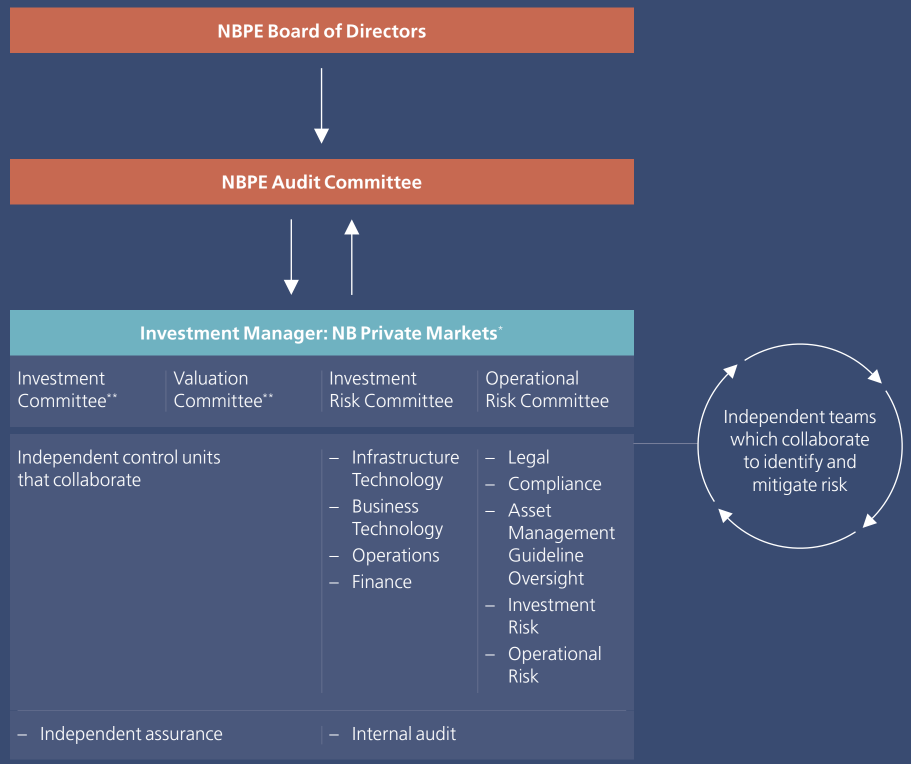
Each identified key underlying risk includes information on the Board level controls and controls relied upon by the Board, the responsible provider, the potential impact to the Company, the current state of the risk and the outlook. Judgement is applied to determine these assessments and the Board regularly 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 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 47-48.

The Board also monitors future risks that may arise. The Board identified risks related to sovereign and political factors and general market and environmental factors as emerging risks at 31 December 2021.

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 four 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 **Performance** – Achieving underwriting case and meeting long-term objectives **Valuations** – Misstatements to Net Asset Value	Sub-optimal risk-return investment decisions could lead the Company to higher risk investments to generate a desired level of return. Inconsistent investment performance would impact the Company's financial position. The valuation of investments directly impacts the Company's financial position, key ratios/covenants and performance.	– 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	
Financial risk			↓
Liquidity management – Inadequacy of cash balances for short-term needs **Credit facility** – Availability of borrowings and maintenance of covenants **ZDP liabilities** – Ability to repay at maturity **Foreign exchange** – Fluctuations in GBP/USD exchange rate for Sterling denominated liabilities	Managing liquidity, near-term cash requirements and credit facility borrowings impacts the Company's ability to make new investments and carry out day-to-day operations. ZDP liabilities have staggered maturities and fixed maturity dates. Company's creditworthiness would be materially impacted by not meeting liabilities when they come due.	– 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	

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 to payment of a dividends and share buybacks.	– Monitoring discount and review market research – Strategic investor relations programme – Periodic review of appropriateness of investment objective and policy	
Operational risk			⟷
Legal/Compliance – Investment activity legal risks, including investments within policies 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 about against the Company, Board or Manager. Company operations are carried out by the Investment Manager; a negative event 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 **COVID-19** – Risks related to COVID-19 and government responses	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. Ongoing risks related to COVID-19 has the potential to impact portfolio companies, as well as staff of the Company's key service providers.	– 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 page 64 of the Report, and the Group's financial position is stated on page 79 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 91 of the report, the Group's liquidity and available borrowing facilities are described.

The Group's cash flows are provided on page 83 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 forth here 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
- Private equity funds typically deploy capital over a three to five-year period
- Medium-term outlook of underlying Company performance is typically assessed for valuation purposes

The Directors note the Company has a near-term maturity of the 2022 class of ZDP shares in September 2022; the remaining class of ZDP shares will not mature until October 2024. The Group's ability to refinance or repay these financings are a short and medium-term risk as both classes of ZDPs mature within a three-year forecast period.

Based on the 31 December 2021 GBP/USD exchange rate of $1.35, the final capital entitlement of the 2022 ZDP shares is approximately $85 million. To evaluate the Company's financial position in relationship to this upcoming maturity and the longer-term forecast period through December 2024, the Directors reviewed a financial model prepared by the Investment Manager. The financial model includes detailed forward 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 2021. Further, the borrowing availability period extends to 2029, beyond the maturity of both classes of ZDP shares. For the near-term maturity, the Board noted the credit facility could be used in whole or in part (based on availability) to repay the 2022 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 in 2022 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 the Company is susceptible to overall market conditions, which is a continued risk and uncertainty facing the Company. In light of this, the Manager prepared a second forecast case which was a downside case scenario. This case assumed a 10% NAV decline in Q4 2022 and no growth in 2023 and 2024. Further, this case only assumed $106 million of realisations during 2022, of which $88 million were announced but not yet closed. 2023 and 2024 assumed only a limited amount of realisations below historical averages and new investments through NB-affiliated investment programs.

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 fully repay the 2022 and 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). Nevertheless, the higher investment level was generally consistent with the elevated period experienced during the first half of 2020. 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, even after repaying the 2022 ZDPs at their maturity. 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

56»

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 openess 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 both its own culture and that of the Manager is aligned with the Company's purpose and values, and that the Company has the necessary financial and human resources to deliver its strategy.

William Maltby
Chairman

Audit Committee

67»

John Martyn Falla (C)
Trudi Clark
William Maltby
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

59»

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 any other key service providers to the Company, as considered appropriate.

Nomination and Remuneration Committee

59»

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.

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	✓	✓	✓	✓	

William Maltby

Chairman
Independent Director
Appointed 21 March 2019

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

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

Mr. Maltby is also chairman of Ekins Guinness LLP and a non-executive director of Pension SuperFund Capital GP II Limited. He qualified as a Chartered Accountant with Peat Marwick and has a law degree from the University of Cambridge.

Wilken von Hodenberg

Senior Independent Director
Appointed 21 March 2019

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 since 2013 and left this position in February 2020. He is also a non-executive director of Sloman Neptun AG and ECapital AG; Mr. von Hodenberg became vice chair of Wepa SE in 8 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 is a lawyer in Hamburg and holds a Law degree from the University of Hamburg.

Trudi Clark

Chairman of the Nomination and Remuneration Committee and Management Engagement Committee, Independent Director
Appointed 24 April 2017

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

From 2006 to 2009, Ms. Clark established a family office, specialising in alternative investments. From 2009 to 2018, Ms. Clark returned to public practice specialising in corporate restructuring services. Ms. Clark has several non-executive director appointments for companies both listed and non-listed investing in property, private equity and other assets. Other public company directorships: BMO Commercial Property Trust Limited, River and Mercantile UK MicroCap Investment Company Limited, The Schiehallion Fund Limited and Taylor Maritime Investments Ltd.

John Martyn Falla

Chairman of the Audit Committee
Independent Director
Appointed 21 December 2015

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

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

Louisa Symington-Mills

Independent Director
Appointed 15 June 2021

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

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

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 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 considered 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 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 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 is comprised of five directors, all of whom are independent. Most recently, the Board appointed Louisa Symington-Mills as an independent director and believes her appointment will complement the Board's existing knowledge and expertise. 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, 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. Wilken von Hodenberg fills this role. The following outlines the SID's responsibilities, in line with the SID Roles and Responsibilities Policy. In common with all non-executive directors, the SID has the same general legal responsibilities to the Company as any other director.

- Duties relating to the Chairman: work closely with the Chairman, serving as a sounding board and providing support through acting as an intermediary for other directors and shareholders by identifying issues and trying to mediate and build a consensus; hold annual meetings with non-executive directors, without the Chairman present, to discuss the Chairman's performance and on such other occasions as are deemed appropriate; and having discussed the Chairman's performance with the non-executive directors, provide feedback to the Chairman on this matter.
- Duties relating to the Board: ensure that the views of each non-executive director are given due consideration and make themselves available for confidential discussions with non-executive directors who may have concerns, which they believe have not been properly considered by the Board as a whole; and have the authority to call a meeting of the non-executive directors if deemed necessary.

– Duties relating to members: be available to shareholders if they have reason for concern when contact through normal channels have failed to resolve the concern, and attend meetings with a range of major shareholders to listen to their views in order to help develop a balanced understanding of the issues and concerns of major shareholders.

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, amongst 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 all aspects of the Company's business, operations and governance; meetings with the Company's investment advisor to look at all aspects of 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 to evaluate if additional training is needed.

Performance evaluation

The directors complete evaluations of the Board and Chairman on a yearly basis. The goal of the evaluation of the Board is for each director to assess the effectiveness of the Board's performance. This process helps ensure that the Board's operations remain aligned with the culture, purpose and values of the Company.

The evaluations are completed through the form of questionnaires and discussion. Following the last evaluation in June 2021, it was concluded by the Board that the performance of both the Board and the Chairman was satisfactory. The Board does not currently perform external evaluations. However, subsequent to this reporting period, on 11 March 2022, FTSE Russell announced that NBPE will be included in the FTSE 250 Index from 21 March 2022. The directors noted that, as a FTSE 250 company, an external evaluation is required every three years and the Board plans to consider a new policy with respect to external evaluations in order to meet this requirement.

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 fulfill 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 acknowledges the importance of diversity of gender, ethnic background, experience, and approach, for the effective functioning of the Board and commits to supporting diversity in the Boardroom. It is the Board's on-going objective to have an appropriately diversified representation.

With two female Directors out of a total of five, the Board has met the gender diversity targets set by the Hampton-Alexander review. With regard to the Parker Review, the Board supports the recommendation to have ethnic representation on the Board, and as such considers this integral to the Board's succession planning.

Board diversity policy

The Board values diversity of business skills and experience because the Board believes directors with diverse skill sets, capabilities and experience gained from different geographical backgrounds helps ascertain a wide range of perspectives that provide value during the collaboration process. It is the Company's policy to give careful consideration to issues of the Board's balance and diversity when making new appointments. When appointing Board members, priority is based on merit, but will be influenced by the desire to enhance the Board's diversity, including gender and ethnic background.

The Board diversity policy sets out the approach that will be adopted to ensure that Board membership remains appropriately balanced, and relevant to the Company's operations. In line with this, the Board and Nomination and Remuneration Committee ("NRC") commit to the implementation of the measures set out on the next page, which seek to promote responsible and sustainable leadership of the Company, through supporting and embracing an inclusive Board culture.

The composition of the Board and its committees will be subject to annual review by the NRC and will include monitoring the skills, knowledge, experience, and diversity. Prior to any new appointments, the NRC will review the current composition and diversity of the Board and identify any specific skills or qualities which are required to ensure the continued effective operation of the Board. The desired selection criteria will be set out to ensure a formal and transparent appointment process. Should the Board choose to use an external adviser to facilitate the search, the NRC will work with those deemed to best provide a pool of diverse and experienced candidates aligned to the Board's needs. Following the creation of a shortlist of candidates, the Board and its committees will operate in a respectful and inclusive manner.

The decision-making process will be based on merit, with due consideration of the criteria identified and consideration that the candidate's appointment will enhance the overall capability of the Board. The Board and its committees will monitor external views in relation to diversity and ensure that these are considered by the Board and the NRC when succession planning or recruiting a new director.

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.

The Company's policy on Chair tenure is that the Chair should normally serve no longer than nine years as a director and Chair, but when it is in the best interests of the Company, shareholders and stakeholders, the Chair may serve for a limited time beyond that. 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 directors 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.

Attendance by the directors at the quarterly Board meetings and other committee meetings during 2021 was as follows:

Director	Board Meeting	Audit Committee	MEC	NRC
	4	**4**	**1**	**1**
William Maltby	4	4	1	1
John Martyn Falla	4	4	1	1
Trudi Clark	4	4	1	1
Wilken von Hodenberg	4	4	1	1
Louisa Symington-Mills (appointed on 15 June 2021)	2/2	1/1	1	N/A*
Peter von Lehe (resigned on 15 September 2021)	2/2	N/A	N/A	N/A

* Meeting took place prior to appointment.

In the event that in the future any directors are unable to attend Board and Committee meetings, the relevant directors will be contacted by the Chair before and/or after the meeting to ensure they were 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. 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 large emphasis on the flow of information from the Manager to the Board, ensuring that the directors have relevant information to make informed decisions for the benefit of the shareholders. The Board holds quarterly Board meetings throughout the year to discuss relevant information, and 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 page 29 of the Strategic Report.

The Investment Manager's report to the board included:

- Investment performance and portfolio composition: the Board reviewed detailed performance by investment as well as detailed analysis on the underlying portfolio composition provided by the Investment Manager. The Board evaluated the portfolio composition 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 if needed. The Board recognises that much of the decision making, particularly with respect to underlying investments, is granted 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, annually to ensure terms of the contract are executed and remain in the best interest of shareholders. The Manager has an excellent track record and has the Company's reputation and benefit to shareholders at the forefront of all decision making.

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 willful 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 all directors to disclose other positions and also any other matter which may give rise to a conflict. Such conflicts can then be considered by the other directors and, if necessary, either approved or not approved. 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. Further information on the social and environmental policies of the Manager can be found in the Environmental, Social and Governance section on pages 31 to 38 and in the Manager's ESG report, which can be found on the Company's website www.nbprivateequitypartners.com.

Whistleblowing policy and arrangements

The Board and the Audit Committee have been made aware of the processes the Manager has in place to ensure that staff of the 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 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") is comprised of Ms. Clark as Chairman, Mr. Falla, Mr. von Hodenberg, Mr. Maltby and Ms. Symington-Mills. The principal function of the MEC is to review annually the terms of the Investment Management Agreement between the Company and the Investment Manager. The MEC also reviews annually the performance and terms of engagement of key service providers. The MEC meets at least once a year and at other times as required by the Board.

The Company has a number of agreements with service providers; the below agreements 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 the Company's registrar
- Jefferies and Stifel, as the Company's joint corporate brokers.

During 2021, 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 a detailed discussion ensued 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.

Audit Committee

The Audit Committee is comprised of Mr. Falla as Chairman, Ms. Clark, Ms. Symington-Mills, Mr. Maltby and Mr. von Hodenberg. The principal function of the Audit Committee is to provide oversight and reassurances to the Board, particularly with respect to financial reporting, audit and risk management. The Audit Committee ensures that a framework for solid corporate governance and best practice is in place, which is believed to be suitable for an investment company, and which enables the Company to comply with the main requirements of the Main Market and any other applicable law or regulation. Full details of the Audit Committee report can be found beginning on page 67.

A full copy of the Audit Committee terms of reference are available on the Company's website and from the Company Secretary. Although the Chairman is also a member of the Audit Committee, the Board believes this does not compromise the Chairman's independence or objectivity. All directors on the committee bring relevant experience and perspectives and are an appropriate composition given the Company's size and strategy.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") is comprised of Ms. Clark as Chairman, Mr. Maltby, Mr. Falla, Mr. von Hodenberg and Ms. Symington-Mills. The NRC is responsible for identifying and nominating, for approval by the Board, suitable candidates to fill Board vacancies as and when they arise. The NRC also puts in place plans for the succession of directors, in particular with respect to the Chairman. The committee helps formulate the policy and makes recommendations to the Board for the remuneration of the directors; they review and consider any additional ad hoc payments in relation to duties undertaken over and above normal business.

Following the announcement made in the 2020 Annual Financial Report stating that Peter von Lehe would not stand for re-election at the Company's 2021 AGM, the NRC began the process to search for a new director in 2021. After the formation of a Selection Committee and hiring of an external agency to assist with searches for new director candidates in 2020, the NRC completed the director recruitment process in 2021 and identified Louisa Symington-Mills as a suitable candidate for appointment to the Board of the Company. The NRC recommended her appointment to the Board as well as appointments to the Audit Committee, MEC, and NRC with effect from 15 June 2021.

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, and compliance with data protection legislation. The Investment Manager, which is delegated the day-to-day management of the Company, is also assessed as part of this review.

The Company does not have an internal audit function, but the Board considers the need for one at least annually. The Board relies on the internal audit functions of the underlying service providers to carry out this function.

Culture

The Board recognises the importance of ensuring that the Company's culture and that of the Manager are aligned. The Board and Manager have a strong culture, which has been firmly ingrained since the inception of the Company. The Company's culture consists of communication, respect and trust. This culture is also an integral aspect of the Manager's identity, which enhances the relationship that the Board has with the Manager. The Board continues to monitor the Group's culture on an ongoing basis via feedback from shareholders, the Manager, or input from other advisers. As part of this culture, the Board and Manager both believe responsible investing can help enhance society and assess overall investment risk and opportunities in this regard (see page 31).

The purpose and value of the Company's culture is that it bolsters the ability to perform and assists in an accurate flow of information from the Manager, to the Board, and to shareholders.

Stakeholder engagement

NBPE's Section 172 statement can be found on pages 43 to 45.

Shareholder communication

The Board welcomes shareholders' views and places great importance on communication with its shareholders. Directors and representatives from the Investment Manager are available to discuss updates on the Company.

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 the latest Company presentation is 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 Day Event Webinar. Last year's event was held virtually on 30 September 2021 to update shareholders and research analysts on the Company's performance and investment activities during the year. A replay of the event is available on the Company's website.

The Company also 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 shareholders is reviewed at each Board meeting.

William Maltby
Chairman

25 April 2022

Directors' report

The Directors' report should be read in conjunction with the Strategic report (pages 2 to 51) and the Remuneration report (pages 65 to 66).

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 2021.

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 2022 ZDP Shares and 2024 ZDP Shares admitted to trading on the Specialist Fund Segment under the symbol "NBPP" and "NBPS", respectively (see note 1 of the consolidated financial statements).

Investment policy

The Company's investment policy is set out on page 64.

Directors

As of 31 December 2021, the Board has five independent directors: William Maltby, Wilken von Hodenberg, Trudi Clark, John Falla and Louisa Symington-Mills, who was appointed in June 2021. Peter von Lehe stepped down from the Board at the Company's AGM in September 2021. Nevertheless, Mr. von Lehe continues to contribute his significant experience and expertise by his active role with NBPE in his capacity as a managing director of Neuberger Berman.

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 will always seek to make the most appropriate appointments, taking into full account the benefits of diversity including gender (see the Board diversity policy on page 56).

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 shall 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 2022 or 2024 ZDP Liquidation Resolution or a 2022 or 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 currently has shareholder authority to buy back its own ordinary shares in the market as permitted by the Companies (Guernsey) Law, 2008. The authority limits the repurchase to a maximum of 14.99% of the Class A Shares in issue at the time the authority was granted (excluding Class A Shares held in treasury) and also sets minimum and maximum prices. The authority expires on the date which is 15 months from the date of the passing of the resolution or, if earlier, at the end of the Company's Annual General Meeting to be held in 2022. The authority will only be exercised if the directors believe doing so would be in the best interest of shareholders. 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 are 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 directors believe the Manager's experience, track record, team and platform is advantageous to the Company and the 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 macro-economic 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 US dollars and normally paid in pounds Sterling, but the Company also offers both a Currency Election for shareholders wishing to be paid in US dollars and a dividend re-investment plan for shareholders who wish to reinvest their dividends to grow their shareholding. Please reference pages 91 and 92 for the credit facility and ZDP terms regarding dividends.

Results and dividends

The financial results for the year ended 31 December 2021 are included in the consolidated financial statements, beginning on page 79. As of 31 December 2021, the NAV attributable to the Class A Shares was $1,480.2 million, which represents an increase of $428.5 million relative to the NAV attributable to the Class A Shares of $1,051.7 million as of 31 December 2020. On 28 January 2021, the Company declared the first semi-annual dividend of the year of $0.31 per share and on 22 July 2021 declared an interim dividend of $0.41 per share. Both dividends were approved in line with NBPE's dividend policy and resulted in total dividends of $0.72 per share ($33.7 million) paid during 2021. Including the dividend payments, the NAV total return for the year was 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 1.96% for the year ended 31 December 2021. The ongoing charges were calculated in accordance with the AIC methodology and exclude interest and financing costs and other items not deemed to be ongoing in nature and therefore may differ from the total expense ratio found in note 12 of the consolidated financial statements on page 98, which was prepared in conformity with U.S. GAAP. The complete methodology can be found on the AIC's website.

Total ongoing expenses in 2021 were $26.8 million, or 1.96%, based on the average 2021 NAV. Note that percentages of ongoing charges are based on the average 2021 NAV and may differ from contractual rates which is based on 2021 private equity fair value. 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 ($ in m)	% Ongoing Charge
Management Fee	$22.5m	1.65%
Fund Administration Fee	$1.5m	0.11%
Other Expenses	$2.8m	0.21%
Total Ongoing Charges	$26.8m	1.96%

The Company's direct equity investments are included in the portfolio generally with no management fee and no carried interest due to underlying sponsors. Approximately 97% of the direct investment portfolio (measured on 31 December 2021 fair value) is on a no management fee, no carried interest basis at the underlying sponsor level.

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 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 private equity access at a lower total cost than most other listed private equity vehicles.

Share capital

As at 31 December 2021, 46,761,030 Class A shares were issued and outstanding; 3,150,408 shares had been bought back into treasury. 3,150,408 Treasury Shares, representing 6.3% of the Company's issued share capital, were held as at 22 April 2022, being the latest practical date before publication of this document.

Major shareholders

As of 31 December 2021, 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 have subsequently fluctuated after 31 December 2021:

Shareholder	Shares Held	% Ownership of Class A Shares
Quilter Cheviot	6,900,112	14.8%
Tilney Smith & Williamson	4,487,546	9.6%
US Depositary Receipts	3,385,500	7.2%
City of London Investment Management	3,154,338	6.7%
Cazenove	2,378,533	5.1%

Re-appointment of auditor

For the year ended 31 December 2021, KPMG were appointed as auditors to the Company. Resolutions for the re-appointment of KPMG as the auditor of the Company and to authorise the directors to determine its remuneration are to be proposed at the next AGM.

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 14 June 2022. Formal notice will be sent to registered shareholders in advance.

By order of the Board:

William Maltby
Chairman
25 April 2022

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 of any or all of the following: (i) direct private equity investments; (ii) private debt investments; and (iii) private equity fund investments.

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

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 private funds, fund of funds, co-investment funds, income-oriented funds and other funds) managed by either an affiliate of the Investment Manager or third-party managers.

Over-commitment strategy

The Company may, when appropriate, pursue an "over-commitment" strategy, in order to optimise the amount of the Company's capital that is invested at any given time. In following this over-commitment strategy, the aggregate amount of the Company's unfunded private equity commitments at a given time may exceed the aggregate amount of cash that the Company has available for immediate investment.

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 investee entity (or in the case of a fund investment, underlying 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.

Remuneration report

The Board has established a Nomination and Remuneration Committee ("NRC") to assist the Board with Remuneration duties. The NRC is responsible for recommending and monitoring the remuneration of the Company's Chairman and the non-executive directors whilst ensuring that no director is involved in any decisions regarding their own remuneration. Details on the NRC's activities during the year can be found on page 59. 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 does not have a separate remuneration policy, but plans to seek shareholder approval for the Company's remuneration policy at the forthcoming AGM.

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, subject to a 1% per annum minimum, are paid quarterly in arrears. Directors are not entitled to any bonus, long term incentive plans or other benefits.

The below table reflects actual fees paid for 2020 and 2021 and the expected fees for 2022 (using the Guernsey Retail Price Index rate of 4.4% as at 31 December 2021):

	2022	2021	2020
Chairman	£75,690	**£70,625**	£70,000
Chairman of the Audit Committee	£64,728	**£60,500**	£60,000
Senior Independent Director	£57,420	**£51,750**	£50,000
Non-executive directors	£54,288	**£50,500**	£50,000
Newly Appointed non-executive director	£54,288	**£27,583**	n/a
Subsidiary Appointments (Pro-rata from 1 June 2021)	£10,440	**£5,000**	n/a

In October 2021 the basic directors fee was increased by £2,000 per annum and an additional £5,000 per annum was agreed to be paid to the SID.

During the year ended 31 December 2021, the Company paid a pro-rated fee of £27,583 to Louisa Symington-Mills who joined the Board as an independent director in June 2021. After not seeking re-election at the 2021 AGM, Mr. von Lehe is no longer a member of the Board as of 15 September 2021 and did not receive any director fees in respect of 2021.

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 99.98% of shareholders voted in favour of the directors' remuneration at the AGMs held in 2020 and 2021.

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 2021 and 2020. 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 shareholder's overall return.

	2021	2020
Directors' Remuneration	**$361,516**	$294,374

	2021	2020
Dividends Paid	**$33,675,142**	$27,138,465
Share Buybacks	**–**	$534,072
Total Shareholder Distributions	**$33,675,142**	$27,672,537

Remuneration by director and year

	2021	2020
Trudi Clark	**$72,414**	$64,170
John Falla	**$86,084**	$76,983
Wilken von Hodenberg	**$69,081**	$63,388
William Maltby	**$96,572**	$89,834
Louisa Symington-Mills*	**$37,365**	–

* Louisa Symington-Mills was appointed to the Board on 21 June 2021.

The two Guernsey resident directors also act as directors for the Guernsey subsidiaries for which they receive an annual fee of £5,000 per year payable quarterly from 1st June 2021.

Shareholdings of the directors

The shareholdings of the directors as of the date of this report, 31 December 2021 and 31 December 2020 are as follows:

	2021	2020
Trudi Clark	**6,433**	6,433
John Falla	**10,000**	6,000
Wilken von Hodenberg*	**89,316**	89,316
William Maltby**	**23,298**	9,500
Louisa Symington-Mills	**–**	–

* Total includes a closely associated person related to Wilken von Hodenberg who holds 44,658 shares of the Company.

** Total includes a closely associated person related to William Maltby who acquired 5,465 shares of the Company during 2021.

Resolution to approve directors' remuneration policy and 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, a resolution to approve a Directors Remuneration Policy will be put forth at the Company's upcoming Annual General Meeting.

On behalf of the Board:

Trudi Clark
Chair

25 April 2022

Report of the Audit Committee

Introduction

During 2021, the Audit Committee met four times to discuss a number of important topics including detailed discussions surrounding portfolio valuation, reviewing and approving the 2021 semi-annual financial statements, audit planning and discussing key audit matters related to the 2021 annual accounts.

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 detailed analysis prepared by the Investment Manager which detailed future cash flow forecasts to evaluate the impact on the Company's capital position. The Audit Committee reviewed and discussed valuation analysis prepared by the Investment Manager quarterly which detailed the significant increase in valuations and the strong year-to-date performance of the Company, and discussions ensued around investments with the largest increases in value and the key drivers at the underlying investments which were driving the valuations.

The Audit Committee also conducted a detailed review of auditor independence, effectiveness, and reviewed and planned the year-end audit with the 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.

Areas of focus also included the control environment and how risks are mitigated, and the monitoring of compliance with the AIC Code of Corporate Governance.

Audit Committee

The function of the Audit Committee is to provide oversight and reassurances 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.

Committee meetings

The Audit Committee meets at least three times a year and met four times in 2021. Only members and the secretary of the Audit Committee have the right to attend Audit Committee meetings. However, other directors 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 external auditor, who is currently KPMG, is also invited on a regular basis. The Audit Committee determines, in conjunction with the external auditor, when to meet with the Auditor.

The Audit Committee meets with the 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.

Financial statements and reporting matters

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. Meetings of the Audit Committee generally take place prior to the Company Board meeting. The Audit 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.

In relation to financial reporting, the primary role of the Audit Committee is to review with the Investment Manager, MUFG Capital Analytics and KPMG, the appropriateness of the semi-annual and annual financial statements. The Committee focuses on, amongst 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 external auditor on the outcomes of their half-year review and annual audit.

In early 2021, the Audit Committee reviewed the risk matrix prepared by the Investment Manager, noting that, while the COVID-19 pandemic was still a factor, the portfolio was performing well, and in many cases, much of the uncertainty surrounding a number of the key risks had been reduced as, generally speaking, underlying companies had adapted to the new operating environment. As a result, rather than viewing the potential COVID-19 impact on each of the underlying key risks, the Audit Committee noted the general risk posed by the pandemic and included it as an overall external risk. The Audit Committee 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. More recently, the Audit Committee noted the heightened external risks associated with the conflict in Ukraine and enforcement of economic sanctions against Russia which occurred subsequent to this reporting period in the first quarter of 2022. Finally, the Audit Committee also reviewed the viability statement and undertook a robust assessment of the principal risks and the assumptions supporting the viability statement.

During the year under review and in the course of preparing this Annual Financial Report, the Audit Committee has continued to focus on the principal and emerging risks facing the Company, its performance, liquidity and how these feed into the model prepared by the Investment Manager underlying the viability statement. Following their review, the Audit Committee confirmed that they were satisfied with the key underlying assumptions of the viability statement and the resulting forecast prepared.

The Audit Committee viewed the valuation of private equity investments as the key issue arising in the preparation of the 2021 Annual Financial Report and Consolidated Financial Statements. With the portfolio consisting of 91% direct equity investments in 2021 versus 87% relative to the prior year, the Audit Committee focused particularly on the valuation methodologies and the assumptions used in the review of the valuation of these direct equity investments.

The Audit Committee noted that the Manager's valuation methodology for direct equity investments begins with the most recently available financial information obtained from the underlying companies or sponsors. The 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 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 external auditor reviewed the supporting financial information for investments valued under the practical expedient methodology.

In cases where the Investment Manager was not invested at the same cost basis as the underlying sponsor, or where the practical expedient methodology could otherwise not be utilised, the Manager utilised valuation models to analyse the company's enterprise value, a method consistent with prior years. In these instances, the Manager evaluated the company's enterprise value based on chosen valuation multiples, which are dependent upon many factors including historical financial performance, business and industry characteristics, as well as public and private market comparables.

The external auditor reviewed the Manager's valuation models and assumptions used.

The Audit Committee noted that the two principal risks in relation to the income investments had remained materially unchanged during the year; however, the Audit Committee further noted that the composition of the income investment portfolio had reduced in value considerably as a result of portfolio realisations. As of 31 December 2021, the two largest positions consisted of NBPE's investment in the NB Credit Opportunities and NB Specialty Finance Programs. Nevertheless, the two primary risks related to these investments were unchanged relative to the prior year and consisted of credit risk and market risk. The Audit Committee noted they had designed forward looking procedures to cover both types of risk. To analyse credit risk, the Audit Committee noted that the Manager prepared valuation models to analyse the enterprise and equity values to ensure there was sufficient enterprise value to support all of the debt of a company and that the company was creditworthy. The Audit Committee considered that market risk was related to yield and this was compared to other observable yields in the market. Further, the Audit Committee noted that this approach and methodology applied by the Manager was reasonable and appropriate.

Similar to prior years, the 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.

The auditors did not report any significant differences between the valuations used by the Company and the work performed during their testing process. Based on their above review and analysis, the Audit Committee confirmed that they were satisfied with the valuations of investments.

The Audit Committee also discussed with the Auditor their work around the verification of the ownership of investments.

Following this discussion, the Audit Committee reviewed both the annual financial report and the consolidated financial statements and discussed the contents with the Investment Manager and KPMG.

Based on their review and information received from the Investment Manager, the Audit Committee advised the Board that it was satisfied that the annual financial report and the consolidated financial statements, taken as a whole, were fair, balanced and understandable and provided the information necessary for shareholders to assess the Company's performance, business model and strategy.

Internal control and risk assessment

The Audit Committee received reports from the Investment Manager on the Company's risk evaluation process and reviewed any changes to significant risks.

The Board has undertaken a full review of the Company's business risks which have been analysed and recorded in the principal risks and uncertainties. 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, and annually, the Audit Committee reviews a detailed risk matrix of each of the key underlying risks to the Company. In both of these cases, the Audit Committee monitors 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.

The effectiveness of the internal controls is assessed by the Investment Manager's compliance and risk department on an ongoing basis.

By means of the procedures set out above, the Audit Committee confirms that it reviewed the effectiveness of the Company's system of internal controls for the year ended 31 December 2021 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 was satisfied that this function provides sufficient control to help 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 2021 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 external auditors were remunerated $210,000 in relation to the 2021 annual audit (2020 fee: $170,000). They received a fee of $30,000 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 2021 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 2021 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.

External Audit

KPMG is NBPE's External 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 external 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.

Auditor independence and appointment

The Audit Committee understands the importance of auditor independence and during 2021, 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.

The Audit Committee also focused on the non-audit services, which requires the consent of the Audit Committee. The only non-audit services performed during 2021 consisted of the interim financial statement review by KPMG. KPMG noted that they did not perform any work with respect to the preparation of financial statements or valuations, the taking of management decisions, or the provision of investment advice.

There was no other non-audit work performed by the KPMG during the year other than those services 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 believes that the performance of the external auditor remains satisfactory. 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.

The Audit Committee conducted a self appraisal of its performance and concluded that it was satisfactory and in accordance with its terms of reference.

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 Manager and KPMG in relation to the preparation of the Company's consolidated financial statements and the year-end audit process.

John Martyn Falla
Audit Committee Chairman
25 April 2022

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 ("US 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; 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: 25 April 2022

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 2021, 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 2021, and of the Group's financial performance and cash flows for the year then ended;
- are prepared in conformity 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 2020):

Valuation of private equity investments	The risk	Our response
$1,569,276,895; (2020: $1,254,644,523) Refer to pages 68 to 69 of the Report of the Audit Committee, pages 80 to 81 of the consolidated condensed schedule of private equity investments, note 2 accounting policy and note 3 disclosures	**Basis:** The Group's private equity investments portfolio represents the most significant balance on the consolidated balance sheet and is the principal driver of the Group's net asset value (2021: 105.9%; 2020: 119.1%). The private equity investments portfolio is comprised of direct equity and fund investments ("Direct Equity Investments") and Income Investments (together the "Investments"). Direct Equity Investments, representing 84% 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 8% 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 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 management's 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 revenue 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.

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 judgments that may be involved in the determination of fair value.	– For listed Direct Equity Investments we independently priced these to a third party source. 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 $26,837,000, determined with reference to a benchmark of group net assets of $1,482,233,417, of which it represents approximately 2.0% (2020: 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% (2020: 75.0%) of materiality for the financial statements as a whole, which equates to $20,127,000. 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 $1,341,000, 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").

Going concern (continued)

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 49 and 50) 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 49 and 50) 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.

Disclosures of emerging and principal risks and longer term viability (continued)

We are also required to review the viability statement, set out on pages 49 and 50 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 page 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 controls as they determine are 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

25 April 2022

Consolidated Balance Sheets

For the years ended 31 December 2021 and 31 December 2020

	2021	2020
Assets		
Private equity investments		
Cost of $870,294,049 at 31 December 2021 and $878,840,550 at 31 December 2020	**$1,569,276,895**	$1,254,644,523
Cash and cash equivalents	**116,486,687**	3,044,990
Other assets	**3,524,339**	9,106,692
Distributions and sales proceeds receivable from investments	**280,977**	627,801
Total assets	**$1,689,568,898**	$1,267,424,006
Liabilities and share capital		
Liabilities:		
ZDP Share liability	**$161,985,696**	$157,014,827
Credit facility loan	**–**	35,000,000
Carried interest payable to Special Limited Partner	**37,341,460**	15,181,843
Payables to Investment Manager and affiliates	**5,801,910**	4,616,314
Accrued expenses and other liabilities	**2,206,415**	2,434,531
Total liabilities	**$207,335,481**	$214,247,515
Share capital:		
Class A Shares, $0.01 par value, 500,000,000 shares authorised, 49,911,438 shares issued and 46,761,030 shares outstanding	**$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	**992,368,962**	563,841,429
Less cost of treasury stock purchased (3,150,408 shares)	**(9,248,460)**	(9,248,460)
Total net assets of the controlling interest	**1,480,178,782**	1,051,651,249
Net assets of the noncontrolling interest	**2,054,635**	1,525,242
Total net assets	**$1,482,233,417**	$1,053,176,491
Total liabilities and net assets	**$1,689,568,898**	$1,267,424,006
Net asset value per share for Class A Shares and Class B Shares	**$31.65**	$22.49
Net asset value per share for Class A Shares and Class B Shares (GBP)	**£23.37**	£16.45
Net asset value per 2022 ZDP Share (Pence)	**123.08**	118.35
Net asset value per 2024 ZDP Share (Pence)	**116.11**	111.38

The consolidated financial statements were approved by the Board of directors on 25 April 2022 and signed on its behalf by

William Maltby **John Martyn Falla**

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

Consolidated Condensed schedules of private equity investments

31 December 2021 and 31 December 2020

Private equity investments	Cost	Fair Value	Unfunded Commitment	Private Equity[1] Exposure
2021				
Direct equity investments				
NB Alternatives Direct Co-investment Program A	$46,142,215	$45,903,484	$18,274,463	$64,117,947
NB Alternatives Direct Co-investment Program B*	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**
2020				
Direct equity investments				
NB Alternatives Direct Co-investment Program A*	$59,117,340	$45,124,705	$18,817,937	$63,942,642
NB Alternatives Direct Co-investment Program B*	102,702,561	160,075,296	22,386,300	182,461,596
NB Renaissance Programs	16,909,909	18,304,758	18,804,650	37,109,408
NB Healthcare Credit Investment Program (Equity)	2,576,084	2,579,932	4,146,718	6,726,650
Marquee Brands	25,464,414	29,927,308	4,024,452	33,951,760
Direct equity investments[2]	485,200,798	835,576,537	4,245,021	839,821,558
Total direct equity investments	$710,052,635	$1,091,588,536	$72,425,078	$1,164,013,614
Income Investments				
NB Credit Opportunities Program	40,333,271	47,418,066	6,745,403	54,163,469
NB Specialty Finance Program	22,847,195	22,815,420	28,500,000	51,315,420
Income investments	78,350,466	70,286,055	–	70,286,055
Total income investments	$141,530,932	$140,519,541	$35,245,403	$175,764,944
Fund investments	27,256,983	22,536,446	21,671,287	44,207,733
Total investments	**$878,840,550**	**$1,254,644,523**	**$129,341,768**	**$1,383,986,291**

* These investments are above 5% of net asset value. See note 3.

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

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

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

Consolidated Condensed schedules of private equity investments

31 December 2021 and 31 December 2020

Geographic diversity of private equity investments[1]	Fair Value 2021	Fair Value 2020
North America	**$1,135,687,289**	$973,088,498
Europe	**376,021,623**	234,882,061
Asia/rest of world	**57,567,983**	46,673,964
	$1,569,276,895	$1,254,644,523

Industry diversity of private equity investments[2]	2021	2020
Technology/IT	**18.2%**	18.1%
Healthcare	**9.7%**	14.5%
Industrials	**18.2%**	14.3%
Consumer	**19.5%**	18.9%
Financial services	**9.8%**	11.1%
Business services	**13.8%**	10.9%
Energy	**0.9%**	0.8%
Communications/media	**2.7%**	5.0%
Diversified/undisclosed/other	**6.2%**	5.0%
Transportation	**1.0%**	1.4%
	100.0%	100.0%

Asset class diversification of private equity investments[3]	2021	2020
Direct Equity Investments		
Mid-cap buyout	**49.0%**	43.0%
Large-cap buyout	**30.0%**	31.0%
Special situation	**8.0%**	9.0%
Growth equity	**4.0%**	5.0%
Income investments	**8.0%**	11.0%
Growth/venture funds	**1.0%**	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 2021 and 31 December 2020

	2021	2020
Interest and dividend income	**$5,725,688**	$9,454,166
Expenses		
Investment management and services	**22,483,005**	16,659,208
Carried interest	**37,232,789**	15,181,843
Finance costs		
Credit facility	**4,084,128**	6,331,701
ZDP Shares	**6,942,354**	6,396,999
Administration and professional fees	**4,324,409**	3,451,058
	75,066,685	48,020,809
Net investment income (loss)	**$(69,340,997)**	$(38,566,643)
Realised and unrealised gains (losses)		
Net realised gain (loss) on investments and forward foreign exchange contracts, net of tax expense (benefit) of $756,098 for 2021 and $1,867,420 for 2020	**$212,372,218**	$90,221,599
Net change in unrealised gain (loss) on investments and forward foreign exchange contracts, net of tax expense (benefit) of $0 for 2021 and $0 for 2020	**319,700,846**	133,280,131
Net realised and unrealised gain (loss)	**532,073,064**	223,501,730
Net increase (decrease) in net assets resulting from operations	**$462,732,067**	$184,935,087
Less net (increase) decrease in net assets resulting from operations attributable to the noncontrolling interest	**(529,393)**	(378,852)
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$462,202,674**	$184,556,235
Net assets at beginning of period attributable to the controlling interest	**1,051,651,249**	894,767,554
Less dividend payment	**(33,675,141)**	(27,138,468)
Less cost of stock repurchased and cancelled (0 shares for 2021 and 38,854 shares for 2020)	**–**	(534,072)
Net assets at end of period attributable to the controlling interest	**$1,480,178,782**	$1,051,651,249
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	**$9.88**	$3.95
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest (GBP)	**£7.18**	£3.08

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

Consolidated Statements of cash flows

For the years ended 31 December 2021 and 31 December 2020

	2021	2020
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$462,202,674**	$184,556,235
Net increase (decrease) in net assets resulting from operations attributable to the noncontrolling interest	**529,393**	378,852
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	**(212,372,218)**	(90,221,599)
Net change in unrealised (gain) loss on investments and forward foreign exchange contracts, net of tax expense	**(319,700,846)**	(133,280,131)
Contributions to private equity investments	**(19,918,366)**	(53,713,300)
Purchases of private equity investments	**(147,086,034)**	(72,657,471)
Distributions from private equity investments	**105,532,235**	73,261,751
Proceeds from sale of private equity investments	**281,199,375**	117,224,388
In-kind payment of interest income	**(4,361,301)**	(4,676,480)
Amortisation of finance costs	**719,878**	691,869
Amortisation of purchase premium/discount (OID), net	**(311,331)**	(405,423)
Change in other assets	**1,042,713**	(603,760)
Change in payables to Investment Manager and affiliates	**23,345,213**	8,977,962
Change in accrued expenses and other liabilities	**5,502,828**	4,557,339
Net cash provided by (used in) operating activities	**176,324,213**	34,090,232
Cash flows from financing activities:		
Dividend payment	**(33,675,141)**	(27,138,468)
Stock repurchased and cancelled	**–**	(534,072)
Borrowings from credit facility	**15,000,000**	228,000,000
Payments to credit facility	**(50,000,000)**	(240,000,000)
Settlement of the forward foreign exchange contract and ongoing hedging activity	**5,792,625**	(909,270)
Net cash provided by (used in) financing activities	**(62,882,516)**	(40,581,810)
Net increase (decrease) in cash and cash equivalents	**113,441,697**	(6,491,578)
Cash and cash equivalents at beginning of period	**3,044,990**	9,536,568
Cash and cash equivalents at end of period	**$116,486,687**	$3,044,990
Supplemental cash flow information		
Interest paid	**$3,658,042**	$5,924,412
Net taxes paid (refunded)	**$1,268,764**	$924,590

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

Note 1 – Description of the Group

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

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

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

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

Principles of Consolidation

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

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 2021 and 31 December 2020 to estimate the fair value of each class of financial instruments:

- Cash and cash equivalents – The carrying value reasonably approximates fair value due to the short-term nature of these instruments.
- Forward currency contracts are revalued using the forward exchange rate prevailing at the consolidated balance sheet date.
- Other assets (excluding forward currency contracts) – The carrying value reasonably approximates fair value.
- Distributions and sales proceeds receivable from investments – The carrying value reasonably approximates fair value.

Note 2 – Summary of Significant Accounting Policies continued

Use of Estimates and Judgements continued

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

Fair Value Measurements

It is expected that most of the investments in which the Group invests will meet the criteria set forth under FASB ASC 820 *Fair Value Measurement and Disclosures* ("ASC 820") permitting the use of the practical expedient to determine the fair value of the investments. ASC 820 provides that, in valuing alternative investments that do not have quoted market prices but calculate net asset value ("NAV") per share or equivalent, an investor may determine fair value by using the NAV reported to the investor by the underlying investment. To the extent ASC 820 is applicable to an investment, the Investment Manager will value the Group's investment based primarily on the value reported to the Group by the investment or by the lead investor/sponsor of a direct co-investment as of each quarter-end, as determined by the investments in accordance with its own valuation policies.

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

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs used in the determination of the fair value require significant management judgement or estimation.

Observable inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, based on market data obtained from sources independent of the Group. Unobservable inputs reflect the Group's own assumptions about the assumptions that 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 $27,126,075 for the year ended 31 December 2021. The cumulative effect of translation to U.S. dollars increased the fair value of the Group's foreign investments by $11,943,593 for the year ended 31 December 2020.

Other than the ZDP Shares denominated in Sterling (see note 5 and note 6), the Group has unfunded commitments denominated in currencies other than U.S. dollars. At 31 December 2021, the unfunded commitments that are in Euros and Sterling amounted to €13,033,970 and £34,225 respectively (31 December 2020: €15,990,363 and nil). They have been included in the consolidated condensed schedules of private equity investments at the U.S. dollar exchange rates in effect at 31 December 2021 and 31 December 2020. The effect on the unfunded commitment of the change in the exchange rates between Euros and U.S. dollars was a decrease in the U.S. dollar obligations of $1,196,119 for 31 December 2021 and an increase in the U.S. dollar obligations of $1,519,710 for 31 December 2020. The effect on the unfunded commitment of the change in the exchange rates between Sterling and U.S. dollars was an increase in the U.S. dollar obligations of $2,124 for 31 December 2021 and nil for 31 December 2020.

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 2021, total interest and dividend income was $5,725,688, of which $406,544 was dividends, and $5,319,144 was interest income. For the year ended 31 December 2020, total interest and dividend income was $9,454,166, of which $92,718 was dividends, $9,344,607 was interest income, and $16,841 was other forms of income. Realised gains and losses from sales of investments are determined on a specific identification basis.

Cash and Cash Equivalents

Cash and cash equivalents represent cash held in accounts at banks and liquid investments with original maturities of three months or less. Cash equivalents are carried at cost plus accrued interest, which approximates fair value. At 31 December 2021 and 31 December 2020, cash and cash equivalents consisted of $116,486,687 and $3,044,990 of cash, respectively, primarily held in operating accounts with Bank of America Merrill Lynch. Cash equivalents are held for the purpose of meeting short-term liquidity requirements, rather than for investment purposes. As of 31 December 2021 and 31 December 2020, there were no cash equivalents. Cash and cash equivalents are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation ("FDIC") or Securities Investor Protection Corporation ("SIPC") limitations.

Income Taxes

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

Note 2 – Summary of Significant Accounting Policies 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 12 months.

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

Investments made in entities that generate business income that is effectively connected with a U.S. trade or business may subject the Group to certain U.S. federal and state income tax consequences. Generally, the U.S. imposes withholding tax on effectively connected income at the highest U.S. rate (generally 21%). In addition, the Group may also be subject to a branch profits tax which can be imposed at a rate of up to 23.7% of the after-tax profits treated as effectively connected income associated with a U.S. trade or business. As such, the aggregate U.S. tax liability on effectively connected income may approximate 44.7% given the two levels of tax.

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

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

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

Forward Foreign Exchange Contracts

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

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

Dividends to Shareholders

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

Operating Expenses

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

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 2021 and 31 December 2020.

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

	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**
Forward foreign exchange contract	**–**	**–**	**–**	**–**	**–**
Totals	**$11,685,316**	**$27,192,165**	**$207,680,425**	**$1,322,718,989**	**$1,569,276,895**

	Assets (Liabilities) Accounted for at Fair Value				
As of 31 December 2020	**Level 1**	**Level 2**	**Level 3**	**Investments measured at net asset value[1]**	**Total**
Common stock	$483,337	$6,195,161	$–	$–	$6,678,498
Private equity companies	–	947,397	216,675,547	1,030,343,081	1,247,966,025
Forward foreign exchange contract	–	4,994,199	–	–	4,994,199
Totals	$483,337	$12,136,757	$216,675,547	$1,030,343,081	$1,259,638,722

(1) Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorised in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated condensed schedules of private equity investments.

Note 3 – Investments continued

Significant investments:

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

Company	Industry	Country	Fair Value	Fair Value as a Percentage of net asset value
Constellation Automotive[1] (LP Interest)	Business Services	United Kingdom	$87,293,710	5.90%
AutoStore[1] (LP Interest)	Industrials	Norway	97,393,384	6.58%

(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 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 Level 2 and 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 2020.

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

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 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	**$36,269**	Market Approach	LTM EBITDA	12.0x	Increase
Mid-cap buyout	**93,070**	Escrow Value	Escrow	1.0x	Increase
		Market Approach	LTM EBITDA	8.8x-15.3x (12.6x)	Increase
		Market Approach	Production multiple ($Boed)	$24,811	Increase
		Market Approach	Implied transaction production multiple ($Boed)	$18,343	Increase
Special situations	**21,836**	Market Approach	LTM EBITDA	7.7x-8.6x (8.5x)	Increase
		Market Approach	LTM Net Revenue	3.5x	Increase
Growth/venture	**19,279**	Market Approach	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 Approach	LTM EBITDA	17.8x	Increase
Total	**$207,680**				

(1) LTM means Last Twelve Months, EBITDA means Earnings Before Interest Taxes Depreciation and Amortisation.

(2) Inputs weighted based on fair value of investments in range.

(3) Unless otherwise noted, this column represents the directional change in the fair value of Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.

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

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

(1) LTM means Last Twelve Months, EBITDA means Earnings Before Interest Taxes Depreciation and Amortisation.

(2) Inputs weighted based on fair value of investments in range.

(3) Unless otherwise noted, this column represents the directional change in the fair value of Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.

Note 3 – Investments continued

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

In the case of direct equity investments and income investments, the Investment Manager does not control the timing of all exits but at the time of investment, typically expects investment durations to be meaningfully shorter than fund investments. Therefore, although some fund and direct investments may take 10-15 years to reach final realisation, the Investment Manager expects the majority of the Group's invested capital in the current portfolio to be returned in much shorter timeframes. Generally, fund investments have a defined term and no right to withdraw. In the case of fund investments, fund lives are typically 10 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 2021, a subsidiary of the Company had an active secured revolving credit facility with Massachusetts Mutual Life Insurance Company ("MassMutual"). The MassMutual Facility's availability was initially up to $200.0 million plus a $50.0 million accordion subject to certain restrictions with a 10-year borrowing availability period unless terminated earlier. On 20 March 2020, the accordion feature was exercised increasing the MassMutual Facility to $250.0 million. On 1 May 2020, the MassMutual Facility was amended to increase the availability up to $300.0 million. The 10-year borrowing availability period of the MassMutual Facility expires on 23 December 2029, while the MassMutual Facility matures on 23 December 2031. The outstanding balances of the MassMutual Facility were nil at 31 December 2021 and $35.0 million at 31 December 2020.

Under the MassMutual Facility, the Group is required to meet certain portfolio concentration tests and certain loan-to-value ratios not to exceed 45% through its 8th anniversary with step-downs each year thereafter until reaching 0% on its 10th anniversary and through maturity. In addition, the MassMutual Facility limits the incurrence of loan-to-value ratios above 45%, additional indebtedness, asset sales, acquisitions, mergers, liens, portfolio asset assignments, or other matters customarily restricted in such agreements. The MassMutual Facility defines change in control as a change in the Company's ownership structure of certain of its subsidiaries or the event in which the Group is no longer managed by the Investment Manager or an affiliate. A change in control would trigger an event of default under the MassMutual Facility. At 31 December 2021, the Group met all requirements under the MassMutual Facility. The MassMutual Facility is secured by a security interest in the cash flows from the underlying investments of the Group.

Under the MassMutual Facility, the interest rate was calculated as the greater of either LIBOR or 1% plus 2.875% (2.75% prior to 1 May 2020) per annum. The Group is required to pay a commitment fee calculated as 0.55% per annum on the average daily balance of the unused facility amount. The Group is subject to a minimum utilisation of 30% of the facility size, or $90.0 million, beginning 18 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 2021 and 2020.

	31 December 2021	31 December 2020
Interest expense	**$548,958**	$5,044,555
Undrawn commitment fees	**1,335,583**	835,328
Servicing fees and breakage costs	**75,020**	204,066
Amortisation of capitalised debt issuance costs	**264,567**	247,752
Minimum utilisation fees	**1,860,000**	–
Total Credit Facility Finance Costs	**$4,084,128**	$6,331,701

As of 31 December 2021 and 31 December 2020, unamortised capitalised debt issuance costs (included in Other assets on the consolidated balance sheets) were $2,641,336 and $2,905,903, respectively. Capitalised amounts are being amortised on a straight-line basis over the terms of the applicable credit facility.

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

As of 31 December 2021, there were 50,000,000 ZDP Shares (the "2022 ZDP Shares") outstanding which were issued at a Gross Redemption Yield of 4.00%. The holders of the 2022 ZDP Shares will have a final capital entitlement of 126.74 pence on the repayment date of 30 September 2022.

As of 31 December 2021, there were 50,000,000 ZDP Shares (the "2024 ZDP Shares") outstanding at a Gross Redemption Yield of 4.25%. The 2024 ZDP Shares were issued pursuant to the Initial Placing and Offer for Subscription at a price per 2024 ZDP Share of 100 pence. The holders of the 2024 ZDP Shares will have a final capital entitlement of 130.63 pence on the repayment date of 30 October 2024.

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

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

ZDP Shares	Pounds Sterling	U.S. Dollars
Liability, 31 December 2019	£110,310,029	$146,133,209
Net change in accrued interest on 2022 ZDP Shares	2,280,319	2,980,085
Net change in accrued interest on 2024 ZDP Shares	2,274,737	2,972,797
Currency conversion	–	4,928,736
Liability, 31 December 2020	£114,865,085	$157,014,827
Net change in accrued interest on 2022 ZDP Shares	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

The total liability related to the 2022 ZDP Shares was £61,539,442 (equivalent of $83,352,098) and £59,174,336 (equivalent of $80,888,358) as of 31 December 2021 and 31 December 2020, respectively. The total liability balance related to the 2024 ZDP Shares was £58,055,741 (equivalent of $78,633,598) and £55,690,749 (equivalent of $76,126,469) as of 31 December 2021 and 31 December 2020, respectively.

As of 31 December 2021, the 2022 ZDP Shares and the 2024 ZDP Shares were the only outstanding ZDP Share classes.

ZDP Shares are measured at amortised cost. Capitalised offering costs are being amortised using the effective interest rate method. The unamortised balance of capitalised offering costs of the 2022 and 2024 ZDP Shares at 31 December 2021 was $638,981 and the unamortised balance of capitalised offering costs of the 2022 and 2024 ZDP Shares at 31 December 2020 was $1,094,292.

Note 6 – Forward Foreign Exchange Contracts

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

As of 31 December 2021, the Group does not hold any active forward foreign currency contracts. The below table presents the Group's forward foreign currency contracts held and their effect on the consolidated statements of operations and changes in net assets during the 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)	$5,792,625
Total				**$(4,994,199)**	**$5,792,625**

Note 6 – Forward Foreign Exchange Contracts continued

The below table presents the Group's forward foreign currency contracts held and their effect on the consolidated statements of operations and changes in net assets during the year ended 31 December 2020.

For the year ended 31 December 2020					
Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealised gain (loss)	Realised gain (loss)
£65,000,000	$85,898,020	Westpac Banking Corporation	7 May 2020	$(496,923)	$(5,057,520)
£75,000,000	$93,340,500	Westpac Banking Corporation	21 October 2020	–	4,148,250
£75,000,000	$97,585,125	Westpac Banking Corporation	14 April 2021	$4,994,199	–
Total				**$4,497,276**	**$(909,270)**

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 2021	31 December 2020
Current tax expense	**$756,098**	$1,867,420
Deferred tax expense (benefit)	**–**	–
Total tax expense (benefit)	**$756,098**	$1,867,420

	31 December 2021	31 December 2020
Gross deferred tax assets	**$11,685,030**	$8,730,532
Valuation allowance	**(9,690,782)**	(8,726,226)
Net deferred tax assets	**1,994,248**	4,306
Gross deferred tax liabilities	**(1,994,248)**	(4,306)
Net deferred tax assets (liabilities)	**–**	–

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

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

Note 8 – Earnings (Loss) per Share

The computations for earnings (loss) per share for the years ended 31 December 2021 and 2020 are as follows:

	2021	2020
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$462,202,674**	$184,556,235
Divided by weighted average shares outstanding for Class A Shares and Class B Shares of the controlling interest	**46,771,030**	46,777,829
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	**$9.88**	$3.95

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 2021 and 2020, the balances include the following:

Classification of Realised Gain (Loss) and Unrealised Gain (Loss)(1)	31 December 2021	31 December 2020
Realised gain on investments and forward foreign exchange contracts	**$245,140,677**	$105,698,197
Realised loss on investments and forward foreign exchange contracts	**(32,012,361)**	(13,609,178)
Net realised gain (loss) on investments and forward foreign exchange contracts	**$213,128,316**	$92,089,019
Unrealised gain on investments and forward foreign exchange contracts	**$407,844,305**	$233,160,582
Unrealised loss on investments and forward foreign exchange contracts(2)	**(88,143,459)**	(99,880,451)
Net unrealised gain (loss) on investments and forward foreign exchange contracts	**$319,700,846**	$133,280,131

(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 $68,324,306 and $52,984,908 for the periods ended 31 December 2021 and 2020, 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.

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

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

The Company currently has shareholder authority to repurchase shares in the market, the aggregate value of which may be up to 14.99% of the Class A Shares in issue (excluding Class A Shares held in treasury) at the time the authority is granted; such authority will expire on the date which is 15 months from the date of passing of this resolution or, if earlier, at the end of the Annual General Meeting ("AGM") of the Company to be held in 2022. The maximum price which may be paid for a Class A Share is an amount equal to the higher of (i) the price of the last independent trade and (ii) the highest current independent bid, in each case, with respect to the Class A Shares on the relevant exchange (being the Main Market).

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

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

Management and Guernsey Administration

The Group is managed by the Investment Manager for a management fee calculated at the end of each calendar quarter equal to 37.5 basis points (150 basis points per annum) of the fair value of the private equity and opportunistic investments. For purposes of this computation, the fair value is reduced by the fair value of any investment for which the Investment Manager is separately compensated for investment management services. The Investment Manager is not entitled to a management fee on: (i) the value of any fund investments held by the Company in NB Funds in respect of which the Investment Manager or an affiliate receives a fee or other remuneration; or (ii) the value of any holdings in cash and short-term investments (the definition of which shall be determined in good faith by the Investment Manager, and shall include holdings in money market funds (whether managed by the Investment Manager, an affiliate of the Investment Manager or a third-party manager)). For the years ended 31 December 2021 and 2020, the management fee expenses were $22,483,005 and $16,659,208, respectively, and are included in Investment management and services on the consolidated statement of operations and changes in net assets. If the Company terminates the Investment Management Agreement without cause, the Company shall pay a termination fee equal to: seven years of management fees, plus an amount equal to seven times the mean average incentive allocation of the three performance periods immediately preceding the termination, plus all underwriting, placement and other expenses borne by the Manager or affiliates in connection with the Company's Initial Public Offering.

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 $330,096 and $158,046 for the years ended 31 December 2021 and 2020, respectively, for such services. The Group also paid MUFG Capital Analytics LLC, an independent third-party fund administrator, $1,519,263 and $1,140,272 for the years ended 31 December 2021 and 2020, respectively, for administrative and accounting services. The Group paid a fee of 10 basis points of private equity and opportunistic investments net asset value to MUFG Capital Analytics. 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. As of 31 December 2021, directors' fees were as follows: Chairman receives £72,500 annually (£18,125 quarterly), Audit Chairman receives £62,000 annually (£15,500 quarterly), Senior Independent Director receives £57,000 annually (£14,250 quarterly), and non-executive independent directors each receive £52,000 annually (£13,000 quarterly). Beginning on 1 July 2021, an additional fee was assessed in the amount of £10,000 annually and payable to two directors (£5,000 each) for serving as directors on the board of the Guernsey Subsidiaries of the Company.

For the years ended 31 December 2021 and 2020, the Group paid the independent directors a total of $361,516 (of which $6,822 related to services provided to the Guernsey Subsidiaries of the Company) and $294,374 (of which $nil related to services provided to the Guernsey Subsidiaries of the Company), respectively. On 15 June 2021 the Company appointed an additional independent, non-executive director, to whom fees paid during the year ended 31 December 2021 were $37,365.

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.

As of 31 December 2021 and 2020, Investment Management fees payable to the Investment Manager and its affiliates were $5,801,910 and $4,616,314, respectively.

Special Limited Partner's Noncontrolling Interest in Subsidiary

An affiliate of the Investment Manager is a Special Limited Partner in a consolidated partnership subsidiary. At 31 December 2021 and 2020, the noncontrolling interest of $2,054,635 and $1,525,242, respectively, represented the Special Limited Partner's capital contribution to the partnership subsidiary and income allocation.

The following table reconciles the carrying amount of net assets, net assets attributable to the controlling interest and net assets attributable to the noncontrolling interest at 31 December 2021 and 2020.

	Controlling Interest	Noncontrolling Interest	Total
Net assets balance, 31 December 2019	**$894,767,554**	**$1,146,390**	**$895,913,944**
Net increase (decrease) in net assets resulting from operations	184,556,235	378,852	184,935,087
Dividend payment	(27,138,468)	–	(27,138,468)
Cost of stock repurchased and cancelled (38,854 shares)	(534,072)	–	(534,072)
Net assets balance, 31 December 2020	**$1,051,651,249**	**$1,525,242**	**$1,053,176,491**
Net increase (decrease) in net assets resulting from operations	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**

Carried Interest

The Special Limited Partner is entitled to a carried interest in an amount that is, in general, equal to 7.5% of the Group's consolidated net increase in net assets resulting from operations, adjusted by withdrawals, distributions and capital contributions, for a fiscal year in the event that the Group's internal rate of return for such period, based on the NAV, exceeds 7.5%. For the purposes of this computation, the value of any private equity fund investment in NB Funds in respect of which the Investment Manager or an affiliate receives a fee or other remuneration shall be excluded from the calculation of the incentive allocation payable to the Special Limited Partner. If losses are incurred for a period, no carried interest is earned and such loss amounts are carried forward to be included in the changes in net assets calculations for future periods. Carried interest is also accrued and paid on any economic gain that the Group realises on treasury stock transactions (see note 9). Carried interest is accrued periodically and paid in the subsequent year. As of 31 December 2021 and 31 December 2020, carried interest of $37,232,789 and $15,181,843 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	Committed	Funded	Unfunded
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**
2020				
NB-Affiliated Programs				
NB Alternatives Direct Co-investment Programs	$205.2	$275.0	$233.8	$41.2
NB Renaissance Programs	18.3	40.0	21.2	18.8
Marquee Brands	29.9	30.0	26.0	4.0
NB Healthcare Credit Investment Program	2.6	50.0	45.9	4.1
NB Credit Opportunities Program	47.4	50.0	43.3	6.7
NB Specialty Finance Program	22.8	50.0	21.5	28.5
Total investments in NB-Affiliated Programs	$326.2	$495.0	$391.7	$103.3
NB-Affiliated Funds				
NB Fund of Funds Secondary 2009	$–	$10.4	$10.4	$–
NB Crossroads Fund XVIII	2.7	75.0	63.1	11.9
Total investments in NB-Affiliated Funds	$2.7	$85.4	$73.5	$11.9
Total NB-Affiliated Investments	$328.9	$580.4	$465.2	$115.2

Note 11 – Risks and Contingencies

Market Risk

The Group's exposure to financial risks is both direct (through its holdings of assets and liabilities directly subject to these risks) and indirect (through the impact of these risks on the overall valuation of its private equity companies). The Group's private equity companies are generally not traded in an active market, but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The fund investments of the Group each hold 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.

Liquidity Risk

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

Contingencies

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

Other Matters

The outbreak of COVID-19 in many countries has, among other things, disrupted global travel and supply chains, and adversely impacted global commercial activity, the transportation industry and commodity prices in the energy sector. The impact of this virus has negatively affected and may continue to affect the economies of many nations, individual companies and the global securities and commodities markets, including liquidity and volatility. The development and fluidity of this situation precludes any prediction as to its ultimate impact, which may have a continued adverse effect on global economic and market conditions. Such conditions (which may be across industries, sectors or geographies) have impacted and may continue to impact certain issuers of the securities held by the Company and in turn, may impact the financial performance of the Company. In addition, the impact of the COVID-19 pandemic may lead to adverse impacts on valuations and other financial analyses for current and future periods.

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 2021 and 2020:

Per share operating performance (based on average shares outstanding during the year)	For the year ended 31 December 2021	For the year ended 31 December 2020
Beginning net asset value	**$22.49**	$19.11
Net increase in net assets resulting from operations:		
Net investment income (loss)	**(1.48)**	(0.83)
Net realised and unrealised gain (loss)	**11.36**	4.79
Dividend payment	**(0.72)**	(0.58)
Ending net asset value	**$31.65**	$22.49

Total return (based on change in net asset value per share)	For the year ended 31 December 2021	For the year ended 31 December 2020
Total return before carried interest	**47.47%**	22.40%
Carried interest	**(3.54%)**	(1.67%)
Total return after carried interest	**43.93%**	20.73%

Net investment income (loss) and expense ratios (based on weighted average net assets)	For the year ended 31 December 2021	For the year ended 31 December 2020
Net investment income (loss), excluding carried interest	**(2.55%)**	(2.71%)
Expense ratios:		
Expenses before interest and carried interest	**2.44%**	2.52%
Interest expense	**0.55%**	1.27%
Carried interest	**2.95%**	1.75%
Expense ratios total	**5.94%**	5.54%

Net investment income (loss) is interest income earned net of expenses, including management fees and other expenses consistent with the presentation within the consolidated statements of operations and changes in net assets. Expenses do not include the expenses of the underlying private equity investment partnerships.

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

Note 13 – Subsequent Events

On 28 February 2022, the Group paid a dividend of $0.47 per Ordinary Share to shareholders of record on 21 January 2022.

The recent conflict between Russia and Ukraine could have a negative impact on the economy and business activity globally and therefore could adversely affect the performance of the Group's investments. The rise in energy prices, especially oil and gas, raw materials, and other commodity prices due to this conflict may fuel further inflation, which could have a negative effect on the margins and therefore on the valuation of some of the companies in the portfolio.

The Investment Manager and the Board of directors have evaluated events through to 25 April 2022, 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.

Additional Disclosures Required by the Alternative Investment Fund Managers Directive (Unaudited)

1. 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 2021 is disclosed below:

Leverage calculated pursuant to the gross methodology: 1.11

Leverage calculated pursuant to the commitment methodology: 1.14

3. LIQUIDITY AND RISK MANAGEMENT SYSTEMS

Current risk profile 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 2021 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 2021, 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	Bank of America Merrill Lynch	2.61
Second counterparty exposure	Other	0.31

As at 30 September 2021, 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 42,356,178 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 incentivising 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 2,956,274, representing USD 666,566 of fixed compensation and USD 2,289,708 of variable compensation. There were 266 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 2021 was USD 123,885,021 in relation to senior management and USD 1,401,393 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 2021 and 31 December 2020 was USD 37,232,789 and USD 15,181,843, 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 2022

Schedule of investments (unaudited)

Investments	Principal Geography	Investment Date	Description	Fair Value $ M
AutoStore (OB.AUTO)	Europe	Jul-19	Leading provider of automation technology	97.4
Constellation Automotive	U.K.	Nov-19	Provider of vehicle remarketing services	87.3
Agiliti (NYSE: AGTI)	U.S.	Jan-19	Medical equipment management and services	57.9
Action	Europe	Jan-20	European discount retailer	51.8
NB Alternatives Credit Opportunities Program	Global	Sep-16	Diversified credit portfolio	49.0
Material Handling Systems	U.S./Europe	Apr-17	Systems and solutions utilised in distribution centres	44.7
GFL (NYSE: GFL)	U.S /Canada	Jul-18	Waste management services	43.6
USI	U.S.	Jun-17	Insurance brokerage and consulting services	42.0
Kroll	Global	Mar-20	Multi-national financial consultancy firm	41.0
NB Specialty Finance Program	Global	Oct-18	Small balance loan portfolio	38.9
Petsmart / Chewy (NYSE: CHWY)	U.S.	Jun-15	Online and offline pet supplies retailer	36.6
Renaissance Learning	U.S.	Jun-18	K-12 educational software & learning solutions	33.5
Excelitas	U.S.	Nov-17	Sensing, optics and illumination technology	32.7
Marquee Brands	Global	Dec-14	Portfolio of consumer branded IP assets, licensed to third parties	32.7
Cotiviti	U.S.	Aug-18	Payment accuracy and solutions for the healthcare industry	31.6
Business Services Company*	U.S.	Oct-17	Business services company	31.6
Advisor Group	U.S.	Jul-19	Independent broker dealer	31.4
Stamps.com	U.S.	Oct-21	E-commerce shipping software provider	30.0
BeyondTrust	U.S.	Jun-18	Cyber security and secure access solutions	27.9
Branded Toy Company*	U.S.	Jul-17	Specialty toy company	26.5
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	22.6
Staples	U.S.	Sep-17	Provider of office supplies through a business-to-business platform and retail	21.8
Chemical Guys	U.S.	Sep-21	Direct to consumer automotive products brand	21.1
Holley (NYSE: HLLY)	U.S.	Oct-18	Automotive performance company	20.1
Solenis	Global	Sep-21	Specialty chemicals and services provider	19.5
Telxius	Europe	Oct-17	Telecommunications infrastructure including fibre-optic cables and telecom towers	19.0
Omega	U.S.	Feb-17	Leading distributor and assembler of climate control components	18.6
Branded Cities Network	U.S.	Nov-17	North American advertising media company	18.3
Addison Group	U.S.	Dec-21	Professional services provider specialising in staffing and consulting services	18.1
Qpark	Europe	Oct-17	European parking services operator	16.4
FV Hospital	Vietnam	Jun-17	Leading hospital provider in Vietnam	15.7
Bylight	U.S.	Aug-17	Provider of IT and technology infrastructure cyber solutions	15.7
Accedian	U.S.	Apr-17	Network testing equipment and software	15.3

Schedule of investments continued

Investments	Principal Geography	Investment Date	Description	Fair Value $ M
Monroe Engineering	U.S.	Dec-21	Industrial products distributor	15.2
Leaseplan	Europe	Apr-16	Fleet management services	15.1
Solace Systems	U.S./Canada	Apr-16	Enterprise messaging solutions	15.1
Peraton	U.S.	May-21	Provider of enterprise IT services serving the US government	15.0
Nextlevel	U.S.	Aug-18	Designer and supplier of fashion-basic apparel	14.2
Tendam	Spain	Oct-17	Spanish apparel retailer	13.8
Viant	U.S.	Jun-18	Outsourced medical device manufacturer	12.6
ZPG	U.K.	Jul-18	Digital property data and software company	12.5
CH Guenther	U.S.	May-18	Supplier of mixes, snacks and meals and other value-added food products for consumers	12.4
Lasko Products	U.S.	Nov-16	Manufacturer of portable fans and ceramic heaters	12.4
Real Page	U.S.	Apr-21	Provides software solutions to the rental housing industry	12.2
Digital River (Equity)	U.S.	Feb-15	Digital e-commerce, payments and marketing solutions	12.1
IronSource (NYSE: IS)	U.S.	Jun-21	Business platform for app developers	11.6
Italian Mid-Market Buyout Portfolio	Europe	Jun-18	Italian mid-market buyout portfolio	11.3
Exact	Netherlands	Aug-19	Accounting and ERP software for small to medium-sized businesses	11.2
Plaskolite	U.S.	Dec-18	Largest manufacturer of thermoplastic sheets in North America	10.1
Hub	Global	Mar-19	Leading global insurance brokerage	10.0
Verifone	Global	Aug-18	Electronic payment technology	9.7
Clearent	U.S.	Jun-18	Credit card payment processing	9.5
MHS	U.S.	Mar-17	Provider of repair, maintenance and fleet management services	9.4
Centro	U.S.	Jun-15	Provider of digital advertising management solutions	9.2
Concord Bio	India	Jun-16	Active pharmaceutical ingredients manufacturer	9.1
Wind River Environmental	U.S.	Apr-17	Waste management services provider	7.4
Vertiv (NYSE: VRT)	U.S.	Nov-16	Provider of data centre infrastructure	7.4
Healthcare Services Company	NA	Feb-18	Healthcare services company	6.9
Edelman	U.S.	Aug-18	Independent financial planning firm	6.7
ProAmpac	U.S.	Dec-20	Leading global supplier of flexible packaging	6.3
Healthcare Company – In-home Devices	U.S.	Jun-18	Provider of pump medications and in-home intravenous infusion	6.2
BackOffice	U.S.	Dec-17	Data management solutions provider	6.0
Saguaro	North America	Jul-13	E&P company pursuing unconventional light oil/liquids-rich gas properties	5.8
Milani	U.S.	Jun-18	Cosmetics and beauty products	5.7
SafeFleet	U.S.	May-18	Safety and productivity solutions for fleet vehicles	5.6
Carestream	U.S.	Apr-16	Utilises digital imaging equipment and captures two billion images annually	5.6
Destination Restaurants	U.S.	Nov-19	U.S. restaurant chain	5.4
Brightview (NYSE: BV)	U.S.	Dec-13	Commercial landscape and turf maintenance	5.4
BK China	U.S.	Nov-18	Franchise of over 800 Burger King locations in mainland China	5.2
SolarWinds (NYSE: SWI)	U.S.	Feb-16	Provider of enterprise-class IT and infrastructure management software	5.1
Vitru (NASDAQ: VTRU)	Brazil	Jun-18	Post secondary education company	5.0

Schedule of investments continued

Investments	Principal Geography	Investment Date	Description	Fair Value $ M
Snagajob	U.S.	Jun-16	Job search and human capital management provider	4.9
Looking Glass	U.S.	Feb-15	Cyber security technology company	4.7
Mills Fleet Farms	U.S.	Feb-16	Value-based retailer with 35 stores in the Midwest US	4.3
Husky Injection Molding	U.S.	Sep-18	Designs and manufacturers injection moulding equipment	4.3
Uber (NYSE: UBER)	Global	Jul-18	Provides mobility as a service through a technology platform	4.2
Rino Mastrotto Group	Europe	Apr-20	Leading producer of premium leather	3.9
N-Able (NYSE: NABL)	U.S.	Jul-21	IT management solutions	3.8
CrownRock Minerals	U.S.	Aug-18	Minerals acquisition platform	3.7
Catalyst Fund III	North America	Mar-11	Legacy fund investment targeting North American companies	3.7
Inflection Energy	U.S.	Oct-14	Dry gas exploration company in the Marcellus Shale	3.6
DBAG Expansion Capital Fund	Europe	Jan-12	Legacy fund investment targeting investments in Germany	3.6
Innovacare	U.S.	Apr-20	Operates leading Medicare Advantage plan and Medicaid plan	3.1
CSC Service Works	U.S.	Mar-15	Provider of outsourced services to laundry & air vending markets	2.9
SICIT	Europe	Aug-21	Producer of high value-added products such as biostimulants for agriculture	2.4
Undisclosed Financial Services Company*	North America	May-21	Undisclosed fintech company	2.4
Fiserv (NYSE: FISV)	Global	Sep-07	Electronic commerce and payments	2.3
Corona Industrials	South America	Jun-14	Building materials company	2.3
Hydro	Europe	Apr-20	Largest European manufacturer of hydraulic components	2.2
Stratus Technologies	U.S.	Apr-14	Technology solutions that prevent downtime of critical applications	1.9
NG Capital Partners I , L.P.	Peru	May-11	Legacy fund investment targeting investments in Peru	1.9
Aster / DM Healthcare (NSEI: ASTERDM)	Middle East	Jun-14	Operator of hospitals, clinics and pharmacies	1.8
Taylor Precision Products	U.S.	Jul-12	Consumer & food service measurement products	1.8
West Marine	U.S.	Sep-17	Specialty retailer of boating supplies	1.8
Syniverse Technologies	U.S.	Feb-11	Global telecommunications technology solutions	1.8
Bertram Growth Capital I	U.S.	Sep-07	Legacy fund investment targeting lower middle-market companies	1.7
Boa Vista (BVMF: BOAS3)	South America	Nov-12	Second largest credit bureau in Brazil	1.7
Kyobo Life Insurance Co.	S. Korea	Dec-07	Life insurance in Korea	1.7
Into University Partnerships	U.K.	Apr-13	Collegiate recruitment, placement and education	1.5
Progenity (NASDAQ: PROG)	U.S.	Jun-13	Genetic testing company	1.3
Catalina – Equity	U.S.	Mar-19	Intelligence and personalised digital marketing media provider	1.0
Bertram Growth Capital II	U.S.	Sep-10	Legacy fund investment targeting lower middle-market companies	0.7
Total Investments				**1,579.1**
Other Direct Equity Investments				(12.1)
Other Debt Investments				–
Other Fund Investments				2.3
Total Portfolio				**1,569.3**

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, macro-economic 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 2020 (A)	$22.49	–	
Semi-annual dividend per Ordinary Share declared in respect of year	$22.18	$0.31	1.0140
Semi-annual dividend per Ordinary Share declared in respect of year	$28.24	$0.41	1.0145
NAV per Ordinary Share at end of year as per Statement of Financial Position In December 2021 (B)	$31.65	–	
2021 NAV total return per Ordinary Share (B/A)*C – 1	**44.8%**	**Product of Dividend Compounding (C)**	**1.0287**

Total Realisation Calculation	$ in millions
Proceeds from sale of private equity investments (A)	$281
Distributions from private equity investments (B)	$106
Interest and dividend income (C)	$2
2021 Portfolio Realisations (A+B+C)	**$389**

Multiple of Capital Calculation	
Exit Proceeds from Full Exits Over the Last Five Years (A)	$596.1
Invested Capital into Full Exits Over the Last Five Years (B)	$208.1
Multiple on Invested Capital (A/B)	**2.9x**

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 2018 (A)	$17.87	–	
2019 Semi-annual Dividend	$17.79	$0.28	1.0157
2019 Semi-annual Dividend	$18.83	$0.29	1.0154
2020 Semi-annual Dividend	$18.82	$0.29	1.0154
2020 Semi-annual Dividend	$17.99	$0.29	1.0161
2021 Semi-annual Dividend	$22.18	$0.31	1.0140
2021 Semi-annual Dividend	$28.24	$0.41	1.0145
NAV per Ordinary Share at end of year as per Statement of Financial Position in December 2021 (B)	$31.65	–	
NAV total return per Ordinary Share (B/A)*C – 1	**93.9%**	**Product of Dividend Compounding (C)**	**1.0947**

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 2018 (A)	£9.97		
2019 Semi-annual Dividend	£10.90	£0.21	1.0196
2019 Semi-annual Dividend	£11.25	£0.23	1.0207
2020 Semi-annual Dividend	£11.95	£0.22	1.0185
2020 Semi-annual Dividend	£9.30	£0.23	1.0245
2021 Semi-annual Dividend	£11.85	£0.23	1.0191
2021 Semi-annual Dividend	£15.30	£0.30	1.0195
Share price at year end as per the London Stock Exchange on 31 December 2021 (B)	£18.50		
Share price total return per Ordinary Share (B/A)*C – 1	**109.3%**	**Product of Dividend Compounding (C)**	**1.1281**

Realisation Uplift Calculation	
Percentage Uplift Relative to Carrying Value Three Quarters Prior	2,077%
Total Observations	47
Average Uplift	**44.2%**

Adjusted Commitment Coverage	
Cash + Undrawn Committed Credit Facility (A)	$417
Adjusted Unfunded Private Equity Exposure (B)	$71
Adjusted* Commitment Coverage Ratio (A/B) – 1	**584%**

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

Share Price Yield	
Annualised Dividend based on 2021 Dividends (GBP equivalent) (A)	£0.53
Share Price on 31 December 2021 (B)	£18.50
Adjusted Commitment Coverage Ratio (A/B) – 1	**2.9%**

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 2020 (A)	£11.65	–	
Semi-annual dividend per ordinary share declared in respect of year	£11.85	£0.23	1.0191
Semi-annual dividend per ordinary share declared in respect of year	£15.30	£0.30	1.0195
Share price at year end as per the London Stock Exchange on 31 December 2021 (B)	£18.50	–	
2021 Share Price Total Return per Ordinary Share (B/A)*C – 1	**65.0%**	**Product of Dividend Compounding (C)**	**1.0389**

Realisation Uplift	
Aggregate Valuation at 31 December 2020	$274.5
Aggregate Realisation Value at Sale/IPO	$502.4
Average Uplift	**83.0%**

Multiple of Capital Calculation 2021 Realisations	
Total Value from 2021 Exits (A)	$528.2
Invested Capital into 2021 Exits (B)	$158.3
Multiple on Invested Capital (A/B)	**3.3x**

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 the 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 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 – 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 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.

Glossary continued

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.

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

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

Directors, Advisors and contact information

Board of Directors

William Maltby (Chairman)
Trudi Clark
John Falla
Wilken von Hodenberg
Louisa Symington-Mills

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Registrar

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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 2022 at 1.45pm

Capital Markets Day
29 September 2022 at 2.00pm

Investor Update Calls
Typically quarterly

Dividends
Semi-annual, paid in February and August

Payment of dividends

Dividends are declared in US 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 Sterling Dividend Election for UK shareholders 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 U.S. dollars. 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 Sterling 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 share holdings, 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 2022 and 2024 ZDP share classes

	2022	2024
Capital entitlement	126.74p	130.63p
Maturity	30 Sept 22	20 Oct 24
GRY at issue	4.0%	4.25%
Ticker	NBPP	NBP5
ISIN	GG00BD0FRW63	GG00BD96PR19
SEDOL	BD0FRW6	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") provide 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.

Endnotes

1. Assumes re-investment of dividends at the closing NAV or share price on the ex-dividend date.
2. Realisations announced in 2021, not all of which had closed. $389 million received during 2021; additional $12 million received from announced transactions during 2022.
3. Includes carrying value as of 31 December 2021 of realised and unrealised capital, except IPOs where multiples are included based on the IPO price. 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).
4. The MSCI World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,540 constituents, the index covers approximately 85% of the free float-adjusted market capitalisation in each country (MSCI World Factsheet, 31 March 2022, 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.
5. 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.
6. Fair value as of 31 December 2021. Statistics as of 31 December 2021; analysis excludes public companies. Past performance is no guarantee of future results. Analysis based on 63 private companies. Data represents 70% of direct equity investment fair value within the dataset and excludes public companies. Seven companies which were new investments during 2021 were excluded from revenue and EBITDA growth metrics totalling $131 million of value, due to anomalous percentage changes or incomplete information. Portfolio company operating metrics are based on the most recently available (unaudited) financial information for each company and based on as reported by the lead private equity sponsor. Where necessary, estimates were used, which include pro forma adjusted EBITDA and other EBITDA adjustments, pro forma revenue adjustments, run-rate adjustments for acquisitions, annualised quarterly operating metrics and all data is based on LTM periods as of 31/12/21 and 31/12/20. LTM Revenue and LTM EBITDA growth rates are weighted by fair value.
7. The FTSE All-Share Index represents the performance of all eligible companies listed on the London Stock Exchange's (LSE) main market, which pass screening for size and liquidity. The index captures 98% of the UK's market capitalisation (FTSE All Share Factsheet, 31 March 2022, 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. 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, 2021, which is the latest data available. Public market data sourced from Neuberger Berman.
9. Source: World Bank data from 2000 – 2019. McKinsey article, "Reports of Corporates Demise Have Been Greatly Exaggerated", for 2020 estimate. Please note the 2021 count of companies is unavailable.
10. Includes full exits only over the last five years. Excludes partial exits, recapitalisations and IPOs until the stock is fully exited. Exit year for public companies determined by the final sale of public shares. Proceeds include funds that are currently in escrow, but are expected to be received. Returns are presented on a "gross" basis (i.e. they do not reflect the management fees, carried interest, transaction costs and other expenses that may be paid by investors, which may be significant and may lower returns).
11. 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. Returns are presented on a "gross" basis (i.e. they do not reflect the management fees, carried interest, transaction costs and other expenses that may be paid by investors, which may be significant and may lower returns).
12. As of December 31, 2021. Represents aggregate committed capital since inception in 1987, including commitments in the process of documentation or finalisation.
13. As of September 30, 2021.
14. Includes Limited Partner Advisory Committee seats and observer seats for PIPCO and Secondaries since inception as of December 31, 2021.
15. Awarded by UN-supported Principles for Responsible Investment. Principles for Responsible Investment Scores. PRI grades are based on information reported directly by PRI signatories, of which investment managers totalled 1,924 for 2020, 1,119 for 2019, 1,120 for 2018 and 935 for 2017. All signatories are eligible to participate and must complete a questionnaire to be included. The underlying information submitted by signatories is not audited by the PRI or any other party acting on its behalf. Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module houses a variety of indicators that address specific topics of responsible investment. Signatories' answers are then assessed and results are compiled into an Assessment Report. The Assessment Report includes indicator scores, summarising the individual scores achieved and comparing them to the median; section scores, grouping similar indicator scores together into categories (e.g. policy, assurance, governance) and comparing them to the median; module scores, aggregating all the indicator scores within a module to assign one of six performance bands (from E to A+). Awards and ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf. While every effort has been made to produce a fair representation of performance, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this report. Information about PRI grades is sourced entirely from PRI and Neuberger Berman makes no representations, warranties or opinions based on that information.

Endnotes continued

16. Reflects Private Investment Portfolios and Co-investment ("PIPCO") Managing Directors only.

17. 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.

18. The Asset Management Awards are designed to recognise outstanding achievement in the UK/European institutional and retail asset management spaces. The Asset Management Awards' judging is undertaken by a group of judges with expertise across the UK/European institutional and retail asset management spaces. Each judge reviews submitted entry material and then scores the entries out of a total of score of 10 providing their reasoning as to why they have submitted that score. Two judges analyse each category and the firm with the highest overall score wins that category. Votes are verified by Insurance Asset Management's editorial team. The award does not constitute an investment recommendation. NB Private Equity did not pay a fee to participate. Awards and ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service.

    European Pensions, a leading publication for pension funds across Europe, launched these awards to give recognition to and honour the investment firms, consultancies and pension providers across Europe that have set the professional standards in order to best service European pension funds over the past year. Judging is undertaken by a group of judges with expertise across the European pension fund space. Each judge reviews submitted entry material and then scores the entries out of a total of score of 10 providing their reasoning as to why they have submitted that score. Two judges analyse each category and the firm with the highest overall score wins that category. Votes are verified by the European Pensions' editorial team. The award does not constitute an investment recommendation. NB Private Equity did not pay a fee to participate. Awards and ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service.

    Private Equity Wire, a specialist industry publication in Europe launched these awards to showcase excellence among industry participants. The publication partnered with Bloomberg to create a clearly defined methodology for selecting the award winners. Shortlists were created by Bloomberg from a fund manager universe including all funds managed by European-domiciled GPs with a minimum fund size of $100 million. Asset band grouping thresholds were based on individual fund sizes – not overall GP assets under management in a category. Funds were grouped according to category and vintages from 2013 to 2018 and ranked on the basis of their net IRR. GPs with more than one fund ranked among the top performers across multiple vintages within any category were shortlisted. Winners from each category were then decided by majority vote from the publication's readers. The award does not constitute an investment recommendation. NB Private Equity did not pay a fee to participate. Awards and ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service.

19. Source: GFL 2019 Sustainability Report; public news.

    Note: 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.

20. Amounts may not add up to 100% due to rounding. Based on direct investment portfolio fair value as of 31 December 2021; analysis excludes third-party funds (which are past their investment period but which may call capital for reserves or follow-ons) and funds that are not deemed ESG integrated by the Manager. In aggregate these exclusions represent approximately 3.4% of fair value. Adverse potential reflects investments made prior to NBPE adopting its Responsible & Sustainable Investment Policy in 2020.

21. Analysis based on 54 private companies which are valued based on EV/EBITDA metrics. Data represents 61% of direct equity investment fair value and excludes public companies. Data excludes pending 2022 realisations. Portfolio company operating metrics are based on the most recently available (unaudited) financial information for each company and are as reported by the lead private equity sponsor. Companies not valued on multiples of trailing EBITDA and companies which have announced exits, but not yet closed are excluded from valuation and leverage statistics.

22. Note: 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.

23. Shared firm resources. Subject to Neuberger Berman's policies and procedures, including certain information barriers within Neuberger Berman that are designed to prevent the misuse by Neuberger Berman and its personnel of material information regarding issuers of securities that has not been publicly disseminated.

24. Preqin.

25. Content has not been audited.

NB | PRIVATE EQUITY PARTNERS

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

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