

For the period ended  
31 March 2019

# NB Private Equity Partners Limited

## 31 March 2019 Quarterly Report



# NB Private Equity Partners Limited

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# NB Private Equity Partners Limited



**NBPE’s objective is to provide investors with the opportunity for capital appreciation (through share price growth) and current income (through a regular dividend). NBPE’s strategy is to invest directly into equity and debt securities of private equity-backed companies.**

## Investment Strategy

NBPE offers direct exposure to a diversified portfolio of Private Equity investments alongside high quality sponsors with an extra layer of due diligence through Neuberger Berman Private Equity’s global investment team and processes. Equity investments are made alongside leading private equity firms in their core areas of expertise by leveraging the deep network of private equity relationships, dealflow and investment expertise of the \$70 billion Neuberger Berman private equity platform. The Company invests across a variety of situations including new buyouts and “mid-life” transactions, which are investments into existing private equity sponsor portfolio companies, often to fund an acquisition or provide partial liquidity to investors. NBPE seeks prudent diversification in its equity portfolio across geography, industry, enterprise value, sponsor and vintage. Typically, co-investments are made on a no management fee and no carried interest basis, resulting in only a single layer of fees (as opposed to the additional management fee and carried interest charges associated with limited partner commitments). In addition since NBPE is a direct investor operating without third party fund investments, it is able to efficiently manage its capital deployment without significant long-term unfunded commitments, which is advantageous to its balance sheet management.

The Company also invests in the debt of private equity backed companies, including first and second lien debt and mezzanine. Investments are made both on a primary basis to finance new buyouts and through secondary trades in the open market. Investments acquired through secondary trades often may be purchased at discounts to face value based on the current market trading price. In these situations, NBPE aims to take advantage of misunderstood credits, or mispricings or in other dislocations which affect the market price of the security.

**128**

Direct investment portfolio companies

**64**

Underlying private equity sponsors

**\$1,072<sub>M</sub>**

Total private equity assets

## About the Company

NBPE is a closed-ended private equity investment company with 48,643,268 class A shares outstanding and 10,000 class B shares outstanding (together, the “Ordinary shares”), 50,000,000 2022 ZDP Shares and 50,000,000 2024 ZDP Shares outstanding. The class A shares are admitted to trading on the Premium Segment of the Main Market of the London Stock Exchange. NBPE has 2022 and 2024 ZDP Shares admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange (“Specialist Fund Segment”).

# NB Private Equity Partners Limited

## About the Manager

NBPE is managed by NB Alternatives Advisors LLC, the private equity group of Neuberger Berman (the “Manager” or the “Investment Manager”), which manages over \$70 billion of private equity assets across multiple strategies. The Investment Manager has 30 years of investing experience specialising in direct equity investments, income investments, private equity funds and secondary investments and has built deep relationships with leading private equity fund managers over that time.

The Company is managed by the Investment Manager 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 Board has delegated to the Investment Manager the day-to-day management and operations of the Company, including sourcing, evaluating and making investment decisions related to the Company and executing the Company’s business plan. The Manager’s Investment Committee is comprised of 12 members, with an average of over 30 years of experience. The 12 members of the Investment Committee average 16 years with the firm and all of the Investment Committee members have been with the private equity team for at least 10 years. The sourcing and evaluation of the Company’s investments are conducted by the Investment Manager’s team of over 200 dedicated private equity professionals who specialise in direct equity investments, income investments and fund investments. The Investment Manager currently maintains offices in New York, London, Boston, Dallas, Hong Kong, Milan, Zurich and Bogotá.

## About Neuberger Berman

Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager. The firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity and hedge funds—on behalf of institutions, advisors and individual investors globally. With offices in 23 countries, Neuberger Berman’s team is more than 2,100 professionals. For five consecutive years, the company has been named first or second in Pensions & Investments Best Places to Work in Money Management survey (among those with 1,000 employees or more). Tenured, stable and long-term in focus, the firm has built a diverse team of individuals united in their commitment to delivering compelling investment results for our clients over the long term. That commitment includes active consideration of environmental, social and governance factors. The firm manages \$323 billion in client assets as of March 31, 2019. For more information, please visit our website at [www.nb.com](http://www.nb.com).

1. Average committed capital from 2016 to 2018.

2. As of 31 March 2019, including commitments in the process of documentation.

# +530

Active LP Fund Relationships

# \$10<sub>BN</sub>

Committed annually to private equity over the past three years<sup>1</sup>

# +\$70<sub>BN</sub>

Commitments managed<sup>2</sup>

## NB Private Equity Partners Limited

QUARTERLY REPORT | FINANCIAL SUMMARY

31 March 2019 | Quarterly Report

# Financial Highlights

Strong balance sheet with **\$1,072 million** of private equity assets

Investment level **increased** from 117% to **120%** as of 31 March 2019

| Financial Summary  | At 31 March 2019  | At 31 December 2018 |
|--|-------------------|---------------------|
| Net Asset Value ("NAV") of the Ordinary Shares                                 | \$894.9m          | \$872.2m            |
| Direct Equity Investments <sup>1</sup>   | \$895.6m          | \$831.1m            |
| Income Investments   | \$130.3m          | \$135.1m            |
| Fund Investments   | \$46.0m           | \$53.7m             |
| Total Private Equity Fair Value  | \$1,071.9m        | \$1,019.9m          |
| Private Equity Investment Level  | 120%              | 117%                |
| Cash and Cash Equivalents  | \$12.6m           | \$23.0m             |
| Credit Facility Borrowings Drawn   | (\$55.0m)         | (\$40.0m)           |
| 2022 & 2024 ZDP Share Liabilities (Dollar equivalent liabilities)              | (\$139.4m)        | (\$134.9m)          |
| Net Other Liabilities  | \$4.8             | \$4.2               |
| <b>NAV per Ordinary Share (USD)</b>  | <b>\$18.39</b>    | <b>\$17.87</b>      |
| <b>NAV per Ordinary Share (GBP)</b>  | <b>£14.11</b>     | <b>£14.03</b>       |
| <b>NAV per Ordinary Share including dividends paid during financial period</b> | <b>\$18.67</b>    | <b>\$18.40</b>      |
| ZDP Shares (2022 / 2024)   | £55.2m / £51.8m   | £54.7m / £51.2m     |
| Net Asset Value per ZDP Share (2022 / 2024)                                    | 110.48p / 103.54p | 109.41p / 102.48p   |
| Dividends per Ordinary Share:  |                   |                     |
| Dividends paid during financial period   | \$0.28            | \$0.53              |
| Cumulative dividends paid since inception                                      | \$3.15            | \$2.87              |

Note: Numbers may not sum due to rounding.

1. Includes direct equity investments into companies, co-investment vehicles and investments through NB-managed vehicles.

# NB Private Equity Partners Limited

QUARTERLY REPORT | FIRST QUARTER 2019 KEY HIGHLIGHTS

31 March 2019 | Quarterly Report

## Total Return during the first quarter of 2019

4.5% NAV per Share<sup>1</sup>

11.0% Share price<sup>1</sup>

## Portfolio at 31 March 2019

88% Equity investments<sup>2</sup>

12% Income investments

## Cash Flows during the first quarter of 2019

\$28.9M from Realisations to NBPE

\$30.7M Invested into New Direct Investments and Follow-ons into Existing Investments

## Dividends Paid to Shareholders

\$0.28 per Share paid during the first quarter of 2019

3.9% Annualised yield on share price at 31 March 2019

1. Assumes re-investment of dividends at the closing NAV or share price, respectively, on the ex-dividend date. NAV total return figures reflect cumulative returns over the period shown and are based on USD. Share price return data based on London Stock Exchange, based on GBP returns.

2. Includes fund investments, including some which have a credit orientation.

## NB Private Equity Partners Limited

QUARTERLY REPORT | FIRST QUARTER 2019 KEY HIGHLIGHTS

31 March 2019 | Quarterly Report

# First Quarter 2019 Results

Unrealised & Realised Net Gains of **\$46.8m** or **\$0.96** per share

| Results  | Value in Millions | USD per Share  |
|--|-------------------|----------------|
| <b>31 December 2018 Net Asset Value</b>                | <b>\$872.2 M</b>  | <b>\$17.87</b> |
| <b>Positive Value Drivers</b>                          |                   |                |
| + Unrealised & Realised Net Gains                      | \$46.8 M          | \$0.96         |
| + Yield Income & Dividends                             | \$3.6 M           | \$0.07         |
| <b>Fees / Expenses</b>                                 |                   |                |
| - Management Fees & Operating Costs                    | (\$7.9) M         | (\$0.16)       |
| - Interest & Financing Costs                           | (\$2.6) M         | (\$0.05)       |
| <b>FX Changes</b>                                      |                   |                |
| - Foreign Exchange Movements                           | (\$1.4) M         | (\$0.03)       |
| <b>Dividends / Share Buybacks Paid to Shareholders</b> |                   |                |
| - Dividends Paid                                       | (\$13.6) M        | (\$0.28)       |
| - Share Buybacks / Accretion per Share                 | (\$2.1) M         | \$0.01         |
| <b>31 March 2019 Net Asset Value</b>                   | <b>\$894.9 M</b>  | <b>\$18.39</b> |

*Note: Numbers may not sum due to rounding.*

## NB Private Equity Partners Limited

QUARTERLY REPORT | PORTFOLIO OVERVIEW

31 March 2019 | Quarterly Report

# Portfolio Summary

147 total investments and total private equity value of \$1,071.9m

NBPE's portfolio is comprised of three main types of assets: direct equity investments, income investments and fund investments. NBPE is actively investing in direct equity and income investments and the relative weighting of each may shift over time, as the Manager seeks the best relative value opportunities. Fund investments are a small and declining portion of the portfolio and are comprised of mature private equity funds in realisation mode.

| Portfolio Summary           | Investments | Fair Value        | Adj. Unfunded <sup>1</sup> | Exposure <sup>1</sup> |
|-----------------------------|-------------|-------------------|----------------------------|-----------------------|
| Direct Equity Investments   | 103         | \$895.6m          | \$38.6                     | \$934.2m              |
| Income Investments          | 25          | \$130.3m          | \$48.5                     | \$178.8m              |
| Fund Investments            | 19          | \$46.0m           | -                          | \$46.0m               |
| <b>Total Private Equity</b> | <b>147</b>  | <b>\$1,071.9m</b> | <b>\$87.1m</b>             | <b>\$1,159.0m</b>     |

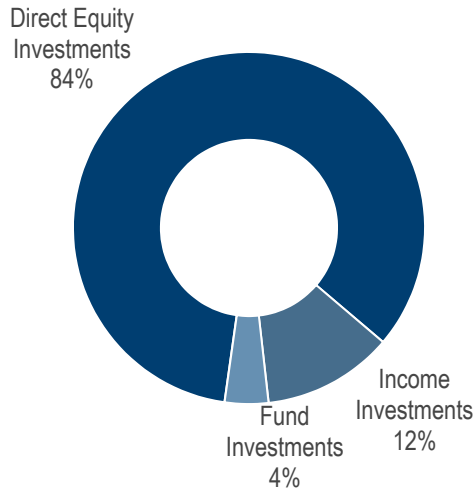
Note: Numbers may not sum due to rounding.

1. Please refer to page 19 for more information on unfunded commitments to funds past their investment period. Actual unfunded commitments and total exposure is \$216.0 million and \$1.3 billion, respectively. Actual unfunded commitments is comprised of \$126.0 million, \$89.9, and \$22.0 million to direct equity investments, income investments, and fund investments, respectively. Actual total exposure is \$1,021.6 million, \$220.2 million, and \$68.0 million to direct equity investments, income investments, and fund investments, respectively.



# Investment Type

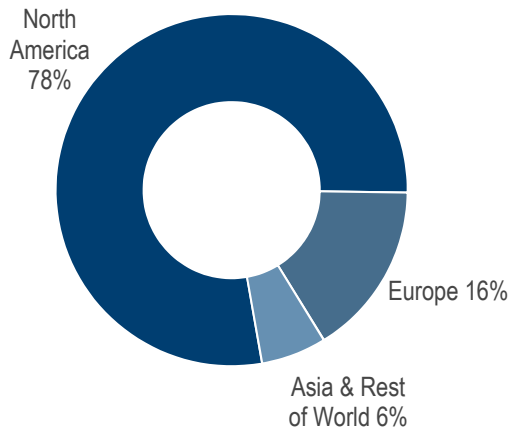
## Weighted to Direct Equity Investments



NBPE pursues the securities that the Manager believes present the most attractive risk / return opportunity. Currently the portfolio is weighted to direct equity investments, and 12% of the portfolio is in income investments. Fund investments represent 4% of private equity fair value and the fund portfolio will continue to become a smaller portion of NBPE's private equity fair value as these funds wind-down.

# Geography

## Weighted to North America



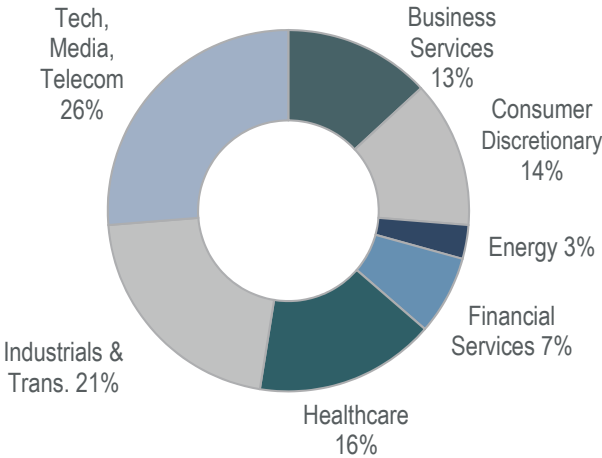
NBPE's portfolio is weighted to North American investments. This is the largest private equity market globally and the Manager believes the overall dynamics in this market relative to other geographies have generally offered the most attractive investment opportunities. The Manager is constantly monitoring and evaluating markets globally and may adjust this strategy over time. Approximately 16% of NBPE's portfolio is invested in European companies and 6% in other parts of the world, primarily Asia and Latin America.

Note: Numbers may not sum due to rounding.

# Industry

## Broadly diversified across industries

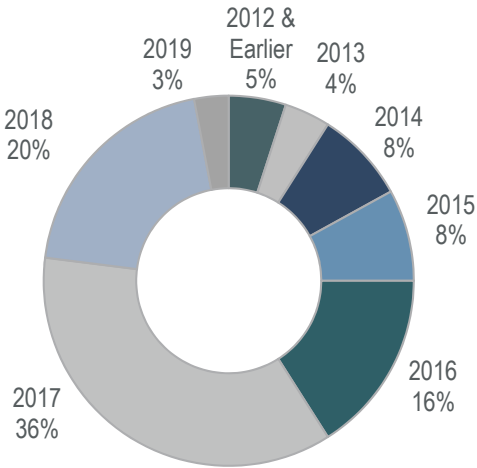
NBPE's portfolio is broadly diversified across industries. The Manager does not set specific industry targets, because the Manager believes this could lead to selecting sub-optimal investments to meet a target. Instead the Manager looks for companies backed by high quality general partners with strong business characteristics in favoured sectors that the Manager believes can grow faster than gross domestic product.



# Year of Investment

## Diversified by vintage year, with limited exposure to older vintages

Approximately 91% of the portfolio fair value relates to investments made since the beginning of 2014 and the portfolio has a limited exposure to older vintages. The Manager believes this is advantageous for a number of reasons. First, older vintages often contain businesses which underlying sponsors have been unable or unwilling to sell and are often unlikely to be value drivers for a portfolio. Younger vintages in NBPE's portfolio demonstrate the Company's ability to regularly refresh its portfolio into healthier, newer investments. Second, NBPE's portfolio companies in the 2015, 2016, 2017 and 2018 vintage years are generally progressing well as sponsors execute their investment plans. Given that private equity holding periods are typically in the 3 - 6 year range, the Manager believes that companies from these vintage years can continue to drive value in NBPE's portfolio in the coming years.



Note: Numbers may not sum due to rounding.

# NB Private Equity Partners Limited

QUARTERLY REPORT | DIRECT EQUITY INVESTMENTS

31 March 2019 | Quarterly Report

## Direct Equity Investments

Made alongside leading private equity firms in their core areas of expertise

NBPE seeks to invest in high quality businesses across a variety of transaction types, including capital for new buyouts and “mid-life” transactions, where investments are made into a sponsor’s existing private equity portfolio companies. The Investment Manager’s team of professionals works alongside the general partners throughout the process and often engages with sponsors early on in a transaction. NBPE is able to leverage the deep networks of the Investment Manager’s team to invest alongside numerous private equity sponsors.

### INVEST IN NEW DEALS

#### NEW BUYOUTS

New buyouts are made alongside leading private equity firms and can be across a variety of transaction types including take-privates, buyouts of family businesses, carve-outs or divisional sales.



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

#### ADD-ON ACQUISITIONS / GROWTH CAPITAL

Add-on or growth capital typically helps finance an existing company’s growth or M&A strategy.



# NB Private Equity Partners Limited

QUARTERLY REPORT | DIRECT EQUITY INVESTMENTS

31 March 2019 | Quarterly Report

## Portfolio

The direct equity portfolio is comprised of 103 investments with a fair value of \$895.6 million. The portfolio consists primarily of buyout investments and is diversified across industry, vintage year and sponsor. The portfolio includes investments with unique investment angles and the Manager seeks investments which have multiple value creation levers including: strong sponsors and management teams, industry growth or secular trends, growth of new markets or product offerings, operational enhancements or clear exit paths and the potential for shorter paths to liquidity. The portfolio is weighted towards buyout investments and the weighted average holding period is 2.4 years.

## Overview of the First Quarter of 2019

During the first quarter of 2019, NBPE deployed \$30.7 million into 2 new equity investments and follow-on investments. \$25.1 million was funded to new investments in the healthcare and insurance industries. Additionally, NBPE completed \$5.6 million of follow-on investments into existing portfolio companies.

## Exit Activity

During the first quarter of 2019, the direct equity portfolio received distributions of \$15.2 million, of which \$12.8 million in aggregate was received from the exit of Berlin Packaging and sales of stock of Assurant (NYSE: AIZ) in the public market. Subsequent to this reporting period, in April, NBPE received additional proceeds from the final sale of Assurant stock, and together with the Berlin Packaging exit, these investments generated a combined 2.0x gross multiple of invested capital. The additional \$2.4 million of proceeds consisted of dividends and other cash received as a result of partial realisations.

# NB Private Equity Partners Limited

QUARTERLY REPORT | DIRECT EQUITY INVESTMENTS

31 March 2019 | Quarterly Report

## Largest Companies in the Direct Equity Investment Portfolio

The table below shows the largest company exposures in the portfolio. The top ten investments represented approximately 30.7% of NBPE's NAV and no company was larger than 5.0% of NAV.

| Investment / Description  | Status  | Year of Investment | Asset Class        | Equity Sponsor    | NBPE Fair Value        |
|---|---------|--------------------|--------------------|-------------------|------------------------|
| <b>Staples</b><br>B2B and retail supplies of office products                  | Private | 2017               | Special Situations | Sycamore Partners | \$40.0 million         |
| <b>Material Handling Systems</b><br>Infrastructure and automation outsourcing | Private | 2017               | Mid-cap Buyout     | Thomas H Lee      | \$37.4 million         |
| <b>Engineering</b><br>Italian IT firm   | Private | 2016               | Mid-cap Buyout     | NB Renaissance    | \$29.9 million         |
| <b>Business Services Company*</b><br>Business services company                | Private | 2017               | Large-cap Buyout   | Not Disclosed     | \$27.6 million         |
| <b>USI Insurance</b><br>Insurance brokerage & consulting services             | Private | 2017               | Large-cap Buyout   | KKR               | \$26.0 million         |
| <b>ProAmpac</b><br>Leading global flexible packaging company                  | Private | 2016               | Mid-cap Buyout     | Pritzker Group    | \$25.0 million         |
| <b>QPark</b><br>European parking services provider                            | Private | 2016               | Large-cap Buyout   | KKR               | \$25.0 million         |
| <b>Telxius</b><br>Telecommunications infrastructure                           | Private | 2017               | Large-cap Buyout   | KKR               | \$22.0 million         |
| <b>Agiliti</b><br>Healthcare technology                                       | Private | 2019               | Mid-cap Buyout     | Thomas H Lee      | \$21.2 million         |
| <b>Marquee Brands</b><br>Portfolio of consumer branded IP assets              | Private | 2014               | Special Situations | Neuberger Berman  | \$20.6 million         |
| <b>Total Top Ten Largest Exposures</b>  |         |                    |                    |                   | <b>\$274.7 million</b> |

Note: Numbers may not sum due to rounding.

\*Due to confidentiality provisions, company name cannot be disclosed.

# New Direct Equity Investments

\$25.1 million invested into two new direct equity investments during 2019



**Industry:** Healthcare

**Sponsor:** THL

**Thesis:** Attractive business model, strong customer base



**Industry:** Insurance

**Sponsor:** Altas Partners / Hellman & Friedman

**Thesis:** Stable industry; platform for organic and inorganic growth

*Note: excludes \$5.6 million of follow-on investments.*

# NB Private Equity Partners Limited

QUARTERLY REPORT | INCOME INVESTMENTS

31 March 2019 | Quarterly Report

## Income Investments

Debt in private equity backed companies

The portfolio is broadly diversified across industry sectors in leading businesses with strong cash flow generation and defensible market positions. Income investments are made in established and stable private equity-backed companies with high quality private equity sponsorship.

NBPE invests both on a primary basis – to finance new buyouts – as well as on a secondary basis, when mispricings or market dislocations exist or a credit is misunderstood.

### INVEST IN THE DEBT OF PRIVATE EQUITY-BACKED COMPANIES

#### CORPORATE DEBT - PRIMARY

First /  
Second Lien

Structured  
Securities

#### CORPORATE DEBT - SECONDARY

Mispricings or  
dislocations

Misunderstood  
credits

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

# NB Private Equity Partners Limited

QUARTERLY REPORT | INCOME INVESTMENTS

31 March 2019 | Quarterly Report

## Portfolio

The income portfolio is comprised of 25 investments with \$130.3 million of fair value. The investments are well diversified and have a reasonable average level of total leverage. Total leverage and senior leverage to NBPE's security are both reasonable at 6.0x and 5.3x, respectively. The portfolio's current cash yield is 6.1% with a 12.9% estimated yield to maturity, based on the current fair value of the debt and the amount of future expected cash flow and principal payment at maturity. As of 31 March 2019, one investment in the debt portfolio with approximately \$15 million of cost had completed a restructuring and NBPE's security was converted to equity; this direct position is now reported in the equity portfolio. Another investment with approximately \$5 million of cost had been written down to approximately 17% of par value, based on the most recent quote available at 31 March 2019. This investment continues to generate current income to NBPE, but is excluded from the estimated yield to maturity calculations. The weighted average holding period of the debt investments in the income portfolio was 1.6 years as of 31 March 2019.

The income portfolio generates approximately \$8.1 million of run-rate cash income as of 31 March 2019.

## Overview of the First Quarter of 2019

During the first quarter of 2019, NBPE received \$7.2 million of distributions from income investments. Distributions were made up of principal repayments equaling \$5.1 million and interest income of \$2.1 million. There were no new investments during the first quarter of 2019.

## Exit Activity

NBPE fully exited two investments during the first quarter of 2019. These investments generated \$8.8 million of total proceeds to NBPE and an aggregated 1.2x multiple of invested capital and an 11.3% IRR (inclusive of prior realisations and income).

**6.1% /  
12.9%**

Cash Yield / Estimated  
yield to maturity

**6.0x /  
5.3x**

Total leverage / Senior  
leverage

**51%**

Fair value invested in  
floating rate debt

**31%**

Dividend Coverage

*Note: Leverage statistics exclude small business loan programs, credit opportunities and healthcare credit investments. Based on portfolio company data as of 31 March 2019. Small business loan programs are excluded from yield calculations but are at an interest rate at least at the rate stated above. Numbers may not sum due to rounding.*



# NB Private Equity Partners Limited

QUARTERLY REPORT | INCOME INVESTMENTS

31 March 2019 | Quarterly Report

## Largest Companies in the Income Investment Portfolio

The table below shows the largest company exposures in the income investment portfolio. The top ten investments represented approximately 12.2% of NBPE's NAV and no company was larger than 3.0% of NAV. Two of the largest three positions (Standard Aero and Avantor) were realised post this reporting period.

| Investment / Description  | Year of Investment | Security Terms                             | Cash Yield | NBPE Fair Value        |
|---|--------------------|--|------------|------------------------|
| <b>Verscend</b><br>Healthcare information technology                          | 2018               | PIK Preferred Equity<br>(12.3% PIK)        | -          | \$25.1 million         |
| <b>Avantor</b><br>Life sciences company                                       | 2017               | PIK Preferred Equity<br>(12.5% PIK)        | -          | \$18.1 million         |
| <b>Standard Aero</b><br>Provider of maintenance, repair and overhaul services | 2017               | PIK Preferred Equity<br>(11.5% PIK)        | -          | \$17.0 million         |
| <b>Schumacher Group</b><br>Provider of outsourced medical clinical staffing   | 2015               | Second Lien (L+8.5% Cash,<br>1.0% L Floor) | 11.2%      | \$9.7 million          |
| <b>Carestream Dental</b><br>Dental imaging and software                       | 2017               | Second Lien (L+8.0% Cash,<br>1.0% L Floor) | 10.8%      | \$9.2 million          |
| <b>Dubois Chemical</b><br>Specialty chemical company                          | 2017               | Second Lien (L+8.0% Cash,<br>1.0% L Floor) | 10.7%      | \$9.0 million          |
| <b>ProAmpac</b><br>Leading global flexible packaging company                  | 2016               | Second Lien (L+8.5% Cash,<br>1.0% L Floor) | 11.1%      | \$6.0 million          |
| <b>Central Security Group</b><br>Security and home automation systems         | 2014               | Second Lien (L+9.0% Cash,<br>1.0% L Floor) | 11.8%      | \$6.0 million          |
| <b>Galco Industrial Electronics</b><br>Distributor of electronic parts        | 2014               | Second Lien (L+10.75% Cash,<br>1.25% PIK)  | 9.7%       | \$5.4 million          |
| <b>OB Hospitalist</b><br>Provider of OB/GYN hospitalist programs              | 2017               | Second Lien (L+8.5% Cash,<br>1.0% L Floor) | 11.2%      | \$3.5 million          |
| <b>Total Top Ten Largest Exposures</b>  |                    |  |            | <b>\$109.1 million</b> |

*Note: Numbers may not sum due to rounding. Excludes credit opportunities investments purchased through secondary transactions.*

# NB Private Equity Partners Limited

## Fund Portfolio

NBPE's portfolio includes approximately \$46.0 million of fair value in a portfolio of legacy fund investments. The portfolio of 19 funds contains exposure to a large number of mature underlying companies. These mature companies are being sold, leading to distributions to NBPE. Over the last several years this portfolio has been highly cash generative and a source of strong distribution activity as underlying companies have been sold and portfolios wind down, and during 2018 this was accelerated through a secondary sale of certain fund investments.

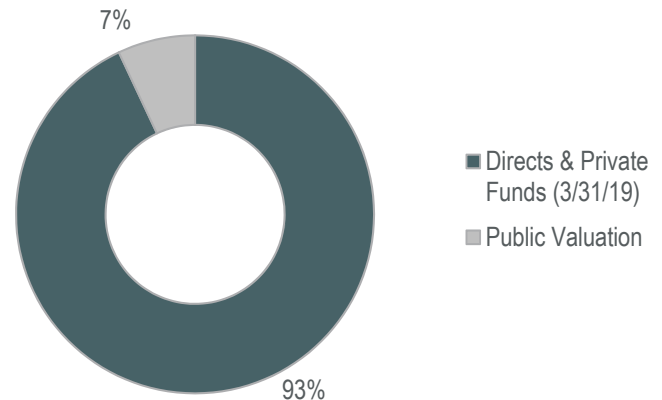
*Note: Numbers may not sum due to rounding.*

# NB Private Equity Partners Limited

## Valuation Information

Following the receipt of additional valuation information after 25 April 2019, the publication date of the March monthly NAV estimate, the NAV per Share of \$18.39 was an increase of \$0.68 from the previously reported estimate.<sup>1</sup>

NBPE carries direct equity and fund investments based on the most recently available estimate of fair value using financial information provided by the lead private equity sponsor. Debt investments made on a primary basis are generally carried at cost plus accrued interest, if any; debt investments made through secondary market trades are generally carried at market quotes, to the extent available.



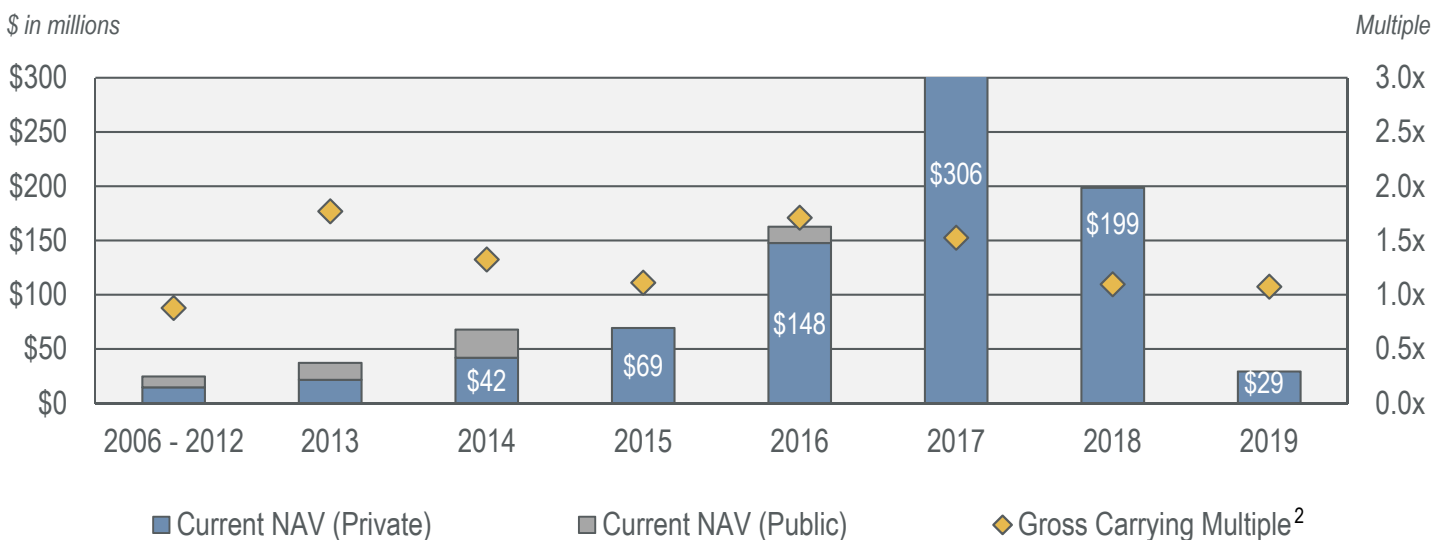
## Public Valuation Information

As of 31 March 2019, approximately 7% of fair value was held in public securities. The top five public securities exposures are shown below:

- SolarWinds (NYSE: SWI): \$15.0 million
- Gardner Denver (NYSE: GDI): \$8.2 million
- Aruhi (fka Softbank) (TYO: 7198): \$6.9 million
- Extraction Oil & Gas (NASDAQ: XOG): \$6.9 million
- Brightview (NYSE: BV): \$6.3 million

## Direct Equity Portfolio Valuation

The table below shows the private and public fair value and the current carrying multiple by vintage year of the direct equity portfolio. The direct equity portfolio was held at a gross carrying multiple of 1.3x current cost as of 31 March 2019.



Note: Numbers may not sum due to rounding. Please refer to page 28 for a detailed description of the valuation methodology.

1. As reported in the Monthly NAV estimate.
2. Returns are presented on a "gross" basis (i.e. they do not reflect the management fees, carried interest, transaction costs and other expenses that may be paid by investors, which may be significant and may lower returns).

# NB Private Equity Partners Limited

## Unfunded Commitments

As of 31 March 2019, NBPE's unfunded commitments were approximately \$216.0 million. Of this, \$193.8 million was unfunded to NB Programs, as detailed below:

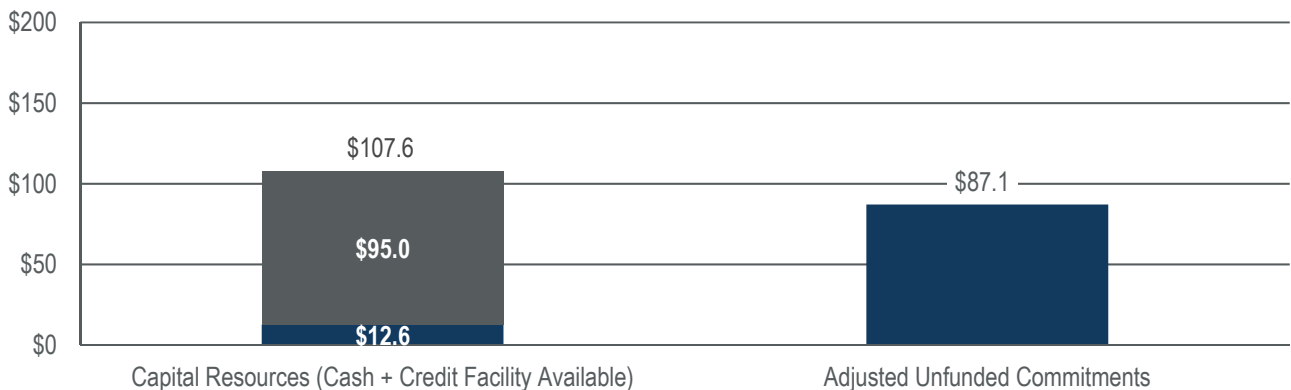
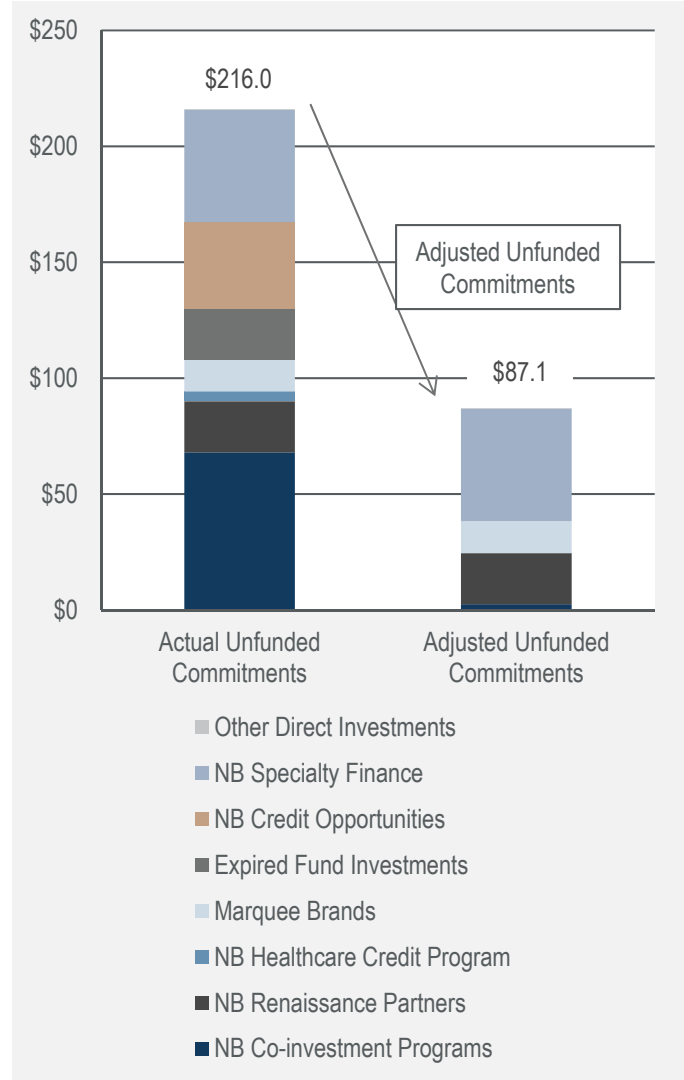
- NB Co-investment Programs: \$68.0 million
- NB Specialty Finance Program: \$48.5 million
- NB Credit Opportunities Program: \$37.3 million
- NB Renaissance Programs: \$22.0 million
- Marquee Brands: \$13.8 million
- NB Healthcare Credit Program: \$4.2 million

The remaining unfunded commitments were to legacy funds and other direct investments. The Manager believes a large portion of this amount is unlikely to be called. However, some amount may be called for fees, expenses and / or follow-on investments.

The Manager analysed the unfunded commitments on an adjusted basis. Unfunded commitments were adjusted by removing unfunded commitments past their investment period, except for reserves which may be called for follow-ons, and amounts which NBPE has the ability to terminate if it so chooses. Following these adjustments, the unfunded commitments were \$87.1 million.

## Capital Resources

As of 31 March 2019, NBPE had \$12.6 million of cash and \$95.0 million of available borrowings under the 2016 Credit Facility (as defined on the following page), totaling \$107.6 million of total capital resources. On an adjusted basis this corresponds to excess capital resources of \$20.5 million and a commitment coverage ratio of 124%.



Note: Numbers may not sum due to rounding.

# NB Private Equity Partners Limited

## Credit Facility

On 7 June 2016, the Company entered into an agreement with JP Morgan Chase Bank, N.A. (the "2016 Credit Facility"). The 2016 Credit Facility's availability is up to \$150.0 million (including a \$25.0 million accordion whereby the Company is able to increase available borrowings) that expires on 7 June 2021. The 2016 Credit Facility is guaranteed by the Company (the "Parent Guarantor") as well as all of the Company's subsidiaries (except for NB PEP Investments LP (Incorporated), being the borrower under the 2016 Credit Facility) and secured by substantially all of the assets of the Parent Guarantor and its subsidiaries. At 31 March 2019, there was \$55.0 million borrowed under the 2016 Credit Facility.

Under the 2016 Credit Facility, the interest rate is calculated as LIBOR (based on 3-month LIBOR) plus 3.75% per annum. In addition, under the 2016 Credit Facility, the Company is required to pay an undrawn revolving fee of 1.25% per annum on the daily balance of the unused facility amount (excluding the \$25.0 million accordion). The Company is also subject to certain minimum draw requirements, which if not met, subjects the Company to an additional utilisation fee on any undrawn amounts that are below the minimum draw requirement.

Under the 2016 Credit Facility, the Company is required to meet a maximum over-commitment test, certain loan-to-value ("LTV") ratios, performance event tests and certain portfolio concentration tests.

The maximum over-commitment test is performed on an adjusted unfunded basis, and is designed to limit the amount of unfunded obligations the Company and its subsidiaries may enter into. Adjusted unfunded obligations cannot exceed the lesser of: 1) \$50 million, plus unrestricted cash, plus the undrawn credit facility and 2) 15% of the adjusted market value of eligible investments.

The Company is subject to a number of LTV ratios in order to be in compliance with the 2016 Credit Facility. The drawdown LTV ratio is 25% and the maximum LTV ratio is 40%. If the LTV ratio exceeds 40%, the Company is subject to certain requirements to lower the LTV ratio to the maintenance margin of 35%, within certain timeframes. If at any time the LTV ratio exceeds 60%, the Company is forced to make prepayments on the loan balance on

an expedited basis. Certain cash distributions, including dividends, are subject to an LTV release ratio of less than 35%, unless a performance event has occurred. The performance event test is measured against the level of the S&P 500 index. If the S&P 500 index value falls by 30% in any 120 day period, certain cash distributions, including dividends, are subject to an LTV release ratio of 20%.

The Company is subject to certain portfolio concentration tests which limit the amount of exposure the Company may have in certain areas.

At 31 March 2019, the Company met all requirements under the 2016 Credit Facility.

# NB Private Equity Partners Limited

## ESG at Neuberger Berman

Neuberger Berman is highly focused on integrating environmental, social and governance (“ESG”) issues across its equity, fixed income and alternatives businesses and is continually striving to deepen its commitment to ESG integration both at the individual strategy level, and as a firm as a whole. Since 2012, Neuberger Berman has coordinated these efforts through the ESG Committee, which is now chaired by the Head of ESG Investing, Jonathan Bailey. This committee includes the firm’s President and CIO-Equities, Joe Amato, and also includes senior representatives from across the firm including private equity. In June 2012, with the help of the committee, Neuberger Berman became a signatory of the Principles for Responsible Investment (“PRI”). Neuberger Berman has reported to the PRI since 2014 and found that the process of reporting has increased awareness to areas where the firm can improve to ensure continual development. Neuberger Berman was awarded the top score (A+) in the most recent UN-backed Principles for Responsible Investment assessment report for our overarching approach to ESG strategy and governance across all major asset classes.

In addition to being a signatory to the PRI, Neuberger Berman is a signatory to the U.K. Stewardship Code, Japan Stewardship Code, and the U.S. Investor Stewardship Group. Neuberger Berman is an active supporter and funder of a range of industry groups including US SIF, SRI and CDP, the Council of Institutional Investors and the Coalition for Inclusive Capitalism. Most recently Neuberger Berman became a founding member of the SASB Alliance.

The firm’s Environmental Social Governance Policy provides a broad framework for an approach to ESG integration. This policy is reviewed annually by the ESG Committee, which is responsible for overseeing the ESG integration efforts, setting goals, and reporting on the firm’s performance. This ESG Policy is the guideline for formalising and focusing on responsible investment efforts, with the recognition that environmental, social and governance issues have a significant impact on delivering investment results for clients. Neuberger Berman measures success through sustained improvement in ESG expertise and building awareness across investment teams and central research

capabilities by offering continuing education on ESG issues and access to an array of ESG-related analytical resources.

The firm’s policy statement is disclosed to the public on the firm’s website [www.nb.com/esg](http://www.nb.com/esg) and includes the latest white papers, articles and perspectives on ESG topics from investment professionals across the firm.

### ESG Neuberger Berman Private Equity

NB Private Equity believes that mitigating ESG-related risks may reduce overall portfolio risk and that integrating ESG factors into investment due diligence may lead to a more consistent investment outcome.

ESG factors are an integral part of NB Private Equity’s rigorous and resource-intensive due diligence process. NB Private Equity has the ability to diligence a single asset and to ensure that the company and sponsor are appropriately managing ESG risks.

The NB Private Equity investment team works closely with Neuberger Berman’s dedicated ESG team to ensure implementation of industry best practices.

# NB Private Equity Partners Limited

## Directors Biographies

### Talmay Morgan (Chairman, Independent Director) / 22 June 2007

Talmay Morgan, a resident of Guernsey, qualified as a barrister in 1976. He holds a MA in Economics and Law from Cambridge University. He moved to Guernsey in 1988 where he worked for Barings and then for the Bank of Bermuda. From 1999 to 2004, he was Director of Fiduciary Services and Enforcement at the Guernsey Financial Services Commission (Guernsey's financial regulatory agency) where he was responsible for the design and subsequent implementation of Guernsey's law relating to the regulation of fiduciaries, administration businesses and company directors. He was also particularly involved in the activities of the Financial Action Task Force and the Offshore Group of Banking Supervisors.

Since leaving financial regulation, Mr Morgan has been the non-executive chairman or a non-executive director of 14 publicly-listed investment companies. He is presently Chairman of NBPE, Sherborne Investors (Guernsey) B Limited and Sherborne Investors (Guernsey) C Limited.

### John Falla (Chairman of the Audit Committee, Independent Director) / 21 December 2015

John Falla, a resident of Guernsey, is an Associate of the Institute of Chartered Accountants in England and Wales. He 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. He 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 his 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 he 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. He was also a director of a number of Edmond de Rothschild operating and investment entities. He 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:

- SQN Asset Finance Income Fund Limited
- Hadrian's Wall Secured Investments Limited
- CIP Merchant Capital Limited
- Marble Point Loan Financing Limited

### Trudi Clark (Independent Director) / 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, she 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, she was recruited by the Bank of Bermuda as Head of European Internal Audit, later moving into corporate banking. In 1995 she joined Schrodgers in the Channel Islands as CFO. She 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, she 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 PropertyTrust Limited, River and Mercantile UK MicroCap Investment Company Limited, Alcentra European Floating Rate Income Fund and The Schiehallion Fund Limited.

# NB Private Equity Partners Limited

## Directors Biographies (continued)

### William Maltby (Independent Director) / 21 March 2019

William Maltby was vice chairman of Investment Banking at Deutsche Bank where he worked for more than 25 years. He spent a further six years as a Senior Adviser to the Investment Banking Division of Deutsche Bank. He 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.

He 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.

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

### Wilken von Hodenberg (Independent Director) /

21 March 2019

Wilken von Hodenberg is a businessperson with 34 years of experience in private equity, investment banking and senior management. He has been at the head of five different entities and until recently occupied the position of Chairman of German Private Equity & Venture Capital Association.

He is a member of the Supervisory Board for Deutsche Beteiligungs AG since 2013. He is also a Non-Executive Director of Sloman Neptun AG, Schloss Vaux AG and Wepa SE.

From 2000-2013 he was CEO of Deutsche Beteiligungs AG. He also served as a Managing Director of Merrill Lynch in Frankfurt (1998-2000). Prior to this he was Managing Director at Baring Brother GmbH (1993-1997). From 1990-1992 he was CFO of Tengemann Group, a major German retailing group. He started his career at JPMorgan in New York and Frankfurt (1983-1989).

Wilken is a lawyer in Hamburg and holds a Law degree from the University of Hamburg.

### Peter von Lehe (Director) / 22 June 2007

Peter von Lehe is the Head of Investment Solutions and Strategy and is a Managing Director of Neuberger Berman. He is also a member of the Athyrium, Co-Investment, Private Investment Portfolios, Marquee Brands and Renaissance Investment Committees. Mr. von Lehe sits on the Limited Partner Advisory Boards of a number of investment relationships globally on behalf of Neuberger Berman funds. Previously, Mr. von Lehe was a Managing Director and Deputy Head of the Private Equity Fund of Funds unit of Swiss Reinsurance Company. At Swiss Re, Mr. von Lehe was responsible for investment analysis and product structuring and worked in both New York and Zurich. Before that, he was an attorney with the law firm of Willkie Farr & Gallagher LLP in New York focusing on corporate finance and private equity transactions. He began his career as a financial analyst for a utility company, where he was responsible for econometric modeling. Mr. von Lehe received a B.S. with Honors in Economics from the University of Iowa and a J.D. with High Distinction, from the University of Iowa College of Law. He is a member of the New York Bar.

Peter von Lehe has no other public company directorships. Peter von Lehe is on the board of NB Reinsurance Limited.



## NB Private Equity Partners Limited

APPENDIX | SCHEDULE OF INVESTMENTS (UNAUDITED)

31 March 2019 | Quarterly Report

| (\$ in millions)                    |                         |                 |   |            |
|-------------------------------------|-------------------------|-----------------|---|------------|
| Direct Equity Investments           | Principal Geography     | Investment Date | Description   | Fair Value |
| Staples                             | U.S.                    | Sep-17          | Provider of office supplies through a business to business platform and retail          | 40.0       |
| Material Handling Systems           | U.S./Europe             | Apr-17          | E-commerce infrastructure and automation company  | 37.4       |
| Engineering Ingegneria Informatica  | Italy                   | May-16          | Italian IT firm   | 29.9       |
| Business Services Company*          | U.S.                    | Oct-17          | Business services company   | 27.6       |
| USI                                 | U.S.                    | Jun-17          | Insurance brokerage and consulting services   | 26.0       |
| ProAmpac                            | U.S.                    | Nov-16          | Leading global flexible packaging company   | 25.0       |
| Qpark                               | Europe                  | Oct-17          | European parking services provider  | 25.0       |
| Telxius                             | Europe                  | Oct-17          | Telecommunications infrastructure including fibre-optic cables and telecom towers       | 22.0       |
| Agility                             | U.S.                    | Jan-19          | Healthcare technology management and services   | 21.2       |
| Marquee Brands                      | Global                  | Dec-14          | Portfolio of consumer branded IP assets, licensed to third parties                      | 20.6       |
| LGC                                 | Europe                  | Mar-16          | Life sciences measurement and testing company   | 18.2       |
| Bomgar                              | U.S.                    | Jun-18          | Cyber security and secure access solutions  | 17.9       |
| Standard Aero                       | U.S.                    | Jun-15          | Provider of aircraft maintenance, repair and overhaul services                          | 17.3       |
| Italian Mid-Market Buyout Portfolio | Italy                   | Jun-18          | Portfolio of Italian mid-market buyout companies  | 16.8       |
| Excelitas                           | U.S.                    | Nov-17          | Sensing, optics and illumination technology   | 16.4       |
| Accedian                            | U.S.                    | Apr-17          | Network technology company  | 15.3       |
| GFL                                 | Canada                  | Jul-18          | Waste management services company   | 15.2       |
| Fortress                            | Vietnam                 | Jun-17          | Leading hospital provider in Vietnam  | 15.1       |
| Hivory                              | France                  | Dec-18          | Telecom tower company in France   | 15.0       |
| SolarWinds                          | U.S.                    | Feb-16          | Provider of enterprise-class IT and infrastructure management software                  | 15.0       |
| Final Site                          | U.S.                    | Nov-16          | Learning management platform for schools  | 14.7       |
| Branded Cities Network              | U.S.                    | Nov-17          | North American advertising media company  | 14.6       |
| Omega Environmental Technologies    | U.S.                    | Feb-17          | Leading distributor and assembler of climate control components                         | 13.9       |
| Leaseplan                           | Europe                  | Apr-16          | Fleet management company  | 13.7       |
| Medplast                            | U.S.                    | Jun-18          | Medical device manufacturer   | 13.3       |
| Grupo Cortefiel                     | Europe                  | Oct-17          | Spanish apparel retailer  | 12.2       |
| Lasko Products                      | U.S.                    | Nov-16          | Manufacturer of portable fans and ceramic heaters                                       | 11.5       |
| Saguaro                             | Canada                  | Jul-13          | E&P company pursuing unconventional light oil/liquids-rich gas properties               | 11.0       |
| Hilsinger                           | U.S. / U.K. / Australia | May-14          | Supplier of eye wear and eye care accessories   | 10.8       |
| Branded Toy Company*                | U.S.                    | Jul-17          | Specialty toy company   | 10.6       |
| Digital River (Equity)              | U.S.                    | Feb-15          | Digital eCommerce, payments and marketing solutions                                     | 10.1       |
| West Marine                         | U.S.                    | Sep-17          | Specialty retailer of boating supplies  | 9.4        |
| Avantor                             | U.S.                    | Feb-18          | Provider of materials for life sciences and technology industries                       | 8.9        |
| Ellucian                            | Global                  | Sep-15          | Developer of higher education ERP software  | 8.6        |
| Solace Systems                      | U.S./Canada             | Apr-16          | Enterprise messaging solutions  | 8.6        |
| Uniasselvi                          | Brazil                  | Jun-18          | Post secondary education company  | 8.4        |
| Genetic Testing Company - Equity*   | U.S.                    | Jun-13          | Genetic testing company   | 8.3        |
| Holley                              | U.S.                    | Oct-18          | Automotive performance company  | 8.3        |
| CH Guenther                         | U.S.                    | May-18          | Supplier of baking mixes, snacks and meals and other value-added food products for cons | 8.3        |
| Gardner Denver, Inc.                | U.S.                    | Jul-13          | Maker of industrial equipment   | 8.2        |
| Verifone                            | Global                  | Aug-18          | Electronic payment technology   | 8.1        |
| Compliance Solutions Strategies     | U.S.                    | Apr-17          | Provider of compliance solutions to the financial services sector                       | 7.7        |
| Renaissance Learning                | U.S.                    | Jun-18          | K-12 educational software & learning solutions  | 7.5        |
| ZPG                                 | U.K.                    | Jul-18          | Digital property data and software company  | 7.4        |
| Vertiv                              | U.S.                    | Nov-16          | Provider of data center infrastructure  | 7.0        |
| ARUHI Corporation                   | Japan                   | Oct-14          | Mortgage company in Japan offering primarily fixed rate mortgages                       | 6.9        |
| Extraction Oil & Gas                | U.S.                    | May-14          | E&P company in the U.S.   | 6.9        |

Note: Numbers may not sum due to rounding.

\*Due to confidentiality provisions, company name cannot be disclosed.

## NB Private Equity Partners Limited

APPENDIX | SCHEDULE OF INVESTMENTS (UNAUDITED)

31 March 2019 | Quarterly Report

| (\$ in millions)                        |                     |                 |   |            |
|---|---------------------|-----------------|---|------------|
| Direct Equity Investments               | Principal Geography | Investment Date | Description   | Fair Value |
| Undisclosed Consumer Technology Company | Global              | Jul-18          | Undisclosed consumer technology company   | 6.9        |
| MHS                                     | U.S.                | Mar-17          | Provider of repair, maintenance and fleet management services                   | 6.8        |
| Bylight                                 | U.S.                | Jun-17          | Provider of IT and technology infrastructure cyber solutions                    | 6.7        |
| Brightview                              | U.S.                | Dec-13          | Commercial landscape and turf maintenance                                       | 6.3        |
| CSC Service Works                       | U.S.                | Mar-15          | Provider of outsourced services to laundry & air vending markets                | 6.3        |
| Milani                                  | U.S.                | Jun-18          | Cosmetics and beauty products   | 6.1        |
| Wind River Environmental                | U.S.                | Apr-17          | Waste management services provider  | 6.1        |
| Petsmart                                | U.S.                | Jun-15          | Pet supplies retailer   | 5.9        |
| Hub                                     | Global              | Mar-19          | Leading global insurance brokerage  | 5.9        |
| Evoqua Equity                           | U.S.                | Jan-14          | Water treatment technology, equipment and services                              | 5.9        |
| Plaskolite                              | U.S.                | Dec-18          | Largest manufacturer of thermoplastic sheets in North America                   | 5.8        |
| Looking Glass                           | U.S.                | Feb-15          | Cyber security technology company   | 5.7        |
| GC Services                             | U.S.                | Jan-16          | Provider of call center management and collection agency services               | 5.7        |
| Boa Vista                               | Brazil              | Nov-12          | Second largest credit bureau in Brazil  | 5.4        |
| Concord Bio                             | India               | Jun-16          | Active pharmaceutical ingredients manufacturer                                  | 5.4        |
| Snagajob                                | U.S.                | Jun-16          | Job search and human capital management provider                                | 4.9        |
| Nextlevel                               | U.S.                | Aug-18          | Designer and supplier of fashion-basic apparel                                  | 4.7        |
| American Dental Partners, Inc.          | U.S.                | Feb-12          | Dental practice management services   | 4.6        |
| Clearent                                | U.S.                | Jun-18          | Credit card payment processing  | 4.6        |
| SafeFleet                               | U.S.                | May-18          | Safety and productivity solutions for fleet vehicles                            | 4.5        |
| Assurant (Warranty Group)               | Global              | Jul-14          | Underwriter & administrator of extended warranties                              | 4.5        |
| Healthcare Company - In-home Devices    | U.S.                | Jun-18          | Provider of pump medications and in-home intravenous infusion                   | 4.4        |
| RiverBed                                | U.S.                | Feb-15          | Provider of application performance infrastructure                              | 4.3        |
| Healthcare Services Company             | NA                  | Feb-18          | Healthcare services company   | 4.3        |
| Edelman                                 | U.S.                | Aug-18          | Independent financial planning firm   | 4.2        |
| First Data                              | Global              | Sep-07          | Electronic commerce and payments  | 4.2        |
| Mills Fleet Farms                       | U.S.                | Feb-16          | Value-based retailer with 35 stores in the Midwest US                           | 4.1        |
| CrownRock Minerals                      | U.S.                | Jun-18          | Minerals acquisition platform   | 4.1        |
| Inflection Energy                       | U.S.                | Oct-14          | Dry gas exploration company in the Marcellus Shale                              | 4.1        |
| Connector Company*                      | U.S.                | Oct-15          | Producer of embedded solid-state connectors                                     | 4.0        |
| Centro                                  | U.S.                | Jun-15          | Provider of digital advertising management solutions                            | 3.9        |
| Perspecta                               | U.S.                | Nov-10          | High-end systems engineering to US Intelligence Industry                        | 3.8        |
| BK China                                | U.S.                | Aug-18          | Franchise of over 800 Burger King locations in mainland China                   | 3.4        |
| Stratus Technologies                    | U.S.                | Apr-14          | Technology solutions that prevent downtime of critical applications             | 3.1        |
| BackOffice                              | U.S.                | Dec-17          | Data management solutions provider  | 3.0        |
| Syniverse Technologies                  | Global              | Feb-11          | Global telecommunications technology solutions                                  | 2.5        |
| Husky Injection Molding                 | U.S.                | Sep-18          | Designs and manufacturers injection molding equipment                           | 2.1        |
| Into University Partnerships            | U.K./U.S.           | Apr-13          | Collegiate recruitment, placement and education                                 | 2.0        |
| Kyobo Life Insurance Co.                | S. Korea            | Dec-07          | Life insurance in Korea   | 2.0        |
| Aster / DM Healthcare                   | Middle East / India | Jun-14          | Operator of hospitals, clinics and pharmacies                                   | 1.9        |
| Specialty Drug Pharma. Company*         | U.S.                | Oct-15          | Provider of product development and related services to life sciences companies | 1.7        |
| Galco Industrials Equity                | U.S.                | May-14          | Wholesale distributor of electrical components                                  | 1.6        |
| Corona Industrials                      | South America       | Jun-14          | Building materials company  | 1.5        |
| Prosper                                 | U.S.                | Apr-15          | Peer-to-peer online lending marketplace for unsecured consumer credit loans     | 1.4        |
| Acteon                                  | Europe              | Dec-12          | Products & services to offshore energy sector                                   | 1.2        |
| Taylor Precision Products               | U.S.                | Jul-12          | Consumer & foodservice measurement products                                     | 1.1        |

Note: Numbers may not sum due to rounding.

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# NB Private Equity Partners Limited

APPENDIX | SCHEDULE OF INVESTMENTS (UNAUDITED)

31 March 2019 | Quarterly Report

(\$ in millions)

| Direct Equity Investments                      | Principal Geography | Investment Date | Description  | Fair Value     |
|--|---------------------|-----------------|--|----------------|
| OB Hospitalist Group                           | U.S.                | Aug-17          | Hospitalist and related physician support services                                   | 0.7            |
| Black Knight Financial Services                | U.S.                | Dec-13          | Mortgage servicing technology and appraisal / origination services                   | 0.6            |
| Shelf Drilling                                 | Global              | Feb-13          | Shallow water offshore drilling contractor   | 0.6            |
| Univar   | Global              | Nov-10          | Commodity and specialty chemicals distributor  | 0.3            |
| J.Crew Group                                   | U.S.                | Mar-11          | Specialty retailer   | 0.3            |
| Fairmount Minerals                             | U.S.                | Aug-10          | Producer of high purity sand / sand based proppants                                  | 0.2            |
| Technology Company (Encryption App)*           | U.S.                | Aug-14          | Encryption app for text, audio, picture and video messaging                          | 0.2            |
| Innovation Group                               | U.K.                | Dec-15          | Global business process outsourcing provider of insurance claims processing services | 0.1            |
| Alex & Ani                                     | U.S.                | May-15          | Designer jewelry company   | 0.0            |
| Velocidi                                       | U.S.                | Dec-16          | Marketing intelligence company   | 0.0            |
| Net Other Assets, incl. Escrow / (Liabilities) |                     |                 |  | (2.0)          |
| <b>Total Direct Equity Investments</b>         |                     |                 |  | <b>\$895.6</b> |

Note: Numbers may not sum due to rounding.

\*Due to confidentiality provisions, company name cannot be disclosed.

# NB Private Equity Partners Limited

APPENDIX | SCHEDULE OF INVESTMENTS (UNAUDITED)

31 March 2019 | Quarterly Report

| Income Investments (\$ in millions)                        | Security Details                                 | Investment Date | Maturity Date | Fair Value     | Cash + PIK<br>Coupon | Cash<br>Yield | Total Est.<br>YTM |
|--|--|-----------------|---------------|----------------|----------------------|---------------|-------------------|
| <b>2018</b>  |  |                 |               |                |                      |               |                   |
| Verscend   | PIK Preferred Equity (12.25% PIK)                | Aug-18          | NA            | 25.1           | 12.3%                | -             | 13.5%             |
| <b>2017</b>  |  |                 |               |                |                      |               |                   |
| Avantor  | PIK Preferred Equity (12.5% PIK)                 | Nov-17          | NA            | 18.1           | 12.5%                | -             | 14.5%             |
| Standard Aero  | PIK Preferred Equity (11.5% PIK)                 | Oct-17          | NA            | 17.0           | 11.5%                | -             | 14.1%             |
| Carestream Dental  | Second Lien (L+8.0% Cash, 1% L Floor, 3% OID)    | Sep-17          | Sep-25        | 9.2            | 10.6%                | 10.8%         | 11.7%             |
| OB Hospitalist   | Second Lien (L+8.5% Cash, 1% L Floor, 2% OID)    | Aug-17          | Aug-25        | 3.5            | 11.1%                | 11.2%         | 12.0%             |
| Dubois Chemical  | Second lien (L+8.00% Cash, 1% L Floor, 1% OID)   | Mar-17          | Mar-25        | 9.0            | 10.6%                | 10.7%         | 11.3%             |
| Blue Nile  | First Lien (L+6.50% Cash, 1% L Floor, 3% OID)    | Mar-17          | Feb-23        | 3.3            | 9.1%                 | 9.2%          | 9.9%              |
| Optiv  | Second Lien (L+7.25%, 1% Floor, 0.5% OID)        | Feb-17          | Feb-25        | 0.9            | 9.8%                 | 10.1%         | 11.0%             |
| <b>2016</b>  |  |                 |               |                |                      |               |                   |
| ProAmpac   | Second Lien (L+8.50%, 1% L Floor)                | Nov-16          | Oct-24        | 6.0            | 11.1%                | 11.1%         | 11.7%             |
| <b>2015</b>  |  |                 |               |                |                      |               |                   |
| Schumacher Group   | Second lien (L+8.5% Cash, 1.0% L Floor, 1% OID)  | Oct-15          | Oct-23        | 9.7            | 11.1%                | 11.2%         | 11.9%             |
| Digital River Debt   | Second lien (L+11.0% Cash, 1.0% L Floor, 1% OID) | Jan-15          | Feb-22        | 1.0            | 13.6%                | 13.6%         | 14.5%             |
| <b>2014</b>  |  |                 |               |                |                      |               |                   |
| Central Security Group                                     | Second lien (L+9.0% Cash, 1% L Floor, 5% OID)    | Nov-14          | Oct-21        | 6.0            | 11.6%                | 11.8%         | 13.3%             |
| Galco Industrial Electronics                               | Sr. sub notes (10.75% Cash, 1.25% PIK, 1.5% OID) | May-14          | May-21        | 5.4            | 12.0%                | 9.7%          | 11.5%             |
| <b>Total Corporate Private Debt Investments Fair Value</b> |  |                 |               | <b>\$114.2</b> | <b>11.6%</b>         | <b>5.1%</b>   | <b>12.9%</b>      |
| <b>Total Credit Opportunities Investments</b>              |  |                 |               | <b>\$14.2</b>  | <b>13.2%</b>         | <b>12.0%</b>  | <b>12.8%</b>      |
| <b>Total Small Business Loan Programs</b>                  |  |                 |               | <b>\$1.8</b>   | <b>N/A</b>           | <b>N/A</b>    | <b>N/A</b>        |
| <b>Total Income Portfolio Fair Value</b>                   |  |                 |               | <b>\$130.3</b> | <b>11.6%</b>         | <b>6.1%</b>   | <b>12.9%</b>      |

Note: Numbers may not sum due to rounding.

# NB Private Equity Partners Limited

## 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 ASC 820 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 categorized 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.

# NB Private Equity Partners Limited

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, 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.

# NB Private Equity Partners Limited

APPENDIX | DIRECTORS, ADVISORS AND CONTACT INFORMATION

31 March 2019 | Quarterly Report

## Ordinary Share Information

Trading Symbol: NBPE  
 Exchanges: The Premium Segment of the Main Market of the London Stock Exchange  
 Premium Segment Trading Admission: 2 May 2017  
 Traded Currency: GBP; USD  
 Bloomberg: NBPE LN; NBPU LN  
 Reuters: NBPE.L; NBPU.L  
 ISIN: GG00B1ZBD492  
 COMMON: 030991001  
 LEI: 2138000JH93NH810FQ77

## ZDP Share Information (2022 / 2024)

Trading Symbol: NBPP / NBPS  
 Exchanges: Specialist Fund Segment of the London Stock Exchange  
 Admission Date: 16 September 2016 / 30 May 2018  
 Base Currency: GBP / GBP  
 Bloomberg: NBPP: LN / NBPS: LN  
 Reuters: NBPEO.L / NBPSO.L  
 ISIN: GG00BD0FRW63 / GG00BD96PR19  
 SEDOL: BD0FRW6 / BD96PR1

## Board of Directors

Talmay Morgan (Chairman)  
 Trudi Clark  
 John Falla  
 William Maltby (appointed 21 March 2019)  
 Wilken von Hodenberg (appointed 21 March 2019)  
 Peter von Lehe

## Registered Office

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## Investment Manager

NB Alternatives Advisers LLC  
 325 North St. Paul Street, Suite 4900  
 Dallas, TX 75201  
 United States of America  
 Tel: +1-214-647-9593  
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 Email: [IR\\_NBPE@nb.com](mailto:IR_NBPE@nb.com)

## Guernsey Administrator

Estera International Fund Managers (Guernsey) Limited  
 Trafalgar Court, Les Banques

## Guernsey Administrator (cont.)

St. Peter Port, Guernsey GY1 4LY  
 Channel Islands  
 Tel: +44-(0)1481-742-742  
 Fax: +44-(0)1481-728-452

## Fund Service and Recordkeeping Agent

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

## Independent Auditors

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

## Depository Bank

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

## Paying Agent

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

## Joint Corporate Brokers

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

## Stifel Nicolaus Europe Limited

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

## Registrar

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 Bulwer Avenue  
 St Sampsons  
 GY2 4LH  
 Guernsey Channel Islands