NB | Private Equity Partners

Investing in private companies to generate long-term growth

2023 Annual Report

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

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

The architectural photography used in this report displays Neuberger Berman offices in New York, London, Hong Kong, Toronto, Boston, Dubai, Frankfurt and Tokyo.

STRATEGIC REPORT

GOVERNANCE

FINANCIALS

OTHER

Our year in numbers

Performance highlights

12 months to 31 December 2023

2.3%[1]
NAV Total Return ($)

9.4%[1]
Total Shareholder Return (£)

$0.94
Dividends per share

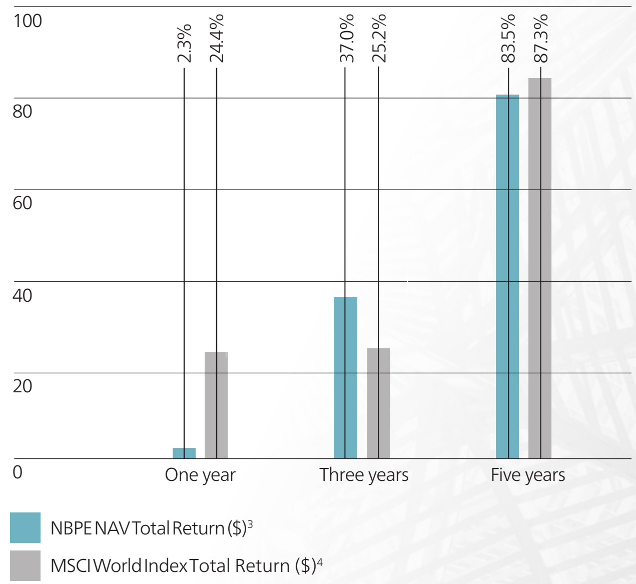
4.4%
Dividend yield on share price

2.1x[2]
Average multiple of cost on realisations

$171m
Proceeds received in 2023

NAV growth

Cumulative at 31 December 2023 (% Total Return)



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Investing in private companies to generate long-term growth

Access to an active investment model

As owners, rather than minority shareholders, private equity managers can drive strategy and change to build long-term value, and generate returns that have outperformed public markets over multiple cycles.

A bespoke portfolio

Co-investing alongside leading private equity managers provides direct exposure to private companies and allows NBPE to build a portfolio of the best opportunities, leveraging the strength of Neuberger Berman's network.

NBPE track record

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

39%[6]
Average uplift on realisations (five years)

16.1%
Average gross IRR on direct equity investments (five years)

›› See footnotes on pages **114-115**

With a focus on two core themes

Long-term secular growth trends

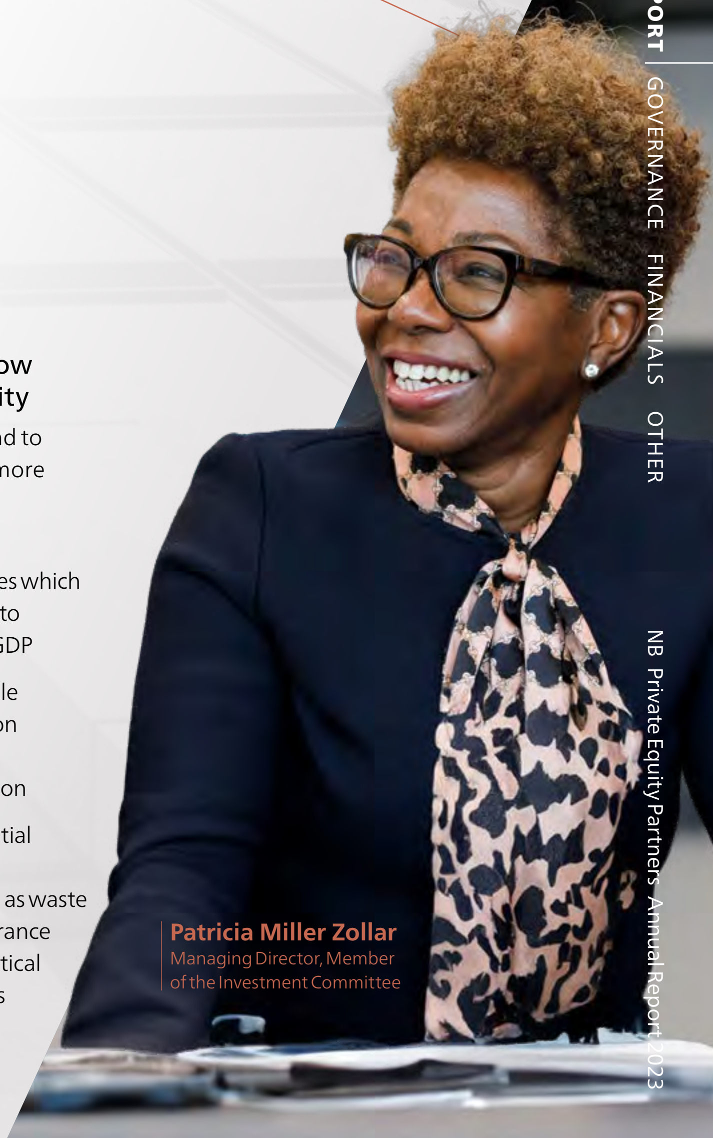
Companies that are expected to benefit from higher growth rates due to long-term trends or behaviour changes:

- Companies which exploit structural changes driven by changes in customer demand
- 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 expected cyclicality

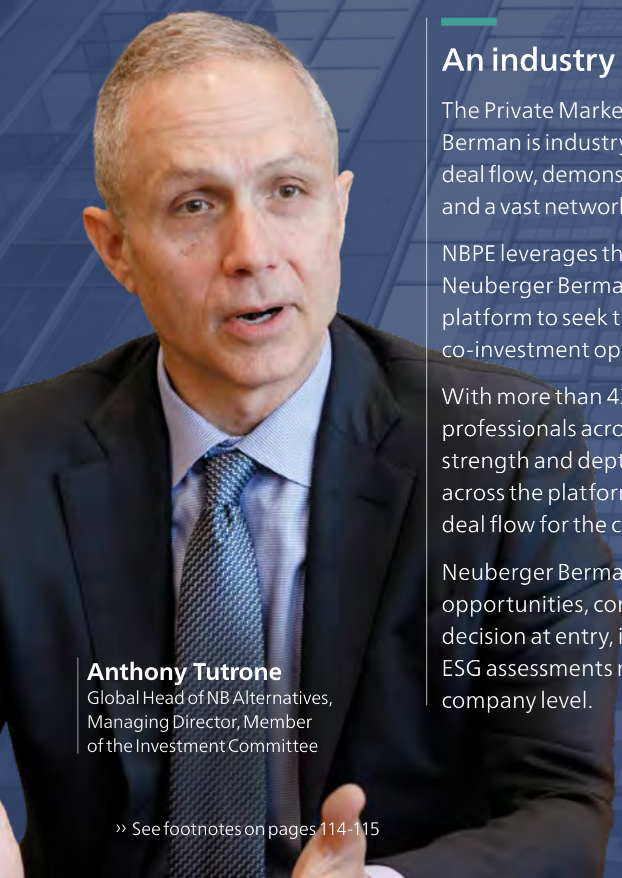
These companies tend to be characterised by more defensive sectors or end markets:

- 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 other mission-critical products or services



Patricia Miller Zollar
Managing Director, Member of the Investment Committee

Leveraging the strength of the Neuberger Berman Private Markets platform



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

An industry leader

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

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

With more than 430 private market professionals across 12 global locations, the strength and depth of the relationships across the platform are the principal source of deal flow for the co-investment programme.

Neuberger Berman focuses on the best opportunities, controlling the investment decision at entry, investing deal by deal, with ESG assessments made at the manager and company level.

745+[7]
Fund commitments

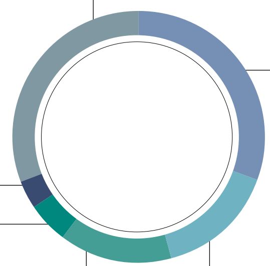
410+[10]
Limited partner Advisory Committee seats

~25[11]
Years average experience among Managing Directors

5★[12,13]
Policy, Governance and Strategy

27[14]
ESG investing professionals

$110bn+[8,9]
Private equity commitments managed



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We have a portfolio of 87 companies alongside 53 private equity managers

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

A portfolio that is built investment by investment

Diversified across sector, manager, geography and company size. NBPE's portfolio is built from the bottom up, investment by investment, investing in high-quality companies with resilient business models, high barriers to entry and recurring revenue streams.

$1.3bn
Portfolio

11.4%[15]
LTM revenue growth (at December 2023)

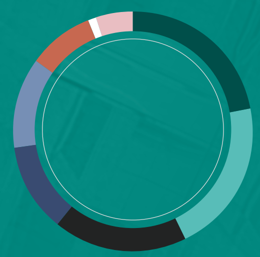
71%
Fair value in Top 30 companies

15.2%[15]
LTM EBITDA growth (at December 2023)

93%
Fair value in private investments

5.3%
Aggregate increase in private company valuations (ex-FX)

Sector



Tech, Media & Telecom	22%
Consumer/E-commerce	21%
Industrials/Industrial Technology	18%
Business Services	12%
Financial Services	12%
Healthcare	9%
Energy	1%
Other	5%

Geography

North America	72%
Europe	25%
Asia/RoW	3%

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We offer the best of both worlds

Listed Private Equity funds bridge the gap between private and public equity, and are typically split between specialist 'single manager' 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's portfolio is:

Diversified
Across sectors, private equity managers and company size

Capital efficient
We control the investment decision at entry, and can be tactical in choosing the opportunities and responding to market conditions

Fee efficient
A single layer of fees

Responsible
ESG assessments made at both the manager and the company level

	Portfolio company diversification	Number of PE managers	Over-commitment level	Fees
	NBPE offers investors exposure to a well-diversified portfolio of companies, with visibility of key underlying positions.	Investing alongside numerous leading private equity managers limits typical 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.	98%[16] of the direct investment portfolio incurs neither management nor performance fees to underlying third-party managers.
Typical 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
NBPE	87 companies Top 10 concentration 34%	53	Very low	Single layer, lower performance fee 1.5% vehicle management fee 7.5% performance fee
Typical 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

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NBPE ended the year with net assets of $1.3bn ($28.07 per share), a 2.3% total return for the 12 months. Growth has once again been driven by the private portfolio companies, which delivered a 5.3% constant currency return, which was partially offset by weaker performance from our quoted holdings.

Private Portfolio Increase

5.3%

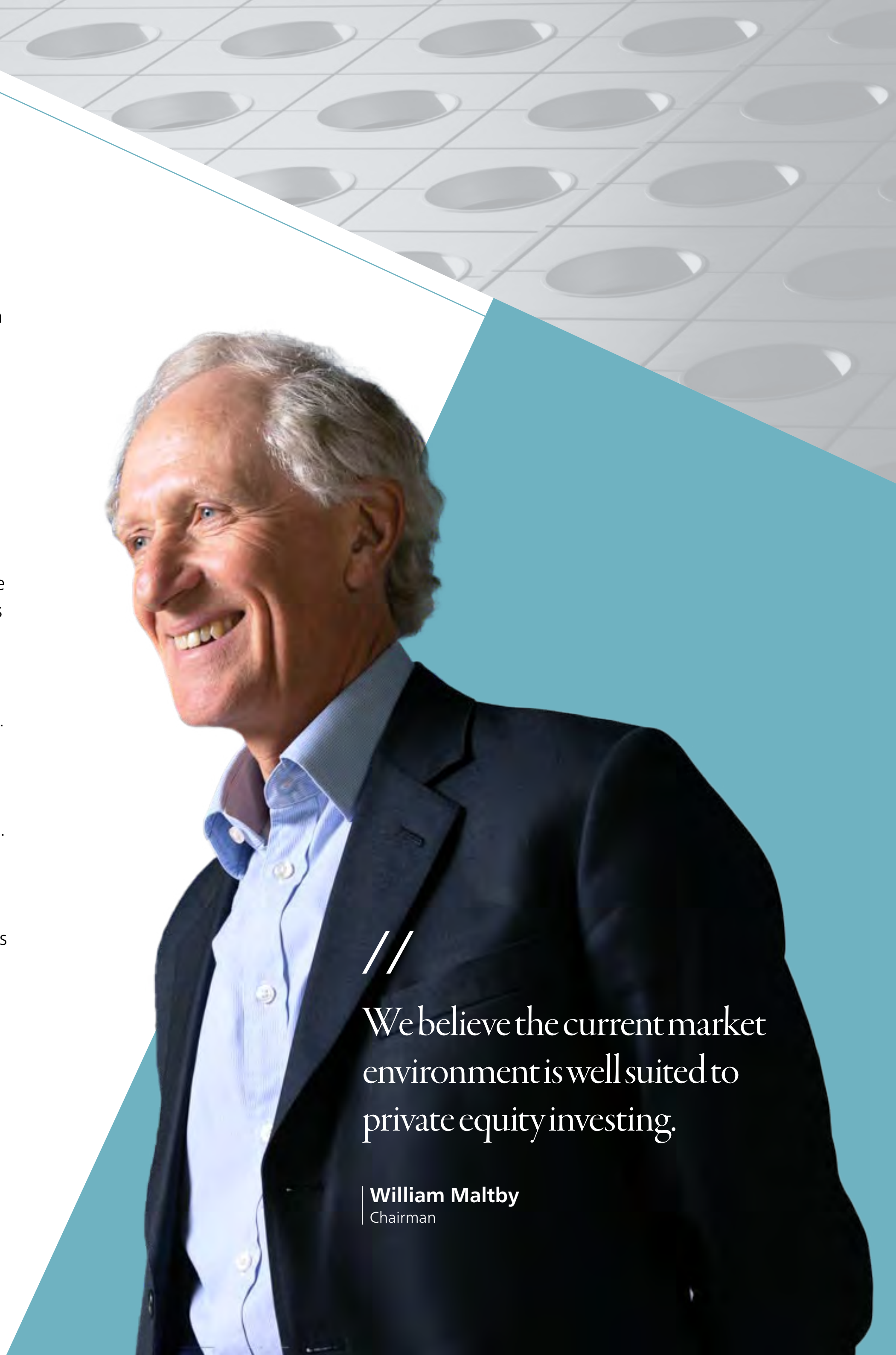
Constant Currency Basis

Continued portfolio company growth and execution of value creation strategies

On a weighted average basis, the portfolio generated last twelve month (LTM) Revenue and EBITDA growth of 11.4% and 15.2% respectively[15]. Many of the companies within our portfolio provide essential products or services which enable other businesses to function, or are otherwise well positioned to be resilient even in an uncertain economic climate. Supported by an improving macro-economic outlook in the second half of the year, it was the resilience of these businesses, as well as a focus on growth by private equity and portfolio company managers, that drove our portfolio's return. In particular, M&A was a significant focus for private equity managers. Several companies within the portfolio completed highly attractive M&A transactions, which in some cases fundamentally transformed their businesses. We are excited by the prospects for these companies. At the same time, organic growth also positively contributed to overall growth within the portfolio.

Significant realisation activity in 2023 demonstrates the attractiveness of portfolio companies to strategic and financial buyers

In general, 2023 was a difficult year for private equity exits, with industry-wide deal volumes about 30% lower than in 2022, and about 45% lower than 2021 levels. Despite this, NBPE's portfolio generated $171 million of cash proceeds from 12 partial and full exits. A further $39 million was received post year end from transactions which had been announced but had not yet closed, taking total announced realisations to $210 million[19]. Overall, we believe the level of cash proceeds received by NBPE – a 42% increase relative to 2022 – speaks to the high-quality, and the "in demand" nature of many of the companies in the portfolio. Realisations in 2023 were at an average of 2.1x[2] cost and an 11%[17] uplift to carrying value.



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Total proceeds received

$171m

in 2023

Follow-on investments in the year to support transformative M&A

One of the advantages of NBPE's co-investment model is that the Manager's investment team can be highly selective, with new investment decisions taken on a case by case basis. The team can choose its pace of investment activity depending on the portfolio construction and market outlook, as well as ensuring the maintenance of a strong balance sheet. During the year, NBPE invested $22 million including follow-on opportunities in existing portfolio companies to support M&A and transformative acquisitions. The Company ended the year with an investment level of 101%, which is at the lower end of the long-term target investment level range of 100-110%. Neuberger Berman maintained a strong pipeline of potential new co-investments throughout the year and, given NBPE's investment level at the year end, we anticipate new investment activity for NBPE to increase in 2024. Since the year end NBPE has deployed $38 million into two new investments in the healthcare sector; Benecon, an employee health benefits solutions provider, and Zeus, a leader in mission-critical components for lifesaving medical procedures. At 31 March 2024 the investment level was 102%.

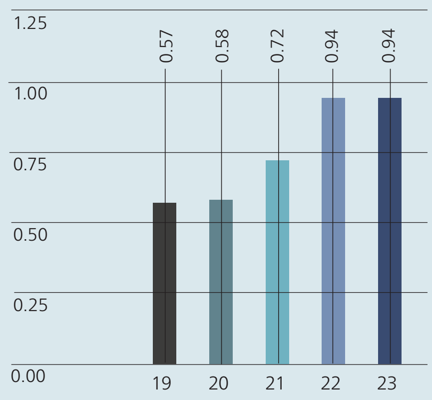
Strong balance sheet and liquidity

NBPE ended the year with a strong balance sheet and available liquidity of $376 million (comprised of $166 million of cash/liquid investments and $210 million of available capacity on the Company's credit facility). As previously announced, NBPE intends to repay the 2024 ZDP final entitlement of £65 million ($83 million) at maturity in October 2024.

Ten years of dividend payments

In 2023, NBPE paid $44 million of dividends to shareholders. This marks the 10th consecutive year of dividends paid to shareholders, which total $316 million in capital returned by way of dividends as of 31 December 2023. Over the same time period, the dividend has grown from $0.20 per share to $0.47 per share, representing a compound annual growth rate of 8.5%. The Directors view this as very attractive dividend growth over a decade. The dividend plays an important role as one of the pillars of our approach to capital allocation (see page 10) and we recognise the importance to shareholders of maintaining the Company's annual dividend yield target at 3.0% of NAV or greater. We believe this long history of reliable dividend payments demonstrates the Company's focus on prudent balance sheet management.

Dividend growth $ per share



Improving sentiment, but wide discounts persist across the listed private equity sector

NBPE's share price increased 9.4% on a total return basis in 2023, narrowing the discount to NAV from 32% at the beginning of the year to 24% as of 31 December 2023, broadly in line with other direct focused listed private equity funds. Despite this positive share price performance and improving sentiment more generally for listed private equity, discounts remain wide for many funds in the sector. We believe NBPE's co-investment model – offering the transparency and fee efficiency of direct investments, while allowing for prudent manager diversification – positions NBPE uniquely. The Board is united in its strong conviction that NBPE's discount level does not reflect the strength of its model or the quality of its portfolio. We continue to expand and enhance our investor relations

Summary balance sheet

$m	31 Dec 2023 (Audited)	31 Dec 2022 (Audited)
Direct equity investments	$1,223.5	$1,286.4
Income investments	$90.0	$107.3
Total investments*	**$1,321.3**	**$1,401.4**
Investment level	101%	106%
Cash and Cash Equivalents/Liquid Investments	$165.8	$7.0
Credit facility drawn	($90.0)	–
ZDPs	($80.4)	($72.8)
Other	($11.2)	($8.4)
Net Asset Value	**$1,305.5**	**$1,327.3**
NAV per share ($)	**$28.07**	**$28.38**
NAV per share (£)	**£22.02**	**£23.59**

* Total investments include approximately $7.8 million of fund investments as of 31 December 2023 and $7.7 million as of 31 December 2022

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initiatives to increase NBPE's profile among existing and new investors. Towards the end of the year we were delighted to welcome Luke Mason, who now leads NBPE's investor relations efforts, to the Neuberger Berman London team.

Discounts remain relatively wide across the entire investment company sector, not helped by the current cost disclosure regime which the Board believes disadvantages investment companies unfairly compared with competing products leading to sub-optimal investor decisions. Extensive efforts are being made by a coordinated group of fund managers, brokers, parliamentarians and others, working alongside the London Stock Exchange, to campaign for a change in this regime. The Board of NBPE is proactively supporting these efforts.

During the course of 2023, NBPE repurchased $5 million of shares, resulting in a NAV accretion of $0.05 per share. The Board believes that buybacks can be an attractive tactical use of capital in certain market environments and in January 2024, alongside the Company's first half 2024 dividend, we increased the amount of capital allocated for share repurchases. During the first quarter of 2024, NBPE repurchased an additional $5.4 million of shares, resulting in additional NAV accretion of $0.04 per share.

Approach to capital allocation

NBPE's objective is to invest in private companies to generate long-term growth.

The Board oversees the capital allocation framework for the Company. Alongside allocating capital to NBPE's investment programme, the Board is committed to NBPE's long-term dividend policy and regularly reviews the capital allocated to the Company's buyback policy. As part of this framework, the Board considers, among other factors, the financial position of the Company, use and cost of leverage, the Company's investment level relative to its target and the vintage year diversification of the portfolio.

New investments

NBPE's co-investment model provides flexibility, with new investment decisions being made on a real-time basis, balanced against the pace of realisations as well as other capital requirements. As a result, NBPE can manage its overall investment level without the need for significant unfunded commitments. While the investment level may temporarily rise above or fall below its target for periods of time, over the long term, the Board and the Manager believe that a target investment level in the range of 100–110% is optimal.

We believe that NBPE's strategy of investing in high-quality private companies and aiming to deliver strong compounding returns over time will drive the best long-term performance for shareholders. New investments should drive long-term NAV growth and are also considered in the context of the existing portfolio in order to maintain appropriate levels of diversification. Given NBPE's objective and the Board's focus on driving long-term returns for shareholders, the Board considers new investments to be the core use of NBPE's capital.

Dividends

The Directors remain committed to the Company's dividend policy of targeting an annualised yield on NAV of 3.0% or greater, with the goal of maintaining or progressively increasing the level of dividends over time.

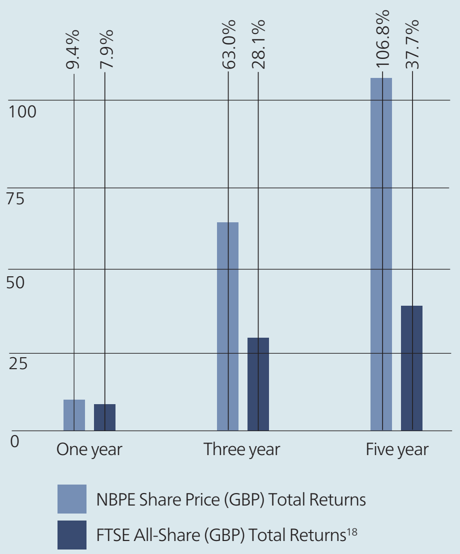
The dividend underpins NBPE's Total Shareholder Return. It allows shareholders the opportunity to participate directly in the performance of the underlying portfolio and is the primary method of returning capital to shareholders. Since the Board implemented a dividend policy in 2013, taking into account the 1H 2024 dividend payment, the Company will have returned $338 million to investors through a semi-annual dividend.

Share buybacks

The Board believes that buybacks can be an attractive tactical use of capital in certain market environments. Inherently, buybacks can represent an opportunity to purchase the Company's shares at a discount to NAV per share, realise a return that is immediately NAV accretive and invest in a portfolio that is performing well and is well known by the Manager.

The effectiveness of buybacks in NAV per share accretion, providing liquidity in the shares under certain circumstances and in signalling the Board's confidence in the prospects of NBPE's portfolio, are well understood by the Board.

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



Board evolution

As stated in the 2022 Annual report, the Directors decided to increase the size of the Board temporarily from five to six Directors, as part of its succession planning process. In particular, we were keen to recruit early for the succession of the current Audit Chair, John Falla, who is due to retire at the 2025 AGM after nine years of service on the Board. As part of this planning, Pawan (Pav) Dhir was appointed to the Board in September, who brings over three decades of global experience in finance and private equity, as well as in the wider asset and wealth management sectors. In addition to the Board evolution we have made a small number of non-material changes to NBPE's investment policy to reflect how the portfolio is managed today which can be found on p.60.

Outlook

We believe the current market environment is well-suited to private equity: as control owners, private equity managers are able to drive value at their portfolio companies. Private ownership allows companies to innovate, invest, restructure and optimise away from the short-term pressures of public ownership. In addition, Neuberger Berman is well positioned to source highly attractive private equity transactions across its $110bn private markets' platform, especially as many other co-investors have scaled back their private equity activity. Private equity managers are increasingly looking to partner with larger and more experienced co-investors to reduce co-investment syndication risk, or to provide alternative liquidity solutions. Given the scale of the Neuberger Berman platform and its large experienced team, we believe that the outlook for new investment opportunity remains strong.

The NBPE portfolio is well positioned given the 'all-weather' investment approach the Neuberger Berman team has followed for many years. The portfolio is focused on two key themes, long-term secular growth and/or business with low cyclicality and is invested in well-diversified, industry leading businesses, with attractive cash flow generation and resilient business models, made alongside some of the most experienced and well-resourced private equity managers globally. The ability of these private equity managers to deliver across market cycles and to execute and drive value creation leading to growth at the underlying company is what sets them apart.

William Maltby
Chairman

23 April 2024

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How NBPE creates value

Our purpose

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

Supported by the strengths of Neuberger Berman

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

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

NBPE's portfolio is geographically representative of the global private equity market, of which the U.S. is the largest market.

Focusing on buyout transactions

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

...in a flexible and disciplined way that builds resilience...

Investing on a deal-by-deal basis

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

Prudently managed balance sheet

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

...and a co-investment model that sets NBPE apart.

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

NBPE generates long-term growth by investing in a portfolio of direct investments in high-quality private companies.

Building a resilient portfolio

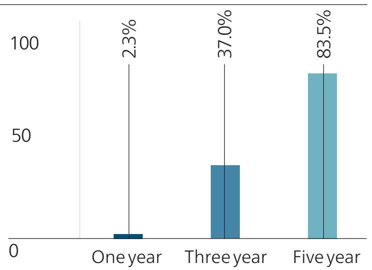
NBPE's portfolio is built investment by investment, rather than through funds. Co-investing allows NBPE to invest alongside a wide selection of top-tier private equity managers. Neuberger Berman focuses on backing business models that it believes will deliver sustainable earnings growth from long-term secular growth trends and/or from lower expected cyclicality due to their sectors or end markets.

	NAV total return ($)	Total shareholder return (£)	Dividend growth over time
Rationale	Reflects the growth in the value of the Company's assets less its liabilities. It includes all the components of NBPE's investment performance, 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 2.3%[1] – Five-year cumulative NAV Total Return of 83%[1] – Performance driven by the 5.3% constant currency return from NBPE's private portfolio companies and foreign exchange tailwinds, which has been partially offset by weaker performance from our quoted holdings	– Increase of 9.4% in Share Price Total Return during 2023[1] – Five-year cumulative Share Price Total Return of 106.8%[1]	– Dividend maintained at $0.94 in 2023, a 3.3% yield on NAV and a 4.4% yield on the share price at 31 December 2023 – $316m of capital returned via dividends over the past 10 years
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, $

2.3%[1]

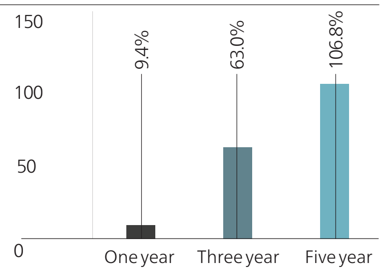
2023



Total Shareholder Return cumulative, £

9.4%[1]

2023



Dividend growth $ per share

$0.94

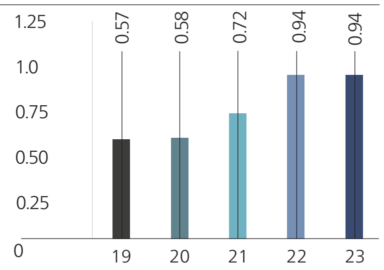
dividends

4.4%

yield on share price

10.5%

five year dividend growth CAGR



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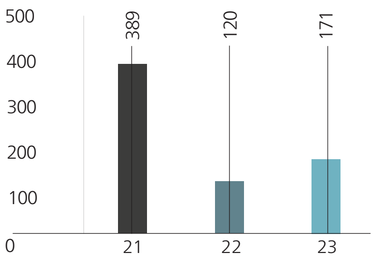
	Maintain healthy pace of realisations and uplift on exit	Invest selectively in new investment opportunities over time	Prudent and efficient balance sheet management
Rationale	Realisations are one of the drivers of NAV growth and a source of liquidity to make new investments and dividend payments	Maintain a prudent investment pace based on the level of portfolio realisations, quality of investment pipeline and market environment	Maintaining a robust financial position and strong asset coverage in a range of forecast scenarios. NBPE has a long-term investment level target range of 100%–110%
Progress	– $210 million of realisations announced[19]; $171 million of proceeds received – Realisations at an 11%[17] uplift to values three quarters prior to an announced exit and a 2.1x[2] multiple to cost – 10-year average annual liquidity of ~21% of the opening portfolio value	– $22 million deployed in the year, including several follow-on opportunities in existing portfolio companies, to support M&A and transformative acquisitions – Investing in key themes	– Available liquidity of $376 million ($166 million of cash/liquid investments and $210 million of available capacity from the Company's credit facility) – 101% investment level at 31 December 2023 – Unfunded commitments are adjusted for amounts the Manager believes are unlikely to be called. As of 31 December 2023, unadjusted unfunded commitments were $81.9 million (a coverage ratio of 459%[20]). Adjusted commitments were $33.3 million (an adjusted commitment coverage ratio of 1,128%)
Examples of related factors that we monitor	– Vintage year diversification, maturity of the portfolio, average holding periods – Uplifts to carrying value and cost – Liquidity as a percentage of opening portfolio	– Available liquidity and realisation outlook – Balance sheet strength – Market environment and pricing	– Available liquidity and realisation outlook – Compliance with financial covenants of RCF
Link to objectives	– Capital appreciation through growth in net asset value over time while returning capital by paying a semi-annual dividend	– Capital appreciation through growth in net asset value over time through a highly selective investment approach	– Long-term investment target level range of 100%–110%

Total proceeds received $m

$171m
proceeds received

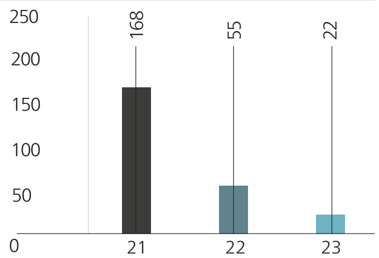
11%
2023 uplift to carrying value three quarters prior[17]

2.1x[2]
original cost



Total new investment $m

$22m
invested in 2023



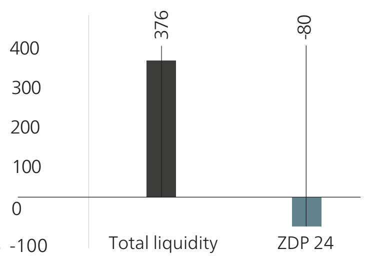
Maturity profile/total liquidity $m

$1.5bn
gross assets

101%
invested

$166m
cash/liquid investments

$210m
undrawn credit facility



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Continued strong operating performance driving value

Paul Daggett, CFA
Managing Director,
Member of Investment Committee

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

Private portfolio driving value

During 2023, NBPE's private investment portfolio appreciated in value by 5.3% on a constant currency basis, which was driven by the strong operating performance of the underlying private companies, alongside continued realisation activity. This performance was partially offset by a fall in value of our public investments, which declined by 2.8% in aggregate. Foreign exchange provided a small tailwind to the Sterling and Euro portfolio valuations. Taken together, the portfolio generated a return of 4.9%[21] in the 12 months.

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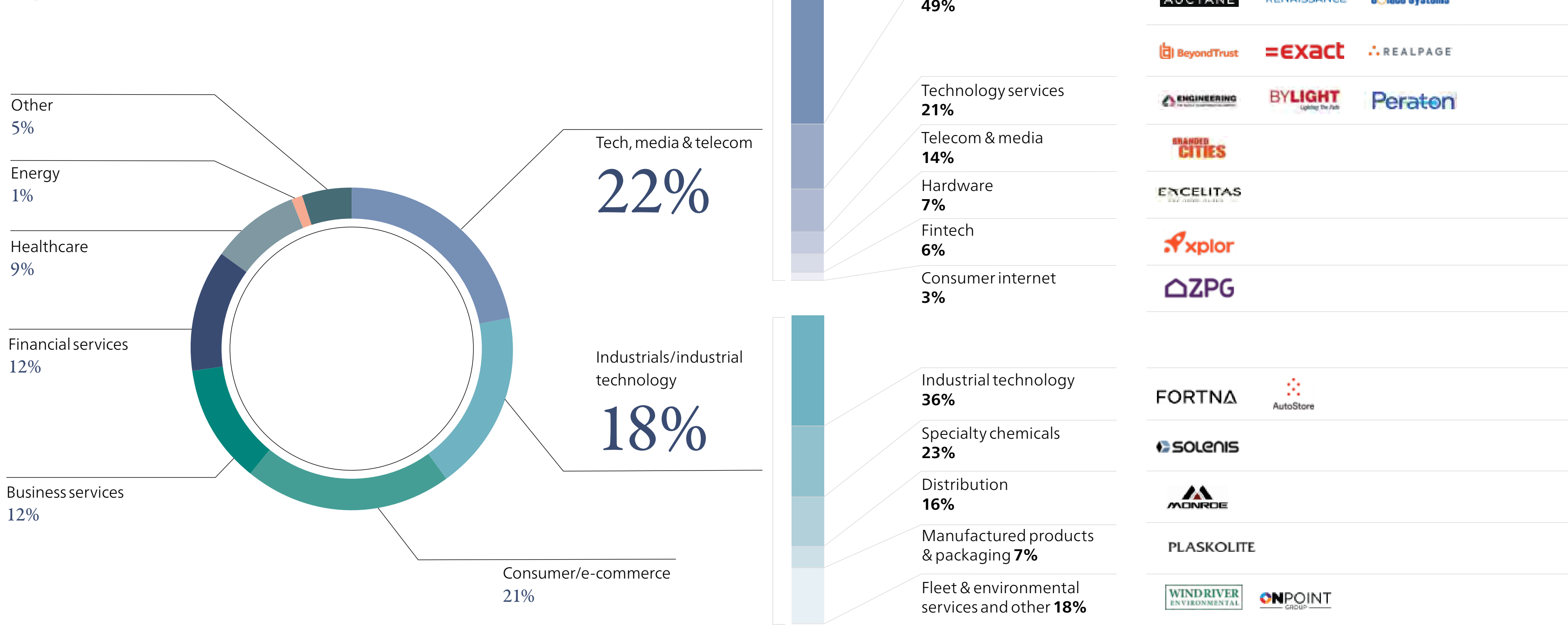
An attractive portfolio of co-investments

As at 31 December 2023, NBPE's portfolio of co-investments was comprised of 87 private companies invested alongside 53 private equity managers, valued at $1,224 million, or 93% of fair value of the portfolio. There were 14 public companies in the portfolio, companies which have IPO'd in recent years and where NBPE retained a portion of the investment. Following a number of full and partial stock sales during 2023, the public portfolio now represents 10% of fair value and we expect this to continue to reduce over time.

NBPE's portfolio is built investment by investment from the bottom-up by co-investing alongside some of the world's leading private equity managers. This allows us to pick what we believe are the most attractive investment opportunities, sourced from our $110bn Private Markets platform. We focus on resilient business models across two key themes: long-term secular growth and/or companies with low expected cyclicality. Long-term secular growth investments are expected to benefit from higher and sustainable long-term growth across economic cycles, driven by favourable tailwinds from demand trends or shifts in behaviour. Businesses with lower expected cyclicality often service more defensive end markets, are often "essential services" and may offer reasonable downside protection during periods of economic weakness. In both cases, we seek to partner with private equity managers with deep domain experience, who demonstrate the ability and track record to add value and drive earnings growth.

While we do not set specific industry or geographic targets, the portfolio naturally gravitates to certain industries, based on the factors discussed above. The largest industry concentrations are technology, media and telecom (TMT), consumer/e-commerce and industrials/industrial technology. In each of these industries, there is meaningful exposure to a broad set of attractive sub-sectors and end-markets. We believe the companies in our portfolio are differentiated and highly attractive, which can grow revenue and EBITDA meaningfully over time given characteristics such as large-scale competitive positioning, mission-critical products or services and diversified end markets.

Significant exposure to attractive sub-sectors



Resilience amid ongoing uncertainty

The economic environment has undeniably become more challenging than what we have been accustomed to over the past decade or more. With uncertainty in the economic outlook likely to continue for the foreseeable future, private equity investors are understandably prioritising companies displaying resilient, consistent revenue streams.

In this quest for reliability, these investors are often turning towards companies providing mission-critical products and services.

The term 'mission-critical' refers to systems, applications, products or services which are essential to the fundamental operations of a business – as failure could disrupt productivity or impair the business' operations and potentially trigger significant losses.

It is easy to associate the term 'mission-critical' exclusively with industries such as technology, telecommunications, transportation and power – given the immediate, visible disruption likely to ensue should operations suddenly halt. However, there is a vast array of companies across diverse industries providing pivotal functions. Disruptions to these companies could in turn affect the ability of customers to maintain production or functionality.

In addition to providing predictable cash flows and having an ability to successfully operate with leverage – key qualities sought after by private equity funds – providers of mission-critical products and services often display high customer retention, enabling the companies to pass on reasonable cost increases where necessary. This is an incredibly valuable attribute for investors in today's economic climate.

In a focus on resilient growth, we shine a spotlight on a number of appealing mission-critical opportunities and look at three very different companies, operating in diverse sectors, but all providing applications that are core to businesses and industries running efficiently.

Case study

Specialist solutions

SOLENIS

Specialty chemicals and services provider

Industrials — *Platinum Equity*

In 2021, NBPE co-invested in Solenis, a leading provider of special chemicals and solutions to water-intensive industries, alongside Platinum Equity. With more than 16,100 employees and 69 manufacturing facilities, its operations span 130 countries.

The solutions Solenis provides are critical to its customers, providing an essential input without which these businesses could not fulfil products for their end customers. For instance, without purified water, paper mills would be unable to produce paper, the key component of the food packaging industry – or without certain chemical solutions, adhesive producers would not be able to manufacture wood adhesive for use in furniture manufacturing.

Solenis stands as a key player in large, growing and resilient markets, driving high customer retention and strong reoccurring revenues. This resilience is further amplified by the company's accretive acquisitions. Since NBPE's original investment, the company has completed six acquisitions including the $4.6 billion transformative acquisition of Diversey in July. These acquisitions have created a company with significantly increased scale, broader global reach and the ability to offer a 'one-stop shop' suite of solutions for water management, cleaning and hygiene issues on a global basis. These strategic moves position Solenis as an even more valuable partner for its customers.

$50m
Value at
31 December 2023

Case study continued

Critical components

MONROE

Distributor of mission-critical standard and custom-engineered products

Industrials *AEA Investors*

Monroe Engineering is another mission-critical company we have invested in, alongside AEA Investors. The company supplies a wide range of engineered products – including fasteners, casters, hinges, handles and magnets to various end markets such as aerospace, defence, medical, renewable energy, transportation, consumer goods and other diversified industrial markets.

For example, its hinges are used in manufacturing conveyor dishwashing machines, which are essential in the hospitality sector. With a comprehensive selection of both standard and custom-engineered products, Monroe caters to customers looking to simplify their component design and procurement process. Additionally, with exposure to 20 different end markets, Monroe's essential products are relied on by a local customer base, helping to build stable longer-term revenues. Since our investment in 2021, Monroe has continued to grow through acquisition and is now NBPE's 12th largest company as of 31 December 2023.

$32m
Value at 31 December 2023

Mission-critical technology driving efficiencies

ENGINEERING

Provider of systems integration, consulting and outsourcing services

Technology/IT *NB Renaissance*

Headquartered in Rome, the Engineering Group is a digital transformation company. The business develops and manages innovative solutions for business areas where digitalisation is having the biggest impact. It operates in multiple market segments (from finance to healthcare, from utilities to manufacturing and many more), providing clients with technology, software, system integration and consulting services with a focus on solutions that drive value and improve processes. For example, in the healthcare sector, it designs systems to digitise processes and leverage technologies to improve patient care, quality of work of medical operators and the overall sustainability of healthcare systems.

In the utilities sector, it has developed an end-to-end water management system to manage and reduce water loss. The system digitises information, locates leaks, shares data in real time, performs predictive analysis of water network deterioration, and alerts and manages field teams. The business has grown organically and through M&A and with a diversified portfolio built around proprietary solutions, best-of-breed market solutions and managed services it has built a leading market position in Italy and an expanding global footprint.

$26m
Value at 31 December 2023

Our portfolio includes multiple other companies within the mission-critical theme. The unique attributes of these groups, including indispensable services and high customer retention, help build steady and reoccurring revenue streams. As a result, these companies should significantly contribute to the resilience of our portfolio – even amid the continued challenging economic conditions.

Demonstrated resilience across the portfolio

Strong underlying growth and resilience continued to drive positive performance of NBPE's private companies in 2023 despite continued challenges in the operating environment. Sectors such as consumer, industrials, TMT and financial services in particular saw robust end market demand with growth driven by a combination of organic growth and M&A. In certain cases, growth momentum was driven by new product launches and pricing initiatives, and combined with cost savings initiatives and operational efficiency, bottom-line performance grew meaningfully in a number of companies. Effective cost management for a number of companies remained a key focus during the year, and in some cases, these efforts were to partially offset declines experienced in EBITDA. A further driver of performance is the focus by management teams and private equity managers on strategic initiatives. These initiatives can take a variety of forms including product research and development, reducing time to market, improving customer experiences or transforming parts of organisations to position for accelerated future growth. In general, a number of companies made progress during the year in areas such as this, which we believe should ultimately produce benefits in the coming quarters.

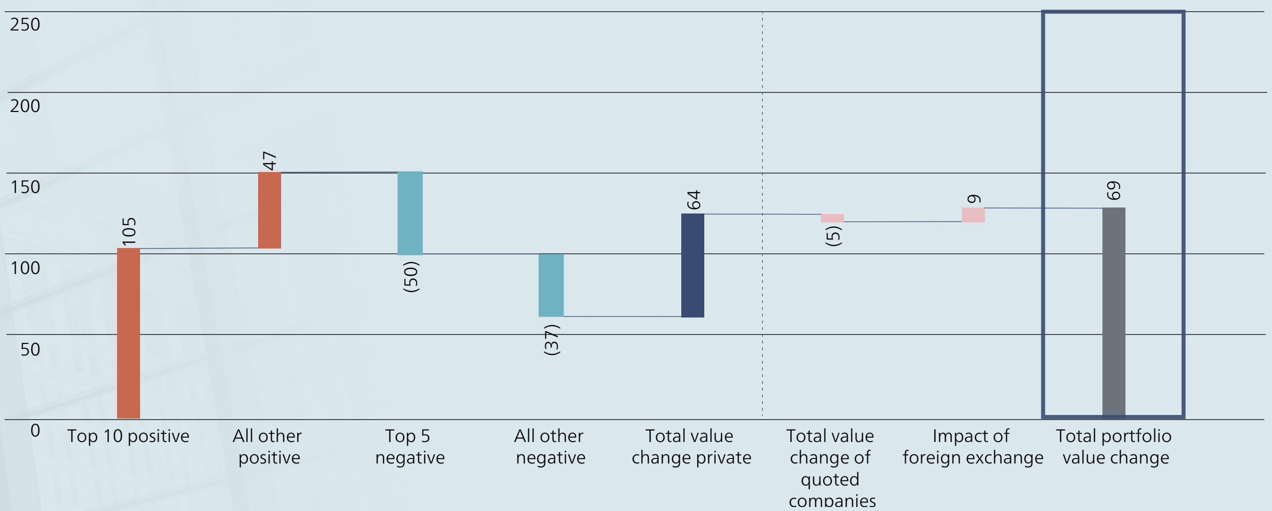
In particular, three companies driving significant growth in the year were Action, Solenis and Branded Cities. Action increased in value by over 35% during 2023, driven by strong like for like sales growth and new store openings, including the first two new stores in Portugal. During 2023, Action surpassed €10 billion in sales for the first time in its history (net sales increased 28% year over year) and the company added 303 net new stores to reach more than 2,560 stores overall. The company continues to focus on expansion opportunities while providing customers with products across a number of categories at competitive prices.

Solenis continues to drive meaningful value for its customer base. For example, for pulp and paper mill customers, Solenis identified a chemistry change to remove solids from mill water systems, helping customers with cost savings while reducing chemical deliveries per month (and fewer chemicals used overall), ultimately making mills safer and more environmentally friendly. We believe Solenis continues to drive meaningful value for its customers, serving to address critical needs, and believe the company is well positioned for future growth. Our investment in Solenis was written up by $13 million in the year.

$69m
Total portfolio value change

Branded Cities, a leading outdoor media and advertising company, has premier digital and static signage across some of the largest markets in the US and Canada, situated in some of the world's most iconic locations including the Las Vegas Strip, Times Square, and West Hollywood. In 2023, the company continued to see strong momentum, launching a number of new initiatives during the year. For example, in March 2023, the company announced an exclusive partnership with Caesar's Entertainment to build and sell digital advertising and marketing campaigns on new full motion displays on the Las Vegas Strip. In late 2023, the company also announced plans to launch a new and exclusive transit digital network in the midtown bus terminal, a major transit hub in New York City. NBPE's investment in Branded Cities was written up by $16 million in the year.

Key performance drivers in 2023, $m



Both management teams and private equity managers remain focused on long-term strategic initiatives, including ways to lower costs and identify supply chain savings, seeking efficiencies in working capital management, expanding distribution footprints, enhancing profitability and launching new product pipelines. In several instances, companies continued to pursue accretive M&A opportunities to further expand end-markets and contribute to future growth, positioning the companies for higher top and bottom line growth over time.

There are also a number of companies which continued to face headwinds within their respective markets, which impacted revenue and EBITDA growth and valuations. Private equity managers continue to work through issues by focusing closely on the underlying operating trends and enacting measures, as needed, to stabilise and ultimately improve operations.

11.4%[15]

LTM Revenue growth

15.2%[15]

LTM EBITDA growth

›› See footnotes on pages **114-115**

Continued EBITDA and revenue growth

The portfolio reported another year of strong operating performance, generating aggregate last twelve month (LTM) revenue and EBITDA growth of 11.4% and 15.2% respectively[15], with a number of companies reporting EBITDA growth in excess of 20%. EBITDA growth outpaced revenue growth in the year, a function of the active ownership of the investments, with operational improvements and synergies from M&A being reflected in the bottom line. LTM revenue growth slowed in the year, with weighted average top line growth impacted by challenges facing certain companies, driven by the macro environment or short term company specific issues, such as the timing of bookings.

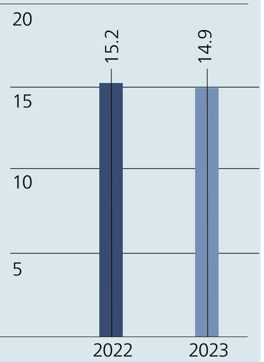
Valuation multiples declined YoY

14.9x[22]

EBITDA valuation multiple

5.3x[22,23]

Net debt/EBITDA



Lower valuation and leverage multiples

Across the portfolio, on a weighted average basis, the LTM EBITDA valuation multiple was 14.9x[22] at 31 December 2023, which compared to a valuation multiple of 15.2x at the end of the prior year. The valuation multiple declined slightly year over year. The 5.3% increase in private valuations during the year was primarily driven by the operating performance of the companies.

The weighted average net leverage multiple was 5.3x[22,23] across the portfolio compared to 5.5x at 31 December 2022. In certain companies within the portfolio, leverage multiples increased, reflective of M&A activity funded with debt, while other companies saw leverage multiples decline as a result of strong earnings growth; on balance, this led to an overall lower portfolio leverage multiple. We continue to believe leverage levels are prudent across the portfolio and capital structures at the underlying companies are broadly optimised for the current macro environment with limited near-term maturities and the vast majority of leverage by value is in companies with cov-lite debt terms. In addition, the portfolio has a strong average interest coverage ratio. Looking across the interest coverage ratio of NBPE's top 30 companies, which represents 72% of the value of private companies, the average interest coverage ratio at 31 December 2023 was well above the market average.

Selective investments during 2023

NBPE's investment model means that it can be highly selective when deploying capital, taking into account market conditions and balance sheet strength. During 2023, NBPE deployed $22 million to new investments, which consisted primarily of follow-ons in Solenis and Renaissance Learning in order to fund transformative acquisition opportunities. We viewed both of these as attractive opportunities to put additional capital to work in investments we knew well and in which we were already achieving successful results, alongside good management teams and private equity sponsors. In both of these instances, the transformative M&A meaningfully contributed to operating performance during the year, with both companies achieving strong EBITDA growth rates during 2023.

Realisation activity picked-up in the second half of 2023

In terms of realisation activity, it was largely a year of two halves. During the first six months of 2023, NBPE received $45 million of realisations and the outlook at that time remained uncertain. However, by the latter half of the year, realisation activity increased meaningfully with a number of transactions closed or announced. Together, total cash received during 2023 was $171 million, or 12% of the opening portfolio value, and there was a further $39 million of expected proceeds from investments which were announced but had not yet closed at the end of 2023 (all of which closed in the first quarter of 2024).

Realisations during 2023 were driven by full and partial sales of companies within the private portfolio, of which sales to strategic and financial buyers represented nearly 60% of the realisation proceeds during the year. The three most notable realisations in the year were the partial sale of USI, an insurance brokerage firm, where we were able to crystallise gains of approximately $30 million, the full sales of our holdings in Melissa and Doug, a toy manufacturing company and FV Hospital, a hospital operator in Vietnam, both to strategic buyers. These exits were further increased by a number of smaller realisations across the portfolio. In total, these smaller realisations produced additional proceeds to NBPE of $40 million, largely driven by minority sales, as well as partial and full sales of NBPE's quoted holdings. As a result of the stock sales during the year, there were four public positions which were fully exited.

Together with full and partial sales from quoted holdings, NBPE's 2023 exits were achieved at a 2.1x[2] gross multiple of capital and 11%[17] uplift to the carrying value three quarters prior to the announced exit. The uplift figure is below the trailing five year uplift of 39%[6], reflecting a number of factors, including the realisations of a number of smaller more mature investments, however, we believe this uplift helps to validate current carrying values.

Outlook and well positioned for new investments

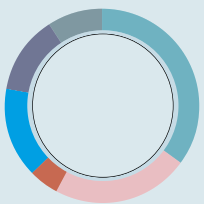
We believe the investment portfolio remains well-positioned in the current environment and the resilient nature of many of the businesses means the portfolio is suited for a range of economic conditions.

Ongoing operational enhancements combined with prior initiatives means many portfolio companies are becoming more efficient, which ultimately, should prove beneficial moving forward. M&A continues to be a meaningful driver to complement organic growth strategies and we are pleased with accretive M&A in the portfolio to date. With a weighted average age of 4.9 years across the portfolio, many of the companies have meaningful progress in terms of their value creation timelines and we believe will be in-demand assets when the exit environment normalises.

Since year end we have deployed $38 million to two new investments, Benecon and Zeus, each operating in different segments of the healthcare space. We continue to carefully select what we believe are the best companies to complement the existing portfolio, balanced against the pace of realisations and maintaining a strong balance sheet.

Neuberger Berman
23 April 2024

Types of exit



Sale to PE/Investor	35%
Sale to Strategic	23%
IPO	5%
Sale of Public Stock	15%
Income Portfolio	13%
Other Portfolio Realisations	9%

›› See footnotes on pages **114-115**

Realisation spotlight

Financial Services

USI

USI provides consulting and brokerage services across property, casualty and employee benefits, mostly to mid-market US companies. NBPE co-invested $20 million alongside KKR's core private equity strategy when it acquired USI in 2017. USI operates in a highly fragmented market, with thousands of small independent insurance agents, and over the past six years has completed numerous acquisitions under KKR's ownership, growing revenue by 2.5x. In addition to adding scale, USI has leveraged M&A to extend its geographic reach and build out its product capabilities. Alongside its acquisition strategy, USI management continues to execute organic growth initiatives through investment in producer hiring and technology to enhance sales effectiveness, improve client experience, and streamline training processes.

In December 2023, NBPE partially realised some of its holding in USI, receiving proceeds of $44 million and crystallising some of the gains made on the investment to date. At 31 December 2023, NBPE's remaining holding was valued at $18 million.

1 Action

European discount retailer

Consumer *3i*

- Grow store network and expand to other European countries
- Strengthen supply chain
- Operational enhancements

$85.6m	6%

2 Osaic

Independent network of wealth management firms

Financial Services *Reverence Capital*

- 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

$56.5m	4%

3 Solenis

Specialty chemicals and services provider

Industrials *Platinum Equity*

- Sticky and diverse customer base/ trusted provider
- Natural barriers to entry, benefitting from scale
- Mid-life investment/transformative M&A

$49.9m	4%

4 (OB: AUTO) AutoStore

Leading provider of automation technology

Industrials *THL*

- Growth driven by megatrends
- Strong value proposition with attractive financial characteristics
- Embedded growth options

$48.6m	4%

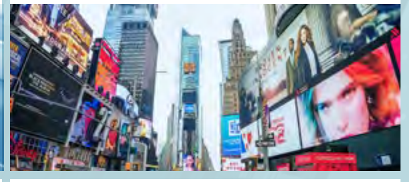
5 Branded Cities

North American advertising media company

Communications/Media *Shamrock Capital*

- Barriers to entry lead to competitive advantage
- High-quality assets in leading locations
- Leading private equity manager in the media space

$40.0m	3%



6 Cotiviti

Payment accuracy and clinical software solutions for the healthcare industry

Healthcare *Veritas Capital*

- Compelling strategic rationale for the combination of two businesses
- Market leader with enduring competitive advantages
- Attractive financial profile and free cash flow generation

$38.6m	3%

7 BeyondTrust

Cyber security and secure access solutions

Technology/IT *Francisco Partners*

- Business combinations create a highly attractive position in the market
- Blue chip customer base
- Strong secular growth
- Lower cyclicality in end-market customers

$35.0m	3%

8

Business services company

Business Services *Not disclosed*

- Low expected cyclicality end markets
- Essential service with 'utility-like' characteristics
- Attractive financial profile with stable cash flow

$34.8m	3%

9 Constellation Automotive Group

Leading provider of vehicle remarketing services

Business Services *TDR Capital*

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

$33.4m	3%

10 true potential

Wealth management technology platform

Financial Services *Cinven*

- Strong value proposition and focus on customer outcomes
- Leading technology platform
- Attractive market dynamics and track record of strong financial performance

$32.8m	2%

11

Distributor of mission-critical standard and custom-engineered products

Industrials — *AEA Investors*

- Leading market position with diverse end markets
- Significant growth opportunities
- Proven acquisition platform

$31.9m	2%

12

Portfolio of consumer-branded IP assets, licensed to third parties with a number of internally managed DTC platforms

Consumer — *Neuberger Berman*

- Established platform with experienced management team
- Unique business model
- Strong free cash flow with revenue visibility

$30.6m	2%

13

Multinational financial consultancy firm

Financial Services — *Further Global/ Stone Point*

- Market-leading businesses
- Recent M&A has diversified revenue streams and reduced cyclicality
- Continued execution of accretive M&A

$30.1m	2%

14

(NYSE: GFL)

Waste management services

Business Services — *BC Partners*

- Favourable environmental services industry dynamics
- Sticky and diverse customer base
- Fragmented industry provides opportunities for M&A

$29.0m	2%

15

Systems and solutions utilised in distribution centres

Industrials — *THL*

- Rapidly growing market driven by e-commerce
- Strong market position
- High visibility on revenue

$28.7m	2%

16

Provider of office supplies through a business-to-business platform and retail

Business Services — *Sycamore Partners*

- Market-leading business with attractive financial profile and strong cash flow characteristics
- Significant cost savings opportunity
- Experienced sponsor with strong track record in the consumer/retail sector

$28.4m	2%

17

Outsourced medical device manufacturer

Healthcare — *JLL Partners*

- Large addressable market with secular tailwinds
- Strong barriers to entry and sticky customer base, with recurring and diversified revenue across products/SKUs, customers, capabilities and manufacturing facilities

$26.7m	2%

18

Ticket exchange and resale platform for buyers and sellers

Consumer — *Neuberger Berman*

- Large scale and competitive positioning
- High barriers to entry
- Attractive entry price

$26.4m	2%

19

Provider of systems integration, consulting and outsourcing services

Technology/IT — *NB Renaissance/ Bain Capital*

- Leading technology company in Italy
- Attractive IT services market with secular growth from digital transformation

$25.9m	2%

20

Professional services provider specialising in staffing and consulting services

Business Services — *Trilantic Capital Partners*

- Scaled business with diversified end markets
- Large underlying market with positive growth trends
- Attractive financial profile

$23.9m	2%

Skill-based value creation levers increasingly important

Peter von Lehe, JD
Head of Investment Solutions and Strategy

Over the past few decades, private equity has generated strong absolute returns and has meaningfully outperformed public equity.

We identify seven levers that private equity managers use to generate returns depending on the idiosyncrasies of investee companies and general market conditions.

While all seven value-creation levers are relevant across time, the effectiveness of each lever is determined by not only the idiosyncratic nature of each transaction, but also the prevailing market and operating conditions during the ownership period.

Accordingly, investors need to consider which levers are most likely to be effective today and over the lifetime of their current holdings.

The seven value-creation levers

Investment Selection	Selecting companies that stand to benefit from secular tailwinds, resilient business models, high barriers to entry, recurring or re-occurring revenue and the potential to create sustainable earnings growth.
Management Incentivisation	Recruiting, retaining and motivating experienced managers to oversee the business operations of a company. Meaningful management incentive plans increase alignment and can improve exit outcomes for private equity investors and senior management teams.
Resources and Capital to Support Growth	Allocating the operating resources and/or capital to a company to expand products and services, augment distribution and sales efforts, and/or increase geographic footprint. If properly implemented, these tools can bend the growth curve of a company upwards.
Operational Improvement	Providing resources for optimising revenue and pricing, cutting costs, enhancing procurement and consolidating vendors, re-tooling sales incentives and otherwise improving margins.
Strategic M&A	Sourcing, executing and integrating corporate acquisitions – preferably at accretive valuation multiples – to bolster supply chains, expand products and services, and access new customers. M&A can also be used to deleverage capital structures and provide interest coverage relief.
Free Cash Flow Generation/ Debt Paydown	Using a company's free cash flow to pay down debt both increases equity in the capital structure and lessens future interest costs.
Multiple Expansion	Participating in an increase in the multiple of earnings at which a company is valued.

Selection and skills-based levers remain highly effective

The first five levers – Investment Selection, Management Incentivisation, Resources and Capital to Support Growth, Operational Improvement and Strategic M&A – are all about investing in companies that have the potential to grow their earnings and then helping them to do so. Pulling these levers requires significant skills and resources that in our view not all private equity managers possess, which means execution will vary widely. These levers are also very transaction-specific and much less reliant than the last two levers on market conditions. This means managers who do have the necessary capabilities can still pull these levers to create value, even in today's more challenging environment.

Market-dependent levers have largely fallen away

Unlike the selection and skills-based levers, Free Cash Flow Generation/Debt Paydown and Multiple Expansion are primarily market-driven and not meaningfully dependent on manager skill or company quality. Today, high interest rates are consuming the free cash flow available for debt paydown and full valuation multiples make it less likely that managers will be able to sell a company they buy today at a higher multiple tomorrow.

With two value-creation levers out of action or even detracting from returns, and the remaining ones dependent on idiosyncratic asset selection and skills-based capabilities, we believe there will be a higher dispersion of performance across managers and transactions.

REQUIRES
MANAGER EXPERTISE AND EXECUTION

- Investment Selection
- Management Incentivisation
- Resources and Capital to Support Growth
- Operational Improvement
- Strategic M&A

REQUIRES
ACCOMMODATIVE ENVIRONMENT

- Free Cash Flow Generation/ Debt Paydown
- Multiple Expansion

We believe private equity can continue to generate attractive returns, but greater reliance on skills-based value-creation levers is likely to lead to higher dispersion of performance.

Private equity's value-creation levers

Given the wider band of expected outcomes, we believe strong due diligence skills and a highly selective investment approach are essential in the current environment. But we also think wider dispersion means selectivity needs to be balanced with diversification; portfolios should be sufficiently diversified to mitigate risk, but not so diversified that they become private equity indexes. In our view, achieving this balance requires robust deal flow – the larger the opportunity set, the easier it is to be selective without becoming too concentrated.

While past performance has never guaranteed future results, we believe shifting market conditions make traditional analysis of historical track records even less relevant. Understanding how a manager generated returns in the past is as important as considering what those returns were.
To further complicate this analysis, achieving past success by making full use of market dependent levers does not in itself disqualify a manager from achieving success prospectively – in our view, the best managers make money by pulling the most effective levers at the appropriate time. Complete due diligence now requires a holistic approach that incorporates selection and skills-based capabilities. This implies a full understanding of the manager's market outlook, sourcing capability, relationship network, industry expertise, operating toolkit and more.

Market conditions favour co-investing

Finally, as part of a diversified private markets portfolio, we believe co-investments are particularly well suited to present market conditions. Co-investing involves partnering with a private equity manager to provide equity capital for a single company outside of a traditional fund structure.

These methods of implementation can deliver critical insights into a manager's command of the value-creation levers, particularly those we believe to be more effective in the current market environment. When thoughtfully implemented, these strategies offer the opportunity to own high-quality businesses alongside top-tier managers in their core areas of expertise.

A focus on ESG across the investment process

ESG is integral to our firm

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

Deep resources

- Dedicated ESG resources: 27 ESG investing professionals supporting the deepening of ESG integration into investment strategies across various asset classes[14]
- 2023 UN PRI assessment: In our 2023 PRI Assessment, Neuberger Berman scored above the median of all reporting signatories and large investment management peers globally[13] for our ESG integration efforts in every UN PRI reported category. Neuberger Berman achieved top scores in multiple categories including the Policy, Governance and Strategy category (formerly, Investment and Stewardship Policy) and the Indirect – Private Equity category[12]
- Responsible Investment Policy: Dedicated NBPE Responsible Investment Policy formalises NBPE's commitment to integrating ESG throughout its investment process

Direct investments

- ESG integration: ESG analysis is a part of due diligence for direct investments and is included in Investment Committee memorandums for potential investments by NBPE. Due diligence of direct investments includes an assessment of industry-specific material ESG factors, alongside the ESG integration of the lead General Partner ("GP")
- UN Sustainable Development Goal (UN SDG) Thematic Alignment: As a value-add to its fundamental due diligence, the Manager seeks to assess company UN SDG thematic alignment potential as further evidence of a company's ability to deliver long-term value

›› See footnotes on pages **114-115**

The three pillars of NBPE's Responsible Investment Policy[24]

Our policy is centred on the objective of seeking to achieve better investment outcomes through incorporating Environmental, Social and Governance (ESG) considerations into the investment process.

Amplify

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

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

Assess

Consider material ESG factors alongside traditional factors in investment decision-making. ESG factors are generally no more significant than other factors in the investment selection process

Material ESG factors are formally incorporated in Investment Committee memoranda

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. Please refer to the NBPE Responsible Investment Policy for detailed avoidance information

›› See footnotes on pages **114-115**

How ESG is integrated into the investment process

Neuberger Berman Private Equity 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 uses 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)[31] as well as the lead GP's level of ESG integration based on our Manager ESG Scorecard.

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

Represents a subset of factors for illustrative and discussion purposes only[25]. Shading indicates factors that are likely to be financially material.

Private equity can be well-aligned to ESG integration

Private equity investors have the potential to drive improvements.

Sector focus

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

Deep due diligence

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

Control

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

How ESG factors can affect valuations

Day-to-day operations

Incremental improvements may have positive implications for profits

Examples

– Proactive approach to environmental issues, such as resource consumption and waste management, may lower operating costs

– Conscientious employee policies may lead to greater retention and productivity

Tail risks

Addressing systematic ESG issues that have the potential to affect business

Examples

– Seeking to understand climate risk on portfolio companies may mitigate risks associated with extreme weather

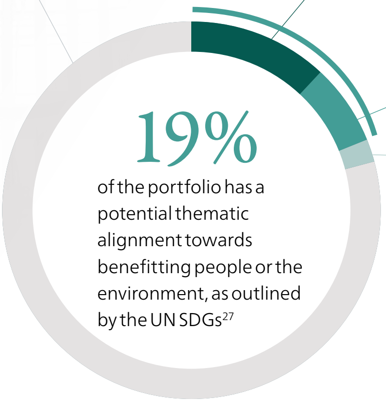
– Pre-empting potential ESG issues may mitigate risk of breaches and cost of compliance

›› See footnotes on pages 114-115

NBPE portfolio through a UN Sustainable Development Goal (UN SDG) thematic lens[26]

79%
Neutral potential UN SDG thematic alignment

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



Amounts may not add up to 100% due to rounding

12%
Potential moderate UN SDGs thematic alignment

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

8%
Potential high UN SDGs thematic alignment

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

2%
No potential UN SDG thematic alignment[28]

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

» See footnotes on pages **114-115**

Spotlight

Concord Biotech[29]

Overview

Concord Biotech (Concord) is one of India's largest fermentation-based active pharmaceutical ingredient (API) manufacturers. Concord develops and manufactures advanced life-saving drugs across niche and complex molecules for use in therapeutic segments such as immunosuppressants, anti-infectives and oncology. Concord has established a strong presence and distribution network in over 70 countries spanning North America, Europe and Asia.

Quadria has collaborated with Concord to further its commitment towards making a positive social impact by promoting life-saving drug products and increasing availability of critical pharmaceuticals in India and other emerging markets.

Alignment with UN Sustainable Development Goal 3.4:
By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing.

Ownership timeline

- Notable investment milestones
- Notable company milestones

In June 2016, NBPE made a co-investment in Concord Biotech, alongside Quadria Capital

2017 through 2019: Concord underwent several positive inspections from regulatory bodies, including the US Food and Drug Administration, and received Good Manufacturing Practices (GMP) certification for its two facilities

In 2021, Concord began operations at its new API manufacturing facility, which is intended to cater to the regulated market (EU, US, etc.). The expansion doubled its fermentation capacity to 1,500 m^3, making it one of the largest fermentation facilities globally for non-penicillin small molecules

Over the course of the ownership period, Concord more than tripled its sales as a result of robust organic growth, substantial capacity expansion, and a focus on innovation

Throughout the ownership period, Quadria supported Concord on ESG initiatives, including measures to reduce water consumption at its manufacturing plants, as well as strengthening employee training practices and responsible sourcing policies

In August 2023, Concord filed for IPO. The offering size of INR 15.5 billion was one of the largest pharma IPOs in the past few years. The IPO experienced overwhelming demand across investor categories

Neuberger Berman's 2023 ESG highlights

Over the past year, the private equity ESG Investing team at Neuberger Berman has been focused on ESG enhancements and engagements to advance the private equity industry. Neuberger Berman Private Equity believes fostering a dialogue with private equity managers on ESG topics is an important part of our role in the ecosystem.

We engage with GPs through group and one-on-one settings to provide guidance and support that seeks to improve their ESG integration practices. Given increasing focus on such topics across the industry, ESG data initiatives and climate-related topics have become a growing focus. The following are some highlights, with a focus on engagements and industry collaboration.

ESG Data Convergence Initiative

Neuberger Berman Private Equity is a signatory to the ESG Data Convergence Initiative, an industry collaboration representing 400+ limited partners and GPs (as of March 2024), which seeks to standardise ESG metrics and provide a mechanism for comparative reporting for the private market industry.

Neuberger Berman Private Equity requests the standard set of ESG metrics from GPs and their portfolio companies on an annual basis.

Neuberger Berman Private Equity GP Engagement Series

In late 2023, Neuberger Berman Private Equity hosted an engagement webinar for GPs focused on practical tools for climate analysis in private equity. The webinar included a presentation of the Private Markets Decarbonization Roadmap, by Bain & Co. In addition, Watershed, a carbon accounting platform, presented a demonstration of how companies can measure, report and manage their emissions. The questions from webinar participants focused on data availability challenges facing private markets investors and best practices for reporting climate-related metrics and progress to investors seeking this information.

Thought leadership

In 2023, the private markets ESG investing team at Neuberger Berman published a white paper titled Navigating Climate Analysis in Private Equity. The paper outlines some of the challenges related to climate analysis across the private equity industry, as well as the work Neuberger Berman Private Equity undertook to address these challenges by developing a resource to potentially assess climate risk and net zero alignment of a private equity portfolio. As part of its broader industry engagement, in 2023, Neuberger Berman Private Equity contributed this resource for GPs to the Private Markets Decarbonization Roadmap, developed by Bain on behalf of the initiative Climat International (iCI) and the Sustainable Markets Initiative's Private Equity Task Force.

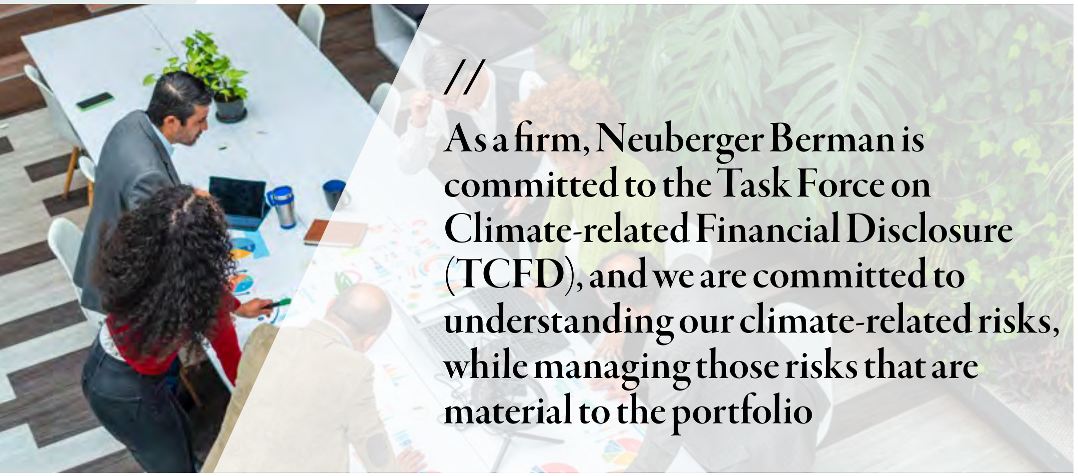
Reporting

Neuberger Berman reports to clients through regular updates to the ESG section on the firm's website, a firm-wide Annual ESG Report, as well as an annual Private Markets ESG report. In 2023, Neuberger Berman also published its inaugural firm-level Task Force on Climate-Related Financial Disclosures (TCFD) Report, covering the 1 January, 2022 through 31 December, 2022 period. The report provides a firm-level overview of how we consider climate risks and opportunities across both client investment portfolios and our own business strategy and operations.

Key highlights of the report include:

- The suite of climate tools we offer clients across asset classes;
- The innovative climate investment strategies for clients that desire such products, including those that we created in partnership with clients;
- Key examples of our engagement with issuers on financially material climate risks and opportunities; and
- A deep-dive on climate metrics across our portfolios and operations.

Neuberger Berman's climate-related corporate strategy is reviewed annually and amended as needed. More information and up to date TCFD reporting is available on our website: Reporting & Policies | Neuberger Berman (nb.com)



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As a firm, Neuberger Berman is committed to the Task Force on Climate-related Financial Disclosure (TCFD), and we are committed to understanding our climate-related risks, while managing those risks that are material to the portfolio

Neuberger Berman, a client-led partnership

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

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

An award-winning culture

For 10 consecutive years[30], 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[8]

Neuberger Berman's business principles

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

Jonathan Shofet
Global Head of Private Investment Portfolios and Co-Investments

›› See footnotes on pages **114-115**

Joana Rocha Scaff
Head of Europe Private Equity

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 truly equitable and inclusive environment. Diversity alone is not enough.

Equity

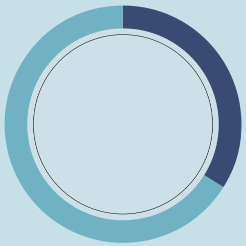
To be 'equitable' is to level the playing field for all

Inclusion

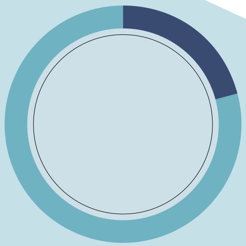
An environment where everyone can flourish and be their best selves

Diversity

We look for a breadth of diversity across many characteristics



34%[11]
of Neuberger Berman Private Markets employees are female



21%[11]
of Neuberger Berman Private Markets Managing Directors are female

›› See footnotes on pages **114-115**

The Investment Committee

The Investment Committee has an average of more than 30 years of professional experience and has worked together for an average of more than 20 years.

MANAGING DIRECTOR
Anthony Tutrone
Global Head of NB Alternatives

36 YEARS of industry experience

MANAGING DIRECTOR
David Stonberg
Deputy Head of NB Alternatives and the Global Co-Head of Private Equity Co-Investments

33 YEARS of industry experience

MANAGING DIRECTOR
Joana Rocha Scaff
Head of Europe Private Equity

25 YEARS of industry experience

MANAGING DIRECTOR
Peter von Lehe, JD
Head of Investment Solutions and Strategy

30 YEARS of industry experience

MANAGING DIRECTOR
Paul Daggett, CFA

25 YEARS of industry experience

MANAGING DIRECTOR
Patricia Miller Zollar

37 YEARS of industry experience

The Investment Committee continued

MANAGING DIRECTOR
Michael Kramer

28 YEARS of industry experience

MANAGING DIRECTOR
Jacquelyn Wang

22 YEARS of industry experience

MANAGING DIRECTOR
Kent Chen, CFA
Head of Asia Private Equity

31 YEARS of industry experience

MANAGING DIRECTOR
David Morse
Global Co-Head of Private Equity Co-Investments

38 YEARS of industry experience

MANAGING DIRECTOR
Elizabeth Traxler

22 YEARS of industry experience

SENIOR ADVISOR TO THE NEUBERGER BERMAN PRIVATE EQUITY DIVISION
Brien Smith

42 YEARS of industry experience

MANAGING DIRECTOR
Jonathan Shofet
Global Head of Private Investment Portfolios and Co-Investments

27 YEARS of industry experience

How the Board engages with stakeholders

The Directors are responsible for acting in a way that they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they have had regard to the factors set out in Section 172(1)(a) to (f) of the UK Companies Act 2006, which includes the needs of stakeholders and wider society. As NBPE is a Guernsey company, this legislation does not directly apply to it, but the Board is cognisant of the importance of these matters, and by virtue of the requirement set out in the AIC Code of Corporate Governance, holds itself to these standards.

The Board provides appropriate training to all new Directors, which includes training on their duties, and maintains a programme of continuing development. More details on Director induction and Board evaluation can be found on pages 50 and 51.

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

SHAREHOLDERS

The support of the Company's current and future shareholders is critical to the continued success of the business and the achievement of its strategic objectives.

The Board understands that, in addition to performance, shareholders also place great emphasis on governance, regulatory compliance and ESG. The Company's business is conducted taking these factors into account.

HOW THE BOARD ENGAGES

The Board welcomes the views of shareholders and places great importance on communication with its shareholders.

The Board maintains awareness of shareholder views by means of regular updates and insights from the Investment Manager and advisers.

Key communication channels with shareholders include:

- **Shareholder engagement:** Representatives from the Investment Manager, regularly meet with analysts and existing, new and potential shareholders. The Investment Manager also presents at industry conferences. Feedback from these meetings is shared with the Board.
- **Publications:** In addition to the Annual Report, the Company publishes monthly NAV updates and factsheets, and investor presentations to provide regular financial updates throughout the year.
- **Capital Markets Event and AGM:** The Directors are available to meet shareholders 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.

KEY TOPICS IN THE YEAR

- Portfolio performance, including the impact of the inflationary environment, and elevated interest rates
- How portfolio companies navigated operational challenges and inflationary pressures, and impacts to supply chains
- Discussions around the general state of markets/economy and the rising cost of living and the impact on companies in the portfolio
- Information on any new investments and realisations
- Shareholder communications
- Share price performance, discount and buybacks
- Appointment of Jefferies to repurchase shares at their discretion, based on criteria set by the Board
- Dividend policy
- Approach to capital allocation framework
- Private equity market environment
- Information on the Company's Responsible Investment Policy
- Balance sheet management, including the maturity and final payoff of the 2024 ZDPs
- The Investment Manager's appointment of a new Head of Investor Relations for NBPE

EXAMPLES OF CONSIDERING STAKEHOLDER INTERESTS

The Board comprises six independent directors.

The AGM that took place on 15 June 2023 provided an opportunity for shareholders to engage with the Board.

The Board reviewed and discussed the underlying performance of portfolio companies in the context of the broader operating environment.

The Board held numerous discussions throughout the year with Company advisers related to the share price discount to NAV. In June 2023, the Board announced Jefferies was appointed to repurchase shares at their discretion, based on criteria set by the Board. During 2023, Jefferies purchased 258,424 Class A shares.

The Capital Markets Day was held virtually on 5 October 2023. 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.

To enhance the Company's outreach and communications with shareholders, the Investment Manager appointed a new Head of Investor Relations for NBPE.

INVESTMENT MANAGER

It is important that the Board maintains a strong relationship with the Investment Manager. The Company leverages the strength of Neuberger Berman's Private Equity platform to seek the most attractive direct investment opportunities.

The Investment Manager prepares detailed financial reports for the Board on the portfolio, performance, cash flow modelling and other financial data to help guide discussions and decisions.

HOW THE BOARD ENGAGES	KEY TOPICS IN THE YEAR	EXAMPLES OF CONSIDERING STAKEHOLDER INTERESTS
The Board maintains good relationships with key members of the Investment Manager's investment team, as well as other functions, including finance, legal and investor relations. The Investment 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 Investment Manager, the Audit Committee reviews and monitors the Company's investment level and investment pacing forecasts contained within the support of the Viability Statement.	– Portfolio performance, including the impact of the inflationary environment, elevated interest rates, and supply chains and other macro economic risks – Information on any new investments and realisations – Private equity market environment – Information on the Company's Responsible Investment Policy – Developments in the Manager's ESG policies and reporting – Balance sheet management, including the maturity and final payoff of the 2024 ZDPs – Share price performance and discount – Investment level and cash flow forecasts – Debt maturities – Approach to capital allocation framework	The Manager and the Company work together to ensure they are aligned. Both share a mutual interest in the success of the investments as well as the Company's perception and reputation in the marketplace. Both the Manager and the Board strive to maintain a strong working relationship to achieve these goals. The Board reviewed detailed financial model forecasts prepared by the Manager to assist with cash forecasting and available liquidity.

INVESTEE ENTITIES

The Investment Manager is responsible for executing the Company's overall investment policy and objective, as approved by the Board. As such, day-to-day engagement with underlying private equity managers, and investee companies is undertaken by the Investment Manager.

HOW THE BOARD ENGAGES	KEY TOPICS IN THE YEAR	EXAMPLES OF CONSIDERING STAKEHOLDER INTERESTS
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 Investment Manager maintains a wide range of private equity networks and close relationships with leading private equity managers globally. The Investment Manager regularly conducts discussion of key private equity topics, including deal sourcing, market environment, fundraising, team composition, investment performance and monitoring, ESG and other factors with various managers.	The Investment Manager strives to be a solutions provider and strategic partner to underlying private equity managers, which ultimately, over time, strengthens and cultivates the relationship.

LENDERS

The Company's co-investment model means that NBPE can respond to market conditions and be capital efficient. NBPE does not need to take off-balance sheet risk in the form of unfunded commitments to achieve a target investment level.

In order to achieve this, the Company's lenders provide the Company with debt and debt-like financing with maturity dates, fixed capital entitlements which bear interest and fees at various interest and fee rates.

HOW THE BOARD ENGAGES	KEY TOPICS IN THE YEAR	EXAMPLES OF CONSIDERING STAKEHOLDER INTERESTS
At the overall direction of the Board, members of the Investment Manager's finance and investment teams maintain dialogue with the Company's bank and lender counterparties. Feedback on these discussions is shared with the Board at the quarterly Board meetings, or as required.	The lenders are focused on asset coverage, valuation of assets and key financial ratios on the Company's liquidity and financial position.	The Investment Manager keeps the Company's lenders aware of portfolio developments throughout the year through both public disclosures and private investment monitoring reports. In addition, the Company provides detailed compliance reports to the Company's credit facility lender and the Board, showing asset coverage, ratios and covenant tests. Information regarding the Company's current borrowing can be found at Note 4 to the Financial Statements on page 90.

OTHER SERVICE PROVIDERS

The Company's service providers work with the Investment Manager, Company Secretary and Board to achieve the Company's objectives.

Other service providers include but are not limited to: fund administrators, tax accountants, auditors, brokers, investor relations, legal counsel, marketing and advisory services, external research, and media relations.

HOW THE BOARD ENGAGES	KEY TOPICS IN THE YEAR	EXAMPLES OF CONSIDERING STAKEHOLDER INTERESTS
The Board maintains regular contact with its key service providers and receives regular reporting from them, both through the Board and committee meetings, as well as outside the regular Board meeting cycle.	The Management Engagement Committee formally assesses performance, fees and continuing appointments annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service. The Management Engagement Committee reviews and evaluates the financial reporting control environments in place at each service provider.	The Company's service providers have been carefully selected for their relevant expertise. Their advice, as well as their needs and views, are routinely considered by the Board. More information concerning the service provider review undertaken by the Management Engagement Committee can be found on page 55.

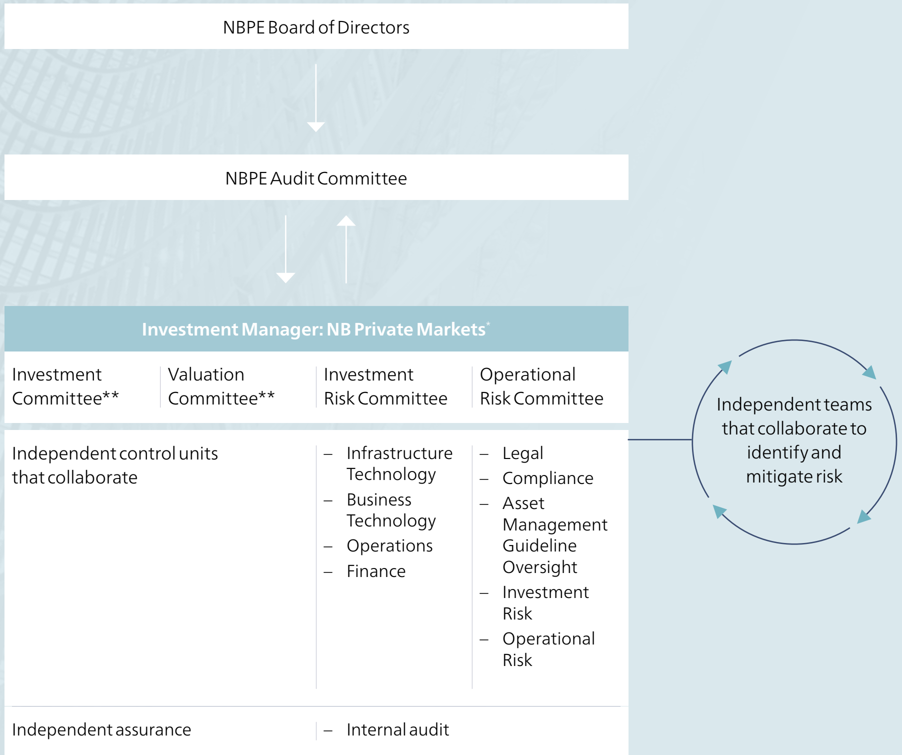
THE COMMUNITY AND THE ENVIRONMENT

NBPE believes investing responsibly and incorporating material ESG considerations can help inform the assessment of overall investment risk and opportunities.

To reflect the Company's ongoing commitment to ESG, the Company published a Responsible Investment Policy in 2020 and updated it in September 2023.

HOW THE BOARD ENGAGES	KEY TOPICS IN THE YEAR	EXAMPLES OF CONSIDERING STAKEHOLDER INTERESTS
ESG issues are a standard part of the Investment Manager's investment process, and increasingly integral to the Board's thinking. The Investment Manager integrates ESG considerations throughout the investment process by helping to identify both material risks and opportunities, and the Board, through the Audit Committee, receives regular updates on the Manager's ESG practice and the evolution of its ESG policies. The Board reviews the Company's compliance with its Responsible Investment Policy.	In addition to the regular updates from the Investment Manager's ESG team, the Board, through the Audit Committee, 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. More information concerning the Company's approach to ESG can be found on pages 26 to 31.

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

The Board considers the risk management framework with investment, financial, strategic, operational and external risks to be the principal risks and uncertainties of the Company. Within each of the five principal risks and uncertainties categories on pages 41 to 43, the Directors have identified a number of key underlying risks. While it is not possible to identify and manage every risk to the Company, the Directors seek to identify the key underlying risks within each category where possible.

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

The Board is ultimately responsible for the identification and assessment of risk as well as for monitoring the key risks to the Company on an ongoing basis. The Board has appointed the Investment Manager as AIFM, which is responsible for the day to day identification and monitoring of risks and maintenance of the Company's Risk Matrix, changes to which are reviewed 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 41 to 43.

The Board also monitors the outlook of the key underlying risks to assess future risk areas. As of 31 December 2023, the Board identified several underlying risks which were determined to have an elevated or high-risk outlook. These risks included sovereign and political factors, the general market environment and elevated interest rates for a sustained period. In addition, the Board considered the risks related to cyber and cyber attacks as an elevated risk, with the potential to highly impact the Company. The Board further noted no successful cyber attacks had occurred to date.

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

Principal risks and uncertainties

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

INVESTMENT RISK

KEY RISK	POTENTIAL IMPACT	KEY CONTROLS	ASSESSMENT
Investment decisions – Selecting investments to generate the best risk-adjusted returns **Performance** – Achieving base case of investment thesis and meeting long-term objectives **Valuations** – Misstatements to NAV **Foreign exchange** – Fluctuations of exchange rates of non-USD investments in local currency relative to USD	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. Fluctuations of exchange rates can impact performance when translated to dollars.	– Highly experienced Manager with deep team – Extensive due diligence process – ESG-integrated investment process – Thorough investment underwriting and due diligence – Regular Board review of Manager performance, operations and capabilities – Robust, consistent valuation processes – Monthly NAV updates – Quarterly valuation review – Annual audit and semi-annual review – Manager review of portfolio and monitoring of foreign exchange exposure when analysing new investments, if applicable	⟷

FINANCIAL RISK

KEY RISK	POTENTIAL IMPACT	KEY CONTROLS	ASSESSMENT
Liquidity management – Inadequacy of cash balances for short-term needs; short-term liquid investments in the form of US Treasury bills for efficient cash management purposes **Credit facility** – Availability of borrowings and maintenance of covenants **ZDP liability** – Ability to repay at maturity **Foreign exchange** – Fluctuations in GBP/USD exchange rate for Sterling denominated liabilities	Poor management of near-term cash requirements and of liquid investment portfolio or credit facility borrowings impacts the Company's ability to make new investments and carry out day-to-day operations. The 2024 ZDP securities mature in October 2024. The 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	⟷

STRATEGIC RISK

KEY RISK	POTENTIAL IMPACT	KEY CONTROLS	ASSESSMENT
Share price discount – Monitoring of share price discount to NAV **Meeting business objectives** – Ability to meet business and investment objectives in current environment	A failure within strategic risks could impact the Company's reputation and performance. Over time, the Company has completed a number of initiatives aimed at enhancing shareholder value and narrowing the discount, from portfolio construction, investor relations initiatives, dividend policy, approach to capital allocation and share buybacks.	– Monitoring discount and review market research – Strategic investor relations programme – Periodic review of appropriateness of investment objective and policy – Appointment of Jefferies, at their sole discretion, to repurchase shares, based on criteria set by the Board	⟷

OPERATIONAL RISK

KEY RISK	POTENTIAL IMPACT	KEY CONTROLS	ASSESSMENT
Legal/Compliance – Investment activity legal risks, including investing within policy limits and compliance with regulations **Litigation** – Legal action brought against the Company or the 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 **Cyber/IT Security** – Protection and defence against cyber attacks	Legal and compliance risks and the potential of litigation action create significant risk and uncertainty if brought against the Company, Board or Manager. Company operations are carried out by the Investment Manager and the Administrator; a negative event at either could impact the Company's ability to operate day-to-day. Policies and procedures at key service providers designed to reduce or mitigate risks to the Company as a policy violation could be impactful. The Board oversees all aspects of the Company. The Company itself has no operations or employees and instead relies on those of key service providers. A loss of key professionals could impact the ability of the Company to operate. The Board considers the risks related to cyber attacks and overall cyber security frameworks, believing that the risks from a cyber attack have the potential to highly impact the Company. The policies and procedures at the Investment Manager and US Administrator include specific defences against attacks, as well as reviews of contingency practices and recovery procedures. Cyber attacks at the underlying portfolio company level have the potential to impact valuations and therefore the value of NBPE's investment portfolio. Risks related to IT systems and cyber are considered in the investment decision process.	– 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 US Administrator – Reviews of service providers to ensure control environments are adequate – Business Continuity Plans of Manager and other main service providers – 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 – Policies and procedures related to information security at the Investment Manager and other service providers – In the event of a cyber attack, notification by service provider to the Board	⟷

EXTERNAL RISK

KEY RISK	POTENTIAL IMPACT	KEY CONTROLS	ASSESSMENT
Sovereign/Political risks – Changes in economical and political environment **General market/Investment environment** – Changes in market or regulatory environment – Inflationary environment and supply chain risks – Interest rate environment	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. Portfolio companies are adapting to higher interest rates and changes within the operating environment, where necessary. This has the potential to impact investment valuations over time.	– 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 advisers	⟷

Going concern and Viability Statements

Going concern

The Group's principal activity and investment objectives are described on pages 57 and 60 of the Report, and the Group's financial position is stated on page 75 of the Report. Note 11 of the Consolidated Financial Statements describes the Group's risks with respect to market, credit and liquidity risk. On page 90 of the report, the Group's liquidity and available borrowing facilities are described.

The Group's cash flows are provided on page 80 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. The Company has the resources to repay the 2024 ZDPs on their scheduled maturity in October.

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

Viability Statement

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

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

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

The outstanding class of ZDP Shares will mature in October 2024. The Group's ability to refinance or repay the 2024 ZDPs is a short-term risk as they mature within the three-year forecast period. The Company has no other financings maturing within the three-year forecast period.

Based on the 31 December 2023 GBP/USD exchange rate of $1.27, the final capital entitlement of the 2024 ZDP Shares is approximately $80 million. To evaluate the Company's financial position, the Directors reviewed a financial model prepared by the Investment Manager. The financial model includes projections of cash flows, expenses and liabilities, as well as NAV growth assumptions to evaluate loan to value and coverage test ratios.

The Board believes the Company is in a healthy financial position and able to meet upcoming liabilities when they mature. The Directors further note the Company's $300 million revolving credit facility was $90 million drawn as of 31 December 2023 and the Company had approximately $115 million of liquid investments held in the form of US Treasury Bills. Further, the borrowing availability period extends to 2029, beyond the maturity of the 2024 ZDP Shares. The Board noted the credit facility, liquid investments, or a combination of the two could be used to repay the 2024 ZDP Shares.

The Manager discussed the key financial assumptions and findings of the model with the Board. The model forecasts returns and cash flows on an asset-by-asset and on a total portfolio basis to evaluate cash and investment pacing considerations and the Manager selected two cases to evaluate the viability of the Company over the three-year window. Both cases included expected realisations from signed but not yet closed transactions as well as pending new investments funded subsequent to this reporting period.

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 based on historical levels of portfolio realisations over time.

However, the Directors recognise that overall market conditions represent a continued risk and uncertainty for the Company. In light of this, the Manager prepared a second forecast case which was a downside case scenario, indicative of a deep recession and slow recovery. This case assumed a 10% NAV decline in 2024 and no growth in 2025 and 2026. Further, this case only assumed $193 million of realisations during 2024, of which $39 million had been received through Q1 2024. 2025 and 2026 assumed only a limited amount of realisations below historical averages.

The key findings from this analysis and discussions with the Manager was that, in both cases, NBPE could continue to fund its existing commitments, pay dividends, maintain reserves allocated to share buybacks as well as continue to pay ongoing expenses. Further, the findings showed the Company would have borrowing capacity available to repay the 2024 ZDPs at maturity. The downside case showed a higher investment level in later periods of the forecast (as a result of the decline in valuations). Over the forecast period of the downside case, NBPE maintained ample liquidity and LTV ratios; in addition, the 2024 ZDPs had a healthy coverage cushion prior to their repayment in October 2024 in the model. 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

William Maltby Chairman, Independent Director	**John Martyn Falla** Independent Director
Trudi Clark Independent Director	**Louisa Symington-Mills** Independent Director
Pawan Dhir Independent Director	**Wilken von Hodenberg** Senior Independent Director

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

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

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

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

William Maltby
Chairman

Audit Committee

›› P64

- **John Martyn Falla** (C)
- Trudi Clark
- Pawan Dhir
- Louisa Symington-Mills
- Wilken von Hodenberg

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

›› P54

- **Trudi Clark** (C)
- Pawan Dhir
- John Martyn Falla
- William Maltby
- Louisa Symington-Mills
- Wilken von Hodenberg

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

Nomination and Remuneration Committee

›› P55

- **Trudi Clark** (C)
- Pawan Dhir
- John Martyn Falla
- William Maltby
- Louisa Symington-Mills
- Wilken von Hodenberg

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

C Committee Chair

The Board

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

- M Management Engagement Committee
- A Audit Committee
- N&R Nomination and Remuneration Committee
- Committee chair

Matrix of skills and experience

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

William Maltby

Chairman, Independent Director M N&R

Appointed 21 March 2019

Background and experience

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

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

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

Contribution to NBPE

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

Other public directorships

Mr Maltby has no other public company directorships.

Trudi Clark

Independent Director M A N&R

Appointed 24 April 2017

Background and experience

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

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

Contribution to NBPE

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

Other public directorships

The Schiehallion Fund Limited and Taylor Maritime Investments Ltd.

Pawan Dhir

Independent Director M A N&R

Appointed 19 September 2023

Background and experience

Pawan Dhir has over three decades of global experience in finance in private equity, as well as the wider asset and wealth management sectors. He has held a number of leadership positions in finance, audit, risk management and valuations, including specialising in the valuation of unquoted shares and securities.

Mr Dhir worked for UBS for nearly 25 years, where he was latterly Managing Director and Global Head of Financial Accounting & Controlling and was previously at Morgan Stanley. He is a Fellow of the Institute of Chartered Accountants in England and Wales, having qualified with Coopers & Lybrand. Mr Dhir graduated from the University of Manchester with a BSc in Physics. He is a non-executive Director and Audit Chair at the Royal Free London NHS Foundation Trust and holds a number of Board Trustee positions in the educational sector.

Contribution to NBPE

Mr Dhir's experience in finance as well as being an experienced non-executive director and Audit Chair is significantly valuable to the Board and its committees.

Other public directorships

Mr Dhir has no other public company directorships.

John Martyn Falla

Independent Director M A N&R

Appointed 21 December 2015

Background and experience

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

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

Contribution to NBPE

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

Other public directorships

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

Louisa Symington-Mills

Independent Director M A N&R

Appointed 15 June 2021

Background and experience

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

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

Contribution to NBPE

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

Other public directorships

Ms Symington-Mills has no other public company directorships.

Wilken von Hodenberg

Senior Independent Director M A N&R

Appointed 21 March 2019

Background and experience

Wilken von Hodenberg is a businessperson with 40 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 the German Private Equity & Venture Capital Association.

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

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

Contribution to NBPE

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

Other public directorships

Sloman Neptun AG.

Corporate governance

The Directors are committed to robust standards of corporate governance.

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

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

Further information on the Company's compliance with the AIC Code can be found on page 68.

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").

Composition and independence

The Board currently comprises six Non-Executive Directors. It is the Directors' intention for the size of the Board to decrease to five Directors following Mr Falla's retirement at the 2025 AGM.

The Board regularly reviews the independence of its members and, having due regard to the definitions and current guidelines on independence under the AIC Code, considers all Directors to be independent and confirms that the Chairman was independent on appointment and has remained so during his tenure. Biographies of each Director can be found on pages 48 and 49.

Induction and training

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

When a new Director is appointed to the Board, they are 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, the Investment Manager and other key service providers in order to learn more about their processes and procedures.

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

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 training, including details of regulatory and legal duties as a director of a Guernsey domiciled investment company listed on the Main Market of the London Stock Exchange. Furthermore, the Chairman reviews the training and development needs of each Director during the annual Board evaluation process.

Performance evaluation and effectiveness

In accordance with Provision 26 of the AIC code, the Company undergoes an annual evaluation of the Board's performance, its committees, the Chair and the individual Directors. An external evaluation takes place every three years. In other years, the process takes place in the form of questionnaires and discussion and helps ensure that the Board's operations remain aligned with the culture, purpose and values of the Company, and help identify areas for improvement. The Senior Independent Director leads the appraisal of the Chairman's performance. An external independent review of the Board's performance was undertaken by Fletcher Jones Limited in 2022.

In 2023, under the mandate of the Nomination and Remuneration Committee, the Directors completed an internal performance evaluation of the Board and its committees, individual Directors and the Chairman. The evaluation was conducted using tailored annual performance questionnaires to assess Directors' feedback on various areas including: (i) Investment Matters; (ii) Composition and Independence; (iii) Board Processes; (iv) Relationships and Communication; (v) Shareholder Value; (vi) Knowledge and Skills; as well as any additional information that may be required to facilitate better Board discussions. The responses were collated by the Company Secretary and presented to the Board for consideration. The Board held an extensive discussion and concluded that the 2023 annual performance evaluation of the

Board, its committees, the Chair and the individual Directors was satisfactory taking into account the Directors' effective contribution and relevant skills and experience that the Board deemed to be appropriate to the requirements of the Company.

Directors' time commitments

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

Diversity and inclusion

The Board's ongoing objective is to have an appropriately diversified representation by gender, ethnic background, skills and experience. Details of the Directors' wide range of experience and skills which contribute towards creating a balanced and inclusive decision-making environment and overall effective operation of the Board, can be found in their biographies and in the skills matrix on pages 48 and 49.

The Board supports the requirements in the Listing Rules, to provide detail on whether the board has met with specific board diversity targets, on a comply or explain basis, reflecting the recommendations set by both the FTSE for Women Leaders Review on gender diversity and the Parker Review regarding minority ethnicity representation on boards.

The Board currently has two female Directors making the gender balance 33% female and 67% male, and one Director from a minority ethnic background. As part of the Board's succession planning, which takes account of future retirements of directors upon reaching nine years of service and the skills that they bring that will need replacement, Pawan Dhir joined the Board in September 2023 as Mr Falla's successor, temporarily taking the total Board size to six Directors. The Board composition is intended to decrease to five Directors following Mr Falla's retirement at the 2025 AGM, consequently shifting the gender balance back to 40% female and 60% male, thereby meeting the FTSE for Women Leaders target by the end of 2025. The Board is cognisant that a female director does not currently hold one of the senior positions (that are applicable to the Company) of either the Chair or the Senior Independent Director, but notes Trudi Clark chairs both the Management Engagement Committee and Nomination and Remuneration Committee.

Gender diversity

Director	Number of Board members in scope	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)*
Men	4	67%	2
Women	2	33%	0
Not specified/prefer not to say	0	0%	0

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

Ethnic diversity

During the year, the Company met the Parker Review target of having a person from a minority ethnic group on the Board by the end of 2024.

Director	Number of Board members in scope	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)*
White British or other White (including minority white groups)	5	83%	2
Mixed/multiple ethnic groups	–	–	–
Asian/Asian British	1	17%	–
Black/African/Caribbean/Black British	–	–	–
Other ethnic group (including Arab)	–	–	–
Not specified/preferred not to say	–	–	–

* The data in the tables above was collected using a self-assessment questionnaire reflecting the categories set out in the table, which each of the relevant individuals was requested to complete

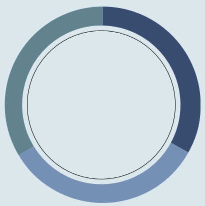
The Board acknowledges the importance of gender and minority ethnic diversity within the Boardroom. While all future appointments will be made based on merit, the consideration of the Board's diversity will form an integral part of succession planning. The Board's long-term succession plan takes account of future retirements of directors upon reaching nine years of service and the skills that they bring that will need replacement.

Tenure of Independent Non-Executive 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.

Tenure years



0–3 years	33.3%
4–6 years	33.3%
7+ years	33.3%

Chair tenure policy

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

Role of the Board

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

Role of the Chair

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

Role of Senior Independent Director

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

Board and committee meetings

The Board meets at least four times a year to discuss Company developments and ongoing activities. This includes reviewing and evaluating capital allocation, the dividend, monitoring and adapting, as necessary, the investment strategy, and reviewing the financial and investment performance of the Company and its investor relations programme. 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 matters regarding investment performance and investment activities. Other service providers to the Company are invited to speak at Board meetings on relevant matters, as necessary. In addition to the four quarterly Board meetings, there were other ad hoc Board meetings throughout the year to approve various documentation, dividend payments and other matters. The quorum for any Board meeting is two Directors but attendance by all Directors at each meeting is strongly encouraged.

During 2023, there were four quarterly Board meetings. The table below conveys the number of Board and committee meetings attended and, in brackets, the number of scheduled meetings.

Director	Board meeting	Audit Committee	MEC	NRC
William Maltby	4 (4)	3 (3)	1 (1)	3 (3)
Trudi Clark	4 (4)	3 (3)	1 (1)	3 (3)
Pawan Dhir	1 (1)	1 (1)	1 (1)	1 (1)
John Martyn Falla	4 (4)	3 (3)	1 (1)	3 (3)
Louisa Symington-Mills	4 (4)	3 (3)	1 (1)	3 (3)
Wilken von Hodenberg	4 (4)	3 (3)	1 (1)	3 (3)

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

Company Secretary

The Directors also have access to the advice and services of the Company Secretary, Ocorian Administration (Guernsey) Limited, which is responsible to the Board for ensuring the timely delivery of information and reports and for ensuring that statutory obligations of the Company are met.

Flow of information

The Company places great emphasis on the flow of information from the Investment Manager to the Board, ensuring that the Directors have relevant information to make informed decisions for the benefit of the shareholders. At Board and ad hoc meetings, the Manager provides the Board with key information regarding the underlying investments, ideas for new initiatives that will help drive shareholder value, and continual feedback from shareholders. This information assists the Board's evaluation of the Company's key performance indicators, found on pages 13 and 14 of the Strategic Report.

The Investment Manager's report to the Board included:

– Investment performance and portfolio composition: the Board reviewed detailed performance of underlying portfolio company investments as well as detailed analysis on the underlying portfolio composition as a whole. The Board evaluated the portfolio to assist in decisions regarding dividends paid by the Company as well as capital allocated to the Company's buyback programme.

– 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.

In addition, the Board arranges for presentations from the Company's brokers and other advisers and service providers on matters relevant to the Company's business. The Board maintains regular contact with the Company's service providers, both formally and informally, to ensure that they are updated on all issues and kept abreast of the latest developments.

The Board gives feedback on all relevant items discussed to help achieve success for the benefit of shareholders as a whole.

The Board recognises that much of the decision making, particularly with respect to underlying investments, is delegated to the Investment Manager as per the Investment Management Agreement; however, the Board regularly reviews information to ensure decisions are in line with the overall strategy set by the Board. In addition to the regular updates from the Investment Manager, the Board conducts a detailed annual review of the investment portfolio, and arranges periodic visits at Neuberger Berman's headquarters in New York, NY to meet with representatives of the Investment Manager and hold detailed discussions around strategy and the business model of the Company.

Director indemnity

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

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

Disclosures required under LR 9.8.4R

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

Conflicts of interest

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

Anti-bribery and corruption policy

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

Environmental policy

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

Further information on the social and environmental policies of the Manager can be found in the Environmental, Social and Governance section on pages 26 to 31 and in the Manager's ESG report, which can be found on the Company's website https://www.nbprivateequitypartners.com/en/responsible-investing.

Whistleblowing policy and arrangements

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

Board committees

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

Management Engagement Committee

Details of the composition of the Management Engagement Committee ("MEC") can be found on page 47. The MEC meets at least once a year pursuant to the Committee's terms of reference, and at other times as required by the Board.

The principal duties of the MEC are to:

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

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

- NB Alternatives Advisers LLC, as Investment Manager, pursuant to an Investment Management Agreement
- MUFG Capital Analytics LLC, as US Administrator
- Ocorian Administration (Guernsey) Limited, as Company Secretary and Guernsey Administrator
- Link Market Services, as Registrar
- Bank of New York, as Depositary
- Bank of America Merrill Lynch (cash custodian), US Bank (cash & securities custodian), and Neuberger Berman (securities custodian), together as Custodians
- Jefferies and Stifel, as joint Corporate Brokers
- Herbert Smith Freehills and Carey Olsen, as Legal Counsel
- Kepler Partners, as Investor Marketing Advisor
- Kaso Legg Communications as Public Relations Advisor
- AS&I Consulting Limited, as Investor & Communications Advisor
- PricewaterhouseCoopers Dallas, as Tax Advisor
- Friend Studio, as Annual Report Designer
- Hardman & Co, as Research & Consulting Advisor

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

During 2023, the MEC conducted a review of the key service providers, including the Investment Manager, to ensure terms of the contract are executed and remain in the best interest of shareholders. The MEC invited each of the key service providers, through a questionnaire, to give the Board a self-assessment review of their performance during the year, in addition to providing information, and relevant policies, regarding effective internal controls, appropriate disaster recovery/business continuity arrangements, technology to maintain information security and client confidentiality, compliance with anti-bribery and corruption laws, details on the prevention of the facilitation of tax evasion, compliance with data protection legislation, their organisation's ESG considerations, and any details regarding cyber-attacks. The MEC reviewed each of the questionnaires and held a discussion regarding the performance of each of the Company's key service providers, level of service and service contracts. Following this discussion, the MEC was satisfied with the Service Providers' internal controls and the level of service the Company was receiving from each of the key service providers.

Audit Committee

Details of the composition of the Audit Committee can be found on page 47. All Directors on the Committee bring relevant experience and perspectives; the composition of the Audit Committee is considered appropriate for the Company's size and strategy.

Details of the role of the Audit Committee can be found in the Audit Committee Report on page 64.

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

Nomination and Remuneration Committee

Details of the composition of the Nomination and Remuneration Committee ("NRC") can be found on page 47.

The duties and responsibilities of the Committee are summarised below:

Nomination

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

Remuneration

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

During 2023, as part of the ongoing succession plan, Trust Associates, an independent external agency with no connection to the Company or any of its Directors, was engaged to support the search for candidates in order to appoint a new Director. Trust Associates sourced potential candidates in line with the Company's diversity policy to ensure a diverse skill set, capabilities and experience that are relevant to the Company were added to the Board. Following the process, the Committee recommended to the Board the appointment of Mr Pawan Dhir as Mr Falla's successor.

Further details of the Committee's activities can be found in the Remuneration report on pages 61 to 63.

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. Further details on the assessment of the internal controls of the service providers can be found on page 66.

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

Purpose and culture

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

The Directors believe that maintaining a healthy corporate culture among the Board and in its interaction with the Investment Manager, shareholders and other stakeholders will support the delivery of the Company's purpose, values and strategy. As part of this, the Board recognises the importance of ensuring that the Board's culture and that of the Investment Manager are aligned.

The Board, together with the Investment Manager, promotes and facilitates a strong culture of communication, respect and trust through ongoing dialogue and engagement with its service providers.

As the Company has no employees and acts through the Investment Manager, the Board continues to monitor culture on an ongoing basis via feedback from shareholders, the Investment Manager or input from other advisers.

As part of this culture, the Board and Investment Manager believe responsible investing is an important part of operating in today's society and assessing overall investment risk and opportunities (see page 26). For more information on the Company's Responsible Investment policy and the Investment Manager's culture and values, please see pages 26 to 33.

Stakeholder engagement

NBPE's Section 172 statement, which details engagements with stakeholders during the year, can be found on pages 36 to 39.

Shareholder communication

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

Both the Company's Annual Report and consolidated financial statements, containing a detailed review of performance and of changes to the investment portfolio, and monthly factsheets with details of the Company's strategy and performance, the financial position of the Company and the underlying diversification of the portfolio, are made available to investors through the Company's website. Investor presentations are also available on the Company's website.

A structured programme of shareholder presentations by the Investment 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. Last year's event was held virtually on 5 October 2023 to update shareholders and research analysts on the Company's performance and investment activities during the year. A recording of the event is available on the Company's website.

The Company maintains a website which contains comprehensive information. 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, and investment performance, as well as an investor centre, which has a library of all publications and details of how to register for Company notifications.

During 2023, the Investment Manager recruited a new UK-based Head of Investor Relations at Neuberger Berman to oversee the Company's investor-related activities, address shareholder enquiries and provide regular market feedback to the Board. In addition, the Board receives regular updates from the Company's brokers and is kept informed of all material discussions with investors and analysts, which helps the Directors develop their understanding of shareholders' views and expectations. A detailed list of the Company's major shareholders is reviewed at each quarterly Board meeting.

William Maltby
Chairman

23 April 2024

Directors' report

The Directors' report should be read in conjunction with the Strategic report (pages 2 to 45) and the Remuneration report (pages 61 to 63), which are incorporated here by reference.

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 2023.

Principal activity

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

Investment policy

The Company's investment policy is set out on page 60.

Political donations and policy

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

Directors

Details of the Directors can be found on pages 48 and 49, including a list of other public company directorships. The Directors review their independence and offer themselves up for re-election annually.

Detail of the Board's Diversity Policy in its consideration of any new or additional Directors can be found on page 51 and on the Company's website.

Articles of Incorporation

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

Purchase of shares

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

i. The maximum number of Class A Shares authorised to be purchased under this authority shall be 7,009,478 Class A Shares (being 14.99%. of the Class A Shares in issue (excluding Class A Shares held in treasury)) as at 16 May 2023;

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

iii. The maximum price (exclusive of expenses) which may be paid for a Class A Share shall be not more than an amount equal to the higher of (a) 5%. above the average mid-market value of the Class A Shares on the regulated market where the repurchase is carried out for the five business days prior to the day the purchase is made; and (b) the higher of (i) the price of the last independent trade and (ii) the highest current independent bid price, in each case on the regulated market where the purchase is carried out; and

iv. such authority expires on the date which is 15 months from the date of passing of the resolution or, if earlier, at the end of the Company's Annual General Meeting to be held in June 2024 (unless previously renewed, revoked or varied by the Company by special resolution) save that the Company may make a contract to acquire Class A Shares under this authority before its expiry which will or may be executed wholly or partly after its expiration and the Company may make an acquisition of Class A Shares pursuant to such a contract.

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

Investment Manager

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

The Manager makes the decisions regarding individual investments in line with the investment strategy set by the Board. The Manager's team of professionals is also responsible for managing the Company's assets, including monitoring the Company's investment portfolio and assigning valuations to the Company's investments based on the Company's valuation methodology, which can be found on page 103. The Investment Manager is also responsible for executing the Company's investor relations programme. The Board keeps the performance of the Investment Manager under regular review. The ongoing review of the Investment Manager includes activities and performance over the course of the year, including, but not limited to, overall investment performance, portfolio risk, cash flow projections, assessment of internal controls, fees payable by the Company to the Manager, as well as a review of the Company's peer group.

The Board believes the Investment Manager's experience, track record, team and platform is advantageous to the Company and the Investment Manager's continued appointment is in the best interest of shareholders.

Other service providers

Administrative and accounting services are provided by MUFG Capital Analytics LLC, as Administrator, with Ocorian Administration (Guernsey) Limited, acting as Company Secretary and Guernsey Administrator. The Board has also appointed Bank of New York to act as the Company's Depositary (as required by the AIFM Directive) (the "Depositary") subject to the terms and conditions of a Depositary Agreement, dated 25 July 2007, the AIFM and the Depositary. Bank of America Merrill Lynch, US Bank and Neuberger Berman also perform custody functions for the Company's cash, and cash and securities.

Full details of all of the Company's service providers and the Board's engagement with them are set out on pages 54 to 55.

Dividend policy

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

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

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

Results and dividends

The financial results for the year ended 31 December 2023 are included in the consolidated financial statements, beginning on page 75. As of 31 December 2023, the NAV attributable to the Class A Shares was $1,305.5 million (2022:$1,327.3 million), which represents a decrease of $21.8 million (2022: decrease of $153.0 million). On 12 January 2023, the Company declared the first semi-annual dividend of $0.47 per share and on 16 July 2023 declared an interim dividend of $0.47 per share. Both dividends were approved in line with NBPE's dividend policy and resulted in total dividends of $0.94 per share ($44 million) paid during 2023. Including the dividend payment, the NAV Total Return for the year was 2.3% (2022: (7.5%)), 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 1.94% for the year ended 31 December 2023 (2022:1.90%). The ongoing charges were calculated in accordance with the AIC methodology and exclude interest and financing costs and other items not deemed to be ongoing in nature and therefore may differ from the total expense ratio found in Note 12 of the consolidated financial statements on page 97, which was prepared in conformity with U.S. GAAP. The complete methodology can be found on the AIC's website.

Total ongoing expenses in 2023 were $25.4 million (2022:US$25.6 million), or 1.94%, based on the average 2023 NAV. Note that percentages of ongoing charges are based on the average 2023 NAV and may differ from contractual rates based on 2023 private equity fair value. Other ongoing charges consisted of fees and other expenses to third-party providers for ongoing services to the Company. In accordance with the AIC methodology, the performance fee payable to the Investment Manager is excluded from the calculation.

Ongoing charge	Value (US$ in m)	% Ongoing charge
Management fee	20.5	1.56%
Fund administration fee	1.3	0.10%
Other expenses	3.6	0.28%
Total ongoing charges	25.4	1.94%

Approximately 98% of the direct investment portfolio (measured on 31 December 2023 fair value) is on a no management fee, no carried interest basis to the underlying sponsor.

At the Company level, NBPE's management fee is 1.5% of private equity fair value (payable quarterly) and a 7.5% performance fee after achieving a 7.5% hurdle rate and subject to a highwater mark. There are no management or performance fees related to investments held for cash management purposes. 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 performance fee was last paid in 2021.

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

Consumer Duty

The Financial Conduct Authority ("FCA") introduced a new Principle for Businesses (Principle 12) on 31 July 2023, applicable to UK authorised firms that 'have a material influence over, or determine, retail customer outcomes' throughout the lifecycle of the products and services that firms provide to customers. The new Principle and associated rules and guidance are collectively known as the Consumer Duty.

The Company is not an FCA authorised firm and therefore not subject to the new implemented Principle; however, the Company is aware that underlying distributors could fall within scope of the Consumer Duty requirements. The Board reviews annually the internal value assessment undertaken by the Investment Manager.

Share capital

As at 31 December 2023, 46,502,606 Class A Shares were issued and outstanding; 3,150,408 Treasury Shares, representing 6.77% of the Company's issued share capital.

Major shareholders

As of 31 December 2023, insofar as is known to NBPE, the shareholders below held, either directly or indirectly, greater than 5.0% of the Class A Shares in issue (excluding Class A Shares held in treasury). Note that the amounts below may have subsequently fluctuated after 31 December 2023:

Shareholder	Shares held	% Ownership of Class A Shares
Quilter PLC	5,793,326	12.4%
Evelyn Partners Limited	8,597,863	8.3%
Schroders plc	3,691,218	7.0%
City of London Investment Group PLC	2,626,047	5.6%
New Jersey Division of Investment	2,475,000	5.3%

Risks and risk management

The Group is exposed to financial risks such as price risk, interest rate risk, credit risk and liquidity risk, and the management and monitoring of these risks are detailed on the Principal Risks and Uncertainties on pages 41 to 43 and in Note 11 to the Consolidated Financial Statements on page 96.

Annual Report

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

The Board recommends that the Annual Report, the Report of the Directors and the Independent Auditors' Report for the year ended 31 December 2023 are received and adopted by shareholders and a resolution concerning this will be proposed at the AGM.

Independent Auditors

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

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

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

Annual General Meeting

The Company's AGM will be held in Guernsey at Floor 2, Trafalgar Court, Les Banques, St. Peter Port, GY1 4LY, Guernsey at 1:45pm on 12 June 2024. Formal notice will be sent to registered shareholders in advance.

Subsequent events

Significant subsequent events have been disclosed in Note 13 to the Consolidated Financial Statements on page 97.

By order of the Board:

William Maltby
Chairman

23 April 2024

Investment objective and policy

Investment objective

NBPE seeks capital appreciation through growth in net asset value (NAV) over time while returning capital by paying a semi-annual dividend.

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 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.

Investment policy

In order to achieve its investment objective, the Company intends to maintain a diversified portfolio of private equity related assets composed predominantly of direct private equity investments. Direct private equity investments are direct investments in underlying private companies and are made alongside private equity managers.

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

The Company's investments can be 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 either directly or indirectly through intermediary holding vehicles or collective investment vehicles (including co-investment vehicles) managed by either an affiliate of the Investment Manager or third-party managers.

Diversification and investment guidelines

The Company intends to maintain portfolio diversification across some or all of the following metrics: company, vintage year, geography, industry and sponsor.

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

Cash and short-term investments

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

Investment restrictions

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

Remuneration report

The Nomination and Remuneration Committee ("NRC") assists the Board with remuneration duties.

Details on the NRC's responsibilities can be found on page 55. During a remuneration review, the NRC takes into account the time commitments and responsibilities of the Directors and other factors which it deems necessary, including the recommendations of the AIC Code and any relevant legal requirements. The NRC also takes into consideration relevant remuneration data collated in respect of comparable companies. The NRC meets once per year and reports to the Board on all matters within its duties and responsibilities. The Company's remuneration policy is available on the Company's website.

Details of the NRC's activities during the year can be found on page 55.

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 £450,000 per annum. This total limit cannot be changed without seeking shareholder approval at a general meeting.

The fees, which are subject to an annual increase based on the rise in the Guernsey Retail Price Index ("GRPI"), subject to a 1% per annum minimum, are paid quarterly in arrears. For the 12 months to 31 December 2023, the GRPI decreased to 6.3%, compared with 8.5% in 2022. While the Directors' fees are subject to an increase at the rate of GRPI, the Board also considers any increase in the context of the Board evaluation, the time committed to the business, the increasing regulatory and governance demands and market trends for directors' fees more generally. Having undergone this assessment the Directors consider an increase of 4.0% to the Director's base non-executive fee of £57,545 to be appropriate. Directors are not entitled to any bonus, long-term incentive plans or other benefits.

The Committee has also reviewed the additional fees paid to the Chairman, the SID and to directors chairing the various committees. In particular, the Committee felt that the fee paid to the Chairman was not reflective of the time demanded for the role or market trends. Equally it was felt appropriate to award an additional fee for chairing the nomination and remuneration and management engagement committees, given the additional time commitment required for this role. The additional fees paid to the Chairman of the Audit Committee and the SID remain unchanged.

In respect of 2024, the following additional fees (above the base non-executive fee) are proposed:

Premium for Chairman	£35,000
Premium for Senior Independent Director	£5,500
Premium for Chairman of the Audit Committee	£11,000
Premium for Chairman of Nomination and Remuneration Committee	£2,750
Premium for Chairman of Management Engagement Committee	£2,750

The below table reflects actual fees paid for 2023 and 2022 and the expected fees for 2024 (using an increase of 4.0% versus the GPRI rate of 6.3% as at 31 December 2023) and the additional fees noted above:

	2024	2023	2022
Chairman	£94,847	**£80,231**	£75,690
Chairman of the Audit Committee	£70,847	**£68,612**	£64,728
Senior Independent Director	£65,347	**£63,078**	£59,508
Chairman of the NRC and MEC committees	£65,347	**£57,545**	£54,288
Non-Executive Directors	£59,847	**£57,545**	£54,288
Subsidiary appointments	£11,509	**£11,066**	£10,440

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.

Directors' remuneration and aggregate shareholder distributions

The table below compares the total Directors' remuneration paid with total distributions to shareholders for the years ended 31 December 2023 and 2022. 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 shareholders' overall return.

	2023	2022
Directors' remuneration	**$444,001**	$387,647

	2022	2021
Dividends paid	**$43,843,309**	$43,964,768
Share buybacks	**–**	–
Total shareholder distributions	**$43,843,309**	$43,964,768

Remuneration by Director and year

	2023	2022
William Maltby	**£80,231**	£75,690
Trudi Clark*	**£63,078**	£59,508
Pawan Dhir**	**£16,263**	–
John Falla*	**£74,145**	£69,948
Louisa Symington-Mills	**£57,545**	£54,288
Wilken von Hodenberg	**£63,078**	£59,508
Total	**£354,339**	£318,942

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

* The two Guernsey resident Directors (Trudi Clark and John Falla) also act as directors for the Guernsey subsidiaries for which they each received an annual fee of £5,533 for the 12 months to 31 December 2023

** Pawan Dhir was appointed to the Board on 19 September 2023

Shareholdings of the Directors

There is no requirement under the Company's Articles of Association or the terms of their appointment for the Directors to hold shares in the Company. The Directors' interests in Class A Shares of $0.01 each as at 31 March 2024 were as follows:

	31 March 2024	2023	2022
William Maltby**	**24,390**	**23,853**	23,298
Trudi Clark	**7,680**	**6,433**	6,433
Pawan Dhir	**1,600**	**–**	–
John Falla	**10,000**	**10,000**	10,000
Louisa Symington-Mills	**1,350**	**1,350**	–
Wilken von Hodenberg*	**99,425**	**99,425**	97,541

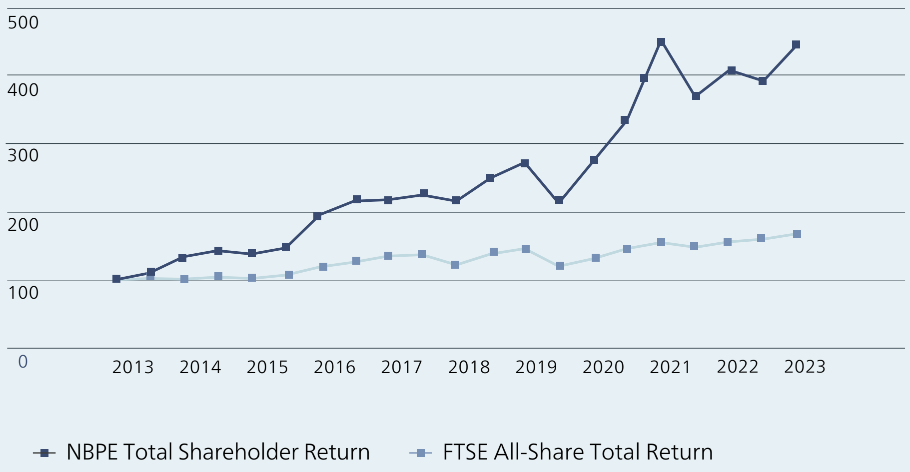
* Total includes a closely associated person related to Wilken von Hodenberg who holds 45,712.5 shares of the Company

** Total includes a closely associated person related to William Maltby who holds 5,721 shares of the Company

Performance graph

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

Total Shareholder Return



Resolution to approve Directors' remuneration

While 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.

The Directors' Remuneration report for the year ended 31 December 2022 was approved by shareholders at the AGM held on 15 June 2023 and the votes cast by proxy were as follows:

Remuneration Report

For (including discretionary)	21,911,702 votes
Against	96,273 votes
Withheld	3,093 votes

Statement of consideration of shareholder views

The Board noted that 99.55% of shareholders voted in favour of the Directors' Remuneration report at the AGM held in 2023.

On behalf of the Board:

Trudi Clark
Chair

23 April 2024

Report of the Audit Committee

Role of the Audit Committee

The Audit Committee assisted the Board in carrying out its responsibilities in relation to the financial reporting requirements, risk identification and management, and the assessment of internal controls. It also managed the Company's relationship with KPMG. The Audit Committee also monitors the compliance of the Company with its published ESG policy, as reported by the Investment Manager.

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

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

Composition of the Committee

Details of the composition of the Audit Committee can be found on page 47.

Committee meetings

The Audit Committee meets at least three times a year and met three times in 2023. All Committee members were present at these three meetings. Only members and the secretary of the Audit Committee have the right to attend Audit Committee meetings. However, the Chairman of the Board and representatives of the Investment Manager and the Administrator are invited to attend Audit Committee meetings on a regular basis, and other non-members may be invited to attend all or part of the meeting as and when appropriate and necessary. The Company's Independent Auditor, which is currently KPMG, is also invited on a regular basis. The Audit Committee determines, in conjunction with the Independent Auditor, when to meet with the Auditor.

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

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

Key areas of focus

During 2023, the Audit Committee was involved with monitoring valuations and evaluating the Company's capital position and key financial ratios. In addition, the Audit Committee reviewed valuation analysis prepared by the Investment Manager on a quarterly basis, which includes cash flow forecasts and the performance of the underlying investments. Such information is used to evaluate the impact on the Company's capital structure and allocation. The Audit Committee also reviews the ESG characteristics of the portfolio as reported by the Investment Manager.

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

The key areas of focus for the Committee for the year 2023 were:

Financial statements and reporting matters

The Audit Committee reviews with the Investment Manager, US Administrator and KPMG the appropriateness of the semi-annual and annual financial statements. The Committee focuses on, among other matters:

- The quality and acceptability of accounting policies and practices;
- The clarity of the disclosures and compliance with financial reporting standards and relevant financial governance reporting requirements;
- Material areas in which significant judgements have been applied or where 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, US Administrator, the Company Secretary, and also reports from the Independent Auditor on the outcomes of their half-year review and annual audit.

During the year, the Audit Committee reviewed the Company's Annual Report and interim financial statements for the period ended 30 June 2023 (the "Interim Financial Statements") before recommending approval to the Board. The Committee considered the Interim Financial Statements and Annual Report to be fair and balanced, and provided the Company's shareholders with the information necessary to assess the Company's performance, business model and strategy, and was satisfied that narratives provided were consistent with all numerical disclosures.

Audit planning and key audit matters

The Audit Committee provided oversight to the planning of the audit in respect of the Company's annual accounts for the period ended 31 December 2023. The following details the key audit matters and how the Company's Independent Auditor addressed them:

Valuation of investments

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

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

Audit planning and key audit matters (continued)

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

Management override of controls

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

Compliance with the AIC Code of Corporate Governance

The Audit Committee continued to monitor the Company's governance framework and compliance with the AIC Code of Corporate Governance (the "AIC Code"). In 2023, the Audit Committee undertook a review of the Company's compliance with the AIC Code's stipulated provisions. The Audit Committee proposed that certain updates be made to provide a clearer reflection of the Company's manner of compliance and remains satisfied that the Company upholds satisfactory compliance with the provisions of the AIC Code. Detail on where stakeholders can find further information within the Annual Report on how the Company has complied with the various principles of the AIC Code can be found on page 68.

Internal control and risk assessment

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

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

Annually, and in accordance with Provision 33 of the AIC Code, the Board undertakes a full review of the Company's business risks which have been analysed and recorded in the principal risks and uncertainties matrix. Following the review, the Audit Committee confirmed that it was satisfied with the key underlying assumptions of the viability statement and the resulting forecast prepared. The Audit Committee regularly discussed the ongoing external risks associated with general market conditions, including, but not limited to, elevated interest rates, heightened inflation, operational performance of underlying investments and other matters. It also considered the impact of climate change both on the investment risk environment, but also on the emerging regulatory requirements for disclosures by investing entities on such matters. The principal risks and uncertainties of the Company and respective controls are outlined in the risk matrix as set out on pages 41 to 43 of the Strategic report.

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

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

The Audit Committee confirms that it reviewed the effectiveness of the Company's system of internal controls for the year ended 31 December 2023 and through to the approval date of this annual financial report and that no issues were noted.

Internal audit

The Company itself does not have an internal audit function, but instead relies on the internal audit functions and departments of the Investment Manager and other service providers. The Audit Committee notes the independent segregation of duties due to having separate Investment Management, US Administrator and Depository functions. Due to the presence of an internal audit function within the Investment Manager and US Administrator, the Audit Committee is satisfied that the control environment is sufficient to mitigate risks to the Company, without the need to establish its own internal audit function.

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 2023 after a review of the level and nature of work to be performed. The Board was satisfied that the fees were appropriate for the scope of the work required.

The Independent Auditors were remunerated $315,500 in relation to the 2023 annual audit (2022 fee:$290,000). They received a fee of $50,000 (2022:$40,000) to reflect more accurately the cost associated with the review of the interim report.

Auditor effectiveness

The Audit Committee received a detailed audit plan from the Auditors, identifying their assessment of the key risks. For the 2023 financial year, the significant risk identified was the valuation of the private equity 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 US Administrator on the effectiveness of the audit process.

For the 2023 financial year, the Audit Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be appropriate.

Independent audit and appointment

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

The Audit Committee understands the importance of auditor independence and, during 2023, the Audit Committee reviewed the independence and objectivity of KPMG. In accordance with the FRC Ethical Standards, the Company is subject to mandatory audit director rotation and Mr Rachid Frihmat was appointed as the signing audit partner for the current financial year following the rotation of Mr Neale Jehan. The Audit Committee met with Mr Frihmat to assess his background and independence at the start of the Company's financial year. The Audit Committee received a report from KPMG describing its independence, controls and current practices to safeguard and maintain auditor independence. KPMG confirmed that it did not perform any work with respect to the preparation of the financial statements or valuations, the taking of management decisions, or provision of investment advice.

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

Non-audit work	Description
Review of Interim Financial Statements	A review of the Company's interim financial statements was undertaken by KPMG in 2023.

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

The Audit Committee reviewed the effectiveness and independence of the Auditor and believes that the performance of the Independent Auditor remains satisfactory, and that it provides effective challenge to the Board and the Investment Manager. The Audit Committee continues to monitor the performance of the Independent Auditor annually and considers its independence and objectivity, having due regard to the appropriate guidelines. KPMG was 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.

Statement of Compliance with the AIC Code of Corporate Governance

Committee evaluation

An internal evaluation of the Board, its committees and individual Directors was carried out during 2023 in the form of questionnaires to determine effectiveness and performance in various areas. The review concluded that the Audit Committee was operating effectively.

Terms of reference

The Audit Committee's terms of reference were reviewed during the year and subject to minor updates related to monitoring the Company's ESG Policy and making recommendations the Committee deems necessary and appropriate to the Board, the Committee concluded that they remained relevant and up to date. The terms of reference can be found on the Company's website at www.nbprivateequitypartners.com/en/investors/corporate-governance.

Conclusion

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

John Martyn Falla
Audit Committee Chairman

23 April 2024

The Board has considered the principles and provisions of the AIC Code. The AIC Code addresses all the principles and provisions set out in the 2018 UK Corporate Governance Code (the "UK Code"), as well as setting out additional provisions on issues that are of specific relevance to the Company. The AIC Code has been endorsed by the Financial Reporting Council and the Guernsey Financial Services Commission ("GFSC"). By reporting against the AIC Code, the Company is meeting its obligations under the UK Code, the GFSC Finance Sector Code of Corporate Governance, as amended in November 2021, and the associated disclosure requirements set out under paragraph 9.8.6R of the Financial Conduct Authority's Listing Rules. The Board considers that reporting against the principles and provisions of the AIC Code provides more relevant information to stakeholders.

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

– The role of the chief executive;

– Executive Directors' remuneration; and

– The need for an internal audit function.

The Board considers these provisions are not relevant to the position of NBPE, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are 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.

Set out below is where stakeholders can find further information within the Annual Report about how the Company has complied with the various principles and provisions of the AIC Code.

1. Board Leadership and Purpose	
Purpose	Page 56
Strategy	Page 60
Values and culture	Page 56
Shareholder engagement	Pages 36 and 56
Stakeholder engagement	Pages 36 to 39
2. Division of Responsibilities	
Director independence	Page 50
Board meetings	Page 52
Relationship with Investment Manager	Page 37
Management Engagement Committee	Page 54
3. Composition, Succession and Evaluation	
Remuneration and Nominations Committee	Page 55
Director re-election	Page 52
Use of external search agency	Page 55
Board evaluation	Page 50
4. Audit, Risk and Internal Control	
Audit Committee	Pages 64 to 67
Emerging and principal risks	Pages 40 to 43
Risk management and internal control systems	Pages 40 and 66
Going concern statement	Page 44
Viability statement	Page 44
5. Remuneration	
Directors' Remuneration Report	Page 61

Statement of Directors' responsibilities

Annual financial report and consolidated financial statements

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

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

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

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

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

Disclosure of information to Auditor

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

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

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

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

William Maltby
Director

John Martyn Falla
Director

23 April 2024

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 schedules of investments as at 31 December 2023, 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 2023, and of the Group's financial performance and cash flows for the year then ended;
- are prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"); and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

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

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

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2022):

Valuation of private equity investments	The risk	Our response
$1,321,345,503; (2022: $1,401,430,601) Refer to pages 64 to 68 of the Audit Committee Report, pages 76 to 78 of the consolidated condensed schedule of investments, note 2 accounting policy and note 3 disclosures	**Basis:** The Group's private equity investment portfolio represents the most significant balance on the consolidated balance sheet and is the principal driver of the Group's net asset value (2023: 101.0%; 2022: 105.4%). The investment portfolio is comprised of Direct Equity Investments, Fund Investments and Income Investments (together the "Investments"). Certain Direct Equity and all Fund Investments, representing 84% of the fair value of Investments, are valued using the net asset value as a practical expedient in conformity with U.S. GAAP to determine the fair value of the underlying Direct Equity and Fund Investments, adjusted if considered necessary by the Investment Manager. The remaining Direct Equity Investments, representing 9% of the fair value of Investments, are valued using comparable company multiples, third party valuation or listed prices, as applicable. Income Investments, representing 7% 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 managements' assumptions and inputs including use of KPMG valuation specialist:** For all Investments we assessed the appropriateness of the valuation technique used to estimate fair value. For a selection of Direct Equity and Fund Investments, chosen on the basis of their fair value: – We confirmed their fair values to supporting information, including audited information where available, such as: financial statements, limited partner capital account statements, lead sponsor or co-investor information or other information provided by the underlying funds' general partners, investee managers or similar. – For investments using a guideline public companies multiple approach, we obtained the valuation provided by the sponsor and assessed assumptions based on observable market data. We assessed the reliability of information obtained. – For unaudited information we either obtained the information directly or assessed the Investment Manager's process for obtaining this information and conducted retrospective testing to confirm its reliability. – For audited information, we assessed the appropriateness of the accounting framework utilized and whether the audit opinion was modified. – For listed Direct Equity Investments we independently priced these to a third party source.

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

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

Materiality for the consolidated financial statements as a whole was set at $27,100,000, determined with reference to a benchmark of group net assets of $1,307,489,836 of which it represents approximately 2.0% (2022: 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% (2022: 75.0%) of materiality for the financial statements as a whole, which equates to $20,300,000. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding $1,355,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

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

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

Going concern

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

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

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

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

We performed procedures including:

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

Further detail in respect of valuation of unquoted investments is set out in the key audit matter section of 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 44 and 45) 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 44 and 45) as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement, set out on pages 44 and 45 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 69, the directors are responsible for: the preparation of the consolidated financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless liquidation is imminent.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

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

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008 and, in respect of any further matters on which we have agreed to report, on terms we have agreed with the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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

23 April 2024

Consolidated balance sheets

31 December 2023 and 31 December 2022

	2023	2022
Assets		
Investments at fair value:		
Private equity investments		
Cost of $780,503,840 at 31 December 2023 and $840,971,544 at 31 December 2022	**$1,321,345,503**	$1,401,430,601
Government obligations		
Cost of $115,157,505 at 31 December 2023 and $0 at 31 December 2022	**115,181,468**	–
Cash and cash equivalents	**50,617,431**	7,034,276
Other assets	**2,336,264**	2,662,851
Distributions and sales proceeds receivable from investments	**333,138**	199,924
Total assets	**$1,489,813,804**	$1,411,327,652
Liabilities and share capital		
Liabilities:		
ZDP Share liability	**$80,428,778**	$72,800,912
Credit facility loan	**90,000,000**	–
Payables to Investment Manager and affiliates	**4,895,272**	5,177,372
Accrued expenses and other liabilities	**6,975,041**	4,126,709
Net deferred tax liability	**24,877**	9,113
Total liabilities	**$182,323,968**	$82,114,106
Share capital:		
Class A Shares, $0.01 par value, 500,000,000 shares authorised,		
49,653,014 shares issued and 46,502,606 shares outstanding at 31 December 2023	**$496,530**	$499,115
49,911,438 shares issued and 46,761,030 shares outstanding at 31 December 2022		
Class B Shares, $0.01 par value, 100,000 shares authorised,		
10,000 shares issued and outstanding	**100**	100
Additional paid-in capital	**491,555,393**	496,559,065
Retained earnings	**822,682,245**	839,456,403
Less cost of treasury stock purchased (3,150,408 shares)	**(9,248,460)**	(9,248,460)
Total net assets of the controlling interest	**$1,305,485,808**	$1,327,266,223
Net assets of the noncontrolling interest	**$2,004,028**	$1,947,323
Total net assets	**$1,307,489,836**	$1,329,213,546
Total liabilities and net assets	**$1,489,813,804**	$1,411,327,652
Net asset value per share for Class A Shares and Class B Shares	**$28.07**	$28.38
Net asset value per share for Class A Shares and Class B Shares (GBP)	**£22.02**	£23.59
Net asset value per 2024 ZDP Share (Pence)	**126.18**	121.04

The consolidated financial statements were approved by the Board of Directors on 23 April 2024 and signed on its behalf by

William Maltby **John Falla**

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

Consolidated condensed schedules of investments

31 December 2023 and 31 December 2022

Private equity investments	Cost	Fair Value	Unfunded Commitment	Private Equity[1] Exposure
2023				
Direct equity investments				
NB Alternatives Direct Co-investment Program A	**$43,905,518**	**$19,573,022**	**$17,102,040**	**$36,675,062**
NB Alternatives Direct Co-investment Program B	**74,332,209**	**170,167,212**	**19,340,324**	**189,507,536**
NB Renaissance Programs	**10,587,835**	**23,890,095**	**9,603,804**	**33,493,899**
Marquee Brands	**26,047,730**	**30,573,581**	**3,410,816**	**33,984,397**
Direct equity investments[2][3]	**534,272,602**	**979,327,044**	**2,529,601**	**981,856,645**
Total direct equity investments	**$689,145,894**	**$1,223,530,954**	**$51,986,585**	**$1,275,517,539**
Income Investments				
NB Credit Opportunities Program	**$25,043,808**	**$37,927,794**	**$11,981,976**	**$49,909,770**
NB Specialty Finance Program	**8,259,427**	**7,750,000**	**15,000,000**	**22,750,000**
Income investments	**48,817,095**	**44,326,526**	**–**	**44,326,526**
Total income investments	**$82,120,330**	**$90,004,320**	**$26,981,976**	**$116,986,296**
Fund investments	**$9,237,616**	**$7,810,229**	**$5,318,896**	**$13,129,125**
Total investments	**$780,503,840**	**$1,321,345,503**	**$84,287,457**	**$1,405,632,960**
2022				
Direct equity investments				
NB Alternatives Direct Co-investment Program A	$46,212,909	$39,055,204	$18,274,463	$57,329,667
NB Alternatives Direct Co-investment Program B	74,940,419	174,540,368	20,794,076	195,334,444
NB Renaissance Programs	7,791,651	20,790,191	10,537,743	31,327,934
NB Healthcare Credit Investment Program (Equity)	1,599,864	8,018	4,146,718	4,154,736
Marquee Brands	26,133,313	28,544,245	3,410,816	31,955,061
Direct equity investments[2][3]	574,858,103	1,023,499,804	3,731,282	1,027,231,086
Total direct equity investments	$731,536,259	$1,286,437,830	$60,895,098	$1,347,332,928
Income Investments				
NB Credit Opportunities Program	$27,823,406	$39,650,000	$11,981,976	$51,631,976
NB Specialty Finance Program	27,708,871	27,524,276	15,000,000	42,524,276
Income investments	44,071,383	40,148,251	–	40,148,251
Total income investments	$99,603,660	$107,322,527	$26,981,976	$134,304,503
Fund investments	$9,831,625	$7,670,244	$8,169,742	$15,839,986
Total investments	**$840,971,544**	**$1,401,430,601**	**$96,046,816**	**$1,497,477,417**

(1): Private equity exposure is the sum of fair value and unfunded commitment.
(2): Includes direct equity investments into companies and co-investment vehicles.
(3): This includes investment(s) above 5% of net asset value. See Note 3.

Consolidated condensed schedules of investments

31 December 2023 and 31 December 2022

Investment Description	Geography	Industry	Cost	Fair Value
2023				
Government obligations				
Treasury Bill 0% 1/18/2024	USA	Sovereign	$12,966,797	$12,969,450
Treasury Bill 0% 2/6/2024	USA	Sovereign	27,810,903	27,818,058
Treasury Bill 0% 2/29/2024	USA	Sovereign	14,869,685	14,872,800
Treasury Bill 0% 4/2/2024	USA	Sovereign	5,004,141	5,003,623
Treasury Bill 0% 4/16/2024	USA	Sovereign	15,010,757	15,010,671
Treasury Bill 0% 5/9/2024	USA	Sovereign	15,009,923	15,009,866
Treasury Bill 0% 5/23/2024	USA	Sovereign	24,485,299	24,497,000
Total government obligations			**$115,157,505**	**$115,181,468**

As of 31 December 2022, the Group did not hold any government obligations.

Consolidated condensed schedules of investments

31 December 2023 and 31 December 2022

Geographic diversity of private equity investments[1]	Fair Value 2023	Fair Value 2022
North America	**$961,966,491**	$1,024,091,245
Europe	**319,680,132**	325,117,876
Asia/rest of world	**39,698,880**	52,221,480
	$1,321,345,503	$1,401,430,601

Industry diversity of private equity investments[2]	2023	2022
Consumer	**21.0%**	19.9%
Technology/IT	**18.2%**	18.0%
Industrials	**17.8%**	15.3%
Business services	**12.1%**	12.2%
Financial services	**11.9%**	14.3%
Healthcare	**9.3%**	10.0%
Diversified/undisclosed/other	**3.8%**	5.3%
Communications/media	**3.3%**	2.6%
Transportation	**1.4%**	1.1%
Energy	**1.2%**	1.3%
	100.0%	100.0%

Asset class diversification of private equity investments[3]	2023	2022
Direct Equity Investments		
Mid-cap buyout	**47.3%**	47.1%
Large-cap buyout	**32.2%**	32.4%
Special situation	**10.2%**	7.8%
Growth equity	**3.2%**	4.8%
Income investments	**6.8%**	7.7%
Growth/venture funds	**0.3%**	0.2%
	100.0%	100.0%

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

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

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

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 2023 and 2022

	2023	2022
Interest and dividend income (net of foreign withholding taxes of $2,263 for 2023 and $7,261 for 2022)	**$7,054,768**	$4,544,339
Expenses		
Investment management and services	**$20,512,023**	$21,144,589
Finance costs		
Credit facility	**8,892,744**	5,999,532
ZDP Shares	**3,281,037**	6,039,881
Administration and professional fees	**4,909,508**	4,485,332
Total expenses	**$37,595,312**	$37,669,334
Net investment loss	**$(30,540,544)**	$(33,124,995)
Tax expense	**721,007**	2,260,993
Net investment loss after taxes	**$(31,261,551)**	$(35,385,988)
Realised and unrealised gains (losses)		
Realised gain on investment and translation of foreign currencies	**$82,483,081**	$53,440,560
Net change in unrealised loss on investments, net of tax expense of $15,764 for 2023 and $9,113 for 2022	**(24,095,674)**	(127,109,675)
Net realised and change in unrealised gain (loss)	**$58,387,407**	$(73,669,115)
Net increase (decrease) in net assets resulting from operations	**$27,125,856**	$(109,055,103)
Less net (increase) decrease in net assets resulting from operations attributable to the noncontrolling interest	**(56,705)**	107,312
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$27,069,151**	$(108,947,791)
Net assets at beginning of period attributable to the controlling interest	**$1,327,266,223**	$1,480,178,782
Less dividend payment	**(43,843,309)**	(43,964,768)
Less cost of stock repurchased and cancelled (258,424 shares for 2023 and 0 shares for 2022)	**(5,006,257)**	–
Net assets at end of period attributable to the controlling interest	**$1,305,485,808**	$1,327,266,223
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	**$0.58**	$(2.33)
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest (GBP)	**£0.47**	£(1.88)

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

Consolidated statements of cash flows

For the years ended 31 December 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$27,069,151**	$(108,947,791)
Net increase (decrease) in net assets resulting from operations attributable to the noncontrolling interest	**56,705**	(107,312)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realised gain on investments and translation of foreign currencies	**(82,483,081)**	(53,440,560)
Net change in unrealised loss on investments, net of tax expense	**24,095,674**	127,109,675
Contributions to private equity investments	**(6,706,951)**	(3,664,041)
Purchases of private equity investments	**(15,308,316)**	(36,203,158)
Distributions from private equity investments	**132,874,039**	55,978,140
Proceeds from sale of private equity investments	**36,906,862**	63,520,093
Purchases of government obligations	**(143,910,794)**	–
Proceeds from sale of government obligations	**30,000,000**	–
In-kind payment of interest income and change in accrued interest	**(5,995,497)**	(3,840,330)
Amortisation of finance costs	**404,217**	647,746
Amortisation of purchase premium/discount (OID), net	**(35,723)**	(56,667)
Change in other assets	**(241,185)**	283,491
Change in payables to Investment Manager and affiliates	**(282,100)**	(37,965,276)
Change in current tax liability	**685,067**	2,283,798
Change in accrued expenses and other liabilities	**5,304,653**	5,292,475
Net cash provided by operating activities	**$2,432,721**	$10,890,283
Cash flows from financing activities:		
Dividend payment	**$(43,843,309)**	$(43,964,768)
Redemption of 2022 Zero Dividend Preference Shares	**–**	(68,100,570)
Stock repurchased and cancelled	**(5,006,257)**	–
Borrowings from credit facility	**120,000,000**	30,000,000
Payments to credit facility	**(30,000,000)**	(30,000,000)
Net cash provided by (used in) financing activities	**$41,150,434**	$(112,065,338)
Effect of exchange rates on cash balances	**–**	(8,277,356)
Net increase (decrease) in cash and cash equivalents	**$43,583,155**	$(109,452,411)
Cash and cash equivalents at beginning of period	**7,034,276**	116,486,687
Cash and cash equivalents at end of period	**$50,617,431**	$7,034,276
Supplemental cash flow information		
Credit facility financing costs paid	**$6,606,935**	$5,552,971
Taxes paid	**$37,712**	$7,045
Taxes refunded	**$1,772**	$29,850

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

Note 1 – Description of the Group

NB Private Equity Partners Limited (the "Company") and its subsidiaries, collectively (the "Group") is a closed-ended investment company registered in Guernsey. The registered office is Floor 2, Trafalgar Court, St Peter Port, Guernsey, GY1 4LY. The principal activity of the Group is to invest in direct private equity investments by co-investing alongside leading private equity sponsors in their core areas of expertise. The Company's Class A Shares are listed and admitted to trading on the Premium Segment of the Main Market of the London Stock Exchange ("Main Market") under the symbols "NBPE" and "NBPU" corresponding to Sterling and U.S. dollar quotes, respectively. NBPE has a class of Zero Dividend Preference ("ZDP") Shares maturing in 2024 (see note 5) which is listed and admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange ("Specialist Fund Segment") under the symbol "NBPS".

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

Note 2 – Summary of significant accounting policies

Basis of presentation

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

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

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

Principles of consolidation

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

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

The Company's wholly-owned subsidiaries, NB PEP Holdings Limited, NB PEP Investments I, LP, NB PEP Investments LP Limited and NB PEP Investments Limited are incorporated in Guernsey.

The Company's wholly-owned subsidiary, NB PEP Investments DE, LP is incorporated in Delaware and operates in the United States.

Use of estimates and judgements

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

The following estimates and assumptions were used at 31 December 2023 and 31 December 2022 to estimate the fair value of each class of financial instruments:

- Cash and cash equivalents – The carrying value reasonably approximates fair value due to the short-term nature of these instruments.
- Government obligations – Further information on valuation is provided in the Fair Value Measurements section below.
- Other assets (excluding forward currency contracts) – The carrying value reasonably approximates fair value.
- Distributions and sales proceeds receivable from investments – The carrying value reasonably approximates fair value.

- ZDP Share liability – The carrying value reasonably approximates fair value (see note 5).
- Credit Facility Loan – The carrying value reasonably approximates fair value.
- Payables to Investment Manager and affiliates – The carrying value reasonably approximates fair value.
- Accrued expenses and other liabilities – The carrying value reasonably approximates fair value.
- Private equity investments – Further information on valuation is provided in the Fair Value Measurements section below.

Fair Value measurements

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

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

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

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date.

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

Observable inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, based on market data obtained from sources independent of the Group. Unobservable inputs reflect the Group's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the information available. The inputs or methodology used for valuing assets or liabilities may not be an indication of the risks associated with investing in those assets or liabilities. The Group generally uses the NAV reported by the investments as a primary input in its valuation utilising the practical expedient method of determining fair value; however, adjustments to the reported NAV may be made based on various factors, including, but not limited to, the attributes of the interest held, including the rights and obligations, any restrictions or illiquidity on such interest, any potential clawbacks by the investments and the fair value of the investments' portfolio or other assets and liabilities. Investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient are not categorised in the fair value hierarchy.

Government obligations

The fair value of U.S. Treasury Bills is based on dealer quotations. U.S. Treasury Bills in this portfolio are categorised as Level 1 of the fair value hierarchy.

Realised gains and losses on investments

Purchases and sales of investments are recorded on a trade-date basis. 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.

Foreign currency

Assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the reporting date. Transactions denominated in foreign currencies, including purchases and sales of investments, and income and expenses, are translated into U.S. dollar amounts on the date of such transactions. Adjustments arising from foreign currency transactions are reflected in the net realised gain (loss) on investments and forward foreign exchange contracts and the net change in unrealised gain (loss) on investments and forward foreign exchange contracts on the Consolidated Statements of Operations and Changes in Net Assets.

The Group's investments of which capital is denominated in foreign currency are translated into U.S. dollars based on rates of exchange at the reporting date. The cumulative effect of translation to U.S. dollars has increased the fair value of the Group's foreign investments by $9,201,227 for the year ended 31 December 2023. The cumulative effect of translation to U.S. dollars decreased the fair value of the Group's foreign investments by $24,580,105 for the year ended 31 December 2022.

The ZDP Shares are denominated in Sterling (see note 5 and note 6). The Group has unfunded commitments denominated in currencies other than U.S. dollars. At 31 December 2023, the unfunded commitments that are in Euros and Sterling amounted to €9,080,803 and £32,138, respectively (31 December 2022: €10,531,115 and £32,138). They have been included in the Consolidated Condensed Schedules of Investments at the U.S. dollar exchange rates in effect at 31 December 2023 and 31 December 2022. The effect on the unfunded commitment of the change in the exchange rates between Euros and U.S. dollars was an increase in the U.S. dollar obligations of $294,762 for 31 December 2023 and a decrease in the U.S. dollar obligations of $759,592 for 31 December 2022.

The effect on the unfunded commitment of the change in the exchange rates between Sterling and U.S. dollars was an increase in the U.S. dollar obligations of $2,311 for 31 December 2023 and a decrease in the U.S. dollar obligations of $5,212 for 31 December 2022.

Investment transactions and investment income

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

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

For the year ended 31 December 2023, total interest and dividend income was $7,054,768, of which $73,948 was dividends, and $6,980,820 was interest income. For the year ended 31 December 2022, total interest and dividend income was $4,544,339, of which $57,782 was dividends, and $4,486,557 was interest income.

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 2023 and 31 December 2022, cash and cash equivalents consisted of $50,617,431 and $7,034,276, respectively, held in operating accounts with Bank of America Merrill Lynch and U.S. Bank. Cash equivalents are held for the purpose of meeting short-term liquidity requirements, rather than for investment purposes.

As of 31 December 2023 and 31 December 2022, the cash equivalents were $14,858,215 and nil, respectively. Cash and cash equivalents are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation ("FDIC") or Securities Investor Protection Corporation ("SIPC") limitations.

Income taxes

The Company is registered in Guernsey as an exempt company. The States of Guernsey Income Tax Authority has granted the Group an exemption from Guernsey income tax under the provision of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and the Group has been charged an annual exemption fee of £1,200 (2022: £1,200). Generally, income that the Group derives from the investments may be subject to taxes imposed by the U.S. or other countries and will impact the Group's effective tax rate.

In accordance with FASB ASC 740-10, Income Taxes, the Group is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority based on the technical merits of the position. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense in the current year.

The Group files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Group is subject to examination by U.S. federal, state, local and foreign jurisdictions, where applicable. The Group's U.S. federal income tax returns are open under the normal three-year statute of limitations and therefore subject to examination. The Investment Manager does not expect that the total amount of unrecognised tax benefits will materially change over the next twelve months.

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

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

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

Deferred taxes are recorded to reflect the tax benefit and consequences of future years' differences between the tax basis of assets and liabilities and their financial reporting basis. The Group records a valuation allowance to reduce deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realised. Management subsequently adjusts the valuation allowance as the expected realisability of the deferred tax assets changes such that the valuation allowance is sufficient to cover the portion of the asset that will not be realised. The Group records the tax associated with any transactions with U.S. or other tax consequences when the Group recognises the related income (see note 7).

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

Forward foreign exchange contracts

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

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

Dividends to shareholders

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

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

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. These operating expenses are included in administration and professional fees on the Consolidated Statement of Operations.

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. The Group values equity securities that are traded on a national securities exchange at their last reported sales price. There were two marketable securities held by the Group as of 31 December 2023 and 31 December 2022.

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

	Assets (Liabilities) Accounted for at Fair Value				
As of 31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Investments measured at net asset value[1]**	**Total**
Common stock	**$6,784,603**	**$6,556,933**	**$–**	**$–**	**$13,341,536**
Government obligations	**115,181,468**	**–**	**–**	**–**	**115,181,468**
Private equity companies	**–**	**235,297**	**206,759,351**	**1,101,009,319**	**1,308,003,967**
Totals	**$121,966,071**	**$6,792,230**	**$206,759,351**	**$1,101,009,319**	**$1,436,526,971**

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

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

Significant investments:

At 31 December 2023, the Group's share of the following underlying private equity company exceeded 5% of net asset value.

Company (Legal Entity Name)	**Industry**	**Country**	**Fair Value 2023**	**Fair Value as a Percentage of net asset value**
3i 2020 Co-investment 1 SCSp (Action) (LP Interest)	Consumer/Retail	Netherlands	$85,631,976	6.56%

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

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

The following table summarises the changes in the fair value of the Group's Level 3 private equity investments for the year ended 31 December 2023.

	For the Year Ended 31 December 2023					
(dollars in thousands)	**Large-cap Buyout**	**Mid-cap Buyout**	**Special Situations**	**Growth/Venture**	**Income Investments**	**Total Private Equity Investments**
Balance, 31 December 2022	**$38,312**	**$84,149**	**$13,383**	**$19,789**	**$40,147**	**$195,780**
Purchases of investments and/or contributions to investments	**–**	**278**	**–**	**–**	**–**	**278**
Realised gain (loss) on investments	**–**	**353**	**312**	**13**	**4,815**	**5,493**
Changes in unrealised gain (loss) of investments still held at the reporting date	**5,002**	**(280)**	**(4,538)**	**(3,972)**	**(637)**	**(4,425)**
Changes in unrealised gain (loss) of investments sold during the period	**–**	**64**	**(245)**	**(13)**	**–**	**(194)**
Distributions from investments	**–**	**(353)**	**(721)**	**(13)**	**–**	**(1,087)**
Transfers into level 3	**–**	**15,387**	**–**	**–**	**–**	**15,387**
Transfers out of level 3	**–**	**–**	**–**	**(4,473)**	**–**	**(4,473)**
Balance, 31 December 2023	**$43,314**	**$99,598**	**$8,191**	**$11,331**	**$44,325**	**$206,759**

Investments were transferred into Level 3 as management's fair value estimate included significant unobservable inputs. Investments were transferred out of Level 3 into Level 2.

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

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

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

The following table summarises the valuation methodologies and inputs used for private equity investments categorised in Level 3 as of 31 December 2023.

(dollars in thousands) Private Equity Investments	Fair Value 31 December 2023	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average)[2]	Impact to Valuation from an Increase in Input[3]
Direct equity investments					
Large-cap buyout	**$43,314**	Market Comparable Companies	LTM EBITDA	12.8x	Increase
		Market Comparable Companies	LTM Revenue	23.0x	Increase
		Market Comparable Companies	NTM EBITDA	20.0x	Increase
Mid-cap buyout	**99,598**	Escrow Value	Escrow	1.0x	Increase
		Market Comparable Companies	LTM EBITDA	8.8x-15.0x (13.4x)	Increase
Special situations	**8,191**	Market Comparable Companies	LTM EBITDA	9.4x	Increase
		Market Comparable Companies	LTM Net Revenue	1.0x	Increase
Growth/venture	**11,331**	Market Comparable Companies	LTM Net Revenue	1.8x-2.5x (1.9x)	Increase
		Market Comparable Companies	LTM EBITDA	27.2x	Increase
Income investments	**44,325**	Market Comparable Companies	LTM EBITDA	9.6x-11.9x (11.6x)	Increase
Total	**$206,759**				

1. LTM means Last Twelve Months, EBITDA means Earnings Before Interest Taxes Depreciation and Amortisation, NTM means Next Twelve Months.
2. Inputs weighted based on fair value of investments in range.
3. Unless otherwise noted, this column represents the directional change in the fair value of Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.

The following table summarises the valuation methodologies and inputs used for private equity investments categorised in Level 3 as of 31 December 2022.

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

1. LTM means Last Twelve Months, EBITDA means Earnings Before Interest Taxes Depreciation and Amortisation, Boed means Barrels of oil equivalent per day
2. Inputs weighted based on fair value of investments in range.
3. Unless otherwise noted, this column represents the directional change in the fair value of Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.

Since 31 December 2022, there have been no changes in valuation methodologies within Level 2 and Level 3 that have had a material impact on the valuation of private equity investments.

In the case of direct equity investments and income investments, the Investment Manager does not control the timing of exits but at the time of investment, typically expects investment durations to be meaningfully shorter than fund investments. Therefore, although some fund and direct investments may take 10-15 years to reach final realisation, the Investment Manager expects the majority of the Group's invested capital in the current portfolio to be returned in much shorter timeframes. Generally, fund investments have a defined term and no right to withdraw. In the case of fund investments, fund lives are typically ten years; however, a series of extensions often mean the lives can extend significantly beyond this. It should be noted that the Group's fund investments are legacy assets, non-core to the current strategy and are in realisation mode.

Note 4 – Credit facility

As of 31 December 2023, a subsidiary of the Company had a $300.0 million secured revolving credit facility (the "MassMutual Facility") with Massachusetts Mutual Life Insurance Company ("MassMutual"). The ten year borrowing availability period of the MassMutual Facility expires on 23 December 2029, while the MassMutual Facility matures on 23 December 2031. For the years ended 31 December 2023 and 2022, the borrowings from the MassMutual Facility were $120,000,000 and $30,000,000, respectively, and the payments to the MassMutual Facility were $30,000,000 and $30,000,000, respectively. The outstanding balances of the MassMutual Facility were $90,000,000 at 31 December 2023 and nil at 31 December 2022.

Under the MassMutual Facility, the Group is required to meet certain portfolio concentration tests and certain loan-to-value ratios not to exceed 45% through 23 December 2027 with step-downs each year thereafter until reaching 0% on 23 December 2029 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 2023, the Group met all requirements under the MassMutual Facility. The MassMutual Facility is secured by a security interest in the cash flows from the underlying investments of the Group.

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

The Group is required to pay a commitment fee calculated as 0.55% per annum on the average daily balance of the unused facility amount. The Group is subject to a minimum utilisation of 30% of the facility size, or $90.0 million, beginning eighteen months after the closing date or 23 June 2021.

If the minimum utilisation is not met, the Group is required to pay the amount of interest that would have been accrued on the minimum usage amount less any outstanding advances. As of 31 December 2023, the Group met the minimum utilisation requirement, only the commitment fee applied.

The following table summarises the Group's finance costs incurred and expensed under the MassMutual Facility for the years ended 31 December 2023 and 2022.

	31 December 2023	31 December 2022
Interest expense	**$3,125,154**	$235,545
Undrawn commitment fees	**1,171,042**	1,171,041
Servicing fees and breakage costs	**50,861**	40,722
Amortisation of capitalised debt issuance costs	**264,567**	264,567
Minimum utilisation fees	**4,281,120**	4,287,657
Total Credit Facility Finance Costs	**$8,892,744**	$5,999,532

As of 31 December 2023 and 31 December 2022, unamortised capitalised debt issuance costs (included in Other assets on the Consolidated Balance Sheets) were $2,112,203 and $2,376,770, respectively. Capitalised amounts are being amortised on a straight-line basis over the terms of the applicable credit facility.

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

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

As of 31 December 2023, there were 50,000,000 ZDP Shares (the "2024 ZDP Shares") outstanding at a Gross Redemption Yield of 4.25%. The 2024 ZDP Shares were issued pursuant to the Initial Placing and Offer for Subscription at a price per 2024 ZDP Share of 100 pence. The holders of the 2024 ZDP Shares will have a final capital entitlement of 130.63 pence on the repayment date of 30 October 2024.

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

The following table reconciles the liability for ZDP Shares, which approximates fair value, for the year ended 31 December 2023 and the year ended 31 December 2022.

ZDP Shares	Pounds Sterling	U.S. Dollars
Liability, 31 December 2021	**£119,595,183**	**$161,985,696**
Net change in accrued interest on 2022 ZDP Shares	1,830,558	2,456,277
Net change in accrued interest on 2024 ZDP Shares	2,465,426	3,200,424
Redemption of 2022 ZDP Shares	(63,370,000)	(68,100,570)
Currency conversion	–	(26,740,915)
Liability, 31 December 2022	**£60,521,167**	**$72,800,912**
Net change in accrued interest on 2024 ZDP Shares	2,570,123	3,141,388
Currency conversion	–	4,486,478
Liability, 31 December 2023	**£63,091,290**	**$80,428,778**

The total liability balance related to the 2024 ZDP Shares was £63,091,290 (equivalent of $80,428,778) and £60,521,167 (equivalent of $72,800,912) as of 31 December 2023 and 31 December 2022, respectively.

As of 31 December 2023, the 2024 ZDP Shares were the only outstanding ZDP share class.

ZDP Shares are measured at amortised cost. Capitalised offering costs are being amortised using the effective interest rate method. The unamortised balance of capitalised offering costs of the 2024 ZDP Shares at 31 December 2023 was $116,151 and the unamortised balance of capitalised offering costs of the 2024 ZDP Shares at 31 December 2022 was $255,801.

Note 6 – Forward foreign exchange contracts

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

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

Note 7 – Income taxes

The Group is exempt from Guernsey tax on income derived from non-Guernsey sources. However, certain of its underlying investments generate income that is subject to tax in other jurisdictions, principally the United States ("U.S."). The Group has recorded the following amounts related to such taxes:

	31 December 2023	31 December 2022
Current tax expense	**$721,007**	$2,260,993
Deferred tax expense	**15,764**	9,113
Total tax expense	**$736,771**	$2,270,106

	31 December 2023	31 December 2022
Gross deferred tax assets	**$6,934,094**	$7,872,867
Valuation allowance	**(6,934,094)**	(7,872,867)
Net deferred tax assets	**–**	–
Gross deferred tax liabilities	**(24,877)**	(9,113)
Net deferred tax liabilities	**$(24,877)**	$(9,113)

Current tax expense (benefit) is reflected in Net investment income/(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 2023 and 2022 are as follows:

	2023	2022
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$27,069,151**	$(108,947,791)
Divided by weighted average shares outstanding for Class A Shares and Class B Shares of the controlling interest	**46,626,795**	46,771,030
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	**$0.58**	$(2.33)

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 2023 and 2022, the balances include the following:

Classification of Realised Gain (Loss) and Unrealised Gain (Loss)[1]	31 December 2023	31 December 2022
Realised gain on investments	**$86,868,749**	$85,321,404
Realised loss on investments	**(4,385,668)**	(31,880,844)
Net realised gain on investments	**$82,483,081**	$53,440,560
Unrealised gain on investments	**$130,978,416**	$138,811,079
Unrealised loss on investment [2]	**(155,058,326)**	(265,911,641)
Net unrealised loss on investments	**$(24,079,910)**	$(127,100,562)

(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 $63,363,744 and $76,798,321 for the periods ended 31 December 2023 and 2022, respectively, as a result of realised investment transactions.

Note 9 – Share capital, including treasury stock

Class A Shareholders have the right to vote on all resolutions proposed at general meetings of the Company, including resolutions relating to the appointment, election, re-election and removal of Directors. The Company's Class B Shares, which were issued at the time of the initial public offering to a Guernsey charitable trust, whose trustee is First Directors Limited ("Trustee"), usually carry no voting rights at general meetings of the Company. However, in the event the level of ownership of Class A Shares by U.S. residents (excluding any Class A Shares held in treasury) exceeds 35% on any date determined by the Directors (based on an analysis of share ownership information available to the Company), the Class B Shares will carry voting rights in relation to "Director Resolutions" (as such term is defined in the Company's articles of incorporation). In this event, Class B Shares will automatically carry such voting rights to dilute the voting power of the Class A Shareholders with respect to Director Resolutions to the extent necessary to reduce the percentage of votes exercisable by U.S. residents in relation to the Director Resolutions to not more than 35%. Each Class A Share and Class B Share participates equally in profits and losses. There have been no changes to the legal form or nature of the Class A Shares nor to the reporting currency of the Company's consolidated financial statements (which will remain in U.S. dollars) as a result of the Main Market quote being in Sterling as well as U.S. dollars. Additional paid-in capital ("APIC") is the excess amount paid by shareholders over the par value of shares. The Company's APIC is included on the Consolidated Balance Sheets.

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

	31 December 2023	31 December 2022
Class A Shares outstanding	**46,502,606**	46,761,030
Class B Shares outstanding	**10,000**	10,000
	46,512,606	46,771,030
Class A Shares held in treasury – number of shares	**3,150,408**	3,150,408
Class A Shares held in treasury – cost	**$9,248,460**	$9,248,460

The Company currently has shareholder authority to repurchase shares in the market, the aggregate value of which may be up to 14.99% of the Class A Shares in issue (excluding Class A Shares held in treasury) at the time the authority is granted; such authority will expire on the date which is 15 months from the date of passing of this resolution or, if earlier, at the end of the Annual General Meeting ("AGM") of the Company to be held in June 2024. The maximum price which may be paid for a Class A Share is an amount equal to the higher of (i) the price of the last independent trade and (ii) the highest current independent bid, in each case, with respect to the Class A Shares on the relevant exchange (being the Main Market).

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

During 2023, the Company purchased and cancelled a total of 258,424 shares of its Class A stock (0.55% of the issued and outstanding shares as of 31 December 2022) pursuant to general authority granted by shareholders of the Company and the share buy-back agreement with Jefferies International Limited. The Company did not purchase any of its shares during the year ended 31 December 2022.

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 2023 and 2022, the management fee expenses were $20,512,023 and $21,144,589, respectively, and are included in Investment management and services on the Consolidated Statement of Operations and Changes in Net Assets. As of 31 December 2023 and 2022, Investment Management fees payable to the Investment Manager and its affiliates were $4,895,272 and $5,177,372, respectively. If the Company terminates the Investment Management Agreement without cause, the Company shall pay a termination fee equal to: seven years of management fees, plus an amount equal to seven times the mean average incentive allocation of the three performance periods immediately preceding the termination, plus all underwriting, placement and other expenses borne by the Investment Manager or affiliates in connection with the Company's Initial Public Offering.

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. The Group pays to Ocorian Administration (Guernsey) Limited ("Ocorian"), an affiliate of the Trustee Shares, a fee for providing certain administrative functions relating to certain corporate services and Guernsey regulatory matters affecting the Group. Fees for these services are paid as invoiced by Ocorian. The Group paid Ocorian $398,170 and $287,062 for the years ended 31 December 2023 and 2022, respectively, for such services. The Group also paid MUFG Capital Analytics LLC, an independent third party fund administrator, $1,300,000 ($325,000 quarterly) for each of the years ended 31 December 2023 and 2022. These fees are included in Administration and professional fees on the Consolidated Statements of Operations and Changes in Net Assets.

Directors' fees are paid in Sterling and they are based on each Director's position on the Company's Board. Directors' fees are subject to an annual increase equivalent to the annual rise in the Guernsey retail price index, subject to a 1% per annum minimum, and is limited to 6% per annum maximum. For the year ended 31 December 2023, Directors' fees were as follows: Chairman received £80,231 annually (£20,058 quarterly), Audit Chairman received £68,612 annually (£17,153 quarterly), Senior independent Director received £63,078 annually (£15,770 quarterly), and Non-executive independent Directors each received £57,545 annually (£14,386 quarterly). As of 31 December 2023, an additional fee was assessed in the amount of £11,066 annually and payable to two Directors (£5,533 each) for serving as directors of the Guernsey Subsidiaries of the Company. At 31 December 2023 the beneficial interests of the Directors in the issued share capital of the Company was 142,308 ordinary shares.

For the years ended 31 December 2023 and 2022, the Group paid the independent directors a total of $444,001 (of which $13,863 related to services provided to the Guernsey Subsidiaries of the Company) and $387,647 (of which $12,629 related to services provided to the Guernsey Subsidiaries of the Company), respectively.

Related parties

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

Special Limited Partner's non-controlling interest in subsidiary

An affiliate of the Investment Manager is a Special Limited Partner in a consolidated partnership subsidiary. At 31 December 2023 and 31 December 2022, the non-controlling interest of $2,004,028 and $1,947,323, respectively, represented the Special Limited Partner's capital contribution to the partnership subsidiary and income allocation.

The following table reconciles the carrying amount of net assets, net assets attributable to the controlling interest and net assets attributable to the non-controlling interest at 31 December 2023 and 2022.

	Controlling Interest	Noncontrolling Interest	Total
Net assets balance, 31 December 2021	**$1,480,178,782**	**$2,054,635**	**$1,482,233,417**
Net increase (decrease) in net assets resulting from operations	(108,947,791)	(107,312)	(109,055,103)
Dividend payment	(43,964,768)	–	(43,964,768)
Net assets balance, 31 December 2022	**$1,327,266,223**	**$1,947,323**	**$1,329,213,546**
Net increase (decrease) in net assets resulting from operations	27,069,151	56,705	27,125,856
Dividend payment	(43,843,309)	–	(43,843,309)
Cost of stock repurchased and cancelled (258,424 shares)	(5,006,257)	–	(5,006,257)
Net assets balance, 31 December 2023	**$1,305,485,808**	**$2,004,028**	**$1,307,489,836**

Carried interest

The Special Limited Partner is entitled to a carried interest in an amount that is, in general, equal to 7.5% of the Group's consolidated net increase in net assets resulting from operations, adjusted by withdrawals, distributions and capital contributions, for a fiscal year in the event that the Group's internal rate of return for such period, based on the NAV, exceeds 7.5%. For the purposes of this computation, the value of any private equity fund investment in NB Funds in respect of which the Investment Manager or an affiliate receives a fee or other remuneration shall be excluded from the calculation of the incentive allocation payable to the Special Limited Partner. If losses are incurred for a period, no carried interest will be earned for any period until the subsequent net profits exceed the cumulative net losses. Carried interest is also accrued and paid on any economic gain that the Group realises on treasury stock transactions. Carried interest is accrued periodically and paid in the subsequent year. As of 31 December 2023 and 31 December 2022, carried interest of nil was accrued, respectively.

Private equity investments with NBG subsidiaries

The Group holds limited partner interests in private equity fund investments and direct investment programs that are managed by subsidiaries of NBG ("NB-Affiliated Investments"). NB-Affiliated Investments will not result in any duplicative NBG investment management fees and carry charged to the Group. Below is a summary of the Group's positions in NB-Affiliated Investments.

NB-Affiliated Investments (dollars in millions)	Fair Value (1)	Committed	Funded	Unfunded
2023				
NB-Affiliated Programs				
NB Alternatives Direct Co-investment Programs	$189.7	$275.0	$238.6	$36.4
NB Renaissance Programs	23.9	41.2	31.6	9.6
Marquee Brands	30.6	30.0	26.6	3.4
NB Credit Opportunities Program	37.9	50.0	38.0	12.0
NB Specialty Finance Program	7.7	50.0	35.0	15.0
Total NB-Affiliated Investments	**$289.8**	**$446.2**	**$369.8**	**$76.4**
2022				
NB-Affiliated Programs				
NB Alternatives Direct Co-investment Programs	$213.6	$275.0	$235.9	$39.1
NB Renaissance Programs	20.8	40.0	29.5	10.5
Marquee Brands	28.5	30.0	26.6	3.4
NB Healthcare Credit Investment Program(2)	0.0	50.0	45.9	4.1
NB Credit Opportunities Program	39.7	50.0	38.0	12.0
NB Specialty Finance Program	27.5	50.0	35.0	15.0
Total NB-Affiliated Investments	**$330.1**	**$495.0**	**$410.9**	**$84.1**

(1) Fair value does not include distributions. At 31 December 2023 and 31 December 2022, the total distributions from NB-Affiliated Investments were $472.1 and $421.0, respectively.
(2) Fair value was not zero, but rounded to zero.

Note 11 – Risks and contingencies

Market risk

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

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

Credit risk

Credit risk is the risk of losses due to the failure of a counterparty to perform according to the terms of a contract. The Group may invest in a range of debt securities directly or in funds which do so. Until such investments are sold or are paid in full at maturity, the Group is exposed to credit risk relating to whether the issuer will meet its obligations when the securities come due.

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

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

Liquidity risk

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

Contingencies

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

Note 12 – Financial highlights

The following ratios with respect to the Class A Shares and Class B Shares have been computed for the years ended 31 December 2023 and 2022:

Per share operating performance (based on average shares outstanding during the year)	**For the Year Ended 31 December 2023**	**For the Year Ended 31 December 2022**
Beginning net asset value	**$28.38**	$31.65
Net increase in net assets resulting from operations:		
Net investment income (loss)	**(0.67)**	(0.71)
Net realised and unrealised gain (loss)	**1.25**	(1.62)
Dividend payment	**(0.94)**	(0.94)
Stock repurchased and cancelled	**0.05**	–
Ending net asset value	**$28.07**	**$28.38**

Total return (based on change in net asset value per share)	**For the Year Ended 31 December 2023**	**For the Year Ended 31 December 2022**
Total return before carried interest	2.22%	(7.36%)
Carried interest	–	–
Total return after carried interest	**2.22%**	**(7.36%)**

Net investment income (loss) and expense ratios (based on weighted average net assets)	**For the Year Ended 31 December 2023**	**For the Year Ended 31 December 2022**
Net investment income (loss), excluding carried interest	(2.36%)	(2.40%)
Expense ratios:		
Expenses before interest and carried interest	2.36%	2.30%
Interest expense	0.48%	0.43%
Carried interest	–	–
Expense ratios total	**2.84%**	**2.73%**

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 29 February 2024, the Group paid a dividend of $0.47 per Ordinary Share to shareholders of record on 19 January 2024.

The Investment Manager and the Board of Directors have evaluated events through 23 April 2024, the date the financial statements are available to be issued and have determined there were no other subsequent events that require adjustment to, or disclosure in, the financial statements.

NB Private Equity Partners (the "Fund") AIFMD Disclosure Addendum to the 2023 Annual Report

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 the financial statements) to this information requiring disclosure.

2. Leverage

For the purpose 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 2023 is disclosed below:

Leverage calculated pursuant to the gross methodology: 1.05

Leverage calculated pursuant to the commitment methodology: 1.06

3. Liquidity and risk management systems

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

The AIFM assesses the Fund's current and prospective need for liquidity on an on-going basis and ensures that liquidity is available when required. The risk profile of the Fund as assessed as at 30 September 2023 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 2023, the counterparty to which the Fund had the greatest mark-to-market net counterparty credit exposure, measured as a % of the NAV of the Fund was Bank of America/Merrill Lynch. This credit exposure amounted to 0.93% of the Fund's NAV.

As at 30 September 2023, the counterparty that had the greatest mark-to-market net counterparty credit exposure to the Fund, measured as a % of the NAV of the Fund was Massachusetts Mutual Life Insurance Company. This credit exposure amounted to 6.71% of the Fund's NAV.

3.3 Liquidity profile

3.3.1 Portfolio liquidity profile

100 per cent of the portfolio in incapable of being liquidated within 365 days, i.e. it would take more than 365 days to liquidate any or all of the portfolio.

As at 30 September 2023, the Fund had USD 15,783,348 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

Investors to not have any withdrawal or redemption rights in the ordinary course.

4. Report on remuneration

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

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

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

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

A portion of bonuses may be awarded in the form of contingent or deferred cash compensation, including under the "Contingent Compensation Plan", which serves as a means to further align the interests of employees with the interest of clients, as well as rewarding continued employment. Under the Contingent Compensation Plan a percentage of a participant's compensation is awarded in deferred contingent form. Contingent amounts take the form of a notional investment based on a portfolio of Neuberger Berman investment strategies and/or a contingent equity award, and Neuberger Berman believes that this gives each participant further incentive to operate as a prudent risk manager and to collaborate with colleagues to maximise performance across all business areas. The programs specify vesting and forfeiture terms, including that vesting is normally dependent on continued employment and contingent amounts can be forfeited in cases including misconduct or the participants participating in detrimental activity.

The proportion of the total remuneration of the staff of the AIFM attributable to the Fund, calculated with reference to the proportion of the value of the assets of the Fund managed by the AIFM to the value of all assets managed by the AIFM, was USD 2,043,254 representing USD 521,040 of fixed compensation and USD 1,522,213 of variable compensation. There were 224 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 2023 was USD 133,122,080 in relation to senior management and USD 1,333,987 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.

As of 31 December 2023, and 31 December 2022, carried interest of nil was accrued, respectively.

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 Fund:

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

April 2024

Schedule of investments (unaudited)

Company/Investment Name	Principal Geography	Investment Date	Description	Fair Value $ M
Action	Europe	Jan-20	European discount retailer	$85.6
Osaic	U.S.	Jul-19	Independent broker dealer	56.5
Solenis	Global	Sep-21	Specialty chemicals and services provider	49.9
AutoStore (OB.AUTO)	Europe	Jul-19	Leading provider of automation technology	48.6
Branded Cities Network	U.S.	Nov-17	North American advertising media company	40.0
Cotiviti	U.S.	Aug-18	Payment accuracy and solutions for the healthcare industry	38.6
NB Alternatives Credit Opportunities Program	Global	Sep-16	Diversified credit portfolio	37.9
BeyondTrust	U.S.	Jun-18	Cyber security and secure access solutions	35.0
Business Services Company*	U.S.	Oct-17	Business services company	34.8
Constellation Automotive	UK	Nov-19	Provider of vehicle remarketing services	33.4
True Potential	Europe	Jan-22	Wealth management technology platform serving advisors and retail clients	32.8
Monroe Engineering	U.S.	Dec-21	Industrial products distributor	31.9
Marquee Brands	Global	Dec-14	Portfolio of consumer branded IP assets, licensed to third parties	30.6
Kroll	Global	Mar-20	Multinational financial consultancy firm	30.1
GFL (NYSE: GFL)	U.S/Canada	Jul-18	Waste management services	29.0
Fortna	U.S./Europe	Apr-17	Systems and solutions utilised in distribution centres	28.7
Staples	U.S.	Sep-17	Provider of office supplies through a business-to-business platform and retail	28.4
Viant	U.S.	Jun-18	Outsourced medical device manufacturer	26.7
Stubhub	U.S.	Feb-20	Ticket exchange and resale company	26.4
Engineering	Europe	Jul-20	Italy-based provider of systems integration, consulting and outsourcing services	25.9
Addison Group	U.S.	Dec-21	Professional services provider specialising in staffing and consulting services	23.9
Auctane	U.S.	Oct-21	E-commerce shipping software provider	23.3
Excelitas	U.S.	Nov-17	Sensing, optics and illumination technology	21.9
Solace Systems	U.S./Canada	Apr-16	Enterprise messaging solutions	21.2
Agiliti (NYSE: AGTI)	U.S.	Jan-19	Medical equipment management and services	19.8
Renaissance Learning	U.S.	Jun-18	K-12 educational software & learning solutions	19.6
Exact	Netherlands	Aug-19	Accounting and ERP software for small to medium-sized businesses	18.7
Bylight	U.S.	Aug-17	Provider of IT and technology infrastructure cyber solutions	18.4
USI	U.S.	Jun-17	Insurance brokerage and consulting services	18.4
Qpark	Europe	Oct-17	European parking services operator	17.9
FV Hospital	Vietnam	Jun-17	Leading hospital provider in Vietnam	17.3
RealPage	U.S.	Apr-21	Provides software solutions to the rental housing industry	16.7
Tendam	Spain	Oct-17	Spanish apparel retailer	16.6
CH Guenther	U.S.	May-18	Supplier of mixes, snacks and meals and other value-added food products for consumers	16.6

Company/Investment Name	Principal Geography	Investment Date	Description	Fair Value $M
Melissa & Doug	U.S.	Jul-17	Specialty toy company	16.5
Chemical Guys	U.S.	Sep-21	Direct to consumer automotive products brand	15.8
Petsmart/Chewy (NYSE: CHWY)	U.S.	Jun-15	Online and offline pet supplies retailer	15.0
Peraton	U.S.	May-21	Provider of enterprise IT services serving the U.S. government	14.4
Wind River Environmental	U.S.	Apr-17	Waste management services provider	13.5
Xplor Technologies	U.S.	Jun-18	Credit card payment processing	10.6
SafeFleet	U.S.	May-18	Safety and productivity solutions for fleet vehicles	9.6
Nextlevel	U.S.	Aug-18	Designer and supplier of fashion-basic apparel	8.8
Milani	U.S.	Jun-18	Cosmetics and beauty products	8.7
OnPoint	U.S.	Mar-17	Provider of repair, maintenance and fleet management services	8.6
ZPG	UK	Jul-18	Digital property data and software company	8.3
Hub	Global	Mar-19	Leading global insurance brokerage	8.1
NB Specialty Finance Program	Global	Oct-18	Small balance loan portfolio	7.8
Lasko Products	U.S.	Nov-16	Manufacturer of portable fans and ceramic heaters	7.5
Verifone	Global	Aug-18	Electronic payment technology	7.0
Unity Technologies (NYSE:U)	U.S.	Jun-21	Business platform for app developers	6.7
ProAmpac	U.S.	Dec-20	Leading global supplier of flexible packaging	6.6
Holley (NYSE: HLLY)	U.S.	Oct-18	Automotive performance company	6.6
Syniti	U.S.	Dec-17	Data management solutions provider	6.5
Healthcare Company – In-home Devices	U.S.	Jun-18	Provider of pump medications and in-home intravenous infusion	6.2
Saguaro	North America	Jul-13	E&P company pursuing unconventional light oil/liquids-rich gas properties	6.0
CrownRock Minerals	U.S.	Aug-18	Minerals acquisition platform	6.0
Carestream	U.S.	Apr-16	Utilises digital imaging equipment and captures two billion images annually	5.7
Edelman	U.S.	Aug-18	Independent financial planning firm	5.7
Destination Restaurants	U.S.	Nov-19	U.S. restaurant chain	5.7
Vitru (NASDAQ: VTRU)	Brazil	Jun-18	Post secondary education company	5.6
Plaskolite	U.S.	Dec-18	Largest manufacturer of thermoplastic sheets in North America	5.4
Centro	U.S.	Jun-15	Provider of digital advertising management solutions	5.0
Leaseplan (XPAR: ALD)	Europe	Apr-16	Fleet management services	5.0
Rino Mastrotto Group	Europe	Apr-20	Leading producer of premium leather	4.9
Italian Mid-Market Buyout Portfolio	Europe	Jun-18	Italian mid-market buyout portfolio	4.8
SICIT	Europe	Jan-22	Producer of high value-added products such as biostimulants for agriculture	4.0
Husky Injection Molding	U.S.	Sep-18	Designs and manufacturers injection moulding equipment	3.9
Catalyst Fund III	North America	Mar-11	Legacy fund investment targeting North American companies	3.5

Company/Investment Name	Principal Geography	Investment Date	Description	Fair Value $ M
Inflection Energy	U.S.	Oct-14	Dry gas exploration company in the Marcellus Shale	3.4
BK China	U.S.	Nov-18	Franchise of over 800 Burger King locations in mainland China	3.2
Brightview (NYSE: BV)	U.S.	Dec-13	Commercial landscape and turf maintenance	3.2
Mills Fleet Farms	U.S.	Feb-16	Value-based retailer with 35 stores in the Midwest U.S.	3.0
Aster/DM Healthcare (NSEI: ASTERDM)	Middle East	Jun-14	Operator of hospitals, clinics and pharmacies	3.0
Vertiv (NYSE: VRT)	U.S.	Nov-16	Provider of data centre infrastructure	2.7
DBAG Expansion Capital Fund	Europe	Jan-12	Legacy fund investment targeting investments in Germany	2.7
Accedian	U.S.	Apr-17	Network testing equipment and software	2.7
Healthcare Services Company	NA	Feb-18	Healthcare services company	2.4
Undisclosed Financial Services Company	North America	May-21	Undisclosed fintech company	2.1
Syniverse Technologies	U.S.	Feb-11	Global telecommunications technology solutions	2.1
Neopharmed	Europe	Jun-23	Specialty pharmaceuticals company	2.0
Hydro	Europe	Apr-20	Largest European manufacturer of hydraulic components	2.0
Inetum	Europe	July-22	IT services and solutions provider headquartered in France	2.0
Arbo	Europe	Jun-22	Italian distributor of heating, sanitary, plumbing, and air conditioning system spare parts	1.9
Corona Industrials	South America	Jun-14	Building materials company	1.7
U-Power	Europe	Jun-23	Leading European provider of safety shoes and work wear	1.5
Innovacare	U.S.	Apr-20	Operates leading Medicare Advantage plan and Medicaid plan	1.4
Into University Partnerships	UK	Apr-13	Collegiate recruitment, placement and education	1.3
Digital River (Equity)	U.S.	Feb-15	Digital e-commerce, payments and marketing solutions	1.1
Kyobo Life Insurance Co.	S. Korea	Dec-07	Life insurance in Korea	1.0
NG Capital Partners I, L.P.	Peru	May-11	Legacy fund investment targeting investments in Peru	0.9
Taylor Precision Products	U.S.	Jul-12	Consumer & food service measurement products	0.7
Bending Spoons	Europe	Jun-23	Mobile application developer and publisher	0.5
LookingGlass Cyber Solutions (NASDAQ: ZFOX)	U.S.	Feb-15	Cyber security technology company	0.2
Snagajob	U.S.	Jun-16	Job search and human capital management provider	0.1
Bertram Growth Capital II	U.S.	Sep-10	Legacy fund investment targeting lower middle-market companies	0.0
Other Direct Equity Investments				(13.2)
Other Debt Investments				–
Other Fund Investments				0.7
Total Portfolio				**$1,321**

Valuation methodology

Equity

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

Debt

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

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

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

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

Forward-looking statements

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

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

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

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

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

Alternative performance calculations

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

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

One 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 2022 (A)	$28.38	–	
Semi-annual dividend per Ordinary Share declared in respect of year	$27.91	$0.47	1.0168
Semi-annual dividend per Ordinary Share declared in respect of year	$27.96	$0.47	1.0168
NAV per Ordinary Share at end of year as per Statement of Financial Position in December 2023 (B)	$28.07	–	
NAV total return per Ordinary Share (B/A)*C – 1	**2.3%**	**Product of dividend compounding (C)**	**1.0339**

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 2020 (A)	$22.49	–	
2021 Semi-annual dividend	$22.18	$0.31	1.0140
2021 Semi-annual dividend	$28.24	$0.41	1.0145
2022 Semi-annual dividend	$31.18	$0.47	1.0151
2022 Semi-annual dividend	$28.20	$0.47	1.0167
2023 Semi-annual dividend	$27.91	$0.47	1.0168
2023 Semi-annual dividend	$27.96	$0.47	1.0168
NAV per Ordinary Share at end of year as per Statement of Financial Position in December 2023 (B)	$28.07	–	
NAV Total Return per Ordinary Share (B/A)*C – 1	**37.0%**	**Product of dividend compounding (C)**	**1.0976**

Five Year NAV Total Return Calculation	NAV per share (USD)	Dividend (USD)	Dividend Compounding Factor
NAV per ordinary share as per Statement of Financial Position in December 2018 (A)	$17.87	–	
2018 Semi-annual Dividend	$17.79	$0.28	1.0157
2019 Semi-annual Dividend	$18.83	$0.29	1.0154
2019 Semi-annual Dividend	$18.82	$0.29	1.0154
2020 Semi-annual Dividend	$17.99	$0.29	1.0161
2020 Semi-annual Dividend	$22.18	$0.31	1.0140
2021 Semi-annual Dividend	$28.24	$0.41	1.0145
2021 Semi-annual Dividend	$31.18	$0.47	1.0151
2022 Semi-annual Dividend	$28.20	$0.47	1.0167
2022 Semi-annual Dividend	$27.91	$0.47	1.0168
2023 Semi-annual Dividend	$27.96	$0.47	1.0168
NAV per ordinary share as per Statement of Financial Position in December 2023 (B)	$28.07	–	
NAV total return per ordinary share (B/A)*C – 1	**83.5%**	**Product of Dividend Compounding (C)**	**1.1681**

One Year Share Price Total Return Calculation	Share price (GBP)	Dividend (GBP)	Dividend Compounding Factor
Share price as per the London Stock Exchange on 31 December 2022 (A)	£16.00	–	
2023 Semi-annual Dividend	£15.90	£0.38	1.0239
2023 Semi-annual Dividend	£15.58	£0.37	1.0235
Share price per the London Stock Exchange on 31 December 2023 (B)	£16.70	–	
Share price total return per ordinary share (B/A)*C – 1	**9.4%**	**Product of Dividend Compounding (C)**	**1.0479**

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 2020 (A)	£11.65	–	
2021 Semi-annual dividend	£11.85	£0.23	1.0191
2021 Semi-annual dividend	£15.30	£0.30	1.0195
2022 Semi-annual dividend	£17.75	£0.34	1.0194
2022 Semi-annual dividend	£15.75	£0.39	1.0246
2023 Semi-annual dividend	£15.90	£0.38	1.0239
2023 Semi-annual dividend	£15.58	£0.37	1.0235
Share price at year end as per the London Stock Exchange on 31 December 2023 (B)	£16.70	–	
Share price total return per Ordinary Share (B/A)*C – 1	**63.0%**	**Product of dividend compounding (C)**	**1.1371**

Five Year Share Price Total Return Calculation	Share price (GBP)	Dividend (GBP)	Dividend Compounding Factor
Share price as per the London Stock Exchange on 31 December 2018 (A)	£9.97	–	–
2018 Semi-annual Dividend	£10.90	£0.21	1.0196
2019 Semi-annual Dividend	£11.25	£0.23	1.0207
2019 Semi-annual Dividend	£11.95	£0.22	1.0185
2020 Semi-annual Dividend	£9.30	£0.23	1.0245
2020 Semi-annual Dividend	£11.85	£0.23	1.0191
2021 Semi-annual Dividend	£15.30	£0.30	1.0195
2021 Semi-annual Dividend	£17.75	£0.34	1.0194
2022 Semi-annual Dividend	£15.75	£0.39	1.0246
2022 Semi-annual Dividend	£15.90	£0.38	1.0239
2023 Semi-annual Dividend	£15.58	£0.37	1.0235
Share price per the London Stock Exchange on 31 December 2023 (B)	£16.70	–	
Share price total return per ordinary share (B/A)*C – 1	**106.8%**	**Product of Dividend Compounding (C)**	**1.2347**

Total 2023 Realisation Calculation	$ in millions
Proceeds from sale of private equity investments (A)	$132.9
Distributions from private equity investments (B)	$36.9
Interest and dividend income (C)	$0.8
2023 portfolio realisations (A+B+C)	**$170.6**

Multiple of Capital Calculation	
Exit proceeds from full exits over the last five years (A)	$383.1
Invested capital into full exits over the last five years (B)	$160.6
Multiple on invested capital (A/B)	**2.4x**

Realisation Uplift Calculation	
Aggregate realisation value at sale/IPO over the last five years (A)	$803.8
Three quarters prior aggregate valuation over the last five years (B)	$576.2
Average uplift (A/B) –1	**39.5%**

Adjusted Commitment Coverage	
Cash + liquid investments + undrawn committed credit facility (A)	$375.8
Adjusted unfunded private equity exposure (B)	$33.3
Adjusted commitment coverage ratio (A/B) – 1	**1,128%**

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

Share Price Yield	
Annualised 2023 Dividend (GBP equivalent) (A)	£0.74
Share price on 31 December 2023 (B)	£16.70
Share Price Yield (A/B) – 1	**4.4%**

Realisation Uplift Full/Partial Sales (Including Pending Sales)	
Aggregate realisation value at sale/IPO (A)	$150.3
Three quarters prior aggregate valuation (B)	$135.9
Average uplift (A/B) – 1	**10.6%**

Multiple of Capital Calculation Full/Partial Sales (Including Pending Sales)	
Aggregate realisation value at sale/IPO (A)	$150.3
Invested capital into 2023 direct equity investment exits (B)	$71.2
Multiple on invested capital (A/B)	**2.1x**

Glossary (unaudited)

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

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

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

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

Debt Multiple Ratio of net debt to EBITDA.

Direct equity investments are investments in a single underlying company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Directors, Advisors and contact information

Board of Directors

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

Registered Office

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Paying Agent

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Joint Corporate Brokers

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

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

Registrar

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

Useful information

Financial calendar

Approximate timing

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

Annual financial report
April

Interim Report
September

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

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

Register to receive news alerts

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

Events timing

Annual General Meeting
June

Capital Markets Day
November 2024

Dividends
Semi-annual

Payment of dividends

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

Dividend information

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

Anyone acting for the account or benefit of a U.S. person who elects to receive additional shares through the dividend re-investment plan would need to sign a Qualified Purchaser certification, which is available on the website. The completed forms should be returned to NBPE's Investor Relations department by email at IR_NBPE@nb.com or by the Investment Manager's mailing address (see page 110 for contact information).

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

Registrar services

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

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

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

E-communications for shareholders

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

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

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

ISIN/SEDOL numbers

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

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

Information about the 2024 ZDP shares:

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

AIC

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

How to invest

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

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

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

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

ISA status

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

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

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

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

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

1 Assumes re-investment of dividends at the closing NAV or share price on the ex-dividend date.

2 Returns are presented on a "gross" basis (i.e. they do not reflect the management fees, carried interest, transaction costs and other expenses that may be paid by investors, which may be significant and will lower returns). Past performance is not a guarantee of future returns.

3 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.

4 The MSCI World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,465 constituents as of 29 March 2024, the index covers approximately 85% of the free float-adjusted market capitalisation in each country (MSCI World Factsheet, 29 March 2024, 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 Includes full and partial exits only over the last five years. 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).

6 Includes full and partial exits over the last five years. 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).

7 As of June 30, 2023.

8 As of December 31, 2023.

9 Please note beginning December 31, 2023, NB Private Markets revised the Aggregate Committed Capital calculation methodology. As of December 31, 2023 and going forward, Aggregate Committed Capital represents total commitments to active vehicles (including commitments in the process of documentation or finalization) managed by NB Private Markets. Prior to December 31, 2023, Aggregate Committed Capital reflected total committed capital since inception in 1987, including liquidated vehicles. Using the previous methodology, NB Private Markets Aggregate Committed Capital was $123 billion as of December 31, 2023, broken down as follows: Primaries, $41 bn; Co-Investments, $36 bn; Secondaries, $20 bn; Private Debt, $16 bn; Capital Solutions, $6 bn; and Direct Specialty Strategies, $5 bn.

10 Includes Limited Partner Advisory Committee seats and observer seats for PIPCO and Secondaries since inception as of December 31, 2023.

11 As of January 31, 2024.

12 For illustrative and discussion purposes only. PRI grades are based on information reported directly by PRI signatories, of which investment managers totaled 3,123 for 2023, 2,791 for 2021, 1,545 for 2020 and 1,247 for 2019. All PRI signatories are eligible to participate and must complete a questionnaire to be included. All PRI signatories are eligible to participate and must complete a questionnaire to be included. The underlying information submitted by signatories is not audited by the PRI or any other party acting on its behalf. Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module houses a variety of indicators that address specific topics of responsible investment. Signatories' answers are then assessed and results are compiled into an Assessment Report. Neuberger Berman pays a fee to be a member of PRI and the grades are only available to PRI members. Ratings referenced do not reflect the experiences of any Neuberger Berman client and readers should not view such information as representative of any particular client's experience or assume that they will have a similar investment experience as any previous or existing client. Awards and ratings are not indicative of the past or future performance of any Neuberger Berman product or service. Moreover, the underlying information has not been audited by the PRI or any other party acting on its behalf. While every effort has been made to produce a fair representation of performance, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for damage caused by use of or reliance on the information contained within this report. Information about PRI grades is sourced entirely from PRI and Neuberger Berman makes no representations, warranties or opinions based on that information.

13 Based on the average scores of reporting investment management signatories globally with AUM greater than $50bn.

14 As of March 31, 2024.

15 Revenue & EBITDA Growth: Past performance is no guarantee of future results. Fair value as of 31 December 2023 and the data is subject to the following adjustments: 1) Excludes public companies, Marquee Brands and other investments not valued on multiples of EBITDA. 2) Analysis based on 65 private companies. 3) The private companies included in the data represent approximately 84% of the total direct equity portfolio. 4) The following exclusions to the data were made: a)EBITDA growth of one company (approximately 2% of value) was excluded from the data as the Manager believed the growth rate was an outlier due to an extraordinary high percentage change b) EBITDA growth of one company (less than 1% of value) was excluded due to the anomalous percentage change c) three companies (less than 1% of direct equity fair value) were held less than one year and excluded from data due to noncomparable periods of revenue and/or EBITDA prior to private equity ownership. The Portfolio company operating metrics are based on the most recently available (unaudited) financial information for each company and based on as reported by the lead private equity sponsor to the Manager as of 19 April 2024. Where necessary, estimates were used, which include pro forma adjusted EBITDA and other EBITDA adjustments, pro forma revenue adjustments, run-rate adjustments for acquisitions, and annualised quarterly operating metrics. LTM periods as of 31/12/23 and 30/9/23 and 31/12/22 and 30/9/22. LTM revenue and LTM EBITDA growth rates are weighted by fair value.

16 Approximately 98% of the direct investment portfolio (measured on 31 December 2023 fair value) is on a no management fee, no carry basis to underlying third-party GPs. Key Information Document is available on NBPE's website.

17 Represents uplift from valuation versus the valuation three quarters prior to an announced exit. Includes partial realisations. Returns are presented on a "gross" basis (i.e. they do not reflect the management fees, carried interest, transaction costs and other expenses that may be paid by investors, which may be significant and will lower returns). Past performance is not a guarantee of future returns.

18 The FTSE All-Share Index represents the performance of all eligible companies listed on the London Stock Exchange's (LSE) main market, which pass screening for size and liquidity. The index captures 98% of the UK's market capitalization (FTSE All Share Factsheet, 28 March 2024, the latest data available). The benchmark performance is presented for illustrative purposes only to show general trends in the market for the relevant periods shown. The investment objectives and strategies in the benchmark may be different than the investment objectives and strategies of NBPE and may have different risk and reward profiles. A variety of factors may cause this comparison to be an inaccurate benchmark for any particular fund and the benchmarks do not necessarily represent the actual investment strategy of a fund. It should not be assumed that any correlations to the benchmark based on historical returns would persist in the future. Indexes are unmanaged and are not available for direct investment. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results.

19 Realisations announced in 2023, not all of which had closed. $171 million received during 2023, of which $20 million was received in 2023 from announced transactions during 2022.

20 Unfunded commitments are adjusted for amounts the Manager believes are unlikely to be called. As of 31 December 2023, actual unfunded commitments are comprised of $49.6 million, $27.0, and $5.3 million to direct equity investments, income investments, and fund investments, respectively. Unfunded amounts are to funds only and exclude direct investments committed to but not yet closed.

21 Assume re-investment of dividends at NAV on the ex-dividend date.

22 Valuation & Leverage: Past performance is no guarantee of future results. Fair value as of 31 December 2023 and subject to the following adjustments. 1) Excludes public companies, Marquee Brands and other investments not valued on a multiple of EBITDA. 2) Based on 65 private companies which are valued based on EV/EBITDA metrics, but excludes two companies due to the following: a) one company used an industry-specific metric as a measurement of cash flow b) one company was valued based on a recent transaction pricing. 3) The private companies included in the data represents 74% of direct equity investment fair value. 4) Companies not valued on multiples of trailing EBITDA are excluded from valuation statistics. 5) Leverage statistics exclude companies with net cash position and leverage data represents 75% of direct equity investment fair value. Portfolio company operating metrics are based on the most recently available (unaudited) financial information for each company and are as reported by the lead private equity sponsor to the Manager as of 19 April 2024, based on reporting periods as of 31 December 2023 and 30 September 2023. EV and leverage data is weighted by fair value.

23 **Debt Covenant Statistics:** Past performance is no guarantee of future results. Fair value as of 31 December 2023, subject to the following adjustments. 1) Excludes public companies.

2) Analysis based only on the top 30 private direct equity companies and excludes Marquee Brands. 3) The private companies included in the data represent approximately 69% of the total direct equity portfolio. 4) Debt covenant analysis does not consider springing debt covenants which may apply to certain draw percentages of underlying company revolvers. Portfolio company debt details are based on the most recently available (unaudited) financial information for each company and based on as reported by the lead private equity sponsor to the Manager as of 19 April 2024.

Debt Maturity: Past performance is no guarantee of future results. Based on 31 December 2023 fair value, with investment fair values weighted by the company's debt to total capitalization ratio. Fair value is also subject to the following adjustments: 1) Excludes public companies. 2) Analysis based only on the top 30 private direct equity companies and excludes Marquee Brands. 3) The private companies included in the data represent approximately 69% of the total direct equity portfolio. Portfolio company debt details are based on the most recently available (unaudited) financial information for each company and based on as reported by the lead private equity sponsor to the Manager as of 19 April 2024.

Interest Coverage Ratio: Past performance is no guarantee of future results. Based on LTM 31 December 2023 and LTM 30 September 2023 and weighted by fair value. Fair value is also subject to the following adjustments: 1) excludes public companies 2) analysis is based only on the top 30 private direct equity companies and excludes Marquee Brands 3) the private companies included in the data represent approximately 69% of the total direct equity portfolio. 4) Two companies, totalling $38 million of value were excluded from the values due to having no debt or negative EBITDA. 5) Two companies, totalling $34 million of value were excluded as they were announced realisations which were pending closing. Other portfolio company debt details are based on the most recently available (unaudited) financial information for each company and based on as reported by the lead private equity sponsor to the Manager as of 19 April 2024.

24 Investment strategies' ESG integration approaches may evolve over time. Unless explicitly noted, the ESG integration processes described in this document apply solely to the Private Equity Investment Portfolios and Co-investment Platform ("NB Private Equity").

25 For illustrative and discussion purposes only. This material is intended as a broad overview of the portfolio managers' style, philosophy and process and is subject to change without notice. ESG ratings for equities and fixed income are the Central Research Analysts' view of the environmental, social and governance characteristics of a company on material factors relative to the peer group. The summary output of the material factors evaluated by the Central Research Analysts are summarized as a proprietary resource available to the firm. ESG ratings developed for public securities are not directly applied to private markets. 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.

26 Based on direct investment portfolio fair value and NBAA analysis as 31 December 2023; analysis excludes third-party funds (which are past their investment period but which may call capital for reserves or follow-ons) and funds that are not deemed ESG integrated by the Manager. In aggregate these exclusions represent approximately 1% of fair value. There can be no assurance that NBPE will achieve comparable results in the future, that targeted diversification or asset allocations will be met, or that NBPE will be able to implement its investment strategy and investment approach or achieve its investment objective.

27 Based on Neuberger Berman Private Equity Analysis.

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

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

30 As of December 31, 2023. Among organizations with over 1,000 employees by Pensions & Investments Best Places to Work in Money Management survey. For additional information on the criteria for the award, please visit The Best Places to Work in Money Management in 2023 | Pensions & Investments (pionline.com).

31 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.

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