

NBPE Announces Publication of ZDP Prospectus

24 August 2016

Further to the announcement on 8 August 2016 regarding the publication of a Circular, the Board of NB Private Equity Partners Limited ("**NBPE**" or the "**Company**") announces that it today published a prospectus (the "**Prospectus**") containing full details of the Issue of up to 50 million new 2022 zero dividend preference shares ("**2022 ZDP Shares**") by way of a Rollover Offer of 2017 ZDP Shares into 2022 ZDP Shares, and an Offer for Subscription and an Initial Placing of 2022 ZDP Shares.

The Rollover Offer is being made available to all eligible holders of the Group's existing 2017 zero dividend preference shares ("**2017 ZDP Shares**") who will have the opportunity to convert (by way of re-designation) their 2017 ZDP Shares into 2022 ZDP Shares. The Offer for Subscription and the Initial Placing will provide new investors with an opportunity to invest in the 2022 ZDP Shares.

Benefits of the Issue

The Company believes that the creation of a new class of 2022 ZDP Shares will be beneficial for a number of reasons:

- The Directors believe that the current market environment continues to produce attractive investment opportunities for the Company and that such opportunities will continue to be available over the next several years. An issue of 2022 ZDP Shares would provide additional resources to enable the Investment Manager to take advantage of these opportunities without unduly affecting the Company's conservative capital structure and commitment coverage;
- The Issue of 2022 ZDP Shares will allow the Company to finance the redemption of the 2017 ZDP Shares, while leaving significant capacity under the existing Credit Facility and other funds available for making new investments;
- The Issue will enable the Company to continue to maintain an investment level at greater than 100 per cent. of the net asset value of the Class A Shares, which is expected to lead to continued growth in the Company's NAV as the Investment Manager takes advantage of market opportunities by deploying additional capital into attractive equity and debt investment opportunities alongside high-quality private equity sponsors;
- The Issue will provide greater diversity to the Group's sources of capital and a staggered maturity profile for its sources of finance; and
- The Rollover Offer provides a tax efficient opportunity for existing 2017 ZDP Shareholders to continue their investment and a cost efficient manner for the Company to refinance the 2017 ZDP Shares.

The Issue

The Company is seeking to create up to 50 million 2022 ZDP Shares by way of the Rollover Offer, Offer for Subscription and the Initial Placing. The Rollover Offer, Offer for Subscription and Initial Placing will be subject to the terms and conditions set out in the Prospectus.

The holders of 2022 ZDP Shares will be entitled to receive a capital sum on 30 September 2022. This capital sum per 2022 ZDP Share will be 100 pence increased at an annual rate equal to the 2022 ZDP gross redemption yield from the date of re-designation or issue (as applicable) until the 2022 ZDP Repayment Date being 30 September 2022.

Under the Rollover Offer, Eligible 2017 ZDP Shareholders are being given the opportunity to convert (by way of re-designation) some or all of their holding of 2017 ZDP Shares into new 2022 ZDP Shares at a Rollover Value per 2017 ZDP Share of 165.14 pence. Consequently each 2017 ZDP Share validly elected and accepted to participate in the Rollover Offer will be exchanged for 1.6514 2022 ZDP Shares (subject to the terms and conditions set out in the Prospectus and Form of Election). The Rollover Value broadly represents the current market value of the 2017 ZDP Shares being the average mid-market trading price of the 2017 ZDP Shares over the 30 trading days to 22 August 2016 (being the latest practicable date prior to the publication of the Prospectus). In addition, the Offer for Subscription and the Initial Placing will provide new investors with the opportunity to invest in the 2022 ZDP Shares.

The gross redemption yield (“**GRY**”) of the 2022 ZDP Shares will be determined by way of a book-build reflecting orders received pursuant to the Issue. Potential investors will be asked to indicate the number of 2022 ZDP Shares they wish to acquire at different gross redemption yields, ranging between 4.00 per cent. and 4.75 per cent. (in 6 increments of 0.15 per cent. each), or at the strike GRY. All elections and/or applications for 2022 ZDP Shares received pursuant to the Rollover Offer, the Offer for Subscription and the Initial Placing will be aggregated, showing the amount of demand at each GRY. The 2022 ZDP GRY shall be set at the lowest gross redemption yield at which valid elections under the Rollover Offer, and applications under the Offer for Subscription and the Initial Placing, have been received subject to a minimum issue size of 25 million new 2022 ZDP Shares being achieved. In the case where there are multiple possibilities for the 2022 ZDP GRY, the 2022 GRY will be set by the Directors on the basis of the number of elections and/or applications at each such possibility and the investment opportunities available to the Company. The 2022 GRY will be announced as part of the results of the Issue.

The gross proceeds will be utilised by the Company, at its discretion, in accordance with its investment strategy and/or to finance the 2017 ZDP Final Capital Entitlement of the 2017 ZDP Shares on maturity.

The Issue is for up to a maximum of 50 million 2022 ZDP Shares of no par value, to be issued at 100 pence per 2022 ZDP Share. The Total Net Proceeds will be dependent upon the number of 2022 ZDP Shares issued pursuant to the Issue and the proportion of these that are issued pursuant to the Rollover Offer. If the total number of 2022 ZDP Shares arising pursuant to the Rollover Offer, and issued pursuant to the Offer for Subscription and the Initial Placing, is less than 50 million, then the Company may carry out further Placings (any such placing, a “**Subsequent Placing**”) in the future, at its sole discretion. However, the Rollover Offer will be the only opportunity that existing 2017 ZDP shareholders will have to roll their existing shares into 2022 ZDP Shares.

The Issue is conditional on:

- (1) the approval of the Class A Shareholders by ordinary resolution, which will be sought at a meeting of the Class A Shareholders to be held on 7 September 2016;
- (2) the approval by the Company by special resolution, which will be sought through written resolutions of the Class B Shareholder (which holds the voting rights in the Company) on or around 7 September 2016;
- (3) valid elections under the Rollover Offer and/or applications under the Offer for Subscription and the Initial Placing being received in respect of at least 25 million 2022 ZDP Shares;
- (4) satisfaction of the 2017 ZDP Cover Test (as such is more fully described in the Prospectus); and
- (5) Admission of the 2022 ZDP Shares arising or issued pursuant to the Rollover Offer, the Offer for Subscription and the Initial Placing.

Application will be made to the London Stock Exchange for the 2022 ZDP Shares to be admitted to trading on the Specialist Fund Segment of the London Stock Exchange's Main Market.

If existing 2017 ZDP Shareholders choose not to participate in the Rollover Offer they will continue to be entitled subject to the Articles, to receive the existing 2017 ZDP Final Capital Entitlement of 169.73 pence per ZDP share which they hold on 31 May 2017.

ZDP Cover Ratios

The 2022 ZDP GRY will impact the 2022 ZDP Final Capital Entitlement, 2022 ZDP Final Net Asset Cover, 2022 ZDP Final Debt Cover and 2022 ZDP Hurdle Rate (as such are more fully described in the Prospectus). The table below sets out the illustrative cover ratios at gross redemption yields between 4.00 per cent. and 4.75 per cent.

2022 ZDP GRY	4.00%	4.15%	4.30%	4.45%	4.60%	4.75%
2022 ZDP Final Capital Entitlement	126.74	127.85	128.96	130.09	131.22	132.36
2022 ZDP Hurdle Rate	(19.1)%	(19.0)%	(19.0)%	(19.0)%	(18.9)%	(18.9)%
2022 Estimated Final Net Asset Cover	9.3x	9.2x	9.1x	9.0x	9.0x	8.9x
2022 Estimated Final Debt Cover	9.0x	8.9x	8.8x	8.7x	8.7x	8.6x

The statistics are calculated on the basis of the assumptions disclosed in Part 1 of the Prospectus.

2022 ZDP Class Rights

The 2022 ZDP class rights are protections for 2022 ZDP Shareholders which will be enshrined in the Company's articles of incorporation. These include restrictions on the Company issuing further shares and paying dividends out of capital unless the 2022 ZDP Cover (being the ratio of the Company's gross asset value to the aggregate of the 2022 ZDP Final Capital Entitlement and any other prior charges of the Company with respect to credit facilities or any equity or debt securities issued by the Company, the calculation of which is more fully described in the Prospectus) is at least 2.75:1 immediately following such action. Further details on the rights of the 2022 ZDP Shareholders are included in the Prospectus.

Prospectus Publication

The Prospectus has been approved by the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten). The Prospectus will be posted to existing 2017 ZDP shareholders shortly, as well as being made available on the Company's website at www.nbprivateequitypartners.com and on the National Storage Mechanism at <http://www.morningstar.co.uk/uk/NSM>.



Timetable

Latest time for receipt of the Forms of Election under the Rollover Offer	1 p.m. on 12 September 2016
Latest time for receipt of Application Forms under the Offer for Subscription	1 p.m. on 12 September 2016
Record Date for the Rollover Offer	5 p.m. on 12 September 2016
Latest time for receipt of placing commitments under the Initial Placing	1 p.m. on 13 September 2016
Announcement of the results of the Rollover Offer, the Offer for Subscription and the Initial Placing	14 September 2016
Admission and unconditional dealings in the 2022 ZDP Shares to commence on the SFS	8 a.m. on 16 September 2016
CREST Accounts credited with 2022 ZDP Shares in respect of the Rollover Offer, the Offer for Subscription and the Initial Placing	16 September 2016
Certificates despatched for the 2022 ZDP Shares	Approximately one week following the Admission of the 2022 ZDP Shares

References to times are to London times. Any changes to the expected timetable will be notified by the Company through a Regulatory Information Service.

Capitalised terms used but not defined in this announcement shall, unless the context requires otherwise, have the same meaning as in the Prospectus.

This announcement contains inside information in relation to the Company.

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Chairman

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ABOUT NB PRIVATE EQUITY PARTNERS LIMITED

NBPE is a closed-end private equity investment company with class A ordinary shares admitted to trading on Euronext Amsterdam and the Specialist Fund Segment of the London Stock Exchange. NBPE has ZDP shares admitted to trading on the Specialist Fund Segment of the London Stock Exchange and the Daily Official List of The Channel Islands Securities Exchange Authority Limited. NBPE holds a diversified portfolio of direct income investments, equity investments and fund investments selected by the NB Alternatives group of Neuberger Berman, diversified across private equity asset class, geography, industry, vintage year, and sponsor.

ABOUT NEUBERGER BERMAN

Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager. The firm manages equities, fixed income, private equity and hedge fund portfolios for institutions and advisors worldwide. With offices in 19 countries, Neuberger Berman's team is approximately 2,000 professionals and the company was named by Pensions & Investments as a Best Place to Work in Money Management for three consecutive years. Tenured, stable and long-term in focus, the firm fosters an investment culture of fundamental research and independent thinking. It manages \$243 billion in client assets as of June 30, 2016. For more information, please visit our website at www.nb.com.

This announcement appears as a matter of record only and does not constitute an offer to sell or a solicitation of an offer to purchase any security. Recipients of this announcement who are considering acquiring 2022 ZDP Shares are reminded that any such acquisition must be made only on the basis of the information contained in the Prospectus which may be different from the information contained in this announcement.

NBPE is established as a closed-end investment company domiciled in Guernsey. NBPE has received the necessary consent of the Guernsey Financial Services Commission and the States of Guernsey Policy Council. NBPE is registered with the Dutch Authority for the Financial Markets as a collective investment scheme which may offer participations in The Netherlands pursuant to article 2:66 of the Financial Markets Supervision Act (Wet op het financieel toezicht). All investments are subject to risk. Past performance is no guarantee of future returns. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results. This document is not intended to constitute legal, tax or accounting advice or investment recommendations. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of NBPE's investment manager. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Additionally, this document contains "forward-looking statements." Actual events or results or the actual performance of NBPE may differ materially from those reflected or contemplated in such targets or forward-looking statements.

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