NEUBERGER | BERMAN

For the year ended
31 December 2018

NB Private Equity Partners Limited

2018 Annual Financial Report & Consolidated Financial Statements

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NB PRIVATE EQUITY PARTNERS LIMITED | LETTER FROM THE CHAIRMAN

"The directors and I believe the actions to enhance governance and board composition will be a strong positive for the Company over time."

Dear Shareholder,

I am pleased to present the 2018 Annual Financial Report of NB Private Equity Partners Limited ("NBPE" or the "Company"). Following a number of enhancements during 2017 to the Company's corporate governance and listing arrangements, I am pleased to report that this effort continued during 2018, with a number of notable accomplishments. During 2018, the Company raised a new class of 2024 Zero Dividend Preference Shares ("2024 ZDPs") to provide capacity for additional investments and diversify the Company's financing sources. In September of 2018, in conjunction with the announcement of additional strategic actions, the Company announced several enhancements to governance and board composition. The directors and I believe the actions to enhance governance and board composition will be a strong positive for the Company over time. Finally, the portfolio continues to develop well and produced a total return Net Asset Value ("NAV") increase of 5.5% in 2018.

In terms of governance enhancements, in September 2018, Neuberger Berman agreed to reduce its board representation from two directors to one director and John Buser, Executive Vice Chairman of Neuberger Berman Private Equity, announced that he would step down from the board following the 2018 Annual General Meeting. As Mr. Buser is an important member of the Neuberger Berman Private Equity investment team and Investment Committee, he will remain closely involved with the portfolio management of NBPE. The board and I would like to thank Mr. Buser for his 11 years of service as a director.

With Mr. Buser's departure from the board and my planned retirement from the board in 2019, the directors formed a Nomination & Remuneration Committee to begin a robust selection process with the assistance of Cornforth Consulting to appoint two new independent directors to the board. This resulted in the appointment of William Maltby and Wilken von Hodenberg as new independent non-executive directors, effective from 21 March 2019.

With regard to my retirement from the board, the board believes it is in the best interest of the Company that I continue as Chairman until this year's Annual General Meeting to provide continuity during the board's evolution. The board believes this transition will allow me to pass along valuable knowledge and experience over a reasonable timeframe whilst introducing new insight and perspectives to the board. Following this transition period, I will not seek re-election at the 2019 Annual General Meeting and it is expected William Maltby will assume the duties of chairman. The directors and I believe these efforts are important for the Company, in the best interests of shareholders over the long term and in line with the UK Code of Corporate Governance.

In addition to the significant enhancements to corporate governance, I am pleased to report the Company also completed a number of strategic initiatives. First, in May 2018, the Company raised £50 million of 2024 ZDP shares at a Gross Redemption Yield ("GRY") of 4.25%, which mature on 30 October 2024. The issuance was oversubscribed and received strong support from investors. The Board was pleased with the outcome, believing it demonstrated strong confidence among investors in the Company's portfolio and prospects. The 2024 ZDPs provide further diversification in the Company's financing structure and permitted capacity for new investments. In September 2018, the Company announced a new dividend policy, targeting an annualised yield of 3.0% or greater on NAV. This target is intended to increase transparency and to assist investors seeking regular and sustainable income. It should be noted that should a short-term decline in NAV occur, it is not the Company's intention to reduce dividends. This yield is a target only, is conditional on the passing of the solvency test under Guernsey law and is not guaranteed. In an effort to improve the rating of the Company's shares, the board announced the delisting from Euronext to consolidate trading in London on 20 December 2018 (as well as a new US Dollar denominated share quote on the London Stock Exchange). The delisting and consolidation in London is expected to result in reduced costs to the Company and maximise liquidity on one exchange. In addition, a new share buyback agreement with Jefferies International Limited was entered into by the Company in January 2019. The board believes share repurchases can be attractive and an effective use of capital, given recent trading discount levels. The board believes both of these initiatives will be beneficial to the Company over the long run. Subsequent to the 31 December 2018 reporting period, and through the issuance date of this report, NBPE has repurchased 147,296 shares at a weighted average discount to NAV of 22%, which has resulted in total NAV per share accretion of approximately $0.01.

NB PRIVATE EQUITY PARTNERS LIMITED | LETTER FROM THE CHAIRMAN

The final strategic initiative during 2018 was the sale of 14 legacy fund investments at 86% of their 30 June 2018 reported NAV, which generated total proceeds of $19.4 million on a cash flow adjusted basis. At closing NBPE received proceeds of approximately $9.7 million, with the remaining 50% of the proceeds subject to a 12 month deferral. The board was pleased with the outcome of this process, which further reduced the size of the legacy fund portfolio to approximately $53.7 million, or 5.3% of private equity fair value, as of 31 December 2018. At year end, approximately 95% of the portfolio was therefore invested in direct investments. This sale highlights the board and the Manager's continued focus on its direct investment strategy, as well as a focus on optimising the portfolio to deploy capital to what we believe are the most attractive opportunities.

Whilst 2018 was successful in terms of strategic actions and important corporate governance enhancements, I am pleased to further report the Company also demonstrated positive portfolio development and a steady new investment activity during the year. During 2018, NBPE funded $220.1 million to new investments, of which $152.3 million was funded to 23 new direct equity investments. Investments were made across various sectors such as business services, consumer, technology, financials and industrial sectors. Common investment themes during the year were in businesses with strong financial performance and business models, market leading positions that the Manager believes are defensible due to high barriers to entry or sticky customer bases, and in businesses with positive market dynamics or secular tailwinds. In addition, the Manager believes new investments were alongside leading, hands-on private equity firms with strong investment skill-sets.

The investment portfolio generated a gross Internal Rate of Return ("IRR") of 7.5% during 2018, driven by direct equity investments. Overall, direct equity investments generated a gross IRR of 8.6%. However, if one excludes companies which were publicly listed as from year-end, the private direct equity investment portfolio generated a gross IRR of 15.7%. The difference between these two numbers is largely explained by the public market performance during the fourth quarter of 2018. Income investments generated a gross IRR of 5.8% during the year, and the gross IRR of fund investments was 1.1%, after the aforementioned sale of 14 legacy funds at 86% of 30 June 2018 NAV. Due to strong historical realisations, NBPE has a relatively young but maturing portfolio of investments, which the directors and I believe is developing well. Notably, NBPE's 2016 and 2017 investments showed strong operational performance during 2018. Across the equity portfolio, underlying investments generated LTM revenue and LTM EBITDA growth of 6.4% and 14.0%, respectively, which is expected to drive value in future periods. During 2018, this investment performance resulted in a total return NAV increase of 5.5% during 2018 (in Sterling terms the NAV increase was 11.9%).

NBPE's share price was down 1.0% on a total return basis during 2018 (and down 6.6% in USD terms). NBPE's share price was impacted along with other public markets and listed private equity companies during December 2018; however, the Company's Sterling share price outperformed the FTSE all-shares and MSCI world indices by 1,020 and 944 basis points respectively. Whilst performance was negative for the year, the directors view the Company's share price performance relative to other broader equity market indices favourably and believes this demonstrates the strength of the underlying businesses in the private equity portfolio.

My colleagues and I are pleased with the year, particularly in light of the challenging year across many asset classes. The directors and I believe the continuation of board enhancements during the year will bring new perspectives and fresh insights, whilst positioning the Company with a strong corporate governance foundation for the years ahead. Even in light of volatile equity markets during the final weeks of 2018, the Company's portfolio continued to perform well.

Talmai Morgan

Chairman

Guernsey, 12 April 2019

ABOUT NBPE

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

Investment Strategy

NBPE invests in the equity and debt of private equity-backed companies, across the capital structure in the best relative value opportunities. Equity investments are made alongside leading private equity firms. The Company seeks investments across a variety of situations including new buyouts and "mid-life" transactions, which are investments into existing private equity sponsor portfolio companies, often to fund an acquisition or provide partial liquidity to investors. The Company also invests in the debt of private equity backed companies, including first and second lien debt and mezzanine. Investments are made both on a primary basis to finance new buyouts and through secondary trades in the open market. Investments acquired through secondary trades often may be purchased at discounts to face value based on the current market trading price. In these situations, NBPE aims to take advantage of misunderstood credits, or mispricings or in other dislocations which affect the market price of the security.

About the Company

NBPE is a closed-ended private equity investment company with 48,790,564 class A shares outstanding and 10,000 class B shares outstanding (together, the "Ordinary shares"), 50,000,000 2022 ZDP Shares and 50,000,000 2024 ZDP Shares outstanding. The class A shares are admitted to trading on the Premium Segment of the Main Market of the London Stock Exchange. NBPE has 2022 and 2024 ZDP Shares admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange ("Specialist Fund Segment").

129

Direct investment portfolio companies

58

Underlying private equity sponsors

$1,020M

Total private equity assets

INVESTMENT MANAGER | OVERVIEW

About the Manager

NBPE is managed by NB Alternatives Advisors LLC, the private equity group of Neuberger Berman (the "Manager" or the "Investment Manager"), which manages over $65 billion of private equity assets across multiple strategies. The Investment Manager has 30 years of investing experience specialising in direct equity investments, income investments, private equity funds and secondary investments and has built deep relationships with leading private equity fund managers over that time.

The Company is managed by the Investment Manager pursuant to an Investment Management Agreement, dated 2 May 2017. Subject to the Board's overall strategic direction and instructions, the Investment Manager makes all of the Company's investment decisions. The Board has delegated to the Investment Manager the day-to-day management and operations of the Company, including sourcing, evaluating and making investment decisions related to the Company and executing the Company's business plan. The Manager's Investment Committee is comprised of 12 members, with an average of over 30 years of experience. The 12 members of the Investment Committee average 16 years with the firm and all of the Investment Committee members have been with the private equity team for at least 10 years. The sourcing and evaluation of the Company's investments are conducted by the Investment Manager's team of over 150 investment professionals who specialise in direct equity investments, income investments and fund investments. The Investment Manager currently maintains offices in New York, London, Boston, Dallas, Hong Kong, Milan, Zurich and Bogotá.

About Neuberger Berman

Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager. The firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity and hedge funds—on behalf of institutions, advisors and individual investors globally. With offices in 22 countries, Neuberger Berman's team is more than 2,000 professionals. For five consecutive years, the company has been named first or second in Pensions & Investments Best Places to Work in Money Management survey (among those with 1,000 employees or more). Tenured, stable and long-term in focus, the firm fosters an investment culture of fundamental research and independent thinking. It manages $304 billion in client assets as of 31 December 2018. For more information, please visit Neuberger Berman's website at www.nb.com.

400+

Active relationships with private equity firms

$7BN

Committed to private equity over the last three years[1]

+$65BN

Commitments managed[2]

1. Average committed capital from 2016 to 2018.
2. As of 31 December 2018, including commitments in the process of documentation.

Financial Highlights

Strong balance sheet with **$1,020 million** of private equity assets

Investment level **increased** from 113% **to 117%** as of 31 December 2018

Financial Summary	At 31 December 2018	At 31 December 2017
Net Asset Value ("NAV") of the Ordinary Shares	$872.2m	$851.5m
Direct Equity Investments[1]	$831.1m	$698.6m
Income Investments	$135.1m	$155.2m
Fund Investments	$53.7m	$107.6m
Total Private Equity Fair Value	$1,019.9m	$961.4m
Private Equity Investment Level	117%	113%
Cash and Cash Equivalents	$23.0m	$25.7m
Credit Facility Borrowings Drawn	($40.0m)	($60.0m)
2022 & 2024 ZDP Share Liabilities (Dollar equivalent liabilities)	($134.9m)	($71.1m)
Net Other Liabilities	$4.2	($4.5m)
NAV per Ordinary Share (USD)	**$17.87**	**$17.45**
NAV per Ordinary Share (GBP)	**£14.03**	**£12.91**
NAV per Ordinary Share including dividends paid during financial period	**$18.40**	**$17.95**
ZDP Shares (2022 / 2024)	£54.7m / £51.2m	£52.6m / -
Net Asset Value per ZDP Share (2022 / 2024)	109.41p / 102.48p	105.21p / -
Dividends per Ordinary Share:		
Dividends paid during financial period	$0.53	$0.50
Cumulative dividends paid since inception	$2.87	$2.34

Note: Numbers may not sum due to rounding.

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

STRATEGIC REPORT | 2018 KEY HIGHLIGHTS

2018 Total Return Performance

5.5% NAV per Share[1]

(1.0%) Share price[1]

Portfolio at 31 December 2018

87% Equity investments[2]

13% Income investments

Cash Flows during 2018

$236.4M* from Realisations **to NBPE**

$220.1M Invested into **New Direct Investments and Follow-ons into Existing Investments**

Dividends Paid to Shareholders

$0.53 per Share paid during financial period

4.4% Annualised yield on share price at 31 December 2018

1. *Assumes re-investment of dividends at the closing NAV or share price, respectively, on the ex-dividend date. NAV total return figures reflect cumulative returns over the period shown and are based on USD. Share price return data based on London Stock Exchange, based on GBP returns.*
2. *Includes fund investments, including some which have a credit orientation.*

**Figure is presented on the basis of the completion of the secondary sale transaction. Four funds in the secondary sale with $5.0 million of fair value were transferred with an effective date of 1/1/2019 and as such, these four funds were still held on NBPE's balance sheet as of 31/12/2018. At 31/12/2018, NBPE had received $2.5 million of cash related to the sale of these funds and recorded a payable.*

2018 Results

Gross portfolio IRR of **7.5%**[1]

$59.5m or $1.22 per share of **realised gains**

Rate of ongoing charges of 2.06%[2]

Results	Value in Millions	USD per Share
31 December 2017 Net Asset Value	**$851.5 M**	**$17.45**
Portfolio Development		
+ Realised Gains	$59.5 M	$1.22
- Unrealised Losses	($3.0) M	($0.06)
+ Yield Income & Dividends	$17.4 M	$0.36
Fees / Expenses		
- Management Fees & Operating Costs	($17.9) M	($0.37)
- Interest & Financing Costs	($9.3) M	($0.19)
FX Changes		
- Foreign Exchange Movements	($0.1) M	-
Dividends Paid to Shareholders		
- Dividends Paid	($25.9) M	($0.53)
31 December 2018 Net Asset Value	**$872.2 M**	**$17.87**

Note: Numbers may not sum due to rounding.
1. Based on a point-to-point internal rate of return at the portfolio level from 31 December 2017 to 31 December 2018.
2. Rate of ongoing charges as defined by the AIC. Note 12 in the notes to the Consolidated Financial Statements presents an expense ratio in accordance with US GAAP.

Portfolio Summary

152 total investments and total private equity value of $1,019.9M

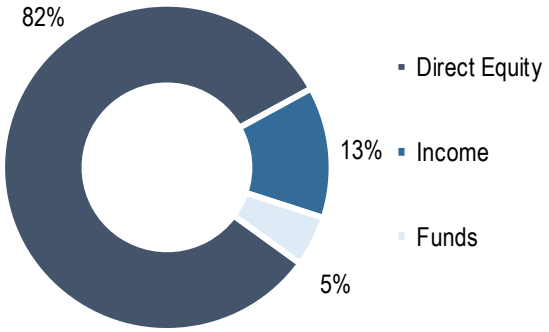
NBPE's portfolio is comprised of three main types of assets: direct equity investments, income investments and fund investments. NBPE is actively investing in direct equity and income investments and the relative weighting of each may shift over time, as the Manager seeks the best relative value opportunities.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

Portfolio Summary	Investments	Fair Value	Unfunded[1]	Exposure[1]
Direct Equity Investments	102	$831.1m	$37.9m	$869.0m
Income Investments	27	$135.1m	$48.5m	$183.6m
Fund Investments	23	$53.7m	-	$53.7m
Total Private Equity	**152**	**$1,019.9m**	**$86.4m**	**$1,106.3m**

Note: Numbers may not sum due to rounding.

1. *Please refer to page 24 for more information on unfunded commitments to funds past their investment period. Actual unfunded commitments and total exposure is $223.3 million and $1.2 billion, respectively. Actual unfunded commitments is comprised of $115.1 million, $85.8 million, and $22.5 million to direct equity investments, income investments, and fund investments, respectively. Actual total exposure is $942.0 million, $225.0 million, and $76.2 million to direct equity investments, income investments, and fund investments, respectively.*

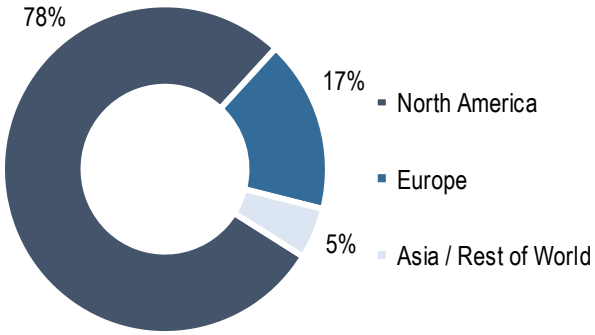
Investment Type



Weighted to Direct Equity Investments

NBPE pursues the securities that the Manager believes present the most attractive risk / return opportunity. Currently the portfolio is weighted to direct equity investments, and 13% of the portfolio is in income investments. Fund investments represent 5% of private equity fair value and the fund portfolio will continue to become a smaller portion of NBPE's private equity fair value as these funds wind-down.

Geography



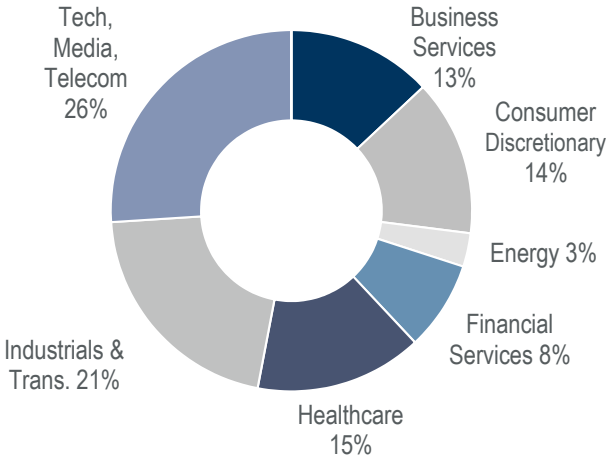
Weighted to North America

NBPE's portfolio is weighted to North American investments. This is the largest private equity market globally and the Manager believes the overall dynamics in this market relative to other geographies have generally offered the most attractive investment opportunities. The Manager is constantly monitoring and evaluating markets globally and may adjust this strategy over time. Approximately 17% of NBPE's portfolio is invested in European companies and 5% in other parts of the world, primarily Asia and Latin America.

Note: Numbers may not sum due to rounding.

Industry

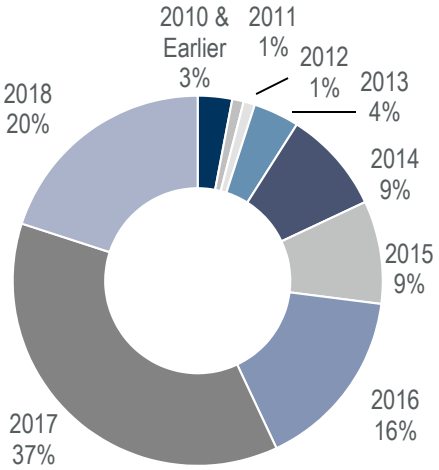
Broadly diversified across industries



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

Year of Investment

Diversified by vintage year, with limited exposure to older vintages



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

Note: Numbers may not sum due to rounding.

NBPE Portfolio by Asset Type Over Time

As of 31 December 2018, approximately 95% of the private equity fair value was invested in direct equity and direct income investments. The portfolio has been repositioned away from fund investments and we expect the fund portfolio to continue to wind down organically and/or through additional secondary sales over the relatively short term.

NBPE Performance Measured by Gross IRR

Investment Type	% of Fair value*	2018	Three Year	Five Year
Direct Equity Investments	81.9%	8.6%	17.6%	19.5%
Income Investments	13.3%	5.8%	9.5%	9.3%
Fund Investments	4.8%	1.1%	5.5%	4.9%
Total Portfolio	**100%**	**7.5%**	**13.8%**	**13.2%**

During 2018, NBPE's portfolio generated a gross IRR of 7.5%, driven by its direct equity investments. In total, the investment portfolio has performed well over one, three and five year time periods.

Direct Equity Investments

During 2018, direct equity investments appreciated in value by $60.7 million and generated an internal rate of return of 8.6%. The top five investments measured by 2018 value appreciation – MHS, Staples, Engineering, FV Hospital and USI – in aggregate, appreciated by $55.5 million. As of 31 December 2018, approximately $58.3 million of NBPE's direct equity portfolio fair value was held in public securities following $28.5 million of valuation decreases in the portfolio in the fourth quarter of 2018 (adjusted for fourth quarter distributions of public stock). Excluding investments which were public as of year end, the direct equity investment portfolio generated an IRR of 15.7%.

Income Investments

One year returns in the income portfolio were lower than in prior years and below expectations, driven primarily by one income investment which was undergoing a restructuring as of year end and has been marked down to its estimated recovery value. Subsequent to this reporting period, in February 2019, the Company's debt position converted into equity of the newly re-organised business. Longer term performance in this asset class over three and five years has been in line with expectations.

Fund Investments

Fund investments are "tail-end" positions and as discussed above, are winding down over time. During the fourth quarter, the Company sold a portfolio of 14 fund investments at 86% of their reported 30 June 2018 NAV. In total, NBPE received approximately $19.4 million of proceeds on a cash flow adjusted basis. At closing, NBPE received total proceeds of $9.7 million, with the remaining 50% of the proceeds subject to a 12 month deferral. Following this sale, NBPE has 19 remaining legacy fund interests remaining. After the sale, the top five largest fund positions represented 73.8% of the total legacy fund investment fair value.

**Figure is presented on the basis of the completion of the secondary sale transaction. Four funds in the secondary sale with $5.0 million of fair value were transferred with an effective date of 1/1/2019 and as such, these four funds were still held on NBPE's balance sheet as of 31/12/2018. At 31/12/2018, NBPE had received $2.5 million of cash related to the sale of these funds and recorded a payable.*

Direct Equity Investments

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

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

INVEST IN NEW DEALS

NEW BUYOUTS

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

CO-INVEST "MID-LIFE" INTO EXISTING PRIVATE EQUITY PORTFOLIO COMPANIES

ADD-ON ACQUISITIONS / GROWTH CAPITAL

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

May also provide equity capital to recapitalize a company's balance sheet.

STRATEGIC REPORT | DIRECT EQUITY INVESTMENTS

Portfolio

The direct equity portfolio is comprised of 102 investments with a fair value of $831.1 million. The top 10 investments by fair value represent approximately 30.8% of NAV and the top 20 investments represent 46.9% of NAV. The portfolio consists primarily of buyout investments and is diversified across industry, vintage year and sponsor. The portfolio includes investments with unique investment angles and the Manager seeks investments which have multiple value creation levers including: strong sponsors and management teams, industry growth or secular trends, growth of new markets or product offerings, operational enhancements or clear exit paths and the potential for shorter paths to liquidity. The portfolio is weighted towards buyout investments and the average holding period of investments currently held in the portfolio is 3.0 years.

Overview of 2018

During 2018, NBPE deployed $152.3 million into 23 new equity investments and $18.7 million in a portfolio of 13 mature Italian middle-market buyout companies. The new investments are primarily in industrials, consumer, healthcare and technology companies across North America and Europe. NBPE also completed $15.0 million to follow-on investments during 2018, including an additional investment in MHS, an e-commerce infrastructure and automation company.

During 2018, the direct equity portfolio generated a gross IRR of 8.6% (15.7% excluding publics) driven by strong operating performance at the underlying company level as well as exits across the portfolio during the period.

Exit & IPO Activity

During 2018, the direct equity portfolio generated distributions of $114.1 million. NBPE received proceeds from the final sale of Black Knight Financial Services (NYSE: BKI) and ongoing liquidation of public positions including Gardner Denver (NYSE: GDI), Evoqua (NASDAQ: AQUA) and Aruhi (TYO:7198). NBPE also received partial exit proceeds from Warranty Group (in addition to stock consideration in Assurant, NYSE: AIZ) and cash proceeds from Vencore (in addition to shares of the merged company, Perspecta, NYSE: PSRP).

NBPE fully exited five direct equity investments in 2018, which generated total proceeds of $64.1 million (inclusive of prior realisations). On a combined basis, the investments generated a 1.9x gross multiple of capital and a 25% gross IRR (inclusive of prior realisations and remaining escrow). The average hold period of the five investments was 3.6 years, while the uplift at exit averaged 41% relative to the valuation one quarter prior to the exit announcement[2]. In addition, Aster DM Healthcare (NSE:ASTERDM), BrightView (NYSE:BV), Solarwinds (NYSE: SWI) and Shelf Drilling (SHLF.OL) completed IPOs during 2018.

Key Stats[1]

(as of 31 December 2018)

11.6x

EV / EBITDA Valuation Multiple

4.5x

EBITDA / Net Debt Multiple

6.4%

LTM Revenue Growth

14.0%

LTM EBITDA Growth

Full Exits / Sales:

Financial Services Company*

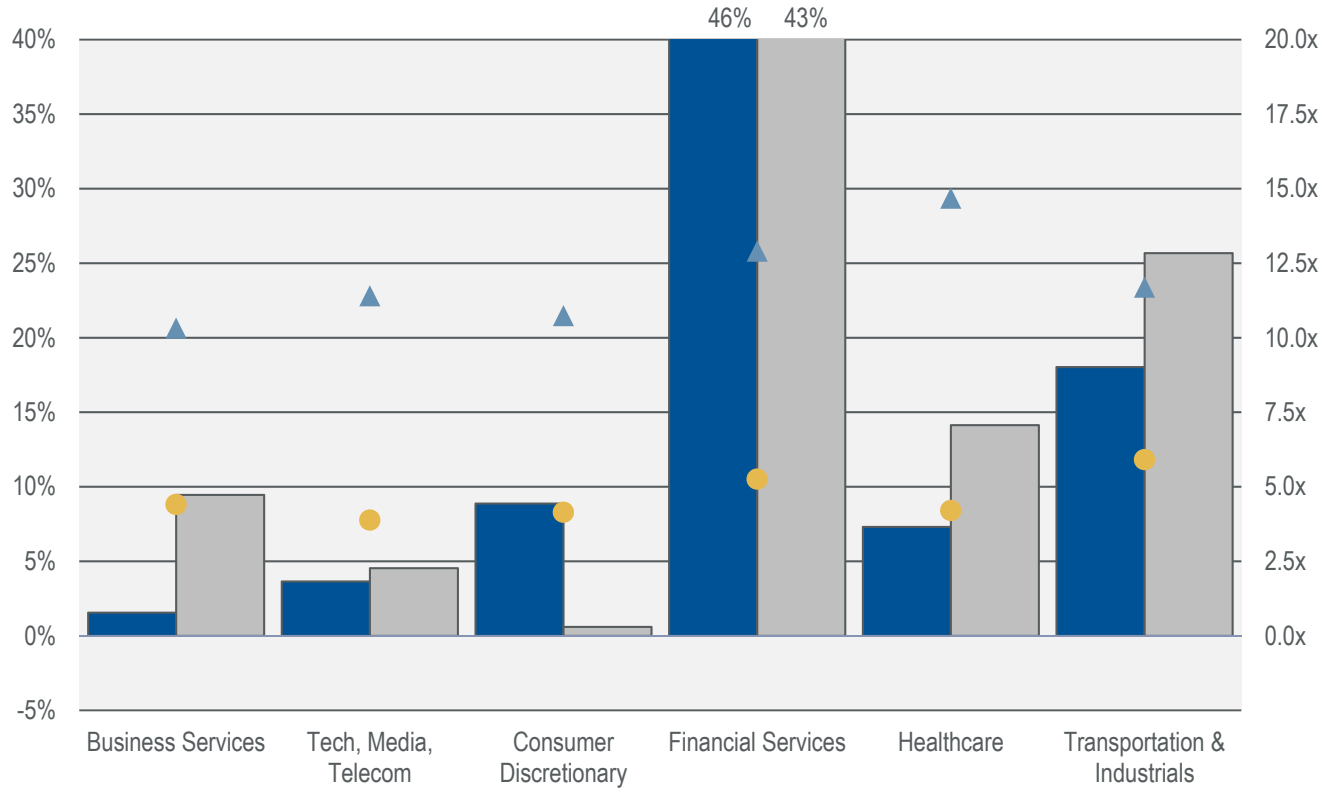
Due to confidentiality provisions, company name cannot be disclosed.

1. Analysis based on 76 private companies, representing 82% of direct equity fair value and excludes public companies, equity invested alongside healthcare credits, financial services companies valued on a multiple of book value or other income metrics, E&P companies valued on acreage or reserves and escrow value (ie companies valued on metrics other than EBITDA). Revenue and EBITDA of companies denominated in foreign currency are converted to US Dollars at the average US Dollar exchange rate for the 12 month period from 31/12/17 through 31/12/18; leverage and enterprise value is converted to US Dollars at the year end exchange rate. Companies valued on a revenue multiple are excluded from EV/EBITDA metrics; one carve-out transaction is excluded due to not meaningful financial data comparisons year over year. Portfolio company operating and valuation metrics are based on the most recently available (unaudited) financial information for each company. Where necessary, estimates were used, which include pro forma adjusted EBITDA and revenue, annualised quarterly operating metrics and LTM periods as of 30/9/18 and 31/12/18. Data weighted by private equity fair value as of 31 December 2018.

2. Excluding partial sales of BKI stock.

Operating Performance, Valuation & Leverage[1]

The figure below illustrates the key operating, valuation, and leverage statistics for private companies in the direct equity portfolio by industry sector. In conducting the analysis, the Investment Manager utilised the most recently available information to estimate the year-over-year growth in revenue and EBITDA for each company. In addition, the Investment Manager analysed the most recently available valuation multiple (enterprise value to EBITDA) and leverage multiple (net debt to EBITDA) for each company. Companies without meaningful EBITDA or where EBITDA is not a meaningful valuation metric (for example, in certain Exploration & Production companies valued on reserves or acreage or companies valued on a revenue multiple), were excluded from those parts of the analysis. The aggregate metrics by industry sector represent weighted averages based on the fair value of each underlying company at 31 December 2018.



	Business Services	Tech, Media, Telecom	Consumer Discretionary	Financial Services	Healthcare	Transportation & Industrials
Fair Value ($mm):	**$122.5**	**$225.5**	**$92.7**	**$32.9**	**$74.2**	**$130.2**
# of Companies:	**8**	**27**	**16**	**3**	**9**	**13**

1. Analysis based on 76 private companies, representing 82% of direct equity fair value and excludes public companies, equity invested alongside healthcare credits, financial services companies valued on a multiple of book value or other income metrics, E&P companies valued on acreage or reserves and escrow value (ie companies valued on metrics other than EBITDA). Revenue and EBITDA of companies denominated in foreign currency are converted to US Dollars at the average US Dollar exchange rate for the 12 month period from 31/12/17 through 31/12/18; leverage and enterprise value is converted to US Dollars at the year end exchange rate. Companies valued on a revenue multiple are excluded from EV/EBITDA metrics; one carve-out transaction is excluded due to not meaningful financial data comparisons year over year. Portfolio company operating and valuation metrics are based on the most recently available (unaudited) financial information for each company. Where necessary, estimates were used, which include pro forma adjusted EBITDA and revenue, annualised quarterly operating metrics and LTM periods as of 30/9/18 and 31/12/18. Data weighted by private equity fair value as of 31 December 2018.

Largest Companies in the Direct Equity Investment Portfolio

The table below shows the largest company exposures in the portfolio. The top ten investments represented approximately 30.8% of NBPE's NAV and no company was larger than 4.5% of NAV.

Investment / Description	Status	Year of Investment	Asset Class	Equity Sponsor	NBPE Fair Value
Material Handling Systems Infrastructure and automation outsourcing	Private	2017	Mid-cap Buyout	Thomas H Lee	$37.4 million
Staples B2B and retail supplies of office products	Private	2017	Special Situations	Sycamore Partners	$30.1 million
Engineering Italian IT firm	Private	2016	Mid-cap Buyout	NB Renaissance	$29.0 million
Business Services Company* Business services company	Private	2017	Large-cap Buyout	Not Disclosed	$27.6 million
USI Insurance Insurance brokerage & consulting services	Private	2017	Large-cap Buyout	KKR	$26.0 million
ProAmpac Leading global flexible packaging company	Private	2016	Mid-cap Buyout	Pritzker Group	$24.9 million
Telxius Telecommunications infrastructure	Private	2017	Large-cap Buyout	KKR	$21.9 million
QPark European parking services provider	Private	2016	Large-cap Buyout	KKR	$21.4 million
Marquee Brands Licensed consumer branded IP assets	Private	2014	Special Situations	Neuberger Berman	$19.9 million
Standard Aero Aircraft maintenance, repair and overhaul services	Private	2015	Mid-cap Buyout	Veritas Capital	$17.6 million
Total Top Ten Largest Exposures					**$255.9 million**

Note: Numbers may not sum due to rounding.
**Due to confidentiality provisions, company name cannot be disclosed.*

New Direct Equity Investments

$152.3 million invested into 23 new direct equity investments during 2018

avantor

Industry: Industrials

Sponsor: New Mountain Capital / Goldman Sachs

Thesis: Mid life, transformative acquisition

Healthcare Services Company*

Industry: Healthcare

Sponsor: Undisclosed

Thesis: Buy and build

BeyondTrust

Industry: Software

Sponsor: Francisco Partners

Thesis: Market leading enterprise solution

MedPlast

Industry: Healthcare

Sponsor: JLL Partners

Thesis: Mid life, platform Add-on

RENAISSANCE

Industry: Education Software

Sponsor: Francisco Partners

Thesis: Organic and M&A growth opportunities

MILANI

Industry: Consumer

Sponsor: Gryphon

Thesis: Strong organic growth prospects and operational improvements

C·H·GUENTHER & SON, INC.

Industry: Manufacturing

Sponsor: Pritzker Private Capital

Thesis: Market leader with strong customer base

UNIASSELVI

Industry: Education

Sponsor: Vinci Partners

Thesis: Mid life, industry tailwinds & organic growth opportunities

Healthcare Company – In-home Devices*

Industry: Healthcare

Sponsor: Undisclosed

Thesis: Market leader with strong organic growth prospects

SAFE FLEET Emergency & Industrial

Industry: Industrials

Sponsor: Oak Hill

Thesis: Buy and build

CLEARENT INTELLIGENT PROCESSING

Industry: Financial Services

Sponsor: FTV Capital

Thesis: Platform Add-on

CrownRock Minerals

Industry: Energy

Sponsor: Lime Rock Partners

Thesis: Buy and build

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

New Direct Equity Investments (Cont.)

$152.3 million invested into 23 new direct equity investments during 2018

EDELMAN FINANCIAL SERVICES

Industry: Financials

Sponsor: Hellman & Friedman

Thesis: Mid life, transformative acquisition

NEXT LEVEL APPAREL

Industry: Consumer

Sponsor: Blue Point

Thesis: Leading position and multiple growth initiatives

Undisclosed Consumer Technology Company*

Industry: Technology

Sponsor: Not disclosed

Thesis: Strong market share and growth

ZPG

Industry: Technology

Sponsor: Silver Lake

Thesis: Well-positioned market leader

GFL environmental

Industry: Waste Management

Sponsor: BC Partners

Thesis: Strong platform, favourable market dynamics

HUSKY

Industry: Industrials

Sponsor: Platinum Equity

Thesis: Market leader and strong financial profile

Verifone®

Industry: Technology

Sponsor: Francisco Partners

Thesis: Unique asset with large global install base

BURGER KING 汉堡王

Industry: Consumer

Sponsor: Cartesian Capital Group

Thesis: Mid life, large growing market with established brand and footprint

Hivory

Industry: Telecom

Sponsor: KKR

Thesis: Strong market position & favourable market trends

Holley

Industry: Automotive

Sponsor: Sentinel

Thesis: Mid life, strong product offering; attractive strategic platform combination

PLASKOLITE

Industry: Industrials

Sponsor: Pritzker

Thesis: Market leader with established footprint; attractive growth opportunities

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

Income Investments

Debt in private equity backed companies including first and second lien debt

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

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

INVEST IN THE DEBT OF PRIVATE EQUITY-BACKED COMPANIES

CORPORATE DEBT - PRIMARY

- First / Second Lien
- Mezzanine

CORPORATE DEBT - SECONDARY

- Mispricings or dislocations
- Misunderstood credits

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

Portfolio

The income portfolio is comprised of 27 investments with $135.1 million of fair value. The investments are well diversified and have a reasonable average level of total leverage. Total leverage and senior leverage to NBPE's security are both reasonable at 6.0x and 5.2x, respectively. The portfolio's current cash yield is 6.5% with a 13.6% estimated yield to maturity, based on the current fair value of the debt and the amount of future expected cash flow and principal payment at maturity. As 31 December 2018, one investment in the debt portfolio with approximately $15 million of cost was undergoing a restructuring and was marked down to its estimated recovery value and was no longer included in the portfolio's estimated yield to maturity or cash yield. The average holding period of the debt investments in the income portfolio was 1.5 years as of 31 December 2018.

After adjusting for the one investment marked to recovery value as described above, the remaining income portfolio generates approximately $9.0 million of run-rate cash income as of 31 December 2018.

Overview of 2018

During 2018, NBPE contributed $33.0 million to income investments and received $61.2 million in cash distributions. Distributions were made up of principal repayments equaling $49.5 million and interest income of $11.7 million. During 2018, the income portfolio generated a gross IRR of 5.8%.

Exit Activity

NBPE fully exited nine investments during 2018. These investments generated $49.8 million of total proceeds to NBPE and an aggregated 1.4x multiple of invested capital (inclusive of prior realisations and income).

6.5% / 13.6%

Cash Yield / Estimated yield to maturity

6.0x / 5.2x

Total leverage / Senior leverage

54%

Fair value invested in floating rate debt

33%

NBPE's Dividend Coverage by Cash Income

Note: Leverage statistics exclude small business loan programs, credit opportunities and healthcare credit investments. Based on portfolio company data as of 31 December 2018. Small business loan programs are excluded from yield calculations but are at an interest rate at least at the rate stated above. Numbers may not sum due to rounding.

Largest Companies in the Income Investment Portfolio

The table below shows the largest company exposures in the income investment portfolio. The top ten investments represented approximately 12.2% of NBPE's NAV and no company was larger than 3.0% of NAV.

Investment / Description	Year of Investment	Security Terms	Cash Yield	NBPE Fair Value
Verscend Healthcare information technology	2018	PIK Preferred Equity (12.3% PIK)	-	$24.3 million
Avantor Life sciences company	2017	PIK Preferred Equity (12.5% PIK)	-	$16.7 million
Standard Aero Provider of maintenance, repair and overhaul services	2017	PIK Preferred Equity (11.5% PIK)	-	$16.4 million
Schumacher Group Provider of outsourced medical clinical staffing	2015	Second Lien (L+8.5% Cash, 1.0% L Floor)	11.4%	$9.7 million
Carestream Dental Dental imaging and software	2017	Second Lien (L+8.0% Cash, 1.0% L Floor)	11.1%	$9.2 million
Dubois Chemical Specialty chemical company	2017	Second Lien (L+8.0% Cash, 1.0% L Floor)	10.9%	$9.0 million
ProAmpac Leading global flexible packaging company	2016	Second Lien (L+8.5% Cash, 1.0% L Floor)	11.3%	$6.0 million
Central Security Group Security and home automation systems	2014	Second Lien (L+9.0% Cash, 1.0% L Floor)	12.1%	$6.0 million
Galco Industrial Electronics Distributor of electronic parts	2014	Second Lien (L+10.75% Cash, 1.25% PIK)	9.8%	$5.4 million
OB Hospitalist Provider of OB/GYN hospitalist programs	2017	Second Lien (L+8.5% Cash, 1.0% L Floor)	11.5%	$3.5 million
Total Top Ten Largest Exposures				**$106.2 million**

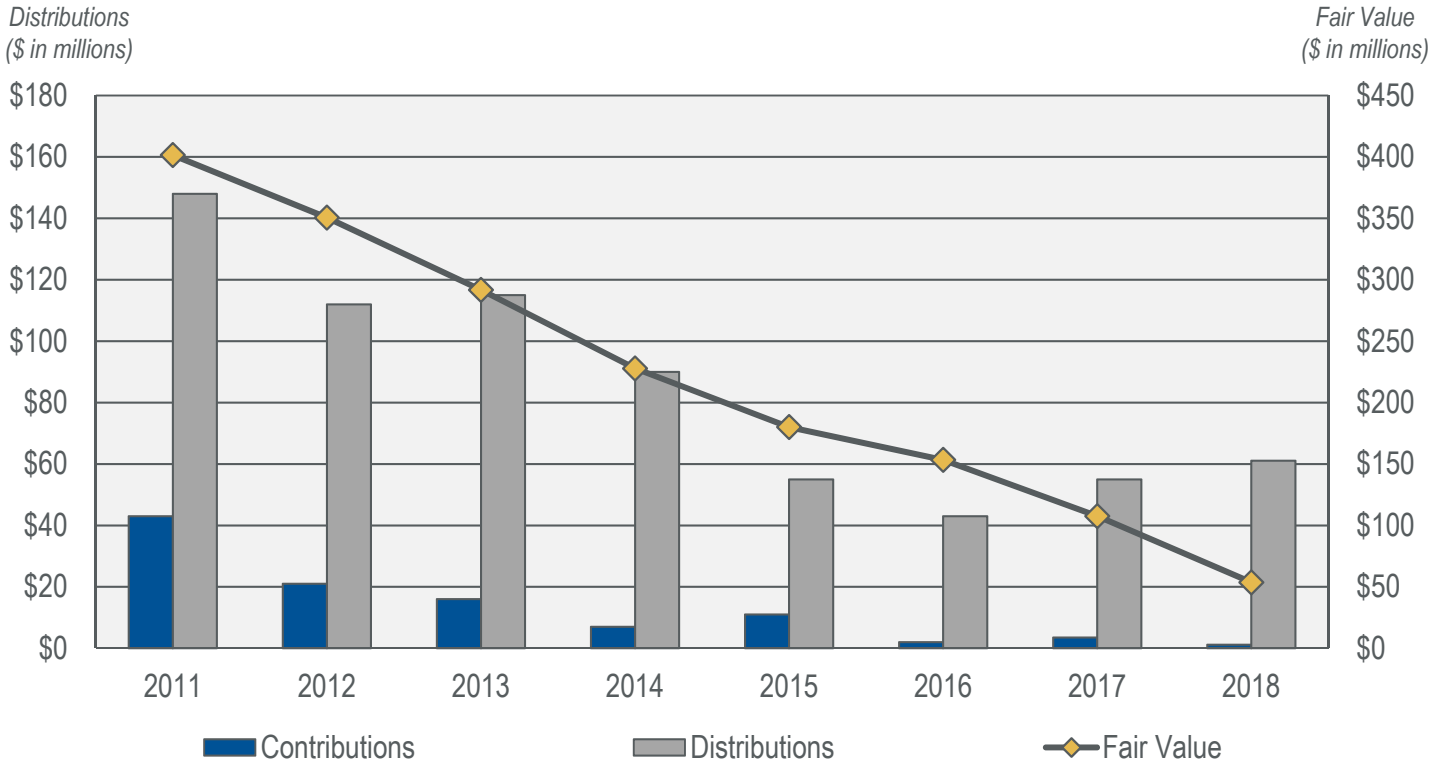
Note: Numbers may not sum due to rounding. Excludes credit opportunities investments acquired through secondary purchases.

Fund Portfolio

NBPE's portfolio includes approximately $53.7 million of fair value in a portfolio of legacy fund investments. The portfolio of 23 funds contains exposure to a large number of mature underlying companies. These mature companies are being sold, leading to distributions to NBPE. Over the last several years this portfolio has been highly cash generative and a source of strong distribution activity as underlying companies have been sold and portfolios wind down, and during 2018 this was accelerated through a secondary sale of certain fund investments. During 2018, the Fund Portfolio generated a gross IRR of 1.1% (including the impact attributable to the write-down on the funds sold).

Fund Portfolio Liquidity and Fair Value Over Time

The table below shows the fund portfolio over time, including fair value and cash flows since 2011. Since 2011, the fund fair value has declined from over $400 million to approximately $53.7 million as of 31 December 2018, driven by strong distribution activity as well as sales through secondary processes. Since 2011, funds have distributed approximately $650 million to NBPE, proceeds which have been re-invested into direct investments over time.

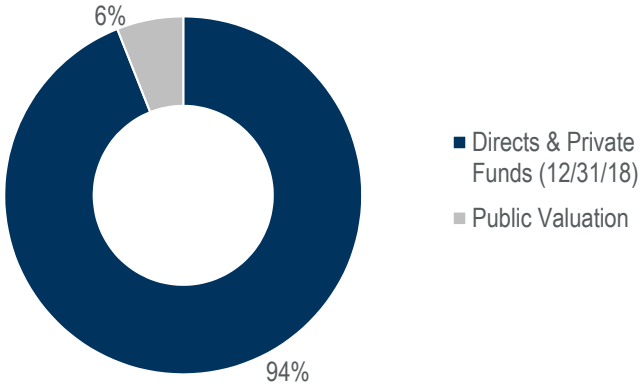


Note: Numbers may not sum due to rounding.

Valuation Information

Following the receipt of additional valuation information after 15 January 2019, the publication date of the December monthly NAV estimate, the NAV per Share of $17.87 was an increase of $0.21 from the previously reported estimate.[1]

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



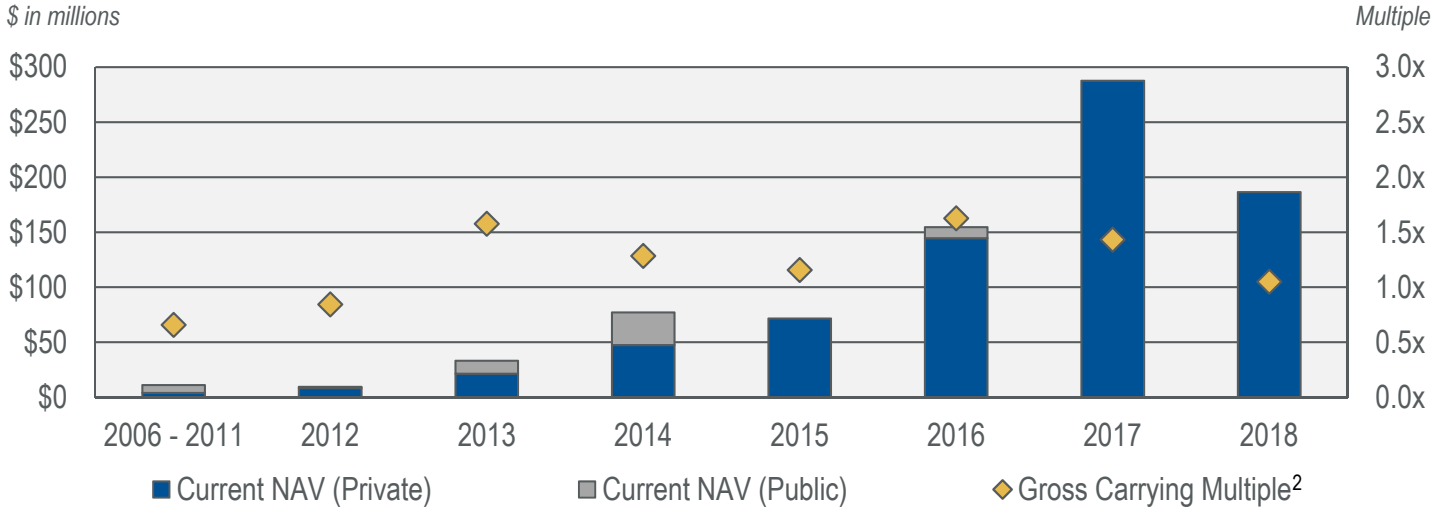
Public Valuation Information

As of 31 December 2018, approximately 6% of fair value was held in public securities. The top five public securities exposures are shown below:

- SolarWinds (NYSE: SWI): $10.1 million
- Assurant (NYSE: AIZ): $9.3 million
- Aruhi (fka Softbank) (TYO: 7198): $7.2 million
- Extraction Oil & Gas (NASDAQ: XOG): $7.0 million
- Gardner Denver (NYSE: GDI): $6.1 million

Direct Equity Portfolio Valuation

The table below shows the private and public fair value and the current carrying multiple by vintage year of the direct equity portfolio. The direct equity portfolio was held at a gross carrying multiple of 1.3x current cost as of 31 December 2018.



Note: Numbers may not sum due to rounding. Please refer to page 87 for a detailed description of the valuation methodology.

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

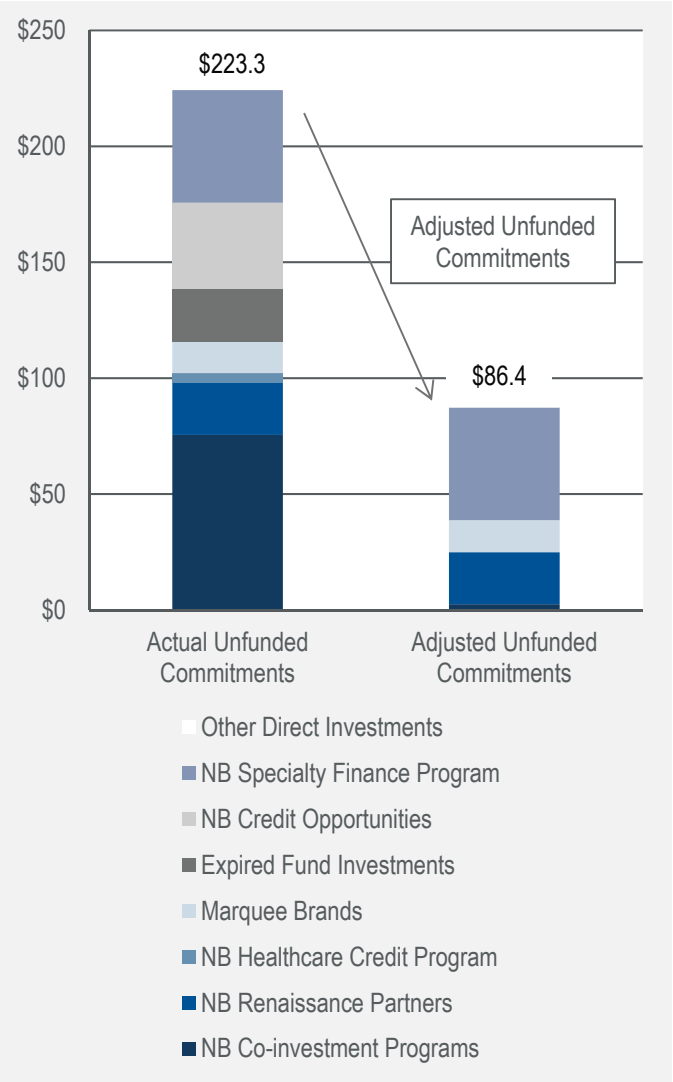
Unfunded Commitments

As of 31 December 2018, NBPE's unfunded commitments were approximately $223.3 million. Of this, $200.6 million was unfunded to NB Programs, as detailed below:

- NB Co-investment Programs: $75.5 million
- NB Specialty Finance Program: $48.5 million
- NB Credit Opportunities Program: $37.3 million
- NB Renaissance Programs: $21.3 million
- Marquee Brands: $13.8 million
- NB Healthcare Credit Program: $4.2 million

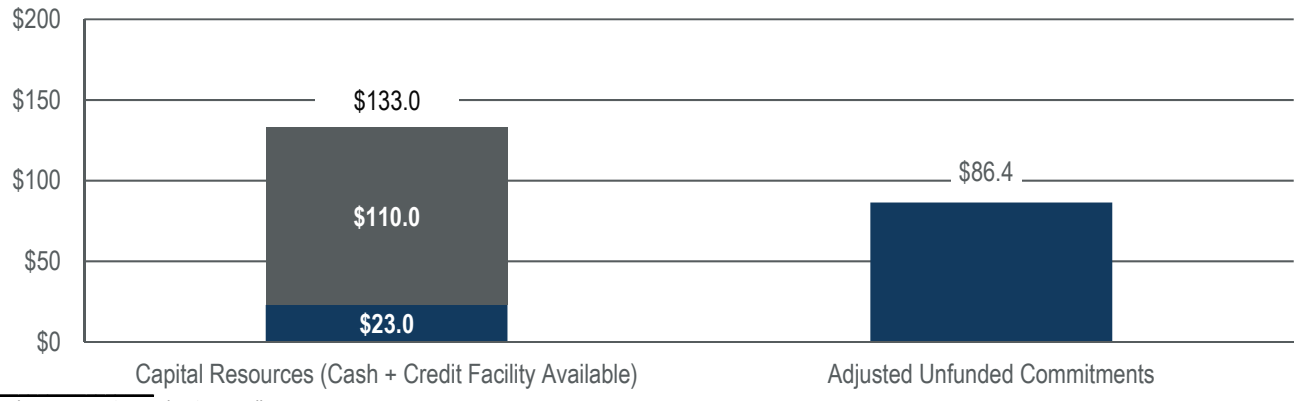
The remaining unfunded commitments were to legacy funds and other direct investments. The Manager believes a large portion of this amount is unlikely to be called. However, some amount may be called for fees, expenses and / or follow-on investments.

The Manager analysed the unfunded commitments on an adjusted basis. Unfunded commitments were adjusted by removing unfunded commitments past their investment period, except for reserves which may be called for follow-ons, and amounts which NBPE has the ability to terminate if it so chooses. Following these adjustments, the unfunded commitments were $86.4 million.



Capital Resources

As of 31 December 2018, NBPE had $23.0 million of cash and $110.0 million of available borrowings under the 2016 Credit Facility (as defined on the following page), totaling $133.0 million of total capital resources. On an adjusted basis this corresponds to excess capital resources of $46.6 million and a commitment coverage ratio of 154%.



Note: Numbers may not sum due to rounding.

Credit Facility

On 7 June 2016, the Company entered into an agreement with JP Morgan Chase Bank, N.A. (the "2016 Credit Facility). The 2016 Credit Facility's availability is up to $150.0 million (including a $25.0 million accordion whereby the Company is able to increase available borrowings) that expires on 7 June 2021. The 2016 Credit Facility is guaranteed by the Company (the "Parent Guarantor") as well as all of the Company's subsidiaries (except for NB PEP Investments LP (Incorporated), being the borrower under the 2016 Credit Facility) and secured by substantially all of the assets of the Parent Guarantor and its subsidiaries. At 31 December 2018, there was $40.0 million borrowed under the 2016 Credit Facility.

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

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

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

The Company is subject to a number of LTV ratios in order to be in compliance with the 2016 Credit Facility. The drawdown LTV ratio is 25% and the maximum LTV ratio is 40%. If the LTV ratio exceeds 40%, the Company is subject to certain requirements to lower the LTV ratio to the maintenance margin of 35%, within certain timeframes. If at any time the LTV ratio exceeds 60%, the Company is forced to make prepayments on the loan balance on an expedited basis. Certain cash distributions, including dividends, are subject to an LTV release ratio of less than 35%, unless a performance event has occurred. The performance event test is measured against the level of the S&P 500 index. If the S&P 500 index value falls by 30% in any 120 day period, certain cash distributions, including dividends, are subject to an LTV release ratio of 20%.

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

At 31 December 2018, the Company met all requirements under the 2016 Credit Facility.

AIC Ongoing Charges

NBPE's rate of ongoing charges, as defined by the Association of Investment Companies ("AIC") ratio, was 2.06% for the year ended 31 December 2018. The ongoing charges are 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 77, which was prepared in accordance with US GAAP. The complete methodology can be found on the AIC's website.

The table on the right shows the breakdown of the ongoing expenses during 2018. Total ongoing expenses in 2018 were $17.9 million, or 2.06%, based on the average 2018 NAV. The largest contribution to ongoing expenses was the management fee of $14.3 million, or 1.64% (note that percentages of ongoing charges are based on the average 2018 NAV and may differ from contractual rates), followed by the fund administration fee of $1.0 million, or 0.11%.

Total other ongoing expenses were $2.1 million in aggregate or 0.31% of ongoing charges. 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, any fees payable to service providers deemed to be one-time and non-ongoing in nature have been excluded from the other expenses figures.

NBPE Fee Analysis

The directors believe the Company offers access to a diverse private equity and income portfolio at a lower cost than many other listed private equity vehicles. The Company's direct investments are included in the portfolio generally with no management fee and no carry due to underlying sponsors. Approximately 95% of the direct investment portfolio (measured on 31 December 2018 fair value) is on a no management fee, no carry basis at the underlying level. On a total portfolio basis, and including legacy fund investments, approximately 91% of the portfolio is on a no management fee, no carry basis at the underlying level. Importantly, all of the legacy fund investments are past their investment period, when fees are typically charged at lower overall rates.

At the Company level, NBPE's management fees are 1.5% of private equity fair value (payable quarterly) and a 7.5% performance fee after a 7.5% hurdle rate. As of 31 December 2018, there was no accrued performance fee. The directors believe these fees are a distinct advantage to shareholders and 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).

Ongoing Charge	Value ($ in m)	% Ongoing Charge
Management Fee	$14.3m	1.64%
Fund Administration Fee	$1.0m	0.11%
Other Expenses	$2.1m	0.31%
Total Ongoing Charges	**$17.9m**	**2.06%**

Note: Numbers may not sum due to rounding.

Risk Management

The Company is subject to a number of risks and the directors seek to appropriately manage risk through the identification and control of risks. Not all risks can be eliminated; therefore, there is only a reasonable assurance against fraud, misstatements or losses to the Company.

In order to identify and assess key risks to the Company, the directors rely on a risk matrix prepared and maintained by the Investment Manager and reviewed by the board on a quarterly basis. The risk matrix identifies risks along four categories and the board considers these as the principal risks and uncertainties to the Company: external risks, investment & strategic risks, financial risks, and operational risks. Within each of the four principal risks and uncertainties, the directors have identified a number of key underlying risks. While not possible to identify and manage every risk to the Company, the directors seek to identify the key underlying risks within each category where possible. Each identified key underlying risk includes information on the board level controls and controls relied upon by the board, the responsible provider, the potential impact to the Company, the current state of the risk and the outlook. Judgement is applied to determine these assessments and the board regularly considers any changes to the assessments of the key underlying risks on a quarterly basis.

The board is ultimately responsible for the identification and assessment of risk as well as monitoring the key risks to the Company on an ongoing basis. However, the board has delegated day-to-day management responsibilities of the Company to the Investment Manager. As a result, the board relies on the internal controls and policies and procedures of the Company's Investment Manager as the broader control environment for the Company. In addition, the Company relies on a number of other service providers for various functions, each of which have their own set of internal policies and procedures. The board considers these levels of internal controls and policies when evaluating service providers and assesses the role of key service providers at least yearly as part of a review by the Management Engagement Committee.

The table on the following page shows a summary of the key underlying risks within each of the four principal risks and uncertainties identified by the board. However, within each of these underlying key risks, there may be numerous control objectives to consider. For example, investment valuations have a number of control objectives that could contribute to the key risk. In these instances, the board seeks to identify and assess these control objectives to the extent possible. In other cases, such as market or economic risks, the board recognizes the nature of the risk as largely outside the Company's control.

The board recognizes many of these control objectives are inherently considered during other processes. For example, during the initial due diligence phase the Investment Manager regularly evaluates the market and economic situation. In addition, while outside the direct control of the board, these topics are considered and discussed during the performance and portfolio updates.

Principal Risks and Uncertainties

The directors are responsible for the effective management of risks within the Company. The directors and Investment Manager have designed a risk matrix to manage, not eliminate risk. The risk matrix outlines each of the underlying risks and risk type as well as the key controls and the responsible team for managing the risk. As risks change over time, the risk matrix is updated to effectively identify and control ongoing risks to the Company. The board has identified the following four principal risks and uncertainties to the Company:

External Risks

Outside the Company's control; inherently difficult to manage and quantify

Investment & Strategic Risks

Risks associated with investments and meeting business plans / objectives

Financial Risks

Risks that could impact financing and ongoing operations; includes liquidity and credit facility management

Operational Risks

Risks pertaining to the business operations of the Company as well as the key service providers, including the Investment Manager

Summary Risk Matrix of Principal Risks

The table below presents a summary risk matrix, outlining the key risks by each of the four principal risks and uncertainties and the key underlying risks. Within each of the key underlying risks, there may be several control objectives and the board considers and reviews these as part of the risk matrix. The key controls presented below provides a summary of how the directors monitor and control against the key underlying risks. The status below shows whether the principal risks are increasing, decreasing, or not changing compared to the previous year.

Key Risk	Key Controls	2018 Assessment
External Risks • Market, Economic & Political Environment • Reputational • Regulatory	• General awareness of environment; consultation with advisors and external counsel • Monitoring of publications and investor materials • Feedback on messaging effectiveness; brokers' reports	→
Investment & Strategic Risks • Investment decisions & performance • Valuations & Accounting • Meeting business objectives • Share price discount	• Extensive due diligence process • Reasonable underwriting assumptions • Robust and consistent valuation processes; monthly NAV updates • Quarterly meetings to review performance and strategy • Monitoring of the discount; review market research and broker reports • Share buyback programme	→
Financial Risks • Liquidity Management • Credit facility • ZDP liability • Foreign exchange	• Board review of quarterly credit facility analysis of covenants and ratios • Review of management reports and financials • Monitoring of headroom and financial ratios • Forward currency contract to hedge, in part, currency exposure	→
Operational Risks • Key professionals • IT systems • Legal / Compliance & Governance • Business operations & continuity • Internal Policies & Procedures	• Resources of the Manager for attracting and retaining talent • Manager policies and procedures • Board inquiries and reports on IT systems and IT environments • Review reports on business continuity • Review of third party service providers	→

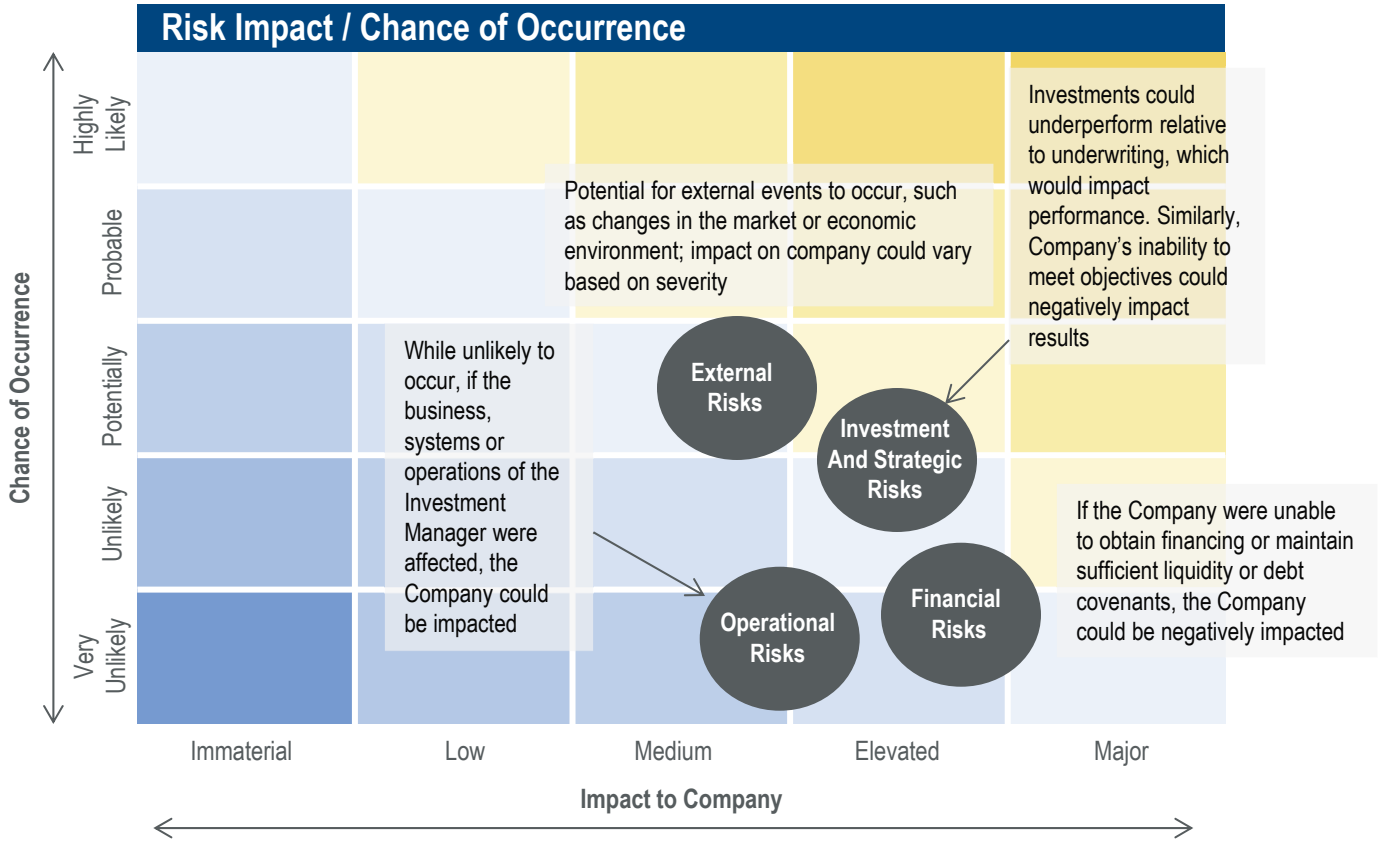
↑ Increasing Risk ↓ Decreasing Risk → No change in Risk

Principal Risks and Uncertainties

In order to evaluate the principal risks and uncertainties to the Company during 2018, the directors reviewed the risk matrix prepared by the Investment Manager and focused on the key risks to the Company and the key controls to mitigate each of the principal risks. Similar to prior years, the directors view external risks as having the potential to impact the Company, depending on the severity. Inherently, external risks are outside the Company's control and are uncertain in nature and difficult to quantify. The directors viewed the investment and strategic risks and financial risks as being effectively mitigated during the year, given the team and resources of the Investment Manager and Investment Committee, and the portfolio updates and financial forecasts reviewed during the year by the directors. To mitigate operational risks, Neuberger Berman maintains a significant set of policies and procedures and internal controls designed to monitor and maintain compliance for all employees, including employees of the Investment Manager. Given the scale and resources at the Investment Manager, the board was comfortable operational risks were managed effectively during the year.

Following this review, the directors concluded there was no change in the overall risk assessment during 2018.

The chart below serves as a representative example to show the risk impact to the Company and the likelihood of occurrence of each of the four key principal risks and uncertainties. The examples presented below are meant to illustrate scenarios or events that could occur and what the potential impact to the Company could be.



ESG at Neuberger Berman

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

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

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

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

ESG Neuberger Berman Private Equity

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

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

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

Directors Biographies

Talmai Morgan (Chairman, Independent Director) / 22 June 2007

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

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

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

John Falla, a resident of Guernsey, is an Associate of the Institute of Chartered Accountants in England and Wales. He has a degree in Property Valuation and Management from City University London and is a Fellow of the Chartered Institute for Securities and Investment, holding their diploma. He qualified as a Chartered Accountant with Ernst and Young in London, before transferring to their Corporate Finance Department, specialising in the valuation of unquoted shares and securities, including private equity holdings. On his return to Guernsey in 1996 he worked for an International Bank before joining The International Stock Exchange (formerly Channel Islands Stock Exchange) in 1998 on its launch as a member of the Market Authority. In 2000 he joined the Edmond de Rothschild Group. Although based in Guernsey he provided corporate finance advice to international clients including open and closed-ended funds, and institutions with significant property interests. He was also a director of a number of Edmond de Rothschild operating and investment entities. He has been a non-executive director of London listed companies for a number of years, and is now a full-time non-executive director and consultant.

Other public company directorships:

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

Trudi Clark (Independent Director) / 24 April 2017

Trudi Clark qualified as a Chartered Accountant with Robson Rhodes in Birmingham, after graduating in Business Studies. Moving to Guernsey in 1987, she joined KPMG where she was responsible for an audit portfolio including some of the major financial institutions in Guernsey. After 10 years in public practice, she was recruited by the Bank of Bermuda as Head of European Internal Audit, later moving into corporate banking. In 1995 she joined Schroders in the Channel Islands as CFO. She was promoted in 2000 to Banking Director and Managing Director in 2003. From 2006 to 2009, Ms Clark established a family office, specialising in alternative investments. From 2009 to 2018, she returned to public practice specialising in corporate restructuring services. Ms Clark has several Non-Executive Director appointments for companies both listed and non-listed investing in property, private equity and other assets. Other public company directorships: F&C Commercial Property Trust Limited, Mercantile UK MicroCap Investment Company Limited, Alcentra European Floating Rate Income Fund and The Schiehallion Fund Limited.

Directors Biographies (continued)

William Maltby (Independent Director) / 21 March 2019

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

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

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

Wilken von Hodenberg (Independent Director) / 21 March 2019

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

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

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

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

Peter von Lehe (Director) / 22 June 2007

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

Peter von Lehe has no other public company directorships.

The directors present their annual financial report and consolidated financial statements of NB Private Equity Partners Limited and its subsidiaries (together the "Company") for the year ended 31 December 2018.

Principal Activity

NBPE is a closed-ended investment company registered in Guernsey. The Company's registered office is Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey GY1 4HY. The Company's Class A Ordinary Shares are listed and admitted to trading on the Main Market under the symbol "NBPE" and "NBPU", corresponding to the Sterling and Dollar quotes, respectively. NBPE has 2022 ZDP Shares and 2024 ZDP Shares admitted to trading on the Specialist Fund Segment under the symbol "NBPP" and "NBPS", respectively (see note 5 of the consolidated financial statements).

Investment Manager

The Company is managed by the private equity group of Neuberger Berman, NB Alternatives Advisers LLC (the "Investment Manager" or "Manager") pursuant to an Investment Management Agreement. The Investment Manager is a subsidiary of Neuberger Berman Group LLC ("Neuberger Berman"). The Company's Guernsey administration is managed by Estera International Fund Managers (Guernsey) Limited ("Estera" or the "Guernsey Administrator").

Fees for services can be found on page 73. The Manager has been appointed since 2007. The Manager 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. If the Company terminates the Investment Management Agreement without cause, the Company shall pay a termination fee equal to: seven years of management fees, plus an amount equal to seven times the mean average incentive allocation of the three performance periods immediately preceding the termination, plus all underwriting, placement and other expenses borne by the Manager or affiliates in connection with the Company's Initial Public Offering. The Manager is responsible for the day-to-day management of the Company, sourcing, evaluating and making investment decisions related to the Company and executing the Company's business plan.

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

Company Secretary

The Company utilizes Estera for certain administrative functions relating to corporate services as well as Guernsey regulatory matters which could affect the Company. Estera is responsible for the day-to-day administration of the Company and acts as the company secretary and Guernsey administrator. The Company pays Estera a fee for these services as invoiced by Estera and as disclosed on page 73.

Administrator

MUFG Capital Analytics LLC ("Capital Analytics" or "Administrator") is responsible for maintaining the Company's books and records, the database which stores information related to the Company's investments, and certain other accounting, finance and other general fund administrative services for the Company and whose fees are disclosed on page 73.

Significant Agreements

The Company has a number of agreements with service providers; the below agreements are considered significant:

- NB Alternatives Advisors LLC, as Investment Manager, pursuant to an Investment Management Agreement
- MUFG Capital Analytics LLC, as Administrator
- Estera, as Company Secretary and Guernsey Administrator
- Link Market Services, as the Company's registrar
- Jefferies and Stifel, as the Company's joint corporate brokers

Investment Objective

The Company's investment objective is to produce attractive returns by investing in the debt and equity of private equity-backed companies while managing investment risk through diversification across asset class, vintage year, geography, industry and sponsor.

Investment Policy

The Company invests in private equity assets, which consist of direct equity investments and income investments. Direct equity investments are direct investments in underlying companies and are made alongside private equity sponsors. Income investments include traditional corporate private debt investments in the first and second lien debt of private equity-backed companies. Debt investments are made on both a primary basis to fund new buyouts and through secondary open market purchases, often at discounts to face value. Other debt investments include private loans originated via private platforms. The fund portfolio is a legacy portfolio of remaining private equity funds in realisation mode. From time to time, the Company may also make other opportunistic investments, as appropriate.

Dividend Policy

The Company instituted a long-term policy of paying sustainable dividends to shareholders in 2013. The Company intends to target 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. Should a short-term decline in NAV occur, it is not the intention to reduce dividends. The Company seeks to maintain a portfolio of income investments to help support the dividend payment from the run-rate cash income it receives from these investments. The board believes paying the dividend at least partly from the contractual cash income leads to more sustainable dividends in the long run; however, the board further recognizes that dividend coverage from the contractual cash income may fluctuate at times, based on the overall level of income investments in the portfolio and prevailing yields in the market.

Dividends are paid in pounds Sterling, but the Company also offers both a Currency Election for US shareholders and dividend re-investment plan for shareholders who wish to reinvest their dividends to grow their shareholding.

Corporate Social Responsibility

The Company does not have a formal Corporate Social Responsibility ("CSR") policy but instead relies on Neuberger Berman's policy related to CSR for new investments. Neuberger Berman, the parent company of the Investment Manager, is a signatory to the PRI and diligently addresses ESG issues with regard to investing and further detail on ESG can be found on page 30 of this report. The Investment Manager follows the policies of Neuberger Berman and conducts due diligence with respect to these policies for new investments. More information on Neuberger Berman's CSR and PRI can be found under the ESG Investing section of Neuberger Berman's website at www.nb.com. Underlying companies or fund investments within the portfolio may also have their own set of internal procedures or policies relating to PRI and ESG issues for investment activities. The Investment Manager was unaware of any circumstances during 2018 that arose in the portfolio which would impact the PRI and ESG investment policies.

Results and Dividends

The financial results for the year ended 31 December 2018 are included in the consolidated financial statements, beginning on page 53. As of 31 December 2018, the net asset value attributable to the Class A Shares was $872.2 million, which represents an increase of $20.7 million relative to the net asset value attributable to the Class A Shares of $851.5 million as of 31 December 2017. During 2018, the Company paid total dividends to holders of Ordinary Shares of $0.53 per Share. Including the dividend payments, the NAV total return for the year was 5.5%, assuming the re-investment of dividends.

Shareholder Communication

The board welcomes shareholders' views and places great importance on communication with its shareholders. Directors and representatives from the Investment Manager are available to discuss updates on the Company. The Investment Manager regularly conducts investor conference calls following the release of quarterly, interim and annual financial reports and is available at other times, if required.

Shareholder Information

The Company maintains a website which contains comprehensive information including Company notifications, share information, financial reports, investment objectives and policy, investor contacts and information about the board and corporate governance. The Company releases monthly NAV updates, which details performance, the financial position of the Company and the underlying diversification of the portfolio. The quarterly, interim and annual financial reports provide shareholders with more detail on the portfolio and an update on the performance of the Company. In addition, the Investment Manager publishes investor presentations following the release of quarterly, interim and annual financial reports, as well as other times throughout the year.

Major Shareholders

As at 31 December 2018, insofar as is known to NBPE, the shareholders below held, either directly or indirectly, greater than 3.0% of the Class A Shares in issue (excluding Class A Shares held in treasury):

Shareholder	Class A Shares	% of A Shares Outstanding
Quilter Cheviot Investment Mgmt.	6,591,525	12.7%
Smith & Williamson Investment Mgmt.	5,817,565	11.2%
American Depositary Receipts	3,430,500	6.6%
Asset Value Investors	2,870,389	5.5%
City of London Investment Mgt Co	2,409,274	4.6%
Derbyshire County Council	2,075,000	4.0%
Cathay Life Insurance	2,000,000	3.9%

Board Information

The Board Composition and Independence

At 31 December 2018, the board was comprised of four directors and has elected Mr. Morgan to be its Chairman. On 3 September 2018, as part of the continuing process of refreshing the board, the Company announced a series of initiatives concerning board composition. First, the Manager agreed to reduce its board representation from two directors to one director and John Buser did not seek reelection at the Company's 2018 Annual General Meeting. Effective 5 November 2018, John Buser resigned from the board. Second, following the formation of the Nomination and Remuneration Committee, the Company began a process of selecting two new independent directors. Following an extensive process which continued through the end of 2018 and subsequent to this reporting period, William Maltby and Wilken von Hodenberg were selected as new independent directors by the board and their appointments were effective from 21 March 2019.

The board recognises the importance of staggered succession plans which will allow for knowledge and experience to be properly passed on over a reasonable timeframe. As of 31 December 2018, Mr. Morgan remained as Chairman to provide for continuity during this board evolution, but announced he will not seek re-election at the Company's 2019 Annual General Meeting. It is expected William Maltby will assume these duties prior to the Company's 2019 Annual General Meeting.

The board is aware of corporate governance guidance concerning the length of Mr. Morgan's tenure and the potential effect on independence, but nevertheless, his experience and knowledge are highly beneficial. As a result, as of 31 December 2018, the board considers Mr. Morgan to be an independent director. Mr. von Lehe is deemed not independent as he is employed by a Neuberger Berman group company. The board also believe that Mr. von Lehe brings a significant amount of experience and expertise to the board; however, as a non-independent director, he does not sit on the Audit Committee and is not involved in matters concerning the Investment Manager. Mr. Falla and Ms. Clark are considered independent.

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

The biographical information also includes a list of other public company directorships for each of the directors. In its consideration of any new or additional directors the board will always seek to make the most appropriate appointments taking into full account the benefits of diversity including gender.

The board has established a Management Engagement Committee, an Audit Committee, and a Nomination and Remuneration Committee which are described below.

Management Engagement Committee Responsibilities

The Management Engagement Committee ("MEC") is comprised of Ms. Clark as Chairman, Mr. Falla and Mr. Morgan. The principal function of the MEC is to review annually the terms of the Investment Management Agreement between the Company and the Investment Manager. The MEC also reviews annually the performance and terms of engagement of key services providers. The MEC meets at least once a year and at other times as required by the board. The MEC's terms of reference are available on the Company's website.

Audit Committee

The Audit Committee is comprised of Mr. Falla as Chairman, Ms. Clark and Mr. Morgan. The principal function of the Audit Committee is to provide oversight and reassurances to the board, particularly with respect to financial reporting, audit and risk management. Details of the Audit Committee responsibilities and activities during the year can be found beginning on page 45. 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 ("NRC")

Having formed on 18 July 2018 to assist in the appointment of new independent directors, the NRC had two meetings during 2018 which were attended by the three independent directors.

Board Meetings and Meeting Attendance

The board meets at least four times a year to discuss Company developments and ongoing activities, including reviewing and evaluating the dividend, monitoring and adapting, as necessary, the investment strategy, and reviewing the financial and investment performance of the Company. The Investment Manager and the Company's Administrator furnish the directors with relevant materials, including investment reports, risk analysis and other documents in a timely manner prior to each board meeting. In addition, an agenda is circulated to the directors prior to the meeting and the directors may consider additional topics for discussion prior to each board meeting. Representatives from the Investment Manager attend the meetings to report to the board on relevant updates regarding investment performance and investment activities. In addition to four scheduled quarterly board meetings, the board met six additional times during 2018 to discuss company matters and review and approve dividends. The full board meetings and other committee meetings of the directors as of 31 December 2018 are as follows:

Director	Board Meeting	Audit Committee	MEC	NRC
Talmai Morgan	10/10	3/4	1/1	2/2
John Falla	10/10	4/4	1/1	2/2
Trudi Clark	10/10	4/4	1/1	2/2
John Buser (Resigned 5/11/18)	7/10	N/A	N/A	N/A
Peter von Lehe	9/10	N/A	N/A	N/A

Tenure of Non-Executive Independent Directors

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 director's retirements. Directors must be able to demonstrate their commitment to the Company. The board seeks to encompass relevant past and current experience of various areas relevant to the Company's business. The board was satisfied with the policy on tenure and succession and considered the policy during the year in the context of the board's evolution, Chairman succession, and appointment of the two new independent directors (having taken effect subsequent to this reporting period in March 2019).

Induction/Information and Professional Development

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

The Chairman reviewed the training and development needs of each director during the annual board evaluation process. He confirmed that all directors actively kept up to date with industry developments and issues.

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

Subsequent to this reporting period, in March 2019, Wilken von Hodenberg and William Maltby were appointed as independent directors of the Company. The induction process covers a number of key business areas and teams, including: meetings with the board and Chairman to discuss all aspects of the Company's business, operations and governance; meetings with the Company's investment advisor in New York to look at all aspects of the Company's portfolio, investment management and operations; meetings with the Company's administrator to discuss legal and regulatory obligations and requirements, processes and governance generally; meetings with the Company's corporate brokers to discuss shareholder registers, investor perceptions and the development of the Company's shareholder base; and meetings with the Company's auditors and PR advisors.

Performance Evaluation

The directors complete evaluations of the board and Chairman on a yearly basis. The board adopted this process in 2012. The goal of the evaluation of the board is for each director to assess the effectiveness of the board's performance. The directors also complete a Chairman evaluation on a yearly basis.

The evaluations are completed through the form of questionnaires and discussion. Following the last evaluation in 2018, it was concluded by the board that the performance of both the board and the Chairman was satisfactory.

Director Indemnity

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

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

Board Diversity

The board acknowledges the importance of diversity of experience, approach and gender, for the effective functioning of the board and commits to supporting diversity in the boardroom. It is the board's on-going objective to have an appropriately diversified representation.

The board also values diversity of business skills and experience because directors with diverse skills sets, capabilities and experience gained from different geographical backgrounds enhance the board by bringing a wide range of perspectives to the Company. The board is satisfied with the current composition and function of its members. It is the Company's policy to give careful consideration to issues of the board's balance and diversity when making new appointments. When appointing board members, its priority is based on merit, but will be influenced by the strong desire to maintain the board's diversity, including gender.

Shareholdings of the Directors

The shareholdings of the directors as of 31 December 2018 and 31 December 2017 is as follows:

Director	31/12/2018	31/12/2017
Talmai Morgan	15,000	10,000
John Falla	4,000	2,000
Trudi Clark	6,433	4,433
Peter von Lehe	7,500	7,500

Directors' Appointment

No director has a service contract with the Company. Any director may resign in writing to the board at any time. John Buser did not seek re-election to the board at the Company's 2018 Annual General Meeting.

The Company's memorandum and Articles of Incorporation contain details relating to the rules that the Company has regarding the appointment and removal of directors, a copy of which is available for inspection from the Registered Office of the Company.

As part of the board's succession planning and ahead of Mr. Morgan's planned retirement at the Company's 2019 Annual General Meeting, the Nomination and Remuneration Committee was charged with recruiting new directors. The Committee appointed Cornforth Consulting, which was deemed independent, to assist in the search for new candidates. The candidates were considered against various criteria, notably the breadth of their experience and background. The existing directors sought new appointees which both complemented and enhanced the skill set of the existing board whilst also being able to bring a fresh perspective to the Company. A robust process was conducted during the fourth quarter of 2018 including one-on-one meetings with the shortlisted candidates. Subsequent to this reporting period, the appointment of the new directors were effective in March 2019.

Company Performance Evaluation

In order to evaluate the ongoing performance of the Company's investments, the directors utilize various sources of information. In addition, the board receives formal reports from the Investment Manager and the Company's corporate brokers. The Investment Manager's report to the board includes:

- Investment performance and portfolio composition: the board reviews detailed performance by investment as well as detailed analysis on the underlying portfolio composition provided by the Investment Manager. The board evaluates the portfolio composition and income from the income investment portfolio to assist in decisions regarding dividends paid by the Company
- Company financial position and net asset value: the board reviews the Company's financial position and the performance of the Company's net asset value
- Returns information: the board evaluates both the NAV per Share return and the NAV total return, including the Company's dividends

The board regularly receives updates from the Company's corporate brokers to analyse and monitor the Company's share price, dividend yield, liquidity and share price discount to NAV.

Going Concern

The Group's principal activities and investment objective are described on page 33 and 34 of the report, and the Group's financial position is stated on page 53 of the report. Note 11 of the Consolidated Financial Statements describes the Group's risks with respect to market, credit and liquidity risk. On pages 67 and 68 of the report, the Group's liquidity and available borrowing facilities are described.

The Group's cash flows are provided on page 57 of the report. Given the Group's cash flows and financial position, the directors believe the Group is in a strong financial position and has the financial resources available to help mitigate and manage risks.

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.

Re-Appointment of Auditor

Resolutions for the re-appointment of KPMG as the auditor of the Company and to authorise the directors to determine its remuneration are to be proposed at the next AGM.

Viability Statement

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

The board believes the Group is in a strong financial position and has no near term financing maturities. During 2018, the Group raised £50 million through an additional issuance of ZDP Shares which mature in 2024. The Group's credit facility expires in June 2021 and the two classes of ZDP Shares mature in September 2022 and October 2024. As of 31 December 2018, the Group is in compliance with all covenant ratios and cover tests, with ample cushion available as well as adequate remaining borrowing availability under the credit facility.

As part of the ongoing risk management, the board, assisted by the Manager undertook a rigorous and robust assessment of the principal risks to which the Group is exposed which can be found beginning on page 27 of the report. The board views the external risks of a sudden or prolonged market downturn as the most significant risk facing the Group. This, in turn, could expose the Group to investment or financial risks, particularly if the downturn was severe enough. The directors view the key investment risks to be significant write-downs or investment underperformance which materially impacts the Group's NAV or cash flows. A downturn and period of underperformance, particularly if prolonged or significant, could open the Group to significant financial risks, including the ability to obtain financing or pay back its obligations as they become due.

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

- Investments are subject to overall financial market and economic conditions. Projecting long-term financial and economic conditions is inherently difficult, but a three year window is a reasonable time horizon
- Private equity funds typically deploy capital over a three to five year period
- Medium term outlook of underlying company performance is typically assessed for valuation purposes
- While the credit facility and classes of ZDP shares mature in June 2021, September 2022 and October 2024, respectively, refinancing processes generally begin a year in advance. The Group's ability to refinance or repay these financings are a medium-term risk

The Manager utilises a detailed financial model which forecasts returns and cash flows on an asset by asset basis. The Manager used the global financial crisis as a basis for creating a downside case by analysing its impact on the Group in 2009. During the financial crisis, realisation activity from direct equity investments slowed materially to the Group. The Manager made certain assumptions to cash flows and declines in asset values to represent a downside case in the financial model to forecast returns and future cash flows. Based on these assumptions, the Manager provided a cash flow forecast to the directors in order to evaluate the principal risks and uncertainties facing the Group.

The key finding from this analysis was: new investment activity would have to cease and borrowings would increase significantly. However, NBPE would remain in compliance with all ZDP cover tests and covenant ratios and could continue to pay a dividend. In addition, under this scenario, NBPE would need to continue to borrow under the credit facility through the end of 2020. However, the model forecasts no borrowings drawn in June 2021 when the credit facility matures.

As a result of this analysis, the directors believe the Group can effectively manage the principal risks and uncertainties and remain confident that the Group will be able to continue in operation over the period of at least three years.

Annual Financial Report and Consolidated Financial Statements

The directors are responsible for preparing the Annual Financial Report and Consolidated Financial Statements in accordance with applicable law and regulations.

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

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

• select suitable accounting policies and then apply them consistently;

• make 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 who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken 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 confirm that to the best of their knowledge:

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

Responsibility Statement of the Directors in respect of the Annual Financial Report (Cont.)

We consider 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 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

Talmai Morgan

Director

John Falla

Director

Date: 12 April 2019

Compliance with the AIC Code

The board of NBPE has considered the principles and recommendations of the 2016 AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to NBPE.

The board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders. Copies of the AIC Code and the AIC Guide can be found at www.theaic.co.uk.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

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

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, 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.

During 2018, the board established a Nomination and Remuneration Committee comprised of the three independent directors and in-line with the guidance included in the AIC code.

Directors' Remuneration

The Company pays a fee to the independent directors for their work related to the Company's business. During the year ended 31 December 2018, the Company paid the independent directors a total of $204,510; from 1 January 2018 through 30 September 2018, the Company paid a total of $146,250 under the previous terms of payment and denominated in US Dollars. Effective from 1 October 2018, the new annual directors fees are as follows: the Chairman, £70,000; the Chairman of the Audit Committee, £60,000; and the third independent director, £50,000; during this period, the equivalent US Dollar payment was $58,260. In addition, the independent directors received $7,500 each for the additional work related to the issuance of the 2024 ZDP Shares. The Company did not pay any directors fees to Mr. von Lehe or Mr. Buser during 2018.

The board established a separate Nomination and Remuneration Committee, as outlined on page 36, to review and make recommendations on directors' remuneration.

Audit Committee Chairman's Letter

Dear Shareholder,

During 2018, the Audit Committee met four times to discuss a number of important matters and worked on two significant projects during the year: the issuance of the 2024 ZDP Shares and an audit tender process. Working alongside the Company's reporting accountants, Pricewaterhouse Coopers ("PwC"), and other Company advisors, the Audit Committee reviewed detailed financial and working capital memos prepared to analyse the issuance of the 2024 ZDP Shares. Given the maturity of these ZDP Shares falling after the maturity of the 2022 ZDP Shares, the Audit Committee focused significantly on coverage tests and overall leverage levels as part of this analysis and was satisfied that the Company continued to have good asset coverage.

Following the issuance of the 2024 ZDP Shares in May 2018, the Audit Committee turned its focus to an audit tender process, as detailed in the 2017 Annual Financial Report. The Audit Committee held a robust process and discussion, which is detailed on page 48 of this report. Following due and careful consideration, the Audit Committee concurred that KPMG Channel Islands were the preferred applicant and recommended their re-appointment to the Company.

In terms of other financial reporting matters, the Audit Committee conducted a detailed review of auditor independence and effectiveness, and reviewed and planned the year end audit with the Manager and KPMG. In addition, the Audit Committee reviewed and held detailed discussions on the Consolidated Financial Statements before approving the 2018 annual accounts.

As Audit Committee Chairman, I was pleased with the work performed during the year related to the ZDP issuance and the audit tender. In addition, I was satisfied with the level of work performed by the Manager and KPMG in relation to the preparation of the Company's Consolidated Financial Statements and the year end audit process. I am pleased to present the Audit Committee report which details the main issues that arose during the year and how these issues were resolved by the Audit Committee.

John Falla

Audit Committee Chairman

Guernsey, 12 April 2019

Audit Committee

The function of the Audit Committee is to provide oversight and reassurances to the board, specifically with regard to the integrity of the Company's financial reporting, audit arrangements, risk management and internal control processes and governance framework.

Audit Committee Responsibilities

The responsibilities of the Audit Committee are:

- reviewing the Company's financial results announcements and consolidated financial statements and monitoring compliance with relevant statutory and listing requirements;
- reporting to the board on the appropriateness of the Company's accounting policies and practices including critical accounting policies and practices;
- advising the board on whether the Committee believes 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 Company's performance, business model and strategy;
- overseeing the relationship with the external auditor;
- considering the financial and other implications on the independence of the auditors arising from any non-audit services to be provided by the auditor;
- to analyse the key procedures adopted by the Company's service providers;
- making recommendation for appointments or re-appointments of the external auditors and reviewing independence;
- considering the nature and extent of the significant risks the Company faces in achieving its strategic objectives; and
- compile and report on its activities to be included in the Company's Annual Financial Report.

In addition to these responsibilities, the Audit Committee ensures that a framework for strong corporate governance and best practice is in place, which is believed to be suitable for an investment company and which enables the Company to comply with the main requirements of the Main Market and any other applicable law or regulation.

Committee meetings

The Committee meets at least three times a year. Only members and the secretary of the Audit Committee have the right to attend Audit Committee meetings. However, other directors and representatives of the Investment Manager and the Administrator will be invited to attend Audit Committee meetings on a regular basis and other non-members may be invited to attend all or part of the meeting as and when appropriate and necessary. The Company's external auditor, who is currently KPMG, is also invited on a regular basis. The Audit Committee determines, in conjunction with the external auditor, whether it is to meet with the Audit Committee.

Financial Statements and Reporting Matters

The Committee assists 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 manages the Company's relationship with KPMG. Meetings of the Audit Committee generally take place prior to the Company board meeting. The Audit Committee reports to the board as part of a separate agenda item, on the activities of the Audit Committee and matters of particular relevance to the board in the conduct of their work.

In relation to financial reporting, the primary role of the Audit Committee is to review with the Investment Manager, Capital Analytics and KPMG the appropriateness of the half-year and annual financial statements. The Committee focuses on, amongst other matters:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial governance reporting requirements;
- material areas in which significant judgement have been applied or there has been discussion with KPMG;
- whether 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 Company's performance, business model and strategy; and

- any correspondence from regulators in relation to financial reporting.

To aid its review, the Audit Committee considers reports from the Investment Manager, Fund Administrator, the company secretary and also reports from the external auditor on the outcomes of their half-year review and annual audit.

The Audit Committee viewed the valuation of investments as the key issue arising in the preparation of the 2018 Annual Financial Report and Consolidated Financial Statements. With the portfolio moving from 73% direct equity investments at 31 December 2017 to 82% direct equity investments at 31 December 2018, the Audit Committee focused particularly on the valuation methodologies and the assumptions used to value these investments.

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

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

The external auditors reported to the Audit Committee that they were satisfied with the quality of financial information.

It was noted by the Manager that the overall level of income investments had decreased in the portfolio, driven by exits and re-financings, and represented approximately 13% of private equity fair value. However, the Manager noted that one income investment had been written down as of 31 December 2018 to the expected recovery value due to an ongoing restructuring. Further, the Manager noted subsequent to this reporting period, in early 2019, the Company's investment in the second lien debt had been converted to equity in the newly reorganised company.

The Audit Committee received an update from the Company's external auditors which noted that the two principal risks in relation to the income investments had remained materially unchanged during the year. The two primary risks were credit risk and market risk and the external auditors explained they had designed procedures to cover both types of risk. To analyse credit risk, the auditors explained the Manager prepared valuation models to analyse the enterprise and equity values to ensure there was sufficient enterprise value to support all of the debt of a company and that the company was creditworthy. Turning to market risk, the external auditor explained that market risk was related to yield and this was compared to other observable yields in the market. Further the external auditor noted that this approach and methodology applied by the Manager was reasonable and appropriate. Similar to prior years, the auditors noted they had utilised their in-house valuation experts to assist with the audit of valuations and used a number of techniques to evaluate the valuation of selected income investments.

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

Following this discussion, the Audit Committee reviewed both the Annual Financial Report and the Consolidated Financial Statements and discussed the contents with the Investment Manager and KPMG. The Audit Committee also reviewed the viability statement and undertook a robust assessment of the principal risks and the workings supporting the viability statement.

GOVERNANCE | AUDIT COMMITTEE REPORT

Based on their review and information received from the Investment Manager, the Audit Committee advised the board that it was satisfied that the Annual Financial Report and the Consolidated Financial Statements, taken as a whole, were fair, balanced and understandable and provided the information necessary for shareholders to assess the Company's performance, business model and strategy.

Internal control and risk assessment

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

The board has undertaken a full review of the Company's business risks which have been analysed and recorded in the principal risks and uncertainties. Each quarter the board receives a formal risk report from the Investment Manager which details the steps taken to monitor the key areas of risk including those that are not directly the responsibility of the Investment Manager. The Investment Manager has established an internal control framework to provide reasonable but not absolute assurance on the effectiveness of internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the Investment Manager's compliance and risk department on an ongoing basis.

By means of the procedures set out above, the Audit Committee confirms that it reviewed the effectiveness of the Company's system of internal controls for the year ended 31 December 2018 and to the date of approval of this Annual Financial Report and that no issues were noted.

Internal Audit

The Company itself does not have an internal audit function, but instead relies on the internal audit functions and departments of the Investment Manager and other service providers. The Audit Committee was satisfied that this function provides sufficient control to help mitigate risks to the Company.

Terms of Engagement

The Audit Committee reviewed the audit scope and fee proposal through engagement letters and Audit Committee reports issued by KPMG to the directors. The Committee approved the fees for audit services for 2018 after a review of the level and nature of work to be performed. The board was satisfied that the fees were appropriate for the scope of the work required.

The external auditors were remunerated $170,000 in relation to the 2018 annual audit (2017 fee: $220,000). They received fees of $30,000 in relation to their review of the interim financial statements, which was unchanged from the prior year.

Auditor Effectiveness

The Audit Committee received a detailed audit plan from the auditors, identifying their assessment of the key risks. For the 2018 financial year the significant risk identified was the valuation of investments. This risk is tracked through the year and the Audit Committee challenged the work done by the auditors to test management's assumptions. The Audit Committee assessed the effectiveness of the audit process in addressing these matters through the reporting received from the auditors at both the half-year and year end meetings. In addition, the Audit Committee sought feedback from the Investment Manager and Capital Analytics on the effectiveness of the audit process. For the 2018 financial year, the Audit Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be appropriate.

External Audit

KPMG were appointed to the Company in 2009. KPMG performed an audit on the Company's consolidated financial statements in accordance with applicable law and International Standards on Auditing (UK). Prior to beginning the audit, the Audit Committee received a report from the external auditors and reviewed the scope of the audit, identified significant audit risk and areas of audit focus as well as the terms of the audit engagement.

Overview of Audit Tender Process During 2018

As noted in the 2017 Annual Financial Report, the Audit Committee follows Financial Reporting Council ("FRC") guidance which provides for an audit tender every ten years. During 2018, the Audit Committee recommended to the board to begin an audit tender process. Following the board resolution, the Audit Committee sought to identify firms to take part in the tender process and approached a number of firms both within and outside of the Big Four. Certain firms were unable to take part in the process due to existing business relationships that would not allow them to be independent. The Committee did however identify three firms, who accepted the invitation to take part in the process having confirmed their independence. This included the incumbent firm of auditors KPMG. These firms were given access to appropriate data and personnel of the Manager and other service providers and the Audit Committee both in the USA and Guernsey to allow them to complete their formal tender presentation.

Each firm identified the key audit executives both within the USA and Guernsey in their presentation that would form the engagement team. Following consideration by the Audit Committee of the three tenders, the Committee shortlisted two firms for more detailed conversations on their audit approach and to answer questions on their tenders. These discussions included the key audit Executives in the USA and Guernsey in each firm.

The Audit Committee was of the view that each firm that was shortlisted would have been capable of providing an independent and robust audit. The Audit tender process highlighted the efficiencies that were available from the transition to the use of the Practical Expedient which led the Audit Committee to recommend to the Board for the incumbent auditors to be reappointed. The Board agreed to reappoint KPMG and a resolution for re-appointment will be recommended at the next Annual General Meeting.

Auditor Independence and Appointment

The Audit Committee understands the importance of auditor independence and during 2018, the Audit Committee reviewed the independence and objectivity of KPMG and also of KPMG US. The Audit Committee received a report from KPMG describing its independence, controls and current practices to safeguard and maintain auditor independence.

The Audit Committee also focused on the non-audit services, which requires the consent of the Audit Committee. The only non-audit services performed during 2018 consisted of the semi-annual financial statement review by KPMG. KPMG noted that they did not perform any work with respect to the preparation of financial statements or valuations, the taking of management decisions, or the provision of investment advice.

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

Following the aforementioned 2018 audit tender process, the Audit Committee recommended to the board the re-appointment of KPMG to the Company. The board accepted the Audit Committee's recommendation and a resolution to re-appoint KPMG as auditor of the Company will be put forth at the next Annual General Meeting of the Company.

AUDITOR'S REPORT | INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NB PRIVATE EQUITY PARTNERS LIMITED

Our opinion is unmodified

We have audited the consolidated financial statements (the "Financial Statements") of NB Private Equity Partners Limited (the "Company") and its subsidiary (together, the "Group"), which comprise the consolidated balance sheet as at 31 December 2018, the consolidated condensed schedules of private equity investments, the consolidated statements of operations and changes in net assets and of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information. In our opinion, the accompanying Financial Statements:

— give a true and fair view of the financial position of the Group as at 31 December 2018, and of the Group's financial performance and the Group's cash flows for the year then ended;

— are prepared in conformity with U.S. generally accepted accounting principles; 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 FRC Ethical Standards as applied to listed entities. 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 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 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 follow (unchanged from 2017):

Valuation of private equity investments

$1,019,921,945 (2017: $961,406,294)

Refer to pages 44 - 48 of the Audit Committee Report, pages 54 - 55 consolidated condensed schedule of private equity investments, Note 2 accounting policies and Note 3 Fair Value of Financial Instruments.

AUDITOR'S REPORT | INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NB PRIVATE EQUITY PARTNERS LIMITED

The Risk

Subjective valuation

The Group's investment portfolio represents the most significant balance on the consolidated balance sheet and is the principal driver of the Group's net asset value (2018: 116.8%; 2017: 112.8%). The investment portfolio is comprised of direct equity and fund investments ("Private Equity Investments") and unquoted debt investments ("Income Investments") (together the "Investments").

Private Equity Investments, representing 73% of the fair value of Investments, are valued using the practical expedient in conformity with US GAAP to determine the fair value of the underlying Private Equity Investments, adjusted if considered necessary by the Investment Manager. The remaining Private Equity Investments, representing 15% of the fair value of Investments, are valued using price of recent transaction, comparable company multiples or listed prices, as applicable.

Income Investments, representing 12% 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"). Remaining Income Investments are valued using third party data sources.

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.

Our Response

Our audit procedures included:

Controls evaluation:
We tested the design and implementation of the Investment Manager's review control in relation to the valuation of investments.

Challenging managements' assumptions and inputs including use of KPMG valuation specialist:
For all investments we assessed the appropriateness of the valuation technique used to estimate fair value.

For a selection of Private Equity Investments, chosen on the basis of their fair value, we confirmed their fair values to supporting information, including audited information where available, such as: financial statements, capital accounts, lead sponsor or co-investor information or other information provided by the underlying funds' general partners, investee managers or similar. We assessed the quality and the reliability of the information obtained including, where applicable, an assessment of the appropriateness of the accounting framework utilized, whether the audit opinion was modified and the appropriateness of the price of recent transaction used to value the holding. For listed Private Equity Investments we independently priced these to a third party source.

For a selection of Income Investments, chosen on the basis of their fair value, where market quotes were available, we used our KPMG valuation specialist to independently value them based on prices obtained from third party pricing vendors.

For the remaining population of Income Investments, we made a selection of Model Valuations, chosen on the basis of their fair value. We corroborated key inputs in the Model Valuations to supporting documentation such as management accounts. With the support of our KPMG valuation specialist, we challenged the key assumptions used, such as comparable multiples and market yields.

Assessing transparency:
We also considered the Group's disclosures (see Note 2) in relation to the use of estimates and judgements regarding the fair value of investments and the Group's investment valuation policies adopted and the fair value disclosures in Note 3 and Note 2 for conformity with US GAAP.

AUDITOR'S REPORT | INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NB PRIVATE EQUITY PARTNERS LIMITED

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

Materiality for the Financial Statements as a whole was set at $25.4 million, determined with reference to a benchmark of Group Net Assets of $873.3 million, of which it represents 3% (2017: 3%).

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding $1.2 million, 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 net investment income / (loss) and net realised and unrealised gain (loss) and total Group assets and liabilities.

We have nothing to report on going concern

We are required to report to you if we have anything material to add or draw attention to in relation to the directors' statement in note 2 to the Financial Statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group's use of that basis for a period of at least twelve months from the date of approval of the Financial Statements. We have nothing to report in this respect.

We have nothing to report on the other information in the Annual Financial Report

The directors are responsible for the other information presented in the Annual Financial Report together with the Financial Statements. Our opinion on the Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Disclosures of principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

• the directors' confirmation within the Strategic Report's Viability Statement on page 40 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;

• the Principal Risks disclosures describing these risks and explaining how they are being managed or mitigated;

• the directors' explanation in the Strategic Report's Viability Statement on page 40 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.

Corporate governance disclosures

We are required to report to you if:

• we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and 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; or

• the section of the Annual Financial Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the eleven provisions of the 2016 UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report to you in these respects.

AUDITOR'S REPORT | INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NB PRIVATE EQUITY PARTNERS LIMITED

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 Financial Statements are not in agreement with the accounting records; or

• we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on pages 41 to 42, the Directors are responsible for: the preparation of the 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 financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group'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 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 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. 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.

Dermot Dempsey

For and on behalf of KPMG Channel Islands Limited

Chartered Accountants and Recognised Auditors

Glategny Court

St Peter Port

Guernsey GY1 1WR

Channel Islands

12 April 2019

CONSOLIDATED FINANCIAL STATEMENTS | BALANCE SHEETS

Assets	2018	2017
Private equity investments		
Cost of $848,834,220 at 31 December 2018 and $781,600,125 at 31 December 2017	$ 1,019,921,945	$ 961,406,294
Cash and cash equivalents	23,012,039	25,746,450
Other assets	11,041,178	4,963,787
Distributions and sales proceeds receivable from investments	8,064,894	7,600,201
Total assets	**$ 1,062,040,056**	**$ 999,716,732**
Liabilities and share capital		
Liabilities:		
ZDP Share liability	$ 134,934,698	$ 71,085,013
Credit facility loan	40,000,000	60,000,000
Accrued expenses and other liabilities	9,373,163	3,204,878
Payables to Investment Manager and affiliates	3,665,423	3,476,013
Net deferred tax liability	795,688	1,535,683
Carried interest payable to Special Limited Partner	-	7,925,575
Total liabilities	**$ 188,768,972**	**$ 147,227,162**
Share capital:		
Class A Shares, $0.01 par value, 500,000,000 shares authorised, 51,940,972 shares issued, and 48,790,564 shares outstanding	$ 519,410	$ 519,410
Class B Shares, $0.01 par value, 100,000 shares authorised, 10,000 shares issued and outstanding	100	100
Additional paid-in capital	525,157,490	525,157,490
Retained earnings	355,792,670	335,057,802
Less cost of treasury stock purchased (3,150,408 shares)	(9,248,460)	(9,248,460)
Total net assets of the controlling interest	**872,221,210**	**851,486,342**
Net assets of the noncontrolling interest	1,049,874	1,003,228
Total net assets	**$ 873,271,084**	**$ 852,489,570**
Total liabilities and net assets	**$ 1,062,040,056**	**$ 999,716,732**
Net asset value per share for Class A Shares and Class B Shares	**$ 17.87**	**$ 17.45**
Net asset value per share for Class A Shares and Class B Shares (GBP)	**£ 14.03**	**£ 12.91**
Net asset value per 2022 ZDP Share (Pence)	**109.41**	**105.21**
Net asset value per 2024 ZDP Share (Pence)	**102.48**	**N/A**

The consolidated financial statements were approved by the board of directors on 12 April 2019 and signed on its behalf by

Talmai Morgan **John Falla**

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

CONSOLIDATED FINANCIAL STATEMENTS | CONDENSED SCHEDULES OF PRIVATE EQUITY INVESTMENTS

Private equity investments	Cost	Fair Value	Unfunded Commitment	Private Equity [1] Exposure
2018				
Direct equity investments				
NB Alternatives Direct Co-investment Program A*	$ 61,423,017	$ 69,704,160	$ 19,959,605	$ 89,663,765
NB Alternatives Direct Co-investment Program B*	92,294,067	120,816,305	55,545,207	176,361,512
NB Renaissance Program	17,627,261	19,857,099	21,285,325	41,142,424
NB Healthcare Credit Investment Program (Equity)	7,236,888	6,665,356	4,158,286	10,823,642
Marquee Brands	15,554,933	19,929,714	13,821,594	33,751,308
Direct equity investments[2]	449,949,351	594,133,158	283,252	594,416,410
Total direct equity investments	$ 644,085,517	$ 831,105,792	$ 115,053,269	$ 946,159,061
Income Investments				
NB Credit Opportunities Program	10,850,964	11,076,807	37,255,311	48,332,118
NB Specialty Finance Program	1,500,000	1,341,169	48,500,000	49,841,169
Income investments	145,128,636	122,680,559	-	122,680,559
Total income investments	$ 157,479,600	$ 135,098,535	$ 85,755,311	$ 220,853,846
Fund investments	47,269,103	53,717,618	22,475,879	76,193,497
Total investments	**$ 848,834,220**	**$ 1,019,921,945**	**$ 223,284,459**	**$ 1,243,206,404**
2017				
Direct equity investments				
NB Alternatives Direct Co-investment Program A*	72,491,110	107,015,802	20,605,232	127,621,034
NB Alternatives Direct Co-investment Program B*	49,417,832	64,668,624	97,634,575	162,303,199
NB Renaissance Program	-	-	42,017,500	42,017,500
NB Healthcare Credit Investment Program (Equity)	10,773,218	7,023,637	4,381,203	11,404,840
Marquee Brands	12,769,389	16,028,103	16,922,243	32,950,346
Direct equity investments[2]	368,582,097	503,826,855	599,770	504,426,625
Total direct equity investments	$ 514,033,646	$ 698,563,021	$ 182,160,523	$ 880,723,544
Income Investments				
NB Healthcare Credit Investment Program (Debt)	3,284,256	5,464,248	-	5,464,248
NB Credit Opportunities Program	4,219,709	4,543,791	45,716,467	50,260,258
Income investments	162,790,616	145,206,082	-	145,206,082
Total income investments	$ 170,294,581	$ 155,214,121	$ 45,716,467	$ 200,930,588
Fund investments	$ 97,271,898	$ 107,629,152	$ 39,698,555	$ 147,327,707
Total investments	**$ 781,600,125**	**$ 961,406,294**	**$ 267,575,545**	**$ 1,228,981,839**

* These investments are above 5% of net asset value. None of the underlying private equity investments held by the funds listed above exceed 5% of net asset value.

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS | CONDENSED SCHEDULES OF PRIVATE EQUITY INVESTMENTS

Geographic diversity of private equity investments [1]	Fair Value 2018	Fair Value 2017
North America	$ 794,287,663	$ 794,000,475
Europe	168,071,917	122,031,445
Asia / rest of world	57,015,958	39,265,132
Not classified	546,407	6,109,242
	$ 1,019,921,945	**$ 961,406,294**

Industry diversity of private equity investments [2]	2018	2017
Technology / IT	19.4%	17.8%
Healthcare	14.7%	10.6%
Industrials	19.3%	18.4%
Consumer discretionary	13.9%	10.6%
Financial services	7.9%	12.0%
Business services	12.9%	13.0%
Energy	2.9%	5.5%
Communications / media	6.6%	6.1%
Diversified / undisclosed / other	0.3%	2.7%
Transportation	2.1%	3.3%
	100.0%	**100.0%**

Asset class diversification of private equity investments [3]	2018	2017
Large-cap buyout	0.2%	0.7%
Large-cap buyout co-invest	23.3%	23.0%
Mid-cap buyout	0.9%	2.7%
Mid-cap buyout co-invest	42.7%	35.2%
Special situation	1.7%	3.7%
Special situation co-invest	9.5%	8.9%
Income investments	14.1%	16.2%
Growth / venture	2.1%	3.5%
Growth equity co-invest	5.3%	5.6%
Secondary purchases	0.2%	0.5%
	100.0%	**100.0%**

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS | STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

		2018		2017
Interest and dividend income	$	17,375,522	$	16,488,513
Expenses				
Investment management and services		14,297,557		11,904,626
Carried interest		-		7,925,575
Finance costs				
Credit facility		4,510,795		3,152,152
ZDP Shares		4,808,016		3,396,519
Administration and professional fees		3,639,437		4,039,978
		27,255,805		30,418,850
Net investment income (loss)	**$**	**(9,880,283)**	**$**	**(13,930,337)**
Realised and unrealised gains (losses)				
Net realised gain (loss) on investments and forward foreign exchange contracts, net of tax expense (benefit) of $501,826 for 2018 and $304,408 for 2017	$	64,354,766	$	89,355,829
Net change in unrealised gain (loss) on investments and forward foreign exchange contracts, net of tax expense (benefit) of ($739,995) for 2018 and $509,577 for 2017		(7,828,670)		23,927,442
Net realised and unrealised gain (loss)		56,526,096		113,283,271
Net increase (decrease) in net assets resulting from operations	$	46,645,813	$	99,352,934
Less net (increase) decrease in net assets resulting from operations attributable to the noncontrolling interest		(46,646)		(107,279)
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$**	**46,599,167**	**$**	**99,245,655**
Net assets at beginning of period attributable to the controlling interest		851,486,342		776,640,969
Less dividend payment		(25,864,299)		(24,400,282)
Net assets at end of period attributable to the controlling interest	**$**	**872,221,210**	**$**	**851,486,342**
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	***$***	***0.95***	***$***	***2.03***
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest (GBP)	***£***	***0.72***	***£***	***1.57***

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

CONSOLIDATED FINANCIAL STATEMENTS | STATEMENTS OF CASH FLOWS

	2018	2017
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$ 46,599,167	$ 99,245,655
Net increase (decrease) in net assets resulting from operations attributable to the noncontrolling interest	46,646	107,279
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realised (gain) loss on investments and forward foreign exchange contracts, net of tax expense	(64,354,766)	(89,355,829)
Net change in unrealised (gain) loss on investments and forward foreign exchange contracts, net of tax expense	7,828,670	(23,927,442)
In-kind payment of interest income	(3,875,099)	(466,065)
Amortisation of finance costs	918,454	640,707
Amortisation of purchase premium/discount (OID), net	(1,368,609)	(1,790,283)
Change in other assets	(7,199,525)	(740,771)
Change in payables to Investment Manager and affiliates	(7,736,165)	728,088
Change in accrued expenses and other liabilities	4,257,116	2,524,049
Net cash provided by (used in) operating activities	(24,884,111)	(13,034,612)
Cash flows from investing activities:		
Distributions from private equity investments	128,141,945	133,687,337
Proceeds from sale of private equity investments	92,533,630	108,421,067
Contributions to private equity investments	(93,755,942)	(37,318,648)
Purchases of private equity investments	(126,408,083)	(278,542,510)
Net cash provided by (used in) investing activities	511,550	(73,752,754)
Cash flows from financing activities:		
Dividend payment	(25,864,299)	(24,400,282)
Redemption of 2017 Zero Dividend Preference Shares	-	(15,507,930)
Issuance of 2024 Zero Dividend Preference Shares	66,430,000	-
Borrowings from credit facility	85,000,000	60,000,000
Payments to credit facility	(105,000,000)	-
Settlement of the forward foreign exchange contract and ongoing hedging activity	1,072,449	(1,220,000)
Net cash provided by (used in) financing activities	21,638,150	18,871,788
Net increase (decrease) in cash and cash equivalents	**(2,734,411)**	**(67,915,578)**
Cash and cash equivalents at beginning of period	25,746,450	93,662,028
Cash and cash equivalents at end of period	**$ 23,012,039**	**$ 25,746,450**
Supplemental cash flow information		
Interest paid	**$ 2,972,431**	**$ 1,830,218**
Net taxes paid (refunded)	**$ (12,012)**	**$ 370,791**

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

CONSOLIDATED FINANCIAL STATEMENTS | NOTES TO 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 Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey GY1 4HY. The Group invests in private equity assets, which consist of direct equity investments, income investments and legacy fund investments, which are in realisation mode. Income investments include corporate private debt investments and healthcare credit investments, which consist of loans to companies in the healthcare sector and royalty backed notes. From time to time, the Group may also make other opportunistic investments, as appropriate. The Company's Class A Shares are listed and admitted to trading on the Premium Segment of the Main Market of the London Stock Exchange ("Main Market") under the symbols "NBPE" and "NBPU" corresponding to Sterling and U.S. dollar quotes, respectively. On 19 December 2018, NBPE delisted from the regulated market of Euronext Amsterdam N.V. NBPE has two classes of Zero Dividend Preference ("ZDP") Shares maturing in 2022 and 2024 (see note 5) which are listed and admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange ("Specialist Fund Segment") under the symbols "NBPP" and "NBPS", respectively.

The Group is managed by NB Alternatives Advisers LLC ("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 accounting principles generally accepted in the United States of America ("U.S. GAAP") and are in compliance with the Companies (Guernsey) Law, 2008. All adjustments considered necessary for the fair presentation of the consolidated financial statements for the periods presented have been included. These consolidated financial statements are presented in U.S. dollars.

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

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

Principles of Consolidation

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

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.

Recent Accounting Pronouncements

In August of 2018, the FASB issued Accounting Standards Update ("ASU") 2018-13 Topic 820, Disclosure Framework – Changes to the Disclosure Requirement for Fair Value Measurement ("ASU 2018-13"). ASU 2018-13 removes the requirement to disclose the valuation policy for Level 3 investments and provides modifications to the requirements for disclosure on Level 3 investments as well as transfers within the fair value hierarchy. This update is effective for fiscal years beginning after 15 December 2019, and early adoption is permitted. The Group has early adopted. This guidance does not have a material impact on the Group's financial statements.

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

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

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

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

Observable inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, based on market data obtained from sources independent of the Group. Unobservable inputs reflect the Group's own assumptions about the assumptions 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' investment portfolio or other assets and liabilities. Investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient are not categorised in the fair value hierarchy.

Realised Gains and Losses on Investments

Realised gains and losses from sales of investments are determined on a specific identification basis. For investments in private equity funds, the Group records its share of realised gains and losses incurred when the Investment Manager knows that the private equity fund 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 in funds of which capital is denominated in foreign currency are translated into U.S. dollars based on rates of exchange at the reporting date. The cumulative effect of translation to U.S. dollars has decreased the fair value of the Partnership's foreign investments by $600,038 as of 31 December 2018. The cumulative effect of translation to U.S. dollars increased the fair value of the Partnership's foreign investments by $584,785 as of 31 December 2017.

Other than the ZDP Shares denominated in Sterling, the Group has unfunded commitments denominated in currencies other than U.S. dollars. At 31 December 2018, the unfunded commitments that are in Euros amounted to €20,759,242 (31 December 2017: €36,721,669). They have been included in the Consolidated Condensed Schedules of Private Equity Investments at the U.S. dollar exchange rates in effect at 31 December 2018 and 2017. The effect on the unfunded commitment of the change in the exchange rates between Euros and U.S. dollars was a decrease in the U.S. dollar obligations of $378,015 for 31 December 2018 and an increase in the U.S. dollar obligation of $326,061 for 31 December 2017.

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 incur 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.

CONSOLIDATED FINANCIAL STATEMENTS | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 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 2018, total interest and dividend income was $17,375,522, of which $479,234 was dividends, $16,797,767 was interest income, and $98,521 was other forms of income. For the year ended 31 December 2017, total interest and dividend income was $16,488,513, of which $138,046 was dividends, $15,798,389 was interest income, and $552,078 was other forms of income. Realised gains and losses from sales of investments are determined on a specific identification basis.

Cash and Cash Equivalents

Cash and cash equivalents represent cash held in accounts at banks and liquid investments with original maturities of three months or less. Cash equivalents are carried at cost plus accrued interest, which approximates fair value. At 31 December 2018 and 2017, cash and cash equivalents consisted of $23,012,039 and $25,746,450 of cash, respectively, primarily held in operating accounts with JP Morgan Chase. Cash equivalents are held for the purpose of meeting short-term liquidity requirements, rather than for investment purposes. As of 31 December 2018, there were no cash equivalents. Cash and cash equivalents are subject to credit risk to the extent those balances exceed applicable FDIC or 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 (2017: £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 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.

CONSOLIDATED FINANCIAL STATEMENTS | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Forward Foreign Exchange Contracts

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

Forward foreign exchange contracts involve elements of market risk in excess of the amounts reflected on the consolidated financial statements. The Group bears the risk of an unfavorable 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.

Reclassifications

Certain amounts in the 2017 Statement of Operations and Changes in Net Assets have been reclassified to conform to the 2018 presentation.

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.

CONSOLIDATED FINANCIAL STATEMENTS | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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. 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 private equity investments (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 investments 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 investment are classified as level 1. As of 31 December 2018, there were two marketable securities held by the Group. As of 31 December 2017, there were no marketable securities held by the Group.

The following table details the Group's financial assets and liabilities that were accounted for at fair value as of 31 December 2018 and 2017 by level and fair value hierarchy.

	Assets (Liabilities) Accounted for at Fair Value				
As of 31 December 2018	**Level 1**	**Level 2**	**Level 3**	**Investments measured at net asset value[1]**	**Total**
Private equity investments	$ 8,722,528	$ 10,305,561	$ 260,318,559	$ 740,575,297	$1,019,921,945
Forward foreign exchange contracts	-	(5,217,693)	-	-	(5,217,693)
Totals	**$ 8,722,528**	**$ 5,087,868**	**$ 260,318,559**	**$ 740,575,297**	**$1,014,704,252**
As of 31 December 2017	**Level 1**	**Level 2**	**Level 3**	**Investments measured at net asset value[1]**	**Total**
Private equity investments	$ -	$ 38,693,724	$ 152,002,136	$ 770,710,434	$ 961,406,294
Forward foreign exchange contract	-	1,656,011	-	-	1,656,011
Totals	$ -	**$ 40,349,735**	**$ 152,002,136**	**$ 770,710,434**	**$ 963,062,305**

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

CONSOLIDATED FINANCIAL STATEMENTS | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 2018.

(dollars in thousands)	For the Year Ended 31 December 2018					
	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/ Venture	Income Investments	Total Private Equity Investments
Balance, 31 December 2017	$ 2,000	$ 21,288	$ 108	$ 25,301	$ 103,305	$ 152,002
Purchases of investments and/or contributions to investments	-	27,569	372	3,555	20,900	52,396
Realised gain (loss) on investments	-	11,789	147	(1,185)	9,372	20,123
Changes in unrealised gain (loss) of investments still held at the reporting date	(2,000)	7,046	3,221	(3,138)	394	5,523
Changes in unrealised gain (loss) of investments sold during the period	-	(11,524)	(107)	29	4,521	(7,081)
Distributions from investments	-	(17,496)	(147)	(4,344)	(41,300)	(63,287)
Transfers into level 3	-	63,241	17,749	-	22,317	103,307
Transfers out of level 3	-	(2,664)	-	-	-	(2,664)
Balance, 31 December 2018	**$ -**	**$ 99,249**	**$ 21,343**	**$ 20,218**	**$ 119,509**	**$ 260,319**

Investments were transferred into Level 3 as management's fair value estimate included significant unobservable inputs. Investments were transferred out of Level 3 into Investments Measured at Net Asset Value.

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The following table summarises changes in the fair value of the Company's level 3 private equity investments for the year ended 31 December 2017.

(dollars in thousands)	For the Year Ended 31 December 2017					
	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/ Venture	Income Investments	Total Private Equity Investments
Balance, 31 December 2016	$ -	$ 44,395	$ 4,199	$ 5,588	$ 82,824	$ 137,006
Purchases of investments and/or contributions to investments	-	476	-	397	55,409	56,282
Realised gain (loss) on investments	-	31,018	2,639	138	4,954	38,749
Changes in unrealised gain (loss) of investments still held at the reporting date	-	5,284	-	1,361	(70)	6,575
Changes in unrealised gain (loss) of investments sold during the period	-	(25,181)	(2,553)	-	4,848	(22,886)
Distributions from investments	-	(36,341)	(4,177)	(138)	(45,130)	(85,786)
Transfers into level 3	2,000	11,000	-	17,955	470	31,425
Transfers out of level 3	-	(9,363)	-	-	-	(9,363)
Balance, 31 December 2017	**$ 2,000**	**$ 21,288**	**$ 108**	**$ 25,301**	**$ 103,305**	**$ 152,002**

Investments were transferred into Level 3 as management's fair value estimate included significant unobservable inputs. Investments were transferred out of Level 3 into Investments Measured at Net Asset Value.

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The following table summarises the valuation methodologies and inputs used for private equity investments categorised in level 3 as of 31 December 2018.

(dollars in thousands) Private Equity Investments	Fair Value 31 December 2018	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average)[2]	Impact to Valuation from an Increase in Input[3]
Direct equity investments					
Large-cap buyout	$ -	Third Party Valuation	LTM EBITDA	0.0x	Increase
Mid-cap buyout	99,249	Escrow Value	Escrow	N/A	Increase
		Expected sales proceeds	N/A	N/A	Increase
		Third Party Valuation	LTM EBITDA	8.4x-14.2x (11.0x)	Increase
		Market Approach	$ per Acre	$737	Increase
Special situations	21,343	Third Party Valuation	LTM EBITDA	7.7x-10.0x (8.5x)	Increase
		Third Party Valuation	LTM Revenue	2.6x	Increase
Growth / venture	20,218	Recent transaction value	N/A	N/A	Increase
		Third Party Valuation	LTM EBITDA	1.5x-16.2x (11.3x)	Increase
Income investments	119,509	Market comparable companies	LTM EBITDA	7.3x-13.9x (10.7x)	Increase
Total	$ 260,319				

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

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

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

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The following table summarises the valuation methodologies and inputs used for private equity investments categorised in level 3 as of 31 December 2017.

(dollars in thousands) Private Equity Investments	Fair Value 31 December 2017	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average)[2]	Impact to Valuation from an Increase in Input[3]
Direct equity investments					
Large-cap buyout	$ 2,000	Other	Most recent financing	Not applicable	Increase
Mid-cap buyout	21,288	Other	Escrow Value	1.0x	Increase
		Other	Expected sales proceeds	1.0x	Increase
		Other	Most recent financing	Not applicable	Increase
Special situations	108	Other	Escrow Value	1.0x	Increase
Growth / venture	25,301	Other	Most recent financing	Not applicable	Increase
Income investments	103,305	Market comparable companies	LTM EBITDA	7.3x-13.1x (10.5x)	Increase
Total	$ 152,002				

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

Since 31 December 2017, 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.

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 life of a fund is based on the time it takes the General Partner to exit the final position in that fund, but the bulk of realisations typically occur considerably before the final exit, with only a small tail existing beyond the standard life of ten years. 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.

Note 4 – Credit Facility

On 7 June 2016, a subsidiary of the Company entered into an agreement with JP Morgan to provide for a revised senior secured revolving credit facility (the "Credit Facility"). The Credit Facility's availability is up to $150.0 million (including a $25.0 million accordion) and expires on 7 June 2021. The outstanding balance of the Credit Facility was $40.0 million at 31 December 2018 and $60.0 million at 31 December 2017.

The Credit Facility is guaranteed by the Company as well as all of the Company's subsidiaries and secured by substantially all of the assets of the Company and its subsidiaries.

Under the Credit Facility, the Group is required to meet certain portfolio concentration tests, a maximum over-commitment test, and certain loan-to-value ratios. In addition, the Credit Facility limits the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers, repurchase of shares, liens, or other matters customarily restricted in such agreements. The ZDP Shares (see note 5) are compliant with the Credit Facility agreements. At 31 December 2018, the Group met all requirements under the Credit Facility.

Under the Credit Facility, the interest rate is calculated as LIBOR plus 3.75% per annum and the Group is required to pay a commitment fee calculated as 1.25% per annum on the daily balance of the unused facility amount.

For the year ended 31 December 2018, the Group incurred and expensed $1,729,360 in interest, $1,207,550 for undrawn commitment fees and $1,121,081 for minimum utilisation fees. For the year ended 31 December 2017, the Group incurred and expensed $464,179 in interest and $1,467,361 for undrawn commitment fees and $767,808 for minimum utilisation fees. As of 31 December 2018 and 2017, unamortised capitalised debt issuance costs (included in Other assets on the Consolidated Balance Sheets) were $1,102,861 and $1,555,665, respectively. For the year ended 31 December 2018 and 2017, capitalised amounts are being amortised on a straight-line basis over the term of the Credit Facility. Such amortisation amounted to $452,804 and $452,804 for the year ended 31 December 2018 and 2017, respectively.

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

On 31 May 2017, the Company's 32,999,999 ZDP Shares issued in 2009 and 2010 were due to mature (the "2017 ZDP Shares"), resulting in an effective interest rate of 7.3% annually. As a result of the Rollover Offer (described below), there were 7,109,599 2017 ZDP Shares outstanding at maturity on 31 May 2017, all of which were fully redeemed and delisted from the Specialist Fund Segment and the Official List of The International Stock Exchange.

On 14 September 2016, the Company issued 50,000,000 additional ZDP Shares (the "2022 ZDP Shares") at a Gross Redemption Yield of 4.00%. Holders of the 2017 ZDP Shares were given the offer to rollover their shares to the 2022 ZDP Share series (the "Rollover Offer"). Under the Rollover Offer, eligible holders of the 2017 ZDP Shares converted (by way of re-designation) some or all of their holdings of 2017 ZDP Shares into 2022 ZDP Shares. The rollover was completed at a rollover value of 165.14 pence, and a portion of the 2017 ZDP Shares were converted (by way of re-designation) into 1.6514 2022 ZDP Shares. Approximately 85% of the 2022 ZDP Shares were issued through the Rollover Offer. Approximately 15% of the 2022 ZDP Shares were issued pursuant to the Initial Placing and Offer for Subscription at a price per 2022 ZDP Share of 100 pence. The holders of the 2022 ZDP Shares will have a final capital entitlement of 126.74 pence on the repayment date of 30 September 2022. As of 31 December 2018, there were 50,000,000 2022 ZDP Shares outstanding.

On 30 May 2018, the Company issued 50,000,000 additional ZDP Shares (the "2024 ZDP Shares") 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. As of 31 December 2018, there were 50,000,000 2024 ZDP Shares outstanding.

The 2022 ZDP Shares and 2024 ZDP Shares rank prior to the Class A and Class B Shares in respect of repayment of the final entitlement. However, they rank behind any borrowings that remain outstanding. They carry no entitlement to income and their entire return takes the form of capital.

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The following table reconciles the liability for ZDP Shares, which approximates fair value, for the years ended 31 December 2018 and 2017.

ZDP Shares	Pounds Sterling	U.S. Dollars
Liability, 31 December 2016	£ 62,313,251	$ 76,894,552
Redemption of 2017 ZDP Shares	(7,190,043)	(8,872,514)
Premium amortisation on 2017 ZDP Shares	(9,815)	(12,111)
Net change in accrued interest on 2017 ZDP Shares	(4,530,215)	(5,364,543)
Net change in accrued interest on 2022 ZDP Shares	2,021,731	2,574,629
Currency conversion	-	5,865,000
Liability, 31 December 2017	£ 52,604,909	$ 71,085,013
Issuance of 2024 ZDP Shares	50,000,000	66,430,000
Net change in accrued interest on 2022 ZDP Shares	2,102,537	2,824,368
Net change in accrued interest on 2024 ZDP Shares	1,240,025	1,620,544
Currency conversion	-	(7,025,227)
Liability, 31 December 2018	£ 105,947,471	$ 134,934,698

The total liability related to the 2022 ZDP Shares was £54,707,446 (equivalent of $69,675,402) and £52,604,909 (equivalent of $71,085,013) as of 31 December 2018 and 2017, respectively. The total liability balance related to the 2024 ZDP Shares was £51,240,025 (equivalent of $65,259,296) and £0 as of 31 December 2018 and 2017, respectively.

As of 31 December 2018, the 2022 ZDP Shares and the 2024 ZDP Shares were the only outstanding ZDP Share classes.

Capitalised offering costs are being amortised using the effective interest rate method. The unamortised balance of capitalised offering costs of the 2022 and 2024 ZDP Shares at 31 December 2018 was $1,969,368 and the unamortised balance of capitalised offering costs of the 2022 ZDP Shares at 31 December 2017 was $1,438,820.

Note 6 – Forward Foreign Exchange Contracts

The Group utlises rolling forward foreign currency contracts to economically hedge, in part, the risk associated with the pounds sterling contractual liability for the issued ZDP Shares (see note 5). The aforementioned forward foreign currency contracts are currently held with JP Morgan.

On 21 September 2016, the Group entered into a forward foreign currency contract with JP Morgan associated with the 2022 ZDP Shares which stated that the Group would purchase £50,000,000 on 31 May 2017 for $65,250,000 (the “2017 foreign currency contract”). On 31 May 2017, the Group incurred a realised loss on the settlement of the 2017 foreign currency contract of $1,220,000.

In anticipation of the settlement on 31 May 2017 of the 2017 foreign currency contract, the Group entered into a new forward foreign currency contract with JP Morgan associated with the 2022 ZDP Shares which states that the Group would purchase £30,000,000 on 31 May 2018 for $38,874,000 (the “2018 foreign currency contract”). On 31 May 2018, the Group incurred a realised gain on the settlement of the 2018 foreign currency contract of $1,072,449.

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In anticipation of the settlement on 31 May 2018 of the 2018 foreign currency contract, on 25 May 2018, the Group entered into a new forward foreign currency contract with JP Morgan (the "2019 foreign currency contract A"). The 2019 foreign currency contract A states that the Group will purchase £30,000,000 on 31 May 2019 for $40,705,500.

Following the issuance of the 2024 ZDP Shares, on 31 May 2018, the Group entered into a new forward foreign currency contract with JP Morgan (the "2019 foreign currency contract B"). The 2019 foreign currency contract B states that the Group will purchase £40,000,000 on 31 May 2019 for $54,108,000.

The below table summarises the realised and unrealised positions of each forward foreign currency contract in effect during the reporting periods.

Forward Foreign Currency Contracts	2019 Foreign Currency Contract A	2019 Foreign Currency Contract B	2018 Foreign Currency Contract	2017 Foreign Currency Contract	Total
Contract appreciation (depreciation), 31 December 2016	$ -	$ -	$ -	$ (3,308,112)	$ (3,308,112)
Unrealised gain (loss)	$ -	$ -	$ 1,656,011	$ 3,308,112	$ 4,964,123
Realised gain (loss)	-	-	-	(1,220,000)	(1,220,000)
Cash paid (received) at settlement	-	-	-	1,220,000	1,220,000
Contract appreciation (depreciation), 31 December 2017	$ -	$ -	$ 1,656,011	$ -	$ 1,656,011
Unrealised gain (loss)	$ (2,306,460)	$ (2,911,233)	$ (1,656,011)	$ -	$ (6,873,704)
Realised gain (loss)	-	-	1,072,449	-	1,072,449
Cash paid (received) at settlement	-	-	(1,072,449)	-	(1,072,449)
Contract appreciation (depreciation), 31 December 2018	$ (2,306,460)	$ (2,911,233)	$ -	$ -	$ (5,217,693)

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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 2018		31 December 2017
Current tax expense	$	501,826	$	304,408
Deferred tax expense (benefit)		(739,995)		509,577
Total tax expense (benefit)	**$**	**(238,169)**	**$**	**813,985**

		31 December 2018		31 December 2017
Gross deferred tax assets	$	4,559,387	$	6,032,530
Valuation allowance		(2,358,837)		(2,270,349)
Net deferred tax assets		2,200,550		3,762,181
Gross deferred tax liabilities		(2,996,238)		(5,297,864)
Net deferred tax assets (liabilities)	**$**	**(795,688)**	**$**	**(1,535,683)**

Current tax expense (benefit) is reflected in Net realised gains and deferred tax expense (benefit) is reflected in Net changes in unrealised gains 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 2018 and 2017 are as follows:

	For the Years Ended 31 December			
		2018		2017
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$	46,599,167	$	99,245,655
Divided by weighted average shares outstanding for Class A Shares and Class B Shares of the controlling interest		48,800,564		48,800,564
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	**$**	**0.95**	**$**	**2.03**

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In accordance with Article 104(2) of the Commission Delegated Regulation (EU) No 231/2013 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 2018 and 31 December 2017, the balances include the following:

Classification of Realised Gain (Loss) and Unrealized Gain (Loss) [1]	31 December 2018	31 December 2017
Realised gain on investments	$ 92,755,405	$ 116,068,742
Realised loss on investments	(27,898,813)	(26,408,505)
Net realised gain (loss) on investments	$ 64,856,592	$ 89,660,237
Unrealised gain on investments	$ 175,110,098	$ 173,564,093
Unrealised loss on investments	(183,678,763)	(149,127,074)
Net Unrealised gain (loss) on investments	$ (8,568,665)	$ 24,437,019

(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.

Note 9 – Share Capital, Including Treasury Stock

Following the Class A Shareholder meeting on 24 April 2017 and admission to the Main Market, 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 Estera Corporate Services (Guernsey) Limited ("Trustee"), usually carry no voting rights at general meetings of the Company. However, in the event the level of ownership of Class A Shares by U.S. residents (excluding any Class A Shares held in treasury) exceeds 35% on any date determined by the directors (based on an analysis of share ownership information available to the Company), the Class B Shares will carry voting rights in relation to "Director Resolutions" (as such term is defined in the Company's articles of incorporation). In this event, Class B Shares will automatically carry such voting rights to dilute the voting power of the Class A Shareholders with respect to Director Resolutions to the extent necessary to reduce the percentage of votes exercisable by U.S. residents in relation to the Director Resolutions to not more than 35%. Each Class A Share and Class B Share participates equally in profits and losses. There have been no changes to the legal form or nature of the Class A Shares nor to the reporting currency of the Company's consolidated financial statements (which will remain in U.S. dollars) as a result of the Main Market quote being in Sterling as well as U.S. dollars.

The following table summarises the Company's shares at 31 December 2018 and 2017.

	31 December 2018	31 December 2017
Class A Shares outstanding	48,790,564	48,790,564
Class B Shares outstanding	10,000	10,000
	48,800,564	48,800,564
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 2019. 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.)

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

Management and 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 NAV of the private equity and opportunistic investments. For purposes of this computation, the NAV is reduced by the NAV 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 2018 and 2017, the management fee expenses were $14,297,557 and $11,904,626, respectively, and are included in Investment management and services on the Consolidated Statement of Operations and Changes in Net Assets.

The Group pays to Estera International Fund Managers (Guernsey) Limited ("Estera"), an affiliate of the Trustee, a fee for providing certain administrative functions relating to certain corporate services and Guernsey regulatory matters affecting the Group. Fees for these services are paid as invoiced by Estera. The Group paid Estera $383,878 and $177,152 for the years ended 31 December 2018 and 2017 respectively, for such services which are included in Administration and professional fees on the Consolidated Statements of Operations and Changes in Net Assets.

As disclosed in the notice of AGM of the board of directors, held on 5 November 2018, the board of directors passed a resolution which stated that effective 1 October 2018, the directors' fees were to be denominated and paid in Sterling and would be based on each director's position on the board as follows: Chairman is to receive £70,000 annually (£17,500 quarterly), Audit Chairman is to receive £60,000 annually (£15,000 quarterly), and Non-executive directors are each to receive £50,000 annually (£12,500 quarterly). For the period from 1 January 2018 through 30 September 2018, the Group paid the independent directors a total of $146,250 under the previous terms of payment and denominated in U.S. dollars. For the period from 1 October 2018 through 31 December 2018, the Group paid the independent directors a total of £45,000 under the new terms of payment and denominated in Sterling (equivalent of $58,260). For the years ended 31 December 2018 and 2017, the Group paid the independent directors a total of $204,510 and $195,000, respectively. In addition, the independent directors at the time also received a one time fee of $7,500 each for the additional work in issuing the 2024 ZDP Shares during the year ended 31 December 2018. In the year ended 31 December 2017, and as disclosed in the notice of Extraordinary General Meeting ("EGM"), the independent directors also received a one time fee of $7,500 each for the additional work in moving from the Specialist Fund Segment to the Main Market.

Expenses related to the Investment Manager are included in Investment management and services on the Consolidated Statements of Operations and Changes in Net Assets. Administration and professional fees include fees for directors, independent third party accounting and administrative services, audit and assurance, trustee, legal, listing and other items.

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Special Limited Partner's Noncontrolling Interest in Subsidiary

An affiliate of the Investment Manager is a Special Limited Partner in a consolidated partnership subsidiary. At 31 December 2018 and 2017, the noncontrolling interest of $1,049,874 and $1,003,228 represented the Special Limited Partner's capital contribution to the partnership subsidiary and income allocation, respectively.

The following table reconciles the carrying amount of Net Assets, Net Assets attributable to the controlling interest and Net Assets attributable to the noncontrolling interest at 31 December 2018 and 2017.

	Controlling Interest	Noncontrolling Interest	Total
Net assets balance, 31 December 2016	**$ 776,640,969**	**$ 895,949**	**$ 777,536,918**
Net increase (decrease) in net assets resulting from operations	99,245,655	107,279	99,352,934
Dividend payment	(24,400,282)	-	(24,400,282)
Net assets balance, 31 December 2017	**$ 851,486,342**	**$ 1,003,228**	**$ 852,489,570**
Net increase (decrease) in net assets resulting from operations	46,599,167	46,646	46,645,813
Dividend payment	(25,864,299)	-	(25,864,299)
Net assets balance, 31 December 2018	**$ 872,221,210**	**$ 1,049,874**	**$ 873,271,084**

Carried Interest

The Special Limited Partner is entitled to a carried interest in an amount that is, in general, equal to 7.5% of the Group's consolidated net increase in net assets resulting from operations, adjusted by withdrawals, distributions and capital contributions, for a fiscal year in the event that the Group's internal rate of return for such period, based on the NAV, exceeds 7.5%. For the purposes of this computation, the value of any private equity fund investment in NB Funds in respect of which the Investment Manager or an affiliate receives a fee or other remuneration shall be excluded from the calculation of the incentive allocation payable to the Special Limited Partner. If losses are incurred for a period, no carried interest is earned and such loss amounts are carried forward to be included in the calculations for future periods. Such loss amounts are reduced proportionately to give effect to the distributions to the general partner of the partnership subsidiary during the performance period. Carried interest is also accrued and paid on any economic gain that the Group realises on treasury stock transactions (see note 9). Carried interest is accrued periodically and paid at the conclusion of the fiscal year. As of 31 December 2018 and 2017, carried interest of $0 and $7,925,575 was accrued at the end of the year and paid in the subsequent year, respectively.

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Private Equity Investments with the Investment Manager's Platform

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

NB-Affiliated Investments (dollars in millions)	Fair Value	Committed	Funded	Unfunded
2018				
NB-Affiliated Programs				
NB Alternatives Direct Co-investment Programs	$ 190.5	$ 275.0	$ 199.5	$ 75.5
NB Renaissance Program	19.9	40.0	18.7	21.3
Marquee Brands	19.9	30.0	16.2	13.8
NB Healthcare Credit Investment Program	6.7	50.0	45.8	4.2
NB Credit Opportunities Program	11.1	50.0	12.7	37.3
NB Specialty Finance Program	1.3	50.0	1.5	48.5
Total investments in NB-Affiliated Programs	$ 249.4	$ 495.0	$ 294.4	$ 200.6
NB-Affiliated Funds				
NB Fund of Funds Secondary 2009	$ 0.9	$ 10.4	$ 10.1	$ 0.3
NB Crossroads Fund XVIII	16.0	75.0	63.1	11.9
Total investments in NB-Affiliated Funds	$ 16.9	$ 85.4	$ 73.2	$ 12.2
Total NB-Affiliated Investments	**$ 266.3**	**$ 580.4**	**$ 367.6**	**$ 212.8**
2017				
NB-Affiliated Programs				
NB Alternatives Direct Co-investment Programs	$ 171.7	$ 275.0	$ 156.7	$ 118.3
NB Renaissance Program	-	42.0	-	42.0
Marquee Brands	16.0	30.0	13.1	16.9
NB Healthcare Credit Investment Program	12.5	50.0	45.6	4.4
NB Credit Opportunities Program	4.5	50.0	4.3	45.7
Total investments in NB-Affiliated Programs	$ 204.7	$ 447.0	$ 219.7	$ 227.3
NB-Affiliated Funds				
NB Fund of Funds Secondary 2009	$ 2.9	$ 10.4	$ 9.8	$ 0.6
NB Crossroads Fund XVIII	21.9	75.0	63.1	11.9
Total investments in NB-Affiliated Funds	$ 24.8	$ 85.4	$ 72.9	$ 12.5
Total NB-Affiliated Investments	**$ 229.5**	**$ 532.4**	**$ 292.6**	**$ 239.8**

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

CONSOLIDATED FINANCIAL STATEMENTS | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 publicly traded and privately held securities. The fund investments of the Group may also hold financial instruments (including debt and derivative instruments) in addition to their investments in portfolio companies that are susceptible to market price risk and therefore may also affect the value of the Group's investment in the partnerships. As with any individual investment, market prices may vary from composite index movements.

Credit Risk

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

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

Liquidity Risk

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

Contingencies

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

CONSOLIDATED FINANCIAL STATEMENTS | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 2018 and 2017:

Per share operating performance (based on average shares outstanding during the year)		**For the Year Ended 31 December 2018**		**For the Year Ended 31 December 2017**
Beginning net asset value	$	17.45	$	15.91
Net increase in net assets resulting from operations:				
Net investment income (loss)		(0.20)		(0.28)
Net realised and unrealised gain (loss)		1.15		2.32
Dividend payment		(0.53)		(0.50)
Ending net asset value	**$**	**17.87**	**$**	**17.45**

Total return (based on change in net asset value per share)	**2018**	**2017**
Total return before carried interest	5.44%	12.82%
Carried interest	-	(1.00%)
Total return after carried interest	**5.44%**	**11.82%**

Net investment income (loss) and expense ratios (based on weighted average net assets)	**2018**	**2017**
Net investment income (loss)	(1.15%)	(1.75%)
Expense ratios:		
Expenses before interest and carried interest	2.45%	2.39%
Interest expense	0.72%	0.44%
Carried interest	0.00%	1.00%
Expense ratios total	**3.17%**	**3.83%**

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

As of the date of this report, the Group has completed additional borrowings totaling $20.0 million and has made principal payments totaling $15.0 million on the Credit Facility. As of the date of this report, the outstanding Credit Facility loan balance is $45.0 million.

On 8 January 2019, the board of directors of the Group declared a dividend payment to be paid at an amount of $0.28 per each Ordinary Share payable on 28 February 2019 with a dividend record date of 1 February 2019.

Starting on 10 January 2019, the Company began a series of Class A Share buy-backs pursuant to general authority granted by shareholders of the Company on and the share buy-back agreement with Jefferies International Limited. As of the date of this report, the Company has purchased and cancelled a total of 147,296 shares of its Class A stock (0.3% of the issued and outstanding Class A Shares as of 1 January 2019), for a total purchase price of $2,060,625. The Company intends to continue engaging in Class A Share buy-backs throughout 2019.

The Investment Manager and the board of directors have evaluated events through 12 April 2019, the date the consolidated financial statements were available to be issued, and has determined that there were no other subsequent events that required adjustment to, or disclosure in, the consolidated financial statements.

APPENDIX | SCHEDULE OF INVESTMENTS (UNAUDITED)

($ in millions)

Direct Equity Investments	Principal Geography	Investment Date	Description	Fair Value
Material Handling Systems	U.S./Europe	Apr-17	E-commerce infrastructure and automation company	37.4
Staples	U.S.	Sep-17	Provider of office supplies through a business to business platform and retail	30.1
Engineering Ingegneria Informatica	Italy	May-16	Italian IT firm	29.0
Business Services Company*	U.S.	Oct-17	Business services company	27.6
USI	U.S.	Jun-17	Insurance brokerage and consulting services	26.0
ProAmpac	U.S.	Nov-16	Leading global flexible packaging company	24.9
Telxius	Europe	Oct-17	Telecommunications infrastructure including fibre-optic cables and telecom towers	21.9
Qpark	Europe	Oct-17	European parking services provider	21.4
Marquee Brands	Global	Dec-14	Portfolio of consumer branded IP assets, licensed to third parties	19.9
Standard Aero	U.S.	Jun-15	Provider of aircraft maintenance, repair and overhaul services	17.6
Bomgar	U.S.	Jun-18	Cyber security and secure access solutions	17.2
LGC	Europe	Mar-16	Life sciences measurement and testing company	16.9
Italian Mid-Market Buyout Portfolio	Italy	Jun-18	Portfolio of Italian mid-market buyout companies	16.5
Excelitas	U.S.	Nov-17	Sensing, optics and illumination technology	16.4
Accedian	U.S.	Apr-17	Network technology company	15.3
Fortress	Vietnam	Jun-17	Leading hospital provider in Vietnam	15.1
Hivory	France	Dec-18	Telecom tower company in France	15.0
Final Site	U.S.	Nov-16	Learning management platform for schools	14.7
Branded Cities Network	U.S.	Nov-17	North American advertising media company	14.6
Leaseplan	Europe	Apr-16	Fleet management company	13.9
Omega Environmental Technologies	U.S.	Feb-17	Leading distributor and assembler of climate control components	13.9
Medplast	U.S.	Jun-18	Medical device manufacturer	13.4
Groupo Cortefiel	Europe	Oct-17	Spanish apparel retailer	12.4
GFL	Canada	Jul-18	Waste management services company	11.5
Saguaro	Canada	Jul-13	E&P company pursuing unconventional light oil/liquids-rich gas properties	11.1
Branded Toy Company*	U.S.	Jul-17	Specialty toy company	10.6
Lasko Products	U.S.	Nov-16	Manufacturer of portable fans and ceramic heaters	10.3
SolarWinds	U.S.	Feb-16	Provider of enterprise-class IT and infrastructure management software	10.1
Digital River (Equity)	U.S.	Feb-15	Digital eCommerce, payments and marketing solutions	10.1
Hilsinger	U.S. / U.K. / Australia	May-14	Supplier of eye wear and eye care accessories	9.8
Assurant (Warranty Group)	Global	Jul-14	Underwriter & administrator of extended warranties	9.3
Avantor	U.S.	Feb-18	Provider of materials for life sciences and technology industries	8.8
Solace Systems	U.S./Cananda	Apr-16	Enterprise messaging solutions	8.6
Uniasselvi	Brazil	Jun-18	Post secondary education company	8.5
Holley	U.S.	Oct-18	Automotive performance company	8.3
Genetic Testing Company - Equity*	U.S.	Jun-13	Genetic testing company	8.3
Ellucian	Global	Sep-15	Developer of higher education ERP software	8.0
West Marine	U.S.	Sep-17	Specialty retailer of boating supplies	7.9
Renaissance Learning	U.S.	Jun-18	K-12 educational software & learning solutions	7.3
ZPG	U.K.	Jul-18	Digital property data and software company	7.2
ARUHI Corporation	Japan	Oct-14	Mortgage company in Japan offering primarily fixed rate mortgages	7.2
Berlin Packaging	U.S.	Oct-14	Supplier of rigid packaging materials and value-added services	7.1
Extraction Oil & Gas	U.S.	May-14	E&P company in the U.S.	7.0
CSC Service Works	U.S.	Mar-15	Provider of outsourced services to laundry & air vending markets	7.0
Verifone	Global	Aug-18	Electronic payment technology	7.0
Compliance Solutions Strategies	U.S.	Apr-17	Provider of compliance solutions to the financial services sector	6.7

Note: Numbers may not sum due to rounding.
**Due to confidentiality provisions, company name cannot be disclosed.*

APPENDIX | SCHEDULE OF INVESTMENTS (UNAUDITED)

Direct Equity Investments ($ in millions)	Principal Geography	Investment Date	Description	Fair Value
CH Guenther	U.S.	May-18	Supplier of baking mixes, snacks and meals and other value-added food produc	6.6
Plaskolite	U.S.	Dec-18	Largest manufacturer of thermoplastic sheets in North America	6.2
Milani	U.S.	Jun-18	Cosmetics and beauty products	6.1
Gardner Denver, Inc.	U.S.	Jul-13	Maker of industrial equipment	6.1
Petsmart	U.S.	Jun-15	Pet supplies retailer	6.0
MHS	U.S.	Mar-17	Provider of repair, maintenance and fleet management services	6.0
Vertiv	U.S.	Nov-16	Provider of data center infrastructure	5.9
Wind River Environmental	U.S.	Apr-17	Waste management services provider	5.9
RiverBed	U.S.	Feb-15	Provider of application performance infrastructure	5.7
GC Services	U.S.	Jan-16	Provider of call center management and collection agency services	5.7
Undisclosed Consumer Technology Company	Global	Jul-18	Undisclosed consumer technology company	5.7
Concord Bio	India	Jun-16	Active pharmaceutical ingredients manufacturer	5.4
Bylight	U.S.	Jun-17	Provider of IT and technology infrastructure cyber solutions	5.3
American Dental Partners, Inc.	U.S.	Feb-12	Dental practice management services	5.1
Looking Glass	U.S.	Feb-15	Cyber security technology company	5.1
Snagajob	U.S.	Jun-16	Job search and human capital management provider	4.9
Nextlevel	U.S.	Aug-18	Designer and supplier of fashion-basic apparel	4.7
Evoqua Equity	U.S.	Jan-14	Water treatment technology, equipment and services	4.5
Brightview	U.S.	Dec-13	Commercial landscape and turf maintenance	4.5
Mills Fleet Farms	U.S.	Feb-16	Value-based retailer with 35 stores in the Midwest US	4.4
Healthcare Services Company	NA	Feb-18	Healthcare services company	4.2
Inflection Energy	U.S.	Oct-14	Dry gas exploration company in the Marcellus Shale	4.1
Edelman	U.S.	Aug-18	Independent financial planning firm	4.1
Clearent	U.S.	Jun-18	Credit card payment processing	4.0
Connector Company*	U.S.	Oct-15	Producer of embedded solid-state connectors	4.0
Centro	U.S.	Jun-15	Provider of digital advertising management solutions	3.8
SafeFleet	U.S.	May-18	Safety and productivity solutoins for fleet vehicles	3.8
Healthcare Company - In-home Devices	U.S.	Jun-18	Provider of pump medications and in-home intravenous infusion	3.6
BK China	U.S.	Aug-18	Franchise of over 800 Burger King locations in mainland China	3.4
CrownRock Minerals	U.S.	Jun-18	Minerals acquisition platform	3.3
Stratus Technologies	U.S.	Apr-14	Technology solutions that prevent downtime of critical applications	3.1
Perspecta	U.S.	Nov-10	High-end systems engineering to US Intelligence Industry	3.1
BackOffice	U.S.	Dec-17	Data management solutions provider	3.0
Boa Vista	Brazil	Nov-12	Second largest credit bureau in Brazil	2.8
First Data	Global	Sep-07	Electronic commerce and payments	2.7
Syniverse Technologies	Global	Feb-11	Global telecommunications technology solutions	2.5
Kyobo Life Insurance Co.	S. Korea	Dec-07	Life insurance in Korea	2.1
Prosper	U.S.	Apr-15	Peer-to-peer online lending marketplace for unsecured consumer credit loans	2.0
Into University Partnerships	U.K./U.S.	Apr-13	Collegiate recruitment, placement and education	1.9
Specialty Drug Pharma. Company*	U.S.	Oct-15	Provider of product development and related services to life sciences companie	1.7
Aster / DM Healthcare	Middle East / India	Jun-14	Operator of hospitals, clinics and pharmacies	1.7
Husky Injection Molding	U.S.	Sep-18	Designs and manufacturers injection molding eqiupment	1.6
Galco Industrials Equity	U.S.	May-14	Wholesale distributor of electrical components	1.6
Corona Industrials	South America	Jun-14	Building materials company	1.4
Taylor Precision Products	U.S.	Jul-12	Consumer & foodservice measurement products	1.2
Acteon	Europe	Dec-12	Products & services to offshore energy sector	1.2

Note: Numbers may not sum due to rounding.
**Due to confidentiality provisions, company name cannot be disclosed.*

APPENDIX | SCHEDULE OF INVESTMENTS (UNAUDITED)

Direct Equity Investments ($ in millions)	Principal Geography	Investment Date	Description	Fair Value
OB Hospitalist Group	U.S.	Aug-17	Hospitalist and related physician support services	0.7
Black Knight Financial Services	U.S.	Dec-13	Mortgage servicing technology and appraisal / origination services	0.6
Shelf Drilling	Global	Feb-13	Shallow water offshore drilling contractor	0.6
J.Crew Group	U.S.	Mar-11	Specialty retailer	0.5
Alex & Ani	U.S.	May-15	Designer jewelry company	0.3
Univar	Global	Nov-10	Commodity and specialty chemicals distributor	0.2
Technology Company (Encryption App)*	U.S.	Aug-14	Encryption app for text, audio, picture and video messaging	0.2
Fairmount Minerals	U.S.	Aug-10	Producer of high purity sand / sand based proppants	0.1
Innovation Group	U.K.	Dec-15	Global business process outsourcing provider of insurance claims processing se	0.1
Velocidi	U.S.	Dec-16	Marketing intelligence company	0.0
Incipio	U.S.	Feb-16	Designer and developer of smartphone and tablet accessories	0.0
Net Other Assets, incl. Escrow / (Liabilities)				(3.1)
Total Direct Equity Investments				**$831.1**

Note: Numbers may not sum due to rounding.
**Due to confidentiality provisions, company name cannot be disclosed.*

APPENDIX | SCHEDULE OF INVESTMENTS (UNAUDITED)

Corporate Private Debt Investments ($ in millions)	Security Details	Investment Date	Maturity Date	Fair Value	Cash + PIK Coupon	Cash Yield	Total Est. YTM
2018							
Verscend	PIK Preferred Equity (12.25% PIK)	Aug-18	NA	24.3	12.3%	-	13.5%
2017							
Epic Insurance	Second Lien (L+9.25% Cash, 1% L Floor, 3% OID)	Sep-17	Sep-25	3.4	12.1%	12.5%	13.6%
Avantor	PIK Preferred Equity (12.5% PIK)	Nov-17	NA	16.7	12.5%	-	14.5%
Standard Aero	PIK Preferred Equity (11.5% PIK)	Oct-17	NA	16.4	11.5%	-	14.1%
Carestream Dental	Second Lien (L+8.0% Cash, 1% L Floor, 3% OID)	Sep-17	Sep-25	9.2	10.8%	11.1%	12.0%
OB Hospitalist	Second Lien (L+8.5% Cash, 1% L Floor, 2% OID)	Aug-17	Aug-25	3.5	11.3%	11.5%	12.3%
Dubois Chemical	Second lien (L+8.00% Cash, 1% L Floor, 1% OID)	Mar-17	Mar-25	9.0	10.8%	10.9%	11.6%
Blue Nile	First Lien (L+6.50% Cash, 1% L Floor, 3% OID)	Mar-17	Feb-23	3.3	9.3%	9.5%	10.5%
Optiv	Second Lien (L+7.25%, 1% Floor, 0.5% OID)	Feb-17	Feb-25	0.8	10.1%	10.1%	11.0%
2016							
ProAmpac	Second Lien (L+8.50%, 1% L Floor)	Nov-16	Oct-24	6.0	11.3%	11.3%	11.9%
2015							
Schumacher Group	Second lien (L+8.5% Cash, 1.0% L Floor, 1% OID)	Oct-15	Oct-23	9.7	11.3%	11.4%	12.1%
Digital River Debt	First lien (L+5.75% Cash, 1.0% L Floor, 1% OID)	Jan-15	Feb-21	1.0	8.6%	9.3%	13.7%
Digital River Debt	Second lien (L+11.0% Cash, 1.0% L Floor, 1% OID)	Jan-15	Feb-22	0.9	13.8%	16.3%	22.6%
2014							
Central Security Group	Second lien (L+9.0% Cash, 1% L Floor, 5% OID)	Nov-14	Oct-21	6.0	11.8%	12.1%	13.6%
Galco Industrial Electronics	Sr. sub notes (10.75% Cash, 1.25% PIK, 1.5% OID)	May-14	May-21	5.4	12.0%	9.8%	11.5%
Total Corporate Private Debt Investments Fair Value				**$115.6**	**11.6%**	**5.6%**	**13.1%**
Total Credit Opportunities Investments				**$17.3**	**13.2%**	**11.2%**	**16.0%**
Total Small Business Loan Programs				**$2.2**	N/A	N/A	N/A
Total Income Portfolio Fair Value				**$135.1**	**11.6%**	**6.5%**	**13.6%**

Note: Numbers may not sum due to rounding.

APPENDIX | SCHEDULE OF INVESTMENTS (UNAUDITED)

($ in millions) Fund Investments	Asset Class	Vintage Year	Fair Value	Unfunded Commitment
Catalyst Fund III	Special Situations Funds	2011	$12.0	$0.5
NG Capital Partners	Growth / Venture Funds	2010	8.4	0.3
NB Crossroads Fund XVIII Mid-cap Buyout	Mid-cap Buyout Funds	Fund XVIII	7.4	7.1
DBAG Expansion Capital Fund	Growth / Venture Funds	2012	4.2	0.7
NB Crossroads Fund XVIII Venture Capital	Growth / Venture Funds	Fund XVIII	3.9	1.7
Bertram Growth Capital II	Growth / Venture Funds	2010	3.0	2.8
Sun Capital Partners V	Special Situations Funds	2007	2.9	-
NB Crossroads Fund XVIII Large-cap Buyout	Large-cap Buyout Funds	Fund XVIII	2.4	2.2
NB Crossroads Fund XVIII Special Situations	Special Situations Funds	Fund XVIII	2.2	0.9
Bertram Growth Capital I	Growth / Venture Funds	2007	2.1	2.8
ArcLight Energy Partners Fund IV	Mid-cap Buyout Funds	2007	1.3	-
12 Other Fund Investments (< $1.0m Individually)			$4.0	$3.4
Total Fund Investments			**$53.7**	**$22.5**

Note: Numbers may not sum due to rounding.

APPENDIX | AIFMD DISCLOSURE ADDENDUM

NB PRIVATE EQUITY PARTNERS LIMITED (THE "FUND") AIFMD DISCLOSURE ADDENDUM TO THE 2018 ANNUAL REPORT (Unaudited)

1. 1. CHANGES TO ARTICLE 23(1) DISCLOSURES

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

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

2. LEVERAGE

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

The AIFMD requires that each leverage ratio be expressed as the ratio between an AIF's exposure and its net asset value ("NAV"), and prescribes two required methodologies, the gross methodology and the commitment methodology, for calculating such exposure. Using the methodologies prescribed under the AIFMD, the leverage of the Fund as at 30 September 2018 is disclosed below:

Leverage calculated pursuant to the gross methodology: 1.00

Leverage calculated pursuant to the commitment methodology: 1.04

3. LIQUIDITY AND RISK MANAGEMENT SYSTEMS

Current risk profile risk management systems

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

The AIFM assesses the Fund's current and prospective need for liquidity on an on-going basis and ensures that liquidity is available when required. The risk profile of the Fund as at 30 September 2018 as reported to relevant EEA authorities 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.

APPENDIX | AIFMD DISCLOSURE ADDENDUM

3.2 Counterparty Risk Profile

The Fund had a net counterparty credit exposure, measured as a % of NAV of the Fund, of 3.73 % to JP Morgan Chase Bank, N.A. and 0.19% to U.S. Bank National Association.

As at 30 September 2018, the counterparty risk indicators contained in the Annex IV regulatory reporting template in respect of mark-to-market credit exposure to the Fund were not applicable.

3.3 Liquidity Profile

3.3.1 Portfolio Liquidity Profile

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

The Fund had USD 34,976,101 unencumbered cash available to it.

3.3.2 Investor Liquidity Profile

100 percent of investor equity can be redeemed within 2 to 7 days.

3.3.3 Investor Redemption

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

4.REPORT ON REMUNERATION

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

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

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

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

APPENDIX | AIFMD DISCLOSURE ADDENDUM

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 2,169,236, representing USD 419,444 of fixed compensation and USD 1,749,792 of variable compensation. There were 135 of staff of the AIFM who shared in the remuneration paid by the AIFM.

Compensation by the AIFM to senior management and staff whose actions had a material impact on the risk profile on the Fund in respect of 2018 was USD 111,419,261 in relation to senior management and USD 2,164,892 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.

No carried interest was accrued to the Special Limited Partner in respect of the year ended 31 December 2018.

April 2019

APPENDIX | 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 ASC 820 is applicable to an investment, the Manager will value the Fund's investment based primarily on the value reported to the Fund by the investment or by the lead investor of a direct co-investment as of each quarter-end, as determined by the investments in accordance with its own valuation policies.

The Fund generally uses the NAV reported by the investments as a primary input in its valuation; however, adjustments to the reported NAV may be made based on various factors, including, but not limited to, the attributes of the interest held, including the rights and obligations, any restrictions or illiquidity on such interest, any potential clawbacks by the investments and the fair value of the investments' investment portfolio or other assets and liabilities. The valuation process for investments categorized in Level 3 of the fair value hierarchy is completed on a quarterly basis and is designed to subject the valuation of Level 3 investments to an appropriate level of consistency, oversight and review. The Manager has responsibility for the valuation process and the preparation of the fair value of investments reported in the financial statements. The Manager performs initial and ongoing investment monitoring and valuation assessments. In determining the fair value of investments, the Manager reviews periodic investor reports and interim and annual audited financial statements received from the investments, reviews material quarter over quarter changes in valuation, and assess the impact of macro market factors on the performance of the investments.

Debt

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. 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.

APPENDIX | FORWARD LOOKING STATEMENTS

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

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

In some cases, forward-looking statements may be identified by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will," and "would," or the negative of those terms or other comparable terminology.
The forward-looking statements are based on the beliefs, assumptions and expectations of the future performance, taking into account all information currently available to the Manager. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to the Manager or are within the Manager's control. If a change occurs, the business, financial condition, liquidity and results of operations may vary materially from those expressed in the forward-looking statements. Factors and events that could cause the business, financial condition, liquidity and results of operations to vary materially include, among other things, general economic conditions, securities market conditions, private equity market conditions, the level and volatility of interest rates and equity prices, competitive conditions, liquidity of global markets, international and regional political conditions, regulatory and legislative developments, monetary and fiscal policy, investor sentiment, availability and cost of capital, technological changes and events, outcome of legal proceedings, changes in currency values, inflation, credit ratings and the size, volume and timing of transactions, as well as other risks described elsewhere in this report and the prospectus relating to the Company's IPO and the Company's prospectus relating to the ZDP Shares.
The foregoing is not a comprehensive list of the risks and uncertainties to which the Company is subject. Except as required by applicable law, the Manager undertakes no obligation to update or revise any forward-looking statements to reflect any change in The Manager's expectations, or any changes in events, conditions or circumstances on which the forward-looking statement is based. In light of these risks, uncertainties and assumptions, the events described by the Company's forward-looking statements might not occur. The Manager qualifies any and all of the forward-looking statements by these cautionary factors.

APPENDIX | DIRECTORS, ADVISORS AND CONTACT INFORMATION

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

ZDP Share Information (2022 / 2024)
Trading Symbol: NBPP / NBPS
Exchanges: Specialist Fund Segment of the London Stock Exchange
Date: 16 September 2016 / 30 May 2018
Base Currency: GBP / GBP
Bloomberg: NBPP: LN / NBPS: LN
Reuters: NBPEO.L / NBPSo.L
ISIN: GG00BD0FRW63 / GG00BD96PR19
SEDOL: BD0FRW6 / BD96PR1

Board of Directors
Talmai Morgan (Chairman)
Trudi Clark
John Falla
William Maltby (appointed 21 March 2019)
Wilken von Hodenberg (appointed 21 March 2019)
Peter von Lehe

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