23 November 2026

Closed End Investments



Source: LSEG, 2026

Market data

EPIC/TKR	**NBPE/NBPU**
Price (£)	**14.80/$19.66**
12m high (£)	16.36/$22.50
12m low (£)	12.86/$17.20
Shares (m)	35.8
Mkt cap (£m)	530
NAV (Sep'26)	£21.03/$28.17
Disc. to £ NAV (%)	-30
Free float	100%
Ctry/Ccy of listing	UK - GBP/$
Market	FTSE 250, STMM

Description

Neuberger Private Equity Partners (NBPE) leverages the Neuberger private markets platform including relationships, deal flow and expertise. It has a portfolio of 68 direct investments diversified by 47 managers, sector, geography and size. It invests in companies that benefit from secular tailwinds and/or lower cyclicality, with high barriers to entry, or the delivery of mission-critical products or services.

Company information

Chair	William Maltby
Chair desig.	David MacLellan
NEDs	Caroline Chan, Pawan Dhir, Louisa Symington-Mills, Wilken Von Hodenberg,
Key mgrs. (Neuberger)	Peter von Lehe, Paul Daggett

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www.nbprivateequitypartners.com

Key shareholders (31 Dec'25)

Evelyn Partners	8.4%
Quilter	8.3%
Schroders	8.1%
Jupiter (6 May'26)	5.2%
City of London (1 May'26)	5.0%
Treasury shares (May'26)	6.8%

Diary

Mid-Dec	Nov monthly update

Analyst

Mark Thomas mt@hardmanandco.com

Disclosure: the relevant analyst is a shareholder in NBPE

NEUBERGER PRIVATE EQUITY PARTNERS

CM day: competitive advantage in managing change

NBPE's Capital Markets Day (CMD) reiterated many previous themes (see below), but, for us, the most interesting aspect was the way it highlighted its competitive advantages in managing change. Of note was: i) strength of 2026 realisations with proceeds being recycled in to long-term investments and return of capital to investors, ii) base case returns on new investments are stable despite all the macro challenges and higher interest rates, with the model resilient through changing environments, iii) the portfolio should be a net beneficiary of AI adoption, and iv) the portfolio is actively managed with proactive sales of mature less-value-creation positions and reinvestment into higher-return opportunities.

- **PE change management competitive advantages:** PE-backed businesses have i) more dynamic management, ii) closely aligned manager and shareholder interests, iii) better access to capital, iv) no constraint on meeting quarterly results, and v) proven technology-adoption models.
- **Recurring themes:** The CMD also highlighted previously identified trends, including i) excellent year for realisations, ii) accelerated new investment and capital returns to shareholders, iii) strong performances from new investments, iv) strong revenue and EBITDA growth, and v) benefits of Neuberger platform.
- **Valuation:** The 30% discount is better than direct peers (average 36% including HGT). In our thematic notes, we consider what may lead to a reversion to what we consider a more sustainable historical level (10%-15%). The discount appears anomalous with a resilient, conservative NAV and peers.
- **Risks:** Sentiment to costs, the cycle (inc. higher-for-longer interest rates), realisation volatility, the duration of the discount and potential AI disruption to software businesses are all issues for NBPE, as they are across the listed PE sector. They are sentiment issues, and do not reflect reality, as we see it.
- **Investment summary:** NBPE is uniquely focused in the low-cost, attractive co-investment subsector within PE. It has proved resilient in downturns, and premiums on exit give comfort in the NAV. Its portfolio is diversified but has enough concentration for conviction holdings to add value. The discount appears anomalous with market-beating returns.

Financial summary and valuation

Year-end Dec ($m)	2022	2023	2024	2025	2026E	2027E
Interest and dividend income	5	7	9	2	1	1
Net fin. assets/liab. gains (FVTPL)	(74)	58	47	71	12	135
Total expenses	38	38	36	32	32	41
Net asset change from ops.	(109)	27	17	39	(20)	94
PE invest.	1,401	1,321	1,298	1,212	1,129	1,157
Net debt (incl. ZDP)	(66)	(120)	(17)	(17)	(162)	(148)
NAV per share ($)	28.38	28.07	27.53	27.94	28.70	31.10
NAV per share (£)	23.59	22.02	21.98	20.77	21.34	23.12
S/P prem./disc. (-) to NAV*	-33%	-24%	-28%	-22%	-31%	-36%
Dividend p/sh ($)	0.94	0.94	0.94	0.94	0.94	0.94
Yield	5.2%	4.9%	5.0%	4.7%	4.7%	4.7%
Year-end exch. rate (£:$)	1.203	1.275	1.253	1.345	1.345	1.345

**2026-27E NAV to current s/p; Source: Hardman & Co Research*

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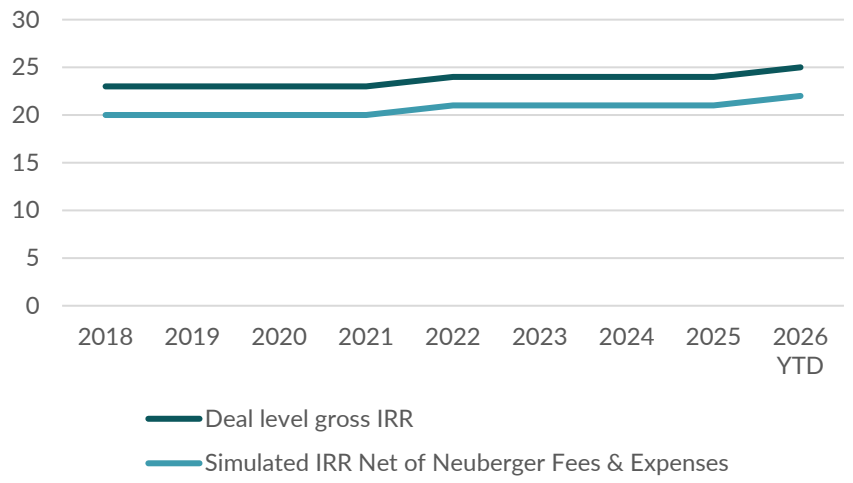
Key theme 1: change management

Base case expected IRRs stable

On completed deals, GP base case net IRR remained above 20% since 2018, and despite all the challenges been on a gently rising trend

In our view, change management is a core competitive advantage for PE-backed businesses over comparable listed companies. The nature of change varies over time, but the management of change is a constant need if a business is to deliver superior performance. At any given time, specific issues may lead to investor unease, but this is nothing new. When a younger relative commented about the challenges his generation faced with AI, this analyst's response was to highlight that when he was the same age, there was not general adoption of mobile phones, pcs at desks, let alone the internet. In the past 10 years, there has been COVID-19, wars and unpredictable US Presidential behaviour, ultra-low interest rates, rising rates, falling rates, and rising rates again. As the chart below illustrates, the base case expected return on NBPE-completed deals throughout all of this has been stable, and 2026 is marginally the highest since 2018.

Base case GP-expected returns on completed NBPE deals (%)



Source: Slide 23 NBPE 2026 CMD presentation, Hardman & Co Research

Why PE has competitive advantages in managing change

PE's business model means it is better placed to manage change than listed companies

PE's competitive advantages over listed companies *inter alia* include:

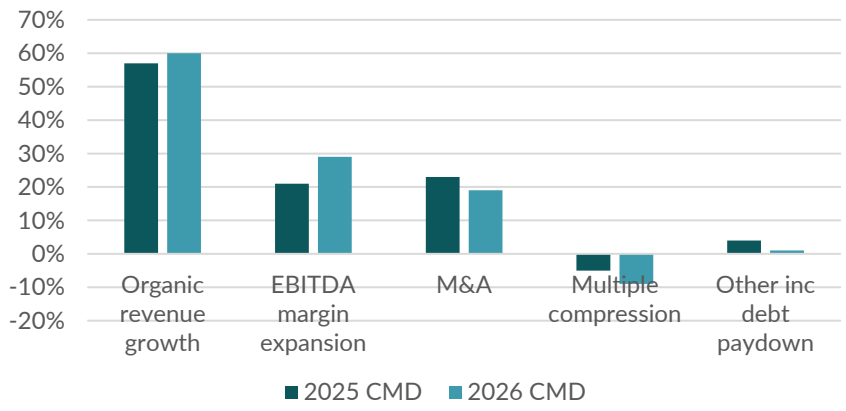
- more dynamic management;
- more closely aligned manager and shareholder interests;
- better access to capital;
- no constraint on meeting quarterly results; and
- proven technology adoption models.

2026 change management theme 1: evolving sources of returns

Mix of how returns are generated has changed, with 89% of expected value creation under control of the GP

The chart below shows how NBPE GP partners expect the base-case returns are to be generated. 89% of value creation from the 2026 YTD deals is under management control, coming from revenue growth and margin expansion. Only a year ago, this was 78%. In the more distant past, multiple compression and debt paydown were major contributors, but this is no longer the case with them being net detractors for deals completed in the past two years. The driver to this change has significantly been the interest rate environment as gearing up on extraordinarily low-cost debt finance is no longer a credible option. As we highlight above, the quantum of return is unchanged, if not gently rising, but how it is generated has significantly changed. As we have highlighted in previous notes, the dependence on improving businesses is likely to see greater differentiation between GPs.

Proportion of return from different sources (%)



Source: NBPE Slide 24 of 2026 and slide 17 of 2025 CMD presentations, Hardman & Co Research

2026 change management theme 2: the portfolio is a net beneficiary of AI adoption

At investee company level

AI creates more opportunities both for existing and new investments, with PE having good track record of managing change and technology implementation

AI has been a major focus of investor attention throughout 2026, with the focus on PE stocks tending to be negatively on the risks that AI poses to existing business models, especially in the software space, and the sharp share price declines of some comparable companies. In our view, this is an inappropriate focus, bearing in mind:

- The operating efficiency gains AI potentially generates means many more opportunities will hit hurdle rates.
- AI creates more operational efficiency options in existing businesses.
- AI is not new and has been a focus of GPs both operationally and in new investment cases for many years.

- AI creates change. PE-backed businesses have a track record of managing change. AI is not the first new technology, and the PE industry has a good record of implementing new technology. By way of example, many of the improvements to current operating companies have come from the digitalisation of their processes.

At GP level

AI increasing GP's own operational efficiency

The GP presenting at the CMD highlighted how GPs are using AI in their own business as well as operating companies. Currently, it is seeing massively enhanced information flows on both companies and markets, allowing a much smoother decision-making process.

In our view, in due course, AI will lead to increased competition for some companies (higher entry and exit prices)

We particularly note the observation that, at present, GPs are populating models with proprietorial data leading to a broad range of questions being generated by the models. In our view, over time, the data input will be more homogenous with AI learning from the successes of other GPs as well as using own data. This is likely to lead to a divergence in pricing between those companies that the models say will deliver target returns and those which will fail hurdle rates. In our view, there will be more competition (and higher prices) for the "best" companies, leading to higher entry and exit prices (for sales to financial buyers).

Competition for some other companies will fall, creating opportunities for "good" GPs

An "other" company, where the models generally do not expect it to achieve target returns, may be expected to see competition, and so pricing, fall. Where a GP can identify the subjective factors that mean a target company is able to deliver hurdle returns (such as the impact of a different management team), in our view, the GP's fund will be able to acquire them relatively cheaply. As with implementing operational efficiencies we expect greater divergence between good and weak GPs, making manager selection even more critical.

2026 change management theme 3: managing the portfolio

PE investors still want liquidity despite weak exit environment and PE market responded with growing secondary and continuation vehicle options

NBPE's portfolio, and the PE market as a whole, has seen an extended period of below-normal exit activity (see chart 74 of the CMD presentation, which shows the market level of distributions as a percentage of NAV). *Inter alia*, this was driven by i) sales accelerated into 2020-21, leaving portfolios with below-average exit-able businesses, ii) IPO markets significantly closed due to macro uncertainties, iii) market uncertainty also affecting trade buyers' appetite, and iv) less availability of low-cost finance impacting PE buyers. PE investors, the existing owners, still want liquidity, and the innovative PE market has responded with a range of developments, including the growth in secondary sales and continuation vehicles.

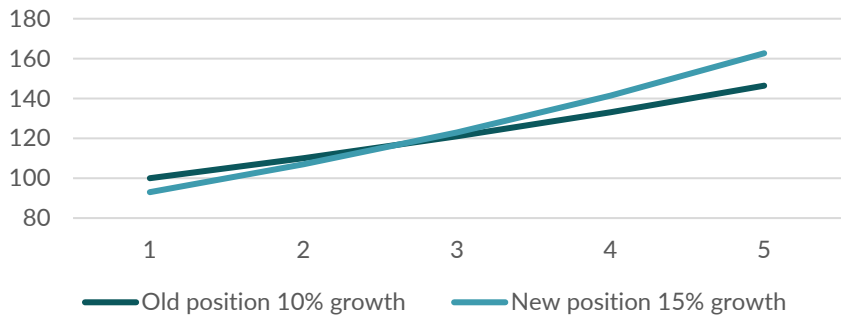
Direct investors like NBPE face specific exit challenges but 2026 seen significant increase in "pro-active" sales

A highlight of the presentation was how proactive portfolio management has evolved across the Neuberger platform, and so at NBPE. NBPE is not a fund of funds. It owns stakes in individual private companies, not fund interests that trade as flow names in the secondary market. Selling them, therefore, is more complex because it needs a buyer willing to take a direct position. To create liquidity, NBPE now builds in earlier exit paths at entry, where it can. On existing investments, it amends positions to make them easier to transfer, negotiates partial-sale or tender windows with the GP, and plans exits early with the GP. We highlight that the process is very forward-looking, focused on alternative prospective returns from the hold vs. sell options, and the time taken to reach the exit will vary depending on individual company circumstances.

New companies see step change in returns as business model changed, but then growth may slow. Selling an old, lower-growth business and investing in new faster-growth one can see rapid payback, even if sale is at discount to NAV.

- The first step is to identify companies where the expected future return is lower than what could be earned elsewhere. In these cases, selling the business, even at a discount, and reinvesting the proceeds should generate a better return. In the example below, we assume no change in ratings throughout. Selling a business growing at 10% for 93c in the dollar creates a 7% loss. If the proceeds are reinvested in new investments returning 15%, that loss is recouped in just over a year. As we have explained in previous notes, returns typically step up in the first few years of PE ownership. This happens as the business model is updated and the initial investments to improve the business pay back. After that, growth may still be above that of listed comparables, but it is often slower than before.

Illustrative example of hold vs. sale and reinvestment (value indexed to 100 year 1)



Source: Hardman & Co Research

Neuberger continuously reviews to make hold vs. sell judgement

- Neuberger's involvement in the process of identifying such companies is continuous and ongoing. Once they have been identified, the decision on what sale option is optimal needs to be taken. For some, this may be a direct approach to potential buyers (helped by the fact that part of any investment case is identifying potential buyers before the investment is made). For others, appointing an intermediary may generate better returns.

- The buyers then conduct their due diligence and may make an offer, which Neuberger considers in the light of probable reinvestment returns.

2026 saw $81m of such sales at 3x MOIC, 17% IRR but at 7% discount to NAV

- In 2026 YTD, proactive exits produced proceeds of $81m, which we understand is several multiples of the level seen in 2025. The exits were part of the broader Neuberger platform sales of $800m and for NBPE involved five companies and generated a 3.0x MOIC, 17% IRR, and a 7% discount to carrying value after a typical hold period of 7.6 years (by comparison organic exits generated a 3.1x MOIC, 26% IRR, 14% uplift on exits after a 6.5-year hold and exits to continuation vehicles saw a 3.3x MOIC, 21% IRR, 0% uplift after 6.4-year hold). The pain of taking a discount to carrying value rather than selling at an uplift has impacted short-term NAV growth, but as the proceeds are invested, the potential returns rise above where they would have been had the company continued to be held (see chart above).

Process is across whole Neuberger platform and outside NBPE's direct control. NBPE-only sales would be uneconomic, even if possible

- We mention this as the process of sale is Neuberger-controlled, not NBPE-controlled, and the growth in proactive sales is not a result of, say, NBPE wanting cash for buybacks when the discount is large. Of course, this is not a new feature. In traditional exits, it is the GP who runs the sale process. The main time NBPE directly chooses to exit or not is when there is a continuation vehicle option, with that process still being primarily driven by the GP.

Key theme 2: recurring themes

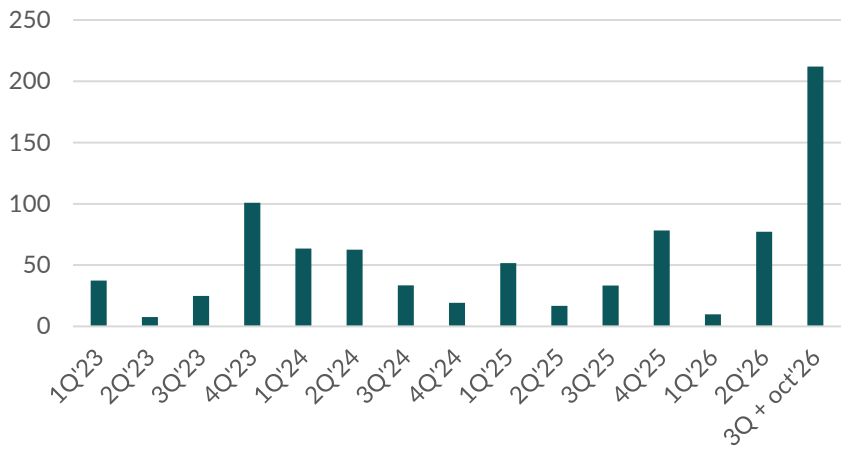
The CMD also updated investors on a number of recurring themes, which we have discussed in numerous previous notes (see Appendix 1 and most recently *1H'26 results: foot on the accelerator* (8 October 2026).

Excellent year for realisations

Realisations ca.25% of opening NAV, a sharp acceleration in recent years

Realisations to end-September 2026 were $299m, up 66% on FY'25. We understand the $81m from proactive realisations was in 3Q/October, but even excluding this it will be the best few months for realisations in the past four years. We discussed the realisations in detail in our interim results report. It was also covered in slides 13-15 and 35-39 of the *2026 CMD presentation*.

Quarterly realisations ($m)



Source: NBPE, Hardman & Co Research

Accelerated new investment and capital returns to shareholders

Investments accelerated sharply at stable/increasing base case target IRRs. Capital returned to shareholders also accelerated.

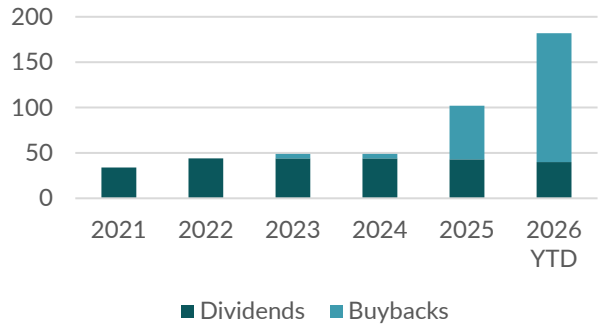
By end-October, NBPE had committed $185m into 10 new investments, comfortably ahead of the 2026 guidance of $100m+, taking the investment level to 113%. Additionally, $202m of buybacks have been made since the beginning of 2025, the vast majority of which have been in 2026.

- The accelerating investment was reviewed on pp8-9 of *1H'26 results: foot on the accelerator* and slides 30-32, 44 and 47-52 of the *2026 CMD presentation*. Seven investments were made in the nine months to end-September and a further three since. $105m was committed to five new buyout investments with a weighted average base case gross return of 2.6x and 21% IRR at the time of underwriting. Unusually, NBPE has also made some very targeted investments in (AI) growth companies.

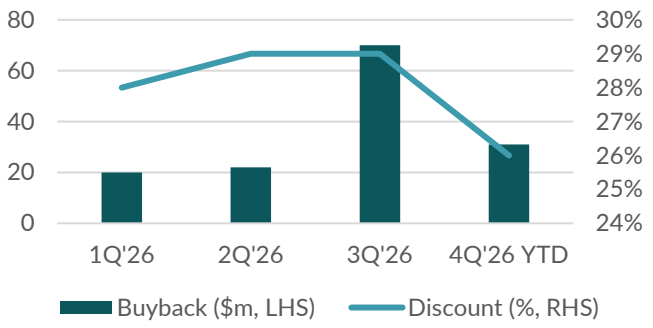
- The capital return was discussed on p10 of *1H'26 results: foot on the accelerator* and slide 61 of the presentation. The acceleration FY'26 on prior years and through FY'26 is shown in the chart below. Should the discount remain high, we expect the current $240m programmes to be extended, and increased.

Slide 51 of the presentation shows the continued strength of the balance sheet ($185m of available credit). We again re-emphasise the liquidity benefit of NBPE's co-investment model, which does not have the multi-year commitments that comes with models that invest in PE funds.

Capital returns ($m)



FY'26 buybacks by quarter ($m, % discount to NAV)



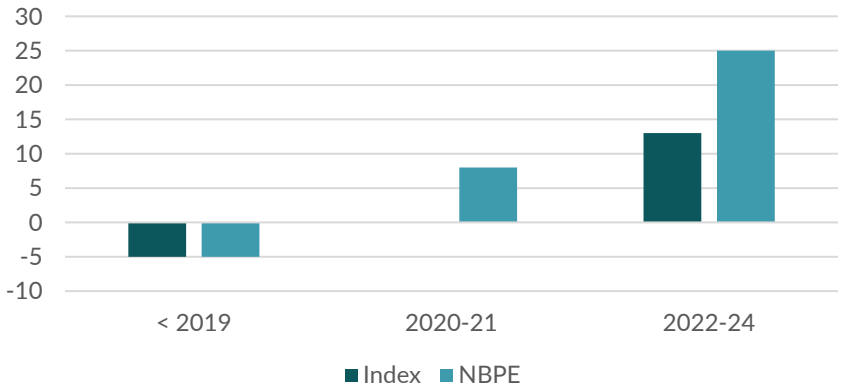
Source: NBPE slide 61 CMD presentation, data to 3 November 2026, Hardman & Co Research

Strong new investment performances

As previously guided, recent investments have been performing well

In recent periods, NBPE has emphasised how well new investments have been performing in absolute terms, relative to the rest of the portfolio and against listed comparable companies. We noted above how there is a step change in earnings in the years post-acquisition and initial investment, but that growth may then slow. Across the market, the slower growth for mature companies has been insufficient to offset rating declines and so the value of older positions has fallen. In contrast, the faster growth in newer companies has generated positive value gains. There are also mix effects with different sectors seeing different rates of growth and ratings changes, but the chart below shows NBPE's recent investments outperforming the market. The optimal mix between mature and new investment will vary with time and is a carefully managed feature at NBPE. The balance between probable cash proceeds over a reasonable timescale and higher-growth new investments is dynamic (as is investor appetite for both).

Average % change in private company unrealised value in LTM 2Q'26, by vintage year



Source: NBPE slides 40-41 of CMD presentation, Hardman & Co Research

Strong revenue and EBITDA growth

Operating company performance strong

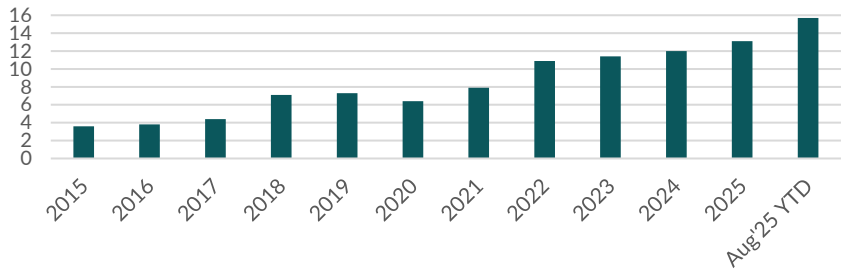
As we noted in the interim report and slide 33 of the CMD presentation, revenue and EBITDA growth have both accelerated on the level seen in FY'25, rising to 10% and 12%, respectively. There are multiple factors going into this calculation (especially mix), but newer investments and larger investments both have performed ahead of the portfolio as a whole. Slide 53 of the presentation, for example, shows the re-balancing of the portfolio into the higher-performing new investments (2022 and later investments increased from 19% of the portfolio a year ago to 39% pro-forma September 2026).

Benefits of Neuberger platform

Neuberger platform generating more opportunities…

In our interim note, we highlighted how the Neuberger platform has generated increasing numbers of opportunities despite the weak overall recent PE activity (see chart below). In part, this has been driven by the group's focus on mid-life deals and co-underwriting over traditional co-investments (see Appendix 2 for description of each type).

Weekly co-invest. opportunities originated across the Neuberger platform

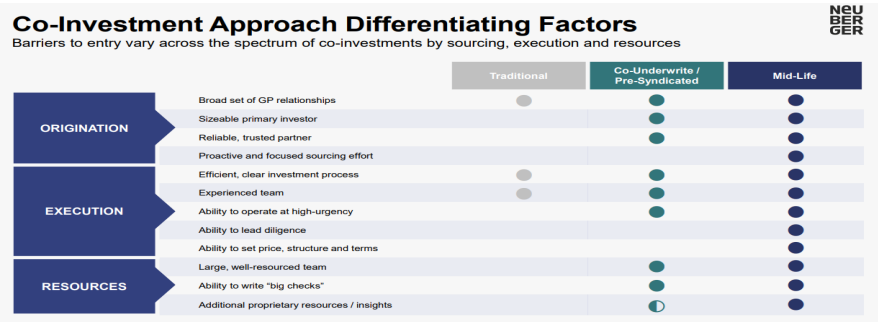


Source: Slide 11 NBPE September 2026 investor presentation, Hardman & Co Research

…by building the expertise and franchise that serves clients needs

With the CMD, there was an update on why the Neuberger platform has been able to do this and so outperform the overall PE market. The chart below shows the competencies and features of a platform that are required by each type of co-investment. As can be seen, mid-life co-investments require incremental expertise and scale, which means a platform like Neuberger (with $170bn+ of aggregate committed capital across all aspects of private markets) can execute when others may not.

Weekly co-invest. opportunities originated across the Neuberger platform

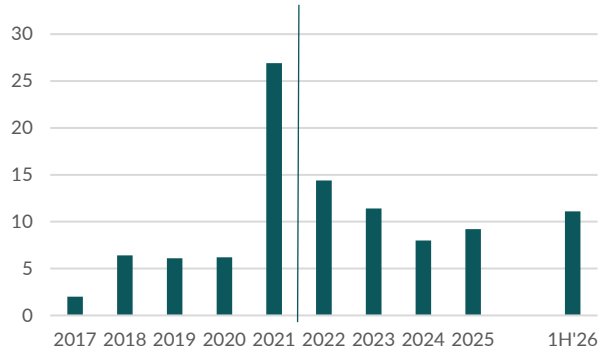


Source: Slide 21 NBPE 2026 CMD presentation, Hardman & Co Research

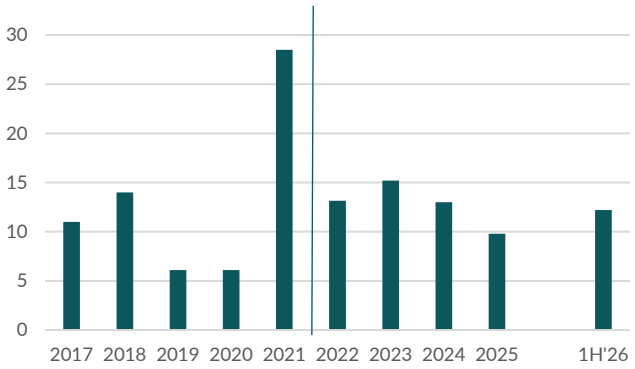
Key portfolio metrics

The charts below show some of the key metrics for NBPE.

Reported average LTM revenue growth (%)

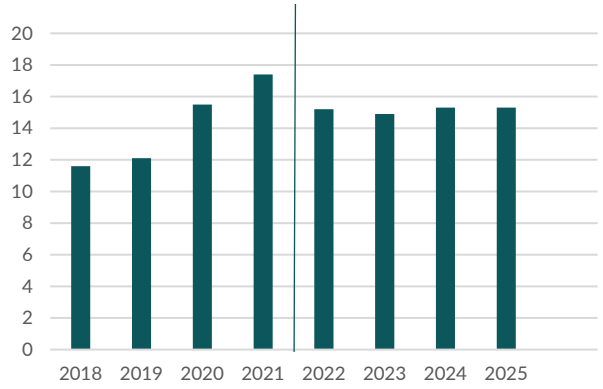


Reported average LTM EBITDA growth (%)

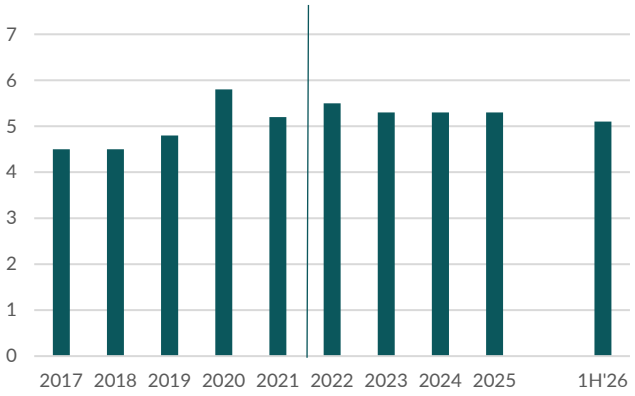


Note: unadjusted for 2022 methodology change, which stripped out some (high) outliers. Source: NBPE Report and Accounts, Hardman & Co Research

EV/EBITDA (x)

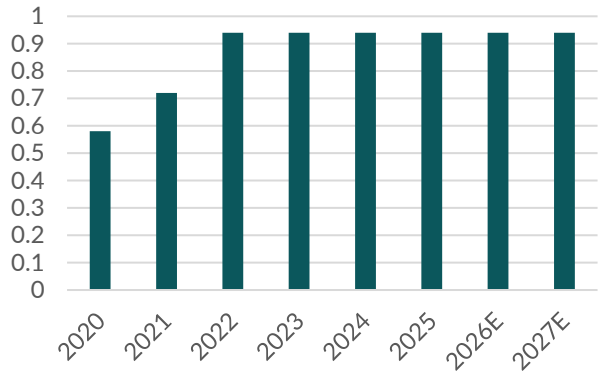


Debt to EBITDA (x)

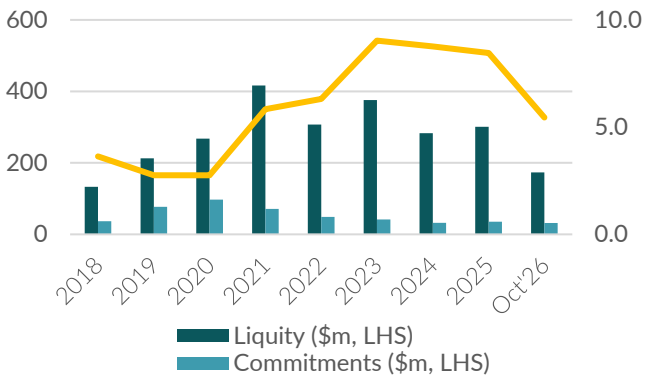


Note: unadjusted for 2022 methodology change, which stripped out some (high) outliers. Source: NBPE Report and Accounts, Hardman & Co Research

Dividend (c)

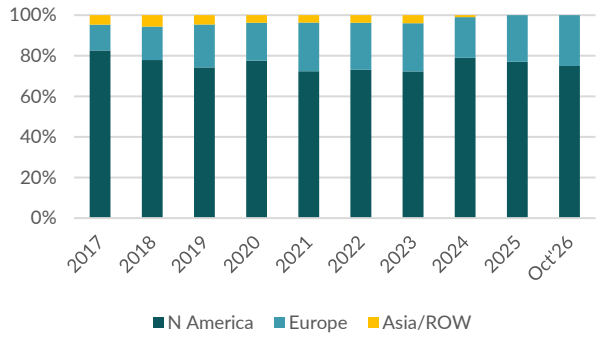


Available liquidity, commitments and cover ($m)

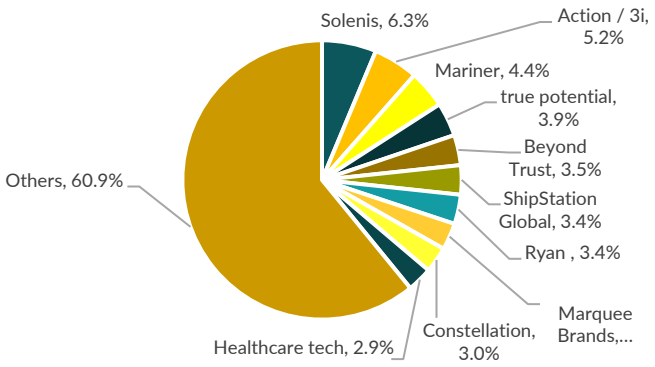


Source: NBPE Report and Accounts and October 2026 Factsheet, Hardman & Co Research

Geographical mix of assets (% portfolio value)

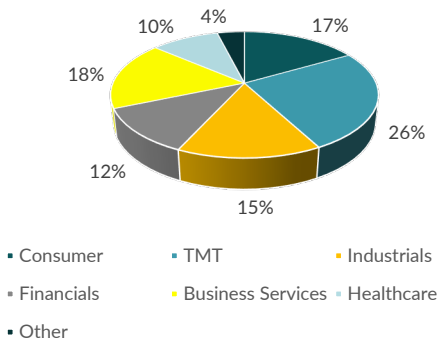


Largest holdings (% NAV)

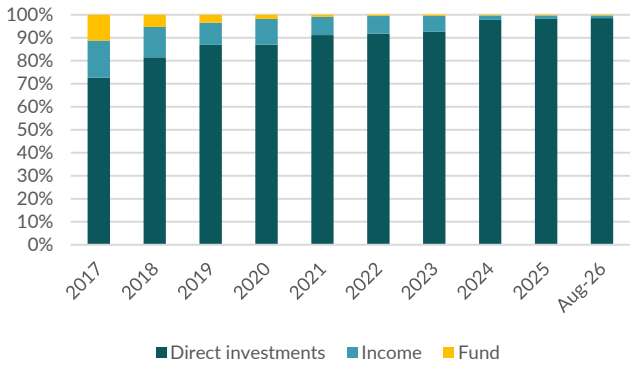


Source: NBPE Report and Accounts and October 2026 Factsheet, Hardman & Co Research

Sectoral mix of investments (% portfolio value)

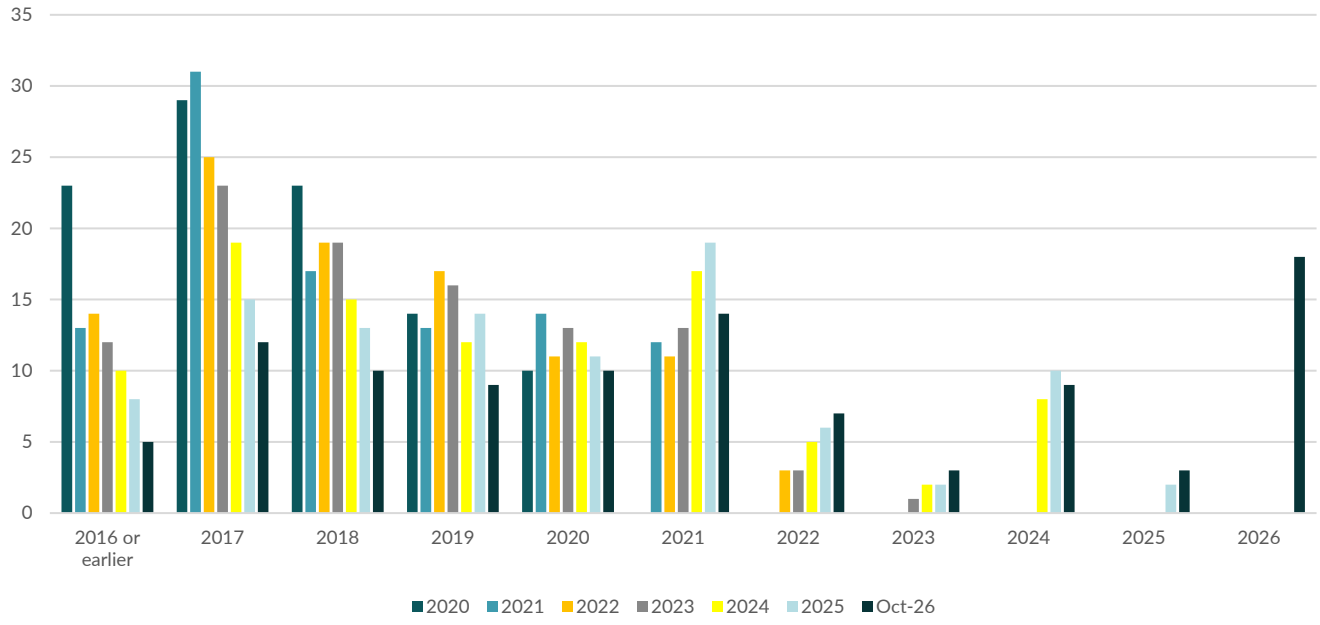


Mix by type of investment (% portfolio value)



Source: NBPE Report and Accounts and October 2026 Factsheet, Hardman & Co Research

Mix of investments by vintage at each period-end (% portfolio value)



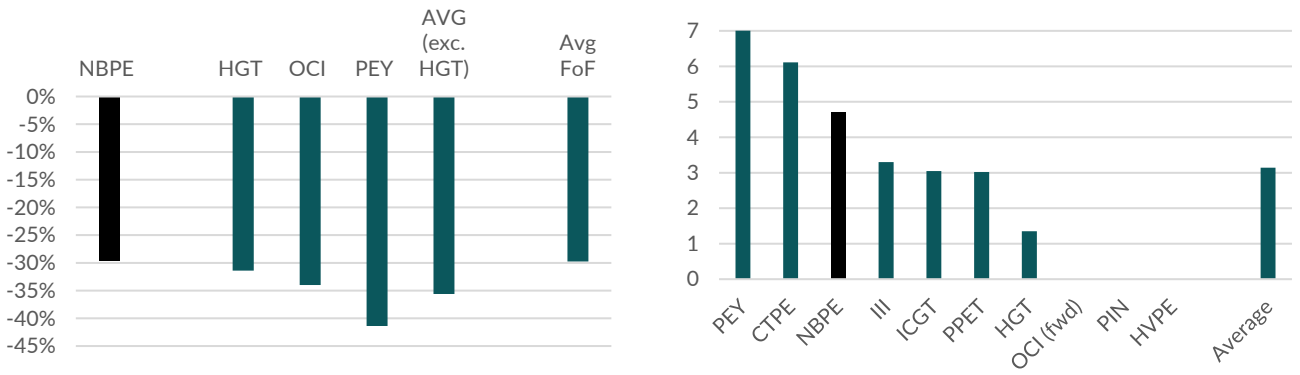
Source: NBPE Report and Accounts and October 2026 Factsheet, Hardman & Co Research

Valuation

Discount is in line with most direct investing PE names

As the chart below shows, NBPE's current reported discount to NAV (30%) is better than the direct investing listed PE trusts, excluding HGT. Its dividend yield is appreciably above the sector average.

Current share price discount to latest NAV (LHS, %), and dividend yield (RHS, %) for narrow and wider peers



Source: Company websites, factsheets and presentations, Hardman & Co Research, priced at 20 November 2026

Sector-wide concerns about the validity of the current NAV and its resilience have been addressed in earlier sections and appear to be more sentiment issues than reality. If NBPE were a trading company, we would use a GGM model to reflect the value added by management. Using this model, it should trade on a multiple appreciably above NAV, given returns are a long way above cost of capital and that it has grown strongly over the medium term.

What could lead to a rerating?

We reviewed in detail, in *our initiation*, our view that there are two possible elements to a rerating.

First element is sector rerating, which, arguably, has already started

The first element of a rerating would be a reversal of the 2022-1Q'23 increase in sector-wide discounts. This requires more confidence in NAV and economic resilience, driven by i) continued exit uplifts and returns, which could give investors this confidence, and ii) a risk-on rather than risk-off environment, which will help. This may coincide with confidence that a US recession has been avoided or a market view that interest rates have peaked or lower tariff concerns.

Second element is final 10%-15% of the discount to par. NBPE requires delivery of returns, but may take more time

At the end of 2018, the discount was 21%, falling to 16% at the end of 2019. This rose to 29% at the end of 2020 on COVID-19, before falling again, at end-2021, to 21%. The group's transition to being a co-investment vehicle has evolved (end-2017 nearly a third of PE investments were in income investments and funds, against less than 2% now), so a migration from a fund-of-fund comparative valuation to a direct one has also been seen. Within this noise, and adjusting for the current business mix overall, we believe the trust to have an historical sustained discount of around 10%-15%. Given the returns in underlying companies driving market-beating investor returns, and the strong capital structure inherent in a co-investing vehicle, any discount appears to be a fundamental anomaly. In our view, eliminating it over the longer term is about delivery of returns, which, at some stage, is likely to be recognised by the market.

Financials

Our forecasts have been updated for the latest buy-backs, recent performance and a lower exit uplift (primarily driven by the proactive sales at a discount).

Profit and loss

Year-end Dec ($m)	2020	2021	2022	2023	2024	2025	2026E	2027E
Interest and dividend income	9.5	5.7	4.5	7.1	8.5	1.5	1.4	1.3
Expenses								
Inv. mgt. and services	16.7	22.5	21.1	20.5	19.1	18.5	17.3	16.1
Carried interest	15.2	37.2	-			-	(5.9)	3.8
Finance costs								
Credit facility	6.3	4.1	6.0	8.9	9.1	8.3	14.9	14.9
ZDP shares	6.4	6.9	6.0	3.3	3.5	-	-	-
Administration and professional fees	3.5	4.3	4.5	4.9	4.8	5.1	5.5	5.9
Total expenses	48.1	75.1	37.7	37.6	36.3	31.8	31.8	40.7
Net investment income (loss)	(38.6)	(69.3)	(33.1)	(30.5)	(27.8)	(30.3)	(30.4)	(39.4)
Tax expense			(2.3)	(0.7)	(2.3)	(1.7)	(1.7)	(1.7)
Net investment loss after taxes	(38.6)	(69.3)	(35.4)	(31.3)	(30.1)	(32.0)	(32.1)	(41.1)
Net realised gain (loss) on inv. and fx	90.2	212.4	53.4	82.5	32.9	83.0	12.1	79.0
Net change in unrealised loss	133.3	319.7	(127.1)	(24.1)	14.0	(12.1)	-	56.5
Net realised and unrealised gain (loss)	223.5	532.1	(73.7)	58.4	47.0	71.0	12.1	135.5
Net change in net assets from operations	**184.9**	**462.7**	**(109.1)**	**27.1**	**16.9**	**38.9**	**(20.0)**	**94.4**
Non-controlling interest	(0.4)	(0.5)	0.1	(0.1)	-	(0.1)	(0.5)	(0.5)
Net change in net assets	**184.6**	**462.2**	**(108.9)**	**27.1**	**16.8**	**38.9**	**(20.5)**	**93.9**
Average no shares (m)	47.5	46.8	46.8	46.5	46.3	45.3	38.5	33.0
EPS ($)	1.64	3.95	9.88	0.58	0.36	0.86	-0.53	2.84
DPS (p)	0.57	0.58	0.72	0.94	0.94	0.94	0.94	0.94

Source: NBPE, Report and Accounts, Hardman & Co Research

Balance sheet

Year-end Dec ($m)	2020	2021	2022	2023	2024	2025	2026E	2027E
PE financial assets	1,254.6	1,569.3	1,401.4	1,321.3	1,297.6	1,212.2	1,129.0	1,156.8
Govt obligations	0.0	0.0	0.0	115.2	0.0	18.9	0.0	0.0
Cash	3.0	116.5	7.0	50.6	72.8	72.7	8.1	12.1
Other assets	9.1	3.5	2.7	2.3	1.8	1.6	1.6	1.6
Proceeds receivable	0.6	0.3	0.2	0.3	0.0	2.9	2.9	2.9
Total assets	**1,267.4**	**1,689.6**	**1,411.3**	**1,489.8**	**1,372.2**	**1,308.2**	**1,141.6**	**1,173.4**
Liabilities								
ZDP share liability	157.0	162.0	72.8	80.4	0.0	0.0	0.0	0.0
Credit facility loan	35.0	0.0	0.0	90.0	90.0	90.0	170.0	160.0
Carried interest payable to Special LP	15.2	37.3	0.0	0.0	0.0	0.0	-5.9	3.8
Payables to Inv. Mgr.	4.6	5.8	5.2	4.9	4.7	4.4	5.0	5.0
Net deferred tax liability	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses and other	2.4	2.2	4.1	7.0	2.1	2.2	2.2	2.2
Total liabilities	**214.2**	**207.3**	**82.1**	**182.3**	**96.8**	**96.7**	**171.3**	**171.0**
Net assets	**1,053.2**	**1,482.3**	**1,329.2**	**1,307.5**	**1,275.3**	**1,211.5**	**970.3**	**1,002.4**
Period-end no. shares (m)	**46.8**	**46.8**	**46.8**	**46.6**	**46.3**	**43.3**	**33.8**	**32.2**
$ NAV per share	**22.49**	**31.65**	**28.38**	**28.07**	**27.53**	**27.94**	**28.70**	**31.10**
£ NAV per share	**16.45**	**23.37**	**23.59**	**22.02**	**21.98**	**20.77**	**21.34**	**23.12**

Source: NBPE, Report and Accounts, Hardman & Co Research

Appendix 1: previous Hardman & Co research on NBPE

Given the regulatory restrictions on distributing research on this company, the monthly book entry and other research on the company can be accessed via *Hardman & Co Research*. Specific research reports include:

- Co-investments generating superior performance (initiation, 16 June 2023).
- *1H'23 results summary: continued growth* (3 October 2023).
- 2023 CMD: value creation from growing companies (*23* October 2023).
- *Value creation in a higher-rate environment* (7 March 2024).
- Wider operating company EBITDA margins in 2023 (13 May 2024).
- *NB: adding value in attractive co-investment sector* (8 October 2024).
- Update on: NAV, capital, Trump and interest rates (18 March 2025).
- *2024: short-term noise over long-term growth* (12 May 2025).
- *1H'25 results: turning the corner* (6 November 2025).
- *2025 CMD: good returns from low-risk PE model* (3 December 2025).
- *2025 results: looking to future realisations* (28 May 2026).
- *1H'26 results: foot on the accelerator* (8 October 2026).

Each link contains a click-through to our five-minute *Directors Talk* audio interviews, summarising each report. *NBPE's interim 2026 results* were reported on 23 September. More information, including monthly updates and presentations, is available on its *website*. Other regulatory news, including the NAV updates, dividend declarations and buybacks, can be seen on the company's *LSE page*. NBPE publishes regular insights and research on its webpage *here*.

Appendix 2: co-investment types

The characteristics by type of deal are:

- Traditional/Syndicated: A deal with co-investors is done after the main deal is signed or already closed as the lead sponsor sells a portion of their equity stake to bring in additional capital for the transaction after it has been secured.
- Co-Underwritten/Non-Syndicated: A deal with co-investors is done before the purchase agreement is signed, as the lead sponsor partners with a co-investor early in the deal process, and they both carry out due diligence. This leverages the co-investor's due diligence capabilities and financial means, which can provide greater certainty in closing the deal and managing competition for the target company.
- Mid-Life Co-Investments: A deal with co-investors is done during an existing portfolio company's "mid-life"; i.e., after it has been acquired by the lead sponsor (typically, a couple of years later). The co-investor invests directly into an existing portfolio company owned by the lead sponsor to provide capital for growth initiatives, facilitate M&A, or to allow for partial divestitures by existing shareholders.

Appendix 3: downside resilience

In terms of overall sensitivity to a recessionary environment, we have written multiple times (see Appendix) on why PE, and NBPE specifically, should be considered an all-weather investment. In summary:

Choice to invest in established, profitable businesses with less rating volatility than venture

- The vast majority of NBPE investee companies are EBITDA-positive, as it is investing in established, profitable businesses. It is not present at the venture capital stage, where valuation ratings are most vulnerable to the discounting of future cashflows at higher discount rates.

Despite slower market activity, Neuberger platform has seen acceleration in deal opportunities and activity

- Higher rates have affected market activity, and a continued period of uncertainty and high rates could see this continue. However, NBPE's strategy has moderated the effects in a couple of ways: i) NBPE has continued to see exits at uplifts to carrying value, reflecting its choice of attractive businesses and being in the mid-market, which has slowed at less of a pace than large deals; and ii) the number of opportunities for co-investment across the Neuberger Platform has been rising as GPs seek greater equity support in deals.

We addressed, in our initiation, the resilience of NBPE investments to downturns

- On pp31-33 of our initiation, *Co-investments generating superior performance*, we reviewed why, in our view, NBPE's NAV should prove resilient to any downturn. This reflects the incremental value of PE as a whole to investee companies with committed capital, strategic optionality, operational support, long-term focus and defensive sector positioning. This market-wide resilience is enhanced by incremental risk reduction adopted by Neuberger and NBPE. Its strong outperformance through COVID-19 and, more recently, in 2022 with valuations increasing 4.4% (ex-FX), despite a decline of more than two turns in the multiple, is ample proof that the theory works in practice. The manager's views on resilience were provided in a December 2022 review called *Private Equity in the economic headwinds* and a detailed analysis entitled *The historical impact of economic downturns on private equity*, published in May 2022.

Further recent evidence supports our view.

In terms of further evidence from the 2025 results, we note:

- modest portfolio leverage with, we believe, strong operating company cashflow generation;
- further widening average EBITDA margins; and
- NB's platform continues to see an increasing number of co-investment opportunities. In considering what happens in a downturn, in 2020, we note it fell to 6.5 per week from 7.3 in 2019, a relatively modest decline.

Sub-whole portfolio analysis provides further support for this opinion

We recognise that portfolio statistics do not tell the whole picture, as there may be individual companies within the portfolio that are especially stressed, even if the portfolio as a whole is robust. Based on historical disclosure, in our opinion, it appears likely that the companies facing the most challenging conditions with higher gearing are among the smaller companies in the portfolio.

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