

# Private Equity. Quando il mercato secondario e i co-investimenti rappresentano un'opportunità da non perdere.

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## Private Equity: un'ampia gamma di opportunità in costante crescita

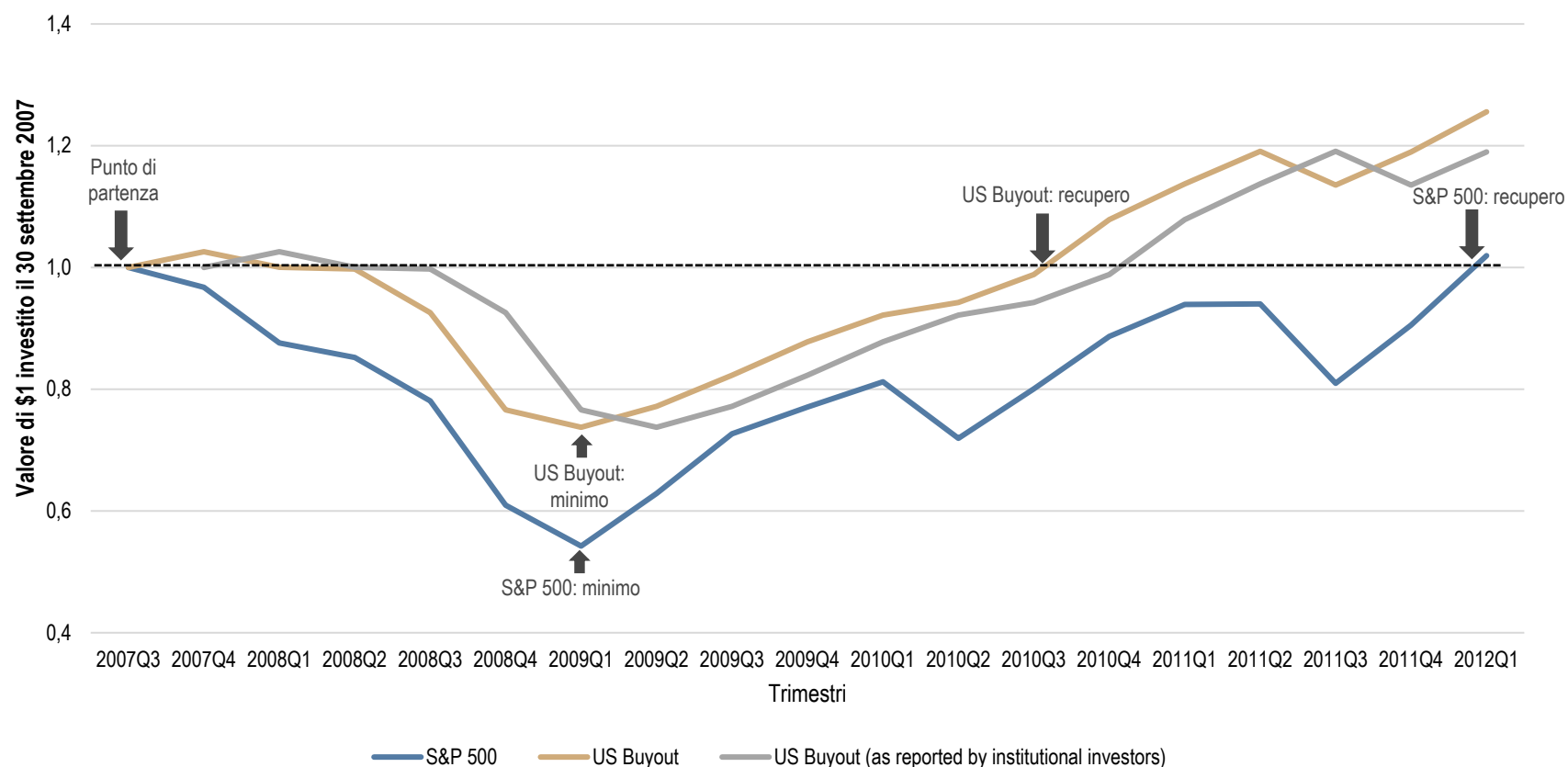
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Un'asset class dai rendimenti sempre interessanti, nonostante le nuove sfide

- 1** Il private equity è un'asset class in grado di **offrire rendimenti potenzialmente più elevati e una maggiore diversificazione del portafoglio nel medio lungo-termine**. L'orientamento a lungo termine del PE incoraggia un approccio all'investimento e alla **creazione di valore che guarda oltre il ciclo economico**.
- 2** Storicamente il private equity ha sovraperformato i mercati azionari quotati. **Gli investimenti effettuati nei periodi successivi ad una recessione hanno generato rendimenti superiori rispetto ad altri vintage** anche grazie ad un orizzonte di investimento suddiviso su più anni.
- 3** Il ventaglio delle opportunità d'investimento nei mercati del PE è **ben diversificato e continua a crescere a un ritmo sostenuto**.
- 4** Oltre ai classici benefici apportati in termini di J-curve, aspetti economici favorevoli ed elevate distribuzioni, che si ottengono investendo nei mercati secondari del Private Equity e nei co-investimenti, riteniamo che **l'attuale contesto di mercato rappresenterà nei prossimi mesi un'opportunità di ingresso molto favorevole per gli investitori**.
- 5** Le attuali condizioni di mercato richiedono tuttavia **una disciplina particolarmente prudente nella costruzione del portafoglio e un'attenta selezione degli investimenti**.

## Analisi dei rendimenti: Q3 2007–Q1 2012

	Punto di partenza		Minimo		Recupero	
	Trimestre	Valore (\$)	Trimestre	Valore (\$)	Trimestre	Valore (\$)
S&P 500	2007Q3	1	2009Q1	0.54	2012Q1	1.02
US Buyout	2007Q3	1	2009Q1	0.74	2010Q4	1.08
US Buyout (as reported)	2007Q4	1	2009Q2	0.74	2011Q1	1.08

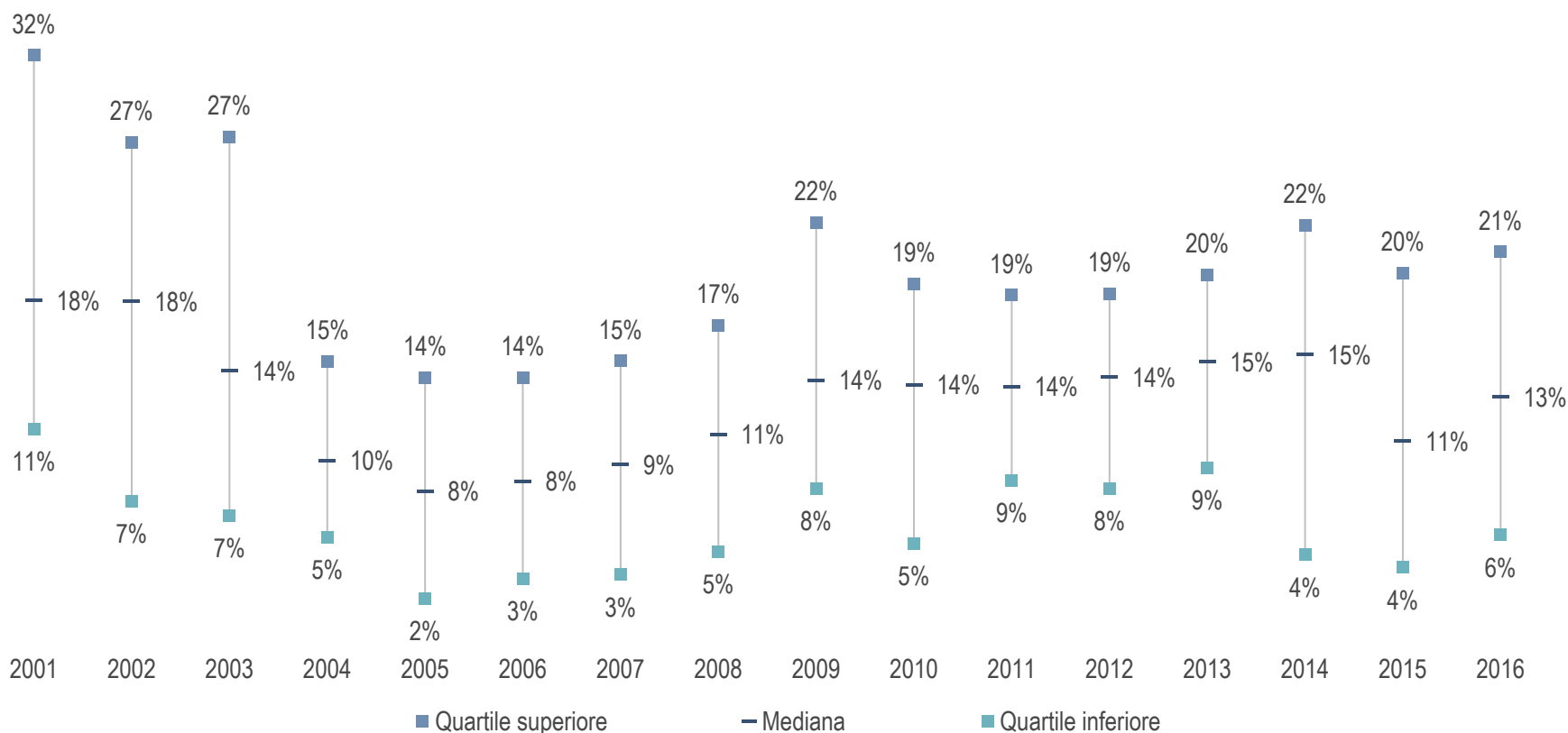


Fonte: Cambridge Associates, FactSet. Nulla di quanto riportato in questa slide costituisce una consulenza o una raccomandazione di investimento. Non si presume che saranno raggiunti gli obiettivi di investimento o gli obiettivi di rendimento del cliente. L'investimento comporta rischi, inclusa la possibile perdita di capitale. Gli indici non sono gestiti e non sono disponibili per gli investimenti diretti. Le performance passate non sono garanzia di risultati futuri. Vedi ulteriori informazioni alla fine di questa presentazione.

## Andamento dei rendimenti nel Private Equity

Il private equity ha generato rendimenti stabili nei diversi cicli economici, con un *overperformance* significativa da parte di fondi nel primo quartile. Storicamente i fondi che hanno investito durante una recessione (ad esempio nel 2009) hanno generato rendimenti superiori rispetto ad altri *vintage*. Proprio come nella fase successiva alla crisi finanziaria globale, nella fase post Covid-19, le società di *private equity* potrebbero avere l'opportunità di investire a valutazioni migliori, generando dunque in media rendimenti superiori. I vintage 2020-2021 potrebbero essere ben posizionati ciclicamente

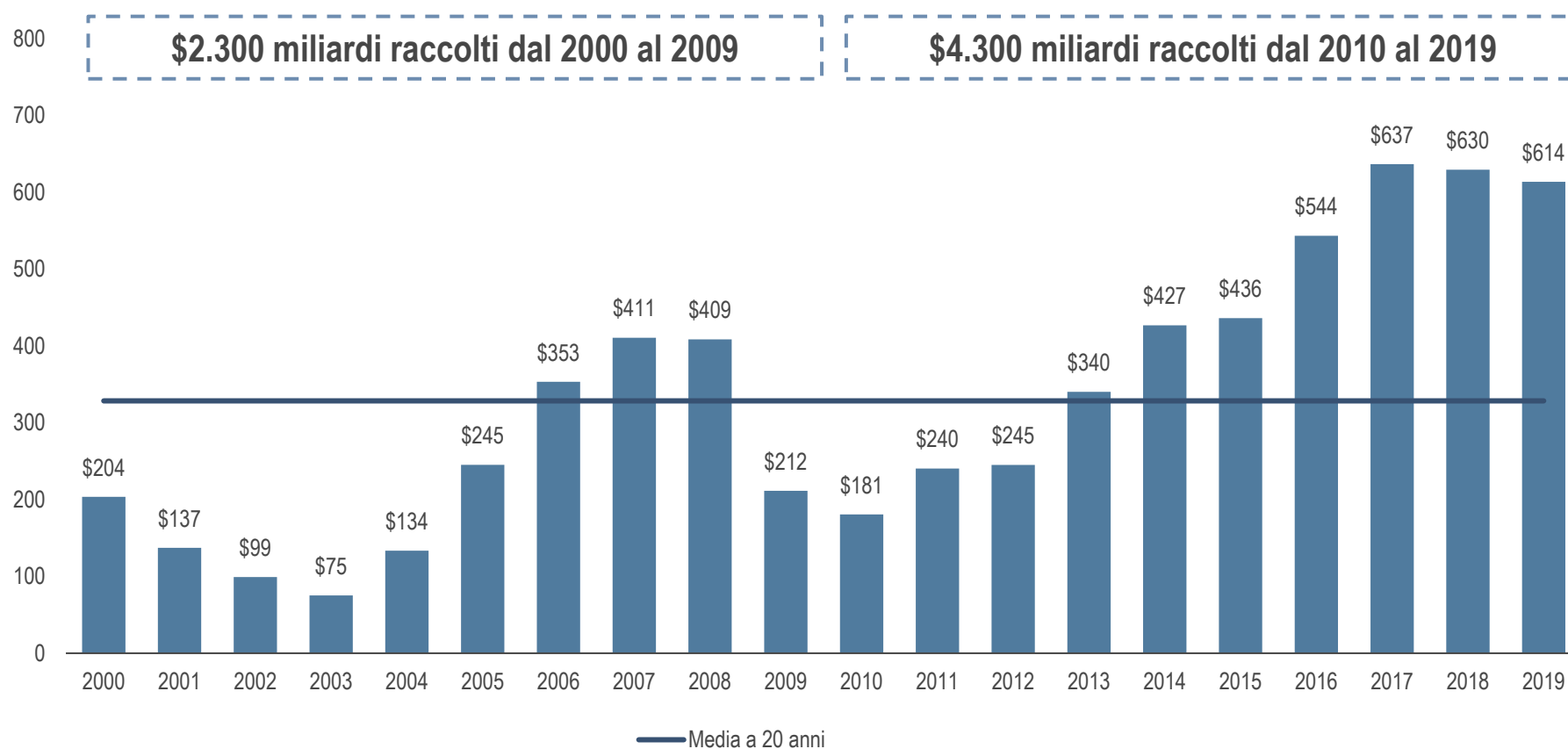
### IRR Netto nel Private Equity a Livello Globale per Data di Vintage



Fonte: Cambridge Index Global PE Index IRR, a settembre 2019, il dato più recente possibile. Questi dati sono stati forniti a Neuberger Berman da Cambridge Associates senza alcun costo. La performance passata non è un indicatore, una garanzia o una proiezione di performance future.

## La continua espansione del mercato sostiene ogni segmento dell'offerta

La raccolta dei fondi di Private Equity a livello globale (\$ in miliardi)



Il solido andamento del mercato della raccolta fondi per il PE dell'ultimo decennio continuerà ad **alimentare per molti anni a venire il flusso delle transazioni secondarie**

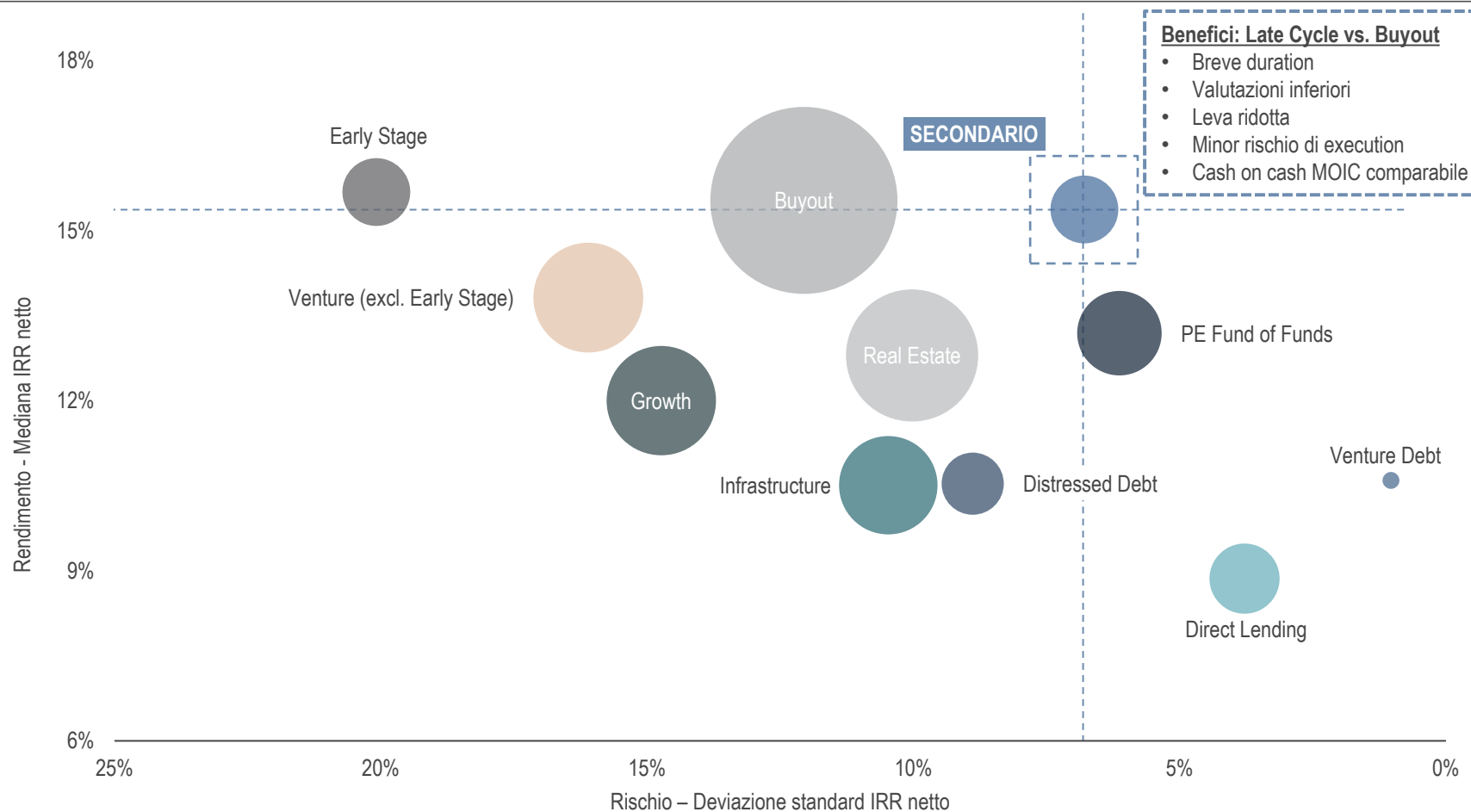
Fonte: Preqin. Dati a gennaio 2020.

Ad uso esclusivo degli investitori professionali

## Mercato secondario: rendimenti assoluti positivi con un profilo di rischio contenuto

Gli investimenti nel secondario si sono evoluti da investimento tattico a posizioni core

Profilo di rischio/rendimento in base alla strategia di Private Equity– Vintage 2007 – 2016<sup>(1)</sup>

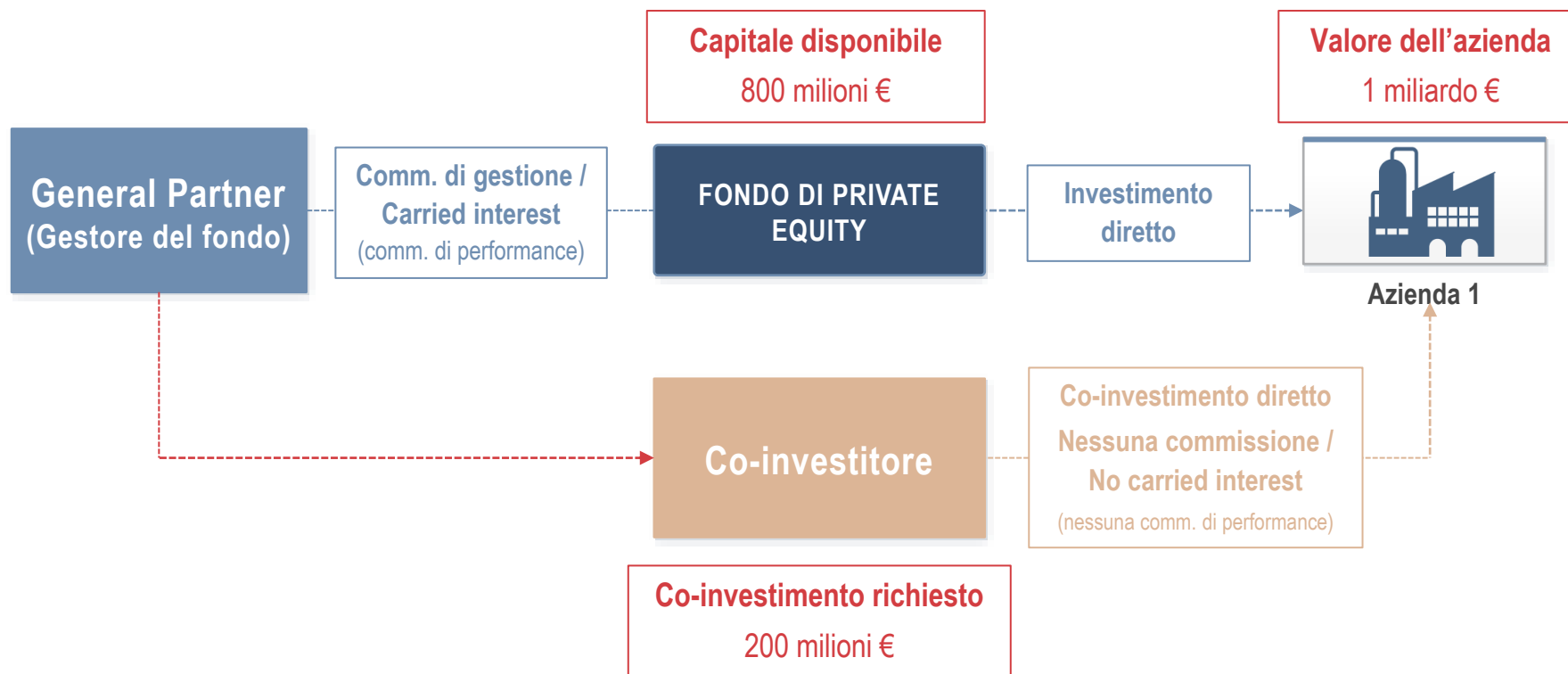


Nota: le performance passate non sono un indicatore, una garanzia o una proiezione delle performance future. La dimensione della bolla è rappresentativa della dimensione degli asset del settore. Non vi è alcuna garanzia che un determinato fondo sarà in grado di ottenere rendimenti comparabili.

<sup>1</sup> Fonte: Preqin. Dicembre 2019.

## Cosa sono i co-investimenti?

I co-investimenti permettono di assumere un'esposizione diretta, a livello di singola azienda, in parallelo pari-passu al fondo di Private Equity



Nel giro di pochi anni, le operazioni di **co-investimento sono passate da un'attività di investimento marginale del PE a un'attività molto diffusa**, arrivando a costituire una quota sempre più ampia dei volumi complessivi

# Opportunità nel mercato primario in Italia: i punti di forza della strategia di NB Renaissance Partners

Ci piace investire in...

- 1 Leader in settori di nicchia**, specializzate in produzioni avanzate e servizi con un elevato livello di innovazione e flessibilità o **leader locali con vantaggi competitivi sostenibili**
- 2 Aziende orientate all'export**, generalmente correlate all'economia globale
- 3 Settori globali BtoB**, con esposizione limitata alla spesa locale dei consumatori
- 4 Mercati altamente frammentati**, con opportunità di consolidamento a valutazioni attraenti
- 5 Imprese familiari** con un potenziale di crescita inespresso, in partnership con il management e le famiglie fondatrici
- 6 Aziende con elevata generazione di cassa**, per avere protezione dai rischi in caso di ciclo negativo, e possibilità di crescita attraverso una strategia *build-up*



**>70%**  
delle vendite generate  
all'estero<sup>1</sup>

**>90%**  
del capitale investito in  
BtoB<sup>2</sup>

**>30**  
add-ons completati negli  
ultimi 3 anni

**36**  
transazioni primarie completate  
(su 43 operazioni eseguite)

**>€210m**  
Generazione di FCF<sup>3</sup>  
**3.1x**  
Leva finanziaria media all'entrata<sup>4</sup>

1. Analisi basata sulle vendite aggregate delle partecipate e considerando gli end-market finali.

2. Basato sul capitale investito (o *committed*) totale di NBRP Fund I, Annex e NBRP Fund III.

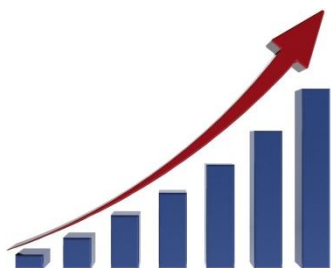
3. Generazione di FCF dei nuovi *deals* dall'entrata escludendo i *capex* per M&A.

4. Basato sui nuovi *deals* di NBRP.



## Investire nelle Eccellenze Italiane

Le aziende in cui abbiamo investito comprendono numerose eccellenze del tessuto produttivo italiano e contribuiscono in misura significativa alla crescita dell'economia reale e dell'occupazione



**€5 mld**

Fatturato aggregato delle aziende attualmente nel nostro portafoglio



**27.000**

Dipendenti aggregati delle aziende attualmente nel nostro portafoglio, di cui 20.000 in Italia



**+ 3.500**

Nuovi posti di lavoro creati nell'ultimo anno dalle aziende attualmente nel nostro portafoglio, di cui circa 2.000 in Italia



**> 180**

Stabilimenti produttivi nei 5 continenti delle aziende attualmente nel nostro portafoglio

Un indotto stimato in Italia di oltre 50.000 lavoratori in molti settori chiave della nostra economia.

Le credenziali di Neuberger Berman nel Private Equity



## La piattaforma di investimento di Neuberger Berman

Società di gestione indipendente, con presenza globale, fondata nel 1939. Indipendenza, esperienza, stabilità e allineamento con il cliente

**NEUBERGER BERMAN: \$330mld**

AZIONARIO	OBBLIGAZIONARIO	ALTERNATIVI
\$84mld	\$150mld	\$96mld

**Storia**

80+

Anni di investimenti

**Assetto proprietario**

100%

Non quotata, indipendente,  
posseduta dai propri dipendenti

**Profondità**

~2.300

Dipendenti in  
35 città a livello globale

**Stabilità**

96%

Livello di fidelizzazione dei  
professionisti<sup>1</sup>

**Cultura**



Nominati per 5 anni consecutivi da  
Pension & Investments<sup>2</sup>

**Integrazione di fattori Ambientali, Sociali e di Governance (ESG) su tutta la piattaforma**

**2012:** Neuberger Berman  
firmataria principi sostenuti  
dall'ONU per gli investimenti  
responsabili (PRI)

**A+:** 2018 Assessment Report ESG  
Strategy e Governance<sup>3</sup>

**A+:** 2018 Assessment Report  
Indirect Private Equity<sup>3</sup>

Dati al 31 marzo 2020

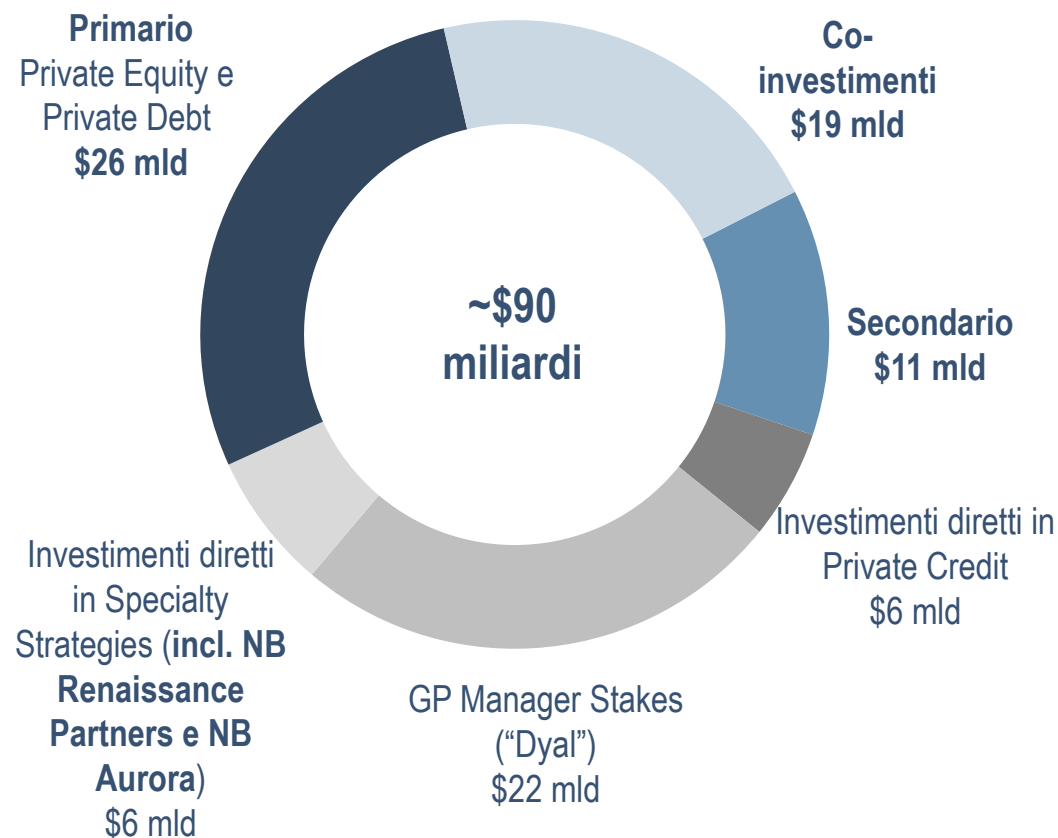
<sup>1</sup> Livello di fidelizzazione medio dei professionisti più senior (inclusi i pensionamenti) durante il periodo 2013 – 2019.

<sup>2</sup> Da Pensions & Investments per le società con oltre 1000 dipendenti

<sup>3</sup> Conferito dai Principi di Investimento Responsabile (PRI) dell'ONU.

## La piattaforma di Private Markets di Neuberger Berman

30 anni di esperienza. Circa \$10 miliardi investiti all'anno in Private Markets negli ultimi 3 anni



- Oltre 30 anni di esperienza
- Capitale impegnato (Committed) in private markets ammonta a circa \$10 miliardi annui negli ultimi 3 anni
- Posizionamento unico nell'ecosistema del private equity
- Società di private equity riconosciuta nell'industria



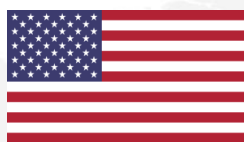
Note: Dati al 31 marzo 2020. I dati rappresentano il commitment totale dal lancio, inclusi i commitment in fase di documentazione.

# Un partner ideale per gli investitori istituzionali per gli investimenti in PE a livello globale

Credenziali e riconoscimenti

**\$26+ Miliardi: in Programmi Personalizzati di Private Equity e Private Debt**

**Alcuni Esempi**



Programma personalizzato in PE in gestione dal 2014 per **fondo pensione di un ente governativo USA**



Selezionati per gestire il primo programma di investimenti in PE e Private Debt di uno dei **più grandi fondi pensione pubblici al mondo**



Selezionati **dai fondi promotori del Progetto Iride** per l'affidamento del mandato a investire in FIA Europei di PE



**Il più grande gestore di PE al mondo per le assicurazioni** in termini di commitment complessivi<sup>1</sup>



Premiati come **Miglior società di Private Equity al mondo** secondo MoneyAge UK

Asseto solo illustrativo. Investitori professionali

1. Fonte: Insurance Investment Outsourcing Report: Insurance Asset Manager Rankings 2020 Edition.

## I vantaggi unici della piattaforma di Private Equity di Neuberger Berman

### LE MOLTEPLICI RELAZIONI CON GENERAL PARTNER FORNISCONO VANTAGGI NEL SOURCING E NEL DEAL FLOW

**540+**

Limited partnership  
attive in fondi di private  
equity

**180+**

Limited partnership con  
un ruolo nei consigli di  
amministrazione (*LPAC  
Seats*)

**98%**

Delle allocazioni  
richieste in fondi primari  
di terzi soddisfatte<sup>1</sup>

**\$5MLD+**

Capitale impegnato a  
livello globale nel 2019  
nel primario, secondario  
e coinvestimenti

### LE CAPACITÀ UNICHE DI ACCESSO ALLE INFORMAZIONI FORNISCONO NOTEVOLI COMPETENZE DI EXECUTION

**380+**

Investimenti equity e  
debt diretti (attivi)

**20.000+**

Società Private Equity  
possedute nella nostra  
rete

**170+**

Analisti NB di ricerca  
buy-side per l'azionario  
e l'obbligazionario

**250+**

Società di ricerca terze  
da cui NB attinge  
informazioni

Fonte: NB Alternatives Advisers LLC. Dati a dicembre 2019.

1. Misurato come ammontare del commitment accettato dal General Partner del fondo in questione diviso per il commitment totale richiesto nei documenti di sottoscrizione consegnati per investimenti in fondi privati durante il periodo di offerta. La performance passata non garantisce i risultati futuri. Riflette la percentuale di allocazioni richieste insieme ai commitment totali sul primario in media degli ultimi 5 anni (a Dicembre 2019).

## Summary Risk Factors

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Prospective investors should be aware that an investment in any NB Private Equity Fund (the "Fund" or "Funds") is speculative and involves a high degree of risk that is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in the Fund and for which the Fund does not represent a complete investment program. An investment should only be considered by persons who can afford a loss of their entire investment. The following is a summary of only certain considerations and is qualified in its entirety by the Confidential Private Placement Memorandum of the Fund (the "Memorandum") and prospective investors are urged to consult with their own tax and legal advisors about the implications of investing in the Fund. Fees and expenses can be expected to reduce the Fund's return. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Memorandum or limited partnership agreement (as amended, restated or otherwise modified from time to time, the "Partnership Agreement") of the Fund.

**Market Conditions.** The Fund's strategy is based, in part, upon the premise that investments will be available for purchase by the Fund at prices that the Fund, the general partner of the Fund (the "General Partner") or NB Alternatives Advisers LLC (the "Adviser") considers favorable and which are commensurate with the targeted returns described herein. To the extent that current market conditions change or change more quickly than Neuberger Berman Group, LLC or an affiliate (collectively, "Neuberger Berman") currently anticipates, investment opportunities may cease to be available to the Fund or investment opportunities that allow for the targeted returns described herein may no longer be available.

**No Assurance of Investment Return.** There can be no assurance or guarantee that the Fund's objectives will be achieved, that the past, targeted or estimated results presented herein will be achieved, or that investors in the Fund ("Investors") will receive any return on their investments in the Fund. The Fund's performance may be volatile. An investment should only be considered by persons who can afford a loss of their entire investment. Past activities of investment entities sponsored by Neuberger Berman provide no assurance or guarantee of future results. The Fund's intended strategy relies, in part, upon the continuation of existing market conditions in certain countries (including, for example, supply and demand characteristics or continued growth in GDP) or, in some circumstances, upon more favorable market conditions existing prior to the termination of the Fund. No assurance or guarantee can be given that investments meeting the Fund's investment objectives can be acquired or disposed of at favorable prices or that the market for such investments (or market conditions generally) will either remain stable or, as applicable, recover or improve, since this will depend upon events and factors outside the control of the Fund's investment team. Notwithstanding anything in this presentation to the contrary, Neuberger Berman, the Adviser or the General Partner may vary its investment processes and/or execution from what is described herein. The returns shown herein include returns generated by reinvested cash capital or profits. Without such reinvestment, the returns shown in this presentation will have been lower.

**Legal, Tax and Regulatory Risks.** Legal, tax and regulatory changes (including changing enforcement priorities, changing interpretations of legal and regulatory precedents or varying applications of laws and regulations to particular facts and circumstances) could occur during the term of the Fund that may adversely affect the Fund or its partners.

**Performance of the Fund and No Operating History.** The Fund and the General Partner are newly-formed entities with no operating history for prospective investors to evaluate.

**Default or Excuse.** If an Investor defaults on or is excused from its obligation to contribute capital to the Fund, other Investors may be required to make additional contributions to the Fund to replace such shortfall. In addition, an Investor may experience significant economic consequences should it fail to make required capital contributions.

**Indemnification.** Under certain circumstances, the Fund is responsible for indemnifying the Adviser, the General Partner and their respective affiliates for losses or damages.

**Leverage.** The Fund's investments are expected to include underlying portfolio companies whose capital structures may have significant leverage. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to finance their future operations and capital needs. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio company or its industry.

**Use of Leverage.** The General Partner will have the right to cause the Fund to borrow money in order to, among other things, make Fund Investments and pay Fund expenses in lieu of funding such amounts by calling capital contributions from the Investors. In addition, the Fund may borrow funds for the purpose of making distributions to Investors, generally in anticipation of amounts to be received by the Fund from Fund Investments. Using borrowings to delay calling capital contributions or to accelerate distributions will generally be utilized by the General Partner to increase the Investors' rate of return on their interests in the Fund or in some cases to normalize distributions. In the event that the Fund has aggregate losses, the Investors may receive a lower return on investment than they would have received had no borrowings been utilized.

## Summary Risk Factors (continued)

**Impact of Outstanding Borrowings on Investor Returns.** In the event that a Fund uses a credit facility, it is expected that interest will accrue on any outstanding borrowings at a rate lower than the Fund's preferred return, which does not accrue on such borrowings and will begin accruing when capital contributions to fund such Investments, or repay borrowings used to fund such Investments, are actually advanced by Investors to the Fund. As a result, the use of a credit facility with respect to Investments and ongoing capital needs may reduce or eliminate the preferred return received by the Investors and accelerate or increase distributions of carried interest to the General Partner.

**Highly Competitive Market for Investment Opportunities.** The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance or guarantee that the Fund will be able to locate, consummate and exit investments that satisfy the Fund's rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital.

**Reliance on Key Management Personnel.** The success of the Fund will depend, in large part, upon the skill and expertise of certain Neuberger Berman professionals. In the event of the death, disability or departure of any key Neuberger Berman professionals, the business and the performance of the Fund may be adversely affected.

**Potential Conflicts of Interest.** There may be occasions when the Adviser, the General Partner and/or advisors to the Fund and their affiliates will encounter potential conflicts of interest in connection with the Fund's activities including, without limitation, the activities of Neuberger Berman and key personnel, the allocation of investment opportunities, conflicting fiduciary duties and the diverse interests of the Fund's limited partner group. There may be disposition opportunities that the Fund cannot take advantage of because of such conflicts.

**Limited Liquidity.** There is no organized secondary market for Investors' interests in the Fund, and none is expected to develop. There are restrictions on withdrawal and transfer of interests in the Fund.

**Material, Non-Public Information.** By reason of their responsibilities in connection with other activities of Neuberger Berman, certain employees of the Adviser, the General Partner, the advisors and their respective affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information. Due to these restrictions, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

**Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues.** Neuberger Berman's business activities as well as the activities of the Fund and its operations and investments could be materially adversely affected by outbreaks of disease, epidemics and public health issues in Asia, Europe, North America, the Middle East and/or globally, such as COVID-19 (and other novel coronaviruses), Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics, pandemics, outbreaks of disease or public health issues. In particular, coronavirus, or COVID-19, has spread and is currently spreading rapidly around the world since its initial emergence in December 2019 and has negatively affected (and may continue to negative affect or materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks). Although the long-term effects of coronavirus, or COVID-19 (and the actions and measures taken by governments around the world to halt the spread of such virus), cannot currently be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as H5N1, H1N1 and the Spanish flu, had material adverse effects on the economies, equity markets and operations of those countries and jurisdictions in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which would be reasonably likely to adversely affect the business, financial condition and operations of Neuberger Berman and the Fund. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to worsen), Neuberger Berman and the Fund could be adversely affected by more stringent travel restrictions (such as mandatory quarantines and social distancing), additional limitations on Neuberger Berman's (or the Fund's) operations and business activities and governmental actions limiting the movement of people and goods between regions and other activities or operations.

**Valuation Risk.** Due to the illiquid nature of many Fund investments, any approximation of their value will be based on a good-faith determination as to the fair value of those investments. There can be no assurance that these values will equal or approximate the price at which such investments may be sold or otherwise liquidated or disposed of. In particular, the impact of the recent Covid-19 pandemic is likely to lead to adverse impacts on valuations and other financial analyses for current and future periods.

THE FOREGOING DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS AND CONFLICTS INVOLVED IN THIS OFFERING OR AN INVESTMENT IN THE FUND. POTENTIAL INVESTORS SHOULD READ THIS PRESENTATION, THE MEMORANDUM, THE SUBSCRIPTION AGREEMENT AND THE PARTNERSHIP AGREEMENT OF THE FUND IN THEIR ENTIRETY BEFORE DECIDING WHETHER TO INVEST IN THE FUND AND SHOULD CONDUCT THEIR OWN DILIGENCE OF THE OPPORTUNITY AND IDENTIFY AND MAKE THEIR OWN ASSESSMENT OF THE RISKS INVOLVED. TO THE EXTENT ANY INFORMATION PRESENTED HEREIN IS INCONSISTENT WITH THE PARTNERSHIP AGREEMENT, THE PARTNERSHIP AGREEMENT SHALL CONTROL.



# Endnotes

Note: The recent COVID-19 pandemic has had serious and adverse consequences to business conditions in North America and elsewhere around the globe following December 31, 2019, including limitations on travel, transportation, education, production of goods, provision of services and businesses operations generally. Further, the equity and other securities markets have experienced significant volatility, with substantial losses in the equity markets as compared to year end. Although the long-term economic fallout of COVID-19 is difficult to predict, the challenging business conditions in the economy generally are likely to adversely affect financial markets, and challenging business conditions are likely to have adverse effects on the financial performance of companies in the United States and abroad. As a result, these conditions are likely to lead to adverse impacts on valuations and other financial analyses for future periods, including for the quarter ending March 31, 2020. If the economic fallout is severe and/or extended, the adverse impacts may be material.

1. The performance information presented for the “Deutsche Bank” period is as of September 30, 2004. Please see Endnote 2 below for additional disclosure on Deutsche Bank performance information.
2. A nationally recognized accounting firm has performed certain agreed-upon procedures, the scope of which was determined by the Founding Principals, on performance data prepared by the Founding Principals. This reflects the performance of the investments made under the direction of Brian Talbot while at Deutsche Bank and does not reflect any investments made by NB Private Equity or NB Secondary Opportunities Funds. Although such investment performance information is presented with the permission of DB, DB has not participated in the preparation of this information or any other materials used in connection with the offering of Fund V and expressly disclaims any responsibility for the content or accuracy of such information. Prospective investors should carefully consider the matters discussed in the “Certain Risk Factors and Conflicts of Interest” section of the Private Placement Memorandum. The performance information presented has been calculated as of September 30, 2004, the last quarter end prior to the Founding Principals’ departure from DB using the internal rate of return methodology and using actual cash flows on the actual dates of such cash flows. Unrealized values generally are based on June 30, 2004 values provided by general partners or managers of underlying funds, adjusted for capital contributions and distributions between June 30, 2004 and September 30, 2004. The performance information is being provided to potential investors as an illustration of Mr. Talbot’s historical performance in a proprietary account in a fully funded environment.
3. Contributions from LPs represents the actual amount of capital that has been contributed by partners to the partnership. Such drawn amounts are used for investments, management fees, expenses and other purposes as permitted by the partnership agreement. Invested capital represents the actual amount of capital that has been invested by the partnership, irrespective of whether such investment was funded by capital drawn from partners, recycled proceeds or borrowings.
4. Maximum Net Exposure is a percentage calculated by dividing (i) the maximum net capital called from limited partners (defined as the maximum of actual cash contributions made by limited partners) by (ii) total capital commitments. Fund IV is currently investing; as such, the Maximum Net Exposure is not applicable at this time. Multiple on Maximum Cash at Work is calculated by dividing (i) the unrealized value of limited partners, plus total capital distributed after the date of Maximum Net Exposure, less total capital calls after the date of Maximum Net Exposure by the maximum net capital called from limited partners.
5. Returns that are presented on a “gross” basis are net of the carried interest, management fees and other expenses of the underlying investments but before carried interest, management fees and other expenses of Fund I, Fund II, Fund III, and Fund IV as applicable. The reported performance reflects the remaining values of investments as well as realized proceeds. Because the remaining values are generally based on valuations of the underlying portfolio investments by the underlying funds’ sponsors, rather than the cost of the investments, purchase discounts (or premiums) can initially impact the reported performance data, which over time will reflect subsequent changes in the valuations of the underlying investments. Please note that net returns will be lower.
6. Returns that are presented on a “net” basis include the estimated effect of the carried interest, management fees and other expenses for institutional investors in Fund I, Fund II, Fund III and Fund IV as applicable, that would be paid to the general partner if the entire portfolio were liquidated at the remaining value. The net returns shown are for the limited partners, in aggregate, in the onshore institutional fund (NB Secondary Opportunities Fund LP, NB Secondary Opportunities Fund II LP, NB Secondary Opportunities Fund III LP and NB Secondary Opportunities Fund IV LP) and include investments held through alternative investment vehicles, including alternative investment vehicles associated with offshore feeder funds that invest in the onshore institutional fund through a master-feeder structure. The net IRR presented for the Deutsche Bank period is estimated based on management fees, expenses and carried interest on terms applicable to Fund V. The reported performance reflects the remaining values of investments as well as realized proceeds. Because the remaining values are generally based on valuations of the underlying portfolio investments by the underlying funds’ sponsors, rather than the cost of the investments, purchase discounts (or premiums) can initially impact the reported performance data, which over time will reflect subsequent changes in the valuations of the underlying investments. Fund I, Fund II, Fund III and Fund IV employed a subscription line credit facility. Net returns of Funds I, Fund II, Fund III and Fund IV without the use of a credit facility would be lower.
7. Net Cash-on-Cash Multiple reflects the net cash amounts which actually occur between Fund I, Fund II, Fund III and Fund IV and their respective limited partners. For instance, when a capital call and distribution take place on the same day, only the net amount is included in the calculation (as a capital call if the net amount is a negative number, or as a distribution if the net amount is a positive number).
8. DPI is calculated by dividing the total capital distributed to limited partners by total capital called from limited partners.
9. Average cash yield is calculated as total annual cash distributions relative to the average of the beginning and ending net asset values for the period.

# Additional Disclosures

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