NEUBERGER BERMAN

NB Private Equity Partners Limited

31 March 2014 Quarterly Report and Interim Management Statement

For the three month period ended 31 March 2014

Quarterly Report

COMPANY OVERVIEW

For the three month period ended 31 March 2014
Quarterly Report

The Company's objective is to produce attractive returns by investing in the private equity asset class through direct-yielding investments, equity co-investments and fund investments, while managing investment risk through diversification across asset class, vintage year, geography, industry and sponsor.

Company

NB Private Equity Partners Limited ("NBPE")

- Guernsey closed-end investment company
- 48,790,564 Class A ordinary shares outstanding
- 10,000 Class B ordinary shares outstanding
- 32,999,999 Zero Dividend Preference ("ZDP Shares") shares outstanding

Investment Manager

NB Alternatives Advisers LLC ("Investment Manager" or the "Manager")

- 27 years of private equity investing experience
- Investment Committee with an aggregate of over 210 years of professional experience
- Approximately 70 investment professionals
- Approximately 130 administrative and finance professionals
- Offices in New York, London, Dallas and Hong Kong

Key Statistics	At 31 March 2014	At 31 December 2013
Net Asset Value of the Class A Shares	$632.7m	$625.1m
Equity Co-investments	$177.1m	$160.8m
Direct-Yielding Investments	$193.7m	$185.2m
Fund Investments	$282.2m	$291.7m
Total Private Equity Fair Value	$653.0m	$637.7m
Private Equity Investment Level	103%	102%
Cash and Cash Equivalents	$62.0m	$63.7m
Net Asset Value per Ordinary Share	$12.96	$12.81
Net Asset Value per Ordinary Share including Cumulative Dividends	$13.59	$13.22
ZDP Shares	£44.8m	£44.0m
Net Asset Value per ZDP Share	135.74p	133.40p
Dividends per Share:		
Dividends paid this period	$0.22	$0.41
Cumulative dividends since inception	$0.63	$0.41

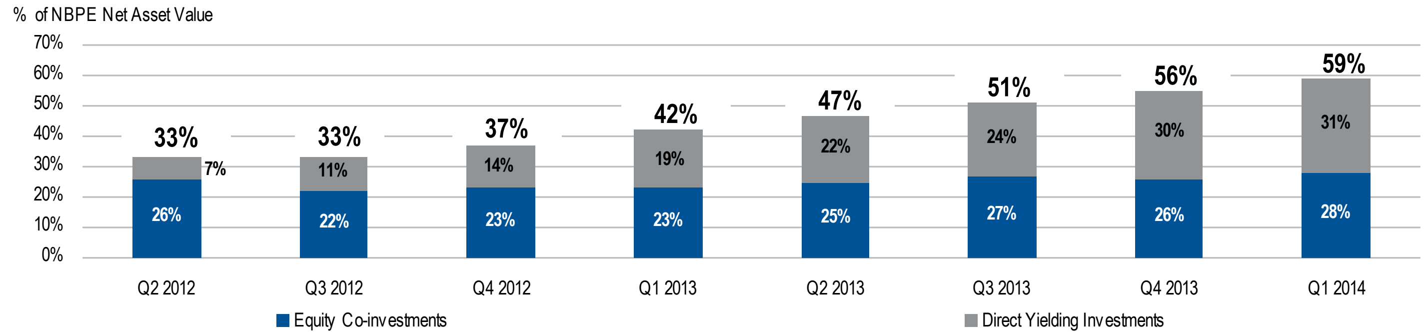
Note: Numbers may not sum due to rounding.

Focus on equity co-investments and direct yielding investments

NB Alternatives Advisers seeks high quality private equity investments for NBPE that have the potential to deliver strong investment returns on a risk-adjusted basis, while maintaining appropriate levels of diversification across geographies, industries, vintage years and sponsors.

New investments are predominantly equity co-investments and direct yielding investments. Within this direct portfolio, the Manager targets allocations of 60% to equity co-investments and 40% to direct yielding investments, subject to an available opportunity set. The Manager may also make other types of investments, as appropriate.

Direct Investments by Quarter



Equity co-investments are made alongside premier private equity sponsors in their core areas of expertise, focused primarily on buyout and growth equity transactions in the small and middle market globally. Transaction types typically include traditional buyouts, take-private transactions, corporate carve-outs as well as sponsor-to-sponsor transactions. The Manager seeks investments with differentiating characteristics such as strategic, minority investments that have clear exit paths and the potential for shorter holding periods rather than large, syndicated transactions.

Direct yielding investments typically consist of private debt instruments which generate strong cash yields and may offer additional upside through PIK and / or equity. The Manager targets debt investments such as junior financings including mezzanine investments, which consist of notes and equity, second-lien debt and secured term loans in traditional corporate sectors. The Manager also targets healthcare credit investments, which consist of loans to companies in the healthcare sector, royalty backed notes, preferred stock and warrants.

Long-term dividends

On 28 February 2014, the Company paid the first 2014 semi-annual dividend of $0.22 per Share.

During 2013, NBPE paid total dividends of $0.41 per Share. Since inception, NBPE has paid cumulative dividends of $0.63 per Share.

$0.22
First Semi-Annual Dividend per Share in 2014 paid on 28 February 2014

$0.63
Cumulative dividends since inception

4.1%
Annualized Dividend Yield on Share Price[1]

3.4%
Annualized Dividend Yield on NAV at 31 March 2014

Direct yielding income

Over time, NBPE intends to pay its dividend from the cash yield it receives from its direct-yielding investments. The Manager expects the dividend to be 100% covered by the cash yield on a run rate basis in the first half of 2014.

Run rate cash yield and dividend coverage (% of dividend)

	31 March 2014
Direct-yielding investments	$17.2m / 80%

Share Buy Back Programme

NBPE retains the ability to repurchase shares through its Share Buy Back Programme which was launched in 2010. Shares bought back under the Programme will be cancelled. There were no share repurchases during the first quarter of 2014. The Board of Directors has approved an extension of the Share Buy Back Programme until 31 August 2014. The documentation for such extension is currently in progress.

1. *Based on the Euronext closing share price of $10.67 on 31 March 2014.*

KEY PERFORMANCE HIGHLIGHTS FOR THE PERIOD

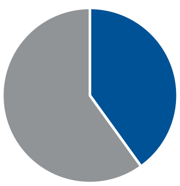
For the three month period ended 31 March 2014
Quarterly Report

Performance

2.9% NAV per Share total return

14.1% Share price increase

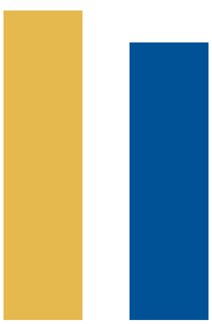
16.5% Share price total return



Portfolio at 31 March 2014

57% of Fair Value in Equity Co-investments/Direct Yielding Investments

43% of Fair Value in Funds



Cash Flows during the first quarter of 2014

$59.5 million funded to Investments[1]

$70.9 million of distributions from Investments

$52.1[2]
Million Invested

New Direct Investment Activity during the first quarter of 2014

4 Equity Co-investments

6 Direct Yielding Investments

1. *Includes follow-on investments and contributions to fund investments.*
2. *Invested amounts in new direct investments only. Excludes follow-on investments.*

PORTFOLIO HIGHLIGHTS DURING THE FIRST QUARTER OF 2014

NB Private Equity Partners leverages the full resources of NB Alternatives' integrated private equity platform for superior deal flow, due diligence and execution capabilities

Increasing percentage of the portfolio in direct yielding investments and equity co-investments and reduced exposure to private equity funds

- Increased direct investment exposure from 56% of NAV at 31 December 2013 to 59% of NAV as of 31 March 2014
- 10 direct investments completed during the first quarter of 2014
- $37.4 million of new and follow-on direct yielding investments during the first quarter of 2014
- $20.2 million of new and follow-on equity co-investments during the first quarter of 2014

31% of net asset value in direct yielding investments with a total estimated yield to maturity of 11.4% and a cash yield of 9.3%

- Direct yielding investments producing run-rate cash income of $17.2 million, covering 80% of the annual dividend
- Targeting full coverage of the dividend on a run rate basis in the first half of 2014 from the cash generated by direct yielding investments

Significant liquidity from the direct investment portfolio during the first quarter of 2014

- Distributions of $16.4 million from equity co-investments as a result of sales, and $35.4 million from direct yielding investments, as a result of sales, principal and interest payments, including:
  - $4.1 million of principal and interest payments from direct yielding investments
  - $24.6 million of distributions as a result of the exit from two 2013 corporate debt investments
  - $6.7 million of distributions as a result of the exit from two healthcare credit investments
  - $9.8 million of distributions as a result of the sale of one 2013 vintage co-investment
  - $1.6 million from one 2008 vintage co-investment as a result of the company's IPO
  - $4.8 million as the result of the expiration of warranty loss contracts

Total distributions of $19.1 million from fund investments during the first quarter of 2014

- Special situations funds distributed $9.1 million, representing 48% of distributions from fund investments
- The top 10 largest distributions from funds totaled $13.7 million and represented 7.1% of the aggregate invested capital of these top 10 funds, demonstrating the continued harvesting occurring in these commitments

Note: Numbers may not sum due to rounding.

POST-REPORTING PERIOD UPDATE

The following events occurred post the 31 March 2014 reporting period. The Board is not aware of any other significant events or transactions (other than as set out herein) that have occurred between 31 March 2014 and the publication date of this Interim Management Statement which would have a material impact on the financial position of the Company

New direct yielding investment activity; Direct investment portfolio now represents 65% of NAV

- During April, NBPE funded $32.2 million to six new direct yielding investments
  - Second lien debt of Flexera, a software company
  - Subordinated notes of Ortholite, a provider of high-performance insoles and related shoe components
  - Senior secured term loan of a specialty drug pharmaceuticals company
  - Second lien debt of a contract research organization
  - Convertible notes of a public healthcare company
  - A portfolio of short-term small business loans, originated through a direct lending platform
- As of the publication date of this report, equity co-investments and direct yielding investments represent 65% of NAV, based on the 30 April 2014 NAV
- Run rate cash income is $21.2 million, representing 99% dividend coverage

New direct co-investment activity

- During April, NBPE funded $2.5 million to one new equity co-investment, Stratus a technology company, and two follow-on investments of $5.6 million

Distribution activity & Significant IPO

- During April, NBPE received $7.5 million of distributions
  - $4.9 million from fund investments
  - $1.8 million from direct yielding investments, consisting of interest income
  - $0.9 million from equity co-investments
- A 2007 large-cap buyout equity co-investment completed its IPO in April. No cash was received by NBPE as part of the IPO

NAV per Share performance and credit facility drawdown post 31 March 2014

- The 31 March 2014 Quarterly NAV per Share represents a 1.4% increase over the 31 March 2014 estimated NAV per Share
- The 30 April 2014 re-stated NAV per Share represents a 0.1% increase over the 30 April 2014 Monthly estimated NAV per Share

	31 March 2014 (Quarterly IMS)	30 April 2014 (Estimated NAV)	30 April 2014 (Re-stated)
Unaudited NAV per share	$12.96	$12.96	$12.97
Unaudited Total Return NAV per share	$13.59	$13.59	$13.60

- On 15 May 2014, NBPE drew down $25 million from the Company's credit facility

Note: as of 19 May 2014. Numbers may not sum due to rounding.

Q1 2014 OVERVIEW

$37.2 million invested[1]

Made directly by NBPE and through the NB Alternatives Healthcare Credit Investment Program

Evoqua Water Technologies

- Leading provider of technology, equipment and services for water treatment in highly specified industrial and municipal applications
- Second lien term loan with an 8.5% annual cash interest coupon (L+7.5%, 1% L Floor and 0.5% OID)
- NB Thesis:
  - Significant revenue visibility
  - Diversified revenue stream with high quality customer base
  - Reasonable net leverage and significant liquidity

LANDesk Software

- Lifecycle management, endpoint security, IT service management, and mobility management software for IT departments
- Second lien term loan with an 8.25% annual cash interest coupon (L+7.25%, 1% L Floor, 1% OID)
- NB Thesis:
  - Strong visibility on recurring revenue and free cash flow
  - Attractive industry dynamics
  - Diverse blue chip customer base

Healthcare Credit: Second Lien Term Loan (Biotherapeutics)

- Second lien term loan in a biotherapeutics company that develops and commercializes innovative therapies for critically ill patients in the hospital and outpatient setting
- Contractual cash interest rate of 8.75% (L+7.75%, 1% L Floor, 1% OID)
- NB Thesis:
  - Adequate headroom between the product cost and reimbursement amounts
  - Low risk of generic substitution
  - Two FDA approved facilities

Healthcare Credit: Senior Unsecured Term Loan (Specialty Pharmaceuticals)

- Specialty pharmaceuticals company that currently sells two products in the arthritis, pain and inflammatory disease space
- Proceeds used for acquisition financing of a third product
- Contractual fixed cash interest rate of 5%
- NB Thesis:
  - Tuck-in acquisition opportunities
  - Existing sales force in place to sell new asset
  - Accretive acquisition properties

Healthcare Credit: Senior Secured Term Loan (Medical Diagnostics)

- Medical diagnostics company that sells in-vitro diagnostic test devices for consumer and professional point-of-care use
- Senior secured notes with fixed rate 10.5% cash coupon
- NB Thesis:
  - Large and growing market
  - Technology can be utilized in a range of applications and is protected by 44 owned/licensed patents
  - Attractive returns with limited downside risk

Healthcare Credit: Senior Secured Term Loan (Specialty PCP and Pediatric Pharmaceuticals)

- Specialty pharmaceutical company focused on branded and generic pharmaceuticals in the primary care physician ("PCP") and pediatric specialties
- Senior secured notes with 8% fixed rate cash interest coupon
- NB Thesis:
  - Diversified operating business
  - Significant upside potential with successful turnaround
  - Line of sight on promising assets for acquisition

1. Excludes follow-on investments.

Q1 2014 OVERVIEW

$14.9 million invested[1]

Made directly by NBPE and through the NB Alternatives Co-investment Program

KIK CUSTOM PRODUCTS

- Largest privately-held manufacturer of both national and private label consumer products
- NB Thesis:
  - Discounted entry valuation
  - Attractive "mid-life" characteristics
  - Significant expected synergies

Patheon – Performance the World Over®

- Leading provider of outsourced formulation development and commercial manufacturing services to the global pharmaceutical and biotechnology industries
- NB Thesis:
  - Favourable industry growth trends
  - Recurring revenue model with visibility and sticky customer base
  - Industry consolidation opportunity

evoqua WATER TECHNOLOGIES

- Leading provider of technology, equipment and services for water treatment in highly specified industrial and municipal applications
- NB Thesis:
  - Attractive industry dynamics
  - Leader in the North American water industry
  - Significant opportunity to optimise the business

COMPASS automotive group

- Supplier of aluminium automotive components to OEM's and Tier 1 suppliers
- NB Thesis:
  - Earnings visibility
  - Positive industry dynamics
  - Free cash flow generation
  - Attractive "mid-life" characteristics

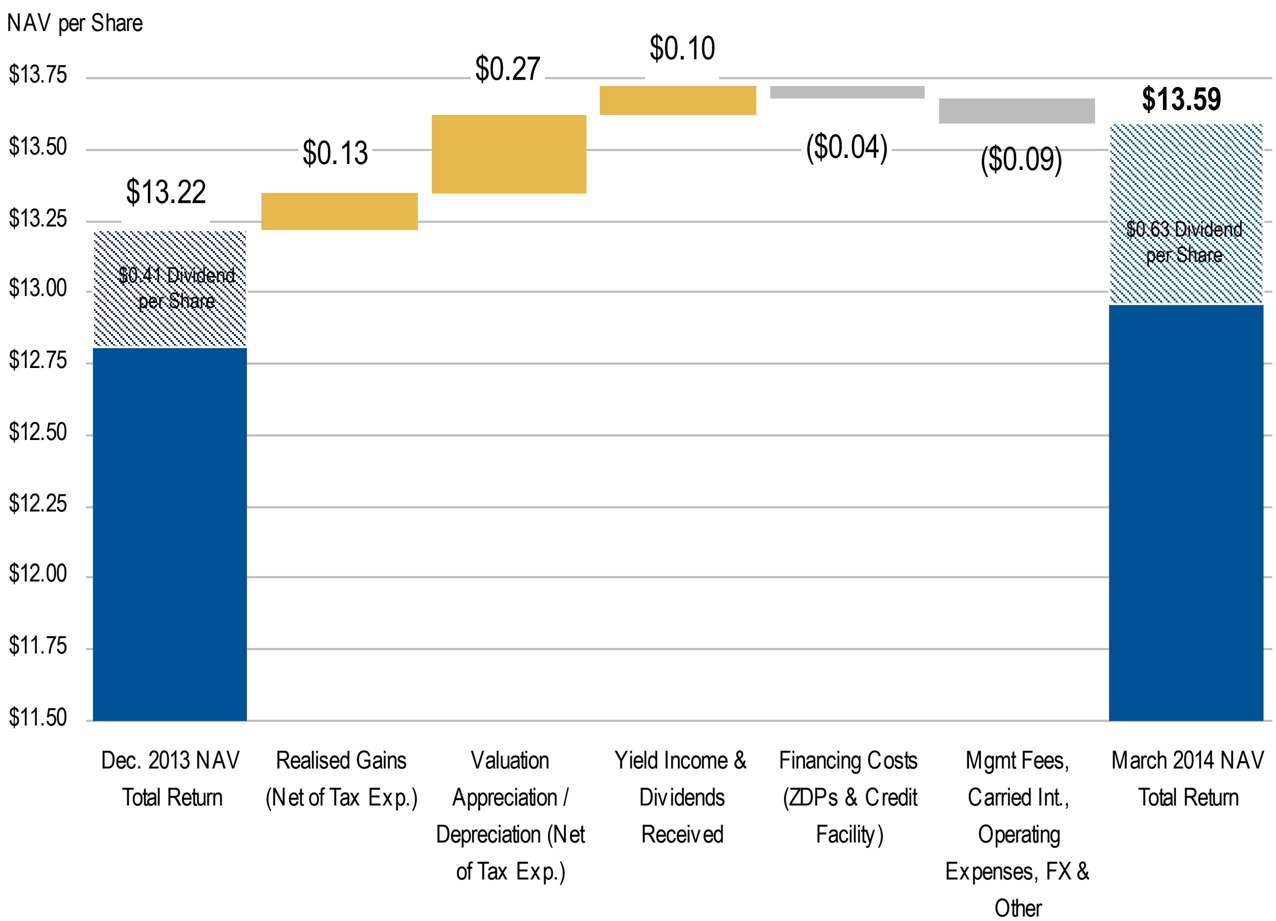
1. Excludes follow-on investments.

INVESTMENT RESULTS

During the first quarter of 2014, including the Company's semi-annual dividends, the NAV per Share total return was 2.9%. Including the impact of the dividend payment, NBPE's NAV per Share increased 1.2%, driven by realized gains in the underlying investment portfolio and offset by financing costs, including ZDP and credit facility expenses, as well as management fees, carried interest, operating and other expenses and FX. Excluding investment cash flows, NBPE's private equity fair value appreciated in value by 4.2%, net of underlying fees and expenses.

Key changes to NBPE's NAV per Share:

- $6.2 million of realised gains, or $0.13 per Share, net of tax expense
- $13.6 million of unrealised gains, or $0.27 per Share, net of tax expense
- $4.8 million of yield income and dividends, or $0.10 per Share
- $6.2 million of operating expenses and other expenses, or $0.13 per Share
- $10.7 million of dividends paid, or $0.22 per Share



Note: Numbers may not sum due to rounding.

PORTFOLIO ANALYSIS

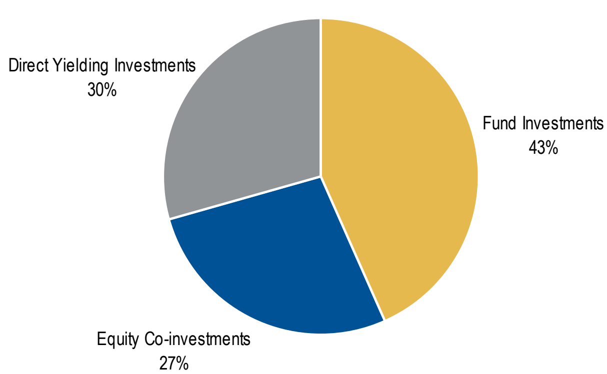
PORTFOLIO ANALYSIS

PORTFOLIO OVERVIEW

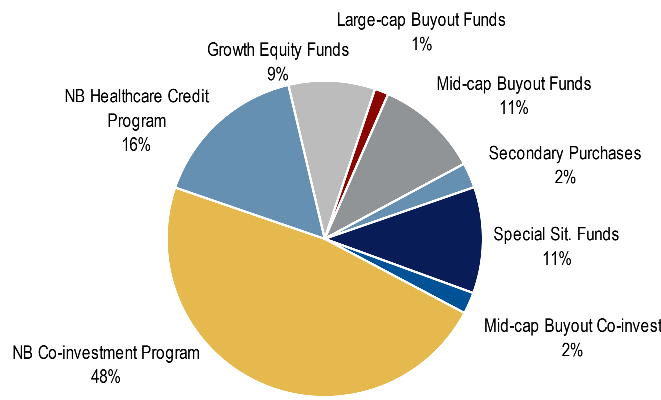
NBPE's portfolio is comprised of three investment types: direct-yielding investments, which consist of corporate private debt and healthcare credit investments, equity co-investments and fund investments. Equity co-investments and direct-yielding investments are a majority of the portfolio and represent approximately 57% of private equity fair value. NBPE's fund portfolio consists of 39 fund investments, many of which are past their investment periods, giving the portfolio exposure to a mature group of underlying companies and securities. As cash distribution activity from NBPE's fund portfolio continues, the Manager intends to use these proceeds to fund new direct investments.

	Investments	Private Equity Fair Value	Unfunded Commitments[1]	Total Exposure
Equity Co-investments	45	$177.1m	$91.3m	$268.4m
Direct-Yielding Investments	23	$193.7m	$29.4m	$223.1m
Fund Investments	39	$282.2m	$62.9m	$345.1m
Total Private Equity Investments	**107**	**$653.0m**	**$183.6m**	**$836.6m**

Portfolio Diversification by Fair Value



Unfunded Commitments Diversification[1]

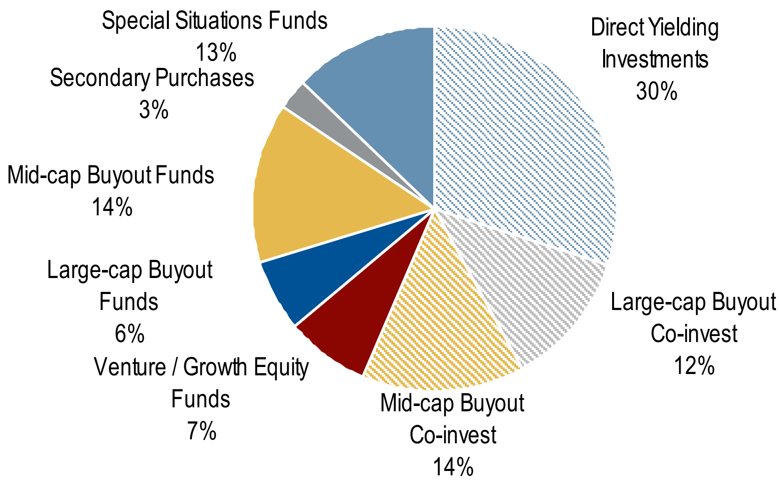


Note: Numbers may not sum due to rounding.

1. $29.9 million of unfunded commitments are to funds past their investment period. Please refer to page 27 for more information on unfunded commitments to funds past their investment period.

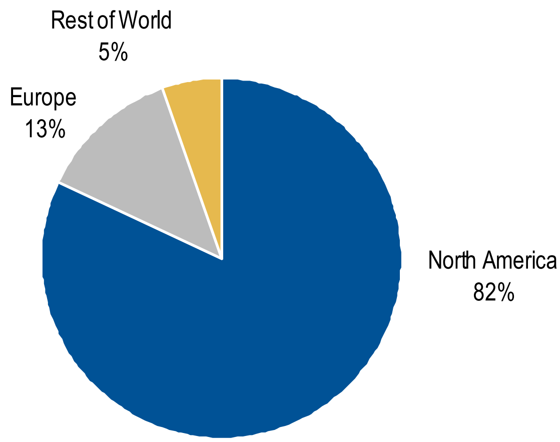
PORTFOLIO ANALYSIS

Diversified private equity assets and industry exposure with a tactical over allocation to North America (% of Fair Value)

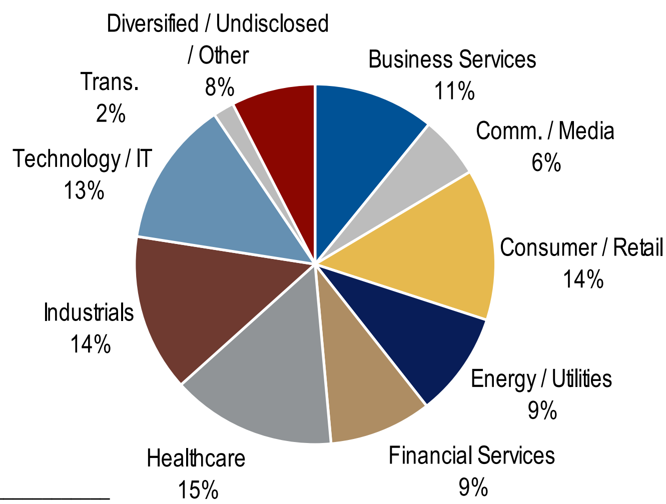


Portfolio Diversification

NBPE adapts its asset allocation over time to tactically allocate the portfolio to what the Manager believes are the most attractive opportunities. NBPE's current allocation is weighted to direct-yielding investments and equity co-investments and these investments represent the majority of private equity fair value. Fund investments represent 43% of private equity fair value and the Investment Manager expects the fund portfolio to become a smaller portion of NBPE's private equity fair value as capital is re-deployed into direct investments.



NBPE's portfolio is tactically over allocated to North America. The Investment Manager believes the overall health in this market relative to other geographies offers attractive investment opportunities. Within NBPE's European exposure, many companies have significant scale and share within their markets or revenue bases from multiple countries. Approximately 5% of NBPE's portfolio is invested in other parts of the world, primarily Asia and Latin America.



NBPE's portfolio is broadly diversified across industries. The Investment Manager favours investments in sectors that the Manager believes can grow faster than GDP. The Investment 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 with strong business characteristics in favoured sectors, backed by strong general partners.

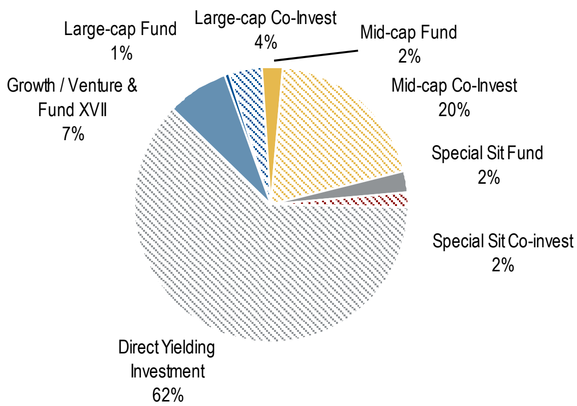
Note: Numbers may not sum due to rounding.

PORTFOLIO ANALYSIS

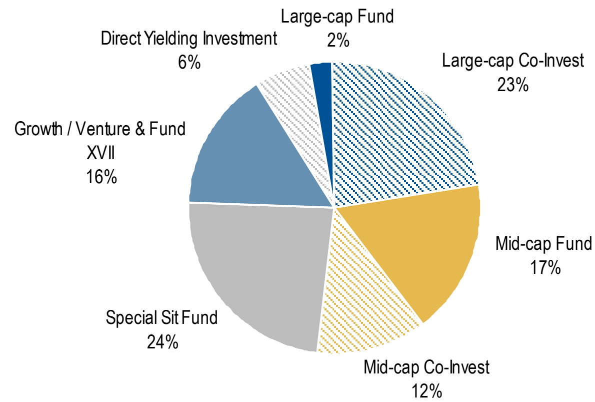
Recent capital deployment is primarily concentrated in direct / co-investments (% of Fair Value)

The pie charts below represent the percentage of the current private equity fair value by investment type made during the time periods shown. Year of investment is calculated at the portfolio company level and is defined as the date of capital deployment into a particular underlying investment. This differs from the vintage year as vintage year shows when a fund was formed rather than when the capital was deployed.

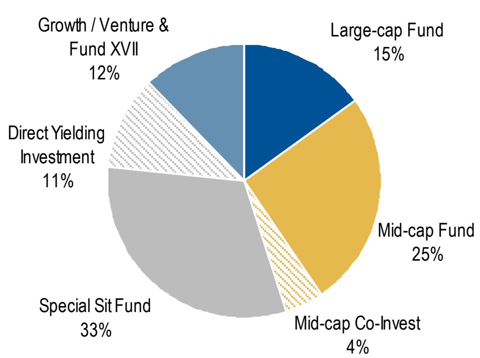
2012 - YTD 2014 (42%)



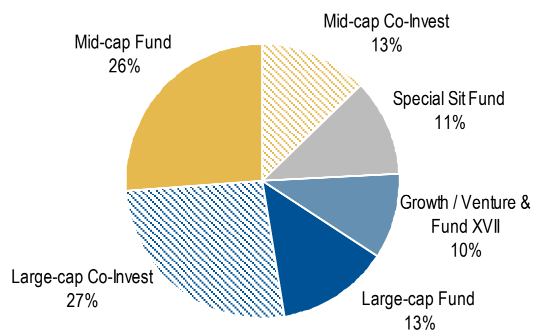
2010 & 2011 (20%)



2008 & 2009 (19%)



2007 & Earlier (19%)



Note: Numbers may not sum due to rounding. Based on private equity fair value as of 31 March 2014.

PORTFOLIO ANALYSIS

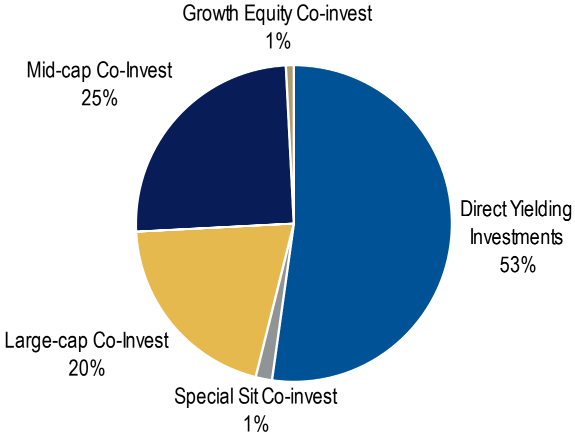
Equity co-investment and direct-yielding investments portfolio diversification

As of 31 March 2014, the private equity fair value of the direct investment portfolio, consisting of equity co-investments and direct yielding investments, was $370.8 million. Approximately $177.1 and $193.7 million was held in equity co-investments and direct yielding investments, respectively. Within the direct investment portfolio, over 50% of the fair value is invested in direct yielding investments and 25% is invested in mid-cap buyout equity co-investments. The industry diversification is broad, allocated to what the Manager believes are attractive investment opportunities in business services, industrials, technology / IT, healthcare and others.

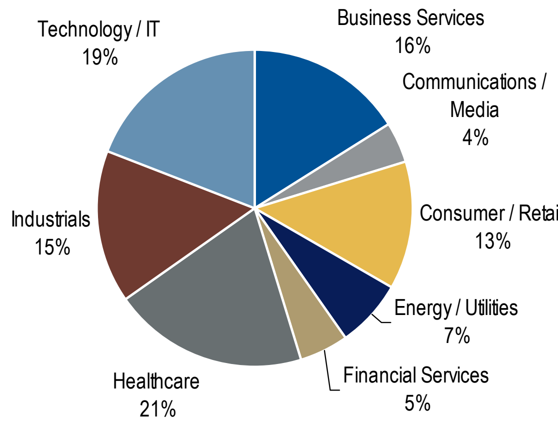
Approximately 77% of the direct investment fair value is in investments made since the beginning of 2011. The Manager continues to be selective in making new investments and believes NBPE has built an attractive portfolio of direct private equity investments.

The direct investment portfolio is allocated primarily to North America. The Manager's current expectation is that this allocation will continue, with investments made in other geographies on an opportunistic basis.

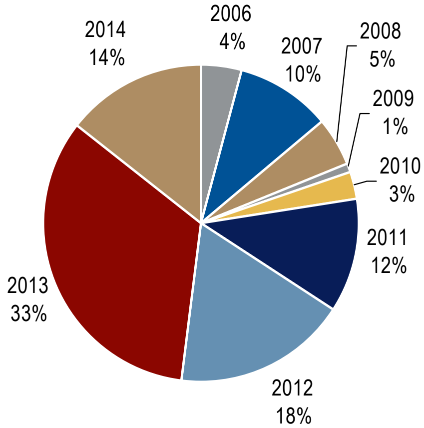
Fair Value by Asset Class



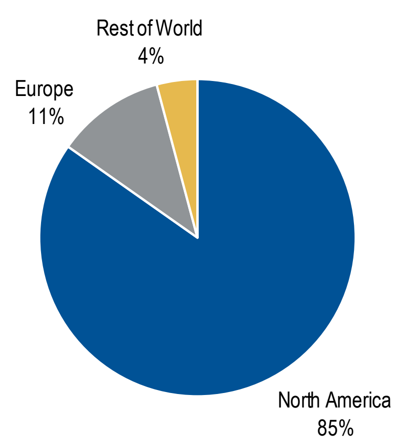
Fair Value by Industry



Fair Value by Year of Investment (Incl. Follow-ons)



Fair Value by Geography



TWENTY LARGEST INVESTMENTS

For the three month period ended 31 March 2014
Quarterly Report

PORTFOLIO ANALYSIS

The top 20 companies below represent 42% of NAV and $266 million of private equity fair value

Investment / Description	Status	Year of Investment	Investment Type / Asset Class	Equity Sponsor
Archroma Specialty chemicals provider	Private	2013	**Direct-Yielding** Senior Secured Debt	SK Capital Partners
Blue Coat Systems Business application optimization	Private	2012 / 2013	**Equity Co-investment &** **Direct-Yielding**	Thoma Bravo
Capsugel Hard capsules / drug delivery systems	Private	2011	**Equity Co-investment** Large-cap Buyout	KKR
CommScope Communications Infrastructure Solutions	Public	2011	**Equity Co-investment** Large-cap Buyout	Carlyle
Deltek, Inc. Enterprise software and solutions	Private	2012	**Equity Co-investment &** **Direct-Yielding**	Thoma Bravo
Evans Network of Companies Intermodal freight business services	Private	2012	**Direct-Yielding** Mezzanine	AEA
Evoqua Water treatment technology services	Private	2014	**Equity Co-investment &** **Direct-Yielding**	AEA
Fairmount Minerals Producer of high purity sands / proppants	Private	2010	**Equity Co-investment** Mid-cap Buyout	American Securities Partners
Firth Rixson Supplier of rings, forgings and metal	Private	2007-2009	**Equity Co-investment &** **Direct-Yielding**	Oak Hill
Freescale Semiconductor Semiconductor Manufacturer	Public	2006	**Equity Co-investment** Large-cap Buyout	Blackstone / Carlyle / Permira / TPG
Group Ark Insurance Global specialty insurance / re-insurance	Private	2007	**Equity Co-investment** Mid-cap Buyout	Aquiline Capital
Heartland Dental Dental administrative services	Private	2012	**Direct-Yielding** 2nd Lien Debt	N/A
Biotherapeutics Company Biotherapetics	Private	2014	**Direct-Yielding** 2nd Lien Debt	Madison Dearborn
KIK Custom Products Manufacturer of consumer products	Private	2013	**Equity Co-investment &** **Direct-Yielding**	CI Capital Partners
LANDesk IT service management software	Private	2014	**Direct-Yielding** 2nd Lien Debt	Thoma Bravo
Specialty Pharmaceutical Company Specialty PCP and Pediatric Pharmaceuticals	Private	2014	**Direct-Yielding** Senior Secured Debt	N/A
RAC Limited UK motor and breakdown assistance services	Private	2011	**Equity Co-investment** Large-cap Buyout	Carlyle
Sabre Holdings Technology solutions for global travel	Private[1]	2007	**Equity Co-investment** Large-cap Buyout	TPG / Silver Lake
Taylor Precision Products Kitchen and Bathroom equipment manufacturer	Private	2012	**Equity Co-investment &** **Direct-Yielding**	Centre Partners
TPF Genco Holdings Five natural gas fired power plants	Private	2006	**Equity Co-investment** Mid-cap Buyout	Tenaska Capital

Note: Subsequent to this reporting period, Sabre completed an IPO on 16 April 2014.

PORTFOLIO ANALYSIS

45 Equity co-investments with $177.1 million of fair value, broadly diversified across industries

NBPE's equity co-investments are primarily mid-cap and large-cap buyout investments, diversified across vintage years, geographies and industries. The Manager believes these companies are poised for value creation and are an attractive component of NBPE's private equity portfolio. Many companies benefit from highly experienced and capable management teams and sponsor groups, which the Manager thinks is critical to the investment thesis and outcome. In addition, the Manager believes many of these companies benefit from strong industry growth or secular trends and have the opportunity to appreciate in value from operational enhancements, growth of product offerings or expanding into new markets. The Manager thinks these characteristics distinguish NBPE's investment portfolio.

No individual company within NBPE's equity co-investment portfolio accounts for more than 4.5% of NBPE's net asset value.

Equity Co-investment Portfolio

($ in millions) Equity Co-investments	Principal Geography	Vintage Year	Description	Fair Value
Mid-cap Buyout, Special Situations and Growth Equity				
Acteon Group Ltd.	Europe	2012	Products & services to offshore energy sector	
American Dental Partners, Inc.	U.S.	2012	Dental practice management services	
Blue Coat Systems, Inc.	U.S.	2012	Business application optimization & security	
Boa Vista	Brazil	2012	Second largest credit bureau in Brazil	
Compass Automotive Group	U.S.	2014	Aluminium automotive components supplier	
CoAdvantage, Inc.	U.S.	2013	Leading professional employer organization	
Deltek Inc.	U.S.	2012	Enterprise software and information solutions	
Evoqua Water Technologies, LLC	U.S.	2014	Water treatment technology, equipment and services	
Fairmount Minerals, Ltd.	U.S.	2010	Producer of high purity sand / sand based proppants	
Firth Rixson, plc	Global	2007-09	Supplier of rings, forgings and specialist metal	
Formation Energy, L.P.	U.S.	2013	Oil & gas shale formations including the Bakken and Eagle Ford	
Gabriel Brothers, Inc.	U.S.	2012	Discount retailer	
GazTransport & Technigaz S.A.S.	Global	2008	Containment systems for liquefied natural gas carriers	
Group Ark Insurance Holdings Limited	Global	2007	Global specialty insurance and re-insurance	
Insurance Industry Loss Warranties	U.S.	2013	Portfolio of insurance industry loss warranties	
INTO University Partnerships	U.K. / U.S.	2013	Collegiate recruitment, placement and education	
KIK Custom Products	U.S.	2014	Manufacturer of consumer products	
Kyobo Life Insurance Co., Ltd.	Asia	2007	Life insurance in Korea	
Oticas Carol	Brazil	2013	2nd largest eyewear retailer in Brazil	
Patheon, Inc.	U.S.	2014	Manufacturing services for prescription drugs	
Pepcom GmbH	Germany	2011	Germany's 5th largest cable operator	
Press Ganey Associates, Inc.	U.S.	2008	Measurement & performance solutions for healthcare	
RevSpring	U.S.	2012	Outsourced provider of accounts receivable	
Saguaro Resources Ltd.	Canada	2013	E&P pursuing unconventional light oil/liquids-rich gas properties	
Salient Federal Solutions, LLC	U.S.	2010	Technology and engineering services for government	
Seventh Generation, Inc.	U.S.	2008	Maker of environmentally responsible household products	
Shelf Drilling Holdings Ltd.	Global	2013	Shallow water offshore drilling contractor	
Swissport International AG	Europe	2011	Ground handling services for airlines	
Taylor Precision Products	U.S.	2012	Consumer & foodservice measurement products	
The SI Organization, Inc.	U.S.	2010	High-end systems engineering to US Intelligence Industry	
TPF Genco Holdings, LLC	U.S.	2006	Five natural gas-fired power plants	
Total Mid-cap, Special Situations and Growth Equity				**$96.6**
Large-cap Buyout				
Avaya, Inc.	Global	2007-12	Communications systems provider	
Black Knight Financial Services	U.S.	2013	Mortgage servicing technology and appraisal / origination services	
Brickman Group	U.S.	2013	Commericial landscape and turf maintenance	
Capsugel, Inc.	Global	2011	Hard capsules and drug delivery systems	
CommScope, Inc.	Global	2011	Communications infrastructure solutions	
Energy Future Holdings Corp.	U.S.	2007	Texas based energy company	
First Data Corporation	Global	2007	Electronic commerce and payments	
Freescale Semiconductor, Inc.	Global	2006	Semiconductors manufacturer	
Gardner Denver, Inc.	U.S.	2013	Maker of industrial equipment	
J.Crew Group, Inc.	U.S.	2011	Specialty retailer	
RAC Limited	U.K.	2011	UK motor related and breakdown assistance services	
Sabre Holdings Corporation	Global	2007	Technology solutions for global travel industry	
Syniverse Technologies, Inc.	Global	2011	Global telecommunications technology solutions	
Univar Inc.	Global	2010	Commodity and specialty chemicals distributor	
Total Large-cap Buyout				**$80.4**
Total Equity Co-investments				**$177.1**

Note: Numbers may not sum due to rounding.

DIRECT-YIELDING INVESTMENT PORTFOLIO[1]

For the three month period ended 31 March 2014
Quarterly Report

PORTFOLIO ANALYSIS

23 direct-yielding investments in corporate private debt and healthcare credits with a total fair value of $193.7 million

On a run rate basis, the investments in the direct-yielding portfolio generate cash and PIK income of $19.3 million. The corporate private debt portfolio is broadly diversified across sectors including business services, industrials and technology. The Manager believes securities within this portfolio benefit from strong customer bases, diversified revenue sources and favorable industry dynamics. Many of the debt securities are cash-pay at strong yields from a risk-return perspective. The weighted average cash yield on NBPE's corporate private debt investments is 9.0%.[1] The weighted average total leverage and senior leverage is 5.5x and 3.9x, respectively.[2] Approximately 77% of value within corporate private debt investments was invested in floating rate debt.[3] The healthcare credit investments consist of royalty backed notes and senior secured loans with a weighted average cash yield of 10.4%.[1] No individual company within the direct yielding portfolio represents more than 3.5% of NBPE's net asset value.

Direct-Yielding Investment Portfolio[1,4]

INVESTMENT NAME	SECURITY DETAILS	INVESTMENT DATE	FAIR VALUE[1]	CASH + PIK COUPON	CASH YIELD	PIK YIELD	EST. YIELD TO MATURITY
Corporate Private Debt Investments							
Archroma	Sr. Secured Term Loan (L+8.25%, 1.25% L Floor, 2% OID)	Oct-13	-	9.5%	9.5%	-	-
Blue Coat	Second Lien (L+8.5% Cash, 1% L Floor, 1% OID)	Jul-13	-	9.5%	9.5%	-	-
Deltek	Second Lien (L+8.75% Cash, 1.25% L Floor, 1-1.5% OID)	Oct-12	-	10.0%	10.0%	-	-
Evans Network of Companies	Sr. Sub Notes (12% Cash, 2% PIK, 2% OID) & Equity	Jun-12	-	14.0%	12.0%	2.0%	-
Evoqua (fka WTG)	Second Lien (L+7.5%, 1% L Floor, 0.5% OID)	Jan-14	-	8.5%	8.5%	-	-
Firth Rixson 2011 PIK Notes	Sr. Unsecured PIK (18% PIK)	Nov-11	-	18.0%	-	18.0%	-
Firth Rixson 2012 PIK Notes	Sr. Unsecured PIK (19% PIK, 3.0% OID)	Dec-12	-	19.0%	-	19.0%	-
Firth Rixson Mezzanine	Second Lien (L+11%: 4.5%/6.5% Cash/PIK @99.0) & Equity	May-08	-	11.3%	4.8%	6.5%	-
Heartland Dental	Second Lien (L+8.5% Cash, 1.25% L Floor, 1.5% OID)	Jan-13	-	9.8%	9.8%	-	-
KIK Custom Products	Second Lien (L+8.25% Cash, 1.25% L Floor, 2% OID)	May-13	-	9.5%	9.5%	-	-
LANDesk	Second Lien (L+7.25%, 1% L Floor, 1% OID)	Mar-14	-	8.3%	8.3%	-	-
P2 Energy Solutions	Second Lien (L+8.00% Cash, 1.0% L Floor, 1% OID)	Nov-13	-	9.0%	9.0%	-	-
Taylor Precision Products	Sr. Sub Notes (13% Cash, 1.5% OID)	Nov-13	-	13.0%	13.0%	-	-
Total Corporate Private Debt Investments			**$153.5**	**10.4%**	**9.0%**	**1.4%**	**11.5%**
Healthcare Credit Investments							
Royalty Notes (Hormone Therapy)	Royalty Backed Note	Apr-11	-	17.0%	17.0%	-	-
Royalty Notes (Internal Medication)	Royalty Backed Note	Jan-13	-	11.0%	11.0%	-	-
Royalty Notes (Medication Delivery)	Royalty Backed Note	Feb-12	-	-	-	-	-
Term Loan (Biotherapeutics)	Second Lien (L+7.75%, 1% L Floor, 1% OID)	Feb-14	-	8.8%	8.8%	-	-
Term Loan (Cardiac Device)	Senior Secured Loan (First Lien, 13.5% Cash, 1.5% OID, 1% Fee)	Feb-13	-	13.5%	13.5%	-	-
Term Loan (Genetic Testing)	Senior Secured Loan (First Lien, 10% Cash, 1% Fee)	Jun-13	-	10.0%	10.0%	-	-
Term Loan (Medical Diagnostics)	Senior Secured Loan (10.5% Cash)	Jan-14	-	10.5%	10.5%	-	-
Term Loan (Skin Products Company)	Senior Secured Loan (First Lien, 10.5% Cash, 1.5% Fee)	Jul-13	-	10.5%	10.5%	-	-
Term Loan (Specialty Drug Pharmaceuticals)	Senior Secured Loan (First Lien, 11% Cash, 1% Fee)	Nov-13	-	11.0%	11.0%	-	-
Term Loan (Specialty PCP and Pediatric Pharmaceuticals)	Senior Secured Loan (First Lien, 8% cash 0.75% fee)	Feb-14	-	8.0%	8.0%	-	-
Total Healthcare Credit Investments			**$40.3**	**10.4%**	**10.4%**	**-**	**11.2%**
Total Direct Yielding Portfolio			**$193.7**	**10.4%**	**9.3%**	**1.1%**	**11.4%**

1.The mezzanine debt investments include equity investments completed as part of the mezzanine transaction. The fair value includes the value of these equity investments, but the cash, PIK and current yields and internal rates of return (IRR) are calculated based on only the debt investments. Yield calculations are based on the debt portion of the investment only and the principal amount of the debt.
2. Based on the net leverage that is senior to the security held by NBPE.
3. Based on the fair value of the debt only and excludes the fair value of equity investments and warrants.
4. The obligations of medication delivery royalty notes were satisfied in March 2013. NBPE received an initial distribution in March 2013 and expects to receive an additional distribution in Q4 2014. NBPE also received a preferred equity security in connection with the realization of the royalty notes.

PORTFOLIO ANALYSIS

Mature funds portfolio with a significant proportion of fair value in mid-cap buyout and special situations funds

($ in millions) Fund Investments	Principal Geography	Vintage Year	Fair Value	Unfunded Commit.[1]	Total Exposure
Special Situations					
Catalyst Fund III	Canada	2009	$10.9	$5.1	$16.0
Centerbridge Credit Partners	U.S.	2008	1.7	-	1.7
CVI Global Value Fund	Global	2006	7.0	0.8	7.7
OCM Opportunities Fund VIIb	U.S.	2008	6.6	3.0	9.6
Oaktree Opportunities Fund VIII	U.S.	2009	8.3	-	8.3
Platinum Equity Capital Partners II	U.S.	2007	13.0	3.6	16.6
Prospect Harbor Credit Partners	U.S.	2007	0.4	-	0.4
Sankaty Credit Opportunities III	U.S.	2007	13.3	-	13.3
Strategic Value Special Situations Fund	Global	2010	0.5	0.0	0.5
Strategic Value Global Opportunities Fund I-A	Global	2010	0.7	0.1	0.8
Sun Capital Partners V	U.S.	2007	8.0	2.1	10.2
Wayzata Opportunities Fund II	U.S.	2007	6.9	4.0	10.9
Wayzata Opportunities Fund II (Secondary)	U.S.	2011	4.1	1.5	5.6
Total Special Situations Funds			**$81.4**	**$20.2**	**$101.6**
Mid-cap Buyout					
American Capital Equity II	U.S.	2007	3.6	1.2	4.8
Aquiline Financial Services Fund	U.S.	2005	5.2	-	5.2
ArcLight Energy Partners Fund IV	U.S.	2007	5.5	4.6	10.1
Avista Capital Partners	U.S.	2006	10.6	0.7	11.3
Clessidra Capital Partners	Europe	2004	1.3	0.1	1.4
Corsair III Financial Services Capital Partners	Global	2007	6.5	1.2	7.6
Highstar Capital II	U.S.	2004	2.8	0.1	2.9
Investitori Associati III	Europe	2000	0.2	0.5	0.8
Lightyear Fund II	U.S.	2006	10.6	1.3	11.9
OCM Principal Opportunities Fund IV	U.S.	2006	11.4	2.0	13.4
Trident IV	U.S.	2007	3.3	0.6	3.9
Total Mid-cap Buyout Funds			**$61.0**	**$12.3**	**$73.4**
Large-cap Buyout					
Carlyle Europe Partners II	Europe	2003	4.0	0.8	4.7
Doughty Hanson & Co IV	Europe	2003	3.6	0.1	3.8
First Reserve Fund XI	Global	2006	15.2	-	15.2
J.C. Flowers II	Global	2006	2.8	0.3	3.1
Total Large-cap Buyout Funds			**$25.7**	**$1.2**	**$26.9**
Growth Equity					
Bertram Growth Capital I	U.S.	2007	8.7	1.3	10.0
Bertram Growth Capital II	U.S.	2010	5.5	4.2	9.6
DBAG Expansion Capital Fund	Europe	2012	0.4	5.0	5.4
NG Capital Partners	Peru	2010	6.3	0.3	6.6
Summit Partners Europe Private Equity Fund	Europe	2010	2.2	3.0	5.2
Total Growth Equity Funds			**$23.1**	**$13.7**	**$36.8**
Fund of Funds Investments					
NB Crossroads Fund XVII	Global	2002-06	26.5	2.3	28.8
NB Crossroads Fund XVIII Large-cap Buyout	Global	2005-10	10.9	2.2	13.1
NB Crossroads Fund XVIII Mid-cap Buyout	Global	2005-10	28.7	7.1	35.8
NB Crossroads Fund XVIII Special Situations	Global	2005-10	6.4	0.9	7.3
NB Crossroads Fund XVIII Venture Capital	U.S.	2005-10	11.2	1.7	12.9
NB Fund of Funds Secondary 2009	Global	2009-10	7.2	1.3	8.5
Total Fund of Funds			**$91.0**	**$15.5**	**$106.5**
Total Fund Investments			**$282.2**	**$62.9**	**$345.1**

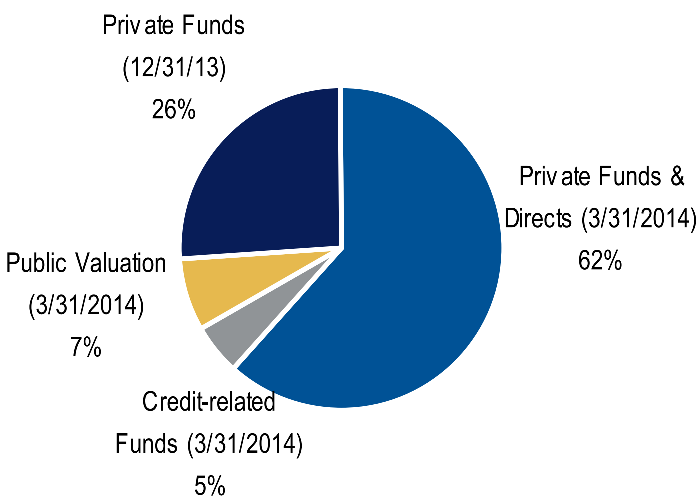
Note: Numbers may not sum due to rounding.

1. *$29.9 million of unfunded commitments are to funds past their investment period. Please refer to page 27 for more information on unfunded commitments to funds past their investment period.*

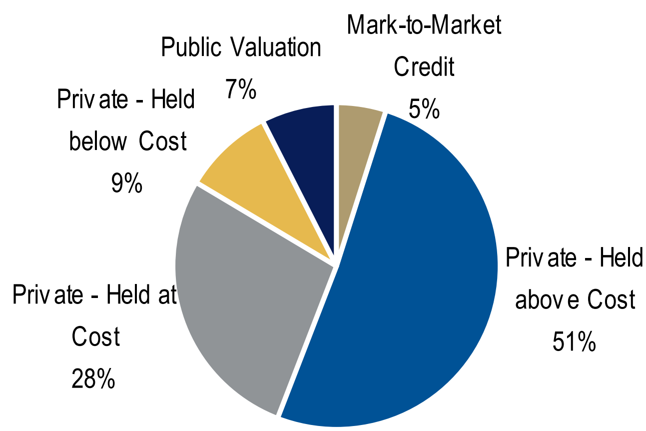
PORTFOLIO ANALYSIS

The NAV per Share of $12.96 was $0.18 higher than previously reported in the March Monthly NAV estimate, principally due to the receipt of additional valuation information after 9 April 2014, the publication date of the March Monthly NAV estimate (% of Fair Value)[2,3]

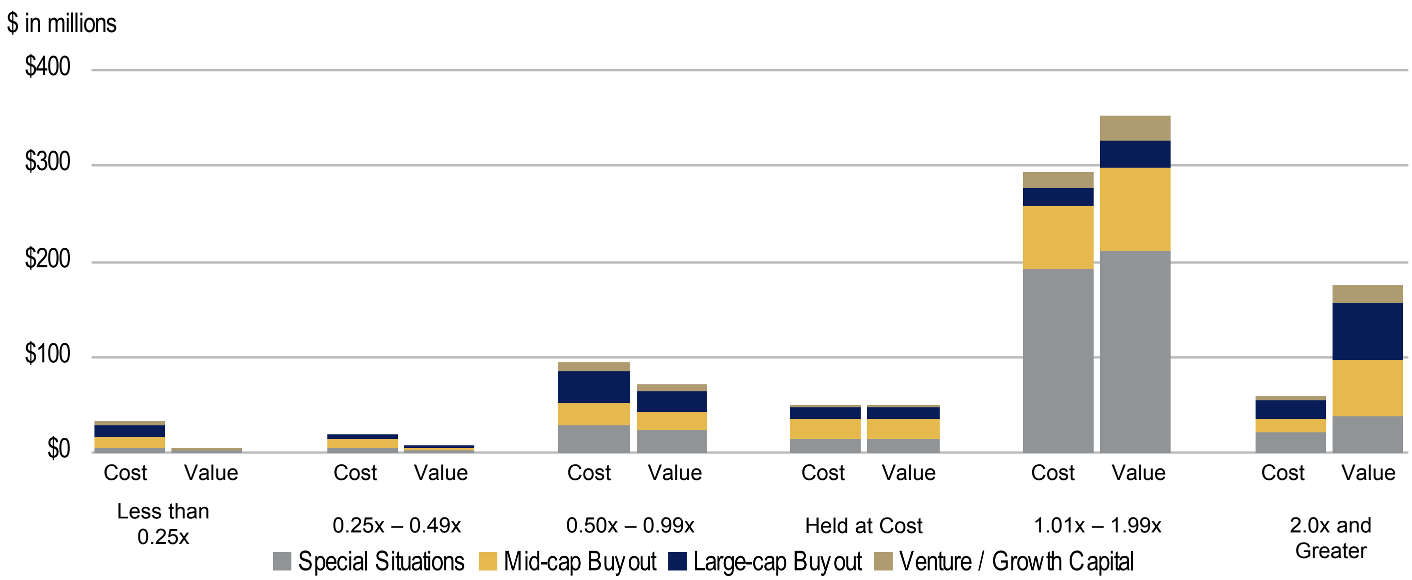
By Date of Information & Valuation Type



Valuation Method



Underlying Company Performance by Asset Class and Multiple of Invested Capital Range

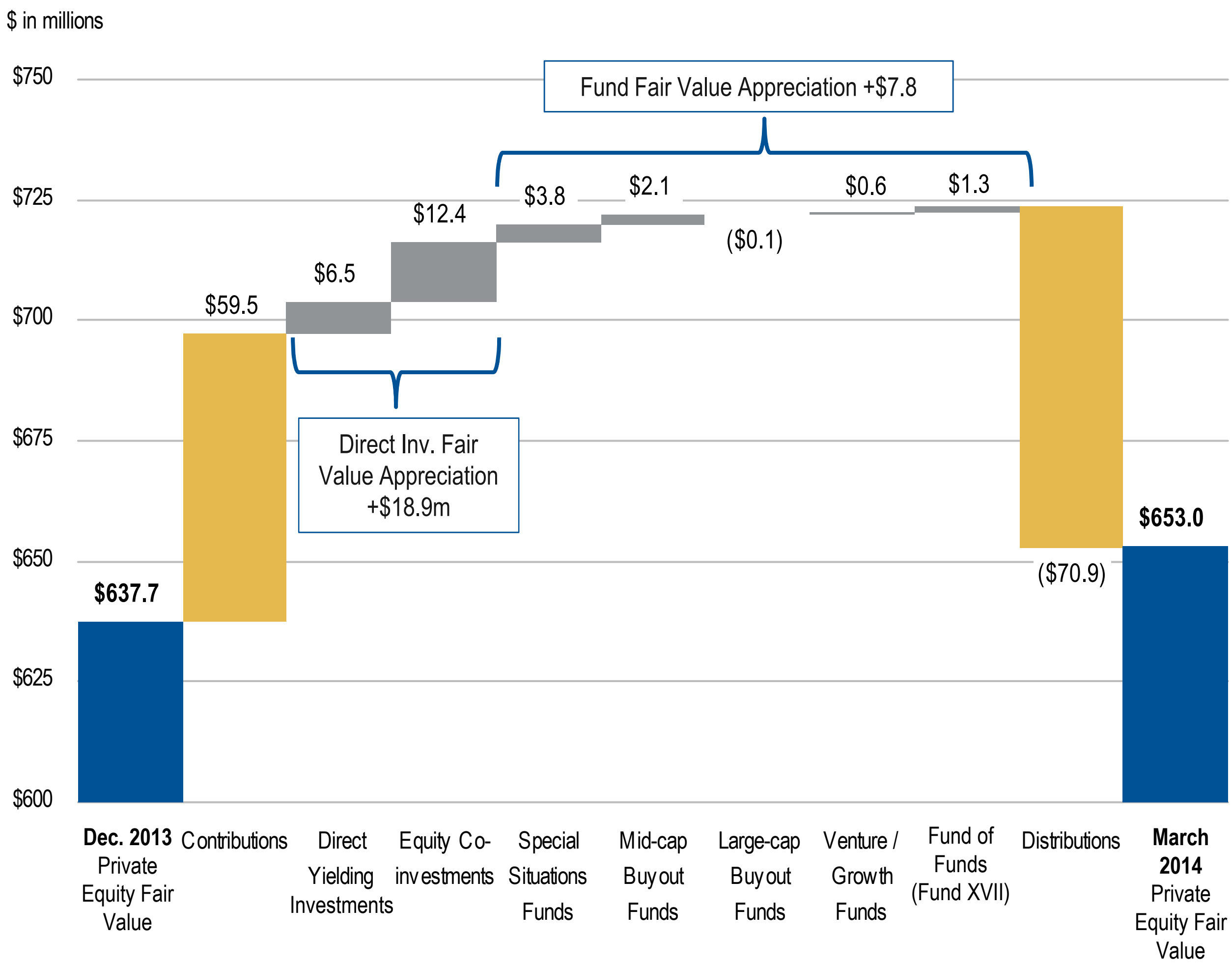


1. Please refer to page 36 for a detailed description of the valuation policy. While some information is as of 31 December 2013, the Manager's analysis and historical experience lead the Manager to believe that this approximates fair value at 31 March 2014.
2. As reported in the monthly NAV estimate the percent of private equity fair value was held: 30% in Private Funds & Directs as of 31 March 2014, 1% in Private Funds & Directs as of 31 January 2014, 53% in Private Funds & Directs as of 31 December 2013, 1% in fund investments as of 30 September 2013, 6% in Credit-related Funds and 8% in publics.
3. As published in the March Monthly NAV update on 9 April 2014.

PERFORMANCE OVERVIEW

During the first quarter of 2014, the private equity fair value appreciated in value across asset classes and investment types, with the largest gains in value coming from equity co-investments and direct yielding investments. Special situations funds continue to generate liquidity and distributed $9.1 million to NBPE during the first quarter of 2014. NBPE also received approximately $27.8 million of distributions consisting of cash interest, principal repayment and equity proceeds from corporate debt investments. Excluding investment cash flows, during the first quarter of 2014, appreciation in NBPE's private equity fair value was 4.2%, driven by:

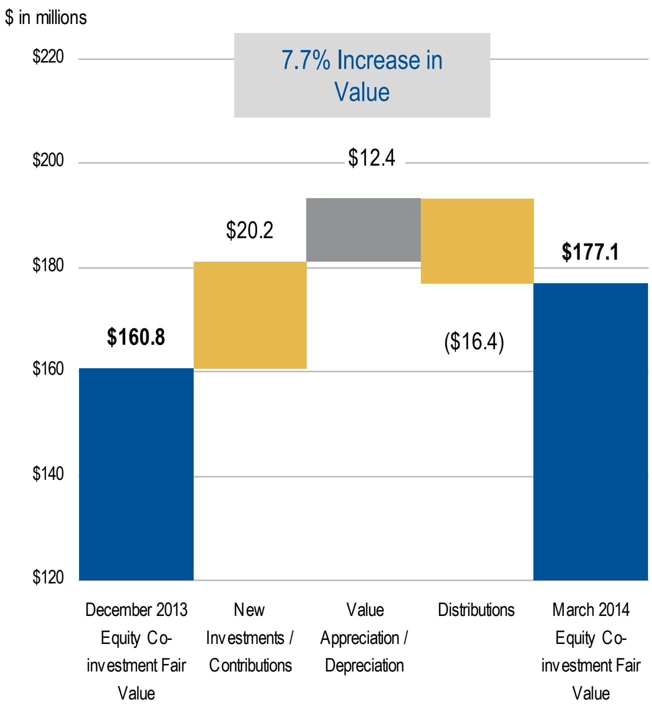
- 7.7% increase in the value of the equity co-investment portfolio fair value
- 3.5% increase in the value of the direct yielding investment portfolio fair value
- 2.7% increase in the value of the fund portfolio fair value



Note: Direct-yielding investment appreciation includes equity investments completed as part of the mezzanine transaction. Direct Yielding appreciation includes both fair value appreciation as a result of accrued cash interest as well as accrued non-cash (PIK) yield. The Company's investment performance related to the commitment to NB Crossroads Fund XVIII is presented within each respective fund asset class. Numbers may not sum due to rounding.

PERFORMANCE ANALYSIS

$20.2 million of new and follow-on equity co-investment activity and a 7.7% increase in value during the first quarter of 2014



Equity Co-investment portfolio

During the first quarter of 2014, NBPE participated in four new equity co-investments in the industrials, consumer products and healthcare industries.

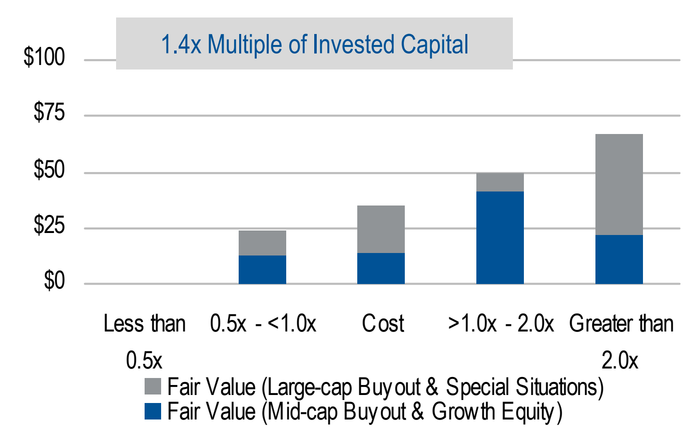
The portfolio appreciated in value by $12.4 million during the first quarter of 2014, due mainly to write-ups of several equity co-investments, offset by declines in certain other investments. The top five investments appreciated by $10.5 million and represented approximately 85% of the overall increase in the portfolio. Many companies benefited from strong underlying operating performance.

Distribution activity in Q1 2014 was strong mostly as a result of the sale of one 2013 vintage co-investment. In addition, one 2008 equity co-investment completed an IPO during the quarter.

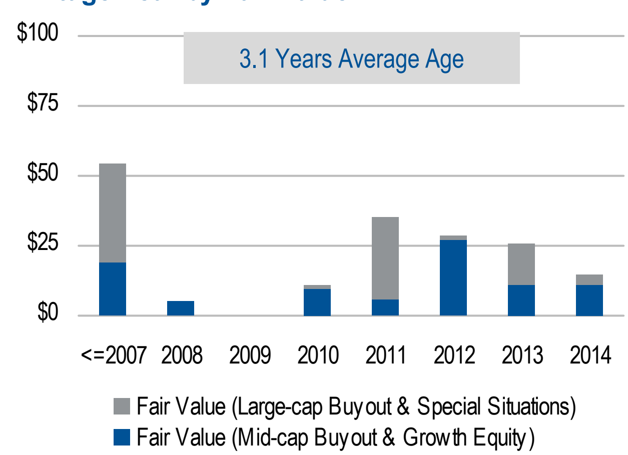
The investment multiple range by fair value shows the dispersion of value within the equity co-investment portfolio. The majority of the private equity fair value is currently held above cost and only approximately 14% of private equity fair value was held below cost.

The average age of the equity co-investments was 3.1 years and approximately 66% of the fair value was due to investments made in 2010 or after.

Investment Multiple Range by Fair Value



Vintage Year by Fair Value



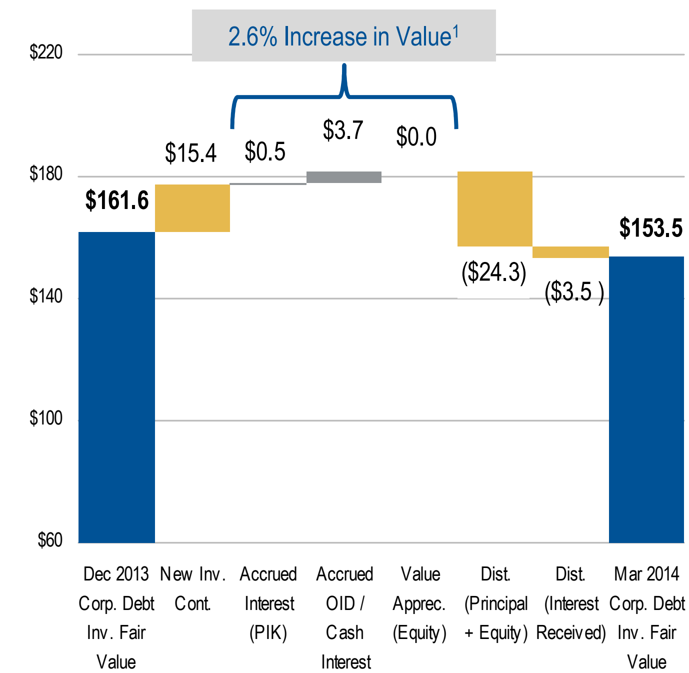
Note: Numbers may not sum due to rounding.

PERFORMANCE ANALYSIS

2.6% and 9.8% increase in the value of corporate private debt and healthcare credit investments, respectively. Run-rate cash income was $17.2 million as of 31 March 2014

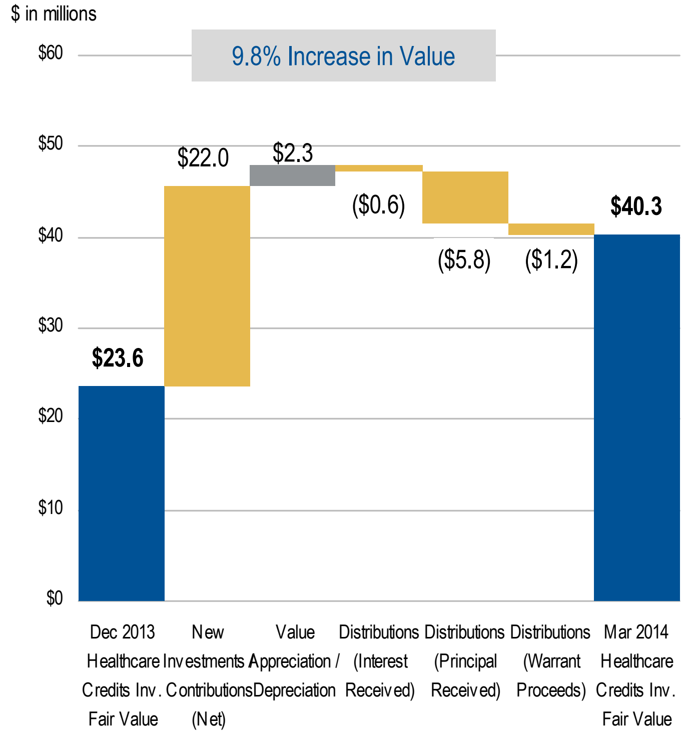
Corporate Private Debt[1]

$ in millions



Healthcare Credit Investments

$ in millions



Corporate Private Debt Investment Portfolio

During the first quarter of 2014, NBPE funded approximately $15.4 million to two corporate private debt investments. NBPE also received approximately $27.8 million of distributions consisting of cash interest, principal repayment and equity proceeds. NBPE received principal and equity proceeds from the sale of a 2013 corporate debt investment and principal proceeds from the refinancing of another 2013 corporate debt investment.

The portfolio includes 13 corporate private debt investments, consisting of mezzanine investments, term loans and 2nd-lien debt

- 10.4% cash & PIK yield / 9.0% cash yield
- $13.4 million of run-rate cash income
- 11.5% weighted average estimated yield to maturity
- 5.5x weighted average total leverage
- 3.9x weighted average senior leverage[2]
- 77% of value invested in floating rate debt[3]

Healthcare Credit Investment Portfolio

During the first quarter of 2014, NBPE participated in four healthcare credit investments. The four investments were in senior secured term loans and second lien debt. In Q1 2014, the portfolio increased in value by $2.3 million, driven by a write-up in one 2014 vintage healthcare credit investment.

NBPE received approximately $7.6 million in distributions consisting of cash interest, principal repayments and warrant proceeds during the first quarter of 2014. During Q1 2014, two healthcare credit investments were sold.

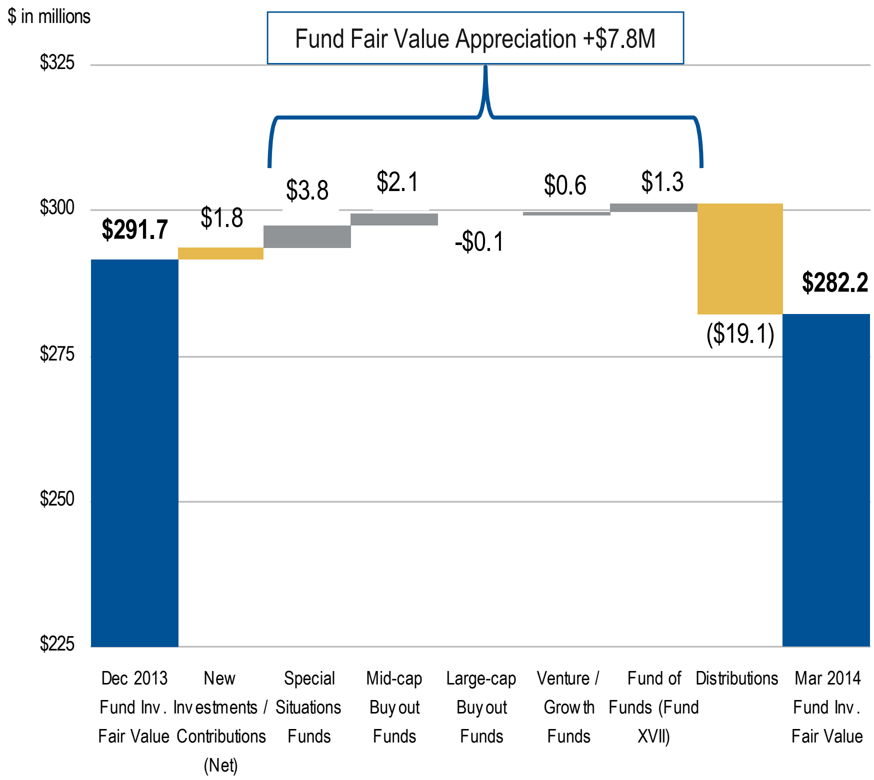
This portfolio includes seven healthcare credits and three royalty backed notes

- 10.4% cash yield
- $3.8 million of run-rate cash income
- 11.2% weighted average estimated yield to maturity

Note: Numbers may not sum due to rounding.
1. The mezzanine debt investments include equity investments completed as part of the mezzanine transaction.
2. Based on the net leverage that is senior to the security held by NBPE.
3. Based on the fair value of the debt only and excludes the fair value of equity investments and warrants.

PERFORMANCE ANALYSIS

2.7% appreciation in value for the fund investment portfolio



Fund Portfolio Investment Performance

The largest valuation gains were in the special situations and mid-cap buyout asset classes. Five of the top ten fund value drivers, measured in terms of dollar appreciation, were special situations funds. The Manager believes this appreciation reflects the strength of the progression of many of the underlying companies. Within the buyout portfolios, the Manager believes companies are benefiting from the increasingly healthy economic environment, strong governance and resulting robust operating performance.

During the first quarter of 2014, NBPE received $19.1 million of distributions from fund investments, including approximately $9.1 million from special situations funds.

Excluding investment cash flow activity, during the first quarter of 31 March 2014, the top 10 fund value drivers had a combined fair value appreciation of $7.3 million, or 6.1%. The top ten negative drivers had a combined depreciation in fair value of $1.6 million, or down 2.6%. The remaining 19 funds had a combined fair value appreciation of $2.0 million, or 1.9%.

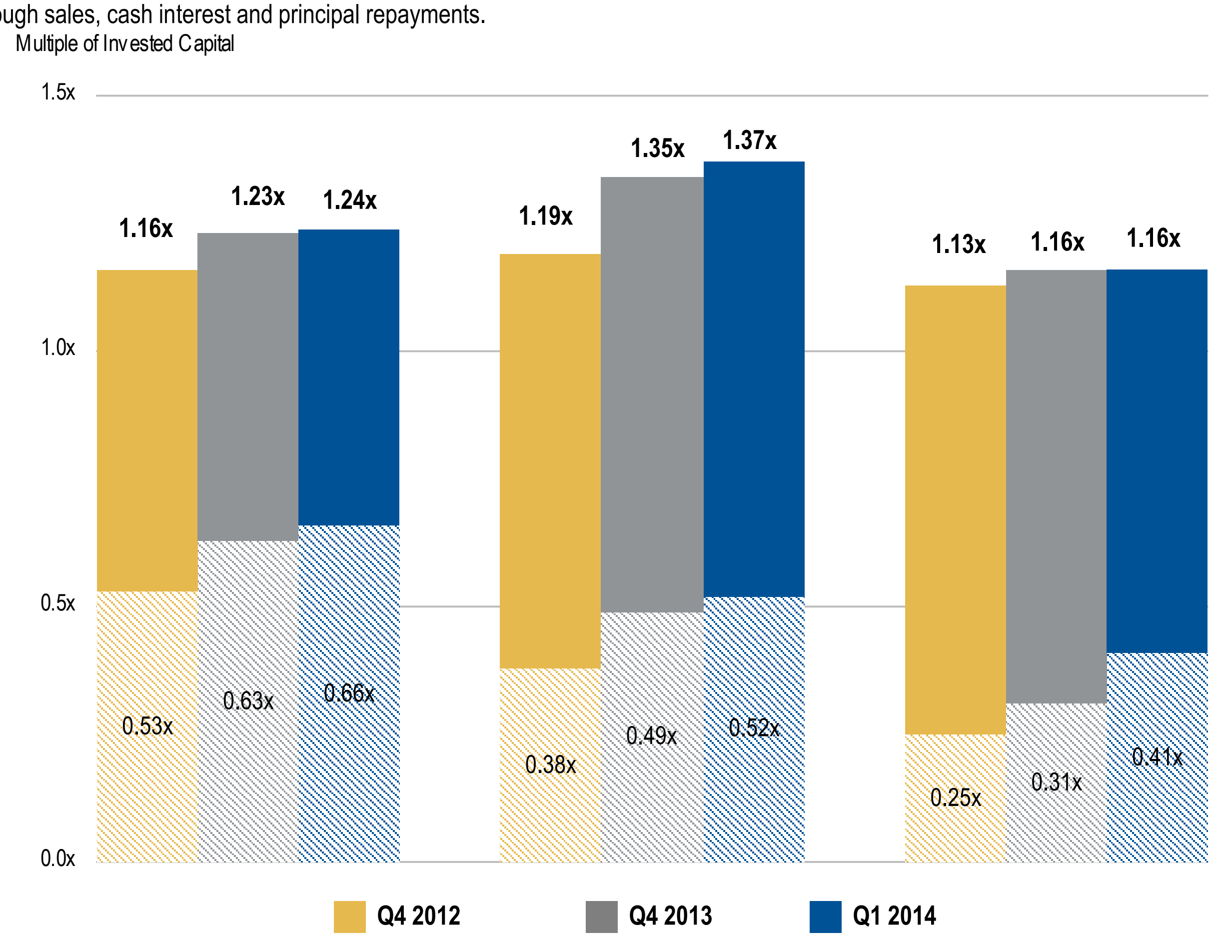
Note: Numbers may not sum due to rounding.

PERFORMANCE SINCE INCEPTION[1]

PERFORMANCE ANALYSIS

The Manager believes NBPE has generated strong performance since inception and the Company has received a significant amount of invested capital through distributions from its portfolio of private equity investments

Since inception, including realized investments and based on the multiple of total value to paid-in capital ("TVPI"), NBPE's total portfolio has generated at a 1.24x gross TVPI multiple. During the first quarter of 2014, the portfolio increased in value slightly. Valuation increases across the portfolio were offset by the funding of new investments, which were held at cost. NBPE has received cash distributions from its portfolio of private equity investments of approximately $642.5 million across the portfolio. The equity co-investments are held at a 1.37x gross TVPI multiple and NBPE has received total distributions of $109.5 million, or 52% of paid-in capital, through sales, recapitalizations and dividends. As of 31 March 2014, the direct yielding investments were held at a 1.16x gross TVPI multiple and NBPE has received total distributions of $104.1 million, or 41% of paid-in capital, through sales, cash interest and principal repayments.



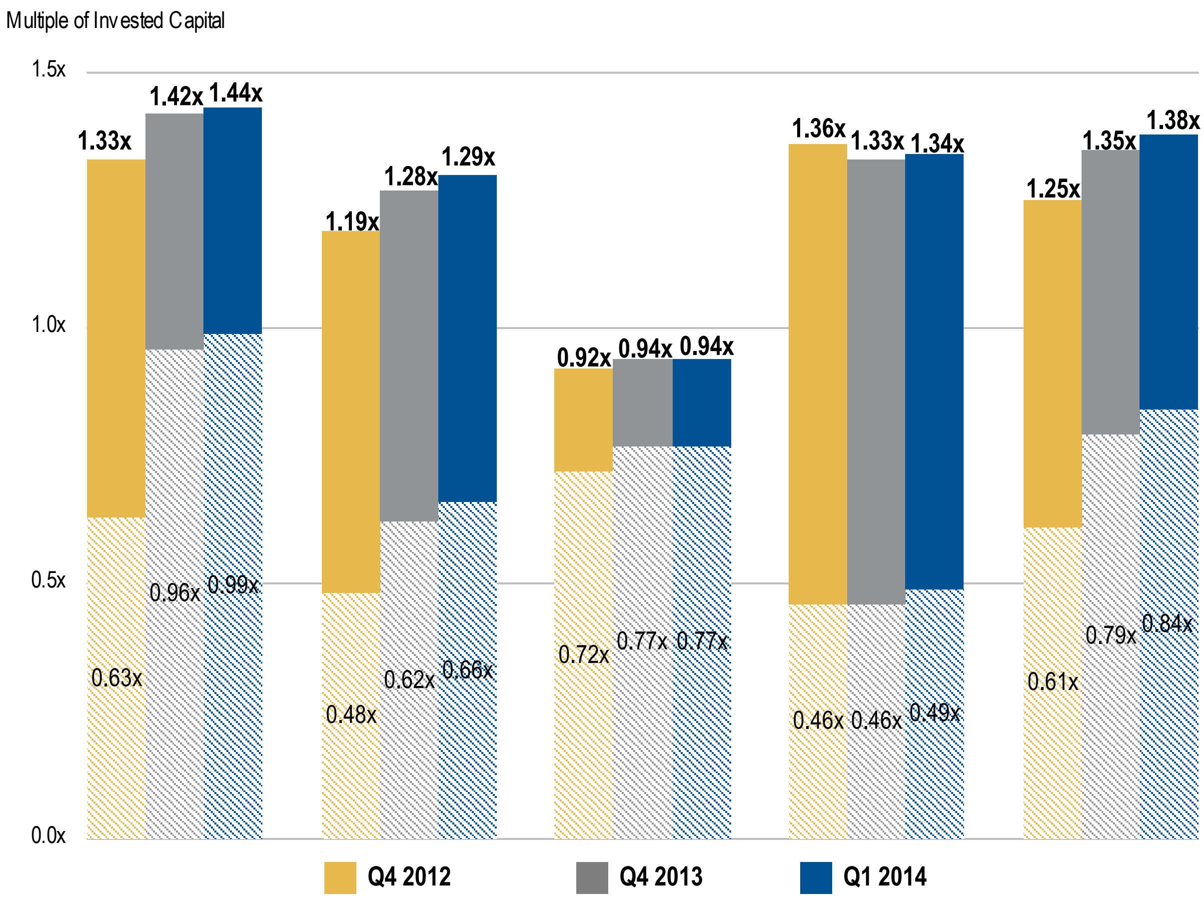
	Total Portfolio	Equity Co-investments	Direct Yielding Investments
Fair Value at 31 March 2014	$653.0m	$177.1m	$193.7m
Cash Distributions received since Inception	$642.5m	$109.5m	$104.1m

1. Dashed bars represent distributed to paid-in capital. Total distributions exclude Strategic Asset Sale proceeds of $100.5 million. Numbers may not sum due to rounding.

PERFORMANCE ANALYSIS

Special situations and mid-cap buyout funds continue to generate gains

Special situations funds, the second largest asset class within the fund portfolio, have generated a gross TVPI multiple of 1.44x. NBPE has received cash distributions of approximately $197.0 million, or 99% of paid-in capital, driven by the monetization of credit positions by underlying managers as well as redemption proceeds realized from the full redemption of two special situations funds in 2012 and 2013. The Manager expects cash distribution activity to continue over the coming quarters within this asset class. Mid-cap buyout funds have generated a gross TVPI multiple of 1.29x and NBPE has received approximately $100.0 million in distributions, or 66% of paid-in capital. The Manager believes the remaining fund asset classes, including large-cap buyout, venture / growth capital and NB Crossroads Fund XVII, while smaller parts of the overall portfolio, will continue to drive value and provide cash distributions.



	Special Sit Funds	Mid-cap Buyout Funds	Large-cap Buyout Funds	Venture / Growth Funds	NB Crossroads Fund XVII
Fair Value at 31 March 2014	$87.8m	$97.0m	$36.6m	$34.3m	$26.5m
Cash Distributions since Inception	$197.0m	$100.0m	$70.5m	$20.0m	$41.4m

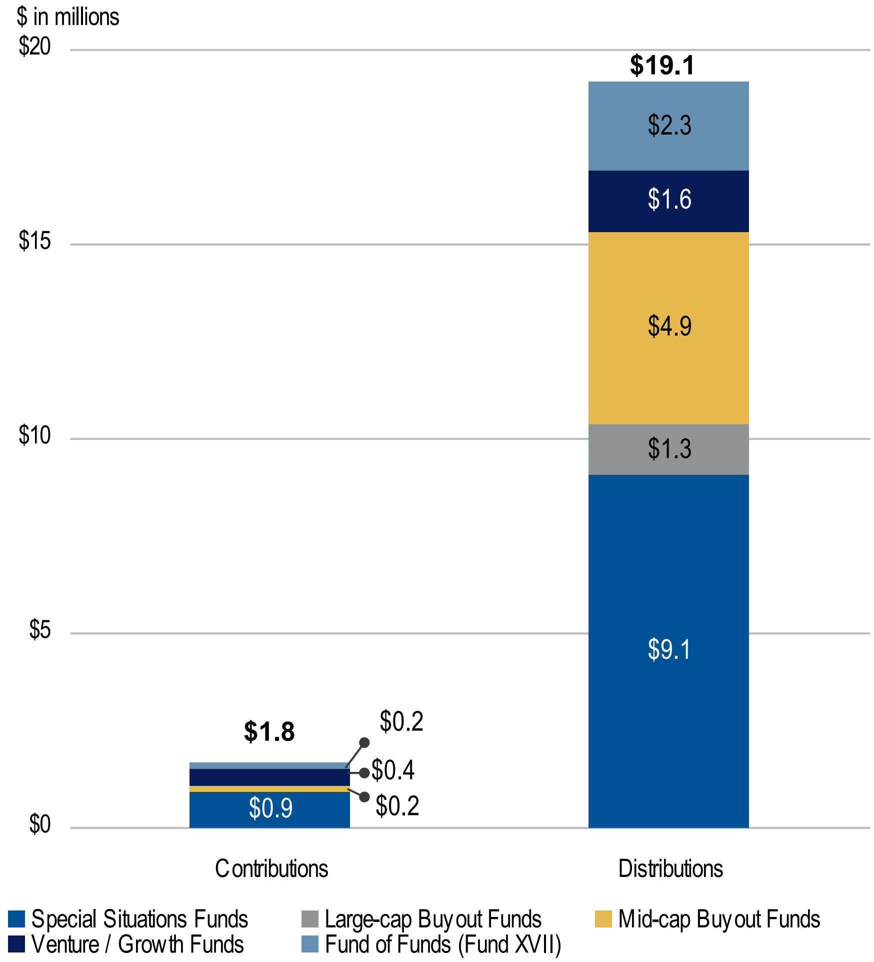
1. Dashed bars represent distributed to paid in capital. Total distributions exclude Strategic Asset Sale proceeds of $100.5 million. NBPE's performance related to the commitment to NB Crossroads Fund XVIII is presented within each respective fund asset class. Numbers may not sum due to rounding.

PERFORMANCE ANALYSIS

Liquidity events and IPO activity during the first quarter of 2014

- Within the fund portfolio, 73 companies completed liquidity events, leading to $70.9 million of distributions to NBPE
- 11 companies in the portfolio, representing $2.6 million of unrealized value, completed IPOs during the first quarter of 2014, which may lead to distributions to NBPE. The IPOs below represent the top five companies by value that completed an IPO during the first quarter of 2014.
  - GazTransport & Technigaz (Paris: GTT.PA) - NBPE and NB Crossroads Fund XVIII
  - CHC Group Ltd. (NYSE: HELI) – NBPE (First Reserve Fund XI)
  - Ladder Capital Corp (NYSE: LADR) – NB Crossroads Fund XVIII (TowerBrook Investors II)
  - Care.com, Inc. (NYSE: CRCM) – NB Crossroads Fund XVII (Matrix Partners VII & Trinity Ventures IX)
  - Santander Consumer USA Holdings Inc. (NYSE: SC) – NB Crossroads Fund XVIII (KKR 2006, Warburg Pincus X)

Fund capital call activity continues to slow while distribution activity from NBPE's mature funds remains strong



The Fund portfolio's capital call activity has decreased as the portfolio matures. During the quarter, special situations funds experienced the most capital call activity. NBPE also funded $0.4 million to Venture / Growth funds during the first quarter of 2014.

NBPE received $9.1 million in distributions from special situations funds during the first quarter of 2014. NBPE also received $6.2 million from buyout funds as managers focus on harvesting portfolio companies and returning cash.

During the first quarter of 2014, the largest fund distributions were received from NB Crossroads Fund XVII, Platinum Equity Capital Partners II and NB Crossroads Fund XVIII.

The Manager expects distribution activity in the fund portfolio to continue over the next several quarters as underlying managers focus on liquidity.

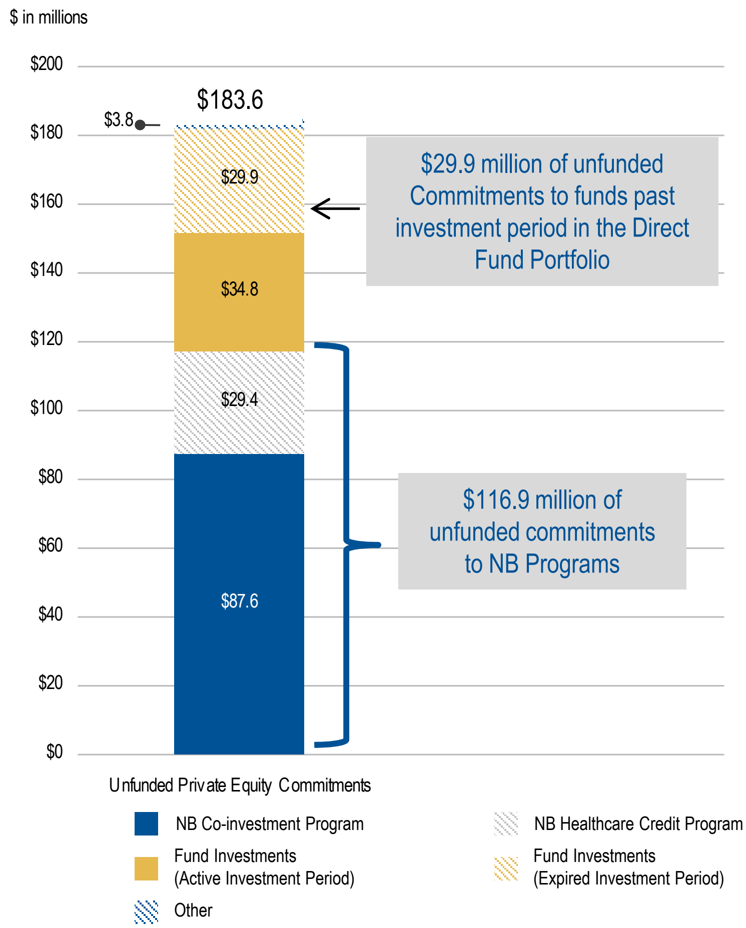
Note: Numbers may not sum due to rounding.

UNFUNDED COMMITMENTS

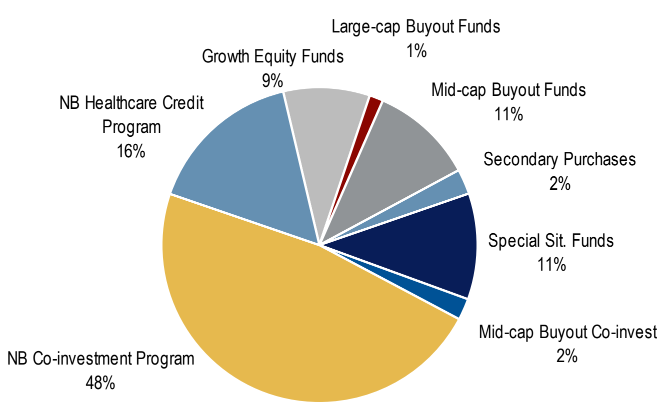
Favorable capital position for new investments

As of 31 March 2014, NBPE's unfunded commitments were approximately $183.6 million. Approximately $87.6 million and $29.4 million were unfunded commitments to the NB Alternatives Co-investment and Healthcare Credit Programs, respectively. Approximately $14.2 million of unfunded commitments were to fund of funds managed by NB Alternatives and $48.7 million of unfunded commitments were to third party direct funds. Within the fund portfolio, $29.9 million of the unfunded commitments are to funds past their investment period. The Manager believes a portion of this amount is unlikely to be called, which the Manager believes places NBPE in a favorable capital position to make new investments. However, some amount may be called in future periods for fees, expenses and / or follow-on investments.

Unfunded commitments are primarily to the NB Alternatives Co-investment and NB Healthcare Credit Programs. The Manager expects capital to be called in future quarters to fund new direct investments. Approximately 34% of the unfunded commitments were to the fund portfolio, with large unfunded commitments to special situations and mid-cap buyout funds. However, approximately 75% and 63% of unfunded commitments to these asset classes, respectively, were to funds past their investment period. Approximately 9% of the unfunded commitments were to growth equity funds; capital deployment by underlying managers within this asset class is typically prolonged.



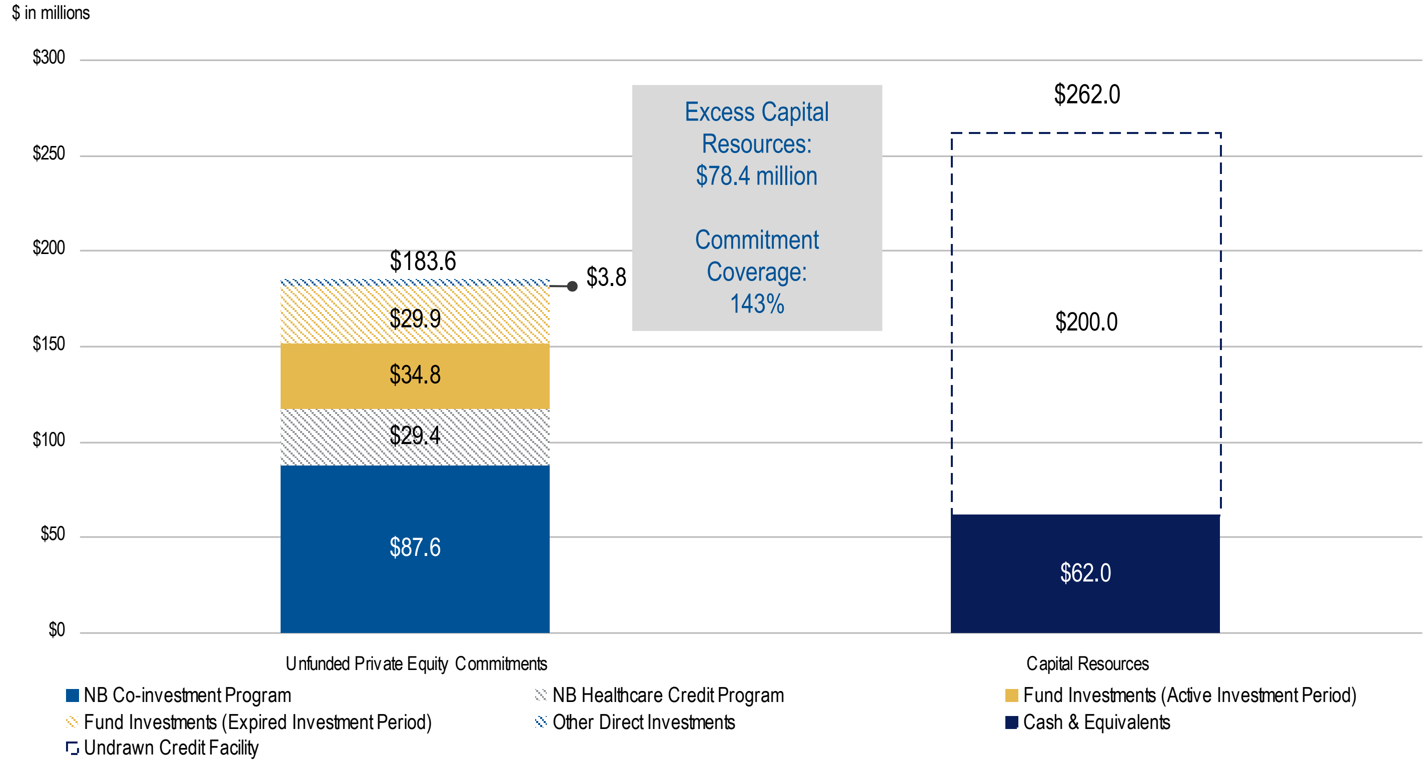
64% of our unfunded commitments are to the NB Alternatives Co-investment and NB Healthcare Credit Programs



Note: Numbers may not sum due to rounding.

LIQUIDITY & CAPITAL RESOURCES

Excess capital resources of $78.4 million and no outstanding borrowings on NBPE's $200 million credit facility as of 31 March 2014



Credit Facility

In December 2012, the Company entered into an agreement with Lloyds Banking Group regarding a senior secured revolving credit facility of up to $200.0 million. Under the terms of the agreement, the Company may borrow, repay and re-borrow to fund private equity contributions and working capital requirements throughout the term expiring in April 2017. All borrowings under the credit facility bear interest at a floating rate and are tiered based on loan value, calculated as LIBOR or Euribor, as appropriate:

- LIBOR / Euribor + 280 bps for loan value less than or equal to $65 million
- LIBOR / Euribor + 330 bps for loan value in excess of $65 million and less than or equal to $150 million
- LIBOR / Euribor + 365 bps for loan value in excess of $150 million

The Company is also required to pay a non-utilization fee calculated as 80 basis points per annum on the daily balance of the unused amount of the credit facility.

The key financial covenant for NBPE's credit facility is a maximum debt to value ratio of 50.0%. The debt to value ratio is calculated as total debt and current liabilities divided by Restricted NAV, with Restricted NAV defined as the fair value of all private equity investments (less any excluded value) plus cash and cash equivalents. At 31 March 2014, the debt to value ratio was 1.6%.

The two other covenants are a secured asset ratio and a commitment ratio. The secured asset ratio is not to exceed 80.0% and is defined as total debt and current liabilities divided by Secured Assets, with Secured Assets defined as the value of secured private equity investments plus cash and cash equivalents. At 31 March 2014, the secured asset ratio was 2.3%.

The commitment ratio is defined as Restricted Total Exposure divided by the aggregate of Shareholder's equity and the total amount of the credit facility, with Restricted Total Exposure defined as the value of private equity investments (less any excluded value) plus unfunded private equity commitments. If the debt to value ratio is greater than 25.0% and the commitment ratio is greater than 130.0%, then the Company becomes restricted from making new private equity investments. At 31 March 2014, the commitment ratio was 100.5%.

Note: Numbers may not sum due to rounding.

MARKET COMMENTARY

During the first quarter of 2014, growth in US equity markets, as measured by the S&P 500, slowed relative to gains experienced during 2013. The S&P 500 increased by approximately 1.3% during the first quarter of 2014 versus gains of approximately 10.0% during the first quarter of 2013. Global equity markets experienced similar slowdowns and increasing turmoil and volatility in emerging markets were a source of concern. In light of this, the MSCI World Index increased only 0.8% and the MSCI Emerging Markets Index declined by 0.8% during the first quarter of 2014. On the other hand, investment grade and high yield fixed income performed relatively well in the first quarter of 2014. The Barclays Capital US Aggregate Investment Grade index increased by approximately 2.9% and the Barclays Capital US High Yield Index increased approximately 3.0%, benefiting from a decline in interest rates and low inflation.[1]

As anticipated, the Federal Reserve continued tapering its asset purchases during the latter part of the first quarter. By the end of March 2014, the Federal Open Market Committee had reduced its asset purchases to $55 billion per month, down from $65 billion per month. While policy continued to remain accommodative in the first quarter of 2014, the staggered decline in asset purchases is likely a signal to investors that the Federal Reserve is moving closer to an exit.[2]

U.S. economic activity in the first quarter of 2014 slowed significantly with first quarter GDP barely posting positive growth; however, weather appears to have been a factor. Domestic housing releases, including housing starts, building permits and existing home sales declined in January as a result of severe weather, disrupting buyer traffic. As winter weather subsided, domestic economic data showed signs of improvement with both manufacturing and non-manufacturing indices, as well as nonfarm payrolls increasing during the month of March. Given the continued accommodative policy of the Federal Reserve and the general strength of businesses and earnings, economic conditions should improve in the coming months following the harsh winter.[2]

In Europe, low inflation continues to represent a concern for policy makers; however, an exact policy response by the European Central Bank remains to be seen. Also impacting Europe was the ongoing geopolitical tensions in Russia and Ukraine. While equity markets saw an increase in volatility, the ongoing crisis in Ukraine did not largely impact markets. However, the situation remains extremely fluid with no clear path towards a resolution and any further escalation in the conflict could result in significant destabilisation in the region and increased market volatility.

Private Equity Buyout Market

Private equity buyers had sufficient capital to invest, credit was readily available and many companies have demonstrated strong performance over the last few years. In addition, strong public equity markets helped fuel buyout volume. Companies with strong growth profiles, high free cash flow and more predictable business models insulated from broad macroeconomic trends attracted premium multiples. In addition, active competition from cash-rich strategic acquirers and private equity firms, combined with ample credit availability, kept transaction valuation multiples at elevated levels, particularly for larger transactions. Strong M&A and generally receptive IPO markets created ample selling opportunities for private equity firms seeking exits for portfolio companies. The Manager believes this strong environment was advantageous for NBPE's portfolio during the last several quarters and this trend continued through the first quarter of 2014.

U.S. leveraged buyout volume was $41.7 billion in the first quarter of 2014 which represents a 22% decline from the previous period in 2013. While U.S. buyout volume was down year over year in the first quarter, the Manager believes this is likely representative of a return to more normalized volume from the strong activity during the first quarter of 2013. Large-cap transactions (defined by S&P as companies with enterprise values above $500 million) continued to be the largest contributor to volume, representing over 70% of buyout volume in the first quarter of 2014.

LBO valuations remained elevated. Average purchase price multiples rose to 9.1x EBITDA, up from 8.8x EBITDA in 2013. Equity contributions of 34.9% of the capital structure remained consistent relative to 2013.[3]

Buyouts of middle market companies, with less than $500 million in transaction value, continued to be more conservatively capitalized than large-cap transactions. Equity contributions for mid-cap buyouts during 2013 were 40.1%, or 14.9% higher than large-cap transactions.[3] The higher equity level in the mid-cap market is in part the result of less transparent credit markets for smaller transactions as well as generally less reliance on financial leverage to create returns. The Manager believes a favorable opportunity continues to exist to invest at reasonable valuations in the small and mid-cap buyout markets, where the availability of credit is typically lower and equity contributions are higher. Given the lower absolute leverage levels employed in the small- to mid-cap market, co-investors have frequently been utilized to fund the equity portion of these transactions.

In Europe, the Netherlands, the UK, France, and Germany were the most active countries by total LBO volume and the average purchase price multiple for all LBOs was 13.0x EBITDA in the first quarter of 2014.[4] During the first quarter, there were significantly fewer transactions in Europe and the Manager believes the average purchase price multiple may return to levels more consistent with prior periods as the year progresses. However, the Manager believes the executed transactions involved stable businesses with healthy cash flows which generally demand a higher valuation.

1. *Source: Neuberger Berman Investment Strategy Group and CapitalIQ.*
2. *Source: Neuberger Berman Investment Strategy Group.*
3. *S&P Q4 2013 U.S. Leveraged Buyout Review.*
4. *S&P Q4 2013 European Leveraged Buyout Review.*

MARKET COMMENTARY

Debt Markets

The loan and high yield markets were robust in Q1 2014 as investors seeking yield continued to allocate capital to income-oriented strategies. In particular, the leveraged loan market continues to experience record high new issue volumes. Private equity managers continue to be very active in the credit markets, and the number of LBO transactions has remained fairly consistent over the past three years. The average leverage for U.S. buyout transactions remains high, increasing to 5.8x in Q1 2014 from 5.2x EBITDA in Q4 2013, while the average number of covenants is at a record low. Default rates also remain low, indicating that portfolio company performance remains stable and a majority of lenders expect stable to improved company performance in 2014. Despite yield pressure on more liquid credit products, the median yield in March 2014 for U.S. second lien was 8.6%, as compared to 5.2% for U.S. high yield bonds, demonstrating the yield premium investors are compensated with for more illiquid investments.

Fundraising Environment

During the first quarter of 2014, approximately $31.2 billion was raised in the U.S. buyout market, of which approximately $17.2 billion was raised by funds with a fund size under $2.5 billion.[1] Fundraising activity during the first quarter of 2014 was consistent with the amounts raised in the third and fourth quarters of 2013. The Manager believes the majority of this capital was limited to a small number of traditional buyout funds with strong prior fund track records. In Europe, during the first quarter of 2014, approximately $4.6 billion was raised in the buyout market by managers with a fund size under $2.5 billion.[1]

1. *Thomson Reuters through 31 March 2014. Excludes venture, mezzanine, fund of funds, and secondary fundraising.*

CERTAIN INFORMATION & MATERIAL CONTRACTS

Certain Information

The Company is subject to The Netherlands Financial Supervision Act (Wet op het financieel toezicht, “Wft”), and is registered with The Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten) as a collective investment scheme as defined in section 1:1 of the Wft. The Company is subject to certain ongoing requirements under the Wft, the Decree on Supervision of Conduct by Financial Enterprises (Besluit Gedragstoezicht financiële ondernemingen Wft) and the Decree on the Implementation Directive Transparency Issuing Entities (Besluit uitvoeringsrichtlijn transparantie uitgevende instellingen Wft) relating to the disclosure of certain information to investors, including the publication of the Company’s financial statements.

Investment Management and Services Agreement

NBPE, NB PEP Investments LP (Incorporated) and the Investment Manager entered into an Investment Management and Services Agreement on 25 July 2007 (as amended and restated on 25 January 2008), whereby the Investment Manager, subject to the overall supervision of the Directors, was appointed as NBPE’s Investment Manager.

Administration Agreement & Limited Partnership Agreement

NBPE and Heritage International Fund Managers Limited entered into an Administration Agreement on 3 July 2007 (as amended by side letter on 22 September 2009), whereby NBPE appointed Heritage International Fund Managers Limited to act as administrator and company secretary to NBPE. NBPE, as general partner, and NB PEP Associates LP (Incorporated), as special limited partner, entered into the Limited Partnership Agreement of NB PEP Investments LP (Incorporated) on 25 July 2007, as amended and restated on 16 July 2008.

Share Buy-Back Agreement

NBPE is party to a Share Buy-Back Agreement with Jefferies International Limited (“JIL”) in relation to the market repurchases of Class A Shares on behalf of NBPE. The Share Buy-Back Agreement was initially entered into between NBPE and The Royal Bank of Scotland N.V. (London Branch) ("RBS N.V.") on 22 October 2010 and was subsequently amended and extended on 30 August 2011, novated on 7 November 2011 from RBS N.V. to The Royal Bank of Scotland plc ("RBS plc") in respect of repurchases of Shares made on the Specialist Fund Market only, and extended on 29 November 2011. The Share Buy-Back Agreement was then novated by RBS NV and RBS plc to JIL on 1 March 2012 and the Board of Directors has approved an extension of the Share Buyback Program until 31 May 2014.

Change of Control

There are no agreements that the Company considers significant and to which the Company is party that would take effect, alter or terminate upon change of control of the Company following a takeover bid.

List of NBPE Subsidiaries

Name	Place of Incorporation (or registration) and operation	Proportion of Ownership Interest %
Directly Owned		
NB PEP Investments, LP (Incorporated)	Guernsey	99.9%
Indirectly Owned		
NB PEP Investments Limited	Guernsey	99.9%
NB PEP Investments DE, LP	United States	99.9%
NB PEP Investments LP Limited	Guernsey	99.9%
NB PEP Investments I, LP (Incorporated)	Guernsey	99.9%
NB PEP Holdings Limited	Guernsey	99.9%
Various holding entities for specific investments	United States	99.9%

RISK MANAGEMENT

Risk Report

The Company is subject to a number of risk factors and include, but are not limited to, those identified on the following pages throughout the risk report. The Directors seek to appropriately manage, but not eliminate risk, through the identification and control of risks; therefore there is only a reasonable assurance against fraud, misstatements or losses to the Company. The following pages summarize some, but not all, of the risks to the Company's business, how the Company controls risks, as well as risk factors related to investing in the Company's Class A and ZDP Shares.

Control Objective	Perceived Risk	Key Controls
External Risks: Market Economic Interest rates Reputation Regulatory	• Health of financial markets • General economic conditions • Changes in interest rates • Reputational risks • Changes to regulations which impact the Company	• Ability to invest in debt and equity investments which offer the best risk / return profiles • Extensive due diligence • Majority of the direct yielding portfolio in floating rate debt • In-house and external legal counsel monitoring key regulatory developments
Strategic Risks: Meeting business plan / objectives Share price discount to NAV Managing communication	• Ability to meet key investment level targets • Building direct yielding investment portfolio to sustain dividend from the cash income • Persistent trading discount of Share price to NAV • Information flow to markets	• Quarterly board meetings to review and adjust business and investment strategy as necessary • Monitoring of the investment portfolio • Dividend policy to the benefit of Shareholders; option to repurchase Shares • Regular and timely reporting of performance
Investment Risks: Investment decisions Investment performance Exit decisions Valuation of investments Performance of the portfolio	• Finding suitable investment opportunities • Investment underwriting • Achieving investment returns and finding exit opportunities • Reported NAV / valuation of investments vs. liquidated cash value • Generating NAV outperformance relative to benchmarks	• Extensive due diligence and investment process • Reasonable assumptions used in underwriting • Seeking investments with shorter duration and clear exit paths • Robust and consistent valuation process and reported NAV updates on a monthly basis
Financial Risks: Liquidity management Credit facility ZDP Liability Foreign exchange	• Cash needs to fund investments and ongoing business operations • Maintaining appropriate debt levels and complying with financial covenants • Meeting final capital entitlement of ZDP Shares • Foreign exchange exposure	• Cash flow forecasting and return modeling to project future cash needs • Monitoring of financial ratios and covenant headroom • Forward currency contract to hedge, in part, currency exposure
Operational Risks: Key professionals IT Systems Compliance	• Attracting and retaining key business and investment professionals • Alignment of incentives • Maintaining systems and infrastructure to achieve business objectives • Regulatory compliance	• Resources of Neuberger Berman for attracting and retaining talent • Policies and procedures for all professionals of the Investment Manager and the Administrator • IT infrastructure and systems maintained by the Investment Manager and the Administrator • Significant levels of internal controls and monitoring by compliance departments within the Investment Manager and the Administrator

RISK MANAGEMENT (CONT.)

External Risks

External risks are those risks that are largely outside the Company's control but which could nevertheless impact the valuation of the Company's investments. These risks are difficult to quantify, are uncertain in nature, and the overall impact to the Company could vary depending on the degree of these external risks. For example, the operating performance of the companies within the investment portfolio are generally tied to overall economic conditions and if economic conditions worsened the financial performance of some or all of the companies within the investment portfolio could be negatively impacted. In addition, there is a significant amount of investments deployed in private corporate private debt investments and healthcare credit investments. A sustained rise in the level of interest rates could impact the value of some or all of these investments. However, the Directors believe having a meaningful amount invested in floating versus fixed rate debt helps to mitigate this risk.

The Company must comply with numerous regulations across multiple jurisdictions. Changes to regulations may require additional actions or procedures for the Company to take, which could result in additional costs to the business. For example, the Directors are monitoring the implementation of the Alternative Investment Fund Managers Directive in Europe closely and this continues to be a key regulation that could impact the Company in future quarters. The Company also relies on the resources of the Investment Manager, external counsel and the Company's Administrator to follow and track the ongoing developments in regulation.

Strategic Risks

Strategic risks are largely risks associated with the execution and achievement of planned objectives as well as meeting key business targets. To mitigate these risks, the Investment Manager closely tracks the investments within the portfolio and monitors the portfolio relative to the planned objectives. In addition, the Directors receive updates from the Investment Manager on the performance of the portfolio at each quarterly board meeting. The board meetings also serve as a time to review and discuss the business plan and investment objectives. The current key strategic risk for the Company is meeting the required investment level within its direct yielding investment portfolio so that the Company's dividend can be fully supported from the cash income this portfolio generates. In addition, the current Share price discount to NAV is a measure that is also monitored and steps are being taken by the Company to address the discount. The Directors believe the Company's dividend policy is a meaningful step toward narrowing the discount over time.

Investment Risks

Investment risks are risks that pertain to the investments within the Company's portfolio and include investment and exit decisions, underwriting of investments, investment performance and the valuation of investments. The Investment Manager's team of investment professionals seek to manage investment risk through thorough due diligence and through diversification across asset class, vintage year, geography, industry and sponsor. Investment decisions are made by the Private Investment Portfolio Investment Committee of the Investment Manager; however, each underlying fund investment has its own set of investment professionals and committees to make investment decisions into underlying portfolio companies, outcomes of which could be positive or negative. The Private Investment Portfolios Investment Committee is comprised of eight senior investment professionals with over 210 years of combined professional experience and include a range of diverse backgrounds including as fund managers, CEOs, directors of corporate boards, direct private equity investors, bankers, lawyers and accountants. Effective 1 January 2014, Joana Rocha Scaff, Managing Director, was approved and added to the NB Alternatives Private Investment Portfolio Investment Committee as a voting member. Post-investment, the Investment Manager's team of investment professionals closely monitor the investment portfolio for events or changes in performance that could justify a change in the valuation of an investment. A description of the Investment Manager's valuation policy for equity and debt investments can be found on page 36 of this report.

Financial Risks

Financial risks are risks that could impact the financing and ongoing operations of the business and include liquidity and credit facility management, meeting the final capital entitlement of the ZDP Shares in 2017 and foreign exchange risk. The Investment Manager performs analysis on the underlying portfolio by making reasonable exit assumptions on the underlying investments and forecasts the expected future cash flows from investment exits. This analysis helps the Investment Manager make a reasonable projection of the future cash and borrowing needs as well as better manage the pace of new investments in the portfolio. This analysis only provides a reasonable forecast and is relied upon only as such and actual performance could differ materially. To the extent there are any current outstanding borrowings under the credit facility, the Investment Manager closely monitors the financial ratios and covenant headroom available. The Investment Manager has entered into a forward currency contract to hedge, in part, the currency risk associated with the ZDP Shares.

RISK MANAGEMENT (CONT.) & RISK FACTORS

Operational Risks

Operational risks pertain to the business operations of the Company. The Company's only activities are those of an investment company, and the Company itself does not have any employees. Instead, the Company relies on the investment personnel, infrastructure and resources of the Investment Manager and the Company's Administrator. For example, if the Investment Manager were unable to attract and retain the right investment and business professionals or maintain adequate IT infrastructure, the operations of the Company could be impacted. The Company does not have an internal audit or compliance function and instead relies on these functions within the Investment Manager and the Company's Administrator. Neuberger Berman is a global asset management company and has significant levels of internal controls designed to monitor and maintain compliance. In addition, Neuberger Berman has a significant set of policies and procedures for all employees, including employees of the Company's Investment Manager. Given the scale and resources available at the Investment Manager, the Board is comfortable operational risks to the Company are managed effectively.

Internal Controls

The Directors have developed a set of internal controls designed to manage, not eliminate risk, and therefore can only provide a reasonable assurance against fraud, misstatements or losses to the Company. The internal controls are based on a risk matrix that is provided on a quarterly basis by the Investment Manager to the Directors. 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.

Risk Factors

The Company is subject to, and an investment in the Company's Shares involves, substantial risks, which may adversely impact the Company's financial condition, results of operations and/or the value of your investment. Investors in the Company's Class A Ordinary Shares and ZDP Shares should carefully consider such risks, which include, without limitation, those set out below and on the following page. If any such risks occur, the Company's business, financial condition, results of operations and the value of your investment would likely suffer.

The Company may experience fluctuations in its monthly NAV

The Company may experience fluctuations in NAV from month to month due to a number of factors, including changes in the values of investments, which in turn could be due to changes in values of portfolio companies, changes in the amount of distributions, dividends or interest paid in respect of investments, changes in operating expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which the Company encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Shares and cause the Company's results for a particular period not to be indicative of the Company's performance in a future period.

On liquidation of the Company's assets on any given day, the reported NAV may not match the liquidated cash value of such assets

Where the Company is required or the Investment Manager deems it necessary to liquidate some or all of our assets on any given day, the liquidated cash value of such assets may not match the reported NAV or portion of the reported NAV (in the case that not all of the Company's assets are liquidated) attributable to such assets. Liquidation of the Company's assets will be subject to a number of factors, including the availability of purchasers of the Company's assets, liquidity and market conditions and, as such, the actual cash value of some or all of the Company's assets may differ from the latest reported NAV (or portion of the reported NAV in the case that not all of the Company's assets are liquidated).

The Shares could continue to trade at a discount to NAV

The Shares could continue to trade at a discount to NAV for a variety of reasons, including, without limitation, due to market conditions or to the extent investors undervalue the Investment Manager's investment management activities. Also, since there is generally a period of years before a new private equity fund has completed making its investments, return on the Company's investments in such funds is not likely to be realized for a substantial time period, if at all, which could negatively impact the value of the Shares. Additionally, unlike traditional private equity funds, the Company intends to continuously reinvest the cash received, except in limited circumstances (including in connection with the Company's Dividend Policy and Share Buy Back Programme). Therefore, the only way for investors to realize their investment is to sell their Shares for cash. Accordingly, in the event that a holder of Shares requires immediate liquidity, or otherwise seeks to realize the value of its investment in the Company, through a sale of Shares, the amount received by the holder upon such sale may be less than the underlying NAV of the relevant Shares sold.

RISK FACTORS

The trading markets that the Class A Shares and ZDP Shares are admitted to are less liquid than certain other major exchanges, which could affect the price of the Company's shares

The principal trading markets are Euronext Amsterdam and the SFM for the Class A Shares and the SFM and the CISE for the ZDP Shares, and these markets are less liquid than certain other major exchanges in the United States and certain other parts of Europe. Because these markets are less liquid than major exchanges in the United States and certain other parts of Europe, the Company's Shareholders may face difficulty when disposing of their Shares, especially in large blocks. To date the Company's Shares have actively traded, but with generally low daily volumes. The Company cannot predict the effects on the price of the Shares if a more liquid trading market for them does not develop. In addition, if such a market does not develop, relatively small sales may have a significant negative impact on the price of the Shares. For example, sales of a significant number of Shares may be difficult to execute at a stable price.

The availability of the Company's credit facility and failure to continue to meet the financial covenants in the credit facility could have an adverse impact on liquidity

The availability of the Company's credit facility is dependent on continuing to comply with the covenants of the Company's credit facility. The Company is currently in compliance with all of the covenants of the credit facility. However, certain events, including reductions in the NAV of the investment portfolio, could result in an event of default under the credit facility agreement. Where an event of default occurs, the lender may cancel the undrawn portion of the Company's credit facility and declare the entire outstanding principal and interest immediately due. As a result, the Company may not have access to sufficient capital to meet the obligations (including unfunded commitments) and the Company could be forced to sell assets in order to cure the event of default or to repay the Company's credit facility. Where the Company is obliged to sell assets from the investment portfolio to meet the obligations under the credit facility, such sale may be at an undervalue and may not reflect the estimated unaudited fair value assigned to such asset(s). Further, where the credit facility is unavailable, the Company's ability to make new investments or to honor funding obligations to which the Company is already committed may be severely restricted. The Company may be unable, or it may not be prudent or in the Company's best interests, to enter into further agreements to borrow money or to refinance the credit facility.

The price attributed to the Class A Shares on Euronext Amsterdam and the SFM may vary significantly and the price attributed to the ZDP Shares on the SFM and the CISE may vary significantly

The Class A Shares are admitted to trading on Euronext Amsterdam and the SFM and the ZDP Shares are admitted to trading on the SFM and the CISE. The price attributed to the Class A Shares or ZDP Shares, as the case may be, may vary significantly on one exchange versus the other. As such, no guarantee is given that investors will receive best pricing and execution on one market over another. The Investment Manager and the Company accept no responsibility whatsoever with regards to the pricing of the Class A Shares and execution of trades therein on Euronext Amsterdam and the SFM, the pricing of the ZDP Shares and execution of trades therein on the SFM and the CISE, nor do the Investment Manager or the Company accept any responsibility for any pricing and/or execution variation between any of these exchanges. Investors are responsible for informing themselves as to the best pricing and execution available, in the case of the Class A Shares, on both Euronext Amsterdam and the SFM, and, in the case of the ZDP Shares, on both the SFM and the CISE.

The holders of ZDP Shares may not receive the final capital entitlement

The holders of ZDP Shares may not receive the final capital entitlement and no guarantee is made by the Company in relation to the payment thereof. The ZDP Shares, whilst ranking prior to the Class A Shares and the Class B Shares in respect of the repayment of up to 169.73 pence per ZDP Share from the assets of the investment portfolio, rank behind any borrowings of the Company that remain outstanding. In addition, upon the occurrence of significant loss in value of the assets held in the investment portfolio, the Company may be unable to pay the final capital entitlement or any part thereof to the holders of ZDP Shares.

Payment of the final capital entitlement to the holders of ZDP Shares may be dilutive to the NAV per Class A Share

Payment of the final capital entitlement to the holders of the ZDP Shares may be dilutive to the NAV per Class A Share. Where the Company does not generate investment returns in excess of the forecast gross redemption yield of 7.30% (in relation to which, no guarantee has been given) per annum (based on the issue price of the ZDP Shares), the NAV per Class A Share may be significantly diluted.

VALUATION METHODOLOGY

Equity

We carry our private equity investments on our books at fair value using the best information we have reasonably available to determine or estimate fair value. Publicly traded securities are valued based on quoted prices as of the last day of the relevant period less discounts to reflect legal restrictions associated with the securities, if any, that affect marketability. We determine such values for publicly traded securities held directly as well as known public positions held in the underlying private equity investments on a look-through basis. We estimate fair value for private interests based on a methodology that begins with the most recent information available from the general partner of the underlying fund or the lead investor of a direct co-investment, and considers subsequent transactions, such as drawdowns or distributions, as well as other information judged to be reliable that reports or indicates valuation changes, including realizations and other portfolio company events. We proactively re-value our investments before we have received updated information from the fund manager or lead sponsor if we become aware of material events that justify a change in valuation. If we conclude that it is probable that we will sell an investment, we adjust our carrying value to the amount we expect to realize from the sale, exclusive of transaction costs.

Debt

We estimate the enterprise value of each portfolio company and compare such amount to the total amount of the company's debt as well as the level of debt senior to our 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, we will further consider the companies' acquisition price, credit metrics, historical and projected operational and financial 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 we are invested in and securities senior to our position.

If the principal repayment of debt and any accrued interest is supported by the enterprise value analysis described above, we 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, we 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 we believe market yields for similar investments have changed substantially since the pricing of our security, we will perform a discounted cash flow analysis, based on the expected future cash flows of the debt securities and current market rates. We will also consider the maturity of the investment, compliance with covenants and ability to pay cash interest when estimating the fair value of our debt investment.

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:

- Our future operating results;
- Our business prospects and the prospects of our investments;
- The impact of investments that we expect to make;
- The dependence of our future success on the general economy and its impact on the industries in which we invest;
- The ability of our investments to achieve their objectives;
- Differences between our investment objective and the investment objectives of the private equity funds in which we invest;
- The rate at which we deploy our capital in private equity investments, co-investments and opportunistic investments;
- Our expected financings and investments;
- The continuation of the Investment Manager as our service provider and the continued affiliation with the Investment Manager of its key investment professionals;
- The adequacy of our cash resources and working capital; and
- The timing of cash flows, if any, from the operations of our underlying private equity funds and our 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 our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. 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 us or are within our control. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Factors and events that could cause our 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 our prospectus relating to our IPO and our prospectus relating to our ZDP Shares.

The foregoing is not a comprehensive list of the risks and uncertainties to which we are subject. Except as required by applicable law, we undertake no obligation to update or revise any forward-looking statements to reflect any change in our 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 our forward-looking statements might not occur. We qualify any and all of our forward-looking statements by these cautionary factors.

OVERVIEW OF THE INVESTMENT MANAGER

About NB Alternatives Advisers LLC

The NB Alternatives group of Neuberger Berman (the "Investment Manager") has 27 years of investing experience specializing in co-investments, direct-yielding investments, private equity funds and secondary investments and has built relationships with leading private equity fund managers over that time.

The Investment Manager makes all of NBPE's investment decisions, and NBPE has delegated to the Investment Manager the day-to-day management and operations of its business. The Investment Manager's investment decisions are made by its Investment Committee (the "Investment Committee"), which currently consists of eight members with over 210 years of professional experience. The sourcing and evaluation of NBPE's investments is conducted by the Investment Manager's team of over 70 investment professionals who specialize in co-investments, direct-yielding investments and fund investments. In addition, the Investment Manager's staff of approximately 130 administrative and finance professionals are responsible for our administrative, financial management and reporting needs. The Investment Manager currently maintains offices in New York, London, Dallas and Hong Kong.

Effective 1 January 2014, Joana Rocha Scaff, Managing Director, was approved and added to the NB Alternatives Private Investment Portfolio Investment Committee as a voting member.

About Neuberger Berman

Neuberger Berman is a private, independent, employee-controlled investment manager. It partners with institutions, advisors and individuals throughout the world to customize solutions that address their needs for income, growth and capital preservation. With approximately 2,000 professionals focused exclusively on asset management, it offers an investment culture of independent thinking. Founded in 1939, the company provides solutions across equities, fixed income, hedge funds and private equity, and had $247 billion in assets under management as of 31 March 2014. For more information, please visit our website at www.nb.com.

DIRECTORS, ADVISORS AND CONTACT INFORMATION

Ordinary Share Information
Trading Symbol: NBPE
Exchanges: Euronext Amsterdam by NYSE Euronext and the Specialist Fund Market of the London Stock Exchange
Euronext Amsterdam Listing Date: 25 July 2007
Specialist Fund Market Admission: 30 September 2009
Base Currency: USD
Bloomberg: NBPE NA, NBPE LN
Reuters: NBPE.AS, NBPE.L
ISIN: GG00B1ZBD492
COMMON: 030991001
Amsterdam Security Code: 600737

ZDP Share Information
Trading Symbol: NBPZ
Exchanges: Specialist Fund Market of the London Stock Exchange and the Daily Official List of the Channel Islands Stock Exchange
Admission Date: 1 December 2009
Base Currency: GBP
Bloomberg: NBPEGBP LN
Reuters: NBPEO.L
ISIN: GG00B4ZXGJ22
SEDOL: B4ZXGJ2

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John Buser
John Hallam
Christopher Sherwell
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