NEUBERGER | BERMAN

NB Private Equity Partners Limited

30 June 2014 Interim Financial Report

For the six month period ended 30 June 2014

INTERIM FINANCIAL REPORT

COMPANY OVERVIEW

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" or the "Company")

- 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 30 June 2014	At 31 December 2013
Net Asset Value of the Class A Shares	$680.6m	$625.1m
Equity Co-investments	$225.7m	$160.8m
Direct-Yielding Investments	$275.0m	$185.2m
Fund Investments	$275.6m	$291.7m
Total Private Equity Fair Value	$776.3m	$637.7m
Private Equity Investment Level	114%	102%
Cash and Cash Equivalents	$35.8m	$63.7m
Net Asset Value per Ordinary Share	$13.95	$12.81
Net Asset Value per Ordinary Share including Cumulative Dividends	$14.58	$13.22
ZDP Shares	£45.6m	£44.0m
Net Asset Value per ZDP Share	138.15p	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.

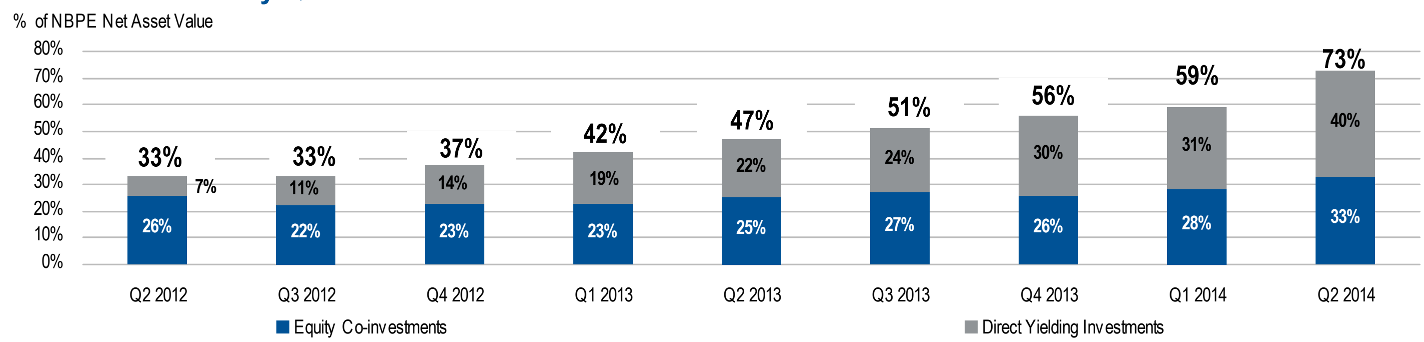
COMPANY STRATEGY

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, across cycles, the Manager targets average allocations of 60% of private equity fair value to equity co-investments and 40% of private equity fair value to direct yielding investments. At any point in time allocations in the portfolio may vary from this target due to the relative attractiveness of the available opportunity sets. 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.

COMPANY DIVIDEND POLICY

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

$0.63
Cumulative dividends since inception

4.2%
Annualized Dividend Yield on Share Price[1]

3.3%
Annualized Dividend Yield on NAV at 30 June 2014

Long-term dividends

On 28 February 2014, the Company paid the first semi-annual dividend of 2014 of $0.22 per Share. Since inception, NBPE has paid cumulative dividends of $0.63 per Share.

Subsequent to this reporting period, on 31 July 2014, the Company declared the second 2014 semi-annual dividend of $0.23 per Share to be paid on 27 August 2014. Following this declared dividend, NBPE has paid or declared a total of $0.86 per Share since inception.

Direct yielding income

As of 30 June 2014, on a run rate basis the direct yielding portfolio generated cash income of $23.7 million or approximately $0.49 per Share. Total dividends paid or declared during 2014 (including amounts subsequent to this reporting period) are $0.45 per Share. This corresponds to approximately 109% dividend coverage from the cash yield on the Company's direct yielding portfolio.

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 six months of 2014. The Board of Directors has approved an extension of the Share Buy Back Programme until 30 November 2014. The documentation for such extension is currently in progress.

1. *Based on the Euronext closing share price of $10.50 on 30 June 2014.*

KEY PERFORMANCE HIGHLIGHTS FOR THE PERIOD

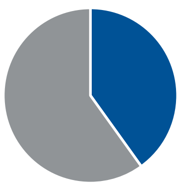
For the six month period ended 30 June 2014
INTERIM FINANCIAL REPORT

Performance

10.6% NAV per Share total return

12.3% Share price increase

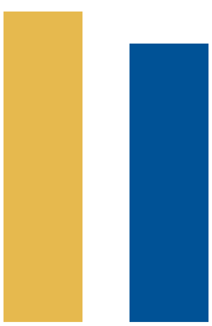
14.7% Share price total return



Portfolio at 30 June 2014

64% of Fair Value in Equity Co-investments/Direct Yielding Investments

36% of Fair Value in Funds



Cash Flows during the first six months of 2014

$159.5 million funded to Investments[1]

$107.2 million of distributions from Investments

$143.1[2]
Million Invested

New Direct Investment Activity during the first six months of 2014

10 Equity Co-investments

15 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 SIX MONTHS 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 73% of NAV as of 30 June 2014
- 25 direct investments completed during the first six months of 2014
- $111.5 million of new and follow-on direct yielding investments during the first six months of 2014
- $44.0 million of new and follow-on equity co-investments during the first six months of 2014
- $4.0 million of capital calls from fund investments during the first six months of 2014

40% of net asset value in direct yielding investments with a total estimated yield to maturity of 11.1% and a cash yield of 9.4%

- Direct yielding investments producing run-rate cash income of $23.7 million, covering 109% of the 2014 annual dividend[1]

Significant liquidity from the direct investment portfolio during the first six months of 2014

- Distributions of $21.4 million from equity co-investments as a result of sales, and $40.4 million from direct yielding investments, as a result of sales, principal and interest payments, including:
  - $9.0 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
  - $1.8 million from one 2008 vintage co-investment as a result of the company's IPO
  - $4.4 million from dividends, sale proceeds from the partial realization of one 2007 vintage co-investment and proceeds as the result of secondary sales of public shares
  - $5.4 million from the expiration of warranty loss contracts

Total distributions of $45.4 million from fund investments during the first six months of 2014

- Mid-cap buyout funds and special situations funds distributed $19.2 million and $16.2 million, representing 42% and 36% of distributions from fund investments, respectively
- The top 10 largest distributions from funds totaled $30.3 million and represented 15.2% 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.
1. Based on $0.45 per Share paid or declared during 2014, of which $0.23 per Share was declared on 31 July 2014 subsequent to this reporting period.

1H 2014 OVERVIEW

$106.9 million invested in direct yielding investments[1]

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

ABG

- Global brand development and trademark licensing business with a diverse portfolio of iconic customer brands
- Second lien term loan with a 9% annual cash interest coupon (L+8.0%, 1% L Floor and 1.0% OID)
- NB Thesis:
  - Contracts structured to provide guaranteed minimum royalties
  - High margin / low capex
  - Diversified portfolio of brands

ConvergeOne

- Leading independent provider of communication solutions, managed services and third party technology
- Second lien term loan with a 9% annual cash interest coupon (L+8.0%, 1% L Floor and 1.0% OID)
- NB Thesis:
  - Strong free cash flow and reasonable leverage
  - Strong market position with value added services
  - High maintenance and managed services revenue with strong renewal rates

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

FLEXERA SOFTWARE

- Provider of application usage management software allowing publishers and buyers to track, monitor and manage application usage of software programs
- Second lien term loan with an 8% annual cash interest coupon (L+7.0%, 1% L Floor and 0.5% OID)
- NB Thesis:
  - Attractive business model and recurring revenue
  - High market share and strong value proposition
  - Diverse blue chip customer base

GALCO INDUSTRIAL ELECTRONICS

- Galco is a wholesale distributor of electrical components to industrial and commercial end markets
- Senior subordinate notes with 12% cash and PIK yield (10.75% cash, 1.25% PIK, 1.5% OID) and equity
- NB Thesis:
  - Strong cash flow profile and attractive historical growth
  - End market and customer diversity
  - High value add distributor with operational efficiency

Healthcare Credit: Second Lien Term Loan (Biotherapeutics A)

- 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

Note: Company descriptions exclude a specialty drug pharmaceutical company which was invested in and realized in January 2014.
1. Excludes $4.6 million of follow-on investments.

1H 2014 OVERVIEW

$106.9 million invested in direct yielding investments[1]

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

Healthcare Credit: Sr. Secured Term Loan & Convertible Notes (Biotherapeutics B)

- Biopharmaceutical company focused on the treatment of rare diseases
- Senior secured term loan (L+10% cash, 1% L Floor, 1% OID) and convertible notes with a 4.5% cash coupon, equity & warrants
- NB Thesis:
  - Steady build of early stage R&D pipeline of drugs
  - Substantial collateral value relative to debt principal
  - Potential upside through financing structure

Healthcare Credit: Convertible Notes (Specialty Pharmaceuticals)

- Specialty pharmaceuticals company that focuses on obesity and sexual health
- Contractual fixed cash interest rate of 4.5%
- NB Thesis:
  - Attractive entry price during a period of turbulence for the company
  - Numerous patent protections on two key products
  - Strong downside protection

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 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
  - Line of sight on promising assets for acquisition

Healthcare Credit: Second Lien (Contract Research Organization)

- Contract research organization focused on specialized services for pharmaceutical trials
- Second lien (L+8.25%, 1% L Floor, 1% OID)
- NB Thesis:
  - Deep relationships with pharmaceutical and CRO companies; high retention rate of clinical trials
  - Business model with strong EBITDA margins, high cash flow and low capex
  - Attractive industry dynamics / overall R&D spend

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

Ortholite®

- Provider of high-performance insoles and related shoe components to large branded footwear companies
- Senior subordinate notes with 11.8% cash yield (11.75% cash, 1.5% OID) and equity
- NB Thesis:
  - High value product and leading provider
  - Low leverage and significant equity cushion
  - Attractive financial profile and strong growth

OnDeck

- Portfolio of short term loans to small businesses in the US originated through a direct lending platform
- NB Thesis:
  - Attractive return profile and opportunity to participate in growing disintermediated bank lending

Note: Company descriptions exclude a specialty drug pharmaceutical company which was invested in and realized in January 2014.
1. Excludes $4.6 million of follow-on investments.

1H 2014 OVERVIEW

$36.2 million invested in equity co-investments[1]

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

- DM Healthcare is the largest private healthcare operator in the Middle East
- NB Thesis:
  - Leading provider in the region across multi-geography and multi-vertical operations
  - Significant growth opportunities
  - Attractive valuation

- 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

- Leading building materials company in Latin America that manufactures, distributes and commercializes tiles, faucets, paints, plasters and other building materials
- NB Thesis:
  - Strong brand recognition and significant player in the space
  - Fragmented industry poised for consolidation
  - Access to emerging Latin America market
  - Vertically integrated company

- Distributor and manufacturer of Rx protective eyewear products
- NB Thesis:
  - Attractive diverse business model and high free cash flow driven by EBITDA and limited capital expenditures
  - Strong acquisition opportunities with several potential add-on targets identified
  - High quality management team with long tenure of working together

- 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

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

1. Excludes $7.8 million of follow-on investments.

1H 2014 OVERVIEW

$36.2 million invested in equity co-investments[1]

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

MBI Energy Services

- Diversified provider of energy services including fluid management and well intervention services
- NB Thesis:
  - Attractive valuation with substantial asset value
  - High cash flow characteristics; capex related to growth
  - Highly aligned management team

Oil and Gas Exploration Company

- North American exploration and production energy company
- NB Thesis:
  - Attractive acreage position with expansion opportunities
  - Strong management team and financial sponsor

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 and sticky customer base
  - Industry consolidation opportunity

Stratus Technologies

- Stratus provides fault tolerant high availability technology solutions which prevent downtime of mission-critical applications where downtime results in loss of revenue
- NB Thesis:
  - Longstanding blue chip customer base and high revenue visibility through recurring revenue
  - Large installed base of servers and software
  - Strong free cash flow, minimal capital expenditures and flexible capital structure to pursue strategic acquisitions

1. Excludes $7.8 million of follow-on investments.

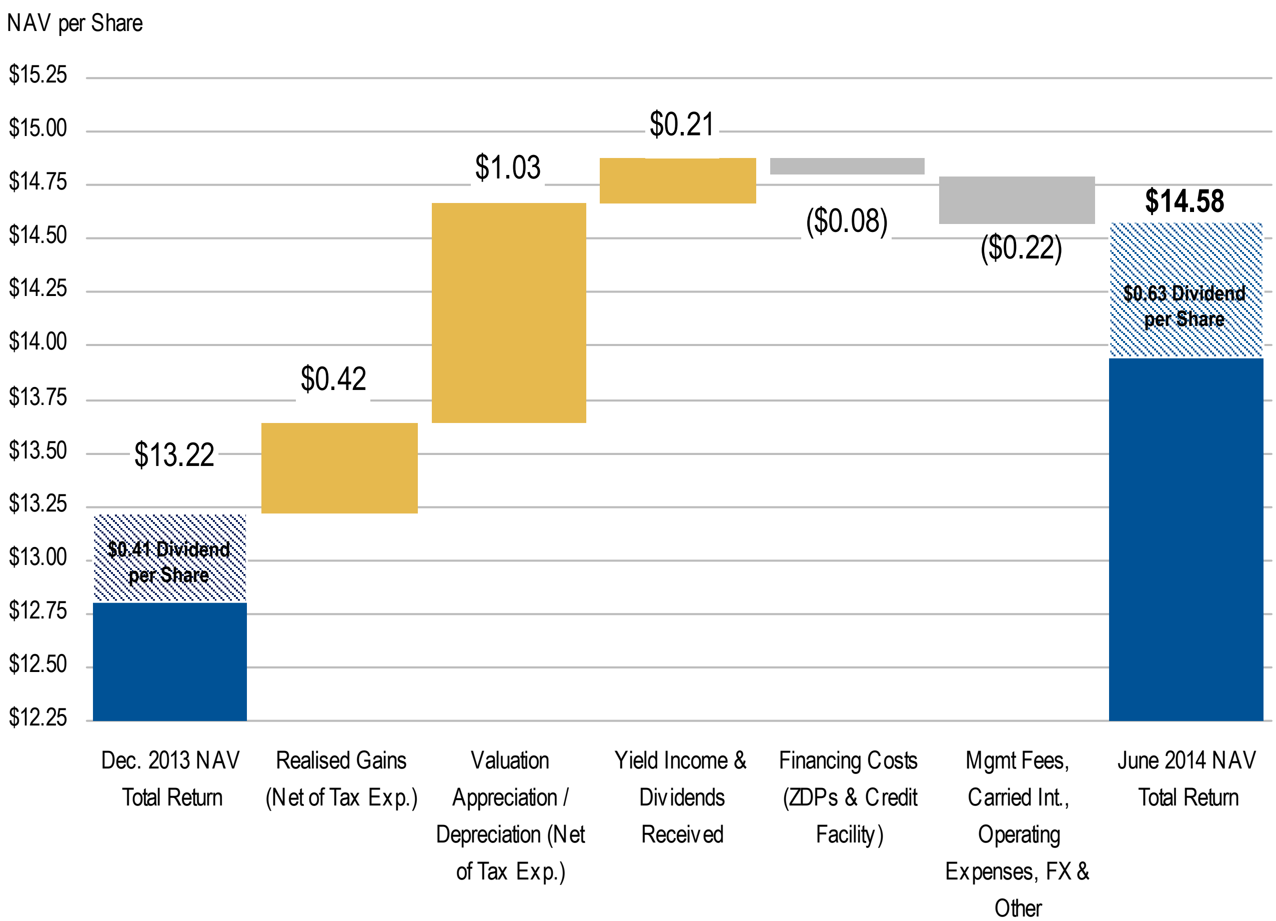
1H 2014 OVERVIEW

INVESTMENT RESULTS

During the first six months of 2014, including the Company's semi-annual dividends, the NAV per Share total return was 10.6%. Including the impact of the dividend payment, NBPE's NAV per Share increased 8.9%, 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 by 13.5%, net of underlying fees and expenses.

Key changes to NBPE's NAV per Share:

- $20.5 million of realised gains, or $0.42 per Share, net of tax expense
- $50.5 million of unrealised gains, or $1.03 per Share, net of tax expense
- $10.3 million of yield income and dividends, or $0.21 per Share
- $15.0 million of operating expenses and other expenses, or $0.31 per Share
- $10.7 million of dividends paid, or $0.22 per Share



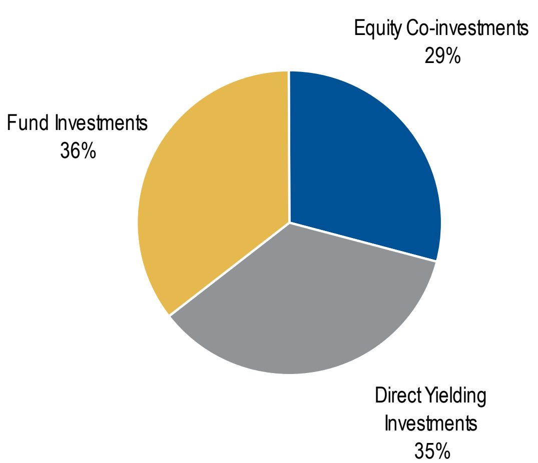
Note: Numbers may not sum due to rounding.

PORTFOLIO OVERVIEW

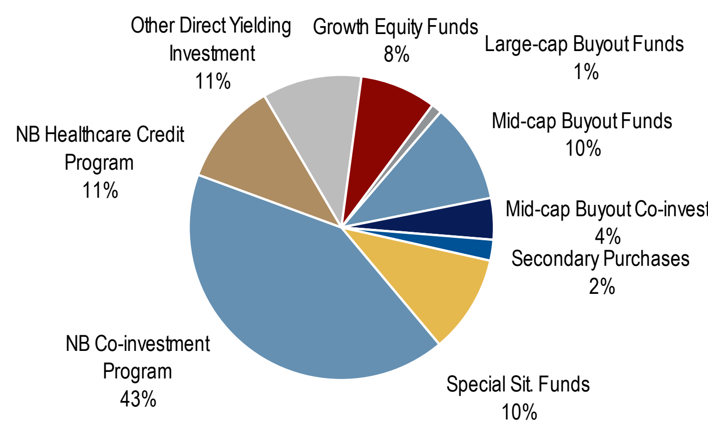
NBPE's portfolio is comprised of three investment types: direct-yielding investments, which consist of corporate private debt and healthcare credit investments, equity co-investments and fund investments. Equity co-investments and direct-yielding investments are a majority of the portfolio and represent approximately 64% 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	50	$225.7m	$87.5m	$313.2m
Direct-Yielding Investments	34	$275.0m	$41.1m	$316.1m
Fund Investments	39	$275.6m	$61.0m	$336.6m
Total Private Equity Investments	**123**	**$776.3m**	**$189.6m**	**$965.9m**

Portfolio Diversification by Fair Value



Unfunded Commitments Diversification[1]

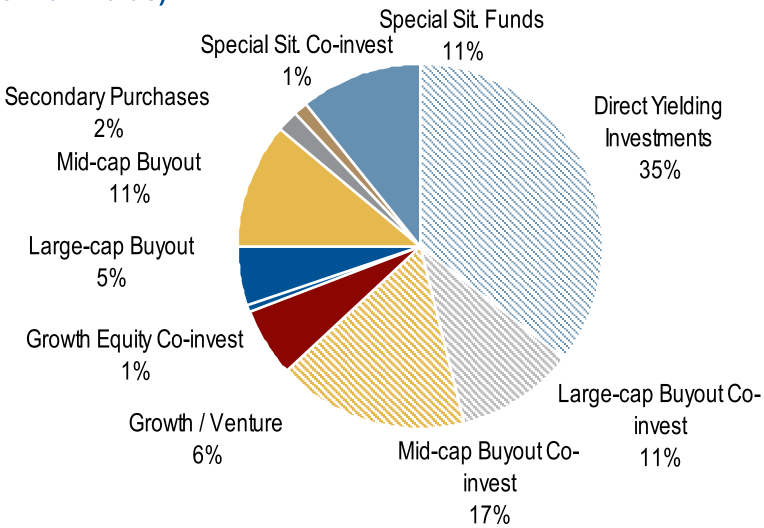


Note: Numbers may not sum due to rounding.
1. $29.3 million of unfunded commitments are to funds past their investment period. Please refer to page 30 for more information on unfunded commitments to funds past their investment period.

PORTFOLIO DIVERSIFICATION

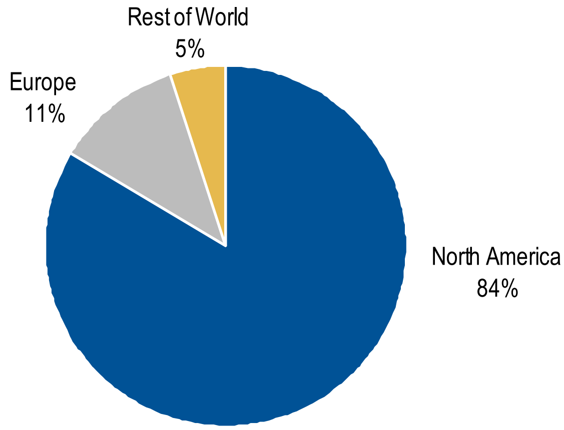
PORTFOLIO ANALYSIS

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

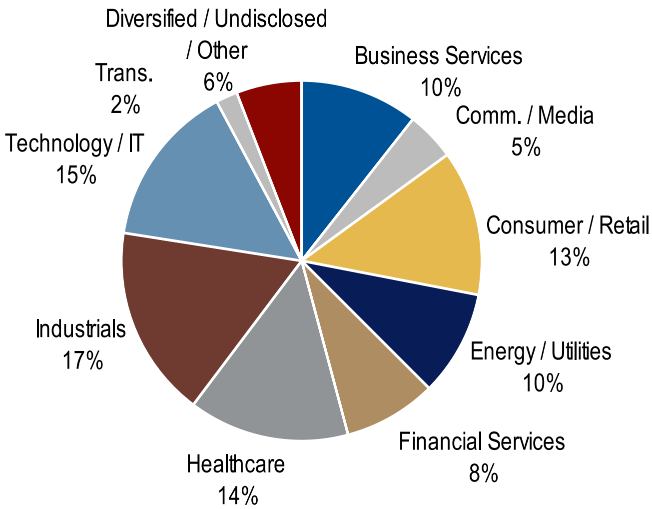


Portfolio Diversification

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 34% 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.

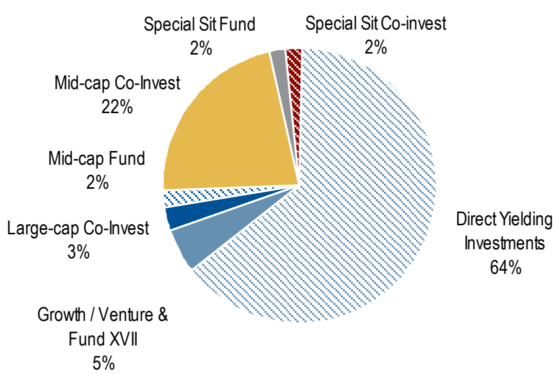
Note: Numbers may not sum due to rounding.

PORTFOLIO ANALYSIS

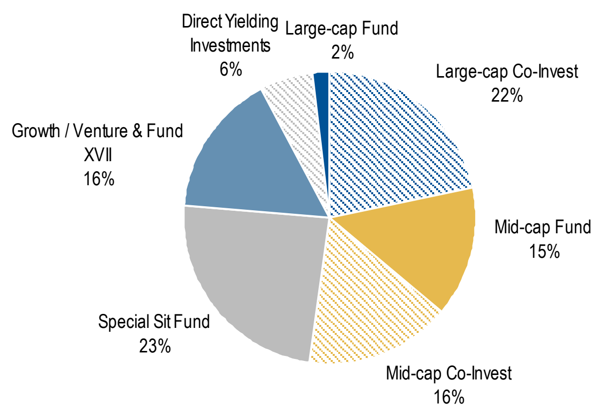
Recent capital deployment is primarily concentrated in direct / co-investments (% of Fair Value)

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.

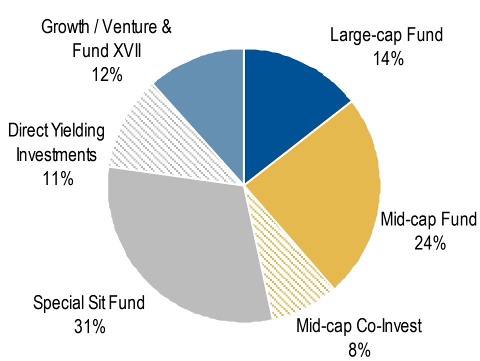
2012 - YTD 2014 (51% of Fair Value)



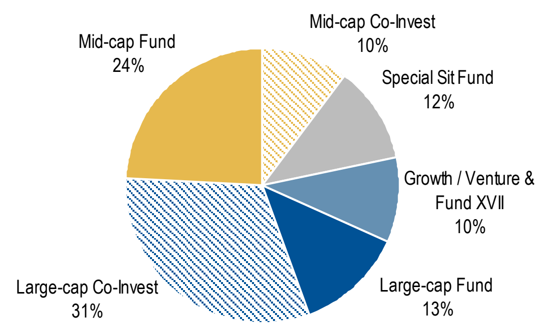
2010 & 2011 (17% of Fair Value)



2008 & 2009 (16% of Fair Value)



2007 & Earlier (16% of Fair Value)



Note: Numbers may not sum due to rounding. Based on private equity fair value as of 30 June 2014.

PORTFOLIO ANALYSIS

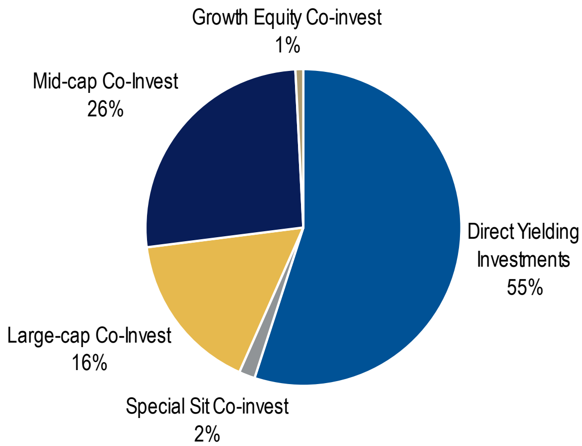
Equity co-investment and direct-yielding investments portfolio diversification

As of 30 June 2014, the private equity fair value of the direct investment portfolio, consisting of equity co-investments and direct yielding investments, was $500.7 million. Approximately $225.7 and $275.0 million was held in equity co-investments and direct yielding investments, respectively. Within the direct investment portfolio, over 55% of the fair value is invested in direct yielding investments and 26% 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.

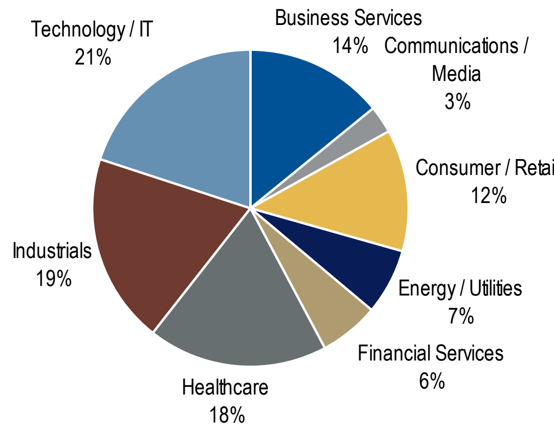
Approximately 81% of the direct investment fair value is in investments made since the beginning of 2011, which demonstrates the young age of the portfolio. The Manager continues to be selective in making new investments and believes NBPE has built an attractive portfolio of direct private equity investments.

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.

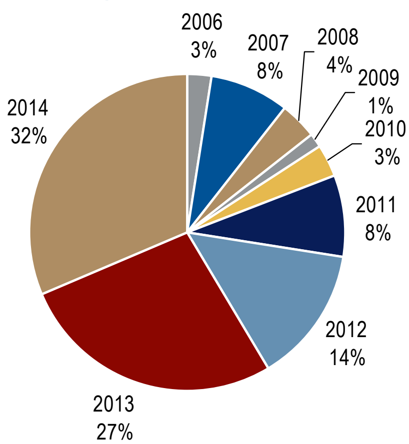
Fair Value by Asset Class



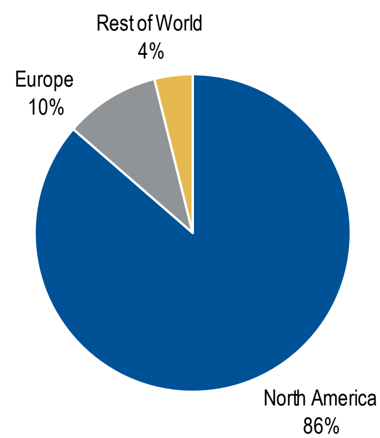
Fair Value by Industry



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



Fair Value by Geography



TWENTY LARGEST INVESTMENTS

PORTFOLIO ANALYSIS

The top 20 companies below represent 49% of NAV and $331 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
Authentic Brands Group Brand development and trademark licensing	Private	2014	**Direct-Yielding** 2nd Lien Debt	Leonard Green Partners
Blue Coat Systems Business application optimization	Private	2012 / 2013	**Equity Co-investment & Direct-Yielding**	Thoma Bravo
Biotherapeutics Company A Therapies for critically ill patients	Private	2014	**Direct-Yielding** 2nd Lien Debt	Madison Dearborn
Capsugel Hard capsules / drug delivery systems	Private	2011	**Equity Co-investment** Large-cap Buyout	KKR
ConvergeOne Provider of communication solutions	Private	2014	**Direct-Yielding** 2nd Lien Debt	Clearlake Capital
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
Heartland Dental Dental administrative services	Private	2012	**Direct-Yielding** 2nd Lien Debt	N/A
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
Ortholite Provider of high-performance insoles	Private	2014	**Direct-Yielding** Senior Sub. Notes	Blue Point Capital Partners
Patheon Manufacturing services for prescription drugs	Private	2014	**Equity Co-investment** Mid-cap Buyout	JLL Partners
RAC Limited UK motor and breakdown assistance services	Private	2011	**Equity Co-investment** Large-cap Buyout	Carlyle
Specialty Pharmaceutical Company Specialty PCP and Pediatric Pharmaceuticals	Private	2014	**Direct-Yielding** Senior Secured Debt	N/A
Sabre Holdings Technology solutions for global travel	Public	2007	**Equity Co-investment** Large-cap Buyout	TPG / Silver Lake
The SI Organization High end systems engineering	Private	2010	**Equity Co-investment** Mid-cap Buyout	Veritas Capital

PORTFOLIO ANALYSIS

50 Equity co-investments with $225.7 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

Equity Co-investments ($ in millions)	Principal Geography	Vintage Year	Description	Fair Value
Mid-cap Buyout, Special Situations and Growth Equity				
American Dental Partners, Inc.	U.S.	2012	Dental practice management services	
Aster DM Healthcare	Middle East / India	2014	Healthcare operator of hospitals, clinics and pharmacies	
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	
Corona Industrial	South America	2014	Building materials company	
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	
Hilsinger	U.S. / U.K. / Australia	2014	Supplier of eye wear and eye care accessories	
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	
MBI Energy	U.S.	2014	Oil field services company in Bakken region of North Dakota	
Oil & Gas Exploration Company	U.S.	2014	E&P company in the U.S.	
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	
Stratus Technologies	U.S.	2014	Techology solutions that prevent downtime of critical applications	
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				**$133.1**
Large-cap Buyout				
Acteon Group Ltd.	Europe	2012	Products & services to offshore energy sector	
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	Commercial 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				**$92.6**
Total Equity Co-investments				**$225.7**

Note: Numbers may not sum due to rounding.

PORTFOLIO ANALYSIS

34 direct-yielding investments in corporate private debt and healthcare credits with a total fair value of $275.0 million

On a run rate basis, the investments in the direct-yielding portfolio generate cash and PIK income of $25.9 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 9.2%.[1] The weighted average total leverage and senior leverage is 5.5x and 3.6x, respectively.[2] Approximately 74% 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 10.2%.[1] No individual company within the direct yielding portfolio represents more than 3.5% of NBPE's net asset value.

During the first six months of 2014, NBPE received $31.4 million in distributions as a result of full exits from direct yielding investments, with an average uplift of 10%.

Direct-Yielding Investment Portfolio[1,4,5]

INVESTMENT NAME	SECURITY DETAILS	INVESTMENT DATE	FAIR VALUE[1]	CASH + PIK COUPON	CASH YIELD	PIK YIELD	EST. YIELD TO MATURITY
Corporate Private Debt Investments							
Converge One	Second Lien (L+8.0%, 1% L Floor, 1.0% OID)	Jun-14	-	9.0%	9.0%	-	-
Authentic Brands	Second Lien (L+8.0%, 1% L Floor, 1.0% OID)	Jun-14	-	9.0%	9.0%	-	-
Galco Industrial Electronics	Sr. Sub Notes (10.75% Cash, 1.25% PIK, 1.5% OID) & Equity	May-14	-	12.0%	10.8%	1.3%	-
Ortholite	Sr. Sub Notes (11.75% Cash, 1.5% OID) & Equity	Apr-14	-	11.8%	11.8%	-	-
Portfolio of small business loans	Portfolio of Small Business Loans	Apr-14	-	N/A	N/A	N/A	N/A
Flexera	Second Lien (L+7.0%, 1% L Floor, 0.5% OID)	Apr-14	-	8.0%	8.0%	-	-
LANDesk	Second Lien (L+7.25%, 1% L Floor, 1% OID)	Mar-14	-	8.3%	8.3%	-	-
Evoqua	Second Lien (L+7.5%, 1% L Floor, 0.5% OID)	Jan-14	-	8.5%	8.5%	-	-
Taylor Precision Products	Sr. Sub Notes (13% Cash, 1.5% OID)	Nov-13	-	13.0%	13.0%	-	-
P2 Energy Solutions	Second Lien (L+8.00% Cash, 1.0% L Floor, 1% OID)	Nov-13	-	9.0%	9.0%	-	-
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%	-	-
KIK Custom Products	Second Lien (L+8.25% Cash, 1.25% L Floor, 2% OID)	May-13	-	9.5%	9.5%	-	-
Heartland Dental	Second Lien (L+8.5% Cash, 1.25% L Floor, 1.5% OID)	Jan-13	-	9.8%	9.8%	-	-
Firth Rixson 2012 PIK Notes	Sr. Unsecured PIK (19% PIK, 3.0% OID)	Dec-12	-	19.0%	-	19.0%	-
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%	-
Firth Rixson 2011 PIK Notes	Sr. Unsecured PIK (18% PIK)	Nov-11	-	18.0%	-	18.0%	-
Firth Rixson Mezzanine	Second Lien (L+11%: 4.5%/6.5% Cash/PIK @99.0) & Equity	May-08	-	11.3%	4.8%	6.5%	-
Total Corporate Private Debt Investments			**$221.5**	**10.3%**	**9.2%**	**1.1%**	**11.2%**
Healthcare Credit Investments							
Term Loan (Biotherapeutics B)	Senior Secured Loan (First Lien, L+10.0% cash, 1% L Floor, 1% OID)	Jun-14	-	11.0%	11.0%	-	-
Convertible Notes (Biotherapeutics B)	Convertible Notes (4.5% Cash), Equity & Warrants	Jun-14	-	4.5%	4.5%	-	-
Convertible Notes (Specialty Pharmaceuticals)	Convertible Notes (4.5% Cash)	Mar-14	-	4.5%	4.5%	-	-
Term Loan (Contract Research Organization)	Second Lien (L+8.25%, 1% L Floor, 1% OID)	Mar-14	-	9.3%	9.3%	-	-
Term Loan (Biotherapeutics A)	Second Lien (L+7.75%, 1% L Floor, 1% OID)	Feb-14	-	8.8%	8.8%	-	-
Term Loan (Specialty PCP and Pediatric Pharmaceuticals)	Senior Secured Loan (First Lien, 8% cash 0.75% fee)	Feb-14	-	8.0%	8.0%	-	-
Term Loan (Medical Diagnostics)	Senior Secured Loan (10.5% Cash)	Jan-14	-	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 (Skin Products Company)	Senior Secured Loan (First Lien, 10.5% Cash, 1.5% Fee)	Jul-13	-	10.5%	10.5%	-	-
Term Loan (Genetic Testing)	Senior Secured Loan (First Lien, 10% Cash, 1% Fee)	Jun-13	-	10.0%	10.0%	-	-
Term Loan (Cardiac Device)	Senior Secured Loan (First Lien, 13.5% Cash, 1.5% OID, 1% Fee)	Feb-13	-	13.5%	13.5%	-	-
Royalty Notes (Internal Medication)	Royalty Backed Note	Jan-13	-	11.0%	11.0%	-	-
Term Loan (PCR)	Senior Secured Loan (First Lien, 10% Cash, 1% Fee)	Aug-12	-	-	-	-	-
Royalty Notes (Medication Delivery)	Royalty Backed Note	Feb-12	-	-	-	-	-
Royalty Notes (Hormone Therapy)	Royalty Backed Note	Apr-11	-	17.0%	17.0%	-	-
Total Healthcare Credit Investments			**$53.5**	**10.2%**	**10.2%**	**-**	**10.6%**
Total Direct Yielding Portfolio			**$275.0**	**10.3%**	**9.4%**	**0.9%**	**11.1%**

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.
5. Includes a portfolio of small business loans ($2.5m of fair value) at an interest rate at least at the rate stated above but not included in the yield calculation.

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 Commitment[1]	Total Exposure
Special Situations					
Catalyst Fund III	Canada	2009	$11.8	$5.1	$16.9
Centerbridge Credit Partners	U.S.	2008	1.7	-	1.7
CVI Global Value Fund	Global	2006	6.8	0.8	7.5
OCM Opportunities Fund VIIb	U.S.	2008	7.0	3.0	10.0
Oaktree Opportunities Fund VIII	U.S.	2009	8.6	-	8.6
Platinum Equity Capital Partners II	U.S.	2007	13.8	3.6	17.5
Prospect Harbor Credit Partners	U.S.	2007	0.4	-	0.4
Sankaty Credit Opportunities III	U.S.	2007	11.6	-	11.6
Strategic Value Special Situations Fund	Global	2010	0.4	0.0	0.4
Strategic Value Global Opportunities Fund I-A	Global	2010	0.6	0.1	0.7
Sun Capital Partners V	U.S.	2007	8.2	1.5	9.7
Wayzata Opportunities Fund II	U.S.	2007	6.9	4.0	10.9
Wayzata Opportunities Fund II (Secondary)	U.S.	2011	3.6	1.5	5.1
Total Special Situations Funds			**$81.5**	**$19.6**	**$101.1**
Mid-cap Buyout					
American Capital Equity II	U.S.	2007	2.9	1.2	4.1
Aquiline Financial Services Fund	U.S.	2005	4.2	-	4.2
ArcLight Energy Partners Fund IV	U.S.	2007	7.0	4.6	11.6
Avista Capital Partners	U.S.	2006	10.6	0.7	11.2
Clessidra Capital Partners	Europe	2004	1.3	0.1	1.4
Corsair III Financial Services Capital Partners	Global	2007	6.2	1.1	7.3
Highstar Capital II	U.S.	2004	2.8	0.1	2.9
Investitori Associati III	Europe	2000	0.2	0.5	0.7
Lightyear Fund II	U.S.	2006	4.2	1.4	5.6
OCM Principal Opportunities Fund IV	U.S.	2006	10.1	2.0	12.1
Trident IV	U.S.	2007	3.1	0.6	3.7
Total Mid-cap Buyout Funds			**$52.7**	**$12.3**	**$65.0**
Large-cap Buyout					
Carlyle Europe Partners II	Europe	2003	3.6	0.8	4.3
Doughty Hanson & Co IV	Europe	2003	2.7	0.1	2.9
First Reserve Fund XI	U.S.	2006	15.2	-	15.2
J.C. Flowers II	Global	2006	3.0	0.3	3.3
Total Large-cap Buyout Funds			**$24.5**	**$1.2**	**$25.7**
Growth Equity					
Bertram Growth Capital I	U.S.	2007	8.9	1.3	10.2
Bertram Growth Capital II	U.S.	2010	5.7	4.2	9.9
DBAG Expansion Capital Fund	Europe	2012	0.5	4.8	5.3
NG Capital Partners	Peru	2010	6.5	0.3	6.8
Summit Partners Europe Private Equity Fund	Europe	2010	3.0	2.2	5.2
Total Growth Equity Funds			**$24.7**	**$12.7**	**$37.5**
Fund of Funds Investments					
NB Crossroads Fund XVII	U.S.	2002-06	25.9	2.1	28.0
NB Crossroads Fund XVIII Large-cap Buyout	Global	2005-10	11.1	2.2	13.3
NB Crossroads Fund XVIII Mid-cap Buyout	Global	2005-10	30.9	7.1	38.0
NB Crossroads Fund XVIII Special Situations	Global	2005-10	6.2	0.9	7.1
NB Crossroads Fund XVIII Venture Capital	U.S.	2005-10	11.1	1.7	12.7
NB Fund of Funds Secondary 2009	Global	2009-10	7.0	1.1	8.2
Total Fund of Funds			**$92.2**	**$15.1**	**$107.4**
Total Fund Investments			**$275.6**	**$61.0**	**$336.6**

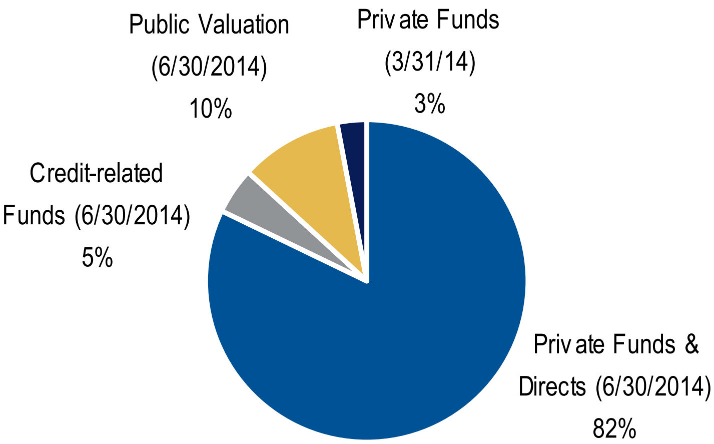
Note: Numbers may not sum due to rounding.

1. *$29.3 million of unfunded commitments are to funds past their investment period. Please refer to page 30 for more information on unfunded commitments to funds past their investment period.*

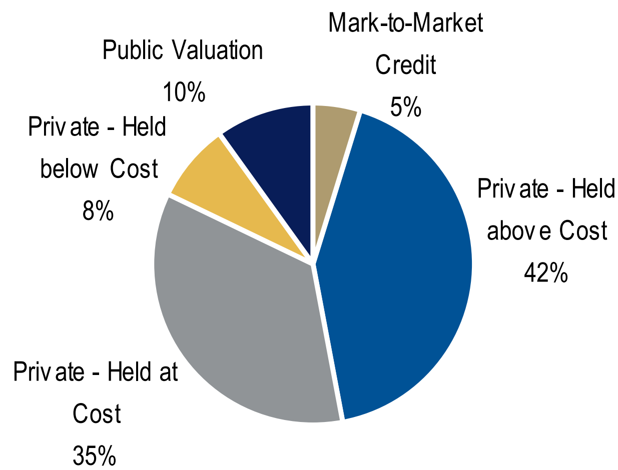
PORTFOLIO VALUATION[1]

PORTFOLIO ANALYSIS

By Date of Information & Valuation Type (% of Fair Value)[1]



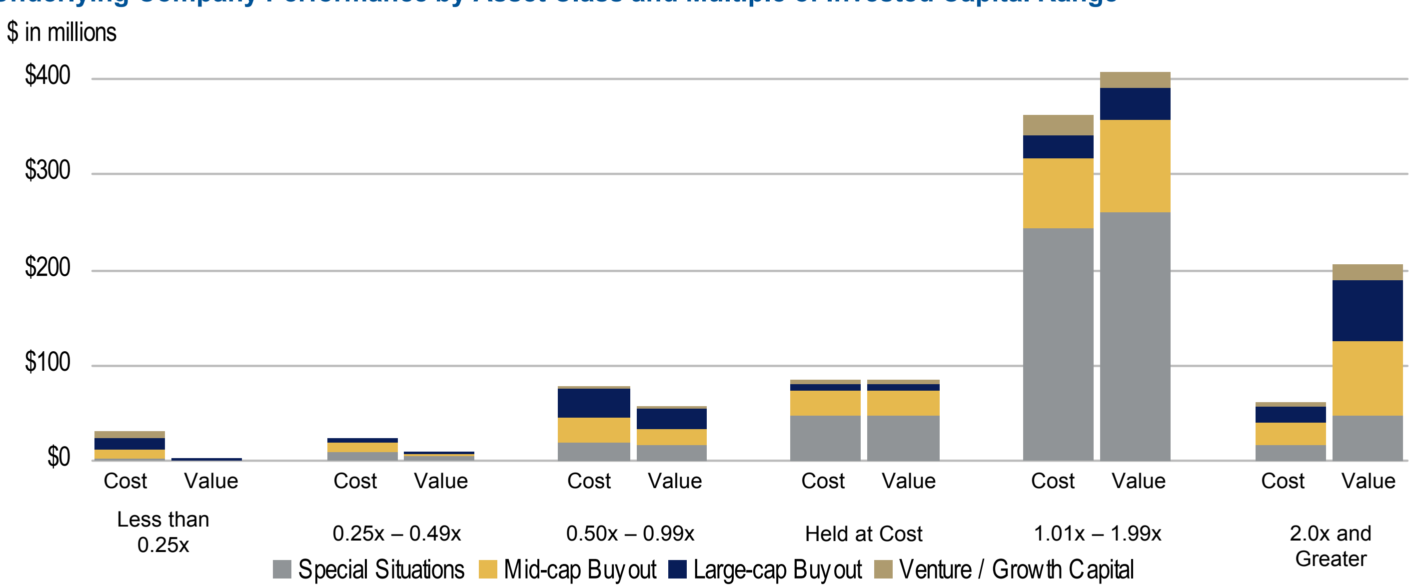
Valuation Method (% of Fair Value)



The NAV per Share of $13.95 was $0.42 higher than previously reported in the June Monthly NAV estimate, principally due to the receipt of additional valuation information after 10 July 2014, the publication date of the June Monthly NAV estimate.[2] As of 30 June 2014, approximately 10% of fair value was held in public securities. The top five public stock exposures are listed below as a percentage of fair value:

- Sabre Holdings Corporation (NASDAQ: SABR): 3.9% of fair value
- Freescale Semiconductor (NYSE: FSL): 0.9% of fair value
- Commscope (NASDAQ: COMM): 0.6% of fair value
- Enable Midstream Partners (NYSE: ENBL): 0.3% of fair value
- Cobalt International Energy (NYSE: CIE): 0.3% of fair value

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



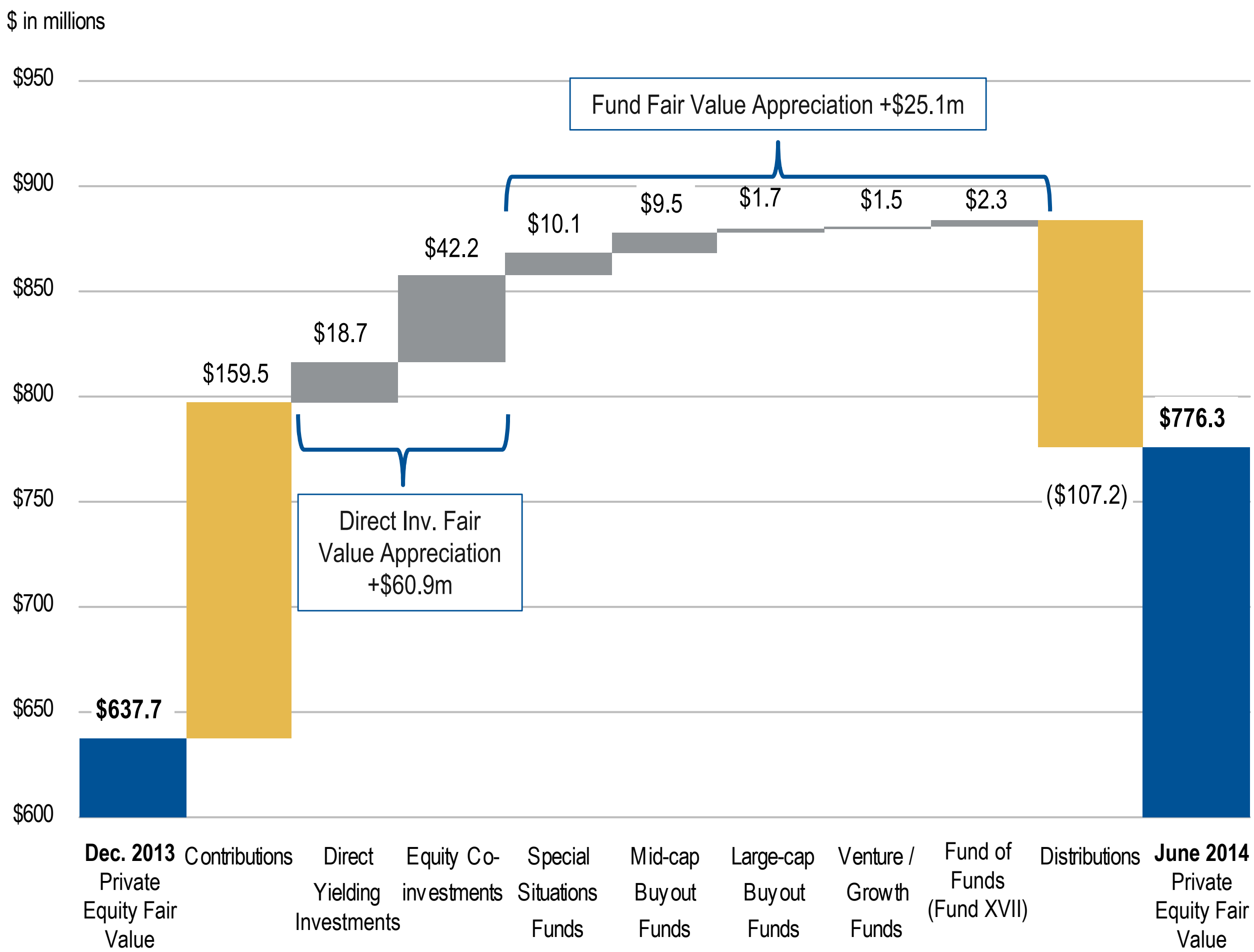
1. Please refer to page 65 for a detailed description of the valuation policy. While some information is as of 31 March 2014, the Manager's analysis and historical experience lead the Manager to believe that this approximates fair value at 30 June 2014.
2. As reported in the monthly NAV estimate the percent of private equity fair value was held: 37% in Private Funds & Directs, 4% in Credit-related Funds and 10% in publics as of 30 June 2014, 2% in Private Funds & Directs as of 31 May 2014, and 47% in Private Funds & Directs as of 31 March 2014.

PERFORMANCE ANALYSIS

PERFORMANCE OVERVIEW

During the first six months 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 $16.2 million to NBPE during the first six months of 2014. NBPE also received approximately $32.3 million of distributions consisting of cash interest, principal repayment and equity proceeds from corporate debt investments. Excluding investment cash flows, during the first six months of 2014, appreciation in NBPE's private equity fair value was 13.5%, driven by:

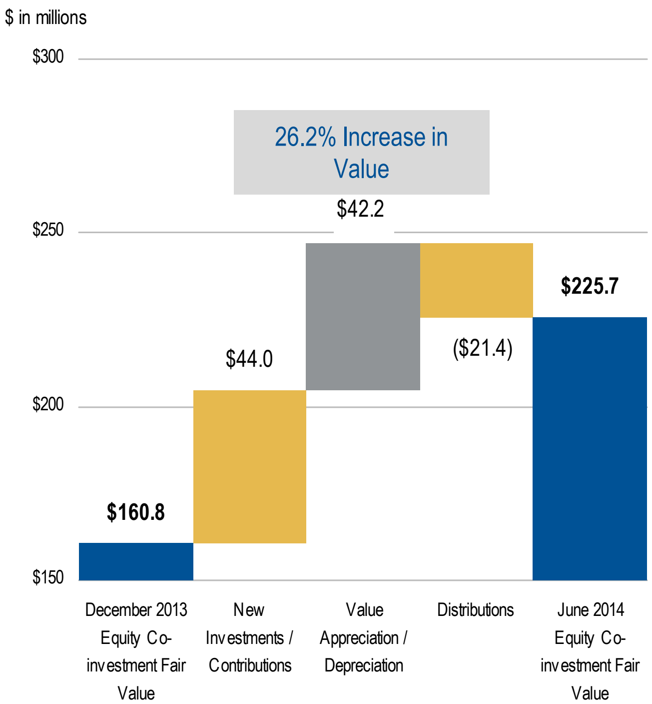
- 26.2% increase in the value of the equity co-investment portfolio fair value
- 10.1% increase in the value of the direct yielding investment portfolio fair value
- 8.6% increase in the value of the fund portfolio fair value



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

$44.0 million of new and follow-on equity co-investment activity and a 26.2% increase in value during the first six months of 2014



Equity Co-investment portfolio

During the first six months of 2014, NBPE participated in ten new equity co-investments in the industrials, technology, energy, consumer products and healthcare industries.

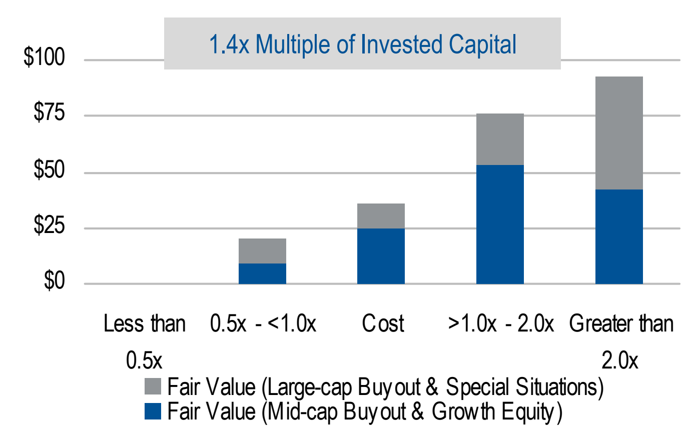
The portfolio appreciated in value by $42.2 million during the first six months of 2014, due mainly to write-ups of several equity co-investments, offset by declines in certain other investments. The top five investments appreciated by $28.2 million and represented approximately 67% of the overall increase in the portfolio. Strong performance was driven by the write-up of a 2007 vintage co-investment based on an announced sale transaction and the IPO of a 2007 large-cap equity co-investment which occurred in April 2014.

NBPE received approximately $21.4 million in distributions during the first six months of 2014 which included proceeds from the sale of one 2013 vintage co-investment and proceeds from the expiration of insurance industry loss warranties.

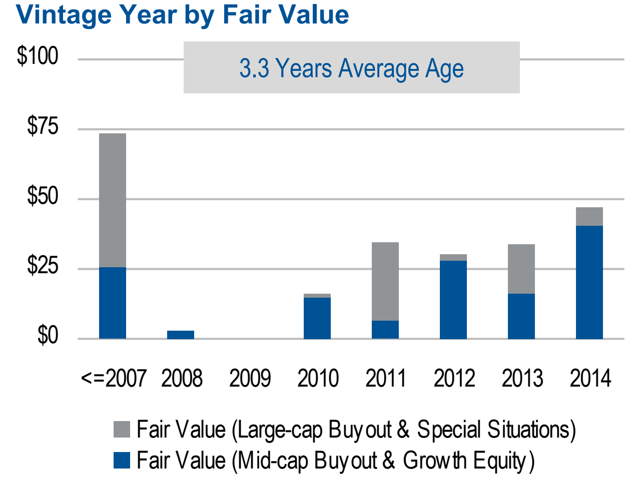
The investment multiple range by fair value shows the dispersion of value within the equity co-investment portfolio. The majority of the private equity fair value is currently held above cost and only approximately 9% of private equity fair value was held below cost.

The average age of the equity co-investments was 3.3 years and approximately 72% of the fair value was due to investments made in 2010 or after.

Investment Multiple Range by Fair Value



Vintage Year by Fair Value

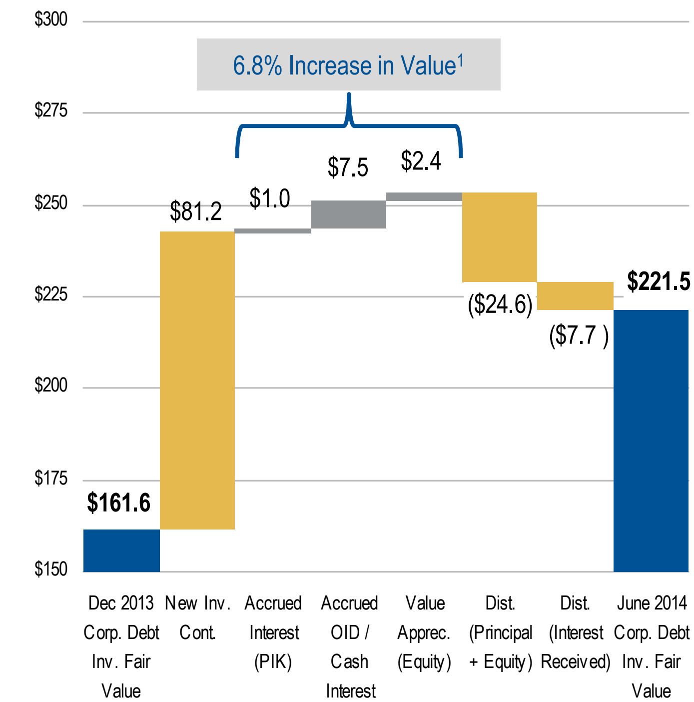


Note: Numbers may not sum due to rounding.

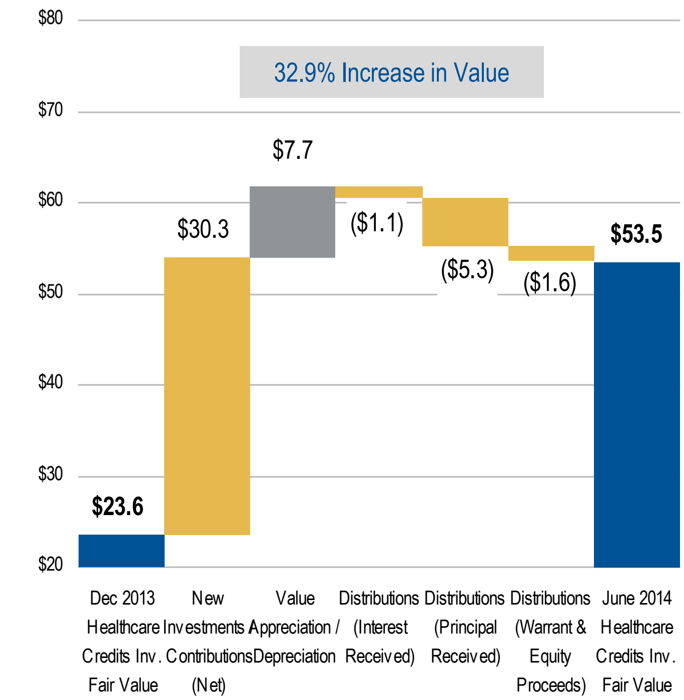
PERFORMANCE ANALYSIS

6.8% and 32.9% increase in the value of corporate private debt and healthcare credit investments, respectively. Run-rate cash income was $23.7 million as of 30 June 2014

Corporate Private Debt[1]



Healthcare Credit Investments



Corporate Private Debt Investment Portfolio

During the first six months of 2014, NBPE funded approximately $81.2 million to eight 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 19 corporate private debt investments, consisting of mezzanine investments, term loans and 2nd-lien debt

- 10.3% cash & PIK yield / 9.2% cash yield
- $19.2 million of run-rate cash income
- 11.2% weighted average estimated yield to maturity
- 5.5x weighted average total leverage
- 3.6x weighted average senior leverage[2]
- 74% of value invested in floating rate debt[3]

Healthcare Credit Investment Portfolio

During the first six months of 2014, NBPE participated in seven healthcare credit investments. The seven investments were in senior secured term loans, second lien debt, convertible notes, equity and warrants. In the first six months of 2014, the portfolio increased in value by $7.7 million, driven by write-ups in two healthcare credit investments.

NBPE received approximately $8.0 million in distributions consisting of cash interest, principal repayments and warrant proceeds during the first six months of 2014. During the first six months of 2014, two healthcare credit investments were sold.

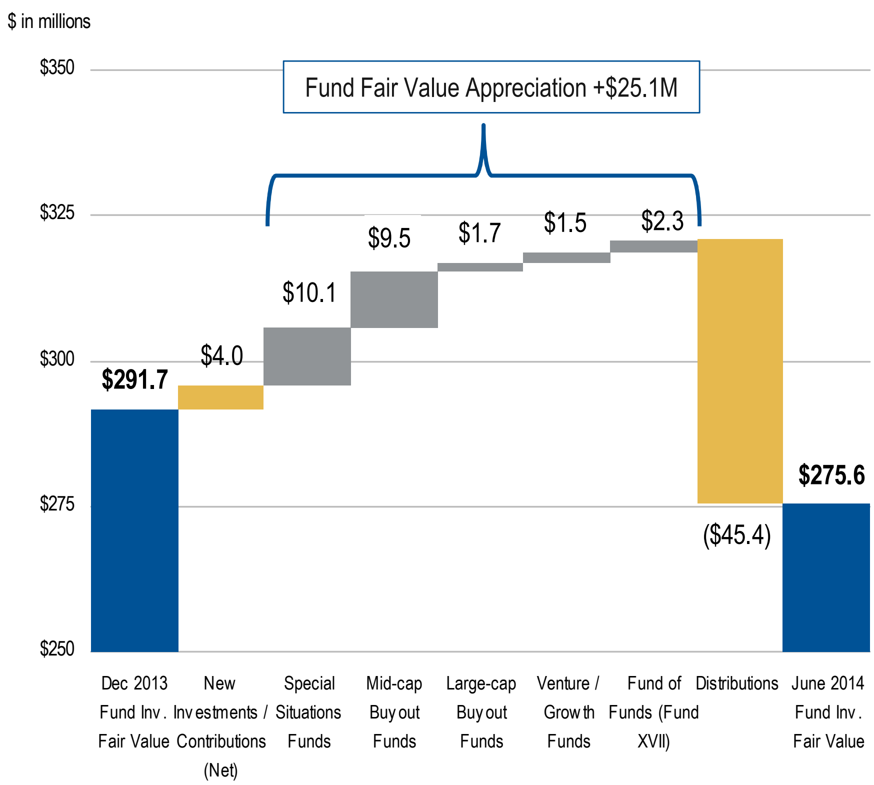
This portfolio includes 12 healthcare credits and three royalty backed notes

- 10.2% cash yield
- $4.5 million of run-rate cash income
- 10.6% 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

8.6% appreciation in value of 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 healthy economic environment, strong governance and resulting robust operating performance.

During the first six months of 2014, NBPE received $45.4 million of distributions from fund investments, including approximately $19.2 million from mid-cap buyout funds, of which $7.5 million was from a single mid-cap buyout fund as a result of the sales of two underlying companies. In addition, NBPE received $16.2 million from special situations funds.

Excluding investment cash flow activity, during the first six months of 2014, the top 10 fund value drivers had a combined fair value appreciation of $18.6 million, or 13.5%. The top ten negative drivers had a combined depreciation in fair value of $1.6 million, or down 5.6%. The remaining 19 funds had a combined fair value appreciation of $8.3 million, or 6.7%.

Note: Numbers may not sum due to rounding.

BUYOUT PORTFOLIO

Buyout Realizations

During the first six months of 2014, NBPE received $45.2 million from buyout funds (including buyout fund of funds commitments) and equity co-investments. The Investment Manager analysed $38.3 million of this amount. $28.2 million of these distributions was the result of sales with an average uplift of 24.0%, relative to the carrying value the quarter end prior to the announcement of the transaction, $1.8 million was the result of dividends and recapitalisations and $8.3 million was the result of partial sales and secondary offerings.

Buyout Company Analysis

In connection with our portfolio monitoring process, the Investment Manager analysed the operational performance and valuation metrics for the 50 largest buyout investments (including co-investments) based upon fair value at 30 June 2014. There are 38 companies valued on traditional buyout metrics and 12 companies valued on other metrics.

Traditional Buyout Investments

- Traditional buyout investments that were valued based on a multiple of cash flow (total enterprise value as a multiple of EBITDA)
    - 38 companies with approximately $162.7 million of fair value, representing 21% of private equity fair value and 48% of buyout fair value
- Summary Metrics for the traditional buyout investments:
    - Weighted average valuation multiple of 10.5x LTM EBITDA
    - Weighted average leverage multiple of 4.9x LTM EBITDA
    - Weighted average LTM revenue growth of 16.4%[2]
    - Weighted average LTM EBITDA growth of 16.4%[2]

Other Buyout Investments

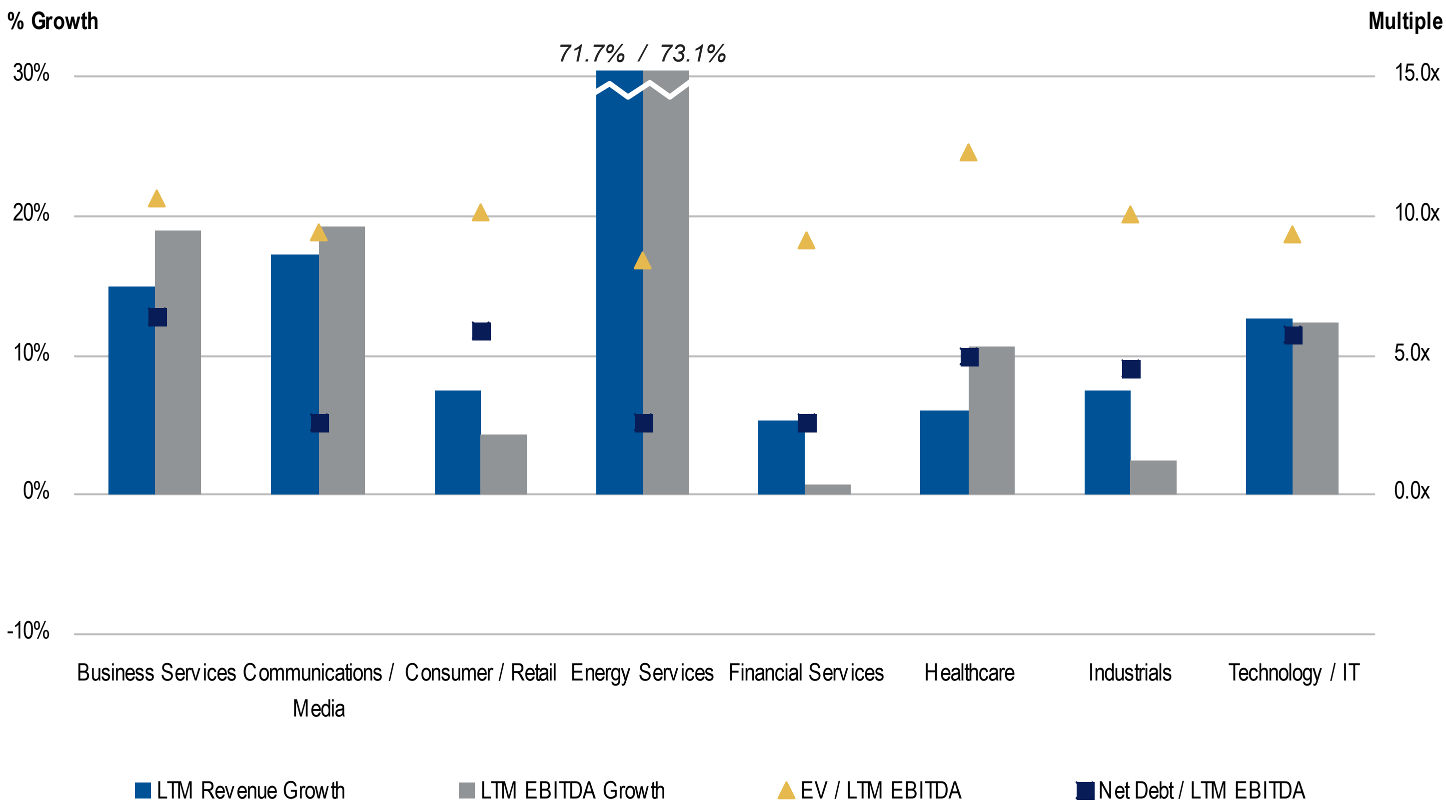
- Power generation and utility companies, financial institutions and publicly traded companies
    - 12 companies with approximately $74.4 million of fair value, representing 10% of private equity fair value and 22% of buyout fair value
- Two privately held financial institutions, representing $6.4 million of fair value. The two privately held financial institutions grew book value by 2.8% over the last twelve months and were valued at 1.3x book value on a weighted average basis
- Two power generation and utility companies and three E&P companies ($22.4 million of fair value) were valued based on a variety of metrics, including price per kilowatt hour of generation capacity and dollars per acre, respectively
- Five publicly traded companies ($45.6 million of fair value) generated a weighted average total return of 23% during 2014[3]

1. *Portfolio company operating and valuation metrics are based on most recently available information (unaudited). Private equity fair value as of 30 June 2014. Numbers may not sum due to rounding.*
2. *One business services company excludes the revenue and EBITDA attributable to an add-on acquisition.*
3. *Includes two IPOs that occurred during 2014. Performance is based on the time of the IPO to 30 June 2014.*

Traditional Buyout Companies[1]

The figure below illustrates the key operating, valuation, and leverage statistics for the largest traditional buyout investments based on fair value by industry sector. In conducting the analysis, NBPE's Investment Manager utilized the most recently available information (as of 30 June 2014 and 31 March 2014) to evaluate the year-over-year growth in revenue and EBITDA for each company. In addition, NBPE's Investment Manager analyzed the most recently available valuation multiple (enterprise value to LTM EBITDA) and leverage multiple (net debt to LTM EBITDA) for each company. The aggregate metrics by industry sector represent weighted averages based on the fair value of each underlying company at 30 June 2014.

Operating Performance, Valuation and Leverage by Sector



Fair Value ($mm):	**$24.2**	**$6.8**	**$23.0**	**$18.1**	**$7.2**	**$33.0**	**$33.3**	**$17.1**
# of Companies:	**6**	**2**	**6**	**5**	**2**	**7**	**7**	**3**

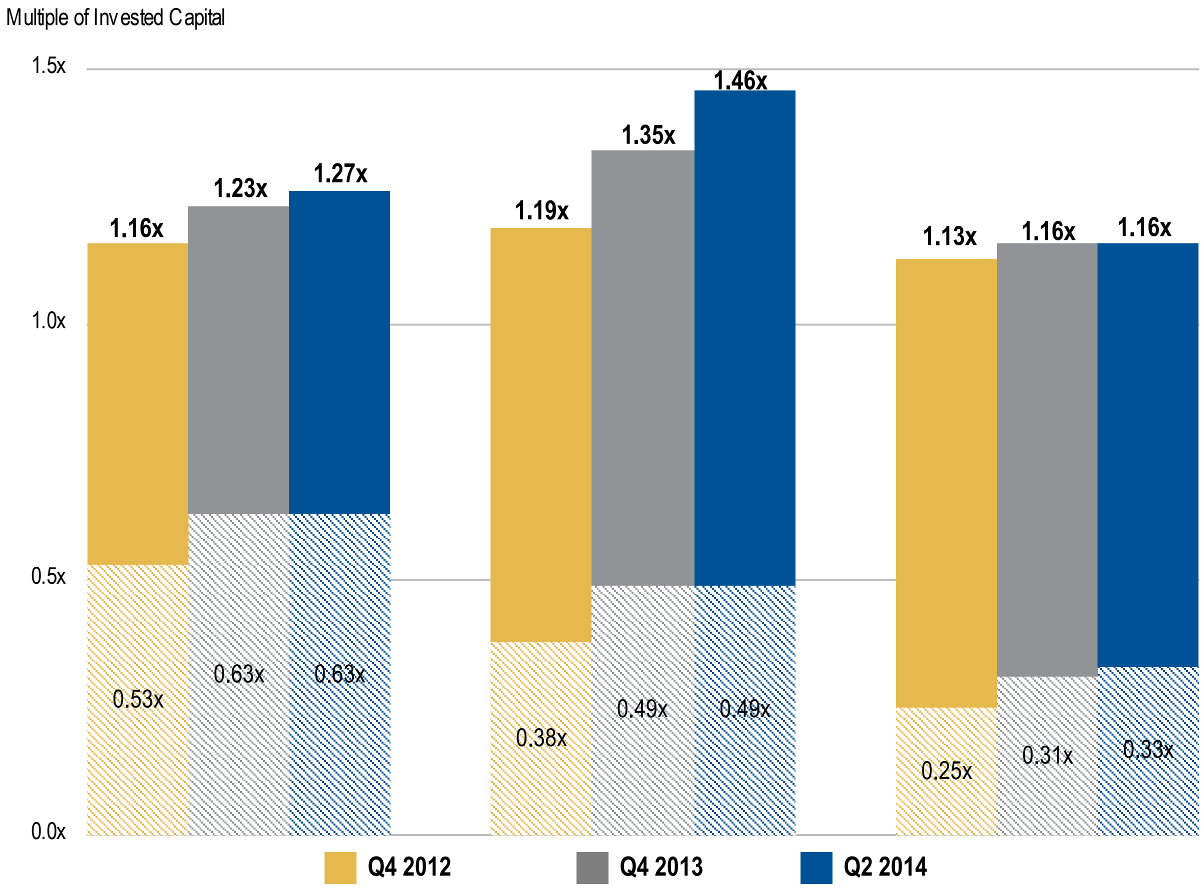
1. *Portfolio company operating and valuation metrics are based on most recently available information. Private equity fair value as of 30 June 2014. Numbers may not sum due to rounding. One business services company excludes the revenue and EBITDA attributable to an add-on acquisition.*

PERFORMANCE SINCE INCEPTION[1]

PERFORMANCE ANALYSIS

The Manager believes NBPE has generated strong performance since inception and a significant amount of invested capital has been returned to the Company 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 1.27x gross TVPI multiple. During the first six months of 2014, the portfolio increased in value; however, 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 $678.7 million across the portfolio. The equity co-investments are held at a 1.46x gross TVPI multiple and NBPE has received total distributions of $114.4 million, or 49% of paid-in capital, through sales, recapitalizations and dividends. As of 30 June 2014, the direct yielding investments were held at a 1.16x gross TVPI multiple and NBPE has received total distributions of $109.2 million, or 33% of paid-in capital, through sales, cash interest and principal repayments.



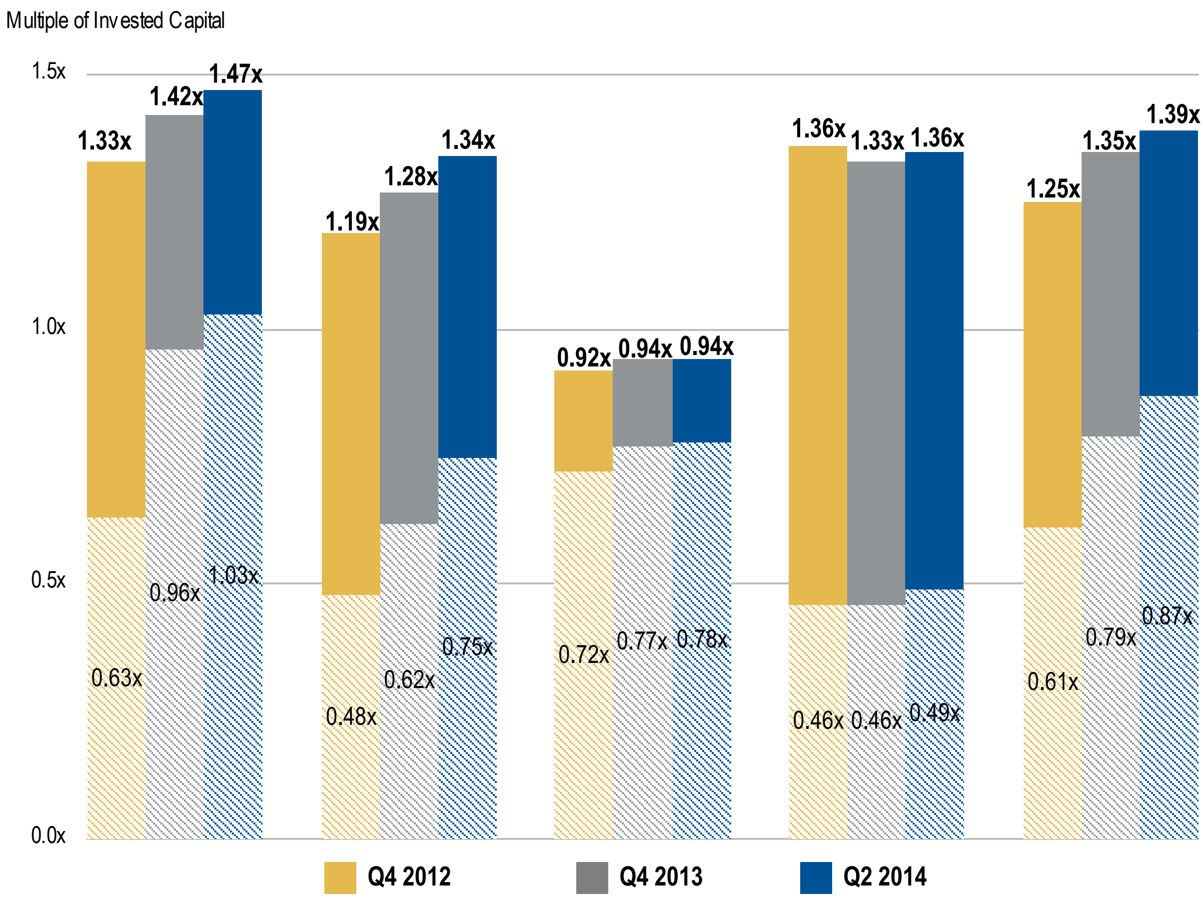
	Total Portfolio	Equity Co-investments	Direct Yielding Investments
Fair Value at 30 June 2014	$776.3m	$225.7m	$275.0m
Cash Distributions received since Inception	$678.7m	$114.4m	$109.2m

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 1.47x. NBPE has received cash distributions of approximately $204.2 million, or 103% 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 1.34x and NBPE has received approximately $113.9 million in distributions, or 75% 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 30 June 2014	$87.7m	$90.6m	$35.6m	$35.8m	$25.9m
Cash Distributions since Inception	$204.2m	$113.9m	$73.4m	$20.4m	$43.3m

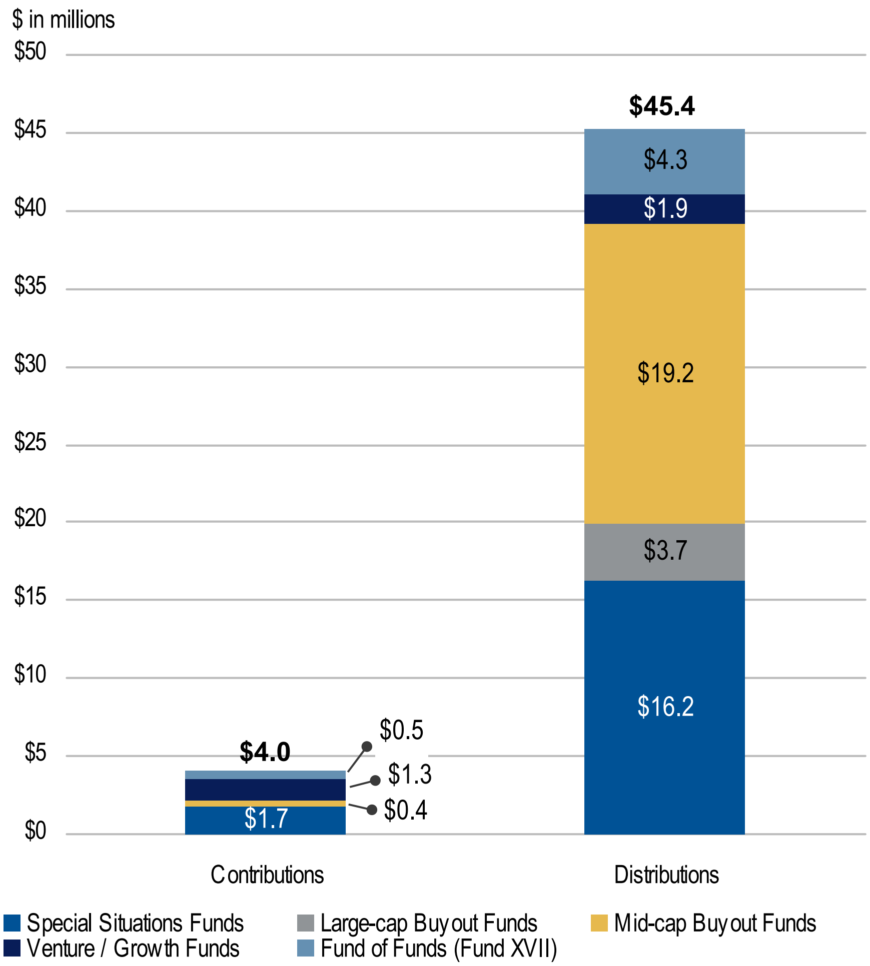
1. Dashed bars represent distributed to paid in capital. Total distributions exclude Strategic Asset Sale proceeds of $100.5 million. NBPE's performance related to the commitment to NB Crossroads Fund XVIII is presented within each respective fund asset class. Numbers may not sum due to rounding.

PERFORMANCE ANALYSIS

Liquidity events and IPO activity during the first six months of 2014

- Within NBPE's portfolio, 150 companies completed liquidity events, leading to $107.2 million of distributions to NBPE
- 25 companies in NBPE's portfolio, representing $38.8 million of unrealized value, completed IPOs during the first six months 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 six months of 2014.
  - Sabre Holdings Corporation (NASDAQ: SABR) – NBPE (co-investment), NB Crossroads Fund XVII, and NB Crossroads Fund XVIII
  - Callidus Capital, Inc. (TSE: CBL) – NBPE (Catalyst III)
  - Applus Servicios Tecnologicos, S.L. (BME: APPS) – NBPE (Carlyle Europe II), NB Crossroads Fund XVII, and NB Crossroads Fund XVIII
  - Enable Midstream Partners LP (NYSE: ENBL) – NBPE (Arclight IV)
  - GazTransport & Technigaz (EPA: GTT) - NBPE (co-investment) and NB Crossroads Fund XVIII

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 $1.3 million to Venture / Growth funds during the first six months of 2014.

NBPE received $16.2 million in distributions from special situations funds during the first six months of 2014. NBPE also received $22.9 million from buyout funds as managers focus on harvesting portfolio companies and returning cash.

During the first six months of 2014, the largest fund distributions were received from NB Crossroads Fund XVII, Lightyear Capital Fund II, Sankaty Credit Opp. III, Wayzata Opp. Fund 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.

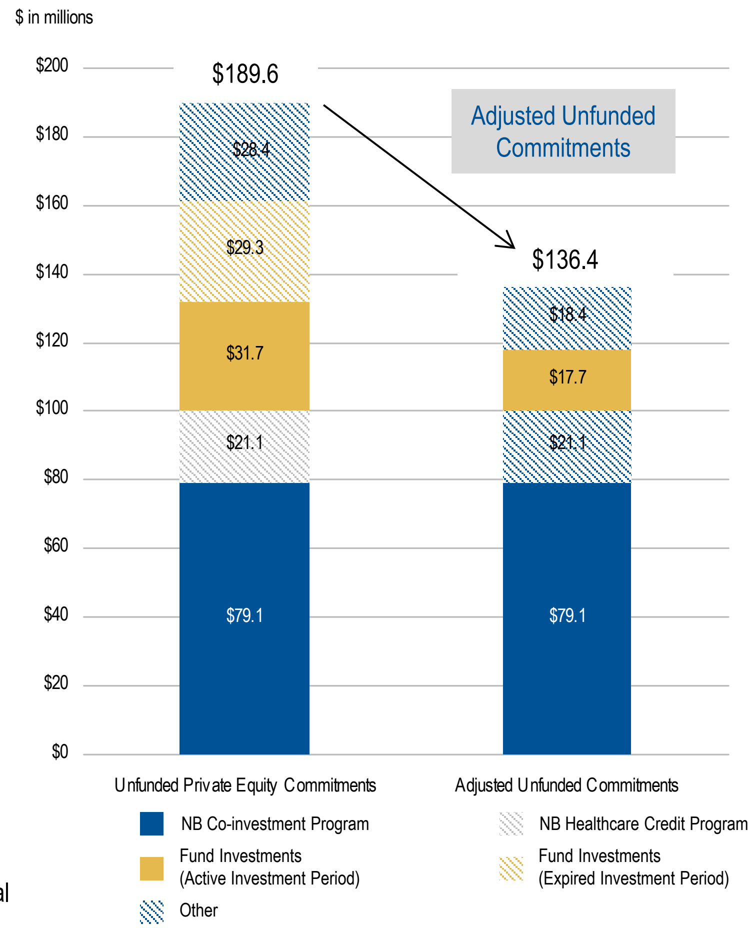
UNFUNDED COMMITMENTS

Favorable capital position for new investments

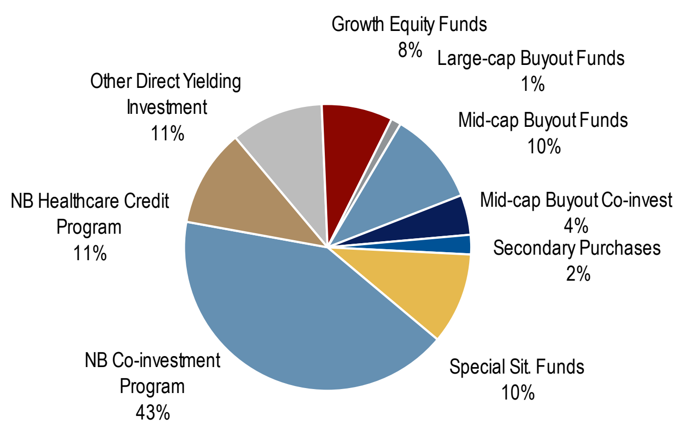
As of 30 June 2014, NBPE's unfunded commitments were approximately $189.6 million. Approximately $79.1 million and $21.1 million were unfunded commitments to the NB Alternatives Co-investment and Healthcare Credit Programs, respectively. Approximately $14.0 million of unfunded commitments were to fund of funds managed by NB Alternatives and $47.0 million of unfunded commitments were to third party direct funds. Within the fund portfolio, $29.3 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. However, some amount may be called 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 25% of the unfunded commitments were to the fund portfolio, with large unfunded commitments to special situations and mid-cap buyout funds. However, approximately 74% and 62% of unfunded commitments to these asset classes, respectively, were to funds past their investment period. Approximately 7% of the unfunded commitments were to growth equity funds; capital deployment by underlying managers within this asset class is typically prolonged.

The Manager analysed the unfunded commitments on an adjusted basis. Unfunded commitments were adjusted lower by removing unfunded commitments past their investment period, unfunded commitments to fund of funds managed by NB Alternatives and the unfunded commitment to one investment in the direct yielding category where we do not expect net capital drawn to exceed ~40% of the original commitment due to daily paybacks. Following these adjustments, the unfunded commitments would be $136.4 million. On an adjusted basis this would correspond to excess capital resources of $59.4 million and a commitment coverage ratio of 144%.



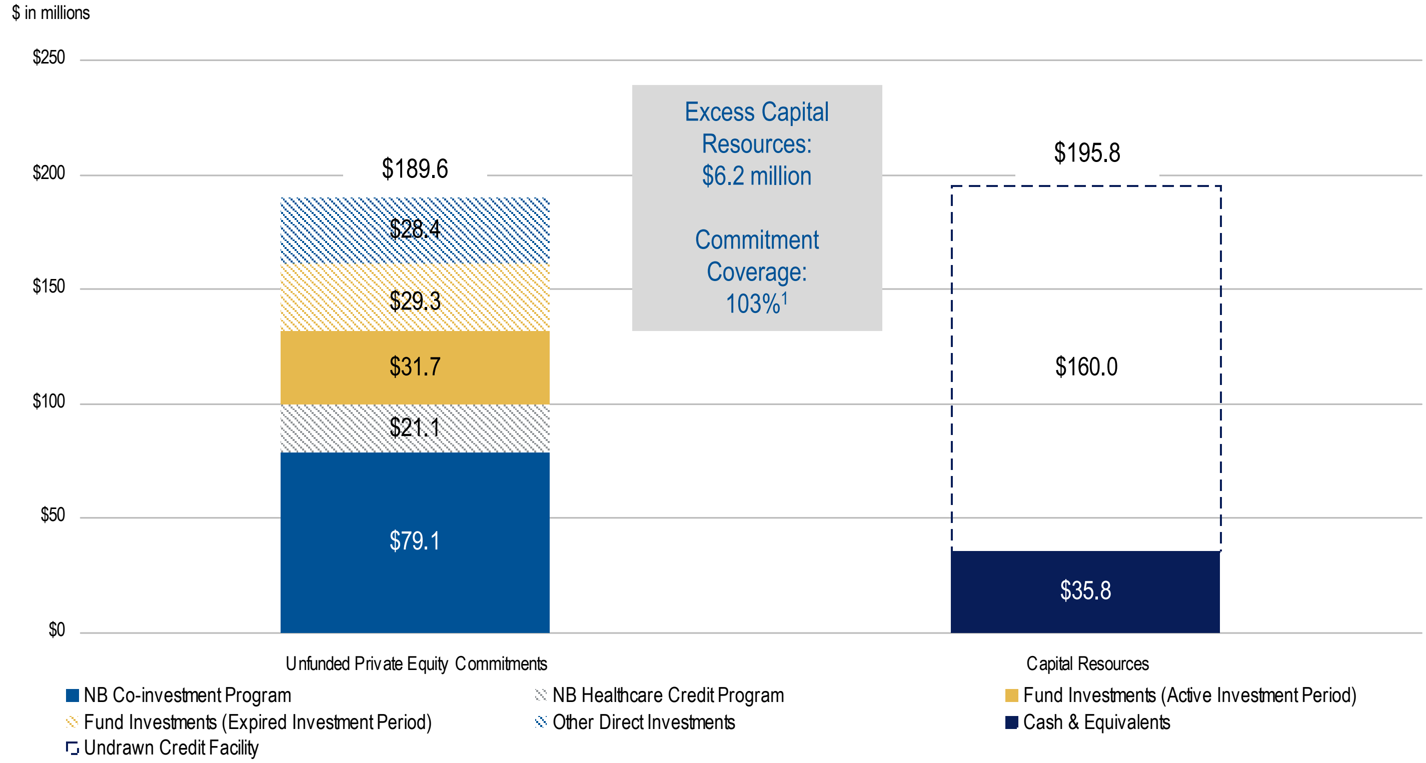
54% of our unfunded commitments are to the NB Alternatives Co-investment and NB Healthcare Credit Programs



Note: Numbers may not sum due to rounding.

LIQUIDITY & CAPITAL RESOURCES

Excess capital resources of $6.2 million and $40 million of outstanding borrowings on NBPE's $200 million credit facility as of 30 June 2014[1]



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 30 June 2014, the debt to value ratio was 7.1%.

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 30 June 2014, the secured asset ratio was 9.9%.

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 30 June 2014, the commitment ratio was 109.7%.

Note: Numbers may not sum due to rounding.
1. On an adjusted basis, the unfunded commitments would be $136.4 million, excess capital resources would be $59.4 million and the commitment coverage ratio would be 144%. *See page 30 for detail on the adjustments to unfunded commitments.*

MARKET COMMENTARY

During the first six months 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 6.1% during the first six months of 2014 versus gains of approximately 12.6% during the first six months of 2013. After a slow first quarter of 2014, global equity markets and emerging markets rebounded with the MSCI World Index increasing by 5.0% and the MSCI Emerging Markets Index increasing by 4.8% during the first six months of 2014. While US equity markets outperformed bond markets, the Barclays Capital US Aggregate Investment Grade index increased by approximately 3.2% and the Barclays Capital US High Yield Index increased approximately 5.5%, benefitting from low inflation and a decline in interest rates.[1]

As anticipated, the Federal Reserve continued tapering its asset purchases during the latter part of the first six months. Bond purchases were tapered another $10 billion, down to a pace of $35 billion per month by the end of the first half of the year. While policy continued to remain accommodative in the first six months of 2014, the staggered decline in asset purchases is likely a signal to investors that the Federal Reserve may be moving closer to an exit.[2]

Following a sharp decline in US GDP growth during the first quarter of the year, growth in the second quarter increased significantly. According to the US Bureau of Economic Analysis, the advanced estimate of second quarter GDP showed an increase at an annual rate of 4.0%. This was well-above consensus expectations of 2.9%. Even as many parts of the world experienced heightened uncertainty, US economic and business fundamentals appeared strong. Both the ISM Manufacturing and Non-Manufacturing indices posted healthy results in the second quarter and S&P 500 earnings for the second quarter also showed strong results. Non-farm payrolls exceeded expectations in June and the prior two months were revised higher. However, despite the strong performance during the second quarter, full year numbers may be worse than anticipated, given the contraction during the first quarter of 2014.[2]

In June, in an effort to keep the European recovery on track, the European Central Bank unveiled a package of easing measures with the goal of combatting disinflationary trends, following a flash estimate of Eurozone CPI growth of 0.5% year over year. The ECB's actions likely exceeded investors expectations as European equities and sovereign bonds rallied on the news. However, even despite the aggressive additional stimulus, the euro did not move much lower versus the dollar following the announcement. Over time, the accommodative policy of the ECB should be positive for Eurozone risk assets and limit the euro from strengthening against the dollar.[2]

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. 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 first six months of 2014.

U.S. leveraged buyout volume was $47.6 billion in the second quarter of 2014, up approximately 14% versus the first quarter of the year. For the first six months of 2014, U.S. leveraged buyout volume was $89.2 billion, versus $68.5 billion during the same period in 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 six months of 2014.

LBO valuations remained elevated. Average purchase price multiples rose to 9.6x EBITDA, up from 8.8x EBITDA in 2013. Equity contributions as a percentage of the capital structure increased to 36.7% during the second quarter of 2014 from 35.6% in 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 the second quarter of 2014 were 44.2%, or 20.4% 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 favourable 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 UK, France, and Germany were the most active countries by total LBO volume and the average purchase price multiple for all LBOs was 10.0x EBITDA in the first six months of 2014.[4] While multiples remained elevated, the Manager believes the executed transactions involved stable businesses with healthy cash flows which generally demand a higher valuation. Smaller transactions (under €250 million) represented the majority of transactions with approximately 60% of buyout volume during the first six months of 2014.

1. *Source: Neuberger Berman Investment Strategy Group and CapitalIQ.*
2. *Source: Neuberger Berman Investment Strategy Group.*
3. *S&P Q2 2014 U.S. Leveraged Buyout Review.*
4. *S&P Q2 2014 European Leveraged Buyout Review.*

MARKET COMMENTARY

Debt Markets

The loan and high yield markets remained strong in Q2 2014 as investors seeking yield continued to allocate capital to income-oriented strategies. Private equity managers continue to be very active in the credit markets, and the number of LBO transactions has increased significantly to the highest level since 2007 with 41 announced deals in Q2 2014 and 77 year to date in 2014. The average leverage for U.S. buyout transactions remains high at 5.7x in Q2 2014 levels, which is in line with Q1 2014. Equity contributions for mid-cap transactions have remained well north of 40% since 2008 and the average equity contribution was 44% in Q2 2014 demonstrating continued support from sponsors. Interest coverage levels also remain high, at or above 3x since 2012 and were 3.4x for Q2 2014. Default rates 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 June 2014 for U.S. second lien was 8.6%, as compared to 4.9% for U.S. high yield bonds, demonstrating the yield premium investors are compensated with for more illiquid investments.

Fundraising Environment

During the first six months of 2014, approximately $65.4 billion was raised in the U.S. buyout market, of which approximately $29.1 billion was raised by funds with a fund size under $2.5 billion.[1] Fundraising activity during the second quarter of 2014 was consistent with the first quarter of 2014 and appears to be on track to meet or exceed amounts raised during 2013. Amounts raised during the second quarter of 2014 by funds under $2.5 billion increased from $17.2 billion in the first quarter of 2014; the Manager believes this reflects an active private equity fundraising market. However, 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 six months of 2014, approximately $19.8 billion was raised in the buyout market, of which approximately $10.1 billion was raised by managers with a fund size under $2.5 billion.[1]

1. *Thomson Reuters through 30 June 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") 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 N.V. and RBS plc to JIL on 1 March 2012 and the Board of Directors has approved an extension of the Share Buyback Program until 30 November 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%

Statement of Responsibility

The principal risks and uncertainties of the Company remain unchanged from what was disclosed in the 2013 annual report. The Board's view is that these risks remain appropriate for the remainder of 2014.

We confirm that to the best of our knowledge:

- the financial statements have been prepared in conformity with U.S. generally accepted accounting principles, and give a true and fair view of the assets, liabilities, financial position and return of the Company included in consolidation as a whole as required by DTR 4.2.4R:;

- the Investment Manager's Report meets the requirements of an interim management report, and include a fair view of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Talmai Morgan
Director

John Hallam
Director

Date: 26 August 2014

INDEPENDENT REVIEW REPORT TO NB PRIVATE EQUITY PARTNERS LIMITED

Introduction

We have been engaged by NB Private Equity Partners Limited (the "Company") to review the consolidated financial statements (the "financial statements") of the Company together with its subsidiaries (together the "Group") included in the interim report for the six month period ended 30 June 2014 which comprises the consolidated balance sheet, consolidated condensed schedule of private equity investments, consolidated statement of operations and changes in net assets, consolidated statement of cash flows and the related explanatory notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the financial statements.

This report is made solely to the Company in accordance with the terms of our engagement letter dated 20 June 2014 to assist the Company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the DTR of the UK FCA.

The financial statements included in this interim report have been prepared in conformity with U.S generally accepted accounting principles.

Our responsibility

Our responsibility is to express to the Company a conclusion on the financial statements included in the interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT REVIEW REPORT TO NB PRIVATE EQUITY PARTNERS LIMITED

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements included in the interim report for the six month period ended 30 June 2014 do not give a true and fair view of the financial position of the Group as at 30 June 2014 and of its financial performance and its cash flows for the six month period then ended in conformity with U.S. generally accepted accounting principles and the DTR of the UK FCA.

Dermot A. Dempsey
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants
20 New Street
St. Peter Port
Guernsey

26 August 2014

CONSOLIDATED BALANCE SHEETS
30 JUNE 2014 AND 31 DECEMBER 2013

Assets	30 June 2014 (Unaudited)	31 December 2013 (Audited)
Private equity investments		
Cost of $629,644,045 at 30 June 2014 and $544,256,506 at 31 December 2013	$ 776,258,513	$ 637,732,849
Cash and cash equivalents	35,842,392	63,692,359
Distributions receivable from Investments	392,904	10,257,555
Other assets	4,629,282	3,117,312
Total assets	**$ 817,123,091**	**$ 714,800,075**
Liabilities		
Liabilities:		
Credit facility loans	$ 40,000,000	$ -
Zero dividend preference share liability	78,083,027	72,996,481
Payables to Investment Manager and affiliates	2,653,848	2,157,376
Carried interest payable	5,048,029	5,277,976
Accrued expenses and other liabilities	3,354,887	4,133,796
Net deferred tax liability	6,675,313	4,481,710
Total liabilities	**$ 135,815,104**	**$ 89,047,339**
Net assets		
Class A shares, $0.01 par value, 500,000,000 shares authorized, 51,940,972 shares issued, and 48,790,564 shares outstanding	$ 519,410	$ 519,410
Class B shares, $0.01 par value, 100,000 shares authorized, 10,000 shares issued and outstanding	100	100
Additional paid-in capital	525,157,490	525,157,490
Retained earnings	164,148,405	108,664,493
Less cost of treasury stock purchased (3,150,408 shares)	(9,248,460)	(9,248,460)
Total net assets of the controlling interest	**680,576,945**	**625,093,033**
Net assets of the non-controlling interest	731,042	659,703
Total net assets	**$ 681,307,987**	**$ 625,752,736**
Total liabilities and net assets	**$ 817,123,091**	**$ 714,800,075**
Net asset value per share for Class A and Class B shares	**$ 13.95**	**$ 12.81**
Net asset value per zero dividend preference share (Pence)	**138.15**	**133.40**

The accounts were approved by the board of directors on 26 August 2014 and signed on its behalf by

Talmai Morgan **John Hallam**

The accompanying notes are an integral part of the consolidated financial statements.
See accompanying independent review report.

CONSOLIDATED CONDENSED SCHEDULES OF PRIVATE EQUITY INVESTMENTS
30 JUNE 2014 AND 31 DECEMBER 2013

Private equity investments		Cost		Fair Value		Unfunded Commitment		Private Equity [3] Exposure
2014 (Unaudited)								
Fund investments	$	209,476,438	$	275,615,236	$	60,959,683	$	336,574,919
Direct co-investments-equity [1]		153,778,954		225,663,942		87,532,644		313,196,586
Direct co-investments-direct yielding [2]		266,388,653		274,979,335		41,145,837		316,125,172
	$	**629,644,045**	**$**	**776,258,513**	**$**	**189,638,164**	**$**	**965,896,677**
2013 (Audited)								
Fund investments	$	236,857,972	$	291,720,458	$	64,647,636	$	356,368,094
Direct co-investments-equity [1]		125,096,119		160,826,269		98,685,266		259,511,535
Direct co-investments-direct yielding [2]		182,302,415		185,186,122		34,494,209		219,680,331
	$	**544,256,506**	**$**	**637,732,849**	**$**	**197,827,111**	**$**	**835,559,960**

Private equity investments in excess of 5% of net asset value		Fair Value
2014 (Unaudited)		
NB Crossroads Fund XVIII		
Large-cap Buyout	$	11,126,727
Mid-cap Buyout		30,911,411
Special Situations		6,203,613
Venture		11,060,290
		59,302,041
2013 (Audited)		
NB Crossroads Fund XVIII		
Large-cap Buyout		11,491,012
Mid-cap Buyout		29,830,277
Special Situations		6,724,932
Venture		11,427,834
		59,474,055

(1) Including investments made through NB Alternatives Direct Co-investment Program.
(2) Including investments made through NB Healthcare Credit Investment Program.
(3) Private Equity Exposure is the sum of Fair Value and Unfunded Commitment.

The accompanying notes are an integral part of the consolidated financial statements.
See accompanying independent review report.

CONSOLIDATED CONDENSED SCHEDULES OF PRIVATE EQUITY INVESTMENTS (CONTINUED)
30 JUNE 2014 AND 31 DECEMBER 2013

Geographic diversity of private equity investments [1]	Fair Value 2014 (Unaudited)	Fair Value 2013 (Audited)
North America	$ 653,062,065	$ 520,355,361
Europe	86,454,709	79,314,880
Asia / Rest of World	28,634,274	28,126,569
Not classified	8,107,465	9,936,039
	$ 776,258,513	**$ 637,732,849**

Industry diversity of private equity investments [2]	Fair Value 2014 (Unaudited)	Fair Value 2013 (Audited)
Industrials	17.1%	12.6%
Technology / IT	14.8%	12.0%
Healthcare	14.5%	11.7%
Consumer / Retail	13.1%	12.4%
Business Services	10.4%	10.0%
Energy / Utilities	9.5%	11.1%
Financial Services	8.4%	13.9%
Diversified / Undisclosed / Other	5.9%	9.0%
Communications / Media	4.5%	5.6%
Transportation	1.8%	1.7%
	100.0%	**100.0%**

Asset class diversification of private equity investments [3]	Fair Value 2014 (Unaudited)	Fair Value 2013 (Audited)
Large-Cap Buyout	5.1%	6.6%
Large-Cap Buyout Co-Invest	10.5%	10.2%
Mid-cap Buyout	11.2%	14.9%
Mid-cap Buyout Co-Invest	17.2%	14.5%
Special Situation	10.7%	13.5%
Special Situation Co-Invest	1.1%	0.3%
Direct Yielding Co-Invest	35.4%	29.0%
Growth/Venture	6.7%	8.0%
Secondary Purchases	2.1%	3.0%
	100.0%	**100.0%**

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

(2): *Industry diversity is based on underlying portfolio companies and direct co-investments.*

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

The accompanying notes are an integral part of the consolidated financial statements.
See accompanying independent review report.

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2014 AND 2013 (UNAUDITED)

	2014	2013
Interest and dividend income	$ 10,301,679	$ 6,879,581
Expenses		
Carried interest	5,048,029	1,805,648
Investment management and services	4,871,345	4,032,004
Administration and professional	1,156,588	1,148,200
Finance costs		
Zero dividend preference shares	2,739,685	2,420,223
Credit facility	1,165,609	1,059,064
	14,981,256	10,465,139
Net investment income (loss)	**$ (4,679,577)**	**$ (3,585,558)**
Realized and unrealized gains (losses)		
Net realized gain (loss) on investments, net of tax expense of $1,513,006 for 2014 and $2,108,344 for 2013	$ 20,504,224	$ 15,057,028
Net change in unrealized gain (loss) on investments, net of tax expense of $2,193,603 for 2014 and $453,330 for 2013	50,466,728	14,272,716
Net realized and unrealized gain (loss)	70,970,952	29,329,744
Net increase (decrease) in net assets resulting from operations	$ 66,291,375	$ 25,744,186
Less net increase (decrease) in net assets resulting from operations attributable to the non-controlling interest	71,339	27,550
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$ 66,220,036**	**$ 25,716,636**
Net assets at beginning of period attributable to the controlling interest	625,093,033	576,559,250
Less dividend payment	(10,736,124)	(9,760,113)
Net assets at end of period attributable to the controlling interest	**$ 680,576,945**	**$ 592,515,773**
Earnings (loss) per share for Class A and Class B shares of the controlling interest	***$ 1.36***	***$ 0.53***

The accompanying notes are an integral part of the consolidated financial statements.
See accompanying independent review report.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2014 AND 2013 (UNAUDITED)

	2014	2013
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$ 66,220,036	$ 25,716,636
Net increase (decrease) in net assets resulting from operations attributable to the non-controlling interest	71,339	27,550
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realized (gain) loss on investments	(20,504,224)	(15,057,028)
Net change in unrealized (gain) loss on investments	(50,466,728)	(14,272,716)
In-kind payment of interest income	(1,053,654)	(915,346)
Amortization of finance costs	492,347	492,230
Amortization of purchase premium (OID)	(323,664)	(95,829)
Change in other assets	(161,064)	(383,438)
Change in payables to Investment Manager and affiliates	266,525	(1,143,869)
Change in accrued expenses and other liabilities	2,416,665	763,839
Net cash provided by (used in) operating activities	(3,042,422)	(4,867,971)
Cash flows from investing activities:		
Distributions from private equity investments	82,248,653	76,282,885
Proceeds from sale of private equity investments	23,112,759	614,997
Contributions to private equity investments	(4,000,301)	(11,784,171)
Purchases of private equity investments	(155,432,532)	(57,175,647)
Net cash provided by (used in) investing activities	(54,071,421)	7,938,064
Cash flows from financing activities:		
Dividend payment	(10,736,124)	(9,760,113)
Borrowing from credit facility	40,000,000	-
Net cash provided by (used in) financing activities	29,263,876	(9,760,113)
Net increase (decrease) in cash and cash equivalents	**(27,849,967)**	**(6,690,020)**
Cash and cash equivalents at beginning of period	63,692,359	64,042,937
Cash and cash equivalents at end of period	**$ 35,842,392**	**$ 57,352,917**
Supplemental cash flow information		
Interest paid	**$ 73,920**	**$ -**
Net taxes paid	**$ 2,101,181**	**$ 1,964,156**
Supplemental non-cash flow investing activities		
Payable for investment purchased	**$ -**	**$ 3,364,018**

The accompanying notes are an integral part of the consolidated financial statements.
See accompanying independent review report.

Note 1 – Organization

NB Private Equity Partners Limited and its subsidiaries (the "Company", "We", or "Our") is a closed-end investment company registered in Guernsey. The registered office is Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey GY1 4HY. The Company invests in private equity assets, which consist of equity co-investments, direct yielding investments, and private equity fund investments. Direct yielding investments include corporate private debt investments and healthcare credit investments, which consist of loans to companies in the healthcare sector and royalty backed notes. From time to time, the Company may also make other opportunistic investments, as appropriate. The Company's Class A Shares are listed and admitted to trading on the regulated market of Euronext Amsterdam N.V. and on the Specialist Fund Market of the London Stock Exchange plc under the symbol "NBPE". NBPE's Zero Dividend Preference Shares (see note 6 of the consolidated financial statements) are listed and admitted to trading on the Daily Official List of The Channel Islands Securities Exchange Authority Limited and the Specialist Fund Market of the London Stock Exchange under the symbol "NBPZ".

Our Class B ordinary shares were contributed at the time of our initial public offering to a Guernsey charitable trust whose trustee is Heritage Corporate Services Limited ("Trustee"). Class B ordinary shares have the right to elect all of our directors and make most other decisions usually made by shareholders. The voting rights of Class A ordinary shares are limited to special consent rights involving specified events including merger, change in investment manager or investment policy, certain additional share issuances and certain material related party transactions as well as other events as described in our memorandum and articles of incorporation. Each Class A and B ordinary share participates equally in profits and losses.

The Company is managed by NB Alternatives Advisers LLC ("NB Alternatives" or "Investment Manager") pursuant to an Investment Management and Services Agreement. NB Alternatives is a subsidiary of Neuberger Berman Group LLC ("NBG").

Note 2 – Summary of Significant Accounting Policies and Risks

Basis of Presentation

These consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss and are prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"). These consolidated financial statements are presented in United States dollars.

The Company qualifies, for U.S. GAAP purposes, as an investment company. Accordingly, the Company reflects its investments on the Consolidated Balance Sheets at their estimated fair values, with unrealized gains and losses resulting from changes in fair value reflected in net change in unrealized gain (loss) on investments in the Consolidated Statements of Operations and Changes in Net Assets.

The consolidated financial statements include accounts of the Company consolidated with the accounts of its investment company subsidiaries in which we hold a controlling financial interest as of the financial statement date. All material intercompany balances have been eliminated. The Company does not consolidate majority-owned or controlled portfolio companies.

The Company does not provide any financial support to any of its investments beyond the investment amount to which it committed.

Market Risk

The Company's exposure to financial risks is both direct (through its holdings of assets and liabilities directly subject to these risks) and indirect (through the impact of these risks on the overall valuation of its investments). The Company's investments are generally not traded in an active market but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The partnership investments of the Company each hold a portfolio of investments in underlying companies. These portfolio company investments vary as to type of security held by the underlying partnership (debt or equity, publicly traded or privately held), stage of operations, industry, geographic location, and geographic distribution of operations and size, all of which may impact the susceptibility of their valuation to market price risk.

Market conditions for publicly traded and privately held investments in portfolio companies held by the partnerships may affect their value in a manner similar to the potential impact on direct co-investments made by the Company in publicly traded and privately held securities. The partnership investments of the Company may also hold financial instruments (including debt and derivative instruments) in addition to their investments in portfolio companies that are susceptible to market price risk and therefore may also affect the value of the Company's investment in the partnerships. As with any individual investment, market prices may vary from composite index movements.

Credit Risk

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

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

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Investment Manager mitigates this risk by monitoring the sufficiency of cash balances and availability under the credit facility to meet expected liquidity requirements for investment funding and operating expenses.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Because of the inherent uncertainty of such estimates, including estimates of values of investments as described above, amounts ultimately determined may differ from our current estimates and such differences may be significant.

Cash and Cash Equivalents

Cash and cash equivalents are valued at cost plus accrued interest, which approximates fair value. These balances represent amounts held with financial institutions that are readily accessible to pay expenses or fund investments. As of 30 June 2014 and 31 December 2013, $35,842,392 and $63,692,359, respectively, are primarily held with JPMorgan Chase.

Valuation of Investments

The Company carries private equity investments on its books at fair value in accordance with U.S. GAAP. We use the best information we have reasonably available to determine or estimate fair value. Valuations of the investments are reviewed and approved quarterly by the Investment Manager. 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. 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.

For direct yielding investments, 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 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 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 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 perform a discounted cash flow analysis, based on the expected future cash flows of the debt securities and current market rates. We 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.

Because of their inherent uncertainty, the fair values we use may differ significantly from the values that would have been used had a ready market for these investments existed, and such differences could be material to the consolidated financial statements.

Investment Income

We earn interest and dividends from our direct investments and from our cash and cash equivalents. We record dividends on the ex-dividend date and interest when earned, provided we know the information or are able to reliably estimate it. Otherwise, we record the investment income when it is reported to us by the private equity investments. Discounts received or premiums paid in connection with the acquisition of loans are amortized into interest income using the effective interest method over the contractual life of the related loan. Payment-in-kind (PIK) interest is computed at the contractual rate specified in the loan agreement for any portion of the interest which may be added to the principal balance of a loan rather than paid in cash by obligator on the scheduled interest payment date. PIK interest is added to the principal balance of the loan and recorded as interest income. Prepayment premiums include fee income from securities settled prior to maturity date, and are recorded as interest income in the Consolidated Statements of Operations and Changes in Net Assets.

Operating Expenses

Operating expenses are recognized when incurred. Operating expenses include amounts directly incurred by the Company as part of its operations, and do not include amounts incurred from the operations of our investments.

Realized Gains and Losses on Investments

For investments in private equity funds, we record our share of realized gains and losses incurred when we know that the private equity fund has realized its interest in a portfolio company and we have sufficient information to quantify the amount. For all other investments, we record realized gains and losses when the asset is realized and on the trade date. For all investments, realized gains and losses are recorded on a specific identification cost basis.

Net Change in Unrealized Gains and Losses of Investments

Gains and losses arising from changes in value are recorded as an increase or decrease in the unrealized gains or losses of investments based on the methodology described above.

Carried Interest

Carried interest amounts due to the Special Limited Partner (see note 3) are computed and accrued at each period end based on period-to-date results in accordance with the terms of the agreements.

Currency Translation

Investments denominated in a currency other than U.S. dollars are translated into U.S. dollar equivalents using spot rates as of the valuation date. The Company does not separate the changes relating to currency exchange rates from those relating to changes in the fair value of the investments held. These fluctuations are combined and included in the net change in unrealized gain (loss) on investments in the Consolidated Statements of Operations and Changes in Net Assets. For the six month periods ended 30 June 2014 and 2013, the effect of translation to U.S. dollars decreased valuations of foreign investments by approximately $482,736 and $265,577, respectively.

The Company has unfunded commitments denominated in currencies other than U.S. dollars. At 30 June 2014, the unfunded commitments are in Euro and Canadian dollars and amounted to €6,544,040 and CAD 1,856,525. At 31 December 2013, the unfunded commitments are in Euro and Canadian dollars and amounted to €7,276,000 and CAD 2,650,371. They have been included in the Consolidated Condensed Schedules of Private Equity Investments at the U.S. dollar exchange rate in effect at 30 June 2014 and 31 December 2013. The effect on the unfunded commitment of the change in the exchange rate between Euros and U.S. dollars and CAD and U.S. dollars was a decrease in the U.S. dollar obligation of $66,916 and an increase of $410,558 for 30 June 2014 and 31 December 2013, respectively.

Income Taxes

The Company is registered in Guernsey as an exempt company. The States of Guernsey Income Tax Authority has granted the Company an exemption from Guernsey income tax under the provision of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and the Company has been charged an annual exemption fee of £600.

Generally, income that we derive from our investments may be subject to taxes imposed by the U.S. or other countries and will impact our effective tax rate.

Investments made in entities that generate U.S. source investment income may subject the Company to certain U.S. federal and state income tax consequences. A U.S. withholding tax at the rate of 30 percent may be applied on the Company's distributive share of any U.S. source dividends and interest (subject to certain exemptions) and certain other income that we receive directly or through one or more entities treated as either partnerships or disregarded entities for U.S. federal income tax purposes.

Investments made in entities that generate business income that is effectively connected with a U.S. trade or business may subject the Company to certain U.S. federal and state income tax consequences. Generally the U.S. imposes withholding tax on effectively connected income at the highest U.S. rate (generally 35 percent). In addition, we may also be subject to a branch profits tax which can be imposed at a rate of up to 30 percent of the after-tax profits treated as effectively connected income associated with a U.S. trade or business. As such, the aggregate U.S. tax liability on effectively connected income may approximate 54.5 percent given the two levels of tax.

We recognize a tax benefit in the consolidated financial statements only when it is more likely than not that the position will be sustained upon examination by the relevant taxing authority based on the technical merits of the position. To date, we have not provided any reserves for taxes as all related tax benefits have been fully recognized. Although we believe we have adequately assessed for our uncertain tax positions, we acknowledge that these matters require significant judgment and no assurance can be given that the final tax outcome of these matters will not be different.

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

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

Forward Foreign Exchange Contracts

Forward foreign exchange contracts are reported at fair value. See note 7.

Forward foreign exchange contracts involve elements of market risk in excess of the amounts reflected on the consolidated financial statements. We bear the risk of an unfavorable change in the foreign exchange rate underlying the forward foreign exchange contract as well as risks from the potential inability of the counterparties to meet the terms of their contracts.

Recent Accounting Pronouncements

In June 2013, the FASB issued ASU 2013-08, Financial Services – Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements ("ASU 2013-08") which amends the scope, measurement, and disclosure requirements for investment companies. ASU 2013-08 (i) amends the criteria for an entity to qualify as an investment company, (ii) requires an investment company to measure noncontrolling ownership interests in other investment companies at fair value rather than using the equity method of accounting, and (iii) introduces new disclosures. This guidance is effective for NBPE's fiscal year beginning January 1, 2014. Earlier application is prohibited. The adoption of this guidance did not have a material impact on NBPE's financial results and consolidated financial statements.

Note 3 – Agreements, including related party transactions

Management and Administration

We pay the Investment Manager a management fee calculated at the end of each calendar quarter equal to 37.5 basis points (150 basis points per annum) of the net asset value of our private equity and opportunistic investments. For purposes of this computation, the net asset value is reduced by the net asset value of any investment for which the Investment Manager is separately compensated as investment manager. For the six month periods ended 30 June 2014 and 2013, the management fee expenses were $4,514,036 and $3,732,524, respectively.

We also pay the Investment Manager for certain accounting and administrative services at the rate of 2.5 basis points per quarter (10 basis points per annum) applied to the net asset value of our private equity and opportunistic investments at the end of each calendar quarter, computed as described above. The amounts incurred by the Company for the six month periods ended 30 June 2014 and 2013 for these services were $357,309 and $299,480, respectively.

We pay to Heritage International Fund Managers Limited (“Heritage”), an affiliate of the Trustee, a fee for providing certain administrative functions relating to certain corporate services and Guernsey regulatory matters affecting the Company. Fees for these services are paid as invoiced by Heritage. We paid Heritage $120,931 and $130,296 for the six month periods ended 30 June 2014 and 2013, respectively, for such services.

For the six month periods ended 30 June 2014 and 2013, we paid our independent directors a total of $97,500 and $97,500 respectively.

Expenses related to the Investment Manager are included in investment management and services in the Consolidated Statements of Operations and Changes in Net Assets. Administration and professional expenses include fees for directors, audit and tax, trustee, legal, listing, and other items.

Special Limited Partner’s Noncontrolling Interest in Subsidiary

An affiliate of the Investment Manager is a Special Limited Partner in a consolidated partnership subsidiary. At 30 June 2014 and 31 December 2013, the noncontrolling interest of $731,042 and $659,703 represented the Special Limited Partner’s capital contribution to the partnership subsidiary and income allocation, respectively.

The following table reconciles the carrying amount of net assets, net assets attributable to the controlling interest and net assets attributable to the noncontrolling interest at 30 June 2014 and 31 December 2013.

	Controlling Interest	Noncontrolling Interest	Total
Net assets balance, 31 December 2012	$ 576,559,250	$ 585,809	$ 577,145,059
Net increase (decrease) in net assets resulting from operations	68,542,014	73,894	68,615,908
Dividend Payment	(20,008,231)	-	(20,008,231)
Net assets balance, 31 December 2013	**$ 625,093,033**	**$ 659,703**	**$ 625,752,736**
Net increase (decrease) in net assets resulting from operations	66,220,036	71,339	66,291,375
Dividend Payment	(10,736,124)	-	(10,736,124)
Net assets balance, 30 June 2014	**$ 680,576,945**	**$ 731,042**	**$ 681,307,987**

Carried Interest

The Special Limited Partner is entitled to a carried interest in an amount that is, in general, equal to 7.5 percent of our consolidated net increase in net assets resulting from operations, adjusted by withdrawals, distributions, and capital contributions, for a fiscal year in the event that our internal rate of return for such period, based on our net asset value, exceeds 7.5 percent. If losses are incurred for a period, no carried interest is earned and such loss amounts are carried forward to be included in the calculations for future periods. Such loss amounts are reduced proportionately to give effect to the distributions to the general partner of the partnership subsidiary during the performance period. Carried interest is reduced by the amount of carried interest that we paid during the period on any investment for which the Investment Manager serves as investment manager. Carried interest is also accrued and paid on any economic gain that we realize on treasury stock transactions. (See note 10). Carried interest is accrued periodically and paid at the conclusion of the fiscal year. As of 30 June 2014 and 31 December 2013, $5,048,029 and $5,277,976 carried interest was accrued, respectively.

Investments with the Investment Manager's Platform

The Company holds limited partner interests in private equity funds and funds of funds managed and sponsored by the Investment Manager. These investments will not result in any duplicative Neuberger Berman investment management fees and carry charged to NBPE. As of 30 June 2014 and 31 December 2013, the aggregate net asset value of these funds was approximately $184.3 million and $147.2 million, respectively, and associated unfunded commitments were $114.3 million and $143.5 million, respectively.

We own a 50% interest in NB Fund of Funds Secondary 2009 LLC ("NBFOFS"). Other funds managed by the Investment Manager own the remaining interest. NBFOFS holds a portfolio of private equity funds acquired in a secondary transaction. NBFOFS pays no fees or carry and we bear our share of any direct expenses of NBFOFS.

As of 30 June 2014, we have committed $125 million and funded $49.6 million to the NB Alternatives Direct Co-investment Program and committed $50 million and funded $36.4 million to the NB Healthcare Credit Investment Program.

Note 4 – Fair Value of Financial Instruments

We categorize our investments and other financial instruments as follows based on inputs to valuation techniques.

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e. supported by little or no market activity).

The following tables detail the Company's financial assets and liabilities that were accounted for at fair value as of 30 June 2014 and 31 December 2013 by level. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Assets (Liabilities) Accounted for at Fair Value			
As of 30 June 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Private equity investments	$ 41,642,512	$ -	$ 734,616,001	$ 776,258,513
Forward foreign exchange contract	-	-	2,268,819	2,268,819
Totals	**$ 41,642,512**	**$ -**	**$ 736,884,820**	**$ 778,527,332**
As of 31 December 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Private equity investments	$ 9,438,834	$ -	$ 628,294,015	$ 637,732,849
Forward foreign exchange contract	-	-	264,502	264,502
Totals	**$ 9,438,834**	**$ -**	**$ 628,558,517**	**$ 637,997,351**

The Company has assessed its positions and concluded that all of its private equity investments are classified as level 3 with the exception of four publicly traded co-investments classified as level 1 as of 30 June 2014 and two publicly traded co-investments classified as level 1 as of 31 December 2013.

Two co-investments were transferred from Level 3 to Level 1 during 2014 as a result of the completion of an initial public offering in 2014 and the resulting availability of quoted prices in active markets for those securities. Two co-investments were transferred from Level 3 to Level 1 during 2013 as a result of the completion of an initial public offering in 2013 and the resulting availability of quoted prices in active markets for those securities. The Company accounts for transfers at the end of the reporting period in which such transfers occur.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2014 (UNAUDITED) AND 31 DECEMBER 2013 (AUDITED)
SEE ACCOMPANYING INDEPENDENT REVIEW REPORT

The following table summarizes the changes in the fair value of the Company's level 3 private equity investments for the six month period ended 30 June 2014.

(dollars in thousands) For the Six Month Period Ended 30 June 2014	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/ Venture	Diversified	Secondary Purchases	Direct Yielding	Private Equity Investments
Balance, 31 December 2013	$ 92,363	$ 184,421	$ 88,223	$ 38,229	$ 27,302	$ 12,570	$ 185,186	$ 628,294
Purchases of investments and/or contributions to investments	-	38,235	7,732	1,314	549	215	111,504	159,549
Realized gain (loss) on investments	(3,139)	14,510	3,507	862	1,434	1,047	13,002	31,223
Changes in unrealized appreciation (depreciation) of investments still held at the reporting date	10,704	20,256	6,333	1,255	906	219	6,153	45,826
Changes in unrealized appreciation (depreciation) of investments sold during the period	-	(4,760)	-	-	-	-	(446)	(5,206)
Distributions from investments	(3,943)	(35,890)	(13,290)	(1,945)	(4,295)	(3,428)	(40,420)	(103,211)
Transfers in and/or (out) of level 3	(19,950)	(1,909)	-	-	-	-	-	(21,859)
Balance, 30 June 2014	**$ 76,035**	**$ 214,863**	**$ 92,505**	**$ 39,715**	**$ 25,896**	**$ 10,623**	**$ 274,979**	**$ 734,616**
Balance, 30 June 2014 through fund investments	$ 35,637	$ 83,574	$ 84,097	$ 35,790	$ 25,896	$ 10,623	$ -	$ 275,617

The following table summarizes the changes in the fair value of the Company's level 3 private equity investments for the year ended 31 December 2013.

(dollars in thousands)								
	For the Year Ended 31 December 2013							
	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/ Venture	Diversified	Secondary Purchases	Direct Yielding	Private Equity Investments
Balance, 31 December 2012	$ 91,154	$ 177,771	$ 131,936	$ 32,093	$ 30,740	$ 14,311	$ 82,954	$ 560,959
Purchases of investments and/or contributions to investments	10,546	19,352	3,032	7,870	1,103	545	121,535	163,983
Realized gain (loss) on investments	4,698	13,097	20,089	(134)	3,752	2,617	17,696	61,815
Changes in unrealized appreciation (depreciation) of investments still held at the reporting date	5,434	15,895	(1,076)	1,243	1,435	343	2,817	26,091
Changes in unrealized appreciation (depreciation) of investments sold during the period	-	1,930	-	-	-	-	203	2,133
Distributions from investments	(16,024)	(39,594)	(65,758)	(2,843)	(9,728)	(5,246)	(40,019)	(179,212)
Transfers in and/or (out) of level 3	(3,445)	(4,030)	-	-	-	-	-	(7,475)
Balance, 31 December 2013	**$ 92,363**	**$ 184,421**	**$ 88,223**	**$ 38,229**	**$ 27,302**	**$ 12,570**	**$ 185,186**	**$ 628,294**
Balance, 31 December 2013 through fund investments	$ 37,589	$ 92,641	$ 86,686	$ 34,932	$ 27,302	$ 12,570	$ -	$ 291,720

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2014 (UNAUDITED) AND 31 DECEMBER 2013 (AUDITED)
SEE ACCOMPANYING INDEPENDENT REVIEW REPORT

The following table summarizes the valuation methodologies and inputs used for private equity investments categorized in level 3 as of 30 June 2014.

(dollars in thousands) Private Equity Investments	Fair Value 30 June 2014	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average)[2]	Impact to Valuation from an Increase in Input[3]
Fund investments	$ 275,617	See note 2	Net Asset Value	N/A	N/A
Direct co-investments - equity					
Large-cap Buyout	40,396	Market Comparable Companies	LTM EBITDA	7.1x-11.6x (10.2x)	Increase
Mid-cap Buyout	131,287	Market Comparable Companies	LTM EBITDA	4.3x-16.6x (10.6x)	Increase
		Market Comparable Companies	$/kW	$423	Increase
		Market Comparable Companies	$ per Acre	$2,225	Increase
		Discounted Cash Flow	Discount Rate	10%	Decrease
		Other	Book Value	1.2x	Increase
Special Situations	8,410	Market Comparable Companies	LTM EBITDA	5.9x	Increase
		Market Comparable Companies	LTM Revenue	5.2x	Increase
Growth/ Venture	3,927	Market Comparable Companies	LTM Revenue	2.3x	Increase
Direct co-investments - direct yielding	274,979	Market Comparable Companies	LTM EBITDA	4.7x-14.2x (9.2x)	Increase
		Discounted Cash Flow	Discount Rate	10.5%-14.5% (12.3%)	Decrease
		Bloomberg Convertible Bond Valuation Model	Credit Spread	1,150bps - 1,700bps (1,320bps)	Decrease
		Bloomberg Convertible Bond Valuation Model	Average Volatility	40%-75% (50.8%)	Increase
		Bloomberg Convertible Bond Valuation Model	Borrow cost	1%-5% (3.8%)	Decrease
		409A valuation	Valuation per Share	$34.30	Increase
		Other	Outstanding Loan Balance	1.0x	Increase
Total	$ 734,616				

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

The following table summarizes the valuation methodologies and inputs used for private equity investments categorized in level 3 as of 31 December 2013.

(dollars in thousands) Private Equity Investments	Fair Value 31 Dec. 2013	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average) [2]	Impact to Valuation from an Increase in Input [3]
Fund investments	$ 291,720	See note 2	Net Asset Value	N/A	N/A
Direct co-investments - equity					
Large-cap Buyout	54,773	Market Comparable Companies	LTM EBITDA	7.2x-12.6x (10.0x)	Increase
Mid-cap Buyout	91,778	Market Comparable Companies	LTM EBITDA	4.5x-17.5x (11.0x)	Increase
		Market Comparable Companies	Book Value	1.0x-1.1x (1.1x)	Increase
		Market Comparable Companies	$/kW	$487	Increase
		Market Comparable Companies	$ per Acre	$1,928	Increase
		Market Comparable Companies	$ per BOE	$28	Increase
		Discounted Cash Flow	Discount Rate	10%	Decrease
		Other	Book Value	1.0x-1.2 (1.2x)	Increase
Special Situations	1,538	Market Comparable Companies	LTM EBITDA	3.8x	Increase
Growth/ Venture	3,299	Market Comparable Companies	LTM Revenue	2.1x	Increase
		Market Comparable Companies	LTM EBITDA	7.8x	Increase
Direct co-investments - direct yielding	185,186	Market Comparable Companies	LTM EBITDA	3.2x-17.5x (9.6x)	Increase
		Discounted Cash Flow	Discount Rate	8%-24.7% (12.4%)	Decrease
		Black Scholes Model	Risk Free Rate	2.1%-2.7% (2.3%)	Increase
		Black Scholes Model	Average Volatility	53.9%-66% (57.4%)	Increase
		Black Scholes Model	Liquidity Discount	0%-25% (19.2%)	Decrease
		Market Approach	Discount Rate	10%-12% (11.0%)	Decrease
		Probability-adjusted valuation	Probability	95%	Increase
		Recent Transaction Price	Premium (Discount)	0%	Increase
		Other	Book Value	1.0x	Increase
Total	$ 628,294				

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

Since 31 December 2013, there have been no changes in valuation methodologies within level 2 and level 3 that have had a material impact on the valuation of financial instruments.

Generally, our private equity investments have a defined term and no right to withdraw. In the case of fund investments, fund lives are typically ten years; however, a series of extensions often mean the lives can extend significantly beyond this. It should be noted that the life of a fund is based on the time it takes the General Partner to exit the final position in that fund, but the bulk of realizations typically occur considerably before the final exit, with only a small tail existing beyond the standard life of ten years. In the case of equity co-investments and direct yielding investments NB Alternatives does not control the timing of exits but at the time of investment, typically expects investment durations to be meaningfully shorter than fund investments. Therefore although some fund and direct investments may take 10-15 years to reach final realization, we expect the majority of NBPE's invested capital in the current portfolio to be returned in much shorter timeframes.

Our special situations investments include hedge funds valued at approximately $2.1 million and $2.4 million at 30 June 2014 and 31 December 2013 respectively. As of 31 December 2013, these hedge funds are fully redeemed except for the illiquid assets in the funds.

Note 5 – Credit Facility

On 12 December 2012, a subsidiary of the Company amended an agreement with Lloyds Banking Group (Bank of Scotland) to provide for a revised senior secured revolving credit facility (the "2012 Facility") of up to $200 million that expires in April 2017. At 30 June 2014 and 31 December 2013, $40 million and zero were outstanding, respectively. Substantially all assets are pledged pursuant to the following:

- a security interest in the Company's interest in substantially all eligible funds or co-investments
- an undertaking to dispose of the Company's assets in the event of continued default
- a security interest in the Company's bank accounts
- a pledge over the share capital of any current or future subsidiary of the Company, provided such an arrangement would not violate the terms of the investment
- an assignment by the Company over future cash flows of its private equity investments
- a negative pledge by the Company in respect of the general partnership interests held
- an assignment of the Company's rights under any key transactional documents entered into by the Company

Under the 2012 Facility, the Company is required to meet certain portfolio diversification tests, a minimum fund/co-investment threshold, maximum exposure limitations, a maximum debt to value ratio, a maximum debt to secured assets ratio and a maximum over-commitment test. In addition, the 2012 Facility limits the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers, repurchase of shares, liens or other matters customarily restricted in such agreements. The zero dividend preference shares (note 6) and the forward foreign exchange contract (note 7) are compliant with the credit facility agreements. At 30 June 2014 and 31 December 2013, the Company met all requirements under the 2012 Facility.

Under the 2012 Facility, all borrowings bear interest tiered based on loan value. For a loan value less than or equal to $65 million, the interest rate is calculated as LIBOR or Euribor, as appropriate, plus 2.80% per annum. For a loan value in excess of $65 million and less than or equal to $150 million, the interest rate is calculated as LIBOR or Euribor, as appropriate, plus 3.30% per annum. For a loan value greater than $150 million, the interest rate is calculated as LIBOR or Euribor, as appropriate, plus 3.65% per annum.

In addition, under the 2012 Facility, we are required to pay a commitment fee calculated as 80 basis points per annum on the daily balance of the unused facility amount.

For the six month period ended 30 June 2014 , we incurred and expensed $98,212 interest and $799,444 for commitment fees. For the six month period ended 30 June 2013, we incurred and expensed no interest and $791,111 for commitment fees. As of 30 June 2014 and 31 December 2013, unamortized capitalized debt issuance costs (included in other assets) were $1,532,215 and $1,800,168 respectively. For the six month periods ended 30 June 2014 and 2013, capitalized amounts are being amortized on a straight-line basis over the term of the 2012 Facility. Such amortization amounted to $267,953 and $267,953 for the six month periods ended 30 June 2014 and 2013, respectively.

An active market for debt that is similar to that of the 2012 Facility does not exist. Management estimates the fair value of the 2012 Facility based on comparison to debt instruments with comparable characteristics and considers that, based on the balance outstanding, the 2012 facility had a fair value of $36.9 million at 30 June 2014 and zero at 31 December 2013.

Note 6 – Zero Dividend Preference Shares

On 30 November 2009 the Company issued 30,000,000 zero dividend preference shares (“ZDP Shares”). On 16 April 2010 the Company issued additional 2,999,999 ZDP Shares. The additional ZDP Shares rank pari passu with the first ZDP Shares. The holders of the ZDP Shares are entitled to a redemption amount of 100.0 pence per ZDP Share as increased daily at such a daily compound rate as would give a final entitlement of 169.73 pence on 31 May 2017, resulting in an effective interest rate of 7.3% annually. The ZDP shares rank prior to the class A and B shares in respect of repayment of the final entitlement. However, they rank behind any borrowings that remain outstanding. They carry no entitlement to income and their entire return takes the form of capital.

The following table reconciles the liability for ZDP shares for the six month period ended 30 June 2014 and the year ended 31 December 2013.

Zero dividend preference shares	Pounds Sterling	U.S. Dollars
Liability, 31 December 2012	£ 41,105,036	$ 66,783,351
Accrued interest	2,996,667	4,802,409
Unamortized premium	(13,715)	(23,879)
Currency conversion	-	1,434,600
Liability, 31 December 2013	£ 44,087,988	$ 72,996,481
Accrued interest	1,566,234	2,619,070
Premium amortization	(7,649)	(14,635)
Currency conversion	-	2,482,111
Liability, 30 June 2014	£ 45,646,573	$ 78,083,027

Capitalized offering costs are being amortized using the effective interest rate method. The unamortized balance at 30 June 2014 and 31 December 2013 is $803,130 and $938,380, respectively.

Note 7 – Forward Foreign Exchange Contract

The Company entered into a forward foreign exchange contract to economically hedge, in part, the currency risk associated with the pounds sterling contractual liability for the ZDP shares.

The contract provides that we will purchase £40,000,000 on 17 May 2017 for $64,820,000 from the Lloyds Banking Group (Bank of Scotland). The contract further provides that the security interests granted to the bank under the credit facility as described in note 5 also apply to any amounts we may owe the bank pursuant to this contract. As of 30 June 2014 and 31 December 2013, the fair value of the forward foreign exchange contract was an asset of $2,268,819 and $264,502, respectively, included in other assets in the Consolidated Balance Sheets. The change in unrealized gain/(loss) on the Forward Foreign Exchange Contract for the six month periods ended 30 June 2014 and 2013 is $2,004,317 and $(3,632,951), respectively. Actual trade prices or firm bids may vary significantly from the valuation because of factors including hedging and transaction costs, credit considerations, bid-ask spreads, position size and market liquidity.

Note 8 – Income Taxes

The Company is exempt from Guernsey tax on income derived from non-Guernsey sources. However, certain of its underlying investments generate income that is subject to tax in other jurisdictions, principally the United States. The Company has recorded the following amounts related to such taxes:

		30 June 2014		30 June 2013
Current tax expense	$	1,513,006	$	2,108,344
Deferred tax expense (benefit)		2,193,603		453,330
Total tax expense (benefit)	$	3,706,609	$	2,561,674

		30 June 2014		31 December 2013
Gross deferred tax assets	$	763,193	$	731,727
Valuation allowance		(595,476)		(564,010)
Net deferred tax assets		167,717		167,717
Gross deferred tax liabilities		6,843,030		4,649,427
Net deferred tax liabilities	**$**	**6,675,313**	**$**	**4,481,710**

Current tax expense is reflected in net realized gains and deferred tax expense (benefit) is reflected in net changes in unrealized gains on the Consolidated Statements of Operations. Net deferred tax liabilities are related to net unrealized gains and gross deferred tax assets, offset by a valuation allowance, are related to unrealized losses on investments held in entities that file separate tax returns.

The Company has no gross unrecognized tax benefits. The Company has been audited by the IRS for the tax year ended 30 November 2007; the audit resulted in no change to the tax the Company reported. The years subsequent to 2010 remain subject to examination.

Note 9 – Earnings (Loss) per Share

The computations for earnings (loss) per share for the six month periods ended 30 June 2014 and 2013 are as follows:

	For the Six Month Periods Ended 30 June	
	2014	**2013**
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$ 66,220,036	$ 25,716,636
Divided by weighted average shares outstanding for Class A and Class B shares of the controlling interest	48,800,466	48,800,466
Earnings (loss) per share for Class A and Class B shares of the controlling interest	**$ 1.36**	**$ 0.53**

Note 10 – Treasury Stock

The Company continues to maintain a liquidity enhancement policy that is intended to enhance and strengthen the liquidity in the trading of the Company's class A ordinary shares. The Company's Liquidity Enhancement Agreement with ABN AMRO Bank N.V. London Branch, which had been in force since 21 July 2008 (and which was subsequently renewed with The Royal Bank of Scotland N.V. on 29 June 2010), expired on 28 June 2011. Under the terms of Share Buy Back Programme (described below), the Liquidity Enhancement Agreement was suspended from 21 October 2010 to 28 June 2011.

On 22 October 2010, we launched a new Share Buy-Back Programme in order to begin implementing the Capital Return Policy. The Share Buy-Back Programme, which commenced in October 2010, is the subject of periodic review by the Board. The Board of Directors has approved an extension of the Share Buyback Program from 31 August 2014 to 30 November 2014; the documentation for such extension is currently in progress. Under the terms of the Share Buy-back Programme, Jefferies International Limited has been appointed to effect on-market repurchases of Shares on behalf of NBPE on Euronext Amsterdam and/or the Specialist Fund Market of the London Stock Exchange. Shares bought back under the Share Buy-Back Programme will be cancelled.

The aggregate number of class A ordinary shares which may be repurchased pursuant to the Share Buy-back Agreement is limited to 6,776,250 shares (being 12.5 per cent of the total number of class A ordinary shares outstanding as of 21 October 2010, the day before the Share Buy-back Programme commenced). The Company may increase such maximum, subject to any limits to the authority granted to the Company by its shareholders to effect share repurchases. The Company currently has shareholder authority to repurchase shares in the market, the aggregate value of which may be up to 14.99 percent of its net asset value on 1 January in the relevant year in which the buyback is made. The maximum price which may be paid for a class A ordinary share is an amount equal to the higher of (i) the price of the last independent trade and (ii) the highest current independent bid, in each case, with respect to the class A ordinary shares on the relevant exchange (being the Specialist Fund Market of the London Stock Exchange or the regulated market of Euronext Amsterdam N.V.).

The following table summarizes the Company's shares at 30 June 2014 and 31 December 2013.

	30 June 2014	31 December 2013
Class A shares outstanding	48,790,564	48,790,564
Class B shares outstanding	10,000	10,000
	48,800,564	48,800,564
Class A shares held in treasury - number of shares	3,150,408	3,150,408
Class A shares held in treasury - cost	$ 9,248,460	$ 9,248,460
Class A shares repurchased and cancelled - number of shares	2,269,028	2,269,028
Class A shares repurchased and cancelled - cost	$ 16,523,000	$ 16,523,000

Note 11 – Financial Highlights

The following ratios with respect to the Class A shares have been computed for the six month periods ended 30 June 2014 and 2013 and for the year ended 31 December 2013:

Per share operating performance (based on average shares outstanding during the period)	For the Six Month Period Ended 30 June 2014	For the Year Ended 31 December 2013
Beginning net asset value	$ 12.81	$ 11.81
Net increase in net assets resulting from operations:		
Net investment income (loss)	(0.09)	(0.14)
Net realized and unrealized gain (loss)	1.45	1.55
Dividend payment	(0.22)	(0.41)
Ending net asset value	**$ 13.95**	**$ 12.81**

Total return (based on change in net asset value per share)	For the Six Month Periods Ended 2014	2013
Total return before carried interest	11.40%	3.13%
Carried interest	(0.78%)	(0.34%)
Total return after carried interest	**10.62%**	**2.79%**

Net investment income (loss) and expense ratios (based on weighted average net assets)	For the Six Month Periods Ended (Annualized) 2014	2013
Net investment income (loss)	(1.50%)	(1.25%)
Expense ratios:		
Expenses before interest and carried interest	2.31%	2.22%
Interest expense	0.87%	0.80%
Carried interest	1.62%	0.63%
Expense ratios toal	**4.80%**	**3.65%**

Individual shareholder returns may differ from the ratios presented based on differing entry dates into the Company.

Note 12 – Commitments and Contingencies

In the normal course of business, the Company enters into a variety of undertakings containing a variety of warranties and indemnifications that may expose the Company to some risk of loss. The amount of future loss, arising from such undertakings, while not quantifiable, is not expected to be significant.

Note 13 – Subsequent Events

There have been no subsequent events through 26 August 2014, the date the consolidated financial statements were issued, that requires recognition or disclosure in the consolidated financial statements.

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

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 the Company's investment decisions, and the Board of Director's of the Company have delegated to the Investment Manager the day-to-day management and operations of the Company's 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 the Company'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 the Company's 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 more than 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 $257 billion in assets under management as of 30 June 2014. For more information, please visit our website at www.nb.com.

DIRECTORS, ADVISORS AND CONTACT INFORMATION

For the six month period ended 30 June 2014
INTERIM FINANCIAL REPORT

Ordinary Share Information
Trading Symbol: NBPE
Exchanges: The regulated market of Euronext Amsterdam N.V. 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

Board of Directors
Talmai Morgan (Chairman)
John Buser
John Hallam
Christopher Sherwell
Peter Von Lehe

Registered Office
NB Private Equity Partners Limited
P.O. Box 225
Heritage Hall, Le Marchant Street
St. Peter Port, Guernsey GY1 4HY
Channel Islands
Tel: +44-(0)1481-716000
Fax: +44 (0) 1481 730617

Investment Manager
NB Alternatives Advisers LLC
325 North St. Paul Street, Suite 4900
Dallas, TX 75201
United States of America
Tel: +1-214-647-9593
Fax: +1-214-647-9501
Email: IR_NBPE@nb.com

Guernsey Administrator
Heritage International Fund Managers Limited
Heritage Hall, Le Marchant Street
St. Peter Port, Guernsey GY1 4HY
Channel Islands
Tel: +44-(0)1481-716000
Fax: +44 (0) 1481 730617

Fund Service and Recordkeeping Agent
Capital Analytics II LLC
325 North St. Paul Street, Suite 4700
Dallas, TX 75201
United States of America

Independent Auditors and Accountants
KPMG Channel Islands Limited
P.O. Box 20
20 New Street
St. Peter Port, Guernsey GY1 4AN
Tel: +44 (0) 1481 721000
Fax: +44 (0) 1481 722373

Depositary Bank
The Bank of New York
101 Barclay Street, 22nd Floor
New York, NY 10286
United States of America
Tel: +1-212-815-2715
Fax: +1-212-571-3050

Paying Agent
Jefferies International Limited
68 Upper Thames Street
London EC4V 3BJ
Tel: +44 (0) 20 7029 8766

Joint Corporate Brokers
Oriel Securities Limited
125 Wood Street
London, EC2V 7AN
Tel: +44 (0) 20 7710 7600

Jefferies International Limited
68 Upper Thames Street
London EC4V 3BJ
Tel: +44 (0) 20 7029 8766