NEUBERGER | BERMAN

NB Private Equity Partners Limited

30 June 2016 Interim Financial Report

For the Six Month Period Ended 30 June 2016

Interim Financial Report

LETTER FROM THE CHAIRMAN

"The Company has achieved much in the first six months of 2016 including a NAV total return increase of 3.6% and the refinancing of its credit facility."

Dear Shareholder,

I am pleased to present the 2016 Interim Financial Report and Consolidated Financial Statements of NB Private Equity Partners Limited ("NBPE" or the "Company"). The Company has achieved much in the first six months of 2016 and I am pleased to comment further.

First, on 8 June 2016, the Company announced that it had entered into a new credit facility agreement with JP Morgan Chase Bank, N.A.. The credit facility, which replaces the Company's previous credit facility with Lloyd's Banking Group, makes available up to $150 million (including $25 million through an accordion) at an annual interest rate of LIBOR plus 375 bps. The directors believe that this new long term, flexible, credit facility allows NBPE to address future strategic needs as well as support a prudent over-commitment strategy to maximise invested capital and reduce cash drag. Further information on the credit facility can be found on page 28.

The Company also made a second significant announcement recently with respect to its capital structure. On 8 August 2016, the Company announced a proposed creation of a new class of zero dividend preference shares to mature in 2022 ("2022 ZDPs"). The directors believe the creation of 2022 ZDPs would provide a number of notable benefits to NBPE, including providing capital to continue to execute its investment strategy, giving certainty around the financing of the impending redemption of the Company's existing class of ZDPs in 2017 (by virtue of the offer to rollover such ZDPs into 2022 ZDPs and the additional capital raised from the issuance), and diversifying the Company's sources of capital. The directors believe the proposed 2022 ZDPs, in combination with the new credit facility will place the Company in a strong capital position for the foreseeable future. The directors and I look forward to providing further updates on this issuance in the near term.

On 8 June 2016, we stated in an announcement that we are reviewing the voting rights of NBPE's Class A shareholders. This is part of our continuing efforts to enhance shareholder value. As we stated in that announcement, "For several reasons, including U.S. regulations, the Company does not currently grant Class A shareholders the right to vote for the election of directors, though Class A shareholders do have the right to vote on a number of other matters. The right to vote for the election of NBPE directors is currently attached to Class B shares, which are held in a charitable trust (not by NBPE's Investment Manager). There are a number of complex technical issues related to the topics listed above, in particular the voting rights issue. Before recommending any change, the Board would need to be satisfied that the overall benefits of such a change would outweigh the potential risks for the Company and its shareholders, including certain minority constituencies. The Company is working expeditiously with a number of experts in analysing these issues, and will promptly provide feedback to the market when such analysis is concluded." This review and consultation with all relevant parties is still ongoing. I wish to stress however that this is a real review and we do not take this issue lightly. It is being conducted in conjunction with our lawyers, brokers and other advisors. With the essential initiatives regarding NBPE's capital structure and refinancing almost complete, we intend to focus on concluding this analysis and look forward to updating investors when we have done so.

Following the vote in favour of the United Kingdom leaving the European Union, NBPE remains well positioned. A large majority of NBPE's assets are U.S. dollar denominated with some 88% of the portfolio being in North America as at 30 June 2016. The Company's A Shares are also U.S. dollar denominated. As of 30 June 2016, the Company's exposure to assets denominated in pounds sterling was approximately 2% of private equity fair value and 2% of Net Asset Value. Of note, in connection with the refinancing of the credit facility, the Company settled its forward currency contract on 7 June 2016 by paying $6.5 million ($5.3 million of which had already accrued at 31 December 2015, as shown in Note 7 to the consolidated financial statements), and the Manager elected not to re-hedge the existing ZDP Shares.

LETTER FROM THE CHAIRMAN

After taking into account the recent changes in the sterling / U.S. dollar foreign exchange rate, the Company's ZDP share liability was $69.9 million at 30 June 2016, or net $5.6 million lower than shown in the 31 May 2016 monthly NAV update. The Manager is currently evaluating hedging options going forward and will reach a conclusion once the 2022 ZDP offering is completed.

The Company's investments continued to perform well, resulting in a NAV total return increase of 3.6% in the first six months of the year. The Company has seen encouraging value increases in its portfolio as well as significant liquidity in recent months. NBPE paid a dividend of 25c per ordinary share on 29 February 2016 and will pay its second dividend of the year (also 25c per ordinary share) on 31 August 2016. This presently represents a 5.1% annualised dividend yield on the Company's share price and, as at 30 June 2016, the dividend was approximately 98% covered by the cash yield on NBPE's income portfolio.

Finally, the Board is very conscious that the Company's share price is at a significant discount to its NAV and that this is a level of discount shared by many other listed private equity companies. It would be incorrect to think that the Board is content with such a discount level but the Board does not presently believe that any share buy-back programme would be effective in narrowing the discount on a sustainable basis. The directors believe instead that continuing to invest in a quality portfolio of private equity backed companies (overwhelmingly in the United States) across their capital structure (utilising Neuberger Berman's private equity platform) is far more in the best interest of the Company's shareholders.

The directors and I are pleased with the progress of the Company during the first six months of 2016 and believe that the Company achieved significant milestones, which will position the Company to continue to execute its strategy in the coming years.

The directors and I look forward to providing updates shortly.

Talmai Morgan

Chairman

Guernsey, 22 August 2016

COMPANY OVERVIEW

COMPANY OVERVIEW & KEY FINANCIAL STATISTICS

Company — **NB Private Equity Partners Limited ("NBPE" or the "Company")**

- Guernsey closed-ended investment company
- 48,790,564 Class A ordinary shares ("Class A Shares" or "Shares") outstanding
- 10,000 Class B ordinary shares ("Class B Shares"; together with Class A Shares, "Ordinary Shares") outstanding
- 32,999,999 Zero Dividend Preference shares ("ZDP Shares") outstanding

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

- 29 years of private equity investing experience
- Investment Committee with approximately 230 years of professional experience
- Approximately 100 investment professionals
- Offices in New York, London, Boston, Dallas, Hong Kong, Milan and Bogotá

Key Statistics	At 30 June 2016	At 31 December 2015
Net Asset Value ("NAV") of the Class A Shares	$712.9m	$700.3m
Direct Equity Investments	$365.8m	$350.5m
Income Investments	$262.8m	$283.0m
Fund Investments	$162.8m	$180.1m
Total Private Equity Fair Value	$791.4m	$813.6m
Private Equity Investment Level	111%	116%
Cash and Cash Equivalents	$67.4m	$26.1m
Credit Facility Borrowings Drawn	($70.0m)	($52.5m)
ZDP Share Liability (Dollar equivalent liability)	($69.9m)	($74.7m)
Net Other Liabilities	($6.0m)	($12.1m)
NAV per Ordinary Share	**$14.61**	**$14.35**
NAV per Ordinary Share including dividends paid during financial period	**$14.86**	
ZDP Shares	£52.5m	£50.7m
Net Asset Value per ZDP Share	159.1p	153.6p
Dividends per Ordinary Share:		
Dividends paid during financial period	$0.25	$0.48
Cumulative dividends paid since inception	$1.59	$1.34

Note: Numbers may not sum due to rounding.

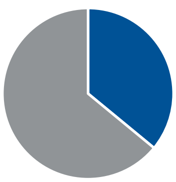
KEY PERFORMANCE HIGHLIGHTS DURING THE FIRST SIX MONTHS OF 2016

Performance

3.6% NAV per Share total return[1]

(7.0%) Share price return

(4.7%) Share price total return[1]



Portfolio at 30 June 2016

67% of fair value in equity investments[2]

33% of fair value in income investments

Cash Flows during the first six months of 2016

$144.7 million of distributions from investments

$90.9 million funded to investments

$12.2 million of dividends paid

$78.5
Million Invested

New Direct Investment Activity during the first six months of 2016

10 Direct equity investments

6 Income investments

1. *Assumes re-investment of dividends at the closing NAV or share price, respectively, on the ex-dividend date. Total return figures reflect cumulative returns over the period shown.*
2. *Includes fund investments, including some which have a credit orientation.*

DIVIDEND ACTIVITY

Semi-annual dividends

NBPE paid its first dividend for the year of $0.25 per Share on 29 February 2016. Subsequent to this reporting period, NBPE declared its second semi-annual dividend of $0.25 per Share, to be paid on 31 August 2016.

Since inception, NBPE has paid cumulative dividends of $1.59 per Share.

Income Investments

As of 30 June 2016, on a run rate basis, the income investment portfolio generated annual cash income of $24.0 million or approximately $0.49 per Share. This corresponds to approximately 98% dividend coverage from the cash yield on the Company's income portfolio, based on the annualised February 2016 dividend.

$0.25
Dividends paid in Q1 2016

$1.59
Cumulative dividends since inception

5.1%
Annualised dividend yield on share price[1]

3.4%
Annualised dividend yield on NAV at 30 June 2016

1. *Based on the Euronext closing share price of $9.86 on 30 June 2016.*

PORTFOLIO HIGHLIGHTS DURING THE FIRST SIX MONTHS OF 2016

NBPE leverages the full resources of the Manager's integrated private equity platform for superior deal flow, due diligence and execution capabilities for investing across the capital structure of private equity backed companies.

Direct investments in private equity backed companies

- Direct investment exposure of 88% of NAV at 30 June 2016
- During the first six months of 2016:
  - 16 direct investments completed
  - $53.5 million of new and follow-on direct equity investments
  - $36.7 million of new and follow-on income investments
  - $0.7 million of capital calls from fund investments
- 37% of Net Asset Value in income investments with a total estimated yield to maturity of 10.6% and a cash yield of 9.9%
- Income investments producing run-rate cash income of $24.0 million, covering 98% of the February 2016 annualised dividend

Strong liquidity from investments during the first six months of 2016

- Distributions of $48.3 million from direct equity investments and $74.1 million from income investments, including:
  - $48.3 million from direct equity investments as a result of sales, re-capitalisations and secondary sales of public shares
    - Driven by $20.5 million of proceeds received as a result of the distribution and subsequent sale of Sabre stock
    - $15.2 million received from the full exit of five other equity co-investments
    - $12.6 million of additional proceeds from partial realisations
  - $57.6 million of realisation proceeds from the income investments portfolio including principal and pre-payment premiums
  - $16.5 million of interest received from income investments
- Total distributions of $22.3 million from fund investments during the first six months of 2016

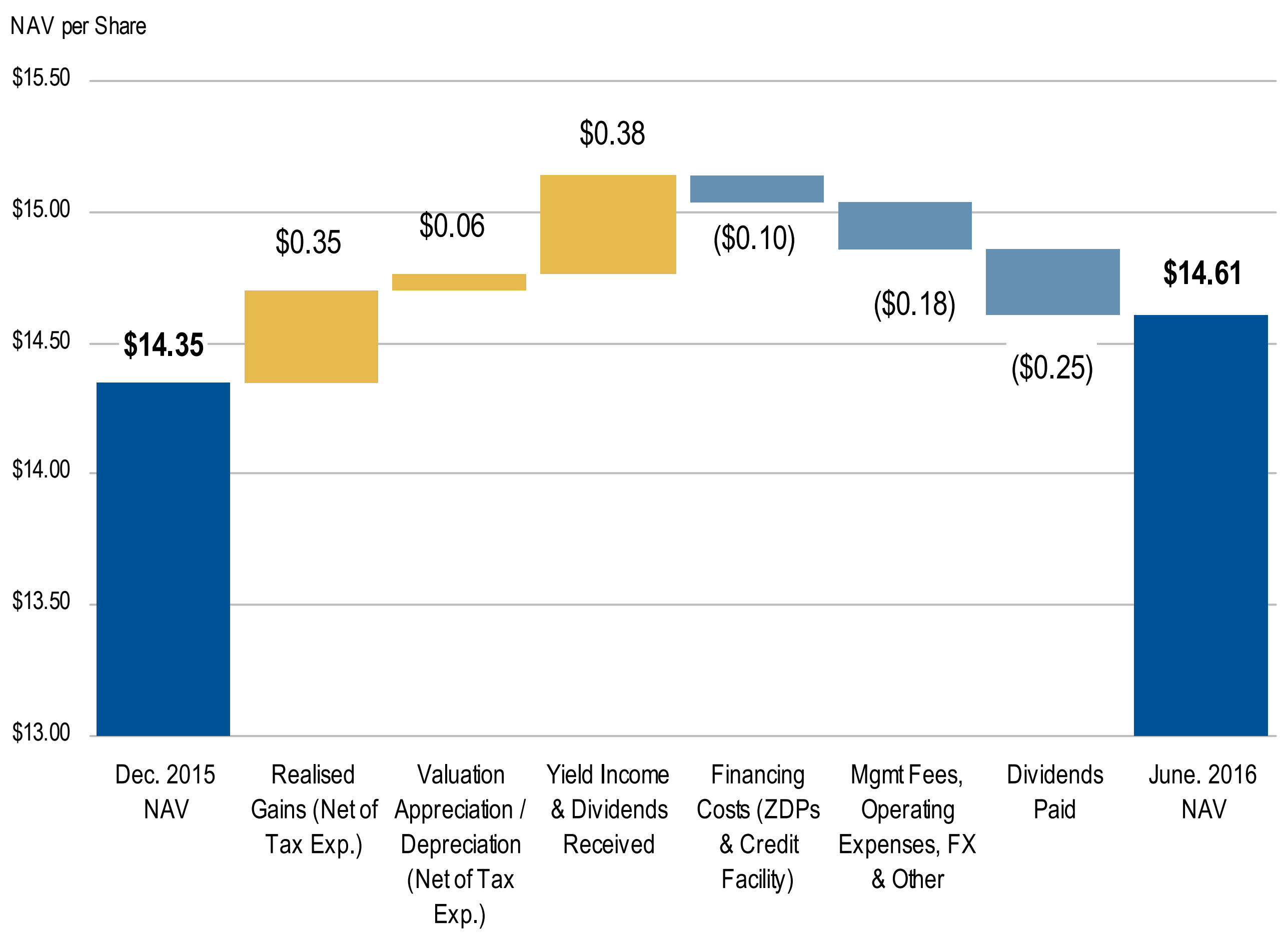
Note: Numbers may not sum due to rounding.

NAV RESULTS

During the first six months of 2016, including the Company's semi-annual dividends, the NAV per Share total return was 3.6%[1]. NAV per Share change was driven by realised investment gains and portfolio yield income offset by dividends paid, unrealised investment depreciation and expenses.

Key changes to NBPE's NAV per Share:

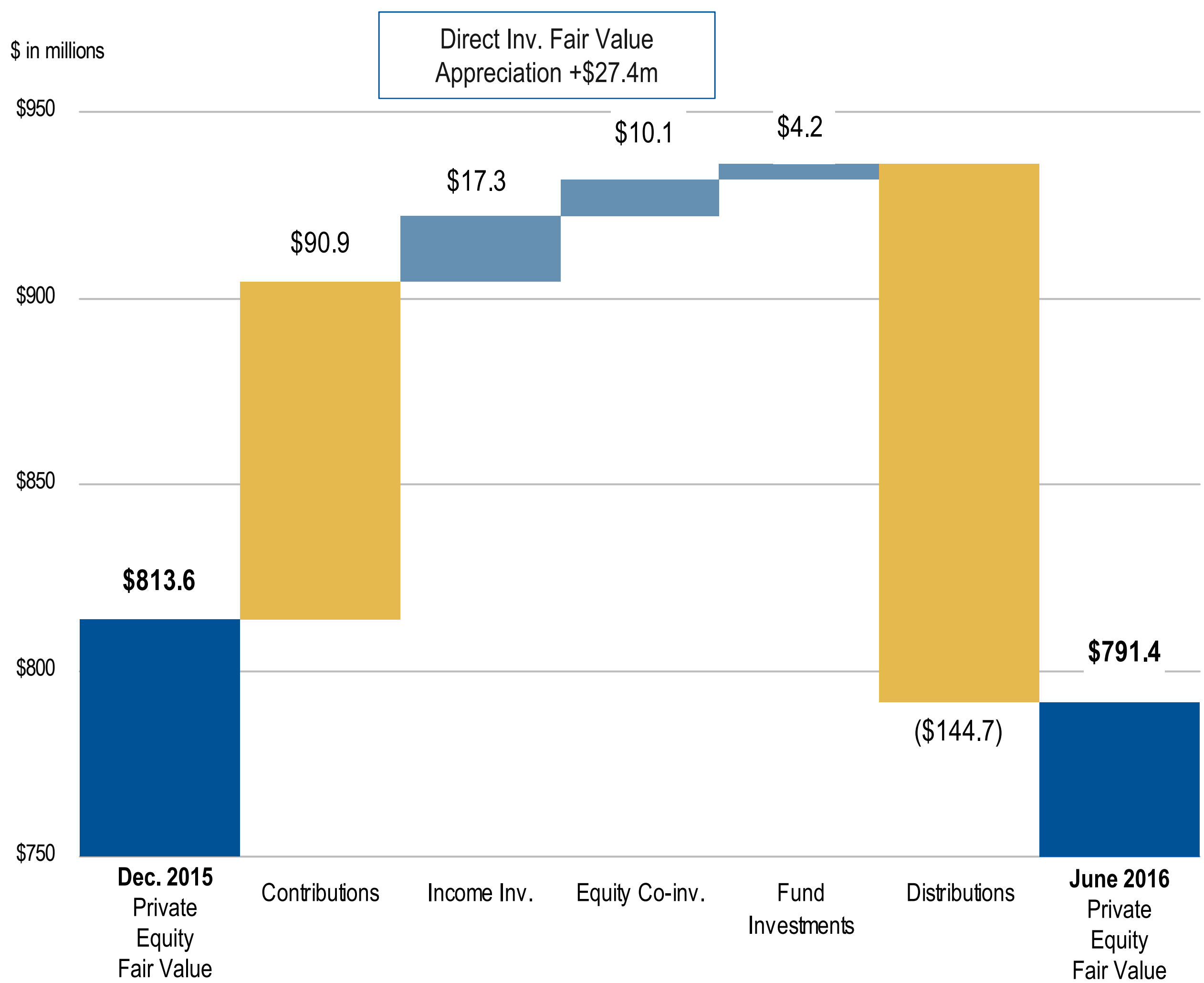
- $17.2 million of realised gains, or $0.35 per Share, net of tax expense
- $3.2 million of unrealised gains, or $0.06 per Share, net of tax expense
- $18.4 million of yield income and dividends, or $0.38 per Share
- $5.1 million of financing costs, or ($0.10) per Share
- $9.0 million of management fees, operating expenses , carried interest, and other expenses, or ($0.18) per Share
- $12.2 million of dividends paid, or ($0.25) per Share



Note: Numbers may not sum due to rounding.
1. Assumes re-investment of dividends at the closing NAV on the ex-dividend date. Total return figures reflect cumulative returns over the period shown.

PERFORMANCE OVERVIEW

During the first six months of 2016, excluding investment cash flows, private equity fair value appreciated by $31.6 million, largely driven by income investments. Cash distributions were also driven by income investments during the quarter, which distributed $74.1 million, largely as a result of exit proceeds. NBPE received $48.3 million of distributions from equity co-investments consisting of proceeds as a result of full exits, dividends and secondary sales of public shares. Legacy fund investments continue to run off and generate liquidity, distributing $22.3 million to NBPE during the first six months of 2016.



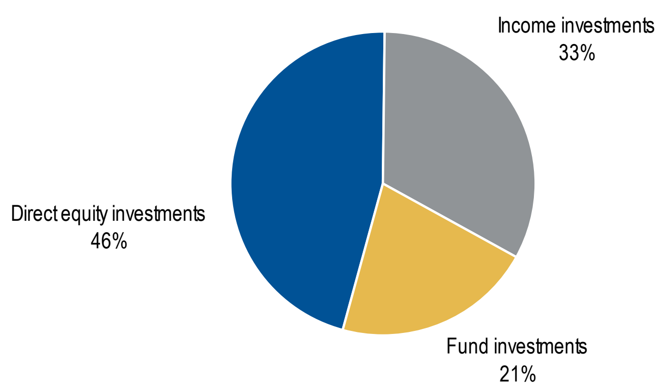
Note: Income investment appreciation includes both fair value appreciation as a result of accrued cash interest as well as accrued non-cash (PIK) yield.

PORTFOLIO OVERVIEW

NBPE's portfolio is comprised of direct equity investments, income investments and fund investments. Direct investments represent approximately 79% of private equity fair value. NBPE's fund portfolio consists of 34 fund investments, most of which are past their investment periods, giving the portfolio exposure to mature underlying companies and securities. These fund investments are expected to continue to liquidate in the coming years and will be replaced with new direct investment exposure over time.

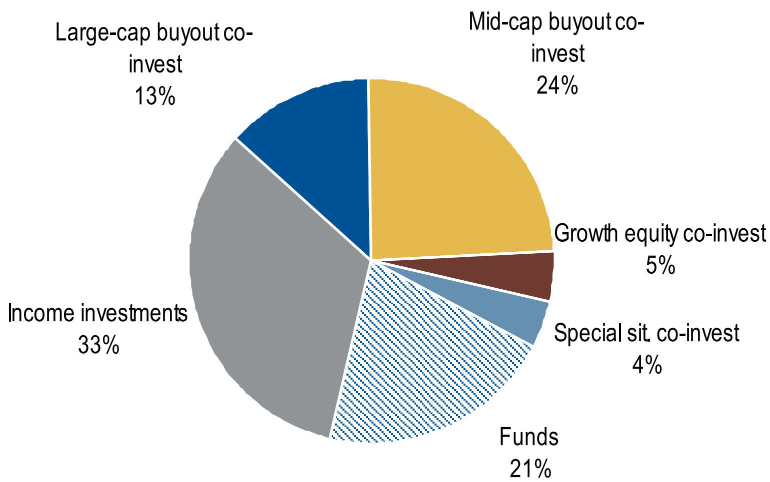
	Investments	Private Equity Fair Value	Adjusted Unfunded Commitments[1]	Adjusted Total Exposure[1]
Direct equity investments	77	$365.8m	$41.6m	$407.4m
Income investments	43	$262.8m	$1.0m	$263.8m
Fund investments	34	$162.8m	$5.1m	$167.9m
Total Private Equity Investments	**154**	**$791.4m**	**$47.7m**	**$839.1m**

Portfolio Diversification by Fair Value

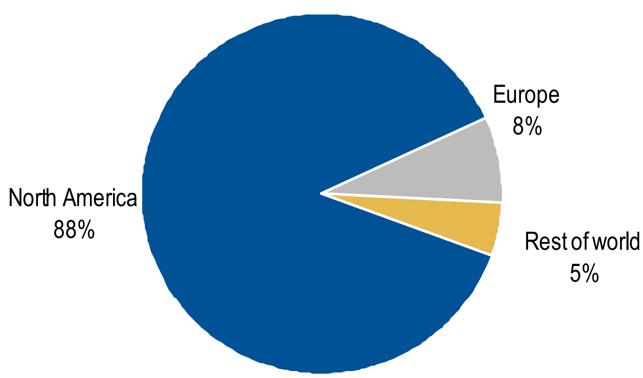


Note: Numbers may not sum due to rounding.
1. Please refer to page 27 for more information on unfunded commitments to funds past their investment period. Actual unfunded commitments and total exposure is $227.6 million and $1.0 billion, respectively. Actual unfunded commitments is comprised of $189.3 million and $38.3 million to direct equity investments and fund investments, respectively. Actual total exposure is $555.0 million and $201.1 million to direct equity investments and fund investments, respectively.

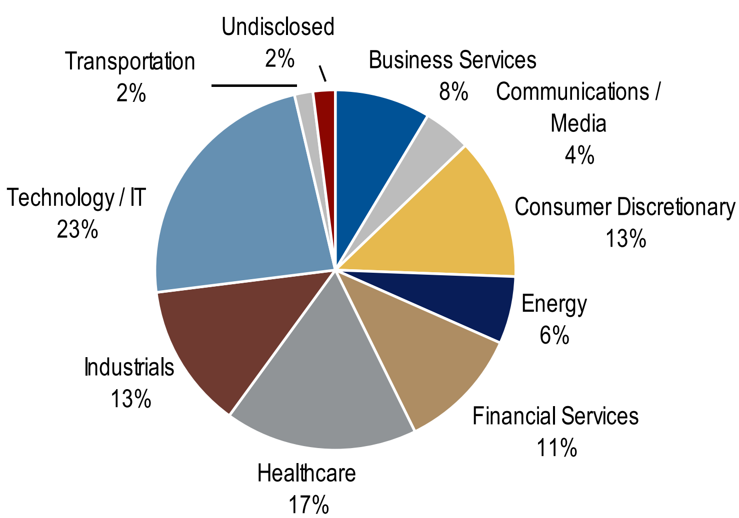
DIVERSIFICATION ANALYSIS



NBPE invests directly into private equity backed companies, pursuing the securities the Manager believes have the most attractive risk / return. Currently the portfolio is weighted to equity investments, and 33% of the portfolio is in income investments. Fund investments represent 21% of private equity fair value and the fund portfolio will continue to become a smaller portion of NBPE's private equity fair value as capital is re-deployed into direct investments over time.



NBPE's portfolio is weighted to North American investments. The Manager believes the overall health in this market relative to other geographies has offered the most attractive investment opportunities. The Manager is constantly monitoring and evaluating markets globally and may adjust this strategy over time. Approximately 8% of NBPE's portfolio is invested in Europe and 5% in other parts of the world, primarily Asia and Latin America.



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

Note: Numbers may not sum due to rounding.

TOP TEN LARGEST COMPANY EXPOSURES

Investment / Description	Status	Year of investment	Investment type / Asset class	Equity sponsor	NBPE fair value
ConvergeOne Provider of communication solutions	Private	2014	Income investment 2nd lien debt	Clearlake Capital	$19.9 million
Deltek Enterprise software and solutions	Private	2012 / 2015	Direct equity investment & Income investment	Thoma Bravo	$19.4 million
Oil & Gas Company* E&P company focused in the United States	Private	2014	Direct equity investment Mid-cap buyout	Not disclosed	$18.8 million
K&N Engineering Manufacturer of air intake systems	Private	2014	Income investment 2nd lien debt	Gryphon Partners	$18.1 million
Patheon Manufacturing services for prescription drugs	Private[1]	2014	Direct equity investment Mid-cap buyout	JLL Partners	$16.3 million
Heartland Dental Dental administrative services	Private	2012	Income investment 2nd lien debt	Ontario Teachers	$15.6 million
Funding Circle Portfolio of small business loans	Private	2015	Income investment	N/A	$15.3 million
The Warranty Group Underwriter & administrator of extended warranties	Private	2014	Direct equity investment Large-cap buyout	TPG	$14.3 million
Digital River Digital eCommerce and payments	Private	2015	Direct equity investment & Income investment	Siris Capital	$14.0 million
Compuware IT software company	Private	2014	Income investment 2nd lien debt	Thoma Bravo	$14.0 million
Total Top Ten Largest Exposures					**$165.8 million**

*Note: Numbers may not sum due to rounding. *Due to confidentiality provisions, company name cannot be disclosed.*
1. The company completed an initial public offering subsequent to the reporting period and is now public.

DIRECT EQUITY INVESTMENTS: KEY PORTFOLIO STATS

Portfolio Overview

77 Investments & **$365.8** million of fair value

Primarily buyout investments, diversified across industry, vintage year and sponsor

Unique investment angles & multiple value creation levers:

- Strong sponsors & highly capable management teams
- Industry growth or secular trends and growth of new markets or product offerings
- Operational enhancement opportunities
- Clear exit paths and / or shorter paths to liquidity

Valuation & Operating Metrics[1]

10.6x LTM EBITDA valuation multiple

4.8x LTM EBITDA leverage

4% LTM revenue growth

7% LTM EBITDA growth

Strong Performance

$48 million of distributions from direct equity investments during the first six months of 2016

6 investment were fully exited which generated **$36** million of distributions and a **2.3x** multiple of capital and **13%** IRR in aggregate[2]

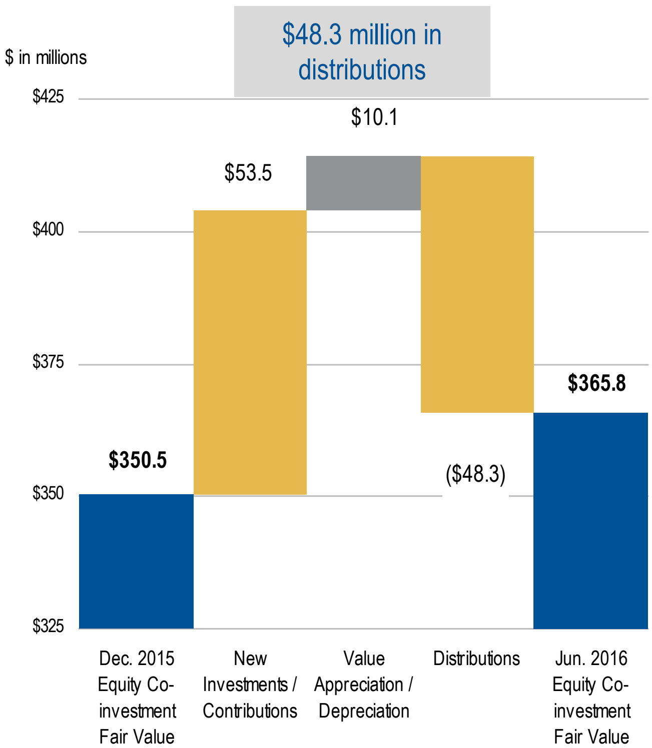
1. Represents 43 of 77 direct equity investments. Portfolio company operating and valuation metrics are based on the most recently available (unaudited) financial information for each company. Where necessary, estimates were used, which include pro forma adjusted EBITDA and Revenue, annualised quarterly operating metrics and LTM periods as of 31/3/16 and 31/12/15. Three companies were excluded from the revenue and EBITDA growth data set. Private equity fair value as of 30 June 2016.
2. Returns are inclusive of prior distributions.

NEW INVESTMENTS DURING THE FIRST SIX MONTHS OF 2016

$52 million invested in **10** new direct equity investments during the first six months of 2016

LGC **$10.1m** invested alongside **KKR**	• Life sciences measurement and testing company
solarwinds **$7.2m** invested alongside **Thoma Bravo**	• Provider of enterprise-class IT infrastructure management software
ENGINEERING **$6.2m** invested alongside **NB Renaissance**	• Information technology company in Italy
MILLS FLEET FARM **$5.0m** invested alongside **KKR**	• Value-based retailer in the U.S. Midwest
LeasePlan **$5.7m** invested alongside **TDR Capital**	• Fleet management company
Solace Systems **$5.0m** invested alongside **Bridge Growth Partners**	• Enterprise messaging solutions company
GC Services **$4.4m** invested alongside **Owner Resource Group**	• Provider of call center management and collection agency services
CONCORD CONCORD BIOTECH LIMITED **$3.5m** invested alongside **Quadria Capital**	• Active pharmaceutical ingredients manufacturer
snagajob **$3.5m** invested alongside **NewSpring Capital**	• Job search and human capital management provider
INCIPIO **$1.5m** invested alongside **Goode Partners**	• Designer and developer of accessories for smartphones and tablets

DIRECT EQUITY INVESTMENT PERFORMANCE



During the first six months of 2016, NBPE participated in ten new direct equity investments in the technology, healthcare, business services and consumer sectors.

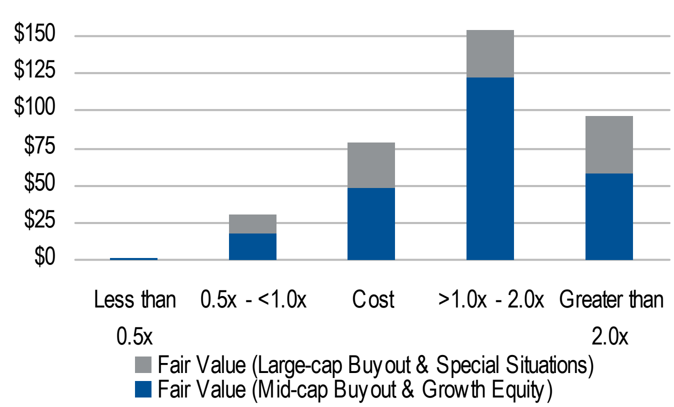
The portfolio appreciated in value by $10.1 million during the first six months of 2016. The top five investments, measured by dollar gains, appreciated by $10.1 million, and additional gains from other investments were offset by declines in other investments in the portfolio. The largest increases in value were as a result of a write-ups in Evoqua, a water treatment company and Evans, an intermodal freight services company.

NBPE received approximately $48.3 million in distributions during the first six months of 2016, driven by proceeds from the full / final exit of Sabre Holdings, Swissport, RAC, Press Ganey and Salient. NBPE also received partial distributions from Vencore, Freescale, Petsmart and Commscope during the first six months of 2016.

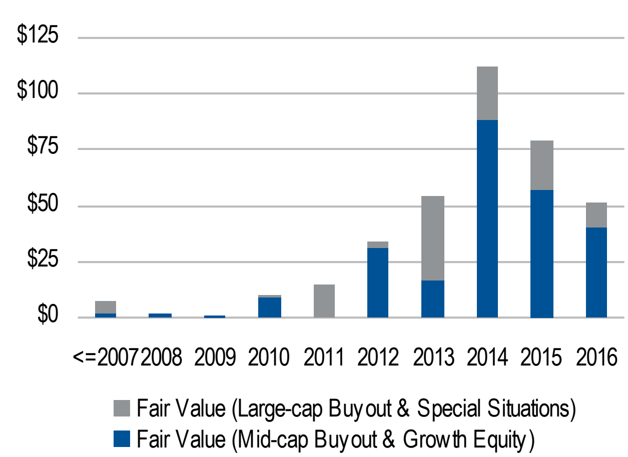
The investment multiple range by fair value shows the dispersion of value within the direct equity investment portfolio. The majority of the private equity fair value is currently held above cost and only approximately 7% of private equity fair value is held below cost.

The average age of the direct equity investments is 3.0 years and approximately 97% of the fair value is 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.

DIRECT EQUITY INVESTMENT PERFORMANCE

During the first six months of 2016, NBPE received $48.3 million in distributions from direct equity investments. Of this amount, $14.0 million was the result of full sales which had an average uplift of 25.0%, relative to the carrying value the quarter end prior to the announcement of the transaction, $3.9 million was the result of dividends and recapitalisations and $30.5 million was the result of partial sales and secondary offerings.

In connection with the Investment Manager's portfolio monitoring process, the Investment Manager analysed the operational performance and valuation metrics for the traditional buyout investments in the direct equity investment portfolio. There were 43 companies valued on traditional buyout metrics and 34 companies valued on other metrics.

Direct Equity Investments: Traditional Buyouts[1]

There were 43 companies, with approximately $220.5 million of fair value, representing 28% of private equity fair value and 60% of direct equity investment fair value which were valued based on a multiple of cash flow (total enterprise value as a multiple of EBITDA).

- Summary Metrics for the traditional buyout investments:
    - Weighted average valuation multiple of 10.6x LTM EBITDA
    - Weighted average leverage multiple of 4.8x LTM EBITDA
    - Weighted average LTM revenue growth of 3.7%
    - Weighted average LTM EBITDA growth of 7.0%

Direct Equity Investments: Other Buyouts

There were 34 companies, with approximately $145.3 million of fair value, representing 18% of private equity fair value and 40% of buyout fair value, which were not valued on EV/EBITDA metrics and instead were valued based on multiples of revenue, book value, financing round, discounted cash flow or other metrics:

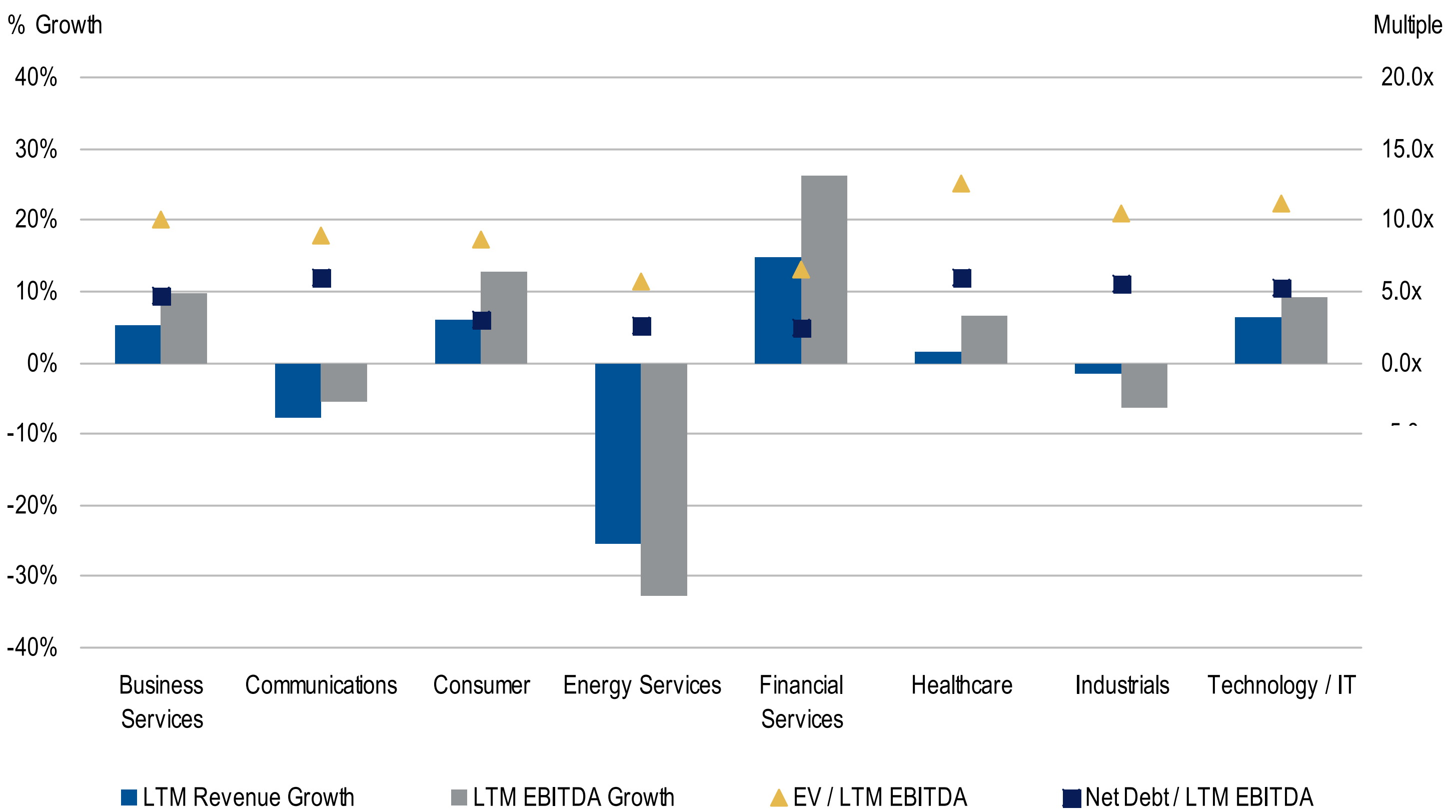
- 21 companies valued ($66.1 million of fair value) on other metrics including multiples of revenue, latest financing round, discounted cash flow and escrow value
- Six publicly traded companies ($23.6 million of fair value) were valued at their closing share price at 30 June 2016. These six companies generated a weighted average total return of 34% year to date during 2016
- Four E&P companies ($33.8 million of fair value) were valued based on a variety of metrics, including dollars per acre and proved reserves
- One privately held financial institution and two financial services company, which represented $21.8 million of fair value. The privately held financial institution was valued on a multiple of book value and one of the financial services company was valued based on a multiple of operating income and the other was based on a multiple of book value

1. *Portfolio company operating and valuation metrics are based on the most recently available (unaudited) financial information for each company. Where necessary, estimates were used, which include pro forma adjusted EBITDA and Revenue, annualised quarterly operating metrics and LTM periods as of 31/3/16 and 31/12/15. Three companies were excluded from the revenue and EBITDA growth data set. Private equity fair value as of 30 June 2016.*

DIRECT EQUITY INVESTMENT PERFORMANCE

The figure below illustrates the key operating, valuation, and leverage statistics for the 43 traditional buyout investments by industry sector. In conducting the analysis, the Investment Manager utilised the most recently available information to estimate the year-over-year growth in revenue and EBITDA for each company. In addition, the Investment Manager analysed the most recently available valuation multiple (enterprise value to EBITDA) and leverage multiple (net debt to EBITDA) for each company. The aggregate metrics by industry sector represent weighted averages based on the fair value of each underlying company at 30 June 2016.

Direct Equity Investments (Traditional Buyout): Operating Performance, Valuation and Leverage by Sector



Fair Value ($mm):	**$32.1**	**$4.0**	**$44.3**	**$3.0**	**$8.0**	**$44.0**	**$30.8**	**$54.3**
# of Companies:	**5**	**2**	**11**	**3**	**2**	**5**	**7**	**8**

1. *Portfolio company operating and valuation metrics are based on the most recently available (unaudited) financial information for each company. Where necessary, estimates were used, which include pro forma adjusted EBITDA and Revenue, annualised quarterly operating metrics and LTM periods as of 31/3/16 and 31/12/15. Three companies were excluded from the revenue and EBITDA growth data set. Private equity fair value as of 30 June 2016.*

SCHEDULE OF INVESTMENTS

Direct Equity Investments ($ in millions)	Principal Geography	Investment Date	Description	Fair Value
Oil & Gas Company*	U.S.	May-14	E&P company in the U.S.	$18.8
Patheon	U.S.	Mar-14	Manufacturing services for prescription drugs	16.2
The Warranty Group	Global	Jul-14	Underwriter & administrator of extended warranties	14.3
Black Knight Financial Services	U.S.	Dec-13	Mortgage servicing technology and appraisal / origination services	13.0
RiverBed	U.S.	Feb-15	Provider of application performance infrastructure	12.2
Evans Delivery Company (Equity)	U.S.	Jun-12	Intermodal freight services company	11.7
Saguaro	Canada	Jul-13	E&P company pursuing unconventional light oil/liquids-rich gas properties	10.0
Capsugel	Global	Jul-11	Hard capsules and drug delivery systems	9.7
LGC	Europe	Mar-16	Life sciences measurement and testing company	9.6
Digital River (Equity)	U.S.	Feb-15	Digital eCommerce, payments and marketing solutions	8.7
Genetic Testing Company - Equity*	U.S.	Jun-13	Genetic testing company	8.6
Ortholite (Equity)	U.S.	Apr-14	Provider of high-performance insoles and related shoe components	8.2
Deltek (Equity)	U.S.	Dec-12	Enterprise software and information solutions	9.3
SolarWinds	U.S.	Feb-16	Provider of enterprise-class IT and infrastructure management software	7.2
Marquee Brands	Global	Dec-14	Portfolio of consumer branded IP assets, licensed to third parties	7.4
Ellucian	Global	Sep-15	Developer of higher education ERP software	7.0
Brightview	U.S.	Dec-13	Commercial landscape and turf maintenance	7.0
Gardner Denver, Inc.	U.S.	Jul-13	Maker of industrial equipment	7.0
ARUHI Corporation	Japan	Oct-14	Mortgage company in Japan offering primarily fixed rate mortgages	6.8
Vencore	U.S.	Nov-10	High-end systems engineering to US Intelligence Industry	6.8
Looking Glass	U.S.	Feb-15	Cyber security technology company	6.7
Berlin Packaging	U.S.	Oct-14	Supplier of rigid packaging materials and value-added services	6.2
Petsmart	U.S.	Jun-15	Pet supplies retailer	7.8
Engineering Ingegneria Informatica	Italy	May-16	Italian IT firm	6.1
Counsyl	U.S.	Jul-14	Genetic testing and services using innovative software	5.8
Leaseplan	Europe	Apr-16	Fleet management company	5.6
Alex & Ani	U.S.	May-15	Designer jewelry company	5.1
CSC Service Works	U.S.	Mar-15	Provider of outsourced services to laundry & air vending markets	5.8
Standard Aero	U.S.	Jun-15	Provider of aircraft maintenance, repair and overhaul services	5.7
Aster / DM Healthcare	Middle East / India	Jun-14	Operator of hospitals, clinics and pharmacies	5.6
Consilio	U.S.	Jul-15	eDiscovery company providing end-to-end services globally	5.5
Evoqua Equity	U.S.	Jan-14	Water treatment technology, equipment and services	5.3
Solace Systems	U.S.	Apr-16	Enterprise messaging solutions	5.0
Mills Fleet Farms	U.S.	Feb-16	Value-based retailer with 35 stores in the Midwest US	5.0
Hilsinger	U.S. / U.K. / Australia	May-14	Supplier of eye wear and eye care accessories	4.5
GC Services	U.S.	Jan-16	Provider of call center management and collection agency services	4.4
American Dental Partners, Inc.	U.S.	Feb-12	Dental practice management services	4.0
Connector Company*	U.S.	Oct-15	Producer of embedded solid-state connectors	4.0
Inflection Energy	U.S.	Oct-14	Dry gas exploration company in the Marcellus Shale	4.0
ProMach	U.S.	Nov-14	Packaging machinery for consumer goods	3.8
Concord Bio	India	Jun-16	Active pharmaceutical ingredients manufacturer	3.5
Snagajob	U.S.	Jun-16	Job search and human capital management provider	3.5
Gabriel Brothers	U.S.	Mar-12	Discount retailer	3.8
Centro	U.S.	Jun-15	Provider of digital advertising management solutions	3.3
Taylor Precision Products	U.S.	Jul-12	Consumer & foodservice measurement products	3.1
Syniverse Technologies	Global	Feb-11	Global telecommunications technology solutions	3.0
Stratus Technologies	U.S.	Apr-14	Technology solutions that prevent downtime of critical applications	2.8
NXP Semiconductors	Global	Jul-07	Semiconductors manufacturer	2.6
Prosper	U.S.	Apr-15	Peer-to-peer online lending marketplace for unsecured consumer credit loans	2.5
Fairmount Minerals	U.S.	Aug-10	Producer of high purity sand / sand based proppants	2.4
Oticas Carol	Brazil	Apr-13	2nd largest eyewear retailer in Brazil	2.3
CommScope	Global	Feb-11	Communications infrastructure solutions	2.4
First Data	Global	Sep-07	Electronic commerce and payments	2.3
RevSpring	U.S.	Oct-12	Outsourced provider of accounts receivable	2.2
23 Other Direct Equity Investments (<$2m Individually)				20.9
Total Direct Equity Investments				**$365.8**

**Due to confidentiality agreements, company names cannot be disclosed.*
Note: Numbers may not sum due to rounding. Based on private equity fair value as of 30 June 2016.

INCOME INVESTMENTS: KEY PORTFOLIO STATS

Portfolio Overview

43 Investments & **$262.8** million of fair value

Primarily junior debt investments, broadly diversified across sectors

Investment focus:

- Established and stable private-equity backed companies
- Primarily second lien / mezzanine portions of the capital structure
- High quality private equity sponsorship

Portfolio Metrics[1]

9.9% cash yield

10.6% estimated yield to maturity

$24.0 million of run-rate cash income

98% dividend coverage from portfolio income

5.2x total leverage

3.9x leverage senior to the position held by NBPE[2]

Strong Performance

$74 million of distributions from income investments during the first six months of 2016

5 exited investments generated **$38** million of proceeds, a **1.2x** multiple of capital and **19%** IRR in aggregate[3]

1. *Yield to maturity is inclusive of PIK interest and represents the IRR from this reporting period to the maturity of the investment. Small business loans are excluded from the yield calculation, but are at an interest rate at least at the rate stated above.*
2. *Denotes leverage multiple of debt that is senior to NBPE's security.*
3. *Inclusive of prior distributions.*

NEW INVESTMENTS DURING THE FIRST SIX MONTHS OF 2016

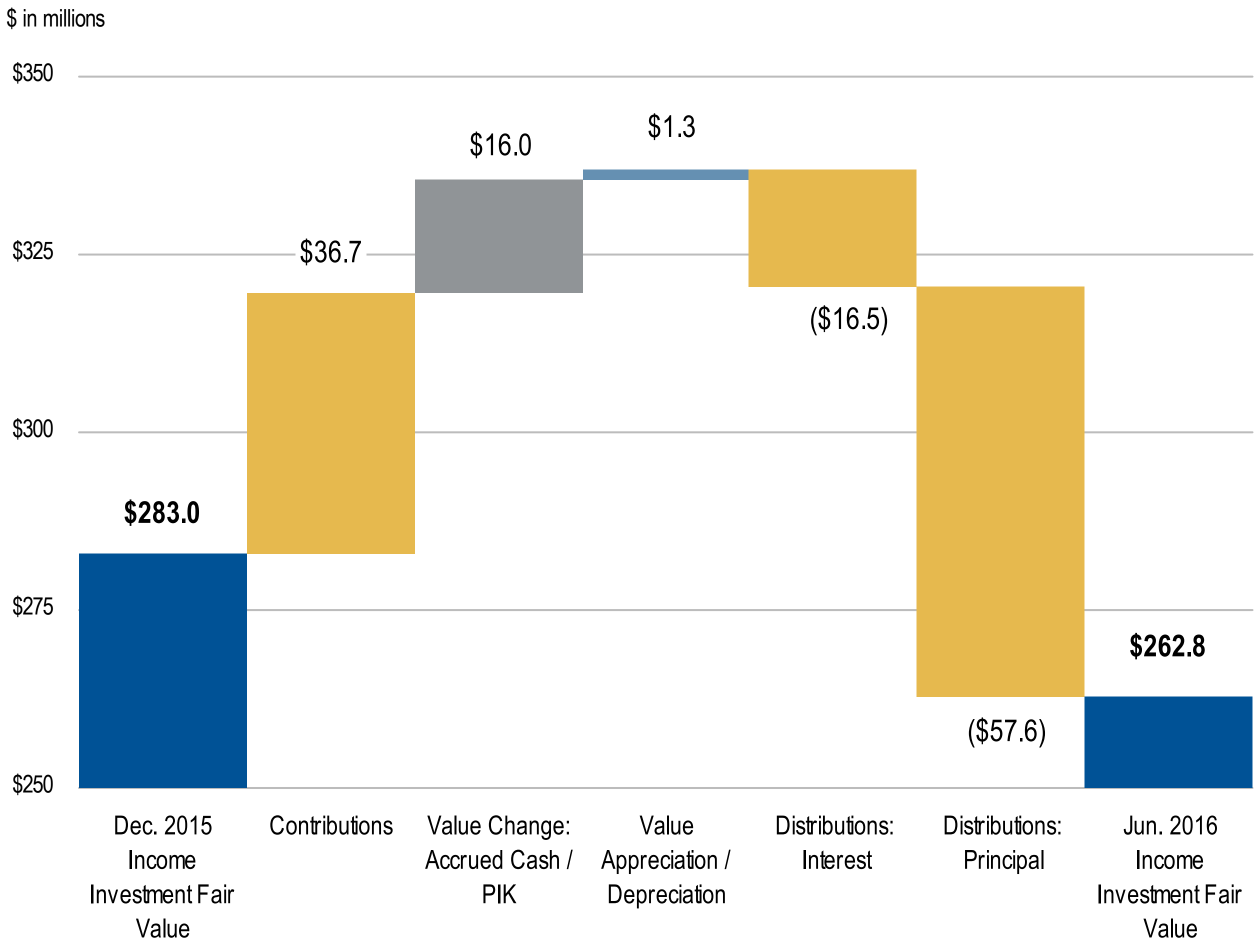
$27 million invested in **6** new income investments

GCA SERVICES GROUP — **$8.8m** invested. Equity Sponsors: THL & Goldman Sachs	• National provider of janitorial and custodial services
Carestream — **$6.5m** invested. Equity Sponsor: Onex Partners	• Medical and dental imaging and IT company
asurion — **$4.2m** invested. Equity Sponsors: Madison Dearborn, Providence Equity, Welsh Carson, Berkshire Partners & CPP	• Provider of insurance for mobile phones and consumer electronics
MedAssets — **$2.9m** invested. Equity Sponsor: Pamplona Capital	• Healthcare performance improvement company
WENCOR GROUP — **$1.7m** invested. Equity Sponsor: Warburg Pincus	• Aerospace after market solutions company
Generic Pharmaceutical Company* Undisclosed*	• Developer, manufacturer and distributor of generic prescription pharmaceuticals

*Note: *Due to confidentiality provisions, company name and values cannot be disclosed.*

INCOME INVESTMENT PERFORMANCE

$17 million of interest income and **$58** million of principal repayments during the first six months of 2016. Run rate cash income was **$24** million as of 30 June 2016



Note: Numbers may not sum due to rounding.

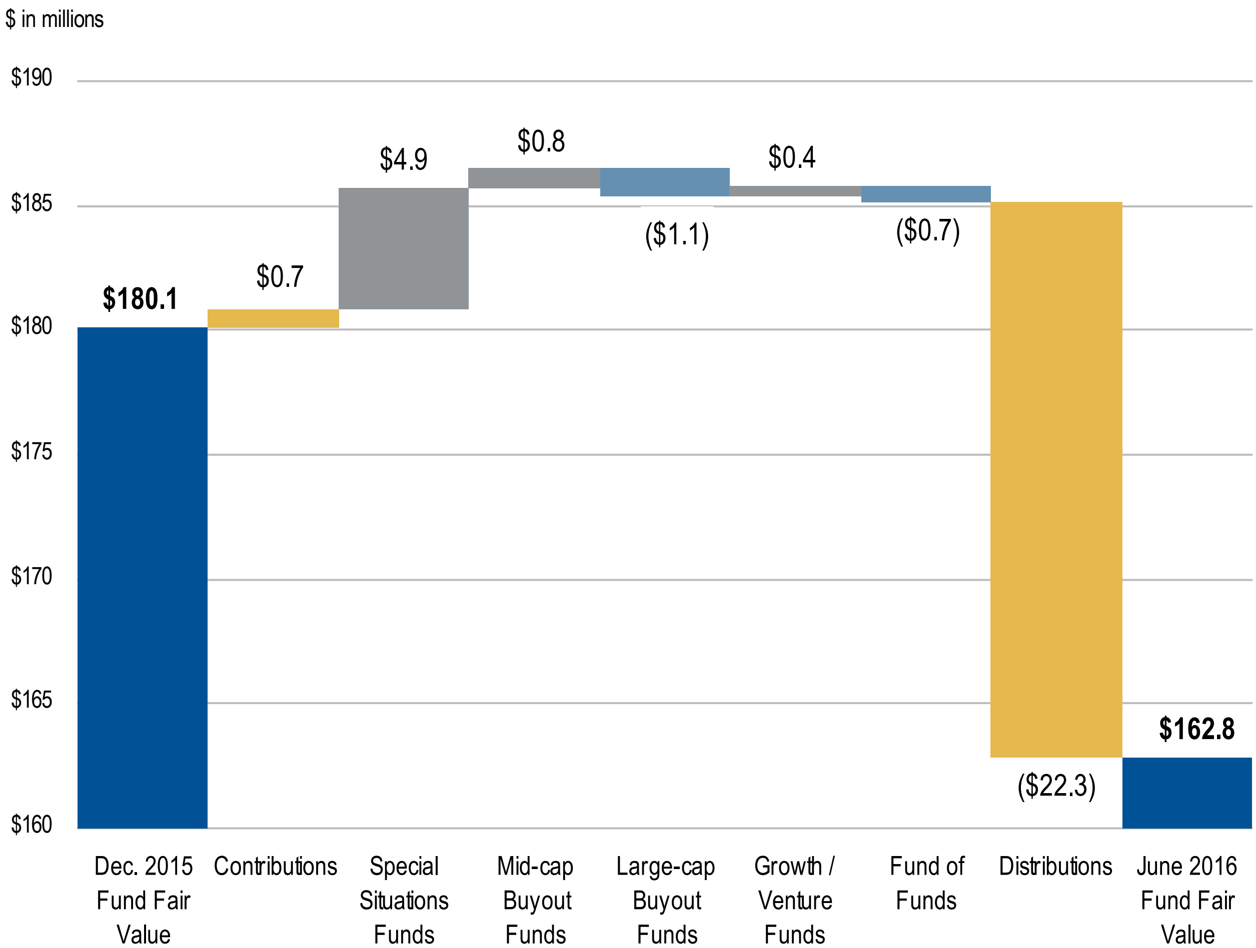
SCHEDULE OF INVESTMENTS

INVESTMENT NAME	SECURITY DETAILS	INVESTMENT DATE	MATURITY DATE	FAIR VALUE[1]	CASH + PIK COUPON	CASH YIELD	TOTAL EST. YTM
Income Investments							
Converge One	Second lien (L+8.0%, 1% L Floor, 1.0% OID)	Jun-14	Jun-21	$19.9	9.0%	9.1%	9.4%
K&N Engineering	Second lien (L+8.625%, 1% L Floor, 2.25% OID)	Jul-14	Jul-20	18.1	9.6%	9.8%	10.1%
Heartland Dental	Second lien (L+8.5% Cash, 1.25% L Floor, 1.5% OID)	Jan-13	Jun-19	15.6	9.8%	9.6%	10.2%
Funding Circle	Portfolio of small business loans	Jan-15	N/A	15.3	N/A	N/A	N/A
Compuware	Second lien (L+8.25% Cash, 1.0% L Floor, 8% OID)	Dec-14	Dec-22	14.0	9.3%	9.9%	9.7%
Catalina	Second lien (L+6.75%, 1% L Floor; purchased @ 78)	May-15	Apr-22	12.7	7.8%	11.6%	18.1%
MediMedia	Second lien (L+11% Cash, 1.25% L Floor; purchased @ 93)	Jun-15	Nov-19	10.4	12.3%	12.6%	13.0%
Deltek	Second lien (L+8.50% Cash, 1.00% L Floor, 1% OID)	Jul-15	Oct-19	10.1	9.5%	9.4%	9.2%
Linxens	Second lien (L+8.25% Cash, 1.0% L Floor, 1% OID)	Oct-15	Oct-23	10.0	9.3%	9.3%	9.7%
Total Fleet Solutions	Second lien (L+9.5% Cash, 1.0% L Floor)	Dec-15	Dec-20	10.0	10.5%	10.7%	11.0%
Schumacher Group	Second lien (L+8.5% Cash, 1.0% L Floor, 1% OID)	Oct-15	Oct-23	9.6	9.5%	9.6%	10.0%
GCA Services	Second lien (L+9.0% Cash, 1% L Floor, 2.5% OID)	Mar-16	Mar-24	8.9	10.0%	10.1%	10.4%
Vestcom	Second lien (L+8.0% Cash, 1.0% L Floor, 1.5% OID)	Oct-14	Sep-22	8.2	9.0%	8.9%	9.1%
LANDesk	Second lien (L+7.25%, 1% L Floor, 1% OID)	Mar-14	Feb-21	8.0	8.3%	8.2%	8.4%
Authentic Brands	Second lien (L+8.0%, 1% L Floor, 1.0% OID)	Jun-14	May-22	7.8	9.0%	8.9%	9.4%
Evoqua	Second lien (L+7.5%, 1% L Floor, 0.5% OID)	Jan-14	Jan-22	7.5	8.5%	8.5%	8.9%
Hyland	Second lien (L+7.25%, 1% Floor)	Jun-15	Jul-23	6.2	8.3%	8.3%	8.6%
Flexera	Second lien (L+7.0%, 1% L Floor, 0.5% OID)	Apr-14	Apr-21	6.0	8.0%	8.0%	8.3%
Taylor	Sr. sub notes (13% Cash, 1.5% OID)	Nov-13	May-19	5.9	13.0%	12.7%	12.8%
Central Security Group	Second lien (L+9.0% Cash, 1% L Floor, 5% OID)	Nov-14	Oct-21	5.8	10.0%	10.4%	10.5%
Galco Industrial Electronics	Sr. sub notes (10.75% Cash, 1.25% PIK, 1.5% OID)	May-14	May-21	5.0	12.0%	10.6%	12.1%
P2 Energy Solutions	Second lien (L+8.00% Cash, 1.0% L Floor, 1% OID)	Nov-13	May-21	4.1	9.0%	11.1%	15.3%
Syncsort	Second lien (L+8.5% Cash, 1.0% L Floor, 2% OID)	Nov-15	May-22	4.0	9.5%	9.7%	10.0%
Phillips Feed Service	Second lien (L+7.3% Cash, 1.0% L Floor; purchased @75)	Dec-15	Jan-22	3.8	8.3%	11.5%	17.0%
Digital River Debt	Second lien (L+11.0% Cash, 1.0% L Floor, 1% OID)	Jan-15	Feb-22	3.6	12.0%	12.0%	12.3%
18 Other Income Investments (< $3m Individually)				32.3	-	-	-
Total Income Investments				**$262.8**	**9.3%**	**9.9%**	**10.6%**

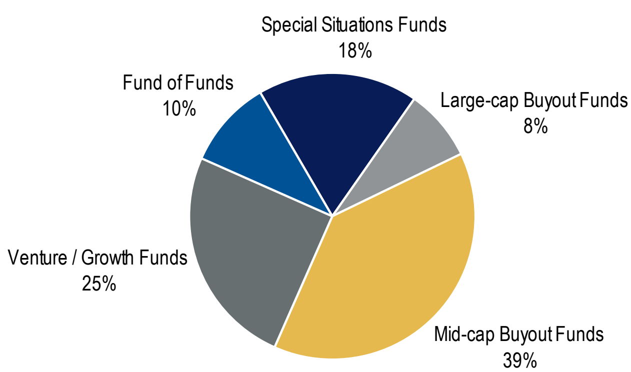
1.The yield to maturity is inclusive of PIK interest and represents the return (IRR) from this reporting period to the maturity of the investment. Small business loans are excluded from the yield calculation, but are at an interest rate at least at the rate stated above.

FUND INVESTMENT PERFORMANCE

$22 million of distributions during the first six months of 2016



Fund Investment Distribution Activity by Asset Class



The largest distributions during the first six months of 2016 were received from mid-cap buyout and venture / growth funds. During the first six months of 2016, the largest fund distributions were received from NB Crossroads Fund XVIII, Bertram Capital II and NB Crossroads Fund XVII.

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

Note: Numbers may not sum due to rounding.

SCHEDULE OF INVESTMENTS

($ in millions) Fund Investments	Asset Class	Vintage Year	Fair Value	Unfunded Commitment[1]
Catalyst Fund III	Special Situations Funds	2011	$16.3	$0.0
NB Crossroads Fund XVIII Mid-cap Buyout	Mid-cap Buyout Funds	Fund XVIII	14.1	7.1
NB Crossroads Fund XVII	Fund XVII (Diversified)	Fund XVII	12.2	1.8
Bertram Growth Capital II	Growth / Venture Funds	2010	9.0	2.3
Platinum Equity Capital Partners II	Special Situations Funds	2007	8.8	3.3
OCM Principal Opportunities Fund IV	Mid-cap Buyout Funds	2007	9.1	-
Sun Capital Partners V	Special Situations Funds	2007	8.1	1.2
Avista Capital Partners	Mid-cap Buyout Funds	2006	7.2	0.2
NB Crossroads Fund XVIII Venture Capital	Growth / Venture Funds	Fund XVIII	7.3	1.7
Bertram Growth Capital I	Growth / Venture Funds	2007	6.3	1.1
NG Capital Partners	Growth / Venture Funds	2010	5.8	0.5
Corsair III Financial Services Capital Partners	Mid-cap Buyout Funds	2007	5.4	1.0
Sankaty Credit Opportunities III	Special Situations Funds	2007	5.7	-
NB Crossroads Fund XVIII Large-cap Buyout	Large-cap Buyout Funds	Fund XVIII	5.5	2.2
Lightyear Fund II	Mid-cap Buyout Funds	2006	3.9	1.4
NB Crossroads Fund XVIII Special Situations	Special Situations Funds	Fund XVIII	3.8	0.9
Oaktree Opportunities Fund VIII	Special Situations Funds	2009	3.8	-
NB Fund of Funds Secondary 2009	Mid-cap Buyout Funds	2009	3.1	0.7
CVI Global Value Fund	Special Situations Funds	2006	3.1	0.8
Highstar Capital II	Mid-cap Buyout Funds	2004	3.1	0.1
14 Other Fund Investments (< $3m Individually)			$21.1	$12.1
Total Fund Investments			**$162.8**	**$38.3**

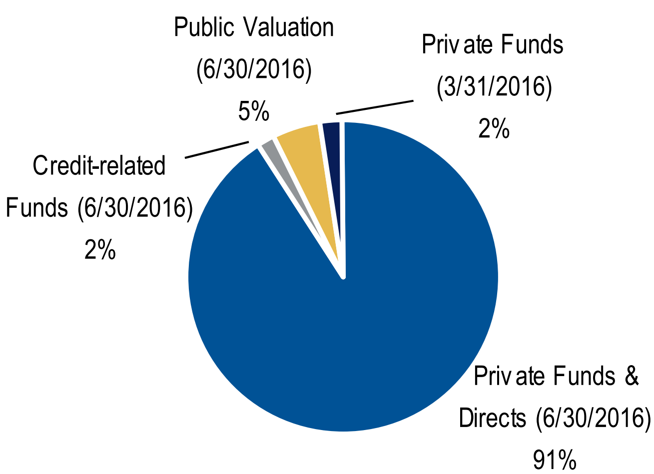
Note: Numbers may not sum due to rounding. The underlying NB Crossroads vintage year diversification is as follows (as a percentage of fair value): 2002 (<1%), 2003 (<1%), 2004 (3%), 2005 (11%), 2006 (42%), 2007 (36%), 2008 (5%), and 2010 (1%).

1. *$33.2 million of unfunded commitments are to funds past their investment period. Please refer to page 27 for more information on unfunded commitments to funds past their investment period.*

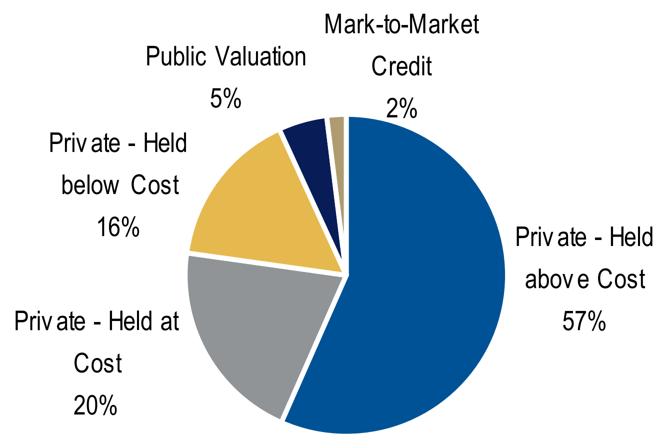
PORTFOLIO VALUATION

Following the receipt of additional valuation information after 12 July 2016, the publication date of the June monthly NAV estimate, the NAV per Share of $14.61 was $0.18 higher than previously reported.[1] As of 30 June 2016, approximately 5% of fair value was held in public securities.

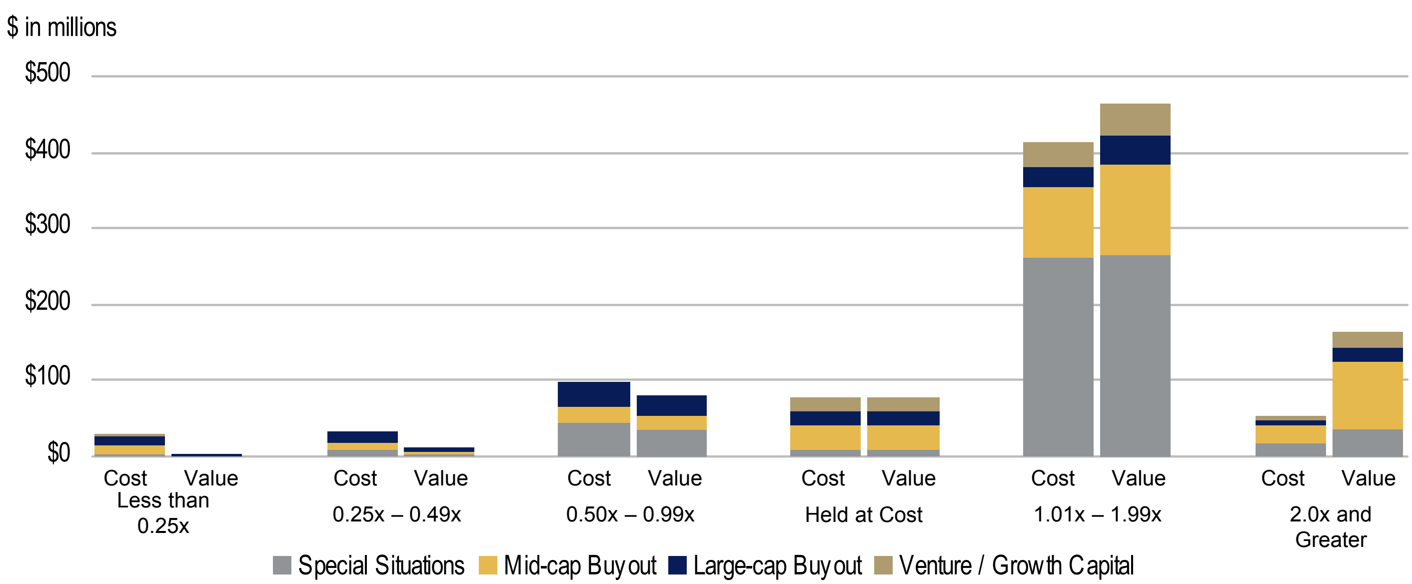
By Date of Information & Valuation Type (% of Fair Value)[2]



Valuation Method (% of Fair Value)



NBPE Portfolio Valuation by Asset Class



Note: Numbers may not sum due to rounding.

1. As reported in the monthly NAV estimate the percent of private equity fair value was held: 36% in directs, 2% in credit-related funds, 5% in publics, and 1% in private funds as of 30 June 2016, 1% in directs as of 30 April 2016, 38% in directs and 17% in private funds as of 31 March 2016.

2. Please refer to page 61 for a detailed description of the valuation policy. While some information is as of 31 March 2016, the Manager's analysis and historical experience lead the Manager to believe that this approximates fair value at 30 June 2016.

2016 IPO ACTIVITY & PUBLIC STOCK EXPOSURE

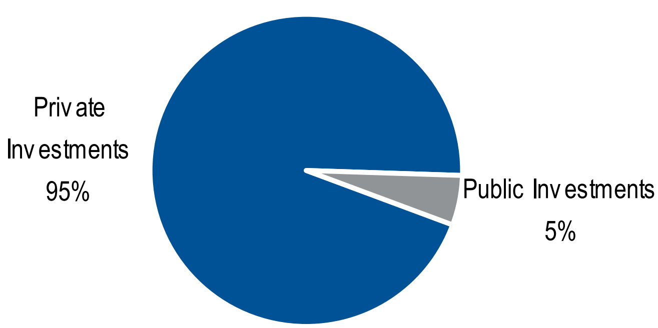
Eight companies in NBPE's portfolio, representing $0.4 million of unrealised value, completed initial public offerings ("IPOs") during the first six months of 2016, which may lead to future distributions to NBPE. The investments below represent the top five companies by value that completed an IPO during the first six months of 2016:

- Parques Renunidos S.A. (Bolsa de Madrid: PQR) - NB Crossroads Fund XVII
- American Renal Holdings, Inc.(NYSE: ARA) - NB Crossroads Fund XVII, NB Crossroads Fund XVIII
- Technogym SpA (BRSAITALIANA: TGYM: IM) - NB Crossroads Fund XVII
- Syndax Pharmaceuticals, Inc. (NasdaqGS: SNDX) – NB Crossroads Fund XVII, NB Fund of Funds Secondary 2009
- Proteostasis Therapeutics, Inc. (NasdaqGM: PTI) – NB Crossroads Fund XVII, NB Crossroads Fund XVIII

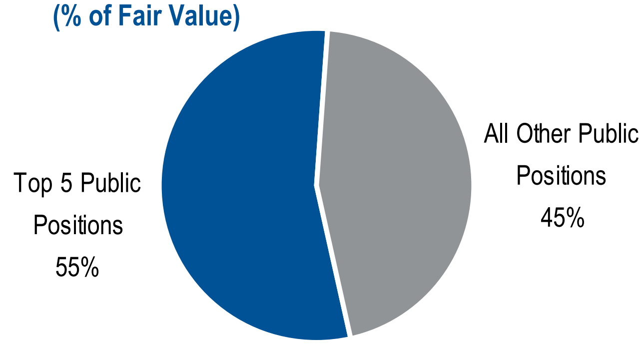
The top five public stock exposures are listed below:

- Black Knight Financial Services (NYSE: BKFS): $13.0 million[1]
- NXP Semiconductors (NASDAQ: NXPI): $3.3 million
- Fairmount Santrol Holdings (NYSE: FMSA): $2.9 million
- Commscope (NASDAQ: COMM): $2.5 million
- First Data Corporation (NYSE: FDC): $2.5 million

Public vs. Private Investments (% of Fair Value)



Concentration of Public Investments (% of Fair Value)



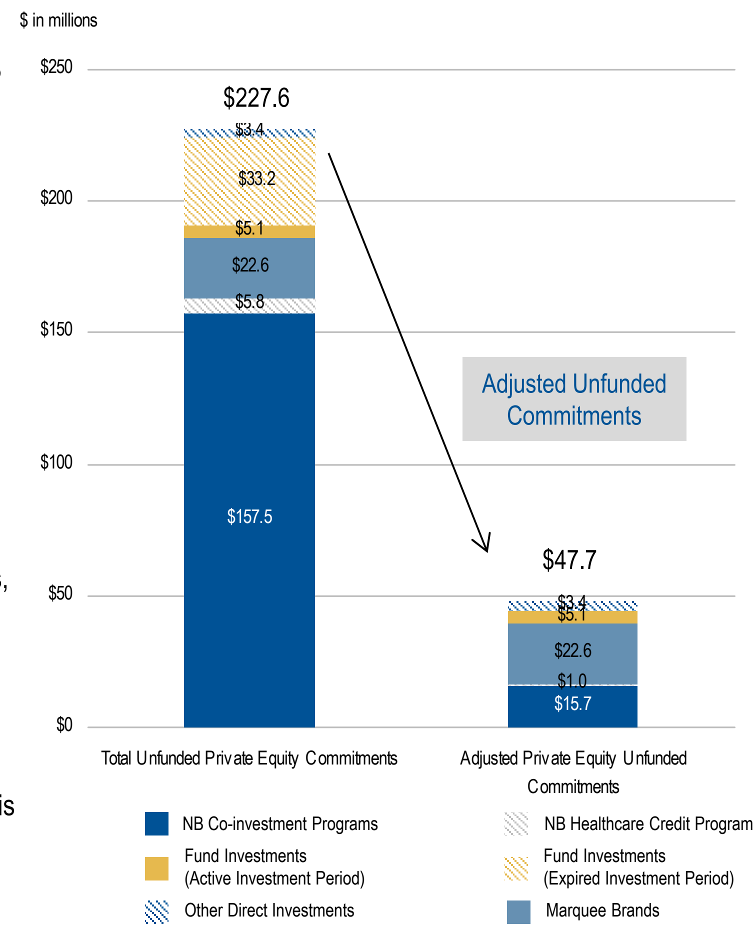
Note: Numbers may not sum due to rounding
1. Valuation is based on the underlying share price of Black Knight Financial Services and additional entity that remains private.

UNFUNDED COMMITMENTS & CAPITAL RESOURCES

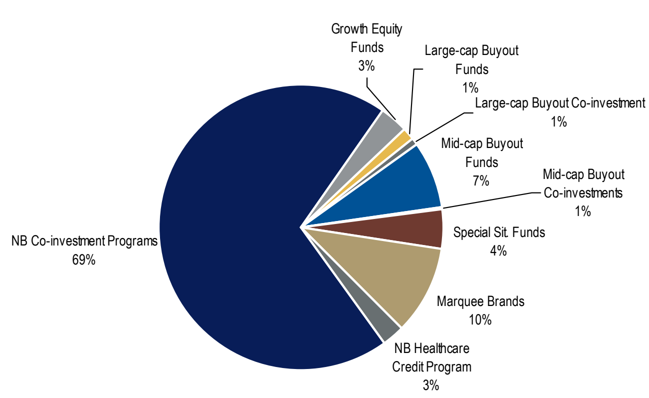
As of 30 June 2016, NBPE's unfunded commitments were approximately $227.6 million. Approximately $157.5 million, $5.8 million and $22.6 million were unfunded commitments to the NB Alternatives Co-investment and Healthcare Credit Programs and Marquee Brands, respectively. Approximately $13.7 million of unfunded commitments were to fund of funds managed by the Manager and $24.6 million of unfunded commitments were to third party direct funds. Within the fund portfolio, $33.2 million of the unfunded commitments are to funds past their investment period. The Manager believes a large portion of this amount is unlikely to be called. However, some amount may be called for fees, expenses and / or follow-on investments.

The Manager analysed the unfunded commitments on an adjusted basis. Unfunded commitments were adjusted by removing unfunded commitments past their investment period, amounts which NBPE has the ability to terminate if it so chooses, and unfunded commitments to funds managed by the Manager. Following these adjustments, the unfunded commitments were $47.7 million.

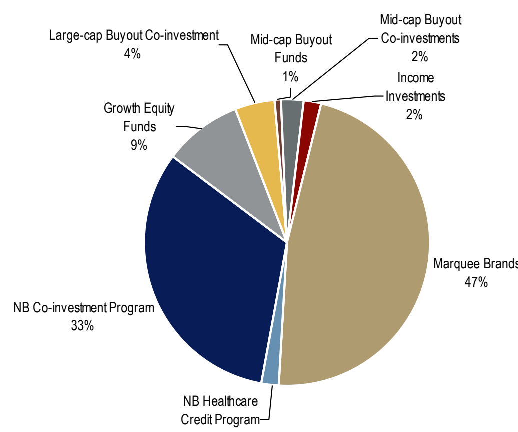
As of 30 June 2016, NBPE had $67.4 million of cash and available borrowings under the credit facility of $80.0 million, or $147.4 million of total capital resources. On an adjusted basis this corresponds to excess capital resources of $99.7 million and a commitment coverage ratio of 309%.



Total Actual Unfunded Private Equity Commitments ($227.6m)



Adjusted Unfunded Private Equity Commitments ($47.7m)



Note: Numbers may not sum due to rounding.

CREDIT FACILITY OVERVIEW

On 7 June 2016, the Company entered into an agreement with JP Morgan Chase Bank, N.A. (the "2016 Credit Facility") to refinance the 2012 Credit Facility. The 2016 Credit Facility's availability is up to $150.0 million (including a $25.0 million accordion whereby the Company is able to increase available borrowings) that expires in June 2021. Beginning in year four, the 2016 Credit Facility carries mandatory amortisation of outstanding balances of 25% per calendar quarter. The 2016 Credit Facility is guaranteed by the parent of the Company (the "Parent Guarantor") as well as all of the Company's subsidiaries and secured by substantially all of the assets of the Parent Guarantor and its subsidiaries. At 30 June 2016 $70.0 million was borrowed.

Under the 2016 Credit Facility, the interest rate is calculated as LIBOR (based on 3-month LIBOR) plus 3.75% per annum. In addition, under the 2016 Credit Facility, the Company is required to pay an undrawn revolving fee of 1.25% per annum on the daily balance of the unused facility amount, with certain minimum draw requirements.

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

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

The Company is subject to a number of LTV ratios in order to be in compliance with the 2016 Credit Facility. The drawdown LTV ratio is 25% and the maximum LTV ratio is 40%. If the LTV ratio exceeds 40%, the Company is subject to certain requirements to lower the LTV ratio to the maintenance margin of 35%, within certain timeframes. If at any time the LTV ratio exceeds 60%, the Company is forced to make prepayments on the loan balance on an expedited basis.

Certain cash distributions, including dividends, are subject to an LTV release ratio of less than 35%, unless a performance event has occurred. The performance event test is measured against the level of the S&P 500 index. If the S&P 500 index value falls by 30% in any 120 day period, certain cash distributions, including dividends, are subject to an LTV release ratio of 20%.

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

At 30 June 2016, the Company met all requirements under the 2016 Credit Facility.

Note: Numbers may not sum due to rounding.

MARKET COMMENTARY

After a period of volatility at the beginning of the year, U.S. equity markets rebounded in the latter part of the first quarter and into the second quarter. Following a brief sell off in June, the S&P 500 rebounded once again, posting a gain of 2.7% for the year to date. While U.S. equity markets experienced a small gain during the first half of the year, other equity indices were mixed in performance. The MSCI Emerging Markets Index increased 5.0% , likely reflecting renewed optimism of growth in emerging markets; however, the MSCI World Index, a broader equity index, fell by 0.6%, as growth in developed markets, particularly Europe, likely remained on the forefront of investors' minds. In terms of bond markets, US corporates and high yield bonds both posted strong gains for the year of 7.7% and 9.1%, respectively.

Private Equity Buyout Market

During the first six month of 2016, private equity buyout markets remained generally healthy and buyout volumes were strong relative to levels during 2015. U.S. leveraged buyout ("LBO") volume was $94.4 billion in the first six months of 2016, which represented a 15.5% increase in LBO volume from the same period during 2015. Large-cap transactions (defined by S&P as companies with enterprise values above $500 million) continued to be the largest contributor to volume, representing approximately 79.5% of buyout volume during the first six months of 2016.

During the second quarter of 2016, transaction multiples declined slightly; however, multiples still remained at generally high levels, particularly for larger transactions and companies with strong growth profiles and favorable cash flow dynamics. During the first six months of 2016, LBO purchase multiples were 10.1x EBITDA, down slightly from 10.3x EBITDA for all transactions completed during 2015.[2] The Manager believes valuations remain elevated due to continued competition among strategic acquirers and private equity firms for the strongest businesses. If concerns around a slowdown persist, the Manager believes that these businesses will continue to attract premium multiples, particularly those with stable business models which appear more insulated from broader macroeconomic trends.

Equity contributions during the second quarter of 2016 remained constant at approximately 43%, which was the highest level since 2009. The Manager believes this high equity contribution level is reflective of sponsors seeking to deploy dry powder, but keeping companies reasonably leveraged. Buyouts of middle market companies, defined as companies with less than $50 million in EBITDA, continued to be more conservatively capitalised than large-cap transactions. Equity contributions for mid-cap buyouts during the first six months of 2016 were 43.8%, or approximately 2.3% higher than large-cap transactions[2]. 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.

In Europe, the UK, Netherlands and France represented the majority of LBO activity and the average purchase price multiple for all LBOs was 9.7x EBITDA during the first six months of 2016.[3]

Private Equity Financing Markets

Primary volume in the leveraged loan market revived in Q2 2016 from Q1 2016 with a fresh wave of opportunistic business and issuers pulling forward deals to capitalise on buoyant investor sentiment. New-issue volume for the second quarter was $127.9 billion, up 41% from $90.9 billion in the first quarter and down 8% from $139.8 billion in the second quarter of last year when technical conditions were brighter.

In the second lien market, there has been an increasing trend for sponsors to privately place junior debt. Following the market volatility late last year that drove down secondary prices and upended the primary market, banks backed away from underwriting the junior debt components of transactions. In turn, sponsors seeking junior debt reached out directly to private debt providers to originate this debt. Looking ahead, market participants expect to see more debt placed privately, especially with the recent secondary market volatility.

1. *Source: CapitalIQ.*
2. *S&P Q2 2016 U.S. Leveraged Buyout Review.*
3. *S&P Q2 2016 European Leveraged Buyout Review.*

MARKET COMMENTARY

Private Equity Financing Markets (Cont.)

The average leverage for U.S. middle market buyout transactions for the first half of 2016 was 4.8x, down from 5.4x in 2015. Interest coverage levels also remain high, at or above 3.0x since 2012, at 4.2x in Q2 2016. Default rates remain low outside of energy and metals & mining, indicating that portfolio company performance remains stable.

Fundraising Environment

During the first six months of 2016, approximately $88.5 billion was raised in the U.S. buyout market, of which approximately $31.2 billion was raised by funds with a fund size under $2.5 billion.[1] This fundraising activity was roughly in-line with amounts raised during 2015, when $86.9 billion was raised by buyout funds. The Manager believes that this shows the continued health of private equity fundraising markets and ample capital continues to be available to fund private equity transactions. The Manager believes that buyout funds with strong prior track records continue to attract meaningful amounts of the overall fundraising capital raised. In Europe, during the first six months of 2016, approximately $35.0 billion was raised in the buyout market, of which approximately $16.5 billion was raised by managers with a fund size under $2.5 billion.[1]

1. *Thomson Reuters through 30 June 2016. Excludes venture, mezzanine, fund of funds, and secondary fundraising.*

PRINCIPAL RISKS AND UNCERTAINTIES AND STATEMENT OF RESPONSIBILITY

Principal Risks and Uncertainties

The principal risk and uncertainties of the Company include external risks, strategic risks, investment risks, financial risks and operational risks. These risks, and the way in which they are managed, are described in more detail under the heading "Risk Report" in the Company's annual report for the year ended 31 December 2015. As explained in Note 5, the Lloyds Banking Group Facility was amended and refinanced with a new Facility from JP Morgan Chase NA. Other than the successful refinancing of the Facility, the Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remainder of the Company's financial year.

Statement of Responsibility

We confirm that to the best of our knowledge:

- the interim consolidated 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 of the Disclosure and Transparency Rules and the Financial Supervision Act of the Netherlands;

- The interim consolidated financial statement and the Investment Manager's Report meets the requirements of an interim management report, and includes a fair review of the information required by DTR 4.2.7R & DTR 4.2.8R of the Disclosure and Transparency Rules and Section 5.25d of the Financial Supervision Act of the Netherlands and includes:

  (a) an indication of important events that have occurred during the first six months of the financial year and their impact on the financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Talmai Morgan
Director

John Falla
Director

Date: 22 August 2016

INDEPENDENT REVIEW REPORT TO NB PRIVATE EQUITY PARTNERS LIMITED

Introduction

We have been engaged by NB Private Equity Partners Limited (the "Company") together with its subsidiaries (the "Group") to review the consolidated financial statements (the "financial statements") of the Group included in the interim report for the six month period ended 30 June 2016 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 13 June 2016 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") and by the Financial Supervision Act of the Netherlands (the "Wft"). 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 and by the Wft. 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.

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 2016 do not give a true and fair view of the financial position of the Group as at 30 June 2016 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, the DTR of the UK FCA and the Wft.

Dermot A. Dempsey

Dermot A. Dempsey
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants, Guernsey

22 August 2016

CONSOLIDATED BALANCE SHEETS
30 JUNE 2016 (UNAUDITED) AND 31 DECEMBER 2015 (AUDITED)

Assets		**2016**		**2015**
Private equity investments				
Cost of $705,439,449 at 30 June 2016 and $716,882,829 at 31 December 2015	$	791,380,564	$	813,597,495
Cash and cash equivalents		67,402,744		26,118,461
Other assets		2,498,028		1,270,275
Distributions and sales proceeds receivable from investments		1,698,097		2,085,717
Total assets	**$**	**862,979,433**	**$**	**843,071,948**
Liabilities				
Liabilities:				
Credit facility loans	$	70,000,000	$	52,500,000
ZDP Share liability		69,912,694		74,739,963
Net deferred tax liability		3,350,608		4,612,591
Payables to Investment Manager and affiliates		2,951,852		2,949,475
Carried interest payable		1,708,689		-
Accrued expenses and other liabilities		1,345,369		7,155,182
Total liabilities	**$**	**149,269,212**	**$**	**141,957,211**
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, $0.01 par value, 100,000 shares authorized, 10,000 shares issued and outstanding		100		100
Additional paid-in capital		525,157,490		525,157,490
Retained earnings		196,467,917		183,898,937
Less cost of treasury stock purchased (3,150,408 shares)		(9,248,460)		(9,248,460)
Total net assets of the controlling interest		**712,896,457**		**700,327,477**
Net assets of the non-controlling interest		813,764		787,260
Total net assets	**$**	**713,710,221**	**$**	**701,114,737**
Total liabilities and net assets	**$**	**862,979,433**	**$**	**843,071,948**
Net asset value per share for Class A Shares and Class B Shares	**$**	**14.61**	**$**	**14.35**
Net asset value per ZDP Share (Pence)		**159.10**		**153.60**

The financial statements were approved by the board of directors on 22 August 2016 and signed on its behalf by

Talmai Morgan **John Falla**

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 2016 (UNAUDITED) AND 31 DECEMBER 2015 (AUDITED)

Private equity investments	Cost	Fair Value	Unfunded Commitment	Private Equity [3] Exposure
2016				
Fund investments	$ 142,393,255	$ 162,795,489	$ 38,304,642	$ 201,100,131
Direct equity investments [1]	288,429,195	365,758,303	189,256,206	555,014,509
Income investments[2]	274,616,999	262,826,772	-	262,826,772
	$ 705,439,449	**$ 791,380,564**	**$ 227,560,848**	**$ 1,018,941,412**
2015				
Fund investments	$ 161,055,398	$ 180,105,490	$ 39,525,428	$ 219,630,918
Direct equity investments [1]	261,534,958	350,523,559	218,276,857	568,800,416
Income investments[2]	294,292,473	282,968,446	5,648,982	288,617,428
	$ 716,882,829	**$ 813,597,495**	**$ 263,451,267**	**$ 1,077,048,762**

Private equity investments in excess of 5% of net asset value	Fair Value
2015	
NB Crossroads Fund XVIII	
Large-cap buyout	$ 6,956,365
Mid-cap buyout	17,026,613
Special situations	3,879,347
Venture	8,426,302
	$ 36,288,627

(1) Including investments made through NB Alternatives Direct Co-investment Programs and Marquee Brands.

(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 2016 (UNAUDITED) AND 31 DECEMBER 2015 (AUDITED)

Geographic diversity of private equity investments [1]		Fair Value 2016		Fair Value 2015
North America	$	698,593,280	$	724,922,947
Europe		58,856,574		46,414,178
Asia / rest of world		28,332,732		36,765,403
Not classified		5,597,978		5,494,967
	$	**791,380,564**	**$**	**813,597,495**

Industry diversity of private equity investments [2]	Fair Value 2016	Fair Value 2015
Technology / IT	23.1%	21.9%
Healthcare	17.0%	16.0%
Industrials	12.7%	11.5%
Consumer discretionary	12.6%	15.1%
Financial services	10.9%	11.1%
Business services	8.5%	9.8%
Energy	6.2%	6.3%
Communications / media	4.0%	3.6%
Diversified / undisclosed / other	3.3%	3.4%
Transportation	1.7%	1.3%
	100.0%	**100.0%**

Asset class diversification of private equity investments [3]	Fair Value 2016	Fair Value 2015
Large-cap buyout	1.7%	1.9%
Large-cap buyout co-Invest	13.2%	14.2%
Mid-cap buyout	6.2%	7.0%
Mid-cap buyout co-Invest	24.5%	21.3%
Special situation	6.9%	6.5%
Special situation co-Invest	4.1%	4.4%
Income investments	33.2%	34.8%
Growth/venture	9.5%	9.1%
Secondary purchases	0.7%	0.8%
	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 2016 AND 2015 (UNAUDITED)

	2016	2015
Interest and dividend income	$ 18,443,688	$ 16,204,355
Expenses		
Investment management and services	5,813,063	6,064,298
Finance costs		
ZDP Shares	2,721,888	2,716,714
Credit facility	2,366,108	2,274,027
Carried interest	1,708,689	2,283,652
Administration and professional	1,470,790	1,686,490
	14,080,538	15,025,181
Net investment income (loss)	**$ 4,363,150**	**$ 1,179,174**
Realized and unrealized gains (losses)		
Net realized gain (loss) on investments and the Forward Foreign Exchange Contract, net of tax expense of $322,222 for 2016 and $467,506 for 2015	$ 17,212,765	$ 42,907,509
Net change in unrealized gain (loss) on investments and the Forward Foreign Exchange Contract, net of tax benefit of $1,261,984 for 2016 and $260,810 for 2015	3,219,710	(14,616,816)
Net realized and unrealized gain (loss)	20,432,475	28,290,693
Net increase (decrease) in net assets resulting from operations	$ 24,795,625	$ 29,469,867
Less net increase (decrease) in net assets resulting from operations attributable to the non-controlling interest	26,504	31,754
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$ 24,769,121**	**$ 29,438,113**
Net assets at beginning of period attributable to the controlling interest	700,327,477	694,808,051
Less dividend payment	(12,200,141)	(11,224,130)
Net assets at end of period attributable to the controlling interest	**$ 712,896,457**	**$ 713,022,034**
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	***$ 0.51***	***$ 0.60***

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 2016 AND 2015 (UNAUDITED)

	2016	2015
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$ 24,769,121	$ 29,438,113
Net increase (decrease) in net assets resulting from operations attributable to the non-controlling interest	26,504	31,754
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	(17,212,765)	(42,907,509)
Net change in unrealized (gain) loss on investments	(3,219,710)	14,616,816
In-kind payment of interest income	(31,377)	(252,369)
Amortization of finance costs	(1,184,945)	493,073
Amortization of purchase premium (OID)	(2,955,507)	(804,930)
Change in other assets	4,160,404	533,121
Change in payables to Investment Manager and affiliates	1,711,066	(4,445,559)
Change in accrued expenses and other liabilities	3,242,416	2,497,963
Net cash provided by (used in) operating activities	9,305,207	(799,527)
Cash flows from investing activities:		
Distributions from private equity investments	85,994,637	74,665,385
Proceeds from sale of private equity investments	37,796,422	63,099,115
Contributions to private equity investments	(446,765)	(6,615,626)
Purchases of private equity investments	(90,165,077)	(105,293,185)
Net cash provided by (used in) investing activities	33,179,217	25,855,689
Cash flows from financing activities:		
Dividend payment	(12,200,141)	(11,224,130)
Borrowing from credit facility	100,000,000	45,000,020
Payment to credit facility	(82,500,000)	(35,000,000)
Settlement of the Forward Foreign Exchange Contract	(6,500,000)	-
Net cash provided by (used in) financing activities	(1,200,141)	(1,224,110)
Net increase (decrease) in cash and cash equivalents	**41,284,283**	**23,832,052**
Cash and cash equivalents at beginning of period	26,118,461	25,583,910
Cash and cash equivalents at end of period	**$ 67,402,744**	**$ 49,415,962**
Supplemental cash flow information		
Interest paid	**$ 904,439**	**$ 1,637,096**
Net taxes paid	**$ 1,470,442**	**$ 286,178**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2016 (UNAUDITED) AND 31 DECEMBER 2015 (AUDITED)
SEE ACCOMPANYING INDEPENDENT REVIEW REPORT

Note 1 – Organization

NB Private Equity Partners Limited and its subsidiaries (the "Company") is a closed-ended investment company registered in Guernsey. The registered office is Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey GY1 4HY. The Company invests in private equity assets, which consist of direct equity investments, income investments, and private equity fund investments. Income investments include corporate private debt investments and healthcare credit investments, which consist of loans to companies in the healthcare sector and royalty backed notes. From time to time, the 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 Segment (formerly the Specialist Fund Market) of the London Stock Exchange plc under the symbol "NBPE". NBPE's ZDP Shares (see note 6) are listed and admitted to trading on the Daily Official List of The Channel Islands Securities Exchange Authority Limited and the Specialist Fund Segment of the London Stock Exchange under the symbol "NBPZ".

The Company's Class B Shares were contributed at the time of the initial public offering to a Guernsey charitable trust whose trustee is Heritage Corporate Services Limited ("Trustee"). Class B Shares have the right to elect all of the Company's directors and make certain other reserved decisions. The voting rights of Class A 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 the memorandum and articles of incorporation. Each Class A Share and B Share participates equally in profits and losses.

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

Note 2 – Summary of Significant Accounting Policies and Risks

Basis of Presentation

These interim consolidated financial statements (the "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"), as allowed by rules published in the United Kingdom and Netherlands to effect implementation of the EU Transparency Directive. These consolidated financial statements are presented in United States dollars. Having reassessed the principal risks, the directors considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements.

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 unrealised gains and losses resulting from changes in fair value reflected in net change in unrealised gain (loss) on investments in the Consolidated Statements of Operations and Changes in Net Assets. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2016 (UNAUDITED) AND 31 DECEMBER 2015 (AUDITED)
SEE ACCOMPANYING INDEPENDENT REVIEW REPORT

Principles of Consolidation

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

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 the directors in consultation with the Investment Manager 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 below, amounts ultimately determined may differ from the Investment Manager's current estimates and such differences may be significant.

Cash and Cash Equivalents

Cash and cash equivalents are valued at cost, which approximates fair value. These balances represent amounts held with financial institutions that are readily accessible to pay expenses or fund investments. These balances may include investments in money market mutual funds. As of 30 June 2016 and 31 December 2015, $67,402,744 and $26,118,461, respectively, are primarily held with JP Morgan Chase.

Valuation of Investments

The Company carries private equity investments on its books at fair value in accordance with U.S. GAAP. The Investment Manager uses the best information reasonably available to determine or estimate fair value. Valuations of the investments are reviewed and approved quarterly by the Investment Manager. Fair value is estimated 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 the Investment Manager concludes that it is probable an investment will be sold, the Investment Manager adjusts the carrying value to the amount expected from the sale, exclusive of transaction costs.

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. The Investment Manager determines 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.

For income investments, the Investment Manager estimates the enterprise value of each portfolio company and compares such amount to the total amount of the company's debt as well as the level of debt senior to the Company's interest. Estimates of enterprise value are based on the specific measure (such as EBITDA, free cash flow, net income, book value or NAV) believed to be most relevant for the given company and the Investment Manager compares this metric in relation to comparable company valuations (market trading and transactions) based on the same metric. In determining the enterprise value, the Investment Manager further considers 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 the Company is invested in and securities senior to the Company's position.

If the principal repayment of debt and any accrued interest is supported by the enterprise value analysis described above, the Investment Manager next considers current market conditions including pricing quotations for the same security and yields for similar investments. To the extent market quotations for the security are available, the Investment Manager takes into account current pricing and liquidity. Liquidity may be estimated by the spread between bid and offer prices and other available measures of market liquidity, including number and size of recent trades and liquidity scores. If the Investment Manager believes market yields for similar investments have changed substantially since the pricing of the security held by the Company, the Investment Manager performs a discounted cash flow analysis, based on the expected future cash flows of the debt securities and current market rates. The Investment Manager also considers the maturity of the investment, compliance with covenants and ability to pay cash interest when estimating the fair value of the Company's debt investment.

Because of their inherent uncertainty, the fair values 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.

Financial Instruments

The Company determines the fair value of its financial instruments and includes this additional information in the notes to the consolidated financial statements when the fair value is different than the carrying value of those financial instruments. At 30 June 2016 and 31 December 2015, the fair values of the Company's financial instruments reasonably approximate the carrying values and no additional disclosure is necessary.

Investment Income

The Company earns interest and dividends from direct investments and from cash and cash equivalents. The Company records dividends on the ex-dividend date and interest when earned, provided the Investment Manager knows the information or is able to reliably estimate it. Otherwise, the Company records the investment income when it is reported by the private equity investments. Discounts received or premiums paid in connection with the acquisition of loans are 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 the Company's investments.

Realised Gains and Losses on Investments

For investments in private equity funds, the Company records its share of realised gains and losses incurred when the Investment Manager knows that the private equity fund has realised its interest in a portfolio company and the Investment Manager has sufficient information to quantify the amount. For all other investments, the Company records realised gains and losses when the asset is realised and on the trade date. For all investments, realised gains and losses are recorded on a specific identification cost basis.

Net Change in Unrealised Gains and Losses of Investments

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

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 unrealised gain (loss) on investments in the Consolidated Statements of Operations and Changes in Net Assets. For the six month period ended 30 June 2016, the effect of translation to U.S. dollars increased valuations of foreign investments by approximately $94,907. For the six month period ended 30 June 2015, the effect of translation to U.S. dollars decreased valuations of foreign investments by approximately $587,490.

The Company has unfunded commitments denominated in currencies other than U.S. dollars. At 30 June 2016, the unfunded commitments are in Euro and Canadian dollars and amounted to €2,529,496 and CAD 561,666. At 31 December 2015, the unfunded commitments are in Euro and Canadian dollars and amounted to €2,731,950 and CAD 1,250,000. 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 2016 and 31 December 2015. 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 an increase in the U.S. dollar obligation of $118,235 for 30 June 2016 and a decrease in the U.S. dollar obligation of $579,051 for 31 December 2015.

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 £1,200.

Generally, income that the Company derives from the investments may be subject to taxes imposed by the U.S. or other countries and will impact the Company's 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 the Company receives 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, the Company 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.

The Company recognizes a tax benefit in the consolidated financial statements only when it is more likely than not that the position will be sustained upon examination by the relevant taxing authority based on the technical merits of the position. To date, the Company has not provided any reserves for taxes as all related tax benefits have been fully recognized. Although the Investment Manager believes uncertain tax positions have been adequately assessed, the Investment Manager acknowledges 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. The Company records a valuation allowance to reduce deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realised. Management subsequently adjusts the valuation allowance as the expected 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 realised. The Company records the tax associated with any transactions with U.S. or other tax consequences when the Company recognizes the related income.

Shareholders in certain jurisdictions may have individual income tax consequences from ownership of the Company's shares. The Company has not accounted for any such tax consequences in these consolidated financial statements. For example, the Investment Manager expects 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.

Reclassifications

As explained below and in note 4, certain amounts in the 2015 financial statements have been reclassified to conform to the 2016 presentation.

Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board ("FASB') issued Accounting Standards Update ("ASU") No. 2015-07 ("ASU 2015-07"), Fair Value Measurement (Topic 820), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The Company has adopted ASU 2015-07 for the period beginning 1 January 2016 and applied the guidance retrospectively for all periods presented.

Note 3 – Agreements, including related party transactions

Management and Administration

The Company pays 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 the 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 2016 and 2015, the management fee expenses were $5,415,036 and $5,634,185, respectively.

The Company also pays 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 the 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 2016 and 2015 for these services were $398,027 and $430,113, respectively.

The Company pays 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. The Company paid Heritage $108,067 and $116,903 for the six month periods ended 30 June 2016 and 2015, respectively, for such services.

For the six month periods ended 30 June 2016 and 2015, the Company paid the 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 2016 and 31 December 2015, the noncontrolling interest of $813,764 and $787,260 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 2016 and 31 December 2015.

	Controlling Interest	Noncontrolling Interest	Total
Net assets balance, 31 December 2014	$ 694,808,051	$ 758,287	$ 695,566,338
Net increase (decrease) in net assets resulting from operations	28,943,697	28,973	28,972,670
Dividend payment	(23,424,271)	-	(23,424,271)
Net assets balance, 31 December 2015	**$ 700,327,477**	**$ 787,260**	**$ 701,114,737**
Net increase (decrease) in net assets resulting from operations	24,769,121	26,504	24,795,625
Dividend payment	(12,200,141)	-	(12,200,141)
Net assets balance, 30 June 2016	**$ 712,896,457**	**$ 813,764**	**$ 713,710,221**

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 the Company's consolidated net increase in net assets resulting from operations, adjusted by withdrawals, distributions, and capital contributions, for a fiscal year in the event that the Company's internal rate of return for such period, based on the 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 the Company 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 the Company realizes 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 2016, $1,708,689 of carried interest was accrued. No carried interest was accrued as of 31 December 2015.

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 the Company. As of 30 June 2016 and 31 December 2015, the aggregate net asset value of these funds was approximately $207.0 million and $190.9 million, respectively, and associated unfunded commitments were $199.6 million and $226.9 million, respectively.

The Company owns 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 the Company bears its share of any direct expenses of NBFOFS.

As of 30 June 2016, the Company has committed $275 million and funded $121.3 million to the NB Alternatives Direct Co-investment Programs, committed $50 million and funded $51.5 million, including permitted reinvestment amount, to the NB Healthcare Credit Investment Program, committed $30 million and funded $7.4 million to Marquee Brands.

Note 4 – Fair Value of Financial Instruments

The Company categorizes its 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).

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The following tables detail the Company's financial assets and liabilities that were accounted for at fair value as of 30 June 2016 and 31 December 2015 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. Due to the adoption of ASU 2015-07 (see note 2), investments for which fair value is measured using the net asset value per share practical expedient are removed from the fair value hierarchy and reclassified from Level 3 to "Investments measured at net asset value".

	Assets (Liabilities) Accounted for at Fair Value				
As of 30 June 2016	**Level 1**	**Level 2**	**Level 3**	**Investments measured at net asset value[1]**	**Total**
Private equity investments	$ 10,537,666	$ -	$ 521,811,216	$ 259,031,682	$ 791,380,564
As of 31 December 2015	**Level 1**	**Level 2**	**Level 3**	**Investments measured at net asset value[1]**	**Total**
Private equity investments	$ 38,663,467	$ -	$ 586,814,358	$ 188,119,670	$ 813,597,495
Forward foreign exchange contract	-	(5,319,583)	-	-	(5,319,583)
Totals	**$ 38,663,467**	**$ (5,319,583)**	**$ 586,814,358**	**$ 188,119,670**	**$ 808,277,912**

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

As of 30 June 2016, the Company has assessed its positions and concluded that all of its private equity investments are classified as Level 3 with the exception of five publicly traded co-investments classified as Level 1 and investments for which fair value is measured using the net asset value per share practical expedient classified as "Investments measured at net asset value". As of 31 December 2015, all of the Company's private equity investments are classified as Level 3 with the exception of seven publicly traded co-investments classified as Level 1 and investments for which fair value is measured using the net asset value per share practical expedient classified as "Investments measured at net asset value".

Three co-investments were transferred from Level 3 to Level 1 during 2015 as a result of the completion of an initial public offering in 2015 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.

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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 2016.

(dollars in thousands)

For the Six Month Period Ended 30 June 2016	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/ Venture	Income Investments	Total Private Equity Investments
Balance, 31 December 2015	$ 78,425	$ 171,509	$ 26,151	$ 27,761	$ 282,968	$ 586,814
Purchases of investments and/or contributions to investments	10,090	21,620	(844)	8,450	36,668	75,984
Realized gain (loss) on investments	3,840	(56)	1,442	-	17,885	23,111
Changes in unrealized gain (loss) of investments still held at the reporting date	2,507	14,021	(3,065)	153	(859)	12,757
Changes in unrealized gain (loss) of investments sold during the period	(4,370)	(5,341)	321	-	393	(8,997)
Distributions from investments	(6,180)	(12,541)	(728)	-	(74,228)	(93,677)
Transfers in and/or (out) of level 3	(48,174)	(35,154)	9,147	-	-	(74,181)
Balance, 30 June 2016	**$ 36,138**	**$ 154,058**	**$ 32,424**	**$ 36,364**	**$ 262,827**	**$ 521,811**

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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 2015.

(dollars in thousands) For the Year Ended 31 December 2015	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/ Venture	Income Investments	Total Private Equity Investments
Balance, 31 December 2014	$ 62,652	$ 164,610	$ 23,626	$ 9,055	$ 301,332	$ 561,275
Purchases of investments and/or contributions to investments	17,798	36,157	4,400	18,576	135,552	212,483
Realized gain (loss) on investments	6,261	25,733	5,941	-	32,681	70,616
Changes in unrealized gain (loss) of investments still held at the reporting date	1,914	3,887	(1,656)	130	(14,186)	(9,911)
Changes in unrealized gain (loss) of investments sold during the year	-	(14,524)	587	-	422	(13,515)
Distributions from investments	(6,333)	(42,000)	(6,747)	-	(172,833)	(227,913)
Transfers in and/or (out) of level 3	(3,867)	(2,354)	-	-	-	(6,221)
Balance, 31 December 2015	**$ 78,425**	**$ 171,509**	**$ 26,151**	**$ 27,761**	**$ 282,968**	**$ 586,814**

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The following table summarizes the valuation methodologies and inputs used for private equity investments categorized in level 3 as of 30 June 2016.

(dollars in thousands)

Private Equity Investments		Fair Value 30 June 2016	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average)[2]	Impact to Valuation from an Increase in Input[3]
Direct equity investments						
Large-cap buyout	$	36,138	Market comparable companies	FWD EBITDA	13.2x	Increase
			Market comparable companies	LTM EBITDA	8.1x-15.8x (12.0x)	Increase
Mid-cap buyout		154,058	Discounted cash flow	Discount rate	18.0%	Decrease
			Market comparable companies	FWD EBITDA	6.7x-16.3x (9.4x)	Increase
			Market comparable companies	LTM EBITDA	6.1x-13.3x (9.6x)	Increase
			Other	$ per acre	$2,158.0-$9,314.0 ($4,187.1)	Increase
			Other	$ per BOE	$19.6	Increase
			Other	Book value	0.8x	Increase
			Other	Escrow value	1.0x	Increase
			Other	Expected sales proceeds	1.0x	Increase
Special situations		32,424	Market comparable companies	LTM EBITDA	7.2x-9.0x (8.0x)	Increase
			Market comparable companies	FWD EBITDA	7.2x	Increase
			Market comparable companies	Liquidity discount	15.0%	Decrease
			Market comparable companies	Sales multiple	1.1x	Increase
			Other	Expected sales proceeds	1.0x	Increase
Growth/ venture		36,364	Market comparable companies	Revenue Multiple	2.3x-4.9x (3.8x)	Increase
			Market comparable companies	LTM EBITDA	11.0x	Increase
			Market comparable companies	FWD Revenue Multiple	1.4x	Increase
			Other	Most recent financing	Series B, Series C, Series C-2, Series D	Increase
Income investments		262,827	Discounted cash flow	Discount rate	8.0%-10.6% (10.1%)	Decrease
			Market comparable companies	Broker quote	65.0%-91.3% (72.0%)	Increase
			Market comparable companies	LTM EBITDA	6.8x-13.8x (9.6x)	Increase
			Market comparable companies	PF Adj. EBITDA	6.4x	Increase
			Other	Book value	1.0x	Increase
			Other	Most recent financing	Series E	Increase
Total	$	521,811				

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

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The following table summarizes the valuation methodologies and inputs used for private equity investments categorized in level 3 as of 31 December 2015.

(dollars in thousands) Private Equity Investments	Fair Value 31 December 2015	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average)[2]	Impact to Valuation from an Increase in Input[3]
Direct equity investments					
Large-cap buyout	$ 78,425	Market comparable companies	LTM EBITDA	8.4x-15.8x (11.9x)	Increase
		Other	Book value	1.0x	Increase
Mid-cap buyout	171,509	Discounted cash flow	Discount rate	10.0%-18.0% (17.1%)	Decrease
		Market comparable companies	FWD EBITDA	6.7x	Increase
		Market comparable companies	LTM EBITDA	5.2x-15.1x (9.7x)	Increase
		Other	$ per acre	$2,266.0-$5,535.0 ($3,131.1)	Increase
		Other	$ per BOE	$9.6	Increase
		Other	Book value	0.9x-1.0x (1.0x)	Increase
		Other	Escrow value	0.2x-1.0x (0.3x)	Increase
		Other	Expected sales proceeds	1.0x	Increase
Special situations	26,151	Market comparable companies	LTM EBITDA	5.9x-8.3x (7.1x)	Increase
		Market comparable companies	Liquidity discount	15.0%	Decrease
		Market comparable companies	Sales multiple	1.1x	Increase
		Other	Escrow value	1.0x	Increase
Growth/ venture	27,761	Market comparable companies	LTM revenue	1.4x-1.7x (1.5x)	Increase
		Market comparable companies	LTM EBITDA	11.0x	Increase
		Other	Most recent financing	Series B, Series C, Series C-2, Series D	Increase
Income investments	282,968	Discounted cash flow	Discount rate	9.0%-13.0% (9.8%)	Decrease
		Market comparable companies	Broker quote	58.5%-89.0% (68.8%)	Increase
		Market comparable companies	LTM adj. EBITDA	6.4x-11.0x (8.8x)	Increase
		Market comparable companies	LTM EBITDA	7.0x-13.8x (9.3x)	Increase
		Other	Book value	1.0x	Increase
		Other	Most recent financing	Series E	Increase
Total	$ 586,814				

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 2015, 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, 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 realisations typically occur considerably before the final exit, with only a small tail existing beyond the standard life of ten years. In the case of direct equity investments and income investments, the Investment Manager does not control the timing of exits but at the time of investment, typically expects investment durations to be meaningfully shorter than fund investments. Therefore although some fund and direct investments may take 10-15 years to reach final realization, the Investment Manager expects the majority of the Company's invested capital in the current portfolio to be returned in much shorter timeframes.

The Company's special situations investments include hedge funds valued at approximately $1.7 million and $1.7 million at 30 June 2016 and 31 December 2015, respectively.

Note 5 – Credit Facility

On 12 December 2012, a subsidiary of the Company amended an agreement with Lloyds Banking Group (formerly Bank of Scotland) to provide for a revised senior secured revolving credit facility (the "2012 Credit Facility") of up to $200.0 million that was scheduled to expire on 30 April 2017. On 7 June 2016, the same subsidiary of the Company entered into an agreement with JP Morgan Chase Bank, N.A. (the "2016 Credit Facility") to refinance the 2012 Credit Facility. The 2016 Credit Facility's availability is up to $150.0 million (including a $25.0 million accordion) that expires on 7 June 2021. At 30 June 2016 and 31 December 2015, $70.0 million and $52.5 million were borrowed, respectively.

The 2016 Credit Facility is guaranteed by the Company as well as all of the Company's subsidiaries and secured by substantially all of the assets of the Company and its subsidiaries.

Under the 2016 Credit Facility, the Company is required to meet certain portfolio concentration tests, a maximum over-commitment test, and certain loan-to-value ratios. In addition, the 2016 Credit Facility limits the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers, repurchase of shares, liens or other matters customarily restricted in such agreements. The ZDP Shares (see note 6) are compliant with the 2016 Credit Facility agreements. At 30 June 2016, the Company met all requirements under the 2016 Credit Facility.

Under the 2012 Credit Facility, the Company was 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. At 31 December 2015, the Company met all requirements under the 2012 Credit Facility.

Under the 2016 Credit Facility, the interest rate is calculated as LIBOR plus 3.75% per annum. Under the 2012 Credit Facility, all borrowings bore interest tiered based on loan value. For a loan value less than or equal to $65.0 million, the interest rate was calculated as LIBOR or Euribor, as appropriate, plus 2.80% per annum. For a loan value in excess of $65.0 million and less than or equal to $150.0 million, the interest rate was calculated as LIBOR or Euribor, as appropriate, plus 3.30% per annum. For a loan value greater than $150.0 million, the interest rate was calculated as LIBOR or Euribor, as appropriate, plus 3.65% per annum.

In addition, under the 2016 Credit Facility, the Company is required to pay an undrawn revolving fee of 1.25% per annum on the daily balance of the unused facility amount, with certain minimum draw requirements. Under the 2012 Credit Facility, the Company was required to pay a commitment fee calculated as 0.8% per annum on the daily balance of the unused facility amount.

For the six month period ended 30 June 2016, the Company incurred and expensed $1,042,328 for interest, $47,743 for undrawn revolving fee, and $537,200 for commitment fee. For the six month period ended 30 June 2015, the Company incurred and expensed $1,637,096 for interest and $368,978 for commitment fee. As of 30 June 2016 and 31 December 2015, unamortized capitalized debt issuance costs (included in other assets) were $2,167,144 and $719,475, respectively. For the six month period ended 30 June 2016, all the unamortized capitalized debt issuance costs related to the 2012 Credit Facility were expensed and the capitalized amounts related to the 2016 Credit Facility are being amortized on a straight-line basis over the term of the 2016 Credit Facility. For the six month period ended 30 June 2015, capitalized amounts were amortized on a straight-line basis over the term of the 2012 Credit Facility. The amortization of the capitalized debt issuance costs amounted to $748,322 and $267,953 for the six month periods ended 30 June 2016 and 2015, respectively.

An active market for debt that is similar to that of the 2016 Credit Facility or the 2012 Credit Facility does not exist. The Investment Manager estimates the fair value of the 2016 Credit Facility and the 2012 Credit Facility based on comparison to debt instruments with comparable characteristics and considers that, based on the balance borrowed, the 2016 Credit facility had a fair value of $70.0 million at 30 June 2016 and the 2012 Credit Facility had a fair value of $52.5 million at 31 December 2015.

Note 6 – Zero Dividend Preference Shares (“ZDP Shares”)

On 30 November 2009 the Company issued 30,000,000 ZDP Shares. On 16 April 2010 the Company issued an 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 Shares 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.

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The following table reconciles the liability for ZDP Shares, which approximates fair value, for the six month period ended 30 June 2016 and year ended 31 December 2015.

ZDP Shares	Pounds Sterling	U.S. Dollars
Liability, 31 December 2014	£ 47,287,500	$ 73,659,739
Accrued interest	3,450,436	5,291,830
Premium amortization	(18,633)	(23,048)
Currency conversion	-	(4,188,558)
Liability, 31 December 2015	£ 50,719,303	$ 74,739,963
Accrued interest	1,813,539	2,590,359
Premium amortization	(10,346)	(5,935)
Currency conversion	-	(7,411,693)
Liability, 30 June 2016	£ 52,522,496	$ 69,912,694

Capitalized offering costs are being amortized using the effective interest rate method. The unamortized balance at 30 June 2016 and 31 December 2015 is $253,227 and $390,691, respectively.

Note 7 – Forward Foreign Exchange Contract

The Company entered into a forward foreign exchange contract in 2009 with the Lloyds Banking Group (formerly Bank of Scotland) to economically hedge, in part, the risk associated with the pounds sterling contractual liability for the ZDP Shares. The Company settled the forward foreign exchange contract on 7 June 2016 with the Lloyds Banking Group and did not enter into a new hedge on the ZDP Shares. The Company is currently evaluating new hedging options for the existing ZDP Shares.

As of 31 December 2015, the fair value of the forward foreign exchange contract was a liability of $5,319,583, included in accrued expenses and other liabilities in the Consolidated Balance Sheets. The Company recognized a realized loss on the settlement of the forward foreign exchange contract of $6,500,000 for the six month period ended 30 June 2016. The change in unrealised loss on the forward foreign exchange contract for the six month period ended 30 June 2015 was $218,430.

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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 2016		30 June 2015
Current tax expense	$	322,222	$	467,506
Deferred tax expense (benefit)		(1,261,984)		(260,810)
Total tax expense (benefit)	$	(939,762)	$	206,696

		30 June 2016		31 December 2015
Gross deferred tax assets	$	7,427,196	$	4,457,393
Valuation allowance		(5,041,070)		(2,071,267)
Net deferred tax assets		2,386,126		2,386,126
Gross deferred tax liabilities		5,736,734		6,998,717
Net deferred tax liabilities	**$**	**3,350,608**	**$**	**4,612,591**

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

The Company has no gross unrecognized tax benefits. The Company is subject to examination by tax regulators for the years subsequent to 2012.

Note 9 – Earnings (Loss) per Share

The computations for earnings (loss) per share for the six month periods ended 30 June 2016 and 2015 are as follows:

	For the Six Month Periods Ended 30 June			
		2016		2015
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$	24,769,121	$	29,438,113
Divided by weighted average shares outstanding for Class A Shares and Class B Shares of the controlling interest		48,800,564		48,800,564
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	**$**	**0.51**	**$**	**0.60**

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 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.

The Share Buy-Back Programme, which commenced in October 2010, expired on 31 May 2016. However, the Share Buy-Back Programme remains an option to the Company in future periods, if deemed suitable by the Directors at a later time. Under the terms of the Share Buy-back Programme, Jefferies International Limited had been appointed to effect on-market repurchases of Shares on behalf of NBPE on Euronext Amsterdam and/or the Specialist Fund Segment of the London Stock Exchange. Shares bought back under the Share Buy-Back Programme were cancelled.

The aggregate number of Class A Shares that could be repurchased pursuant to the Share Buy-back Agreement was limited to 6,776,250 shares (being 12.5 per cent of the total number of Class A 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 Share is an amount equal to the higher of (i) the price of the last independent trade and (ii) the highest current independent bid, in each case, with respect to the Class A Shares on the relevant exchange (being the Specialist Fund Segment 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 2016 and 31 December 2015 .

	30 June 2016	31 December 2015
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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2016 (UNAUDITED) AND 31 DECEMBER 2015 (AUDITED)
SEE ACCOMPANYING INDEPENDENT REVIEW REPORT

Note 11 – Financial Highlights

The following ratios with respect to the Class A Shares and B Shares have been computed for the six monthly periods ended 30 June 2016 and 2015 and for the year ended 31 December 2015:

Per share operating performance (based on average shares outstanding during the year)		**For the Six Month Period Ended 30 June 2016**		**For the Year Ended 31 December 2015**
Beginning net asset value	$	14.35	$	14.24
Net increase in net assets resulting from operations:				
Net investment income (loss)		0.09		0.22
Net realized and unrealized gain (loss)		0.42		0.37
Dividend payment		(0.25)		(0.48)
Ending net asset value	**$**	**14.61**	**$**	**14.35**

Total return (based on change in net asset value per share)	**For the Six Month Periods Ended 2016**	**2015**
Total return before carried interest	3.76%	4.56%
Carried interest	(0.21%)	(0.35%)
Total return after carried interest	**3.55%**	**4.21%**

Net investment income (loss) and expense ratios (based on weighted average net assets)	**For the Six Month Periods Ended (Annualized) 2016**	**2015**
Net investment income (loss)	1.27%	0.34%
Expense ratios:		
Expenses before interest and carried interest	2.54%	2.45%
Interest expense	1.06%	1.22%
Carried interest	0.50%	0.66%
Expense ratios total	**4.10%**	**4.33%**

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

On 12 July 2016, the Board of Directors of the Company declared a dividend payment of $0.25 on each Ordinary Share which was payable on 31 August 2016 with a dividend record date of 22 July 2016.

On 8 August 2016, the Company published a circular and a notice of a meeting of the Class A share holders in connection with a proposed creation of a new class of zero dividend preference shares in the capital of the Company, which would be due for redemption on 30 September 2022.

There have been no other subsequent events through 22 August 2016, the date the consolidated financial statements were available to be issued, that requires recognition or disclosure in the consolidated financial statements.

VALUATION METHODOLOGY

Equity

The Company carries private equity investments at fair value using the best information the Manager has 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. The Manager determines 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. The Manager estimates 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. The Manager proactively re-values investments before receiving updated information from the fund manager or lead sponsor if the Manager becomes aware of material events that justify a change in valuation. If the Manager concludes that it is probable that an investment will be sold, the Manager adjusts the carrying value to the amount expected from the sale, exclusive of transaction costs.

Debt

The Manager estimates the enterprise value of each portfolio company and compares such amount to the total amount of the company's debt as well as the level of debt senior to the Company's interest. Estimates of enterprise value are based on a specific measure (such as EBITDA, free cash flow, net income, book value or NAV) believed to be most relevant for the given company and compares this metric in relation to comparable company valuations (market trading and transactions) based on the same metric. In determining the enterprise value, the Manager will further consider the companies' acquisition price, credit metrics, historical and projected operational and 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 the Company is invested in and securities senior to the Company's position.

If the principal repayment of debt and any accrued interest is supported by the enterprise value analysis described above, the Manager will next consider current market conditions including pricing quotations for the same security and yields for similar investments. To the extent market quotations for the security are available, the Manager will take into account current pricing and liquidity. Liquidity may be estimated by the spread between bid and offer prices and other available measures of market liquidity, including number and size of recent trades and liquidity scores. If the Manager believes market yields for similar investments have changed substantially since the pricing of the security, the Manager will perform a discounted cash flow analysis, based on the expected future cash flows of the debt securities and current market rates. The Manager will also consider the maturity of the investment, compliance with covenants and ability to pay cash interest when estimating the fair value of debt investments.

FORWARD LOOKING STATEMENTS

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

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

In some cases, forward-looking statements may be identified by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will," and "would," or the negative of those terms or other comparable terminology.

The forward-looking statements are based on the beliefs, assumptions and expectations of the future performance, taking into account all information currently available to the Manager. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to the Manager or are within the Manager's control. If a change occurs, the business, financial condition, liquidity and results of operations may vary materially from those expressed in the forward-looking statements. Factors and events that could cause the business, financial condition, liquidity and results of operations to vary materially include, among other things, general economic conditions, securities market conditions, private equity market conditions, the level and volatility of interest rates and equity prices, competitive conditions, liquidity of global markets, international and regional political conditions, regulatory and legislative developments, monetary and fiscal policy, investor sentiment, availability and cost of capital, technological changes and events, outcome of legal proceedings, changes in currency values, inflation, credit ratings and the size, volume and timing of transactions, as well as other risks described elsewhere in this report and the prospectus relating to the Company's IPO and the Company's prospectus relating to the ZDP Shares.

The foregoing is not a comprehensive list of the risks and uncertainties to which the Company is subject. Except as required by applicable law, the Manager undertakes no obligation to update or revise any forward-looking statements to reflect any change in The Manager's expectations, or any changes in events, conditions or circumstances on which the forward-looking statement is based. In light of these risks, uncertainties and assumptions, the events described by the Company's forward-looking statements might not occur. The Manager qualifies any and all of the forward-looking statements by these cautionary factors.

OVERVIEW OF THE INVESTMENT MANAGER

About NB Alternatives

The NB Alternatives group of Neuberger Berman has 29 years of investing experience specializing in direct equity investments, income 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 directors of the Company has 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 approximately 230 years of professional experience and average over 16 years with the firm. The sourcing and evaluation of the Company's investments is conducted by the Investment Manager's team of approximately 100 investment professionals who specialize in direct equity investments, income investments and fund investments. The Investment Manager currently maintains offices in New York, London, Boston, Dallas, Hong Kong, Milan and Bogotá.

About Neuberger Berman

Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager. The firm manages equities, fixed income, private equity and hedge fund portfolios for institutions and advisors worldwide. With offices in 19 countries, Neuberger Berman's team is more than 2,100 professionals and the company was named by Pensions & Investments as a 2013, 2014 and 2015 Best Place to Work in Money Management. Tenured, stable and long-term in focus, the firm fosters an investment culture of fundamental research and independent thinking. It manages $243 billion in client assets as of 30 June 2016. For more information, please visit the Investment Manager's website at www.nb.com.

DIRECTORS, ADVISORS & CONTACT INFORMATION

Ordinary Share Information
Trading Symbol: NBPE
Exchanges: The regulated market of Euronext Amsterdam N.V. and the Specialist Fund Segment of the London Stock Exchange
Euronext Amsterdam Listing Date: 25 July 2007
Specialist Fund Market Trading 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 Segment of the London Stock Exchange and the Daily Official List of the Channel Islands Securities Exchange
Admission Date: 1 December 2009
Base Currency: GBP
Bloomberg: NBPEGBP LN
Reuters: NBPEO.L
ISIN: GG00B4ZXGJ22
SEDOL: B4ZXGJ2

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