

# NB Private Equity Partners

30 November 2012

**Financial Information as of 31 October 2012**

## NB Alternatives: Powerful, Integrated Private Equity Platform

Top-tier, fully integrated private equity platform provides superior deal flow and enhanced due diligence and execution capabilities

- Over \$14.7 billion of commitments managed
- One of the oldest private equity investors, with 25 years of investment experience
- Stable team with ~60 investment professionals. Global presence, with investment offices located in New York, Dallas, London and Hong Kong
- Investments with over 200 private equity firms
- Invested approximately \$2.5 billion into over 100 direct investments since 2006 across multiple strategies
- Serving over 150 institutional investors

### NEUBERGER BERMAN PRIVATE EQUITY PLATFORM

Funds of Funds \$7.6 billion	Co-Investments \$2.5 billion	Secondary Investments \$3.0 billion	Direct Yielding Investments \$1.6 billion
<ul style="list-style-type: none"> <li>• Focus on primary investments in top-performing small &amp; mid-cap buyout, large-cap buyout, venture &amp; growth capital and special situations funds</li> </ul>	<ul style="list-style-type: none"> <li>• Co-investments in a diverse range of leveraged buyout and growth equity transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunistic secondary investments in high quality seasoned private equity funds</li> </ul>	<ul style="list-style-type: none"> <li>• Income generating private equity strategies:</li> <li>• Drug royalty investments</li> <li>• Hedge fund GP minority stakes</li> </ul>

#### Private Equity-Dedicated Back Office Service Team: “Capital Analytics”

- Capital Analytics is the private equity fund and portfolio administration business of NB Alternatives with 115 professionals<sup>(1)</sup>
- Tracks 650 funds and 12,000+ portfolio companies

As of October 2012.

1. Includes client service professionals.

## NB Private Equity Partners

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NBPE is a diversified closed-end private equity investment company pursuing high quality direct co-investments and direct yielding investments through cash generated from a mature, high quality fund portfolio

- Ordinary shares trade on both Euronext Amsterdam (NBPE AS) and the LSE (NBPE LN); ZDP shares trade on the LSE and CISX (NBPZ)
- Listed in July 2007, NBPE is a private equity investment vehicle that has built a tactical portfolio of direct investments and fund investments in what we believe are the best opportunities sourced from across the NB Alternatives platform
- NBPE has a cash balance of \$63 million and an undrawn \$250 million credit facility to fund new investments
- NB Alternatives, while employing prudent balance sheet management, takes a tactical approach to the management of NBPE. This is exemplified through:
  - Progress in implementing NBPE's strategy of having a predominantly direct investment portfolio, including both direct co-investments and direct yielding investments; direct investments are currently 36% of NAV
  - Market leading implementation of the Capital Return Policy: actively considering methods of returning capital to shareholders, including regular dividends
  - Mature private equity fund portfolio which is highly cash generative

## October 2012 NAV Update

NBPE's NAV per share increased by 3.4% during the first ten months of 2012

### OCTOBER 2012 NAV UPDATE

<i>(\$ in millions, except per share values)</i>	<b>31 October 2012 (Unaudited Restated)</b>	<b>31 December 2011 (Audited)</b>
Fund Investments	\$368.2	\$401.5
Total Direct / Co-investments	\$201.1	\$136.9
<i>Of which, Direct Yielding Investments</i>	\$77.3	\$33.0
<i>Of which, Equity Co-investments</i>	\$123.8	\$103.8
Total Private Equity Fair Value	\$569.3	\$538.4
Private Equity Investment Level	102%	99%
Cash and Cash Equivalents	\$62.6	\$77.9
Credit Facility	-	-
ZDP Share Liability, including Forward Currency Contract	(\$66.0)	(\$62.1)
Net Other Assets (Liabilities), including Minority Interest	(\$8.8)	(\$9.8)
Net Asset Value	\$557.1	\$544.4
<b>Net Asset Value per Share</b>	<b>\$11.41</b>	<b>\$11.03</b>

### PORTFOLIO ACTIVITY

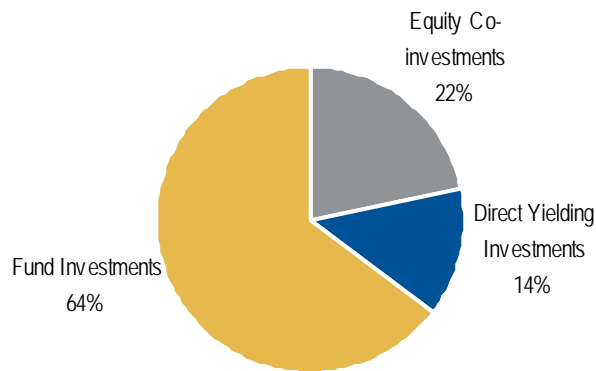
- Significant amount of investment and realization activity in 2012
  - Direct/co-investments and Capital calls of ~\$125 million YTD 2012
  - Sale proceeds and Distributions of ~\$128 million YTD 2012

*Note: As of 31 October 2012 (unaudited). Past performance is not indicative of future results.*

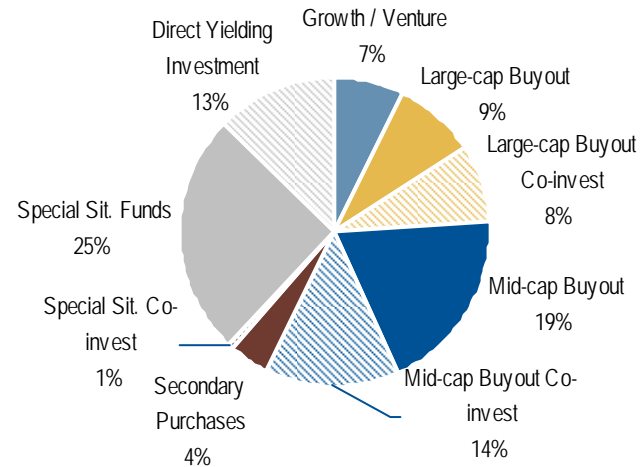
## Diversified Private Equity Exposure

The portfolio is well diversified, but is differentiated from peers through its meaningful and increasing exposure to direct co-investments and yielding investments, as well as its tactical allocation to investments in North America

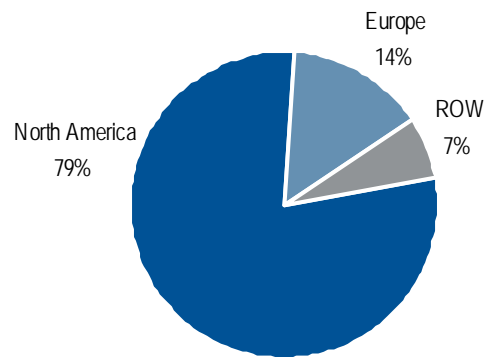
**INVESTMENT TYPE BY FAIR VALUE**



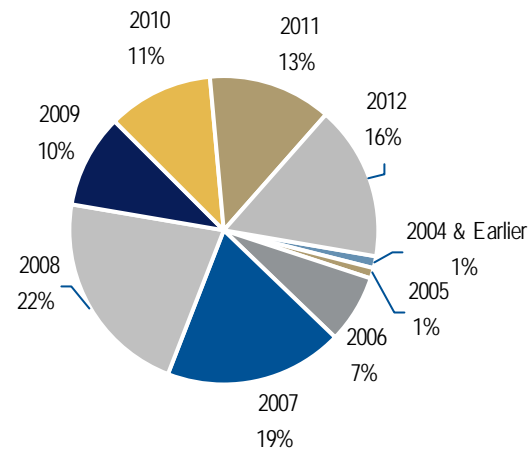
**ASSET CLASS BY FAIR VALUE**



**GEOGRAPHIC DIVERSIFICATION BY FAIR VALUE**



**YEAR OF INVESTMENT BY FAIR VALUE**



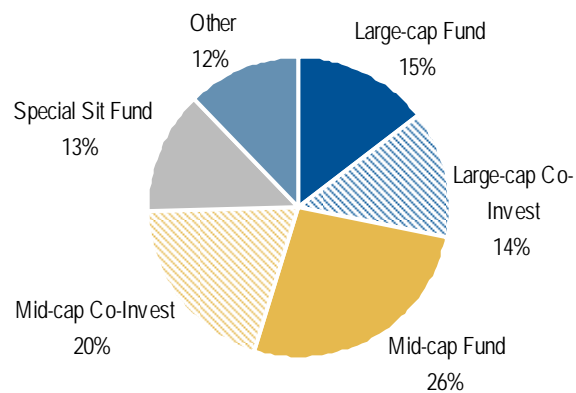
Note: As of 31 October 2012.

## Tactical Approach to Asset Allocation

NBPE has adapted its asset allocation over time in order to tactically allocate the portfolio

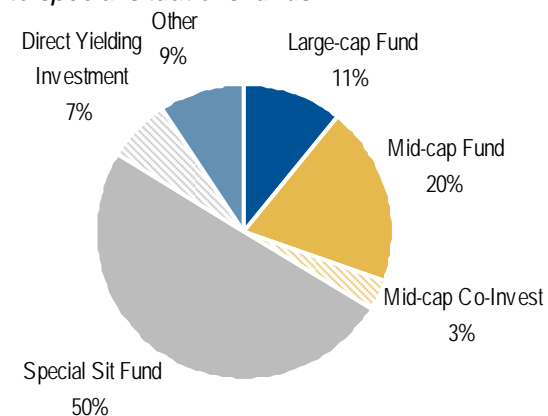
### DEPLOYED IN 2007 & EARLIER (28% OF FAIR VALUE)

*Diversified private equity exposure*



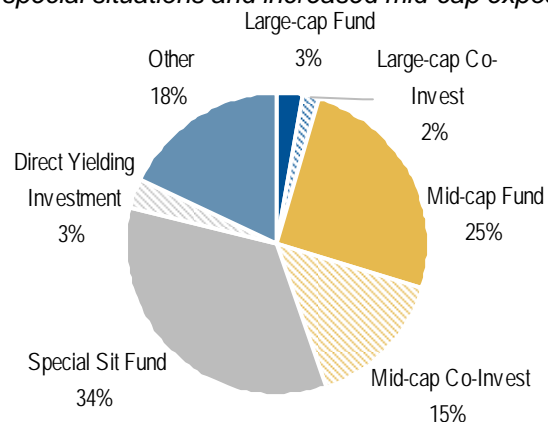
### DEPLOYED IN 2008 AND 2009 (32% OF FAIR VALUE)<sup>1</sup>

*Tactical allocation to special situations funds*



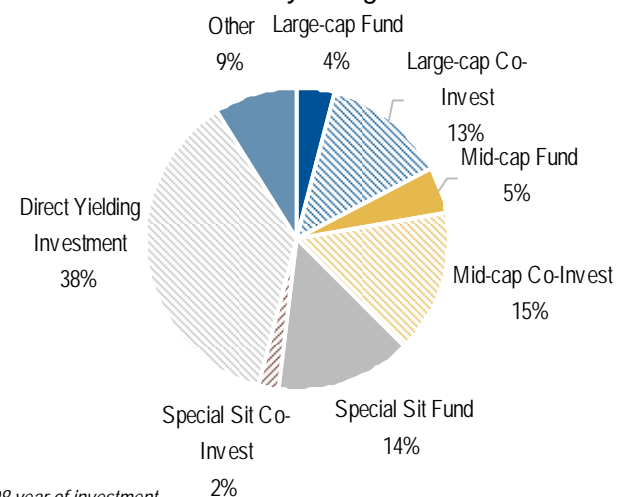
### DEPLOYED IN 2010 (11% OF FAIR VALUE)

*Continued special situations and increased mid-cap exposure*



### DEPLOYED IN 2011 – YTD 2012 (29% OF FAIR VALUE)

*Increase in direct co-investments and yielding investments*



*Note: Other includes NB Crossroads Fund XVII and Growth/Venture. Based on private equity fair value as of 31 October 2012 (unaudited).*

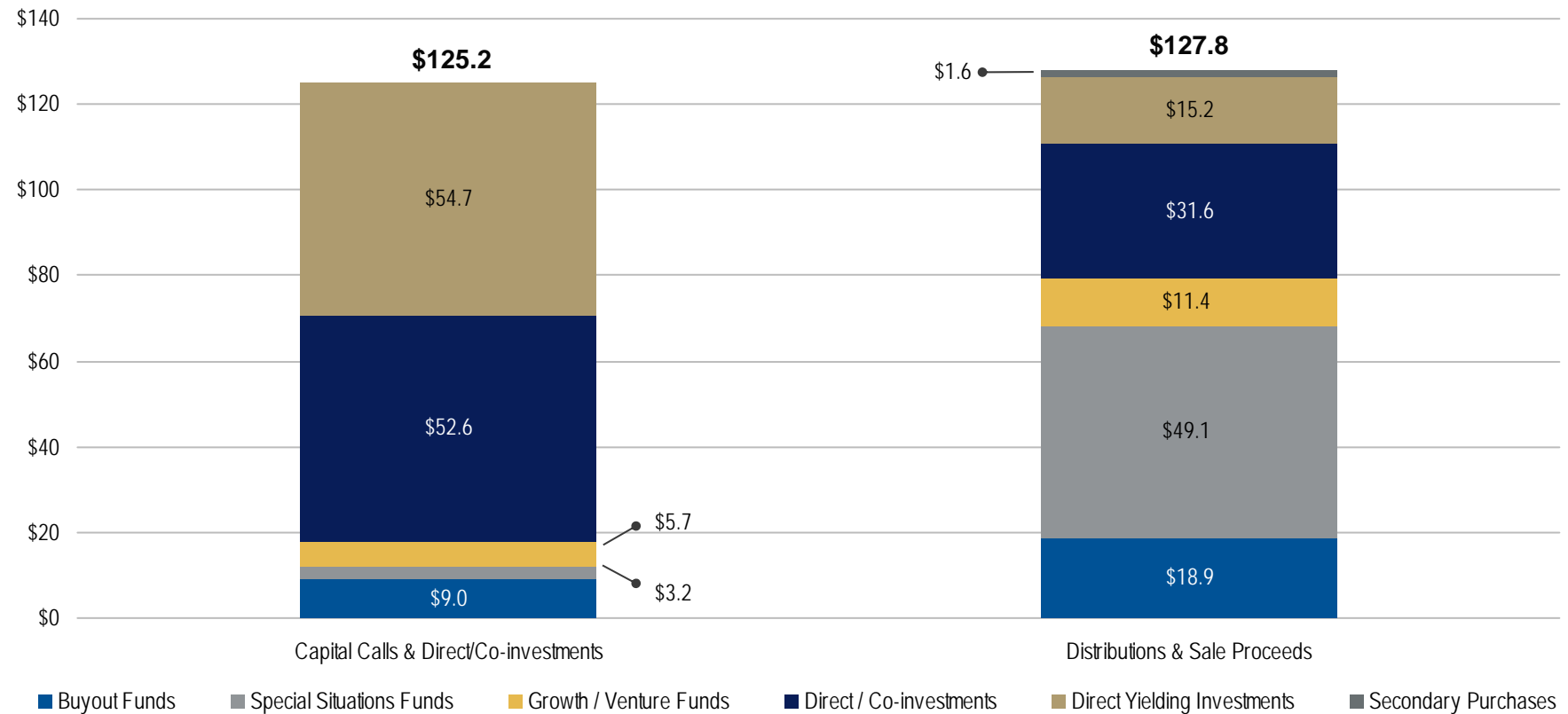
*1. This direct yielding investment has historically been shown as a 2007 investment, and this error has been corrected to reflect the 2008 year of investment.*

## Recent Portfolio Activity

Since the beginning of 2012, NBPE deployed \$125.2 million into new investments and received \$127.8 million of sales proceeds and distributions

### NBPE PORTFOLIO CASH FLOWS

\$ in millions



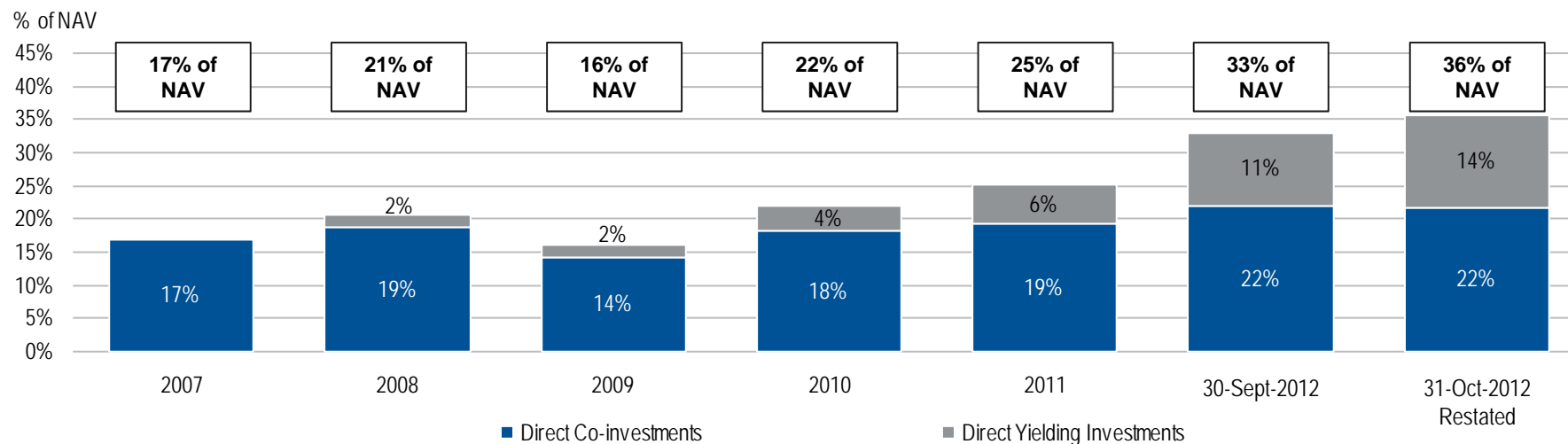
Note: As of 31 October 2012. Past performance is not indicative of future results. Numbers may not sum due to rounding.

## Investment Strategy

### Actively pursuing direct co-investments and direct yielding investments

- Our intention is that new investments will be predominantly equity co-investments or direct yielding investments
  - Equity co-investments: minority investments alongside premier private equity sponsors in their core areas of expertise
  - Direct yielding investments: debt generating strong cash yields and in many cases additional upside through PIK and / or equity
  - Healthcare credit investments: royalty notes and debt financing backed by healthcare assets and / or companies
- NB Alternatives expects that direct investments will comprise a majority of NAV by the end of 2013
  - Target allocations are approximately 40% direct yielding investments and 60% direct co-investments, subject to an available set of opportunities
- We expect this strategy to reduce the duration of our private equity portfolio, increase transparency for shareholders and reduce our overall expense ratio
- As our exposure to yielding investments increases, NBPE will have the flexibility to pay regular dividends out of income

#### DIRECT INVESTMENTS: INCREASINGLY SIGNIFICANT<sup>1</sup>



Note: As of 31 October 2012 (unaudited restated).

1. The percent of NAV is based on the NAV of NBPE and will differ from the percent of private equity fair value.



## NBPE Portfolio: Current Asset Performance

NBPE holds a diversified portfolio of mature fund investments that are highly cash generative and a meaningful and growing exposure to direct private equity investments









As of 31 October 2012	Number of Investments	Unfunded	Investment Fair Value
Special Situations Funds	13	\$40.8	\$142.0
Mid-cap Buyout Funds	11	13.2	76.3
Large-cap Buyout Funds	4	1.5	32.1
Venture / Growth Capital Funds	5	18.6	17.8
Fund of Funds Investments	6	19.9	99.9
<b>Total Fund Investments</b>	<b>39</b>	<b>\$93.9</b>	<b>\$368.2</b>
Equity Co-investments	31	\$113.3 <sup>1</sup>	\$123.8
Direct Yielding Investments	10	45.2	77.3
<b>Total Direct Investments</b>	<b>41</b>	<b>\$158.6</b>	<b>\$201.1</b>
<b>Total NBPE Portfolio</b>	<b>80</b>	<b>\$252.5<sup>1</sup></b>	<b>\$569.3</b>

Note: As of 31 October 2012 (unaudited).

1. The unfunded amount for equity co-investments is pro forma for NBPE's decreased commitment to the NB Co-investment Program as described on page 11.

## Year to Date: New Equity Co-investments

Eight new equity co-investments during 2012, representing 4.5% of NBPE NAV at 31 October 2012<sup>1</sup>

								
<b>Investment Date</b>	Feb. 2012	Feb. 2012	Mar. 2012	July 2012	Sept. 2012	Nov. 2012	Nov. 2012	Nov. 2012
<b>Asset Class</b>	Buyout	Buyout	Special Situations	Buyout	Buyout	Buyout	Buyout	Buyout
<b>Situation</b>	Take Private	Take Private	New Buyout	Carve-out	Mid-stream investment to fund acquisition	Sponsor to sponsor transaction	Follow-on	Take Private
<b>Lead PE Firm</b>	JLL Partners	Thoma Bravo	A&M Capital	Centre Partners	Compass Investment Partners	KKR	TMG Capital	Thoma Bravo
<b>Industry</b>	Healthcare / Business Services	Web Security & Network Optimization	Off-price Retailer	Bathroom equipment / scales	Business Services	Offshore oil and gas services	Brazilian Credit Bureau	ERP Software and Information Solutions
<b>Range of % NBPE NAV</b>	1% – 2%	1% – 2%	0% – 1%	0% – 1%	0% – 1%	1% – 2% <sup>2</sup>	0% – 1% <sup>2</sup>	1% – 2% <sup>2</sup>

Source: NB Alternatives Due Diligence and investment case. Data as of 31 October 2012.

1. Excluding investments that closed subsequent to 31 October 2012.

2. These investments closed subsequent to 31 October 2012. The range of percentage of NBPE NAV is estimated at each investment closing date.

## Year to Date: Closed Direct Yielding Investments

Year to date, NBPE has completed five direct yielding investments

Security	Medication delivery & blood collection product royalty notes	ENC Acquisition Mezzanine	Polymerase Chain Reaction	CPG International	Deltek
<b>Investment Date</b>	February 2012	June 2012	August 2012	September 2012	October 2012
<b>Security Description</b>	Healthcare Royalty	Mezzanine (Notes and Equity)	Senior Secured Term Loan	Mezzanine (Notes and Equity)	Second Lien Debt
<b>OID / Purchase Discount</b>	N/A	2.0% OID	1.0% OID	2.5% OID	1.5% OID
<b>Cash Interest</b>	14.0%	12.0%	10.0%	12.0%	10.0%
<b>PIK Interest</b>	N/A	2.0%	N/A	N/A	N/A
<b>Maturity Profile</b>	2016	2018	2017	2017	2019
<b>Range of % NBPE NAV</b>	0% – 1%	2% – 3%	0% – 1%	2% – 3%	2% – 3%

*Note: As of 31 October 2012 (unaudited). Past performance is not indicative of future results.*

## Capital Position

NBPE has \$60.2 million of excess capital resources with a 124% excess capital resource level

- As of 31 October 2012<sup>1</sup>, NBPE had unfunded commitments of \$252.5<sup>1</sup> million
  - Total capital resources were \$312.6, including cash and cash equivalents plus the undrawn credit facility
- NBPE has a \$250 million revolving credit facility with a term expiring in August 2014, which is currently undrawn

NBPE Financial Position & Liquidity Metrics - 31 October 2012			
Unfunded Private Equity Commitments	\$252.5 <sup>1</sup>	Fair Value of Private Equity Investments	\$569.3
		Net Asset Value	\$557.1
Cash and Cash Equivalents	\$62.6		
Undrawn Credit Facility	250.0	Private Equity Investment Level	102%
Total Capital Resources	\$312.6	Commitment Level <sup>2</sup>	148%
<b>Excess Capital Resources</b>	<b>\$60.2</b>	<b>Excess Capital Resource Level</b>	<b>124%</b>

- NBPE is in discussions to amend its existing credit facility, including to extend its maturity
- In addition, the remaining Special Situations Fund portfolio is in distribution mode and is decreasing as a percentage of NAV
- As of 23 November 2012, \$38.2<sup>3</sup> million of NBPE's unfunded commitments are past their investment period
- NBPE converted its original \$200 million commitment to the NB Co-investment Program to a \$125 million commitment and the future option to invest alongside the NB Co-Investment program in up to \$75 million of future co-investment opportunities where there is excess availability
  - This reduced commitment improves the flexibility of NBPE's overall capital position while also allowing NBPE access to high quality co-investment opportunities

Note: As of 31 October 2012 (unaudited restated).

1. NBPE's unfunded commitments are pro forma for NBPE's decreased commitment to the NB Co-investment Program.

2. The Commitment Level is calculated by adding the Unfunded Private Equity Commitments to Fair Value of Private Equity Investments and dividing that value by the Net Asset Value. Numbers may not sum due to rounding.

3. Some portion of this amount may be called in future periods for fees, expenses, and/or follow-on investments.

## Capital Return Policy & Ordinary Share Repurchases

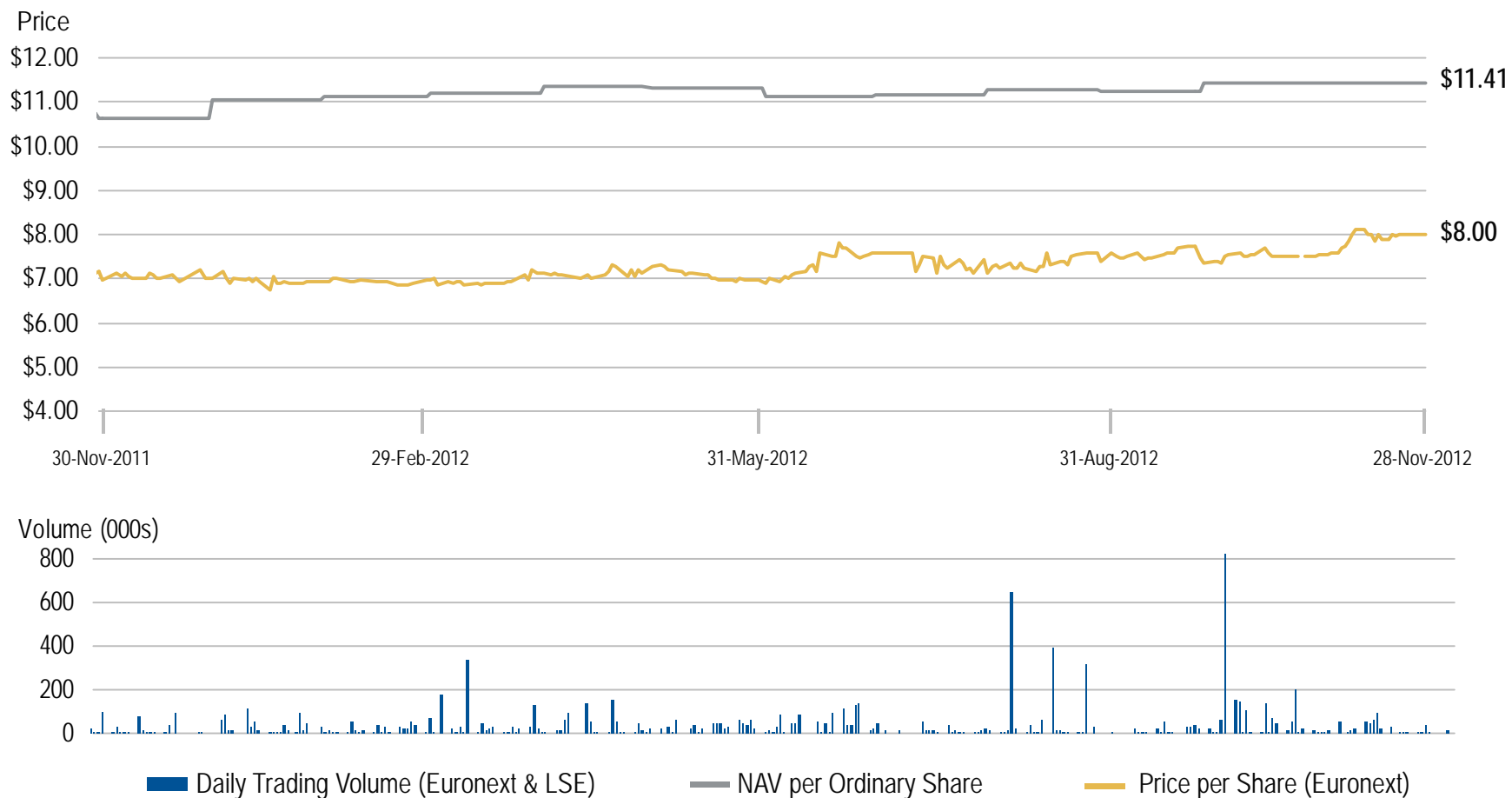
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NBPE has used Share repurchases to return capital to Shareholders since implementing the Capital Return Policy. With an increased allocation to direct yielding investments, NBPE will have the flexibility to pay regular dividends out of income

- The Capital Return Policy is a long-term capital management policy of ongoing returns of capital to NBPE Shareholders implemented in October 2010
- Under the Capital Return Policy, the Board has indicated the Company's intention to, for each half-year period, return at least 50% of the net realized increase in NAV attributable to the ordinary shares to shareholders (the "Capital Return Policy Amount"). This will be accomplished by way of share repurchases, dividends or other such means as the Directors consider most efficient
  - Since launching the Capital Return Policy, NBPE has repurchased 2,247,028 shares at a weighted average price per share of \$7.27 (accretive to NAV per share by ~\$0.18)
  - For the period from 1 January 2012 and ending 30 June 2012 the Capital Return Policy amount was approximately \$3.8 million; YTD 2012, NBPE has returned \$3.9 million to shareholders by way of share repurchases
- To date, NBPE has used Share repurchases to return capital to Shareholders; as NBPE's exposure to direct yielding investments increases, we believe NPBE will have the flexibility to pay regular dividends out of income. The Board of Directors will continue to determine the most appropriate means of returning capital to shareholders

## NBPE Share Price vs. NAV per Share

Over the last 12 months, NBPE's share price has increased 11.9% and NAV per share has increased 8.2%



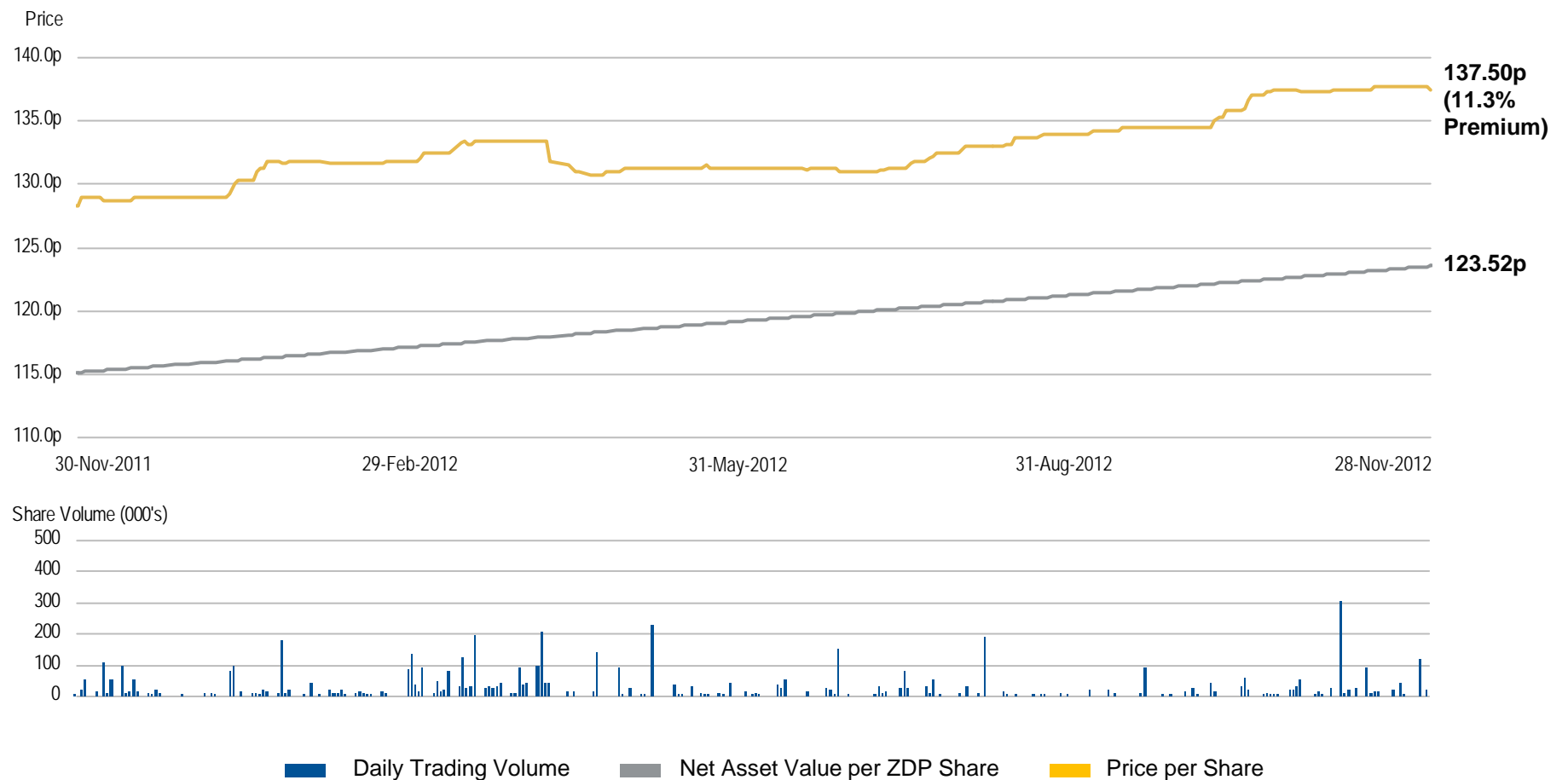
Source: Bloomberg. Past performance is not indicative of future results.

Note: Daily Trading Volume includes combined volume of ordinary shares traded on NYSE Euronext and London Stock Exchange as well as over-the-counter trades reported via Markit BOAT.

## ZDP Price and NAV per ZDP Share

NBPE's ZDP shares have consistently traded at a premium to accreted value since they were issued in late 2009. The GRY is currently 4.8% at the prevailing market price

### ZDP PRICE PERFORMANCE AND NAV PER ZDP SHARE OVER THE LAST TWELVE MONTHS



Source: Bloomberg. Market data as of 28 November 2012. Past performance is not indicative of future results.  
 Note: NAV per ZDP share is defined as the accreted value of the ZDP shares.

## Trading Liquidity

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### NBPE's ordinary shares generated greater liquidity than reported by NYSE Euronext and the London Stock Exchange

- YTD 2012, NBPE's cumulative trading volume was approximately 9.0 million shares of which 6.3 million shares were traded on the NYSE Euronext and the London Stock Exchange and 2.7 million shares were traded over-the-counter
  - YTD 2012, including over-the-counter trades, daily average trading volume was approximately 46,800 shares and daily average trading volume on-exchange was approximately 41,100 shares
  - Over-the-counter trading volume was not reported by the exchanges but instead was reported via the Markit BOAT platform



## Attractive Value Proposition

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We believe that NBPE offers a compelling investment opportunity

### VALUE PROPOSITION

- Experienced Investment Manager with a strong long-term track record in direct investing
- High quality private equity portfolio
- Direct co-investment and direct yielding investment exposure funded by a mature, cash generative, diversified portfolio of private equity fund interests
- Capital available for new investments
- Dual share class with ordinary shares and ZDP shares
  - Ordinary shares admitted to trading on both Euronext Amsterdam and the LSE
  - ZDP shares admitted to trading on the LSE and CISX

### STEPS TO ADDRESS THE DISCOUNT

- Increased exposure to direct investments increases transparency and reduces duration of the portfolio
- Capital Return Policy to the benefit of the shareholders; actively considering methods of returning capital to shareholders, including regular dividends
- Market leading investor reporting

## Trading Information

### ORDINARY SHARE INFORMATION

<b>Trading Symbol:</b>	NBPE
<b>Exchanges:</b>	Euronext Amsterdam & London Stock Exchange
<b>Base Currency:</b>	USD
<b>Bloomberg:</b>	NBPE NA, NBPE LN
<b>Reuters:</b>	NBPE.AS, NBPE.L
<b>ISIN:</b>	GG00B1ZBD492
<b>COMMON:</b>	030991001

### ZDP SHARE INFORMATION

<b>Trading Symbol:</b>	NBPZ
<b>Exchanges:</b>	London Stock Exchange & Channel Islands Stock Exchange
<b>Base Currency:</b>	GBP
<b>Bloomberg:</b>	NBPEGBP LN
<b>Reuters:</b>	NBPEO.L
<b>ISIN:</b>	GG00B4ZXGJ22
<b>SEDOL:</b>	B4ZXGJ2
<b>Gross Redemption Yield:</b>	7.30% at issuance
<b>Share Life:</b>	7.5 years to 31 May 2017
<b>Final Capital Entitlement:</b>	169.73 pence per share at maturity

## Contact Information

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## NBPE Direct Investment Portfolio

### Diversified portfolio of equity co-investments

Company Name	Asset Class	Investment		Lead Sponsor	Fair Value	% of NBPE NAV
		Year				
ADPI	Mid-cap Buyout	2012		JLL Partners	-	1% - 2%
Avaya	Large-cap Buyout	2007		TPG / Silver Lake Partners	-	0% - 1%
BlueCoat Systems	Mid-cap Buyout	2012		Thoma Bravo	-	1% - 2%
Boa Vista	Mid-cap Buyout	2012		TMG Capital	-	0% - 1%
Capsugel	Large-cap Buyout	2011		KKR	-	1% - 2%
CommScope	Large-cap Buyout	2011		Carlyle Group	-	0% - 1%
Edgen Group	Mid-cap Buyout	2007		Jefferies Capital Partners	-	0% - 1%
Energy Future Holdings	Large-cap Buyout	2007		KKR / TPG	-	0% - 1%
Fairmount Minerals	Mid-cap Buyout	2010		American Securities Partners	-	0% - 1%
First Data	Large-cap Buyout	2007		KKR	-	0% - 1%
Firth Rixson Equity	Mid-cap Buyout	2007		Carlyle Group	-	0% - 1%
Freescale Semiconductor	Large-cap Buyout	2006		Blackstone / Carlyle/ Permira / TPG	-	0% - 1%
Gabriel Brothers	Special Situations	2012		A&M Capital	-	0% - 1%
GazTransport & Technigaz	Mid-cap Buyout	2008		Hellman & Friedman	-	0% - 1%
Group Ark Insurance	Mid-cap Buyout	2007		Aquiline Capital Partners	-	2% - 3%
J.Crew Group	Large-cap Buyout	2011		TPG / Leonard Green	-	0% - 1%
Kyobo Life Insurance	Mid-cap Buyout	2007		Corsair Capital Partners	-	0% - 1%
Pepcom	Mid-cap Buyout	2011		STAR	-	0% - 1%
Press Ganey Associates	Mid-cap Buyout	2008		Vestar Capital	-	0% - 1%
RAC	Large-cap Buyout	2011		Carlyle Group	-	1% - 2%
Revspring	Mid-cap Buyout	2012		Compass Investment Partners	-	0% - 1%
Sabre	Large-cap Buyout	2007		TPG / Silver Lake Partners	-	2% - 3%
Salient Solutions	Mid-cap Buyout	2010		Frontenac Company	-	0% - 1%
Seventh Generation	Growth / Venture	2008		Catamount Ventures	-	0% - 1%
SonicWall (Equity) <sup>1</sup>	Mid-cap Buyout	2010		Thoma Bravo	-	0% - 1%
Swissport	Mid-cap Buyout	2011		PAI	-	0% - 1%
Syniverse	Large-cap Buyout	2011		Carlyle Group	-	0% - 1%
Taylor Precision Products	Mid-cap Buyout	2012		Centre Partners	-	0% - 1%
The SI Organization	Mid-cap Buyout	2010		Veritas Capital	-	0% - 1%
TPF Genco	Mid-cap Buyout	2006		Tenaska Capital Management	-	1% - 2%
Univar	Large-cap Buyout	2010		Clayton, Dublier & Rice	-	0% - 1%
<b>Total NBPE Direct Co-Investment Portfolio</b>					<b>123.8</b>	<b>22.2%</b>

Note: As of 31 October 2012.

1. SonicWall is a mostly realized investment with escrow proceeds as remaining unrealized value which we expect to be fully realized in the future.

## Direct Yielding Investments Portfolio

Approximately \$77 million of yielding co-investments generating a current yield of 12.5%

Investment Name	Investment Type	Investment Date	Fair Value <sup>1</sup>	Cash + PIK Coupon	Cash Yield <sup>1</sup>	PIK Yield <sup>1</sup>	Est. Yield to Maturity
CPG International I Inc.	Mezzanine Debt	Sep-12	-	12.0%	12.0%	-	-
Deltek	Second Lien Debt	Oct-12	-	10.0%	10.0% <sup>2</sup>	-	-
ENC Acquisition Corp.	Mezzanine Debt	Jun-12	-	14.0%	12.0%	2.0%	-
Firth Rixson Mezzanine	Mezzanine Debt	May-08	-	11.2%	5.2% <sup>2</sup>	6.0%	-
Firth Rixson PIK Notes	Senior Unsecured PIK	Nov-11	-	18.0%	-	18.0%	-
Royalty Notes (Medication Delivery)	Royalty Backed Note	Feb-12	-	14.0%	14.0%	-	-
Royalty Notes (Hormone Therapy)	Royalty Backed Note	Apr-11	-	17.0%	17.0%	-	-
Royalty Notes (Neuropathic Pain)	Royalty Backed Note	Jan-11	-	11.0%	11.0%	-	-
Senior Secured Term Loan (PCR)	Senior Secured Loan	Aug-12	-	10.0%	10.0%	-	-
Suddenlink Communications	Preferred Equity	May-10	-	12.0%	-	12.0%	-
<b>Total Direct Yielding Portfolio</b>			<b>\$77.3</b>	<b>12.5%</b>	<b>10.3%</b>	<b>2.2%</b>	<b>13.3%</b>

Note: As of 31 October 2012.

- The mezzanine debt investments include equity investments completed as part of the mezzanine transaction. The fair value includes the value of these equity investments, but the cash, PIK and current yields and internal rates of return (IRR) are calculated based on only the debt investments.
- The Firth Rixson Mezzanine cash interest is based on LIBOR plus 450 basis points. The Deltek cash interest is based on LIBOR plus 875 basis points subject to a 1.25% LIBOR floor.

## NBPE Fund Investment Portfolio

Investment Name	Asset Class	Vintage Year	Unfunded Commitment	Fair Value	% of NBPE NAV
NB Crossroads Fund XVII	Fund XVII (Diversified)	Diversified	2.8	32.9	5.9%
NB Crossroads Fund XVIII Mid-cap Buyout	Mid-cap Buyout	Diversified	8.7	30.1	5.4%
Centerbridge Credit Partners	Special Situations	2008	-	24.8	4.5%
Sankaty Credit Opportunities III	Special Situations	2007	-	24.7	4.4%
First Reserve Fund XI	Large-cap Buyout	2006	0.2	20.2	3.6%
OCM Principal Opportunities Fund IV	Mid-cap Buyout	2007	2.0	19.3	3.5%
OCM Opportunities Fund VIIb	Special Situations	2008	3.0	18.1	3.2%
Platinum Equity Capital Partners II	Special Situations	2007	3.3	16.3	2.9%
NB Crossroads Fund XVIII Large-cap Buyout	Large-cap Buyout	Diversified	2.5	11.6	2.1%
CVI Global Value Fund	Special Situations	2006	0.8	11.6	2.1%
Oaktree Opportunities Fund VIII	Special Situations	2009	-	11.6	2.1%
Avista Capital Partners	Mid-cap Buyout	2006	0.7	11.4	2.1%
Wayzata Opportunities Fund II	Special Situations	2007	17.3	11.2	2.0%
Lightyear Fund II	Mid-cap Buyout	2006	0.7	11.0	2.0%
NB Crossroads Fund XVIII Venture Capital	Growth / Venture	Diversified	2.2	9.4	1.7%
NB Crossroads Fund XVIII Special Situations	Special Situations	Diversified	1.8	8.2	1.5%
Bertram Growth Capital I	Growth / Venture	2007	1.8	7.7	1.4%
NB Fund of Funds Secondary 2009	Mid-cap Buyout	2009	2.0	7.6	1.4%
Sun Capital Partners V	Special Situations	2007	3.3	7.2	1.3%
Wayzata Opportunities Fund II (Secondary)	Special Situations	2011	4.8	7.0	1.3%
Catalyst Fund III	Special Situations	2011	8.1	6.9	1.2%
Corsair III Financial Services Capital Partners	Mid-cap Buyout	2007	1.5	6.5	1.2%
NG Capital Partners	Growth / Venture	2010	1.4	5.6	1.0%
ArcLight Energy Partners Fund IV	Mid-cap Buyout	2007	5.4	5.6	1.0%
Aquiline Financial Services Fund	Mid-cap Buyout	2005	0.0	5.5	1.0%
Doughty Hanson & Co IV	Large-cap Buyout	2003	0.2	5.4	1.0%
Trident IV	Mid-cap Buyout	2007	0.8	5.1	0.9%
American Capital Equity II	Mid-cap Buyout	2005	1.4	4.6	0.8%
Carlyle Europe Partners II	Large-cap Buyout	2003	0.7	4.2	0.7%
Highstar Capital II	Mid-cap Buyout	2004	0.1	3.5	0.6%
Summit Partners Europe Private Equity Fund	Growth / Venture	2010	3.1	2.8	0.5%
Clessidra Capital Partners	Mid-cap Buyout	2004	0.2	2.6	0.5%
J.C. Flowers II	Large-cap Buyout	2006	0.3	2.3	0.4%
Bertram Growth Capital II	Growth / Venture	2010	7.0	1.7	0.3%
Investitori Associati III	Mid-cap Buyout	2000	0.3	1.2	0.2%
Prospect Harbor Credit Partners	Special Situations	2007	-	1.1	0.2%
Strategic Value Global Opportunities Fund I-A	Special Situations	2010	0.1	0.9	0.2%
Strategic Value Special Situations Fund	Special Situations	2010	0.0	0.6	0.1%
DBAG Expansion Capital Fund	Growth / Venture	2011	5.3	0.0	0.0%
<b>Total Fund Portfolio</b>			<b>\$93.9</b>	<b>\$368.2</b>	<b>66.1%</b>

Note: As of 31 October 2012.

## Current Direct Co-investment Valuation<sup>1</sup>

Overall, the co-investment portfolio was held at a weighted average valuation multiple of 7.8x LTM EBITDA and a weighted average leverage multiple of 3.9x LTM EBITDA as of 31 October 2012<sup>1</sup>

(\$ in millions) EV / LTM EBITDA Valuation Ranges	# of Unique Equity Co-investments	Realized Proceeds	31 Oct 2012 Fair Value	Total Value to Paid-in Capital	% of Fair Value
< 7x	5	\$0.0	\$34.0	1.19x	34.2%
7x - 8x	6	2.2	17.5	1.01x	17.5%
8x - 9x	8	3.3	29.5	0.97x	29.6%
9x - 10x	1	0.0	3.2	0.53x	3.2%
10x+	5	0.9	15.3	1.10x	15.4%
<b>Total Direct / Co-investments</b>	<b>25</b>	<b>\$6.4</b>	<b>\$99.5</b>	<b>1.03x</b>	<b>100.0%</b>

(\$ in millions) Net Debt / LTM EBITDA Ranges	# of Unique Equity Co-investments	Realized Proceeds	31 Oct 2012 Fair Value	Total Value to Paid-in Capital	% of Fair Value
< 2x	5	\$0.5	\$13.6	1.14x	13.7%
2x - 3x	2	0.7	13.5	1.25x	13.6%
3x - 4x	4	2.5	17.2	1.15x	17.3%
4x - 5x	8	0.5	40.4	1.22x	40.6%
5x+	6	2.2	14.9	0.60x	14.9%
<b>Total Direct / Co-investments</b>	<b>25</b>	<b>\$6.4</b>	<b>\$99.5</b>	<b>1.03x</b>	<b>100.0%</b>

*Note: Fair value and investment performance as of 31 October 2012. Portfolio company operating and valuation metrics are based on the most recently available information (unaudited), primarily as of 30 September 2012 but also as of 30 June 2012. Weighted average is weighted by fair value. One energy services company was valued based on normalized EBITDA.*

*Source: Company financials.*

*1. The charts reflect only the number of unique unrealized buyout co-investments (excluding escrow) which were valued based on a multiple of EBITDA and exclude public companies, realized investments and companies valued on a multiple of revenue, book value and other metrics.*



## Direct Co-investment Valuation *(continued)*

Continued

(\$ in millions) Vintage Year	Equity Co-investments				
	# of Unique Equity Co-investments	Realized Proceeds	31 Oct 2012 Fair Value	Total Value to Paid-in Capital	% of Fair Value
2006 & 2007	9	\$3.0	\$54.2	0.89x	43.8%
2008 & 2009	4	3.1	7.5	1.36x	6.0%
2010	5	3.6	10.7	1.59x	8.6%
2011	7	0.1	26.7	1.18x	21.6%
2012	6	-	24.7	0.98x	20.0%
<b>Total Equity Co-investments</b>	<b>31</b>	<b>\$9.7</b>	<b>\$123.8</b>	<b>1.03x</b>	<b>100.0%</b>

Note: Fair value and investment performance as of 31 October 2012.  
1. The chart reflects only the number of unique unrealized portfolio companies.

## Liquidity Enhancement & Buy-Back Programs

Since inception, NBPE has repurchased ~5.4 million shares, or 10.0% of the originally issued shares, including 2,269,028 shares since the new buy-back program was launched in October 2010

Time Period	Number of Shares Repurchased	Weighted Average Repurchase Price per Share	Weighted Average Discount to NAV	Accretion to NAV per Share
July 2008 - May 2009	3,150,408	\$2.93	68.6%	\$0.17 <sup>1</sup>
November 2010	123,482	\$7.01	28.0%	\$0.02
December 2010	203,285	\$7.05	28.4%	\$0.01
January 2011	276,011	\$7.00	32.6%	\$0.02
February 2011	-	-	-	-
March 2011	92,504	\$7.30	30.5%	\$0.01
April 2011	55,683	\$8.03	25.1%	<0.01
May 2011	35,825	\$8.84	17.8%	\$0.01
June 2011	44,787	\$8.62	20.4%	<0.01
July 2011	11,818	\$8.36	23.7%	<0.01
August 2011	215,224	\$8.02	25.8%	\$0.01
September 2011	273,682	\$7.53	29.8%	\$0.01
October 2011	222,122	\$6.86	34.9%	\$0.02
November 2011	85,000	\$6.96	35.1%	\$0.01
December 2011	75,000	\$6.98	34.4%	\$0.01
January 2012	69,360	\$6.98	36.7%	\$0.01
February 2012	32,113	\$6.94	37.7%	<0.01
March 2012	-	-	-	-
April 2012	50,000	\$7.00	38.4%	\$0.01
May 2012	266,879	\$7.03	37.9%	\$0.02
June 2012	25,000	\$7.00	37.2%	<0.01
July 2012	-	-	-	-
August 2012	64,048	\$7.27	35.3%	\$0.01
September 2012	25,205	\$7.35	35.0%	<0.01
October 2012 <sup>2</sup>	22,000	\$7.35	35.7%	<0.01
<b>Total / Weighted Average</b>	<b>5,419,436</b>	<b>\$7.27</b>	<b>53.3%</b>	<b>\$0.66</b>

Note: As of 31 October 2012 (unaudited).

1. NAV per share accretion represents total accretion for cumulative shares repurchased during this time period.
2. Due to an administrative error, the October 2012 share buybacks were not reflected in the October 2012 NBPE Monthly Report.

## NBPE Credit Facility & Covenants

NBPE continues to have access to its favorable credit facility. As of 31 October 2012, NBPE has no debt outstanding under the credit facility

- NBPE has a revolving credit facility with Lloyds Bank for up to \$250 million with a term expiring in August 2014
  - Borrowings under the credit facility bear interest at LIBOR plus 1.35% per annum
  - The key financial covenant is a maximum debt to value ratio of 50.0%

### TOTAL ASSET RATIO (DEBT TO VALUE)

- Defined as total debt and current liabilities divided by Restricted NAV
  - Restricted NAV is defined as the value of private equity investments (less any excluded value) plus cash and cash equivalents
- The total asset ratio is not to exceed 50.0%
- At 31 October 2012, the total asset ratio was 2.5%

### SECURED ASSET RATIO

- Defined as total debt and current liabilities divided by Secured Assets
  - Secured Assets are defined as the value of secured private equity investments plus cash and cash equivalents
- The secured asset ratio is not to exceed 80.0%
- At 31 October 2012, the secured asset ratio was 2.9%

### COMMITMENT RATIO

- Defined as Restricted Total Exposure divided by the aggregate of shareholder's equity and the total amount of the credit facility
  - Restricted Total Exposure is defined as the value of private equity investments (less any excluded value) plus unfunded private equity commitments
- If the total asset ratio is greater than 25.0% and the commitment ratio is greater than 130.0%, then NBPE is restricted from making new private equity investments
- At 31 October 2012, the commitment ratio was 110.0%

*Note: As of 31 October 2012 (unaudited).*

## Endnotes

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1. The diversification analysis by asset class and investment type is based on the fair value of underlying fund investments and direct/co-investments. Determinations regarding asset class and investment type represent the Investment Manager's estimates. Accordingly, the actual diversification of our investment portfolio and the diversification of our investment portfolio on an ongoing basis may vary from the foregoing information. For the NB Alternatives Direct Co-investment Program and the NB Healthcare Credit Investment Program commitments, total exposure only reflects the funded investments to date. Unfunded amounts and unfunded percentages within each of these programs are excluded from the analysis, as capital deployment is opportunistic and cannot be accurately forecast at this time.
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