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NB Private Equity Partners Limited

30 September 2015 Quarterly Report and Interim Management Statement

For the nine month period ended 30 September 2015

Quarterly Report

COMPANY OVERVIEW

For the nine month period ended 30 September 2015
Quarterly Report

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

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

- Guernsey closed-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") outstanding
- 32,999,999 Zero Dividend Preference shares ("ZDP Shares") outstanding

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

- 28 years of private equity investing experience
- Investment Committee with over 220 years of professional experience
- Approximately 90 investment professionals
- Approximately 150 administrative and finance professionals
- Offices in New York, London, Boston, Dallas, Hong Kong, Milan and Bogotá

Key Statistics	At 30 September 2015	At 31 December 2014
Net Asset Value of the Class A Shares	$701.1m	$694.8m
Equity Co-investments	$349.6m	$311.4m
Income Investments	$246.4m	$301.3m
Fund Investments	$196.1m	$227.8m
Total Private Equity Fair Value	$792.1m	$840.6m
Private Equity Investment Level	113%	121%
Cash and Cash Equivalents	$42.9m	$25.6m
Credit Facility Borrowings Drawn	$50.0m	$90.0m
ZDP Share Liability	($75.4)	($73.7)
Net Other Assets	($8.6)	($7.7)
Net Asset Value per Ordinary Share	**$14.37**	**$14.24**
Net Asset Value per Ordinary Share including Cumulative Dividends	**$15.71**	**$15.10**
ZDP Shares	£49.8m	£47.2m
Net Asset Value per ZDP Share	150.89p	143.14p
Dividends per Share:		
Dividends paid this period	$0.48	$0.45
Cumulative dividends since inception	$1.34	$0.86

Note: Numbers may not sum due to rounding.

KEY PERFORMANCE HIGHLIGHTS FOR THE PERIOD

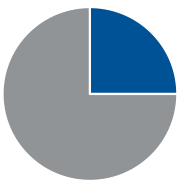
For the nine month period ended 30 September 2015
Quarterly Report

Performance

5.0% NAV per Share total return[1]

2.6% Share price decrease

1.5% Share price total return[1]



Portfolio at 30 September 2015

75% of Fair Value in Equity Co-investments/Income Investments

25% of Fair Value in Funds

Cash Flows during the first nine months of 2015

$159.0 million funded to Investments

$258.6 million of distributions from Investments

$150.5[2]
Million Invested

New Direct Investment Activity during the first nine months of 2015

12 Equity Co-investments[3]

11 Income Investments

1. *Assumes re-investment of dividends at the closing share price on the ex-dividend date. Total return figures reflect cumulative returns over the period shown.*
2. *Includes follow-on investments. Net of returns of capital.*
3. *Includes one follow-on investment.*

COMPANY DIVIDEND POLICY

Semi-annual dividends

NBPE paid its first semi-annual dividend of $0.23 per Share on 27 February 2015 and second semi-annual dividend of $0.25 on 27 August 2015.

Since inception, NBPE has paid cumulative dividends of $1.34 per Share.

Income Investments

As of 30 September 2015, on a run rate basis, the income portfolio generates annual cash income of $22.0 million or approximately $0.45 per Share. This corresponds to approximately 90% dividend coverage from the cash yield on the Company's income portfolio, based on the annualized August 2015 dividend.

Share Buy Back Programme[1]

NBPE launched a Share Buy Back Programme in 2010 whereby NBPE retains the ability to repurchase Class A Shares. Class A Shares bought back under this Share Buy Back Programme will be cancelled. There were no share repurchases during the first nine months of 2015.

The Board of Directors has approved an extension of the Share Buy Back Programme until 31 March 2016. The documentation for such extension is currently in progress.

$0.25
Second Semi-Annual Dividend per Share Paid on August 27th

$0.48
Cumulative Dividends in 2015

$1.34
Cumulative dividends since inception

4.5%
Annualized Dividend Yield on Share Price[2]

3.5%
Annualized Dividend Yield on NAV at 30 September 2015

1. *Prior to the launch of the Share Buy Back Programme, the Company maintained a Liquidity Enhancement Agreement, which expired in 2011. Class A Shares bought back under this agreement are held as Treasury Shares.*
2. *Based on the Euronext closing share price of $11.10 on 30 September 2015.*

PORTFOLIO HIGHLIGHTS DURING THE FIRST NINE MONTHS OF 2015

For the nine month period ended 30 September 2015
Quarterly Report

NBPE leverages the full resources of the Manager's integrated private equity platform for superior deal flow, due diligence and execution capabilities

Direct Investment Focus

- Direct investment exposure of 85% of NAV at 30 September 2015
- During the first nine months of 2015:
  - 23 direct investments completed
  - $83.0 million of new and follow-on income investments
  - $67.6 million of new and follow-on equity co-investments
  - Only $8.4 million of capital calls from fund investments
- $150 million committed to the next NB Alternatives Co-investment Program to continue the direct investment strategy

35% of Net Asset Value in direct income investments with a total estimated yield to maturity of 10.4% and a cash yield of 9.8%

- Income investments producing run-rate cash income of $22.0 million, covering 90% of the August 2015 annualized dividend
  - The manager's goal is to return to 100% coverage of the dividend yield from the direct income investments over time

Significant liquidity from direct investments during the first nine months of 2015

- Distributions of $61.1 million from equity co-investments and $156.6 million from income investments, including:
  - $129.5 million of realisation proceeds from the income investments portfolio including principal and pre-payment premiums
  - $27.1 million of interest received from income investments
  - $61.1 million from equity co-investments as a result of sales, re-capitalisations and secondary sales of public shares

Fund investment portfolio continues to mature and return cash to NBPE

- Total distributions of $40.9 million from fund investments during the first nine months of 2015

Note: Numbers may not sum due to rounding.

POST-REPORTING PERIOD UPDATE

The following events occurred post the 30 September 2015 reporting period. The Board is not aware of any other significant events or transactions (other than as set out herein) that have occurred between 30 September 2015 and the publication date of this Interim Management Statement which would have a material impact on the financial position of the Company

New income investment activity

- During October, NBPE funded $21.5 million to three new income investments
- Run rate cash income is $23.9 million, representing 98% dividend coverage

Direct equity co-investment activity

- During October, NBPE funded $4.5 million to two equity co-investments

Distribution activity

- During October, NBPE received $10.1 million of distributions
  - $1.6 million from fund investments
  - $5.7 million from income investments
  - $2.8 million from equity investments

NAV per Share performance and credit facility borrowings post 30 September 2015

- The 30 September 2015 Quarterly NAV per Share represents a 0.6% decrease over the **estimated** 30 September 2015 NAV per Share in NBPE's Monthly NAV update
- The **estimated** 31 October 2015 NAV per Share, as published in NBPE's Monthly NAV update, represents a 0.2% increase over the 30 September 2015 Quarterly IMS NAV per Share

	30 September 2015 (Estimated NAV)	30 September 2015 (Quarterly IMS)	31 October 2015 (Estimated NAV)
Unaudited NAV per share	$14.46	$14.37	$14.40
Unaudited Total Return NAV per share	$15.80	$15.71	$15.74

- During October 2015, NBPE drew down an additional $5 million from its credit facility

Note: as of 11 November 2015. Numbers may not sum due to rounding.

2015 OVERVIEW

$83.0 million invested in income investments[1]

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

Digital River

- Provider of end-to-end outsourced commerce, payments, and marketing solutions to companies in the U.S., Europe and Asia Pacific regions
- First lien term loan with a 6.75% annual cash interest coupon (L +5.75%, 1% L Floor and 1.0% OID) and
- Second lien term loan with a 12.0% annual cash interest coupon (L+11.0%, 1% L Floor and 1.0% OID)
- NB Thesis:
  - Highly recurring revenue base
  - Strong cash flow characteristics
  - Industry leading product with a clear value proposition

Funding Circle

- Portfolio of short term loans to small businesses in the U.S. originated through a direct lending platform
- NB Thesis:
  - Opportunity to participate in the rapidly growing area of disintermediated bank lending
  - Geographic diversification with exposure to small businesses across the U.S.

Healthcare Credit: Royalty Notes (Biotechnology)

- Royalty-backed notes secured by the royalty rights and milestone payments of two type-two diabetes treatments
- Cash interest rate of 9.375%
- NB Thesis:
  - Strong collateral and milestone payments
  - Attractive yield

Healthcare Credit: Second Lien Term Loan (Medical Implants)

- Precision machinery company that focuses on the manufacturing and joining of critical components and complex assemblies for medical implants, as well as other industries including aerospace / defense and specialty commercial / industrial markets
- Second lien term loan with a 9.5% annual cash interest coupon (L+8.5%, 1% L Floor and 6.0% OID)
- NB Thesis:
  - Attractive cash yield
  - High margins and recurring revenue

Note: Numbers may not sum due to rounding.

1. Includes follow on investments. Net of returns of capital.

2015 OVERVIEW

$83.0 million invested in income investments[1]

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

CATALINA

- Provider of digital media solutions for consumer packaged goods companies
- Second lien term loan with a 7.75% annual cash interest coupon (L +6.75%, 1.0% L Floor)
- Secondary purchase at 78.1% of face value
- NB Thesis:
  - Strong barriers to entry
  - Attractive free cash flow
  - Market leading company

MMUSA Acquisition Corp. (MediMedia)

- Integrated content and marketing services provider focused on the healthcare and pharmaceutical industries
- Second lien term loan with a 12.25% annual cash interest coupon (L +11.0%, 1.25% L Floor)
- Secondary purchase at 93.3% of face value
- NB Thesis:
  - High EBITDA margins and an asset-lite business model
  - Opportunity to reduce operating costs
  - Diversified customer base
  - Non-cyclical demand

Physiotherapy Associates

- Leading provider of outpatient rehabilitation services
- Second lien term loan with a 9.5% annual cash interest coupon (L +8.5%, 1.0% L Floor, 1.0% OID)
- NB Thesis:
  - Strong free cash flow generation
  - Highly-diversified revenue streams across geographies, payors and service type
  - Non-cyclical demand
  - Stable and resilient base business

Hyland creator of OnBase

- Developer of Enterprise Content Management software
- Second lien term loan with an 8.25% annual cash interest coupon (L +7.25%, 1.0% L Floor)
- NB Thesis:
  - Highly recurring revenue base
  - Strong growth and cash flow characteristics
  - Diversified customer base
  - Market leader in a growing industry

Altegrity

- Risk consulting and information services company
- First lien term loan with a 9.5% annual cash interest coupon
- NB Thesis:
  - Opportunistic investment in company restructuring
  - Attractive entry price

Deltek (Re-finance)

- Provider of cloud based ERP software, business management and resource planning solutions
- Re-financing – Second Lien term loan with 9.5% annual cash interest (L +8.5%, 1.0% L Floor, 1.0% OID)
- NB Thesis:
  - Market leader with a strong revenue and customer base
  - Strong free cash flow profile

Note: Numbers may not sum due to rounding.
1. Includes follow on investments. Net of returns of capital.

2015 OVERVIEW

$67.6 million invested in equity co-investments[1]
Made directly by NBPE and through the NB Alternatives Co-investment Program

Digital River

- Provider of end-to-end outsourced commerce, payments, and marketing solutions to companies in the U.S., Europe and Asia Pacific regions
- NB Thesis:
  - Highly recurring revenue base
  - Strong cash flow characteristics
  - Industry leading product with a strong value proposition

riverbed

- Provider of wide area network optimization and performance management products
- NB Thesis:
  - Clear market leader with stable revenue base
  - Attractive and growing end markets
  - Executable value creation opportunities

CSC ServiceWorks

- Leading provider of outsourced services to the laundry and air vending markets
- NB Thesis:
  - Leader in a large addressable market
  - Attractive "mid-life" characteristics
  - Well diversified and loyal customer base
  - Multiple growth opportunities available

LookingGlass

- Developer of a global cyber situational awareness platform that helps enterprise and government organizations protect against targeted cyber attacks
- NB Thesis:
  - Opportunity to invest in a platform company with significant growth opportunities
  - Strong existing customer base

StandardAero

- Leading provider of aftermarket maintenance, repair, and overhaul services for engines for narrow body, regional, business, military and rotary aircraft
- NB Thesis:
  - Attractive industry dynamics
  - High barriers to entry
  - Multiple value creation opportunities

PetSmart

- Largest specialty pet retailer of services and solutions for the lifetime needs of pets
- The company provides a broad range of pet products and in-store services including pet adoption, boarding, grooming and training
- NB Thesis:
  - Market leader
  - Operational improvement opportunities
  - Attractive industry dynamics
  - Vendor relationship / channel exclusivity

Note: Numbers may not sum due to rounding.
1. Includes follow on investments. Net of returns of capital.

2015 OVERVIEW

$67.6 million invested in equity co-investments[1]

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

PROSPER

- Peer-to-peer online lending marketplace for unsecured consumer credit loans
- NB Thesis:
  - Rapidly growing company in an attractive industry
  - Large market opportunity
  - Strong management team

centro

- Provider of digital advertising management solutions
- Develops and sells cloud-based media management software to help advertisers and ad agencies streamline and scale digital campaigns
- NB Thesis:
  - Rapidly growing business with recurring revenue
  - Highly fragmented industry
  - Strong balance sheet and low CAPEX

ellucian [2]

- Largest vendor of higher education ERP software
- Core ERP solutions include: student information systems, admission / registrar applications, HR, finance, financial aid and degree audit
- NB Thesis:
  - Strong, market leading company
  - Stable and predictable revenue model

ALEX AND ANI

- A leading affordable jewelry and lifestyle brand
- Products are sold through retail, wholesale and e-commerce channels
- NB Thesis:
  - Compelling store-level economics
  - Significant whitespace opportunity
  - Opportunity to improve wholesale channel execution
  - Gross margin improvement represents additional upside

Consilio

- eDiscovery service provider that serves corporations and law firms with an end-to-end eDiscovery services platform
- Business segments include processing or data services, managed review and data hosting
- NB Thesis:
  - Opportunity to become a market leader in a consolidating sector
  - Strong management and sales force
  - Large market opportunitiy

Note: Numbers may not sum due to rounding.

1. *Includes follow on investments. Net of returns of capital.*
2. *Committed, but not yet closed.*

NAV RESULTS

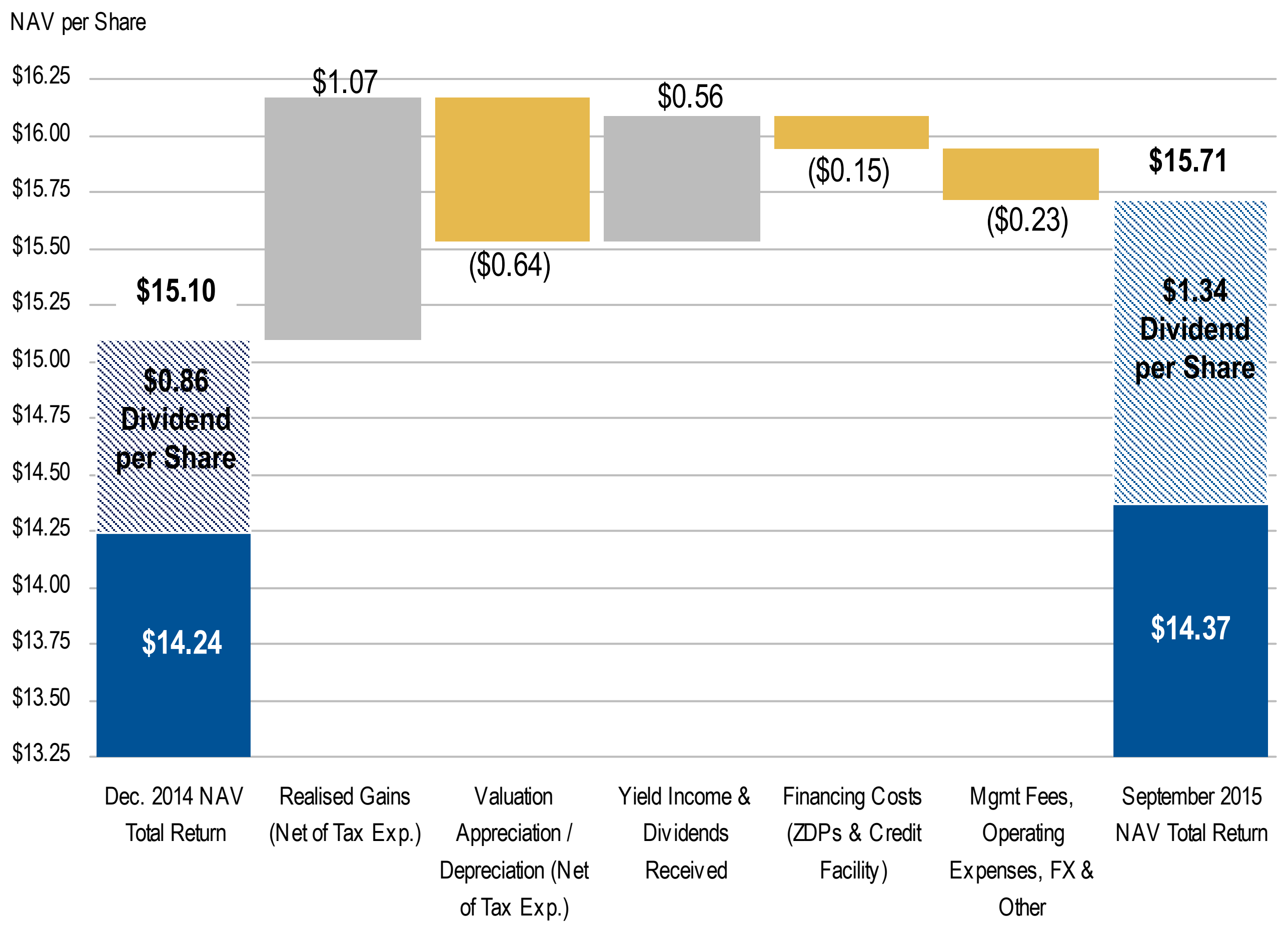
Q3 2015 OVERVIEW

NAV RESULTS

During the first nine months of 2015, including the Company's semi-annual dividends, the NAV per Share total return was 5.0%[1]. Including the impact of the dividend payment, NBPE's NAV per Share increased 0.9%, driven by realised gains in the underlying investment portfolio and offset by financing costs, including ZDP shares and credit facility expenses, as well as management fees, operating and other expenses and FX. Excluding investment cash flows, NBPE's private equity fair value appreciated by $50.9 million, net of underlying fees and expenses.

Key changes to NBPE's NAV per Share:

- $52.4 million of realised gains, or $1.07 per Share, net of tax expense
- $31.2 million of unrealised losses, or ($0.64) per Share, net of tax expense
- $27.3 million of yield income and dividends, or $0.56 per Share
- $18.7 million of operating expenses and other expenses, or ($0.38) per Share
- $23.4 million of dividends paid, or $0.48 per Share



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

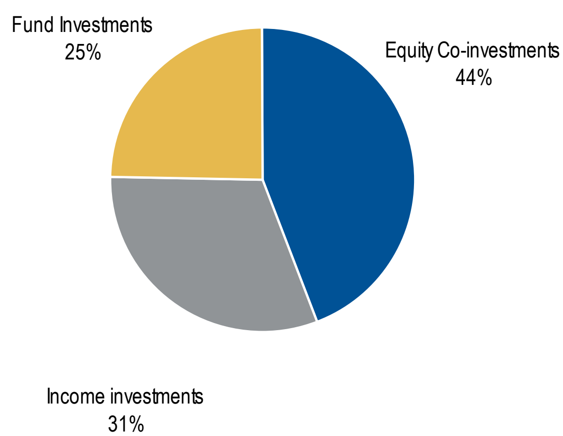
PORTFOLIO ANALYSIS

PORTFOLIO OVERVIEW

NBPE's portfolio is comprised of three investment types: income investments, which consist of corporate private debt and healthcare credit investments, equity co-investments and fund investments. Equity co-investments and income investments represent approximately 75% of private equity fair value. NBPE's fund portfolio consists of 34 fund investments, many of which are past their investment periods, giving the portfolio exposure to mature underlying companies and securities. As cash distribution activity from fund investments continue, the Manager intends to fund new direct investments.

	Investments	Private Equity Fair Value	Adjusted Unfunded Commitments[1]	Adjusted Total Exposure[1]
Equity Co-investments	75	$349.6m	$56.4m	$406.0m
Income Investments	39	$246.4m	$23.5m	$269.9m
Fund Investments	34	$196.1m	$6.4m	$202.4m
Total Private Equity Investments	**148**	**$792.1m**	**$86.3m**	**$878.3m**

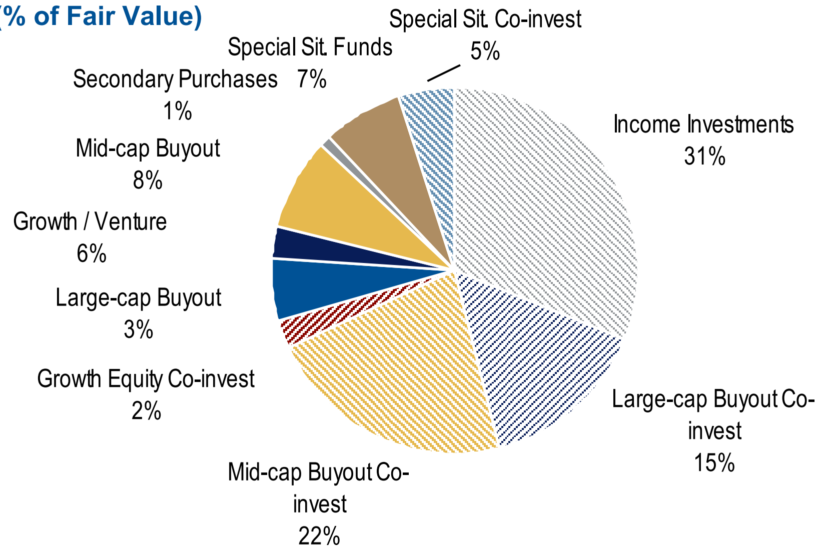
Portfolio Diversification by Fair Value



Note: Numbers may not sum due to rounding.
1. Please refer to page 29 for more information on unfunded commitments to funds past their investment period. Actual unfunded commitments and total exposure is $281.8 million and $1.1 billion. Actual unfunded commitments is comprised of $211.1 million, $27.5 million and $41.4 million to equity co-investments, income investments and fund investments, respectively. Actual total exposure is $560.7 million, $273.9 million and $237.4 million to equity co-investments, income investments and fund investments, respectively.

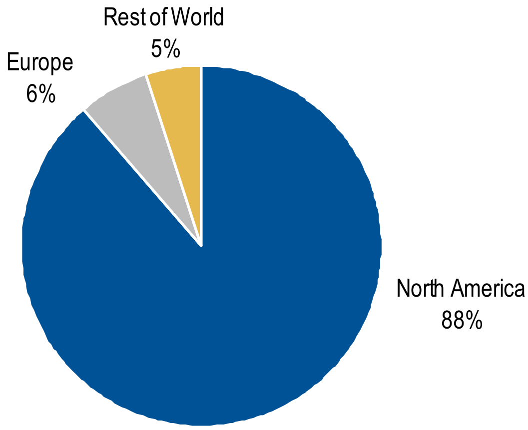
PORTFOLIO ANALYSIS

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

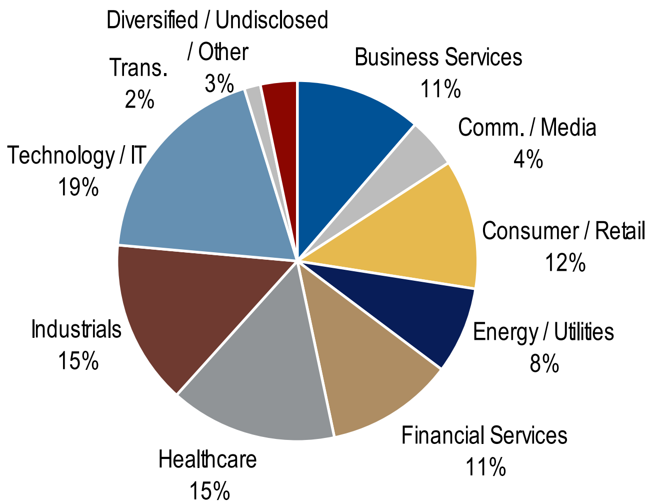


Portfolio Diversification

NBPE adapts its asset allocation over time to tactically allocate the portfolio to what the Manager believes are the most attractive opportunities. NBPE's current allocation is weighted to income investments and equity co-investments. Fund investments represent 25% of private equity fair value and the Manager expects the fund portfolio to become a smaller portion of NBPE's private equity fair value as capital is re-deployed into direct investments.



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



NBPE's portfolio is broadly diversified across industries. The 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 GDP.

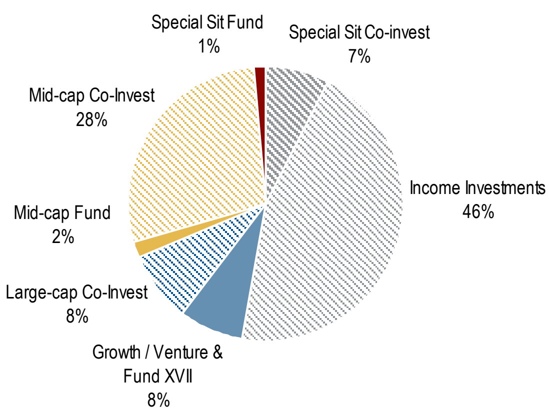
Note: Numbers may not sum due to rounding.

PORTFOLIO ANALYSIS

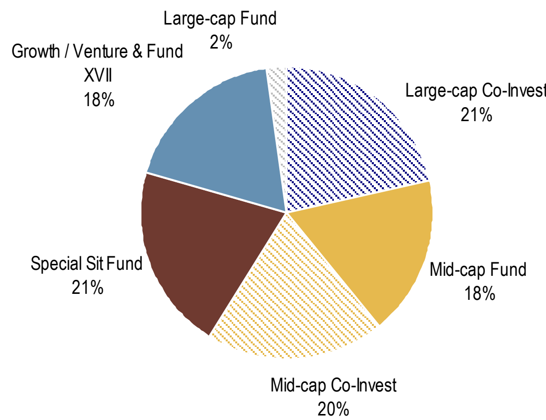
Recent capital deployment is primarily concentrated in direct investments (% of Fair Value)

The pie charts below represent the percentage of the current private equity fair value by year of investment. Year of investment is defined as the date of capital deployment into a particular underlying company. This differs from the vintage year as vintage year shows when a fund was formed rather than when the capital was deployed.

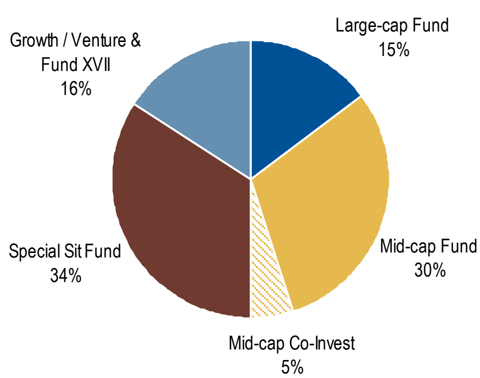
2012 - 2015 (68% of Fair Value)



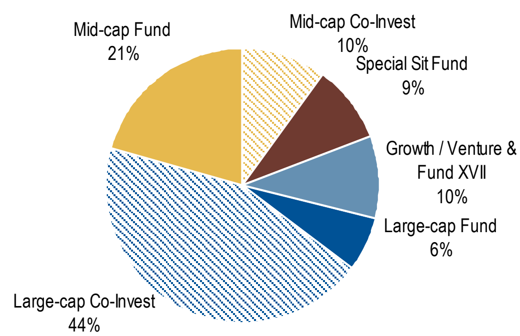
2010 - 2011 (12% of Fair Value)



2008 & 2009 (9% of Fair Value)



2007 & Earlier (11% of Fair Value)



Note: Numbers may not sum due to rounding. Based on private equity fair value as of 30 September 2015.

PORTFOLIO ANALYSIS

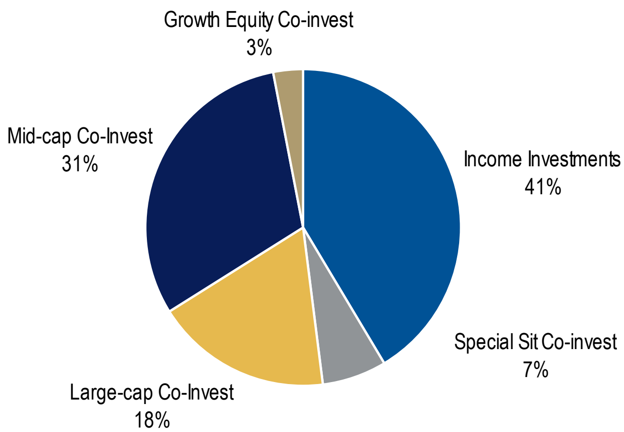
Equity co-investments and income investments portfolio diversification

As of 30 September 2015, the private equity fair value of the direct investment portfolio, was $596.0 million. Approximately $349.6 and $246.4 million was held in equity co-investments and income investments, respectively. Within the direct investment portfolio, 41% of fair value is invested in income investments and 31% is invested in mid-cap buyout equity co-investments. The industry diversification is broad, allocated to what the Manager believes are attractive investment opportunities in business services, industrials, technology / IT, healthcare and others.

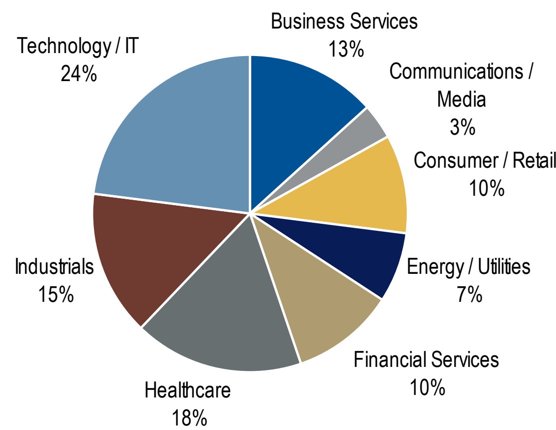
Approximately 89% of the direct investment fair value is in investments made since the beginning of 2011, which demonstrates the young age of the portfolio. The Manager continues to be selective in making new investments and believes NBPE has built an attractive portfolio of direct private equity investments.

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

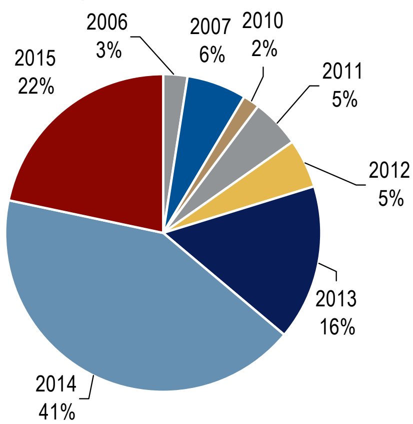
Fair Value by Asset Class



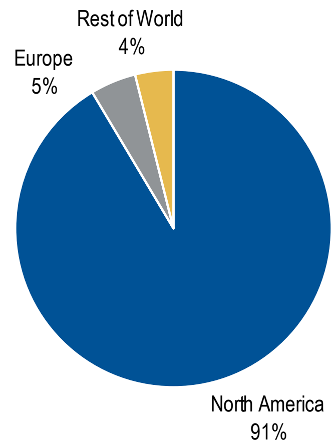
Fair Value by Industry



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



Fair Value by Geography



Note: Numbers may not sum due to rounding. Based on private equity fair value as of 30 September 2015.

PORTFOLIO ANALYSIS

The top 20 companies below represent 44% of NAV and $308.3 million of private equity fair value

Investment / Description	Status	Year of Investment	Investment Type / Asset Class	Equity Sponsor	NBPE Fair Value
Sabre Holdings Technology solutions for global travel	Public	2007	**Equity Co-investment** Large-cap Buyout	TPG / Silver Lake	$26.5 million
Ortholite Insoles and related shoe components	Private	2014	**Equity Co-investment & Income Investment**	Blue Point Capital Partners	$21.1 million
Heartland Dental Dental administrative services	Private	2012	**Income Investment** 2nd Lien Debt	N/A	$20.9 million
ConvergeOne Provider of communication solutions	Private	2014	**Income Investment** 2nd Lien Debt	Clearlake Capital	$19.8 million
K&N Engineering Manufacturer of air intake systems	Private	2014	**Income Investment** 2nd Lien Debt	Gryphon Partners	$18.0 million
Patheon Manufacturing services for prescription drugs	Private	2014	**Equity Co-investment** Mid-cap Buyout	JLL Partners	$17.7 million
Oil & Gas Company* E&P company focused on the United States	Private	2014	**Equity Co-investment** Mid-cap Buyout	N/A	$17.7 million
Deltek Enterprise Software and Solutions	Private	2012 / 2015	**Equity Co-investment & Income Investment**	Thoma Bravo	$17.3 million
Digital River Digital eCommerce and Payments	Private	2015	**Equity Co-investment & Income Investment**	Siris Capital	$15.6 million
Catalina Marketing Digital media solutions	Private	2015	**Income Investment** 2nd Lien Debt	Hellman & Friedman / Berkshire Partners	$15.0 million
The Warranty Group Underwriter of extended warranties	Private	2014	**Equity Co-investment** Large-cap Buyout	TPG	$14.3 million
Compuware Application performance software	Private	2014	**Income Investment** 2nd Lien Debt	Thoma Bravo	$13.9 million
Authentic Brands Group Brand development and trademark licensing	Private	2014	**Income Investment** 2nd Lien Debt	Leonard Green Partners	$12.8 million
Funding Circle Portfolio of small business loans	Private	2015	**Income Investment**	N/A	$11.7 million
Marquee Brands Brand acquisition, licensing and development	Private	2014	**Equity Co-investment** Special Situations	N/A	$11.7 million
Black Knight Financial Services Mortgage servicing technology	Public[1]	2013	**Equity Co-investment** Large-cap Buyout	Thomas H. Lee	$11.6 million
Freescale Semiconductor Embedded Processing Solutions	Public	2006	**Equity Co-investment**	Blackstone/TPG/Carlyle/ Permira	$11.2 million
Evoqua Water treatment technology services	Private	2014	**Equity Co-investment & Income Investment**	AEA	$10.5 million
Genetic Testing* Carrier and prenatal genetic testing	Private	2013	**Income Investment** 1st Lien Debt	N/A	1 – 2% of Fair Value
MediMedia Healthcare information solutions	Private	2015	**Income Investment** 2nd Lien Debt	Vestar Capital Partners	$10.3 million

** Due to confidentiality agreements, company name cannot be disclosed. In certain cases, a range of NBPE NAV has been substituted in place of fair values.*
1. Valuation is based on the underlying share price of BKFS, which completed its initial public offering, and an investment held through a private entity.

PORTFOLIO ANALYSIS

75 Equity co-investments with $349.6 million of fair value, broadly diversified across industries

Equity Co-investments ($ in millions)	Principal Geography	Investment Date	Description	Fair Value
Mid-cap Buyout, Special Situations and Growth Equity				
Alex & Ani	U.S.	May-15	Designer jewelry company	$4.0
American Dental Partners, Inc.	U.S.	Feb-12	Dental practice management services	4.6
Aster / DM Healthcare	Middle East / India	Jun-14	Operator of hospitals, clinics and pharmacies	5.0
Berlin Packaging	U.S.	Oct-14	Supplier of rigid packaging materials and value-added services	5.3
Biotherapeutics Company B - Equity*	U.S.	Jun-14	Biotherapeutics company	1.0
Boa Vista	Brazil	Nov-12	Second largest credit bureau in Brazil	1.2
Centro	U.S.	Jun-15	Online local and display advertising company	3.1
CoAdvantage	U.S.	Feb-13	Leading professional employer organization	2.8
Compass Auto Group	U.S.	Mar-14	Aluminium automotive components supplier	4.4
Corona Industrials	South America	Jun-14	Building materials company	1.5
Counsyl	U.S.	Jul-14	Genetic testing and services using innovative software	3.1
Consilio	U.S.	Jul-15	eDiscovery company providing end-to-end services globally	3.2
CSC Service Works	U.S.	Mar-15	Provider of outsourced services to laundry & air vending markets	5.8
Deltek (Equity)	U.S.	Dec-12	Enterprise software and information solutions	7.2
Digital River (Equity)	U.S.	Feb-15	Digital eCommerce and payments	7.5
Evans Delivery Company (Equity)	U.S.	Jun-12	Intermodal freight services company	8.1
Evoqua Equity	U.S.	Jan-14	Water treatment technology, equipment and services	3.0
Fairmount Minerals	U.S.	Aug-10	Producer of high purity sand / sand based proppants	0.8
Firth Rixson Equity	Global	Dec-07	Supplier of rings, forgings and specialist metal	0.8
Formation Energy	U.S.	Jul-13	Oil & gas E&P focused on shale formations including the Bakken and Eagle Ford	1.6
Gabriel Brothers	U.S.	Mar-12	Discount retailer	3.2
Galco Industrials Equity	U.S.	May-14	Wholesale distributor of electrical components	0.8
Genetic Testing Company - Equity*	U.S.	Jun-13	Genetic testing company	8.9
Group Ark Insurance	Global	Mar-07	Global specialty insurance and re-insurance	1.6
Hilsinger	U.S. / U.K. / Australia	May-14	Supplier of eye wear and eye care accessories	4.5
Inflection Energy	U.S.	Oct-14	Dry gas exploration company in the Marcellus Shale	2.9
Into University Partnerships	U.K./U.S.	Apr-13	Collegiate recruitment, placement and education	1.8
Kyobo Life Insurance Co.	Asia	Dec-07	Life insurance in Korea	2.3
Looking Glass	U.S.	Feb-15	Cyber security technology company	2.0
Marquee Brands	Global	Dec-14	Portfolio of consumer branded IP assets, licensed to third parties	11.7
MBI Energy	U.S.	Jun-14	Oil field services company in Bakken region of North Dakota	0.6
Medical Diagnostics Company - Equity*	Global	Jan-14	Medical diagnostics company	0.0
Oil & Gas Company	U.S.	May-14	E&P company in the U.S.	17.7
Ortholite Equity	U.S.	Apr-14	Provider of high-performance insoles and related shoe components	6.3
Oticas Carol	Brazil	Apr-13	2nd largest eyewear retailer in Brazil	2.1
Patheon	U.S.	Mar-14	Manufacturing services for prescription drugs	17.7
PCR Company - Escrow Value*	U.S.	Aug-12	Polymerase chain reaction (PCR) technology company	0.0
Pepcom	Germany	Mar-11	Germany's 5th largest cable operator	1.7
Press Ganey Associates	U.S.	Mar-08	Measurement & performance solutions for healthcare	2.8
ProMach	U.S.	Nov-14	Packaging machinery for consumer goods	3.1
Prosper	U.S.	Apr-15	Peer-to-peer online lending marketplace for unsecured consumer credit loans	2.5
RevSpring	U.S.	Oct-12	Outsourced provider of accounts receivable	1.9
RiverBed	U.S.	Feb-15	Provider of application performance infrastructure	9.9
Saguaro	Canada	Jul-13	E&P company pursuing unconventional light oil/liquids-rich gas properties	8.8
Salient Federal Solutions	U.S.	Jun-10	Technology and engineering services for government	1.2
SBI Mortgage Co.	Japan	Oct-14	Mortgage company in Japan offering primarily fixed rate mortgages	5.0
Seventh Generation	U.S.	Apr-08	Maker of environmentally responsible household products	1.7

**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 September 2015.

PORTFOLIO ANALYSIS

75 Equity co-investments with $349.6 million of fair value, broadly diversified across industries

Equity Co-investments ($ in millions)	Principal Geography	Investment Date	Description	Fair Value
Shelf Drilling	Global	Feb-13	Shallow water offshore drilling contractor	3.0
Skin Products Company - Equity*	U.S.	Jul-13	Skin products company	0.1
Specialty Drug Pharma. Company - Equity*	U.S.	Nov-13	Specialty drug pharmaceuticals company	0.2
Specialty PCP Company - Equity*	U.S.	Feb-14	Specialty PCP and pediatric pharmaceuticals company	0.0
Standard Aero	U.S.	Jun-15	Provider of aircraft maintenance, repair and overhaul services	5.7
Stratus Technologies	U.S.	Apr-14	Technology solutions that prevent downtime of critical applications	2.7
Swissport	Europe	Feb-11	Ground handling services for airlines	7.6
Taylor Precision Products	U.S.	Jul-12	Consumer & foodservice measurement products	2.3
Technology Company (Encryption App)*	U.S.	Aug-14	Encryption app for text, audio, picture and video messaging	1.5
TPF Genco	U.S.	Jul-07	Five natural gas-fired power plants	5.2
Vencore (f/k/a The SI Organization)	U.S.	Nov-10	High-end systems engineering to US Intelligence Industry	7.3
Total Mid-cap, Special Situations and Growth Equity				**$233.5**
Large-cap Buyout				
Acteon	Europe	Dec-12	Products & services to offshore energy sector	2.8
Avaya	Global	Oct-07	Communications systems provider	2.1
Black Knight Financial Services	U.S.	Dec-13	Mortgage servicing technology and appraisal / origination services	11.6
Brickman Group	U.S.	Dec-13	Commercial landscape and turf maintenance	6.5
Capsugel	Global	Jul-11	Hard capsules and drug delivery systems	8.7
CommScope	Global	Feb-11	Communications infrastructure solutions	3.4
Ellucian	Global	Sep-15	Developer of higher education ERP software	7.0
First Data	Global	Sep-07	Electronic commerce and payments	3.2
Freescale Semiconductor	Global	Jul-07	Semiconductors manufacturer	10.2
Gardner Denver, Inc.	U.S.	Jul-13	Maker of industrial equipment	6.5
J.Crew Group	U.S.	Mar-11	Specialty retailer	0.4
Petsmart	U.S.	Jun-15	Pet supplies retailer	5.0
RAC	U.K.	Sep-11	UK motor related and breakdown assistance services	3.4
Sabre	Global	Mar-07	Technology solutions for global travel industry	26.3
Syniverse Technologies	Global	Feb-11	Global telecommunications technology solutions	3.7
The Warranty Group	Global	Jul-14	Underwriter & administrator of extended warranties	14.3
Univar	Global	Nov-10	Commodity and specialty chemicals distributor	0.9
Total Large-cap Buyout				**$116.1**
Total Equity Co-investments				**$349.6**

NBPE's equity co-investments are primarily mid-cap and large-cap buyout investments, diversified across vintage years, geographies and industries. The Manager believes these companies are poised for value creation and are an attractive component of NBPE's private equity portfolio. Many companies benefit from highly experienced and capable management teams and sponsor groups, which the Manager thinks is critical to the investment thesis and outcome.

In addition, the Manager believes many of these companies benefit from strong industry growth or secular trends and have the opportunity to appreciate in value from operational enhancements, growth of product offerings or expanding into new markets. The Manager thinks these characteristics distinguish NBPE's investment portfolio.

No individual company within NBPE's equity co-investment portfolio accounts for more than 5.0% of NBPE's Net Asset Value.

**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 September 2015.

PORTFOLIO ANALYSIS

39 income investments in corporate private debt and healthcare credits with a total fair value of $246.4 million

On a run rate basis, the investments in the income portfolio generate cash and PIK income of $22.1 million. The corporate private debt portfolio is broadly diversified across sectors including business services, industrials and technology. The Manager believes securities within this portfolio benefit from strong customer bases, diversified revenue sources and favourable industry dynamics. Many of the debt securities are cash-pay at strong yields from a risk-return perspective. The weighted average cash yield on NBPE's corporate private debt investments is 9.8%.[1] The weighted average total leverage and senior leverage is 5.1x and 3.7x, respectively.[2] Approximately 76% of value within corporate private debt investments is invested in floating rate debt. The healthcare credit investments consist of royalty backed notes and senior secured loans with a weighted average cash yield of 9.8%.[1] No individual company within the income portfolio represents more than 3.0% of NBPE's net asset value.

Income Investment Portfolio[1,3]

INVESTMENT NAME	SECURITY DETAILS	INVESTMENT DATE	MATURITY DATE	FAIR VALUE[1]	CASH + PIK COUPON	CASH YIELD	TOTAL EST. YTM
Corporate Private Debt Investments							
Altegrity	First Lien (9.5% Cash)	Sep-15	Jul-19	$1.9	9.5%	10.1%	12.0%
Deltek - Re-finance	Second Lien (L+8.50% Cash, 1.00% L Floor, 1% OID)	Jul-15	Oct-19	10.1	9.5%	9.3%	9.3%
Hyland	Second Lien (L+7.25%, 1% Floor)	Jun-15	Jul-23	6.2	8.3%	8.3%	8.6%
MediMedia	Second Lien (L+11% Cash, 1.25% L Floor)	Jun-15	Nov-19	10.3	12.3%	12.8%	14.1%
PhysioTherapy	Second Lien (L+8.5%, 1% Floor)	Jun-15	Jun-20	2.5	9.5%	9.5%	10.0%
Catalina	Second Lien (L+6.75%, 1% L Floor)	May-15	Apr-22	15.0	7.8%	9.8%	12.8%
Funding Circle	Portfolio of Small Business Loans	Jan-15	N/A	11.7	N/A	N/A	N/A
Digital River Debt	First Lien (L+5.75% Cash, 1.0% L Floor, 1% OID)	Jan-15	Dec-20	4.0	6.8%	6.9%	7.0%
Digital River Debt	Second Lien (L+11.0% Cash, 1.0% L Floor, 1% OID)	Jan-15	Dec-20	4.1	12.0%	12.0%	12.4%
Compuware	Second Lien (L+8.00% Cash, 1.0% L Floor, 8% OID)	Dec-14	Dec-22	13.9	9.0%	9.7%	9.4%
Central Security Group	Second Lien (L+9.0% Cash, 1% L Floor, 5% OID)	Nov-14	Oct-21	5.8	10.0%	10.5%	10.5%
Vestcom	Second Lien (L+8.0% Cash, 1.0% L Floor, 1.5% OID)	Oct-14	Sep-22	8.2	9.0%	8.9%	9.3%
Authentic Brands - Secondary	Second Lien (L+8.0%, 1% L Floor)	Jul-14	May-22	2.9	9.0%	9.1%	9.4%
K&N Engineering	Second Lien (L+8.625%, 1% L Floor, 2.25% OID)	Jul-14	Jul-20	18.0	9.6%	9.8%	10.1%
Heartland Dental - 2014 Secondary	Second Lien (L+8.5% Cash, 1.25% L Floor, 2.75% Premium)	Jul-14	Jun-19	2.0	9.8%	9.8%	10.2%
Converge One	Second Lien (L+8.0%, 1% L Floor, 1.0% OID)	Jun-14	Jun-21	19.8	9.0%	9.1%	9.4%
Authentic Brands	Second Lien (L+8.0%, 1% L Floor, 1.0% OID)	Jun-14	May-22	9.9	9.0%	9.1%	9.4%
Galco Industrial Electronics	Sr. Sub Notes (10.75% Cash, 1.25% PIK, 1.5% OID)	May-14	May-21	4.9	12.0%	10.7%	12.3%
Ortholite	Sr. Sub Notes (11.75% Cash, 1.5% OID)	Apr-14	Apr-20	14.8	11.8%	11.9%	12.4%
On Deck	Portfolio of Small Business Loans	Apr-14	N/A	9.1	N/A	N/A	N/A
Flexera	Second Lien (L+7.0%, 1% L Floor, 0.5% OID)	Apr-14	Apr-21	6.0	8.0%	8.0%	8.3%
LANDesk	Second Lien (L+7.25%, 1% L Floor, 1% OID)	Mar-14	Mar-21	8.0	8.3%	8.2%	8.5%
Evoqua	Second Lien (L+7.5%, 1% L Floor, 0.5% OID)	Jan-14	Jan-22	7.5	8.5%	8.5%	8.9%
Taylor Precision Products	Sr. Sub Notes (13% Cash, 1.5% OID)	Nov-13	May-19	5.7	13.0%	11.4%	10.4%
P2 Energy Solutions	Second Lien (L+8.00% Cash, 1.0% L Floor, 1% OID)	Nov-13	May-21	5.0	9.0%	8.9%	9.2%
Heartland Dental - 2013 Secondary	Second Lien (L+8.5% Cash, 1.25% L Floor, 0.5% OID)	Jan-13	Jun-19	4.0	9.8%	9.8%	10.2%
Heartland Dental	Second Lien (L+8.5% Cash, 1.25% L Floor, 1.5% OID)	Jan-13	Jun-19	14.9	9.8%	9.8%	10.2%
Total Corporate Private Debt Investments Fair Value				**$226.4**	**9.6%**	**9.8%**	**10.3%**
*Total Healthcare Credit Investments**							
Term Loan (Medical Implants)	Second Lien (L+8.50%, 1% L Floor, 6% OID)	Mar-15	Mar-23	-	9.5%	10.2%	10.7%
Royalty Notes (Biotechnology)	Royalty Backed Note (9.375% Cash)	Mar-15	Mar-26	-	9.4%	9.3%	9.8%
Term Loan (Biotherapeutics B)	Convertible Notes (4.5% Cash)	Jun-14	May-19	-	4.5%	3.3%	4.2%
Term Loan (Contract Research Organization)	Second Lien (L+8.25%, 1% L Floor, 1% OID)	Apr-14	Mar-22	-	9.3%	9.7%	10.3%
Convertible Notes (Specialty Pharmaceuticals)	Convertible Notes (4.5% Cash)	Apr-14	May-20	-	4.5%	6.6%	13.0%
Term Loan (Specialty PCP and Pediatric Pharmaceuticals)	Senior Secured Loan (First Lien, 12% cash, 0.75% fee)	Feb-14	Feb-19	-	12.0%	11.8%	12.2%
Term Loan (Medical Diagnostics)	Senior Secured Loan (10.5% Cash)	Jan-14	Dec-18	-	10.5%	11.4%	13.5%
Term Loan (Skin Products Company)	Senior Secured Loan (First Lien, 10.5% Cash, 1.5% Fee)	Jul-13	Jul-18	-	10.5%	9.2%	11.1%
Term Loan (Genetic Testing)	Senior Secured Loan (First Lien, 10% Cash, 1% Fee)	Jun-13	Jun-18	-	10.0%	10.0%	10.5%
Term Loan (Cardiac Device)	Escrow Value	Feb-13	Mar-18	-	-	-	-
Royalty Notes (Internal Medication)	Royalty Backed Note	Jan-13	Jun-24	-	11.0%	10.9%	11.5%
Royalty Notes (Hormone Therapy)	Royalty Backed Note	Apr-11	N/A	-	N/A	14.7%	13.0%
Total Healthcare Credit Investments Fair Value				**$19.9**	**9.7%**	**9.8%**	**11.0%**
Total Income Portfolio Fair Value				**$246.4**	**9.6%**	**9.8%**	**10.4%**

** Due to confidentiality agreements, company names cannot be disclosed.*
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.
2. Based on the net leverage that is senior to the security held by NBPE.
3. Includes two portfolios of small business loans ($20.8m of fair value) at an interest rate at least at the rate stated above but not included in the yield calculation.

PORTFOLIO ANALYSIS

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

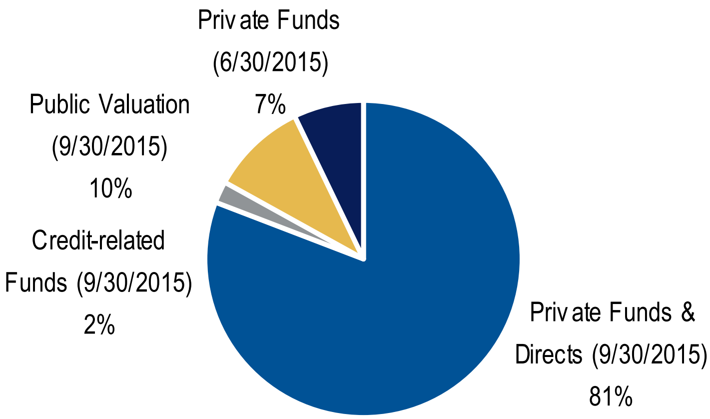
($ in millions) Fund Investments	Principal Geography	Vintage Year	Fair Value	Unfunded Commitment[1]	Total Exposure
Special Situations					
Catalyst Fund III	Canada	2009	$14.5	$1.6	$16.2
Centerbridge Credit Partners	U.S.	2008	1.5	-	1.5
CVI Global Value Fund	Global	2006	3.7	0.8	4.4
OCM Opportunities Fund VIIb	U.S.	2008	2.8	3.0	5.8
Oaktree Opportunities Fund VIII	U.S.	2009	5.2	-	5.2
Platinum Equity Capital Partners II	U.S.	2007	7.9	2.9	10.7
Prospect Harbor Credit Partners	U.S.	2007	0.1	-	0.1
Sankaty Credit Opportunities III	U.S.	2007	6.8	-	6.8
Strategic Value Special Situations Fund	Global	2010	0.2	0.0	0.2
Strategic Value Global Opportunities Fund I-A	Global	2010	0.3	0.1	0.4
Sun Capital Partners V	U.S.	2007	8.0	1.3	9.3
Total Special Situations Funds			**$51.1**	**$9.6**	**$60.7**
Mid-cap Buyout					
American Capital Equity II	U.S.	2007	2.0	1.2	3.1
Aquiline Financial Services Fund	U.S.	2005	2.6	-	2.6
ArcLight Energy Partners Fund IV	U.S.	2007	4.3	4.6	8.9
Avista Capital Partners	U.S.	2006	8.5	0.3	8.8
Clessidra Capital Partners	Europe	2004	0.7	0.1	0.8
Corsair III Financial Services Capital Partners	Global	2007	5.8	1.1	6.9
Highstar Capital II	U.S.	2004	3.0	0.1	3.1
Investitori Associati III	Europe	2000	-	0.2	0.2
Lightyear Fund II	U.S.	2006	3.3	1.4	4.6
OCM Principal Opportunities Fund IV	U.S.	2006	10.7	2.0	12.7
Trident IV	U.S.	2007	2.7	0.5	3.2
Total Mid-cap Buyout Funds			**$43.5**	**$11.4**	**$54.9**
Large-cap Buyout					
Carlyle Europe Partners II	Europe	2003	1.2	0.6	1.9
First Reserve Fund XI	U.S.	2006	5.9	-	5.9
J.C. Flowers II	Global	2006	3.0	0.3	3.3
Total Large-cap Buyout Funds			**$10.2**	**$0.9**	**$11.1**
Growth Equity					
Bertram Growth Capital I	U.S.	2007	7.3	1.2	8.5
Bertram Growth Capital II	U.S.	2010	10.7	2.4	13.1
DBAG Expansion Capital Fund	Europe	2012	1.5	3.0	4.5
NG Capital Partners	Peru	2010	7.0	0.1	7.1
Total Growth Equity Funds			**$26.5**	**$6.7**	**$33.2**
Fund of Funds Investments [2]					
NB Crossroads Fund XVII	U.S.	2002-06	17.8	1.9	19.7
NB Crossroads Fund XVIII Large-cap Buyout	Global	2005-10	7.8	2.2	10.0
NB Crossroads Fund XVIII Mid-cap Buyout	Global	2005-10	21.2	7.1	28.3
NB Crossroads Fund XVIII Special Situations	Global	2005-10	4.6	0.9	5.5
NB Crossroads Fund XVIII Venture Capital	U.S.	2005-10	9.0	1.7	10.7
NB Fund of Funds Secondary 2009	Global	2009-10	4.4	0.9	5.3
Total Fund of Funds			**$64.7**	**$14.7**	**$79.4**
Total Fund Investments			**$196.1**	**$43.3**	**$239.3**

Note: Numbers may not sum due to rounding.

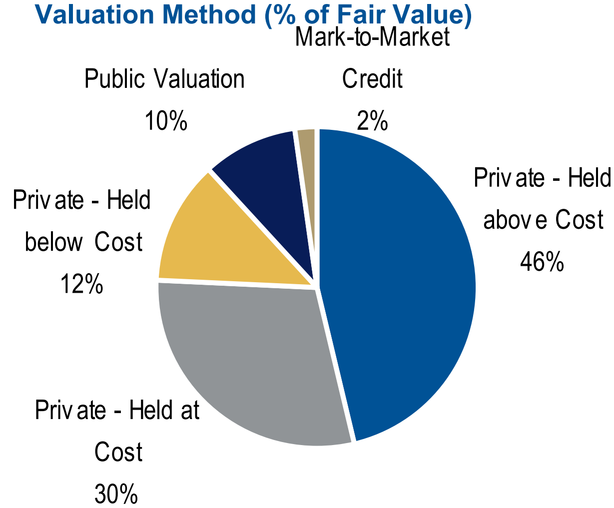
1. *$36.9 million of unfunded commitments are to funds past their investment period. Please refer to page 29 for more information on unfunded commitments to funds past their investment period.*
2. *The underlying NB Crossroads vintage year diversification is as follows (as a percentage of fair value): 2002 (<1%), 2003 (<1%), 2004 (2%), 2005 (11%), 2006 (44%), 2007 (33%), 2008 (7%), 2009 (1%) and 2010 (3%).*

PORTFOLIO ANALYSIS

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



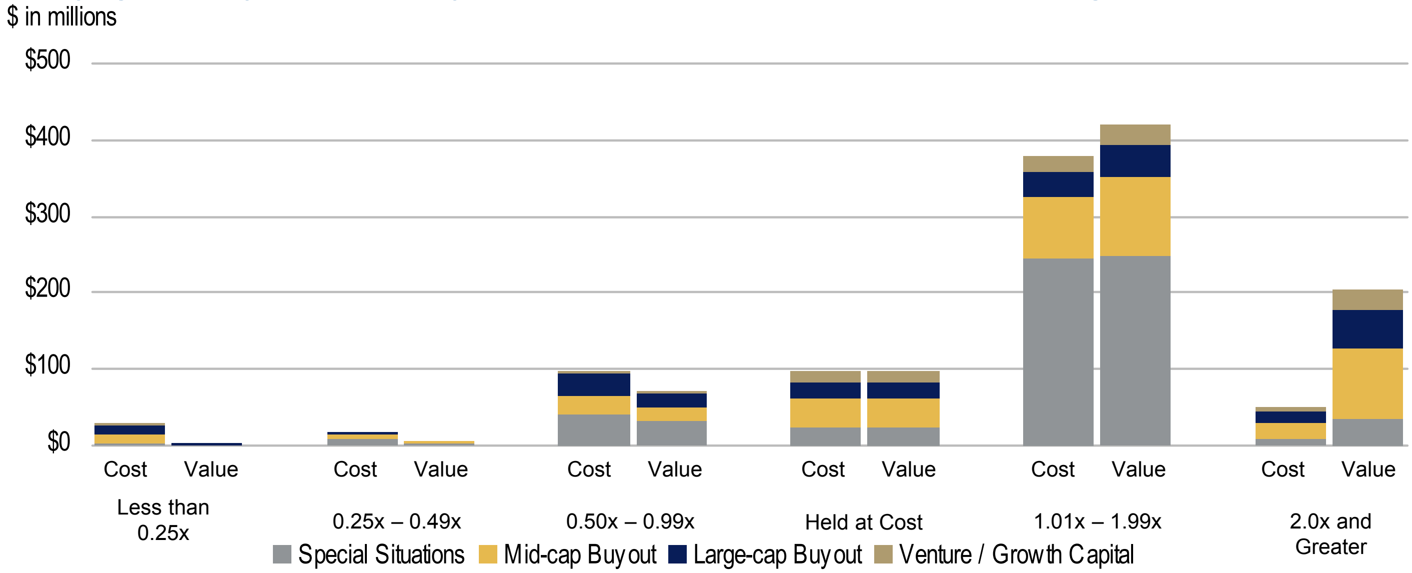
Valuation Method (% of Fair Value)



The NAV per Share of $14.37 was $0.09 lower than previously reported in the September Monthly NAV estimate, principally due to the receipt of additional valuation information after 9 October 2015, the publication date of the September Monthly NAV estimate.[2] As of 30 September 2015, approximately 10% of fair value was held in public securities. The top five public stock exposures are listed below as a percentage of fair value:

- Sabre Holdings Corporation (NASDAQ: SABR): 3.3% of fair value
- Black Knight Financial Services (NYSE: BKFS): 1.5% of fair value[3]
- Freescale Semiconductor (NYSE: FSL): 1.3% of fair value
- Commscope (NASDAQ: COMM): 0.4% of fair value
- Press Ganey Holdings (NYSE: PGND): 0.4% of fair value

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



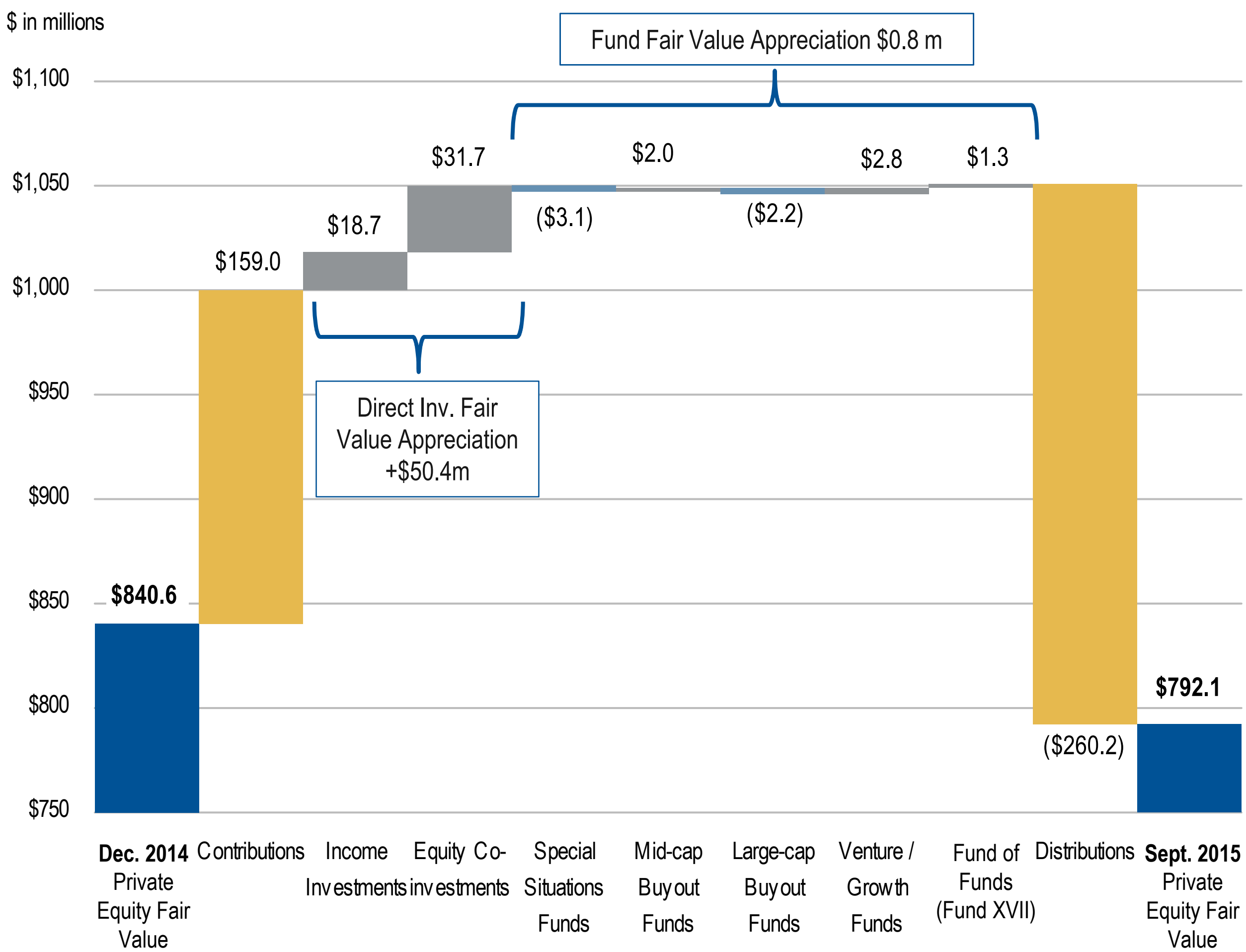
1. Please refer to page 38 for a detailed description of the valuation policy. While some information is as of 30 June 2015, the Manager's analysis and historical experience lead the Manager to believe that this approximates fair value at 30 September 2015.
2. As reported in the monthly NAV estimate the percent of private equity fair value was held: 34% in Directs, 2% in Credit-related Funds and 10% in publics as of 30 September 2015, and 21% in Private Funds and 33% in Directs as of 30 June 2015.
3. Valuation is based on the underlying share price of BKFS, which completed its initial public offering, and an investment held through a private entity.

PERFORMANCE ANALYSIS

PERFORMANCE OVERVIEW

During the first nine months of 2015, the private equity fair value appreciated in value across asset classes and investment types, with the largest gains in value coming from equity co-investments and income investments. Fund investments continue to generate liquidity and distributed $40.9 million to NBPE during the first nine months of 2015. NBPE also received approximately $156.6 million of distributions consisting of cash interest, principal repayment and refinancing proceeds from income investments. During the first nine months of 2015, NBPE's gross portfolio Internal Rate of Return ("IRR") was 9.7%, driven by[1]:

- 17.2% gross portfolio IRR from equity co-investments
- 8.7% gross portfolio IRR from income investments
- 0.5% gross portfolio IRR from fund investments



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

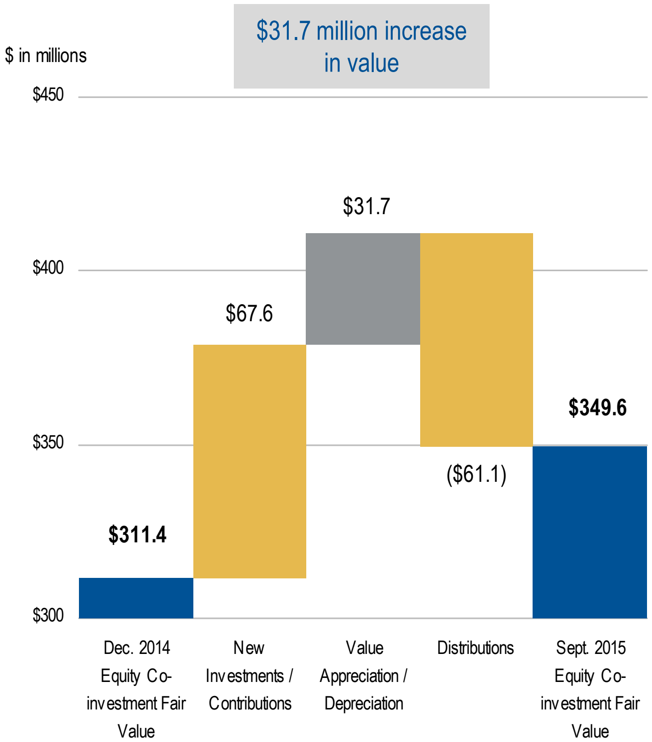
1. Returns represent the internal rate of return ("IRR") during the first nine months of 2015 and include only investment level cash flows. Returns are before NBPE expenses, but net of underlying fees and expenses.

EQUITY CO-INVESTMENT PERFORMANCE

For the nine month period ended 30 September 2015
Quarterly Report

PERFORMANCE ANALYSIS

$67.6 million of new and follow-on equity co-investment activity and a $31.7 million increase in value during the first nine months of 2015



Equity Co-investment portfolio

During the first nine months of 2015, NBPE participated in twelve new equity co-investments (including one follow-on investment) in the industrials, technology, healthcare, financial services and consumer products sectors.

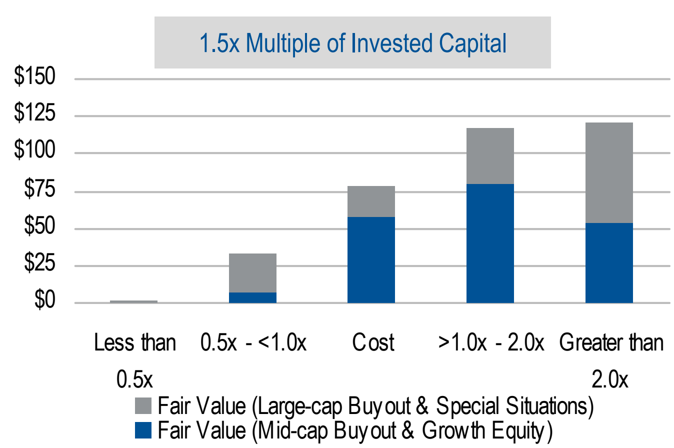
The portfolio appreciated in value by $31.7 million during the first nine months of 2015, due mainly to write-ups of several equity co-investments, offset by declines in certain other investments. The top five investments appreciated by $25.4 million and represented approximately 80% of the overall increase in the portfolio. Strong performance was driven by the write-ups of one 2006 and one 2014 vintage equity co-investment.

NBPE received approximately $61.1 million in distributions during the first nine months of 2015 which included proceeds from the partial realisation of four investments, the full realisation of two 2012 vintage investments and two 2014 vintage investments, a dividend payout from two companies, and the sale of stock received as part consideration of the acquisition of a 2007 vintage investment.

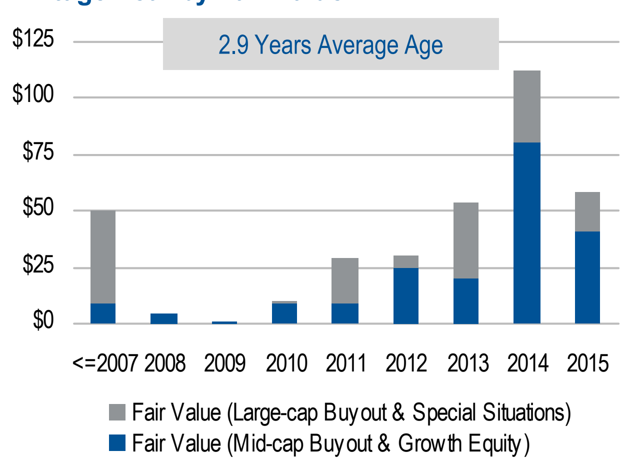
The investment multiple range by fair value shows the dispersion of value within the equity co-investment portfolio. The majority of the private equity fair value is currently held above cost and only approximately 10% of private equity fair value was held below cost.

The average age of the equity co-investments was 2.9 years and approximately 84% of the fair value was due to investments made in 2010 or after.

Investment Multiple Range by Fair Value



Vintage Year by Fair Value

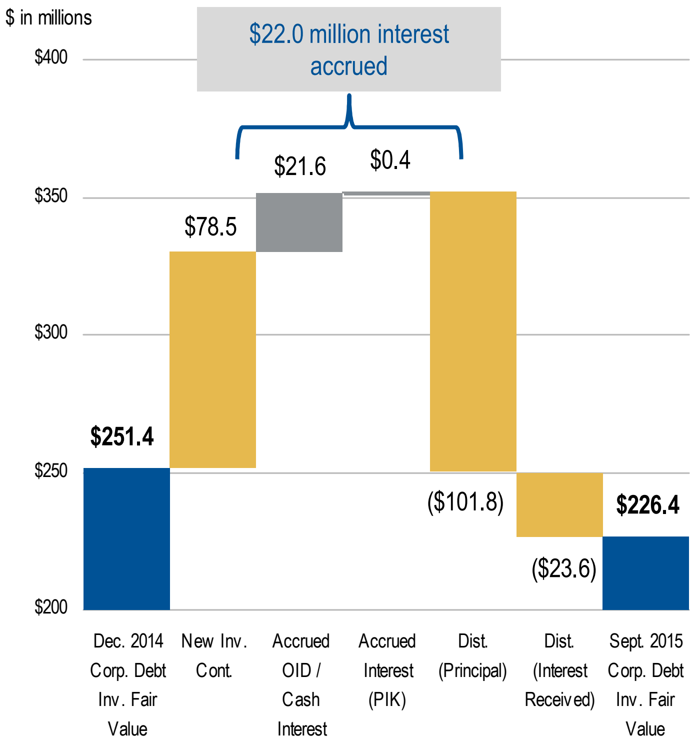


Note: Numbers may not sum due to rounding.

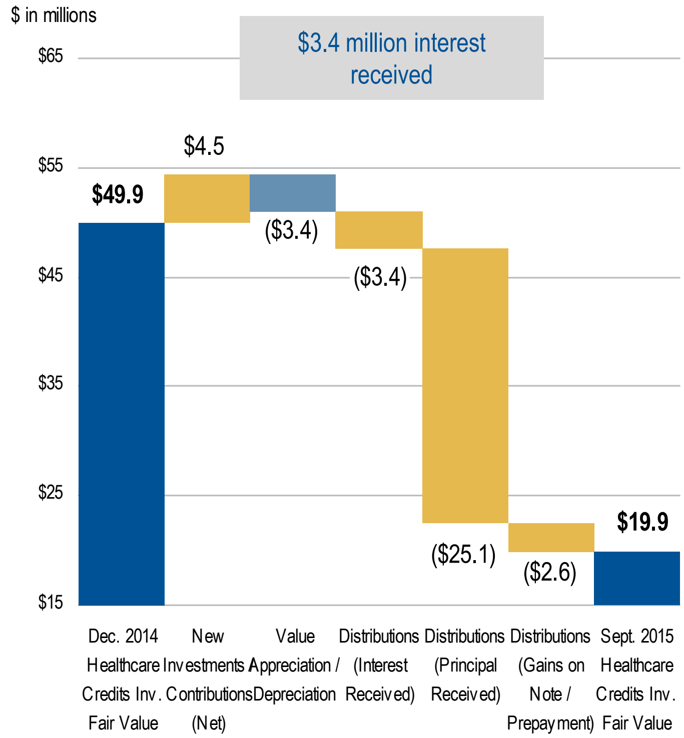
PERFORMANCE ANALYSIS

Run-rate cash income was $22.0 million as of 30 September 2015

Corporate Private Debt



Healthcare Credit Investments



Corporate Private Debt Investment Portfolio

During the first nine months of 2015, NBPE funded approximately $78.5 million to nine corporate private debt investments. NBPE also received approximately $101.8 million of distributions consisting of cash interest, principal repayment and refinancing proceeds.

The portfolio includes 27 corporate private debt investments, consisting of mezzanine investments, term loans and 2nd-lien debt

- 9.8% cash yield
- $20.0 million of run-rate cash income
- 10.3% weighted average estimated yield to maturity
- 5.1x weighted average total leverage
- 3.7x weighted average senior leverage[1]
- 76% of value invested in floating rate debt

Healthcare Credit Investment Portfolio

During the first nine months of 2015, NBPE participated in two healthcare credit investments. The two investments were in a royalty credit and a second lien term loan.

NBPE received approximately $31.1 million in distributions consisting of cash interest, principal repayments and gains during the first nine months of 2015.

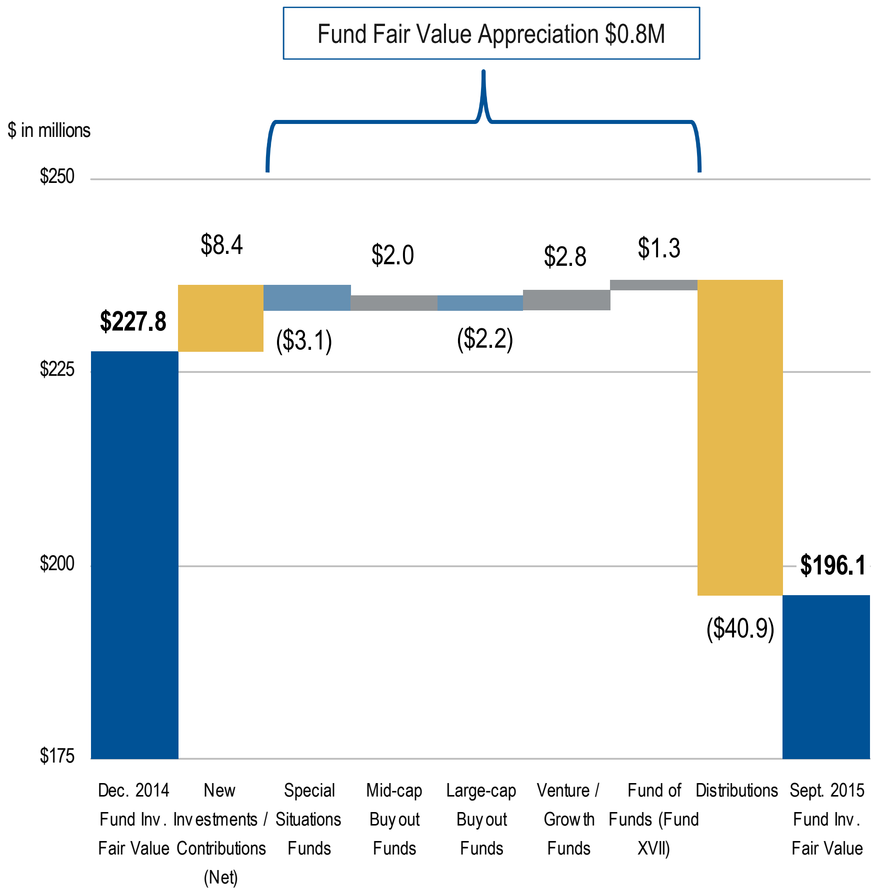
The portfolio includes 12 healthcare credit investments

- 9.8% cash yield
- $2.0 million of run-rate cash income
- 11.0% weighted average estimated yield to maturity

Note: Numbers may not sum due to rounding.
1. Based on the net leverage that is senior to the security held by NBPE.

PERFORMANCE ANALYSIS

$0.8 million appreciation in value of the fund investment portfolio



Fund Portfolio Investment Performance

During the first nine months of 2015, the four largest fund value drivers, measured in terms of dollar appreciation, were venture / growth and mid-cap buyout funds. While the other fund portfolios slightly decreased in value during the quarter, the Manager believes that funds are generally benefiting from the healthy economic environment, strong governance and resulting robust operating performance.

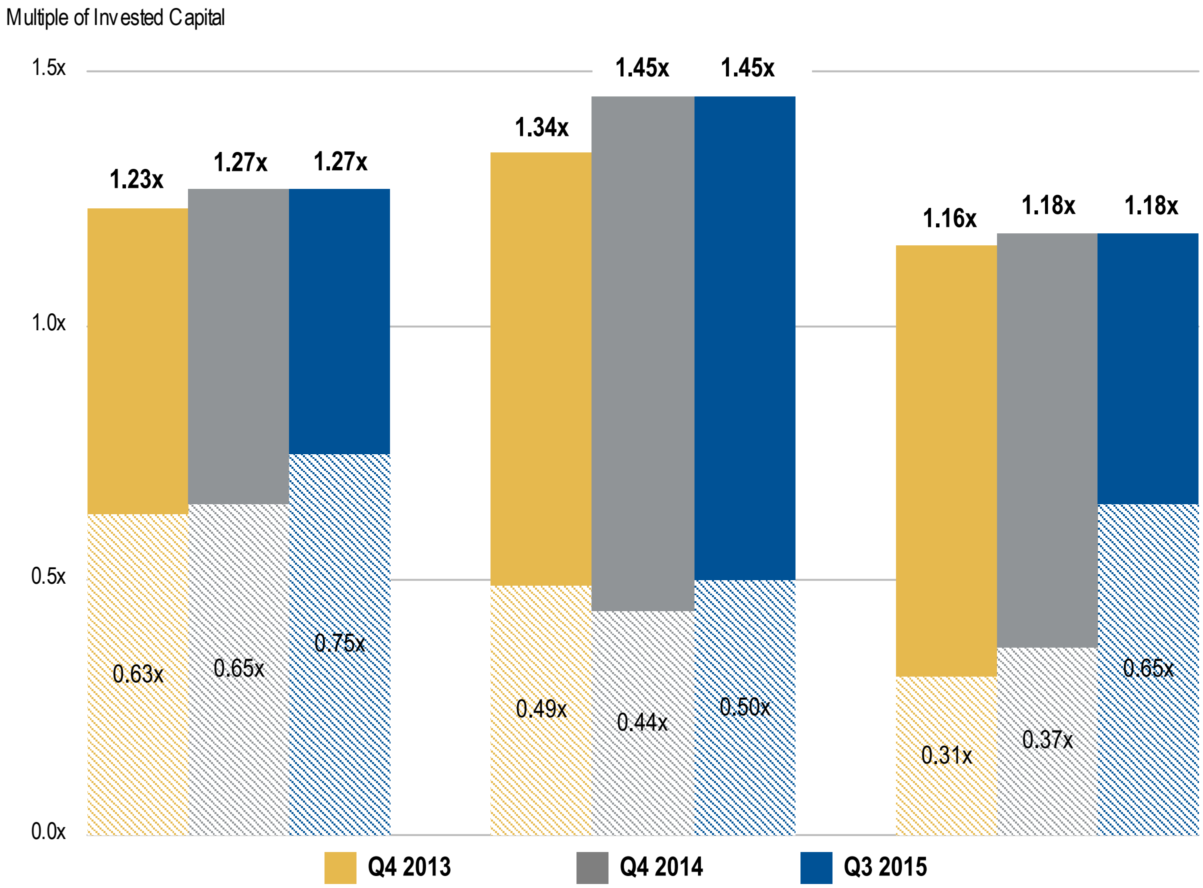
Excluding investment cash flow activity, during the first nine months of 2015, the top ten fund value drivers had a combined fair value appreciation of $6.4 million. The top ten negative drivers had a combined depreciation in fair value of $7.9 million. The remaining 14 funds had a combined fair value appreciation of $2.2 million.

Note: Numbers may not sum due to rounding.

PERFORMANCE ANALYSIS

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

Since inception, including realised investments and based on the multiple of total value to paid-in capital ("TVPI"), NBPE's total portfolio has generated a 1.27x gross TVPI multiple. During the first nine months of 2015, the portfolio increased in value; however, valuation increases across the portfolio were offset by the funding of new investments, which were held at cost. NBPE has received cash distributions and sales proceeds from its portfolio of private equity investments of approximately $1,130.9 million. The equity co-investments are held at a 1.45x gross TVPI multiple and NBPE has received total distributions of $184.5 million, or 50% of paid-in capital, through sales, recapitalisations and dividends. As of 30 September 2015, the income investments were held at a 1.18x gross TVPI multiple and NBPE has received total distributions of $304.8 million, or 65% of paid-in capital, through sales, cash interest and principal repayments.



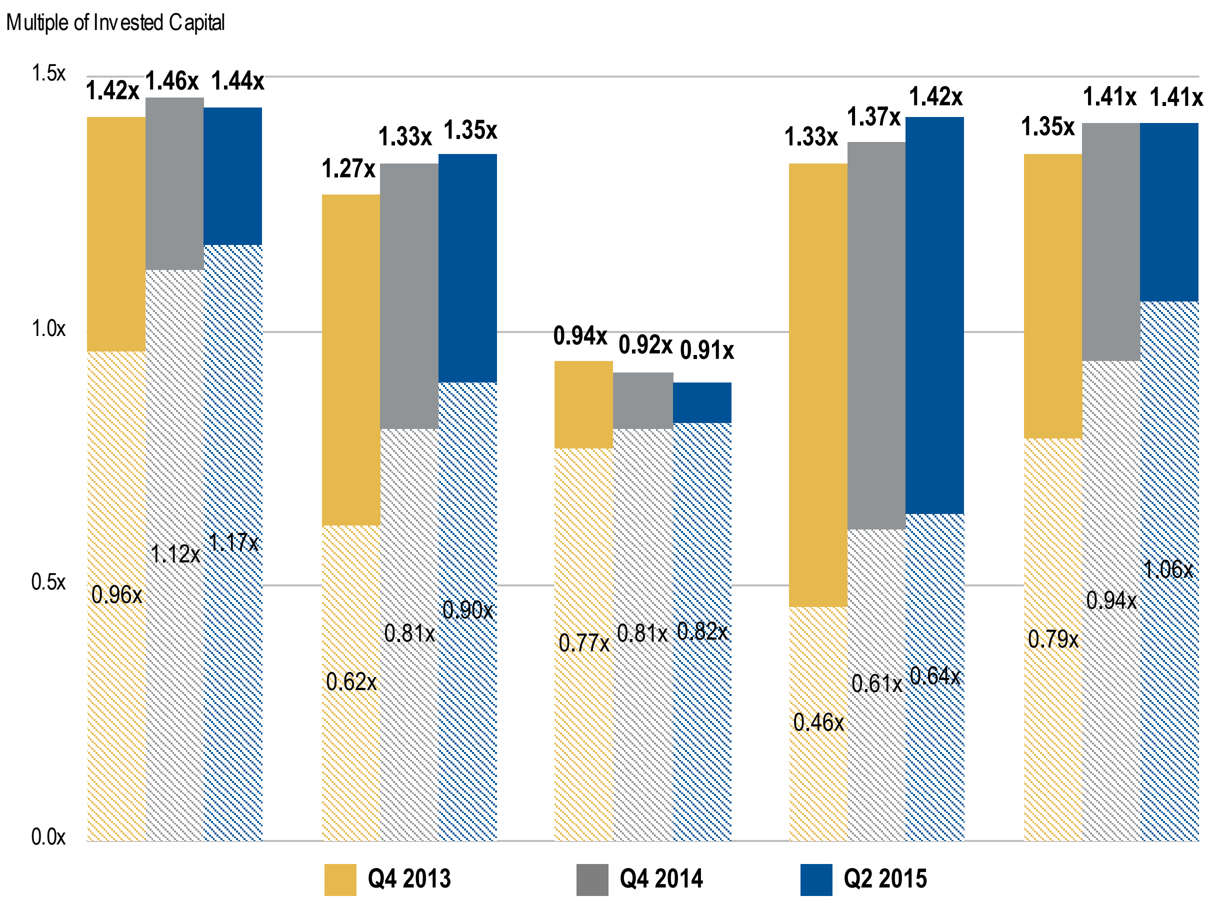
	Total Portfolio	Equity Co-investments	Income Investments
Fair Value at 30 September 2015	$792.1m	$349.6m	$246.4m
Cash Distributions received since Inception	$1,130.9m	$184.5m	$304.8m

Note: Numbers may not sum due to rounding. Dashed bars represent distributed to paid-in capital.

PERFORMANCE ANALYSIS

Mid-cap buyout and special situations funds continue to generate gains

Mid-cap buyout funds, the largest asset class by fair value within the fund portfolio, have generated a gross TVPI multiple of 1.35x and NBPE has received approximately $138.4 million in distributions, or 90% of paid-in capital. Special situations funds, the second largest asset class within the fund portfolio, have generated a gross TVPI multiple of 1.44x. NBPE has received cash distributions of approximately $237.9 million, or 117% of paid-in capital, driven by the monetisation of credit positions by underlying managers. The Manager expects cash distribution activity to continue over the coming quarters within this asset class. The Manager believes the remaining fund asset classes, including large-cap buyout, venture / growth capital and NB Crossroads Fund XVII, while smaller parts of the overall portfolio, will also continue to drive value and provide cash distributions.



	Special Sit Funds	Mid-cap Buyout Funds	Large-cap Buyout Funds	Venture / Growth Funds	NB Crossroads Fund XVII
Fair Value at 30 September 2015	$55.7m	$69.0m	$18.0m	$35.5m	$17.8m
Cash Distributions since Inception	$237.9m	$138.4m	$182.7m	$29.2m	$53.4m

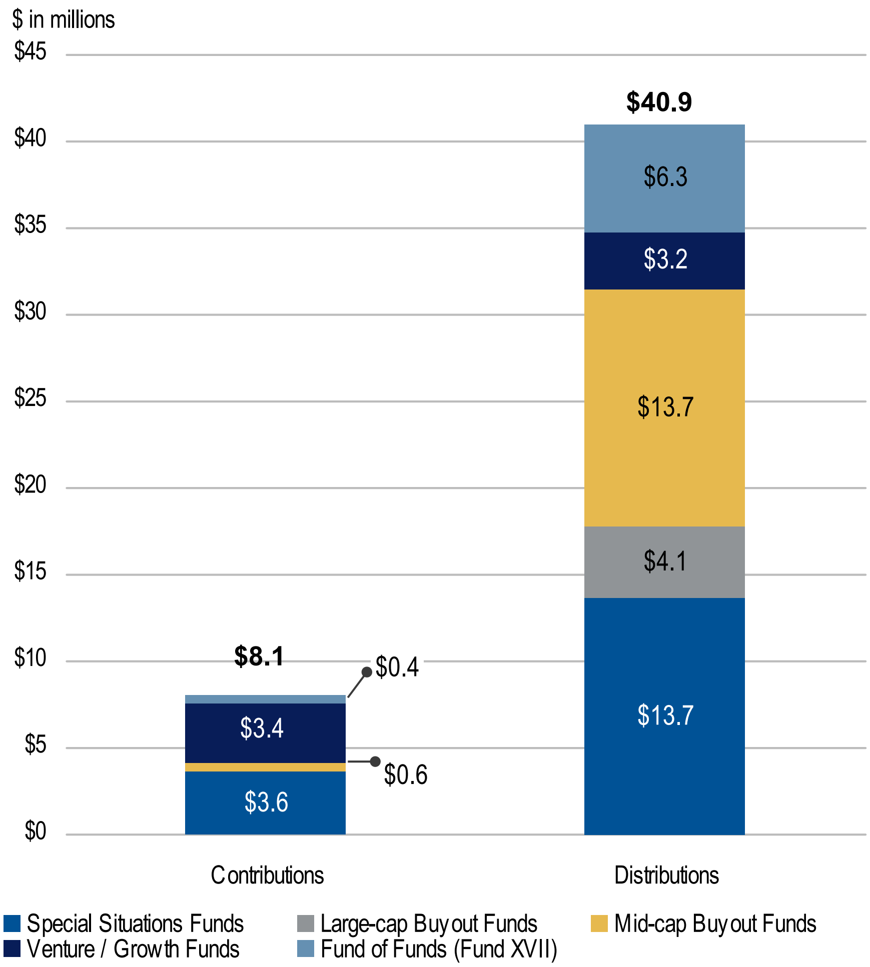
Note: Dashed bars represent distributed to paid in capital. NBPE's performance related to the commitment to NB Crossroads Fund XVIII is presented within each respective fund asset class. Numbers may not sum due to rounding.

PERFORMANCE ANALYSIS

Liquidity events and IPO activity during the first nine months of 2015

- Within NBPE's portfolio, 159 companies completed liquidity events, leading to $258.6 million of distributions to NBPE
- 24 companies in NBPE's portfolio, representing $15.5 million of unrealised value, completed IPOs during the first nine months of 2015, which may lead to future distributions to NBPE. The IPOs below represent the top five companies by value that completed an IPO during the first nine months of 2015:
  - Black Knight Financial Services, Inc. (NYSE: BKFS) – NBPE (co-investment)
  - Press Ganey Holdings, Inc. (NYSE: PGND) – NBPE (co-investment), NB Crossroads Fund XVIII
  - Univar Inc. (NYSE: UNVR) – NBPE (co-investment)
  - Lantheus Medical Imaging (NASDAQGM: LNTH) – NBPE, NB Crossroads Fund XVIII
  - Box, Inc. (NYSE: BOX) – NB Crossroads Fund XVII

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



The Fund portfolio's capital call activity has decreased as the portfolio matures. During the first nine months of 2015, special situation funds experienced the most capital call activity. NBPE also funded $3.4 million to venture/growth funds.

NBPE received $13.7 million in distributions from special situations funds during the first nine months of 2015. NBPE also received $17.2 million from buyout funds as managers focus on harvesting portfolio companies and returning cash.

During the first nine months of 2015, the largest fund distributions were received from NB Crossroads Fund XVII, NB Crossroads Fund XVIII, and Sankaty III.

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.

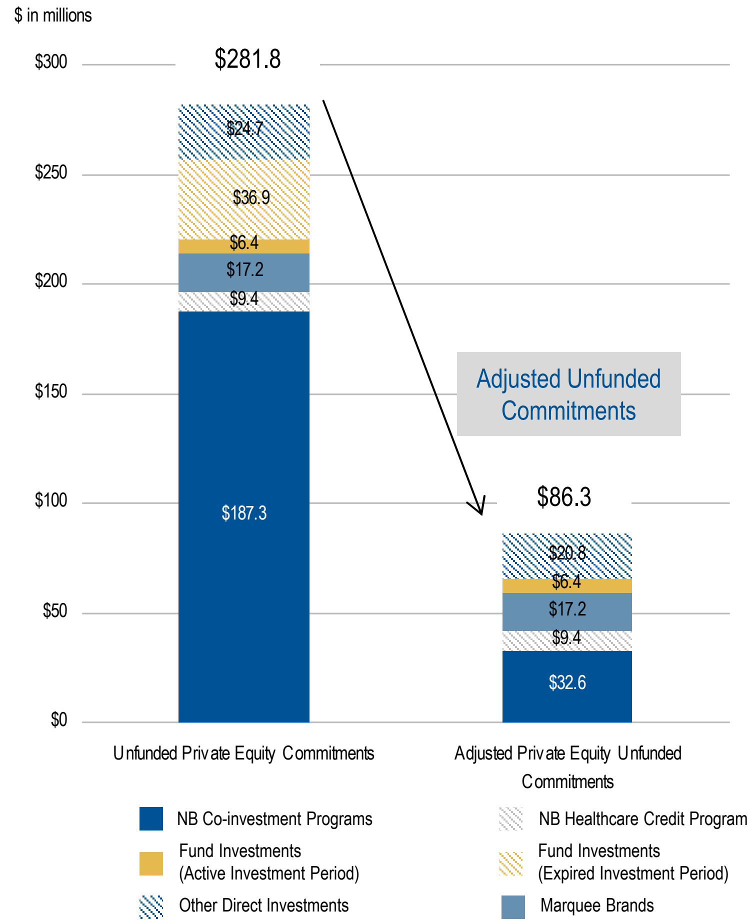
UNFUNDED COMMITMENTS

Favourable capital position for new investments

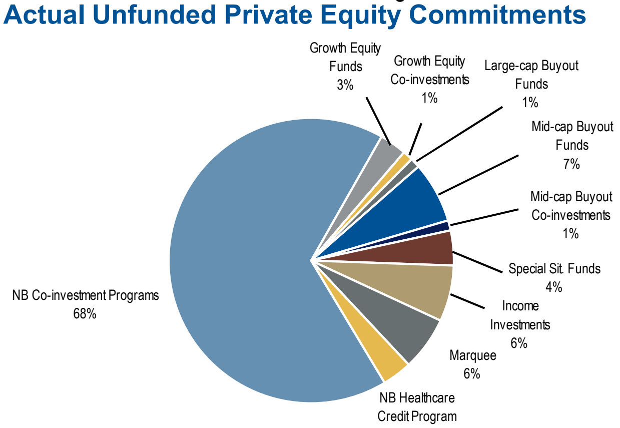
As of 30 September 2015, NBPE's unfunded commitments were approximately $281.8 million. During Q3 NBPE committed $150 million to the next NB Alternatives Co-investment Program. Approximately $187.3 million, $9.4 million and $17.2 million were unfunded commitments to the NB Alternatives Co-investment and Healthcare Credit Programs and Marquee Brands, respectively. Approximately $13.8 million of unfunded commitments were to fund of funds managed by the Manager and $29.5 million of unfunded commitments were to third party direct funds. Within the fund portfolio, $36.9 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.

Unfunded commitments are primarily to the NB Alternatives Co-investment, Healthcare Credit Program and Marquee Brands. The Manager expects capital to be called in future quarters to fund new direct investments. Approximately 33% of the unfunded commitments were to the fund portfolio, with large unfunded commitments to special situations and mid-cap buyout funds. However, unfunded amounts to special situations funds were to funds which were all past their investment period. Approximately 95% of the unfunded commitments to mid-cap buyout funds were to funds past their investment period. Approximately 6% of the unfunded commitments were to growth equity funds; capital deployment by underlying managers within this asset class is typically prolonged.

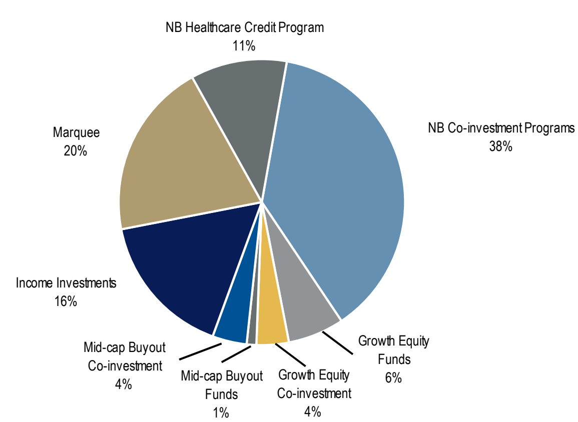
The Manager analysed the unfunded commitments on an adjusted basis. Unfunded commitments were adjusted by removing unfunded commitments past their investment period, amounts which NBPE has the ability to terminate if it so chooses, and unfunded commitments to funds or programs managed by the Manager. Following these adjustments, the unfunded commitments were $86.3 million. On an adjusted basis this would correspond to excess capital resources of $106.6 million and a commitment coverage ratio of 224%.



Actual Unfunded Private Equity Commitments



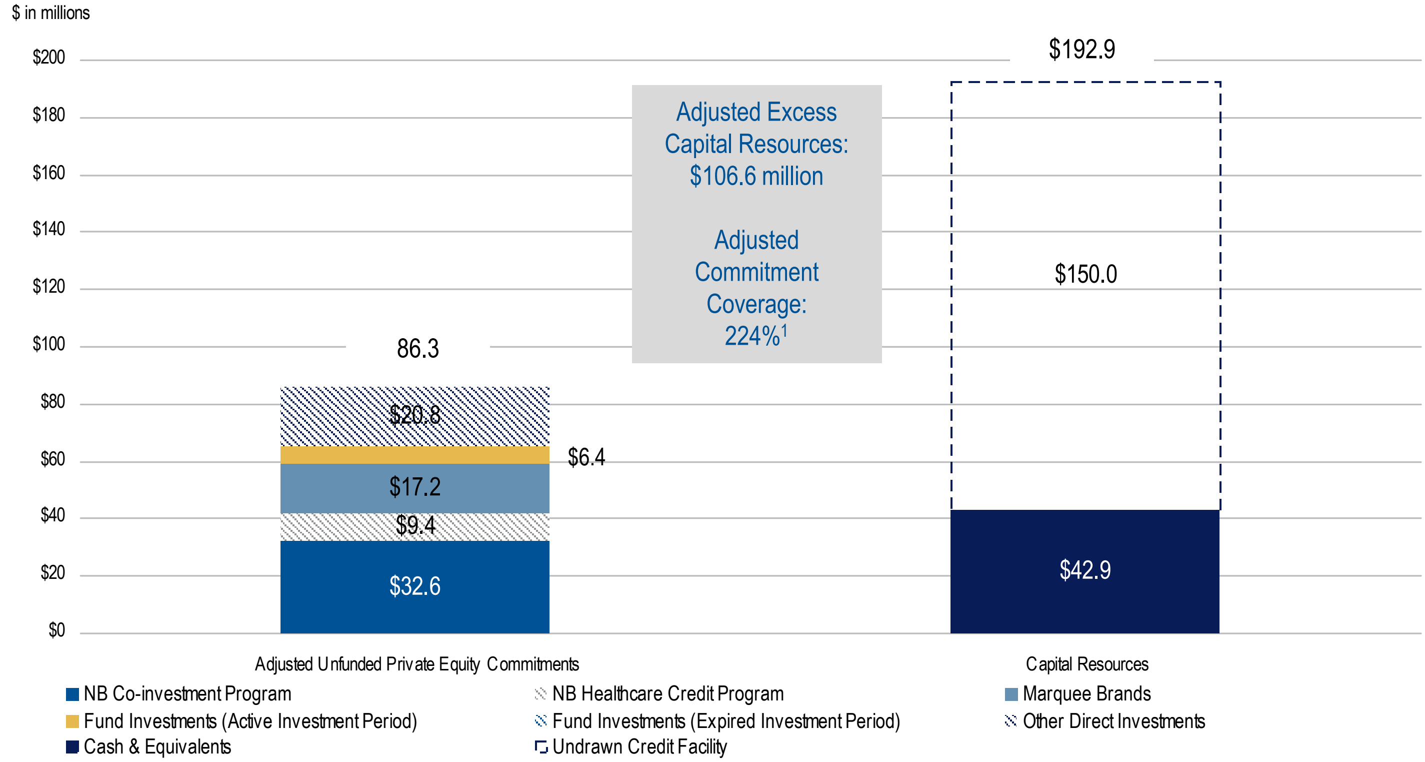
Adjusted Unfunded Private Equity Commitments



Note: Numbers may not sum due to rounding.

LIQUIDITY & CAPITAL RESOURCES

$150 million of credit facility undrawn as of 30 September 2015[1]



Credit Facility

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

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

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

The key financial covenant for NBPE's credit facility is a maximum debt to value ratio of 50.0%. The debt to value ratio is calculated as total debt and current liabilities divided by Restricted NAV, with Restricted NAV defined as the fair value of all private equity investments (less any excluded value) plus cash and cash equivalents. At 30 September 2015, the debt to value ratio was 7.4%.

The two other covenants are a secured asset ratio and a commitment ratio. The secured asset ratio is not to exceed 80.0% and is defined as total debt and current liabilities divided by Secured Assets, with Secured Assets defined as the value of secured private equity investments plus cash and cash equivalents. At 30 September 2015, the secured asset ratio was 10.0%.

The commitment ratio is defined as Restricted Total Exposure divided by the aggregate of Shareholder's equity and the total amount of the credit facility, with Restricted Total Exposure defined as the value of private equity investments (less any excluded value) plus unfunded private equity commitments. If the debt to value ratio is greater than 25.0% and the commitment ratio is greater than 130.0%, then the Company becomes restricted from making new private equity investments. At 30 September 2015, the commitment ratio was 119.2%.

Note: Numbers may not sum due to rounding.
1. Actual unfunded commitments are $282.1 million, corresponding to an actual over commitment of $89.2 million and a commitment coverage ratio of 68%. See page 30 for detail on the adjustments to unfunded commitments.

MARKET COMMENTARY

Following a loss of momentum in the earlier parts of the year, during the third quarter, global financial markets experienced significant volatility over concerns around economic growth. In the U.S. the S&P 500 index decreased 6.9% and the MSCI World Index fell 8.9%. Emerging markets experienced significant declines as the MSCI Emerging Markets Index fell 18.5% during the third quarter. With the sharp declines experienced during the third quarter, each of these indices had posted negative results for the year. U.S. high yield bonds, as measured by the Barclay's U.S. High Yield Bond Index, also experienced pressure from investors and fell 4.9% during the third quarter. U.S. Corporate Investment Grade bonds and the broader Aggregate Bond Index, showed some signs of positive growth, with increases of 0.8% and 0.7%, respectively, during the quarter.

At the start of the third quarter, investors were primarily focused on the ECB and the Greek bailout, but by early July, Greece's third bailout package had been secured, conditional upon a number of reforms. To solve Greece's immediate liquidity needs, European leaders and the ECB reached agreements to increase the Emergency Liquidity Assistance program to Greek banks. While many more reforms are required to reach a path to growth, the immediate concerns around stability and exit appeared solved and investors could re-focus attention on the longer range plans for Greece as well as the broader European macro-environment.

While concerns over Greece were abated, China, on the other hand, continued to experience volatility over the summer months. Although official Q2 2015 GDP numbers came in at the target of 7%, officials remained concerned about growth and announced they would be willing to provide liquidity support to equity markets, should risks to the downside prevail. In a surprise move, during August, the People's Bank of China ("PBOC") effectively devalued the Yuan with announced policy changes. While the move to a more floating exchange rate would likely be beneficial in the long term, in the short run, the move likely contributed to more uncertainty around growth as other measures of the Chinese economy suggested slower near term growth. By August, the PBOC further loosened policy by reducing deposit rates and the reserve requirement ratio. While the near term impact from these policy decisions likely remained limited, the moves did show the commitment by the PBOC to respond to changes in market conditions, which should be beneficial in the long run.

In the U.S., policy makers remained committed to raising rates, but gave no clear indication of the timing. Instead, in late July, the Federal Open Market Committee ("FOMC") re-iterated their stance on remaining data dependent and that they would continue to monitor economic releases before meeting again in September. While U.S. economic activity and the direction of the economy appeared positive, international developments remained in the forefront. By mid-September, prior to the FOMC rate decision, investors remained split over whether the Federal Reserve would raise rates. On the one hand, the U.S. economy was generally performing well, but on the other, inflation continued to remain below target and financial markets as well as growth in international markets, particularly China, had become recently more volatile. In light of this backdrop, in late September, the FOMC decided to delay the first rate hike, citing global economic and financial developments.

Private Equity Buyout Market

Private equity buyers had significant capital to invest as robust fundraising activities continued. In addition, credit was readily available and many companies have demonstrated strong performance over the last few years. Companies with strong growth profiles, high free cash flow and more predictable business models insulated from broad macroeconomic trends attracted premium multiples. In addition, active competition from cash-rich strategic acquirers and private equity firms, combined with ample credit availability, kept transaction valuation multiples at elevated levels, particularly for larger transactions. Strong M&A and to a lesser degree public markets created many selling opportunities for private equity firms seeking exits for portfolio companies. The Manager believes this environment was advantageous for NBPE's portfolio during the first nine months of 2015.

U.S. leveraged buyout volume was $118.8 billion in the first nine months of 2015, which was down 2.9% from the same period in 2014. Nevertheless, the Manager believes the buyout market remains healthy and year to date activity remains strong. 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 75% of buyout volume in the first nine months of 2015.

Valuations remained at elevated levels. Average purchase price multiples rose to 11.2x EBITDA in the first nine months of 2015, significantly higher than an average of 9.3x EBITDA in 2014. Equity contributions as a percentage of the capital structure increased to 41.5% in the first nine months of 2015, up from 37.0% in 2014.[2] Buyouts of middle market companies, defined as companies with less than $50 million in EBITDA, continued to be more conservatively capitalized than large-cap transactions. Equity contributions for mid-cap buyouts during the first nine months of 2015 were 48.2%, or approximately 6.7% 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, France and Germany were the most active countries by total LBO volume and the average purchase price multiple for all LBOs was 9.0x EBITDA in the first nine months of 2015.[3] While multiples remain elevated, the Manager believes the executed transactions involved stable businesses with healthy cash flows which generally justify a higher valuation.

1. *Source: CapitalIQ.*
2. *S&P Q3 2015 U.S. Leveraged Buyout Review.*
3. *S&P Q3 2015 European Leveraged Buyout Review.*

MARKET COMMENTARY

Debt Markets

Private equity managers continue to be active in the credit markets, and there were 119 LBO transactions completed in YTD 2015. Primary volume in the leveraged loan market fell in the third quarter of 2015, as opportunistic activity stalled. New-issue volume for the third quarter was $112.3 billion, down from $140.2 billion in the second quarter and $133.6 billion third quarter last year. Reasons for the slowdown of primary volume can be attributed to choppiness in the public markets in addition to leverage a lending guidance. The average leverage for U.S. middle market buyout transactions in 2015 remains high at 5.4x. However, equity contributions for transactions have remained well north of 40% since 2008. Interest coverage levels also remain high, at or above 3.0x since 2012 and was 3.3x for 2015. Default rates remain low, indicating that portfolio company performance remains stable and a majority of lenders expect stable to improved company performance in 2015.

Fundraising Environment

The fundraising environment remains robust with approximately $109.0 billion raised in the U.S. buyout market during the first nine months of 2015, of which approximately $40.0 billion was raised by funds with a fund size under $2.5 billion.[1] This fundraising activity represents a 4.8% increase over amounts raised during the same period of 2014. In Europe, during the first nine months of 2015, approximately $42.7 billion was raised in the buyout market, of which approximately $16.0 billion was raised by managers with a fund size under $2.5 billion.[1]

1. *Thomson Reuters through 30 September 2015. Excludes venture, mezzanine, fund of funds, and secondary fundraising.*

COMPANY INFORMATION

COMPANY INFORMATION & MATERIAL CONTRACTS

Investment Management and Services Agreement

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

Administration Agreement & Limited Partnership Agreement

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

Share Buy-Back Agreement

NBPE is party to a Share Buy-Back Agreement with Jefferies International Limited ("JIL") in relation to the market repurchases of Class A Shares on behalf of NBPE. The Share Buy-Back Agreement was initially entered into between NBPE and The Royal Bank of Scotland N.V. (London Branch) ("RBS N.V.") on 22 October 2010 and was subsequently amended and extended on 30 August 2011, novated on 7 November 2011 from RBS N.V. to The Royal Bank of Scotland plc ("RBS plc") in respect of repurchases of Shares made on the Specialist Fund Market only, and extended on 29 November 2011. The Share Buy-Back Agreement was then novated by RBS NV and RBS plc to JIL on 1 March 2012 and the Board of Directors has approved an extension of the Share Buyback Program until 31 March 2016. The documentation for such extension is currently in process.

Change of Control

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

List of NBPE Subsidiaries

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

RISK MANAGEMENT

Risk Report

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

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

RISK MANAGEMENT (CONT.)

External Risks

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

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

Strategic Risks

Strategic risks are largely risks associated with the execution and achievement of planned objectives as well as meeting key business targets. To mitigate these risks, the Investment Manager closely tracks the investments within the portfolio and monitors the portfolio relative to the planned objectives. In addition, the Directors receive updates from the Investment Manager on the performance of the portfolio at each quarterly board meeting. The board meetings also serve as a time to review and discuss the business plan and investment objectives. The current key strategic risk for the Company is meeting the required investment level within its income investment portfolio so that the Company's dividend can be supported from the cash income this portfolio generates.

Investment Risks

Investment risks are risks that pertain to the investments within the Company's portfolio and include investment and exit decisions, underwriting of investments, investment performance and the valuation of investments. The Investment Manager's team of investment professionals seek to manage investment risk through thorough due diligence and through diversification across asset class, vintage year, geography, industry and sponsor. Investment decisions are made by the Private Investment Portfolios Investment Committee of the Investment Manager; however, each underlying fund investment has its own set of investment professionals and committees to make investment decisions into underlying portfolio companies, outcomes of which could be positive or negative. The Private Investment Portfolios Investment Committee is comprised of eight senior investment professionals with over 220 years of combined professional experience and include a range of diverse backgrounds including as fund managers, CEOs, directors of corporate boards, direct private equity investors, bankers, lawyers and accountants. Post-investment, the Investment Manager's team of investment professionals closely monitor the investment portfolio for events or changes in performance that could justify a change in the valuation of an investment. A description of the Investment Manager's valuation policy for equity and debt investments can be found on page 38 of this report.

Financial Risks

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

RISK MANAGEMENT (CONT.) & RISK FACTORS

Operational Risks

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

Internal Controls

The Directors have developed a set of internal controls designed to manage, not eliminate risk, and therefore can only provide a reasonable assurance against fraud, misstatements or losses to the Company. The internal controls are based on a risk matrix that is provided on a quarterly basis by the Investment Manager to the Directors. The risk matrix outlines each of the underlying risks and risk type as well as the key controls and the responsible team for managing the risk. As risks change over time, the risk matrix is updated to effectively identify and control ongoing risks to the Company.

Risk Factors

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

The Company may experience fluctuations in its monthly NAV

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

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

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

The Shares could continue to trade at a discount to NAV

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

RISK FACTORS

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

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

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

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

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

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

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

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

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

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

VALUATION METHODOLOGY

Equity

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

Debt

We estimate the enterprise value of each portfolio company and compare such amount to the total amount of the company's debt as well as the level of debt senior to our interest. Estimates of enterprise value are based on a specific measure (such as EBITDA, free cash flow, net income, book value or NAV) believed to be most relevant for the given company and compares this metric in relation to comparable company valuations (market trading and transactions) based on the same metric. In determining the enterprise value, we will further consider the companies' acquisition price, credit metrics, historical and projected operational and financial performance, liquidity as well as industry trends, general economic conditions, scale and competitive advantages along with other factors deemed relevant. Valuation adjustments are made if estimated enterprise value does not support the value of the debt security we are invested in and securities senior to our position.

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

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

- Our future operating results;
- Our business prospects and the prospects of our investments;
- The impact of investments that we expect to make;
- The dependence of our future success on the general economy and its impact on the industries in which we invest;
- The ability of our investments to achieve their objectives;
- Differences between our investment objective and the investment objectives of the private equity funds in which we invest;
- The rate at which we deploy our capital in private equity investments, co-investments and opportunistic investments;
- Our expected financings and investments;
- The continuation of the Investment Manager as our service provider and the continued affiliation with the Investment Manager of its key investment professionals;
- The adequacy of our cash resources and working capital; and
- The timing of cash flows, if any, from the operations of our underlying private equity funds and our underlying portfolio companies.

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

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

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

Appendix:
OVERVIEW OF THE INVESTMENT MANAGER

About NB Alternatives

The NB Alternatives group of Neuberger Berman has 28 years of investing experience specializing in equity co-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 over 220 years of professional experience. The sourcing and evaluation of the Company's investments is conducted by the Investment Manager's team of approximately 90 investment professionals who specialize in equity co-investments, income investments and fund investments. In addition, the Investment Manager's staff of approximately 150 administrative and finance professionals are responsible for the Company's administrative, financial management and reporting needs. The Investment Manager currently maintains offices in New York, London, 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 and 2014 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 $237 billion in client assets as of September 30, 2015. For more information, please visit our website at www.nb.com.

Appendix: DIRECTORS, ADVISORS AND CONTACT INFORMATION

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

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

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