

NB PRIVATE EQUITY PARTNERS  
INVESTOR UPDATE



FINANCIAL UPDATE

*AUGUST 2016*

*FINANCIAL INFORMATION AS OF 31 JULY 2016 UNLESS OTHERWISE NOTED*

# NB PRIVATE EQUITY PARTNERS (“NBPE”)

## OBJECTIVE

To provide investors the opportunity for capital appreciation and current income

## STRATEGY

Invest directly into private equity-backed companies.  
Invest across the capital structure in the best relative value opportunities

## IMPLEMENTATION

Using the sourcing and due diligence capabilities of Neuberger Berman’s \$35 billion<sup>1</sup> private equity platform

## EFFICIENCY

Lower all-in costs to investors than other listed PE vehicles

1. Since inception through July 2016. Represents commitments managed and commitments still in the process of documentation.

# NEUBERGER BERMAN INVESTMENT PLATFORM

We invest directly into companies alongside private equity funds in their core areas of expertise

## PRIVATE EQUITY INVESTMENT APPROACH

- ✓ 55 senior investment professionals averaging 21 years of experience
- ✓ Opportunistic investors: Invest across the capital structure in new transactions or into existing portfolio companies of lead PE firms
- ✓ Proven, experienced and deep pool of resources
- ✓ Strong access to information and additional resources

~\$3.0 BN

COMMITTED ON  
AVERAGE TO PRIVATE  
EQUITY FUNDS AND  
DIRECT INVESTMENTS  
ANNUALLY

100  
INVESTMENT  
PROFESSIONALS

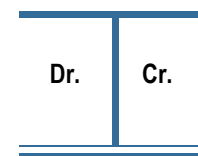
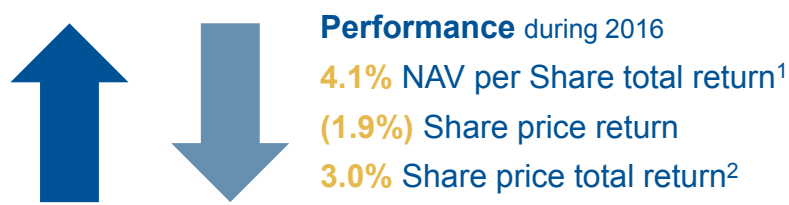
7  
OFFICES ACROSS  
FOUR CONTINENTS

400+

ACTIVE FUND  
RELATIONSHIPS  
WITH OVER 270  
FUNDS REVIEWED  
EACH YEAR

# NBPE KEY PERFORMANCE HIGHLIGHTS

## Key performance highlights



**Capital Position** 31 July 2016

- \$865.8 million of Total Assets
- 332% Adjusted Commitment Coverage Ratio<sup>3</sup>



**Dividend** at 31 July 2016

- 3.5% annualised dividend yield on NAV
- 4.8% annualised dividend yield on share price<sup>2</sup>
- 93% dividend coverage through yield from income investments

1. Assumes re-investment of dividends at the net asset value on the ex-dividend date. Total return figures reflect cumulative returns over the period shown.  
 2. Based on the Euronext closing share price of \$10.40 on 31 July 2016.  
 3. Unfunded commitments are adjusted for funds past their investment period and amounts which NBPE has the right to terminate if it so chooses.

# NBPE NAV UPDATE

88% of NAV invested  
in direct investments  
and NAV per Share of  
\$14.43

## NBPE SUMMARY BALANCE SHEET

<i>(\$ in millions, except per share values)</i>	31 July 2016 (Unaudited)	31 December 2015 (Audited)
<i>Direct Investments</i>		
Income Investments	\$251.9	\$283.0
Equity Investments	368.1	350.5
Total Direct Investments	620.0	633.5
Legacy Fund Investments	163.9	180.1
Total Private Equity Fair Value	783.8	813.6
Private Equity Investment Level	111%	116%
Cash and Cash Equivalents	78.8	26.1
Credit Facility Borrowings	(70.0)	(52.5)
ZDP Share Liability	(69.9)	(74.7)
Dividend Payable	(12.2)	-
Net Other Assets (Liabilities), including Minority Interest	(6.3)	(12.1)
<b>Net Asset Value</b>	<b>\$704.3</b>	<b>\$700.3</b>
<b>Net Asset Value per Share</b>	<b>\$14.43</b>	<b>\$14.35</b>
<b>Net Asset Value Plus Dividends Paid During Financial Period<sup>1</sup></b>	<b>\$14.93</b>	<b>-</b>

Note: As of 31 July 2016.

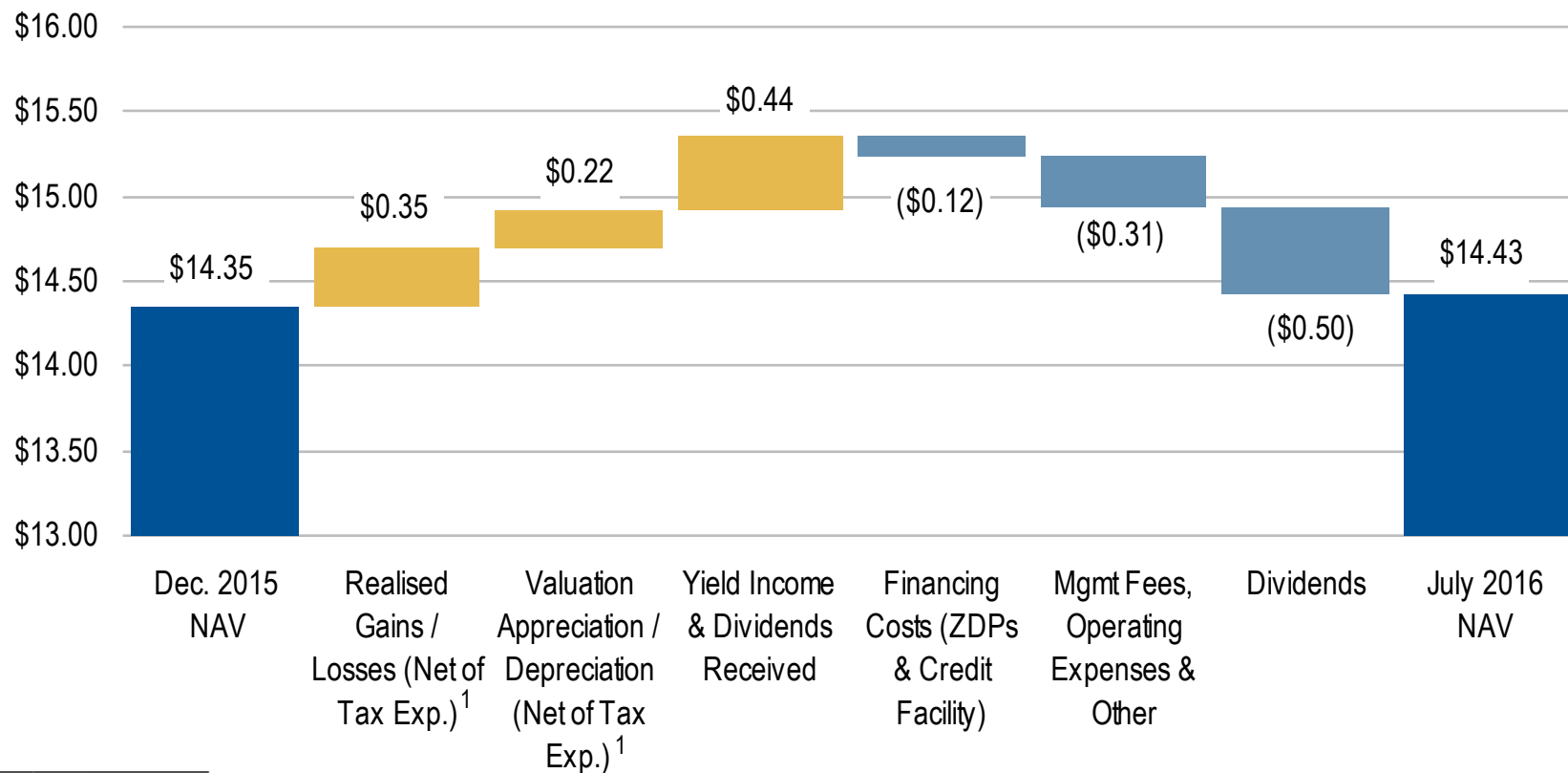
1. 31 July 2016 includes dividend payable of \$0.25 per share declared on 12 July 2016, to be paid on 31 August 2016.

# FAIR VALUE DEVELOPMENT

NBPE's portfolio has benefitted from realisations and yield from the income portfolio in 2016 YTD

## NAV PER SHARE DEVELOPMENT

(\$ in millions)

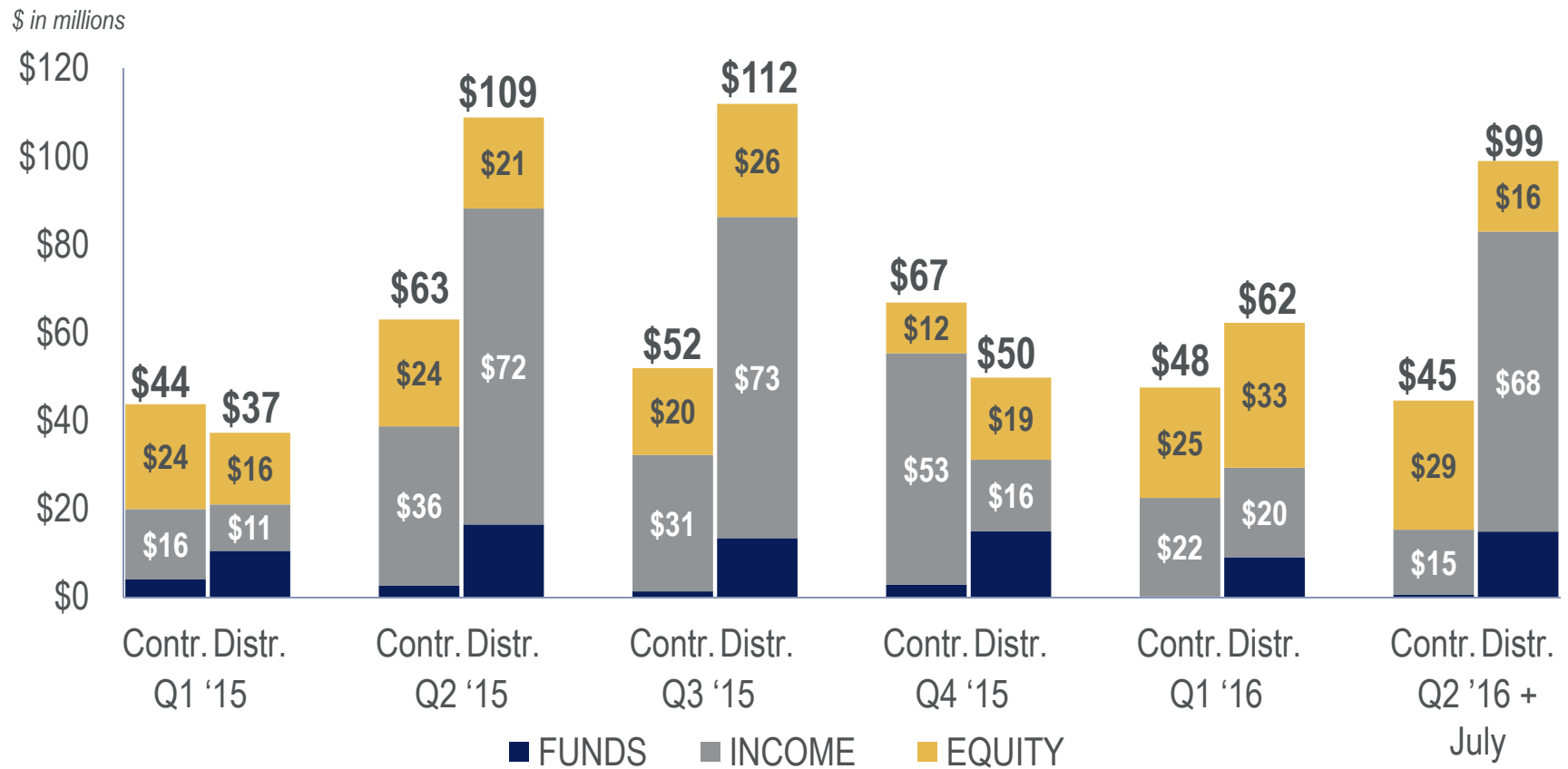


Note: as of 31 July 2016.

1. Realised gain / losses includes loss from the settlement of the FX hedge contract and valuation appreciation includes unrealised currency gain on ZDP liability during 2016 YTD.

# PORTFOLIO INVESTMENT ACTIVITY AND LIQUIDITY

NBPE's portfolio has continued to generate strong liquidity in 2016

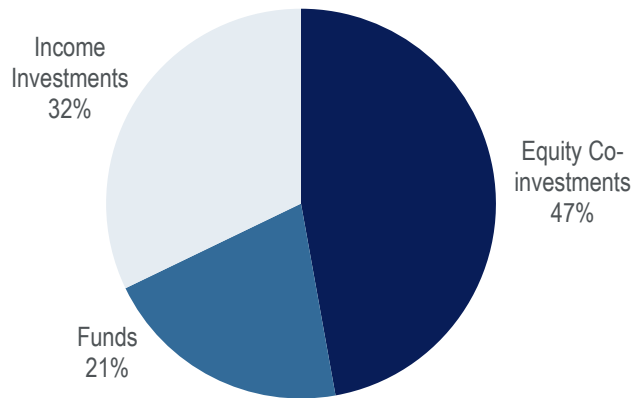


Note: as of 31 July 2016. Numbers may not sum due to rounding.

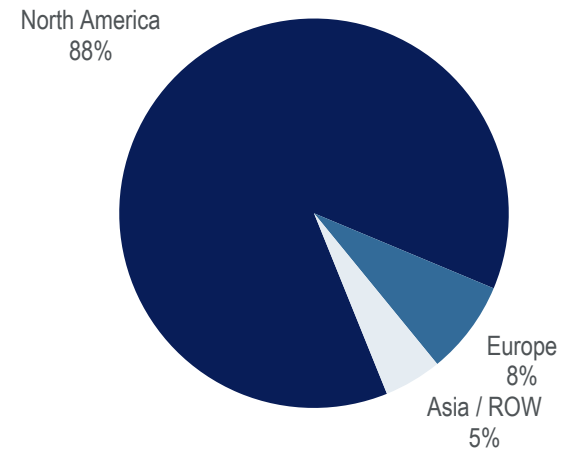
# DIVERSIFICATION BY FAIR VALUE

Well diversified portfolio weighted to North American investments

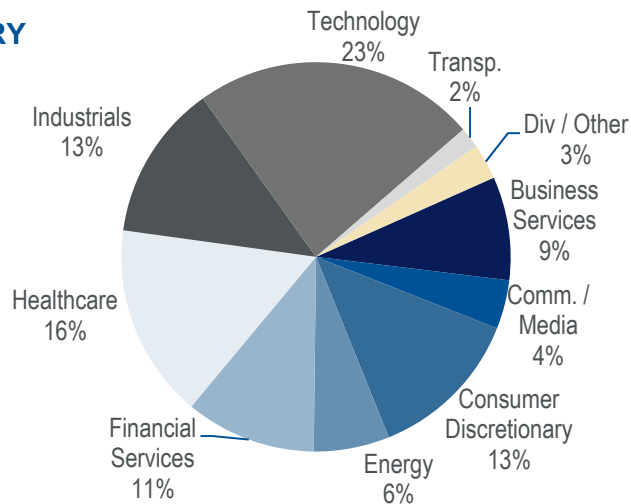
## ASSET CLASS



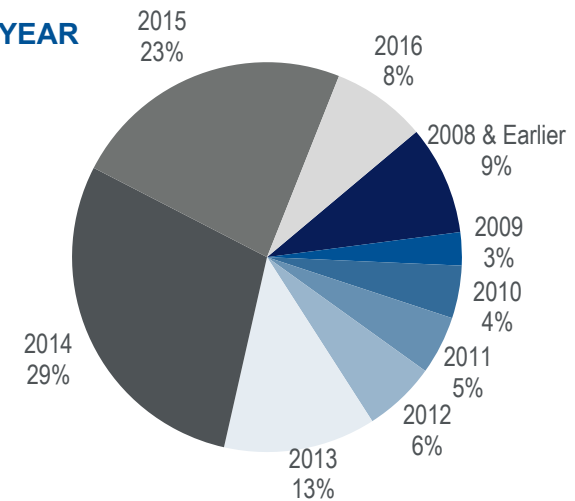
## GEOGRAPHY



## INDUSTRY



## VINTAGE YEAR



Note: as of 31 July 2016. Numbers may not sum due to rounding.



# NBPE EQUITY INVESTMENT PORTFOLIO

NBPE has a well diversified direct equity portfolio, giving access to growing companies alongside high quality private equity sponsors

## NBPE EQUITY CO-INVESTMENTS

77 EQUITY CO-INVESTMENTS WITH \$368.1

MILLION OF FAIR VALUE **DIVERSIFIED**

ACROSS **VINTAGE YEARS,**

**GEOGRAPHIES AND INDUSTRIES**

### Valuations

**10.6x** EV / EBITDA VALUATION  
MULTIPLE<sup>1</sup> vs.  
**20.4x** RUSSELL 2000<sup>2</sup>

### Leverage

**4.8x** NET DEBT / EBITDA<sup>1</sup>

### Growth

**4%** LTM REVENUE GROWTH<sup>1</sup>  
**7%** LTM EBITDA GROWTH<sup>1</sup>

### 2016 Exits<sup>3</sup>

**6** EXITS GENERATING  
**2.3x** GROSS MULTIPLE AND  
**13%** GROSS IRR

Note: As of 31 July 2016, unless otherwise noted.

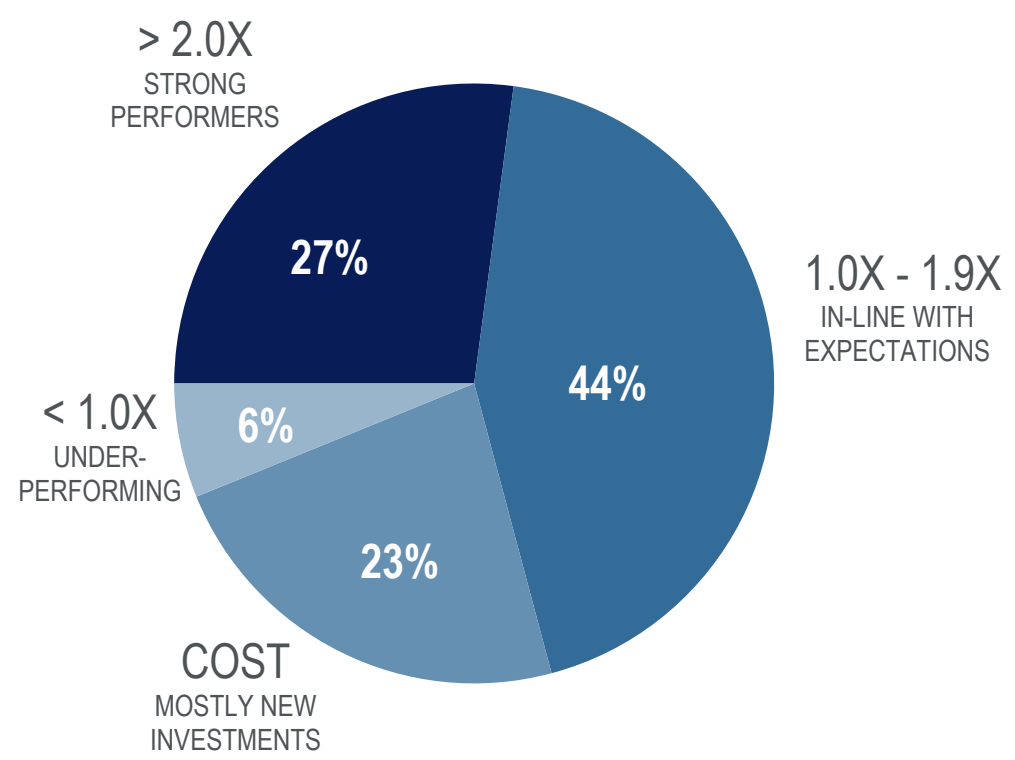
1. Represents 43 of 77 direct equity investments. Portfolio company operating and valuation metrics are based on the most recently available (unaudited) financial information for each company. Where necessary, estimates were used, which include pro forma adjusted EBITDA and Revenue, annualised quarterly operating metrics and LTM periods as of 31/3/16 and 31/12/15. Three companies were excluded from the revenue and EBITDA growth data set. Private equity fair value as of 30 June 2016. Excludes public companies and companies which were not valued on EV/EBITDA metrics and instead were valued based on multiples of revenue, book value, financing round, discounted cash flow or other metrics. Based on most recently available portfolio company information (unaudited).
2. Source: Bloomberg.
3. Returns are presented on a "gross" basis (i.e. they do not reflect the management fees, carried interest, transaction costs and other expenses that may be paid by investors, which may be significant and may lower returns)

# DIRECT EQUITY INVESTMENT PORTFOLIO

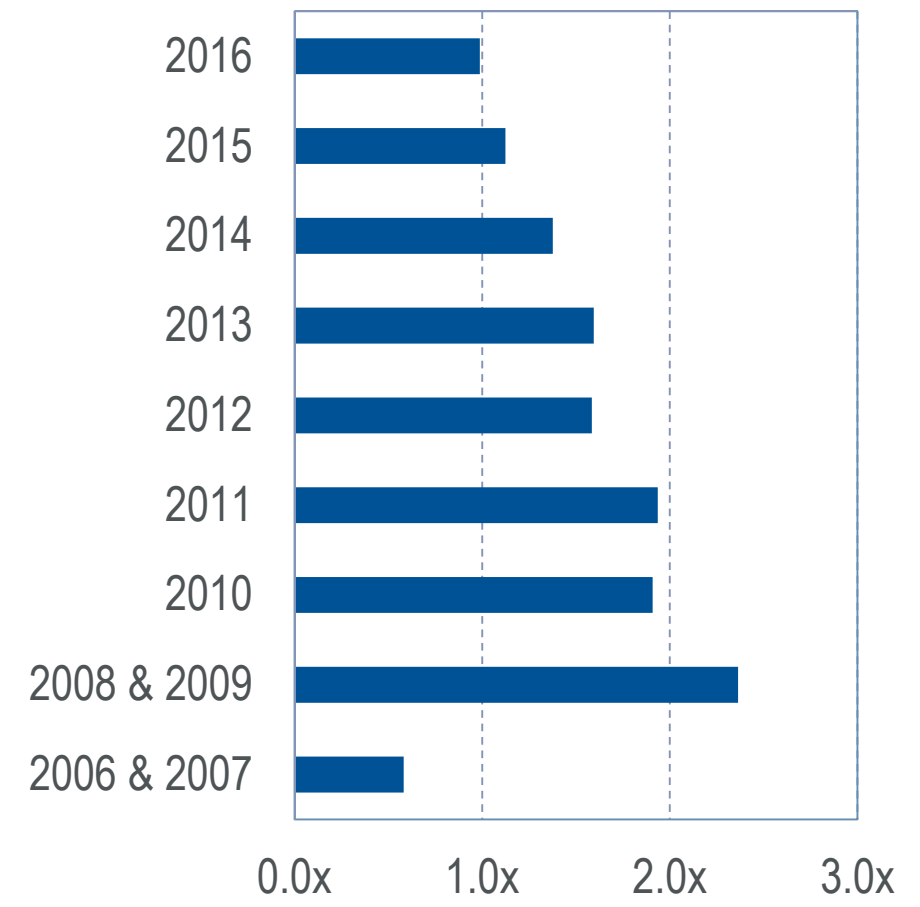
94% of investments are held at or above cost

## PORTFOLIO PERFORMANCE

(% of Fair Value)



## GROSS MULTIPLE BY VINTAGE YEAR



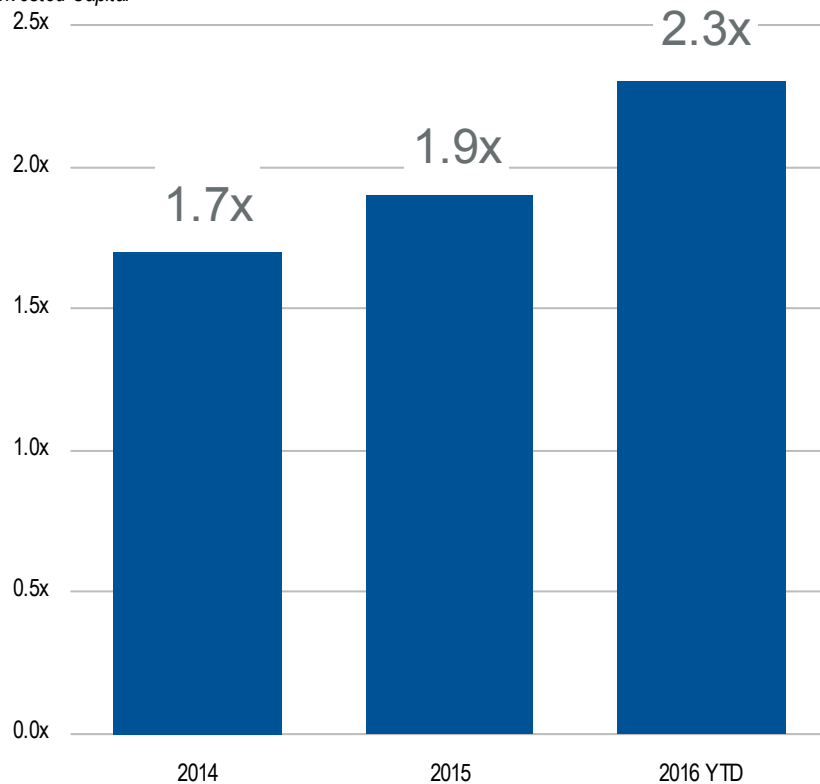
*Note: as of 31 July 2016. Numbers may not sum due to rounding. Returns are presented on a "gross" basis (i.e. they do not reflect the management fees, carried interest, transaction costs and other expenses that may be paid by investors, which may be significant and may lower returns).*

# EQUITY EXITS & UPLIFT

NBPE has seen strong exits and valuation uplift relative to carrying values

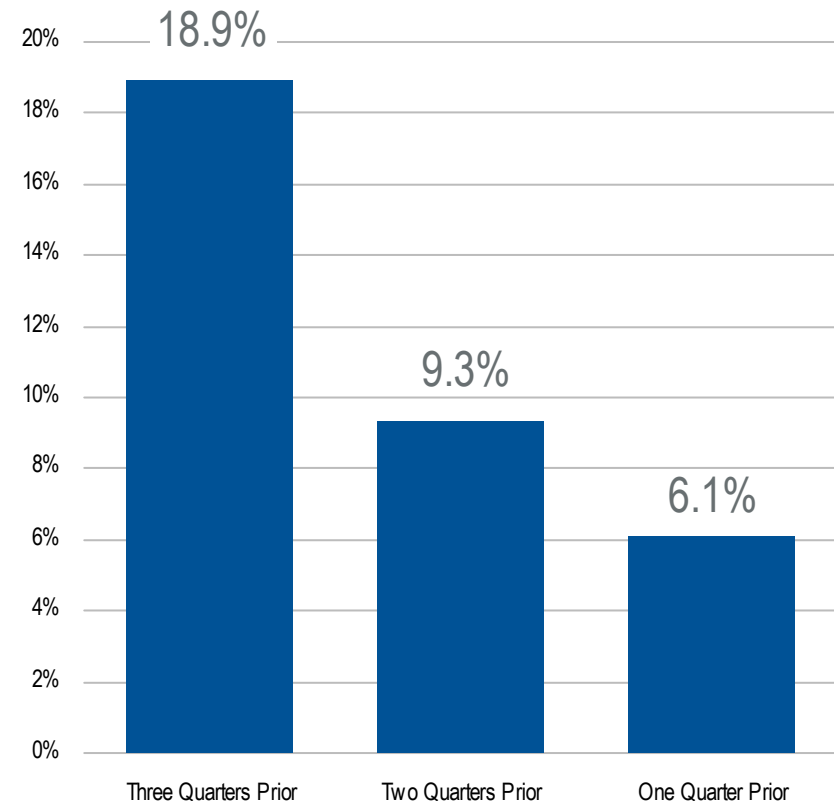
## Gross MOIC on Exit<sup>1</sup> (Full Exits Only)

Multiple of  
Invested Capital



## Valuation Uplift On Exit<sup>2</sup> (all Exits)

% Uplift


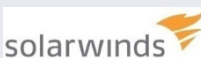










1. As of 31 July 2016. Includes full exits only. Excludes partial exits, recapitalisations and IPOs until the stock is fully exited. Year represents the year of final exit. Exit year for public companies determined by the date of the final cash flow. Proceeds include funds that are currently in escrow, but are expected to be received. Returns are presented on a "gross" basis (i.e. they do not reflect the management fees, carried interest, transaction costs and other expenses that may be paid by investors, which may be significant and may lower returns).

2. As of 31 July 2016. Analysis includes six IPOs, three partial exits, and eleven full direct equity investment exits since January 2014. For investments which completed an IPO, the value is based on the closing share price on the IPO date; however NBPE remains subject to customary IPO lockup restrictions. Excludes Industry Loss Warranties due to investment duration. Returns are presented on a "gross" basis (i.e. they do not reflect the management fees, carried interest, transaction costs and other expenses that may be paid by investors, which may be significant and may lower returns).

# NEW EQUITY INVESTMENTS IN 2016

Ten new investments, totaling \$52 million, made YTD in 2016

Investment	Industry	Sponsor	Invested (\$M)	Description
1 	Life Sciences	KKR Europe	\$10.1	Life sciences measurements and testing company
2 	Technology	Thoma Bravo	\$7.2	IT software provider
3 	Technology	NB Renaissance Partners	\$6.2	Information technology company in Italy
4 	Financial Services	TDR Capital	\$5.7	Automotive leasing and fleet management services
5 	Technology	Bridge Growth Partners	\$5.0	High performance enterprise messaging solutions
6 	Consumer / Retail	KKR	\$5.0	Midwestern value-based retailer
7 	Business Services	Owner Resource Group	\$4.4	Provider of outsourced accounts receivable and customer care services
8 	Healthcare	Quadria Capital	\$3.5	Active pharmaceutical ingredients manufacturer
9 	Technology	NewSpring Capital	\$3.5	Job search and human capital management provider
10 	Consumer / Retail	Goode Partners	\$1.5	Designer and developer of electronic accessories

Note: as of 31 July 2016. Numbers may not sum due to rounding. Excludes follow-on investments of \$1.5 million.

# NBPE DIRECT INCOME INVESTMENTS

The NBPE income portfolio is well diversified, performing well and has a reasonable average level of total leverage in the capital structure

## NBPE INCOME INVESTMENTS

**43** INCOME INVESTMENTS TOTALING

**\$251.9** MILLION OF FAIR VALUE GENERATING

**STRONG CASH YIELDS**

**Strong Cash  
Yield<sup>1</sup>**

**9.7%** CASH YIELD &  
**10.5%** EST. YIELD TO MATURITY

**Position in  
Capital  
Structure<sup>2</sup>**

**5.3x** WTD. AVG.  
TOTAL DEBT / EBITDA  
**3.9x** WTD. AVG.  
SENIOR DEBT / EBITDA

**Variable Rates  
with Fixed Floor**

**88%** OF FAIR VALUE IN  
FLOATING RATE DEBT

**Supports NBPE  
Dividend**

**93%** DIVIDEND COVERAGE

*Note: As of 31 July 2016. These are general characteristics that the Manager looks for in transactions but there is no assurance that the investments in NBPE will have all of these characteristics.*

- 1. Capital structure excludes small business loan programs and healthcare credit investments. Small business loan programs are excluded from yield calculations but are at an interest rate at least at the rate stated above.*
- 2. As of 30 June 2016. Based on most recent company data (unaudited).*

# INCOME PORTFOLIO CHARACTERISTICS

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The income portfolio offers attractive risk / return characteristics in strong private equity back companies in securities senior to equity






- 96% of income investments are in asset light companies
- 80% of income investments are in a market leading position<sup>1</sup>
- 80% of income investments are in companies with a >40% equity cushion
- 56% of income investments are in companies with a >25% EBITDA margin
- 100% of income investments are in performing credits with no covenant issues

Note: As of 31 July 2016. Excludes Royalty-backed healthcare credit investments and small business loan portfolios.

1. Companies have a leading market position in their industry or niche based on NB's due diligence.

# NEW INCOME INVESTMENTS IN 2016

NBPE has invested \$26.5 million in income investments year to date

Investment	Industry	Invested (\$M)	Description
1 	Business Services	\$8.8	National provider of janitorial and custodial services
2 	Healthcare	\$6.5	Medical imaging company
3 	Consumer Finance	\$4.2	Provider of insurance for cell phones and consumer electronics
4 	Healthcare (Business Services)	\$2.9	Healthcare performance improvement company
5 Generic Pharmaceutical Company*	Healthcare	\$2.4	Developer, manufacturer and distributor of generic prescriptions
6 	Aerospace / Defense	\$1.7	Aerospace company

Note: as of 31 July 2016. Excludes follow-ons of \$10.6 million.

\*Due to confidentiality provisions, company name cannot be disclosed.

# HISTORIC PERFORMANCE

<b>CUMULATIVE RETURNS OVER TIME<sup>1</sup></b> <i>AS OF 31 JULY 2016</i>	<b>YEAR TO DATE</b>	<b>ONE YEAR</b>	<b>THREE YEAR</b>	<b>FIVE YEAR</b>	<b>SINCE INCEPTION</b>
<b>NET ASSET VALUE<sup>2</sup></b> TOTAL RETURN	4.1%	3.5%	35.7%	52.0%	65.4%
<b>SHARE PRICE</b> TOTAL RETURN	3.0%	(8.2%)	33.5%	48.5%	24.3%

Note: NAV data as of 31 July 2016. NBPE share price data as of 31 July 2016.

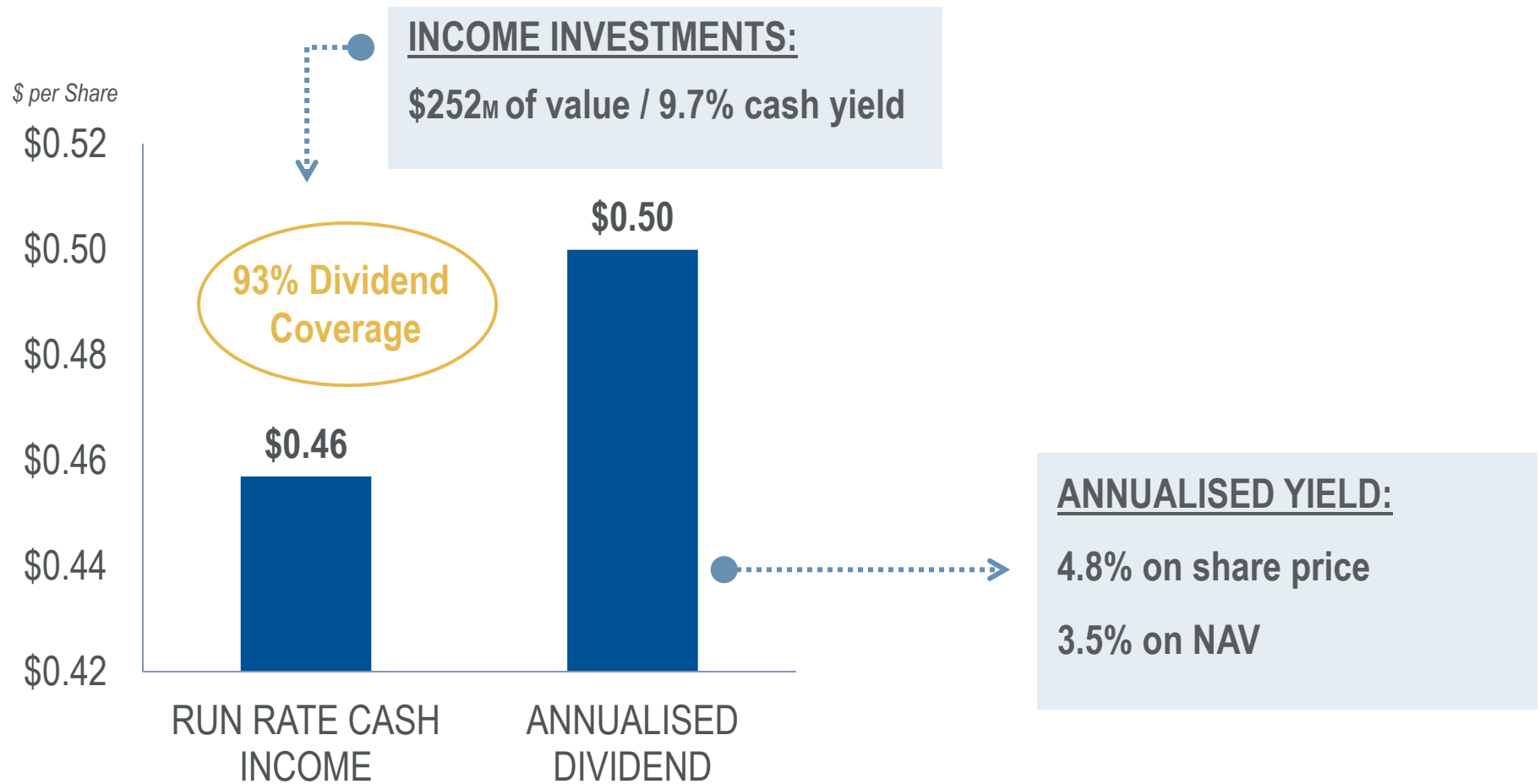
1. All performance figures assume re-investment of dividends at NAV or closing share price on the ex-dividend date and reflect cumulative returns over the relevant time periods shown and are not annualised returns.

2. Based on 31 July 2016 monthly NAV of \$14.43 per share.



# DIVIDENDS

Dividend is 93% covered by the cash yield from the income portfolio



Note: See endnote #3 for important information related to the dividend. Total yield (inclusive of PIK interest) represents the return (IRR) from this reporting period to the maturity of the investment. As of 31 July 2016.

1. Dividend coverage is gross of fees, expenses and financing costs.

2. Based on the company's most recent dividend and the NYSE Euronext closing share price of \$10.40 on 31 July 2016 and the 31 July 2016 NAV of \$14.43 per share.

# CAPITAL POSITION

Strong capital position and low adjusted unfunded commitments

## NBPE CAPITAL POSITION

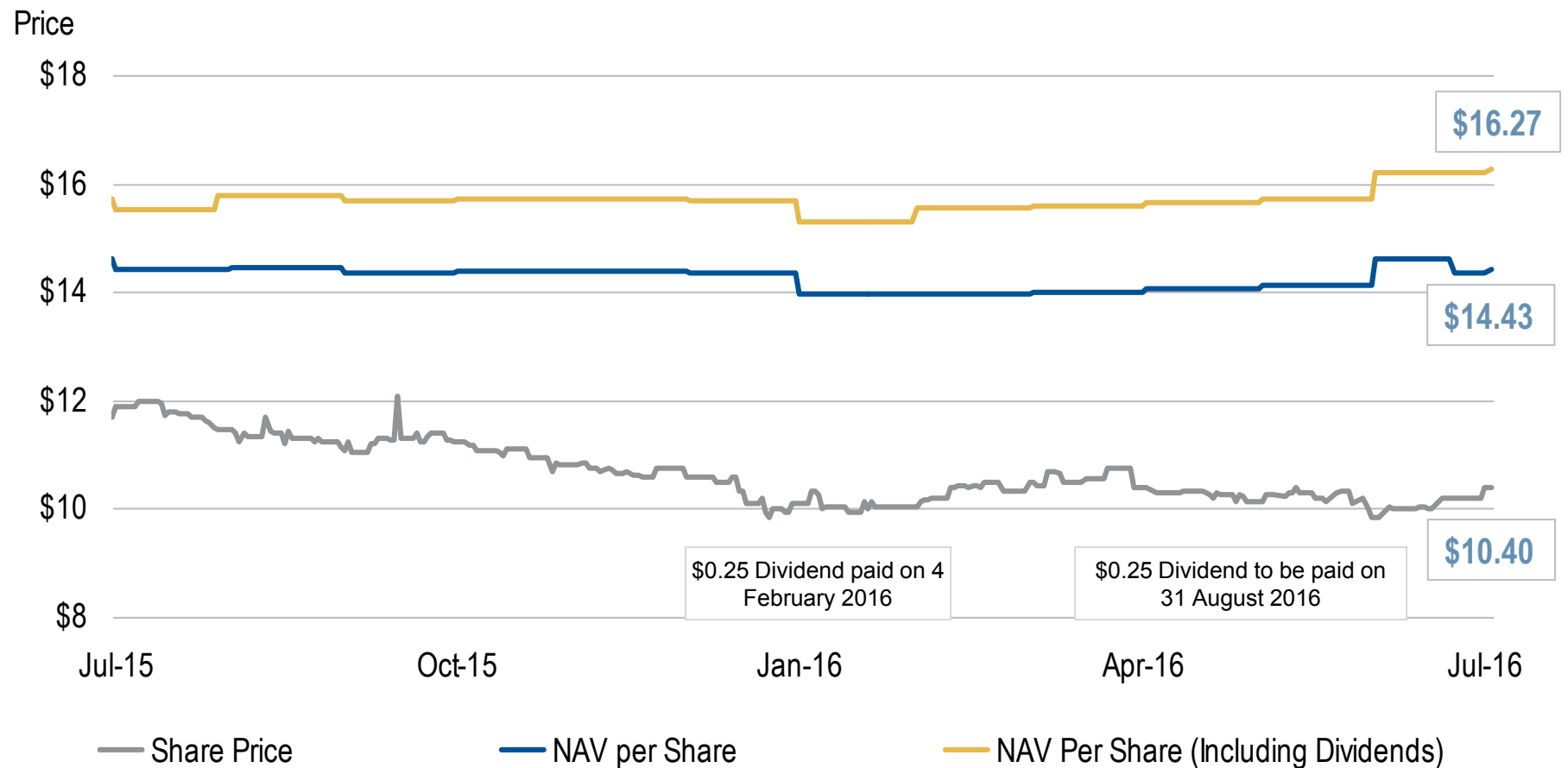
AS OF 31 JULY 2016

<b>CASH + CREDIT FACILITY</b> AVAILABLE FOR BORROWING	\$158.8M
<b>LESS: UNFUNDED COMMITMENTS</b> ADJUSTED BASIS	(\$47.9M)
<b>EXCESS CAPITAL RESOURCES</b> ADJUSTED BASIS	\$110.9M
<b>COMMITMENT COVERAGE</b> ADJUSTED BASIS	332%

Note: as of 31 July 2016. Unfunded commitments are adjusted by funds past their investment period and amounts which NBPE has the right to terminate if it so chooses.

# NAV & SHARE PRICE DEVELOPMENT

Total return NAV increase of 3.5% during LTM 31 July 2016



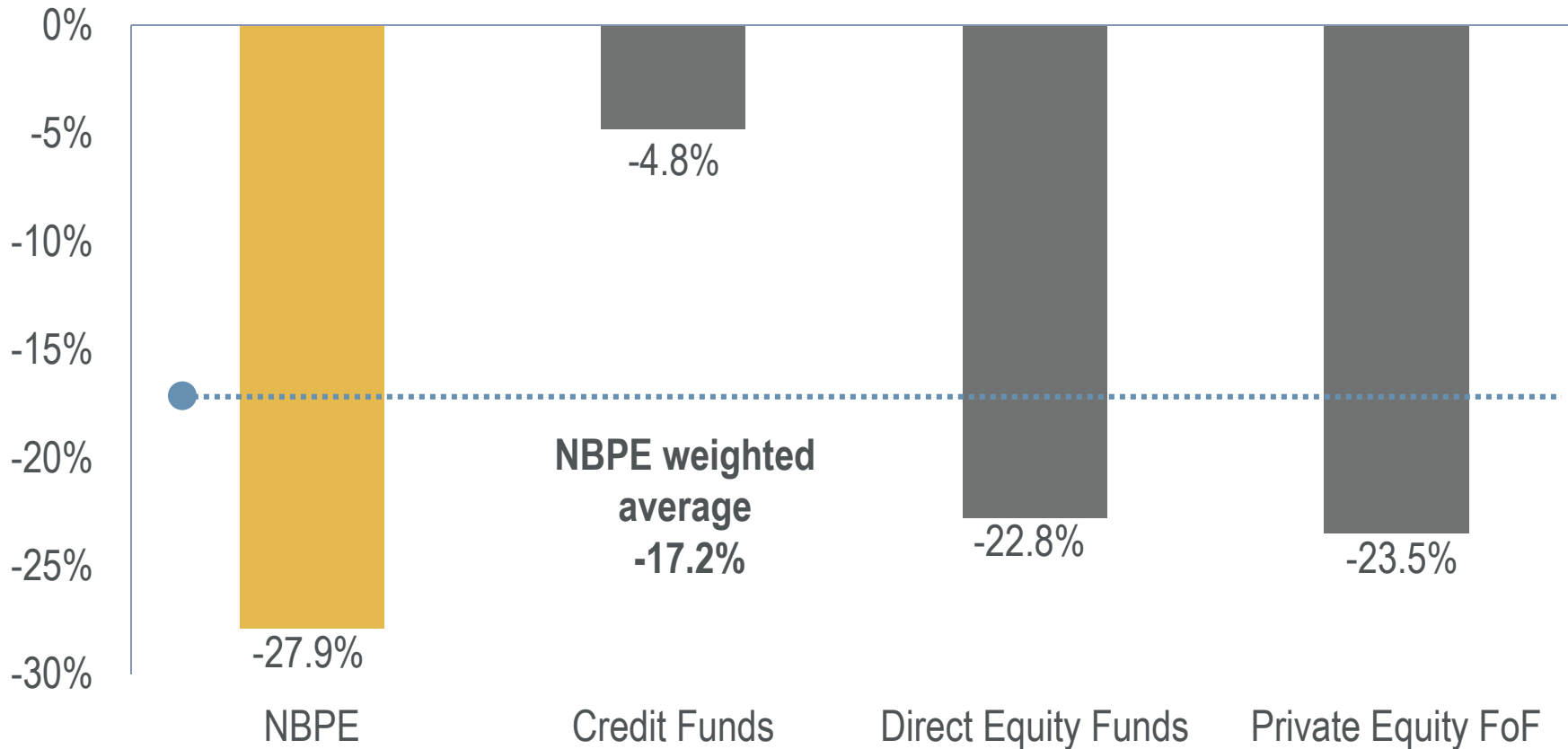
Note: as of 31 July 2016.

# DISCOUNT TO NAV

As of 31 July 2016, NBPE traded at a 27.9% discount to NAV

## DISCOUNT TO NAV VS. PEERS<sup>(1),(2)</sup>

% Premium / (Discount) to NAV



1. Based on the NYSE Euronext closing share price of \$10.40 on 31 July 2016 and the 31 July 2016 NAV of \$14.43 per share.  
 2. Source: Jefferies comp set as of 25 August 2016. Credit funds exclude Tetragon Financial Group.

# ATTRACTIVE VALUE PROPOSITION

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We believe NBPE offers a compelling investment opportunity

- ✓ Capital appreciation and growth from equity investments
- ✓ Income through an attractive covered dividend, supported by the cash yield from the income portfolio
- ✓ Strong capital structure and commitment coverage
- ✓ Private equity exposure with attractive fee structure – lower all-in fees than investing directly into LP funds

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2022 ZERO DIVIDEND PREFERENCE SHARES – BACKGROUND

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# 2022 ZDP OVERVIEW

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## NBPE intends to raise a new class of ZDP shares

- On 24 August 2016, NBPE published a prospectus for the issuance of a new class of zero dividend preference shares (“2022 ZDPs”) with a target closing date in mid-September 2016
  - Issue size between £25 - 50 million and a gross redemption yield (“GRY”) between 4% - 4.75%. Final amounts and GRY will be determined by way of a book build, helping to align investor demand with the Company’s objective of the most cost efficient financing
  - Existing 2017 ZDP holders will have the opportunity to rollover into the new 2022 ZDPs. A number of ZDP holders have expressed interest in the rollover option. ZDP holders who elect not to rollover will receive the final capital entitlement in May 2017
- The 2022 ZDP raise will allow NBPE to continue to execute on its strategy of investing in the debt and equity of private equity-backed companies and / or to partially redeem the 2017 ZDPs
- NBPE issued £32.9 million of zero dividend preference shares (“2017 ZDPs”) in 2009 and 2010 at a GRY of 7.3% and currently the 2017 ZDPs trade in excess of their accreted value
  - As of 31 July 2016, the liability associated with the 2017 ZDPs was £52.8 million (\$69.9 million)

*Note: As of 31 July 2016, unless otherwise noted.*

# BENEFITS OF 2022 ZDP FOR NBPE

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We believe that NBPE's 2022 ZDP will provide a number of benefits to NBPE

- ✓ Attractive financing option through non-cash, fixed interest rate security at a competitive interest rate
- ✓ Funds to invest at a measured pace in ongoing attractive deal flow
- ✓ Structural leverage to allow the fund to maintain its investment level at greater than 100%
- ✓ A new ZDP offering will diversify NBPE's maturity base relative to the credit facility
- ✓ Raising well in advance of 2017 maturity provides certainty to the vehicle for this forthcoming redemption



# NBPE FINANCING INITIATIVES

In June 2016, NBPE refinanced its credit facility. The proposed 2022 ZDP would offer a complementary, efficient cost of financing for NBPE

Financing Comparison	Past / Current	Current / Proposed
<b><u>ZDP Comparison:</u></b>		
Maturity	May 31, 2017	September 30, 2022
Issue Size	£32.9m	Up to £50m
Term	7.5 years	6.0 years
Gross Redemption Yield at Issuance	7.3%	4 - 4.75%*
Minimum Cover Ratio	2.0x	2.75x
<b><u>Credit Facility:</u></b>		
Size	\$200m	Up to \$150m
Rate	L+280bps – L+365bps; based on borrowing amounts	L+375bps
Maturity Date	30 April 2017	7 June 2021 <sup>1</sup>

\* To be determined by way of book build to ensure most efficient cost of financing

Note: As of 31 July 2016.

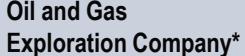








1. Mandatory amortisation of 25% per quarter of outstanding principal balance beginning in year four.

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APPENDIX

# LARGEST EQUITY INVESTMENTS

## Top ten largest equity investments

Investment	Vintage	Industry	Fair Value (\$M)	% of NAV
1  Oil and Gas Exploration Company*	2014	Energy	18.8	2.7%
2  Patheon Performance the World Over*	2014	Healthcare	16.9	2.4%
3  the warranty group	2014	Financial Services	14.3	2.0%
4  BLACK KNIGHT*	2013	Financial Services	13.4	1.9%
5  riverbed	2015	Technology	12.2	1.7%
6  The EVANS NETWORK OF COMPANIES	2012	Business Services	11.7	1.7%
7  Saguaro Resources Ltd	2013	Energy	10.0	1.4%
8 CAPSUGEL®	2011	Healthcare	9.7	1.4%
9  LGC Genomics	2016	Life Sciences	9.5	1.4%
10  Deltek	2012	Technology	9.3	1.3%
<b>TOTAL: TOP 10 INVESTMENTS</b>			<b>\$125.8</b>	<b>17.9%</b>

Note: as of 31 July 2016. Numbers may not sum due to rounding.

\*Due to confidentiality provisions, company name cannot be disclosed.

# EQUITY INVESTMENTS

Company Name	Asset Class	Investment Date	Lead Sponsor	Fair Value	% of NBPE NAV
Acteon	Large-cap Buyout	Dec-12	KKR	\$1.5	0.2%
Alex & Ani	Mid-cap Buyout	May-15	Lion Capital	5.1	0.7%
American Dental Partners, Inc.	Mid-cap Buyout	Feb-12	JLL Partners	4.0	0.6%
ARUHI Corporation	Mid-cap Buyout	Oct-14	Carlyle Group	6.5	0.9%
Aster / DM Healthcare	Mid-cap Buyout	Jun-14	Olympus Capital	5.6	0.8%
Avaya	Large-cap Buyout	Oct-07	TPG / Silver Lake Partners	1.0	0.1%
Berlin Packaging	Mid-cap Buyout	Oct-14	Oak Hill Capital Partners	6.2	0.9%
Biotherapeutics Company B - Equity*	Special Situations	Jun-14	Not Disclosed	0.8	0.1%
Black Knight Financial Services	Large-cap Buyout	Dec-13	Thomas H. Lee	13.4	1.9%
Boa Vista	Mid-cap Buyout	Nov-12	TMG Capital	1.2	0.2%
Brightview	Large-cap Buyout	Dec-13	KKR	7.0	1.0%
Capsugel	Large-cap Buyout	Jul-11	KKR	9.7	1.4%
Centro	Growth / Venture	Jun-15	FTV Capital	3.3	0.5%
CommScope	Large-cap Buyout	Feb-11	Carlyle Group	2.3	0.3%
Compass Auto Group	Special Situations	Mar-14	Monomoy Capital	0.7	0.1%
Concord Bio	Growth / Venture	Jun-16	Quadria Capital	3.4	0.5%
Connector Company*	Growth / Venture	Oct-15	Not Disclosed	4.0	0.6%
Consilio	Growth / Venture	Jul-15	Shamrock Capital	5.5	0.8%
Corona Industrials	Mid-cap Buyout	Jun-14	Victoria Capital	1.9	0.3%
Counsyl	Growth / Venture	Jul-14	Rosemont Seneca	2.6	0.4%
CSC Service Works	Large-cap Buyout	Mar-15	Pamplona Capital	5.8	0.8%
Deltak (Equity)	Mid-cap Buyout	Dec-12	Thoma Bravo	9.3	1.3%
Digital River (Equity)	Mid-cap Buyout	Feb-15	Siris Capital	8.7	1.2%
Ellucian	Large-cap Buyout	Sep-15	TPG Capital	7.0	1.0%
Engineering Ingegneria Informatica	Mid-cap Buyout	May-16	NB Renaissance	6.1	0.9%
Evans Delivery Company (Equity)	Mid-cap Buyout	Jun-12	AEA Investors	11.7	1.7%
Evoqua Equity	Mid-cap Buyout	Jan-14	AEA Investors	5.3	0.8%
Fairmount Minerals	Mid-cap Buyout	Aug-10	American Securities Partners	2.1	0.3%
First Data	Large-cap Buyout	Sep-07	KKR	2.6	0.4%
Firth Rixson Equity	Mid-cap Buyout	Dec-07	Oak Hill Capital Partners	0.9	0.1%
Formation Energy	Mid-cap Buyout	Jul-13	Lindsay Goldberg	1.1	0.2%
Gabriel Brothers	Special Situations	Mar-12	A&M Capital	3.8	0.5%
Galco Industrials Equity	Special Situations	May-14	AEA Investors	0.8	0.1%
Gardner Denver, Inc.	Large-cap Buyout	Jul-13	KKR	7.0	1.0%
GC Services	Mid-cap Buyout	Jan-16	Owner Resource Group	4.4	0.6%
Genetic Testing Company - Equity*	Special Situations	Jun-13	Not Disclosed	8.6	1.2%
Hilsinger	Mid-cap Buyout	May-14	Blue Point Capital	4.5	0.6%
Incipio	Mid-cap Buyout	Feb-16	Goode Partners	1.6	0.2%
Infection Energy	Mid-cap Buyout	Oct-14	Chambers Energy	4.0	0.6%
Innovation Group	Large-cap Buyout	Dec-15	Carlyle Group	1.1	0.2%
Into University Partnerships	Mid-cap Buyout	Apr-13	Leeds Equity Partners	1.5	0.2%
J.Crew Group	Large-cap Buyout	Mar-11	TPG / Leonard Green	0.2	0.0%
Kyobo Life Insurance Co.	Mid-cap Buyout	Dec-07	Corsair Capital Partners	1.9	0.3%
Leaseplan	Large-cap Buyout	Apr-16	TDR Capital	5.6	0.8%
LGC	Large-cap Buyout	Mar-16	KKR	9.5	1.3%
Lookingglass	Growth / Venture	Feb-15	Alsop Louie	6.7	1.0%
Marquee Brands	Special Situations	Dec-14	Neuberger Berman	7.4	1.1%
MBI Energy	Mid-cap Buyout	Jun-14	Lindsay Goldberg	0.0	0.0%











Company Name	Asset Class	Investment Date	Lead Sponsor	Fair Value	% of NBPE NAV
Medical Diagnostics Company - Equity*	Special Situations	Jan-14	Not Disclosed	0.0	0.0%
Mills Fleet Farms	Large-cap Buyout	Feb-16	KKR	5.0	0.7%
NXP Semiconductors	Large-cap Buyout	Jul-07	Blackstone / Carlyle / Permira / TPG	2.7	0.4%
Oil & Gas Company*	Mid-cap Buyout	May-14	Not Disclosed	18.8	2.7%
Ortholite (Equity)	Mid-cap Buyout	Apr-14	Blue Point Capital	8.2	1.2%
Oticas Carol	Growth / Venture	Apr-13	3i Brazil	2.3	0.3%
Patheon	Mid-cap Buyout	Mar-14	JLL Partners	16.9	2.4%
Petsmart	Large-cap Buyout	Jun-15	BC Partners	7.8	1.1%
ProMach	Mid-cap Buyout	Nov-14	AEA Investors	3.8	0.5%
Prosper	Growth / Venture	Apr-15	Multiple Sponsors	2.5	0.4%
RevSpring	Mid-cap Buyout	Oct-12	Compass Investment Partners	2.2	0.3%
RiverBed	Mid-cap Buyout	Feb-15	Thoma Bravo	12.2	1.7%
Saguaro	Mid-cap Buyout	Jul-13	Pine Brook	10.0	1.4%
Seventh Generation	Growth / Venture	Apr-08	Catamount Ventures	2.4	0.3%
Sheff Drilling	Mid-cap Buyout	Feb-13	Castle Harlan Partners	1.5	0.2%
Skin Products Company - Equity*	Special Situations	Jul-13	Not Disclosed	2.6	0.4%
Snagajob	Growth / Venture	Jun-16	NewSpring Capital	3.5	0.5%
Solace Systems	Growth / Venture	Apr-16	Bridge Growth Partners	5.0	0.7%
SolarWinds	Mid-cap Buyout	Feb-16	Thoma Bravo	7.2	1.0%
Specialty Drug Pharma. Company*	Mid-cap Buyout	Oct-15	Not Disclosed	0.7	0.1%
Standard Aero	Mid-cap Buyout	Jun-15	Veritas Capital	5.7	0.8%
Stratus Technologies	Mid-cap Buyout	Apr-14	Siris Capital	2.8	0.4%
Syniverse Technologies	Large-cap Buyout	Feb-11	Carlyle Group	3.0	0.4%
Taylor Precision Products	Mid-cap Buyout	Jul-12	Centre Partners	3.1	0.4%
Technology Company (Encryption App)*	Growth / Venture	Aug-14	Not Disclosed	1.5	0.2%
The Warranty Group	Large-cap Buyout	Jul-14	TPG	14.3	2.0%
TPF Genco	Mid-cap Buyout	Jul-07	Tenaska Capital	0.2	0.0%
Univar	Large-cap Buyout	Nov-10	Clayton, Dublier & Rice	0.9	0.1%
Vencore	Mid-cap Buyout	Nov-10	Veritas Capital	6.8	1.0%
<b>Total Equity Co-investment Portfolio</b>				<b>\$368.1</b>	<b>52.3%</b>

Note: As of 31 July 2016.

\* Due to confidentiality provisions, company name cannot be disclosed.

# LARGEST INCOME INVESTMENTS

## Ten largest income investments

Investment	Industry	Cash Yield	Variable Rate	Fair Value (\$M)	% of NAV
1  ConVerge-One	Technology	9.0%	Yes	\$20.0	2.8%
2  K&N THE WORLD'S BEST AIR FILTER	Industrials	9.7%	Yes	18.3	2.6%
3  HEARTLAND DENTAL CARE Personal attention   Professional excellence	Healthcare	9.6%	Yes	15.8	2.2%
4  Funding Circle	Consumer	NA	Yes	14.3	2.0%
5  Compuware	Technology	9.8%	Yes	14.2	2.0%
6  CATALINA®	Consumer	11.6%	Yes	12.7	1.8%
7  TOTAL Fleet Solutions	Industrials	10.6%	Yes	10.1	1.4%
8  LINXENS i3nL	Technology	9.3%	Yes	10.0	1.4%
9  Deltek	Technology	9.5%	Yes	10.0	1.4%
10  Schumacher group	Healthcare	9.5%	Yes	9.7	1.4%
<b>TOTAL: TOP 10 INVESTMENTS</b>				<b>\$135.0</b>	<b>19.2%</b>

Note: as of 31 July 2016. Small business loan programs are excluded from the cash yield. Numbers may not sum due to rounding.

# DEBT INVESTMENTS

INVESTMENT NAME	SECURITY DETAILS	INVESTMENT DATE	MATURITY DATE	FAIR VALUE <sup>1</sup>	CASH + PIK COUPON	CASH YIELD	TOTAL EST. YTM
<i>Corporate Private Debt Investments</i>							
<u>2016</u>							
Wencor	Second lien (L+6.75%, 1% L Floor, purchased @ 69)	Jun-16	Jun-22	\$1.9	7.8%	10.3%	14.7%
GCA Services	Second lien (L+9.0% Cash, 1% L Floor, 2.5% OID)	Mar-16	Mar-24	\$8.9	10.0%	10.2%	10.2%
<u>2015</u>							
Phillips Feed Service	Second lien (L+7.3% Cash, 1.0% L Floor, purchased @75)	Dec-15	Jan-22	\$3.8	8.3%	11.5%	17.1%
Total Fleet Solutions	Second lien (L+9.5% Cash, 1.0% L Floor)	Dec-15	Dec-20	10.1	10.5%	10.6%	10.7%
Syncsort	Second lien (L+8.5% Cash, 1.0% L Floor, 2% OID)	Nov-15	May-22	4.0	9.5%	9.6%	9.7%
Highbridge Loan Management	Loan portfolio	Oct-15	N/A	1.8	N/A	N/A	N/A
Linxens	Second lien (L+8.25% Cash, 1.0% L Floor, 1% OID)	Oct-15	Oct-23	10.0	9.3%	9.3%	9.7%
Schumacher Group	Second lien (L+8.5% Cash, 1.0% L Floor, 1% OID)	Oct-15	Oct-23	9.7	9.5%	9.5%	9.8%
Allegriy	First lien (9.5% Cash, purchased @ 94)	Sep-15	Jul-19	2.8	9.5%	10.3%	13.5%
Allegriy - Bond	High Yield Bond (9.5% cash; purchased @ 95)	Sep-15	Jul-19	1.9	9.5%	10.1%	12.5%
Deltek - Re-finance	Second lien (L+8.50% Cash, 1.00% L Floor, 1% OID)	Jul-15	Oct-19	10.0	9.5%	9.5%	9.8%
Hyland	Second lien (L+7.25%, 1% Floor)	Jun-15	Jul-23	6.3	8.3%	8.2%	8.5%
Catalina	Second lien (L+6.75%, 1% L Floor, purchased @ 78)	May-15	Apr-22	12.7	7.8%	11.6%	18.2%
Funding Circle	Portfolio of small business loans	Jan-15	N/A	14.3	N/A	N/A	N/A
Digital River Debt	First lien (L+5.75% Cash, 1.0% L Floor, 1% OID)	Jan-15	Feb-21	1.8	6.8%	6.9%	6.7%
Digital River Debt	Second lien (L+11.0% Cash, 1.0% L Floor, 1% OID)	Jan-15	Feb-22	3.6	12.0%	11.9%	12.0%
<u>2014</u>							
Compuware	Second lien (L+8.25% Cash, 1.0% L Floor, 8% OID)	Dec-14	Dec-22	14.2	9.3%	9.8%	9.5%
Central Security Group	Second lien (L+9.0% Cash, 1% L Floor, 5% OID)	Nov-14	Oct-21	5.9	10.0%	10.4%	10.3%
Vestcom	Second lien (L+8.0% Cash, 1.0% L Floor, 1.5% OID)	Oct-14	Sep-22	8.1	9.0%	9.0%	9.4%
K&N Engineering	Second lien (L+8.625%, 1% L Floor, 2.25% OID)	Jul-14	Jul-20	18.3	9.6%	9.7%	9.8%
Converge One	Second lien (L+8.0%, 1% L Floor, 1.0% OID)	Jun-14	Jun-21	20.0	9.0%	9.0%	9.2%
Authentic Brands	Second lien (L+8.0%, 1% L Floor, 1.0% OID)	Jun-14	May-22	7.9	9.0%	8.8%	9.2%
Galco Industrial Electronics	Sr. sub notes (10.75% Cash, 1.25% PIK, 1.5% OID)	May-14	May-21	5.0	12.0%	10.5%	12.0%
On Deck	Portfolio of small business loans	Apr-14	N/A	1.8	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	Feb-21	8.1	8.3%	8.2%	8.2%
Evoqua	Second lien (L+7.5%, 1% L Floor, 0.5% OID)	Jan-14	Jan-22	7.5	8.5%	8.5%	8.8%
<u>2013</u>							
Taylor Precision Products	Sr. sub notes (13% Cash, 1.5% OID)	Nov-13	May-19	5.8	13.0%	12.9%	13.3%
P2 Energy Solutions	Second lien (L+8.00% Cash, 1.0% L Floor, 1% OID)	Nov-13	May-21	4.1	9.0%	10.9%	15.1%
Hearland Dental	Second lien (L+8.5% Cash, 1.25% L Floor, 1.5% OID)	Jan-13	Jun-19	15.8	9.8%	9.6%	9.9%
<b>Total Corporate Private Debt Investments Fair Value</b>				<b>\$231.8</b>	<b>9.4%</b>	<b>9.7%</b>	<b>10.6%</b>

Note: As of 31 July 2016. Total yield (inclusive of PIK interest) represents the return (IRR) from this reporting period to the maturity of the investment.

1. See endnote #4 for important information on the income investment portfolio.

# DEBT INVESTMENTS (CON'T)

INVESTMENT NAME	SECURITY DETAILS	INVESTMENT DATE	MATURITY DATE	FAIR VALUE <sup>1</sup>	CASH + PIK COUPON	CASH YIELD	TOTAL EST. YTM
<i>Total Healthcare Credit Investments</i>							
<u>2016</u>							
Generic Pharmaceutical Company	Senior secured term loan (L + 5.375%, 1% Floor)	Jan-16	Jan-23	-	6.4%	7.0%	6.9%
<u>2015</u>							
Term Loan (Medical Implants)	Second lien (L+8.50%, 1% L Floor, 6% OID)	Mar-15	Dec-22	-	9.5%	10.8%	10.0%
Royalty Notes (Biotechnology)	Royalty backed note (9.375% Cash)	Mar-15	Mar-26	-	9.4%	9.1%	9.8%
<u>2014</u>							
Term Loan (Biotherapeutics B)	Convertible notes (4.5% Cash)	Jun-14	Jun-18	-	4.5%	3.7%	4.6%
Term Loan (Contract Research Organization)	Second lien (L+8.25%, 1% L Floor, 1% OID)	Apr-14	Mar-22	-	9.3%	8.6%	1.8%
Convertible Notes (Specialty Pharmaceuticals)	Convertible notes (4.5% Cash)	Apr-14	May-20	-	4.5%	6.5%	4.6%
Term Loan (Specialty PCP and Pediatric Pharmaceuticals)	Senior secured loan (first lien, 12% cash, 0.75% fee)	Feb-14	Feb-19	-	12.0%	12.8%	14.2%
Term Loan (Medical Diagnostics)	Senior secured loan (10.5% Cash)	Jan-14	Dec-18	-	10.5%	11.1%	11.1%
<u>2013</u>							
Term Loan (Skin Products Company)	Senior secured loan (First Lien, 10.5% Cash, 1.5% Fee)	Jul-13	Jul-18	-	10.5%	10.7%	11.1%
Term Loan (Genetic Testing)	Senior secured loan (First Lien, 10% Cash, 1% Fee)	Jun-13	Jun-18	-	10.0%	8.1%	10.5%
Royalty Notes (Internal Medication)	Royalty backed note	Jan-13	Jun-24	-	11.0%	13.2%	13.7%
Royalty Notes (Hormone Therapy)	Royalty backed note	Apr-11	N/A	-	N/A	N/M	N/M
<b>Total Healthcare Credit Investments Fair Value</b>				<b>\$20.0</b>	<b>9.2%</b>	<b>9.5%</b>	<b>9.3%</b>
<b>Total Income Portfolio Fair Value</b>				<b>\$251.9</b>	<b>9.2%</b>	<b>9.7%</b>	<b>10.5%</b>

Note: As of 31 July 2016. Total yield (inclusive of PIK interest) represents the return (IRR) from this reporting period to the maturity of the investment.

1. See endnote #4 for important information on the income investment portfolio.

# FUND INVESTMENTS

Investment Name	Asset Class	Vintage Year	Unfunded Commitment	Fair Value	% of NBPE NAV
NB Crossroads Fund XVIII - Mid-cap Buyout	Mid-cap Buyout Funds	Fund XVIII	\$7.1	\$14.8	2.1%
NB Crossroads Fund XVII	Fund XVII (Diversified)	Fund XVII	1.8	12.1	1.7%
Catalyst Fund III	Special Situations Funds	2011	0.0	16.0	2.3%
Bertram Growth Capital II	Growth / Venture Funds	2010	2.3	9.0	1.3%
OCM Principal Opportunities Fund IV	Mid-cap Buyout Funds	2007	0.0	9.1	1.3%
Platinum Equity Capital Partners II	Special Situations Funds	2007	3.3	10.0	1.4%
NB Crossroads Fund XVIII - Venture Capital	Growth / Venture Funds	Fund XVIII	1.7	7.4	1.0%
Avista Capital Partners	Mid-cap Buyout Funds	2006	0.2	7.4	1.0%
Sun Capital Partners V	Special Situations Funds	2007	1.2	8.0	1.1%
Sankaty Credit Opportunities III	Special Situations Funds	2007	0.0	5.5	0.8%
NB Crossroads Fund XVIII - Large-cap Buyout	Large-cap Buyout Funds	Fund XVIII	2.2	5.5	0.8%
Bertram Growth Capital I	Growth / Venture Funds	2007	1.1	6.3	0.9%
NG Capital Partners I, L.P.	Growth / Venture Funds	2010	0.5	6.0	0.9%
First Reserve Fund XI	Large-cap Buyout Funds	2006	0.0	2.6	0.4%
Corsair III Financial Services Capital Partners	Mid-cap Buyout Funds	2007	1.0	5.4	0.8%
Oaktree Opportunities Fund VIII	Special Situations Funds	2009	0.0	3.8	0.5%
Arclight Energy Partners Fund IV	Mid-cap Buyout Funds	2007	4.6	3.2	0.4%
NB Crossroads Fund XVIII - Special Situations	Special Situations Funds	Fund XVIII	0.9	3.8	0.5%
NB Fund of Funds Secondary 2009	Mid-cap Buyout Funds	2009	0.8	3.2	0.4%
CVI Global Value Fund	Special Situations Funds	2006	0.8	2.7	0.4%
Aquiline Financial Services Fund L.P.	Mid-cap Buyout Funds	2005	0.0	2.3	0.3%
OCM Opportunities Fund VIIb	Special Situations Funds	2008	3.0	2.8	0.4%
Lightyear Capital Fund II	Mid-cap Buyout Funds	2006	1.4	3.9	0.6%
J.C. Flowers II	Large-cap Buyout Funds	2006	0.3	2.0	0.3%
Highstar Capital Fund II	Mid-cap Buyout Funds	2004	0.1	3.1	0.4%
Trident IV	Mid-cap Buyout Funds	2007	0.5	2.0	0.3%
American Capital Equity II	Mid-cap Buyout Funds	2005	1.2	0.8	0.1%
Centerbridge Credit Partners	Special Situations Funds	2008	0.0	1.6	0.2%
Carlyle Europe Partners II	Large-cap Buyout Funds	2003	0.7	0.6	0.1%
DBAG Expansion Capital Fund	Growth / Venture Funds	2012	1.7	2.3	0.3%
Clessidra Capital Partners	Mid-cap Buyout Funds	2004	0.1	0.1	0.0%
Strategic Value Global Opportunities Fund I-A	Special Situations Funds	2010	0.1	0.4	0.1%
Prospect Harbor Credit Partners	Special Situations Funds	2007	0.0	0.1	0.0%
Strategic Value Special Situations Fund	Special Situations Funds	2010	0.0	0.2	0.0%
<b>Total Fund Portfolio</b>			<b>\$38.3</b>	<b>\$163.9</b>	<b>23.3%</b>

Note: As of 31 July 2016. Excludes one fund commitment with no remaining assets which has \$0.2 million of unfunded liabilities through its liquidation period in 2017.



# TRADING INFORMATION

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

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

# CONTACT INFORMATION

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# ENDNOTES

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1. The diversification analysis by asset class and investment type is based on the fair value of underlying fund investments and direct/co-investments. Determinations regarding asset class and investment type represent the Investment Manager's estimates. Accordingly, the actual diversification of our investment portfolio and the diversification of our investment portfolio on an ongoing basis may vary from the foregoing information. For the NB Alternatives Direct Co-investment Program and the NB Healthcare Credit Investment Program commitments, total exposure only reflects the funded investments to date. Unfunded amounts and unfunded percentages within each of these programs are excluded from the analysis, as capital deployment is opportunistic and cannot be accurately forecast at this time.
2. The diversification analysis by geography is based on the diversification of underlying portfolio company investments at fair value as estimated by the Investment Manager. Determinations regarding geography and industry also represent the Investment Manager's estimates. Accordingly, the actual diversification of our investment portfolio and the diversification of our investment portfolio on an ongoing basis may vary from the foregoing information. For the NB Alternatives Direct Co-investment Program and the NB Healthcare Credit Investment Program commitments, total exposure only reflects the funded investments to date. Unfunded amounts and unfunded percentages within each of these programs are excluded from the analysis, as capital deployment is opportunistic and cannot be accurately forecast at this time.
3. Guidance regarding NBPE's future portfolio and performance is a target only and not a profit forecast. There can be no assurance that this target will be met or that the Company will make any future distributions whatsoever. Any such changes will be notified to shareholders through a regulatory information service. NBPE's Board of Directors will continue to evaluate the Company's financial position, annual dividend target and the timing of future dividends. Future dividend payments will be announced by NBPE after the Board of Directors have completed such evaluation.
4. Yield to maturities represent the return (IRR) from this reporting period to maturity of the investment. Includes a portfolio of small business loans at an interest rate at least at the rate stated above but not included in the yield calculations. The Taylor Precision Products debt notes currently pay 13% cash, but issuer has the option to pay 11% and 2% PIK.
5. Actual unfunded commitments are \$276.6 million at 31 July 2016, corresponding to actual over commitment of \$117.8 million and an actual commitment coverage ratio of 57%. Unfunded adjustments include removing unfunded commitments to funds past their investment period (although some amount may be called for future follow-ons or expenses), and amounts which can be terminated by NBPE if it so chooses.

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