NEUBERGER BERMAN

NB Private Equity Partners Limited

31 March 2016 Quarterly Report

For the Three Month Period Ended 31 March 2016
Quarterly Report

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COMPANY OVERVIEW

COMPANY OVERVIEW & KEY FINANCIAL STATISTICS

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

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

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

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

Key Statistics	At 31 March 2016	At 31 December 2015
Net Asset Value ("NAV") of the Class A Shares	$683.0m	$700.3m
Direct Equity Investments	$340.7m	$350.5m
Income Investments	$289.5m	$283.0m
Fund Investments	$170.5m	$180.1m
Total Private Equity Fair Value	$800.7m	$813.6m
Private Equity Investment Level	117%	116%
Cash and Cash Equivalents	$34.0m	$26.1m
Credit Facility Borrowings Drawn	($62.5m)	($52.5m)
ZDP Share Liability (Dollar equivalent liability)	($74.1m)	($74.7m)
Net Other Liabilities	($15.1m)	($12.1m)
NAV per Ordinary Share	**$14.00**	**$14.35**
NAV per Ordinary Share including dividends paid this period	**$14.25**	**-**
ZDP Shares	£51.6m	£50.7m
Net Asset Value per ZDP Share	156.3p	153.6p
Dividends per Share:		
Dividends paid this period	$0.25	$0.48
Cumulative dividends since inception	$1.59	$1.34

Note: Numbers may not sum due to rounding.

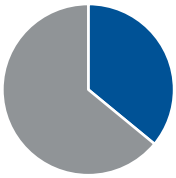
KEY PERFORMANCE HIGHLIGHTS DURING THE FIRST QUARTER OF 2016

Performance

0.0% NAV per Share total return[1]

(0.9%) Share price return

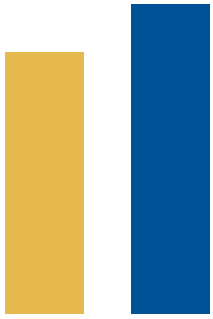
1.3% Share price total return[1]



Portfolio at 31 March 2016

64% of fair value in equity investments[2]

36% of fair value in income investments



Cash Flows during the first quarter of 2016

$62.3 million of distributions from investments

$47.6 million funded to investments

$12.2 million of dividends paid

$43.6
Million Invested

New Direct Investment Activity during the first quarter of 2016

5 Direct equity investments

4 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 fund investments, including some which have a credit orientation.*

DIVIDEND ACTIVITY

Semi-annual dividends

NBPE paid its first semi-annual dividend of $0.25 per Share on 29 February 2016.

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

$0.25
Dividends paid in Q1 2016

Income Investments

As of 31 March 2016, on a run rate basis, the income investment portfolio generated annual cash income of $26.5 million or approximately $0.54 per Share. This corresponds to approximately 109% dividend coverage from the cash yield on the Company's income portfolio, based on the annualised February 2016 dividend.

$1.59
Cumulative dividends since inception

Share Buy Back Programme[1]

NBPE launched a share buy back programme in 2010 ("Share Buy Back Programme") 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 quarter of 2016.

The board of directors has approved an extension of the Share Buy Back Programme until 31 August 2016. The documentation for such extension is currently in progress.

4.8%
Annualised dividend yield on share price[2]

3.6%
Annualised dividend yield on NAV at 31 March 2016

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 $10.50 on 30 March 2016.*

PORTFOLIO HIGHLIGHTS DURING THE FIRST QUARTER OF 2016

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

Direct investments in private equity backed companies

- Direct investment exposure of 92% of NAV at 31 March 2016
- During the first quarter of 2016:
  - 9 direct investments completed
  - $25.1 million of new and follow-on direct equity investments
  - $22.4 million of new and follow-on income investments
  - $0.2 million of capital calls from fund investments
- 42% of Net Asset Value in income investments with a total estimated yield to maturity of 10.8% and a cash yield of 10.0%
- Income investments producing run-rate cash income of $26.5 million, covering 109% of the February 2016 annualised dividend

Strong liquidity from investments during the first quarter of 2016

- Distributions of $32.9 million from direct equity investments and $20.3 million from income investments, including:
  - $32.9 million from direct equity investments as a result of sales, re-capitalisations and secondary sales of public shares
    - Driven by $20.5 million of proceeds received as a result of the distribution and subsequent sale of Sabre stock
  - $11.9 million of realisation proceeds from the income investments portfolio including principal and pre-payment premiums
  - $8.4 million of interest received from income investments
- Total distributions of $9.1 million from fund investments during the first quarter of 2016

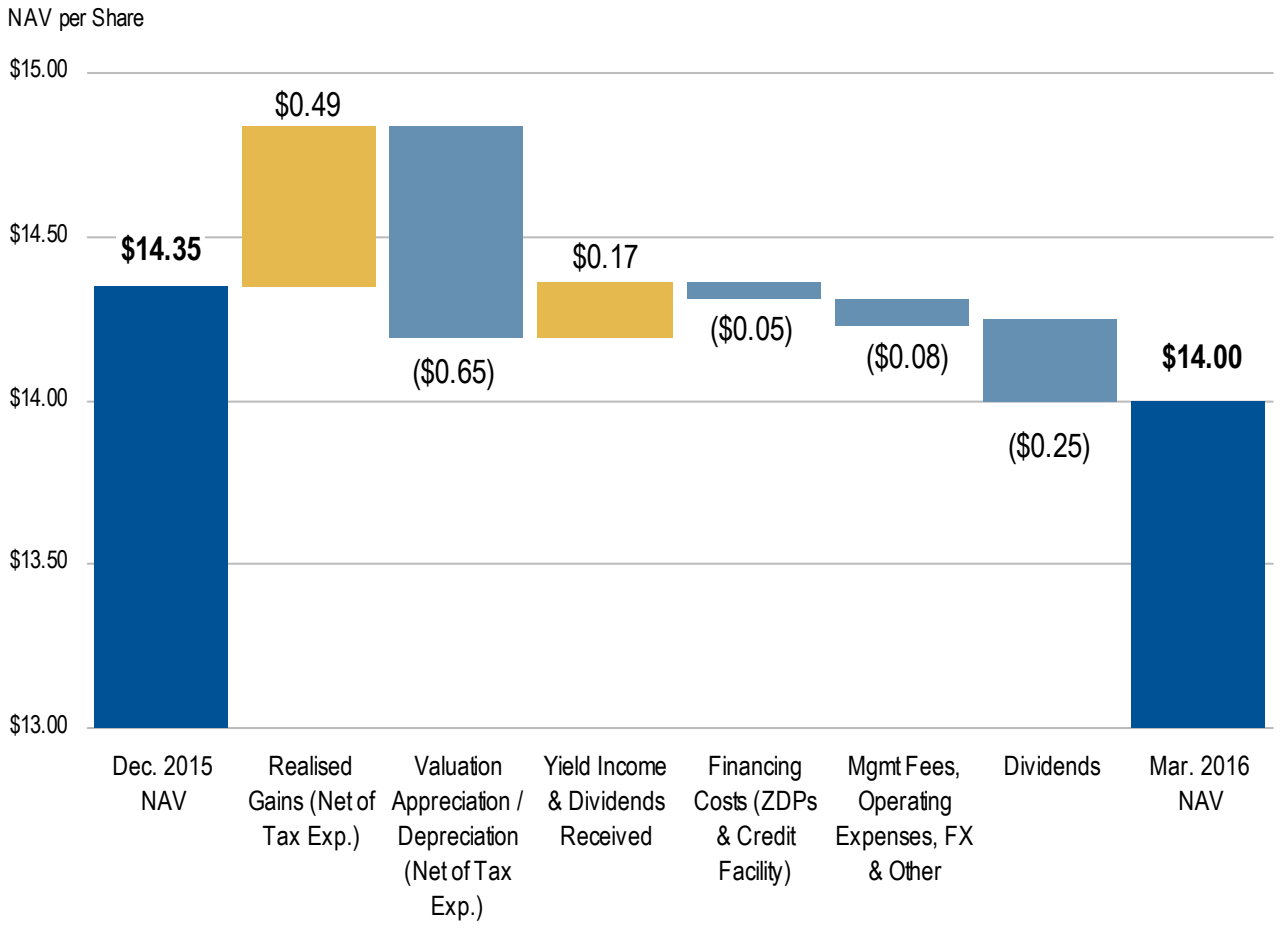
Note: Numbers may not sum due to rounding.

NAV RESULTS

During the first quarter of 2016, including the Company's semi-annual dividends, the NAV per Share total return was 0.0%[1]. NAV per Share change was driven by realised investment gains and portfolio yield income offset by dividends, unrealised investment depreciation and expenses.

Key changes to NBPE's NAV per Share:

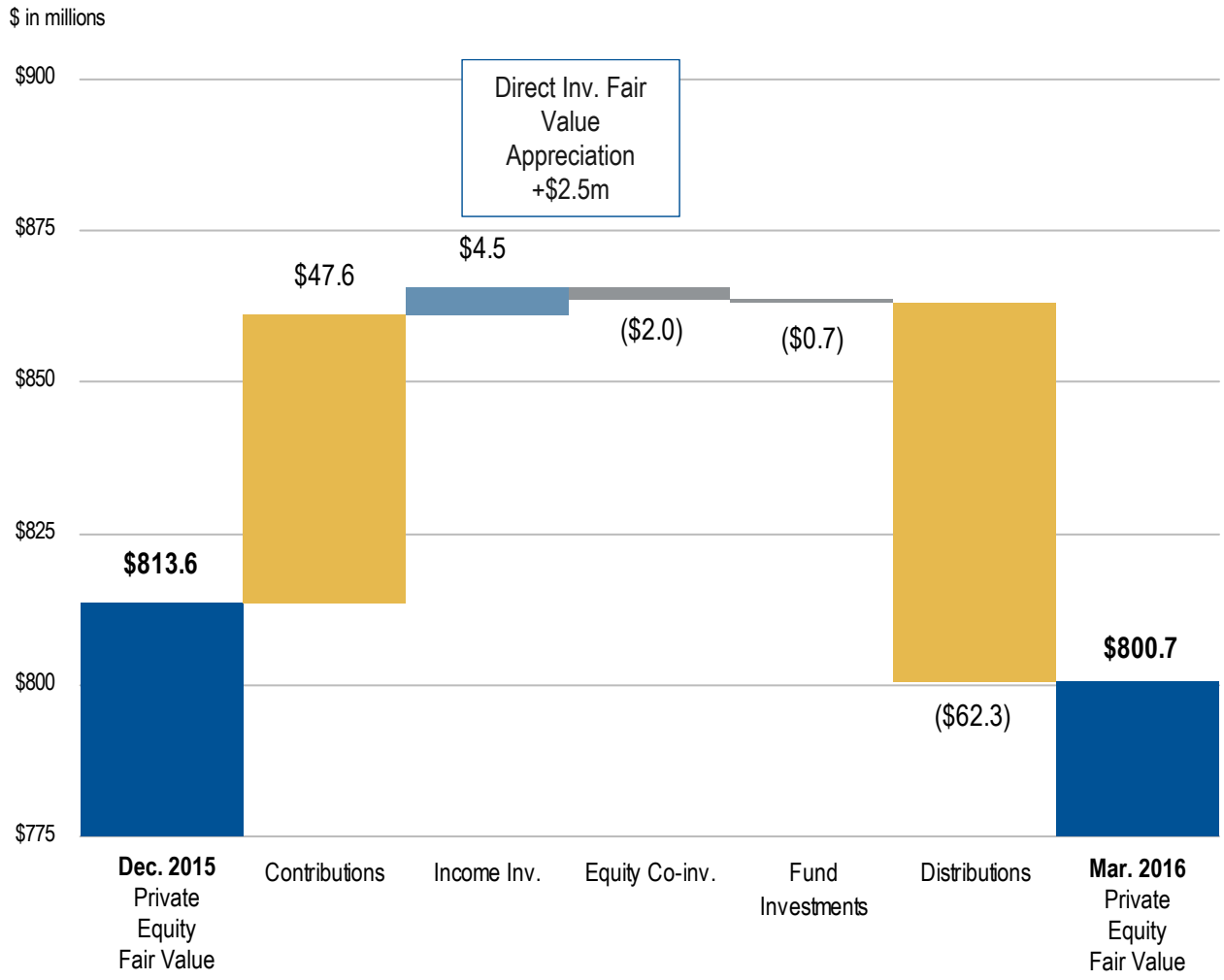
- $24.0 million of realised gains, or $0.49 per Share, net of tax expense
- $31.5 million of unrealised losses, or ($0.65) per Share, net of tax expense
- $8.3 million of yield income and dividends, or $0.17 per Share
- $2.2 million of financing costs, or ($0.05) per Share
- $3.7 million of management fees, operating expenses and other expenses, or ($0.08) per Share
- $12.2 million of dividends paid, or ($0.25) per Share



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

PERFORMANCE OVERVIEW

During the first quarter of 2016, excluding investment cash flows, private equity fair value appreciated by $1.8 million, largely driven by income investments and offset by equity co-investments and fund investments. Cash distributions were driven by equity co-investments during the quarter, which distributed $32.9 million, largely as a result of exit proceeds from full realisations. NBPE also received $20.3 million of distributions from income investments consisting of cash interest, principal repayment and refinancing proceeds. Legacy fund investments continue to run off and generate liquidity, distributing $9.1 million to NBPE during the first quarter of 2016.



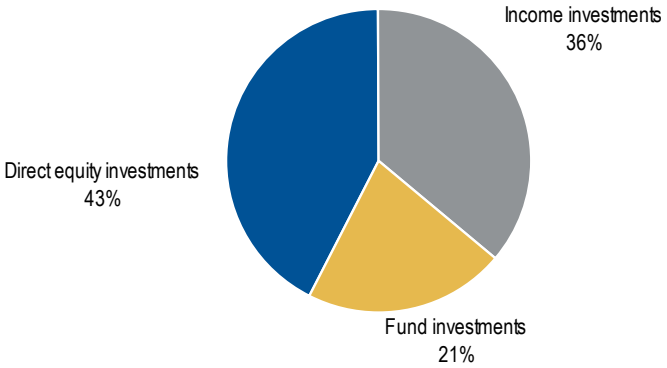
Note: Income investment appreciation includes both fair value appreciation as a result of accrued cash interest as well as accrued non-cash (PIK) yield.

PORTFOLIO OVERVIEW

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

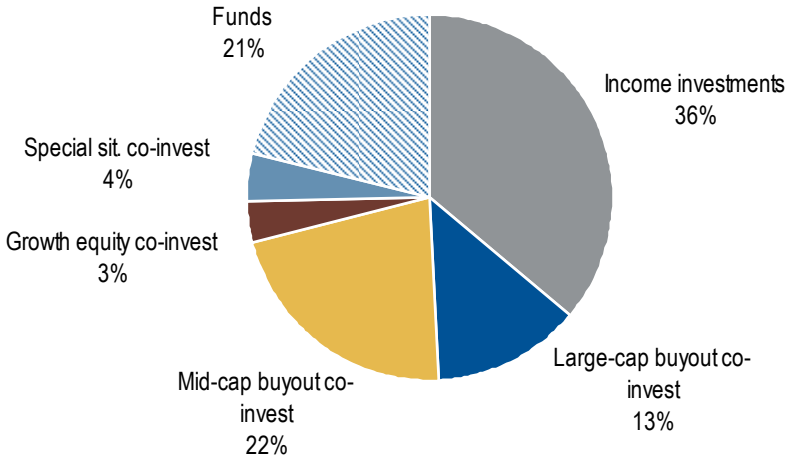
	Investments	Private Equity Fair Value	Adjusted Unfunded Commitments[1]	Adjusted Total Exposure[1]
Direct equity investments	76	$340.7m	$53.3m	$394.0m
Income investments	45	$289.5m	$2.9m	$292.4m
Fund investments	34	$170.5m	$4.8m	$175.3m
Total Private Equity Investments	**155**	**$800.7m**	**$60.9m**	**$861.6m**

Portfolio Diversification by Fair Value

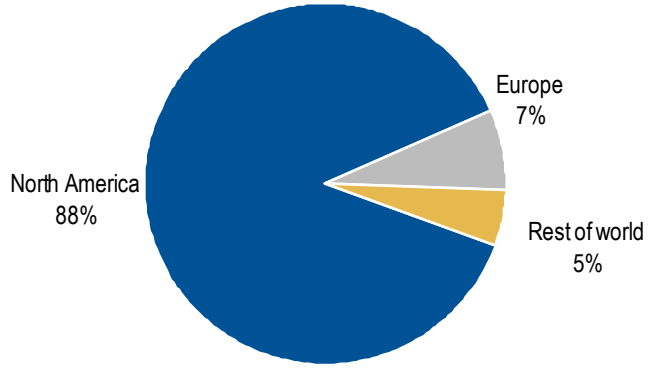


Note: Numbers may not sum due to rounding.
1. Please refer to page 23 for more information on unfunded commitments to funds past their investment period. Actual unfunded commitments and total exposure is $246.8 million and $1.0 billion, respectively. Actual unfunded commitments is comprised of $205.2 million, $1.9 million and $39.7 million to direct equity investments, income investments and fund investments, respectively. Actual total exposure is $546.0 million, $291.4 million and $210.2 million to direct equity investments, income investments and fund investments, respectively.

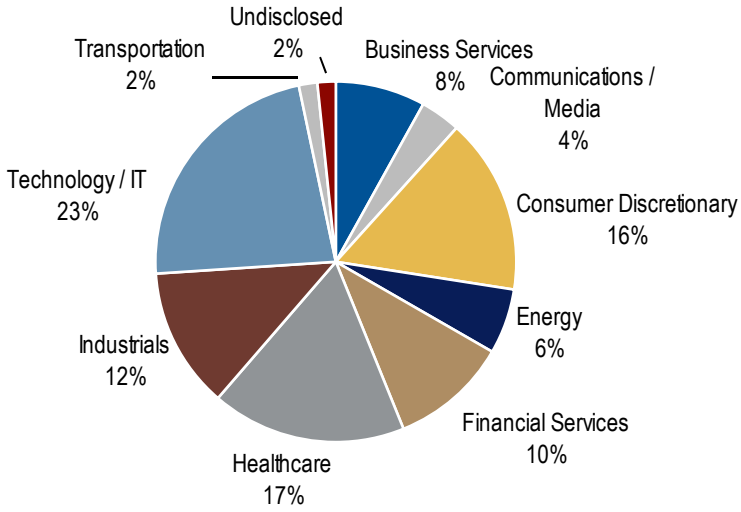
DIVERSIFICATION ANALYSIS



NBPE invests directly into private equity backed companies, pursuing the securities the Manager believes have the most attractive risk / return. Currently the portfolio is weighted to equity investments, and 36% of the portfolio is in income investments. Fund investments represent 21% of private equity fair value and the fund portfolio will continue to become a smaller portion of NBPE's private equity fair value as capital is re-deployed into direct investments over time.



NBPE's portfolio is tactically over allocated to North America. The Manager believes the overall health in this market relative to other geographies has offered the most attractive investment opportunities. The Manager is constantly monitoring and re-evaluating markets globally and may adjust this strategy over time. Approximately 7% of NBPE's portfolio is invested in Europe and 5% in other parts of the world, primarily Asia and Latin America.



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

Note: Numbers may not sum due to rounding.

TOP TEN LARGEST COMPANY EXPOSURES

Investment / Description	Status	Year of investment	Investment type / Asset class	Equity sponsor	NBPE fair value
Ortholite Insoles and related shoe components	Private	2014	Direct equity investment & Income investment	Blue Point Capital Partners	$23.0 million
Heartland Dental Dental administrative services	Private	2012	Income investment 2nd lien debt	Ontario Teachers	$20.9 million
ConvergeOne Provider of communication solutions	Private	2014	Income investment 2nd lien debt	Clearlake Capital	$19.9 million
K&N Engineering Manufacturer of air intake systems	Private	2014	Income investment 2nd lien debt	Gryphon Partners	$18.1 million
Deltek Enterprise software and solutions	Private	2012 / 2015	Direct equity investment & Income investment	Thoma Bravo	$17.7 million
Oil & Gas Company* E&P company focused in the United States	Private	2014	Direct equity investment Mid-cap buyout	Not disclosed	$16.0 million
Patheon Manufacturing services for prescription drugs	Private	2014	Direct equity investment Mid-cap buyout	JLL Partners	$15.7 million
Funding Circle Portfolio of small business loans	Private	2015	Income investment	N/A	$15.4 million
Digital River Digital eCommerce and payments	Private	2015	Direct equity investment & Income investment	Siris Capital	$14.6 million
The Warranty Group Underwriter & administrator of extended warranties	Private	2014	Direct equity investment Large-cap buyout	TPG	$14.3 million

*Note: Numbers may not sum due to rounding. *Due to confidentiality provisions, company name cannot be disclosed.*

DIRECT EQUITY INVESTMENTS: KEY PORTFOLIO STATS

Portfolio Overview

76 Investments & **$340.7** million of fair value

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

Unique investment angles & multiple value creation levers:

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

Key Stats

3.0 Years average age of portfolio

1.4x Current multiple of invested capital

55% of portfolio value invested in small and mid-cap buyout companies

Strong Performance

$33 million of distributions from direct equity investments during the first quarter of 2016

4 investment were fully exited which generated **$30** million of distributions and a **3.4x** multiple of capital and **18%** IRR in aggregate[1]

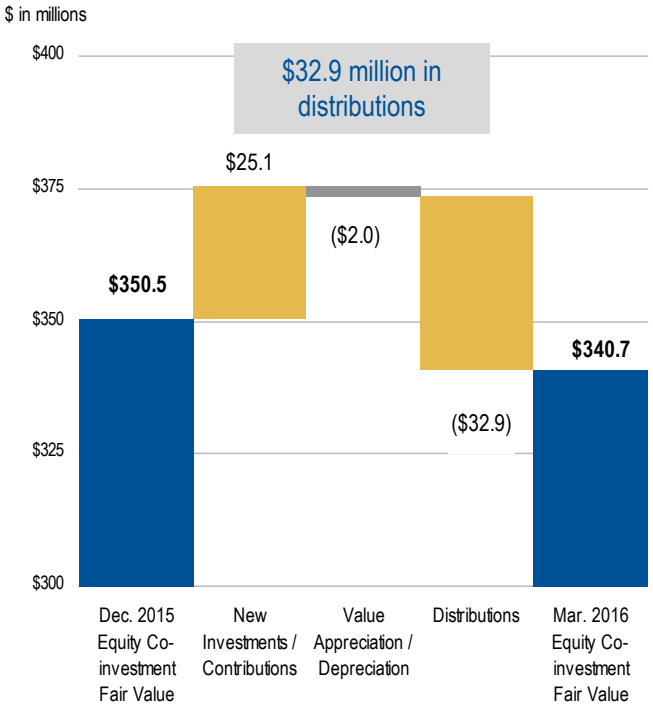
1. Returns are inclusive of prior distributions.

NEW INVESTMENTS DURING THE FIRST QUARTER OF 2016

$25 million invested in **5** new direct equity investments during the first quarter of 2016

- Life sciences measurement and testing company
- Provider of enterprise-class IT infrastructure management software
- Provider of call center management and collection agency services
- Value-based retailer in the U.S. Midwest
- Designer and developer of accessories for smartphones and tablets

DIRECT EQUITY INVESTMENT PERFORMANCE



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

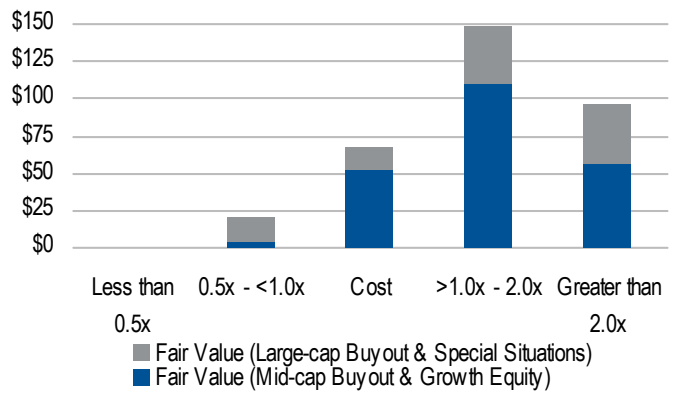
The portfolio depreciated in value by $2.0 million during the first quarter of 2016. The top five investments, measured by dollar gains, appreciated by $7.0 million, but were offset by declines in other investments in the portfolio. The largest increases in value were as a result of a write-ups in Ortholite, a manufacturer of shoe insoles and other accessories and Evoqua, a water treatment company.

NBPE received approximately $32.9 million in distributions during the first quarter of 2016, driven by proceeds from the full exit of Sabre Holdings, Swissport, Press Ganey and Salient. NBPE also received a partial distribution from Petsmart during the first quarter.

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

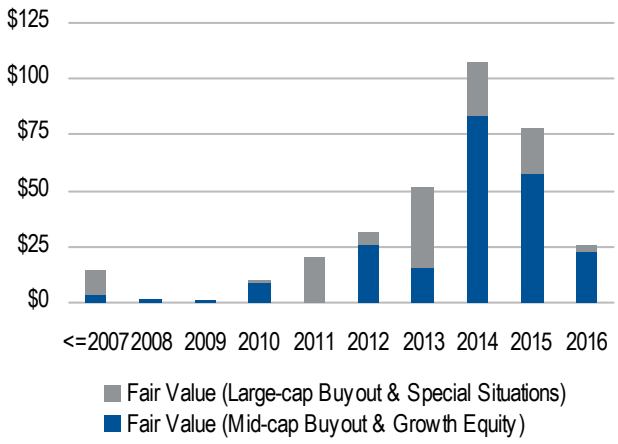
The average age of the direct equity investments at year end was 3.0 years and approximately 95% of the fair value was due to investments made in 2010 or after.

Investment Multiple Range by Fair Value



Note: Numbers may not sum due to rounding.

Vintage Year by Fair Value



SCHEDULE OF INVESTMENTS

($ in millions)

Direct Equity Investments	Principal Geography	Investment Date	Description	Fair Value
Oil & Gas Company	U.S.	May-14	E&P company in the U.S.	$16.0
Patheon	U.S.	Mar-14	Manufacturing services for prescription drugs	15.7
The Warranty Group	Global	Jul-14	Underwriter & administrator of extended warranties	14.3
RiverBed	U.S.	Feb-15	Provider of application performance infrastructure	11.6
Black Knight Financial Services	U.S.	Dec-13	Mortgage servicing technology and appraisal / origination services	11.1
LGC	Europe	Mar-16	Life sciences measurement and testing company	10.2
Evans Delivery Company (Equity)	U.S.	Jun-12	Intermodal freight services company	10.2
Capsugel	Global	Jul-11	Hard capsules and drug delivery systems	9.2
Saguaro	Canada	Jul-13	E&P company pursuing unconventional light oil/liquids-rich gas properties	9.0
Genetic Testing Company - Equity*	U.S.	Jun-13	Genetic testing company	9.0
Digital River (Equity)	U.S.	Feb-15	Digital eCommerce and payments	8.7
Vencore (f/k/a The SI Organization)	U.S.	Nov-10	High-end systems engineering to U.S. Intelligence Industry	8.7
Ortholite Equity	U.S.	Apr-14	Provider of high-performance insoles and related shoe components	8.2
NXP Semiconductor	Global	Jul-07	Semiconductors manufacturer	7.9
Deltek (Equity)	U.S.	Dec-12	Enterprise software and information solutions	7.5
Brickman Group	U.S.	Dec-13	Commercial landscape and turf maintenance	7.0
Ellucian	Global	Sep-15	Developer of higher education ERP software	7.0
Marquee Brands	Global	Dec-14	Portfolio of consumer branded IP assets, licensed to third parties	7.0
SolarWinds	U.S.	Feb-16	IT management software and monitoring tools	6.9
Looking Glass	U.S.	Feb-15	Cyber security technology company	6.7
Gardner Denver, Inc.	U.S.	Jul-13	Maker of industrial equipment	6.5
ARUHI Corporation	Japan	Oct-14	Mortgage company in Japan offering primarily fixed rate mortgages	6.2
Berlin Packaging	U.S.	Oct-14	Supplier of rigid packaging materials and value-added services	6.2
Petsmart	U.S.	Jun-15	Pet supplies retailer	6.2
Counsyl	U.S.	Jul-14	Genetic testing and services using innovative software	5.8
Alex & Ani	U.S.	May-15	Designer jewelry company	5.8
CSC Service Works	U.S.	Mar-15	Provider of outsourced services to laundry & air vending markets	5.8
Standard Aero	U.S.	Jun-15	Provider of aircraft maintenance, repair and overhaul services	5.7
Consilio	Global	Jul-15	eDiscovery company providing end-to-end services globally	5.5
Aster / DM Healthcare	Middle East / India	Jun-14	Operator of hospitals, clinics and pharmacies	5.4
Evoqua Equity	U.S.	Jan-14	Water treatment technology, equipment and services	5.3
Hilsinger	U.S. / U.K. / Australia	May-14	Supplier of eye wear and eye care accessories	4.5
American Dental Partners, Inc.	U.S.	Feb-12	Dental practice management services	4.5
GC Services	U.S.	Jan-16	Provider of call center management and collection agency services	4.4
RAC	U.K.	Sep-11	U.K. motor related and breakdown assistance services	4.3
Connector Company*	U.S.	Oct-15	Manufacturer of connectivity technology	4.0
ProMach	U.S.	Nov-14	Packaging machinery for consumer goods	3.8
Inflection Energy	U.S.	Oct-14	Dry gas exploration company in the Marcellus Shale	3.4
Gabriel Brothers	U.S.	Mar-12	Discount retailer	3.3
Centro	U.S.	Jun-15	Online local and display advertising company	3.2
CommScope	Global	Feb-11	Communications infrastructure solutions	3.2
Syniverse Technologies	Global	Feb-11	Global telecommunications technology solutions	3.0
Taylor Precision Products	U.S.	Jul-12	Consumer & food service measurement products	2.9
Stratus Technologies	U.S.	Apr-14	Technology solutions that prevent downtime of critical applications	2.8
First Data	Global	Sep-07	Electronic commerce and payments	2.7
Prosper	U.S.	Apr-15	Peer-to-peer online lending marketplace for unsecured consumer credit loans	2.5
Mills Fleet Farms	U.S.	Feb-16	Value based retailer in the Midwestern U.S.	2.5
28 Other Direct Equity Investments (<$2m Individually)				29.4
Total Direct Equity Investments				**$340.7**

**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 31 March 2016.

INCOME INVESTMENTS: KEY PORTFOLIO STATS

Portfolio Overview

45 Investments & **$289.5** million of fair value

Primarily junior debt investments, broadly diversified across sectors

Investment focus:

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

Portfolio Metrics[1]

10.0% cash yield

10.8% estimated yield to maturity

$26.5 million of run-rate cash income

109% dividend coverage from portfolio income

Strong Performance

$20 million of distributions from income investments during the first quarter of 2016

2 exited investments generated **$6** million of proceeds, a **1.1x** multiple of capital and **17%** IRR in aggregate

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

NEW INVESTMENTS DURING THE FIRST QUARTER OF 2016

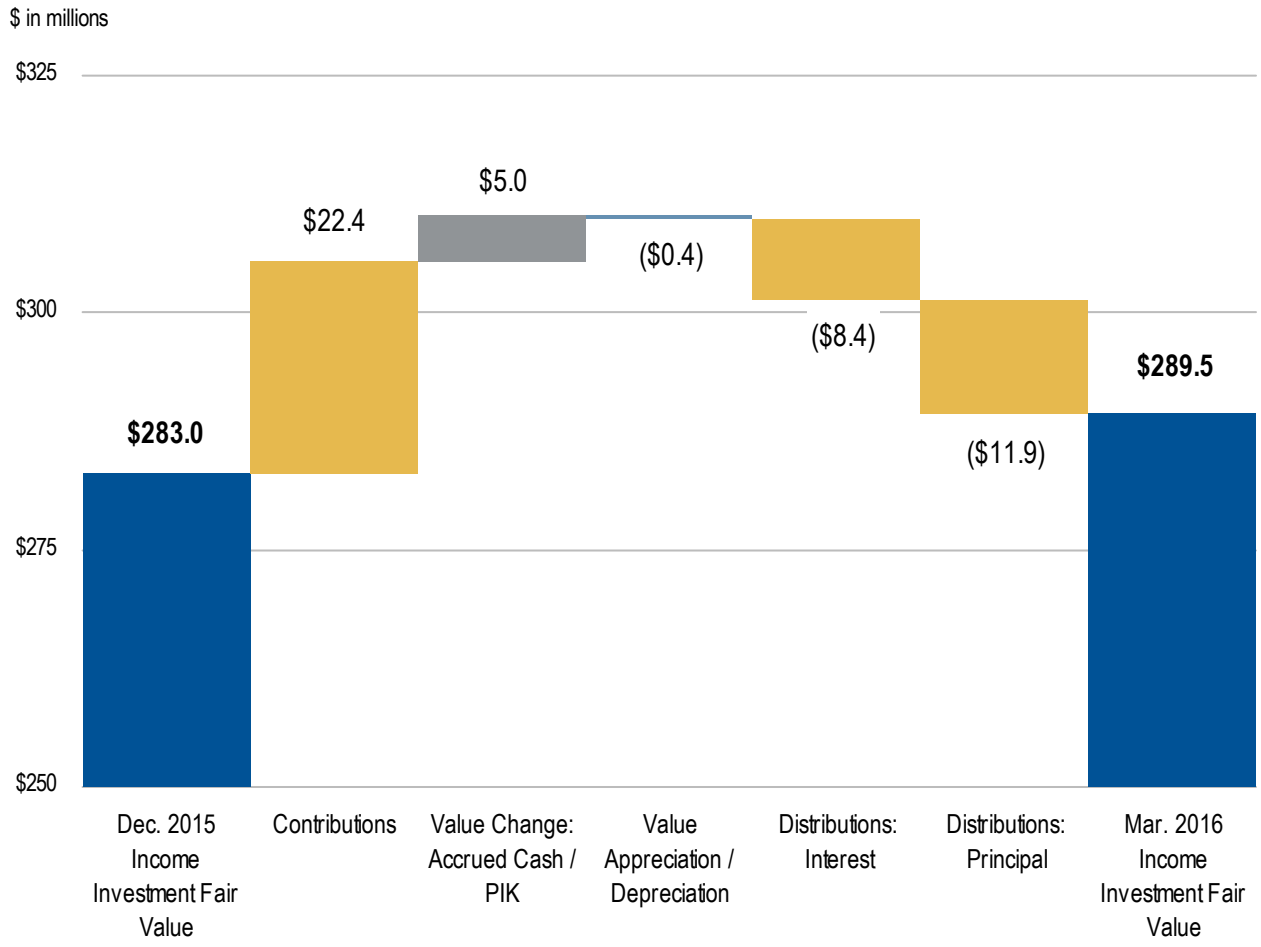
$18 million invested in **4** new income investments

GCA SERVICES GROUP℠	• National provider of janitorial and custodial services
asurion	• Provider of insurance for cell phones and consumer electronics
MedAssets®	• Healthcare performance improvement company
Generic Pharmaceutical Company*	• Developer, manufacturer and distributor of generic prescription pharmaceuticals

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

INCOME INVESTMENT PERFORMANCE

$8 million of interest income and **$12** million of principal repayments during the first quarter of 2016. Run rate cash income was **$26** million as of 31 March 2016



Note: Numbers may not sum due to rounding.

SCHEDULE OF INVESTMENTS

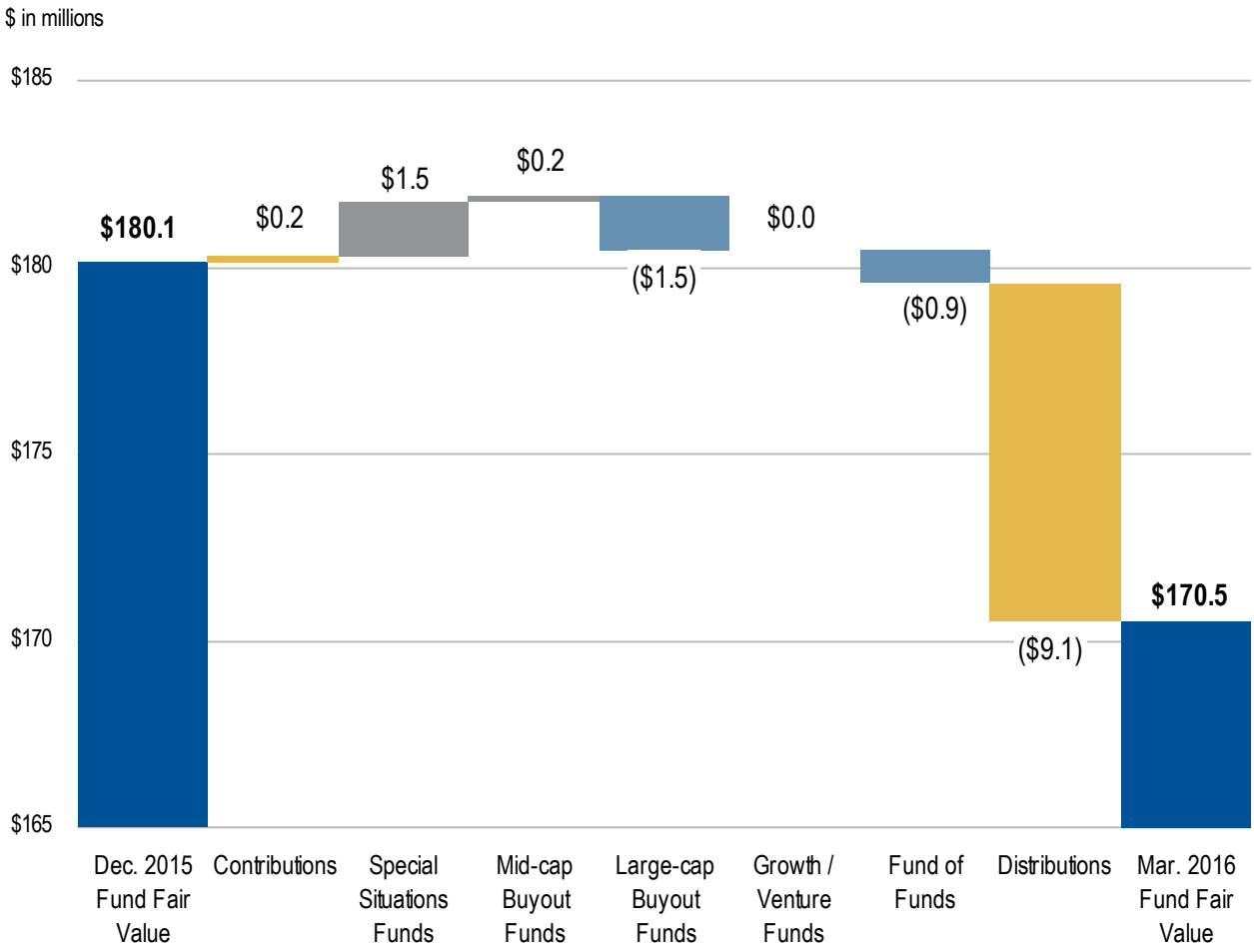
($ in millions)

INVESTMENT NAME	SECURITY DETAILS	INVESTMENT DATE	MATURITY DATE	FAIR VALUE[1]	CASH + PIK COUPON	CASH YIELD	TOTAL EST. YTM
Income Investments							
Heartland Dental	Second lien (L+8.5% Cash, 1.25% L Floor, 1.5% OID)	Jan-13	Jun-19	$20.9	9.8%	9.8%	10.2%
Converge One	Second lien (L+8.0%, 1% L Floor, 1.0% OID)	Jun-14	Jun-21	19.9	9.0%	9.1%	9.4%
K&N Engineering	Second lien (L+8.625%, 1% L Floor, 2.25% OID)	Jul-14	Jul-20	18.1	9.6%	9.8%	10.1%
Funding Circle	Portfolio of small business loans	Jan-15	N/A	15.4	N/A	N/A	N/A
Ortholite	Sr. sub notes (11.75% Cash, 1.5% OID)	Apr-14	Apr-20	14.8	11.8%	11.9%	12.4%
Compuware	Second lien (L+8.00% Cash, 1.0% L Floor, 8% OID)	Dec-14	Dec-22	14.0	9.0%	9.7%	9.4%
Authentic Brands	Second lien (L+8.0%, 1% L Floor, 1.0% OID)	Jun-14	May-22	12.8	9.0%	9.1%	9.4%
Catalina	Second lien (L+6.75%, 1% L Floor; purchased @ 78)	May-15	Apr-22	11.5	7.8%	13.1%	21.1%
MediMedia	Second lien (L+11% Cash, 1.25% L Floor; purchased @ 93)	Jun-15	Nov-19	10.4	12.3%	12.7%	12.2%
Deltek - Re-finance	Second lien (L+8.50% Cash, 1.00% L Floor, 1% OID)	Jul-15	Jul-23	10.1	9.5%	9.4%	9.5%
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	Second lien (L+8.5% Cash, 1.0% L Floor, 1% OID)	Oct-15	Oct-23	9.6	9.5%	9.6%	10.0%
GCA Services	Second lien (L+9.0% Cash, 1% L Floor, 2.5% OID)	Mar-16	Mar-24	8.8	10.0%	10.2%	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%	9.1%
LANDesk	Second lien (L+7.25%, 1% L Floor, 1% OID)	Mar-14	Feb-21	8.0	8.3%	8.2%	8.4%
Evoqua	Second lien (L+7.5%, 1% L Floor, 0.5% OID)	Jan-14	Jan-22	7.5	8.5%	8.5%	8.9%
Total Fleet Solutions	Second lien (L+9.5% Cash, 1.0% L Floor)	Dec-15	Dec-20	6.9	10.5%	10.7%	11.0%
On Deck	Portfolio of small business loans	Apr-14	N/A	6.8	N/A	N/A	N/A
Hyland	Second lien (L+7.25%, 1% Floor)	Jun-15	Jul-23	6.2	8.3%	8.3%	8.6%
Flexera	Second lien (L+7.0%, 1% L Floor, 0.5% OID)	Apr-14	Apr-21	6.0	8.0%	8.0%	8.3%
Taylor Precision Products	Sr. sub notes (13% Cash, 1.5% OID)	Nov-13	May-19	5.9	13.0%	12.7%	12.4%
Central Security Group	Second lien (L+9.0% Cash, 1% L Floor, 5% OID)	Nov-14	Oct-21	5.8	10.0%	10.4%	10.5%
P2 Energy Solutions	Second lien (L+8.00% Cash, 1.0% L Floor, 1% OID)	Nov-13	May-21	4.1	9.0%	11.1%	15.1%
Galco Industrial Electronics	Sr. sub notes (10.75% Cash, 1.25% PIK, 1.5% OID)	May-14	May-21	5.0	12.0%	10.6%	12.1%
Asurion	Second lien (L+7.5%, 1% L Floor, purchased at 85%)	Mar-16	Mar-21	4.2	8.5%	10.0%	8.9%
Digital River Debt	Second lien (L+11.0% Cash, 1.0% L Floor, 1% OID)	Jan-15	Feb-22	4.1	12.0%	12.0%	12.3%
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%
Phillips Feed Service	Second lien (L+7.3% Cash, 1.0% L Floor; purchased @75)	Dec-15	Jan-22	3.6	8.3%	11.6%	17.1%
17 Other Income Investments (< $3m Individually)				27.0	-	-	-
Total Income Investments				**$289.5**	**9.2%**	**10.0%**	**10.8%**

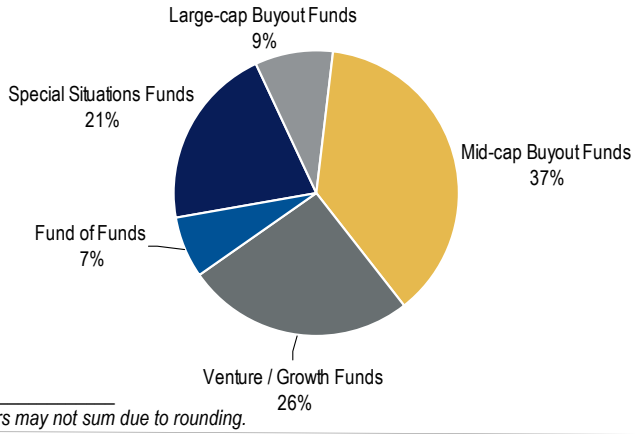
1.The yield to maturity is inclusive of PIK interest and represents the return (IRR) from this reporting period to the maturity of the investment. Small business loans are excluded from the yield calculation, but are at an interest rate at least at the rate stated above.

FUND INVESTMENT PERFORMANCE

$9 million of distributions during the first quarter of 2016



Fund Investment Distribution Activity by Asset Class



Note: Numbers may not sum due to rounding.

The largest distributions during the first quarter of 2016 were received from mid-cap buyout and venture / growth funds. During the first quarter of 2016, the largest fund distributions were received from Bertram Capital II, NB Crossroads Fund XVIII and OCM Principal Opportunities IV.

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

SCHEDULE OF INVESTMENTS

($ in millions)

Fund Investments	Asset Class	Vintage Year	Unfunded Commitment[1]	Fair Value
Catalyst Fund III	Special Situations Funds	2011	$2.3	$16.0
NB Crossroads Fund XVIII - Mid-cap Buyout	Mid-cap Buyout Funds	Fund XVIII	7.1	15.7
NB Crossroads Fund XVII	Fund XVII (Diversified)	Fund XVII	1.9	13.8
OCM Principal Opportunities Fund IV	Mid-cap Buyout Funds	2007	2.0	9.4
Bertram Growth Capital II	Growth / Venture Funds	2010	2.4	9.2
NB Crossroads Fund XVIII - Venture Capital	Growth / Venture Funds	Fund XVIII	1.7	7.9
Sun Capital Partners V	Special Situations Funds	2007	1.3	7.9
Platinum Equity Capital Partners II	Special Situations Funds	2007	2.9	7.8
Avista Capital Partners	Mid-cap Buyout Funds	2006	0.3	7.7
NG Capital Partners I , L.P.	Growth / Venture Funds	2010	0.1	7.4
Bertram Growth Capital I	Growth / Venture Funds	2007	1.2	7.0
NB Crossroads Fund XVIII - Large-cap Buyout	Large-cap Buyout Funds	Fund XVIII	2.2	6.3
Corsair III Financial Services Capital Partners	Mid-cap Buyout Funds	2007	1.1	5.5
Sankaty Credit Opportunities III	Special Situations Funds	2007	0.0	5.3
Oaktree Opportunities Fund VIII	Special Situations Funds	2009	0.0	4.2
NB Crossroads Fund XVIII - Special Situations	Special Situations Funds	Fund XVIII	0.9	4.0
Lightyear Capital Fund II	Mid-cap Buyout Funds	2006	1.4	3.8
NB Fund of Funds Secondary 2009	Mid-cap Buyout Funds	2009	0.9	3.5
CVI Global Value Fund	Special Situations Funds	2006	0.8	3.1
Highstar Capital Fund II	Mid-cap Buyout Funds	2004	0.1	3.1
ArcLight Energy Partners Fund IV	Mid-cap Buyout Funds	2007	4.6	3.1
13 Other Fund Investments (< $3m Individually)			8.7	18.8
Total Fund Investments			**$43.8**	**$170.5**

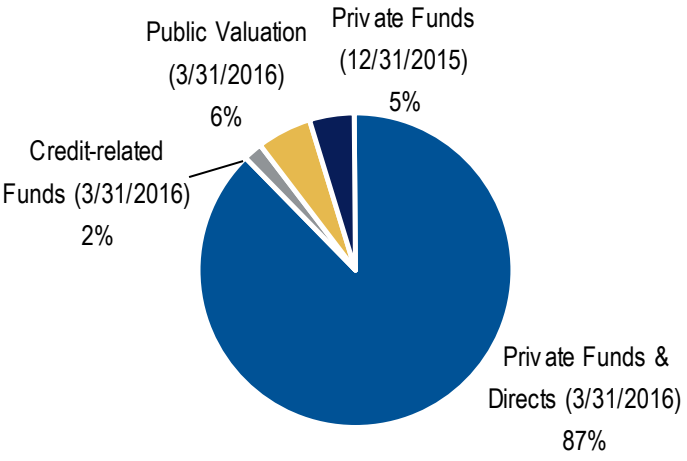
Note: Numbers may not sum due to rounding. The underlying NB Crossroads vintage year diversification is as follows (as a percentage of fair value): 2002 (<1%), 2003 (<1%), 2004 (3%), 2005 (13%), 2006 (40%), 2007 (36%), 2008 (5%), and 2010 (1%).

1. *$34.7 million of unfunded commitments are to funds past their investment period. Please refer to page 23 for more information on unfunded commitments to funds past their investment period.*

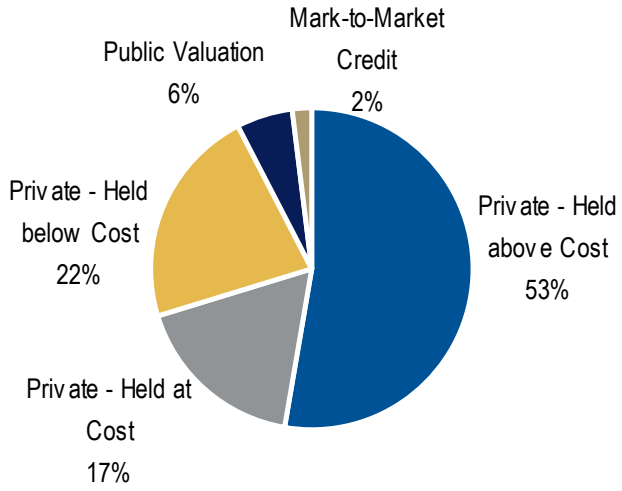
PORTFOLIO VALUATION

Following the receipt of additional valuation information after 11 April 2016, the publication date of the March monthly NAV estimate, the NAV per Share of $14.00 was the same as previously reported.[1] As of 31 March 2016, approximately 6% of fair value was held in public securities.

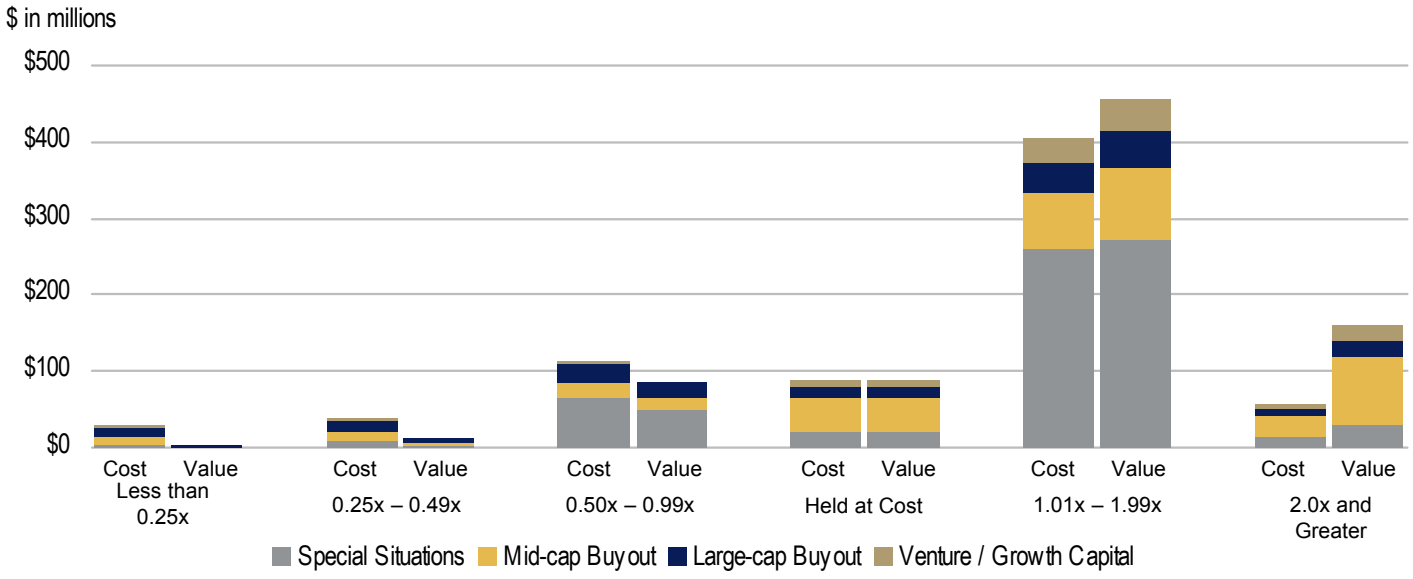
By Date of Information & Valuation Type (% of Fair Value)[2]



Valuation Method (% of Fair Value)



NBPE Portfolio Valuation by Asset Class



Note: Numbers may not sum due to rounding.

1. As reported in the monthly NAV estimate the percent of private equity fair value was held: 38% in directs, 2% in credit-related funds and 6% in publics as of 31 March 2016, 1% in directs as of 29 February 2016, 1% in directs as of 31 January 2016, and 35% in directs and 17% in private funds as of 31 December 2015.

2. Please refer to page 33 for a detailed description of the valuation policy. While some information is as of 31 December 2015, the Manager's analysis and historical experience lead the Manager to believe that this approximates fair value at 31 March 2016.

2016 IPO ACTIVITY & PUBLIC STOCK EXPOSURE

Two companies in NBPE's portfolio, representing $0.1 million of unrealised value, completed initial public offerings ("IPOs") during the first quarter of 2016, which may lead to future distributions to NBPE:

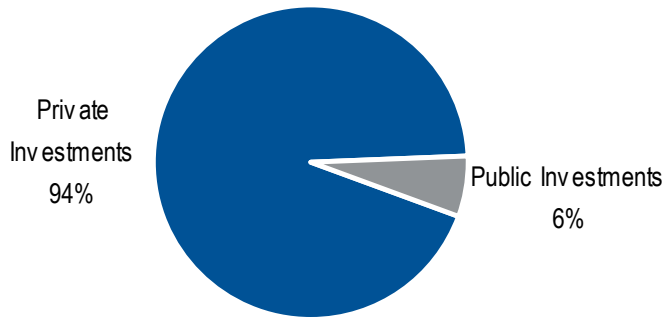
- Syndax Pharmaceuticals, Inc. (NasdaqGS: SNDX) – NB Crossroads Fund XVII, NB Fund of Funds Secondary 2009
- Proteostasis Therapeutics, Inc. (NasdaqGM: PTI) – NB Crossroads Fund XVII, NB Crossroads Fund XVIII

The top five public stock exposures are listed below:

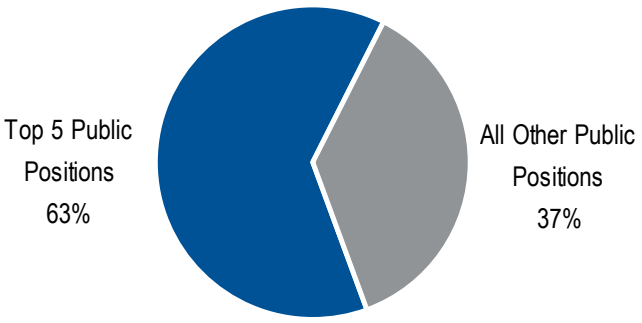
- Black Knight Financial Services (NYSE: BKFS): $11.1 million[1]
- NXP Semiconductors (NASDAQ: NXPI): $7.9 million
- Commscope (NASDAQ: COMM): $3.2 million
- First Data Corporation (NYSE: FDC): $2.7 million
- InRetail Peru Corp (InRetail Peru (BVL: INRETC1): $2.0 million

NBPE has exposure to nearly 300 other public companies on a look-through basis, which account for $16.0 million of private equity fair value.

Public vs. Private Investments (% of Fair Value)



Concentration of Public Investments (% of Fair Value)

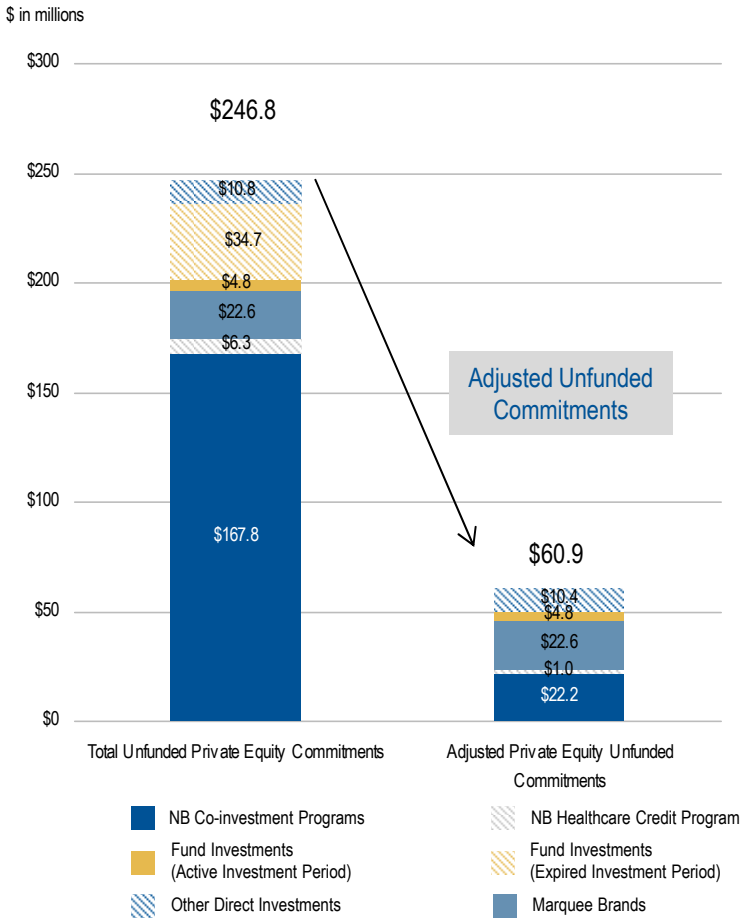


Note: Numbers may not sum due to rounding
1. Valuation is based on the underlying share price of Black Knight Financial Services, which completed its initial public offering, and an investment held through a private entity.

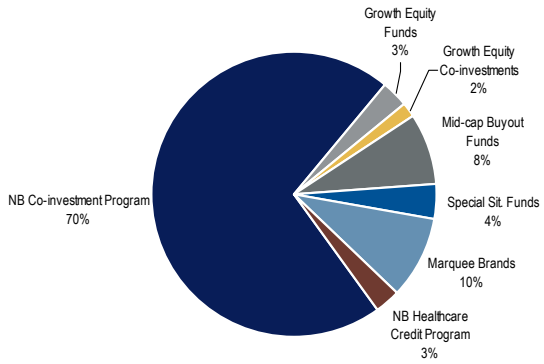
UNFUNDED COMMITMENTS

As of 31 March 2016, NBPE's unfunded commitments were approximately $246.8 million. Approximately $167.8 million, $6.3 million and $22.6 million were unfunded commitments to the NB Alternatives Co-investment and Healthcare Credit Programs and Marquee Brands, respectively. Approximately $13.5 million of unfunded commitments were to fund of funds managed by the Manager and $25.9 million of unfunded commitments were to third party direct funds. Within the fund portfolio, $34.7 million of the unfunded commitments are to funds past their investment period. The Manager believes a large portion of this amount is unlikely to be called. However, some amount may be called for fees, expenses and / or follow-on investments.

The Manager analysed the unfunded commitments on an adjusted basis. Unfunded commitments were adjusted by removing unfunded commitments past their investment period, amounts which NBPE has the ability to terminate if it so chooses, and unfunded commitments to funds managed by the Manager. Following these adjustments, the unfunded commitments were $60.9 million. On an adjusted basis this corresponds to excess capital resources of $110.6 million and a commitment coverage ratio of 281%.

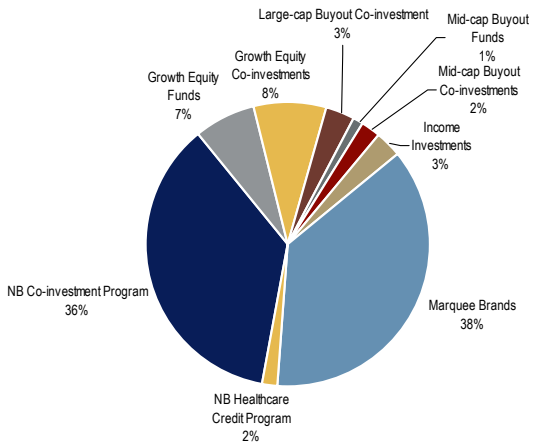


Total Actual Unfunded Private Equity Commitments ($246.8m)

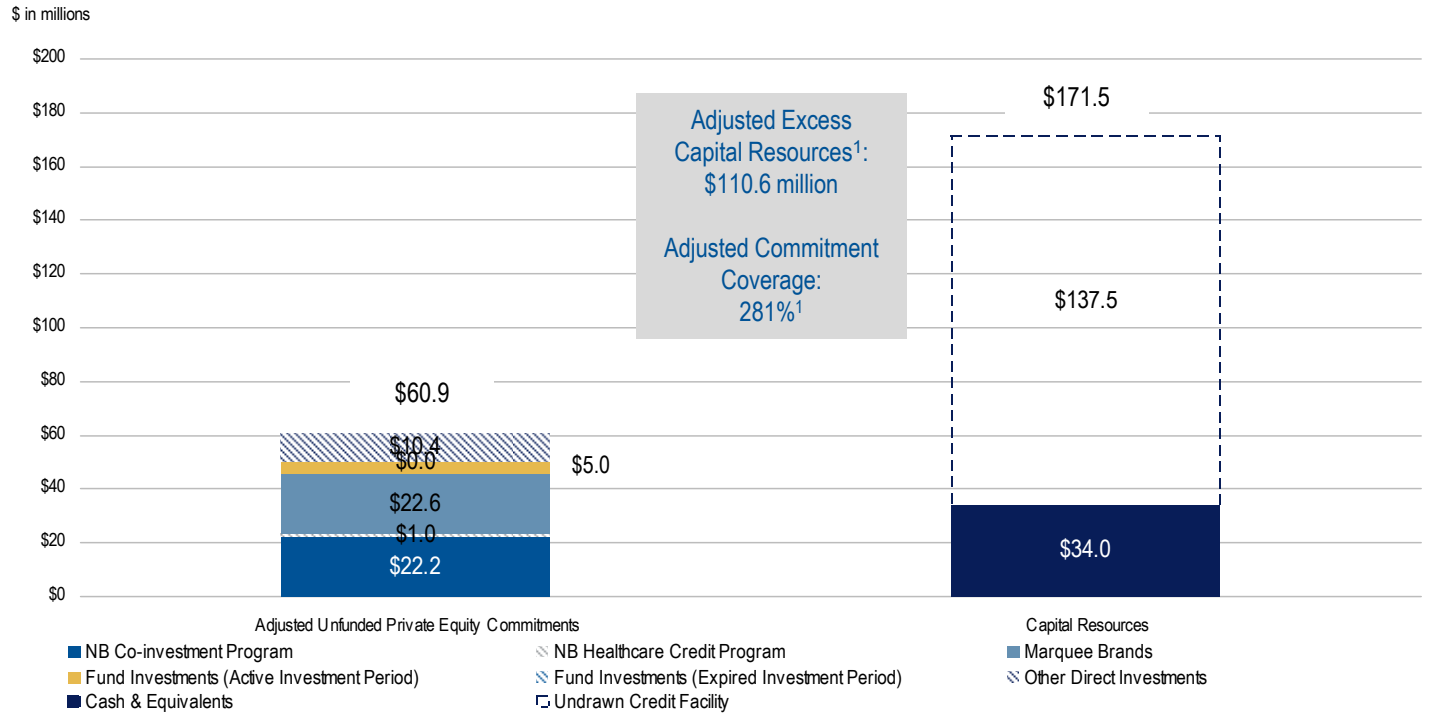


Note: Numbers may not sum due to rounding.

Adjusted Unfunded Private Equity Commitments ($60.9m)



CAPITAL RESOURCES & CREDIT FACILITY OVERVIEW



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 (the "Credit Facility"). 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 31 March 2016, the debt to value ratio was 8.7%.

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 31 March 2016, the secured asset ratio was 11.5%.

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 31 March 2016, the commitment ratio was 118.6%.

Note: Numbers may not sum due to rounding.
1. Actual unfunded commitments are $246.8 million, corresponding to an actual over commitment of $75.3 million and a commitment coverage ratio of 69%. See page 23 for detail on the adjustments to unfunded commitments.

MARKET COMMENTARY

The beginning of 2016 began with strong volatility in U.S. equity markets. By the middle of February, the S&P 500 had declined by more than 10%, prompting renewed fears around growth and policy responses. However, by March, equity markets had rebounded once again and the S&P posted a small increase of 0.8% during the first quarter of 2016. In contrast to the small increase in U.S. equity markets, the MSCI World Index, a broader measure of global markets, declined 0.9% during the first quarter of the year. While equity markets increased slightly during the first quarter, bond markets saw increases of 4.0% and 3.4%, as measured by the U.S. Corporate Investment Grade Index and the U.S. High Yield Index, respectively.

Private Equity Buyout Market

Although public markets experienced increased volatility during the first quarter of 2016, private equity buyout markets remained generally healthy. Following a significant decline in buyout transactions during the fourth quarter of 2015, buyout volume during 2016 increased significantly from the prior quarter and was roughly comparable to the same level of activity experienced during the first quarter of 2015. U.S. leveraged buyout ("LBO") volume was $42.8 billion in the first quarter of 2016, 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 76.5% of buyout volume during the first quarter of 2016.

Transaction multiples remained at generally high levels, particularly for larger transactions and companies with strong growth profiles and favorable cash flow dynamics. During the first quarter of 2016, LBO purchase multiples were 10.5x EBITDA, up from 10.3x EBITDA for all transactions completed during 2015.[2] The Manager believes this is due to continued competition among strategic acquirers and private equity firms for the strongest businesses. If concerns around a slowdown persist, the Manager believes that these businesses will continue to attract premium multiples, particularly for those with stable business models which appear more insulated from broader macroeconomic trends.

Although purchase multiples increased, equity contributions also increased from 40.5% in 2015 to 42.8% in the first quarter of 2016, This was the highest level of equity contributions from sponsors since 2009. Rather than reflecting a pullback in lending like that which occurred in 2009, the Manager believes this is reflective of sponsors seeking to deploy dry powder, but keeping companies reasonably leveraged. Buyouts of middle market companies, defined as companies with less than $50 million in EBITDA, continued to be more conservatively capitalized than large-cap transactions. Equity contributions for mid-cap buyouts during the first quarter of 2016 were 44.2%, or approximately 1.8% higher than large-cap transactions[2]. The higher equity level in the mid-cap market is in part the result of less transparent credit markets for smaller transactions as well as generally less reliance on financial leverage to create returns.

In Europe, the UK, Netherlands and France represented the majority of LBO activity and the average purchase price multiple for all LBOs was 10.1x EBITDA during the first quarter of 2016.[3] While multiples remain elevated, the Manager believes the executed transactions involved stable businesses with healthy cash flows which generally justify a higher valuation.

Private Equity Financing Markets

Primary volume in the leveraged loan market edged up in Q1 2016 from Q4 2015 despite regulatory pressure, volatile public markets, and generally high purchase multiples. Largely, the environment was more conducive to better-rated strategic issuers rather than leveraged buyouts in the quarter. New-issue volume for the first quarter was $90.6 billion, up 22% from $74.2 billion in the fourth quarter and down slightly from $93.9 billion in the first quarter of last year when technical conditions were brighter.

The average leverage for U.S. middle market buyout transactions at the end of Q1 2016 was 5.0x, down from 5.4x at Q4 2015. Interest coverage levels remained high at 3.1x during the first quarter of 2016 and have been at or above 3.0x since 2012. Default rates remain low outside of energy and metals & mining, indicating that portfolio company performance remains stable, although lenders may place more scrutiny on the economic cycle and outlook in 2016.

1. *Source: CapitalIQ.*
2. *S&P Q1 2016 U.S. Leveraged Buyout Review.*
3. *S&P Q1 2016 European Leveraged Buyout Review.*

MARKET COMMENTARY

Fundraising Environment

During the first quarter of 2016, approximately $22.3 billion was raised in the U.S. buyout market, of which approximately $10.6 billion was raised by funds with a fund size under $2.5 billion.[1] The amount raised during 2016 compares to approximately $42.3 billion raised during the same period in 2015. While this fundraising activity represents a significant decline year over year, the Manager believes that fundraising activity remains healthy and that buyout funds with strong prior fund track records continue to attract capital from the fundraising market. In Europe, during the first quarter of 2016, approximately $11.0 billion was raised in the buyout market, of which approximately $8.1 billion was raised by managers with a fund size under $2.5 billion.[1]

1. *Thomson Reuters through 31 March 2016. Excludes venture, mezzanine, fund of funds, and secondary fundraising.*

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 the Company's Class A Shares, Class B Shares 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 • Sustaining dividend from cash income generated by income investments • 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; option 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 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

Risk Report (Continued)

Control Objective	Perceived Risk	Key Controls
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

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 corporate 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 fully supported from the cash income this portfolio generates. Another strategic risk is the persistent trading discount of the share price to NAV. The board and the Investment Manager continue to monitor the trading discount and evaluate ways to enhance shareholder value over time.

Risk Report (Continued)

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 approximately 230 years of combined professional experience and average over 16 years with the firm. The eight members have 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 33 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.

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.

Risk Report (Continued)

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 the Class A Shares, Class B Shares and ZDP Shares. 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 pages.

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 the Company's 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 for 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 Class A Shares could continue to trade at a discount to NAV

The Class A 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 portfolio assets and the Investment Manager's ability to manage those assets. 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 Class A 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 Class A Shares for cash. Accordingly, in the event that a holder of Class A Shares requires immediate liquidity, or otherwise seeks to realize the value of its investment, through a sale of Class A Shares, the amount received by the holder upon such sale may be less than the underlying NAV of the relevant Class A Shares sold.

Risk Report (Continued)

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 Specialist Fund Market ("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 Class A Shares, especially in large blocks. To date the Company's Class A Shares have actively traded, but with generally low daily volumes. The Company cannot predict the effects on the price of the Class A 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 Class A Shares. For example, sales of a significant number of Class A 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. 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 Channel Islands Securities Exchange Authority Limited ("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.

Risk Report (Continued)

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.

The Company may not be able to refinance its existing credit facility or existing ZDP Shares
The Company currently has an existing Credit Facility with Lloyd's Banking Group which matures in April 2017. In the event the Company is not able to refinance this Credit Facility, any borrowings drawn would be due at maturity. If the Company did not have sufficient cash available, then the Company could be forced to sell assets at a discount to the most recent investment value, and as result, the NAV per Class A Share could suffer. Likewise, the Company has existing ZDP Shares which mature in May 2017. If the Company did not have sufficient cash available to settle this liability when it comes due, the Company may be required to raise cash through asset sales or other means which could impact the overall performance of the Company.

VALUATION METHODOLOGY

Equity

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

Debt

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

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

FORWARD LOOKING STATEMENTS

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

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

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

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

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

OVERVIEW OF THE INVESTMENT MANAGER

About NB Alternatives

The NB Alternatives group of Neuberger Berman has 29 years of investing experience specializing in direct equity investments, income investments, private equity funds and secondary investments and has built relationships with leading private equity fund managers over that time.

The Investment Manager makes all of the Company's investment decisions, and the board of directors of the Company has delegated to the Investment Manager the day-to-day management and operations of the Company's business. The Investment Manager's investment decisions are made by its Investment Committee (the "Investment Committee"), which currently consists of eight members with approximately 230 years of professional experience and average over 16 years with the firm. The sourcing and evaluation of the Company's investments is conducted by the Investment Manager's team of approximately 100 investment professionals who specialize in direct equity investments, income investments and fund investments. The Investment Manager currently maintains offices in New York, London, Boston, Dallas, Hong Kong, Milan and Bogotá.

About Neuberger Berman

Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager. The firm manages equities, fixed income, private equity and hedge fund portfolios for institutions and advisors worldwide. With offices in 19 countries, Neuberger Berman's team is more than 2,100 professionals and the company was named by Pensions & Investments as a 2013, 2014 and 2015 Best Place to Work in Money Management. Tenured, stable and long-term in focus, the firm fosters an investment culture of fundamental research and independent thinking. It manages $243 billion in client assets as of 31 March 2016. For more information, please visit the Investment Manager's website at www.nb.com.

DIRECTORS, ADVISORS & CONTACT INFORMATION

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

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

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