

# NB Private Equity Partners

27 August 2013

**Financial Information as of 31 July 2013**

## Neuberger Berman Private Equity Platform

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

PRIMARY INVESTMENT PORTFOLIOS AUM: \$9.8 billion	SECONDARY AUM: \$3.7 billion	CO-INVESTMENTS AUM: \$2.7 billion	DIRECT YIELDING STRATEGIES AUM: \$1.8 billion
<ul style="list-style-type: none"> <li>Focus on tactical allocations among top performing mid &amp; large-cap buyout, venture &amp; growth capital and special situations PE funds</li> </ul>	<ul style="list-style-type: none"> <li>Focus on seasoned private equity investments at attractive valuations from investors desiring liquidity</li> </ul>	<ul style="list-style-type: none"> <li>Focus on co-investing with high-quality private equity sponsors in attractive investment opportunities in their core areas of expertise, with attractive economics</li> </ul>	<ul style="list-style-type: none"> <li>Private Debt: Focus on junior private debt investments in private equity-backed companies</li> <li>Healthcare Credit Investments</li> <li>Hedge fund manager minority stakes</li> </ul>

- Over 25 years as private equity investors
- Approximately \$18 billion of commitments managed
- Over \$1 billion of capital committed to private equity investments annually

- ~60 private equity investment professionals with extensive networks, supported by ~110 investor services professionals
- Global presence with investment offices in the U.S., Europe and Asia
- Leverages the resources of Neuberger Berman

### Private Equity Dedicated Back Office Service Team: "Capital Analytics"

- Capital Analytics is the private equity fund and portfolio administration business of NB Alternatives
- Tracks 650 funds and 12,000+ portfolio companies

## NB Private Equity Partners

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NBPE is a closed end private equity investment company providing investors with a diversified exposure to the private equity investment asset class and the opportunity for both capital gains as well as current income

- Listed in July 2007, NBPE is a private equity investment vehicle primarily focused on direct equity and debt investments generated across the NB Alternatives platform
- Focused primarily on direct private equity co-investments and debt investments in private equity-backed companies
  - Equity co-investments and direct yielding investments now constitute 52% of NAV
- Ordinary shares trade on both Euronext Amsterdam (NBPE AS) and the LSE (NBPE LN); ZDP shares trade on the LSE
- 2013 Dividend Activity
  - Dividend Yield (Annualized): 4.6% on share price<sup>1</sup>, 3.5% on NAV per Share<sup>1</sup>
  - On a run rate basis, the 2013 dividend is 71% covered by the cash yield from the direct yielding portfolio; we expect the dividend to be 100% covered by the cash yield on a run rate basis by the end of 2013

As of 31 July 2013. See endnote three for important information related to the dividend.

1. Based on the NYSE Euronext closing share price of \$9.10 on 31 July 2013 and the 31 July 2013 unaudited, restated NAV of \$11.98 per share.

## NBPE Highlights Year to Date

NBPE is successfully executing on its stated strategy. The direct investment portfolio is 52% of NAV and direct yielding investments are generating cash of \$14.3 million on a run-rate basis, or 71% of the 2013 dividend

### Increasing percentage of the portfolio in Direct Yielding Investments and Equity Co-investments and reduced exposure to private equity funds

- Increased direct investment exposure from 37% of NAV at 31 December 2012 to 52% of NAV as of 31 July 2013
- 16 direct investments completed year to date

### Funding new investments through cash generated from a maturing private equity fund portfolio

- Received \$52.8 million in distributions (80% from Funds) and funded \$94.4 million to investments (93% to direct investments)

### 27% of Net Asset Value in Direct Yielding Investments with a total estimated yield to maturity of 12.0% and a cash yield of 9.7%, generating run-rate cash income of \$14.3 million

- Cash generated from Direct Yielding Investments covers 71% of the annual dividend
- Expect to fully cover the dividend on a run rate basis by the end of 2013 from the cash generated from our Direct Yielding Investments

### Strong performance in Equity Co-investment Portfolio during 2013

- Early liquidity events from two 2012 vintage Equity Co-investments
  - Dividend re-capitalizations as a result of strong underlying company performance; proceeds received in July

*Note: As of 31 July 2013 unless otherwise noted.*

## NAV Update

On a total return basis, including dividends, NBPE's NAV per share increased 4.9% during the first seven months of 2013

### JULY 2013 NAV UPDATE

<i>(\$ in millions, except per share values)</i>	31 July 2013 (Unaudited, Restated)	31 December 2012 (Audited)
Fund Investments	\$328.5	\$350.6
Direct / Co-investments		
Direct Yielding Investments	\$155.9	\$82.9
Equity Co-investments	\$150.6	\$130.6
Total Direct / Co-investments	\$306.4	\$213.4
Total Private Equity Fair Value	\$635.0	\$564.0
Private Equity Investment Level	109%	98%
Cash and Cash Equivalents	\$38.3	\$67.4
Credit Facility	-	-
ZDP Share Liability, including Forward Currency Contract	(\$68.5)	(\$66.9)
Net Other Assets (Liabilities), including Minority Interest	(\$20.0)	\$12.1
Net Asset Value	\$584.8	\$576.6
Net Asset Value Including Dividends	\$604.8	\$576.6
<b>Net Asset Value per Share</b>	<b>\$11.98</b>	<b>\$11.81</b>
<b>Net Asset Value per Share Including Dividends</b>	<b>\$12.39</b>	<b>\$11.81</b>

### PORTFOLIO ACTIVITY

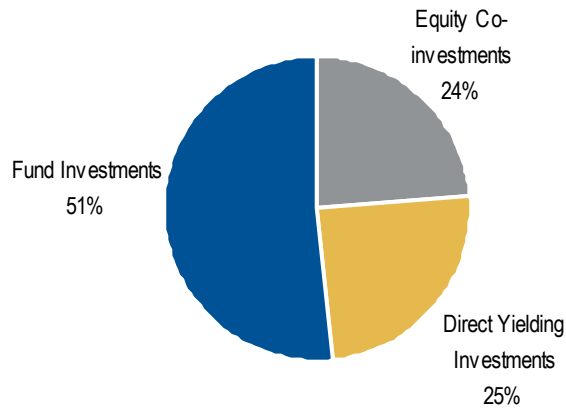
- Significant amount of investment and realization activity in 2013
  - Direct/co-investments and Capital calls of ~\$94 million YTD 2013
  - Sale proceeds and Distributions of ~\$66 million YTD 2013

Note: As of 31 July 2013 (unaudited, restated). Past performance is not indicative of future results. Numbers may not sum due to rounding.

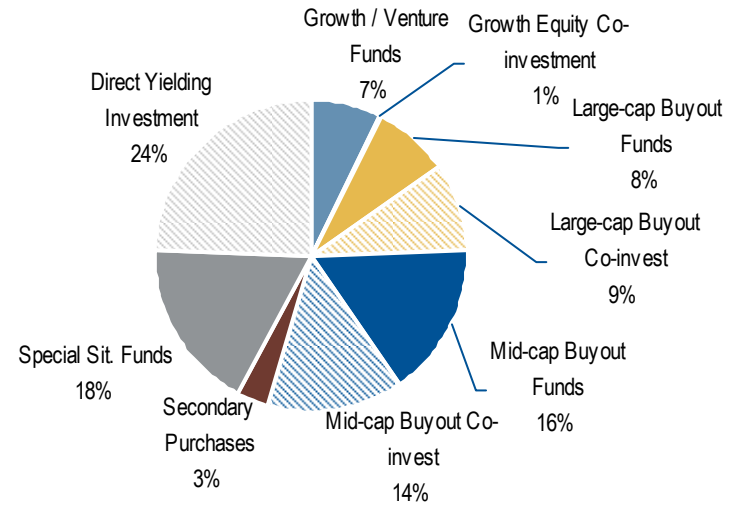
## Diversified Private Equity Exposure

The portfolio is well diversified and includes a meaningful and increasing exposure to equity co-investments and direct yielding investments, as well as a tactical over allocation to investments in North America

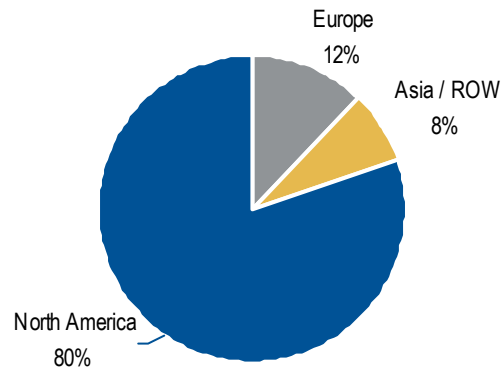
**INVESTMENT TYPE BY FAIR VALUE**



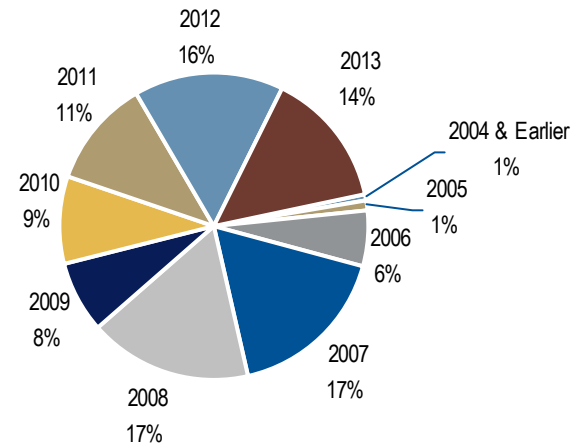
**ASSET CLASS BY FAIR VALUE**



**GEOGRAPHIC DIVERSIFICATION BY FAIR VALUE**



**YEAR OF INVESTMENT BY FAIR VALUE**



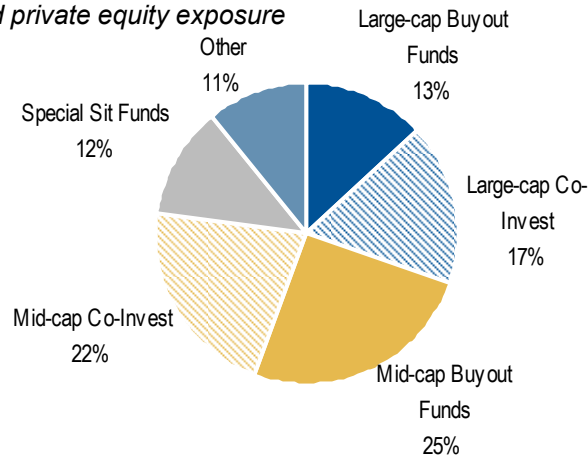
Note: As of 31 July 2013 (unaudited, restated). Numbers may not sum due to rounding.

## Tactical Approach to Asset Allocation

NBPE has adjusted its tactical asset allocations over time to optimize its private equity exposure

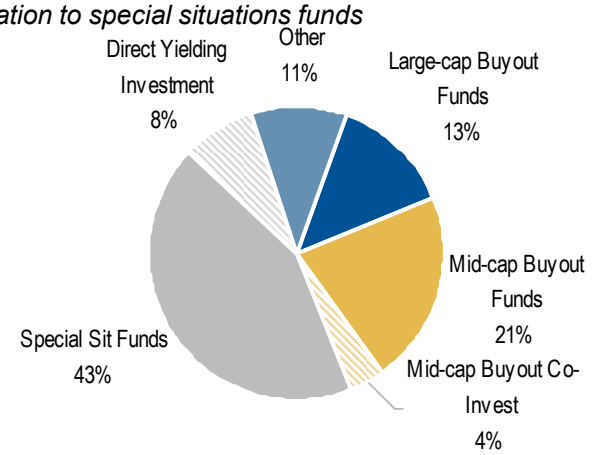
### DEPLOYED IN 2007 & EARLIER (25% OF FAIR VALUE)

*Diversified private equity exposure*



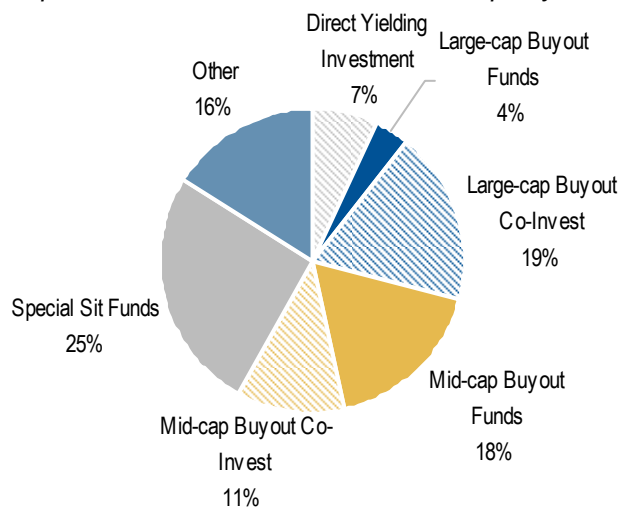
### DEPLOYED IN 2008 AND 2009 (25% OF FAIR VALUE)

*Tactical allocation to special situations funds*



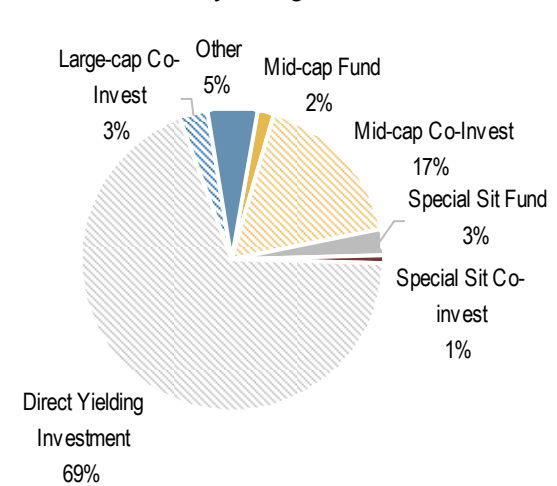
### DEPLOYED IN 2010 & 2011 (21% OF FAIR VALUE)

*Continued special situations and increased mid-cap buyout exposure*



### DEPLOYED IN 2012 – YTD 2013 (30% OF FAIR VALUE)

*Increase in direct co-investments and yielding investments*



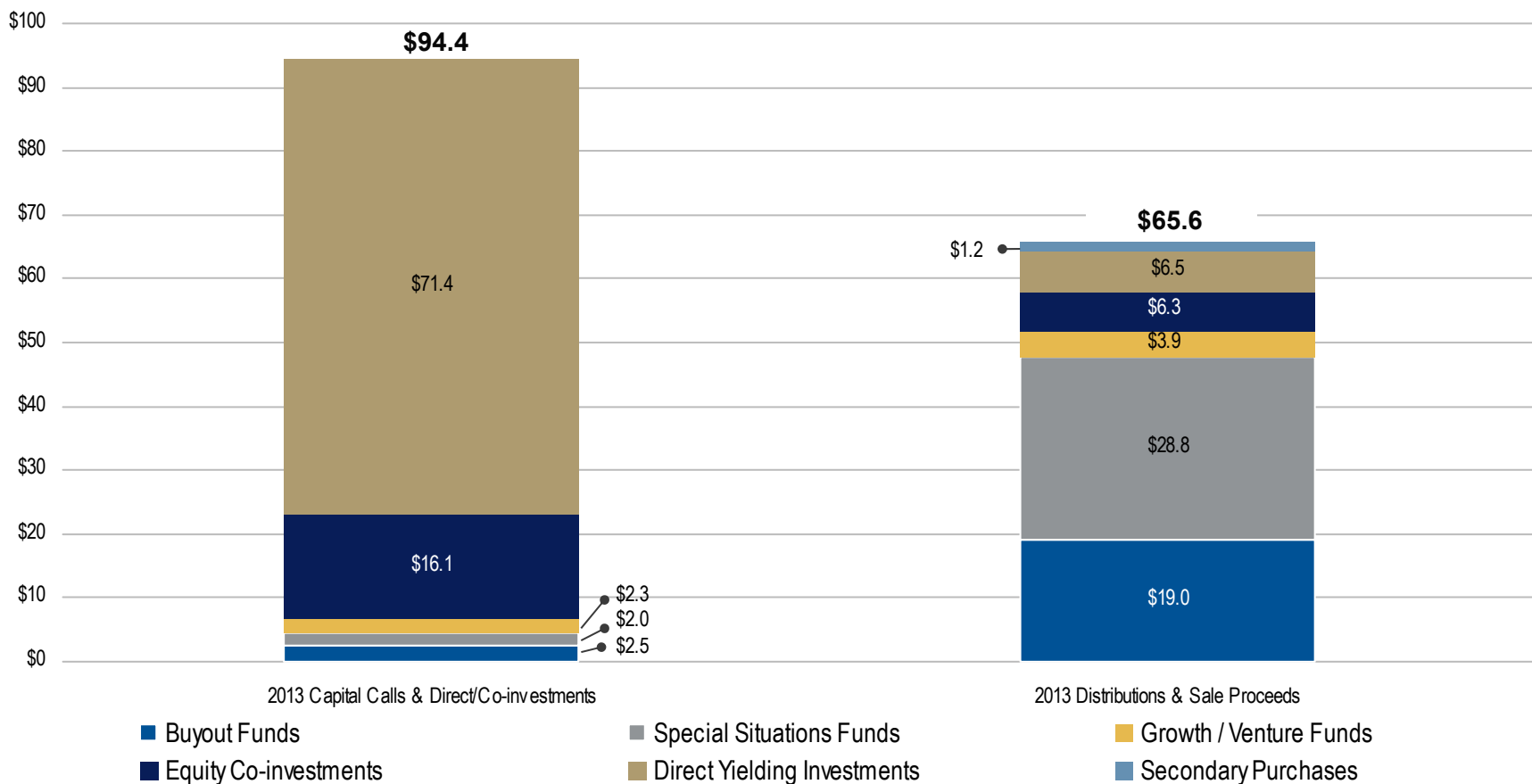
Note: Other includes NB Crossroads Fund XVII and Growth/Venture. Based on private equity fair value as of 31 July 2013 (unaudited, restated). Numbers may not sum due to rounding.

## Recent Portfolio Activity

NBPE has funded \$94.4 million and received \$65.6 million of distributions in 2013

### YTD 2013 NBPE PORTFOLIO ACTIVITY

\$ in Millions



Note: As of 31 July 2013. Past performance is not indicative of future results. Contributions are net of returns of capital from the NB Alternatives Direct Co-investment Program. Numbers may not sum due to rounding.



## Portfolio Company Performance Metrics

We analyzed the operational performance and valuation metrics of the 50 largest buyout companies based upon fair value at 30 June 2013

### TRADITIONAL BUYOUT INVESTMENTS

- Traditional buyout investments that were valued based on a multiple of cash flow (total enterprise value as a multiple of EBITDA<sup>1</sup>)
  - 38 companies with approximately \$129.5 million of fair value, representing 21% of private equity fair value and 42% of buyout fair value
- Summary metrics for the traditional buyout investments:
  - Weighted average valuation multiple of 10.1x LTM EBITDA
  - Weighted average leverage multiple of 4.3x LTM EBITDA
  - Weighted average LTM revenue growth of 6.9%
  - Weighted average LTM EBITDA growth of 14.5%

### OTHER BUYOUT INVESTMENTS

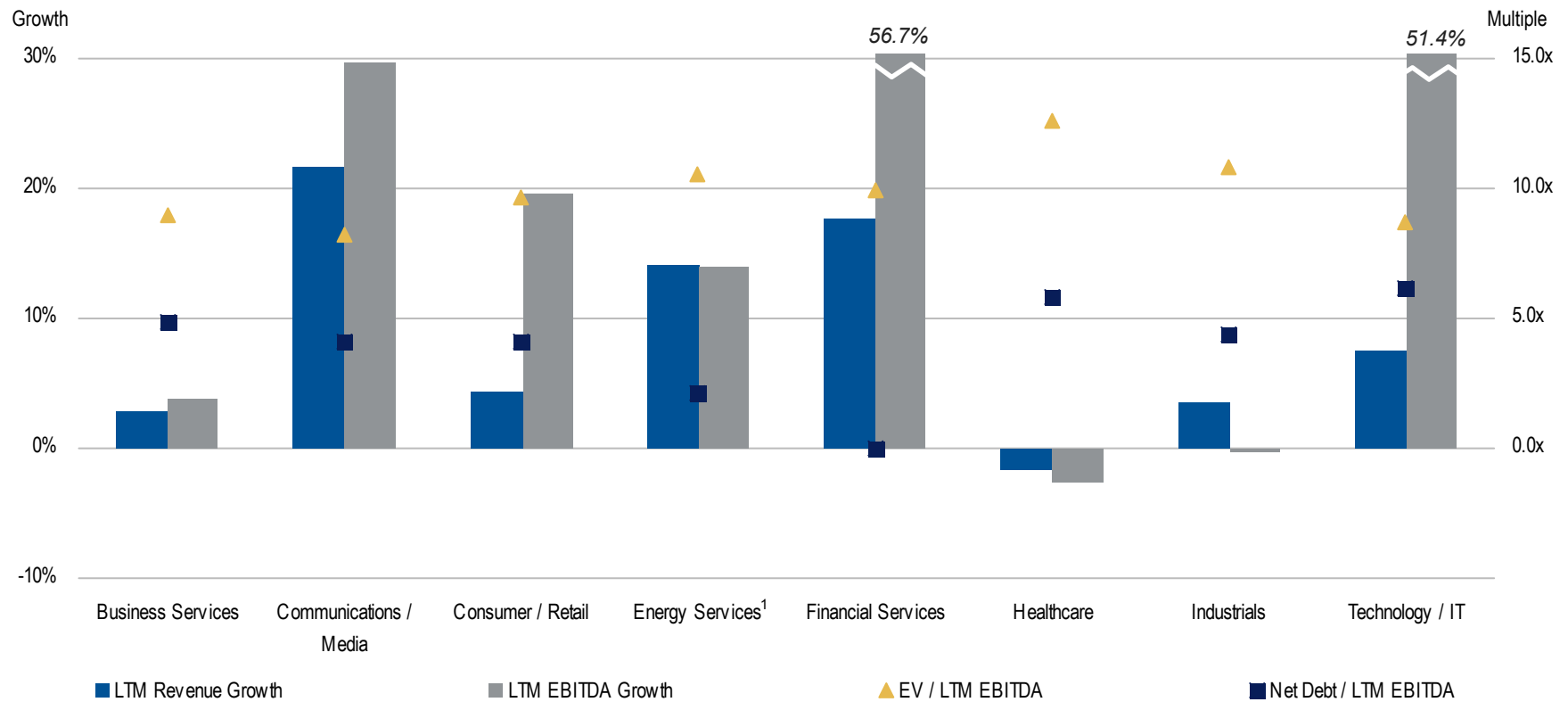
- Power generation and utility companies, financial institutions and publicly traded companies
  - 12 companies with approximately \$63.7 million of fair value, representing 10% of private equity fair value and 21% of buyout fair value
- Six privately held financial institutions (\$30.3 million of fair value) grew book value by 9% over the last twelve months and were valued at 1.4x book value on a weighted average basis
- Two power generation and utility companies (\$12.2 million of fair value) were valued based on a variety of metrics, including price per kilowatt hour of generation capacity
- Four publicly traded companies (\$21.2 million of fair value) generated a weighted average total return of 13% during 2012

Note: As of 30 June 2013 (unaudited). Portfolio company metrics are based on the most recently available information (unaudited). Numbers may not sum due to rounding.  
1. One energy services company was valued based on normalized EBITDA.

## Company Performance Metrics: Buyout

Of NBPE's top 50 buyout assets by fair value, 38 were traditional buyout companies with an aggregate fair value of \$129.5 million as of 30 June 2013

### WEIGHTED AVERAGE PERFORMANCE & VALUATION METRICS BY INDUSTRY SECTOR: TRADITIONAL BUYOUT



<b>Fair Value (\$mm):</b>	<b>\$35.2</b>	<b>\$11.5</b>	<b>\$13.8</b>	<b>\$19.2</b>	<b>\$6.6</b>	<b>\$17.7</b>	<b>\$14.7</b>	<b>\$10.9</b>
<b># of Companies:</b>	<b>7</b>	<b>4</b>	<b>5</b>	<b>7</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>3</b>

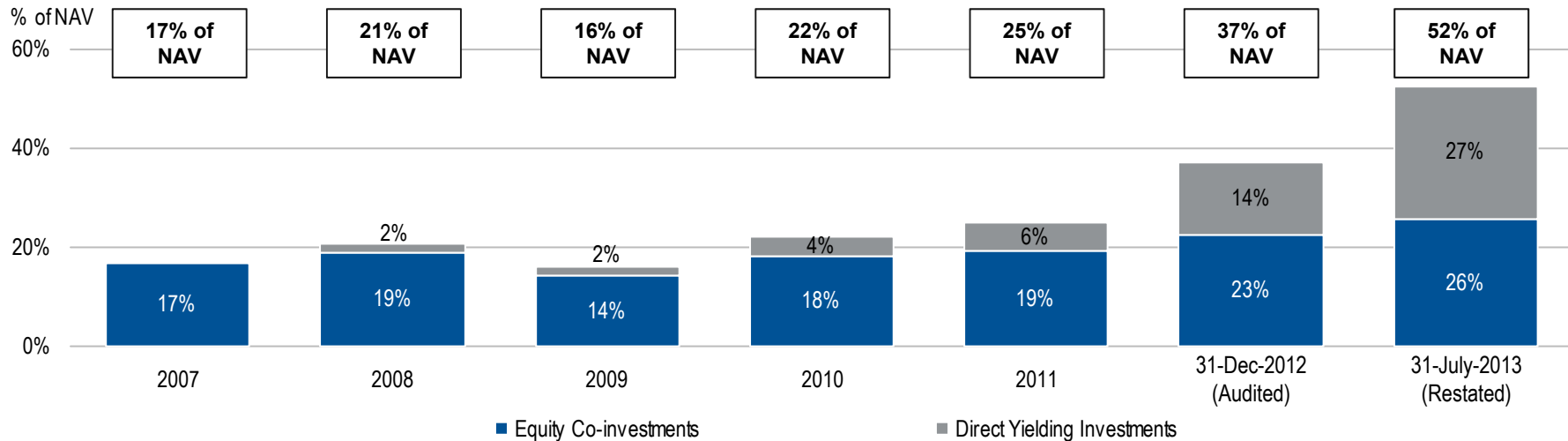
Note: As of 30 June 2013 (unaudited). Portfolio company metrics are based on the most recently available information (unaudited). Numbers may not sum due to rounding.  
 1. One energy services company was valued based on normalized EBITDA.

## Investment Strategy

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

- New investments are predominantly equity co-investments or direct yielding investments
  - Equity co-investments: equity investments alongside premier private equity sponsors in their core areas of expertise
  - Direct yielding investments: junior debt generating strong cash yields and in many cases additional upside through PIK and / or equity
- We expect this strategy to:
  - Reduce the expected duration of our private equity portfolio
  - Increase transparency for shareholders
  - Reduce our overall effective expense ratio










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



Note: As of 31 July 2013 (unaudited, restated). Numbers may not sum due to rounding.  
 1. The percent of NAV is based on the NAV of NBPE and may differ from the percent of private equity fair value.

## New Equity Co-investments in 2013

Nine new equity co-investments from 1 January 2013 through 31 July 2013 totaling \$19.7 million or 3.4% of NBPE NAV at 31 July 2013

									
<b>Investment Date</b>	Mar. 2013	Mar. 2013	Apr. 2013	Apr. 2013	June 2013	July 2013	July 2013	July 2013	July 2013
<b>Asset Class</b>	Buyout	Buyout	Buyout	Growth Equity	Buyout	Buyout	Buyout	Buyout	Buyout
<b>Situation</b>	Sponsor to sponsor transaction	Carve-out	New Buyout	Growth Equity	Portfolio of Insurance Contracts	Take-Private	Oil and Gas Exploration and Production	Oil and Gas Exploration and Production	Carve-out
<b>Lead PE Firm</b>	Compass Investment Partners	Castle Harlan Partners	Leeds Equity	3i	Cartesian	KKR	Lindsay Goldberg	Pine Brook	Thoma Bravo
<b>Industry</b>	Professional Employer Organization	Offshore Oil and Gas Drilling	Collegiate recruitment, placement and education in the U.K. and U.S.	2 <sup>nd</sup> largest eyewear retailer in Brazil	Financial Services	Chemicals and Materials	Energy	Energy	Financial Technology
<b>Range of % NBPE NAV</b>	0% – 1%	0% – 1%	0% – 1%	0% – 1%	0% – 1%	0% – 1%	0% – 1%	0% – 1%	0% – 1%

Source: NB Alternatives Due Diligence and investment case. Data as of 31 July 2013.

## New Direct Yielding Investments in 2013

In 2013, NBPE has participated in seven direct yielding investments. These investments totaled \$68.6 million or 11.7% of NBPE NAV at 31 July 2013

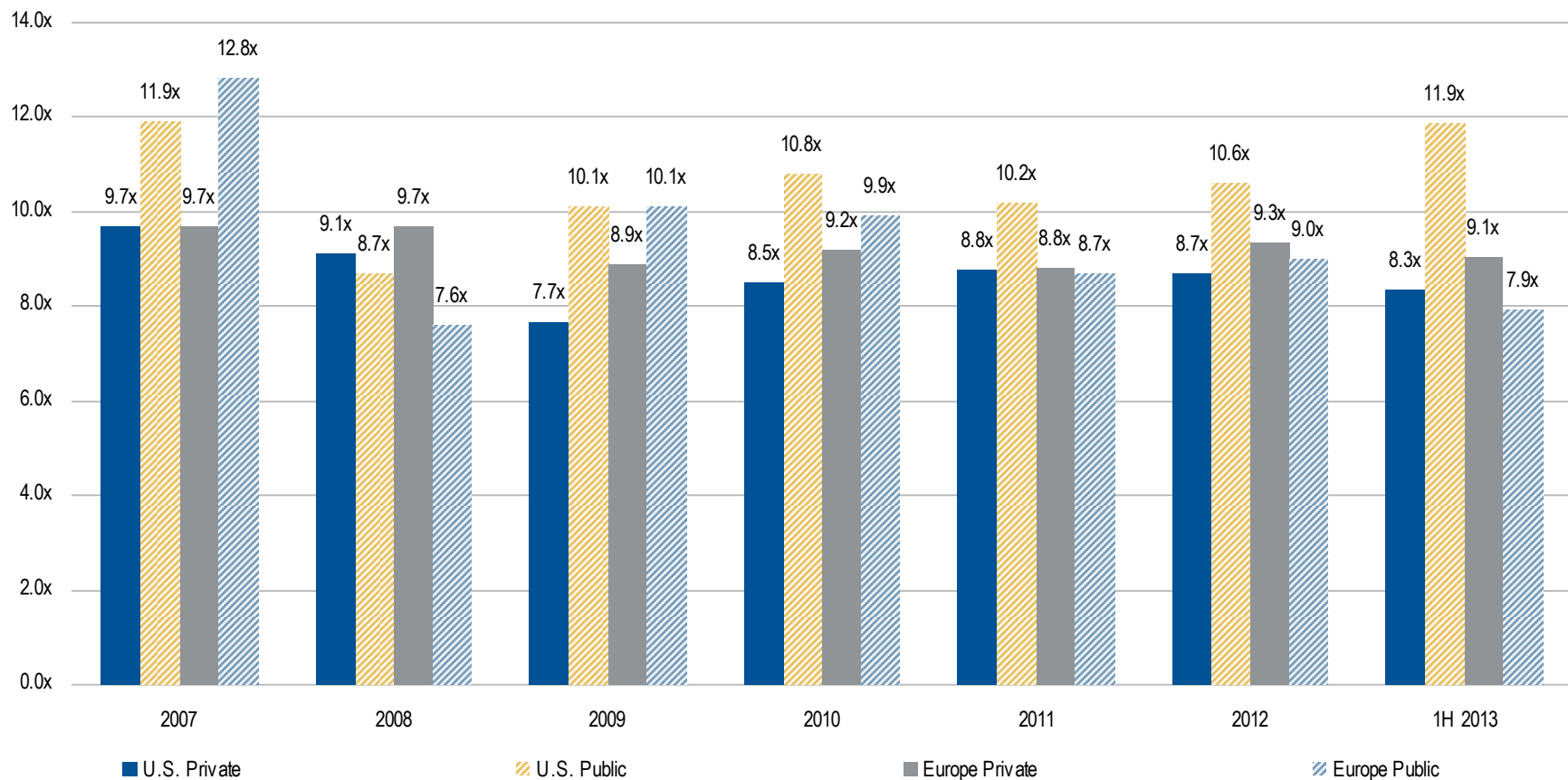
Investment Description	Heartland Dental <sup>1</sup>	Internal Medication Royalty Notes	Term Loan to Medical Device Company (Cardiac Device)	KIK Custom Products	Term Loan to Diagnostic Laboratory Company (Genetic Testing)	Term Loan to a Medical Device Company (Cosmetics)	Blue Coat
<b>Investment Date</b>	Jan. 2013	Jan. 2013	Feb. 2013	May 2013	June 2013	July 2013	July 2013
<b>Security Description</b>	Second Lien Debt	Synthetic Healthcare Royalty <sup>2</sup>	Senior Secured Term Loan	Second Lien Debt	Senior Secured Loan	Senior Secured Loan	Second Lien Debt
<b>OID / Purchase Discount</b>	1.5% OID <sup>1</sup>	N/A	1.5% OID	2.0% OID	N/A	N/A	1.0% OID
<b>Cash Interest</b>	9.8%	11.0%	13.5%	9.5%	10.0%	10.5%	9.5%
<b>PIK Interest</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Maturity Profile</b>	2020	2024	2018	2019	2018	2018	2020
<b>Range of % NBPE NAV</b>	3% – 4%	0% – 1%	0% – 1%	3% – 4%	0% – 1%	0% – 1%	3% – 4%

Note: As of 31 July 2013 (unaudited, restated). Past performance is not indicative of future results.

1. NBPE participated in the primary issuance of the second lien debt in January 2013. The notes purchased in this transaction were issued at a 1.5% OID. Subsequent to this financing, NBPE made an additional purchase of the second lien notes through a secondary transaction.
2. NBPE holds an unsecured note that is serviced by a royalty from the sales of an internal medication drug.

## Relative Value: U.S. & Europe Buyouts vs. Public Markets

Private EV/EBITDA multiples in the U.S. offer compelling investment opportunities relative to public markets. Private EV/EBITDA multiples in the U.S. are also below European private multiples

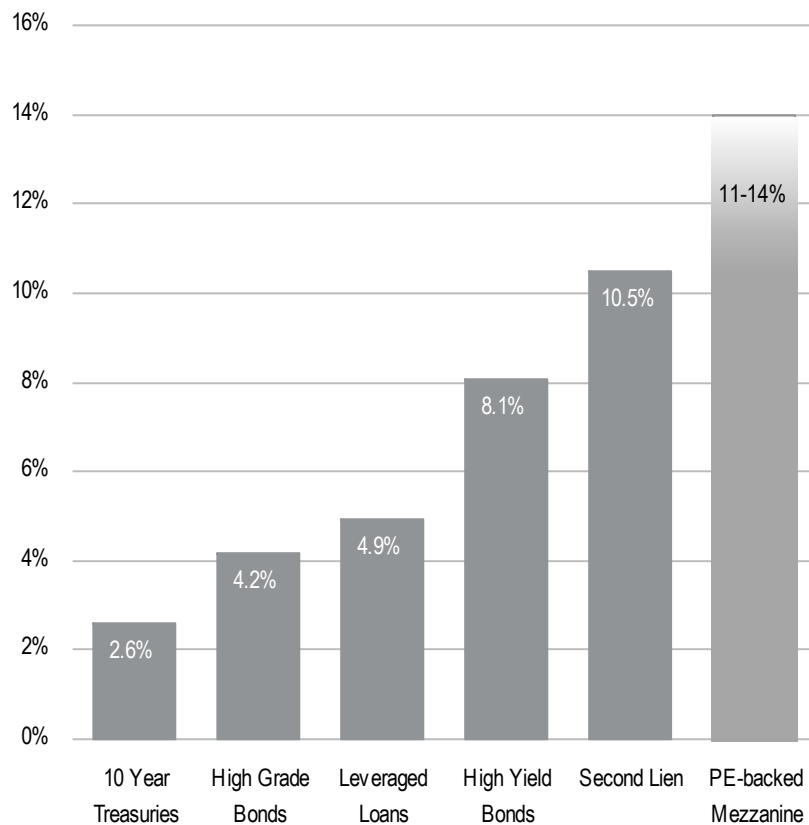


Source: Bloomberg, S&P LCD. Public multiples based on Russell 2000 and MSCI Europe Small Cap.

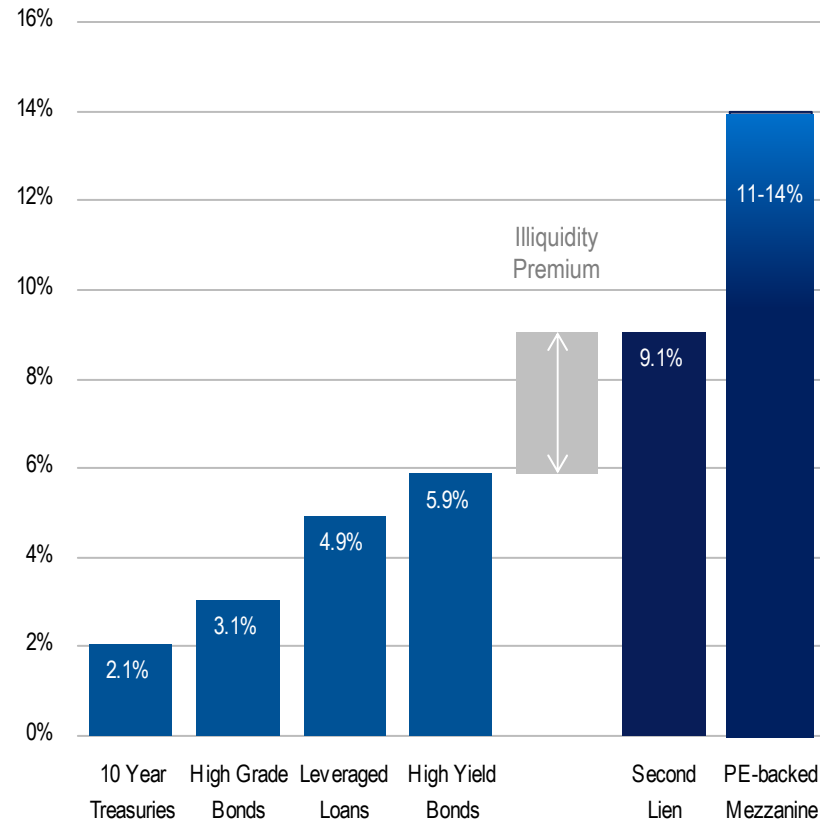
## Advantages of Private Debt – Capture Illiquidity Premium

We believe private debt can provide an attractive illiquidity premium in most environments and a compelling opportunity currently

**FIXED INCOME YIELDS (HISTORICAL- 5 YEAR MEDIAN)**



**FIXED INCOME YIELDS (CURRENT- JULY 2013)**



Source: Bloomberg, Credit Suisse, Barclays, S&P LCD. Data YTD as of July 2013.

Yields represent: US Government Generic 10 Year Index, Barclays Corporate Investment Grade Index, Credit Suisse Leveraged Loans Index; Barclays Corporate High Yield Bond Index, Average New-Issue Spread from S&P LCD (includes LIBOR floor and upfront fee), Latest Report from Lincoln International's Debt Advisory Group (March 2013).

Note: There can be no assurance that the Fund will be able to achieve comparable results. Past performance is not necessarily indicative of future returns.

## Capital Position

NBPE has \$20.3 million of excess capital resources with a 109% commitment coverage level

- As of 31 July 2013, NBPE had unfunded commitments of \$218.0 million
  - Total capital resources were \$238.3 million, including cash and cash equivalents (including restricted cash) plus the undrawn credit facility
- NBPE has a \$200 million revolving credit facility with a term expiring in April 2017, which is currently undrawn

### NBPE Financial Position & Liquidity Metrics - 31 July 2013 (Unaudited, Restated)

<b>Unfunded Commitments:</b>		<b>Fair Value:</b>	
Equity Co-investments <sup>1</sup>	\$100.6	Equity Co-investments	\$150.6
Direct Yielding Investments	32.7	Direct Yielding Investments	155.9
Fund Commitments	84.7	Fund Investments	328.5
<b>Total Unfunded Commitments</b>	<b>\$218.0</b>	<b>Total Private Equity Fair Value</b>	<b>\$635.0</b>
Cash and Cash Equivalents (Including Restricted Cash)	\$38.3	Net Asset Value	\$584.8
Undrawn Credit Facility	200.0	Private Equity Investment Level	109%
<b>Total Capital Resources</b>	<b>\$238.3</b>	<b>Commitment Level<sup>2</sup></b>	<b>146%</b>
<b>Excess Capital Resources</b>	<b>\$20.3</b>	<b>Commitment Coverage Level</b>	<b>109%</b>

- As of 31 July 2013, \$43.8<sup>3</sup> million of NBPE's unfunded commitments shown above are past their investment period

Note: As of 31 July 2013 (unaudited, restated).

1. Approximately \$99.2 million of this amount was unfunded commitments to our NB Alternatives Direct Co-investment Program.

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

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



## Dividends

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### NBPE intends to pay sustainable dividends to Shareholders from the cash yield generated on Direct Yielding Investments

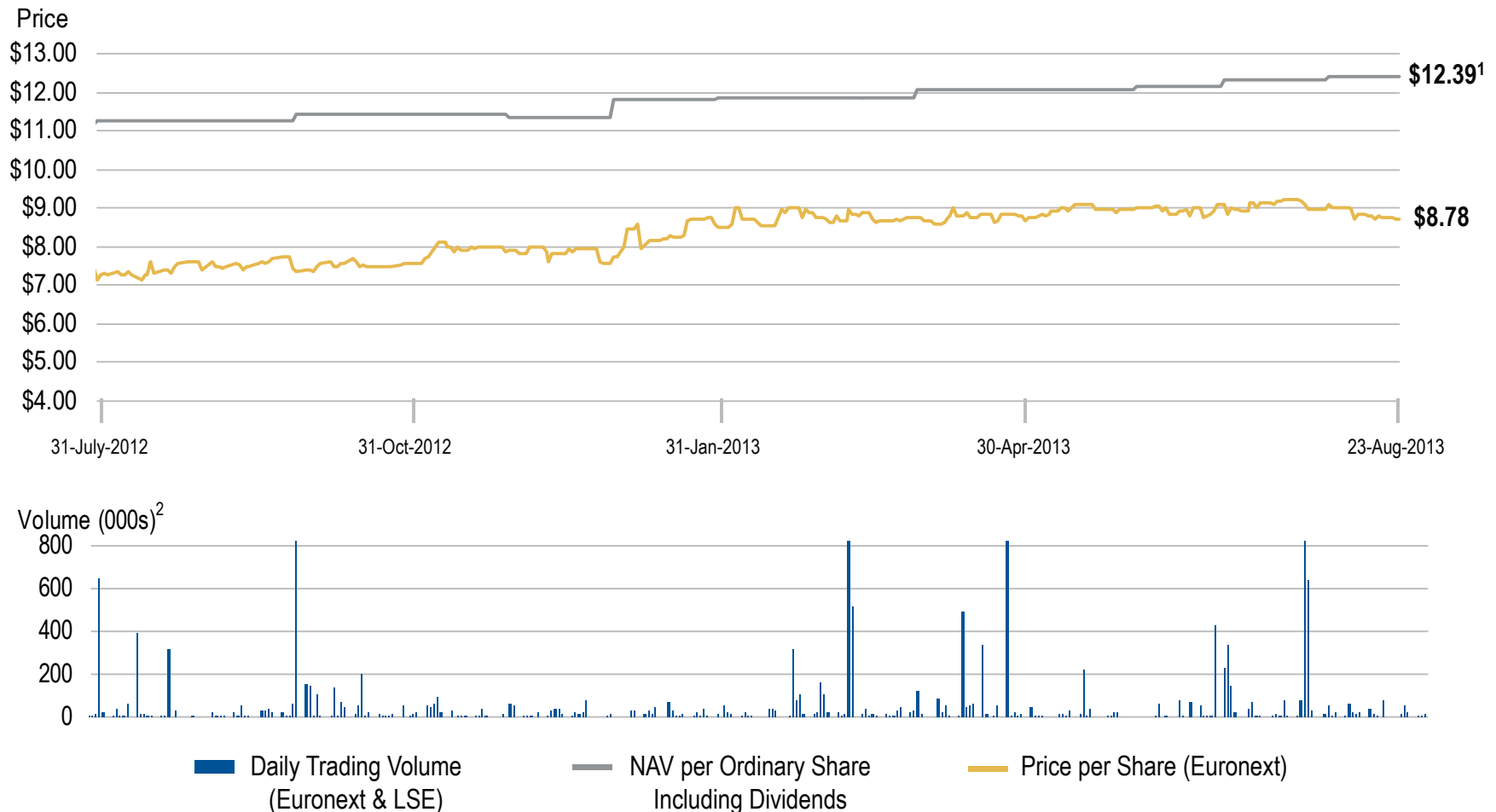
- NBPE's intends to pay sustainable dividends to Shareholders from the cash yield generated on the Direct Yielding Investment portfolio
  - Dividend Yield (Annualized): 4.6% on share price<sup>1</sup>, 3.5% on NAV per Share<sup>1</sup>
  - 2013 dividends are 71% covered by the cash yield on a run rate basis
- Our current goal is to have the dividend fully supported by the end of the year on a run rate basis from the cash yield generated on the Direct Yielding Investments

*Note: See endnote three for important information related to the dividend.*

*1. Based on the NYSE Euronext closing share price of \$9.10 on 31 July 2013 and the 31 July 2013 unaudited, restated NAV of \$11.98 per share.*

## NBPE Share Price vs. NAV per Share Including Dividends

Over the last 12 months, NBPE's share price has increased 17.2% and NAV per Share including dividends has increased 10.0%. NAV per Share including dividends was \$12.39 at 21 August 2013<sup>1</sup>



Source: Bloomberg. Market data as of 23 August 2013. Past performance is not indicative of future results.

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

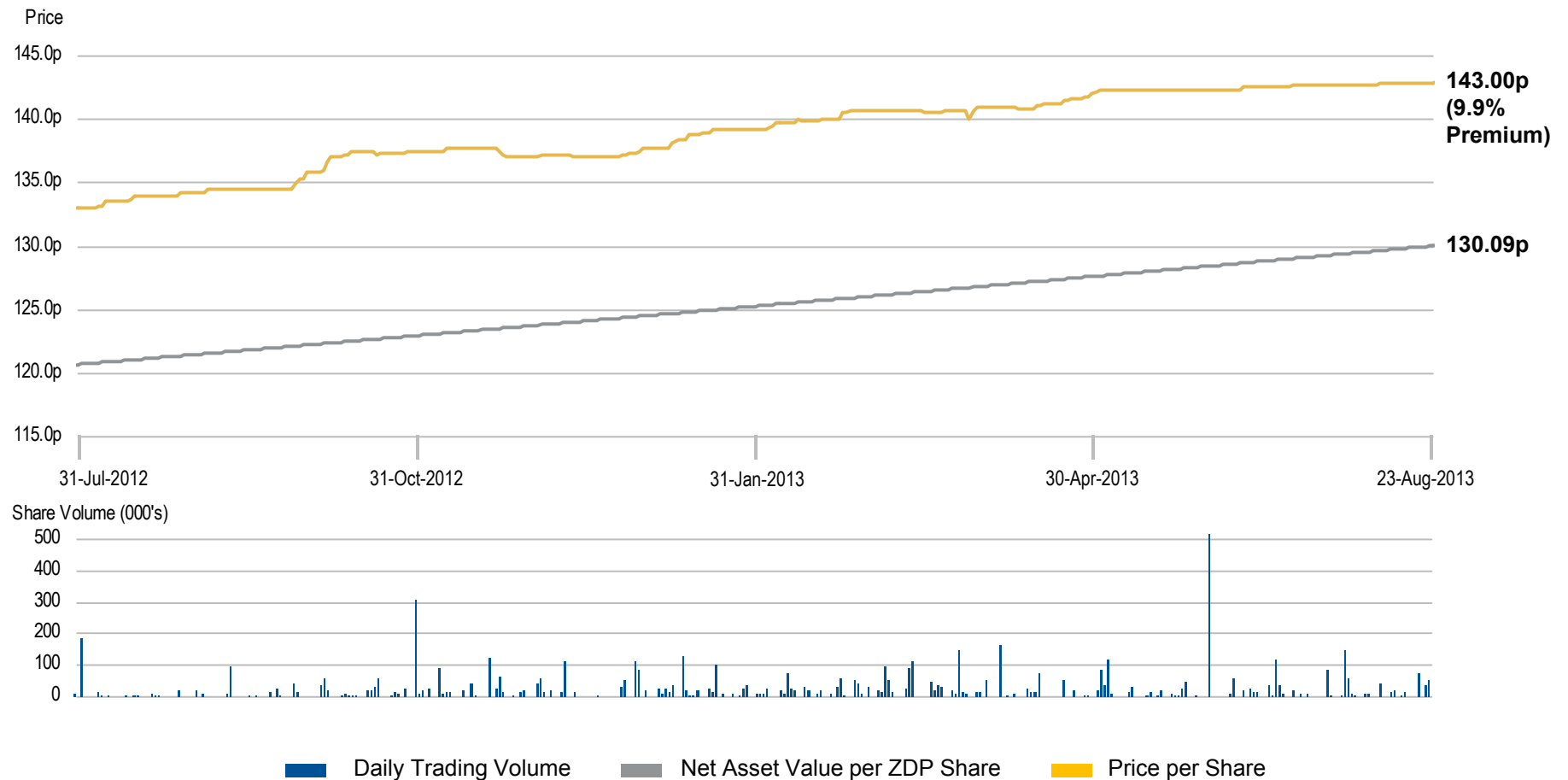
1. Includes paid and accrued dividends.

2. Daily trading volume was greater than 800,000 shares on 28 September 2012, 7 March 2013, 22 April 2013 and 17 July 2013 and had trading volume of 1.1 million, 12.1 million, 1.2 million, and 4.1 million shares, respectively.

## ZDP Price and NAV per ZDP Share

NBPE's ZDP shares have consistently traded at a premium to accreted value since they were issued in late 2009. The GRY is currently 4.6% at the prevailing market price

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



Source: Bloomberg. Market data as of 23 August 2013. Past performance is not indicative of future results.

Note: NAV per ZDP share is defined as the accreted value of the ZDP shares.

Daily trading volume was greater than 500,000 shares on 21 June 2013 and had trading volume of 860,000 shares.

## Trading Liquidity

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

- YTD 2013, NBPE's cumulative trading volume was approximately 24.6 million shares of which 7.2 million shares were traded on the NYSE Euronext and the London Stock Exchange and 17.4 million shares were traded over-the-counter
  - YTD 2013, including over-the-counter trades, daily average trading volume was approximately 174,300 shares and daily average trading volume on-exchange was approximately 50,326 shares
- Over-the-counter trading volume was not reported by the exchanges but instead was reported via the Markit BOAT platform

## Attractive Value Proposition

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We believe that NBPE offers a compelling investment opportunity

### VALUE PROPOSITION

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

### STEPS TO ADDRESS THE DISCOUNT

- Increased exposure to direct investments increases transparency and reduces duration of the portfolio
- Dividend Policy to the benefit of the shareholders; additional flexibility to repurchase shares through the Share Buy-back Programme
  - The Board of Directors has approved an extension of the Share Buyback Program from 31 August 2013 to 30 November 2013; the documentation for such extension is currently in progress
- Market leading investor reporting

## Trading Information

### ORDINARY SHARE INFORMATION

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

### ZDP SHARE INFORMATION

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

## Contact Information

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## NBPE Equity Co-investment Portfolio

### Diversified portfolio of equity co-investments

Company Name	Asset Class	Investment Year	Lead Sponsor	Fair Value	% of NBPE NAV
Acteon	Mid-cap Buyout	2012	KKR	-	0% - 1%
ADPI	Mid-cap Buyout	2012	JLL Partners	-	0% - 1%
Avaya	Large-cap Buyout	2007	TPG / Silver Lake Partners	-	0% - 1%
Blue Coat Systems	Mid-cap Buyout	2012	Thoma Bravo	-	0% - 1%
Boa Vista	Mid-cap Buyout	2012	TMG Capital	-	0% - 1%
Capsugel	Large-cap Buyout	2011	KKR	-	1% - 2%
CoAdvantage	Mid-cap Buyout	2013	Compass Investment Partners	-	0% - 1%
CommScope	Large-cap Buyout	2011	Carlyle Group	-	0% - 1%
Deltek	Mid-cap Buyout	2012	Thoma Bravo	-	0% - 1%
Digital Insight	Mid-cap Buyout	2013	Thoma Bravo	-	0% - 1%
Edgen Group	Mid-cap Buyout	2007	Jefferies Capital Partners	-	0% - 1%
Energy Future Holdings	Large-cap Buyout	2007	KKR / TPG	-	0% - 1%
Fairmount Minerals	Mid-cap Buyout	2010	American Securities Partners	-	0% - 1%
First Data	Large-cap Buyout	2007	KKR	-	0% - 1%
Firth Rixson Equity	Mid-cap Buyout	2007	Oak Hill	-	0% - 1%
Formation Energy	Mid-cap Buyout	2013	Lindsay Goldberg	-	0% - 1%
Freescall Semiconductor	Large-cap Buyout	2006	Blackstone / Carlyle/ Permira / TPG	-	0% - 1%
Gabriel Brothers	Special Situations	2012	A&M Capital	-	0% - 1%
Gardner Denver	Large-cap Buyout	2013	KKR	-	0% - 1%
GazTransport & Technigaz	Mid-cap Buyout	2008	Hellman & Friedman	-	0% - 1%
Group Ark Insurance	Mid-cap Buyout	2007	Aquiline Capital Partners	-	3% - 4%
Insurance Industry Loss Warranties	Mid-cap Buyout	2013	Cartesian	-	0% - 1%
INTO University Partnerships	Mid-cap Buyout	2013	Leeds Equity Partners	-	0% - 1%
J.Crew Group	Large-cap Buyout	2011	TPG / Leonard Green	-	0% - 1%
Kyobo Life Insurance	Mid-cap Buyout	2007	Corsair Capital Partners	-	0% - 1%
Oticas Carol	Growth / Venture	2013	3i Brazil	-	0% - 1%
Pepcom	Mid-cap Buyout	2011	STAR	-	0% - 1%
Press Ganey Associates	Mid-cap Buyout	2008	Vestar Capital	-	0% - 1%
RAC	Large-cap Buyout	2011	Carlyle Group	-	0% - 1%
Revspring	Mid-cap Buyout	2012	Compass Investment Partners	-	0% - 1%
Sabre	Large-cap Buyout	2007	TPG / Silver Lake Partners	-	3% - 4%
Saguaro Resources	Mid-cap Buyout	2013	Pine Brook	-	0% - 1%
Salient Solutions	Mid-cap Buyout	2010	Frontenac Company	-	0% - 1%
Seventh Generation	Growth / Venture	2008	Catamount Ventures	-	0% - 1%
Shelf Drilling	Mid-cap Buyout	2013	Castle Harlan Partners	-	0% - 1%
SonicWall (Equity) <sup>1</sup>	Mid-cap Buyout	2010	Thoma Bravo	-	0% - 1%
Swissport	Mid-cap Buyout	2011	PAI	-	0% - 1%
Syniverse	Large-cap Buyout	2011	Carlyle Group	-	0% - 1%
Taylor Precision Products	Mid-cap Buyout	2012	Centre Partners	-	0% - 1%
The SI Organization	Mid-cap Buyout	2010	Veritas Capital	-	0% - 1%
TPF Genco	Mid-cap Buyout	2006	Tenaska Capital Management	-	1% - 2%
Univar	Large-cap Buyout	2010	Clayton, Dublier & Rice	-	0% - 1%
<b>Total Equity Co-investment Portfolio</b>				<b>\$150.6</b>	<b>25.7%</b>

Note: As of 31 July 2013 (unaudited, restated).

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

## Direct Yielding Investment Portfolio

Approximately \$155.9 million of direct yielding investments generating a current yield of 9.7%

Investment Name	Investment Type	Investment Date	Fair Value	Cash + PIK Coupon	OID / Purchase Discount	Cash Yield	PIK Yield	Est. Yield to Maturity
<i>Corporate Debt Investments</i>								
Blue Coat	Second Lien Debt	Jul-13	-	9.5%	1.0%	9.6%	-	-
CPG International I Inc.	Mezzanine Debt	Sep-12	-	12.0%	2.5%	12.1%	-	-
CPG International II Inc.	Equity	Sep-12	-	N/A	N/A	-	-	N/A
Deltek <sup>2</sup>	Second Lien Debt	Oct-12	-	10.0%	1.5%	10.1%	-	-
Evans Network of Companies	Mezzanine Debt	Jun-12	-	14.0%	2.0%	12.1%	2.0%	-
Evans Network of Companies	Equity	Jun-12	-	N/A	N/A	-	-	N/A
Firth Rixson Mezzanine <sup>2</sup>	Mezzanine Debt	May-08	-	11.0%	1.0%	4.5%	5.4%	-
Firth Rixson Equity	Equity	May-08	-	N/A	N/A	-	-	N/A
Firth Rixson 2011 PIK Notes	Senior Unsecured PIK	Nov-11	-	18.0%	N/A	-	18.0%	-
Firth Rixson 2012 PIK Notes	Senior Unsecured PIK	Dec-12	-	19.0%	3.0%	-	20.0%	-
KIK Custom Products	Second Lien Debt	May-13	-	9.5%	2.0%	9.5%	-	-
Heartland Dental <sup>2</sup>	Second Lien Debt	Jan-13	-	9.8%	N/A	9.7%	-	-
Petroleum Place <sup>2</sup>	Second Lien Debt	Dec-12	-	10.0%	N/A	10.0%	-	-
<b>Total Corporate Debt Investments</b>			<b>\$132.3</b>	<b>10.8%</b>	<b>-</b>	<b>9.4%</b>	<b>1.4%</b>	<b>11.6%</b>
<i>Healthcare Credits</i>								
Royalty Notes (Medication Delivery)	Royalty Backed Note	Feb-12	-	N/A <sup>3</sup>	N/A	N/A	-	-
Royalty Notes (Internal Medication)	Royalty Backed Note	Jan-13	-	11.0%	N/A	11.4%	-	-
Royalty Notes (Hormone Therapy)	Royalty Backed Note	Apr-11	-	17.0%	2.3%	15.4%	-	-
Senior Secured Term Loan (Genetic Testing)	Senior Secured Loan	Jun-13	-	10.0%	N/A	10.0%	-	-
Senior Secured Term Loan (Cardiac Device)	Senior Secured Loan	Feb-13	-	13.5%	1.5%	14.0%	-	-
Senior Secured Term Loan (PCR)	Senior Secured Loan	Aug-12	-	10.0%	1.0%	10.8%	-	-
Senior Secured Term Loan (Public Company)	Senior Secured Loan	Dec-12	-	11.5%	N/A	12.8%	-	-
Senior Secured Term Loan (Cosmetics Device)	Senior Secured Loan	Jul-13	-	10.5%	N/A	10.4%	-	-
<b>Total Healthcare Credit Investments</b>			<b>\$23.6</b>	<b>12.4%</b>	<b>-</b>	<b>12.4%</b>	<b>-</b>	<b>14.8%</b>
<b>Total Direct Yielding Portfolio</b>			<b>\$155.9</b>	<b>10.9%</b>	<b>-</b>	<b>9.7%</b>	<b>1.2%</b>	<b>12.0%</b>

Note: As of 31 July 2013 (unaudited, restated).

- The mezzanine debt investments include equity investments completed as part of the mezzanine transaction. The senior secured term loans include warrants acquired during the loan issuance. The fair value in the table above includes the value of these equity investments and warrants, but the cash, PIK and current yields and internal rates of return (IRR) are calculated based on only the debt investments.
- The Firth Rixson Mezzanine cash interest is based on LIBOR plus 450 basis points. The cash interest for Deltek and Petroleum Place is based on LIBOR plus 875 basis points subject to a 1.25% LIBOR floor. The cash interest for Heartland Dental is based on LIBOR plus 850 basis points subject to a 1.25% LIBOR floor. The cash interest for KIK Custom Products is based on LIBOR plus 825 basis points subject to a 1.25% LIBOR floor.
- The obligations of medication delivery royalty notes were satisfied in March 2013. NBPE received an initial distribution in March 2013 and expects to receive an additional distribution in Q1 2014. NBPE also received a preferred equity security in connection with the realization of the royalty notes.

## NBPE Fund Investment Portfolio

Investment Name	Asset Class	Vintage Year	Unfunded Commitment	Fair Value	% of NBPE NAV
NB Crossroads Fund XVII	Fund XVII (Diversified)	Diversified	\$1.9	\$28.8	4.9%
NB Crossroads Fund XVIII Mid-cap Buyout	Mid-cap Buyout	Diversified	7.1	30.4	5.2%
Sankaty Credit Opportunities III	Special Situations	2007	0.0	17.5	3.0%
First Reserve Fund XI	Large-cap Buyout	2006	0.0	21.3	3.6%
Centerbridge Credit Partners	Special Situations	2008	0.0	19.8	3.4%
Platinum Equity Capital Partners II	Special Situations	2007	3.7	13.4	2.3%
OCM Principal Opportunities Fund IV	Mid-cap Buyout	2007	2.0	14.4	2.5%
Wayzata Opportunities Fund II	Special Situations	2007	18.4	8.7	1.5%
NB Crossroads Fund XVIII Large-cap Buyout	Large-cap Buyout	Diversified	2.2	11.6	2.0%
Avista Capital Partners	Mid-cap Buyout	2006	0.7	11.7	2.0%
OCM Opportunities Fund VIIb	Special Situations	2008	3.0	8.8	1.5%
Oaktree Opportunities Fund VIII	Special Situations	2009	0.0	9.4	1.6%
Lightyear Fund II	Mid-cap Buyout	2006	1.4	10.0	1.7%
NB Crossroads Fund XVIII Venture Capital	Growth / Venture	Diversified	1.7	9.7	1.7%
CVI Global Value Fund	Special Situations	2006	0.8	8.9	1.5%
Bertram Growth Capital I	Growth / Venture	2007	1.3	8.8	1.5%
NB Crossroads Fund XVIII Special Situations	Special Situations	Diversified	0.9	7.4	1.3%
Sun Capital Partners V	Special Situations	2007	2.4	8.4	1.4%
Catalyst Fund III	Special Situations	2011	6.8	8.5	1.5%
NB Fund of Funds Secondary 2009	Mid-cap Buyout	2009	1.6	7.7	1.3%
Wayzata Opportunities Fund II (Secondary)	Special Situations	2011	5.3	6.3	1.1%
Corsair III Financial Services Capital Partners	Mid-cap Buyout	2007	1.3	6.6	1.1%
NG Capital Partners	Growth / Venture	2010	0.7	6.3	1.1%
Aquiline Financial Services Fund	Mid-cap Buyout	2005	0.0	5.7	1.0%
Doughty Hanson & Co IV	Large-cap Buyout	2003	0.1	3.8	0.6%
ArcLight Energy Partners Fund IV	Mid-cap Buyout	2007	4.6	6.2	1.1%
Carlyle Europe Partners II	Large-cap Buyout	2003	0.7	4.2	0.7%
Trident IV	Mid-cap Buyout	2007	0.6	4.7	0.8%
American Capital Equity II	Mid-cap Buyout	2005	1.2	4.2	0.7%
Summit Partners Europe Private Equity Fund	Growth / Venture	2010	2.9	2.4	0.4%
Bertram Growth Capital II	Growth / Venture	2010	5.1	3.6	0.6%
J.C. Flowers II	Large-cap Buyout	2006	0.3	2.8	0.5%
Highstar Capital II	Mid-cap Buyout	2004	0.1	2.6	0.4%
Clessidra Capital Partners	Mid-cap Buyout	2004	0.1	1.2	0.2%
Prospect Harbor Credit Partners	Special Situations	2007	0.0	0.7	0.1%
Strategic Value Global Opportunities Fund I-A	Special Situations	2010	0.1	0.8	0.1%
Strategic Value Special Situations Fund	Special Situations	2010	0.0	0.6	0.1%
Investitori Associati III	Mid-cap Buyout	2000	0.5	0.2	0.0%
DBAG Expansion Capital Fund	Growth / Venture	2012	5.1	0.2	0.0%
<b>Total Fund Portfolio</b>			<b>\$84.7</b>	<b>\$328.5</b>	<b>56.2%</b>

Note: As of 31 July 2013.

## Equity Co-investment Portfolio Performance

Our current equity co-investment portfolio has generated a 1.19x multiple of invested capital to date

(\$ in millions) Asset Class	Equity Co-investments				
	# of Unique Equity Co-investments	Realized Proceeds	31 Jul 2013 Fair Value	Total Value to Paid-in Capital	% of Fair Value
Mid-cap Buyout & Growth Equity	29	\$12.9	\$91.1	1.30x	60.5%
Large-cap Buyout & Special Situations	13	6.8	59.4	1.04x	39.5%
<b>Total Equity Co-investments</b>	<b>42</b>	<b>\$19.6</b>	<b>\$150.6</b>	<b>1.19x</b>	<b>100.0%</b>

(\$ in millions) Multiple Range	Equity Co-investments				
	# of Unique Equity Co-investments	Realized Proceeds	31 Jul 2013 Fair Value	Total Value to Paid-in Capital	% of Fair Value
Greater than 2.0x	5	\$4.0	\$27.5	2.52x	18.3%
1.0x to 2.0x	18	12.7	79.6	1.43x	52.9%
Cost	10	-	19.2	1.00x	12.7%
0.5x to 1.0x	7	3.0	19.6	0.75x	13.0%
Less than 0.5x	2	-	4.7	0.27x	3.1%
<b>Total Equity Co-investments</b>	<b>42</b>	<b>\$19.6</b>	<b>\$150.6</b>	<b>1.19x</b>	<b>100.0%</b>

Note: As of 31 July 2013.

## Equity Co-investment Portfolio Performance (continued)

Continued

(\$ in millions) Vintage Year	Equity Co-investments				
	# of Unique Equity Co-investments	Realized Proceeds	31 Jul 2013 Fair Value	Total Value to Paid-in Capital	% of Fair Value
2006 & 2007	9	\$3.4	\$61.5	1.01x	40.8%
2008 & 2009	4	3.2	7.9	1.63x	5.2%
2010	5	3.6	10.4	1.56x	6.9%
2011	7	4.6	29.1	1.48x	19.3%
2012	8	4.9	22.1	1.21x	14.7%
2013	9	-	19.7	1.06x	13.1%
<b>Total Equity Co-investments</b>	<b>42</b>	<b>\$19.6</b>	<b>\$150.6</b>	<b>1.19x</b>	<b>100.0%</b>

Note: As of 31 July 2013.

1. The chart reflects only the number of unique unrealized portfolio companies.

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

The equity co-investment portfolio was held at a weighted average valuation multiple of 10.1x LTM EBITDA and a weighted average leverage multiple of 4.9x LTM EBITDA as of 30 June 2013<sup>1</sup>

(\$ in millions) EV / LTM EBITDA Valuation Ranges	# of Unique Equity Co-investments	Realized Proceeds	31 Jul 2013 Fair Value	Total Value to Paid-in Capital	% of Fair Value
< 7x	5	\$0.1	\$25.9	2.03x	18.5%
7x - 8x	6	3.5	12.7	0.96x	9.1%
8x - 9x	5	3.3	28.5	1.25x	20.4%
9x - 10x	10	5.6	33.3	1.34x	23.8%
10x+	11	3.5	39.5	0.94x	28.2%
<b>Total Equity Co-investments</b>	<b>37</b>	<b>\$15.9</b>	<b>\$139.8</b>	<b>1.20x</b>	<b>100.0%</b>

(\$ in millions) Net Debt / LTM EBITDA Ranges	# of Unique Equity Co-investments	Realized Proceeds	31 Jul 2013 Fair Value	Total Value to Paid-in Capital	% of Fair Value
< 2x	10	\$0.7	\$36.6	1.58x	26.2%
2x - 3x	2	0.7	5.9	1.87x	4.2%
3x - 4x	1	0.0	1.3	1.10x	0.9%
4x - 5x	11	2.2	52.1	1.61x	37.3%
5x+	13	12.4	43.9	0.83x	31.4%
<b>Total Equity Co-investments</b>	<b>37</b>	<b>\$15.9</b>	<b>\$139.8</b>	<b>1.20x</b>	<b>100.0%</b>

Note: Fair value and investment performance as of 31 July 2013. Portfolio company operating and valuation metrics are based on information as of 30 June 2013. Weighted average is weighted by fair value. One energy services company was valued based on normalized EBITDA.

Source: Company financials.

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

## NBPE Credit Facility & Covenants

As of 31 July 2013, NBPE has no debt outstanding under the credit facility

- NBPE has a revolving credit facility with Lloyds Banking Group for up to \$200 million with a term expiring in April 2017
  - Borrowings under the credit facility bear interest at tiered rates based on loan value
    - LIBOR/EURIBOR plus 2.80% per annum for loan value less than or equal to \$65 million
    - LIBOR/EURIBOR plus 3.30% per annum for loan value in excess of \$65 million and less than or equal to \$150 million
    - LIBOR/EURIBOR plus 3.65% per annum for a loan value greater than \$150 million

### TOTAL ASSET RATIO (DEBT TO VALUE)

- Defined as total debt and current liabilities divided by Restricted NAV
  - Restricted NAV is defined as the value of private equity investments (less any excluded value) plus cash and cash equivalents
- The total asset ratio is not to exceed 50.0%
- At 31 July 2013, the total asset ratio was 3.4%

### SECURED ASSET RATIO

- Defined as total debt and current liabilities divided by Secured Assets
  - Secured Assets are defined as the value of secured private equity investments plus cash and cash equivalents
- The secured asset ratio is not to exceed 80.0%
- At 31 July 2013, the secured asset ratio was 4.9%

### COMMITMENT RATIO

- Defined as Potential Total Exposure divided by the aggregate of shareholder's equity and the total amount of the credit facility
  - Potential Total Exposure is defined as the value of private equity investments plus unfunded private equity commitments
- If the total asset ratio is greater than 25.0% and the commitment ratio is greater than 130.0%, then NBPE is restricted from making new private equity investments
- At 31 July 2013, the commitment ratio was 108.7%

Note: As of 31 July 2013 (unaudited, restated).

## 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.



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