

## **NB Private Equity Partners**

# **Announcement of Long Term Dividend Policy and Declaration of Initial Dividend**

22 January 2013

**Financial Information as of 31 December 2012**

## Dividend Payment

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NBPE has declared the first semi-annual dividend payment on its class A ordinary shares ("Shares") as part of the implementation of a long-term policy of paying regular dividends

- The Board of Directors of NBPE has declared a semi-annual dividend payment of \$0.20 to be paid on each Ordinary Share on 28 February 2013
  - On an annualized basis, this dividend payment represents a dividend yield of 3.5% based on the estimated December 2012 NAV and 4.8% based on the Euronext closing price of \$8.27 on 21 January 2013
- Under the long-term dividend policy, NBPE intends to pay regular, semi-annual dividends to its shareholders
  - Over time, NBPE intends to pay this dividend from the cash yield it receives from its direct yielding investments
  - NBPE also intends to continue to grow its Net Asset Value per Share through appreciation of its direct co-investments and fund investments

## Investment Strategy and Dividends

### NBPE intends to continue its strategy of increasing its allocation to direct yielding investments and direct co-investments

- NBPE has been successfully executing on its previously announced strategy of increasing its percentage of direct yielding investments and direct co-investments, while reducing its exposure to private equity funds
  - Currently, on a pro forma basis, all direct investments total \$224.2 million, or 40% of NAV, including yielding investments of \$101.8 million, or 18% of NAV
  - NBPE expects its portfolio will be a majority of direct investments before the end of 2013. This is expected to include investing at least \$100 million in additional direct yielding investments, subject to finding suitable opportunities and market conditions
- NBPE's dividend is currently approximately 50% covered by the run rate current cash yield on its direct yielding portfolio, and is fully covered by 2012 estimated net increase in net assets
  - NBPE estimates that, through the investment plan described above, dividends at the current level will be fully covered by the cash yield on its direct yielding investments by the end of 2013
  - As of 31 December 2013, NBPE's cash balance was \$65.3 million on a pro forma basis<sup>1</sup>
- The aggregate dividend amount for the Company on an annualized basis would total \$19.5 million, based on the amount of the initial dividend. This compares with the following potential income from NBPE's direct yielding portfolio, at various investment levels and yields:

		Direct Yielding Portfolio Income		
		% Yield		
		10%	11%	12%
Direct Yielding Portfolio Fair Value	\$100	\$10.0	\$11.0	\$12.0
	\$125	\$12.5	\$13.8	\$15.0
	\$150	\$15.0	\$16.5	\$18.0
	\$175	\$17.5	\$19.3	\$21.0
	\$200	\$20.0	\$22.0	\$24.0

On a pro forma basis, NBPE's direct yielding portfolio has a fair value of \$101.8 million and generates a 10.0% cash yield<sup>2</sup>

On a pro forma basis, NBPE's direct yielding portfolio has a fair value of \$101.8 million and generates an 11.8% total yield<sup>2</sup>

Note: As of 31 December 2012 (unaudited, pro forma). Data is pro forma for distributions from the NB Alternatives Direct Co-investment Program received in January 2013, NBPE's participation in the primary issuance of second lien debt in a direct yielding investment in January 2013, and NBPE's approval of an additional purchase of this second lien debt through a secondary transaction. See endnote three for important information related to the dividend.

1. NBPE's actual cash balance was \$67.4 million as of 31 December 2012.

2. Two mezzanine debt investments include equity investments completed as part of the mezzanine transaction, and two senior secured term loans include warrants acquired during the loan issuance. The fair value stated above includes the value of these equity investments and warrants, but the cash and total yields are calculated based on the fair value of only the debt investments.

## Future Dividend Payments

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### NBPE intends to implement its long-term dividend policy by continuing to make semi-annual dividend payments

- 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 has completed such evaluation
  - All dividends shall be made conditional on the passing of the solvency test under Guernsey law
- This long-term dividend policy is a continuation of the Capital Return Policy NBPE instituted in 2010 pursuant to which the Company stated that it would return to shareholders at least 50% of the realized net increase in NAV attributable to its Ordinary Shares
  - NBPE will also continue to retain the flexibility to repurchase Shares through its Share Buy-Back Programme

## December 2012 NAV Update<sup>1</sup>

NBPE's estimated NAV per Share increased by 4.3%, or approximately \$0.47 per Share, during 2012

### DECEMBER 2012 NAV UPDATE

(\$ in millions, except per share values)	31 December 2012 (Unaudited, pro forma)	31 December 2011 (Audited)
Fund Investments	\$350.5	\$401.5
Direct / Co-investments		
Direct Yielding Investments <sup>1</sup>	\$101.8	\$33.0
Equity Co-investments <sup>1</sup>	\$122.4	\$103.8
Total Direct / Co-investments	\$224.2	\$136.9
Total Private Equity Fair Value	\$574.7	\$538.4
Private Equity Investment Level	102%	99%
Cash and Cash Equivalents <sup>1</sup>	\$65.3	\$77.9
Credit Facility	-	-
ZDP Share Liability, including Forward Currency Contract	(\$66.9)	(\$62.1)
Net Other Assets (Liabilities), including Minority Interest	(\$11.6)	(\$9.8)
Net Asset Value	\$561.4	\$544.4
<b>Net Asset Value per Share</b>	<b>\$11.50</b>	<b>\$11.03</b>

### PORTFOLIO ACTIVITY

- Significant amount of investment and realization activity in 2012
  - Direct/co-investments and Capital calls of ~\$178 million in 2012
  - Sale proceeds and Distributions of ~\$183 million in 2012

*Note: As of 31 December 2012 (unaudited). NBPE expects to issue its 2012 annual financial report in March. The annual financial report will include audited financial information prepared in accordance with accounting principles generally accepted in the United States. NBPE is required to consider, and will consider, all known material information in preparing such annual financial report, including information that may become known subsequent to the issuance of this presentation. Accordingly, amounts included in the annual financial report may differ from those above. Past performance is not indicative of future results.*

*1. Data is pro forma for distributions from the NB Alternatives Direct Co-investment Program received in January 2013, NBPE's participation in the primary issuance of second lien debt in a direct yielding investment in January 2013, and NBPE's approval of an additional purchase of this second lien debt through a secondary transaction. NBPE's actual cash balance was \$67.4 million as of 31 December 2012.*

## Capital Position

NBPE has \$28.1 million of excess capital resources with a 112% commitment coverage level

- As of 31 December 2012, NBPE had unfunded commitments of \$237.1 million
  - Total capital resources were \$265.3, including cash and cash equivalents 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 December 2012 (Pro Forma)			
Unfunded Private Equity Commitments	\$237.1	Fair Value of Private Equity Investments	\$574.7
		Net Asset Value	\$561.4
Cash and Cash Equivalents	\$65.3		
Undrawn Credit Facility	200.0	Private Equity Investment Level	102%
Total Capital Resources	\$265.3	Commitment Level <sup>1</sup>	145%
<b>Excess Capital Resources</b>	<b>\$28.1</b>	<b>Commitment Coverage Level</b>	<b>112%</b>

- As of 31 December 2012, \$41.2<sup>2</sup> million of NBPE's unfunded commitments shown above are past their investment period

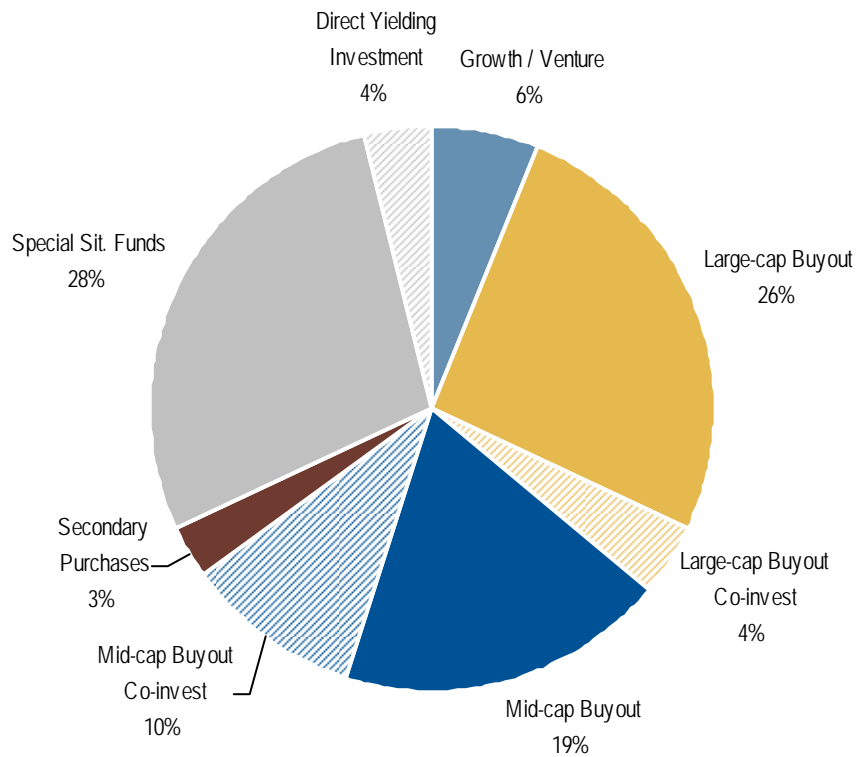
*Note: As of 31 December 2012 (unaudited, pro forma). Data is pro forma for distributions from the NB Alternatives Direct Co-investment Program received in January 2013, NBPE's participation in the primary issuance of second lien debt in a direct yielding investment in January 2013, and NBPE's approval of an additional purchase of this second lien debt through a secondary transaction.*

- 1. 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.*
- 2. Some portion of this amount may be called in future periods for fees, expenses, and/or follow-on investments.*

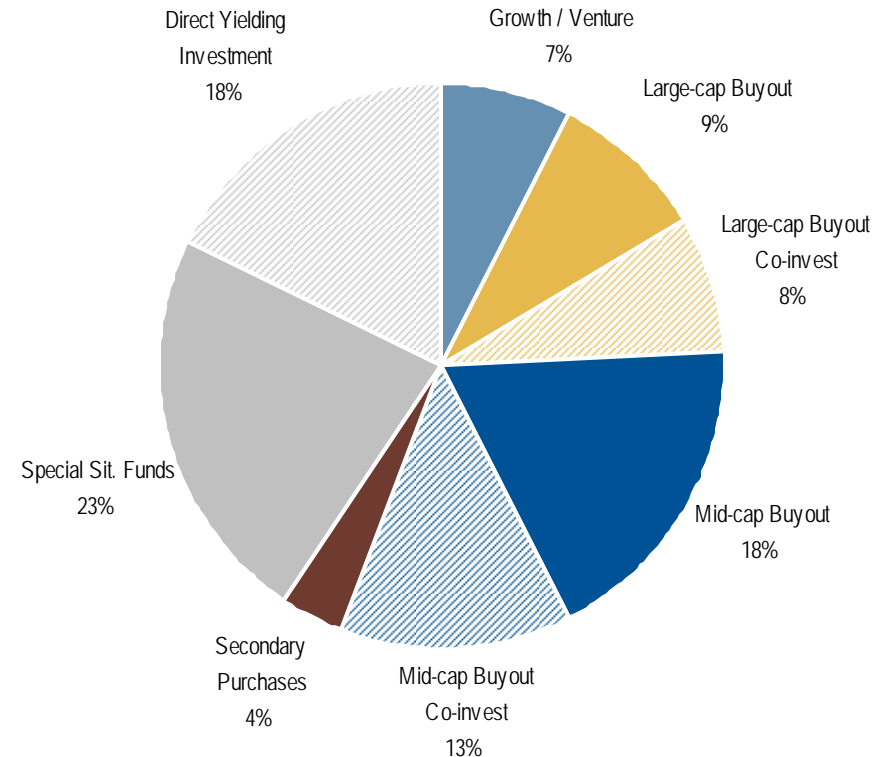
## Strategy Evolution

NBPE has meaningfully increased its exposure to direct yielding investments and direct co-investments since 2010

ASSET CLASS BY FAIR VALUE – 30 SEPTEMBER 2010<sup>1</sup>



ASSET CLASS BY FAIR VALUE – 31 DECEMBER 2012<sup>2</sup>



Note: Data as of 30 September 2010 and 31 December 2012.

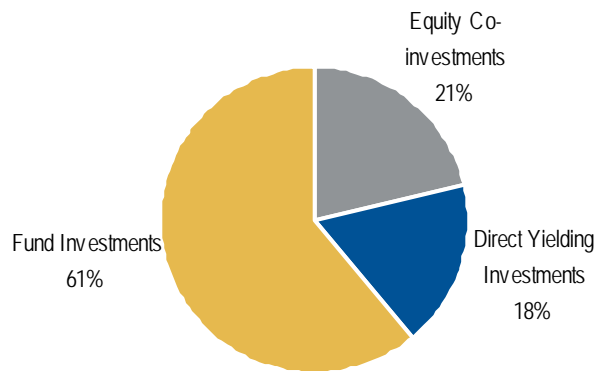
1. Data presented as of 30 September 2010 is prior to the strategic asset sale of eight large-cap buyout funds as part of the strategic repositioning of the portfolio.

2. Data presented as of 31 December 2012 is pro forma for NBPE's participation in the primary issuance of second lien debt in a direct yielding investment in January 2013 and NBPE's approval of an additional purchase of this second lien debt through a secondary transaction.

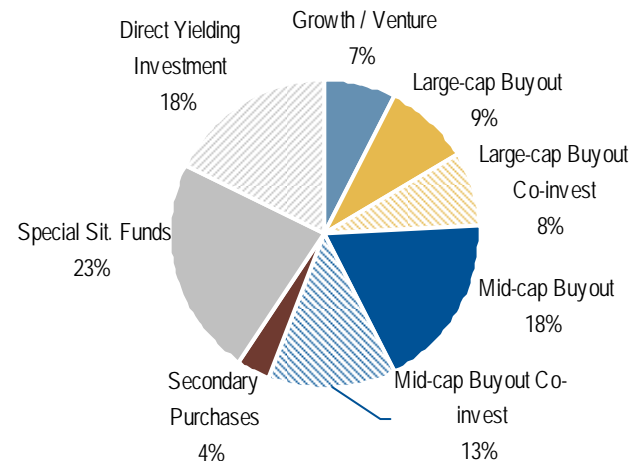
## Diversified Private Equity Exposure

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

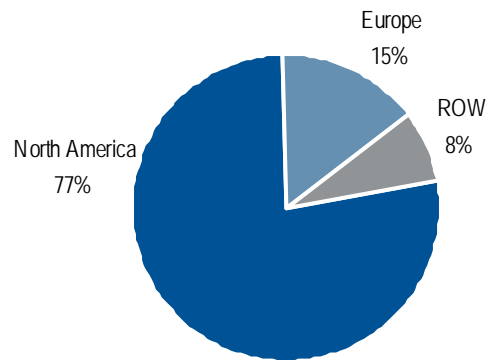
**INVESTMENT TYPE BY FAIR VALUE**



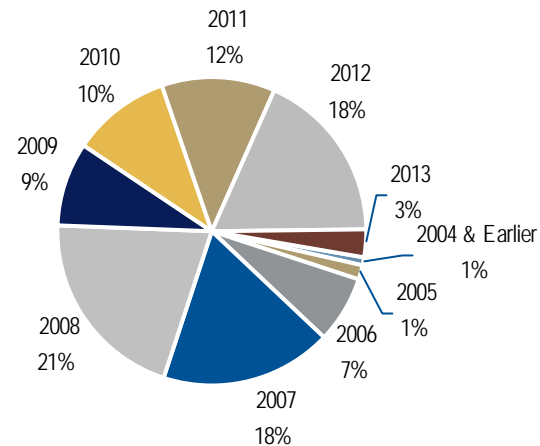
**ASSET CLASS BY FAIR VALUE**



**GEOGRAPHIC DIVERSIFICATION BY FAIR VALUE**



**YEAR OF INVESTMENT BY FAIR VALUE**



Note: As of 31 December 2012 (unaudited, pro forma).

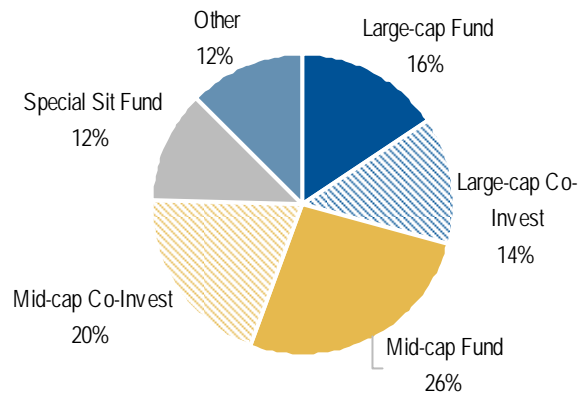


## Tactical Approach to Asset Allocation

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

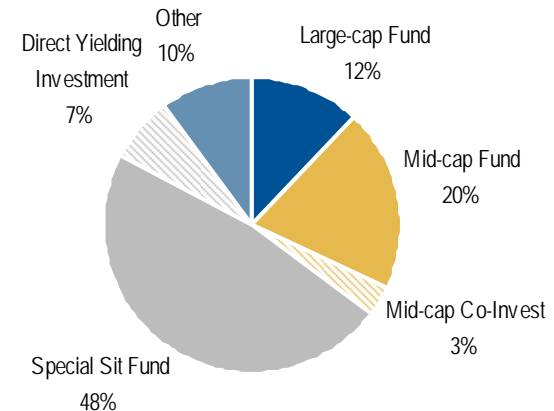
### DEPLOYED IN 2007 & EARLIER (28% OF FAIR VALUE)

*Diversified private equity exposure*



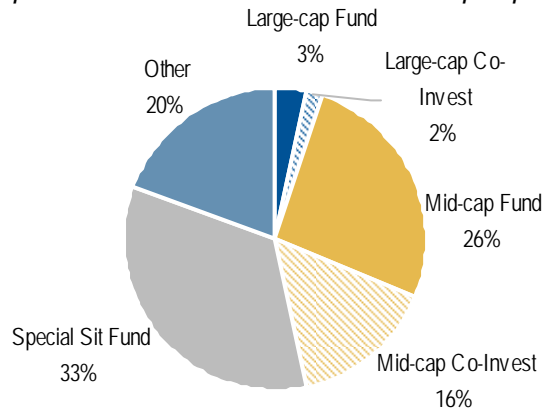
### DEPLOYED IN 2008 AND 2009 (29% OF FAIR VALUE)

*Tactical allocation to special situations funds*



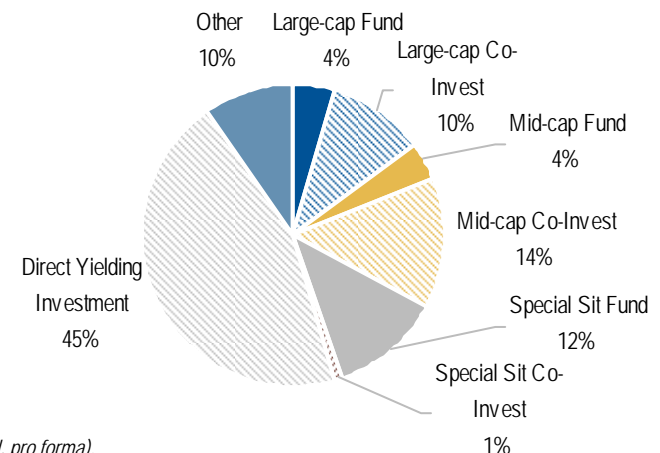
### DEPLOYED IN 2010 (10% OF FAIR VALUE)

*Continued special situations and increased mid-cap exposure*



### DEPLOYED IN 2011 – 2012<sup>1</sup> (33% 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 December 2012 (unaudited, pro forma).

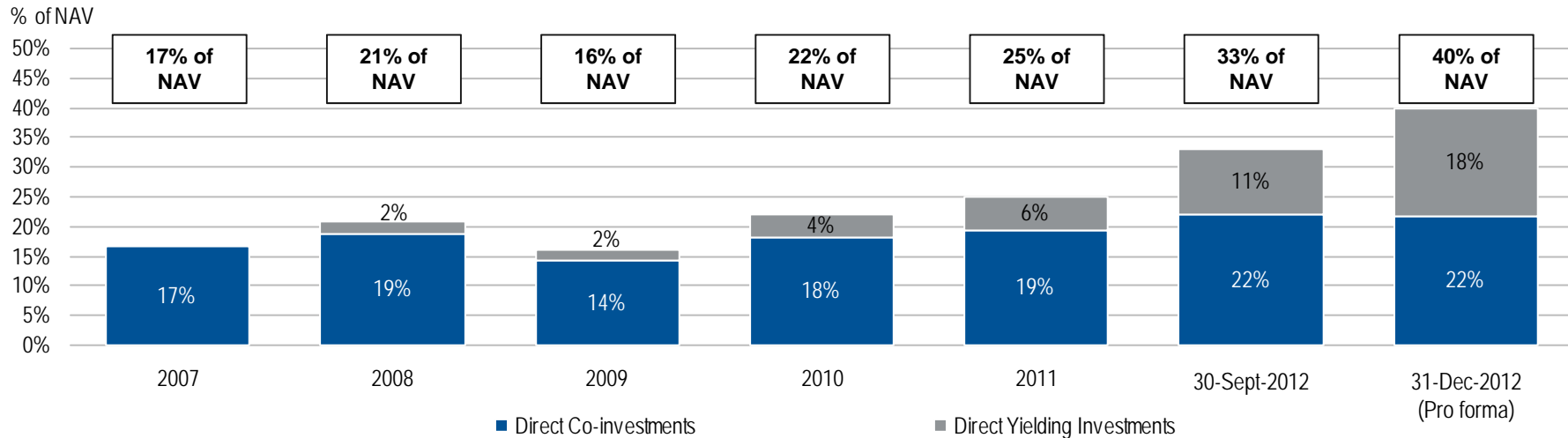
1. Data is pro forma for NBPE's participation in the primary issuance of second lien debt in a direct yielding investment in January 2013 and NBPE's approval of an additional purchase of this second lien debt through a secondary transaction.

## Investment Strategy

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

- Our intention is that new investments will be predominantly equity co-investments or direct yielding investments
  - Equity co-investments: equity investments alongside premier private equity sponsors in their core areas of expertise
  - Direct yielding investments: debt generating strong cash yields and in many cases additional upside through PIK and / or equity
- NB Alternatives expects that direct investments will comprise a majority of NAV before the end of 2013
- We expect this strategy to reduce the expected duration of our private equity portfolio, increase transparency for shareholders and reduce our overall expense ratio

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











Note: As of 31 December 2012 (unaudited, pro forma). Data is pro forma for NBPE's participation in the primary issuance of second lien debt in a direct yielding investment in January 2013 and NBPE's approval of an additional purchase of this second lien debt through a secondary transaction. See endnote three for important information related to the dividend.

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

## New Equity Co-investments during 2012

Eight new equity co-investments during 2012, totaling \$24.2 million or 4.3% of NBPE NAV at 31 December 2012

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

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

## New Direct Yielding Investments during 2012

During 2012, NBPE closed eight direct yielding investments and an additional direct yielding investment funded in January 2013.<sup>1</sup> These investments totaled \$79.0 million or 14.1% of NBPE NAV at 31 December 2012

Investment Description	Medication delivery & blood collection product royalty notes	Evans Network of Companies	Polymerase Chain Reaction	CPG International	Deltek	Firth Rixson 2012 PIK Notes	Petroleum Place	Term Loan to Public Healthcare Company	January 2013 Direct Yielding Investment <sup>1</sup>
<b>Investment Date</b>	February 2012	June 2012	August 2012	September 2012	October 2012	December 2012	December 2012	December 2012	January 2013
<b>Security Description</b>	Healthcare Royalty	Mezzanine (Notes and Equity)	Senior Secured Term Loan	Mezzanine (Notes and Equity)	Second Lien Debt	Senior Unsecured PIK Notes	Second Lien Debt	Senior Secured Term Loan	Second Lien Debt
<b>OID / Purchase Discount</b>	N/A	2.0% OID	1.0% OID	2.5% OID	1.5% OID	3% OID	N/A	N/A	1.5% OID <sup>1</sup>
<b>Cash Interest</b>	14.0%	12.0%	10.0%	12.0%	10.0%	N/A	10.0%	11.5%	9.8%
<b>PIK Interest</b>	N/A	2.0%	N/A	N/A	N/A	19.0%	N/A	N/A	N/A
<b>Maturity Profile</b>	2016	2018	2017	2017	2019	2018	2018	2017	2020
<b>Range of % NBPE NAV</b>	0% – 1%	2% – 3%	0% – 1%	2% – 3%	2% – 3%	0% – 1%	0% – 1%	0% – 1%	3%-4%

Note: As of 31 December 2012 (unaudited). 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 approved an additional purchase of the second lien notes through a secondary transaction.

## Attractive Value Proposition

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We believe that NBPE offers a compelling investment opportunity

### VALUE PROPOSITION

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

### STEPS TO ADDRESS THE DISCOUNT

- Increased exposure to direct investments increases transparency and reduces duration of the portfolio
- Capital Return Policy and long-term dividend policy to the benefit of the shareholders
- 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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## NB Alternatives: Powerful, Integrated Private Equity Platform

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

- Approximately \$15 billion of commitments managed
- One of the oldest private equity investors, with 25 years of investment experience
- Stable team with ~60 investment professionals. Global presence, with investment offices located in New York, Dallas, London and Hong Kong
- Investments with over 200 private equity firms
- Serving over 150 institutional investors

### NEUBERGER BERMAN PRIVATE EQUITY PLATFORM

Funds of Funds \$7.6 billion	Co-Investments \$2.6 billion	Secondary Investments \$3.1 billion	Direct Yielding Investments \$1.7 billion
<ul style="list-style-type: none"> <li>• Focus on primary investments in top-performing small &amp; mid-cap buyout, large-cap buyout, venture &amp; growth capital and special situations funds</li> </ul>	<ul style="list-style-type: none"> <li>• Co-investments in a diverse range of leveraged buyout and growth equity transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunistic secondary investments in high quality seasoned private equity funds</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate private debt investments</li> <li>• Yielding healthcare investments</li> <li>• Hedge fund GP minority stakes</li> </ul>

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

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

As of 31 December 2012.

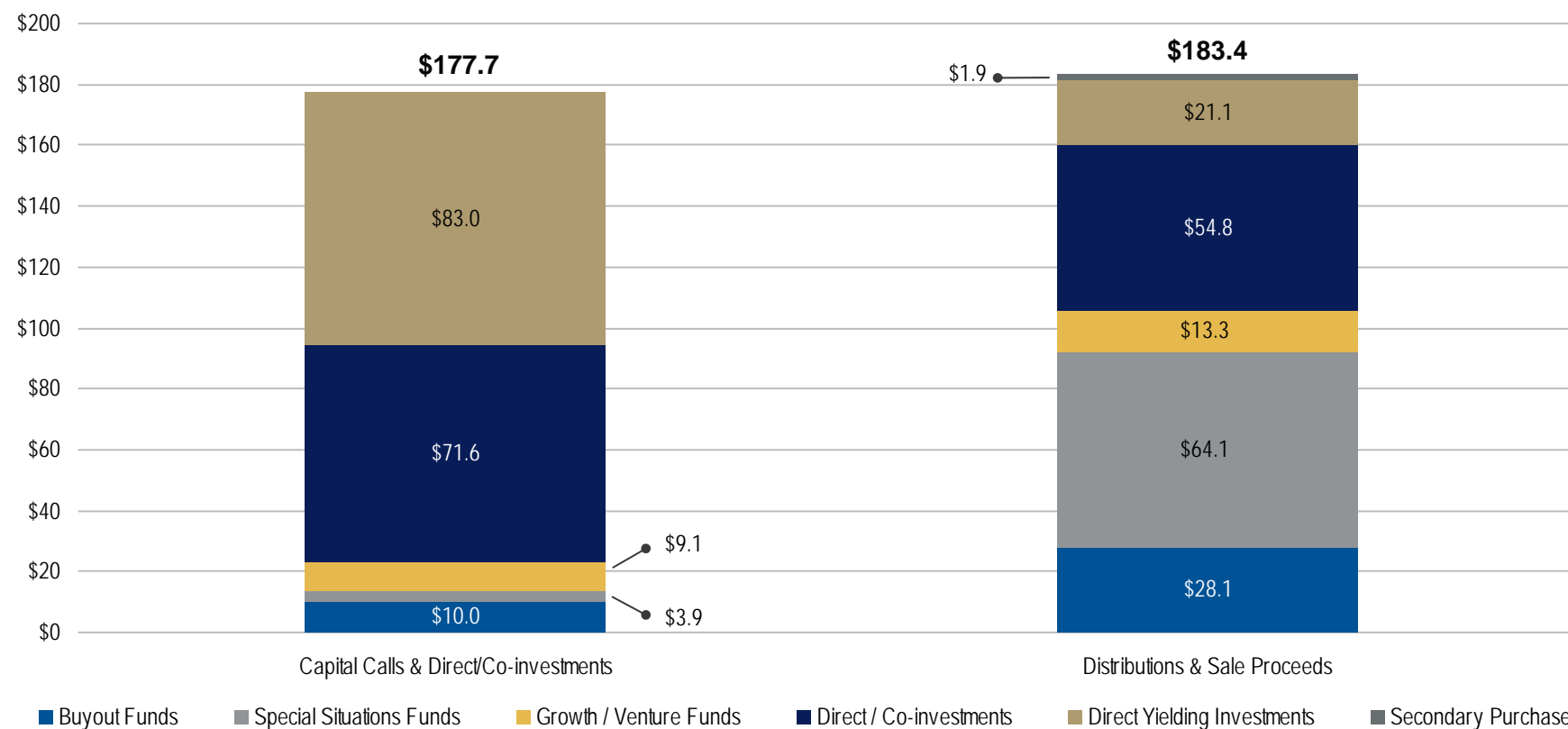
1. Includes client service professionals.

## Recent Portfolio Activity

Since the beginning of 2012, NBPE deployed \$177.7 million into new investments and received \$183.4 million of sales proceeds and distributions

### NBPE PORTFOLIO CASH FLOWS

\$ in millions



Note: As of 31 December 2012. Amounts presented are pro forma for distributions from the NB Alternatives Direct Co-investment Program received in January 2013, NBPE's participation in the primary issuance of second lien debt in a direct yielding investment in January 2013, and NBPE's approval of an additional purchase of this second lien debt through a secondary transaction. Past performance is not indicative of future results. Numbers may not sum due to rounding.

## NBPE Portfolio: Current Asset Performance

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

As of 31 December 2012 (Pro Forma)	Number of Investments	Unfunded	Investment Fair Value
Special Situations Funds	13	\$41.1	\$129.8
Mid-cap Buyout Funds	11	13.6	71.2
Large-cap Buyout Funds	4	1.8	33.6
Venture / Growth Capital Funds	5	16.3	20.8
Fund of Funds Investments	6	17.0	95.1
<b>Total Fund Investments</b>	<b>39</b>	<b>\$89.8</b>	<b>\$350.5</b>
Equity Co-investments	33	\$104.7	\$122.4
Direct Yielding Investments	12	42.6	101.8
<b>Total Direct Investments</b>	<b>45</b>	<b>\$147.3</b>	<b>\$224.2</b>
<b>Total NBPE Portfolio</b>	<b>84</b>	<b>\$237.1</b>	<b>\$574.7</b>

*Note: As of 31 December 2012 (unaudited, pro forma). Data is pro forma for NBPE's participation in the primary issuance of second lien debt in a direct yielding investment in January 2013 and NBPE's approval of an additional purchase of this second lien debt through a secondary transaction.*

## NBPE Direct 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%
BlueCoat Systems	Mid-cap Buyout	2012	Thoma Bravo	-	0% - 1%
Boa Vista	Mid-cap Buyout	2012	TMG Capital	-	0% - 1%
Deltek	Mid-cap Buyout	2012	Thoma Bravo	-	1% - 2%
Edgen Group	Mid-cap Buyout	2007	Jefferies Capital Partners	-	0% - 1%
Fairmount Minerals	Mid-cap Buyout	2010	American Securities Partners	-	0% - 1%
Firth Rixson Equity	Mid-cap Buyout	2007	Carlyle Group	-	0% - 1%
Gabriel Brothers	Special Situations	2012	A&M Capital	-	0% - 1%
GazTransport & Technigaz	Mid-cap Buyout	2008	Hellman & Friedman	-	0% - 1%
Group Ark Insurance	Mid-cap Buyout	2007	Aquiline Capital Partners	-	3% - 4%
Kyobo Life Insurance	Mid-cap Buyout	2007	Corsair Capital Partners	-	0% - 1%
Pepcom	Mid-cap Buyout	2011	STAR	-	0% - 1%
Press Ganey Associates	Mid-cap Buyout	2008	Vestar Capital	-	0% - 1%
Revspring	Mid-cap Buyout	2012	Compass Investment Partners	-	0% - 1%
Salient Solutions	Mid-cap Buyout	2010	Frontenac Company	-	0% - 1%
Seventh Generation	Growth / Venture	2008	Catamount Ventures	-	0% - 1%
SonicWall (Equity) <sup>1</sup>	Mid-cap Buyout	2010	Thoma Bravo	-	0% - 1%
Swissport	Mid-cap Buyout	2011	PAI	-	0% - 1%
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%
Avaya	Large-cap Buyout	2007	TPG / Silver Lake Partners	-	0% - 1%
Capsugel	Large-cap Buyout	2011	KKR	-	1% - 2%
CommScope	Large-cap Buyout	2011	Carlyle Group	-	0% - 1%
Energy Future Holdings	Large-cap Buyout	2007	KKR / TPG	-	0% - 1%
First Data	Large-cap Buyout	2007	KKR	-	0% - 1%
Freescall Semiconductor	Large-cap Buyout	2006	Blackstone / Carlyle/ Permira / TPG	-	0% - 1%
J.Crew Group	Large-cap Buyout	2011	TPG / Leonard Green	-	0% - 1%
RAC	Large-cap Buyout	2011	Carlyle Group	-	0% - 1%
Sabre	Large-cap Buyout	2007	TPG / Silver Lake Partners	-	2% - 3%
Syniverse	Large-cap Buyout	2011	Carlyle Group	-	0% - 1%
Univar	Large-cap Buyout	2010	Clayton, Dublier & Rice	-	0% - 1%
<b>Total Equity Co-investment Portfolio</b>				<b>122.4</b>	<b>21.8%</b>

Note: As of 31 December 2012.

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

## Direct Yielding Investments Portfolio

Approximately \$102 million of yielding co-investments generating a current yield of 11.8%

Investment Name	Investment Type	Investment Date	Fair Value <sup>1</sup>	Cash + PIK Coupon	Cash Yield <sup>1</sup>	PIK Yield <sup>1</sup>	Est. Yield to Maturity <sup>1</sup>
<i>Closed Investments</i>							
CPG International I Inc.	Mezzanine Debt	Sep-12	-	12.0%	12.3%	-	-
Deltek	Second Lien Debt	Oct-12	-	10.0%	9.9% <sup>2</sup>	-	-
Evans Network of Companies	Mezzanine Debt	Jun-12	-	14.0%	12.2%	2.0%	-
Firth Rixson Mezzanine	Mezzanine Debt	May-08	-	11.0%	5.0% <sup>2</sup>	6.0%	-
Firth Rixson 2011 PIK Notes	Senior Unsecured PIK	Nov-11	-	18.0%	-	18.0%	-
Firth Rixson 2012 PIK Notes	Senior Unsecured PIK	Dec-12	-	19.0%	-	19.6%	-
Petroleum Place	Second Lien Debt	Dec-12	-	10.0%	10.0% <sup>2</sup>	-	-
Royalty Notes (Medication Delivery)	Royalty Backed Note	Feb-12	-	14.0%	14.2%	-	-
Royalty Notes (Hormone Therapy)	Royalty Backed Note	Apr-11	-	17.0%	15.6%	-	-
Senior Secured Term Loan (PCR)	Senior Secured Loan	Aug-12	-	10.0%	10.1%	-	-
Senior Secured Term Loan (Public Company)	Senior Secured Loan	Dec-12	-	11.5%	11.7%	-	-
<i>Pro Forma Investments</i>							
January 2013 Second Lien Debt <sup>3</sup>	Second Lien Debt	Jan-13	-	9.8%	9.9% <sup>2</sup>	-	-
<b>Total Direct Yielding Portfolio</b>			<b>\$101.8</b>	<b>11.9%</b>	<b>10.0%</b>	<b>1.8%</b>	<b>12.9%</b>

Note: As of 31 December 2012 pro forma for the closing and approval of an additional investment in one direct yielding investment in January 2013.

- 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 the January 2013 second lien debt is based on LIBOR plus 850 basis points subject to a 1.25% LIBOR floor.
- Data is pro forma for NBPE's participation in the primary issuance of second lien debt in a direct yielding investment in January 2013 and NBPE's approval of an additional purchase of this second lien debt through a secondary transaction.

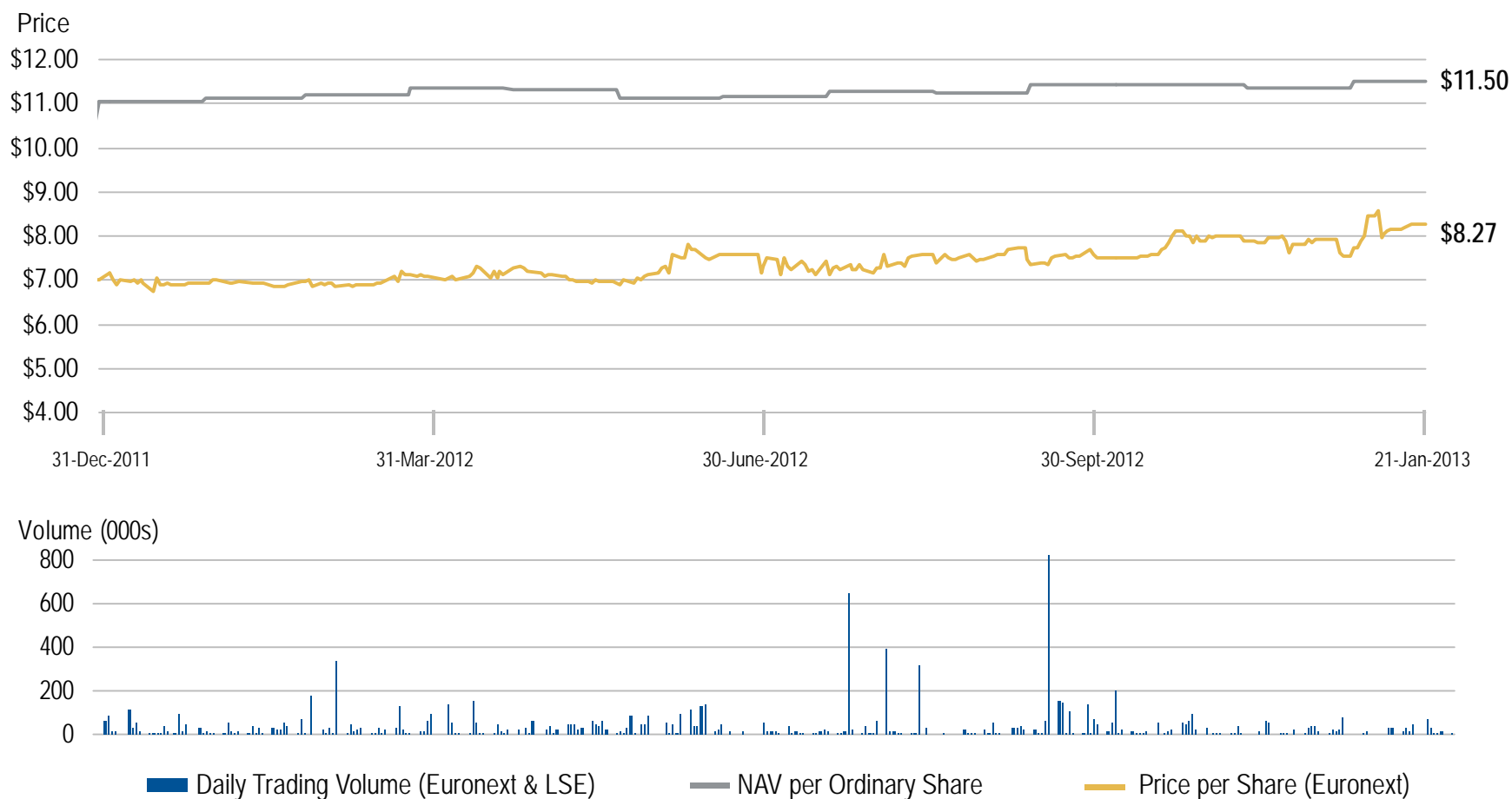
## NBPE Fund Investment Portfolio

Investment Name	Asset Class	Vintage Year	Unfunded Commitment	Fair Value	% of NBPE NAV
NB Crossroads Fund XVII	Fund XVII (Diversified)	Diversified	\$3.1	\$30.4	5.4%
NB Crossroads Fund XVIII Mid-cap Buyout	Mid-cap Buyout	Diversified	7.1	29.4	5.2%
Centerbridge Credit Partners	Special Situations	2008	0.0	25.4	4.5%
Sankaty Credit Opportunities III	Special Situations	2007	0.0	23.0	4.1%
First Reserve Fund XI	Large-cap Buyout	2006	0.0	21.4	3.8%
OCM Principal Opportunities Fund IV	Mid-cap Buyout	2007	2.0	16.6	3.0%
OCM Opportunities Fund VIIb	Special Situations	2008	3.0	11.8	2.1%
Platinum Equity Capital Partners II	Special Situations	2007	3.5	15.0	2.7%
NB Crossroads Fund XVIII Large-cap Buyout	Large-cap Buyout	Diversified	2.2	11.3	2.0%
CVI Global Value Fund	Special Situations	2006	0.8	9.8	1.7%
Oaktree Opportunities Fund VIII	Special Situations	2009	0.0	11.0	2.0%
Avista Capital Partners	Mid-cap Buyout	2006	0.7	11.4	2.0%
Wayzata Opportunities Fund II	Special Situations	2007	17.8	10.7	1.9%
Lightyear Fund II	Mid-cap Buyout	2006	1.3	10.1	1.8%
NB Crossroads Fund XVIII Venture Capital	Growth / Venture	Diversified	1.7	9.2	1.6%
NB Crossroads Fund XVIII Special Situations	Special Situations	Diversified	0.9	7.8	1.4%
Bertram Growth Capital I	Growth / Venture	2007	0.8	8.8	1.6%
NB Fund of Funds Secondary 2009	Mid-cap Buyout	2009	1.9	7.0	1.3%
Sun Capital Partners V	Special Situations	2007	3.0	7.4	1.3%
Wayzata Opportunities Fund II (Secondary)	Special Situations	2011	4.8	6.7	1.2%
Catalyst Fund III	Special Situations	2011	8.1	6.8	1.2%
Corsair III Financial Services Capital Partners	Mid-cap Buyout	2007	1.4	6.7	1.2%
NG Capital Partners	Growth / Venture	2010	1.3	5.8	1.0%
ArcLight Energy Partners Fund IV	Mid-cap Buyout	2007	5.4	4.9	0.9%
Aquiline Financial Services Fund	Mid-cap Buyout	2005	0.0	5.6	1.0%
Doughty Hanson & Co IV	Large-cap Buyout	2003	0.7	4.9	0.9%
Trident IV	Mid-cap Buyout	2007	0.8	4.4	0.8%
American Capital Equity II	Mid-cap Buyout	2005	1.3	4.2	0.8%
Carlyle Europe Partners II	Large-cap Buyout	2003	0.8	4.7	0.8%
Highstar Capital II	Mid-cap Buyout	2004	0.1	3.5	0.6%
Summit Partners Europe Private Equity Fund	Growth / Venture	2010	3.1	2.8	0.5%
Clessidra Capital Partners	Mid-cap Buyout	2004	0.2	2.5	0.4%
J.C. Flowers II	Large-cap Buyout	2006	0.3	2.6	0.5%
Bertram Growth Capital II	Growth / Venture	2010	5.8	3.2	0.6%
Investitori Associati III	Mid-cap Buyout	2000	0.3	1.2	0.2%
Prospect Harbor Credit Partners	Special Situations	2007	0.0	0.9	0.2%
Strategic Value Global Opportunities Fund I-A	Special Situations	2010	0.1	0.9	0.2%
Strategic Value Special Situations Fund	Special Situations	2010	0.0	0.6	0.1%
DBAG Expansion Capital Fund	Growth / Venture	2011	5.4	0.2	0.0%
<b>Total Fund Portfolio</b>			<b>\$89.8</b>	<b>\$350.5</b>	<b>62.4%</b>

Note: As of 31 December 2012.

## NBPE Share Price vs. NAV per Share

Over the last 12 months, NBPE's share price has increased 19.2% and NAV per share has increased 4.3%



Source: Bloomberg. Past performance is not indicative of future results. Share data as of 21 January 2013.

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

## ZDP Price and NAV per ZDP Share

NBPE's ZDP shares have consistently traded at a premium to accreted value since they were issued in late 2009. The GRY is currently 4.7% at the prevailing market price

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



Source: Bloomberg. Market data as of 21 January 2013. Past performance is not indicative of future results.  
 Note: NAV per ZDP share is defined as the accreted value of the ZDP shares.



## Trading Liquidity

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

- In 2012 and YTD 2013, NBPE's cumulative trading volume was approximately 10.3 million shares of which 7.2 million shares were traded on the NYSE Euronext and the London Stock Exchange and 3.1 million shares were traded over-the-counter
  - In 2012 and YTD 2013, including over-the-counter trades, daily average trading volume was approximately 38,600 shares and daily average trading volume on-exchange was approximately 26,900 shares
  - Over-the-counter trading volume was not reported by the exchanges but instead was reported via the Markit BOAT platform

## Capital Return Policy

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NBPE is implementing a long-term policy of paying regular dividends as a continuation of its Capital Return Policy while maintaining the flexibility to conduct share repurchases

- The Capital Return Policy is a long-term capital management policy of ongoing returns of capital to NBPE Shareholders implemented in October 2010
- Under the Capital Return Policy, the Board has indicated the Company's intention to, for each half-year period, return at least 50% of the net realized increase in NAV attributable to the ordinary shares to shareholders. This will be accomplished by way of share repurchases, dividends or other such means as the Directors consider most efficient
  - Since launching the Capital Return Policy, NBPE has repurchased 2,247,028 shares at a weighted average price per share of \$7.27 (accretive to NAV per share by ~\$0.18)
  - For the period from 1 January 2012 and ending 30 June 2012 the Capital Return Policy amount was approximately \$3.8 million; During 2012, NBPE returned \$3.9 million to shareholders by way of share repurchases
- NBPE is implementing a long-term policy of paying regular dividends as a continuation of its Capital Return Policy
  - NBPE maintains the flexibility to repurchase shares through the Share Buyback Programme
  - Going forward, the 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

*Note: As of 31 December 2012 (unaudited). Share re-purchase data as of 31 December 2012. See endnote three for important information related to the dividend.*

## Liquidity Enhancement & Buy-Back Programs

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

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

Note: As of 31 December 2012 (unaudited).

1. NAV per share accretion represents total accretion for cumulative shares repurchased during this time period.

## NBPE Credit Facility & Covenants

As of 31 December 2012, 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 December 2012, the total asset ratio was 2.4%

### 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 December 2012, the secured asset ratio was 3.6%

### 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 December 2012, the commitment ratio was 104.2%

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

## Endnotes

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