

NB Private Equity Partners Limited

31 MARCH 2009 INTERIM FINANCIAL REPORT



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COMPANY OVERVIEW

Our investment objective is to produce attractive returns on our capital from our private equity investments while managing investment risk through portfolio diversification. We intend to pursue diversification for our private equity investments across asset class, vintage year, geography, industry and sponsor.

Our Company	NB Private Equity Partners Limited (“NBPE”) <ul style="list-style-type: none"> ■ Guernsey closed-end investment company ■ 51,160,165 Class A ordinary Shares outstanding ■ 10,000 Class B ordinary Shares outstanding
Investment Manager	NB Alternatives <ul style="list-style-type: none"> ■ Over 20 years of private equity investing experience ■ Investment Committee with an aggregate of more than 200 years of experience with private equity investing ■ ~50 investment professionals ■ ~135 administrative and finance professionals ■ Offices in New York, Dallas, London and Hong Kong

<i>(\$ in millions, except per share data)</i>	At 31 March 2009	At 31 December 2008
Net Asset Value	\$398.7	\$430.5
Net Asset Value per Share	\$7.79	\$8.20
Fund Investments	\$355.6	\$359.0
Direct Co-investments	\$75.8	\$89.3
Total Private Equity Investments	\$431.4	\$448.3
Private Equity Investment Level	108%	104%
Cash and Cash Equivalents	\$108.0	\$139.2

OVERVIEW OF THE INVESTMENT MANAGER

The NB Alternatives group of Neuberger Berman (the “Investment Manager”) has over twenty years of investing experience specializing in private equity funds, co-investments and secondary investments and has built relationships with leading private equity sponsors over that time.

The Investment Manager makes all of our investment decisions, and we have delegated to the Investment Manager the day-to-day management and operations of our business. The Investment Manager’s investment decisions are made by its Fund of Funds Investment Committee (the “Investment Committee”), which currently consists of members with an aggregate of more than 200 years of experience with private equity investing. The sourcing and evaluation of our investments is conducted by the Investment Manager’s team of approximately 50 investment professionals who specialize in private equity fund investments and co-investments. In addition, the Investment Manager’s staff of approximately 135 administrative and finance professionals are responsible for our administrative, financial management and reporting needs. The Investment Manager currently maintains offices in New York, Dallas, London and Hong Kong.

Investment Manager Update

On 4 May 2009, Neuberger Berman Group LLC (“Neuberger Berman”) announced the completion of an employee-led buyout of the 70-year-old company, creating one of the world’s largest private, independent money managers with approximately \$158 billion in assets under management for institutions and individuals.

New York-based Neuberger Berman is majority-owned by an employee group consisting of portfolio managers and senior professionals of the newly independent company. Neuberger Berman’s previous owner, Lehman Brothers Holdings Inc., retains the remainder.

Established in 1939, Neuberger Berman has approximately 1,600 employees, including more than 250 investment professionals, and is a leader in providing a broad range of global investment solutions – equity, fixed income, and alternatives – to institutions and individuals through customized separately managed accounts and funds. For more information please visit the Neuberger Berman website at www.nb.com.

INVESTMENT RESULTS

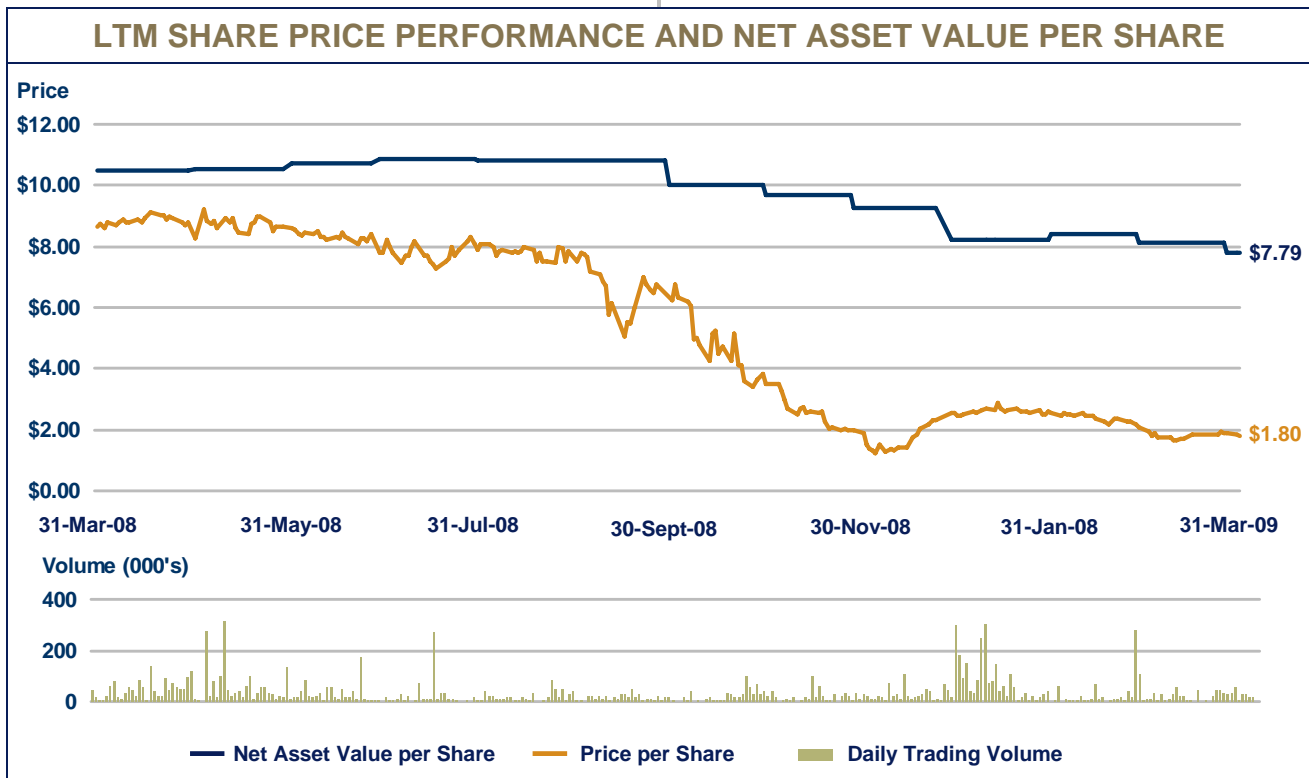
During the first quarter, net asset value decreased from \$430.5 million at 31 December 2008 to \$398.7 million, or \$7.79 per Share, at 31 March 2009. This represents a decrease of \$0.41 per Share, or 5%, compared to the net asset value per Share of \$8.20 at 31 December 2008. In the first quarter of 2009, declining public market valuations, particularly in January and February, and an uncertain economic outlook led to write-downs in the mark-to-market value of credit-related fund investments and the unrealized value of certain privately-held buyout investments.

During the first three months of 2009, we had net realized losses of \$3.7 million in our private equity portfolio. The portfolio also experienced net unrealized depreciation of \$18.7 million related to privately held investments, principally related to the write-down of certain buyout co-investments. In addition, there was a \$3.0 million net decrease in the value of credit related fund investments and publicly traded equity securities. Interest and dividend income, foreign exchange adjustments, operating expenses and other items resulted in a \$3.1 million decrease in net asset value.

However, share repurchases during the quarter through the Liquidity Enhancement Agreement were accretive to net asset value by \$0.14 on a per share basis.

In the first quarter of 2009, we invested approximately \$12.7 million into private equity investments through capital calls and direct co-investments. Approximately 43% of the capital invested was directed to buyout funds, 32% was deployed into special situations / distressed funds and 25% was invested in growth equity and venture capital funds.

In the first quarter of 2009, we received approximately \$3.0 million of distributions from our underlying private equity portfolio. A majority of the distributions came from two investments: approximately 43% related to our co-investment in TPF Genco Holdings, LLC and another 35% from Corsair III Financial Services Capital Partners.



INVESTMENT PORTFOLIO SUMMARY

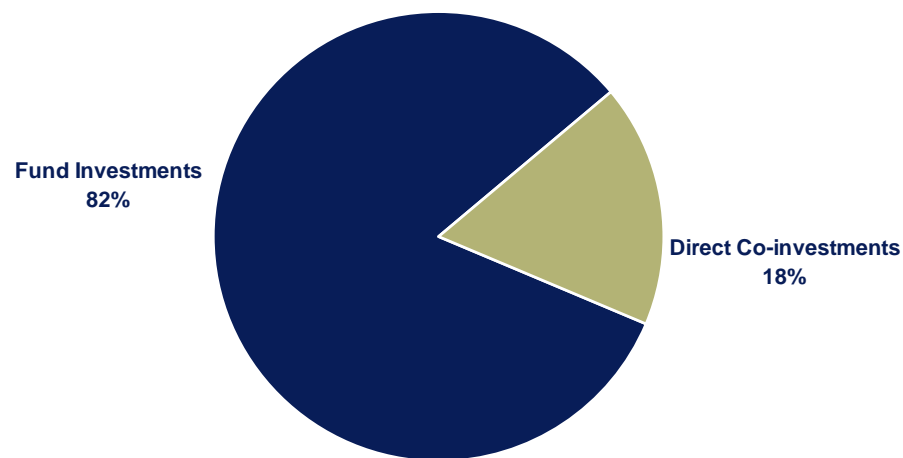
During the first quarter of 2009, we did not commit to any new private equity funds or invest in any direct co-investments. During 2008, we committed approximately \$59.4 million to new private equity investments, including 69%, or \$41.2 million, to special situations funds and co-investments.

As of 31 March 2009, our private equity investment portfolio consisted of 58 fund investments and direct co-investments and the net asset value and total exposure of our private equity portfolio was \$431.4 million and \$602.1 million, respectively.

PRIVATE EQUITY INVESTMENT PORTFOLIO – 31 MARCH 2009

(\$ in millions)	Number of Investments	Net Asset Value	Unfunded Commitments	Total Exposure
Fund Investments	39	\$355.6	\$164.4	\$519.9
Direct Co-investments	19	75.8	6.4	82.2
Total Private Equity Investments	58	\$431.4	\$170.8	\$602.1

PORTFOLIO ALLOCATION BASED ON NET ASSET VALUE



INVESTMENT STRATEGY AND CAPITAL DEPLOYMENT

We seek to generate attractive returns on our capital by increasing our net asset value over the long term. We strive to implement our strategy by making investments into high quality private equity funds and direct co-investments, while also maintaining a well-diversified portfolio.

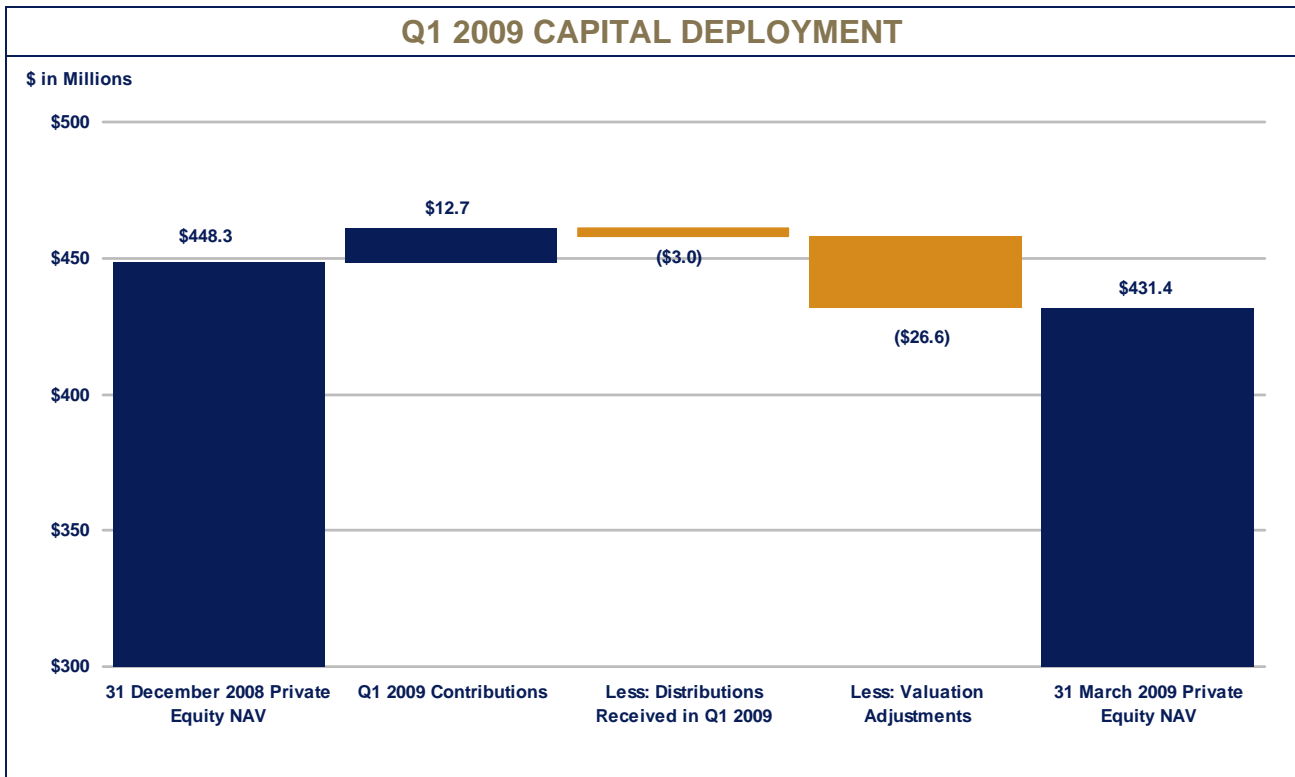
In the second half of 2007 and throughout 2008, we tactically allocated a larger portion of our portfolio to the special situations asset class, including distressed funds. As of 31 March 2009, special situations funds and co-investments represented 23% of our investment portfolio based on private equity net asset value.

Since 30 June 2008, our special situations managers have deployed over \$55 million to take advantage of potential opportunities to generate value through undervalued credit securities, financial restructurings, reorganizations and operational turnarounds of underperforming businesses.

During the second half of 2008 through early March 2009, severe dislocations in the credit markets placed negative pressure on valuations, resulting in unrealized mark-to-market losses for a majority of our special situations investments.

However, from the middle of March through early June 2009, the credit markets experienced a relative increase in liquidity and new issue activity. Loan and bond prices have increased since the end of the first quarter (although they are still at historically low levels) and a significant amount of restructuring and refinancing activity is beginning to take place. As this activity persists, we believe our special situations managers are well-positioned to capitalize on opportunities to generate attractive returns over the long term.

With our private equity investment level at 108% at the end of the first quarter, we will continue to be cautious regarding new investments in order to maintain a conservative capital structure.



PORTFOLIO AND INVESTMENT ACTIVITY

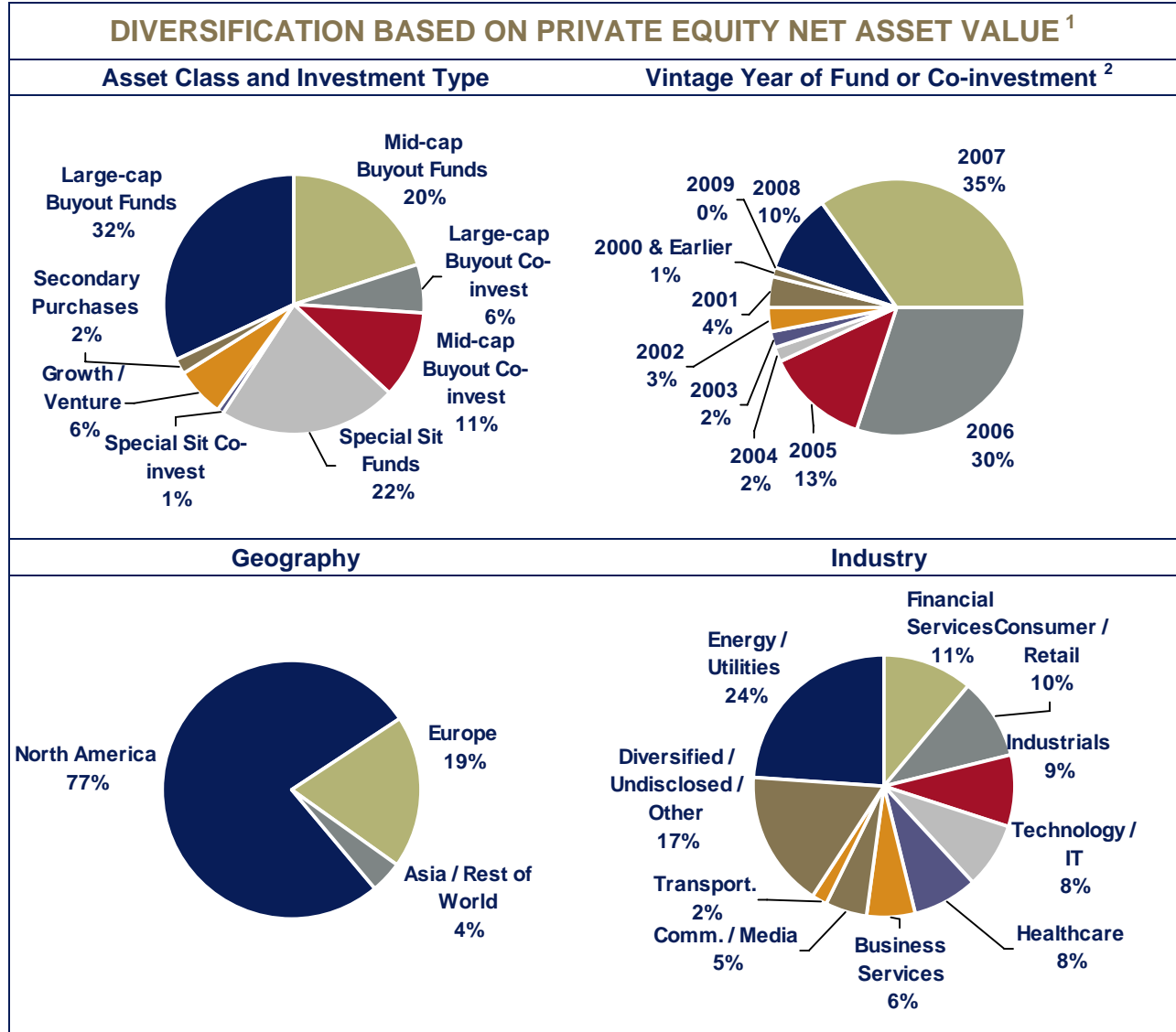
Portfolio and investment activity in the first quarter of 2009 was as follows:

(\$ in millions)

	Fund Investments	Direct Co-investments	Total
Capital Calls / Co-investments Funded	\$12.7	\$0.0	\$12.7
Distributions Received	\$1.4	\$1.6	\$3.0
Net Realized Gains (Losses)	(\$3.1)	(\$0.0)	(\$3.1)
Net Unrealized Appreciation (Depreciation)	(\$11.4)	(\$11.8)	(\$23.2)
New Commitments	0	0	0
Amount Committed	\$0.0	\$0.0	\$0.0

PORTFOLIO DIVERSIFICATION

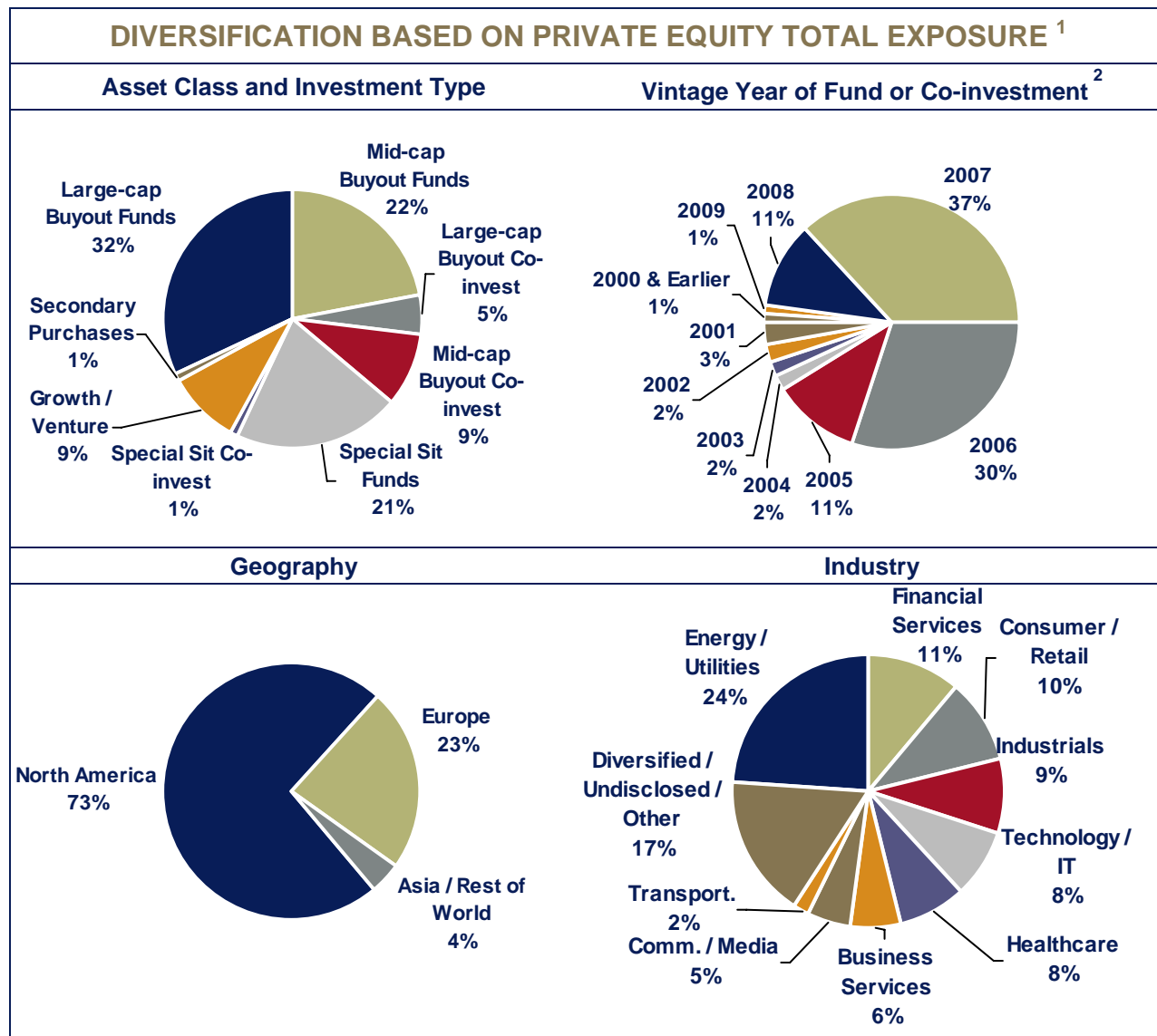
Consistent with our investment objective, we strive to manage investment risk through appropriate diversification within our private equity portfolio. The graphs below illustrate the breakdown of our private equity investment portfolio based on private equity net asset value as of 31 March 2009.



1. The diversification analysis by asset class and investment type is based on the net asset value of underlying fund investments and co-investments. The diversification analysis by vintage year, geography and industry is based on the diversification of underlying portfolio company investments at fair value as estimated by the Investment Manager. The vintage year diversification also includes an allocation of net cash flows and valuation adjustments made since financial statements were last received from the investment sponsor. Determinations regarding asset class, 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.

2. Vintage year is the date of the first portfolio investment made by a private equity fund or the date of the co-investment.

The graphs below depict the diversification of our private equity investment portfolio as of 31 March 2009 based on total private equity exposure, defined as the value of private equity investments plus related unfunded commitments.

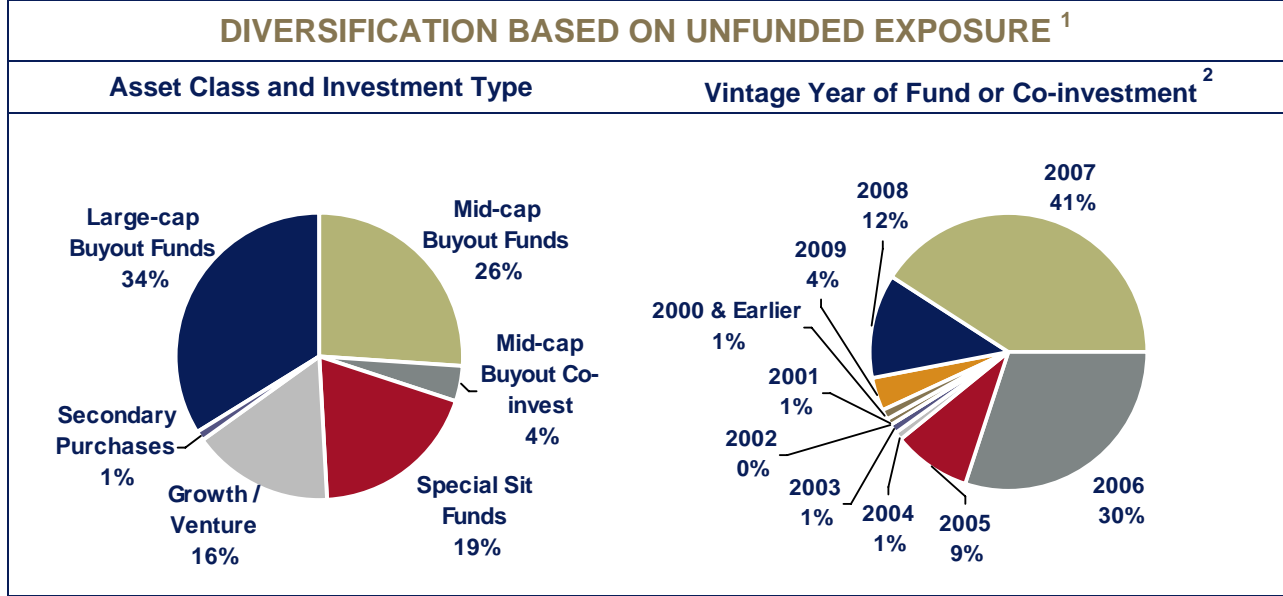


1. The diversification analysis by asset class and investment type is based on the net asset value of underlying fund investments and co-investments plus related unfunded commitments. The diversification analysis by vintage year, geography and industry is based on the diversification of underlying portfolio company investments at fair value as estimated by the Investment Manager. The vintage year diversification also includes an allocation of net cash flows and valuation adjustments made since financial statements were last received from the investment sponsor. Determinations regarding asset class, geography and industry, as well as the allocation of unfunded commitments, 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.

2. Vintage year is the date of the first portfolio investment made by a private equity fund or the date of the co-investment.

DIVERSIFICATION OF UNFUNDED COMMITMENTS

The graphs below depict the diversification of our \$170.8 million of unfunded private equity commitments as of 31 March 2009.



1. Determinations regarding asset class represent the Investment Manager's estimates.

2. Vintage year is the date of the first portfolio investment made by a private equity fund or the date of the co-investment.

VINTAGE YEAR DIVERSIFICATION

In addition to the overall diversification of our private equity portfolio, we continue to be mindful of potential changes in the market in order to capitalize on the most attractive opportunities at a given point in time. In the second half of 2007 and throughout 2008, we tactically allocated a larger amount of capital to special situations funds and co-investments in order to take advantage of distressed investment opportunities. As a result, based on private equity net asset value at the end of the first quarter, 31% of our 2007 vintage year investments and 90% of our 2008 vintage year investments were invested in special situations / distressed.

The table below illustrates the diversification of our private equity net asset value by vintage year and investment type as of 31 March 2009. For the purposes of this analysis, and throughout this Interim Financial Report, vintage year is defined as the date of the first portfolio investment made by a private equity fund or the date of a co-investment.

DIVERSIFICATION BY VINTAGE YEAR AND INVESTMENT TYPE						
(\$ in millions)	Vintage Year					Total
	<=2004	2005	2006	2007	2008	
Large-cap Buyout Funds	\$38.8	\$34.0	\$57.4	\$5.6	-	\$135.8
Large-cap Buyout Co-investments	-	-	1.9	15.3	-	17.2
Mid-cap Buyout Funds	9.0	7.5	42.7	27.9	0.3	87.3
Mid-cap Buyout Co-investments	-	0.7	15.9	38.0	2.3	56.9
Special Situations Funds	0.2	1.8	15.1	44.0	34.5	95.5
Special Sit. Co-investments	-	-	-	0.1	5.4	5.5
Growth / Venture	3.0	4.4	5.8	10.8	1.6	25.7
Secondary Purchases	1.6	5.2	0.6	0.0	-	7.4
Total	\$52.5	\$53.5	\$139.5	\$141.7	\$44.1	\$431.4
	Vintage Year					Total
	<=2004	2005	2006	2007	2008	
Large-cap Buyout Funds	74%	64%	41%	4%	0%	31%
Large-cap Buyout Co-investments	0%	0%	1%	11%	0%	4%
Mid-cap Buyout Funds	17%	14%	31%	20%	1%	20%
Mid-cap Buyout Co-investments	0%	1%	11%	27%	5%	13%
Special Situations Funds	0%	3%	11%	31%	78%	22%
Special Sit. Co-investments	0%	0%	0%	0%	12%	1%
Growth / Venture	6%	8%	4%	8%	4%	6%
Secondary Purchases	3%	10%	0%	0%	0%	2%
Total	100%	100%	100%	100%	100%	100%

PRIVATE EQUITY INVESTMENT PORTFOLIO

The following is a list of our private equity investments as of 31 March 2009:

(\$ in millions)		Principal	Vintage	Estimated	Unfunded	Total
	Asset Class	Geography	Year	Fair Value	Commitments	Exposure
Fund Investments						
AIG Highstar Capital II	Mid-cap Buyout	U.S.	2004	\$3.3	\$0.3	\$3.5
American Capital Equity II	Mid-cap Buyout	U.S.	2005	4.7	1.5	6.1
Apollo Investment Fund V	Large-cap Buyout	U.S.	2001	11.4	1.5	12.8
Aquiline Financial Services Fund	Mid-cap Buyout	U.S.	2005	2.0	2.5	4.5
ArcLight Energy Partners Fund IV	Mid-cap Buyout	U.S.	2007	10.8	8.4	19.3
Avista Capital Partners	Mid-cap Buyout	U.S.	2006	15.6	2.0	17.6
Bertram Growth Capital I	Growth Equity	U.S.	2007	9.0	7.9	16.9
Carlisle Europe Partners II	Large-cap Buyout	Europe	2003	5.8	0.8	6.5
Centerbridge Credit Partners	Special Situations	U.S.	2008	16.6	-	16.6
Clayton, Dubilier & Rice Fund VII	Large-cap Buyout	U.S.	2005	17.4	2.9	20.2
Clessidra Capital Partners	Mid-cap Buyout	Europe	2004	3.4	1.0	4.5
Corsair III Financial Services Capital Partners	Mid-cap Buyout	Global	2007	3.7	4.0	7.7
CVI Global Value Fund	Special Situations	Global	2006	11.8	0.8	12.6
Doughty Hanson & Co IV	Large-cap Buyout	Europe	2003	3.4	0.3	3.7
First Reserve Fund XI	Large-cap Buyout	U.S.	2006	15.7	6.9	22.6
Investitori Associati III	Mid-cap Buyout	Europe	2000	1.6	0.9	2.5
J.C. Flowers II	Large-cap Buyout	Global	2006	3.3	0.4	3.7
KKR 2006 Fund	Large-cap Buyout	Global	2006	16.1	8.6	24.8
KKR Millennium Fund	Large-cap Buyout	Global	2002	9.8	0.0	9.8
NB Crossroads Fund XVII	Diversified	U.S.	2002 - 2006	28.6	10.0	38.6
NB Crossroads Fund XVIII Large-cap Buyout	Large-cap Buyout	Global	2005 - 2009	6.6	4.2	10.8
NB Crossroads Fund XVIII Mid-cap Buyout	Mid-cap Buyout	Global	2005 - 2009	19.1	17.4	36.5
NB Crossroads Fund XVIII Special Situations	Special Situations	Global	2005 - 2009	5.7	2.4	8.2
NB Crossroads Fund XVIII Venture Capital	Venture / Growth	U.S.	2006 - 2009	5.1	4.7	9.8
Lightyear Fund II	Mid-cap Buyout	U.S.	2006	4.1	4.3	8.3
Madison Dearborn Capital Partners V	Large-cap Buyout	U.S.	2006	5.2	2.0	7.2
OCM Opportunities Fund VIIb	Special Situations	U.S.	2008	17.9	9.0	26.9
OCM Principal Opportunities Fund IV	Mid-cap Buyout	U.S.	2007	15.4	-	15.4
Platinum Equity Capital Partners II	Special Situations	U.S.	2007	4.5	11.8	16.4
Prospect Harbor Credit Partners	Special Situations	U.S.	2007	5.4	-	5.4
Sankaty Credit Opportunities III	Special Situations	U.S.	2007	15.1	-	15.1
Summit Partners Europe Private Equity Fund	Growth Equity	Europe	2009	-	7.0	7.0
Sun Capital Partners V	Special Situations	U.S.	2007	1.2	8.6	9.9
Terra Firma Capital Partners III	Large-cap Buyout	Europe	2007	4.8	13.8	18.6
Thomas H. Lee Equity Fund VI	Large-cap Buyout	U.S.	2006	10.8	12.8	23.6
Trident IV	Mid-cap Buyout	U.S.	2007	3.4	1.4	4.8
Warburg Pincus Private Equity VIII	Large-cap Buyout	Global	2001	7.0	-	7.0
Wayzata Opportunities Fund II	Special Situations	U.S.	2007	16.2	0.8	17.0
Welsh, Carson, Anderson & Stowe X	Large-cap Buyout	U.S.	2005	14.0	3.6	17.6
Total Fund Investments				\$355.6	\$164.4	\$519.9
Direct Co-investments ⁽¹⁾						
Avaya, Inc.	Large-cap Buyout	U.S.	2007			
Dresser Holdings, Inc.	Mid-cap Buyout	U.S.	2007			
Edgen Murray Corporation	Mid-cap Buyout	U.S.	2007			
Energy Future Holdings Corp. (TXU Corp.)	Large-cap Buyout	U.S.	2007			
First Data Corporation	Large-cap Buyout	U.S.	2007			
Firth Rixson, plc (Equity)	Mid-cap Buyout	Europe	2007 / 2008			
Firth Rixson, plc (Mezzanine)	Special Situations	Europe	2008			
Freescale Semiconductor, Inc.	Large-cap Buyout	U.S.	2006			
GazTransport & Technigaz S.A.S.	Mid-cap Buyout	Europe	2008			
Group Ark Insurance Holdings Limited	Mid-cap Buyout	Global	2007			
Kyobo Life Insurance Co., Ltd.	Mid-cap Buyout	Asia	2007			
Linn Energy, LLC	Mid-cap Buyout	U.S.	2007			
MaRI Holdings Limited	Mid-cap Buyout	Global	2007			
Press Ganey Associates, Inc.	Mid-cap Buyout	U.S.	2008			
Sabre Holdings Corporation	Large-cap Buyout	U.S.	2007			
Seventh Generation, Inc.	Growth Equity	U.S.	2008			
TPF Genco Holdings, LLC	Mid-cap Buyout	U.S.	2006			
Unión Radio	Mid-cap Buyout	Global	2008			
Total Direct Co-investments				\$75.8	\$6.4	\$82.2
Total Private Equity Investment Portfolio				\$431.4	\$170.8	\$602.1

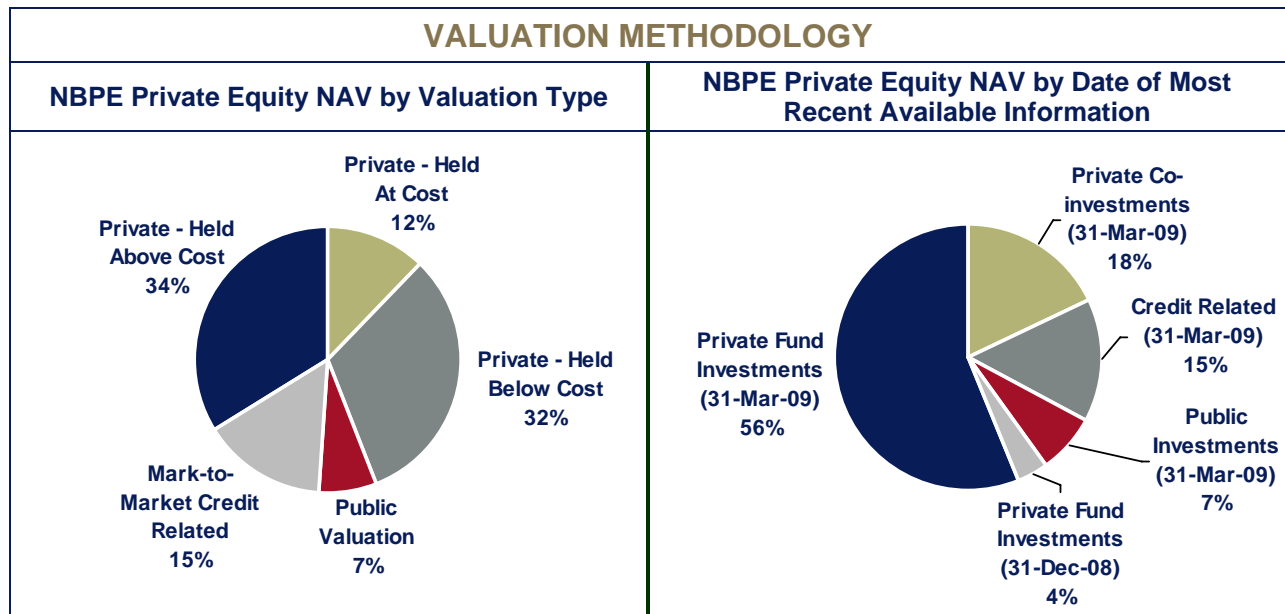
1. Co-investment values are given on an aggregate-only basis. No single co-investment comprised more than 5.0% of total net asset value.

VALUATION METHODOLOGY

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

Our net asset value of \$7.79 per share as of 31 March 2009 was \$0.38 lower than previously reported in our March 2009 Monthly Report principally due to the receipt of additional portfolio valuation information. Between the release date of our March 2009 Monthly Report and the date of this Interim Financial Report, our Investment Manager received first quarter 2009 financial statements and other valuation estimates that resulted in write-downs within our private equity portfolio, particularly related to our buyout co-investments. Furthermore, our Investment Manager utilized this valuation information to proactively re-value certain portfolio companies that are in multiple private equity funds using the most conservative valuation multiple across the portfolio.

The graphs below illustrate the diversification of our private equity investments by valuation type and the date of most recent available information as of 31 March 2009.



PERFORMANCE BY ASSET CLASS

Based on the multiple of total value to paid-in capital ("TVPI"), our private equity portfolio decreased in value from 0.84x at 31 December 2008 to 0.80x at 31 March 2009.

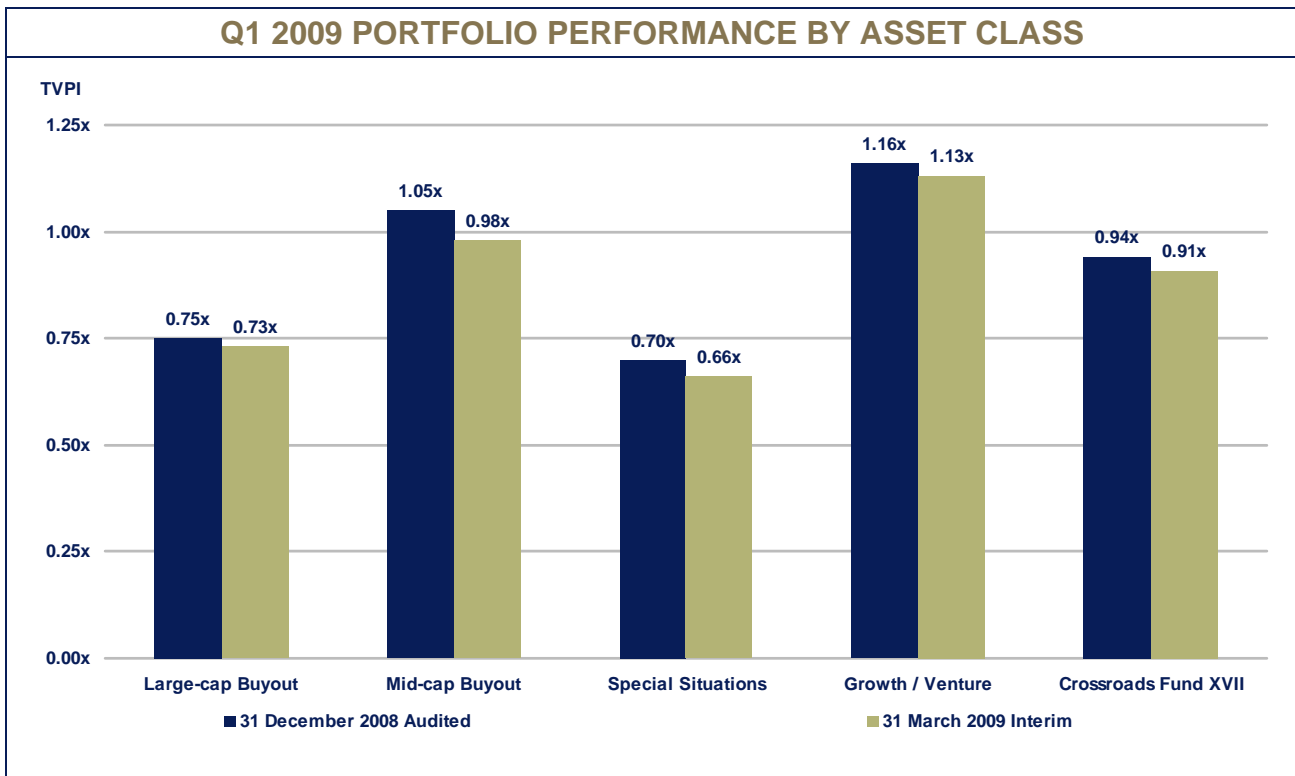
The largest decline in performance was related to mid-cap buyout investments, which fell from 1.05x to 0.98x. The mid-cap buyout portfolio was primarily affected by lower public market comparables, weakening operating performance and a softer outlook for estimated future earnings. This confluence of events led to lower valuations at quarter end, especially for certain mid-cap buyout co-investments. For many of the same reasons, large-cap buyout valuations also declined across much of the portfolio. During the first quarter, the TVPI multiple of our large-cap buyout portfolio decreased from 0.75x to 0.73x.

Our special situations / distressed portfolio declined from 0.70x to 0.66x in the first quarter of 2009, largely due to unrealized losses related to mark-to-market adjustments on debt securities purchased by trading and restructuring funds.

Overall, the special situations portfolio is in the early stages of the J-curve with a majority of the capital deployed in 2008. It is not unusual for distressed portfolios to have initial negative returns as managers build their investment positions. If our underlying managers are making appropriate credit selections, we would expect the distressed portfolios to appreciate much more quickly as credit markets begin to stabilize. In addition, by investing primarily in debt securities, the distressed portfolio should provide downside protection by investing in a more senior portion of the capital structure.

The TVPI multiple of our growth equity and venture capital portfolio decreased from 1.16x to 1.13x during the quarter and our investment in NB Crossroads Fund XVII, which is diversified across all four asset classes, declined in value from 0.94x to 0.91x during the first three months of the year.

The graph below illustrates a summary of our portfolio performance by asset class during the first quarter of 2009.



CO-INVESTMENT PERFORMANCE

During the first quarter of 2009, the TVPI multiple of our co-investment portfolio decreased from 0.98x to 0.87x. The write-downs in the co-investment portfolio were principally related to mid-cap buyout and other co-investments due to lower public market comparables, weakening operating performance and a softer outlook for estimated future earnings.

The table below outlines the performance of our co-investment portfolio from inception through 31 March 2009 by asset class and valuation range.

CO-INVESTMENT PERFORMANCE BY ASSET CLASS AND VALUATION RANGE					
Asset Class	# Co-investments	31-March-2009 Fair Value (\$mm)	Total Value to Paid-in Capital	% of Fair Value	
Large-cap Buyout	5	\$16.4	0.47x	21.7%	
Mid-cap Buyout	13	52.5	1.13x	69.3%	
Other Co-investments	2	6.8	0.67x	9.0%	
Total Co-investments	20	\$75.8	0.87x	100.0%	
Multiple Range	# Co-investments	31-March-2009 Fair Value (\$mm)	Total Value to Paid-in Capital	% of Fair Value	
< 0.5x	5	\$4.5	0.23x	5.9%	
0.5x - 1.0x	6	24.8	0.61x	32.7%	
Held at Cost	2	1.0	1.00x	1.3%	
1.0x - 2.0x	6	34.3	1.29x	45.3%	
2.0x +	1	11.2	2.46x	14.8%	
Total Co-investments	20	\$75.8	0.87x	100.0%	

LARGEST UNDERLYING INVESTMENTS

At 31 March 2009, our private equity investment portfolio included exposure to over 2,350 separate companies, with our allocable portion of approximately 850 companies valued at greater than \$20,000. Our 10 largest portfolio company investments totaled approximately \$85 million in fair value, or 20% of our private equity investments and 21% of our total net asset value. Our 20 largest portfolio company investments totaled approximately \$123 million in fair value, or 28% of our private equity investments and 31% of our total net asset value. No individual company accounted for more than 5.0% of total net asset value at quarter end. Listed below are the 20 largest portfolio company investments in alphabetical order.

Company Name	Status	Business Description	Partnership
Affinion Group Holdings Inc.	Privately Held	Marketing solutions	Apollo V
Avaya, Inc.	Privately Held	Communication systems, applications and services for enterprises	Direct, Fund XVIII
California Highwind Power	Privately Held	Wind generated power plants	Arclight IV, Fund XVIII
Dresser Holdings, Inc.	Privately Held	Energy infrastructure and oilfield equipment and services	Direct, First Reserve XI, Fund XVII, Fund XVIII
Edgen Murray Corporation	Privately Held	Distributor and marketer of steel and alloy products	Direct, Fund XVII, Fund XVIII
Energy Future Holdings Corp. (f/k/a TXU Corp.) **	Privately Held	Power generation, transmission and distribution, and retail electricity services	Direct, KKR 2006, Fund XVIII
First Data Corporation **	Privately Held	Global payment processing services	Direct, KKR 2006, Fund XVIII
Firth Rixson, plc **	Privately Held	Supplier of specialist metal products primarily for the aerospace industry	Direct, Fund XVIII
Group Ark Insurance Holdings Limited	Privately Held	Lloyd's based specialty P&C insurer	Direct, Aquiline, Fund XVIII
HD Supply Company **	Privately Held	Diversified wholesale distributor	CD&R VII, OCM Principal Opps IV, OCM Opps VIIb, Fund XVIII
Lantheus Medical Imaging	Privately Held	Cardiovascular medical imaging	Avista, Fund XVIII
Linn Energy, LLC	Publicly-Traded	Independent oil and gas company	Direct
Nielsen Company	Privately Held	Global information and media products and services	Carlyle Europe II, KKR Millennium, THL Fund VI, Fund XVII, Fund XVIII
Nycomed Holdings A/S	Privately Held	Specialty pharmaceutical company	Avista, Fund XVII, Fund XVIII
Power Holdings Inc.	Privately Held	Manufacturer of full spectrum power distribution and monitoring equipment	Bertram Growth Capital, Fund XVIII
Sabre Holdings Corporation	Privately Held	Travel services	Direct, Fund XVII, Fund XVIII
ServiceMaster Company **	Privately Held	Maintenance services, including lawn care, house cleaning and pest control	Clayton, Dubilier & Rice VII, Fund XVIII
Terra-Gen Power, LLC	Privately Held	Geothermal, wind and solar power generation	Arclight IV, Fund XVIII
TPF Genco Holdings, LLC	Privately Held	Natural gas fired power plants	Direct, Fund XVII, Fund XVIII
U.S. Foodservice Inc **	Privately Held	Foodservice distributor	Clayton, Dubilier & Rice VII, KKR 2006, Fund XVIII

At 31 March 2009, approximately \$28 million of our private equity investment portfolio was comprised of investments directly or indirectly in publicly-traded securities. This amount represented 7% of our private equity investments and 7% of our total net asset value.

** Indicates exposure to both equity and debt securities.

NB CROSSROADS FUND OF FUNDS INVESTMENTS

NB Crossroads Fund XVII (“Fund XVII”) and NB Crossroads Fund XVIII (“Fund XVIII”) are diversified private equity funds of funds comprised of private equity fund investments, secondary investments and co-investments. Our exposure to Fund XVII is through a single commitment to Fund XVII’s asset allocation fund while our exposure to Fund XVIII is through separate commitments to each of the asset class funds within Fund XVIII: Large-cap Buyout; Mid-cap Buyout; Special Situations / Distressed; and Growth Equity / Venture Capital.

As of 31 March 2009, the fair value of our investment in Fund XVII was \$28.6 million, representing 7% of our total private equity investments and 7% of our total net asset value. The asset class diversification of our investment in Fund XVII based on private equity net asset value at quarter end was as follows¹: Large-cap Buyout – 25%; Mid-cap Buyout – 29%; Growth / Venture – 41%; and Special Situations – 5%. As of 31 March 2009, Fund XVII consisted of 62 primary fund investments, nine co-investments and five secondary purchases and included exposure to over 1,400 separate companies, with the ten largest companies totaling approximately \$2.7 million in fair value to NBPE, or less than 1% of our total net asset value. At the end of the first quarter 2009, we had unfunded commitments of \$10.0 million to Fund XVII.

As of 31 March 2009, the aggregate fair value of our investments in Fund XVIII was \$36.5 million, representing 8% of our total private equity investments and 9% of our total net asset value. The asset class diversification of our investments in Fund XVIII based on private equity net asset value at quarter end was as follows¹: Large-cap Buyout – 18%; Mid-cap Buyout – 52%; Special Situations – 16%; and Growth / Venture – 14%. As of 31 March 2009, Fund XVIII consisted of 71 primary fund investments, 28 co-investments and seven secondary purchases and included exposure to over 1,200 separate companies, with the ten largest companies totaling approximately \$5.4 million in fair value to NBPE, or approximately 1% of our total net asset value. At the end of the first quarter 2009, we had unfunded commitments of \$28.7 million to Fund XVIII.

The table below lists our ten largest investments in Fund XVII and Fund XVIII in alphabetical order as of 31 March 2009. At 31 March 2009, the ten largest investments in Fund XVII had a fair value of approximately \$7.3 million to NBPE, or 2% of our total private equity investments and 2% of our total net asset value. The ten largest investments in Fund XVIII had a fair value of approximately \$9.9 million, or 2% of our total private equity investments and 2% of our total net asset value.

Ten Largest Investments in Fund XVII		Ten Largest Investments in Fund XVIII	
Partnership	Asset Class	Partnership	Asset Class
Apollo Investment Fund VI	Large-cap Buyout	3i Eurofund V	Mid-cap Buyout
Battery Ventures VII	Growth / Venture	Aquiline Financial Services Fund	Mid-cap Buyout
Carlyle/Riverstone Global E&P Fund III	Large-cap Buyout	Doughty Hanson & Co V	Mid-cap Buyout
CVC European Equity Partners IV	Large-cap Buyout	Edgen Murray Corporation	Mid-cap Co-invest
New Enterprise Associates 11	Growth / Venture	Madison Dearborn Capital Partners V	Large-cap Buyout
Oak Investment Partners XI	Growth / Venture	TowerBrook Investors II	Mid-cap Buyout
ONSET V	Growth / Venture	TPF Genco Holdings	Mid-cap Co-invest
Thoma Cressey Fund VIII	Mid-cap Buyout	Tenaska Power Fund II	Mid-cap Buyout
Trinity Ventures IX	Growth / Venture	Veritas Capital Fund III	Mid-cap Buyout
Warburg Pincus Private Equity IX	Special Situations	Wayzata Opportunities Fund	Special Situations

1. The asset class diversification analysis is based on our allocable portion of the net asset value of the underlying fund investments and direct co-investments held by Fund XVII and Fund XVIII, respectively.

LIQUIDITY AND CAPITAL RESOURCES

The principal sources of our liquidity consist of the net proceeds of cash distributions from prior investments, cash distributions from existing investments, sales of investments, interest and dividends earned on invested cash and existing investments and borrowings under our credit facility (further detail provided below and in Note 5 of the Consolidated Financial Statements).

As of 31 March 2009, we had borrowed \$136.7 million from our \$250.0 million credit facility in order to fund ongoing investment activities. As a result, we had cash and cash equivalents of \$108.0 million and \$113.3 million of undrawn capacity on our credit facility, resulting in total capital resources of \$221.4 million. Given that our unfunded private equity commitments were \$170.8 million at quarter end, we continued to maintain a conservative capital structure as over 100% of our unfunded commitments were backstopped by our cash and undrawn credit facility.

The table below outlines our liquidity and capital position as of 31 March 2009.

CAPITAL POSITION AT 31 MARCH 2009	
(\$ in millions)	31 March 2009
Net Asset Value	\$398.7
Total Private Equity Investments	\$431.4
Private Equity Investment Level	108%
Unfunded Private Equity Commitments	\$170.8
Total Private Equity Exposure	\$602.1
Over-commitment Level	51%
Cash and Cash Equivalents	\$108.0
Undrawn Credit Facility	\$113.3
Total Capital Resources	\$221.4
Excess of Capital Resources Over Unfunded Commitments	\$50.6

In August 2007, we entered into an agreement with The Bank of Scotland regarding a senior secured revolving credit facility of up to \$250.0 million. Under the terms of the agreement, we may borrow, repay and re-borrow to fund private equity contributions and working capital requirements throughout the seven year term expiring in August 2014. All borrowings under the credit facility bear interest at a floating rate, calculated as LIBOR or Euribor, as appropriate, plus 1.35% per annum. At 31 March 2009, the interest rate on outstanding borrowings ranged from 2.2950% to 2.35932%. We are also required to pay a non-utilization fee calculated as 40 basis points per annum on the daily balance of the unused amount of the credit facility. Although we do not presently pay dividends, we have the ability to pay dividends subject to compliance with the terms of the agreement.

The key financial covenant for our 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 restricted value) plus cash and cash equivalents. At 31 March 2009, the debt to value ratio was 26.4%.

The two other covenants are a secured asset ratio and a commitment ratio. The secured asset ratio is not to exceed 80.0% and is defined as total debt and current liabilities divided by Secured Assets, with Secured Assets defined as the value of secured private equity investments plus cash and cash equivalents. At 31 March 2009, the secured asset ratio was 36.4%.

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 restricted 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 we become restricted from making new private equity investments. At 31 March 2009, the commitment ratio was 92.8%.

MARKET COMMENTARY

Although the financial markets have begun to stabilize and public market valuations have increased considerably from mid-March through early June 2009, the broader economy has yet to see a large-scale recovery. Businesses across the industry spectrum, hopeful that small signs of recovery hint at a more promising near-term outlook, continue to seek capital to de-lever balance sheets and improve cost-cutting initiatives. However, lingering credit scarcity combined with flat or negative revenue growth continues to challenge many companies.

Relatively speaking, buyout activity during the first quarter of 2009 came to a standstill. Leveraged buyout volume is generally unavailable for the first quarter, with only one deal reported by Standard & Poor's. Leveraged buyout loan volume fell to a record low of \$0.13 billion in the first quarter of 2009, versus \$16.3 billion in the first quarter of 2008 and \$0.8 billion in the fourth quarter of 2008.¹ These figures are not surprising given the relative lack of financing and an uncertain M&A environment. Leveraged buyout transaction volume during the final months of 2008 was also effectively non-existent. Given the weak credit environment, only six small leveraged buyouts totaling \$3.2 billion were announced in the fourth quarter.² This represented a 97% decline year-over-year from \$125 billion during the fourth quarter of 2007.²

While the ongoing economic recession has created significant challenges, we believe it also created numerous and highly attractive opportunities, especially for experienced distressed investors with the right skill set, fresh capital and an intermediate to longer-term outlook. The prices of leveraged loans and high yield bonds declined sharply in the latter half of 2008 and first two months of 2009 and while they have recovered modestly since mid-March 2009, they remain at historically low levels on a relative basis. A rising number of defaults have created attractive risk-adjusted return potential for special situations / distressed investors. Given the substantial size of the global credit markets, even small increases in default rates tend to generate a significant supply of distressed investment opportunities.

Although the economic environment continues to be challenging for existing investments, it has provided an increasingly favorable pricing environment for new investments. As of 31 March 2009, our portfolio had unfunded private equity commitments of \$170.8 million, which we expect to be called over the next two to four years. We believe that attractive investment opportunities will persist for several years as our remaining unfunded capital is deployed. With 22% of our total exposure dedicated to special situations / distressed investments and a significant amount of capital remaining to be deployed across multiple asset classes, we continue to believe that our portfolio is well-positioned to generate attractive returns over the long term.

1. *Standard & Poor's 1Q09 Leveraged Buyout Review*
2. *Standard & Poor's LCD Quarterly Review Fourth Quarter 2008*

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:

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

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

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

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

RISK FACTORS

An investment in our company involves substantial risk and investors in our company's shares should carefully consider such risks, including the following. Additional risks and uncertainties that we do not presently know about or that we currently believe are immaterial may also adversely impact our business, financial condition, results of operations or the value of your investment. If any of the following risks actually occur, our business, financial condition, results of operations and the value of your investment would likely suffer.

Our company may experience fluctuations in its monthly net asset value.

Our company may experience fluctuations in our net asset value 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 we encounter competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the shares and cause our company's results for a particular period not to be indicative of our company's performance in a future period.

The shares could continue to trade at a discount to net asset value.

The shares could continue to trade at a discount to net asset value for a variety of reasons, including due to market conditions or to the extent investors undervalue the Investment Manager's investment management activities. Also, since there is generally a period of years before a new private equity fund has completed making its investments, return on our investments in such funds is not likely to be realized for a substantial time period, if at all, which could negatively impact the value of the shares. Additionally, unlike traditional private equity funds, we intend to continuously reinvest the cash we receive, except in limited circumstances. Therefore, the only way for investors to realize upon their investment is to sell their shares for cash. Accordingly, in the event that a holder of shares requires immediate liquidity, or otherwise seeks to realize the value of its investment in our company, through a sale of shares, the amount received by the holder upon such sale may be less than the underlying net asset value of the shares sold.

The Euronext Amsterdam trading market is less liquid than certain other major exchanges, which could affect the price of our shares.

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

Failure to continue to meet the financial covenants in our credit facility could have an adverse impact on our liquidity.

We are currently in compliance with all of the covenants of our credit facility; however, certain events, including further reductions in the net asset value of our investments, could result in an event of default under the credit facility agreement. Under the terms of the credit facility, if an event of default occurs the lender may cancel the undrawn portion of the 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 its obligations and could be forced to sell assets in order to cure the event of default or to repay the credit facility.

STATEMENT OF RESPONSIBILITY AND CERTAIN INFORMATION

Statement of Responsibility

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Guernsey law, of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing these financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for the fairness of the management review included in the annual report and for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Regarding independent auditors and disclosure of information to auditors, there is no relevant audit information of which the directors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Certain Information

We prepare consolidated financial statements for our Company on an annual and quarterly basis in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Our fiscal year ends on 31 December.

We are subject to the Netherlands Financial Supervision Act (*Wet op het financieel toezicht, "Wft"*), and we are registered with the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten, "AFM"*) as a collective investment scheme as meant in section 1:107 of the Wft. We are subject to certain ongoing requirements under the Netherlands Financial Supervision Act, the Decree on Supervision of Conduct by Financial Enterprises (*Besluit Gedragstoezicht financiële ondernemingen Wft*) and the Decree on the Implementation Directive Transparency Issuing Entities (*Besluit uitvoeringsrichtlijn transparantie uitgevende instellingen Wft*) relating to the disclosure of certain information to investors, including the publication of our financial statements.

DIRECTORS, ADVISORS AND CONTACT INFORMATION

Key Information

Trading Symbol: NBPE
Exchange: Euronext Amsterdam
Listing Date: 25 July 2007
Base Currency: USD
Bloomberg: NBPE NA
Reuters: NBPE.AS
ISIN: GG00B1ZBD492
COMMON: 030991001
Amsterdam Security Code: 600737

Board of Directors

Talmi Morgan (Chairman)
John Buser
John Hallam
Christopher Sherwell
Peter Von Lehe

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The website address for NB Private Equity Partners Limited is www.nbprivateequitypartners.com.

NB PRIVATE EQUITY PARTNERS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

For the Three Month Period Ended 31 March 2009

Report of Independent Accountants


To the Board of Directors and Shareholders of
NB Private Equity Partners Limited:

We have reviewed the accompanying consolidated balance sheets of NB Private Equity Partners Limited and its subsidiaries (the "Company"), including the consolidated condensed schedule of private equity investments as of 31 March 2009, and the related consolidated statements of operations, of changes in net assets, and of cash flows for the three month period ended 31 March 2009, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the responsibility of management and the directors of the Company.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with the auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

This report has been prepared for and only for the directors and shareholders of NB Private Equity Partners Limited as a body, and for no other purpose. We do not accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.


PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
3 June 2009

NB Private Equity Partners Limited
(f/k/a Lehman Brothers Private Equity Partners Limited)
Consolidated Balance Sheets

	31 March 2009 (Unaudited)	31 December 2008 (Audited)
Assets		
Private equity investments (cost of \$539,124,480 for 2009 and \$532,808,845 for 2008)	\$ 431,365,495	\$ 448,281,203
Cash and cash equivalents		
Denominated in U.S. dollars	107,639,482	138,776,304
Denominated in Euros (cost of \$421,421 for 2009 and \$424,421 for 2008)	406,802	427,715
	108,046,284	139,204,019
Other assets	2,248,421	2,598,495
Total assets	\$ 541,660,200	\$ 590,083,717
Liabilities		
Loan payable	\$ 136,679,123	\$ 151,402,038
Payables to Investment Manager and affiliates	2,857,572	3,405,466
Accrued expenses and other liabilities	435,425	541,101
Current taxes payable	589,703	252,874
Net deferred tax liability	2,003,690	3,581,532
Total liabilities	\$ 142,565,513	\$ 159,183,011
Net assets		
Net assets of the controlling interest		
Class A shares, \$0.01 par value, 500,000,000 shares authorized, 54,210,000 shares issued, and 51,160,165 shares outstanding for 2009 (52,497,863 for 2008)	\$ 542,100	\$ 542,100
Class B shares, \$0.01 par value, 100,000 shares authorized and 10,000 shares issued and outstanding	100	100
Additional paid-in capital	541,657,800	541,657,800
Retained earnings (deficit)	(134,462,109)	(105,918,332)
Less cost of treasury stock, 3,049,835 shares for 2009 (1,712,137 for 2008)	(9,031,072)	(5,797,402)
Total net assets of the controlling interest	398,706,819	430,484,266
Net assets of the non-controlling interest	387,868	416,440
Total net assets	\$ 399,094,687	\$ 430,900,706
Total liabilities and net assets	\$ 541,660,200	\$ 590,083,717
Net asset value per share for Class A and Class B shares of the controlling interest	\$ 7.79	\$ 8.20
The accounts were approved by the board of directors on 3 June 2009 and signed on its behalf by		
Talmay Morgan	John Hallam	

The accompanying notes are an integral part of the consolidated financial statements.

NB Private Equity Partners Limited
(f/k/a Lehman Brothers Private Equity Partners Limited)
Consolidated Condensed Schedules of Private Equity Investments

Private equity investments	Cost	Fair Value	Unfunded Commitment	Private Equity Exposure
31 March 2009 (Unaudited)				
Fund investments	\$ 445,990,649	\$ 355,551,149	\$ 164,398,723	\$ 519,949,872
Direct co-investments-equity	82,457,076	70,387,086	6,361,771	76,748,857
Direct co-investments-mezzanine debt	10,676,755	5,427,260	N/A	5,427,260
Total private equity investments	\$ 539,124,480	\$ 431,365,495	\$ 170,760,494	\$ 602,125,989
31 December 2008 (Audited)				
Fund investments	\$ 438,081,022	\$ 359,026,989	\$ 175,186,196	\$ 534,213,185
Direct co-investments-equity	83,910,918	81,080,456	6,361,771	87,442,227
Direct co-investments-mezzanine debt	10,816,905	8,173,758	N/A	8,173,758
Total private equity investments	\$ 532,808,845	\$ 448,281,203	\$ 181,547,967	\$ 629,829,170
Private equity investments in excess of 5% of net asset value:				
	Cost	Fair Value		
31 March 2009 (Unaudited)				
Lehman Crossroads Fund XVII ⁽¹⁾	\$ 33,442,932	\$ 28,618,964		
Lehman Crossroads Fund XVIII ⁽¹⁾				
Large-cap Buyout	9,515,646	6,577,321		
Mid-cap Buyout	20,484,137	19,070,274		
Special Situations	7,922,442	5,745,845		
Venture Capital	5,128,701	5,077,445		
	\$ 43,050,926	\$ 36,470,885		
Total	\$ 76,493,858	\$ 65,089,849		
31 December 2008 (Audited)				
Lehman Crossroads Fund XVII ⁽¹⁾	\$ 32,790,091	\$ 28,708,065		
Lehman Crossroads Fund XVIII ⁽¹⁾				
Large-cap Buyout	9,515,384	6,898,647		
Mid-cap Buyout	20,691,438	20,322,741		
Special Situations	7,916,738	6,087,534		
Venture Capital	5,204,646	5,138,533		
	\$ 43,328,206	\$ 38,447,455		
Total	\$ 76,118,297	\$ 67,155,520		

1. These funds have subsequently been renamed NB Crossroads Fund XVII and XIII.

The accompanying notes are an integral part of the consolidated financial statements.

NB Private Equity Partners Limited
(f/k/a Lehman Brothers Private Equity Partners Limited)
Consolidated Condensed Schedules of Private Equity Investments

Geographic diversity of private equity investments: ⁽¹⁾	Fair Value 31 March 2009 (Unaudited)	Fair Value 31 December 2008 (Audited)
North America	\$ 293,516,650	\$ 315,261,853
Europe	70,529,571	77,983,849
Asia / Rest of World	10,219,876	10,580,352
Not classified	57,099,398	44,455,149
Total	\$ 431,365,495	\$ 448,281,203

Industry diversity of private equity investments: ⁽²⁾	Fair Value 31 March 2009 (Unaudited)	Fair Value 31 December 2008 (Audited)
Energy / Utilities	23.7%	24.6%
Diversified / Undisclosed / Other	17.0%	15.7%
Financial Services	11.0%	11.2%
Consumer / Retail	9.8%	9.0%
Industrials	8.7%	9.8%
Healthcare	7.9%	7.6%
Technology / IT	7.7%	7.7%
Business Services	5.9%	6.2%
Communications / Media	5.6%	5.6%
Transportation	2.7%	2.6%
Total	100.0%	100.0%

1. *Geography is determined by location of the headquarters of the underlying portfolio companies in funds and direct co-investments. A portion of our fund investments may relate to cash, or other assets or liabilities that they hold and for which we do not have adequate information to assign a geographic location.*
2. *Industry diversity is based on underlying portfolio companies and direct co-investments.*

The accompanying notes are an integral part of the consolidated financial statements.

NB Private Equity Partners Limited
(f/k/a Lehman Brothers Private Equity Partners Limited)
Consolidated Statements of Operations and Changes in Net Assets
(Unaudited)

	For the Three Month Periods Ended March 31	
	2009	2008
Interest and dividend income	\$ 519,357	\$ 1,331,685
Expenses		
Investment management and services	1,481,375	1,553,216
Administration and professional	1,017,038	673,672
Debt facility	1,158,227	351,761
	<u>3,656,640</u>	<u>2,578,649</u>
Net investment income (loss)	<u>(3,137,283)</u>	<u>(1,246,964)</u>
Realized and unrealized gain (loss) on investments, including transactions in currencies other than U.S. dollars		
Net realized gain (loss) on investments, including transactions in currencies other than U.S. dollars, net of tax expense of \$621,148 for 2009 and \$104,188 for 2008	(3,745,438)	1,435,477
Net change in unrealized gain (loss) on investments, including transactions in currencies other than U.S. dollars, net of tax expense (benefit) of (\$1,577,842) for 2009 and \$1,480,640 for 2008	(21,689,628)	6,562,977
Net realized and unrealized gain (loss) on investments, including transactions in currencies other than U.S. dollars	<u>(25,435,066)</u>	<u>7,998,454</u>
Net increase (decrease) in net assets resulting from operations	\$ (28,572,349)	\$ 6,751,490
Less net increase (decrease) in net assets resulting from operations attributable to the non-controlling interest	(28,572)	6,751
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	<u>\$ (28,543,777)</u>	<u>\$ 6,744,739</u>
Net assets at beginning of period attributable to the controlling interest	430,484,266	562,458,084
Less cost of 1,337,698 shares of treasury stock for 2009	3,233,670	-
Net assets at end of period attributable to the controlling interest	<u>\$ 398,706,819</u>	<u>\$ 569,202,823</u>
Earnings (loss) per share for Class A and Class B shares of the controlling interest	<u>\$ (0.55)</u>	<u>\$ 0.12</u>

The accompanying notes are an integral part of the consolidated financial statements.

NB Private Equity Partners Limited
(f/k/a Lehman Brothers Private Equity Partners Limited)
Consolidated Statements of Cash Flows
(Unaudited)

	For the Three Month Periods Ended 31 March	
	2009	2008
Cash flows from operating activities		
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	\$ (28,543,777)	\$ 6,744,739
Net increase (decrease) in net assets resulting from operations attributable to the non-controlling interest	(28,572)	6,751
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to cash and cash equivalents used in operating activities:		
Net realized gain (loss) on investments and transactions in currencies other than U.S. dollars, net of taxes	3,745,438	(1,435,477)
Net change in unrealized gain (loss) on investments and transactions in currencies other than U.S. dollars, net of taxes	21,689,628	(6,562,977)
Amortization	141,949	139,477
Change in other assets	129,343	-
Change in payables to Investment Manager and affiliates	(547,894)	(3,442,810)
Change in accrued expenses and other liabilities	(96,366)	(132,267)
Net cash provided by (used in) operating activities	(3,510,251)	(4,682,564)
Cash flows from investing activities		
Distributions from private equity investments	2,990,975	23,381,860
Proceeds from sale of investments	-	549,432
Contributions to private equity investments	(12,674,239)	(43,888,209)
Purchases of investments	(15,214)	(886,509)
Net cash provided by (used in) investing activities	(9,698,478)	(20,843,426)
Cash flows from financing activities		
Loan payments	(14,722,915)	-
Treasury stock purchased	(3,205,178)	-
Net cash provided by (used in) financing activities	(17,928,093)	-
Effect of exchange rates on cash balances	(20,913)	3,506,912
Net increase (decrease) in cash and cash equivalents	(31,157,735)	(22,019,078)
Cash and cash equivalents at beginning of period	139,204,019	145,348,777
Cash and cash equivalents at end of period	\$ 108,046,284	\$ 123,329,699

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1 – Organization

NB Private Equity Partners Limited and its subsidiaries (the “Company”, “We”, or “Our”) is a closed-end investment company incorporated and registered with Her Majesty’s Greffier in Guernsey under the Companies (Guernsey) Law, 1994, as amended. We changed our name effective 27 March 2009 from Lehman Brothers Private Equity Partners Limited. Our registered office is Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey GY1 4HY. We invest in private equity through private equity funds and co-investments. We may also make opportunistic investments. Our Class A shares are listed solely on Euronext Amsterdam N.V.’s Eurolist by Euronext under the symbol “NBPE”. We commenced operations on 25 July 2007, following the initial global offering of our Class A shares.

Our Class B shares were contributed by an affiliate of Lehman Brothers Holdings, Inc. (collectively with its affiliates, “Lehman Brothers”) to a Guernsey charitable trust whose trustee is Heritage Corporate Services Limited (“Trustee”). Class B shares have the right to elect all of our directors and make most other decisions usually made by shareholders. The voting rights of Class A shares are limited to special consent rights involving specified events including merger, change in investment manager or investment policy, certain additional share issuances and certain material related party transactions as well as other events as described in our memorandum and articles of association. Each Class A and B share participates equally in profits and losses.

The Royal Court in Guernsey confirmed on 19 October 2007 an application by the Company to reduce amounts classified in Guernsey as share premium and transfer the balance to a special reserve which is distributable. We have reflected such amounts in additional paid-in capital.

The Company is managed by NB Alternatives Advisers LLC (“NB Alternatives”) which, effective 4 May 2009, became the successor entity to Lehman Brothers Private Fund Advisers, LP, a unit of Lehman Brothers Private Fund Investments Group (“PFIG”) and its affiliates (collectively, the “Investment Manager”) pursuant to an investment management and services agreement. NB Alternatives is a subsidiary of Neuberger Berman Group LLC (“NBG”). The key individuals of the Investment Manager who worked on the Company remained the same before and after the NBG acquisition.

Prior to 4 May 2009, Lehman Brothers Holdings Inc. (“LBHI”) was the ultimate parent of the Investment Manager. LBHI filed for bankruptcy protection in September 2008. The Company and the Investment Manager were not subject to the bankruptcy filing. NBG was formed by certain members of the senior management team of Lehman Brothers Investment Management Division (“IMD”) to acquire from LBHI a majority interest in certain businesses that have historically operated under the Neuberger Berman name and the fixed income and alternative asset management businesses of IMD, which includes certain assets of PFIG and other business units of IMD. Effective with the closing of the acquisition on 4 May 2009, 51% of NBG’s common equity was issued, or reserved for issuance, to a group consisting of portfolio managers, members of the senior management team and other senior professionals of NBG and 49% of NBG’s common equity was issued to LBHI and/or its affiliates. Certain of the assets of the Investment Manager, including the investment advisory agreement between the Investment Manager and the Company, were sold to NB Alternatives, a subsidiary of NBG. In addition, a portion of LBHI’s Special Limited Partner interest in a consolidated partnership subsidiary was transferred to NBG. The board of directors of the Company has consented to the transaction on behalf of the Company.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

These consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), as allowed by rules published in the Netherlands to effect implementation of the EU Transparency Directive, and are presented in United States dollars. The Company prepares its financial statements in accordance with the Companies Law (Guernsey) 2008.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Principles of Consolidation

The consolidated financial statements include accounts of the Company consolidated with the accounts of all its subsidiaries in which we hold a controlling financial interest as of the financial statement date. All material inter-company balances have been eliminated.

Cash and Cash Equivalents

Cash and cash equivalents are valued at cost plus accrued interest, which approximates fair value. These investments represent amounts held with financial institutions that are readily accessible to pay expenses or fund investments as well as money market mutual funds. As of 31 March 2009 and 31 December 2008, \$107,639,482 and \$138,776,304 are held with JPMorgan, respectively.

Valuation of Investments

The Company carries private equity investments on its books at fair value in accordance with U.S. GAAP. We use the best information we have reasonably available to determine or estimate fair value. Publicly traded securities are valued based on quoted prices as of the last day of the relevant period less discounts to reflect legal restrictions associated with the securities, if any, that affect marketability. We determine such values for publicly traded securities held directly as well as known public positions held in the underlying private equity investments on a look-through basis. We estimate fair value for private interests based on a methodology that begins with the most recent information available from the general partner of the underlying fund or the lead investor of a direct co-investment, and considers subsequent transactions, such as drawdowns or distributions, as well as other information judged to be reliable that reports or indicates valuation changes, including realizations and other portfolio company events.

In October 2008, the FASB issued FASB Staff Position No. FAS 157-3, "Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active." This statement clarifies that determining fair value in an inactive or dislocated market depends on facts and circumstances and requires significant management judgment. This statement specifies that it is acceptable to use inputs based on management estimates or assumptions, or for management to make adjustments to observable inputs to determine fair value when markets are not active and relevant observable inputs are not available. Our fair value measurement policies are consistent with the guidance in FSP No. FAS 157-3.

Because of their inherent uncertainty, the fair values we use may differ significantly from the values that would have been used had a ready market for these investments existed, and such differences could be material to the consolidated financial statements.

Generally, our private equity fund investments have a defined term and no right to withdraw.

Market Risk

The Company's exposure to financial risks is both direct (through its holdings of assets and liabilities directly subject to these risks) and indirect (through the impact of these risks on the overall valuation of its investments). The Company's investments are generally not traded in an active market but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The partnership investments of the Company each hold a portfolio of investments in underlying companies. These portfolio company investments vary as to type of security held by the underlying partnership (debt or equity, publicly traded or privately held), stage of operations, industry, geographic location, and geographic distribution of operations and size, all of which may impact the susceptibility of their valuation to market price risk.

Market conditions for publicly traded and privately held investments in portfolio companies held by the partnerships may affect their value in a manner similar to the potential impact on direct co-investments made by the Company in publicly traded and privately held securities. The partnership investments of the Company may also hold financial instruments (including debt and derivative instruments) in addition to their investments in portfolio companies that are susceptible to market price risk and therefore may also affect the value of the Company's investment in the partnerships. As with any individual investment, market prices may vary from composite index movements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Investment Income

We earn interest and dividends from our direct investments in private equity, from the underlying portfolio companies of investments in private equity funds, and from our cash and cash equivalents. We record dividends when they are declared and interest when earned, provided we know the information or are able to reliably estimate it. Otherwise, we record the investment income when it is reported to us by our private equity investments.

Operating Expenses

Operating expenses are recognized when incurred. Operating expenses include amounts directly incurred by the Company as part of its operations, and do not include amounts incurred from the operations of the entities in which we invest.

Realized Gains and Losses on Investments

For investments in private equity funds, we record our share of realized gains and losses incurred when we know that the private equity fund has realized its interest in a portfolio company and we have sufficient information to quantify the amount. For all other investments, we record realized gains and losses when the asset is realized. We record such gains and losses on the trade date.

Net Change in Unrealized Appreciation and Depreciation of Investments

Gains and losses arising from changes in value are recorded as an increase or decrease in the unrealized appreciation or depreciation of investments based on the methodology described above.

Carried Interest

Carried interest amounts due the Investment Manager (see Note 3) are computed and accrued at each period end based on period-to-date results in accordance with the terms of the agreements.

Currency Translation

Investments denominated in a currency other than U.S. dollars are translated into U.S. dollar equivalents using spot rates as of the valuation date. The Company does not separate the changes relating to currency exchange rates from those relating to changes in the fair value of the investments held. These fluctuations are combined and included in the net change in unrealized gain (loss) on investments and transactions in currencies other than U.S. dollars in the Consolidated Statements of Operations and Changes in Net Assets. For the three month periods ended 31 March 2009 and 2008, the effect of translation to U.S. dollars decreased valuations of foreign investments by approximately \$924,797 and increased valuations of foreign investments by approximately \$2,948,105, respectively. In addition, cash equivalents denominated in Euros decreased in value due to translation to U.S. dollars by a net of \$20,913 and increased in value by a net of \$3,506,912, respectively.

The Company has unfunded commitments denominated in a currency other than U.S. dollars. These unfunded commitments are in Euros and amounted to €13,953,132 at 31 March 2009 and €15,457,856 at 31 December 2008; they have been included in the Consolidated Condensed Schedules of Private Equity Investments at the U.S. dollar exchange rate in effect at 31 March 2009 and 31 December 2008. For the three month period ended 31 March 2009 and for the year ended 31 December 2008, the effect on the unfunded commitment of the change in the exchange rate between Euros and U.S. dollars were decreases in the U.S. dollar obligation of approximately \$1,039,115 and \$841,272, respectively.

Income Taxes

The Company is registered in Guernsey as an exempt company. The States of Guernsey Income Tax Authority has granted the Company an exemption from Guernsey income tax under the provision of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and the Company has been charged an annual exemption fee of £600.

With effect from 1 January 2008, Guernsey abolished the exempt company regime for some entities. At the same time the standard rate of Guernsey income tax for companies declined from 20% to 0%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Therefore some entities previously exempt from tax under the provision of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 are now subject to tax, but at a 0% rate. However, the States of Guernsey Income Tax Authority has confirmed that collective investment schemes such as the Company can continue to apply for exempt status.

Generally, income that we derive may be subject to withholding taxes imposed by the U.S. or other countries and will impact the Company's effective tax rate.

Investments made in entities that generate U.S. source investment income may subject the Company to certain U.S. federal and state income tax consequences. A U.S. withholding tax at the rate of 30 percent may be applied on the distributive share of any U.S. source dividends and interest (subject to certain exemptions) and certain other income that we receive directly or through one or more entities treated as either partnerships or disregarded entities for U.S. federal income tax purposes.

Investments made in entities that generate business income that is effectively connected with a U.S. trade or business may subject the Company to certain U.S. federal and state income tax consequences. Generally the U.S. requires withholding on effectively connected income at the highest U.S. rate (generally 35 percent). In addition, the Company may also be subject to a branch profits tax which can be imposed at a rate of up to 30 percent of the after-tax profits treated as effectively connected income associated with a U.S. trade or business. As such, the aggregate U.S. tax liability on effectively connected income may approximate 54.5% given the two levels of tax.

In accordance with Financial Accounting Standards Board ("FASB") Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109 ("FIN 48"), the Company recognizes a tax position in the financial statements only when it is more likely than not that the position will be sustained upon examination by the relevant taxing authority based on the technical merits of the position. The Company adopted FIN 48 at commencement of operations in July of 2007.

Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. FIN48 provides for a two step approach to recognizing and measuring uncertain tax positions accounted for in accordance with SFAS No. 109, "Accounting for Income Taxes." The first step is to evaluate the tax position for recognition by determining if the weight of the available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. Although we believe we have adequately reserved for our uncertain tax position, no assurance can be given that the final tax outcome of these matters will not be different.

Deferred taxes are recorded to reflect the tax benefit and consequences of future years' differences between the tax basis of assets and liabilities and their financial reporting basis. We record a valuation allowance to reduce deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. We record the tax associated with any transactions with U.S. or other tax consequences when we recognize the related income.

Shareholders in certain jurisdictions may have individual tax consequences from ownership of our shares. We have not accounted for any such tax consequences in these financial statements. For example, we expect the Company and certain of its non-U.S. corporate subsidiaries to be treated as passive foreign investment corporations ("PFICs") under U.S. tax rules. For this purpose, the PFIC regime should not give rise to additional tax at the level of the Company or its subsidiaries. Instead, certain U.S. investors in the Company may need to make tax elections and comply with certain U.S. reporting requirements related to their investments in the PFICs in order to potentially manage the adverse tax consequences associated with the tax regime.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Because of the inherent uncertainty of such estimates, including estimates of values of investments as described above, amounts ultimately determined may differ from our current estimates and such differences may be significant.

Note 3 – Agreements, including related party transactions

We have the following significant agreements and transactions with the Investment Manager or its affiliates:

Management and Administration

We pay the Investment Manager a management fee calculated at the end of each calendar quarter equal to 37.5 basis points (150 basis points per annum) of the net asset value of our private equity and opportunistic investments. For purposes of this computation, the net asset value is reduced by the net asset value of any investment for which the Investment Manager also serves as investment manager. For the three month periods ended 31 March 2009 and 2008, the management fee expense were \$1,373,534 and \$1,440,463, respectively.

We also pay the Investment Manager for certain accounting and administrative services at the rate of 2.5 basis points per quarter (10 basis points per annum) applied to our net asset value at the end of each calendar quarter, computed as described above. The amount incurred by the Company for the three month periods ended 31 March 2009 and 2008 for these services were \$107,841 and \$112,753, respectively.

We pay to Heritage International Fund Managers Limited (“Heritage”), an affiliate of the Trustee, a fee for providing certain administrative functions relating to certain corporate services and Guernsey regulatory matters affecting the Company. Fees for these services are paid as invoiced by Heritage.

Special Limited Partner’s Noncontrolling Interest in Subsidiary and Carried Interest

An affiliate of the Investment Manager is a Special Limited Partner in a consolidated partnership subsidiary. At 31 March 2009 and 31 December 2008, the noncontrolling interest of \$387,868 and \$416,440 represented the Special Limited Partner’s capital contribution to the partnership subsidiary and income allocation, respectively. The amount of the noncontrolling ownership interest in the subsidiary was agreed between the General Partner and Special Limited Partner of the subsidiary.

The Company adopted FASB Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an Amendment of ARB No. 51* (“FAS 160”) on 1 January 2009. The Statement amends ARB No. 51 to establish accounting and reporting standards for the noncontrolling interest (also called a minority interest) in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. In conjunction with the adoption of FAS 160, all prior period balances have been presented to conform to current period presentation.

The following table reconciles the carrying amount of net assets, net assets attributable to the controlling interest and nets assets attributable to the noncontrolling interest for the three month period ended 31 March 2009:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

	Controlling Interest	Noncontrolling Interest	Total
Net assets balance, 31 December 2008	\$ 430,484,266	\$ 416,440	\$ 430,900,706
Net increase (decrease) in net assets resulting from operations	(28,543,777)	(28,572)	(28,572,349)
Contribution (distribution)	(3,233,670)	-	(3,233,670)
Net assets balance, 31 March 2009	\$ 398,706,819	\$ 387,868	\$ 399,094,687

The Special Limited Partner is entitled to a carried interest in an amount that is, in general, equal to 7.5% of our consolidated net increase in net assets resulting from operations for a fiscal year in the event that our internal rate of return for such period, based on our net asset value, exceeds 7.5%. If losses are incurred for a period, no carried interest is earned and such loss amounts are carried forward to be included in the internal rate of return calculations for future periods. Carried interest is reduced by the amount of carried interest that we paid during the period to any investment for which the Investment Manager serves as investment manager. Carried interest is also accrued and paid on any economic gain that we realize on treasury stock transactions. (See note 9). Carried interest is accrued periodically and paid at the conclusion of the fiscal year. As of 31 March 2009, no carried interest was payable.

Shares Owned by Lehman Brothers

Simultaneously with the closing of the initial offering of the Company and related transactions, affiliates of Lehman Brothers, which are not party to the bankruptcy filing of LBHI, purchased \$145 million of Class A shares, in the form of restricted depository shares applicable to investors in the United States, at the offering price. These shares are subject to a restriction on re-sale through 18 July 2010. The restriction can be removed only with the agreement of a majority of the Company's independent directors.

Pursuant to a trading plan commenced in November 2007 and terminated in November 2008, affiliates of Lehman Brothers acquired an additional 802,319 shares. Such shares were acquired on the open market and are not subject to any restrictions on re-sale.

Investments Acquired from Lehman Brothers

During 2008 the Company bought Mezzanine debt with a par value of \$10,009,711 at \$9,909,614 from an affiliate of LBHI. The Company believes that the purchase price was at fair value at the date of the transaction.

Investments in Lehman Brothers Private Equity Funds

The Company holds limited partner interests in private equity funds of funds managed and sponsored by the Investment Manager. These investments are not party to the bankruptcy filing of LBHI. The net asset value of these investments is excluded for purposes of calculating any management fee. As of 31 March 2009 and 31 December 2008, the aggregate net asset value of these funds was approximately \$65.1 million and \$67.2 million, respectively, and associated unfunded commitments were \$38.7 million and \$39.6 million, respectively. Subsequent to 31 March 2009, these funds were renamed to refer to NB Alternatives rather than Lehman Brothers.

Licensing Agreement with Lehman Brothers

The Company and its subsidiaries entered into a licensing agreement with Lehman Brothers pursuant to which Lehman Brothers granted to each such entity a non-exclusive, royalty-free license to use the name "Lehman Brothers". The licensing agreement terminates upon, among other things, the termination of the investment management and services agreement. The Company has changed its name to NB Private Equity Partners Limited and the Company's subsidiaries will change their names as well.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Other

In addition to the amounts discussed above for carried interest and management and administration fees, as of 31 March 2009 and 31 December 2008, amounts payable to Investment Manager and affiliates related to various matters totaled \$1,404,038 and \$1,864,175, respectively.

Note 4 – Fair Value of Financial Instruments

We categorize our investments as follows based on inputs to valuation techniques.

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
Level 2	Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
Level 3	Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e. supported by little or no market activity).

The following tables detail the Company's financial assets and liabilities that were accounted for at fair value as of 31 March 2009 and 31 December 2008 by level. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Assets at Fair Value as of 31 March 2009				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 108,046,284	\$ -	\$ -	\$ 108,046,284
Private equity investments	4,767,702	-	426,597,793	431,365,495
Total assets that are accounted for at fair value	\$ 112,813,986	\$ -	\$ 426,597,793	\$ 539,411,779
Assets at Fair Value as of 31 December 2008				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 139,204,019	\$ -	\$ -	\$ 139,204,019
Private equity investments	4,790,101	-	443,491,102	448,281,203
Total assets that are accounted for at fair value	\$ 143,994,120	\$ -	\$ 443,491,102	\$ 587,485,222

The Company has assessed its positions and concluded that all of its private equity investments are classified as level 3 with the following exceptions. As of 31 March 2009 and 31 December 2008, one co-investment that is publicly traded is classified as level 1.

The following table summarizes the changes in the fair value of the Company's level 3 financial assets and liabilities:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Level 3 Financial Assets	
For the Three Month Period Ended 31 March 2009	
	Private Equity Investments
Balance, 31 December 2008	\$ 443,491,102
Total net realized gains (losses)	(3,124,290)
Total net unrealized gains (losses)	(23,410,532)
Purchases, issuances and settlements	9,641,513
Transfers in and/or (out) of level 3	-
Balance, 31 March 2009	\$ 426,597,793

Level 3 Financial Assets	
For the Year Ended 31 December 2008	
	Private Equity Investments
Balance, 31 December 2007	\$ 412,230,796
Total net realized gains (losses)	(13,765,482)
Total net unrealized gains (losses)	(100,843,833)
Purchases, issuances and settlements	146,648,205
Transfers in and/or (out) of level 3	(778,584)
Balance, 31 December 2008	\$ 443,491,102

Note 5 – Debt Facility

A subsidiary of the Company has entered into an agreement with The Bank of Scotland regarding a senior secured revolving credit facility (“Facility”) of up to \$250 million. The term of the Facility is seven years and expires in August 2014. At 31 March 2009, \$136.7 million has been borrowed and substantially all assets have been pledged pursuant to the following:

- a security interest in the Company’s interest in substantially all eligible funds or co-investments
- an undertaking to dispose of the Company’s assets in the event of continued default
- a security interest in the Company’s bank accounts
- a pledge over the share capital of any current or future subsidiary of the Company, provided such an arrangement would not violate the terms of the investment
- an assignment by the Company over future cash flows of its private equity investments
- a negative pledge by the Company in respect of the general partnership interests held
- an assignment of the Company’s rights under any key transactional documents entered into by the Company

The Company is required to meet certain portfolio diversification tests, a minimum fund/co-investment threshold, maximum exposure limitations, a maximum debt to value ratio, a maximum debt to secured assets ratio and a maximum over-commitment test. In addition, the Facility limits the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

repurchase of shares, liens or other matters customarily restricted in such agreements. At 31 March 2009 and 31 December 2008, the Company met all requirements under the Facility.

All borrowings under the Facility bear interest at a floating rate, calculated as LIBOR or Euribor, as appropriate, plus 1.35% per annum. At 31 March 2009, interest rates on the outstanding balance range from 2.2950% to 2.35932%.

In addition, we are required to pay a non-utilization fee calculated as 40 basis points per annum on the daily balance of the unused Facility amount. For the three month period ended 31 March 2009, we incurred and expensed \$954,955 for interest and \$105,377 for commitment fees related to the Facility. For the three month period ended 31 March 2008, we incurred and expensed \$252,778 for commitment fees. As of 31 March 2009 and 31 December 2008, unamortized capitalized debt issuance costs included in other assets were \$2,093,869 and \$2,191,764, respectively. Capitalized amounts are being amortized on a straight-line basis over the term of the Facility. Amortized capitalized debt issuance costs were \$97,895 and \$98,983 for the three month periods ended 31 March 2009 and 2008, respectively.

An active market for the debt that is similar to that of the Facility does not exist. Management estimates the fair value of the Facility, which qualifies as financial instruments under SFAS No. 107, Disclosure about Fair Value of Financial Instruments, based on comparison to debt instruments with comparable characteristics. Management has estimated that the fair values of the Facility, based on the balance outstanding, are approximately \$81.8 million at 31 March 2009 and \$103.8 million at December 31, 2008. However, these estimates are affected by and are subject to significant variability due to the disruptions in the current market for such debt.

In the first quarter of 2009, the Company amended the terms of the Facility to ensure that the change in ownership of the Investment Manager (see Note 1) does not cause an event of default.

Note 6 – Income Taxes

The Company is exempt from Guernsey tax on income derived from non-Guernsey sources. However, certain of its underlying investments generate income that is subject to tax in other jurisdictions, principally the United States. The Company has recorded the following amounts related to such taxes:

	<u>31 March 2009</u>	<u>31 March 2008</u>
Current tax expense	\$ 621,148	\$ 104,188
Deferred tax expense (benefit)	(1,577,842)	1,480,640
Total tax expense (benefit)	\$ (956,694)	\$ 1,584,828
	<u>31 March 2009</u>	<u>31 December 2008</u>
Gross deferred tax assets	\$ 3,049,513	\$ 2,626,069
Less valuation allowance	2,805,476	2,382,032
Net deferred tax assets	244,037	244,037
Gross deferred tax liabilities	2,247,727	3,825,569
Net deferred tax liabilities	\$ 2,003,690	\$ 3,581,532

Current tax expense is reflected in net realized gains and deferred tax expense (benefit) is reflected in net changes in unrealized gains on the consolidated statement of operations. Net deferred tax liabilities are

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

related to net unrealized gains and gross deferred tax assets, offset by a valuation allowance, are related to unrealized losses on investments held in entities that file separate tax returns.

The Company has no gross unrecognized tax benefits under the FIN48 framework. The Company is currently under audit by the IRS for the tax year ended November 30, 2007, no adjustments have been proposed at this time.

Note 7 – Earnings (Loss) per Share in Net Assets Resulting from Operations

The computations for earnings per share in net assets resulting from operations for the three month periods ended 31 March 2009 and 2008 are as follows:

	For the Three Month Periods Ended 31 March	
	2009	2008
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	\$ (28,543,777)	\$ 6,744,739
Divided by weighted average shares outstanding for Class A and Class B shares of the controlling interest	51,654,501	54,220,000
Earnings (loss) per share for Class A and Class B shares of the controlling interest	\$ (0.55)	\$ 0.12

Note 8 – Recently Issued Accounting Pronouncements

FAS 157-4

On April 9, 2009, the FASB issued FSP FAS 157-4, Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly ("FSP 157-4"). This statement provides additional guidance to highlight and clarify the factors that should be considered in estimating fair value when there has been a significant decrease in market activity for an asset or liability. The statement, which applies to all fair value measurements, does not change the objective of a fair value measurement. FAS 157-4 amends FAS 157 to require entities to disclose in interim and annual periods the inputs and valuation techniques used to measure fair value, together with any changes in valuation techniques and the related inputs during the period. FAS 157-4 is effective for the Company for the period ending June 30, 2009. We do not believe that the FSP 157-4 will have a material impact on our consolidated financial statements.

Note 9 – Treasury Stock

The Company has adopted a liquidity enhancement policy that is intended to enhance and strengthen the liquidity in the trading of the Company's class A shares. The Company entered into a liquidity enhancement agreement on 21 July 2008 with ABN AMRO Bank N.V. London Branch ("ABN") which was amended on 9 January 2009 and 14 April 2009. Such agreement provides the parameters and requirements for the Company's liquidity enhancement policy.

Under the agreement, ABN has sole discretion, in the name and for the account of the Company and subject to all applicable legal and regulatory requirements, to effect class A share repurchases and sales of class A shares held in treasury on Euronext Amsterdam within the parameters set out in the agreement. Shares repurchased by the Company will either be cancelled or held in treasury (provided that the Company shall not at any time hold class A shares in treasury representing more than 10 percent of its issued class A shares). Shares will not be sold out of treasury at a price which is lower than the last published net asset value per share.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

The aggregate number of class A shares which may be purchased in accordance with the agreement is subject to a maximum of 12.5 percent of the total number of class A shares outstanding as of 21 July 2008, or 6,776,250 shares, unless the Company elects to increase such maximum, subject to any limits to the authority granted to the Company by its shareholders to effect share repurchases. The Company currently has shareholder authority to repurchase in the market up to 14.99 percent of its issued shares. The authority to purchase shares shall expire at the annual general meeting of the Company in 2009 unless such authority is varied, revoked or renewed prior to such date. The Company intends to seek annual renewal of this authority from shareholders.

The maximum price which may be paid for a share is an amount equal to the higher of (i) the price of the last independent trade and (ii) the highest current independent bid price for shares on Euronext Amsterdam.

The agreement shall remain in force until 15 August 2009 subject to extension at the election of the Company. The agreement may, however, be terminated at any time by either the Company or ABN.

As of 31 March 2009, there were 51,160,165 Class A ordinary shares and 10,000 Class B ordinary shares outstanding, with 3,049,835 Class A ordinary shares held in treasury at a cost of \$9,031,072.

Note 10 – Commitments and Contingencies

In the normal course of business, the Company enters into a variety of undertakings containing a variety of warranties and indemnifications that may expose the Company to some risk of loss. The amount of future loss, arising from such undertakings, while not quantifiable, is not expected to be significant.

Note 11 – Financial Highlights

The following financial highlights are being presented as set forth in the AICPA Audit and Accounting Guide for Investment Companies, as amended by AICPA Statement of Position 03-4:

Per share operating performance (based on average shares outstanding during the period)	31 March 2009	31 December 2008
Beginning net asset value	\$ 8.20	\$ 10.37
Treasury stock	0.14	0.19
Net increase in net assets resulting from operations:		
Net investment income (loss)	(0.06)	(0.16)
Net realized and unrealized gain (loss) on investments, including transactions in currencies other than U.S. dollars	(0.49)	(2.20)
Ending net asset value	\$ 7.79	\$ 8.20

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)**

Total return (based on change in net asset value per share)	31 March 2009	31 March 2008
Total return before carried interest	(4.98%)	4.81%
Carried interest	-	-
Total return after carried interest	(4.98%)	4.81%
Net investment income (loss) and expense ratios (based on weighted average net assets)	31 March 2009	31 March 2008
Net investment income (loss)	(2.96%)	(0.89%)
Expense ratios:		
Expenses before carried interest	3.45%	1.84%
Carried interest	-	-
Total	3.45%	1.84%

Individual shareholder returns may differ from the ratios presented based on differing entry dates into the Company.