

NEUBERGER	BERMAN
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# NB Private Equity Partners

*29 March 2012 – Financial Information as of February 29, 2012*

**Oriel Conference**

**London, United Kingdom**

# Overview of Neuberger Berman

- ◆ **Independent, stable and focused on the long term**
  - More than 400 investment professionals average 15 years of industry experience; portfolio managers 24 years
  - Over \$193 billion assets under management
  - 28 offices across 13 countries
- ◆ **Attractive long-term investment performance ended 12/31/11<sup>1</sup>**
  - 89% of the firm’s equity and fixed income AUM outperformed over 10 years
- ◆ **Alignment of interests between investors and clients**
  - Employee controlled
  - Up to 25% of annual compensation is contingent/deferred into the same strategies that clients invest



Source: Neuberger Berman Group LLC. Reflects collective data for the various affiliated investment advisers that are subsidiaries of Neuberger Berman Group LLC (the “firm”). As of December 31, 2011.  
1. Please refer to Additional Disclosures for more information.

# Integrated Global Private Equity Platform

## Neuberger Berman Private Equity Group



- ◆ **25 years as private equity investors**
- ◆ **Over \$12 billion of commitments managed**
- ◆ **~\$1 billion of capital committed to private equity funds and direct investments annually**
- ◆ **Over 170 dedicated professionals with extensive networks**
- ◆ **Global presence, with investment offices in the U.S., Europe and Asia**
- ◆ **Leverages the resources of Neuberger Berman**

***Provides superior deal flow and enhanced due diligence and execution capabilities***

As of December 31, 2011

# NB Private Equity Partners

**NBPE is a closed-end investment company that invests in an actively managed portfolio of private equity investments, including direct / co-investments, direct yielding investments and funds**

## Company Overview

- ◆ Listed in July 2007 with >53% cash
- ◆ Current market cap of approximately \$344.3 million
- ◆ NAV development which outperforms listed private equity fund of funds peer group averages
- ◆ Ordinary shares trade on both Euronext Amsterdam (NBPE AS) and the LSE (NBPE LN)
- ◆ ZDP shares trade on the LSE (NBPZ)

## Portfolio Overview

- ◆ Broadly diversified private equity portfolio valued at \$588 million as of 29 February 2012
  - 68% fund investments
  - 32% direct / co-investments
- ◆ Tactical asset allocation approach with 35% of NAV in special situations / distressed
- ◆ Well positioned in the current market environment
  - 64% of NAV was invested in 2008 or later
- ◆ Actively pursuing new investments, particularly direct co-investments and direct yielding investments

### Investment strategy focused on three disciplines:

**Fund of Funds**

**Direct / Co-investments**

**Secondary Investments**

*Note: Financial data as of 29 February 2012 (unaudited). Market data as of 29 February 2012. Past performance is not indicative of future results.*

# February 2012 NAV Update

**NBPE's NAV per share increased by 6.3% in 2011 and by 1.5% during the first two months of 2012**

<i>(\$ in millions, except per share values)</i>	<b>29 February 2012 (Unaudited)</b>	<b>31 December 2011 (Audited)</b>
Fund Investments	\$409.6	\$401.5
Direct / Co-investments	\$178.7	\$136.9
Total Private Equity Fair Value	\$588.3	\$538.4
Private Equity Investment Level	107%	99%
Cash and Cash Equivalents	\$37.2	\$77.9
Credit Facility	-	-
ZDP Share Liability, including Forward Currency Contract	(\$63.2)	(\$62.1)
Net Other Assets (Liabilities), including Minority Interest	(\$10.9)	(\$9.8)
Net Asset Value	\$551.4	\$544.4
<b>Net Asset Value per Share</b>	<b>\$11.20</b>	<b>\$11.03</b>

## Portfolio Activity

- ◆ In 2011 NBPE's private equity portfolio had positive net cash flow of \$37.9 million
  - Excluding proceeds received from the Strategic Asset Sale, NBPE received \$117.2 million in distributions and funded \$79.3 million in contributions
  - In addition, NBPE received \$64.2 million in proceeds from the Strategic Asset Sale
- ◆ Significant amount of investment and realization activity in 2012
  - Capital calls and direct / co-investments of ~\$47 million YTD 2012
  - Distributions of ~\$9 million YTD 2012
- ◆ During February, private equity NAV increased due to \$2.1 million of unrealized gains on credit-related fund investments, \$0.5 million of positive foreign exchange adjustments, and \$2.3 million of unrealized gains on public securities

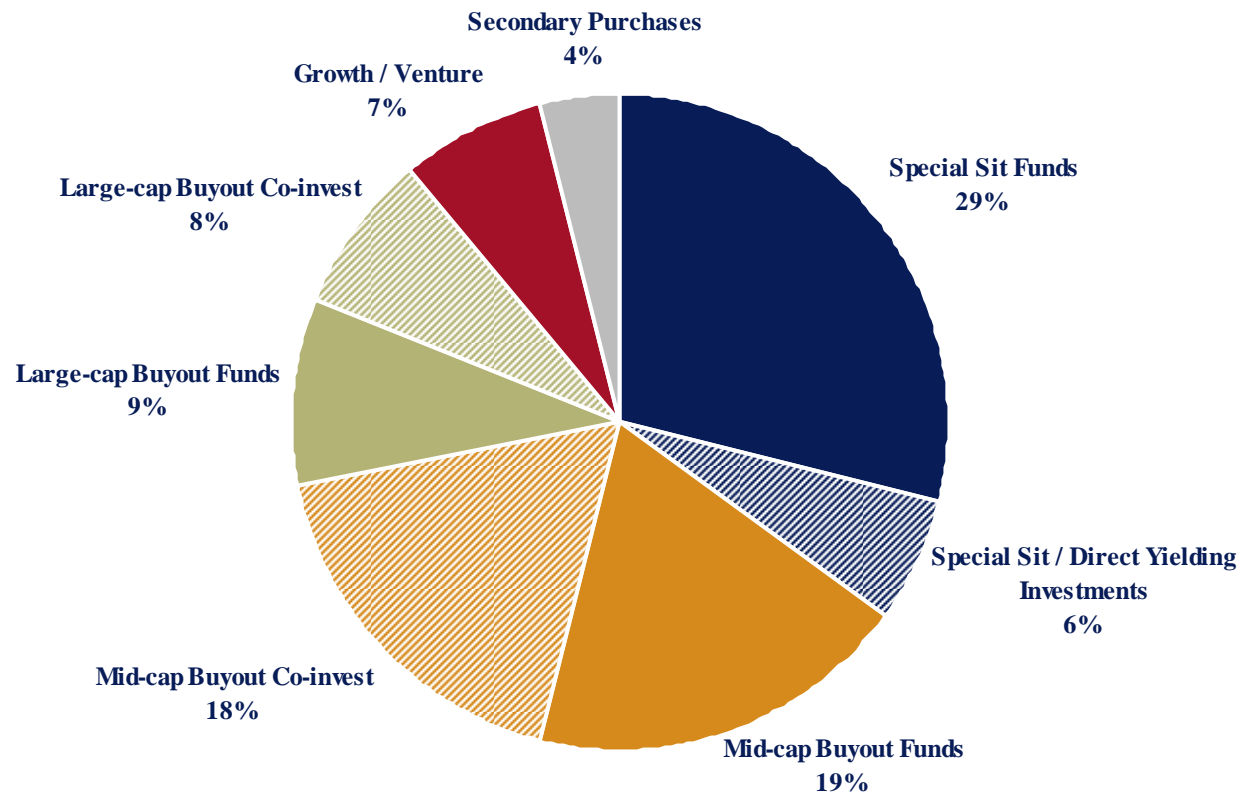
*Note: As of 29 February 2012 (unaudited). Past performance is not indicative of future results.*

# Broadly Diversified Private Equity Portfolio

NBPE's private equity portfolio is broadly diversified by asset class and tactically positioned for the current market environment <sup>1</sup>

## Diversification by Asset Class and Investment Type Based on Fair Value

- ◆ 32% invested in direct / co-investments
- ◆ 35% exposure to special situations / distressed investments



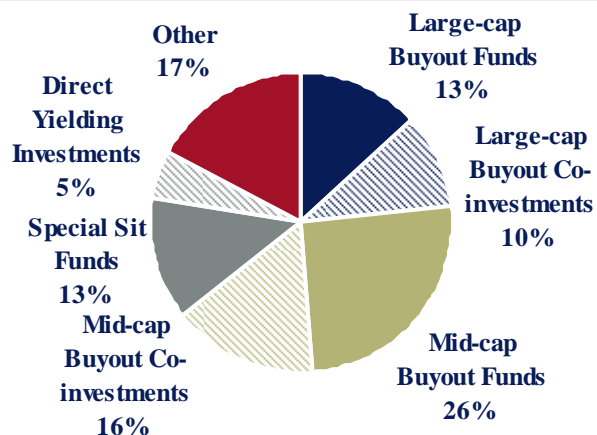
Note: As of 29 February 2012 (unaudited).

1. Please refer to the endnotes for certain important information related to this diversification information.

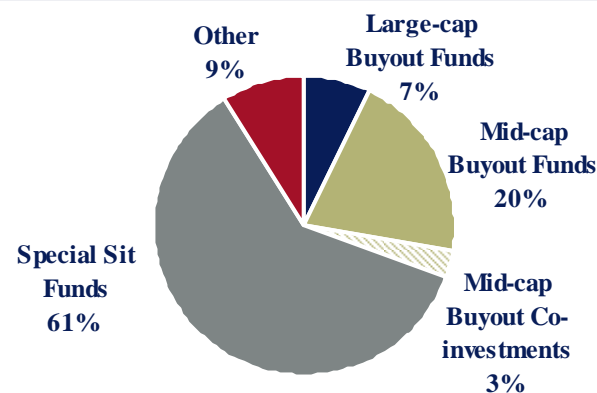
# Tactical Approach to Asset Allocation

NBPE has shifted its asset allocation over time in order to tactically allocate the portfolio. Approximately 60% of the current fair value that was deployed in 2011 through 2012 was invested in direct co-investments and direct yielding investments

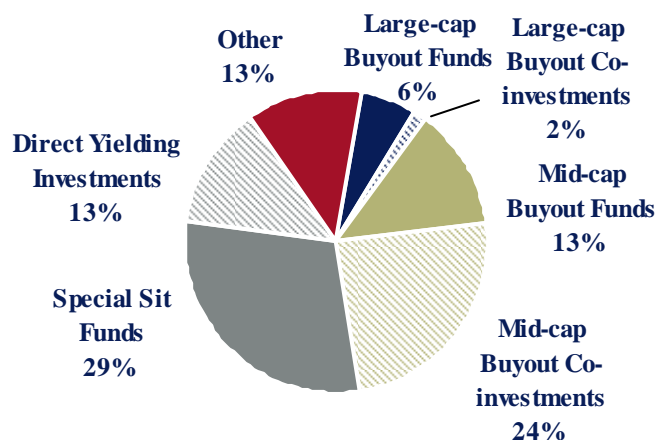
Deployed in 2007 & Earlier (36% of Fair Value)



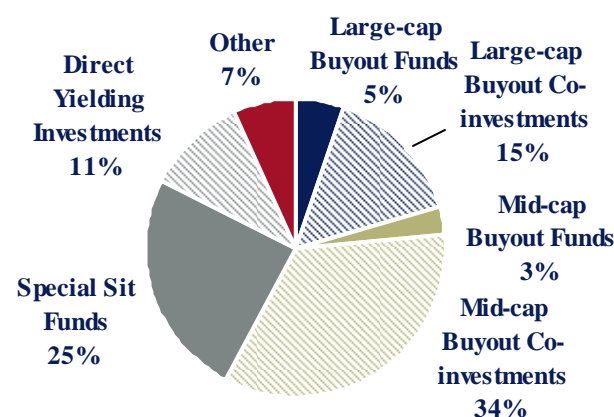
Deployed in 2008 and 2009 (32% of Fair Value)



Deployed in 2010 (11% of Fair Value)



Deployed in 2011 – YTD 2012 (21% of Fair Value)



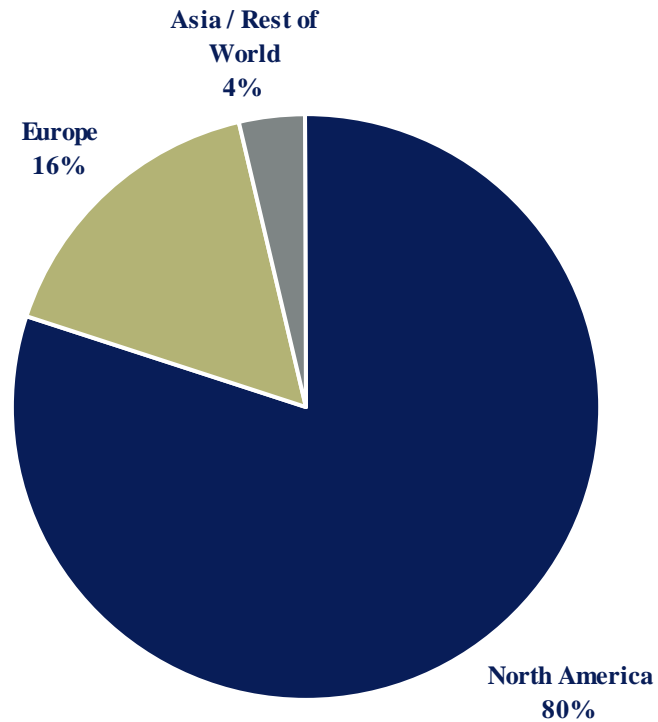
Note: Other includes NB Crossroads Fund XVII, Growth / Venture and Secondaries. Based on private equity fair value as of 29 February 2012 (unaudited).

# Geographic Asset Allocation

**NBPE has a predominantly North America portfolio with some exposure to Europe and the Rest of World**

## Geographic Diversification by Fair Value

- ◆ Tactical exposure to North America is expected to be maintained



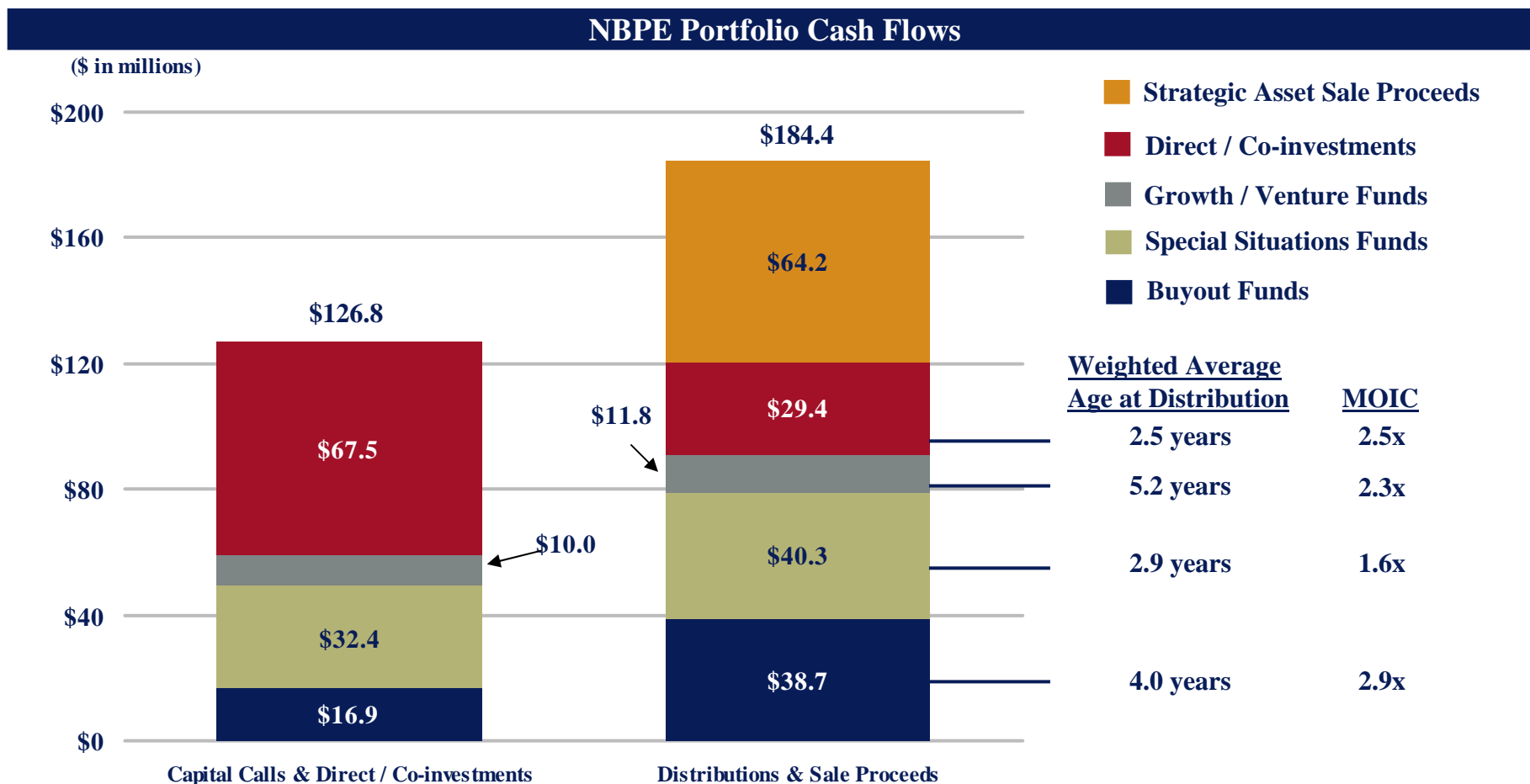
*Note: As of 29 February 2012 (unaudited). Please refer to endnote two for certain important information related to this diversification information.*



# Recent Portfolio Activity

Since the beginning of 2011, NBPE deployed \$127 million into new investments and received \$184 million of distributions and sale proceeds

◆ Year to date 2012, NBPE has funded capital calls and direct / co-investments of ~\$47 million and received distributions of ~\$9 million



Note: As of 29 February 2012 (unaudited). Past performance is not indicative of future results. MOIC represents multiple of invested capital.

## Increasing Allocations to Direct / Co-investments & Yielding Investments

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### **NBPE intends to continue to increase its allocation to direct / co-investments and direct yielding investments and expects these investments to be a majority of the portfolio within two years**

- ◆ NBPE has already made progress towards this goal with \$250 million of capital already committed to executing this strategy
  - \$200 million commitment to the NB Alternatives Direct Co-investment Program
  - \$50 million commitment to the NB Healthcare Credit Investment Program
- ◆ NBPE intends to increase its allocation to direct yielding investments in private companies including mezzanine investments
- ◆ NBPE's current expectation is the majority of the portfolio will be deployed in direct / co-investments and direct yielding investments within two years
  - Within the direct allocation, NBPE is currently targeting an allocation of approximately 60% direct / co-investments and 40% direct yielding investments
  - NBPE may deviate from these targets as investments will be based on the opportunity set
  - NBPE will continue to evaluate other opportunities, including fund investments, on a case by case basis


# Actively Pursuing Direct / Yielding Investments

Since the beginning of 2011, NBPE has committed \$60.0 million to nine new buyout co-investments and \$16.3 million to four new direct yielding investments with a weighted average yield to maturity of 15.0%

## New Buyout Co-investments

 <p><b><u>Equity Co-investment</u></b> Solutions provider of communications and wireless infrastructure</p>	 <p><b><u>Equity Co-investment</u></b> Specialty retailer of women's, men's, and children's apparel and accessories</p>	 <p><b><u>Equity Co-investment</u></b> Germany's 5<sup>th</sup> largest cable operator with more than 630,000 subscribers</p>
 <p><b><u>Equity Co-investment</u></b> Provider of ramp, passenger and cargo ground services to airlines</p>	 <p><b><u>Equity Co-investment</u></b> Business and technology services for wireless telecommunications</p>	 <p><b><u>Equity Co-investment</u></b> Provider of hard capsules and drug delivery systems</p>
 <p><b><u>Equity Co-investment</u></b> Provider of roadside assistance for customers in the U.K.</p>	 <p><b><u>Equity Co-investment</u></b> Provides dental practice management services</p>	 <p><b><u>Equity Co-investment</u></b> Hardware proxy appliances for corporate networks</p>

## New Direct Yielding Investments

<p><b><u>Hormone Therapy Royalty Notes</u></b> Royalty notes backed by the sales of a testosterone gel used for hormone replacement therapy</p>	<p><b><u>Neuropathic Pain Medication Royalty Notes</u></b> Royalty notes backed by sales of a leading neuropathic pain medication marketed globally by a premier pharmaceutical company</p>
 <p><b><u>2011 PIK Notes</u></b> Provider of seamless rolled rings, forgings and specialty metals to primarily the aerospace market</p>	<p><b><u>Medication Delivery &amp; Blood Collection Product Royalty Notes</u></b> Royalty notes backed by the sales of medication and blood collection products</p>

Note: As of 29 February 2012 (unaudited).

# Company Performance Metrics

## We analyzed the operational performance and valuation metrics of the 50 largest buyout companies based upon fair value at 31 December 2011

- ◆ These 50 buyout investments totaled approximately \$164 million of fair value, representing 28% of private equity fair value
- ◆ Within this 28% of the portfolio, the majority of companies were located in North America and Europe which represented approximately 75% and 22% of private equity fair value respectively

### Traditional Buyout Investments

- ◆ Traditional buyout investments that were valued based on a multiple of cash flow (total enterprise value as a multiple of EBITDA)
  - 35 companies with approximately \$103.2 million of fair value, representing 19% of private equity fair value and 39% of buyout fair value
  - Of these 35 companies, \$86 million of fair value was located in North America and \$16 million of fair value was located in Europe and \$1 million of fair value was located in Asia
- ◆ Summary metrics for the traditional buyout investments:
  - Weighted average valuation multiple of 9.3x LTM EBITDA
  - Weighted average leverage multiple of 4.4x LTM EBITDA
  - Weighted average LTM revenue growth of 16%
  - Weighted average LTM EBITDA growth of 24%

### Other Buyout Investments

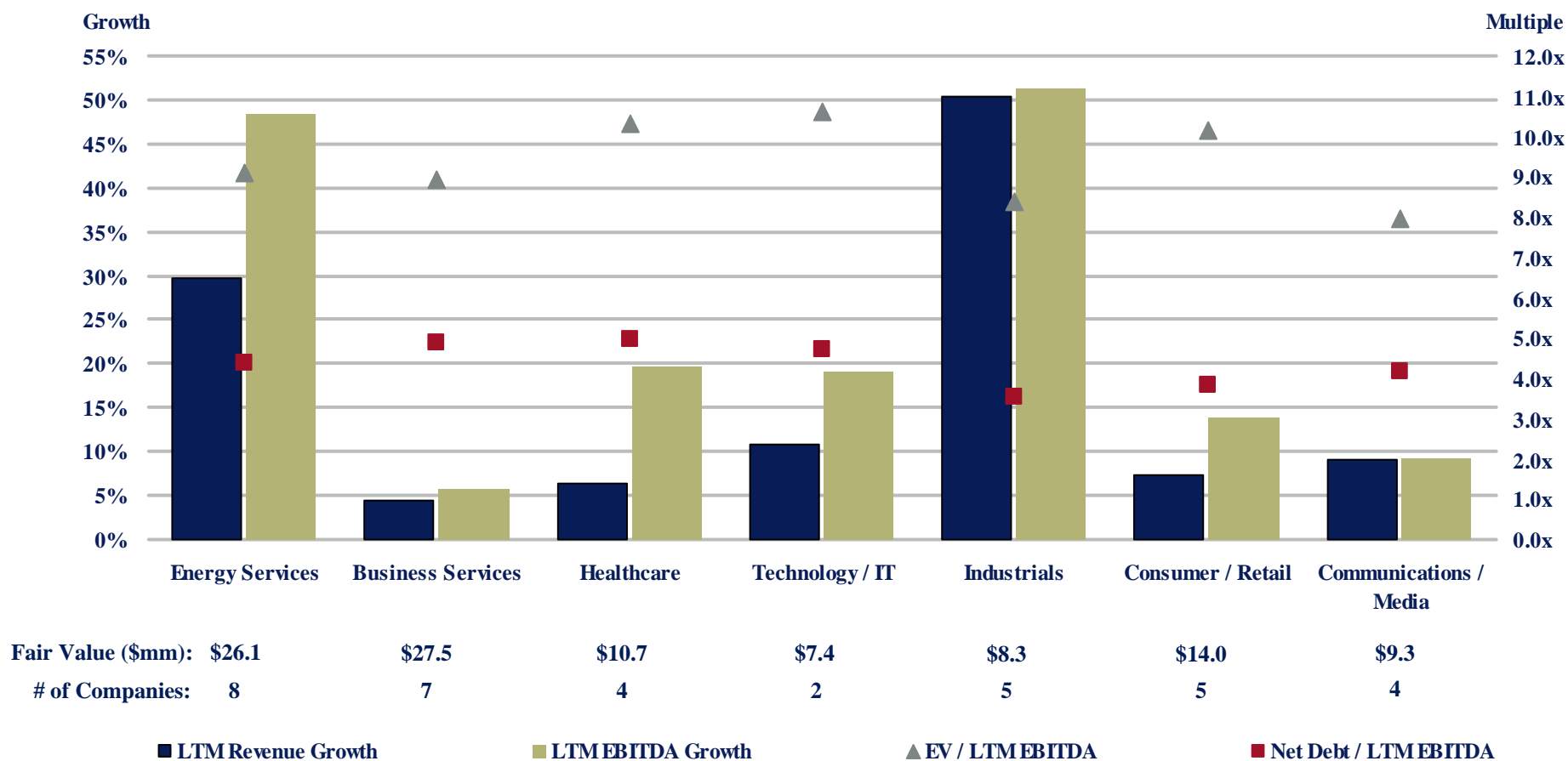
- ◆ Power generation and utility companies, financial institutions and publicly traded companies
  - 15 companies with approximately \$61 million of fair value, representing 11% of private equity fair value and 23% of buyout fair value
- ◆ Five privately held financial institutions (\$25 million of fair value) grew book value by 9% over the last twelve months and were valued at 1.27x book value on a weighted average basis
- ◆ Four power generation and utility companies (\$20 million of fair value) were valued based on a variety of metrics, including price per kilowatt hour of generation capacity
- ◆ Six publicly traded companies (\$16 million of fair value) generated a weighted average total return of 14% during the calendar year 2011

*Note: Portfolio company operating and valuation metrics are based on most recently available information, principally as of 31 December 2011 but also as of 30 September 2011 (unaudited). Private equity fair value as of 31 December 2011.*

# Company Performance Metrics: Buyout

We analyzed the operational performance and valuation metrics of the 50 largest buyout companies based upon fair value at 31 December 2011

Weighted Average Performance & Valuation Metrics by Industry Sector: Traditional Buyout



Note: Portfolio company operating and valuation metrics are based on most recently available information, principally as of 31 December 2011 but also as of 30 September 2011 (unaudited). Private equity fair value as of 31 December 2011.

# Largest Underlying Special Situations Investments

**As of 29 February 2012, the 25 largest special situations companies had an aggregate fair value of approximately \$64.7 million, representing 30% of special situations fair value and 11% of total private equity fair value**

- ◆ Each of NBPE's direct yielding investments is in a mezzanine or debt security that is senior to the common equity and generates a meaningful amount of current income through either cash or PIK interest
- ◆ 6% of total private equity fair value (15% special situations fair value) was held in direct yielding mezzanine or debt investments which pay cash or PIK interest with average yield to maturity of 15%

Investment Stage	# of Companies	Fair Value (\$mm)	Commentary
Direct Investments	7	\$36.2	Direct yielding investments including mezzanine debt securities, PIK preferred shares, and royalty-backed notes
Firth Rixson			Mezzanine debt with LIBOR+10.5% coupon (4.5% cash, 6.0% PIK); denominated 2/3 in USD and 1/3 in GBP
Firth Rixson (2011)			18% Senior unsecured PIK notes
Royalty Notes (Medication Delivery)			Royalty notes backed by the sales of medication and blood collection products
Royalty Notes (Hormone Therapy)			Royalty notes with LIBOR+16.0% coupon (1.0% LIBOR floor) that amortize based on excess drug royalty income; issued at a 2.3% discount to par
Royalty Notes (Neuropathic Pain)			Royalty notes with 11.0% coupon that amortize based on excess drug royalty income
SonicWALL			Second lien debt with LIBOR+10.0% cash coupon (2.0% LIBOR floor); issued at a 3.0% discount to par
Suddenlink Communications			Preferred equity with 12.0% (PIK) coupon; purchased at a discount to accreted value
Undervalued / Distressed Debt	10	\$15.1	Debt securities purchased at a discount to par that generate a meaningful current yield within the sponsor's portfolio
Influential Restructuring	4	\$7.1	Companies that are currently undergoing or are expected to undergo a financial restructuring; exposure to an influential portion of the capital structure where the manager is in position to lead the restructuring process
Post-Restructuring	2	\$3.8	Targeted distressed positions where the special situations manager led the restructuring process; investments now have exposure to new debt securities as well as equity that was acquired during the restructuring process
Operational Turnaround	2	\$2.5	Acquisition of underperforming businesses at a low valuation to enhance value and improve operations; predominantly invested in equity securities but also some downside protection with debt securities and warrants
<b>Total</b>	<b>25</b>	<b>\$64.7</b>	

Note: As of 29 February 2012 (unaudited).

# Capital Position

## NBPE is \$23.7m over committed and has a 92% commitment coverage level

- ◆ As of 29 February 2012, NBPE had unfunded commitments of \$310.9 million
  - Total capital resources were \$287.2 million, including cash and cash equivalents plus the undrawn credit facility
- ◆ NBPE has a \$250 million revolving credit facility with a term expiring in August 2014, which is currently undrawn

### NBPE Financial Position & Liquidity Metrics - 29 February 2012

Unfunded Private Equity Commitments	\$310.9	Fair Value of Private Equity Investments	\$588.3
		Net Asset Value	\$551.4
Cash and Cash Equivalents	\$37.2		
Undrawn Credit Facility	250.0	Private Equity Investment Level	107%
Total Capital Resources	\$287.2	Commitment Level <sup>1</sup>	163%
<b>Over Commitment Amount</b>	<b>(23.7)</b>	<b>Commitment Coverage Level</b>	<b>92%</b>

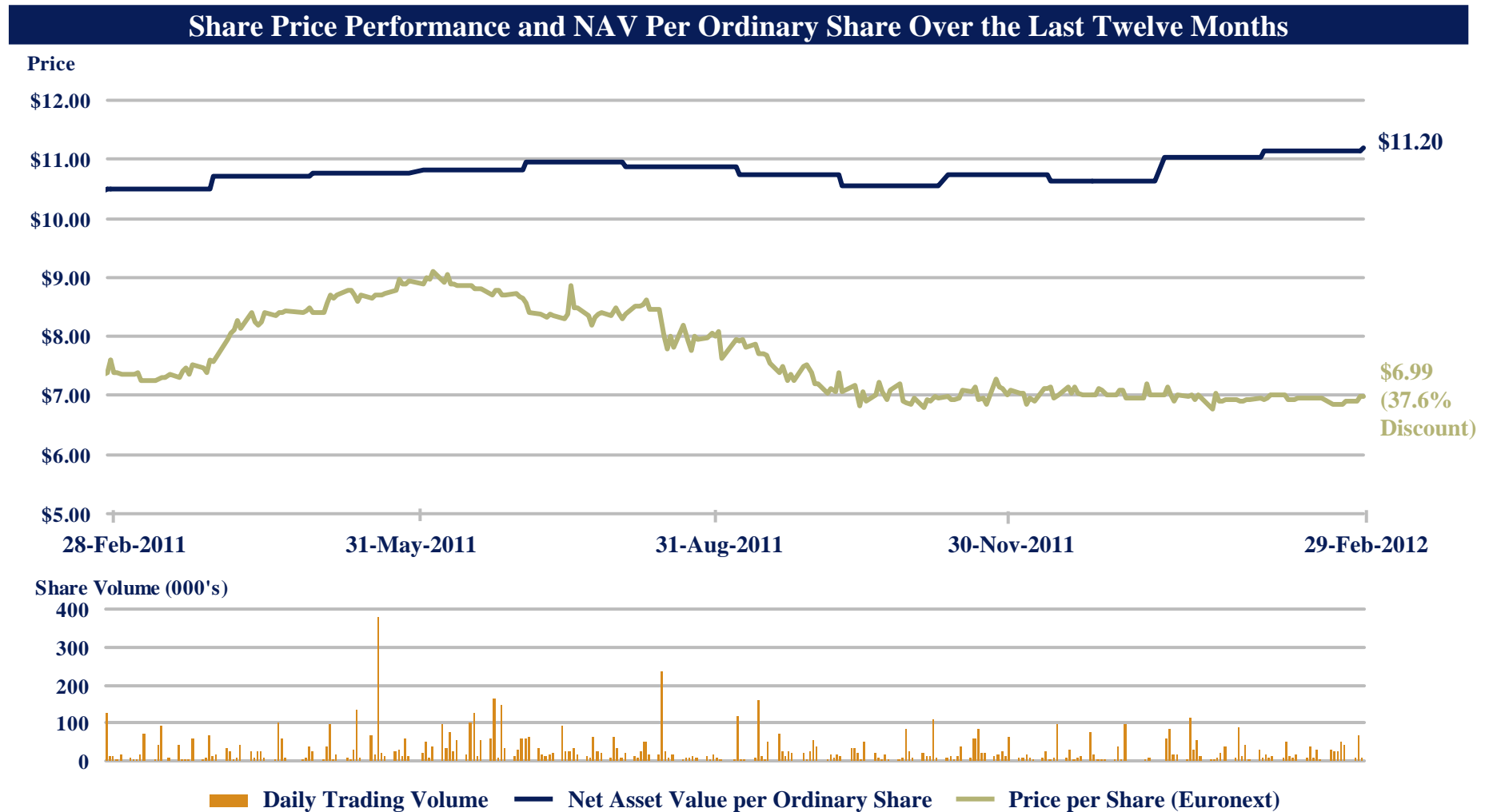
- ◆ NBPE is in discussions to amend its existing credit facility, including to extend its maturity

Note: As of 29 February 2012 (unaudited).

1. The Commitment Level is calculated by adding the Unfunded Private Equity Commitments to Fair Value of Private Equity Investments and dividing that value by the Net Asset Value.

# Share Price and NAV per Ordinary Share

**NBPE's NAV has increased ~6.7% over the last twelve months**



Source: NYSE Euronext and Bloomberg. Market data as of 29 February 2012. Past performance is not indicative of future results.  
 Note: Daily Trading Volume includes the combined volume of ordinary shares traded on NYSE Euronext and the London Stock Exchange as well as over-the-counter trades reported via Markit BOAT.



# Capital Return Policy & Ordinary Share Repurchases

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**NBPE has used Share repurchases to return capital to Shareholders since implementing the Capital Return Policy. However, with an increased allocation to direct yielding investments, NBPE expects to have the ability to pay a dividend out of income**

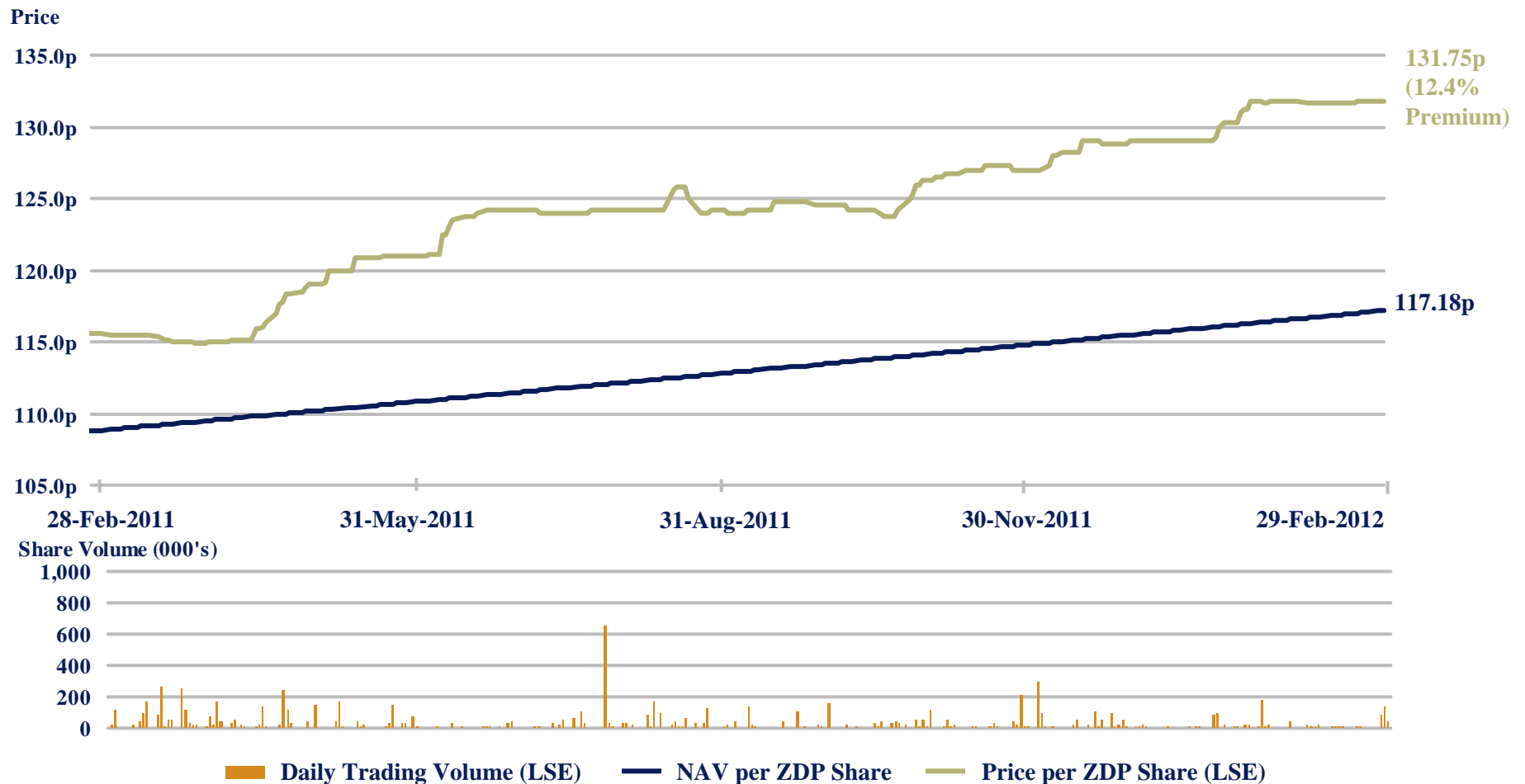
- ◆ The Capital Return Policy is a long-term capital management policy of ongoing returns of capital to NBPE Shareholders implemented in October 2010
- ◆ Under the Capital Return Policy, the Board has indicated the Company's intention to, for each half-year period, return 50% of the net realized increase in NAV attributable to the ordinary shares to shareholders (the "Capital Return Policy Amount"). This will be accomplished by way of share repurchases, dividends or other such means as the Directors consider most efficient
  - Since launching the Capital Return Policy, NBPE has repurchased 1,815,896 shares at a weighted average price per share of \$7.32 (accretive to NAV per share by ~\$0.14)
  - For the period from 1 January 2011 and ending 30 June 2011 the Capital Return Policy amount was approximately \$1.7 million. For the period from 1 July 2011 and ending 31 December 2011 the Capital Return Policy Amount was approximately \$266 thousand
  - During 2011, NBPE returned capital to shareholders by way of share repurchase by repurchasing 1,387,656 shares at a weighted average price per share of \$7.41, which was over 6x more capital than allocated by the Capital Return Policy
- ◆ To date, NBPE has used Share repurchases to return capital to Shareholders; however, as NBPE's exposure to direct yielding investments increases, we believe NPBE would have the ability to pay a predictable dividend out of income. The Board of Directors will continue to determine the most appropriate means of returning capital to shareholders

*Note: As of 29 February 2012 (unaudited). Share re-purchase data as of 29 February 2012.*

# ZDP Price and NAV per ZDP Share

NBPE's ZDP shares have consistently traded at a premium to accreted value since they were issued in late 2009. The GRY is currently 4.9% at the prevailing market price

**ZDP Price Performance and NAV Per ZDP Share Over the Last Twelve Months**



Source: Bloomberg. Market data as of 29 February 2012. Past performance is not indicative of future results.

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

# Attractive Value Proposition

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## **We believe that NBPE offers a compelling investment opportunity**

- ◆ Experienced Investment Manager with a strong long-term track record
- ◆ High quality private equity portfolio
- ◆ Increasing allocation to direct private equity and direct yielding investments
- ◆ Strong financial position with capital available for new investments
  - Actively seeking new investments
- ◆ Capital Return Policy to the benefit of the shareholders
- ◆ Dual share class with ordinary shares and ZDP shares
  - Ordinary shares admitted to trading on both Euronext Amsterdam and the LSE
  - ZDP shares admitted to trading on the LSE

# Trading Information

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

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

# Contact Information

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**Registered Office:** NB Private Equity Partners Limited  
P.O. Box 225  
Heritage Hall, Le Marchant Street  
St. Peter Port, Guernsey GY1 4HY  
Channel Islands  
Tel: +44.(0).1481.716.000

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**Investment Manager:** NB Alternatives Advisers LLC  
325 N. Saint Paul Street  
Suite 4900  
Dallas, TX 75201  
United States of America

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**Investor Relations:** Web: [www.nbprivateequitypartners.com](http://www.nbprivateequitypartners.com)  
Email: [IR\\_NBPE@nb.com](mailto:IR_NBPE@nb.com)  
Tel: +1.214.647.9593

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**Media Relations:** FTI Consulting  
Edward Berry  
Tel: +44.20.7269.7297

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**Corporate Brokers:** Oriel Securities  
Joe Winkley  
Tel: +44.20.7710.7600

Jefferies International Limited  
Gary Gould / Stuart Klein  
Tel: +44.20.7029.8766

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**Research Analysts:** Oriel Securities – Iain Scouller  
Email: [iain.scouller@orielsecurities.com](mailto:iain.scouller@orielsecurities.com)

Jefferies – Louisa Symington-Mills  
Email: [louisa.symingtonmills@jefferies.com](mailto:louisa.symingtonmills@jefferies.com)

Cazenove – Christopher Brown  
Email: [christopher.brown@cazenove.com](mailto:christopher.brown@cazenove.com)

Collins Stewart – Alan Brierley  
Email: [abrierley@collinsstewart.com](mailto:abrierley@collinsstewart.com)

Liberum Capital – Henry Freeman  
Email: [henry.freeman@liberumcapital.com](mailto:henry.freeman@liberumcapital.com)

Numis – Charles Cade & James Glass  
Email: [j.glass@numiscorp.com](mailto:j.glass@numiscorp.com)

Winterflood – Simon Elliott  
Email: [simon.elliott@wins.co.uk](mailto:simon.elliott@wins.co.uk)

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## **Additional Company Information**

# Recent Direct / Co-investments and Direct Yielding Investments

## NBPE is executing on its strategy to provide investors with a higher allocation to direct private equity and direct yielding investments

### NB Alternatives Direct Co-investment Program

- ◆ NB Alternatives Co-investment Program:
  - Focus on strategic, minority investments rather than large, syndicated transactions
  - Look for opportunistic investments such as add-ons, restructurings, and recapitalizations
  - Bottom-up analysis on every investment and assessments of early exit opportunities
  - Substantial deal flow of actionable opportunities with over 950 deals<sup>1</sup> reviewed since 2005
- ◆ NBPE committed USD 200 million to the NB Alternatives Direct Co-investment Program
  - This is intended to grant NBPE greater access to co-investment transactions consistent with the Company's strategy of increasing its exposure to direct transactions

### NB Healthcare Credit Investment Program

- ◆ NB Healthcare Credit Investment Program:
  - Royalty notes and junior financing backed by healthcare assets and/ or companies
  - NBPE believes that these yielding investments are generally less correlated to the overall economy
- ◆ NBPE committed USD 50 million to the NB Healthcare Credit Investment Program
  - This is intended to increase the current yield of the existing portfolio which may position the company to pay a secured dividend

**NBPE expects this capital to be invested over a 3-5 year period**

**NBPE may also make other investments from time to time in addition to participating in these programs**

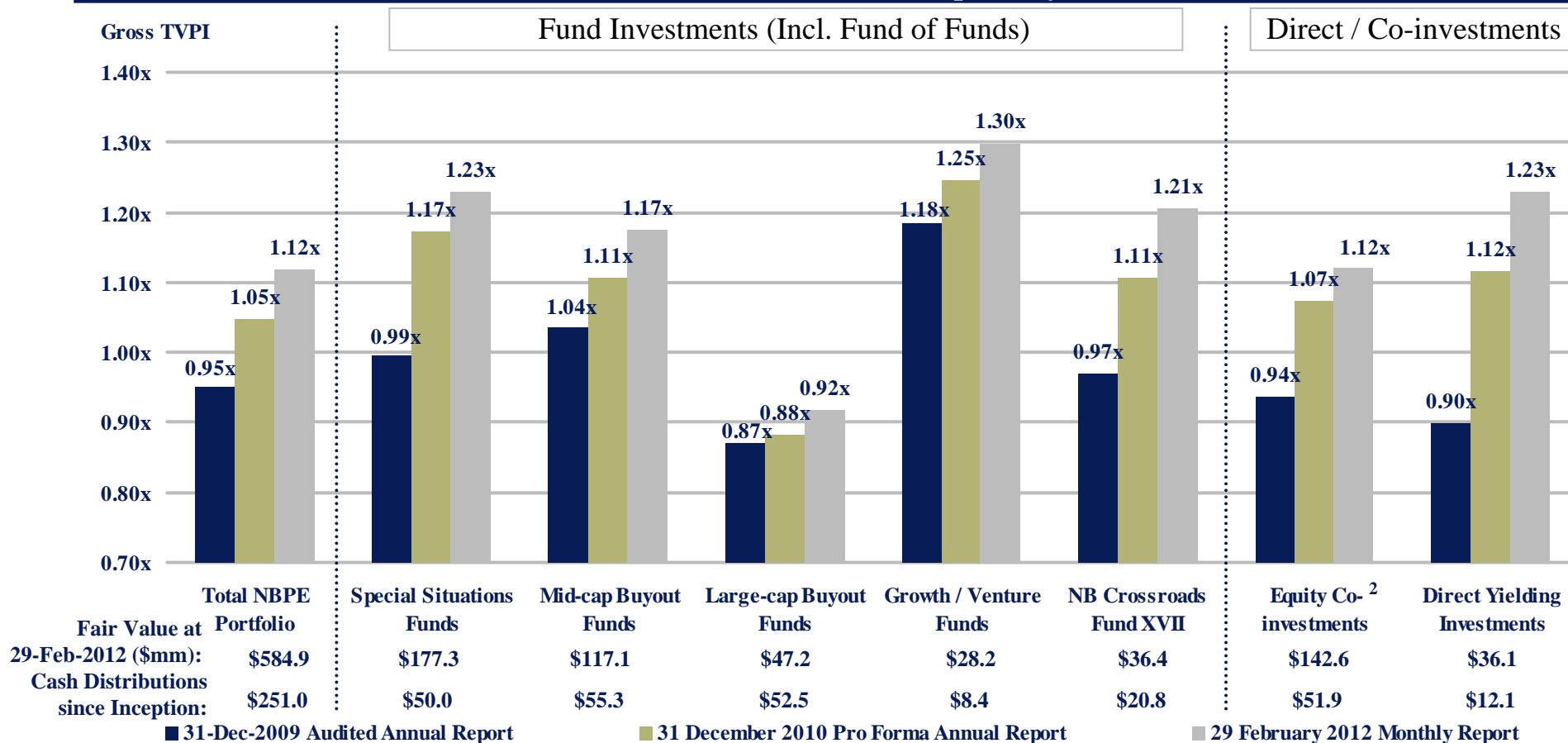
**These programs will not result in any duplicative NB fees charged to NBPE**

1. Deal flow data from 2005 through 31 December 2011.

# Portfolio Performance by Asset Class

Since the beginning of 2010, NBPE's private equity portfolio increased in value by approximately 17%

## NBPE Portfolio Performance Since Inception by Asset Class<sup>1</sup>



Note: As of 29 February 2012 (unaudited). Past performance is not indicative of future results. Gross TVPI represents the total value to paid-in multiple. Gross DPI represents distributed value to paid-in multiple. Numbers may not sum due to rounding. Strategic Asset Sale proceeds of approximately \$100.5 million are excluded from cash distributions.

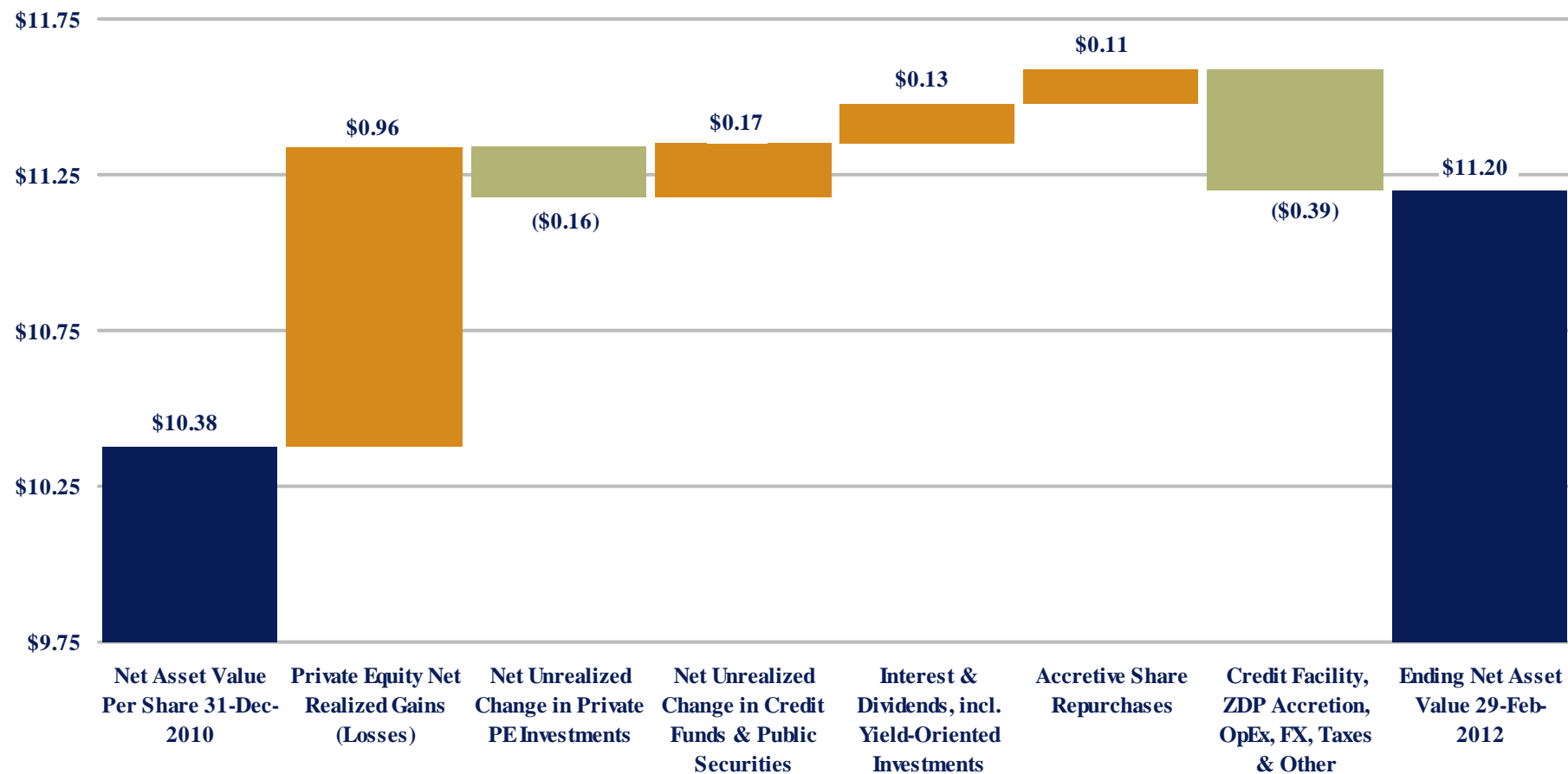
1. A portion of the December 2011 secondary transaction in Wayzata Opportunities Fund II is unfunded through a deferred purchase price. For performance calculations, this deferred purchase price is netted against fair value. Therefore the fair value shown on this page will not tie to private equity fair value.

2. Realized investments have generated a 1.5x multiple of invested capital. This includes shorter duration investments underwritten to higher IRR and lower multiple return profiles.



# Net Asset Value Development

Realized gains have driven significant value since 31 December 2011



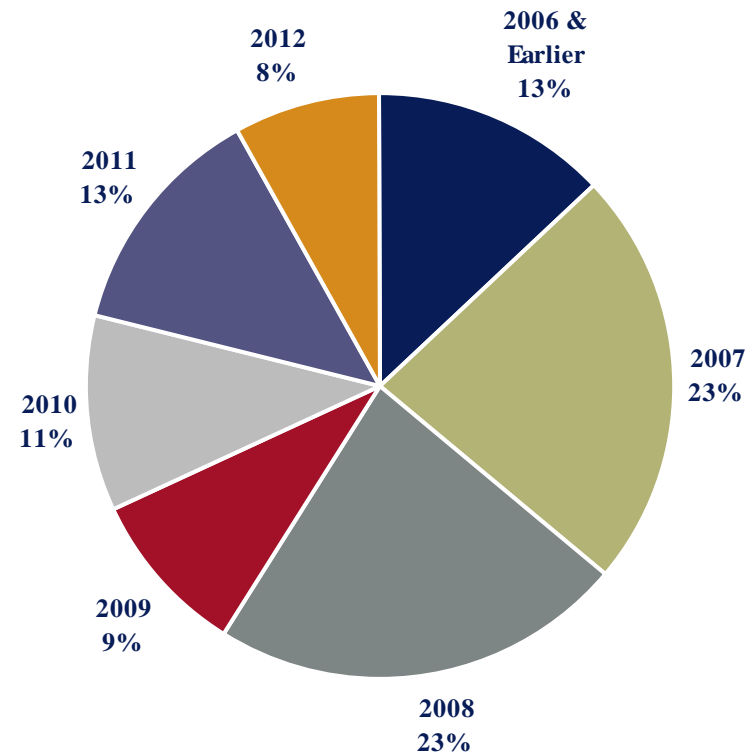
Note: As of 29 February 2012 (unaudited). Past performance is not indicative of future results.

# Attractively Positioned for Growth and Liquidity

Approximately 64% of NBPE's private equity fair value is attributable to investments completed in 2008 or later

## Private Equity Fair Value by Year of Investment

- ◆ The investment environment in 2008, 2009 and 2010 was particularly attractive for distressed / special situations investing



*Note: Year of investment is calculated at the portfolio company level and is defined as the date of capital deployment into a particular underlying investment. This differs from diversification by vintage year as vintage year shows when a fund was formed rather than when the capital was deployed. Data is based on private equity fair value as of 29 February 2012 (unaudited).*

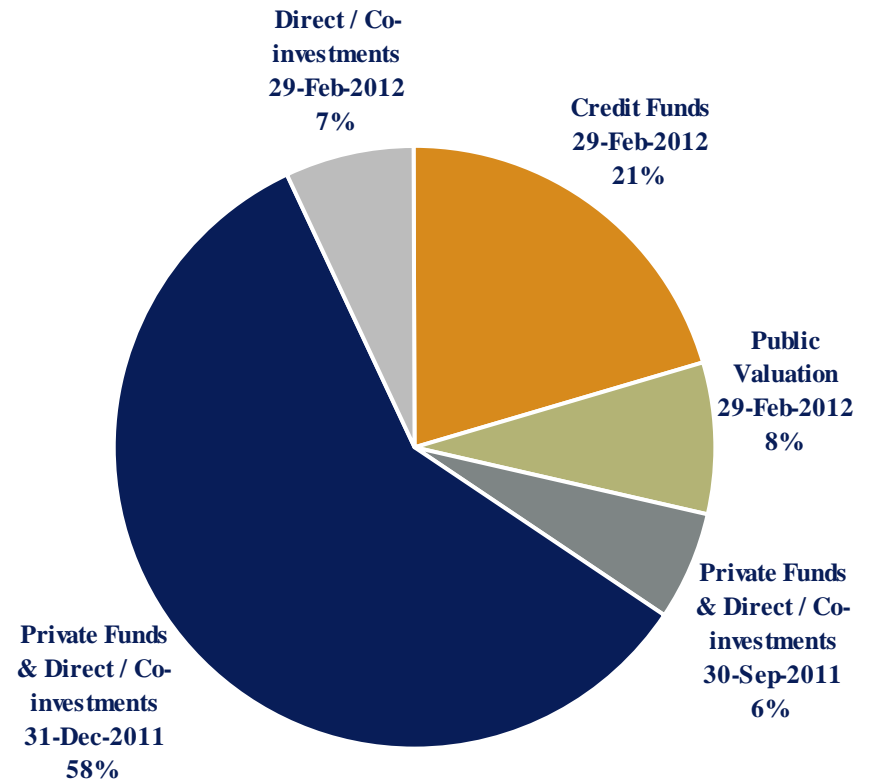
# Timely & Transparent Approach to Valuations

**NBPE provides monthly valuation updates and conducts quarterly conference calls for investors and research analysts**

## Valuation Commentary

- ◆ Proactive and conservative approach to valuations
- ◆ Approximately 29% of the private equity fair value is marked-to-market on a monthly basis through credit funds and public securities
- ◆ Private company valuations are adjusted each month/quarter as new information is received

## Fair Value by Date of Most Recent Information



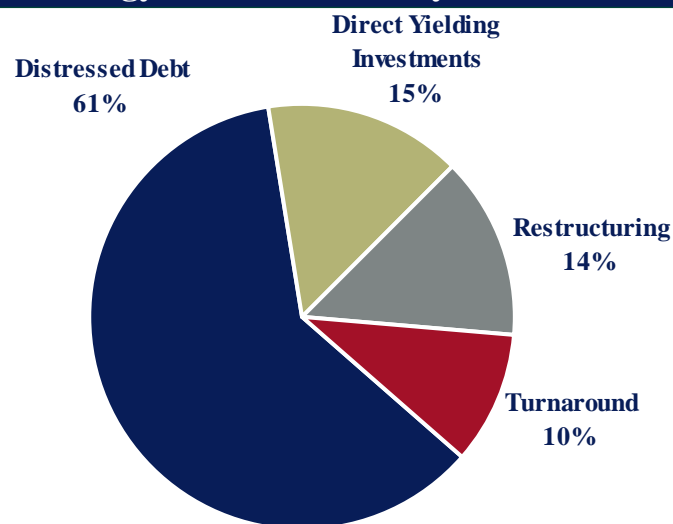
*Note: As of 29 February 2012 (unaudited).*

# Special Situations Portfolio Overview

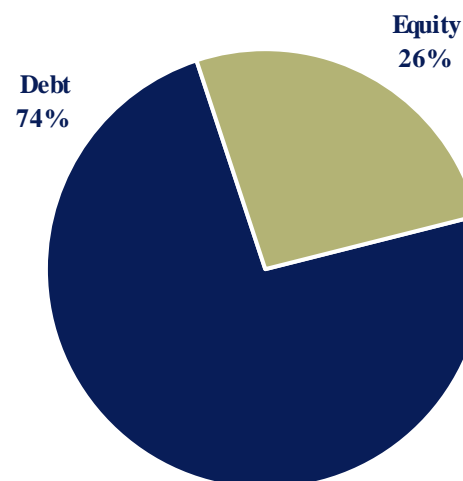
**The fair value of NBPE's special situations portfolio as of 29 February 2012 accounted for 37% of total private equity fair value<sup>1</sup>**

- ◆ Within this 37% of the portfolio, 21% of total private equity fair value was held in credit related funds that provide a monthly estimate of the mark-to-market fair value of their debt investments
- ◆ As of 29 February 2012, 6% of total private equity fair value (15% special situations fair value) was held in direct yielding mezzanine or debt investments which pay cash or PIK interest with average yield to maturity of 15%
- ◆ The special situations portfolio is mostly comprised of debt securities, but over time we expect the equity component to increase as restructuring activity progresses within the distressed funds

**Strategy Diversification by Fair Value**



**Estimated Security Type by Fair Value**



*Note: NBPE special situations diversification statistics are based on most recently available quarterly information and the Investment Manager's estimates as of 29 February 2012.  
1. For the purposes of this analysis, special situations fair value includes special situations secondary purchases.*

# Private Equity Investment Portfolio

The following is a list of NBPE's private equity investments as of 29 February 2012

*\$ in millions*

<u>Investment Name</u>	<u>Principal Geography</u>	<u>Vintage Year</u>
<b><i>Special Situations Funds</i></b>		
Oaktree Opportunities Fund VIIb	U.S.	2008
Centerbridge Credit Partners	U.S.	2008
Wayzata Opportunities Fund II	U.S.	2007
Sankaty Credit Opportunities III	U.S.	2007
Platinum Equity Capital Partners II	U.S.	2007
CVI Global Value Fund	Global	2006
Prospect Harbor Credit Partners	U.S.	2007
Catalyst Fund III	Canada	2009
Oaktree Opportunities Fund VIII	U.S.	2009
Sun Capital Partners V	U.S.	2007
Strategic Value Global Opps Fund I	Global	2010
Strategic Value Special Sit. Fund	Global	2010
<b><i>Special Situations Direct Investments</i></b>		
Firth Rixson (Mezzanine Debt)	Europe	2008
Firth Rixson (2011 PIK Note)	Europe	2011
Drug Royalty Notes (Hormone Therapy)	Global	2011
SonicWall (Second Lien Debt)	U.S.	2010
Drug Royalty Notes (Neuropathic Pain)	Global	2011
Drug Royalty Notes (Medication Delivery)	U.S.	2012
Suddenlink (PIK Preferred Shares)	U.S.	2010

*\$ in millions*

<u>Investment Name</u>	<u>Principal Geography</u>	<u>Vintage Year</u>
<b><i>Mid-cap Buyout Funds</i></b>		
OCM Principal Opportunities Fund IV	U.S.	2006
ArcLight Energy Partners Fund IV	U.S.	2007
Avista Capital Partners	U.S.	2006
Lightyear Fund II	U.S.	2006
Radar Secondary Purchase	Global	2009
Corsair III Financial Services Partners	Global	2007
American Capital Equity II	U.S.	2007
Trident IV	U.S.	2007
Aquiline Financial Services Fund	U.S.	2005
Clessidra Capital Partners	Europe	2004
Highstar Capital II	U.S.	2004
Investitori Associati III	Europe	2000
<b><i>Mid-cap Buyout Co-investments</i></b>		
Blue Coat	U.S.	2012
ADPI	U.S.	2012
Group Ark Insurance	Global	2007
TPF Genco	U.S.	2006
Edgen Murray	U.S.	2007
Bourland & Leverich Supply Co.	U.S.	2010
The SI Organization	U.S.	2010
Fairmount Minerals	U.S.	2010
Swissport	Global	2011
Kyobo Life Insurance	Asia	2007
Firth Rixson (Equity)	Europe	2007-09
BakerCorp	U.S.	2010
Press Ganey	U.S.	2008
Salient Federal Solutions	U.S.	2010
Dresser	U.S.	2007
Pepcom	Europe	2011
SonicWall (Equity)	U.S.	2010
GazTransport & Technigaz (GTT)	Europe	2008

# Private Equity Investment Portfolio (Cont'd)

The following is a list of NBPE's private equity investments as of 29 February 2012

*\$ in millions*

<b>Investment Name</b>	<b>Principal Geography</b>	<b>Vintage Year</b>
<b><i>Large-cap Buyout Funds</i></b>		
First Reserve Fund XI	U.S.	2006
Carlyle Europe Partners II	Europe	2003
Doughty Hanson & Co IV	Europe	2003
J.C. Flowers II	Global	2006
<b><i>Large-cap Buyout Co-investments</i></b>		
Sabre	U.S.	2007
Freescale Semiconductor	U.S.	2006
Avaya	U.S.	2007
Syniverse Technologies	U.S.	2011
CommScope	U.S.	2011
J.Crew Group	U.S.	2011
First Data	U.S.	2007
Energy Future Holdings (TXU)	U.S.	2007
Univar	Global	2010

*\$ in millions*

<b>Investment Name</b>	<b>Principal Geography</b>	<b>Vintage Year</b>
<b><i>Growth Equity Investments</i></b>		
Bertram Growth Capital I	U.S.	2007
Bertram Growth Capital II	U.S.	2010
NG Capital Partners I	S. America	2011
Summit Partners Europe Fund	Europe	2010
Seventh Generation (Co-investment)	U.S.	2008
<b><i>Fund of Funds Investments</i></b>		
Fund XVII	Global	2002-06
Fund XVIII Mid-cap Buyout	Global	2005-10
Fund XVIII Large-cap Buyout	Global	2005-10
Fund XVIII Special Situations	Global	2005-10
Fund XVIII Venture Capital	U.S.	2005-10

# Largest Underlying Companies

As of 29 February 2012, the estimated fair value of the twenty largest portfolio company investments was approximately \$163 million, representing 28% of total private equity fair value. No individual company accounted for more than 4.0% of the total private equity portfolio. Listed below are the twenty largest portfolio company investments by fair market value in alphabetical order:

Company Name	Company Status
ADPI	Privately-Held
Fairmount Minerals	Privately-Held
Author Solutions, Inc.	Privately-Held
Avaya, Inc.	Privately-Held
Blue Coat	Privately-Held
Bourland & Leverich Supply Co.	Privately-Held
Capsugel	Privately-Held
Cobalt International Energy, Inc.	Publicly-Traded
Edgen Murray Corporation	Privately-Held
Firth Rixson Plc (Second Lien Debt)	Privately-Held

Company Name	Company Status
Freescale Semiconductor, Inc.	Publicly-Traded
Group Ark Insurance Holdings Limited	Privately-Held
Kyobo Life Insurance Co., Ltd.	Privately-Held
RAC	Privately-Held
Royalty Notes (Hormone Therapy)	Privately-Held
SonicWALL, Inc. (Second Lien Debt)	Privately-Held
Sabre Holdings Corporation	Privately-Held
Terra-Gen Power Holdings, LLC	Privately-Held
TPF Genco Holdings, LLC	Privately-Held
The SI Organization, Inc.	Privately-Held

Approximately \$48 million of private equity fair value was comprised of companies with publicly-traded securities as of 29 February 2012, representing 8% of total private equity fair value

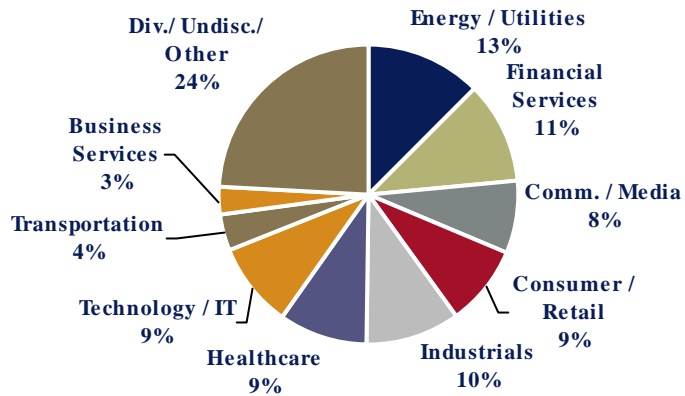
*Note: As of 29 February 2012 (unaudited). The estimated fair value of the ten largest portfolio company investments was approximately \$116 million, representing 20% of total private equity fair value.*

# Industry & Geography Diversification

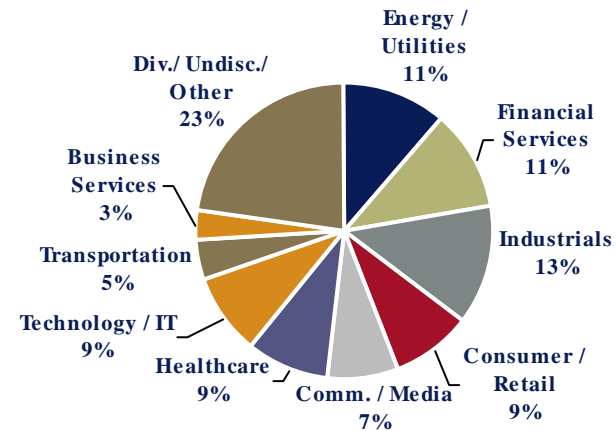
Illustrated below is the diversification of NBPE's portfolio by industry and geography based on private equity fair value and total exposure at 29 February 2012 <sup>1</sup>

## Industry

By Fair Value

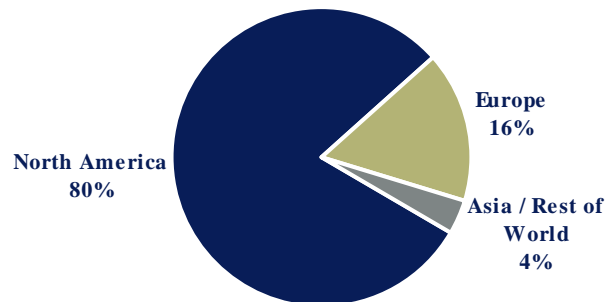


By Total Exposure

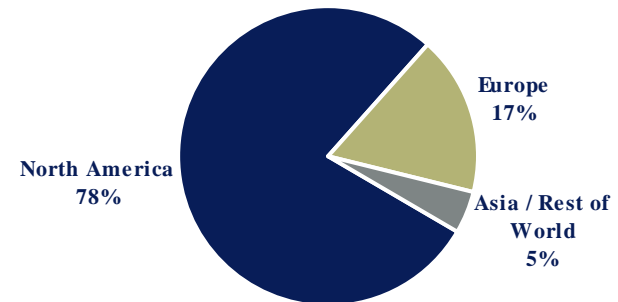


## Geography

By Fair Value



By Total Exposure



Note: As of 29 February 2012 (unaudited). Total exposure represents fair value plus unfunded commitments.  
1. Please refer to endnote two for certain important information related to this diversification information.



# Trading Liquidity

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

- ◆ During 2011 and YTD 2012, NBPE's cumulative trading volume was approximately 9.7 million shares of which 8.3 million shares were traded on the NYSE Euronext and the London Stock Exchange and 1.4 million shares were traded over-the-counter
  - During 2011 and YTD 2012, including over-the-counter trades, daily average trading volume was approximately 32,000 shares and daily average trading volume on-exchange was approximately 28,000 shares
  - Over-the-counter trading volume was not reported by the exchanges but instead was reported via the Markit BOAT platform

*Note: As of 29 February 2012 (unaudited).*

*Source: NYSE Euronext and Bloomberg. Past performance is not indicative of future results.*

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# Liquidity Enhancement & Buy-Back Programs

Since inception, NBPE has repurchased ~5.0 million shares, or 9.2% of the originally issued shares, including 1,815,896 shares since the new buy-back program was launched in October 2010

- ◆ Cumulative share repurchases through 29 Feb. 2012 have been accretive to NAV per share by approximately \$0.61

Liquidity Enhancement Program and Buy-Back Program Activity		
Time Period	Number of Shares Repurchased	Weighted Average Repurchase Price per Share
July 2008 - May 2009	3,150,408	\$2.93
November 2010	123,482	\$7.01
December 2010	203,285	\$7.05
January 2011	276,011	\$7.00
February 2011	-	-
March 2011	92,504	\$7.30
April 2011	55,683	\$8.03
May 2011	35,825	\$8.84
June 2011	44,787	\$8.62
July 2011	11,818	\$8.36
August 2011	215,224	\$8.02
September 2011	273,682	\$7.53
October 2011	222,122	\$6.86
November 2011	85,000	\$6.96
December 2011	75,000	\$6.98
January 2012	69,360	\$6.98
February 2012	32,113	\$6.94
<b>Total / Weighted Average</b>	<b>4,966,304</b>	<b>\$4.53</b>

Note: As of 29 February 2012 (unaudited).

# Additional Disclosures

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1. (From page 1) As of December 31, 2011, 61% of the total firm equity and fixed income Assets Under Management (“AUM”) outperformed on a 3-year basis and 80% on a 5-year basis; 61% of total firm equity AUM outperformed on a 3-year basis and 79% on a 5-year basis; 63% of the total firm fixed income AUM outperformed on a 3-year basis and 81% on a 5-year basis. The AUM outperformance results are based on the overall performance of each individual investment strategy against its respective strategy benchmark and results are asset weighted so strategies with the largest amount of assets under management have the largest impact on the results. Individual strategies may have experienced negative performance during certain periods of time. Hedge fund, private equity and other private investment vehicle assets are not reflected in the outperformance results shown. Unless otherwise indicated, returns reflect reinvestment of dividends and distributions. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results.

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# Endnotes

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

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