NB PRIVATE EQUITY PARTNERS LIMITED

30 JUNE 2011 INTERIM FINANCIAL REPORT

TABLE OF CONTENTS

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 pursue diversification for our private equity investments across asset class, vintage year, geography, industry and sponsor.

Our Company	**NB Private Equity Partners Limited ("NBPE")** ▪ Guernsey closed-end investment company ▪ 50,228,015 Class A ordinary shares outstanding ▪ 10,000 Class B ordinary shares outstanding ▪ 32,999,999 Zero Dividend Preference ("ZDP") shares outstanding
Investment Manager	**NB Alternatives Advisers** ▪ Over 24 years of private equity investing experience ▪ Investment Committee with an aggregate of approximately 190 years of experience in private equity investing ▪ Approximately 50 investment professionals ▪ Approximately 120 administrative and finance professionals ▪ Offices in New York, Dallas, London and Hong Kong

(USD in millions, except per share data)	**At 30 June 2011**	**At 31 December 2010 Pro Forma [1]**
Net Asset Value	$550.4	$526.9
Net Asset Value per Ordinary Share	$10.96	$10.38
Fund Investments	$422.8	$408.6
Direct / Co-investments	$122.4	$99.6
Total Private Equity Fair Value	$545.2	$508.2
Private Equity Investment Level [2]	99%	96%
Cash and Cash Equivalents	$74.5	$82.0

(GBP in millions, except per share data)	**At 30 June 2011**	**At 31 December 2010**
ZDP Shares	£36.9	£35.6
Net Asset Value per ZDP Share [3]	111.79p	107.95p

1. *Pro forma for the closing of the Strategic Asset Sale, the up-front proceeds from the sale of Dresser and credit facility pay down.*
2. *Defined as total private equity fair value divided by net asset value.*
3. *Defined as the accreted value of the ZDP Shares.*

OVERVIEW OF THE INVESTMENT MANAGER

The NB Alternatives group of Neuberger Berman (the "Investment Manager") has over 24 years of investing experience specializing in private equity funds, co-investments and secondary investments and has built relationships with leading private equity fund managers 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 approximately 190 years of experience in 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 120 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.

About Neuberger Berman

Neuberger Berman Group LLC is one of the world's leading independent, employee-controlled asset management companies. As of 30 June 2011, assets under management were approximately $198 billion. Established in 1939, Neuberger Berman provides a broad range of global investment solutions – equity, fixed income, and alternatives – to institutions and individuals through customized separately managed accounts, mutual funds and alternative investment products. For more information please visit Neuberger Berman's website at www.nb.com.

RECENT STRATEGIC ACTIONS

Capital Return Policy

In October 2010, we implemented a long-term capital management policy (the "Capital Return Policy") of ongoing returns of capital to NBPE Shareholders. These ongoing returns of capital will be at the discretion of the Board of Directors. The Capital Return Policy was initiated immediately using available cash and a portion of the proceeds from the Strategic Asset Sale in which we sold limited partnership interests in eight Large-cap Buyout partnerships. The Strategic Asset Sale generated net cash proceeds of $100.5 million from the sale of its interest in eight large-cap buyout funds. On 22 October 2010, we launched a Share buy-back programme (the "Share Buy-Back Programme") in order to begin implementing the Capital Return Policy.

Beginning with the half-year period commencing 1 January 2011 and ending 30 June 2011, we intend to return 50% of the realized net increase in NAV attributable to the Shares ("Realized Net Increase in NAV") for the preceding six-month period to Shareholders. This may be achieved by way of Share repurchases, dividends or such other means as the Directors consider most efficient. Future returns of capital under the Capital Return Policy will be announced at the time of reporting our financial results for each respective six-month period.

The Directors have discretion as to the manner in which capital is returned to Shareholders. However, at the prevailing discount level, we intend to use Share repurchases as the most appropriate means of returning capital to Shareholders. Share repurchases also have the benefit of enhancing our NAV per Share over time.

In addition to the amounts allocated under the current buyback programme, based on results in the half year period beginning 1 January 2011 and ending 30 June 2011, we intend to distribute approximately $1.7 million to Shareholders by way of repurchases, dividends or such other means as the Directors consider most efficient.

Increased Allocation to Direct Private Equity and Yield-Oriented Investments

We continue to target a higher allocation to direct private equity and yield-oriented investments while also maintaining a well diversified private equity portfolio.

Our Investment Manager is experienced in sourcing and completing such investments and has a global senior co-investment team with 75 years of combined experience which includes former lead investors at small and middle market private equity firms. This experience makes NB Alternatives a preferred partner and allows us to apply our unique strengths on each strategic investment. Our Investment Manager manages over $1.6 billion of capital dedicated to direct co-investments and has closed more than 50 co-investments over the last five years.

Over time, we expect this strategy to reduce the duration of our private equity portfolio, increase transparency for Shareholders, reduce our overall expense ratio and continue our policy of maintaining a conservative over-commitment level.

MARKET COMMENTARY

In the second quarter of 2011, investor sentiment shifted as many perceived the economic recovery was slowing. It remains unclear whether the recent pullback in equities represents longer-term weakness or only a temporary slowing of the economy. However, in June measures of economic activity turned increasingly negative: manufacturing slowed, housing reached a new low and employment growth stalled. In Europe, Germany and France showed some signs of slowing and the Greek debt crises contributed to increased investor uncertainty. As a result of this, the S&P 500 index finished nearly flat, up approximately 0.1% for the quarter. Defensive stocks, such as healthcare and consumer staples, outperformed more cyclical sectors. In the fixed income markets, treasuries advanced in light of slowing growth, while investment grade corporates outperformed high-yield bonds. In light of these factors, investors became increasingly cautious towards equities.[1]

Even with slowing economic indicators, companies performed quite well, with good cash flows and large cash positions to support balance sheets. However, managers remained cautious as business activities showed some signs of decelerating. In addition, managers continued to have a reluctance to spend and hire.[1]

It's unclear whether the current pressures will prompt additional government stimulus; and there have been recent talks of "QE3". However, sovereign debt levels remain at high levels and the recent debt ceiling debate in Washington gained global attention, making additional rounds of stimulus unlikely, given the current political environment. The budget debate continues to be a key issue and any spending cuts, while necessary, may cause near-term headwinds for an already struggling economy.[1]

In the second quarter of 2011, U.S. leveraged buyout volume remained flat at $26.9 billion versus $26.7 billion in the first quarter of 2011. In addition, leveraged loan volume increased slightly to $11.3 billion in the second quarter, up from $10.0 billion in the first quarter of 2011. The average LBO transaction size in the second quarter of the year was unchanged from the first quarter of 2011 at $1.1 billion.[2]

Over the next several years, we believe there will be a number of investment opportunities for experienced small- and mid-cap buyout sponsors. Broadly speaking, the operating performance of target companies has improved, and we believe this will continue to drive an increase in new transaction volume. We intend to capitalize on this opportunity by utilizing our proven co-investment platform and our capital resources to pursue attractive direct investments for NBPE's portfolio, while continuing to maintain a well-diversified portfolio.

Although economic conditions have generally improved, a large amount of leveraged debt remains outstanding and is in need of future refinancing. We believe this will lead to strong deal flow over the next several years for special situations / distressed investors. Dislocation continues to persist in certain areas of the market and during shifts in market sentiment. Therefore, as opportunities arise, we intend to allocate capital to attractive fund investments and direct yield-oriented investments that are suitable for NBPE's portfolio.

We continue to believe that our private equity portfolio is well-positioned to generate attractive returns over the long term. And with approximately $200 million of excess capital resources, we believe that we are in a strong position to take advantage of high quality investment opportunities during the next several years.

1. *Neuberger Berman IQ: Investment Quarterly, Edition 14, Summer 2011.*
2. *Standard & Poor's 2Q11 Leveraged Buyout Review.*

INVESTMENT RESULTS

As of 30 June 2011, NBPE's unaudited NAV per Share was $10.96, representing a 5.6% increase compared to the audited NAV per Share of $10.38 at 31 December 2010. During the first six months, the increase in NAV was primarily driven by net gains across the private equity portfolio, with the largest appreciation related to distressed funds and certain buyout funds and co-investments, including Dresser. These gains in value were offset by unrealized losses on certain other investments.

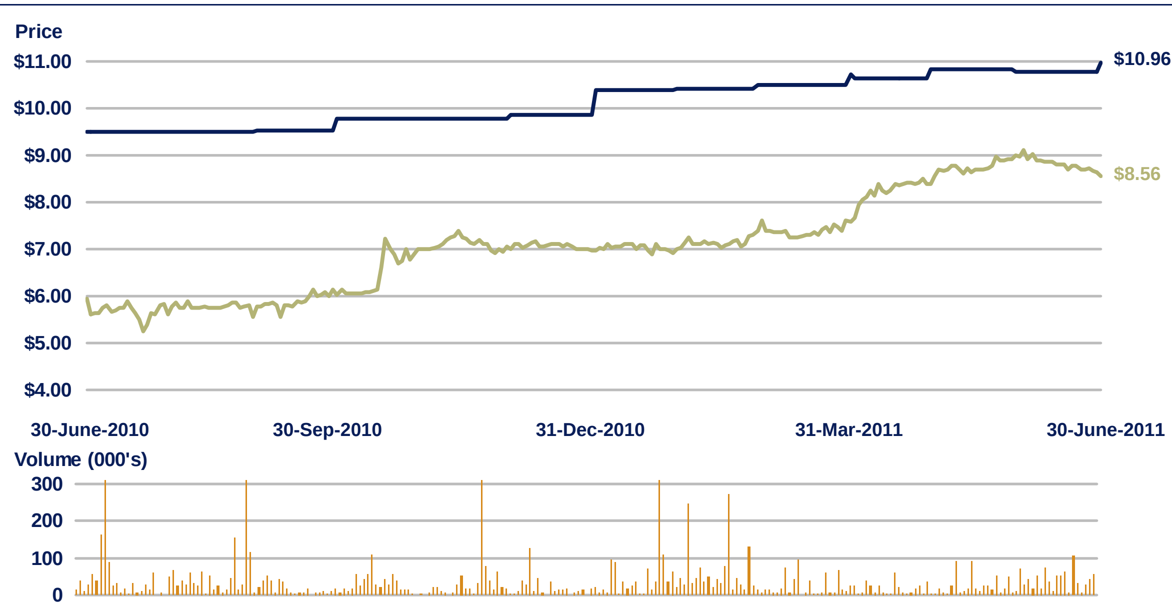
During the first six months of 2011, our private equity portfolio generated realized gains of $23.9 million. The portfolio also had net unrealized gains of $13.2 million from privately held investments, credit-related fund investments and public equity securities. Investment performance during the quarter was offset by $9.9 million of net operating expenses. Share repurchases during the first half of 2011 were accretive to NAV per Share by approximately $0.05.

During the first six months of 2011, we invested approximately $44.9 million into private equity assets through capital calls and direct / co-investments. Approximately 42% of this capital was invested in buyout funds and co-investments, 45% in special situations funds and direct investments and 13% in venture and growth capital funds.

During the first six months of 2011, we received approximately $127.2 million of distributions and sale proceeds, including $64.2 million related to the Strategic Asset Sale. Excluding the Strategic Asset Sale, approximately 59% of the distributions were from buyout funds and co-investments, 38% from special situations funds and direct investments, and 3% from venture and growth capital funds.

The largest distributions in the first six months of 2011 were attributable to the sale of Dresser and Baker, partial realizations of the direct / co-investments in Avaya and Suddenlink Communications, and investment proceeds from OCM Opportunities Fund VIIb, First Reserve Fund XI, Wayzata Opportunities Fund II, Platinum Equity Capital Partners II, Arclight Energy Partners Fund IV, and NB Crossroads Fund XVII and Fund XVIII.

LTM SHARE PRICE PERFORMANCE AND NAV PER ORDINARY SHARE



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

INVESTMENT PORTFOLIO ACTIVITY

As of 30 June 2011, our private equity investment portfolio consisted of 38 fund investments and 34 direct / co-investments. The fair value of our private equity portfolio was $545.2 million, and the total exposure, including unfunded commitments, was $669.3 million.

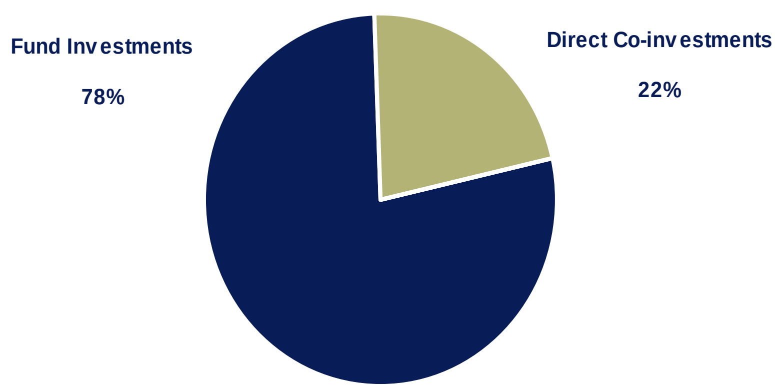
PRIVATE EQUITY INVESTMENT PORTFOLIO – 30 JUNE 2011

Private Equity Investment Portfolio - 30 June 2011

($ in millions)

	Number of Investments	Fair Value	Unfunded Commitments	Total Exposure
Fund Investments	38	$422.8	$115.2	$538.0
Direct / Co-investments	34	122.4	8.9	131.3
Total Private Equity Investments	**72**	**$545.2**	**$124.1**	**$669.3**

PORTFOLIO ALLOCATION BASED ON FAIR VALUE



INVESTMENT PORTFOLIO ACTIVITY

The investments in our private equity portfolio generated a significant amount of liquidity during the first six months of 2011. Distributions were driven by sales of underlying portfolio companies to strategic and financial buyers, sales of public securities held by underlying sponsors and investment proceeds from distressed funds.

During the first six months, we received approximately $127.2 million of distributions and sale proceeds, including $64.2 million from the Strategic Asset Sale. Within our direct fund and co-investment portfolio, approximately 85 companies completed liquidity events (sales and recapitalizations) that led to a distribution.

The five largest distributions (excluding the Strategic Asset Sale) totaled approximately $38.9 million and were attributable to investments in Dresser (Co-investment, First Reserve Fund XI) and Baker Corp (Co-investment), portfolio proceeds from OCM Opportunities Fund VIIb, Borco International (First Reserve Fund XI), and Suddenlink Communications (Co-investment).

Within NB Crossroads Fund XVII and Fund XVIII, over 250 underlying companies completed liquidity events during the period, leading to $7.5 million of distributions to NBPE.

In addition, 25 portfolio companies completed initial public offerings ("IPOs") during the first six months. These companies had an aggregate fair value of approximately $10.8 million as of 30 June 2011, with the largest and most significant IPOs attributable to Freescale Semiconductor Holdings I, a portfolio company of Carlyle Europe Partners II, Blackstone Capital Partners V, NB Crossroads Fund XVII, and NB Crossroads Fund XVIII, Nielsen Holdings, a portfolio company of Carlyle Europe Partners II, NB Crossroads Fund XVII, and NB Crossroads Fund XVIII, and Kinder Morgan, Inc., a portfolio company of Highstar Capital Fund II and NB Crossroads Fund XVII.

During the first six months, we committed an aggregate $54.5 million to the following new investments which we believe are well-suited for NBPE's private equity portfolio (see pages 17 and 18 for a detailed description of each new investment):

- Special situations primary commitment to Catalyst Fund III
- Special situations direct investment in royalty notes backed by a leading neuropathic pain medication
- Special situations direct investment in royalty notes backed by a leading testosterone gel used for hormone replacement therapy
- Mid-cap buyout co-investment in Pepcom
- Mid-cap buyout co-investment in Swissport International
- Large-cap buyout co-investment in CommScope
- Large-cap buyout co-investment in J.Crew Group
- Large-cap buyout co-investment in Syniverse Technologies
- Growth equity primary commitment to NG Capital Partners I
- Growth equity primary commitment to DGAG Expansion Capital Fund
- Large-cap buyout co-investment in Capsugel

INVESTMENT PORTFOLIO ACTIVITY

The aggregate portfolio and investment activity for the quarter ended 30 June 2011 was as follows:

($ in millions)	Fund Investments	Direct/Co-investments	Total
Investments Funded	$20.7	$24.2	$44.9
Distributions Received and Sales Proceeds	$102.9	$24.3	$127.2
Net Realized Gains (Losses)	$11.4	$12.5	$23.9
Change in Net Unrealized Appreciation (Depreciation)	$20.3	($7.1)	$13.2
New Primary Commitments New Direct / Co-investments	3	8	11
Amount Committed	$25.5	$29.0	$54.5
New Secondary Purchases	0	0	0
Amount Committed	$0.0	$0.0	$0.0

INVESTMENT STRATEGY AND CAPITAL DEPLOYMENT

We seek to generate attractive risk-adjusted returns 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.

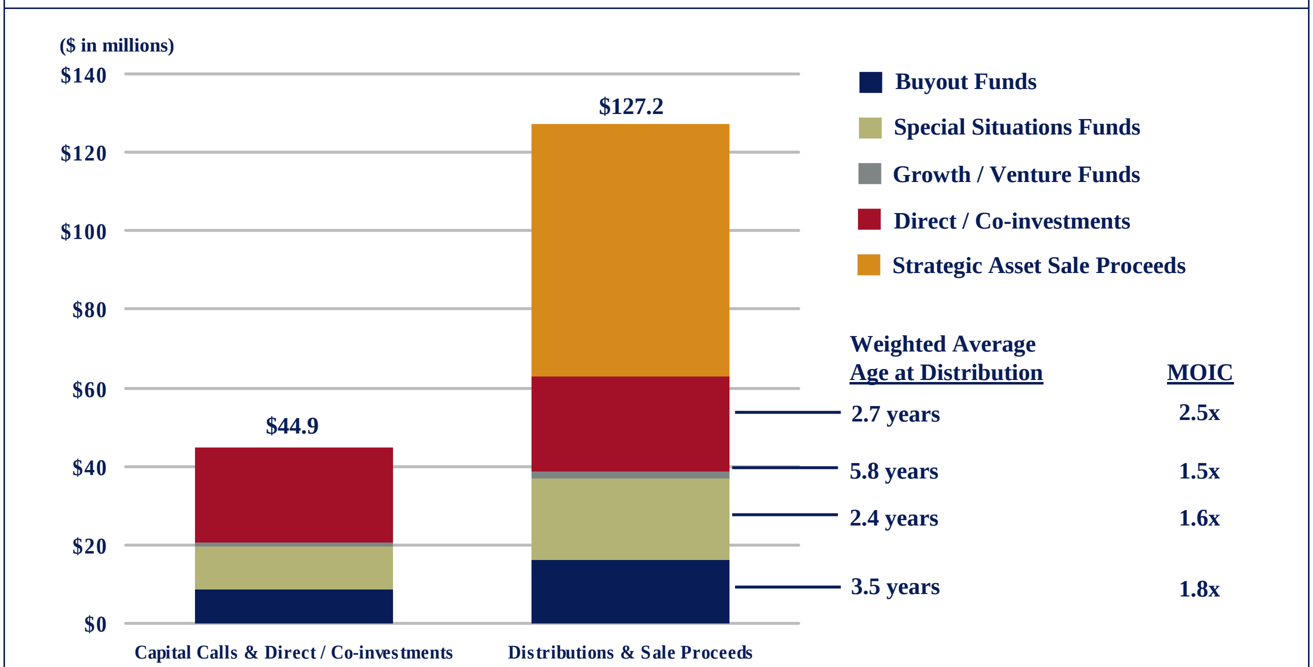
Since inception, we have tactically allocated a meaningful portion of our portfolio to the special situations asset class, including distressed funds. As a result, we have deployed over $198 million into special situations funds and direct investments since our initial global offering in July 2007. These investments provide exposure to undervalued credit securities, mezzanine debt, royalty-backed notes, financial restructurings and operational turnarounds of underperforming businesses.

As of 30 June 2011, special situations investments represented 38% of our private equity portfolio based on fair value. We continue to believe our special situations funds and direct investments are well-positioned to generate attractive risk-adjusted returns over the long term, and we believe that an attractive environment for making special situations investments will continue over the next several years.

In the near to medium-term we expect to target a higher allocation to direct private equity and yield-oriented investments in sectors that we believe are well-suited for NBPE's private equity portfolio. This investment strategy will act as an extension of our existing direct / co-investment program, and we expect new transactions to consist of equity co-investments as well as yield-oriented investments that have an appropriate risk-reward profile. In addition, we intend to make primary commitments to seasoned fund managers on an opportunistic basis, with a particular focus on capital efficient investment strategies.

Illustrated below is a summary of our capital deployment and distributions during the first half of the year. During the first six months, our private equity portfolio generated positive net cash flow of $18.2 million (excluding the Strategic Asset Sale proceeds). In addition, we received an aggregate $64.2 million from the closing of the Strategic Asset Sale. Over the next several years, we expect the level of distributions and sale proceeds to continue to increase as our portfolio matures.

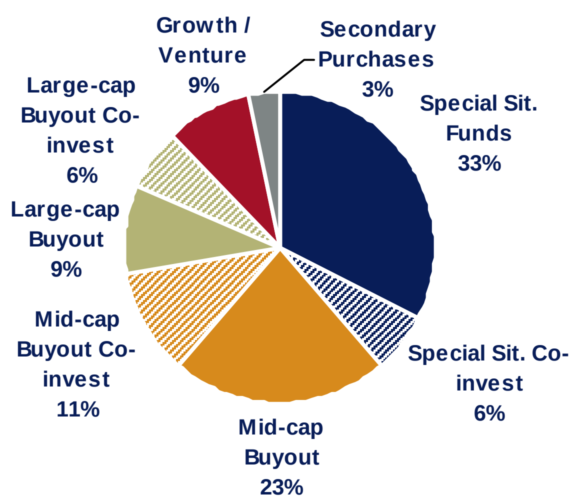
YTD 2011 CAPITAL DEPLOYMENT & DISTRIBUTIONS



DIVERSIFICATION BY ASSET CLASS AND INVESTMENT TYPE

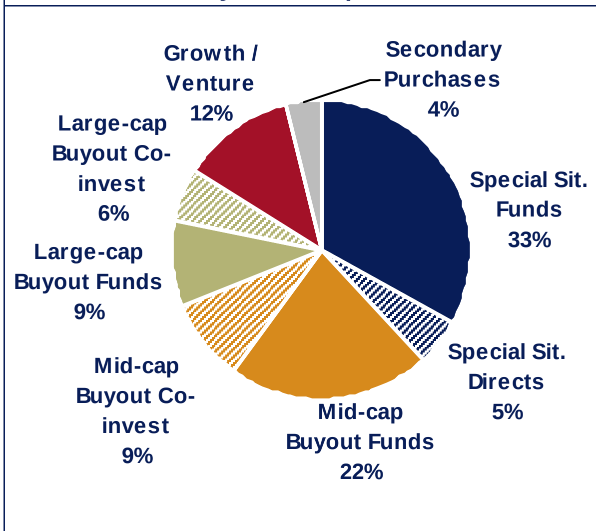
Consistent with our investment objective, we strive to manage investment risk through appropriate diversification within our private equity portfolio. The graphs below illustrate the breakdown of our private equity portfolio by asset class and investment type based on fair value, total exposure and unfunded commitments as of 30 June 2011.

DIVERSIFICATION BY ASSET CLASS AND INVESTMENT TYPE BASED ON FAIR VALUE [1]

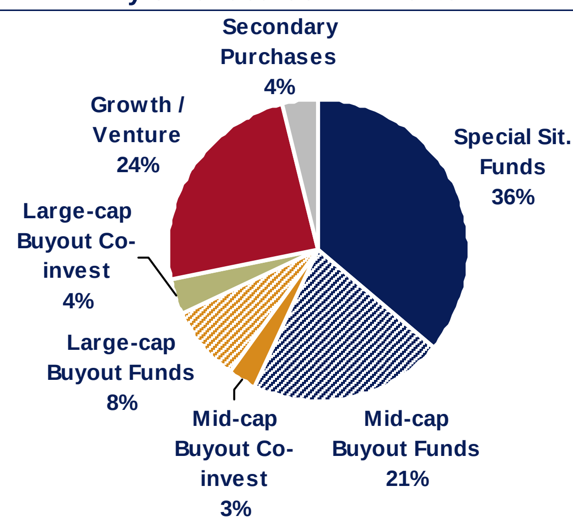


DIVERSIFICATION BY ASSET CLASS AND INVESTMENT TYPE [1]

By Total Exposure



By Unfunded Commitments

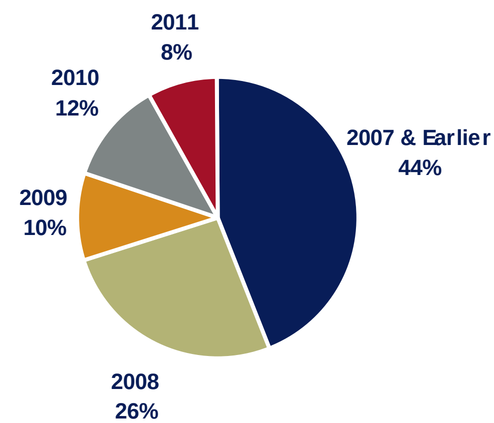


1. *The diversification analysis by asset class and investment type is based on the fair value of underlying fund investments and direct / co-investments. Determinations regarding asset class and investment type represent the Investment Manager's estimates. Accordingly, the actual diversification of our investment portfolio and the diversification of our investment portfolio on an ongoing basis may vary from the foregoing information.*

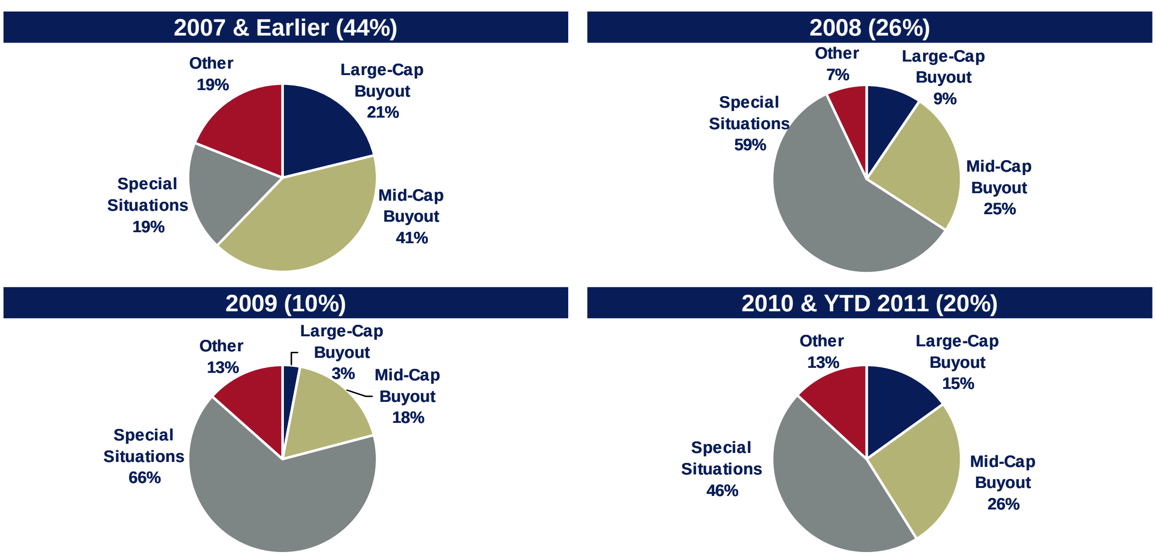
DIVERSIFICATION BY YEAR OF INVESTMENT [1]

The graphs below illustrate the diversification of our private equity portfolio by year of investment based on fair value as of 30 June 2011. 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 the diversification by vintage year on page 13 as vintage year shows when a fund was formed rather than when the capital was deployed. As illustrated below, approximately 56% of fair value at 30 June 2011 was attributable to investments made during 2008 through Q2 2011. NBPE's allocation to large-cap buyout investments has decreased over time, while the allocation to special situations and mid-cap buyout investments has increased as a result of our tactical allocation to the most attractive opportunities.

DIVERSIFICATION BY YEAR OF INVESTMENT BASED ON FAIR VALUE



YEAR OF INVESTMENT: DIVERSIFICATION BY ASSET CLASS BASED ON FAIR VALUE



Note: "Other" includes NB Crossroads Fund XVII, Growth / Venture and Secondaries.

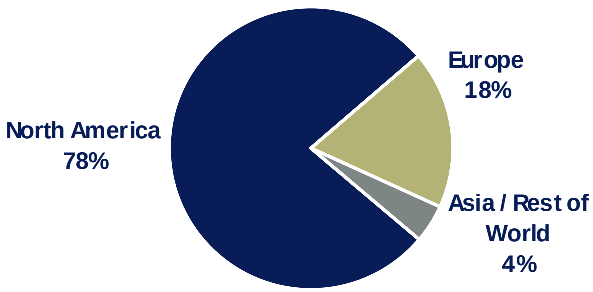
1. *Based on private equity fair value as of 30 June 2011.*

DIVERSIFICATION BY GEOGRAPHY AND INDUSTRY

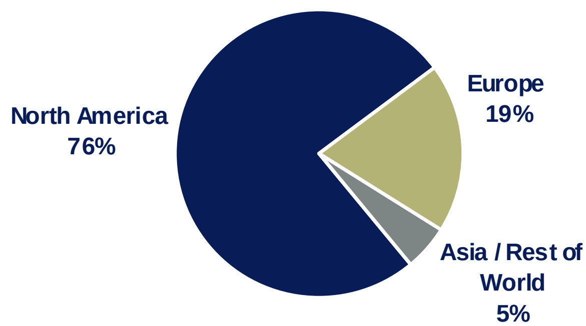
The graphs below illustrate the diversification of our private equity portfolio by geography and industry based on fair value and total exposure as of 30 June 2011.

GEOGRAPHIC DIVERSIFICATION [1]

By Fair Value

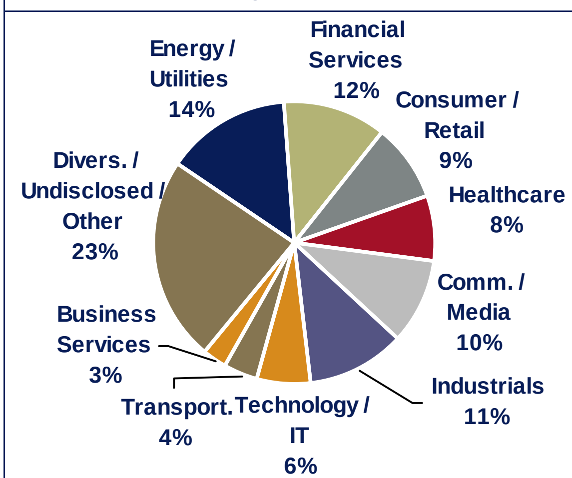


By Total Exposure

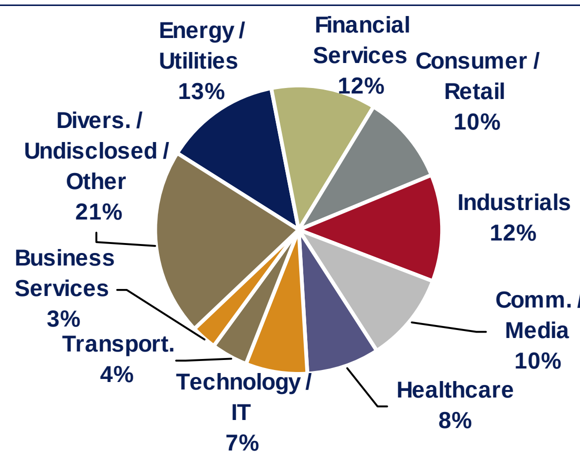


INDUSTRY DIVERSIFICATION [1]

By Fair Value



By Total Exposure



1. *The diversification analysis by geography and industry is based on the diversification of underlying portfolio company investments at fair value. 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.*

DIVERSIFICATION BY VINTAGE YEAR

The table below outlines the diversification of our private equity portfolio by vintage year and investment type based on fair value as of 30 June 2011. For the purposes of this analysis, and throughout this Interim Management Report, vintage year is defined as the date of the first portfolio investment made by a private equity fund or the date of a direct / co-investment. This diversification by vintage year should be distinguished from the diversification by year of investment, which is shown on page 11.

DIVERSIFICATION BY VINTAGE YEAR AND INVESTMENT TYPE BASED ON FAIR VALUE [1]

($ in millions)	Vintage Year								
	<=2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**Total**
Special Sit. Funds	0.2	1.9	20.8	74.0	65.4	13.4	0.8	-	$ 176.5
Special Sit. Co-invest	-	-	-	-	10.7	-	11.4	11.7	33.8
Mid-cap Buyout Funds	10.0	12.0	63.0	36.3	3.2	-	-	-	124.6
Mid-cap Buyout Co-invest	-	0.6	8.2	28.1	3.2	-	15.5	4.1	59.6
Large-cap Buyout	15.2	3.4	28.2	2.8	-	-	-	-	49.6
Large-cap Buyout Co-invest	-	-	5.8	18.5	-	0.1	1.3	9.2	34.9
Growth / Venture	2.7	5.1	11.3	20.7	1.9	-	3.7	2.5	47.9
Secondary Purchases	0.1	1.5	1.1	4.3	0.3	7.5	3.5	-	18.3
Total	$28.2	$24.6	$138.3	$184.7	$84.7	$21.0	$36.2	$27.5	$545.2

($ in millions)	Vintage Year								
	<=2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**Total**
Special Sit. Funds	0.0%	0.4%	3.8%	13.6%	12.0%	2.5%	0.1%	0.0%	32.4%
Special Sit. Co-invest	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%	2.1%	2.1%	6.2%
Mid-cap Buyout Funds	1.8%	2.2%	11.6%	6.7%	0.6%	0.0%	0.0%	0.0%	22.8%
Mid-cap Buyout Co-invest	0.0%	0.1%	1.5%	5.1%	0.6%	0.0%	2.8%	0.8%	10.9%
Large-cap Buyout	2.8%	0.6%	5.2%	0.5%	0.0%	0.0%	0.0%	0.0%	9.1%
Large-cap Buyout Co-invest	0.0%	0.0%	1.1%	3.4%	0.0%	0.0%	0.2%	1.7%	6.4%
Growth / Venture	0.5%	0.9%	2.1%	3.8%	0.3%	0.0%	0.7%	0.5%	8.8%
Secondary Purchases	0.0%	0.3%	0.2%	0.8%	0.1%	1.4%	0.6%	0.0%	3.4%
Total	5.2%	4.5%	25.4%	33.9%	15.5%	3.9%	6.6%	5.0%	100.0%

1. *Totals may not sum due to rounding.*

PRIVATE EQUITY INVESTMENT PORTFOLIO [1]

The following is a list of our private equity fund investments as of 30 June 2011.

($ in millions) **Fund Investments**	**Principal Geography**	**Vintage Year**	**Fair Value**	**Unfunded Commit.**	**Total Exposure**
Special Situations					
Catalyst Fund III	Canada	2009	$ 5.0	$ 9.5	$ 14.4
Centerbridge Credit Partners	U.S.	2008	34.2	-	34.2
CVI Global Value Fund	Global	2006	15.6	0.8	16.3
OCM Opportunities Fund VIIb	U.S.	2008	31.2	3.0	34.2
Oaktree Opportunities Fund VIII	U.S.	2009	8.2	2.5	10.7
Platinum Equity Capital Partners II	U.S.	2007	12.5	7.7	20.2
Prospect Harbor Credit Partners	U.S.	2007	13.7	-	13.7
Sankaty Credit Opportunities III	U.S.	2007	27.2	-	27.2
Strategic Value Special Situations Fund	Global	2010	0.8	-	0.8
Strategic Value Global Opportunities Fund I-A	Global	2010	2.4	0.2	2.7
Sun Capital Partners V	U.S.	2007	4.7	4.4	9.1
Wayzata Opportunities Fund II	U.S.	2007	13.3	14.7	28.0
Mid-cap Buyout					
American Capital Equity II	U.S.	2007	4.1	1.3	5.4
Aquiline Financial Services Fund	U.S.	2005	4.9	0.3	5.2
ArcLight Energy Partners Fund IV	U.S.	2007	14.1	4.8	18.9
Avista Capital Partners	U.S.	2006	16.4	1.4	17.8
Clessidra Capital Partners	Europe	2004	3.2	0.6	3.8
Corsair III Financial Services Capital Partners	Global	2007	7.1	1.7	8.8
Highstar Capital II	U.S.	2004	3.8	0.1	3.8
Investitori Associati III	Europe	2000	2.5	0.4	2.9
Lightyear Fund II	U.S.	2006	11.0	0.9	11.9
OCM Principal Opportunities Fund IV	U.S.	2006	21.9	2.0	23.9
Trident IV	U.S.	2007	4.4	1.1	5.4
Large-cap Buyout					
Carlyle Europe Partners II	Europe	2003	7.4	0.8	8.2
Doughty Hanson & Co IV	Europe	2003	5.8	0.2	6.0
First Reserve Fund XI	U.S.	2006	15.5	5.7	21.2
J.C. Flowers II	Global	2006	2.7	0.4	3.0
Growth Equity					
Bertram Growth Capital I	U.S.	2007	17.2	3.0	20.2
Bertram Growth Capital II	U.S.	2010	2.1	7.9	10.0
DBAG Expansion Capital Fund	Europe	2011	-	6.0	6.0
NG Capital Partners	Peru	2008	2.5	3.3	5.8
Summit Partners Europe Private Equity Fund	Europe	2010	1.6	4.7	6.4
Fund of Funds Investments					
NB Crossroads Fund XVII	U.S.	2002-06	38.1	4.8	42.9
NB Crossroads Fund XVIII Large-cap Buyout	Global	2005-10	11.4	2.5	13.9
NB Crossroads Fund XVIII Mid-cap Buyout	Global	2005-10	30.7	10.9	41.5
NB Crossroads Fund XVIII Special Situations	Global	2005-10	9.0	2.2	11.2
NB Crossroads Fund XVIII Venture Capital	U.S.	2005-10	9.2	2.5	11.8
NB Fund of Funds Secondary 2009	Global	2009-10	7.5	2.9	10.4
Total Fund Investments			**$422.8**	**$115.2**	**$537.9**

1. *Totals may not sum due to rounding.*

PRIVATE EQUITY INVESTMENT PORTFOLIO [1]

The following is a list of our direct / co-investments as of 30 June 2011.

($ in millions) Direct / Co-investments [2]	Principal Geography	Vintage Year	Fair Value	Unfunded Commit.	Total Exposure
Mid-cap Buyout					
BakerCorp	U.S.	2010			
Bourland & Leverich Supply Co. LLC	U.S.	2010			
Dresser Holdings, Inc.	U.S.	2007			
Edgen Murray Corporation	U.S.	2007			
Fairmount Minerals, Ltd.	U.S.	2010			
Firth Rixson, plc	Europe	2007-09			
GazTransport & Technigaz S.A.S.	Europe	2008			
Group Ark Insurance Holdings Limited	Global	2007			
Kyobo Life Insurance Co., Ltd.	Asia	2007			
Pepcom GmbH	Europe	2011			
Press Ganey Associates, Inc.	U.S.	2008			
Salient Federal Solutions, LLC	U.S.	2010			
SonicWall, Inc.	U.S.	2010			
Swissport International AG	Europe	2011			
The SI Organization, Inc.	U.S.	2010			
TPF Genco Holdings, LLC	U.S.	2006			
Unión Radio	Global	N/A			
Large-cap Buyout					
Avaya, Inc.	U.S.	2007			
CommScope	U.S.	2011			
Capsugel	U.S.	2011			
Energy Future Holdings Corp.	U.S.	2007			
First Data Corporation	U.S.	2007			
Freescale Semiconductor, Inc.	U.S.	2006			
J.Crew Group	U.S.	2011			
Sabre Holdings Corporation	U.S.	2007			
Syniverse Technologies	U.S.	2011			
Univar Inc.	Global	2010			
Special Situations					
Firth Rixson, plc (Mezzanine Debt)	Europe	2008			
Royalty Notes (HIV Medication)	Global	2010			
Royalty Notes (Neuropathic Pain)	Global	2011			
Royalty Notes (Hormone Therapy)	Global	2011			
SonicWall, Inc. (Second Lien Debt)	U.S.	2010			
Suddenlink Communications (PIK Preferred)	U.S.	2010			
Growth Equity					
Seventh Generation, Inc.	U.S.	2008			
Total Direct / Co-investments			**$122.4**	**$8.9**	**$131.3**
Total Private Equity Investment Portfolio			**$545.2**	**$124.1**	**$669.3**

1. *Totals may not sum due to rounding.*
2. *Direct / co-investment values are disclosed on an aggregate-only basis. No single direct / co-investment comprises more than 3.5% of total net asset value.*

NEW INVESTMENTS

During the first six months of 2011, we committed an aggregate $54.5 million to the following private equity investments:

Royalty Notes

Special Situations Direct Investment

In January 2011, we completed a direct investment in royalty notes backed by the global sales of a leading neuropathic pain medication that is marketed globally by a premier pharmaceutical company. The notes in which NBPE invested pay interest at a rate of 11%.

Royalty Notes

Special Situations Direct Investment

In January 2011, we committed to a direct investment in royalty backed notes that are collateralized by the sale of a testosterone gel used for hormone replacement therapy. The notes in which NBPE invested pay interest at a rate of LIBOR plus 16% (with a 1% LIBOR floor) and were issued at an original issue discount of 2.3%. The investment was funded in April 2011.

CommScope

Large-cap Buyout Co-investment

In February 2011, we invested in a buyout co-investment alongside The Carlyle Group in CommScope, Inc., a global leader in infrastructure solutions for communications networks.

Swissport International

Mid-cap Buyout Co-investment

In February 2011, we invested in a buyout co-investment alongside PAI Partners and Neuberger Berman's Co-investment Fund in Swissport International AG, a world-wide leader in ground handling services, providing ramp services, passenger services, and cargo services to more than 650 airlines.

Syniverse Technologies

Large-cap Buyout Co-investment

In February 2011, we invested in a buyout co-investment alongside The Carlyle Group in Syniverse Technologies, Inc., a leading provider of technology and business solutions for the global telecommunications industry.

Pepcom

Mid-cap Buyout Co-investment

In March 2011, we invested in a buyout co-investment alongside STAR Capital Partners and Neuberger Berman's Co-investment Fund in Pepcom GmbH. Pepcom is Germany's 6th largest cable operator with more than 630,000 subscribers of video, broadband and voice services.

J.Crew Group

Large-cap Buyout Co-investment

In March 2011, we invested in a buyout co-investment alongside TPG Capital, Leonard Green & Partners and Neuberger Berman's Co-investment Fund in J.Crew Group, Inc. J.Crew is a leading specialty retailer of women's, men's and children's apparel, shoes and accessories. The company sells its products in retail and outlet stores nationwide as well as online and through a catalog business.

NEW INVESTMENTS

Catalyst Fund III

Special Situations Fund Investment

In March 2011, we committed $13.5 million to Catalyst Fund III, a special situations fund that focuses on control and/or influence investments in distressed and undervalued Canadian situations.

NG Capital Partners I

Growth Equity Fund Investment

In March 2011, we committed $6.0 million to NG Capital Partners I, a growth equity fund that focuses on investing in Peruvian companies in industries with high growth potential. NG focuses on consumer-oriented companies including retail, education and restaurants to take advantage of the growing middle-class.

DBAG Expansion Capital Fund

Growth Equity Fund Investment

In May 2011, we committed $6.0 million equivalent (Euro denominated) to DBAG Expansion Capital Fund, a growth equity fund that focuses on middle-market industrial and engineering companies in Germany.

Capsugel

Large-cap Buyout Co-investment

In May 2011, we committed to Capsugel, a provider of hard capsules and drug delivery systems for pharmaceutical and healthcare industries.

VALUATION METHODOLOGY

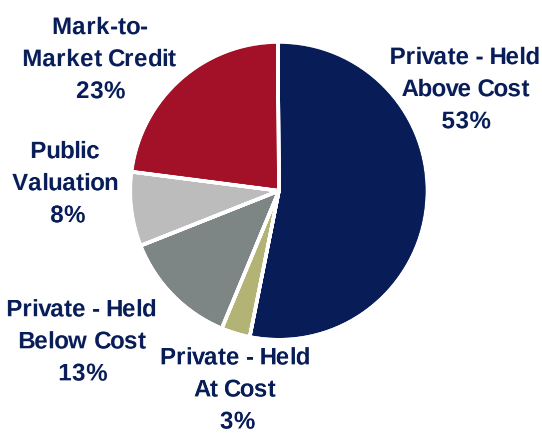
We carry our private equity investments on our books at fair value using the best information we have reasonably available to determine or estimate fair value. Publicly traded securities are valued based on quoted prices as of the last day of the relevant period less discounts to reflect legal restrictions 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. If we conclude that it is probable that we will sell an investment, we adjust our carrying value to the amount we expect to realize from the sale, exclusive of transaction costs.

Our NAV per Share of $10.96 as of 30 June 2011 was $0.18 higher than previously reported in our June 2011 Monthly Report principally due to the receipt of additional portfolio valuation information. Between the release date of our June 2011 Monthly Report and the release date of this Interim Management Report, our Investment Manager received second quarter 2011 financial statements and other valuation estimates that resulted in net unrealized gains within our private equity portfolio.

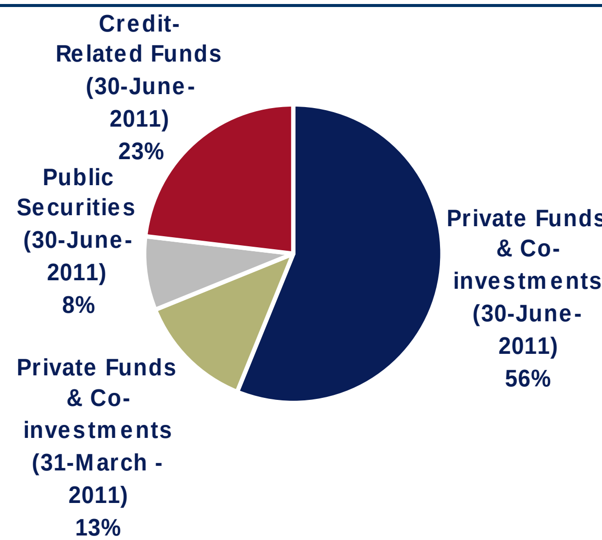
The graphs below illustrate the diversification of our private equity investments by valuation type and the date of most recent available information as of 30 June 2011.

VALUATION METHODOLOGY

Fair Value by Valuation Type



Fair Value by Date of Most Recent Available Information



PERFORMANCE BY ASSET CLASS

Based on the multiple of total value to paid-in capital ("TVPI") since inception, our private equity portfolio increased in fair value by approximately 5.7% from 1.05x at 31 December 2010 to 1.11x at 30 June 2011.

The increase in value during the first six months was driven by realized and unrealized gains across the portfolio, including an increase of approximately 5.1% in the special situations portfolio from 1.17x at 31 December 2010 to 1.23x at 30 June 2011. This positive performance was largely attributable to higher mark-to-market valuations and realizations within the trading and restructuring funds in our special situations portfolio.

The value of the mid-cap buyout portfolio increased by approximately 6.0% to 1.23x due to net unrealized gains related to fund investments and co-investments.

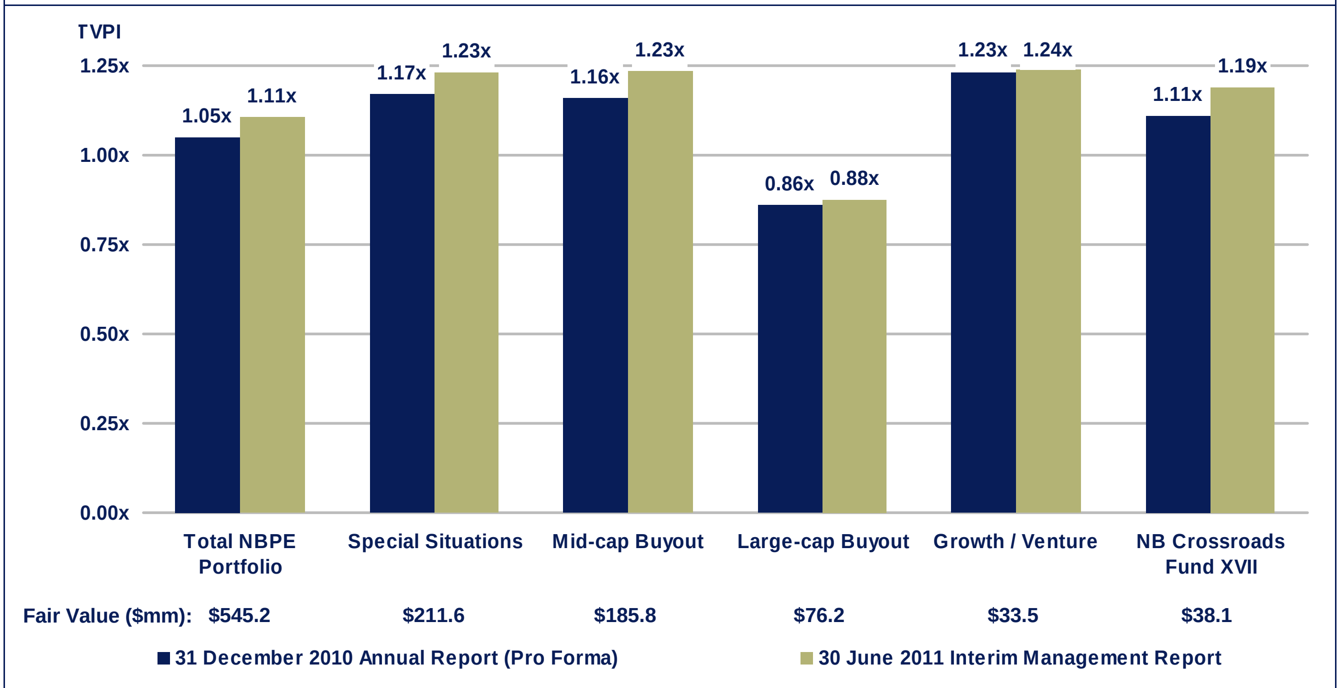
The valuation of the large-cap buyout portfolio increased modestly by approximately 2.3% to 0.88x. However, it is important to note that a significant portion of the large-cap buyout fund portfolio was sold in Q4 2010 and Q1 2011 through the Strategic Asset Sale.

Valuations in the growth / venture portfolio were up modestly by approximately 0.8% to 1.24x.

In addition, our investment in NB Crossroads Fund XVII, a diversified fund of funds portfolio, increased in total value by approximately 7.2% during the first six months.

The graph below illustrates a summary of our portfolio performance since inception by asset class as of 30 June 2011.

YTD 2011 PORTFOLIO PERFORMANCE BY ASSET CLASS



1. *Totals may not sum due to rounding.*

PORTFOLIO INVESTMENT PERFORMANCE

The table below outlines the performance of our unrealized underlying investments by asset class and valuation range as of 30 June 2011. The following analysis totals approximately $545.2 million in fair value, and is based on the most recent information available at the underlying company level. Across the portfolio, 81% of unrealized fair value and 65% of unrealized cost basis was held at or above cost on a company by company basis as of 30 June 2011.

AGGREGATE PORTFOLIO COMPANY ANALYSIS BY ASSET CLASS AND VALUATION RANGE [1]

Total Unrealized Portfolio Multiple Range	30-Jun-11 % of Cost	30-Jun-11 % of Value
2.0x +	6%	18%
1.0x - 2.0x	54%	59%
Held at Cost	5%	4%
0.5x - 1.0x	23%	16%
0.25x - 0.5x	7%	2%
< 0.25x	5%	0%
Total Unrealized ($m)	**$470.3**	**$545.2**

Special Situations Multiple Range	30-Jun-11 % of Cost	30-Jun-11 % of Value
2.0x +	1%	4%
1.0x - 2.0x	78%	81%
Held at Cost	0%	0%
0.5x - 1.0x	19%	14%
0.25x - 0.5x	1%	0%
< 0.25x	0%	0%
Total Unrealized ($m)	**$189.7**	**$215.3**

Mid-cap Buyout Multiple Range	30-Jun-11 % of Cost	30-Jun-11 % of Value
2.0x +	7%	22%
1.0x - 2.0x	45%	52%
Held at Cost	8%	6%
0.5x - 1.0x	27%	17%
0.25x - 0.5x	7%	2%
< 0.25x	5%	1%
Total Unrealized ($m)	**$149.8**	**$189.5**

Large-cap Buyout Multiple Range	30-Jun-11 % of Cost	30-Jun-11 % of Value
2.0x +	7%	22%
1.0x - 2.0x	30%	41%
Held at Cost	5%	5%
0.5x - 1.0x	29%	23%
0.25x - 0.5x	16%	8%
< 0.25x	13%	1%
Total Unrealized ($m)	**$98.9**	**$91.8**

Growth / Venture Multiple Range	30-Jun-11 % of Cost	30-Jun-11 % of Value
2.0x +	29%	56%
1.0x - 2.0x	29%	25%
Held at Cost	15%	10%
0.5x - 1.0x	14%	7%
0.25x - 0.5x	8%	2%
< 0.25x	5%	0%
Total Unrealized ($m)	**$31.9**	**$48.7**

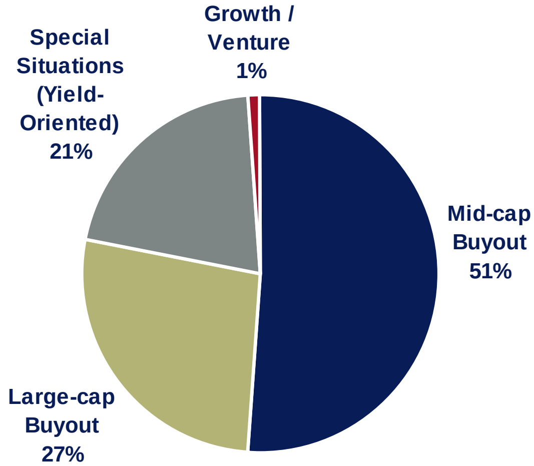
1. *Assets not included consist primarily of cash held by underlying private equity funds and investments not yet identified. Values based on underlying company level data and may differ from net asset value.*

DIRECT / CO-INVESTMENT PORTFOLIO SUMMARY

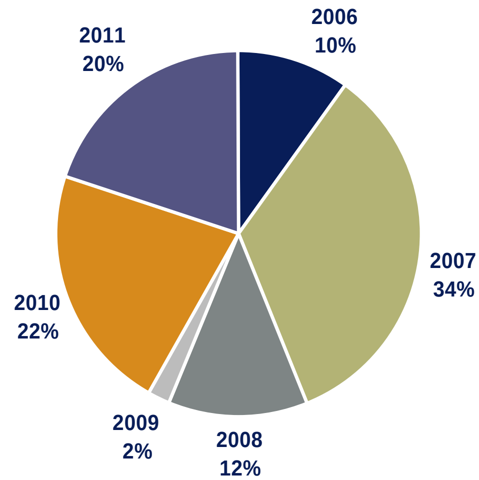
Our direct / co-investment portfolio consisted of 34 distinct investments as of 30 June 2011. Illustrated below is the diversification of our direct / co-investment portfolio by asset class and year of investment based on fair value.

DIRECT / CO-INVESTMENT PORTFOLIO OVERVIEW

Fair Value by Asset Class



Fair Value by Year of Investment



DIRECT / CO-INVESTMENT PORTFOLIO SUMMARY

Listed below is a description of the unrealized companies in our direct / co-investment portfolio as of 30 June 2011.[1]

Company Name	Asset Class	Business Description
Avaya, Inc.	Large-cap Buyout	Provider of communication systems, applications and services for enterprises, including businesses, government agencies and other organizations
BakerCorp	Mid-cap Buyout	Leasing and rental provider of liquid and solid containment, pumping, filtration and shoring equipment
Bourland & Leverich Supply Co. LLC	Mid-cap Buyout	Distributor of oil country tubular goods to the domestic oil and gas industry
Capsugel	Large-cap Buyout	Provides hard capsules and drug delivery systems for pharmaceutical and healthcare industries
CommScope, Inc.	Large-cap Buyout	Global provider of infrastructure solutions for communications networks
Dresser Holdings, Inc.	Mid-cap Buyout	Global manufacturer and marketer of highly engineered energy infrastructure and oilfield equipment for mission-critical applications
Edgen Murray Corporation	Mid-cap Buyout	Global distributor and marketer of high performance steel and alloy products used primarily in energy infrastructure applications
Energy Future Holdings Corp.	Large-cap Buyout	Energy company that manages a portfolio of competitive and regulated energy businesses located in Texas, including unregulated power generation, retail electric supply, and regulated electric utilities
Fairmount Minerals, Ltd.	Mid-cap Buyout	Producer of high purity sand for a broad range of industrial applications, including sand-based proppants for the oil and gas industry
First Data Corporation	Large-cap Buyout	Provider of electronic commerce and payment solutions for merchants, financial institutions, and card issuers globally, with operations in 36 countries, serving over 6 million merchant locations and thousands of card issuers
Firth Rixson, plc	Mid-cap Buyout / Special Situations	Supplier of highly engineered rings, forgings and specialist metal products primarily to global aerospace engine manufacturers
Freescale Semiconductor, Inc.	Large-cap Buyout	Designer and manufacturer of semiconductors for a variety of end-markets including the automotive, consumer, industrial, networking and wireless industries
GazTransport & Technigaz S.A.S.	Mid-cap Buyout	Designer and installer of cryogenic containment systems for liquefied natural gas carriers
Group Ark Insurance Holdings Limited	Mid-cap Buyout	Lloyd's market underwriter of a geographically diverse book of global specialty insurance and reinsurance risks
J.Crew Group, Inc.	Large-cap Buyout	Specialty retailer of women's, men's and children's apparel, shoes and accessories
Kyobo Life Insurance Co., Ltd.	Mid-cap Buyout	Life insurance company based in Korea that offers a broad range of savings and protection products targeted at middle- and upper-income consumers
Pepcom GmbH	Mid-cap Buyout	Germany's 6th largest cable operator with more than 630,000 subscribers of video, broadband and voice services

1. Dresser and BakerCorp are mostly realized investments with escrow proceeds as remaining unrealized value which we expect to be fully realized in the future.

DIRECT / CO-INVESTMENT PORTFOLIO SUMMARY

Listed below is a description of the unrealized companies in our direct / co-investment portfolio as of 30 June 2011.

Company Name	Asset Class	Business Description
Press Ganey Associates, Inc.	Mid-cap Buyout	Provider of patient satisfaction measurement and quality and performance improvement solutions to healthcare institutions
Royalty Notes (HIV Medication)	Special Situations	Royalty notes backed by the worldwide sales of a leading HIV medication that is marketed globally by a premier pharmaceutical company
Royalty Notes (Hormone Therapy)	Special Situations	Royalty notes that are collateralized by the sale of a testosterone gel used for hormone replacement therapy
Royalty Notes (Neuropathic Pain)	Special Situations	Royalty notes backed by the worldwide sales of a leading neuropathic pain medication that is marketed globally by a premier pharmaceutical company
Sabre Holdings Corporation	Large-cap Buyout	World leader in travel commerce, providing a broad portfolio of transaction processing, distribution, and technology solutions to the global travel industry
Salient Federal Solutions, LLC	Mid-cap Buyout	Provider of technology and engineering services to government agencies, primarily within the intelligence community and the Department of Defense
Seventh Generation, Inc.	Growth / Venture	Manufacturer of authentic, safe, and environmentally-responsible household products for a healthy home
SonicWall, Inc.	Mid-cap Buyout / Special Situations	Developer of advanced intelligent network security and data protection solutions for small and large enterprises worldwide
Suddenlink Communications	Special Situations	Provider of cable broadband solutions for residential and commercial customers in the United States
The SI Organization, Inc.	Mid-cap Buyout	Provider of high-end systems engineering and integration solutions and modeling, simulation, analysis and risk mitigation services to the U.S. Intelligence Community
Swissport International AG	Mid-cap Buyout	Worldwide leader in ground handling services, providing ramp services, passenger services, and cargo services to more than 650 airlines
Syniverse Technologies, Inc.	Large-cap Buyout	Provider of technology and business solutions for the global telecommunications industry
TPF Genco Holdings, LLC	Mid-cap Buyout	Five natural gas-fired power plants located in California, Texas, Illinois, Virginia and West Virginia, representing 2,480 megawatts of generating capacity
Univar Inc.	Large-cap Buyout	Global distributor and marketer of commodity and specialty chemicals to a broad array of end markets

DIRECT / CO-INVESTMENT PORTFOLIO SUMMARY

Since inception, our direct / co-investment portfolio has generated a 1.12x TVPI multiple as of 30 June 2011. In aggregate, the valuation of our direct / co-investment portfolio increased by approximately 3.7% during the first six months of 2011, driven by improved operating performance and generally higher comparable public market valuations.

The table below outlines the performance of our direct / co-investment portfolio from inception through 30 June 2011 by asset class and current valuation range. The number of investments and the TVPI multiples are based on all realized and unrealized direct / co-investments, while the current fair values are based on unrealized direct / co-investments as of 30 June 2011.

DIRECT / CO-INVESTMENT PERFORMANCE BY ASSET CLASS & VALUATION RANGE

($ in millions) Asset Class	# of Direct / Co-investments	Realized Proceeds	31-June-2011 Fair Value	Total Value to Paid-in Capital	% of Fair Value
Mid-cap Buyout & Growth Equity	21	$48.1	$55.2	1.32x	45.1%
Large-cap Buyout	9	2.2	33.4	0.76x	27.3%
Special Situations	6	5.8	33.8	1.16x	27.6%
Total Direct / Co-investments	**36**	**$56.1**	**$122.4**	**1.12x**	**100.0%**

($ in millions) Multiple Range	# of Direct / Co-investments	Realized Proceeds	31-June-2011 Fair Value	Total Value to Paid-in Capital	% of Fair Value
Greater than 2.0x	5	$21.1	$10.0	2.76x	8.1%
1.0x to 2.0x	21	22.2	90.9	1.23x	74.2%
0.5x to 1.0x	6	12.6	14.9	0.86x	12.2%
Less than 0.5x	4	0.1	6.6	0.28x	5.4%
Total Direct / Co-investments	**36**	**$56.1**	**$122.4**	**1.12x**	**100.0%**

LARGEST UNDERLYING INVESTMENTS

As of 30 June 2011, our direct fund and co-investment portfolio had exposure to approximately 600 underlying companies. Including NB Crossroads Fund XVII and Fund XVIII, our private equity portfolio had exposure to over 3,200 underlying companies, with our allocable portion of approximately 500 companies valued at greater than $100,000. Our 10 largest portfolio company investments totaled approximately $86.9 million in fair value, or 16% of private equity fair value. Our 20 largest portfolio company investments totaled approximately $129.1 million in fair value, or 23% of fair value. No individual company accounted for more than 3.5% of total NAV as of 30 June 2011. Listed below are the 20 largest underlying investments in alphabetical order.

Company Name	Status	Asset Class	Partnership(s)
Author Solutions	Private	Growth / Venture	Bertram Growth Capital I, Fund XVIII
Avaya	Private	Large-cap Buyout	Co-investment, Fund XVIII
Bourland & Leverich Supply Co.	Private	Mid-cap Buyout	Co-investment, Fund XVII, Fund XVIII
Clear Channel Communications (Debt)	Private	Special Situations	Oaktree Opps VIII, OCM Opps VIIb, Fund XVIII
Edgen Murray	Private	Mid-cap Buyout	Co-investment, Fund XVII, Fund XVIII
Energy Future Holdings (Debt)	Private	Special Situations	Oaktree Opps VIII, OCM Opps VIIb, Fund XVIII
FCB I LLC (CPEX Pharmaceuticals, Inc.)	Private	Special Situations	Direct Investment
Firth Rixson (Mezzanine Debt)	Private	Special Situations	Direct Investment
Freescale Semiconductor	Public	Large-cap Buyout	Co-investment, Carlyle Europe II, Fund XVII, Fund XVIII
Group Ark Insurance	Private	Mid-cap Buyout	Co-investment, Aquiline, Fund XVIII
Harrah's / Caesars Entertainment (Debt)	Private	Special Situations	Oaktree Opps VIII, OCM Opps VIIb, Fund XVIII
Kyobo Life Insurance	Private	Mid-cap Buyout	Co-investment, Corsair III, Fund XVIII
Nycomed Holdings A/S	Private	Mid-cap Buyout	Avista Capital Partners, Fund XVII
Power Distribution	Private	Growth / Venture	Bertram Growth Capital I, Fund XVIII
Sabre	Private	Large-cap Buyout	Co-investment, Fund XVII, Fund XVIII
SonicWall (Second Lien Debt)	Private	Special Situations	Direct Investment
Terra-Gen Power	Private	Mid-cap Buyout	ArcLight Energy Partners IV, Fund XVIII
The SI Organization	Private	Mid-cap Buyout	Co-investment, Fund XVIII
TPF Genco	Private	Mid-cap Buyout	Co-investment, Fund XVII, Fund XVIII
Tyden Cayman Holdings Corp	Private	Growth Equity	American Capital Equity II, Bertram Growth Capital I

As of 30 June 2011, approximately $44 million of our private equity portfolio was comprised of investments directly or indirectly in publicly-traded securities. This amount represented approximately 8% of private equity fair value.

BUYOUT PORTFOLIO ANALYSIS

Listed below is a description of the 50 largest buyout investments as of 30 June 2011.

Company Name	Business Description
Advance Pierre Foods	Supplier of value-added protein and handheld convenience products to the foodservice, school, retail, club, vending, and convenience store markets
AL Gulf Coast Terminals	Largest provider of crude and residual fuel oil storage in the Gulf of Mexico with over 13 million barrels of storage capacity and an additional 540,000 barrels of storage capacity currently under construction
Antares	Lloyd's syndicate that underwrites a globally-diversified portfolio of specialty insurance and reinsurance business including property, casualty, marine, and aviation
Avaya	Provider of communication systems, applications and services for enterprises, including businesses, government agencies and other organizations
Balta Industries	European manufacturer of wall-to-wall carpets and a global leader in the manufacture of area rugs
Bourland & Leverich Supply Co.	Distributor of oil country tubular goods to the domestic oil and gas industry
Buckeye Partners	Publicly traded partnership that owns and operates one of the largest independent refined petroleum products pipeline systems in the U.S. in terms of volumes delivered, with 5,400 miles of pipeline
Cetera Financial Group	Independent broker-dealer comprised of three distinct broker-dealers, serving approximately 5,000 financial advisors throughout the U.S. and with over $70 billion of assets under administration
CHC Helicopter	Largest global commercial helicopter operator, providing helicopter transportation services primarily to the offshore oil and gas industry for exploration and production
Cobalt International Energy	Independent global exploration and production company with a portfolio in the deepwater U.S. Gulf of Mexico and offshore West Africa
Com Hem	Largest cable television operator in Sweden, providing analog and digital television, broadband Internet and telephony services to landlords and residential customers
CommScope, Inc.	Global provider of infrastructure solutions for communications networks
Community & Southern Bank	Commercial bank offering products and services in Georgia
Edgen Murray	Global distributor and marketer of high performance steel and alloy products used primarily in energy infrastructure applications
EXCO Resources	Natural gas and oil company engaged in the exploration, exploitation, development and production of North American onshore natural gas and oil properties
Fairmount Minerals	Producer of high purity sand for a broad range of industrial applications, including sand-based proppants for the oil and gas industry
First Data	Provider of electronic commerce and payment solutions for merchants, financial institutions, and card issuers globally, with operations in 36 countries, serving over 6 million merchant locations
Firth Rixson	Supplier of highly engineered rings, forgings and specialist metal products primarily to global aerospace engine manufacturers
Freescale Semiconductor	Designer and manufacturer of semiconductors for a variety of end-markets including the automotive, consumer, industrial, networking and wireless industries
Fu Sheng Industrial Co. Ltd	Manufacturer and distributor of industrial air compressors and golf club heads in China and internationally
GenPower Holdings, L.P.	Joint venture focused on developing, constructing, acquiring, and operating power plants in the United States
Geokinetics, Inc.	Global provider of seismic data acquisition services in land, marsh and swamp (transition zone), and shallow water environments to the oil and natural gas industry
Group Ark Insurance	Lloyd's market underwriter of a geographically diverse book of global specialty insurance and reinsurance risks
H.C. Stark Group	Global supplier of refractory metals and advanced ceramics for multiple industry segments with manufacturing facilities in America, Europe and Asia
HellermannTyton	Global manufacturer and distributor of high-performance cable management products, with operations in 34 countries and 11 production facilities in nine countries

BUYOUT PORTFOLIO ANALYSIS

Listed below is a description of the 50 largest buyout investments as of 30 June 2011 (continued from previous page).

Company Name	Business Description
Higher One	Provider of electronic refund management services and other financial services to universities and their students in the United States
J.Crew Group, Inc.	Specialty retailer of women's, men's and children's apparel, shoes and accessories
KA First Reserve	Holds a portfolio of MLP securities in US midstream assets and midstream energy companies
Kyobo Life Insurance	Life insurance company based in Korea that offers a broad range of savings and protection products targeted at middle- and upper-income consumers
Lantheus Medical Imaging	Supplier of radiopharmaceuticals and contrast agents for nuclear and ultrasound-based cardiovascular diagnostic imaging procedures
Navilyst Medical	Manufacturer and distributor of single use fluid management and venous access medical devices
NFR Energy	North American onshore exploration and production company acquiring producing gas properties and developing the Haynesville gas shale
Nielsen	Global information and media company providing essential marketing information analytics and industry expertise to customers around the world
Nycomed	Mid-sized pharmaceutical company focused on the sale of branded prescription and over-the-counter drugs in the Nordic, continental Europe, and CIS regions
Pepcom GmbH	Germany's 6th largest cable operator with more than 630,000 subscribers of video, broadband and voice services
Press Ganey Associates	Provider of patient satisfaction measurement and quality and performance improvement solutions to healthcare institutions
Sabre	World leader in travel commerce, providing a broad portfolio of transaction processing, distribution, and technology solutions to the global travel industry
SonicWall	Developer of advanced intelligent network security and data protection solutions for small and large enterprises worldwide
Star Atlantic Waste Holdings	Vertically integrated waste management companies along the East Coast of the U.S., owning and/or operating 10 landfills, one greenfield landfill, 18 transfer stations, and numerous collection operations
Stock Spirits	One of the fastest growing spirits companies in Europe and the owner of many of Central Europe's premier drinks brands
Swissport International AG	Worldwide leader in ground handling services, providing ramp services, passenger services, and cargo services to more than 650 airlines
Syniverse Technologies, Inc.	Provider of technology and business solutions for the global telecommunications industry
Terra-Gen Power	Renewable energy company focused on owning, operating, and developing utility-scale wind, geothermal, and solar generation, with 831 megawatts in 21 operating renewable energy projects
The SI Organization	Provider of high-end systems engineering and integration solutions and modeling, simulation, analysis and risk mitigation services to the U.S. Intelligence Community
Torus Insurance	Energy-focused insurance vehicle underwriting large, complex technical lines worldwide
TPF Genco	Five natural gas-fired power plants located in California, Texas, Illinois, Virginia and West Virginia, representing 2,480 megawatts of generating capacity
Tumi	High-end luggage and business accessory brand, designing and marketing its products to professionals and brand-conscious frequent travelers
Validus	Provider of reinsurance and insurance, conducting its operations worldwide through two wholly-owned subsidiaries, Validus Reinsurance, Ltd. and Talbot Holdings Ltd.
VWR International	Global distributor of equipment and consumable supplies to the global research laboratory industry, offering products and supplies from more than 3,000 manufacturers to over 250,000 customers
WideOpenWest	Cable company in the United States with over 1.4 million homes passed and over 350,000 subscribers, providing cable television, high-speed data and digital telephony services

BUYOUT PORTFOLIO ANALYSIS

In connection with our portfolio monitoring process, our Investment Manager analyzed the operational performance and valuation metrics for the 50 largest buyout investments based upon fair value at 30 June 2011.

BUYOUT PERFORMANCE AND VALUATION ANALYSIS [1]

Traditional Buyout Investments

- Traditional buyout investments that were valued based on a multiple of cash flow (total enterprise value as a multiple of EBITDA)
  - 34 companies with approximately $94.9 million of fair value, representing 17% of private equity fair value and 35% of buyout fair value
- Summary metrics for the traditional buyout investments:
  - Weighted average valuation multiple of 9.8x LTM EBITDA
  - Weighted average leverage multiple of 4.9x LTM EBITDA
  - Weighted average LTM revenue growth of 12%
  - Weighted average LTM EBITDA growth of 26%

Other Buyout Investments

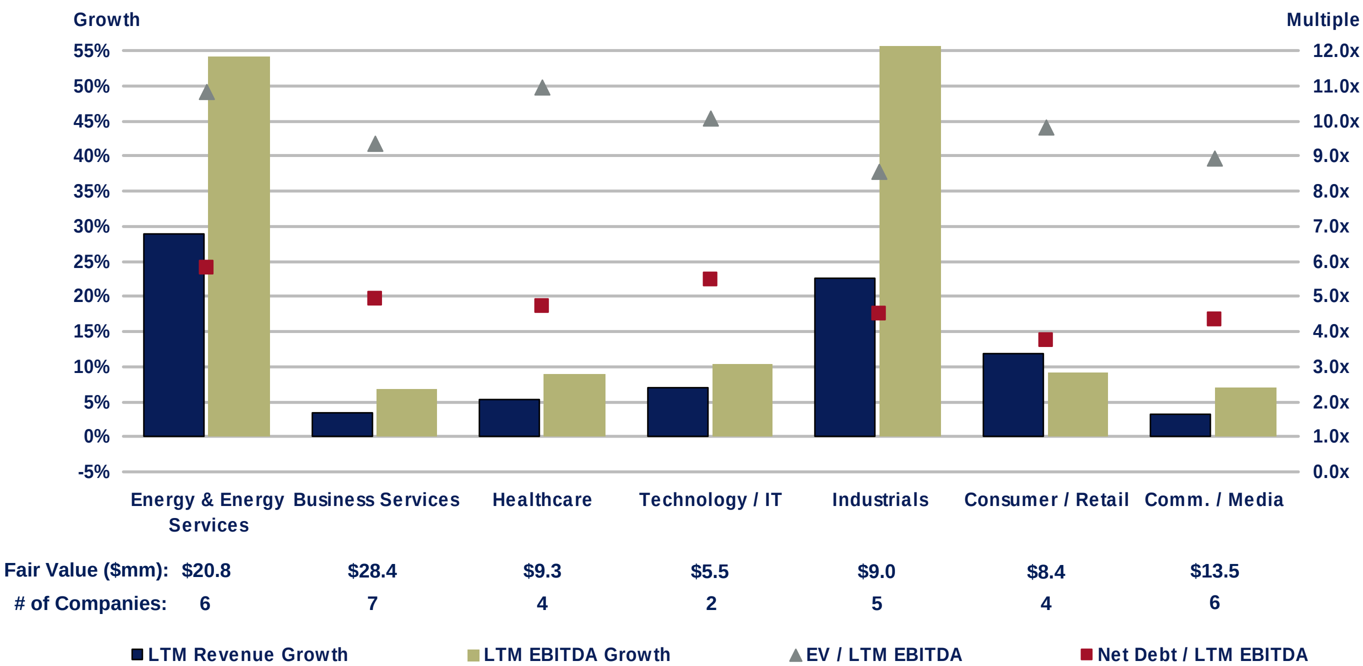
- Power generation and utility companies, financial institutions and publicly traded companies
  - 16 companies with approximately $63 million of fair value, representing 12% of private equity fair value and 23% of buyout fair value
- Five privately held financial institutions ($25 million of fair value) grew book value by 17% over the last twelve months and were valued at 1.38x book value on a weighted average basis
- Four power generation and utility companies ($19 million of fair value) were valued based on a variety of metrics, including price per kilowatt hour of generation capacity
- Seven publicly traded companies ($19 million of fair value) generated a weighted average total return of 10% during the calendar year 2011

1. *Portfolio company operating and valuation metrics are based on most recently available information (unaudited). Private equity fair value as of 30 June 2011.*

BUYOUT PORTFOLIO ANALYSIS

The figure below illustrates the key operating, valuation, and leverage statistics for the largest traditional buyout investments by industry sector. In conducting the analysis, our Investment Manager utilized the most recently available information (principally as of 30 June 2011 but also as of 31 March 2011) to evaluate the year-over-year growth in revenue and EBITDA for each company. In addition, our Investment Manager analyzed the most recently available valuation multiple (enterprise value to LTM EBITDA) and leverage multiple (net debt to LTM EBITDA) for each company. The aggregate metrics by industry sector represent weighted averages based on the fair value of each underlying company at 30 June 2011.

WEIGHTED AVERAGE LTM PERFORMANCE AND VALUATION METRICS BY INDUSTRY SECTOR: LARGEST TRADITIONAL BUYOUT INVESTMENTS



SPECIAL SITUATIONS PORTFOLIO ANALYSIS

Listed below is a description of the 25 largest special situations investments as of 30 June 2011.

Company Name	Business Description
3B The Fibreglass Company	European manufacturer and seller of glass fiber composite material solutions for the automotive, wind energy, electrical, electronic, and construction markets
Aleris International	Production of aluminum rolled and extruded products as well as aluminum recycling and the production of specification alloys
American Commercial Lines	Provides marine transportation and manufacturing with a fleet of over 2,500 barges and approximately 125 tow boats and facilities that provide support services
Caesars Entertainment Corp.	Diversified gaming company that provides casino entertainment principally in the United States and England
Charter Communications	The fourth largest cable provider in the United States, providing advanced video, high-speed internet and telephone services
Clear Channel Communications	Diversified media company that provides mobile and on-demand entertainment and information services, including radio broadcasting and outdoor advertising services
Delphi Holdings	Global supplier of electronics and technologies for automotive, commercial vehicle and other market segments
Energy Future Holdings	Energy company that manages a portfolio of competitive and regulated energy businesses located in Texas, including unregulated power generation, retail electric supply, and regulated electric utilities
Firth Rixson	Supplier of highly engineered rings, forgings and specialist metal products primarily to global aerospace engine manufacturers
Gateway Casinos & Entertainment Inc.	Casino operator in Western Canada, operating nine casinos in British Columbia and Alberta
Intrawest	Developer and manager of mountain and beach destination resorts in North America and Europe
KEMET Corporation	Manufacturer of capacitors used in a broad range of electronics
Lehman Brothers Inc.	Previously the fourth largest investment bank, providing investment banking, equity and fixed income sales and trading, investment management and private banking
Maxim Crane Works	Sells and rents lift equipment, including hydraulic truck cranes, rough terrain cranes, crawler cranes, tower cranes, conventional truck cranes and boom trucks
Minntex	Owns and operates power generation facilities
MGM Resorts International	Owner and operater of casino resorts in the United States
Neff	Provider of construction and industrial equipment rental services in the United States
Numericable SAS	Cable television operator in France, providing television, internet, mobile and landline phone services
Royalty Notes (HIV Medication)	Royalty notes backed by the worldwide sales of a leading HIV medication that is marketed globally by a premier pharmaceutical company
Royalty Notes (Hormone Therapy)	Royalty notes backed by the sales of a testosterone gel used for hormone replacement therapy
Royalty Notes (Neuropathic Pain)	Royalty notes backed by the worldwide sales of a leading neuropathic pain medication that is marketed globally by a premier pharmaceutical company
Ryerson	Distributor and processor of metals for a broad geographic market with service centers in North America and China
SonicWALL	Developer of advanced intelligent network security and data protection solutions for small and large enterprises worldwide
Suddenlink Communications	Provider of cable broadband solutions for residential and commercial customers in the United States
Tribune Company	Media company that engages in publishing, interactive, and broadcasting businesses in the U.S.

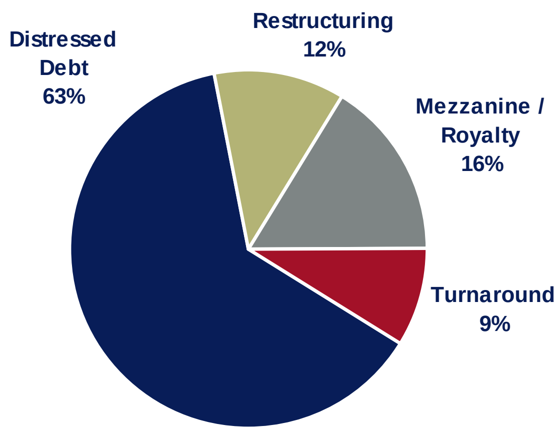
SPECIAL SITUATIONS PORTFOLIO ANALYSIS

The fair value of our special situations portfolio was approximately $211 million as of 30 June 2011, or 39% of private equity fair value. Within this 39% of the portfolio, 24% of total private equity fair value was held in direct yield-oriented investments or credit related funds that provide a monthly estimate of the mark-to-market fair value of their debt investments.

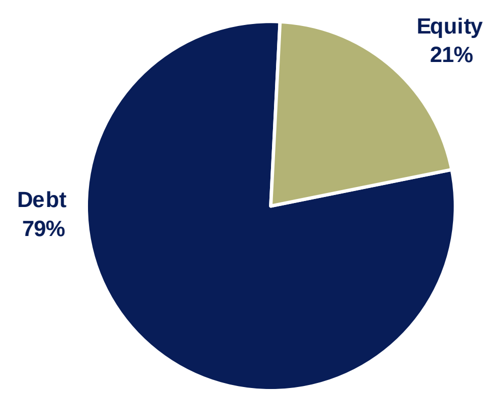
Our special situations portfolio consists of a combination of distressed debt, restructuring, turnaround, mezzanine, and royalty strategies. At quarter end, the special situations portfolio was primarily comprised of debt securities, but over time we expect the equity component to increase as restructuring activity progresses.

SPECIAL SITUATIONS PORTFOLIO OVERVIEW [1]

Strategy Diversification by Fair Value



Estimated Security Type by Fair Value



1. *Special situations diversification statistics are based on most recently available quarterly information and the Investment Manager's estimates as of 30 June 2011.*

SPECIAL SITUATIONS PORTFOLIO ANALYSIS

For competitive reasons, a number of our special situations funds, particularly the distressed debt and restructuring funds, do not disclose their specific company positions until they have built a control position in a company's debt securities or until a restructuring has taken place. As a result, a large portion of our special situations portfolio is invested in an undisclosed yet diversified portfolio of distressed debt securities. Notwithstanding this fact, our Investment Manager conducted an analysis of the 25 largest identifiable companies in the special situations portfolio.

As of 30 June 2011, the 25 largest special situations investments had an aggregate fair value of approximately $70.6 million, representing 33% of the special situations fair value and 13% of private equity fair value. There were 6 direct yield-oriented investments in our special situations portfolio with an aggregate fair value of approximately $33.8 million.

Each of our special situations direct 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. As of 30 June 2011, the special situations direct investment portfolio generated annualized income of approximately $4.5 million through cash and PIK interest, had a weighted average yield to maturity of approximately 14.9%, and had a weighted average senior leverage multiple of 2.1x.[1]

Investment Stage	# of Companies	Fair Value ($mm)	Commentary
Direct Investments	6	$33.8	Yield-oriented 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
Royalty Notes (HIV Medication)			Royalty notes with 15.5% coupon that amortize based on excess drug royalty income
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	7	$16.6	Debt securities purchased at a discount to par that generate a meaningful current yield within the sponsor's portfolio
Influential Restructuring	4	$8.5	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	3	$4.2	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	5	$7.5	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
Total	**25**	**$70.6**	

1. *Based on net leverage that is senior to the security held by NBPE.*

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 30 June 2011, the fair value of our investment in Fund XVII was $38.1 million, representing 7% of private equity fair value. The asset class diversification of our investment in Fund XVII based on private equity fair value at year end was as follows[1]: Mid-cap Buyout – 25%; Large-cap Buyout – 27%; Growth / Venture – 43%; and Special Situations – 5%. As of 30 June 2011, Fund XVII consisted of 62 primary fund investments, seven co-investments and five secondary purchases and included exposure to over 1,250 separate companies, with the ten largest companies totaling approximately $5.5 million in fair value to NBPE, or 1.0% of private equity fair value. At 30 June 2011, we had unfunded commitments of $4.8 million to Fund XVII.

As of 30 June 2011, the aggregate fair value of our investments in Fund XVIII was $60.3 million, representing 11% of private equity fair value. The asset class diversification of our investments in Fund XVIII based on private equity fair value at year end was as follows[1]: Mid-cap Buyout – 51%; Large-cap Buyout – 18%; Special Situations – 16%; and Growth / Venture – 16%. As of 30 June 2011, Fund XVIII consisted of 73 primary fund investments, 35 co-investments and 13 secondary purchases and included exposure to over 1,700 separate companies, with the ten largest companies totaling approximately $7.2 million in fair value to NBPE, or 1.3% of private equity fair value. At 30 June 2011, we had unfunded commitments of $18.0 million to Fund XVIII.

The table below lists our ten largest investments in Fund XVII and Fund XVIII in alphabetical order as of 30 June 2011. The ten largest investments in Fund XVII had a fair value of approximately $13.1 million, or 2.4% of private equity fair value. The ten largest investments in Fund XVIII had a fair value of approximately $18.6 million, or 3.4% of private equity fair value.

Ten Largest Investments in Fund XVII

Partnership	Asset Class
Apollo Investment Fund VI	Large-cap Buyout
Canaan VII	Growth / Venture
Carlyle/Riverstone Global E&P Fund III	Large-cap Buyout
CVC European Equity Partners IV	Large-cap Buyout
Jefferies Capital Partners IV	Mid-cap Buyout
Meritech Capital Partners III	Growth / Venture
New Enterprise Associates XII	Growth / Venture
Summit Partners Fund VII	Growth / Venture
Trinity Ventures IX	Growth / Venture
Warburg Pincus Private Equity IX	Special Situations

Ten Largest Investments in Fund XVIII

Partnership	Asset Class
3i Eurofund V	Mid-cap Buyout
American Securities Partners V	Mid-cap Buyout
Aquiline Financial Services Fund	Mid-cap Buyout
Court Square Capital Partners II	Mid-cap Buyout
Doughty Hanson & Co V	Mid-cap Buyout
KKR 2006 Fund	Large-cap Buyout
LS Power Equity Partners II	Mid-cap Buyout
New Mountain Partners III	Mid-cap Buyout
TowerBrook Investors II	Mid-cap Buyout
Veritas Capital Fund III	Mid-cap Buyout

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 cash proceeds of cash distributions from investments, sales of investments, interest and dividends earned on invested cash and investments, and borrowings under the credit facility (further detail provided below).

As of 30 June 2011, we had no outstanding borrowings from our $250.0 million credit facility. We had cash and cash equivalents of $74.5 million and $250.0 million of undrawn capacity on the credit facility, resulting in total capital resources of $324.5 million. With unfunded private equity commitments of $124.1 million at the end of the first six months of 2011, we continued to maintain a conservative capital structure with over 100% of unfunded commitments backstopped by cash and the undrawn credit facility.

The table below outlines our liquidity and capital commitment position as of 30 June 2011.

CAPITAL COMMITMENT POSITION AT 30 JUNE 2011

($ in millions)	**30-Jun-11**
Net Asset Value	$550.4
Total Private Equity Investments	$545.2
Private Equity Investment Level	99%
Unfunded Private Equity Commitments	$124.1
Total Private Equity Exposure	$669.3
Over-commitment Level	22%
Cash and Cash Equivalents	$74.5
Undrawn Credit Facility	$250.0
Total Capital Resources	$324.5
Excess of Capital Resources Over Unfunded Commitments	**$200.4**

In August 2007, we entered into an agreement with 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. 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 credit facility agreement.

LIQUIDITY AND CAPITAL RESOURCES

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 excluded value) plus cash and cash equivalents. At 30 June 2011, the debt to value ratio was 2.2%.

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 30 June 2011, the secured asset ratio was 2.6%.

The commitment ratio is defined as Restricted Total Exposure divided by the aggregate of Shareholder's equity and the total amount of the credit facility, with Restricted Total Exposure defined as the value of private equity investments (less any excluded value) plus unfunded private equity commitments. If the debt to value ratio is greater than 25.0% and the commitment ratio is greater than 130.0%, then we become restricted from making new private equity investments. At 30 June 2011, the commitment ratio was 71.1%.

SHARE REPURCHASES

From July 2008 through May 2009, we repurchased 3,150,408 Shares, or 5.8% of the originally issued Shares, pursuant to a liquidity enhancement program on Euronext Amsterdam.

On 22 October 2010, we launched a new Share Buy-Back Programme in order to begin implementing the Capital Return Policy. The Share Buy-Back Programme commenced immediately and, subject to extension, will end on 31 August 2011. Under the terms of the new programme, we appointed The Royal Bank of Scotland N.V. (London Branch) ("RBS") to effect on-market repurchases of Shares on behalf of NBPE on Euronext Amsterdam and/or the Specialist Fund Market of the London Stock Exchange. Shares bought back under the Share Buy-Back Programme will be cancelled.

The operation of our liquidity enhancement programme on Euronext Amsterdam was suspended from 21 October 2010 to 28 June 2011 (the expiration date of the agreement for the liquidity enhancement programme).

In the first six months of 2011, we repurchased a total of 504,810 Shares at a weighted average price of $7.44 per Share. As of 30 June 2011, we have repurchased an aggregate 3,981,985 Shares, or 7.3% of the originally issued Shares, at a weighted average price of $3.84 per Share.

LIQUIDITY ENHANCEMENT PROGRAMME AND SHARE BUY-BACK PROGRAMME 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
Total / Weighted Average	**3,981,985**	**$3.84**

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

The forward-looking statements are based on 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 and our prospectus relating to our ZDP Shares.

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

Our company is subject to, and an investment in our company's shares involves, substantial risks, which may adversely impact our business, financial condition, results of operations and/or the value of your investment. Investors in our company's class A shares ("Class A Shares") and zero dividend preference shares ("ZDP Shares") should carefully consider such risks, which include, without limitation, those set out below. If any such risks 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.

On liquidation of our assets on any given day, the reported NAV may not match the liquidated cash value of such assets.

Where we are required or deem it necessary to liquidate some or all of our assets on any given day, the liquidated cash value of such assets may not match the reported NAV or portion of the reported NAV (in the case that not all of our assets are liquidated) attributable to such assets. Liquidation of our assets will be subject to a number of factors, including the availability of purchasers of our assets, liquidity and market conditions and, as such, the actual cash value of some or all of our assets may differ from the latest reported NAV (or portion of the reported NAV (in the case that not all of our assets are liquidated)).

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, without limitation, 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 (including in connection with our company's Capital Return Policy and Share Buy Back Programme). Therefore, the only way for investors to realize 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 relevant shares sold.

The trading markets that the Class A Shares and ZDP Shares are admitted to are less liquid than certain other major exchanges, which could affect the price of our shares.

The principal trading markets are Euronext Amsterdam and the SFM for the Class A Shares and the SFM and the CISX for the ZDP Shares, and these markets are less liquid than certain other major exchanges in the United States and certain other parts of Europe. Because these markets are less liquid than major exchanges in the United States and certain other parts of Europe, 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.

RISK FACTORS

The availability of our credit facility and failure to continue to meet the financial covenants in our credit facility could have an adverse impact on our liquidity.

The availability of our credit facility is dependent on our continuing compliance with the covenants of our credit facility. We are currently in compliance with all of the covenants of our credit facility. However, certain events, including reductions in the net asset value of our investment portfolio, could result in an event of default under the credit facility agreement. Where an event of default occurs, the lender may cancel the undrawn portion of our credit facility and declare the entire outstanding principal and interest immediately due. As a result, we may not have access to sufficient capital to meet our obligations (including unfunded commitments) and we could be forced to sell assets in order to cure the event of default or to repay our credit facility. Where we are obliged to sell assets from our investment portfolio to meet our obligations under our credit facility, such sale may be at an undervalue and may not reflect the estimated unaudited fair value that we have assigned to such asset(s). Further, where our credit facility is unavailable, our ability to make new investments or to honor funding obligations to which we are already committed may be severely restricted. We may be unable, or it may not be prudent or in our best interests, to enter into further agreements to borrow money or to refinance our credit facility.

The price attributed to the Class A Shares on Euronext Amsterdam and the SFM may vary significantly and the price attributed to the ZDP Shares on the SFM and the CISX may vary significantly.

The Class A Shares are admitted to trading on Euronext Amsterdam and the SFM and the ZDP Shares are admitted to trading on the SFM and the CISX. The price attributed to the Class A Shares or ZDP Shares, as the case may be, may vary significantly on one exchange versus the other. As such, no guarantee is given that investors will receive best pricing and execution on one market over another. We and our company accept no responsibility whatsoever with regards to the pricing of the Class A Shares and execution of trades therein on Euronext Amsterdam and the SFM, the pricing of the ZDP Shares and execution of trades therein on the SFM and the CISX, nor do we accept any responsibility for any pricing and/or execution variation between any of these exchanges. Investors are responsible for informing themselves as to the best pricing and execution available, in the case of the Class A Shares, on both Euronext Amsterdam and the SFM, and, in the case of the ZDP Shares, on both the SFM and the CISX.

The holders of ZDP Shares may not receive the final capital entitlement.

The holders of ZDP Shares may not receive the final capital entitlement and no guarantee is made by us or our company in relation to the payment thereof. The ZDP Shares, whilst ranking prior to the Class A Shares and the Class B Shares in respect of the repayment of up to 169.73 pence per ZDP Share from the assets of the investment portfolio, rank behind any borrowings of our company that remain outstanding. In addition, upon the occurrence of significant loss in value of the assets held in the investment portfolio, our company may be unable to pay the final capital entitlement or any part thereof to the holders of ZDP Shares.

Payment of the final capital entitlement to the holders of ZDP Shares may be dilutive to the NAV per Class A Share.

Payment of the final capital entitlement to the holders of the ZDP Shares may be dilutive to the NAV per Class A Share. Where our company does not generate investment returns in excess of the forecast gross redemption yield of 7.30% (in relation to which, no guarantee has been given) per annum (based on the issue price of the ZDP Shares), the NAV per Class A Share may be significantly diluted.

STATEMENT OF RESPONSIBILITY AND CERTAIN INFORMATION

Material Contracts

NB Private Equity Partners Limited ("NBPE"), NB PEP Investments LP (Incorporated) and the Investment Manager entered into that certain Investment Management and Services Agreement on 25 July 2007 (as amended and restated on 25 January 2008), whereby the Investment Manager, subject to the overall supervision of the Directors, was appointed as NBPE's investment manager. NBPE and Heritage International Fund Managers Limited entered into that certain Administration Agreement on 3 July 2007 (as amended by side letter on 22 June 2009), whereby NBPE appointed Heritage International Fund Managers Limited to act as administrator and company secretary to NBPE. NBPE, as general partner, and NB PEP Associates LP (Incorporated), as special limited partner, entered into that certain limited partnership agreement of NB PEP Investments LP (Incorporated) on 25 July 2007, as amended and restated on 16 July 2008. NBPE and The Royal Bank of Scotland N.V. (London Branch) ("RBS") entered into a Share Buy Back Agreement on 21 October 2010, whereby NBPE appointed RBS to effect on market share repurchases of class A shares on behalf of NBPE.

STATEMENT OF RESPONSIBILITY AND CERTAIN INFORMATION

Shareholdings of the Directors

Talmai Morgan (Chairman):	10,000 Class A Shares
John Buser:	10,000 Class A Shares
John Hallam:	10,000 Class A Shares
Christopher Sherwell:	9,150 Class A Shares
Peter Von Lehe:	7,500 Class A Shares

Major Shareholders

As at 30 June 2011, insofar as is known to NBPE, the following persons were interested, directly or indirectly, in 5% or more of the Class A Shares in issue (excluding Class A Shares held in treasury):

Class A Shareholder:	Lehman Brothers Offshore Partners Ltd.
Number of Class A Shares:	15,302,319

List of NBPE Subsidiaries

Name	Place of Incorporation (or Registration) and Operation	Proportion of Ownership Interest %
Directly Owned		
NB PEP Investments, LP (Incorporated)	Guernsey	99.9%
Indirectly Owned		
NB PEP Investments Limited	Guernsey	100.0%
NB PEP Investments DE, LP	United States	100.0%
NB PEP Investments LP Limited	Guernsey	100.0%
NB PEP Investments I, LP (Incorporated)	Guernsey	100.0%
NB PEP Holdings Limited	Guernsey	100.0%
Various holding entities for specific investments	United States	100.0%

STATEMENT OF RESPONSIBILITY AND CERTAIN INFORMATION

We also confirm that to the best of our knowledge:

- The financial statements, prepared in conformity with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the undertakings included in the consolidation taken as a whole; and

- The interim financial report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

Talmai Morgan
Director

John Hallam
Director

Date: 25 August 2011

DIRECTORS, ADVISORS AND CONTACT INFORMATION

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

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

Board of Directors
Talmai Morgan (Chairman)
John Buser
John Hallam
Christopher Sherwell
Peter Von Lehe

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Fax: +1-214-647-9501
Email: pe_fundoffunds@nbalternatives.com

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Paying Agent
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For general questions about NB Private Equity Partners Limited, please contact us at IR_NBPE@nb.com or at +1-214-647-9593.

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

NB PRIVATE EQUITY PARTNERS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month Period Ended 30 June 2011

Independent Accountant's Review Report

To NB Private Equity Partners Limited

We have reviewed the accompanying unaudited consolidated balance sheet of NB Private Equity Partners Limited (the "Company"), including the unaudited consolidated condensed schedule of private equity investments as of 30 June 2011, and the related unaudited consolidated statement of operations and changes in net assets and unaudited statement of cash flows for six month period ended 30 June 2011. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The Directors are responsible for the preparation and fair presentation of the unaudited consolidated financial statements in conformity with U.S. generally accepted accounting principles and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the unaudited consolidated financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the unaudited consolidated financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

This report is made solely to the Company in accordance with the terms of our engagement dated 27 October 2010. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusion we have reached.

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

KPMG Channel Islands Limited

KPMG Channel Islands Limited
Chartered Accountants
Guernsey

25 August 2011

NB Private Equity Partners Limited

Consolidated Balance Sheets

30 June 2011 and 31 December 2010

Assets		2011 (Unaudited)		2010 (Audited)
Private equity investments				
(cost of $478,154,189 for 2011 and $537,626,591 for 2010)	$	545,206,271	$	591,438,896
Cash and cash equivalents		74,520,976		47,556,616
Other assets		3,320,792		3,299,379
Total assets	**$**	**623,048,039**	**$**	**642,294,891**

Liabilities				
Liabilities:				
Credit facility loans	$	-	$	47,500,000
Zero dividend preference share liability		59,371,703		55,726,333
Payables to Investment Manager and affiliates		4,133,071		2,055,588
Accrued expenses and other liabilities		5,643,479		6,649,502
Net deferred tax liability		2,982,126		2,908,248
Total liabilities	**$**	**72,130,379**	**$**	**114,839,671**
Net assets				
Class A shares, $0.01 par value, 500,000,000 shares authorized,				
53,378,423 shares issued, and 50,228,015 shares outstanding for 2011				
(53,883,233 shares issued, and 50,732,825 shares outstanding for 2010)	$	533,784	$	538,832
Class B shares, $0.01 par value, 100,000 shares authorized,				
10,000 shares issued and outstanding		100		100
Additional paid-in capital		535,604,056		539,358,974
Retained earnings (deficit)		23,479,844		(3,713,018)
Less cost of treasury stock purchased (3,150,408 shares)		(9,248,460)		(9,248,460)
Total net assets of the controlling interest		550,369,324		526,936,428
Net assets of the non-controlling interest		548,336		518,792
Total net assets	**$**	**550,917,660**	**$**	**527,455,220**
Total liabilities and net assets	**$**	**623,048,039**	**$**	**642,294,891**
Net asset value per share for Class A and Class B shares	**$**	**10.96**	**$**	**10.38**
Net asset value per zero dividend preference share (Pence)		**111.79**		**107.95**

The accounts were approved by the board of directors on 25 August 2011 and signed on its behalf by

Talmai Morgan **John Hallam**

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

See accompanying independent accountant's review report.

NB Private Equity Partners Limited

Consolidated Condensed Schedules of Private Equity Investments

30 June 2011 and 31 December 2010

Private equity investments		Cost		Fair Value		Unfunded Commitment		Private Equity Exposure
2011 (Unaudited)								
Fund investments	$	353,817,124	$	422,762,707	$	115,187,099	$	537,949,806
Direct co-investments-equity		105,638,483		104,714,935		8,858,346		113,573,281
Direct co-investments-debt		18,698,582		17,728,629		N/A		17,728,629
	$	**478,154,189**	**$**	**545,206,271**	**$**	**124,045,445**	**$**	**669,251,716**
2010 (Audited)								
Fund investments	$	426,600,243	$	475,202,891	$	111,790,734	$	586,993,625
Direct co-investments-equity		92,657,233		99,446,914		3,767,504		103,214,418
Direct co-investments-debt		18,369,115		16,789,091		N/A		16,789,091
	$	**537,626,591**	**$**	**591,438,896**	**$**	**115,558,238**	**$**	**706,997,134**

Private equity investments in excess of 5% of net asset value		Fair Value
2011 (Unaudited)		
NB Crossroads Fund XVII	$	38,134,076
NB Crossroads Fund XVIII		
Large-cap Buyout		11,396,729
Mid-cap Buyout		30,654,525
Special Situations		9,022,858
Venture		9,241,363
		60,315,475
Centerbridge Credit Partners Fund, L.P.		34,211,916
OCM Opportunities Fund VIIb, L.P.		31,175,207
2010 (Audited)		
NB Crossroads Fund XVII	$	36,478,342
NB Crossroads Fund XVIII		
Large-cap Buyout		10,278,437
Mid-cap Buyout		30,197,181
Special Situations		9,233,511
Venture		8,399,985
		58,109,114
Centerbridge Credit Partners Fund, L.P.		32,116,316
OCM Opportunities Fund VIIb, L.P.		41,345,065

The accompanying notes are an integral part of the consolidated financial statements.
See accompanying independent accountant's review report.

NB Private Equity Partners Limited

Consolidated Condensed Schedules of Private Equity Investments

30 June 2011 and 31 December 2010

Geographic diversity of private equity investments [1]	Fair Value 2011 (Unaudited)	Fair Value 2010 (Audited)
North America	$ 414,857,495	$ 429,877,666
Europe	91,542,077	86,424,281
Asia / Rest of World	15,307,583	13,198,409
Not classified	23,499,116	61,938,540
	$ 545,206,271	**$ 591,438,896**

Industry diversity of private equity investments [2]	Fair Value 2011 (Unaudited)	Fair Value 2010 (Audited)
Diversified / Undisclosed / Other	23.6%	21.1%
Energy / Utilities	14.4%	18.0%
Financial Services	12.0%	11.9%
Industrials	11.0%	10.0%
Communications / Media	9.7%	8.1%
Consumer / Retail	8.9%	11.4%
Healthcare	7.5%	5.9%
Technology / IT	6.3%	6.0%
Transportation	3.7%	4.1%
Business Services	2.9%	3.2%
	100.0%	**100.0%**

Asset class diversification of private equity investments [3]	Fair Value 2011 (Unaudited)	Fair Value 2010 (Audited)
Large-Cap Buyout	9.1%	21.4%
Large-Cap Buyout Co-Invest	6.4%	4.6%
Mid-cap Buyout	22.8%	19.5%
Mid-cap Buyout Co-Invest	11.9%	11.8%
Special Situation	32.4%	29.0%
Special Situation Co-Invest	5.2%	4.1%
Growth/Venture	8.8%	6.9%
Secondary Purchases	3.4%	2.7%
	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.

(3): Asset class diversification is based on the net asset value of underlying fund investments and co-investments.

The accompanying notes are an integral part of the consolidated financial statements.
See accompanying independent accountant's review report.

NB Private Equity Partners Limited

Consolidated Statements of Operations and Changes in Net Assets

For the Six Month Periods Ended 30 June 2011 and 2010

(Unaudited)

		2011		2010
Interest and dividend income	$	3,251,117	$	790,854
Expenses				
Carried interest		2,321,431		-
Investment management and services		3,570,548		3,745,192
Administration and professional		1,419,080		1,305,131
Finance costs				
Zero dividend preference shares		2,131,102		1,778,488
Credit facility		724,596		941,946
		10,166,757		7,770,757
Net investment income (loss)	**$**	**(6,915,640)**	**$**	**(6,979,903)**
Realized and unrealized gains (losses)				
Net realized gain (loss) on investments, net of tax expense of $2,606,549 for 2011 and $1,459,496 for 2010	$	21,317,456	$	(4,267,263)
Net change in unrealized gain (loss) on investments, net of tax expense of $73,878 for 2011 and $128,906 for 2010		12,820,590		13,035,390
Net realized and unrealized gain (loss)		34,138,046		8,768,127
Net increase (decrease) in net assets resulting from operations	$	27,222,406	$	1,788,224
Less net increase (decrease) in net assets resulting from operations attributable to the non-controlling interest		29,544		1,788
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$**	**27,192,862**	**$**	**1,786,436**
Net assets at beginning of period attributable to the controlling interest		526,936,428		483,169,412
Less cost of stock repurchased and cancelled (504,810 shares for 2011)		3,759,966		-
Net assets at end of period attributable to the controlling interest	**$**	**550,369,324**	**$**	**484,955,848**
Earnings (loss) per share for Class A and Class B shares of the controlling interest	***$***	***0.54***	***$***	***0.03***

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

See accompanying independent accountant's review report.

NB Private Equity Partners Limited
Consolidated Statements of Cash Flows
For the Six Month Periods Ended 30 June 2011 and 2010
(Unaudited)

	2011	2010
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$ 27,192,862	$ 1,786,436
Net increase (decrease) in net assets resulting from operations attributable to the non-controlling interest	29,544	1,788
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realized (gain) loss on investments	(21,317,456)	4,267,263
Net change in unrealized (gain) loss on investments	(12,820,590)	(13,035,390)
In-kind payment of interest income	(425,906)	(352,617)
Amortization of finance costs	432,718	273,932
Change in other assets	(396,980)	279,340
Change in payables to Investment Manager and affiliates	2,077,483	(589,810)
Change in current tax liabilities	1,209,544	1,309,666
Change in accrued expenses and other liabilities	(167,765)	388,305
Net cash provided by (used in) operating activities	(4,186,546)	(5,671,087)
Cash flows from investing activities:		
Distributions from private equity investments	42,883,373	26,965,649
Proceeds from sale of private equity investments	84,338,646	2,794,123
Contributions to private equity investments	(20,714,970)	(18,484,848)
Purchases of private equity investments	(24,138,890)	(5,691,880)
Net cash provided by (used in) investing activities	82,368,159	5,583,044
Cash flows from financing activities:		
Credit facility loan payments	(47,500,000)	(40,843,087)
Stock repurchased and cancelled	(3,717,253)	-
Proceeds from Issuance of Zero Dividend Preference Shares	-	4,904,286
Net cash provided by (used in) financing activities	(51,217,253)	(35,938,801)
Effect of exchange rates on cash balances	-	(34,487)
Net increase (decrease) in cash and cash equivalents	**26,964,360**	**(36,061,331)**
Cash and cash equivalents at beginning of period	47,556,616	63,911,521
Cash and cash equivalents at end of period	**$ 74,520,976**	**$ 27,850,190**
Supplemental cash flow information		
Interest paid	**$ 65,233**	**$ 370,717**
Net taxes paid	**$ 1,397,005**	**$ 33,955**

The accompanying notes are an integral part of the consolidated financial statements.
See accompanying independent accountant's review report.

Note 1 – Organization

NB Private Equity Partners Limited and its subsidiaries (the "Company", "We", or "Our") is a closed-end investment company registered in Guernsey. 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 and admitted to trading on Euronext Amsterdam by NYSE Euronext and on the Specialist Fund Market of the London Stock Exchange plc under the symbol "NBPE". Our zero dividend preference shares (see note 6) are listed and admitted to trading on the Daily Official List of the Channel Islands Stock Exchange and the Specialist Fund Market of the London Stock Exchange under the symbol "NBPZ".

Our Class B shares were contributed at the time of our initial public offering 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 incorporation. Each Class A and B share participates equally in profits and losses.

The Company is managed by NB Alternatives Advisers LLC ("NB Alternatives" or "Investment Manager") pursuant to an investment management and services agreement. NB Alternatives is a subsidiary of Neuberger Berman Group LLC ("NBG").

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

These consolidated financial statements are 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. These financial statements are presented in United States dollars.

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 balances 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 30 June 2011 and 31 December 2010, $74,520,976 and $47,556,616 are held with JPMorgan Chase, 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. If we conclude that it is probable that we will sell an investment, we adjust our carrying value to the amount we expect to realize from the sale, exclusive of transaction costs.

In May 2011, the FASB issued ASU No. 2011-04, Fair Value Measurement (Topic 820) – Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs ("ASU 2011-04") which amended ASC 820-10, Fair Value Measurements and Disclosures – Overall. The new guidance results in a consistent definition of fair value and common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS. While many of the amendments to U.S. GAAP are not expected to have a significant effect on practice, the new guidance changes some fair value measurement principles and disclosure requirements. The amendments in ASU 2011-04 are to be applied prospectively. For public entities, the amendments are effective during interim and annual periods beginning after December 15, 2011. The Company is currently evaluating the impact the adoption will have on the financial statements and disclosures.

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.

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.

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 the 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 our investments.

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 and on the trade date. For all investments, realized gains and losses are recorded on a specific identification cost basis.

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 in the Consolidated Statements of Operations and Changes in Net Assets. For the six month period ended 30 June 2011, the effect of translation to U.S. dollars increased valuations of foreign investments by approximately $1,748,968. For the year ended 31 December 2010, the effect of translation to U.S. dollars increased valuations of foreign investments by approximately $1,016,947.

The Company has unfunded commitments denominated in a currency other than U.S. dollars. These unfunded commitments are in Euro and amounted to €6,999,290 at 30 June 2011 and €7,387,103 at 31 December 2010; they have been included in the Consolidated Condensed Schedules of Private Equity Investments at the U.S. dollar exchange rate in effect at 30 June 2011 and 31 December 2010. The effect on the unfunded commitment of the change in the exchange rate between Euros and U.S. dollars was an increase in the U.S. dollar obligation of $819,697 and a decrease of $1,827,354, for 30 June 2011 and 31 December 2010 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.

Generally, income that we derive from our investments may be subject to, taxes imposed by the U.S. or other countries and will impact our 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 Company's 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. imposes withholding tax on effectively connected income at the highest U.S. rate (generally 35 percent). In addition, we 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 percent given the two levels of tax.

We recognize a tax benefit 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. To date, we have not provided any reserves for taxes as all related tax benefits have been fully recognized. Although we believe we have adequately assessed for our uncertain tax positions, the Company acknowledges that these matters require significant judgment and 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 income 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 regime.

Forward Foreign Exchange Contracts

Forward foreign exchange contracts are reported at fair value. See note 7.

Forward foreign exchange contracts involve elements of market risk in excess of the amounts reflected on the consolidated financial statements. We bear the risk of an unfavorable change in the foreign exchange rate underlying the forward foreign exchange contract as well as risks from the potential inability of the counterparties to meet the terms of their contracts.

Use of Estimates

The preparation of the consolidated 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 consolidated 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.

Reclassifications

Certain amounts in the 2010 financial statements have been reclassified to conform to the 2011 presentation.

Note 3 – Agreements, including related party transactions

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 is separately compensated as investment manager. For the six month periods ended 30 June 2011 and 2010, the management fee expenses were $3,301,467 and $3,475,146, 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 the net asset value of our private equity and opportunistic investments at the end of each calendar quarter, computed as described above. The amount incurred by the Company for the six month periods ended 30 June 2011 and 2010 for these services were $269,081 and $270,046, 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. We paid Heritage $71,049 and $93,695 for the six month periods ended 30 June 2011 and 2010, respectively, for such services.

For the six month periods ended 30 June 2011 and 2010, we paid our independent directors a total of $97,500 and $121,944 respectively.

Special Limited Partner's Noncontrolling Interest in Subsidiary

An affiliate of the Investment Manager is a Special Limited Partner in a consolidated partnership subsidiary. At June 30 2011 and 31 December 2010, the noncontrolling interest of $548,336 and $518,792 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 following table reconciles the carrying amount of net assets, net assets attributable to the controlling interest and net assets attributable to the noncontrolling interest at 30 June 2011 and 31 December 2010.

	Controlling Interest	Noncontrolling Interest	Total
Net assets balance, 31 December 2009	$ 483,169,412	$ 472,632	$ 483,642,044
Net increase (decrease) in net assets resulting from operations	46,069,110	46,160	46,115,270
Stock repurchased and cancelled	(2,302,094)	-	(2,302,094)
Net assets balance, 31 December 2010	**$ 526,936,428**	**$ 518,792**	**$ 527,455,220**
Net increase (decrease) in net assets resulting from operations	27,192,862	29,544	27,222,406
Stock repurchased and cancelled	(3,759,966)	-	(3,759,966)
Net assets balance, 30 June 2011	**$ 550,369,324**	**$ 548,336**	**$ 550,917,660**

Carried Interest

The Special Limited Partner is entitled to a carried interest in an amount that is, in general, equal to 7.5 percent 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 percent. If losses are incurred for a period, no carried interest is earned and such loss amounts are carried forward to be included in the 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 10). Carried interest is accrued periodically and paid at the conclusion of the fiscal year. As of 30 June 2011 and 2010, $2,321,431 and $0 carried interest were accrued, respectively.

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 14,500,000 Class A shares, in the form of restricted depositary shares applicable to investors in the United States, at the offering price. The restriction on re-sale of these shares expired on 18 July 2010.

Investments in NB Crossroads Funds

The Company holds limited partner interests in private equity funds of funds managed and sponsored by the Investment Manager. These investments are excluded from the calculation of management fees. As of 30 June 2011 and 31 December 2010, the aggregate net asset value of these funds was approximately $98.4 million and $94.6 million, respectively, and associated unfunded commitments were $22.8 million and $23.8 million, respectively.

In 2009, we invested in a secondary transaction alongside other funds managed by the Investment Manager. Together with certain of the other funds, we formed NB Fund of Funds Secondary 2009 LLC ("NBFOFS") to hold our interests in the acquired portfolio. NBFOFS pays no fees or carry to the Investment Manager or affiliates. We bear our share of any direct expenses of NBFOFS.

Note 4 – Fair Value of Financial Instruments

We categorize our investments and other financial instruments 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 30 June 2011 and 31 December 2010 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 (Liabilities) Accounted for at Fair Value			
As of 30 June 2011	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 74,520,976	$ -	$ -	$ 74,520,976
Private equity investments	5,101,671	-	540,104,600	545,206,271
Forward foreign exchange contract	-	-	(1,246,453)	(1,246,453)
Totals	**$ 79,622,647**	**$ -**	**$ 538,858,147**	**$ 618,480,794**
As of 31 December 2010				
Cash and cash equivalents	$ 47,556,616	$ -	$ -	$ 47,556,616
Private equity investments	-	-	591,438,896	591,438,896
Forward foreign exchange contract	-	-	(2,548,502)	(2,548,502)
Totals	**$ 47,556,616**	**$ -**	**$ 588,890,394**	**$ 636,447,010**

As of 30 June 2011 and 31 December 2010, the Company has assessed its positions and concluded that all of its private equity investments are classified as level 3, except for one publicly traded co-investment classified as level 1 as of 30 June 2011.

The following table summarizes the changes in the fair value of the Company's level 3 private equity investments for the six month period ended 30 June 2011.

(dollars in thousands)

For the Six Month Period Ended 30 June 2011	Large-cap Buyout	Mid-cap Buyout	Special Situation	Growth/ Venture	Diversified	Secondary Purchases	Private Equity Investments
Balance, 31 December 2010	$ 136,080	$ 207,881	$ 192,666	$ 11,658	$ 36,478	$ 6,676	$ 591,439
Purchases of investments and/or contributions to investments	10,347	8,090	20,318	3,984	1,259	543	44,541
Realized gain (loss) on investments	(7,327)	14,322	17,643	(283)	99	331	24,784
Changes in unrealized appreciation (depreciation) of investments (including changes related to investments still held at the reporting date)	(2,183)	421	(1,811)	1,242	3,767	544	1,979
Changes in unrealized appreciation (depreciation) of investments sold during the year	10,159						10,159
Distributions from investments	(72,972)	(27,268)	(24,242)	(250)	(3,470)	(596)	(128,798)
Transfers in and/or (out) of level 3	(4,000)	-	-	-	-	-	(4,000)
Balance, 30 June 2011	**$ 70,103**	**$ 203,446**	**$ 204,573**	**$ 16,351**	**$ 38,134**	**$ 7,498**	**$ 540,105**

NB Private Equity Partners Limited

Notes to Financial Statements

30 June 2011 (Unaudited) and 31 December 2010 (Audited)

See accompanying independent accountant's review report

The following table summarizes the changes in the fair value of the Company's level 3 private equity investments for the year ended 31 December 2010.

(dollars in thousands)

For the Year Ended 31 December 2010

	Large-cap Buyout	Mid-cap Buyout	Special Situation	Growth/ Venture	Diversified	Secondary Purchases	Private Equity Investments
Balance, 31 December 2009	$ 176,739	$ 170,557	$ 143,327	$ 7,644	$ 31,833	$ 4,713	$ 534,813
Purchases of investments and/or contributions to investments	7,977	37,345	18,777	3,528	3,887	1,784	73,298
Realized gain (loss) on investments	(8,843)	(1,418)	13,883	(569)	543	13	3,609
Changes in unrealized appreciation (depreciation) of investments (including changes related to investments still held at the reporting date)	15,803	23,962	14,675	1,055	5,771	843	62,109
Changes in unrealized appreciation (depreciation) of investments sold during the year	1,202	-	-	-	-	-	1,202
Distributions from investments	(56,798)	(9,563)	(10,998)	-	(5,556)	(677)	(83,592)
Transfers in and/or (out) of level 3	-	-	-	-	-	-	-
Balance, 31 December 2010	**$ 136,080**	**$ 220,883**	**$ 179,664**	**$ 11,658**	**$ 36,478**	**$ 6,676**	**$ 591,439**

Generally, our private equity investments have a defined term and no right to withdraw. We receive distributions as the underlying investments are liquidated. The pace of liquidation depends on a number of factors. We estimate that the liquidation of our current portfolio will continue for another 10-15 years.

Our special situations investments include hedge funds valued at approximately $47.9 million and $44.7 million at 30 June 2011 and 31 December 2010 respectively. As of 30 June 2011, one hedge fund amounting to $13.7 million is redeemable quarterly with a 60 day advance notice. Another hedge fund amounting to $34.2 million is not redeemable for the first two to three years following investment, and has rolling two year lock-up periods thereafter. Hedge funds generally have a right to restrict redemptions in order to avoid a forced sale of underlying assets.

Note 5 – Credit Facility

A subsidiary of the Company has entered into an agreement with Lloyds Banking Group (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 30 June 2011 and 31 December 2010, $0 and $47.5 million were outstanding and substantially all assets are 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, repurchase of shares, liens or other matters customarily restricted in such agreements. The zero dividend preference shares (note 6) and the forward foreign exchange contract (note 7) are compliant with the credit facility agreement. At 30 June 2011 and 31 December 2010, 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 December 2010, interest rates on the outstanding balance range from 1.61828% to 1.6325% per annum.

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 six month period ended 30 June 2011, we incurred and expensed $25,481 for interest and $496,667 for non-utilization fees related to the Facility. For the six month period ended 30 June 2010, we incurred and expensed $322,721 for interest and $422,623 for non-utilization fees related to the Facility. As of 30 June 2011 and 31 December 2010, unamortized capitalized debt issuance costs (included in other assets) were $1,200,847 and $1,397,725 respectively. Capitalized amounts are being amortized on a straight-line basis over the term of the Facility. Such amortization amounted to $196,878 and $196,878 for the six month periods ended 30 June 2011 and 2010, respectively.

An active market for debt that is similar to that of the Facility does not exist. Management estimates the fair value of the Facility 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 $0 and $44.5 million at 30 June 2011 and 31 December 2010 respectively. However, these estimates are affected by and are subject to significant variability due to the disruptions in the current market for such debt.

Note 6 – Zero Dividend Preference Shares

On 30 November 2009 the Company issued 30,000,000 zero dividend preference shares ("ZDP Shares"). On 16 April 2010 the Company issued additional 2,999,999 ZDP Shares. The additional ZDP Shares rank pari passu with the first ZDP Shares. The holders of the ZDP Shares are entitled to a redemption amount of 100.0 pence per ZDP Share as increased daily at such a daily compound rate as would give a final entitlement of 169.73 pence on 31 May 2017, resulting in an effective interest rate of 7.3% annually. The ZDP shares rank prior to the class A and B shares in respect of repayment of the final entitlement. However, they rank behind any borrowings that remain outstanding. They carry no entitlement to income and their entire return takes the form of capital.

The following table reconciles the liability for ZDP shares for the six month period ended 30 June 2011 and the year ended 31 December 2010.

Zero dividend preference shares	Pounds Sterling		U.S. Dollars	
Liability, 31 December 2009	£	30,236,761	$	48,871,677
Offering proceeds, 16 April 2010		3,080,443		4,904,286
Accrued interest		2,305,923		3,625,736
Unamortized premium		101,171		155,600
Currency conversion		-		(1,830,966)
Liability, 31 December 2010	£	35,724,298	$	55,726,333
Accrued interest		1,267,418		2,005,502
Premium amortization		(4,610)		(7,491)
Currency conversion				1,647,359
Liability, 30 June 2011	£	36,987,106	$	59,371,703

Capitalized offering costs amounted to $2,036,441 and $2,036,441 (included in other assets) as of 30 June 2011 and 31 December 2010 and are being amortized using the effective interest rate method. The unamortized balance at 30 June 2011 and 31 December 2010 is $1,616,629 and $1,749,720, respectively.

Note 7 – Forward Foreign Exchange Contract

The Company entered into a forward foreign exchange contract to hedge, in part, the currency risk associated with the pounds sterling contractual liability for the ZDP shares.

The contract provides that we will purchase £40,000,000 on 17 May 2017 for $64,820,000 from the Lloyds Banking Group (Bank of Scotland). The contract further provides that the security interests granted to the bank under the credit facility as described in note 5 also apply to any amounts we may owe the bank pursuant to this contract. As of 30 June 2011 and 31 December 2010, the fair value of the forward foreign exchange contract was ($1,246,453) and ($2,548,502) (included in accrued expenses and other liabilities), respectively, in the consolidated balance sheets.

Note 8 – 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:

	30 June 2011	30 June 2010
Current tax expense	$ 2,606,549	$ 1,459,496
Deferred tax expense (benefit)	73,878	128,906
Total tax expense (benefit)	$ 2,680,427	$ 1,588,402

	30 June 2011	31 December 2010
Gross deferred tax assets	$ 4,866,958	$ 4,866,958
Less valuation allowance	4,785,468	4,785,468
Net deferred tax assets	81,490	81,490
Gross deferred tax liabilities	3,063,616	2,989,738
Net deferred tax liabilities	**$ 2,982,126**	**$ 2,908,248**

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 statements of operations. Net deferred tax liabilities are 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. The Company has been audited by the IRS for the tax year ended 30 November 2007; the audit resulted in no change to the tax the Company reported. The years subsequent to 2007 remain subject to examination.

Note 9 – Earnings (Loss) per Share

The computations for earnings (loss) per share for the six month periods ended 30 June 2011 and 2010 are as follows:

	For the Six Month Periods ended 30 June 2011	2010
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$ 27,192,862	$ 1,786,436
Divided by weighted average shares outstanding for Class A and Class B shares of the controlling interest	50,408,903	51,069,592
Earnings (loss) per share for Class A and Class B shares of the controlling interest	**$ 0.54**	**$ 0.03**

Note 10 – Treasury Stock

The Company continues to maintain 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's Liquidity Enhancement Agreement with ABN AMRO Bank N.V. London Branch, which had been in force since 21 July 2008 (and which was subsequently renewed with The Royal Bank of Scotland N.V. ("RBS") on 29 June 2010), expired on 28 June 2011. Under the terms of Share Buy Back Agreement (described below), the Liquidity Enhancement Agreement was suspended from 21 October 2010 to 28 June 2011.

Pursuant to the Company's liquidity enhancement policy, the Company and RBS entered into a Share Buy Back Agreement on 21 October 2010, whereby the Company appointed RBS to effect on-market share repurchases of class A shares on behalf of the Company. Under the terms of the Share Buy Back Agreement, which will remain in force until 31 August 2011 (subject to extension), RBS may independently of, and without influence by the Company, purchase class A shares from time to time at its absolute discretion provided that such purchases comply with parameters set out in the Share Buy Back Agreement and as announced to the market. Class A shares repurchased pursuant to the Share Buy Back Agreement will be cancelled.

The aggregate number of class A shares which may be repurchased pursuant to the Share Buy Back Agreement is subject to a maximum of 12.5 percent of the total number of class A shares outstanding as of 21 October 2011, 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 maximum price which may be paid for a class 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, in each case, with respect to the class A shares on the relevant exchange (being the Specialist Fund Market of the London Stock Exchange or Euronext Amsterdam by NYSE Euronext).

The following table summarizes the Company's issued shares at 30 June 2011 and 31 December 2010.

	30 June 2011	31 December 2010
Class A shares outstanding	50,228,015	50,732,825
Class B shares outstanding	10,000	10,000
	50,238,015	50,742,825
Class A shares held in treasury - number of shares	3,150,408	3,150,408
Class A shares held in treasury - cost	$ 9,248,460	$ 9,248,460
Class A shares repurchased and cancelled - number of shares	831,577	326,767
Class A shares repurchased and cancelled - cost	$ 6,062,060	$ 2,302,094

Note 11 – Financial Highlights

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

Per share operating performance (based on average shares outstanding during the period)	**For the Six Month Period Ended 30 June 2011**	**For the Year Ended 31 December 2010**
Beginning net asset value	$ 10.38	$ 9.46
Stock repurchased and cancelled	0.04	0.02
Net increase in net assets resulting from operations:		
Net investment income (loss)	(0.14)	(0.31)
Net realized and unrealized gain (loss)	0.68	1.21
Ending net asset value	**$ 10.96**	**$ 10.38**

Total return (based on change in net asset value per share)	**For the Six Month Periods Ended 30 June 2011**	**30 June 2010**
Total return before carried interest	5.97%	0.38%
Carried interest	(0.38%)	-
Total return after carried interest	**5.59%**	**0.38%**

Net investment income (loss) and expense ratios (based on weighted average net assets)	**For the Six Month Periods Ended (Annualized) 30 June 2011**	**30 June 2010**
Net investment income (loss)	(2.64%)	(2.89%)
Expense ratios:		
Expenses before interest and carried interest	2.99%	3.09%
Interest expense	0.01%	0.13%
Carried interest	0.89%	-
Total	**3.89%**	**3.22%**

Note 12 – 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 13 – Subsequent Events

There have been no subsequent events through 25 August 2011, the date of the independent accountant's report that requires recognition or disclosure in the consolidated financial statements.