NB Private Equity Partners Limited

30 SEPTEMBER 2010 INTERIM MANAGEMENT REPORT

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COMPANY OVERVIEW

Our investment objective is to produce attractive returns on our capital from our private equity investments while managing investment risk through portfolio diversification. We 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 ▪ 51,059,592 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 23 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 September 2010**	**At 30 September 2010 Pro Forma [1]**
Net Asset Value	$500.0	$500.0
Net Asset Value per Ordinary Share	$9.79	$9.79
Fund Investments	$477.9	$373.3
Direct Co-investments	$100.4	$84.1
Total Private Equity Fair Value	$578.3	$457.4
Private Equity Investment Level [2]	116%	91%
Cash and Cash Equivalents	$12.8	$102.4

(GBP in millions, except per share data)	**At 30 September 2010**
ZDP Shares	£35.0
Net Asset Value per ZDP Share [3]	106.05p

1. *Pro forma for the Strategic Asset Sale, the pending realization 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 23 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

Established in 1939, Neuberger Berman is one of the world's largest private, independent employee-controlled asset management companies, managing approximately $180 billion in assets as of 30 September 2010. Neuberger Berman is a leader in providing a broad range of global investment solutions 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.

STRATEGIC ACTIONS

On 15 October 2010, we announced a series of corporate actions including a strategic asset sale, an ongoing capital return policy and a strategic repositioning of our private equity portfolio.

Strategic Asset Sale

In early October 2010, we reached agreements in principle to sell our interest in eight large-cap buyout funds for an aggregate 5.1% discount to their carrying value of $108.6 million at 31 August 2010 (together, the "Strategic Asset Sale"). This Strategic Asset Sale will generate cash proceeds of approximately $101.8 million (net of estimated fees and expenses) and will also release NBPE from approximately $24.1 million of related unfunded commitments as of 31 August 2010. Including estimated fees and expenses, the Strategic Asset Sale will be dilutive to NAV per class A ordinary share (the "Shares") by approximately $0.13, or 1.4%, which is included in the NAV at 30 September 2010. We believe that, when combined with accretive Share repurchases, this transaction should enable NBPE to enhance its NAV per Share over time.

The sale transactions were the result of a robust auction process; we utilized UBS as a sell side advisor who approached more than 20 buyers on a confidential basis. We have now signed purchase and sale agreements for all of the interests in the Strategic Asset Sale, and the sale transactions are expected to close in the latter half of Q4 2010 or in early Q1 2011.

We believe the Strategic Asset Sale demonstrates the high quality of our private equity portfolio and its marketability in the secondary private equity market. The transaction provided an opportunity to take advantage of attractive pricing in the secondary private equity market, which continues to value our assets at significant premiums relative to the public market for NBPE's Shares. While we would potentially sell any of our investments at the right price, we do not currently intend to actively pursue additional strategic asset sales.

We intend to use the proceeds of the Strategic Asset Sale to launch an ongoing capital return policy and for strategic portfolio repositioning.

Capital Return Policy

We also announced the implementation of a new policy (the "Capital Return Policy") of ongoing returns of capital to holders of NBPE's Shares. These ongoing returns of capital will be at the discretion of the Board of Directors. The Capital Return Policy will be initiated immediately using a portion of the proceeds from the Strategic Asset Sale.

Furthermore, beginning with the half-year period commencing 1 January 2011, we intend to return 50% of the realized net increase in NAV attributable to the Shares 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 realized net increase in NAV will be measured from a starting point of 1 January 2011.

The Capital Return Policy is a continuation of our previous steps, such as the repurchase of 5.8% of the Shares pursuant to the liquidity enhancement programme and the dual listing of our Shares on the LSE and Euronext exchanges, all of which are consistent with increasing Shareholder value. The Capital Return Policy has been introduced as a long-term capital management feature and will operate on an ongoing basis until further notice at the discretion of the Directors. This policy has been made possible by virtue of our strong financial position and positive NAV development.

The Directors will have discretion as to the manner in which capital will be 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.

On 22 October 2010, we launched a Share buy-back program in order to begin implementing the Capital Return Policy. The buy-back program commenced immediately and, subject to extension, will end on 31 August 2011. As of 18 November 2010, we have repurchased 21,184 Shares under the buy-back program at a weighted average price of $7.12 per Share.

Strategic Portfolio Repositioning

In addition to implementing the Capital Return Policy, we expect to use the proceeds from the Strategic Asset Sale to strategically reposition our investment portfolio to have a higher allocation to direct and yield-oriented investments. However, even though we expect to increase our exposure to direct co-investments, we intend to continue to maintain a well diversified private equity portfolio.

The strategic portfolio repositioning does not represent a change in investment strategy for NBPE; instead, we expect it to lead to an increase in the size of our existing co-investment allocation. Since our inception, we have completed 27 direct co-investments, including three yield-oriented investments.

Our Investment Manager is experienced in sourcing and completing such investments and has approximately 50 investment professionals specializing in private equity fund investments, co-investments and secondary transactions. 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.

We believe the strategic portfolio repositioning will provide a number of benefits for Shareholders over the long term, such as reducing the duration of the portfolio, increasing the transparency of the portfolio for Shareholders, reducing the overall expense ratio and continuing our policy of maintaining a conservative over-commitment level.

SIGNIFICANT CO-INVESTMENT REALIZATION

On 6 October 2010, Dresser, Inc. ("Dresser"), one of our largest private co-investments and underlying holdings, announced that it has reached an agreement to be acquired by General Electric Co. ("GE") for $3 billion.

Dresser is a leading global energy infrastructure company majority-owned by funds managed by Riverstone Holdings LLC and First Reserve Corporation (in which our Investment Manager's entities including NBPE have meaningful direct co-investments). Our ownership interest in Dresser is primarily from a direct co-investment alongside the lead sponsors in 2007, but we also have exposure through First Reserve Fund XI, NB Crossroads Fund XVII and NB Crossroads Fund XVIII Mid-cap Buyout.

Prior to the announcement, Dresser was the second largest company in our private equity portfolio based on fair value. Based on the expected sale value, we increased our carrying value in Dresser by over 66% for the purposes of the 30 September 2010 unaudited NAV. In aggregate, the change in value for Dresser was accretive to NAV by approximately $0.15 per Share.

The transaction is subject to customary closing conditions including U.S. and European regulatory approval and is expected to close in late December 2010 or in January 2011.

MARKET COMMENTARY

During the second and third quarter of 2010, the capital markets experienced heightened volatility as investor uncertainty translated into dramatic shifts in sentiment with seemingly every round of fresh economic news. This up-and-down mentality has been amplified by bearish data which intensified fears that the current slow-growth environment could downshift into recession. Over the course of the third quarter, the once-remote fear of a double-dip recession weighed on investors in developed markets, who were discouraged by stubbornly high unemployment, a weak housing market and other indicators that suggested economic deceleration. Furthermore, fiscal strains at both the federal and local levels contributed to the sense of economic anxiety. [1]

However, counterbalancing these negatives are a number of factors that we believe lend support to both the economy and the equity markets. First, various external shocks that plagued the financial markets earlier in the year have faded. At the same time, many companies have continued to enjoy steady sales growth and strong profitability, providing reason for investor optimism. Deep cost-cutting during the downturn enabled companies to benefit in the expansion, and although the pace of growth has slowed, corporate earnings remain solid. Moreover, the U.S. Federal Reserve is clearly committed to an accommodative monetary policy and, in the words of Fed Chairman Ben Bernanke, "will do all that it can to ensure continuation of the economic recovery." Finally, although the U.S. and European economies appear to be mired in weakness, emerging economies are expanding at a steady pace. Unlike those in the established markets, sovereign and personal debt burdens are relatively modest in developing countries, while growing consumption and the need for infrastructure expansion are bolstering demand and business activity. [1]

On balance, we believe that the positives should help keep the economy on a below-trend but expanding track and that global economic growth is likely to remain mildly positive. Meanwhile, fluctuations in the market should provide good opportunities to complete new investments. [1]

In the third quarter of 2010, U.S. leveraged buyout volume increased to $28.7 billion compared to $24.8 billion in the second quarter of 2010. In addition, leveraged loan volume increased to $12.1 billion in the third quarter, up $11.2 billion year-over-year compared to the third quarter of 2009. The average LBO transaction size was $1.4 billion in the third quarter of 2010 compared to $928 million in the second quarter. This is consistent with a return to levels seen before the credit bubble, such as the average LBO transaction size of $1.3 billion in 2006. [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.

Given the uncertain economic outlook and the large amount of leveraged debt that remains outstanding and in need of future refinancing, we also believe that special situations / distressed investors will continue to see strong deal flow for the next several years. 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 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. In addition, with over $235 million of excess capital resources (pro forma for the Strategic Asset Sale and the proceeds from Dresser), 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 11, Fall 2010.*
2. *Standard & Poor's 2Q10 Leveraged Buyout Review.*

INVESTMENT RESULTS

As of 30 September 2010, NBPE's unaudited NAV per Share was $9.79, representing a 3.5% increase compared to the audited NAV per Share of $9.46 at 31 December 2009. During the first three quarters of 2010, the increase in portfolio value was primarily driven by net unrealized gains on distressed debt funds as well as certain buyout funds and co-investments, including Dresser. These gains in value were offset by unrealized losses on certain other investments as well as dilution related to the Strategic Asset Sale.

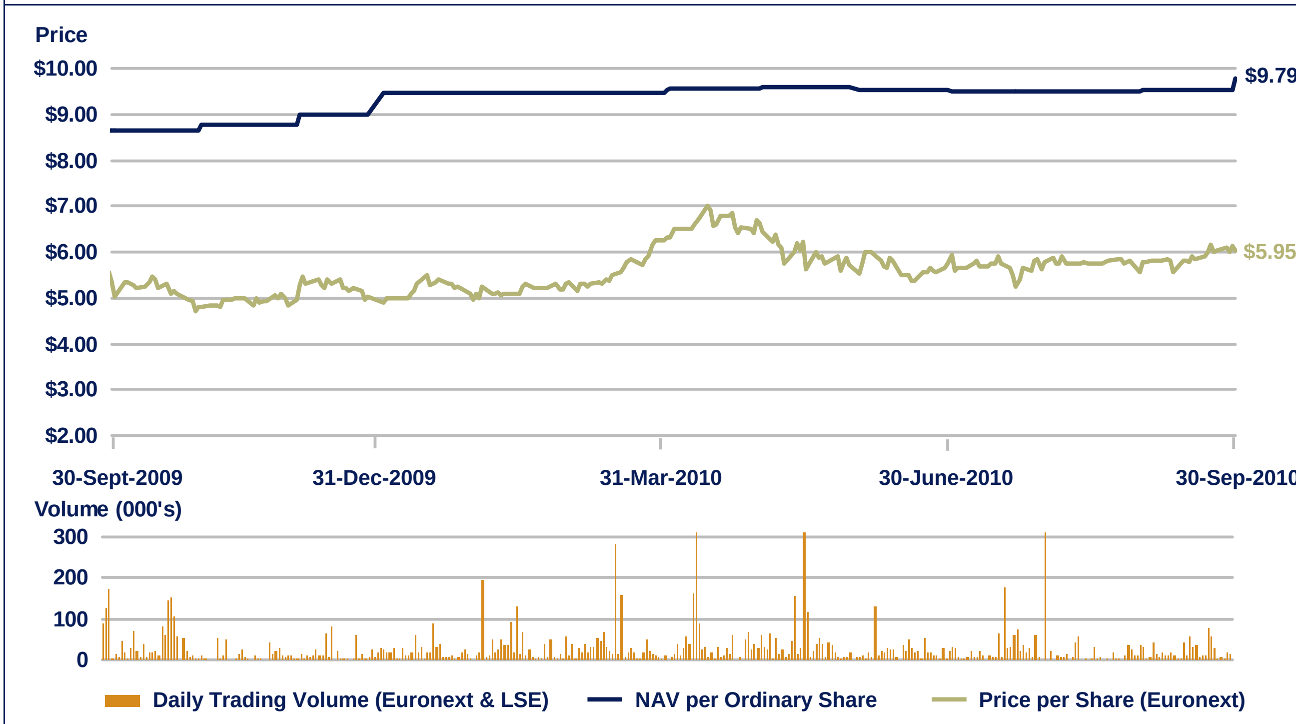
During the first nine months of 2010, our private equity portfolio had realized gains of $1.6 million. The portfolio also generated net unrealized gains of $22.1 million from privately held investments and $16.0 million from credit-related fund investments and public equity securities. These gains in value were offset by $6.8 million of net write-downs related to the Strategic Asset Sale. Investment performance during the period was also offset by $16.1 million of net operating expenses (including credit facility interest and ZDP share accretion), foreign exchange translation and taxes.

For the nine month period ending 30 September 2010, we invested approximately $51.9 million into private equity assets through capital calls and co-investments. Approximately 57% of this capital was invested in buyout funds and co-investments, 33% in special situations funds and co-investments and 10% in growth equity and venture capital funds.

In the first three quarters of 2010, we received approximately $40.0 million of distributions and sales proceeds. Approximately 72% of the distributions were from buyout funds and co-investments, 24% from special situations funds and 4% from growth equity and venture capital funds.

The largest distributions during the nine month period were attributable to Wayzata Opportunities Fund II, Apollo Investment Fund V, NB Crossroads Fund XVII, KKR 2006 Fund, ArcLight Energy Partners Fund IV, Platinum Equity Capital Partners II, Avista Capital Partners and the sale of NBPE's interest in a large-cap buyout fund.

LTM SHARE PRICE PERFORMANCE AND NAV PER ORDINARY SHARE



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

INVESTMENT PORTFOLIO ACTIVITY

As of 30 September 2010, our private equity investment portfolio consisted of 43 fund investments and 24 direct co-investments. The fair value of our private equity portfolio was $578.3 million, and the total exposure, including unfunded commitments, was $719.6 million.

Pro forma for the expected proceeds of the Strategic Asset Sale and the expected up-front proceeds from the realization of Dresser, the fair value of our private equity portfolio was $457.4 million, and the total exposure was $574.2 million.

PRIVATE EQUITY INVESTMENT PORTFOLIO – 30 SEPTEMBER 2010

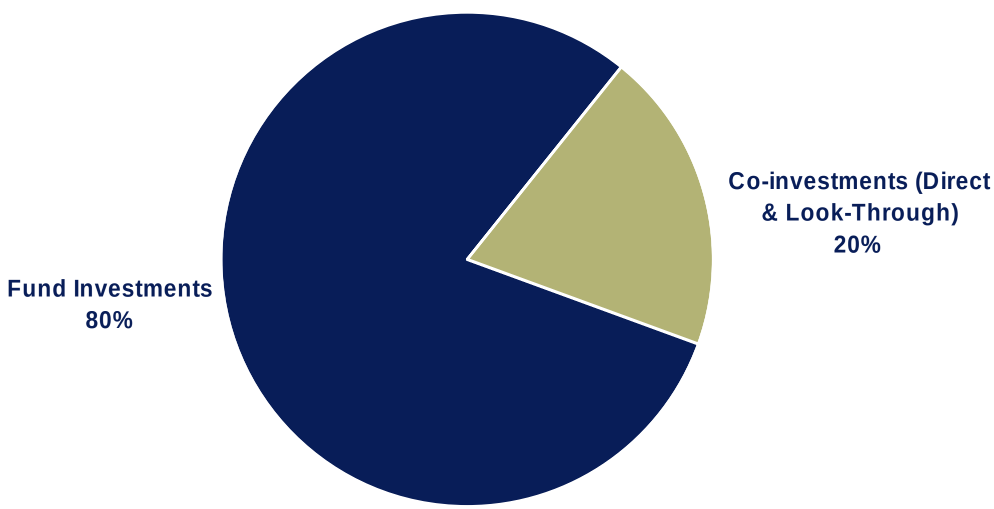
ACTUAL

($ in millions)	Number of Investments	Estimated Fair Value	Unfunded Commitments	Total Exposure
Fund Investments	43	$477.9	$137.5	$615.4
Direct Co-investments	24	100.4	3.8	104.2
Total Private Equity Investments	**67**	**$578.3**	**$141.3**	**$719.6**

PRO FORMA

($ in millions)	Number of Investments	Estimated Fair Value	Unfunded Commitments	Total Exposure
Fund Investments	35	$373.3	$113.0	$486.3
Direct Co-investments	24	84.1	3.8	87.9
Total Private Equity Investments	**59**	**$457.4**	**$116.8**	**$574.2**

PORTFOLIO ALLOCATION BASED ON PRO FORMA FAIR VALUE



The investments in our private equity portfolio generated a significant amount of liquidity during the first nine months of 2010. 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 debt funds.

During the nine month period, we received approximately $40.0 million of distributions and sales proceeds. Within our direct fund and co-investment portfolio, 45 companies completed liquidity events (sales and recapitalizations) that led to a distribution.

The five largest distributions totaled approximately $10.8 million and were attributable to investments in Unitymedia GmbH (Apollo Investment Fund V), East West Bancorp, Inc. (Corsair III Financial Services Capital Partners), East Resources, Inc. (KKR 2006 Fund), Terra-Gen Power, LLC (ArcLight Energy Partners Fund IV) and Ryerson Inc. (Platinum Equity Capital Partners II).

Within NB Crossroads Fund XVII and Fund XVIII, over 300 underlying companies completed liquidity events during the period, leading to $4.9 million of distributions to NBPE.

In addition, 30 portfolio companies completed initial public offerings ("IPOs") during the first nine months of 2010. On a pro forma basis, these companies had an aggregate fair value of approximately $4.5 million as of 30 September 2010, with the largest and most significant IPO attributable to Higher One Inc. (NYSE:ONE), a portfolio company of Lightyear Capital Fund II.

During the third quarter of 2010, we committed an aggregate $11.6 million to four new co-investments that we believe are well-suited for NBPE's private equity portfolio (see page 18 for a detailed description of each new investment):

- Special situations co-investment in the second lien debt of SonicWALL, Inc.
- Mid-cap buyout co-investment in the equity of SonicWALL, Inc.
- Mid-cap buyout co-investment in Fairmount Minerals, Ltd.
- Mid-cap buyout co-investment in Bourland & Leverich Supply Co. LLC

The aggregate portfolio and investment activity for the nine month period ended 30 September 2010 was as follows:

($ in millions)	Fund Investments	Direct Co-investments	Total
Investments Funded	$34.4	$17.5	$51.9
Distributions Received and Sales Proceeds	$39.8	$0.2	$40.0
Net Realized Gains (Losses)	$0.1	$0.0	$0.1
Net Unrealized Appreciation (Depreciation)	$24.4	$6.7	$31.1
New Primary Commitments / New Co-investments	2	7	9
Amount Committed	$20.0	$16.7	$36.7
New Secondary Purchases	1	0	1
Amount Committed	$4.5	$0.0	$4.5

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.

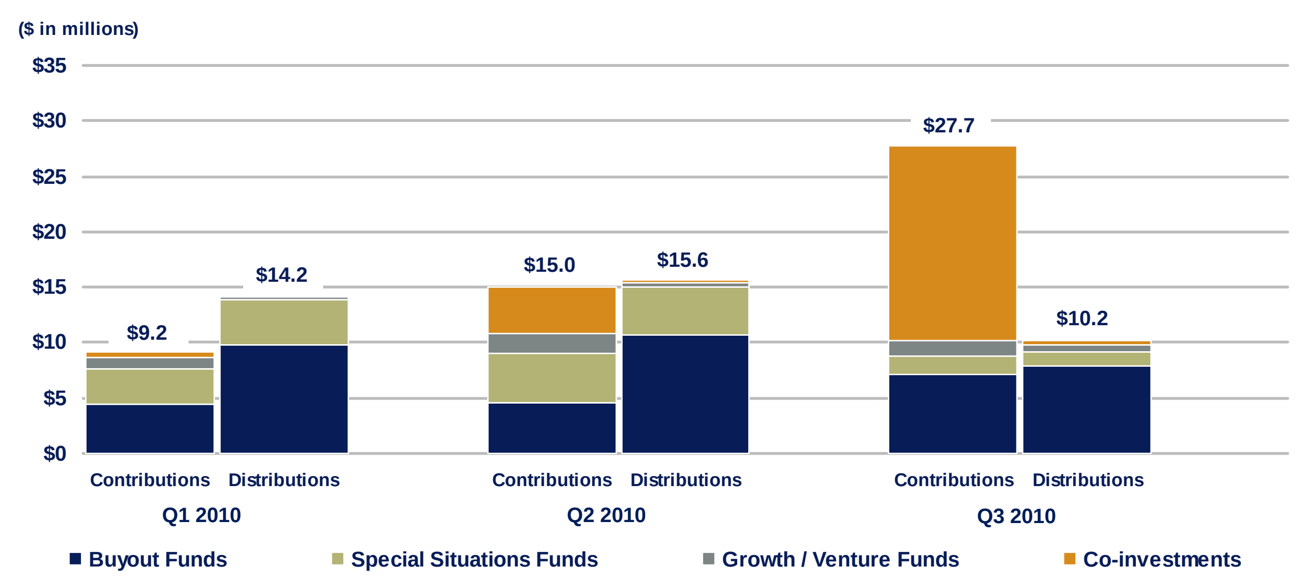
Since inception, we have tactically allocated a meaningful portion of our portfolio to the special situations asset class, including distressed funds. As a result, we have deployed over $155 million into special situations funds and co-investments since our initial global offering in July 2007. These investments provide exposure to undervalued credit securities, mezzanine debt, financial restructurings and operational turnarounds of underperforming businesses.

As of 30 September 2010, special situations investments represented 33% of our private equity portfolio based on fair value. We continue to believe our special situations managers are well-positioned to generate positive returns over the long term, and we believe that an attractive environment for making special situations investments will continue over the next several years.

Consistent with our intention to strategically reposition our portfolio, in the near to medium-term we expect to utilize a portion of the proceeds from the Strategic Asset Sale to actively pursue attractive co-investment opportunities 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 co-investment program, and we expect it to consist of equity co-investments as well as yield-oriented investments that have an appropriate risk-reward profile.

Illustrated below is a summary of our capital deployment and distributions during the first nine months of the year. Excluding new co-investment activity, our private equity portfolio generated positive cash flow of $5.6 million during the period. Furthermore, we expect the net proceeds of the Strategic Asset Sale and the up-front proceeds from the realization of Dresser to provide approximately $120 million of additional liquidity. Going forward, we expect distributions to continue to increase as our portfolio matures.

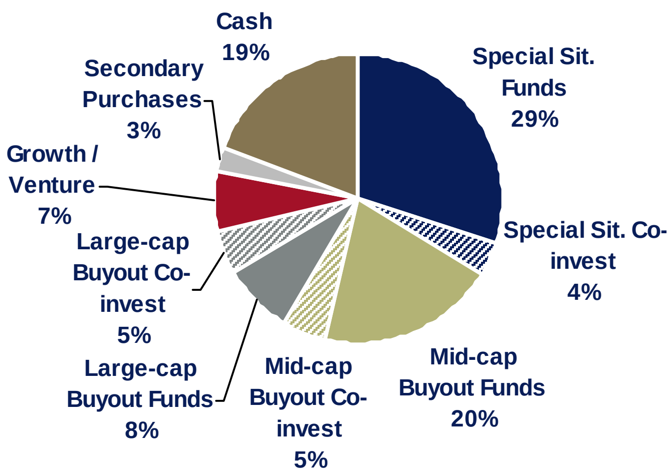
YTD 2010 CAPITAL DEPLOYMENT & DISTRIBUTIONS



DIVERSIFICATION BY ASSET CLASS AND INVESTMENT TYPE

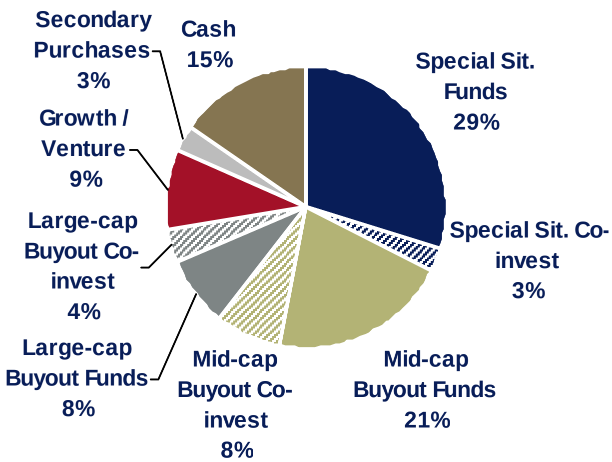
Consistent with our investment objective, we strive to manage investment risk through appropriate diversification within our private equity portfolio. The graphs below illustrate the breakdown of our private equity portfolio by asset class and investment type based on pro forma fair value, total exposure and unfunded commitments as of 30 September 2010. Please note that the pie graphs based on fair value and total exposure include a section for cash in order to illustrate the effects of the Strategic Asset Sale and the pending realization of Dresser.

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

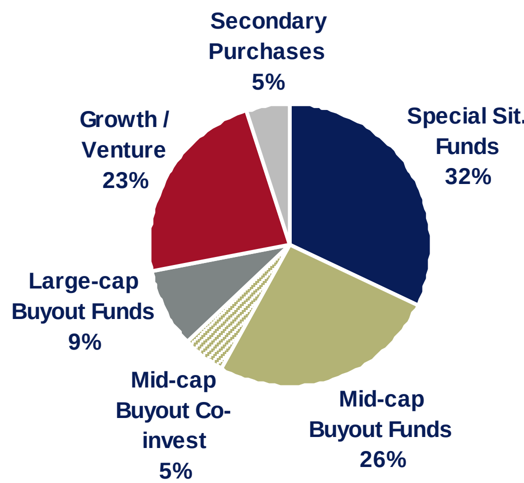


DIVERSIFICATION BY ASSET CLASS AND INVESTMENT TYPE [1]

By Pro Forma Total Exposure



By Pro Forma Unfunded Commitments

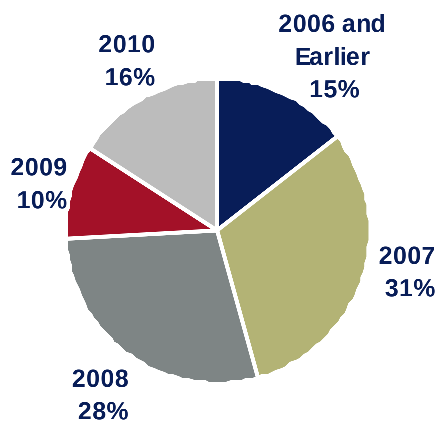


1. *The diversification analysis by asset class and investment type is based on the fair value of underlying fund investments and co-investments, pro forma for the Strategic Asset Sale and the pending realization of Dresser. Determinations regarding asset class and investment type represent the Investment 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.*

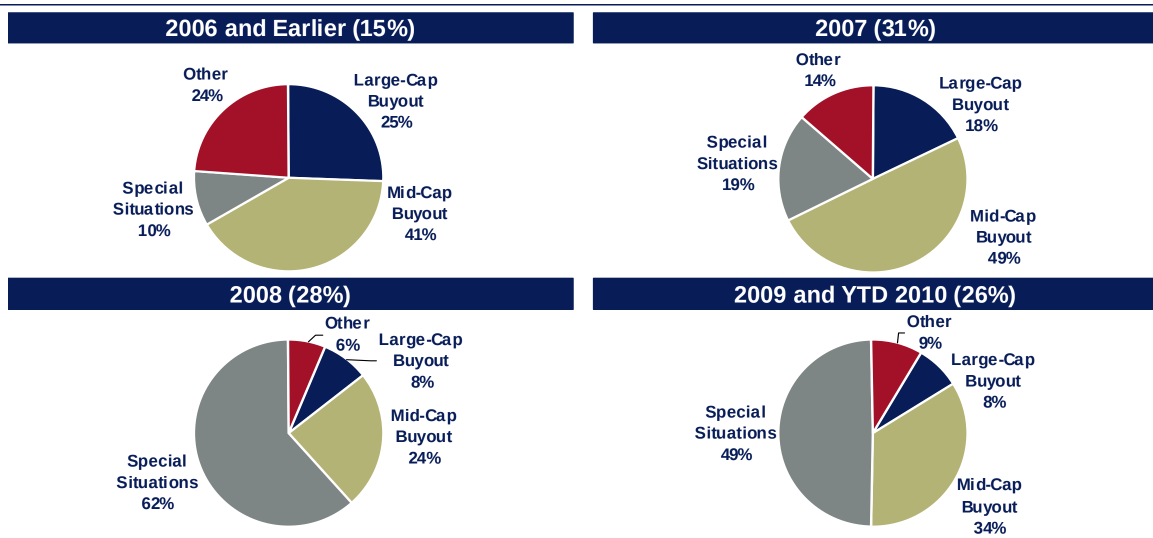
DIVERSIFICATION BY YEAR OF INVESTMENT [1]

The graphs below illustrate the diversification of our private equity portfolio by year of investment based on pro forma fair value as of 30 September 2010. 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 15 as vintage year shows when a fund was formed rather than when the capital was deployed. As illustrated below, approximately 54% of pro forma fair value at 30 September 2010 was attributable to investments made during 2008, 2009 and 2010. NBPE's allocation to large-cap buyout investments has decreased over time, while the allocation to special situations investments has increased as a result of our tactical allocation to the most attractive opportunities.

DIVERSIFICATION BY YEAR OF INVESTMENT BASED ON PRO FORMA FAIR VALUE



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



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

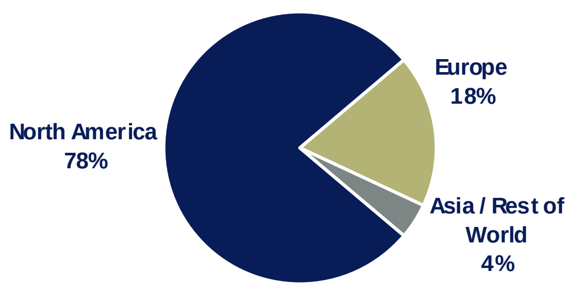
1. *Based on private equity fair value as of 30 September 2010, pro forma for the Strategic Asset Sale and the pending realization of Dresser.*

DIVERSIFICATION BY GEOGRAPHY AND INDUSTRY

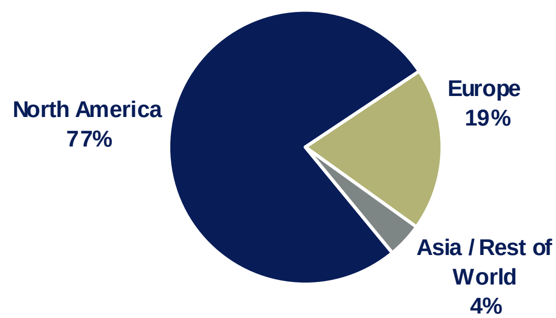
The graphs below illustrate the diversification of our private equity portfolio by geography and industry based on pro forma fair value and total exposure as of 30 September 2010.

GEOGRAPHIC DIVERSIFICATION [1]

By Pro Forma Fair Value

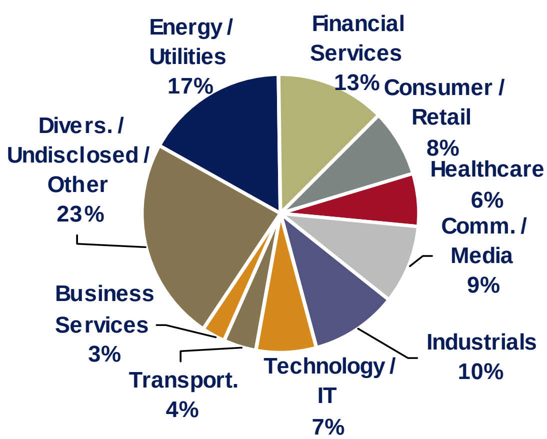


By Pro Forma Total Exposure

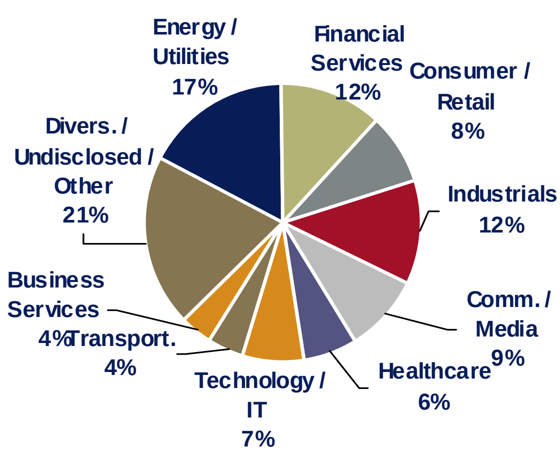


INDUSTRY DIVERSIFICATION [1]

By Pro Forma Fair Value



By Pro Forma Total Exposure



1. *The diversification analysis by geography and industry is based on the diversification of underlying portfolio company investments at fair value, pro forma for the Strategic Asset Sale and the pending realization of Dresser, as estimated by the Investment Manager. Determinations regarding geography and industry also represent the Investment Manager's estimates. Accordingly, the actual diversification of our investment portfolio and the diversification of our investment portfolio on an ongoing basis may vary from the foregoing information.*

DIVERSIFICATION BY VINTAGE YEAR

The table below outlines the diversification of our private equity portfolio by vintage year and investment type based on pro forma fair value as of 30 September 2010. 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 co-investment. This diversification by vintage year should be distinguished from the diversification by year of investment, which is shown on page 13.

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

($ in millions)	Vintage Year							
	<=2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**Total**
Special Situations Funds	$0.3	$2.1	$19.6	$65.8	$69.8	$4.4	$0.5	$162.5
Special Situations Co-invest	-	-	-	-	9.3	-	10.4	19.7
Mid-cap Buyout Funds	9.1	10.6	53.0	34.7	2.0	-	-	109.3
Mid-cap Buyout Co-invest	-	0.8	9.5	23.4	3.0	-	7.9	44.7
Large-cap Buyout Funds	12.2	2.9	28.1	2.1	-	-	-	45.3
Large-cap Buyout Co-invest	-	-	4.0	21.3	-	0.1	-	25.4
Growth / Venture	2.7	5.8	8.0	16.1	1.4	-	1.6	35.5
Secondary Purchases	0.1	0.1	1.5	4.2	0.5	6.3	2.4	15.1
Total	$24.4	$22.3	$123.6	$167.7	$85.9	$10.8	$22.8	$457.4

	Vintage Year							
	<=2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**Total**
Special Situations Funds	0%	0%	4%	14%	15%	1%	0%	36%
Special Situations Co-invest	-	-	-	-	2%	-	2%	4%
Mid-cap Buyout Funds	2%	2%	12%	8%	0%	-	-	24%
Mid-cap Buyout Co-invest	-	0%	2%	5%	1%	-	2%	10%
Large-cap Buyout Funds	3%	1%	6%	0%	-	-	-	10%
Large-cap Buyout Co-invest	-	-	1%	5%	-	0%	-	6%
Growth / Venture	1%	1%	2%	4%	0%	-	0%	8%
Secondary Purchases	0%	0%	0%	1%	0%	1%	1%	3%
Total	5%	5%	27%	37%	19%	2%	5%	100%

1. *Pro forma for the Strategic Asset Sale and the pending realization of Dresser. Totals may not sum due to rounding.*

PRIVATE EQUITY INVESTMENT PORTFOLIO

The following is a list of our private equity fund investments as of 30 September 2010. Please note that we expect to sell our interest in eight of the large-cap buyout funds listed below through the Strategic Asset Sale. [1]

($ in millions) Fund Investments	Principal Geography	Vintage Year	Fair Value	Unfunded Commit.	Total Exposure
Mid-cap Buyout					
American Capital Equity II	U.S.	2005	$4.0	$1.4	$5.4
Aquiline Financial Services Fund	U.S.	2005	4.1	0.6	4.7
ArcLight Energy Partners Fund IV	U.S.	2007	14.2	6.0	20.2
Avista Capital Partners	U.S.	2006	14.1	1.8	15.9
Clessidra Capital Partners	Europe	2004	3.1	0.6	3.7
Corsair III Financial Services Capital Partners	Global	2007	6.5	1.8	8.3
Highstar Capital II	U.S.	2004	3.6	0.0	3.6
Investitori Associati III	Europe	2000	1.7	0.4	2.1
Lightyear Fund II	U.S.	2006	8.4	2.4	10.8
OCM Principal Opportunities Fund IV	U.S.	2006	19.7	2.0	21.7
Trident IV	U.S.	2007	4.4	1.1	5.5
Large-cap Buyout					
Apollo Investment Fund V	U.S.	2001	$7.7	$1.5	$9.1
Carlyle Europe Partners II	Europe	2003	6.5	0.8	7.3
Clayton, Dubilier & Rice Fund VII	U.S.	2005	21.1	2.2	23.3
Doughty Hanson & Co IV	Europe	2003	4.0	0.2	4.2
First Reserve Fund XI	U.S.	2006	18.8	6.0	24.8
J.C. Flowers II	Global	2006	2.3	0.4	2.7
KKR Millennium Fund	Global	2002	11.5	-	11.5
KKR 2006 Fund	Global	2006	20.2	7.6	27.7
Madison Dearborn Capital Partners V	U.S.	2006	5.7	1.2	6.9
Thomas H. Lee Equity Fund VI	U.S.	2006	12.4	9.4	21.8
Warburg Pincus Private Equity VIII	Global	2001	7.8	-	7.8
Welsh, Carson, Anderson & Stowe X	U.S.	2005	16.0	2.6	18.6
Special Situations					
Centerbridge Credit Partners	U.S.	2008	$30.7	$0.0	$30.7
CVI Global Value Fund	Global	2006	14.9	0.8	15.6
OCM Opportunities Fund VIIb	U.S.	2008	39.0	3.0	42.0
Oaktree Opportunities Fund VIII	U.S.	2009	4.4	5.8	10.1
Platinum Equity Capital Partners II	U.S.	2007	8.0	11.1	19.1
Prospect Harbor Credit Partners	U.S.	2007	11.9	-	11.9
Sankaty Credit Opportunities III	U.S.	2007	24.7	-	24.7
Strategic Value Special Situations Fund	Global	2010	0.5	0.1	0.6
Strategic Value Global Opportunities Fund I-A	Global	2010	2.4	0.2	2.6
Sun Capital Partners V	U.S.	2007	3.4	5.1	8.5
Wayzata Opportunities Fund II	U.S.	2007	15.7	10.3	26.0
Growth Equity					
Bertram Growth Capital I	U.S.	2007	$13.1	$4.8	$17.9
Bertram Growth Capital II	U.S.	2010	0.3	9.7	9.9
Summit Partners Europe Private Equity Fund	Europe	2009	1.3	4.8	6.1
Fund of Funds Investments					
NB Crossroads Fund XVII	U.S.	2002-06	$33.6	$6.0	$39.6
NB Crossroads Fund XVIII Large-cap Buyout	Global	2005-09	8.9	4.1	13.1
NB Crossroads Fund XVIII Mid-cap Buyout	Global	2005-09	26.2	12.6	38.8
NB Crossroads Fund XVIII Special Situations	Global	2005-09	8.0	2.5	10.5
NB Crossroads Fund XVIII Venture Capital	U.S.	2006-09	7.2	3.0	10.3
NB Fund of Funds Secondary 2009	Global	2009	6.1	3.6	9.7
Total Fund Investments			**$477.9**	**$137.5**	**$615.4**

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

PRIVATE EQUITY INVESTMENT PORTFOLIO

The following is a list of our direct co-investments as of 30 September 2010. [1]

($ 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			
Press Ganey Associates, Inc.	U.S.	2008			
Salient Solutions, LLC	U.S.	2010			
SonicWall, Inc.	U.S.	2010			
TPF Genco Holdings, LLC	U.S.	2006			
Unión Radio	Global	2008			
Large-cap Buyout					
Avaya, Inc.	U.S.	2007			
Energy Future Holdings Corp.	U.S.	2007			
First Data Corporation	U.S.	2007			
Freescale Semiconductor, Inc.	U.S.	2006			
Sabre Holdings Corporation	U.S.	2007			
Special Situations					
Firth Rixson, plc (Mezzanine)	Europe	2008			
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			**$100.4**	**$3.8**	**$104.2**
Total Private Equity Investment Portfolio			**$578.3**	**$141.3**	**$719.6**

1. *Totals may not sum due to rounding.*
2. *Co-investment values are given on an aggregate-only basis. No single co-investment comprises more than 4.0% of total net asset value.*

NEW INVESTMENTS

During the third quarter of 2010, we committed an aggregate $11.6 million to the following private equity investments:

SonicWALL, Inc.

Special Situations Co-investment and Mid-cap Buyout Co-investment

In July 2010, we completed a special situations co-investment in the second lien debt of SonicWALL, Inc. and a mid-cap buyout co-investment in the equity of SonicWALL, Inc. The second lien debt was issued at a 3% discount to par and pays cash interest at LIBOR plus 1,000 basis points with a LIBOR floor of 2.00%. The equity co-investment was made alongside Neuberger Berman's Co-Investment Fund and Thoma Bravo, LLC. SonicWALL is a provider of advanced intelligent network security and data protection solutions.

Fairmount Minerals, Ltd.

Mid-cap Buyout Co-investment

In August 2010, we completed a co-investment in Fairmount Minerals, Ltd. alongside American Securities. Fairmount Minerals is a leading producer of high purity sand for a broad range of industrial applications including sand-based proppants for the oil and gas industry.

Bourland & Leverich Supply Co. LLC

Mid-cap Buyout Co-investment

In August 2010, we completed a co-investment in Bourland & Leverich Supply Co. LLC ("B&L Supply") alongside Jefferies Capital Partners. B&L Supply is a leading distributor of oil country tubular goods to oil and gas companies.

VALUATION METHODOLOGY

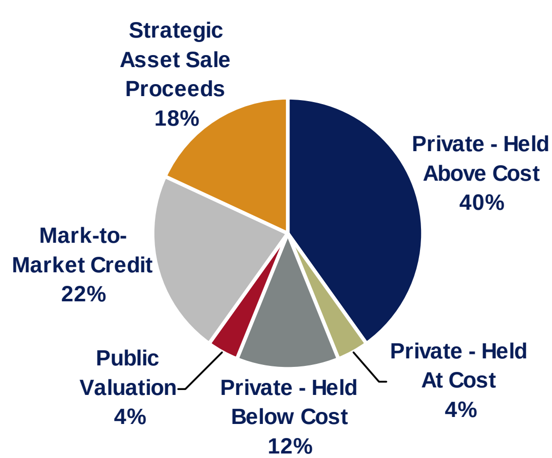
We carry our private equity investments on our books at fair value using the best information we have reasonably available to determine or estimate fair value. Publicly traded securities are valued based on quoted prices as of the last day of the relevant period less discounts to reflect legal restrictions 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 $9.79 as of 30 September 2010 was $0.16 higher than previously reported in our September 2010 Monthly Report principally due to the receipt of additional portfolio valuation information. Between the release date of our September 2010 Monthly Report and the release date of this Interim Management Report, our Investment Manager received third quarter 2010 financial statements and other valuation estimates that resulted in net unrealized gains within our private equity portfolio.

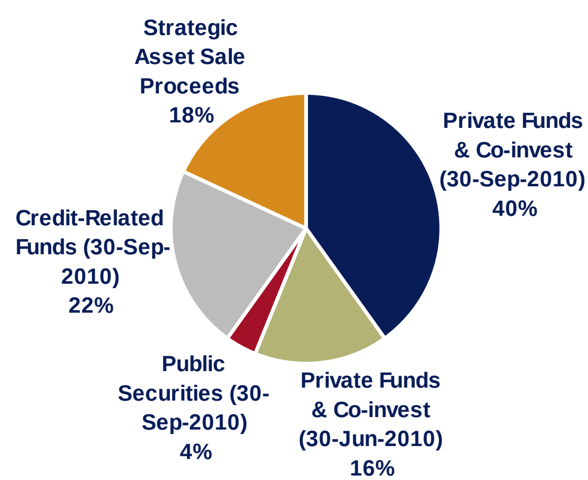
The graphs below illustrate the diversification of our private equity investments by valuation type and the date of most recent available information as of 30 September 2010.

VALUATION METHODOLOGY

Private Equity Fair Value by Valuation Type



Private Equity 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 from 0.95x at 31 December 2009 to 1.00x at 30 September 2010.

The increase in value during the first three quarters of the year was driven largely by realized and unrealized gains in our special situations portfolio, which increased in value by approximately 13% from 0.99x at 31 December 2009 to 1.12x at 30 September 2010. 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.

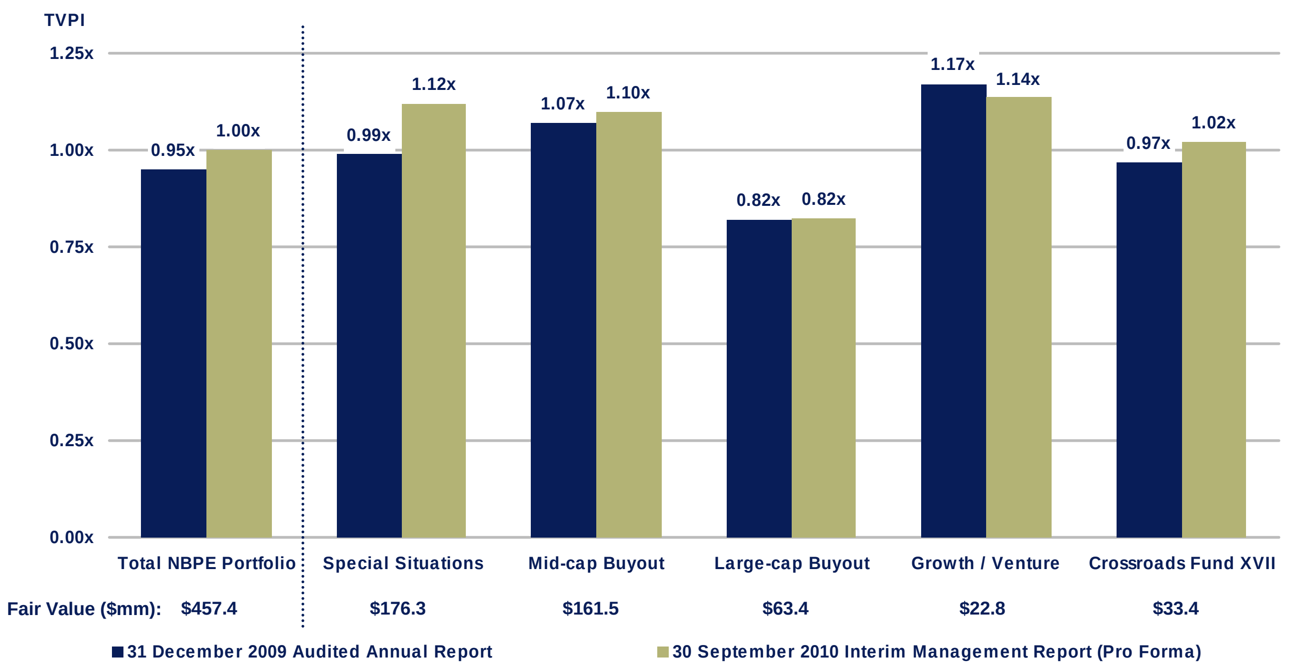
In addition, the valuation of the mid-cap buyout portfolio increased to 1.10x during the third quarter due to the announced sale of Dresser as well as net unrealized gains related to other fund investments and co-investments.

The valuation of the large-cap buyout portfolio was relatively stable during the period. However, it is important to note that for eight of the funds in the large-cap buyout portfolio, the valuation at 30 September 2010 was based on the amount of expected proceeds from the Strategic Asset Sale.

Finally, our investment in NB Crossroads Fund XVII had a small increase in value during the period, while the growth equity and venture capital portfolio experienced a small decrease in value.

The graph below illustrates a summary of our portfolio performance by asset class during the first nine months of 2010. The estimated fair values at the bottom of the chart are pro forma for the Strategic Asset Sale and the pending realization of Dresser.

YTD 2010 PORTFOLIO PERFORMANCE BY ASSET CLASS



PORTFOLIO INVESTMENT PERFORMANCE

The table below outlines the performance of our unrealized underlying investments on a pro forma basis by asset class and valuation range as of 30 September 2010. The following analysis totals approximately $417 million in fair value, or 91% of pro forma private equity fair value, and is based on the most recent information available at the underlying company level. Across the portfolio, 73% of unrealized fair value and 56% of unrealized cost basis is held at or above cost on a company by company basis.

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

Total Unrealized Portfolio Multiple Range	% of Cost	% of Value
2.0x +	4%	12%
1.0x - 2.0x	47%	56%
Held at Cost	5%	5%
0.5x - 1.0x	29%	23%
0.25x - 0.5x	10%	3%
< 0.25x	5%	1%
Total Unrealized Portfolio ($mm)	**$405.0**	**$417.3**

Special Situations Multiple Range	% of Cost	% of Value
2.0x +	1%	4%
1.0x - 2.0x	59%	66%
Held at Cost	0%	0%
0.5x - 1.0x	35%	29%
0.25x - 0.5x	5%	2%
< 0.25x	1%	0%
Total Special Situations ($mm)	**$148.1**	**$153.9**

Mid-cap Buyout Multiple Range	% of Cost	% of Value
2.0x +	5%	15%
1.0x - 2.0x	51%	58%
Held at Cost	9%	8%
0.5x - 1.0x	22%	16%
0.25x - 0.5x	6%	2%
< 0.25x	7%	1%
Total Mid-cap Buyout ($mm)	**$141.5**	**$156.9**

Large-cap Buyout Multiple Range	% of Cost	% of Value
2.0x +	4%	13%
1.0x - 2.0x	27%	43%
Held at Cost	2%	3%
0.5x - 1.0x	32%	30%
0.25x - 0.5x	26%	11%
< 0.25x	10%	1%
Total Large-cap Buyout ($mm)	**$89.1**	**$72.5**

Growth / Venture Multiple Range	% of Cost	% of Value
2.0x +	15%	34%
1.0x - 2.0x	33%	36%
Held at Cost	18%	14%
0.5x - 1.0x	24%	15%
0.25x - 0.5x	4%	1%
< 0.25x	7%	0%
Total Growth / Venture ($mm)	**$26.2**	**$34.0**

1. *Pro forma for the Strategic Asset Sale and the pending realization of Dresser. Assets not included consist primarily of cash held by underlying private equity funds and investments not yet identified.*

CO-INVESTMENT PERFORMANCE

Our direct co-investment portfolio has generated a 1.00x TVPI multiple from inception through 30 September 2010. In aggregate, the valuation of our direct co-investment portfolio increased by approximately 6% during the third quarter of 2010, primarily driven by the announced sale of Dresser.

The table below outlines the performance of our direct co-investment portfolio from inception through 30 September 2010 by asset class and 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 September 2010 (pro forma for the realization of Dresser).

CO-INVESTMENT PERFORMANCE BY ASSET CLASS AND VALUATION RANGE

($ in millions) **Asset Class**	**Number of Investments**	**30-Sep-2010 Fair Value**	**% of Co-invest Fair Value**	**Total Value to Paid-in Capital**
Mid-cap Buyout & Growth Equity	19	$40.1	47.6%	1.16x
Large-cap Buyout	5	24.4	29.0%	0.66x
Special Situations	3	19.7	23.4%	1.06x
Total Co-investments	**27**	**$84.1**	**100.0%**	**1.00x**

($ in millions) **Valuation Range**	**Number of Investments**	**30-Sep-2010 Fair Value**	**% of Co-invest Fair Value**	**Total Value to Paid-in Capital**
2.0x+	2	$2.1	2.5%	2.45x
1.0x to 2.0x	16	58.6	69.6%	1.17x
0.5x - 1.0x	5	17.2	20.5%	0.87x
< 0.5x	4	6.2	7.4%	0.26x
Total Co-investments	**27**	**$84.1**	**100.0%**	**1.00x**

LARGEST UNDERLYING INVESTMENTS

As of 30 September 2010, pro forma for the Strategic Asset Sale and the realization of Dresser, our private equity portfolio included exposure to over 2,500 separate companies, with our allocable portion of approximately 1,000 companies valued at greater than $20,000. Our 10 largest portfolio company investments totaled approximately $76 million in fair value, or 17% of pro forma private equity fair value. Our 20 largest portfolio company investments totaled approximately $111 million in fair value, or 24% of pro forma fair value. No individual company accounted for more than 4.0% of total NAV at quarter end. Listed below are the 20 largest portfolio company investments on a pro forma basis in alphabetical order.

Company Name	Status	Business Description	Partnership(s)
AL Gulf Coast Terminals, LLC	Privately Held	Crude and residual fuel oil storage services	ArcLight Energy Partners Fund IV
Author Solutions, Inc.	Privately Held	Independent self-publishing services	Bertram Growth Capital, Fund XVIII
Avaya, Inc.	Privately Held	Enterprise communication systems, applications & services	Direct, Fund XVIII
CIT Group, Inc. (Debt & Equity)	Publicly-Traded	Specialized financial services and lending	OCM Opps Fund VIIb, Fund XVIII
Clear Channel Communications, Inc. (Debt)	Privately Held	Global outdoor media and radio broadcasting company	OCM Opps VIIb, Oaktree Opps VIII, Fund XVIII
Edgen Murray Corporation	Privately Held	Distributor and marketer of steel and alloy products	Direct, Fund XVII, Fund XVIII
Energy Future Holdings Corp. (Debt)	Privately Held	Power generation, transmission and distribution; retail electricity	OCM Opps VIIb, Oaktree Opps VIII, Fund XVIII
Firth Rixson, plc (Mezzanine Debt)	Privately Held	Supplier of specialist metal products for the aerospace industry	Direct
Freescale Semiconductor, Inc.	Privately Held	Semiconductor developer and manufacturer	Direct, Carlyle Europe II, Fund XVII, Fund XVIII
Group Ark Insurance Holdings Limited	Privately Held	Lloyd's based specialty P&C insurer	Direct, Aquiline, Fund XVIII
Intrawest Corp. (Debt)	Privately Held	Operator of mountain and beach destination resorts	OCM Opps VIIb, Oaktree Opps VIII, Fund XVIII
Kyobo Life Insurance Co., Ltd.	Privately Held	South Korean life insurance provider	Direct, Corsair III, Fund XVIII
Lantheus Medical Imaging	Privately Held	Provider of diagnostic medical imaging products	Avista, Fund XVIII
Nycomed Holdings A/S	Privately Held	Specialty pharmaceutical company	Avista, Fund XVII, Fund XVIII
Power Holdings Inc.	Privately Held	Manufacturer of power distribution and monitoring equipment	Bertram Growth Capital, Fund XVIII
Sabre Holdings Corporation	Privately Held	Global provider of travel products and services	Direct, Fund XVII, Fund XVIII
SonicWall, Inc. (Second Lien Debt)	Privately Held	Advanced network security and data protection solutions	Direct
Suddenlink Communications (PIK Preferred)	Privately Held	U.S. cable broadband company	Direct
Terra-Gen Power, LLC	Privately Held	Geothermal, wind and solar power generation	ArcLight IV, Fund XVIII
TPF Genco Holdings, LLC	Privately Held	Natural gas fired power plants	Direct, Fund XVII, Fund XVIII

On a pro forma basis at 30 September 2010, approximately $32 million of our private equity portfolio was comprised of investments directly or indirectly in publicly-traded securities. This amount represented approximately 7% of pro forma private equity fair value.

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 September 2010, the fair value of our investment in Fund XVII was $33.6 million, representing 7% of pro forma 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]: Large-cap Buyout – 26%; Mid-cap Buyout – 27%; Growth / Venture – 41%; and Special Situations – 6%. As of 30 September 2010, Fund XVII consisted of 62 primary fund investments, seven co-investments and five secondary purchases and included exposure to over 1,400 separate companies, with the ten largest companies totaling approximately $3.5 million in fair value to NBPE, or less than 1% of pro forma private equity fair value. At 30 September 2010, we had unfunded commitments of $6.0 million to Fund XVII.

As of 30 September 2010, the aggregate fair value of our investments in Fund XVIII was $50.3 million, representing 11% of pro forma 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]: Large-cap Buyout – 18%; Mid-cap Buyout – 52%; Special Situations – 16%; and Growth / Venture – 14%. As of 30 September 2010, Fund XVIII consisted of 72 primary fund investments, 31 co-investments and seven secondary purchases and included exposure to over 1,200 separate companies, with the ten largest companies totaling approximately $5.6 million in fair value to NBPE, or 1% of our pro forma private equity fair value. At 30 September 2010, we had unfunded commitments of $22.3 million to Fund XVIII.

The table below lists our ten largest investments in Fund XVII and Fund XVIII in alphabetical order as of 30 September 2010. The ten largest investments in Fund XVII had a fair value of approximately $9.3 million, or 2% of pro forma private equity fair value. The ten largest investments in Fund XVIII had a fair value of approximately $13.6 million, or 3% of pro forma private equity fair value.

Ten Largest Investments in Fund XVII		Ten Largest Investments in Fund XVIII	
Partnership	**Asset Class**	**Partnership**	**Asset Class**
Apollo Investment Fund VI	Large-cap Buyout	3i Eurofund V	Mid-cap Buyout
Carlyle/Riverstone Global E&P Fund III	Large-cap Buyout	American Securities Partners V	Mid-cap Buyout
CVC European Equity Partners IV	Large-cap Buyout	Aquiline Financial Services Fund	Mid-cap Buyout
Meritech Capital Partners III	Growth / Venture	Blackstone Capital Partners V	Large-cap Buyout
Oak Investment Partners XI	Growth / Venture	Court Square Capital Partners II	Mid-cap Buyout
ONSET V	Growth / Venture	Doughty Hanson & Co V	Mid-cap Buyout
Sun Capital IV	Mid-cap Buyout	LS Power Equity Partners II	Mid-cap Buyout
Thoma Cressey Fund VIII	Mid-cap Buyout	Tenaska Power Fund II	Mid-cap Buyout
Trinity Ventures IX	Growth / Venture	TowerBrook Investors II	Mid-cap Buyout
Warburg Pincus Private Equity IX	Special Situations	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 September 2010, we had outstanding borrowings of $30.0 million from our $250.0 million credit facility in order to fund ongoing investment activities. We had cash and cash equivalents of $12.8 million and $220.0 million of undrawn capacity on the credit facility, resulting in total capital resources of $232.8 million. Given that our unfunded private equity commitments were $141.3 million at quarter end, we continued to maintain a conservative capital structure with over 100% of our unfunded commitments backstopped by cash and the undrawn credit facility.

However, pro forma for the expected net proceeds of the Strategic Asset Sale, the expected up-front proceeds from the realization of Dresser, and the subsequent pay-down of outstanding borrowings, we expect to have cash and cash equivalents of approximately $102.4 million along with $250.0 million of undrawn capacity on the credit facility. In addition, our pro forma unfunded commitments will decline to approximately $116.8 million as of 30 September 2010.

The table below outlines our liquidity and capital commitment position as of 30 September 2010.

CAPITAL COMMITMENT POSITION AT 30 SEPTEMBER 2010

($ in millions)	Actual	Pro Forma [1]
Net Asset Value	$500.0	$500.0
Total Private Equity Investments	$578.3	$457.4
Private Equity Investment Level	116%	91%
Unfunded Private Equity Commitments	$141.3	$116.8
Total Private Equity Exposure	$719.6	$574.2
Over-commitment Level	44%	15%
Cash and Cash Equivalents	$12.8	$102.4
Undrawn Credit Facility	$220.0	$250.0
Total Capital Resources	$232.8	$352.4
Excess of Capital Resources Over Unfunded Commitments	**$91.5**	**$235.6**

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. As of 30 September 2010, the interest rate on outstanding borrowings ranged from approximately 1.64% to 1.87%. 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.

1. *Pro forma for the Strategic Asset Sale, the pending realization of Dresser and credit facility pay down.*

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 September 2010, the debt to value ratio was 6.8%.

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 September 2010, the secured asset ratio was 9.8%.

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 September 2010, the commitment ratio was 90.6%.

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.

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 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 the Capital Return Policy). 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 Euronext Amsterdam 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.

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 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 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 LSE may vary significantly and the price attributed to the ZDP Shares on Euronext Amsterdam and the CISX may vary significantly.

The Class A Shares are admitted to trading on Euronext Amsterdam and the LSE and the ZDP Shares are admitted to trading on Euronext Amsterdam 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 LSE, the pricing of the ZDP Shares and execution of trades therein on Euronext Amsterdam 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 LSE and, in the case of the ZDP Shares, on both Euronext Amsterdam 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.

ADDITIONAL INFORMATION

Certain Information

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

Major Shareholders

As at 30 September 2010, 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

Interim Management Statement

This Interim Management Report qualifies as an interim management statement and is made pursuant to article 5:25e of the Wft which requirement stems from the EU Transparency Directive. Pursuant to article 5:25e and article 5:25m of the Wft this Interim Management Statement has been made generally available by means of a press release and by publication on our website (www.nbprivateequitypartners.com) and has been filed with the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*).

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

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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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.