NEUBERGER BERMAN

NB Private Equity Partners Limited

Consolidated Financial Statements

For the Years Ended 31 December 2015 and 2014

KPMG LLP
Suite 1400
2323 Ross Avenue
Dallas, TX 75201-2709

Independent Auditors' Report

The Members
NB Private Equity Partners Limited:

We have audited the accompanying consolidated financial statements of NB Private Equity Partners Limited (the Company), which comprise the consolidated balance sheets, including the consolidated condensed schedules of private equity investments, as of December 31, 2015 and 2014, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of NB Private Equity Partners Limited as of December 31, 2015 and 2014, and the results of their operations and changes in net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Dallas, Texas
March 14, 2016

CONSOLIDATED BALANCE SHEETS
31 DECEMBER 2015 AND 2014

Assets		**2015**		**2014**
Private equity investments				
Cost of $716,882,829 at 31 December 2015 and $687,856,021 at 31 December 2014	$	813,597,495	$	840,612,899
Cash and cash equivalents		26,118,461		25,583,910
Distributions and sales proceeds receivable from investments		2,085,717		9,020,622
Other assets		1,270,275		2,039,373
Total assets	**$**	**843,071,948**	**$**	**877,256,804**
Liabilities				
Liabilities:				
ZDP Share liability	$	74,739,963	$	73,659,739
Credit facility loans		52,500,000		90,000,000
Accrued expenses and other liabilities		7,155,182		3,987,981
Net deferred tax liability		4,612,591		4,313,687
Payables to Investment Manager and affiliates		2,949,475		2,918,443
Carried interest payable		-		6,810,616
Total liabilities	**$**	**141,957,211**	**$**	**181,690,466**
Net assets				
Class A Shares, $0.01 par value, 500,000,000 shares authorized, 51,940,972 shares issued, and 48,790,564 shares outstanding	$	519,410	$	519,410
Class B Shares, $0.01 par value, 100,000 shares authorized, 10,000 shares issued and outstanding		100		100
Additional paid-in capital		525,157,490		525,157,490
Retained earnings		183,898,937		178,379,511
Less cost of treasury stock purchased (3,150,408 shares)		(9,248,460)		(9,248,460)
Total net assets of the controlling interest		**700,327,477**		**694,808,051**
Net assets of the non-controlling interest		787,260		758,287
Total net assets	**$**	**701,114,737**	**$**	**695,566,338**
Total liabilities and net assets	**$**	**843,071,948**	**$**	**877,256,804**
Net asset value per share for Class A Shares and Class B Shares	**$**	**14.35**	**$**	**14.24**
Net asset value per ZDP Share (Pence)		**153.60**		**143.14**

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

CONSOLIDATED CONDENSED SCHEDULES OF PRIVATE EQUITY INVESTMENTS
31 DECEMBER 2015 AND 2014

Private equity investments	Cost	Fair Value	Unfunded Commitment	Private Equity [3] Exposure
2015				
Fund investments	$ 161,055,398	$ 180,105,490	$ 39,525,428	$ 219,630,918
Direct equity investments [1]	261,534,958	350,523,559	218,276,857	568,800,416
Income investments[2]	294,292,473	282,968,446	5,648,982	288,617,428
	$ 716,882,829	**$ 813,597,495**	**$ 263,451,267**	**$ 1,077,048,762**
2014				
Fund investments	$ 181,973,937	$ 227,833,703	$ 50,281,518	$ 278,115,221
Direct equity investments [1]	206,989,298	311,447,032	98,549,936	409,996,968
Income investments[2]	298,892,786	301,332,164	5,000,000	306,332,164
	$ 687,856,021	**$ 840,612,899**	**$ 153,831,454**	**$ 994,444,353**

Private equity investments in excess of 5% of net asset value	Fair Value
2015	
NB Crossroads Fund XVIII	
Large-cap buyout	$ 6,956,365
Mid-cap buyout	17,026,613
Special situations	3,879,347
Venture	8,426,302
	$ 36,288,627
2014	
NB Crossroads Fund XVIII	
Large-cap buyout	$ 9,769,329
Mid-cap buyout	25,817,115
Special situations	5,442,747
Venture	9,465,349
	$ 50,494,540

(1) Including investments made through NB Alternatives Direct Co-investment Programs and Marquee Brands.

(2) Including investments made through NB Healthcare Credit Investment Program.

(3) Private equity exposure is the sum of fair value and unfunded commitment.

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

CONSOLIDATED CONDENSED SCHEDULES OF PRIVATE EQUITY INVESTMENTS (CONTINUED)
31 DECEMBER 2015 AND 2014

Geographic diversity of private equity investments [1]	Fair Value 2015	Fair Value 2014
North America	$ 724,922,947	$ 734,110,889
Europe	46,414,178	70,364,601
Asia / rest of world	36,765,403	28,567,364
Not classified	5,494,967	7,570,045
	$ 813,597,495	**$ 840,612,899**

Industry diversity of private equity investments [2]	Fair Value 2015	Fair Value 2014
Technology / IT	21.9%	16.3%
Healthcare	16.0%	14.7%
Consumer discretionary	15.1%	13.9%
Industrials	11.5%	15.6%
Financial services	11.1%	9.6%
Business services	9.8%	11.1%
Energy	6.3%	8.6%
Communications / media	3.6%	4.7%
Diversified / undisclosed / other	3.4%	3.9%
Transportation	1.3%	1.6%
	100.0%	**100.0%**

Asset class diversification of private equity investments [3]	Fair Value 2015	Fair Value 2014
Large-cap buyout	1.9%	3.3%
Large-cap buyout co-Invest	14.2%	11.6%
Mid-cap buyout	7.0%	8.8%
Mid-cap buyout co-Invest	21.3%	19.1%
Special situation	6.5%	8.1%
Special situation co-Invest	4.4%	2.2%
Income investments	34.8%	39.2%
Growth/venture	9.1%	6.4%
Secondary purchases	0.8%	1.3%
	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.

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

		2015		2014
Interest and dividend income	$	35,386,069	$	25,280,654
Expenses				
Investment management and services		11,847,536		10,628,587
Finance costs				
ZDP Shares		5,543,361		5,543,734
Credit facility		4,202,654		3,257,119
Administration and professional		3,032,661		2,388,191
Carried interest		-		6,810,616
		24,626,212		28,628,247
Net investment income (loss)	**$**	**10,759,857**	**$**	**(3,347,593)**
Realized and unrealized gains (losses)				
Net realized gain (loss) on investments, net of tax expense of $2,710,748 for 2015 and $405,078 for 2014	$	73,457,472	$	33,547,015
Net change in unrealized gain (loss) on investments, net of tax expense (benefit) of $288,408 for 2015 and ($168,022) for 2014		(55,244,659)		61,574,434
Net realized and unrealized gain (loss)		18,212,813		95,121,449
Net increase (decrease) in net assets resulting from operations	$	28,972,670	$	91,773,856
Less net increase (decrease) in net assets resulting from operations attributable to the non-controlling interest		28,973		98,584
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	**$**	**28,943,697**	**$**	**91,675,272**
Net assets at beginning of period attributable to the controlling interest		694,808,051		625,093,033
Less dividend payment		(23,424,271)		(21,960,254)
Net assets at end of period attributable to the controlling interest	**$**	**700,327,477**	**$**	**694,808,051**
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	***$***	***0.59***	***$***	***1.88***

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

	2015	2014
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$ 28,943,697	$ 91,675,272
Net increase (decrease) in net assets resulting from operations attributable to the non-controlling interest	28,973	98,584
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	(73,457,472)	(33,547,015)
Net change in unrealized (gain) loss on investments	55,244,659	(61,574,434)
In-kind payment of interest income	(314,775)	515,734
Amortization of finance costs	769,078	813,457
Amortization of purchase premium (OID)	(2,126,934)	(654,334)
Change in other assets	99,529	(538,011)
Change in payables to Investment Manager and affiliates	(6,779,584)	2,293,707
Change in accrued expenses and other liabilities	5,273,306	5,099,773
Net cash provided by (used in) operating activities	7,680,477	4,182,733
Cash flows from investing activities:		
Distributions from private equity investments	130,379,294	140,574,827
Proceeds from sale of private equity investments	149,132,997	33,096,181
Contributions to private equity investments	(10,906,987)	(7,066,484)
Purchases of private equity investments	(214,826,979)	(276,935,432)
Net cash provided by (used in) investing activities	53,778,325	(110,330,908)
Cash flows from financing activities:		
Dividend payment	(23,424,271)	(21,960,254)
Borrowing from credit facility	90,000,020	109,999,980
Payment to credit facility	(127,500,000)	(20,000,000)
Net cash provided by (used in) financing activities	(60,924,251)	68,039,726
Net increase (decrease) in cash and cash equivalents	**534,551**	**(38,108,449)**
Cash and cash equivalents at beginning of year	25,583,910	63,692,359
Cash and cash equivalents at end of year	**$ 26,118,461**	**$ 25,583,910**
Supplemental cash flow information		
Interest paid	**$ 2,663,141**	**$ 1,382,550**
Net taxes paid	**$ 2,611,639**	**$ 2,897,670**

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

Note 1 – Organization

NB Private Equity Partners Limited and its subsidiaries (the "Company") is a closed-ended investment company registered in Guernsey. The registered office is Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey GY1 4HY. The Company invests in private equity assets, which consist of direct equity investments, income investments, and private equity fund investments. Income investments include corporate private debt investments and healthcare credit investments, which consist of loans to companies in the healthcare sector and royalty backed notes. From time to time, the Company may also make other opportunistic investments, as appropriate. The Company's Class A Shares are listed and admitted to trading on the regulated market of Euronext Amsterdam N.V. and on the Specialist Fund Market of the London Stock Exchange plc under the symbol "NBPE". NBPE's ZDP Shares (see note 6) are listed and admitted to trading on the Daily Official List of The Channel Islands Securities Exchange Authority Limited and the Specialist Fund Market of the London Stock Exchange under the symbol "NBPZ".

The Company's Class B Shares were contributed at the time of the 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 the Company's directors and make certain other reserved decisions. 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 the memorandum and articles of incorporation. Each Class A Share and B Share participates equally in profits and losses.

The Company is managed by NB Alternatives Advisers LLC ("Investment Manager") pursuant to an Investment Management and Services Agreement. The Investment Manager is a subsidiary of Neuberger Berman Group LLC ("NBG").

Note 2 – Summary of Significant Accounting Policies and Risks

Basis of Presentation

These consolidated financial statements (the "consolidated financial statements") have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") and presented in United States dollars. Having reassessed the principal risks, the directors considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The Company qualifies, for U.S. GAAP purposes, as an investment company. Accordingly, the Company reflects its investments on the Consolidated Balance Sheets at their estimated fair values, with unrealised gains and losses resulting from changes in fair value reflected in net change in unrealised gain (loss) on investments in the Consolidated Statements of Operations and Changes in Net Assets. The Company does not consolidate majority-owned or controlled portfolio companies. The Company does not provide any financial support to any of its investments beyond the investment amount to which it committed.

Principles of Consolidation

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

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.

Credit Risk

Credit risk is the risk of losses due to the failure of a counterparty to perform according to the terms of a contract. The Company may invest in a range of debt securities directly or in funds which do so. Until such investments are sold or are paid in full at maturity, the Company is exposed to credit risk relating to whether the issuer will meet its obligations when the securities come due. Distressed debt securities by nature are securities in companies which are in default or are heading into default and will expose the Company to a higher than normal amount of credit risk.

The cash and other liquid securities held can subject the Company to a concentration of credit risk. The Investment Manager attempts to mitigate the credit risk that exists with cash deposits and other liquid securities by regularly monitoring the credit ratings of such financial institutions and evaluating from time to time whether to hold some of the Company's cash and cash equivalents in U.S. Treasuries or other highly liquid securities.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Investment Manager mitigates this risk by monitoring the sufficiency of cash balances and availability under the Credit Facility to meet expected liquidity requirements for investment funding and operating expenses.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires the Investment Manager 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 the Investment Manager's current estimates and such differences may be significant.

Cash and Cash Equivalents

Cash and cash equivalents are valued at cost, which approximates fair value. These balances represent amounts held with financial institutions that are readily accessible to pay expenses or fund investments. These balances may include investments in money market mutual funds. As of 31 December 2015 and 2014, $26,118,461 and $25,583,910, respectively, are primarily held with JPMorgan Chase.

Valuation of Investments

The Company carries private equity investments on its books at fair value in accordance with U.S. GAAP. The Investment Manager uses the best information reasonably available to determine or estimate fair value. Valuations of the investments are reviewed and approved quarterly by the Investment Manager. Fair value is estimated 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 the Investment Manager concludes that it is probable an investment will be sold, the Investment Manager adjusts the carrying value to the amount expected from the sale, exclusive of transaction costs.

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. The Investment Manager determines 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.

For income investments, the Investment Manager estimates the enterprise value of each portfolio company and compares such amount to the total amount of the company's debt as well as the level of debt senior to the Company's interest. Estimates of enterprise value are based on the specific measure (such as EBITDA, free cash flow, net income, book value or NAV) believed to be most relevant for the given company and the Investment Manager compares this metric in relation to comparable company valuations (market trading and transactions) based on the same metric. In determining the enterprise value, the Investment Manager further considers the companies' acquisition price, credit metrics, historical and projected operational and financial performance, liquidity as well as industry trends, general economic conditions, scale and competitive advantages along with other factors deemed relevant. Valuation adjustments are made if estimated enterprise value does not support the value of the debt security the Company is invested in and securities senior to the Company's position.

If the principal repayment of debt and any accrued interest is supported by the enterprise value analysis described above, the Investment Manager next considers current market conditions including pricing quotations for the same security and yields for similar investments. To the extent market quotations for the security are available, the Investment Manager takes into account current pricing and liquidity. Liquidity may be estimated by the spread between bid and offer prices and other available measures of market liquidity, including number and size of recent trades and liquidity scores. If the Investment Manager believes market yields for similar investments have changed substantially since the pricing of the security held by the Company, the Investment Manager performs a discounted cash flow analysis, based on the expected future cash flows of the debt securities and current market rates. The Investment Manager also considers the maturity of the investment, compliance with covenants and ability to pay cash interest when estimating the fair value of the Company's debt investment.

Because of their inherent uncertainty, the fair values 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.

Investment Income

The Company earns interest and dividends from direct investments and from cash and cash equivalents. The Company records dividends on the ex-dividend date and interest when earned, provided the Investment Manager knows the information or is able to reliably estimate it. Otherwise, the Company records the investment income when it is reported by the private equity investments. Discounts received or premiums paid in connection with the acquisition of loans are amortized into interest income using the effective interest method over the contractual life of the related loan. Payment-in-kind ("PIK") interest is computed at the contractual rate specified in the loan agreement for any portion of the interest which may be added to the principal balance of a loan rather than paid in cash by obligator on the scheduled interest payment date. PIK interest is added to the principal balance of the loan and recorded as interest income. Prepayment premiums include fee income from securities settled prior to maturity date, and are recorded as interest income in the Consolidated Statements of Operations and Changes in Net Assets.

Operating Expenses

Operating expenses are recognized when incurred. Operating expenses include amounts directly incurred by the Company as part of its operations, and do not include amounts incurred from the operations of the Company's investments.

Realised Gains and Losses on Investments

For investments in private equity funds, the Company records its share of realised gains and losses incurred when the Investment Manager knows that the private equity fund has realised its interest in a portfolio company and the Investment Manager has sufficient information to quantify the amount. For all other investments, the Company records realised gains and losses when the asset is realised and on the trade date. For all investments, realised gains and losses are recorded on a specific identification cost basis.

Net Change in Unrealised Gains and Losses of Investments

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

Carried Interest

Carried interest amounts due to the Special Limited Partner (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 unrealised gain (loss) on investments in the Consolidated Statements of Operations and Changes in Net Assets. For the years ended 31 December 2015 and 2014, the effect of translation to U.S. dollars decreased valuations of foreign investments by approximately $708,303 and $728,445, respectively.

The Company has unfunded commitments denominated in currencies other than U.S. dollars. At 31 December 2015, the unfunded commitments are in Euro and Canadian dollars and amounted to €2,731,950 and CAD 1,250,000. At 31 December 2014, the unfunded commitments are in Euro and Canadian dollars and amounted to €4,506,390 and CAD 1,256,523. They have been included in the Consolidated Condensed Schedules of Private Equity Investments at the U.S. dollar exchange rate in effect at 31 December 2015 and 2014. The effect on the unfunded commitment of the change in the exchange rate between Euros and U.S. dollars and CAD and U.S. dollars was a decrease in the U.S. dollar obligation of $579,051 and $1,118,719 for 31 December 2015 and 2014, 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 £1,200 (2014: £600).

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

Investments made in entities that generate U.S. source investment income may subject the Company to certain U.S. federal and state income tax consequences. A U.S. withholding tax at the rate of 30 percent may be applied on the Company's distributive share of any U.S. source dividends and interest (subject to certain exemptions) and certain other income that the Company receives 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, the Company may also be subject to a branch profits tax which can be imposed at a rate of up to 30 percent of the after-tax profits treated as effectively connected income associated with a U.S. trade or business. As such, the aggregate U.S. tax liability on effectively connected income may approximate 54.5 percent given the two levels of tax.

The Company recognizes a tax benefit in the consolidated 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, the Company has not provided any reserves for taxes as all related tax benefits have been fully recognized. Although the Investment Manager believes uncertain tax positions have been adequately assessed, the Investment Manager 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. The Company records 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 realised. Management subsequently adjusts the valuation allowance as the expected realizability of the deferred tax assets change such that the valuation allowance is sufficient to cover the portion of the asset that will not be realised. The Company records the tax associated with any transactions with U.S. or other tax consequences when the Company recognizes the related income.

Shareholders in certain jurisdictions may have individual income tax consequences from ownership of the Company's shares. The Company has not accounted for any such tax consequences in these consolidated financial statements. For example, the Investment Manager expects 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 U.S. 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. The Company bears 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.

Reclassifications

Certain amounts in the 2014 financial statements have been reclassified to conform to the 2015 presentation.

Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board ("FASB') issued Accounting Standards Update ("ASU") No. 2015-07 ("ASU 2015-07"), Fair Value Measurement (Topic 820), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. This update is effective for fiscal years beginning after December 15, 2015, and early adoption is permitted. The Company has not early adopted ASU 2015-07. The guidance is not expected to have a material impact on the Company's financial statements.

Note 3 – Agreements, including related party transactions

Management and Administration

The Company pays 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 the 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 years ended 31 December 2015 and 2014, the management fee expenses were $11,016,003 and $9,855,959, respectively.

The Company also pays 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 the private equity and opportunistic investments at the end of each calendar quarter, computed as described above. The amounts incurred by the Company for the years ended 31 December 2015 and 2014 for these services were $831,533 and $772,628, respectively.

The Company pays 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. The Company paid Heritage $183,822 and $120,931 for the years ended 31 December 2015 and 2014, respectively, for such services.

For the years ended 31 December 2015 and 2014, the Company paid the independent directors a total of $180,489 and $195,000 respectively.

Expenses related to the Investment Manager are included in investment management and services in the Consolidated Statements of Operations and Changes in Net Assets. Administration and professional expenses include fees for directors, audit and tax, trustee, legal, listing, and other items.

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 31 December 2015 and 2014, the noncontrolling interest of $787,260 and $758,287 represented the Special Limited Partner’s capital contribution to the partnership subsidiary and income allocation, respectively.

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 31 December 2015 and 2014.

	Controlling Interest	Noncontrolling Interest	Total
Net assets balance, 31 December 2013	$ 625,093,033	$ 659,703	$ 625,752,736
Net increase (decrease) in net assets resulting from operations	91,675,272	98,584	91,773,856
Dividend payment	(21,960,254)	-	(21,960,254)
Net assets balance, 31 December 2014	**$ 694,808,051**	**$ 758,287**	**$ 695,566,338**
Net increase (decrease) in net assets resulting from operations	28,943,697	28,973	28,972,670
Dividend payment	(23,424,271)	-	(23,424,271)
Net assets balance, 31 December 2015	**$ 700,327,477**	**$ 787,260**	**$ 701,114,737**

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 the Company's consolidated net increase in net assets resulting from operations, adjusted by withdrawals, distributions, and capital contributions, for a fiscal year in the event that the Company's internal rate of return for such period, based on the 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. Such loss amounts are reduced proportionately to give effect to the distributions to the general partner of the partnership subsidiary during the performance period. Carried interest is reduced by the amount of carried interest that the Company paid during the period on any investment for which the Investment Manager serves as investment manager. Carried interest is also accrued and paid on any economic gain that the Company realizes on treasury stock transactions. (See note 10). Carried interest is accrued periodically and paid at the conclusion of the fiscal year. No carried interest was accrued as of 31 December 2015. $6,810,616 carried interest was accrued as of 31 December 2014.

Investments with the Investment Manager's Platform

The Company holds limited partner interests in private equity funds and funds of funds managed and sponsored by the Investment Manager. These investments will not result in any duplicative Neuberger Berman investment management fees and carry charged to the Company. As of 31 December 2015 and 2014, the aggregate net asset value of these funds was approximately $190.9 million and $220.8 million, respectively, and associated unfunded commitments were $226.9 million and $109.2 million, respectively.

The Company owns a 50% interest in NB Fund of Funds Secondary 2009 LLC ("NBFOFS"). Other funds managed by the Investment Manager own the remaining interest. NBFOFS holds a portfolio of private equity funds acquired in a secondary transaction. NBFOFS pays no fees or carry and the Company bears its share of any direct expenses of NBFOFS.

As of 31 December 2015, the Company has committed $275 million and funded $95.2 million to the NB Alternatives Direct Co-investment Programs, committed $50 million and funded $47.7 million to the NB Healthcare Credit Investment Program, committed $30 million and funded $9.6 million to Marquee Brands.

Note 4 – Fair Value of Financial Instruments

The Company categorizes its 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 31 December 2015 and 2014 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 31 December 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Private equity investments	$ 38,663,467	$ -	$ 774,934,028	$ 813,597,495
Forward foreign exchange contract	-	(5,319,583)	-	(5,319,583)
Totals	**$ 38,663,467**	**$ (5,319,583)**	**$ 774,934,028**	**$ 808,277,912**
As of 31 December 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Private equity investments	$ 43,977,358	$ -	$ 796,635,541	$ 840,612,899
Forward foreign exchange contract	-	(2,216,985)	-	(2,216,985)
Totals	**$ 43,977,358**	**$ (2,216,985)**	**$ 796,635,541**	**$ 838,395,914**

The Company has assessed its positions and concluded that all of its private equity investments are classified as level 3 with the exception of seven publicly traded co-investments classified as level 1 as of 31 December 2015 and five publicly traded co-investments classified as level 1 as of 31 December 2014.

Three co-investments were transferred from Level 3 to Level 1 during 2015 as a result of the completion of an initial public offering in 2015 and the resulting availability of quoted prices in active markets for those securities. Three co-investments were transferred from Level 3 to Level 1 during 2014 as a result of the completion of an initial public offering in 2014 and the resulting availability of quoted prices in active markets for those securities. The Company accounts for transfers at the end of the reporting period in which such transfers occur.

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 2015.

(dollars in thousands) For the Year Ended 31 December 2015	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/ Venture	Diversified	Secondary Purchases	Income Investments	Total Private Equity Investments
Balance, 31 December 2014	$ 86,680	$ 238,328	$ 100,028	$ 41,272	$ 23,504	$ 5,492	$ 301,332	$ 796,636
Purchases of investments and/or contributions to investments	18,018	37,409	11,378	22,802	529	83	135,552	225,771
Realized gain (loss) on investments	8,568	36,021	11,258	(358)	3,800	1,576	32,681	93,546
Changes in unrealized gain (loss) of investments still held at the reporting date	(5,423)	(5,543)	(12,583)	4,967	(3,787)	(1,364)	(14,186)	(37,919)
Changes in unrealized gain (loss) of investments sold during the year	-	(14,524)	587	-	-	-	422	(13,515)
Distributions from investments	(12,044)	(61,194)	(22,035)	(4,284)	(8,952)	(2,022)	(172,833)	(283,364)
Transfers in and/or (out) of level 3	(3,867)	(2,354)	-	-	-	-	-	(6,221)
Balance, 31 December 2015	**$ 91,932**	**$ 228,143**	**$ 88,633**	**$ 64,399**	**$ 15,094**	**$ 3,765**	**$ 282,968**	**$ 774,934**
Balance, 31 December 2015 through fund investments	$ 13,507	$ 57,768	$ 53,332	$ 36,640	$ 15,094	$ 3,765	$ -	$ 180,106

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 2014.

(dollars in thousands)								
	For the Year Ended 31 December 2014							
	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/ Venture	Diversified	Secondary Purchases	Income Investments	Total Private Equity Investments
Balance, 31 December 2013	$ 94,362	$ 187,824	$ 97,276	$ 38,229	$ 27,302	$ 12,570	$ 170,731	$ 628,294
Purchases of investments and/or contributions to investments	15,675	61,453	23,222	6,064	907	268	176,354	283,943
Realized gain (loss) on investments	(3,019)	11,365	14,191	2,670	3,107	2,505	25,836	56,655
Changes in unrealized gain (loss) of investments still held at the reporting date	10,219	39,154	3,099	1,783	284	(1,540)	1,727	54,726
Changes in unrealized gain (loss) of investments sold during the year	-	(4,760)	-	-	-	-	(446)	(5,206)
Distributions from investments	(10,607)	(49,704)	(37,760)	(7,474)	(8,096)	(8,311)	(72,870)	(194,822)
Transfers in and/or (out) of level 3	(19,950)	(7,004)	-	-	-	-	-	(26,954)
Balance, 31 December 2014	**$ 86,680**	**$ 238,328**	**$ 100,028**	**$ 41,272**	**$ 23,504**	**$ 5,492**	**$ 301,332**	**$ 796,636**
Balance, 31 December 2014 through fund investments	$ 24,028	$ 73,785	$ 68,806	$ 32,219	$ 23,505	$ 5,491	$ -	$ 227,834

The following table summarizes the valuation methodologies and inputs used for private equity investments categorized in level 3 as of 31 December 2015.

(dollars in thousands)

Private Equity Investment	Fair Value 31 December 2015	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average) [2]	Impact to Valuation from an Increase in Input [3]
Fund investments	180,106	See note 2	Net Asset Value [4]	N/A	Increase
Direct equity investments					
Large-cap buyout	78,425	Market comparable companies	LTM EBITDA	8.4x-15.8x (11.9x)	Increase
		Other	Book value	1.0x	Increase
Mid-cap buyout	170,376	Discounted cash flow	Discount rate	10.0%-18.0% (17.1%)	Decrease
		Market comparable companies	FWD EBITDA	6.7x	Increase
		Market comparable companies	LTM EBITDA	5.2x-15.1x (9.7x)	Increase
		Other	$ per acre	$2,266.0-$5,535.0 ($3,131.1)	Increase
		Other	$ per BOE	$9.6	Increase
		Other	Book value	0.9x-1.0x (1.0x)	Increase
		Other	Escrow value	0.2x-1.0x (0.3x)	Increase
		Other	Expected sales proceeds	1.0x	Increase
		See note 2	Net Asset Value [4]	N/A	Increase
Special situations	35,298	Market comparable companies	LTM EBITDA	5.9x-8.3x (7.1x)	Increase
		Market comparable companies	Liquidity discount	15%	Decrease
		Market comparable companies	Sales multiple	1.1x	Increase
		Other	Escrow value	1.0x	Increase
		See note 2	Net Asset Value [4]	N/A	Increase
Growth/ venture	27,761	Market comparable companies	LTM revenue	1.4x-1.7x (1.5x)	Increase
		Market comparable companies	LTM EBITDA	11.0x	Increase
		Other	Most recent financing	Series B, Series C, Series C-2, Series D	Increase
Income investments	282,968	Discounted cash flow	Discount rate	9.0%-13.0% (9.8%)	Decrease
		Market comparable companies	Broker quote	58.5%-89.0% (68.8%)	Increase
		Market comparable companies	LTM adj. EBITDA	6.4x-11.0x (8.8x)	Increase
		Market comparable companies	LTM EBITDA	7.0x-13.8x (9.3x)	Increase
		Other	Book value	1.0x	Increase
		Other	Most recent financing	Series E	Increase
Total	774,934				

1. LTM means Last Twelve Months, FWD means Forward, EBITDA means Earnings Before Interest Taxes Depreciation and Amortization.
2. Inputs weighted based on fair value of investments in range.
3. Unless otherwise noted, this column represents the directional change in the fair value of level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.
4. The Company utilizes the same valuation methodology as it does for fund investments as these investments are held by investment companies.

The following table summarizes the valuation methodologies and inputs used for private equity investments categorized in level 3 as of 31 December 2014.

(dollars in thousands)

Private Equity Investment	Fair Value 31 Dec. 2014	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average)[2]	Impact to Valuation from an Increase in Input[3]
Fund investments	$ 227,834	See note 2	Net Asset Value[4]	N/A	Increase
Direct equity investments					
Large-cap buyout	62,652	Market comparable companies	LTM EBITDA	11.6x	Increase
		See note 2	Net Asset Value[4]	N/A	Increase
Mid-cap buyout	164,542	Market comparable companies	LTM EBITDA	3.5x-15.8x (9.7x)	Increase
		Market comparable companies	FWD EBITDA	4.6x	Increase
		Market comparable companies	$ per BOE	$16.7	Increase
		Market comparable companies	$ per acre	$2,863.0 - $13,307.0 ($5,110.0)	Increase
		Discounted cash flow	Discount rate	10.0%-18.0% (14.4%)	Decrease
		See note 2	Net Asset Value[4]	N/A	Increase
		Other	Expected sales proceeds	1x	Increase
		Other	Book value	1.3x	Increase
Special situations	31,221	Market comparable companies	LTM EBITDA	5.1x-8.5x (6.0x)	Increase
		Option pricing model	LTM EBITDA multiple	9.1x-11.1x (10.1x)	Increase
		Option pricing model	NTM EBITDA multiple	9.0x-10.9x(10.0x)	Increase
		Option pricing model	Discount for lack of control	20.80%	Decrease
		Option pricing model	Average volatility	56%	Increase
		See note 2	Net Asset Value[4]	N/A	Increase
Growth/ venture	9,055	Market comparable companies	LTM revenue	1.9x-13.5x (9.5x)	Increase
		Market comparable companies	LTM EBITDA	10.0x	Increase
		Other	Most recent financing	Series B	Increase
Income investments	301,332	Market comparable companies	LTM EBITDA	4.7x-11.1x (8.6x)	Increase
		Discounted cash flow	Discount rate	9.3%-35.0% (13.3%)	Decrease
		Bloomberg jump-diffusion model	Credit spread	1,100bps - 1,800bps (1,521bps)	Decrease
		Bloomberg jump-diffusion model	Average volatility	40.0%-55.0% (40.6%)	Increase
		Bloomberg jump-diffusion model	Borrow cost	2.0%-5.0% (4.6%)	Decrease
		See note 2	Net Asset Value[4]	N/A	Increase
		Other	Book value	0.8x	Increase
Total	$ 796,636				

1. LTM means Last Twelve Months, EBITDA means Earnings Before Interest Taxes Depreciation and Amortization.
2. Inputs weighted based on fair value of investments in range.
3. Unless otherwise noted, this column represents the directional change in the fair value of level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.
4. The Company utilizes the same valuation methodology as it does for fund investments as these investments are held by investment companies.

Since 31 December 2014, there have been no changes in valuation methodologies within level 2 and level 3 that have had a material impact on the valuation of financial instruments.

Generally, private equity investments have a defined term and no right to withdraw. In the case of fund investments, fund lives are typically ten years; however, a series of extensions often mean the lives can extend significantly beyond this. It should be noted that the life of a fund is based on the time it takes the General Partner to exit the final position in that fund, but the bulk of realisations typically occur considerably before the final exit, with only a small tail existing beyond the standard life of ten years. In the case of direct equity investments and income investments, the Investment Manager does not control the timing of exits but at the time of investment, typically expects investment durations to be meaningfully shorter than fund investments. Therefore although some fund and direct investments may take 10-15 years to reach final realization, the Investment Manager expects the majority of the Company's invested capital in the current portfolio to be returned in much shorter timeframes.

The Company's special situations investments include hedge funds valued at approximately $1.7 million and $1.9 million at 31 December 2015 and 2014 respectively.

Note 5 – Credit Facility

On 12 December 2012, a subsidiary of the Company amended an agreement with Lloyds Banking Group (formerly Bank of Scotland) to provide for a revised senior secured revolving credit facility (the "Credit Facility") of up to $200 million that expires in April 2017. At 31 December 2015 and 2014, $52.5 million and $90 million were borrowed, respectively. 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

Under the Credit Facility, 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 Credit 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 ZDP Shares (note 6) and the forward foreign exchange contract (note 7) are compliant with the Credit Facility agreements. At 31 December 2015 and 2014, the Company met all requirements under the Credit Facility.

Under the Credit Facility, all borrowings bear interest tiered based on loan value. For a loan value less than or equal to $65 million, the interest rate is calculated as LIBOR or Euribor, as appropriate, plus 2.80% per annum. For a loan value in excess of $65 million and less than or equal to $150 million, the interest rate is calculated as LIBOR or Euribor, as appropriate, plus 3.30% per annum. For a loan value greater than $150 million, the interest rate is calculated as LIBOR or Euribor, as appropriate, plus 3.65% per annum.

In addition, under the Credit Facility, the Company is required to pay a commitment fee calculated as 0.8% per annum on the daily balance of the unused facility amount.

For the year ended 31 December 2015, the Company incurred and expensed $2,663,141 interest and $934,167 for commitment fees. For the year ended 31 December 2014, the Company incurred and expensed $1,382,550 interest and $1,269,222 for commitment fees. As of 31 December 2015 and 2014, unamortized capitalized debt issuance costs (included in other assets) were $719,475 and $1,259,822 respectively. For the years ended 31 December 2015 and 2014, capitalized amounts are being amortized on a straight-line basis over the term of the Credit Facility. Such amortization amounted to $540,346 and $540,346 for the years ended 31 December 2015 and 2014, respectively.

An active market for debt that is similar to that of the Credit Facility does not exist. The Investment Manager estimates the fair value of the Credit Facility based on comparison to debt instruments with comparable characteristics and considers that, based on the balance borrowed, the Credit facility had a fair value of $52.5 million at 31 December 2015 and $90 million at 31 December 2014.

Note 6 – Zero Dividend Preference Shares ("ZDP Shares")

On 30 November 2009 the Company issued 30,000,000 ZDP Shares. On 16 April 2010 the Company issued an 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 Shares 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, which approximates fair value, for the years ended 31 December 2015 and 2014.

ZDP Shares	Pounds Sterling	U.S. Dollars
Liability, 31 December 2013	£ 44,087,988	$ 72,996,481
Accrued interest	3,215,557	5,295,027
Unamortized premium	(16,045)	(24,405)
Currency conversion	-	(4,607,364)
Liability, 31 December 2014	£ 47,287,500	$ 73,659,739
Accrued interest	3,450,436	5,291,830
Premium amortization	(18,633)	(23,048)
Currency conversion	-	(4,188,558)
Liability, 31 December 2015	£ 50,719,303	$ 74,739,963

Capitalized offering costs are being amortized using the effective interest rate method. The unamortized balance at 31 December 2015 and 2014 is $390,691 and $665,268, respectively.

Note 7 – Forward Foreign Exchange Contract

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

The contract provides that the Company 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 the Company may owe the bank pursuant to this contract. As of 31 December 2015 and 2014, the fair value of the forward foreign exchange contract was a liability of $5,319,583 and $2,216,985, respectively, included in accrued expenses and other liabilities in the Consolidated Balance Sheets. The change in unrealised loss on the Forward Foreign Exchange Contract for the years ended 31 December 2015 and 2014 is $3,102,598 and $2,481,487, respectively. Actual trade prices or firm bids may vary significantly from the valuation because of factors including hedging and transaction costs, credit considerations, bid-ask spreads, position size and market liquidity.

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:

	31 December 2015	31 December 2014
Current tax expense	$ 2,710,748	$ 405,078
Deferred tax expense (benefit)	288,408	(168,022)
Total tax expense (benefit)	$ 2,999,156	$ 237,056

	31 December 2015	31 December 2014
Gross deferred tax assets	$ 4,457,393	$ 3,219,846
Valuation allowance	(2,071,267)	(1,216,533)
Net deferred tax assets	2,386,126	2,003,313
Gross deferred tax liabilities	6,998,717	6,317,000
Net deferred tax liabilities	**$ 4,612,591**	**$ 4,313,687**

Current tax expense is reflected in net realised gains and deferred tax expense (benefit) is reflected in net changes in unrealised gains on the Consolidated Statements of Operations. Net deferred tax liabilities are related to net unrealised gains and gross deferred tax assets, offset by a valuation allowance, are related to unrealised losses on investments held in entities that file separate tax returns.

The Company has no gross unrecognized tax benefits. The Company is subject to examination by tax regulators for the years subsequent to 2011.

Note 9 – Earnings (Loss) per Share

The computations for earnings (loss) per share for the years ended 31 December 2015 and 2014 are as follows:

	For the Years Ended 31 December	
	2015	2014
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$ 28,943,697	$ 91,675,272
Divided by weighted average shares outstanding for Class A Shares and Class B Shares of the controlling interest	48,800,564	48,800,564
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	**$ 0.59**	**$ 1.88**

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. on 29 June 2010), expired on 28 June 2011. Under the terms of Share Buy Back Programme (described below), the Liquidity Enhancement Agreement was suspended from 21 October 2010 to 28 June 2011.

On 22 October 2010, the Company launched a new Share Buy-Back Programme in order to begin implementing the Capital Return Policy. The Share Buy-Back Programme, which commenced in October 2010, is the subject of periodic review by the board. The board of directors has approved an extension of the Share Buyback Program through 31 May 2016; the documentation for such extension is currently in progress. Under the terms of the Share Buy-back Programme, Jefferies International Limited has been appointed 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 aggregate number of Class A Shares which may be repurchased pursuant to the Share Buy-back Agreement is limited to 6,776,250 shares (being 12.5 per cent of the total number of Class A Shares outstanding as of 21 October 2010, the day before the Share Buy-back Programme commenced). The Company may 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 shares in the market, the aggregate value of which may be up to 14.99 percent of its net asset value on 1 January in the relevant year in which the buyback is made. 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 the regulated market of Euronext Amsterdam N.V.).

The following table summarizes the Company's shares at 31 December 2015 and 2014.

	31 December 2015	31 December 2014
Class A Shares outstanding	48,790,564	48,790,564
Class B Shares outstanding	10,000	10,000
	48,800,564	48,800,564
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	2,269,028	2,269,028
Class A Shares repurchased and cancelled - cost	$ 16,523,000	$ 16,523,000

Note 11 – Financial Highlights

The following ratios with respect to the Class A Shares and B Shares have been computed for the years ended 31 December 2015 and 2014:

Per share operating performance (based on average shares outstanding during the year)		**2015**		**2014**
Beginning net asset value	$	14.24	$	12.81
Net increase in net assets resulting from operations:				
Net investment income (loss)		0.22		(0.07)
Net realized and unrealized gain (loss)		0.37		1.95
Dividend payment		(0.48)		(0.45)
Ending net asset value	**$**	**14.35**	**$**	**14.24**

Total return (based on change in net asset value per share)	**2015**	**2014**
Total return before carried interest	4.14%	15.77%
Carried interest	-	(1.09%)
Total return after carried interest	**4.14%**	**14.68%**

Net investment income (loss) and expense ratios (based on weighted average net assets)	**2015**	**2014**
Net investment income (loss)	1.53%	(0.51%)
Expense ratios:		
Expenses before interest and carried interest	2.37%	2.31%
Interest expense	1.13%	1.02%
Carried interest	-	1.04%
Expense ratios total	**3.50%**	**4.37%**

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

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

On 25 January 2016, the board of directors of the Company declared a dividend payment of $0.25 on each ordinary share which was payable on 29 February 2016 with a dividend record date of 5 February 2016.

One or more limited partners of an affiliate fund of the Company owns more than ten percent of the affiliate fund as well as debt issued by KPMG LLP. Under those facts, which were disclosed to the Company by KPMG LLP on 8 March 2016 and subsequently to the Audit Committee, although KPMG Channel Islands Limited is independent from the Company in accordance with the Auditing Practices Board Ethical Standards and KPMG LLP is independent from the Company in accordance with the AICPA Code of Professional Conduct, neither KPMG entity is independent from the Company under Rule 2-01(c)(1)(ii)(A) of Regulation S-X as adopted by the U.S. Securities and Exchange Commission (SEC).

KPMG Channel Islands Limited and KPMG LLP considered whether the matters noted above impacted their objectivity and ability to exercise impartial judgment with regard to their engagement as the Company's auditors and have concluded that there has been no impairment of KPMG Channel Islands Limited or KPMG LLP's objectivity and ability to exercise impartial judgment in the performance of their audit of the Company. As of the date of this report, KPMG LLP has entered into discussions with the SEC staff of the Office of Chief Accountant and KPMG LLP is presenting its conclusions regarding objectivity and impartiality.

This was discussed with the Audit Committee on 11 March 2016, and the Audit Committee was satisfied that the auditor KPMG Channel Islands Limited remains objective and impartial for purposes of this audit.

There have been no other subsequent events through 14 March 2016, the date the consolidated financial statements were issued, that requires recognition or disclosure in the consolidated financial statements.