

NEUBERGER	BERMAN
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# NB Private Equity Partners

*September 2010*

# Neuberger Berman

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## **Neuberger Berman is a private, independent, employee-controlled asset management firm**

- ◆ With \$169 billion of assets under management, Neuberger Berman is among the world's largest private, independent asset management firms
- ◆ Headquarters in New York with offices throughout North America, Europe and Asia Pacific
- ◆ 70-year investment heritage
- ◆ Manages assets across equities, fixed income and alternatives
- ◆ Employee-controlled firm
- ◆ Debt free balance sheet and more than \$200 million in cash
- ◆ Stable investment teams and investor base

*Note: As of 30 June 2010 (unaudited).*

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# NB Alternatives – Private Equity

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## **NB Alternatives Advisers LLC is one of the oldest private equity fund of funds managers**

- ◆ Investment Manager to NBPE
- ◆ 22+ year track record of substantial outperformance in private equity investing
- ◆ Offices in New York, Dallas, London and Hong Kong
- ◆ Approximately \$11 billion of commitments managed with dedicated senior teams
  - Private Equity Fund of Funds
  - Secondaries
  - Co-Investments
- ◆ Large, deep team of experienced professionals
  - Proven investment team with approximately 50 investment professionals, 19 of which are Managing Directors and/or Investment Committee members
  - Value-added investor services team with approximately 120 administrative and finance professionals
- ◆ Highly stable team
  - No departures of full-time investment professionals at the Vice President level or above in the last 5 years

*Note: As of 30 June 2010 (unaudited).*

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# NB Private Equity Partners

**NBPE is a closed-end investment company that invests in an actively managed portfolio of private equity fund investments managed by leading sponsors and direct co-investments alongside leading sponsors**

## Company Overview

- ◆ Listed in July 2007 with >53% cash
- ◆ NAV development which dramatically outperforms listed private equity fund of funds peer group averages
- ◆ Strongest capital structure of any listed private equity fund of funds (by commitment coverage percentage)
- ◆ Ordinary shares trade on both Euronext Amsterdam (NBPE AS) and the LSE (NBPE LN)
- ◆ ZDP shares trade on the LSE & CISX (NBPZ)

## Portfolio Overview

- ◆ Broadly diversified private equity portfolio valued at \$561 million as of 31 August 2010
  - 83% fund investments
  - 17% direct co-investments
- ◆ Tactical asset allocation approach with 32% of NAV in special situations / distressed
- ◆ Well positioned in the current market environment
  - 46% of NAV was invested in 2008, 2009 and 2010
- ◆ Actively pursuing new investments in mid-cap buyout, special situations / distressed and secondaries

### Investment strategy focused on three disciplines:

**Fund of Funds**

**Secondary Investments**

**Co-investments**

*Note: Financial data as of 31 August 2010 (unaudited). Past performance is not indicative of future results.*

# Financial Performance Summary

## NBPE's NAV per share increased by 0.7% during the first eight months of 2010

*(\$ in millions, except per share values)*

	31 August 2010 (Unaudited Monthly)	31 December 2009 (Audited)
Fund Investments	\$467.6	\$457.2
Direct Co-investments	\$93.2	\$77.6
Total Private Equity Fair Value	\$560.8	\$534.8
Private Equity Investment Level	115%	111%
Cash and Cash Equivalents	\$9.5	\$63.9
Credit Facility	(\$25.0)	(\$65.8)
ZDP Share Liability, including Forward Currency Contract	(\$56.5)	(\$48.9)
Net Other Assets (Liabilities), including Minority Interest	(\$2.4)	(\$0.8)
Net Asset Value	\$486.4	\$483.2
Net Asset Value per Share	\$9.52	\$9.46

### Company Highlights

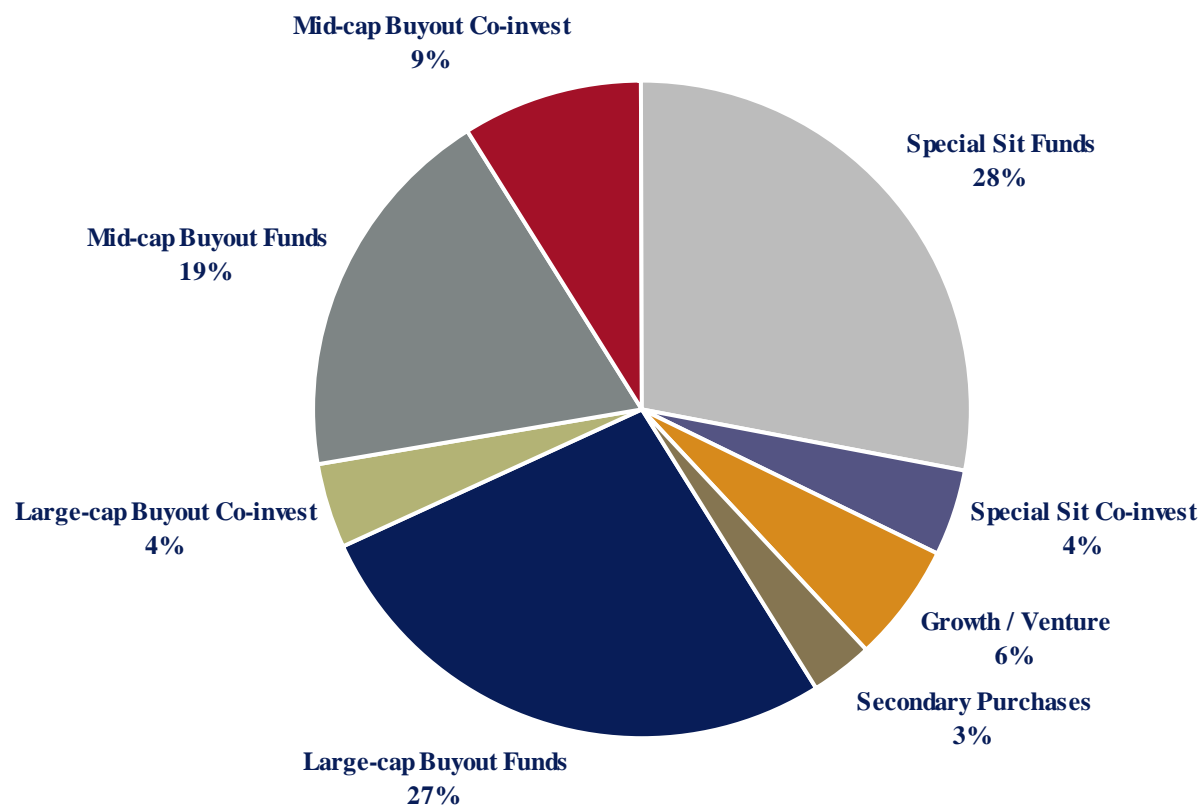
- ◆ Excess capital resources of \$86 million
- ◆ Actively managed portfolio in YTD 2010
  - Funded capital calls and co-investments of approximately \$46 million in YTD 2010
  - Received distributions and sale proceeds of approximately \$36 million in YTD 2010

*Note: As of 31 August 2010 (unaudited). Past performance is not indicative of future results.*

# Broadly Diversified Private Equity Portfolio

NBPE's private equity portfolio is broadly diversified by asset class and tactically positioned with 32% exposure to special situations / distressed <sup>1</sup>

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



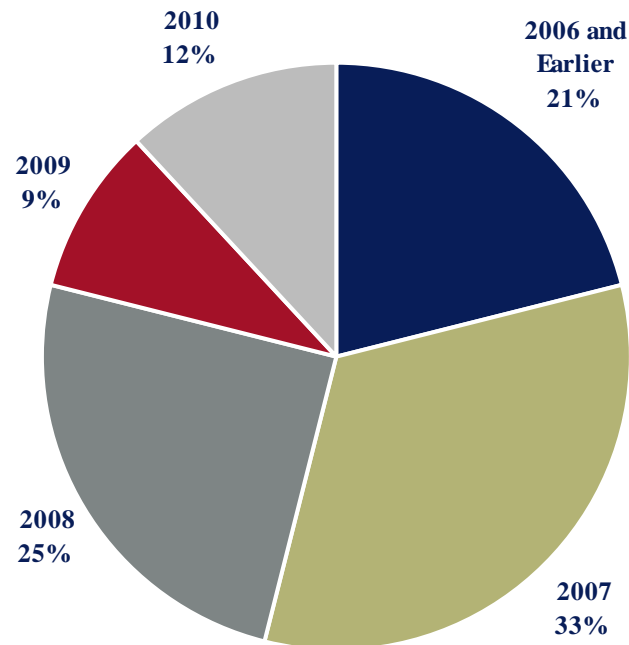
*Note: As of 31 August 2010 (unaudited). Refer to the endnotes for certain important information related to this diversification information.*

# Capital Deployment

Approximately 46% of NBPE's private equity fair value is attributable to investments made during 2008, 2009 and 2010

## Private Equity Fair Value by Year of Investment

- ◆ Year of investment is calculated at the portfolio company level and is defined as the date of capital deployment into a particular underlying investment
- ◆ This differs from diversification by vintage year as vintage year shows when a fund was formed rather than when the capital was deployed

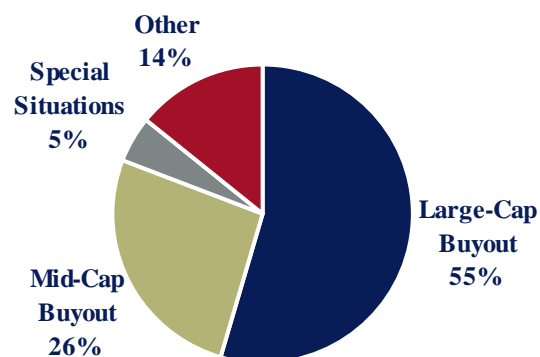


*Note: Based on private equity fair value as of 31 August 2010 (unaudited).*

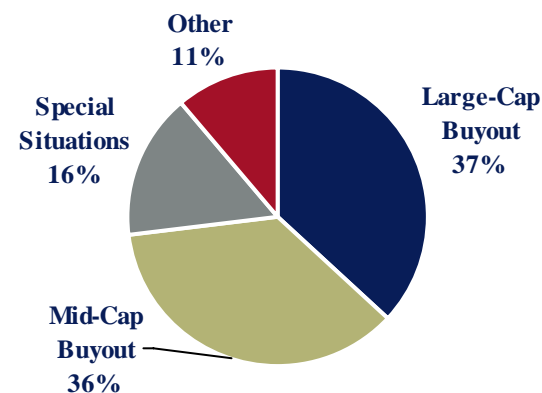
# Tactical Approach to Asset Allocation

NBPE has shifted its asset allocation in favor of special situations and mid-cap buyout as a result of our efforts to tactically allocate the portfolio. Over 50% of the fair value that was invested in 2008, 2009 and 2010 was invested in special situations

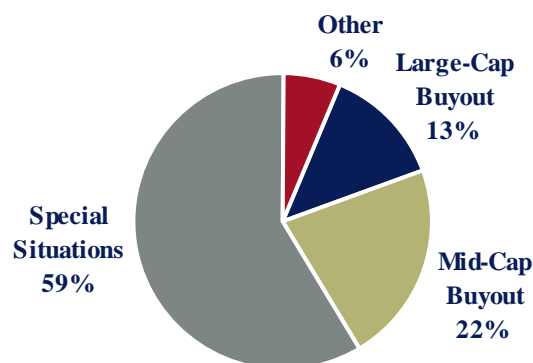
Deployed in 2006 & Earlier (21% of Fair Value)



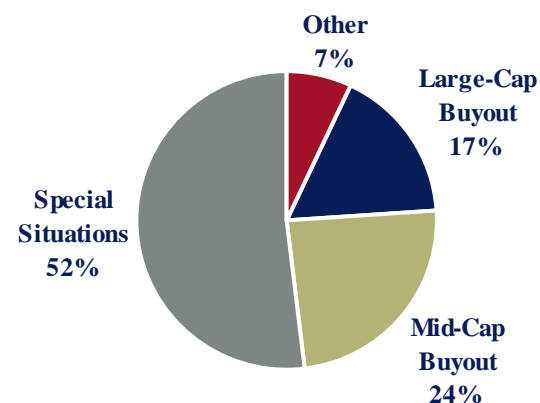
Deployed in 2007 (33% of Fair Value)



Deployed in 2008 (25% of Fair Value)



Deployed in 2009 & YTD 2010 (21% of Fair Value)



Note: Other includes NB Crossroads Fund XVII, Growth / Venture and Secondaries. Based on private equity fair value as of 31 August 2010 (unaudited).

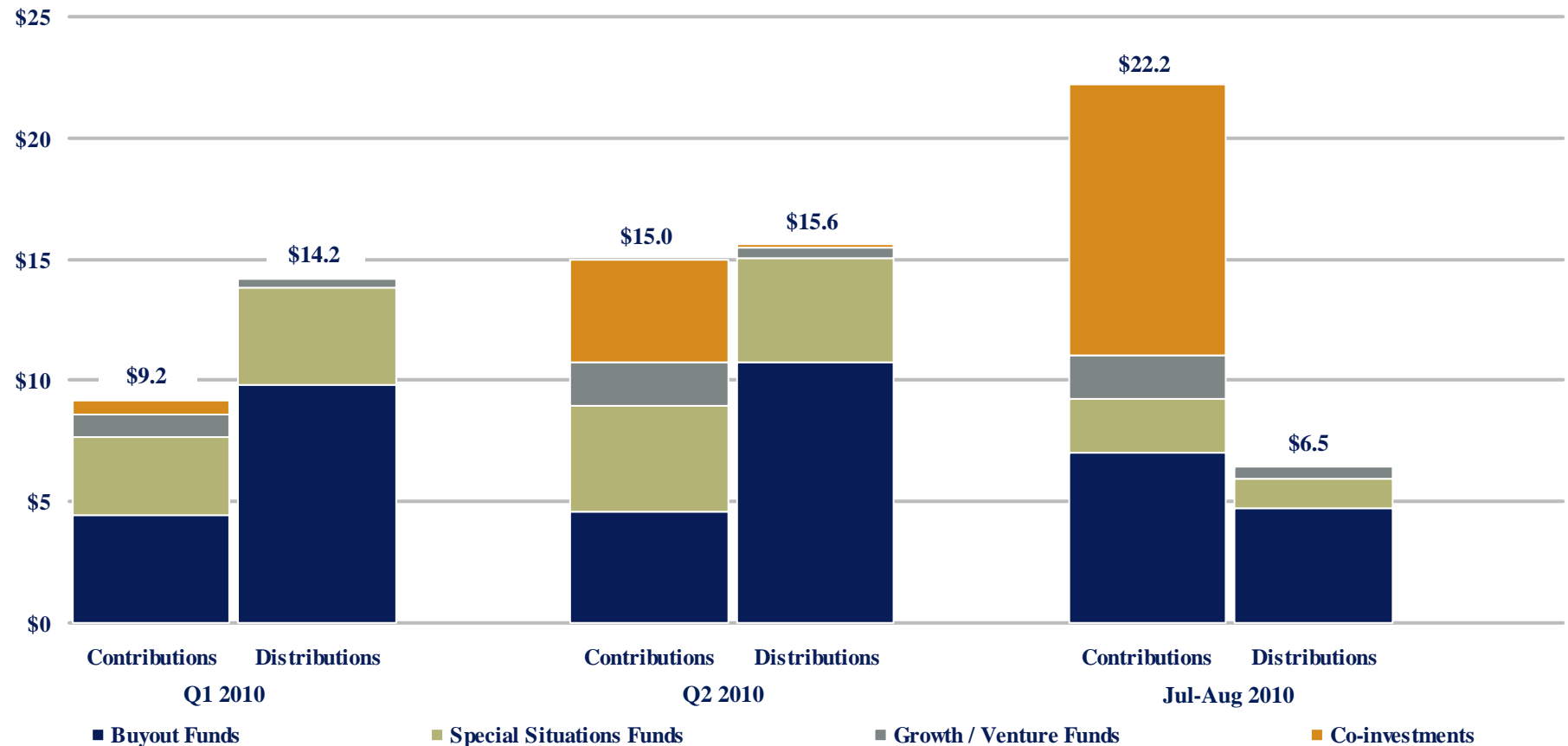


# Recent Portfolio Activity

During the first eight months of 2010, NBPE invested approximately \$46 million into private equity investments through capital calls and co-investments and received approximately \$36 million of distributions and sale proceeds

## YTD 2010 Contributions & Distributions

(\$ in millions)



Note: As of 31 August 2010 (unaudited). Past performance is not indicative of future results.

# Portfolio Development

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## **NBPE's portfolio has generated a significant amount of liquidity events in 2010**

- ◆ NBPE received approximately \$36.3 million of distributions and sale proceeds during the first eight months of 2010
- ◆ Within NBPE's direct fund and co-investment portfolio, 41 companies completed liquidity events (sales and recapitalizations) that led to a distribution
- ◆ The five largest distributions totaled approximately \$8.8 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 (KKR 2006 Fund)
  - Ryerson Inc. (Platinum Equity Capital Partners II)
  - Frontier Drilling (Avista Capital Partners)
- ◆ Within NB Crossroads Fund XVII and Fund XVIII, over 275 underlying companies completed liquidity events during the first eight months of the year, leading to \$4.4 million of distributions to NBPE
- ◆ There were also 28 portfolio companies with an aggregate fair value of approximately \$6.7 million that completed initial public offerings (“IPOs”), with the largest and most significant attributable to:
  - Higher One Inc. (NYSE: ONE), a portfolio company of Lightyear Capital Fund II
  - Metals USA Holdings Corp. (NYSE: MUSA), a portfolio company of Apollo Investment Fund V
  - MEG Energy (TSX: MEG), a portfolio company of Warburg Pincus Private Equity VIII and NB Crossroads Fund XVIII

*Note: As of 31 August 2010 (unaudited).*

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# New Investments

**NBPE completed a number of new investments in the first eight months of 2010, primarily focused on attractive opportunities in special situations, mid-cap buyout and growth equity**

## Fund Investments

- ◆ NBPE committed an aggregate \$24.5 million to primary and secondary fund investments, including:
  - ◆ Primary commitments of \$10.0 million each to:
    - Oaktree Opportunities Fund VIII (37.5% called at 31 August 2010), a distressed debt fund
    - Bertram Growth Capital II (0.0% called at 31 August 2010), a growth equity fund focused on the expansion of lower middle market companies
  - ◆ An aggregate \$4.5 million of secondary purchases:
    - Interests in two funds managed by Strategic Value Partners, a global alternative investment firm focused on distressed, deep value and turnaround opportunities
    - Remainder of the diversified secondary purchase that was originally announced in 2009

## Direct Co-investments

- ◆ NBPE committed an aggregate \$10.0 million to two new special situations co-investments:
  - Second lien debt of SonicWALL, a provider of advanced intelligent network security and data protection solutions
  - PIK preferred shares of Suddenlink Communications, a cable broadband company in the United States
- ◆ NBPE also committed an aggregate \$6.9 million to five new mid-cap buyout co-investments:
  - BakerCorp, a rental services provider of liquid and solid containment, pumping, filtration and shoring equipment
  - Bourland & Leverich Supply Co., a leading distributor of oil country tubular goods to oil and gas companies
  - Fairmount Minerals, a leading producer of high purity sand for a broad range of industrial applications including sand-based proppants for the oil and gas industry
  - Salient Federal Solutions, a federal IT and engineering services company
  - SonicWALL

*Note: As of 31 August 2010 (unaudited).*

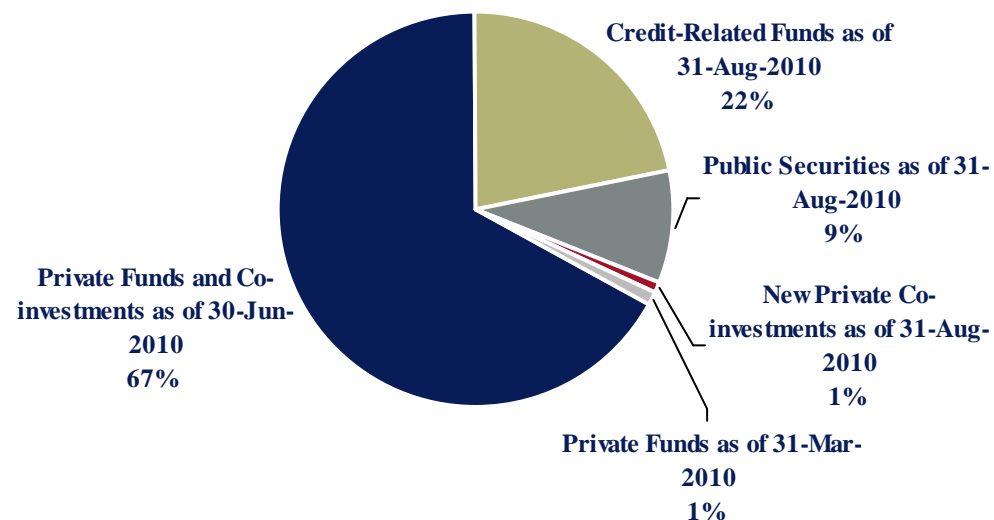
# Timely & Transparent Approach to Valuations

**NBPE's reported valuations account for all available information and are never more than a month old**

## Valuation Commentary

- ◆ NBPE provides monthly valuation updates and conducts quarterly conference calls for investors and research analysts
- ◆ Approximately 31% of the private equity fair value is marked-to-market on a monthly basis
- ◆ Proactive and conservative approach to valuations
  - For 32 investments that are held by multiple sponsors, 17 of which are in the largest 100 company positions, NBPE values each company at the lowest of the sponsors' valuations (with the exception of seven, which are marked at a blended valuation)
  - If NBPE valued all 32 investments at the average of the sponsors' valuations, it would lead to approximately \$2.5 million of additional value, or \$0.05 per share
  - If NBPE valued all 32 investments at the highest of the sponsors' valuations, it would lead to approximately \$9.9 million of additional value, or \$0.19 per share

## Fair Value by Date of Most Recent Information



*Note: As of 31 August 2010 (unaudited).*

# Portfolio Company Performance Metrics

**We recently analyzed the operational performance and valuation metrics for the 25 largest mid-cap buyout companies and the 25 largest large-cap buyout companies based upon fair value at 30 June 2010**

## Largest 25 Mid-cap Buyout Companies

- ◆ Approximately \$86.6 million of fair value, which represents 16.0% of total private equity fair value and 57.2% of the mid-cap buyout fair value
- ◆ The 13 privately held cash flow-oriented companies (\$43.5 million of fair value) had:
  - Weighted average valuation multiple of 9.3x LTM EBITDA
  - Weighted average leverage multiple of 4.5x LTM EBITDA
- ◆ The five publicly traded companies (\$8.8 million of fair value) had weighted average stock price appreciation of 10% during the first six months of 2010
- ◆ The five privately held financial institutions (\$19.3 million of fair value) grew book value by 24% during the last twelve month period on a weighted average basis
  - Weighted average valuation multiple of 1.32x tangible book value
- ◆ The valuation of the two power generation companies (\$15 million of fair value) was based on a variety of metrics, including price per kilowatt hour of generation capacity

## Largest 25 Large-cap Buyout Companies

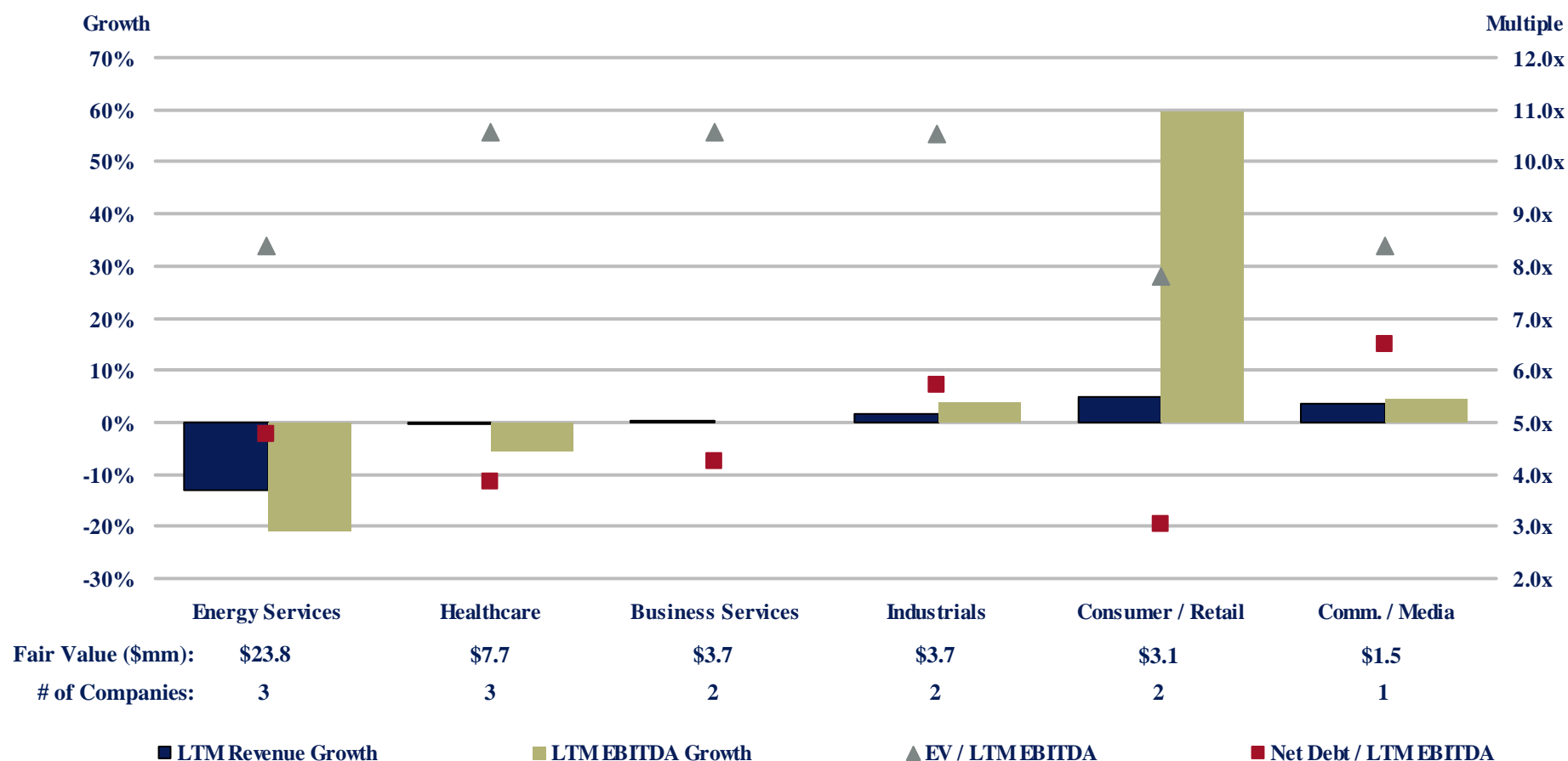
- ◆ Approximately \$93 million of fair value, which represents 17.2% of total private equity fair value and 52.9% of the large-cap buyout fair value
- ◆ The 19 privately held companies (\$74.3 million of fair value) had:
  - Weighted average valuation multiple of 9.3x LTM EBITDA
  - Weighted average leverage multiple of 6.2x LTM EBITDA
- ◆ The six publicly traded companies (\$18.7 million of fair value) had weighted average stock price depreciation of 5% during the first six months of 2010

*Note: Portfolio company operating and valuation metrics are based on most recently available information, principally as of 30 June 2010 but also as of 31 March 2010 (unaudited). Private equity fair value as of 30 June 2010 (unaudited).*

# Portfolio Company Performance Metrics: Mid-cap Buyout

The largest privately held mid-cap buyout companies had a weighted average valuation multiple of 9.3x LTM EBITDA and a leverage multiple of 4.5x LTM EBITDA

## Weighted Average Performance & Valuation Metrics by Industry Sector: Mid-cap Buyout

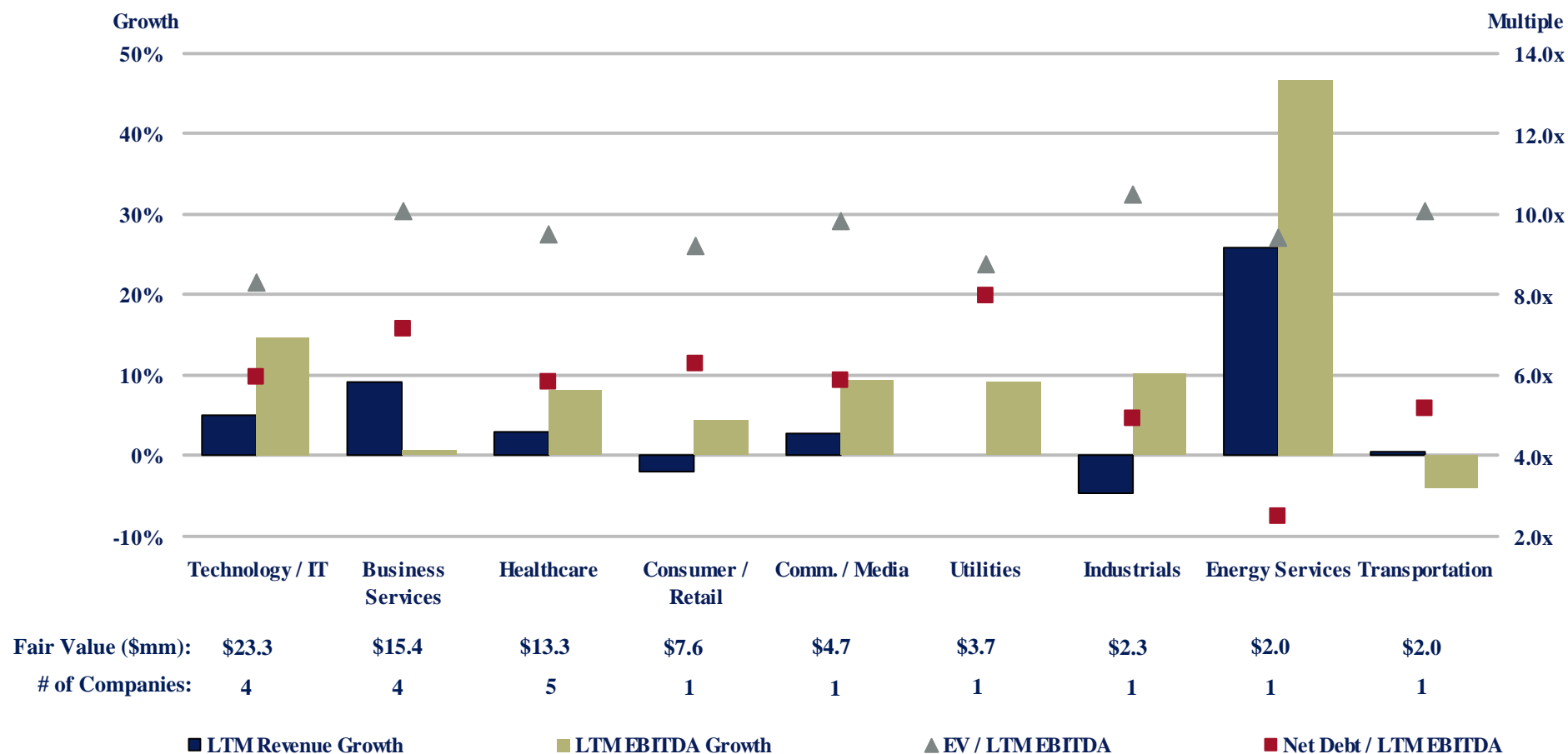


*Note: Private equity fair value as of 30 June 2010 (unaudited). The graph above excludes five privately held financial institutions, five companies that are publicly traded and two power generation companies. The growth statistics for one business services company and the multiples for one energy services company are excluded because they are not meaningful.*

# Portfolio Company Performance Metrics: Large-cap Buyout

The largest privately held large-cap buyout companies had a weighted average valuation multiple of 9.3x LTM EBITDA and a leverage multiple of 6.2x LTM EBITDA

## Weighted Average Operating Performance & Valuation Metrics by Industry Sector: Large-cap Buyout



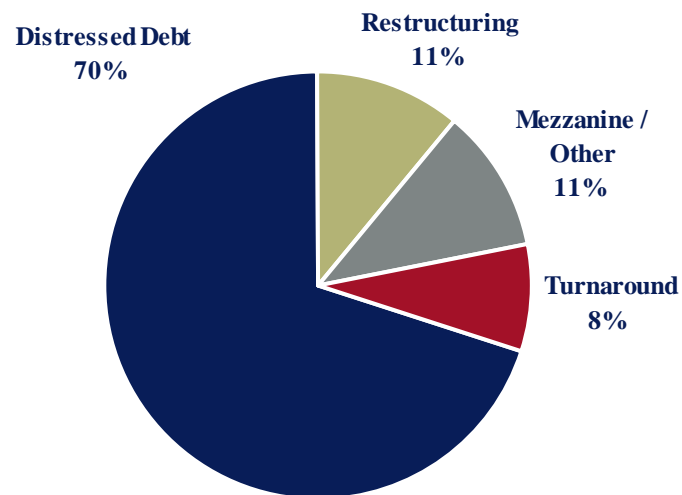
Note: Private equity fair value as of 30 June 2010 (unaudited). The graph above excludes six companies that are publicly traded.

# Special Situations Portfolio Overview

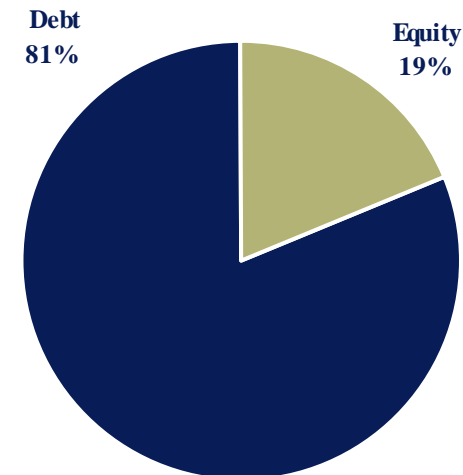
**The fair value of NBPE's special situations portfolio was approximately \$179.2 million as of 31 August 2010, or 32% of total private equity fair value**

- ◆ Within this 32% of the portfolio, 22% of the total private equity fair value was invested in credit related funds that provide a monthly estimate of the mark-to-market fair value of their debt investments
- ◆ The special situations portfolio is primarily comprised of debt securities, but over time we expect the equity component to increase as restructuring activity progresses

**Strategy Diversification by Fair Value**



**Estimated Security Type by Fair Value**



*Note: NBPE special situations diversification statistics are based on most recently available quarterly information and the Investment Manager's estimates as of 31 August 2010.*



# Special Situations Co-investments

**NBPE's special situations co-investments have an aggregate fair value of approximately \$17.8 million, a weighted average yield to maturity of approximately 15.4%\* and a weighted average leverage multiple of 4.6x\*\***

- ◆ Each of NBPE's special situations co-investments is in a mezzanine security that is senior to the common equity and generates a meaningful amount of current income through either cash or PIK interest
- ◆ The special situations co-investment portfolio currently generates annualized income of approximately \$2.4 million through cash and PIK interest

Company Name	Investment Date	Security Type	Coupon	Commentary
Firth Rixson, plc	May 2008	Second Lien Debt	LIBOR plus 1,050 basis points (450 cash, 600 PIK)	Denominated 2/3 in USD and 1/3 in GBP
SonicWALL, Inc.	July 2010	Second Lien Debt	LIBOR plus 1,000 basis points (cash), with a LIBOR floor of 2.0%	Issued at a 3% discount to par
Suddenlink Communications	May 2010	Preferred Equity	12.0% (PIK)	Purchased at a discount to accreted value

*Note: As of 31 August 2010 (unaudited).*

*\* Based on fair value as of 31 August 2010.*

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

# Strong Capital Position

## NBPE has \$86.1 million of excess capital resources and 158% of unfunded commitments backstopped by cash and the undrawn credit facility

- ◆ As of 31 August 2010, NBPE had unfunded commitments of \$148.5 million
  - Total capital resources of \$234.5 million, including cash and cash equivalents plus the undrawn credit facility
  - Excess capital resources over unfunded commitments of \$86.1 million – a 158% commitment coverage level
- ◆ NBPE has a \$250 million revolving credit facility with a term expiring in August 2014
  - \$25.0 million of borrowings under the credit facility as of 31 August 2010

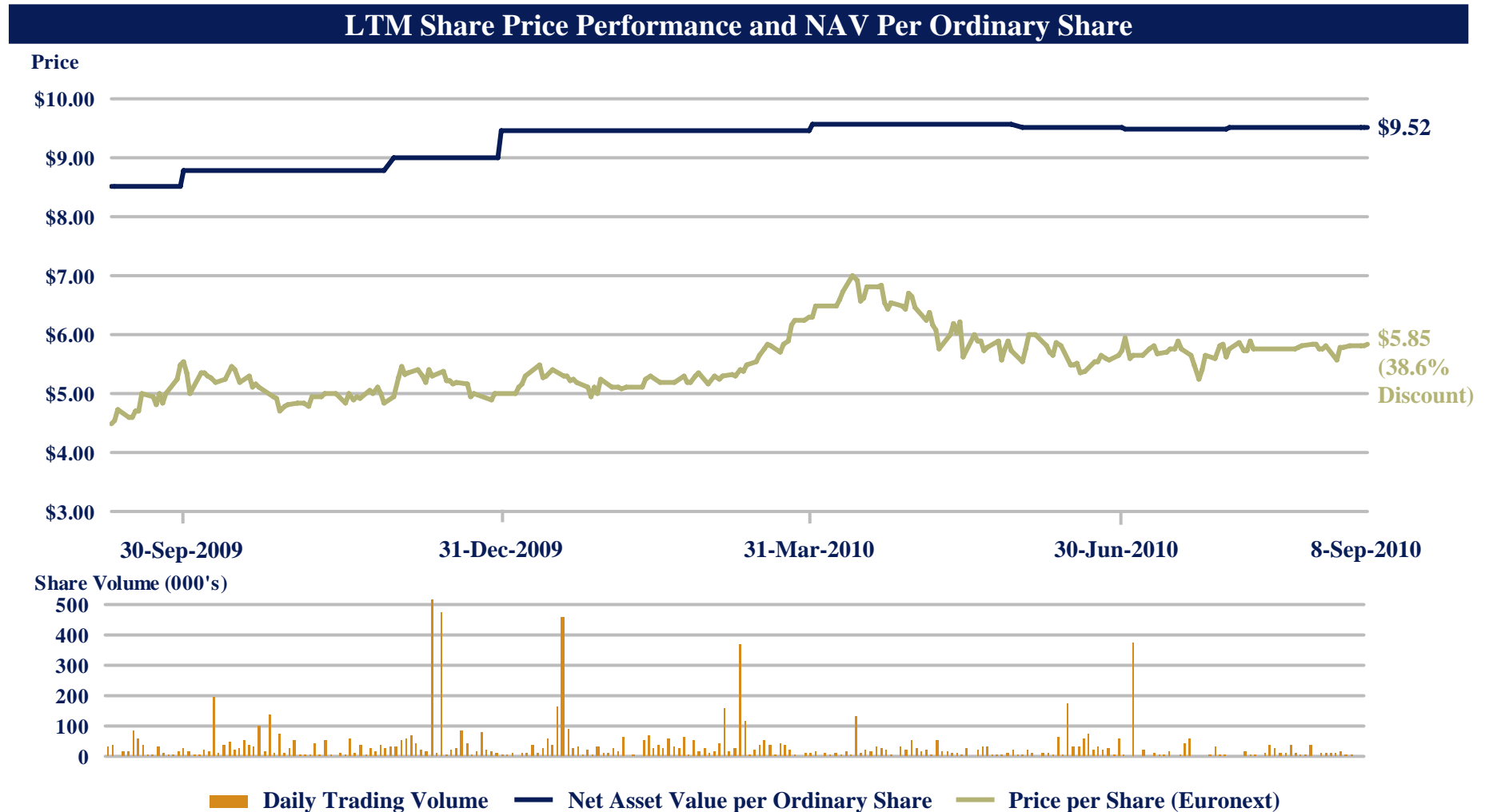
### NBPE Financial Position & Liquidity Metrics - 31 August 2010

Unfunded Private Equity Commitments	\$148.5	Fair Value of Private Equity Investments	\$560.8
		Net Asset Value	\$486.4
Cash and Cash Equivalents	\$9.5		
Undrawn Credit Facility	225.0	Private Equity Investment Level	115%
Total Capital Resources	\$234.5	Commitment Level	146%
<b>Excess Capital Resources</b>	<b>\$86.1</b>	<b>Commitment Coverage Level</b>	<b>158%</b>

*Note: As of 31 August 2010 (unaudited).*

# Share Price and NAV per Ordinary Share

**NBPE's NAV per share has increased by approximately 12% during the last twelve months**



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.

# NBPE Trading Liquidity

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

- ◆ During the last twelve months, NBPE's cumulative trading volume on NYSE Euronext and the London Stock Exchange was approximately 6.0 million shares
- ◆ However, there was an additional 2.8 million shares of volume represented by over-the-counter trades
  - This supplemental trading volume was not reported by the exchanges but instead was reported via the Market BOAT platform

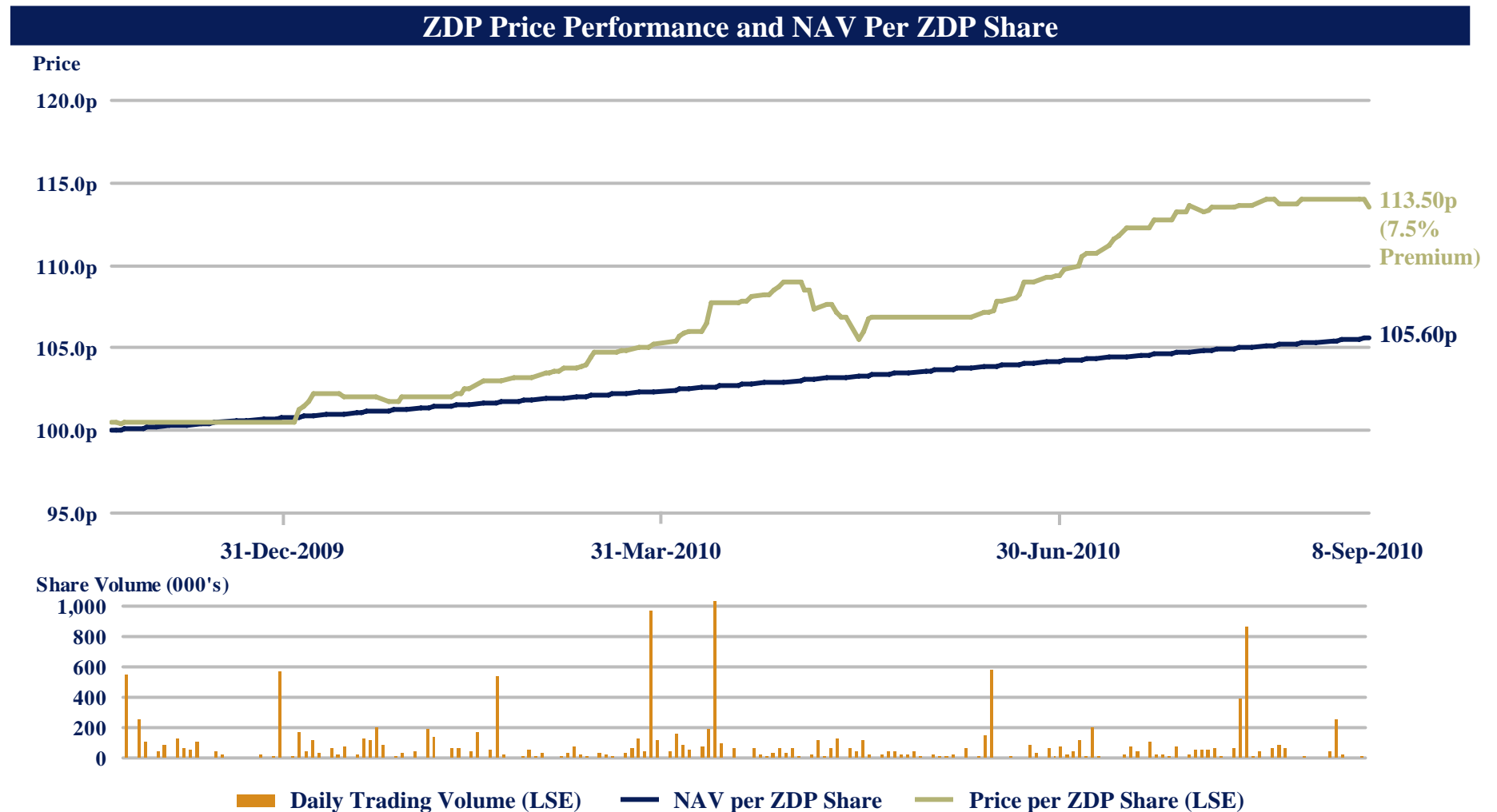
*Note: As of 31 August 2010 (unaudited).*

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

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# ZDP Price and NAV per ZDP Share

**NBPE's ZDP shares have consistently traded at a premium to accreted value since they were issued in late 2009**



Source: Bloomberg. Past performance is not indicative of future results.  
 Note: NAV per ZDP share is defined as the accreted value of the ZDP shares.

# Focus on Shareholder Interests

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## **We continue to focus on the best interests of our shareholders**

- ◆ NBPE has repurchased 3.15 million shares, or 5.8% of the total issued Class A ordinary shares
  - Repurchases were accretive to NAV per share by approximately \$0.39 in aggregate
  - NBPE executed accretive share repurchases while certain competitors conducted dilutive rights offerings
- ◆ Dual admission of Class A shares to trading on the Euronext Amsterdam and London Stock Exchange
  - Increased investor appeal
  - Increased market liquidity
  - Increased broker coverage
- ◆ Issuance of ZDP Shares
  - Offers equity investors another method to access NBPE
- ◆ We continue to analyze and consider all options available to the Company to enhance shareholder value

# Current Investment Strategy

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**NBPE has actively pursued new investments throughout 2010, and we believe that a number of attractive investment opportunities continue to be accessible in the current market environment**

- ◆ With \$86.1 million of excess capital resources, we are well-positioned to capitalize on new investment opportunities
- ◆ We are actively pursuing new investments in secondaries, small to mid-cap buyout and distressed
  - We believe there will be a number of opportunities for small and mid-cap buyout managers to acquire strong businesses at attractive valuations
  - With the large amount of leveraged debt currently outstanding, we continue to believe that experienced distressed investors will generate strong deal flow over the next several years
  - We believe secondary purchases are and will continue to be attractive for the near to medium term as buyers are able to purchase quality private equity portfolios at meaningful discounts to reported net asset values

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*Note: As of 31 August 2010 (unaudited).*

# Attractive Value Proposition

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

- ◆ Experienced Investment Manager with a strong long-term track record
- ◆ High quality private equity portfolio
  - Top-tier managers with proven success
  - Robust allocation to special situations / distressed investments
  - Dedicated secondary and co-investment platforms with proprietary access
- ◆ Strong financial position with capital available for new investments
  - Cash and available credit facility exceed unfunded private equity commitments by \$86.1 million
  - \$9.5 million of cash and cash equivalents and \$225.0 million of available credit facility
  - Actively seeking to make new investments
- ◆ Dual share class with ordinary shares and ZDP shares
  - Ordinary shares admitted to trading on both Euronext Amsterdam and the LSE
  - ZDP shares admitted to trading on the LSE

*Note: As of 31 August 2010 (unaudited).*

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## **Additional NBPE Information**

# Key Trading Information

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## Ordinary Share Information

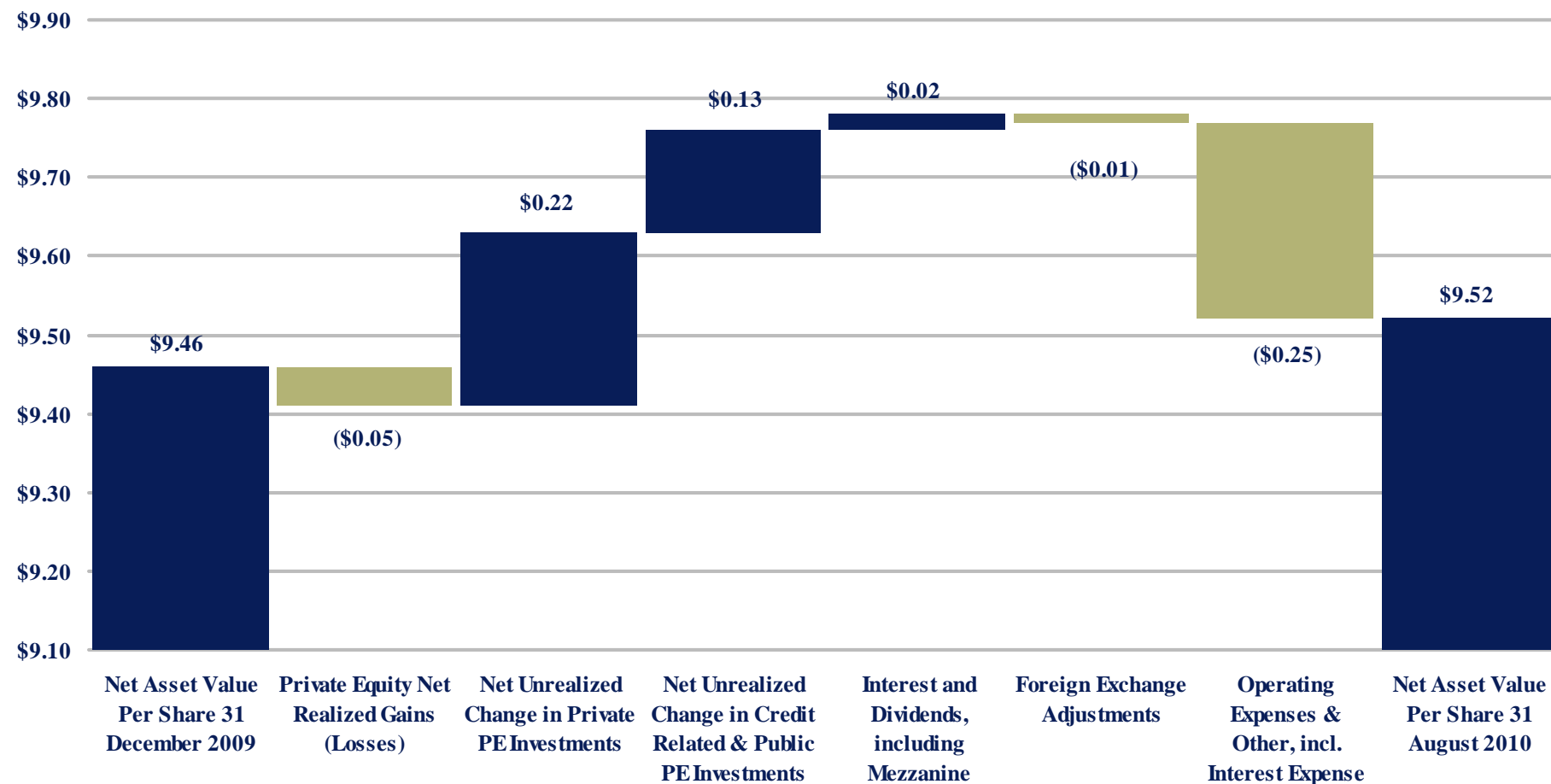
- ◆ Trading Symbol: NBPE
- ◆ Exchanges: Euronext Amsterdam & London Stock Exchange
- ◆ Base Currency: USD
- ◆ Bloomberg: NBPE NA, NBPE LN
- ◆ Reuters: NBPE.AS, NBPE.L
- ◆ ISIN: GG00B1ZBD492
- ◆ COMMON: 030991001

## ZDP Share Information

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

# Net Asset Value Development

**NBPE's net asset value increased during the first eight months of 2010 primarily due to appreciation in the value of privately held investments, credit related funds and public securities**

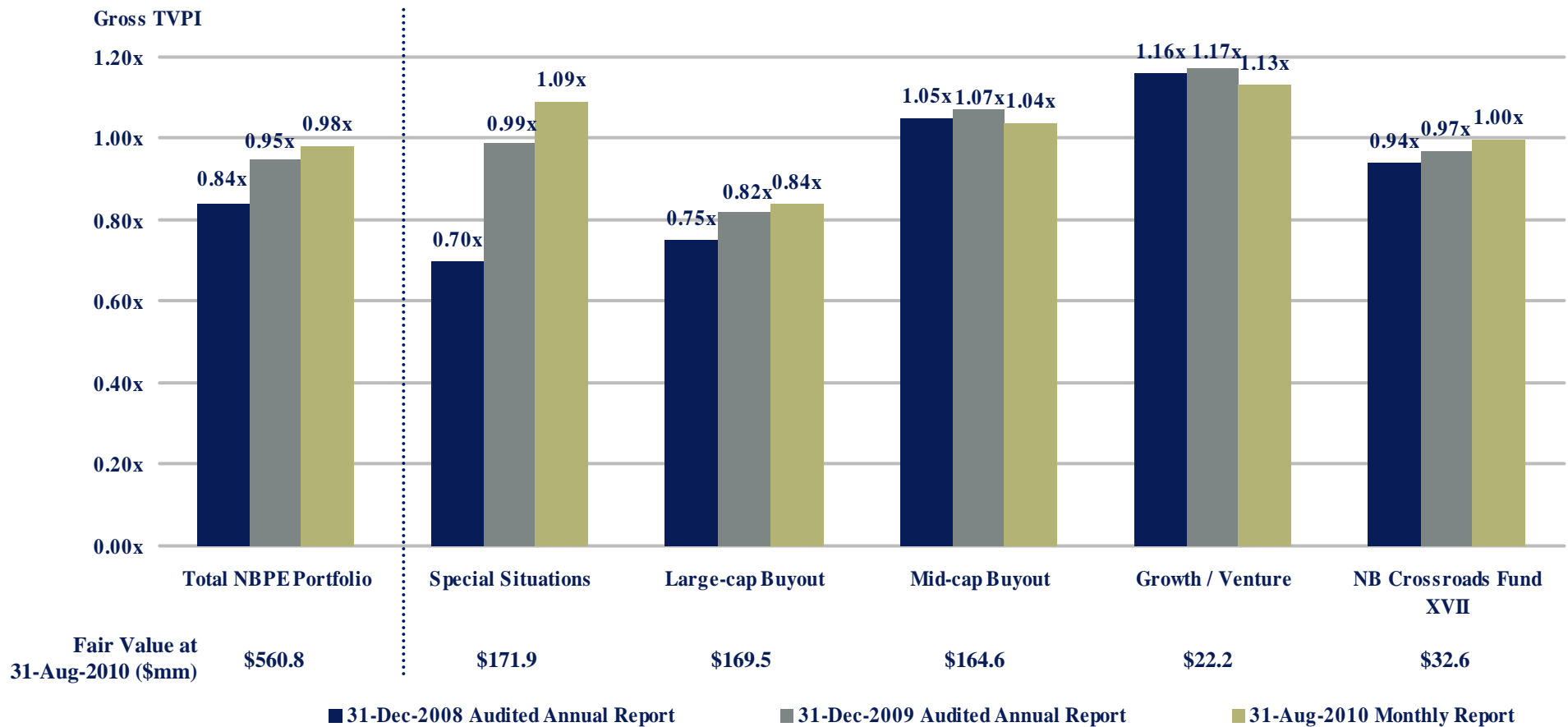


*Note: As of 31 August 2010 (unaudited). Past performance is not indicative of future results.*

# Portfolio Performance by Asset Class

Over the past 20 months, the fair value of NBPE's special situations investments increased by over 55%

## NBPE Portfolio Performance by Asset Class

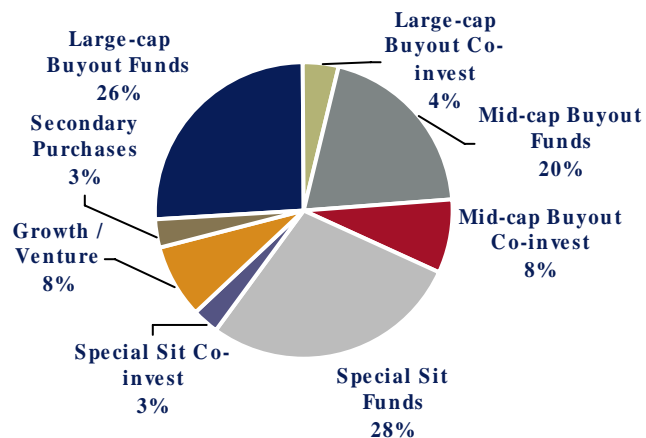


Note: As of 31 August 2010 (unaudited). Past performance is not indicative of future results. Gross TVPI represents the total value to paid-in multiple.

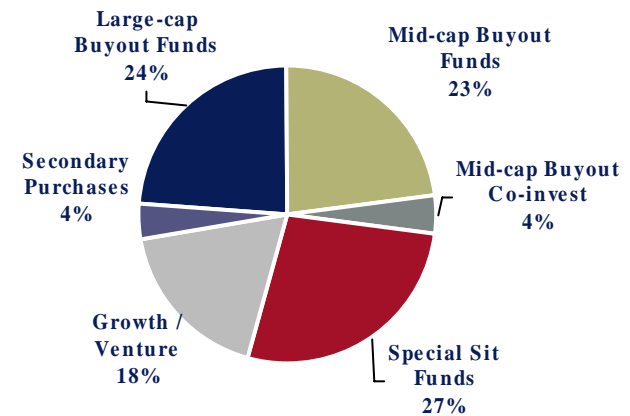
# Asset Class & Investment Type Diversification

The graphs below illustrate the breakdown of NBPE's private equity portfolio by asset class and investment type based on total exposure and unfunded commitments as of 31 August 2010 <sup>1</sup>

By Total Exposure



By Unfunded Commitments



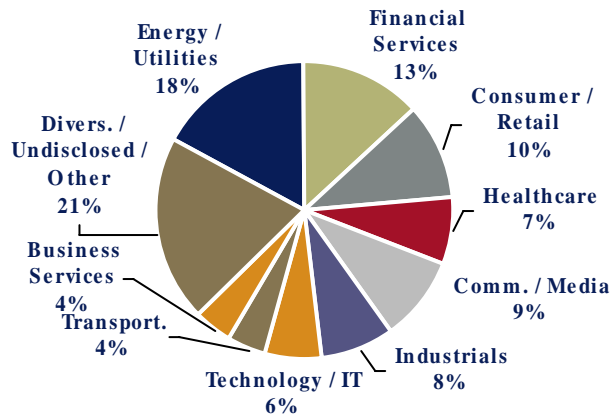
*Note: As of 31 August 2010 (unaudited). Refer to the endnotes for certain important information related to this diversification information. Total exposure represents fair value plus unfunded commitments.*

# Industry & Geographic Diversification

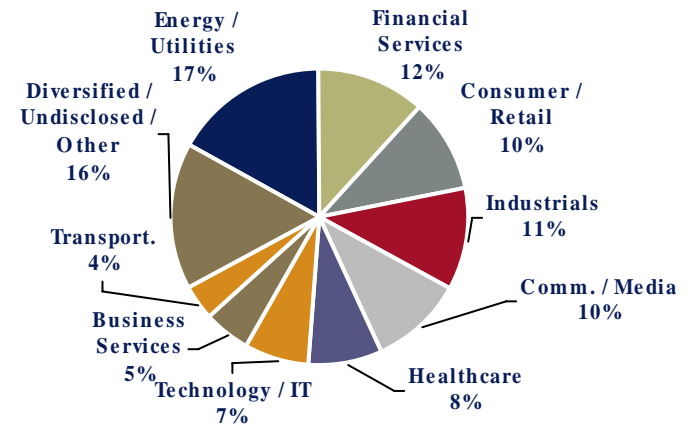
Illustrated below is the diversification of NBPE's portfolio by industry and geography based on private equity fair value and total exposure at 31 August 2010 <sup>1</sup>

## Industry

**By Fair Value**

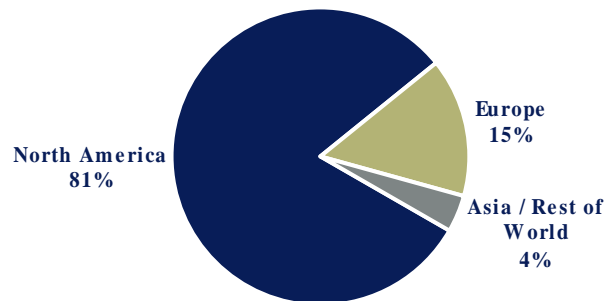


**By Total Exposure**

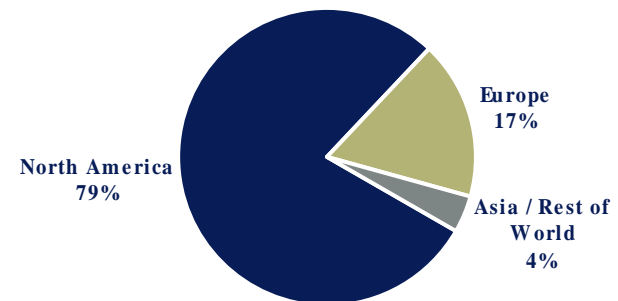


## Geography

**By Fair Value**



**By Total Exposure**



*Note: As of 31 August 2010 (unaudited). Refer to the endnotes for certain important information related to this diversification information. Total exposure represents fair value plus unfunded commitments.*

# Vintage Year Diversification

The following table illustrates NBPE's vintage year diversification by asset class and investment type:

(\$ in millions)

	Vintage Year							Total
	<=2004	2005	2006	2007	2008	2009	2010	
Large-cap Buyout Funds	\$39.2	\$41.6	\$69.3	\$1.3	-	-	-	\$151.4
Large-cap Buyout Co-investments	-	-	4.6	20.4	-	\$0.1	-	25.1
Mid-cap Buyout Funds	8.3	10.2	49.3	35.7	\$0.8	-	-	104.2
Mid-cap Buyout Co-investments	-	0.9	9.5	34.0	2.7	-	\$5.7	52.9
Special Situations Funds	0.2	2.2	19.3	65.1	67.7	3.8	0.5	158.8
Special Situations Co-investments	-	-	-	-	9.1	-	11.2	20.4
Growth / Venture	2.9	4.8	7.5	15.5	1.3	-	1.2	33.2
Secondary Purchases	0.1	0.2	1.7	4.2	0.4	6.0	2.3	14.8
<b>Total</b>	<b>\$50.6</b>	<b>\$59.9</b>	<b>\$161.1</b>	<b>\$176.3</b>	<b>\$82.0</b>	<b>\$9.9</b>	<b>\$21.0</b>	<b>\$560.8</b>

	Vintage Year							Total
	<=2004	2005	2006	2007	2008	2009	2010	
Large-cap Buyout Funds	7%	7%	12%	0%	0%	0%	0%	27%
Large-cap Buyout Co-investments	0%	0%	1%	4%	0%	0%	0%	4%
Mid-cap Buyout Funds	1%	2%	9%	6%	0%	0%	0%	19%
Mid-cap Buyout Co-investments	0%	0%	2%	6%	0%	0%	1%	9%
Special Situations Funds	0%	0%	3%	12%	12%	1%	0%	28%
Special Situations Co-investments	0%	0%	0%	0%	2%	0%	2%	4%
Growth / Venture	1%	1%	1%	3%	0%	0%	0%	6%
Secondary Purchases	0%	0%	0%	1%	0%	1%	0%	3%
<b>Total</b>	<b>9%</b>	<b>11%</b>	<b>29%</b>	<b>31%</b>	<b>15%</b>	<b>2%</b>	<b>4%</b>	<b>100%</b>

Note: As of 31 August 2010 (unaudited). Certain figures may not total due to rounding.

# NBPE Private Equity Investment Portfolio

The following is a list of NBPE's private equity investments as of 31 August 2010

<b>Investment Name</b>	<b>Principal Geography</b>	<b>Vintage Year</b>	<b>Investment Name</b>	<b>Principal Geography</b>	<b>Vintage Year</b>
<b><i>Mid-cap Buyout Funds</i></b>			<b><i>Large-cap Buyout Funds</i></b>		
American Capital Equity II	U.S.	2005	Apollo Investment Fund V	U.S.	2001
Aquiline Financial Services Fund	U.S.	2005	Carlyle Europe Partners II	Europe	2003
ArcLight Energy Partners Fund IV	U.S.	2007	Clayton, Dubilier & Rice Fund VII	U.S.	2005
Avista Capital Partners	U.S.	2006	Doughty Hanson & Co IV	Europe	2003
Clessidra Capital Partners	Europe	2004	First Reserve Fund XI	U.S.	2006
Corsair III Financial Services Partners	Global	2007	J.C. Flowers II	Global	2006
Highstar Capital II	U.S.	2004	KKR 2006 Fund	Global	2006
Investitori Associati III	Europe	2000	KKR Millennium Fund	Global	2002
Lightyear Fund II	U.S.	2006	Madison Dearborn Capital Partners V	U.S.	2006
OCM Principal Opportunities Fund IV	U.S.	2006	Thomas H. Lee Equity Fund VI	U.S.	2006
Trident IV	U.S.	2007	Warburg Pincus Private Equity VIII	Global	2001
<b><i>Mid-cap Buyout Co-investments</i></b>			<b><i>Large-cap Buyout Co-investments</i></b>		
BakerCorp	U.S.	2010	Avaya	U.S.	2007
Bourland & Leverich Supply Co.	U.S.	2010	Energy Future Holdings (TXU)	U.S.	2007
Dresser	U.S.	2007	First Data	U.S.	2007
Edgen Murray	U.S.	2007	Freescale Semiconductor	U.S.	2006
Fairmount Minerals	U.S.	2010	Sabre	U.S.	2007
Firth Rixson	Europe	2007-09			
GazTransport & Technigaz (GTT)	Europe	2008			
Group Ark Insurance	Global	2007			
Kyobo Life Insurance	Asia	2007			
Press Ganey	U.S.	2008			
Salient Federal Solutions	U.S.	2010			
SonicWALL	U.S.	2010			
TPF Genco	U.S.	2006			
Unión Radio	Global	2008			



# NBPE Private Equity Investment Portfolio (Cont'd)

The following is a list of NBPE's private equity investments as of 31 August 2010

<b>Investment Name</b>	<b>Principal Geography</b>	<b>Vintage Year</b>
<b><i>Special Situations Funds</i></b>		
Centerbridge Credit Partners	U.S.	2008
CVI Global Value Fund	Global	2006
Oaktree Opportunities Fund VIII	U.S.	2009
OCM Opportunities Fund VIIb	U.S.	2008
Platinum Equity Capital Partners II	U.S.	2007
Prospect Harbor Credit Partners	U.S.	2007
Sankaty Credit Opportunities III	U.S.	2007
Strategic Value Global Opportunities Fund I	Global	2010
Strategic Value Special Situations Fund	Global	2010
Sun Capital Partners V	U.S.	2007
Wayzata Opportunities Fund II	U.S.	2007
<b><i>Special Situations Co-investments</i></b>		
Firth Rixson (Second Lien Debt)	Europe	2008
SonicWALL (Second Lien Debt)	U.S.	2010
Suddenlink Comm. (PIK Preferred Shares)	U.S.	2010

<b>Investment Name</b>	<b>Principal Geography</b>	<b>Vintage Year</b>
<b><i>Growth Equity Investments</i></b>		
Bertram Growth Capital I	U.S.	2007
Bertram Growth Capital II	U.S.	2010
Seventh Generation (Co-investment)	U.S.	2008
Summit Partners Europe Private Equity Fund	Europe	2010
<b><i>Fund of Funds Investments</i></b>		
NB Crossroads Fund XVII	Global	2002-06
NB Crossroads Fund XVIII Mid-cap Buyout	Global	2005-09
NB Crossroads Fund XVIII Large-cap Buyout	Global	2005-09
NB Crossroads Fund XVIII Special Situations	Global	2005-09
NB Crossroads Fund XVIII Venture Capital	U.S.	2006-09
NB Fund of Funds Secondary 2009	Global	2009

# NBPE Largest Underlying Companies

**At 31 August 2010, the estimated fair value of the twenty largest portfolio company investments was approximately \$130 million, representing 23% of total private equity fair value. No single company accounted for more than 3.0% of the total private equity portfolio. Listed below are the twenty largest portfolio company investments by fair market value in alphabetical order:**

Company Name	Company Status
AL Gulf Coast Terminals, LLC	Privately-Held
Author Solutions, Inc.	Privately-Held
Avaya, Inc.	Privately-Held
Dollar General Corporation	Publicly-Traded
Dresser Holdings, Inc.	Privately-Held
Edgen Murray Corporation	Privately-Held
First Data Corporation	Privately-Held
Firth Rixson, plc (Mezzanine Debt)	Privately-Held
Freescale Semiconductor, Inc.	Privately-Held
Group Ark Insurance Holdings Limited	Privately-Held

Company Name	Company Status
Hertz Global Holdings, Inc.	Publicly-Traded
Nielsen Company	Privately-Held
Power Holdings Inc.	Privately-Held
Sabre Holdings Corporation	Privately-Held
Sally Beauty Holdings, Inc.	Publicly-Traded
Service Master Company	Privately-Held
SonicWALL, Inc. (Second Lien Debt)	Privately-Held
Terra-Gen Power, LLC	Privately-Held
TPF Genco Holdings, LLC	Privately-Held
U.S. Foodservice Inc	Privately-Held

**Approximately \$48 million of private equity fair value was comprised of companies with publicly-traded securities as of 31 August 2010, representing 9% of total private equity fair value**

*Note: At 31 August 2010, the estimated fair value of the ten largest portfolio company investments was approximately \$86 million, representing 15% of the total private equity fair value. All data is unaudited.*

# Largest Underlying Special Situations Investments

**As of 31 August 2010, the 25 largest special situations companies based upon fair market value had an aggregate fair value of approximately \$55.2 million, representing 31% of the special situations fair value and 10% of the total private equity fair value**

Special Situations Investment Type	# of Companies	Fair Value (\$mm)	Commentary
Undervalued / Distressed Debt	12	\$22.9	Debt securities purchased at a discount to par that generate a meaningful current yield within the sponsor's portfolio
Co-investments	3	\$17.8	See slide 16 for additional information
Influential Restructuring	5	\$5.7	Companies that are currently undergoing or are expected to undergo a financial restructuring; exposure to an influential portion of the capital structure where the manager is in position to lead the restructuring process
Post-Bankruptcy Reorganization	2	\$4.8	Targeted distressed positions where the special situations manager led the restructuring process; investments now have exposure to new debt securities as well as equity that was acquired during the bankruptcy process
Operational Turnaround	3	\$4.0	Acquisition of underperforming businesses at a low valuation to enhance value and improve operations; predominantly invested in equity securities but also some downside protection with debt securities and warrants
<b>Total</b>	<b>25</b>	<b>\$55.2</b>	

*Note: As of 31 August 2010 (unaudited).*

# Liquidity Enhancement Program

- ◆ Since the inception of the liquidity enhancement program, NBPE has repurchased 3.15 million shares, or 5.8% of the total issued Class A ordinary shares
  - Share repurchases through 31 August 2010 have been accretive to NAV per share by approximately \$0.38
- ◆ Currently, the maximum number of shares which may be repurchased under the program is 12.5% of the total Class A ordinary shares in issue

<b>Liquidity Enhancement Program Activity</b>		
<b>Month</b>	<b># of Shares Repurchased</b>	<b>Weighted Average Repurchase Price per Share</b>
July 2008	56,349	\$7.93
August 2008	164,617	\$7.82
September 2008	174,458	\$6.74
October 2008	216,493	\$4.72
November 2008	218,956	\$2.41
December 2008	881,264	\$1.51
January 2009	723,829	\$2.60
February 2009	458,312	\$2.33
March 2009	155,557	\$1.81
April 2009	64,573	\$1.86
May 2009	36,000	\$2.70
June 2009 - August 2010	-	-
<b>Total</b>	<b>3,150,408</b>	<b>\$2.93</b>

*Note: As of 31 August 2010 (unaudited).*

# NBPE Credit Facility & Covenants

## NBPE continues to have access to its favorable credit facility

- ◆ NBPE has a revolving credit facility with Bank of Scotland for up to \$250 million with a term expiring in August 2014
  - Borrowings under the credit facility bear interest at LIBOR plus 1.35% per annum
  - The key financial covenant is a maximum debt to value ratio of 50.0%

### Total Asset Ratio (Debt to Value)

- ◆ Defined as total debt and current liabilities divided by Restricted NAV
  - Restricted NAV is defined as the value of private equity investments (less any excluded value) plus cash and cash equivalents
- ◆ The total asset ratio is not to exceed 50.0%
- ◆ At 31 August 2010, the total asset ratio was 5.9%

### Secured Asset Ratio

- ◆ Defined as total debt and current liabilities divided by Secured Assets
  - Secured Assets are defined as the value of secured private equity investments plus cash and cash equivalents
- ◆ The secured asset ratio is not to exceed 80.0%
- ◆ At 31 August 2010, the secured asset ratio was 8.4%

### Commitment Ratio

- ◆ Defined as Restricted Total Exposure divided by the aggregate of shareholder's equity and the total amount of the credit facility
  - Restricted Total Exposure is defined as the value of private equity investments (less any excluded value) plus unfunded private equity commitments
- ◆ If the total asset ratio is greater than 25.0% and the commitment ratio is greater than 130.0%, then NBPE is restricted from making new private equity investments
- ◆ At 31 August 2010, the commitment ratio was 90.0%

*Note: As of 31 August 2010 (unaudited).*

# Endnotes

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

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