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NB Private Equity Partners Limited

30 June 2017 Interim Financial Report and Consolidated Financial Statements

COMPANY OVERVIEW

COMPANY OVERVIEW & KEY FINANCIAL STATISTICS

Company — **NB Private Equity Partners Limited ("NBPE" or the "Company")**

- Guernsey closed-ended investment company
- 48,790,564 Class A ordinary shares ("Class A Shares" or "Shares") outstanding
- 10,000 Class B ordinary shares ("Class B Shares"; together with Class A Shares, "Ordinary Shares") outstanding
- 50,000,000 2022 ZDP shares ("2022 ZDP Shares" or "ZDP Shares")[1]

Investment Manager — **NB Alternatives Advisers LLC ("Investment Manager" or the "Manager")**

- 30 years of private equity investing experience and approximately 115 investment professionals
- Investment Committee with over 265 years of combined professional experience
- Offices in New York, London, Boston, Dallas, Hong Kong, Milan and Bogotá

Key Statistics	At 30 June 2017	At 31 December 2016
Net Asset Value ("NAV") of the Class A Shares	$804.2m	$776.6m
Direct Equity Investments	$548.1m	$474.9m
Income Investments	$134.3m	$139.0m
Fund Investments	$131.5m	$153.4m
Total Private Equity Fair Value	$813.9m	$767.3m
Private Equity Investment Level	101%	99%
Cash and Cash Equivalents	$58.5m	$93.7m
Credit Facility Borrowings Drawn	$0.0	$0.0
ZDP Share Liability (Dollar equivalent liability)	($67.2m)	($76.9m)
Net Other Liabilities	($1.0m)	($7.5m)
NAV per Ordinary Share (USD)	**$16.48**	**$15.91**
NAV per Ordinary Share (GBP)	**£12.65**	**£12.89**
NAV per Ordinary Share including dividends paid during financial period	**$16.73**	**$16.41**
ZDP Shares (2017 / 2022)[1]	- / £51.6m	£11.7m / £50.6m
Net Asset Value per ZDP Share (2017 / 2022)[1]	- / 103.15p	164.85p / 101.17p
Dividends per Ordinary Share:		
Dividends paid during financial period	$0.25	$0.50
Cumulative dividends paid since inception	$2.09	$1.84

Note: Numbers may not sum due to rounding.
1. 2017 ZDP Shares were redeemed on 31 May 2017 and are no longer outstanding as of 30 June 2017.

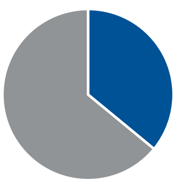
KEY PERFORMANCE HIGHLIGHTS DURING THE FIRST SIX MONTHS OF 2017

Performance

5.2% NAV per Share total return[1]

7.8% Share price return[1]

10.0% Share price total return[1]



Portfolio at 30 June 2017

83% of fair value in equity investments[2]

17% of fair value in income investments

Cash Flows during the first six months of 2017

$126.4 million of distributions to NBPE from investments

$123.6 million funded by NBPE to investments

$12.2 million of dividends paid

$109.9
Million Invested

New Direct Investment Activity during the first six months of 2017

9 Direct equity investments

6 Income investments

1. *Assumes re-investment of dividends at the closing NAV or share price, respectively, on the ex-dividend date. Total return figures reflect cumulative returns over the period shown. Share price return data based on London Stock Exchange, based on GBP returns. On 2 May 2017, the Company re-denominated the trading currency to GBP; for the purposes of calculating year to date returns, USD share prices were converted to GBP based on the daily exchange rate prior to 2 May 2017.*
2. *Includes fund investments, including some which have a credit orientation.*

PORTFOLIO HIGHLIGHTS DURING THE FIRST SIX MONTHS OF 2017

NBPE leverages the full resources of the Manager's integrated private equity platform for superior deal flow, due diligence and execution capabilities for investing across the capital structure of private equity backed companies.

Strong liquidity from investments during the first six months of 2017

- Distributions of $47.7 million received by NBPE from direct equity investments and $47.8 million from income investments, including:
  - $47.7 million from direct equity investments as a result of company sales, returns of capital and dividends
    - $39.9 million of proceeds received as a result of sales of Evans, Deltek and Gabriel Brothers
    - $5.3 million of returns of capital from Lasko and Vertiv (fka Emerson Network Power)
    - $2.5 million of dividends and additional proceeds from other partial realisations
  - $40.2 million of proceeds from the realisation of income investments including principal and pre-payment premiums
  - $7.6 million of interest received from income investments
- Total distributions of $30.9 million received from fund investments

Direct investments in private equity backed companies

- Direct investment exposure of 85% of NAV at 30 June 2017
- During the first six months of 2017:
  - 15 direct investments completed
  - $87.0 million of new and follow-on direct equity investments
  - $36.0 million of new and follow-on income investments
  - $0.7 million of capital calls from fund investments
- 17% of NAV in income investments with a total estimated yield to maturity of 11.5% and a cash yield of 9.9%
- Income investments producing run-rate cash income of $13.0 million, covering 53% of run rate dividends

Note: Numbers may not sum due to rounding.

DIVIDEND ACTIVITY

Semi-annual dividends

NBPE paid its first dividend for the year of $0.25 per Share on 28 February 2017. Since inception, NBPE has paid cumulative dividends of $2.09 per Share.

Income Investments

As of 30 June 2017, on a run rate basis, the income investment portfolio generated annual cash income of $13.0 million or approximately $0.27 per Share. This corresponds to approximately 53% dividend coverage from the cash yield on the Company's income portfolio, based on the annualised 2017 dividend.

$0.25
Dividend
paid during the
first six months of 2017

$2.09
Cumulative dividends
since inception

3.8%
Annualised
dividend yield on
share price[1]

3.0%
Annualised
dividend yield on NAV at
30 June 2017

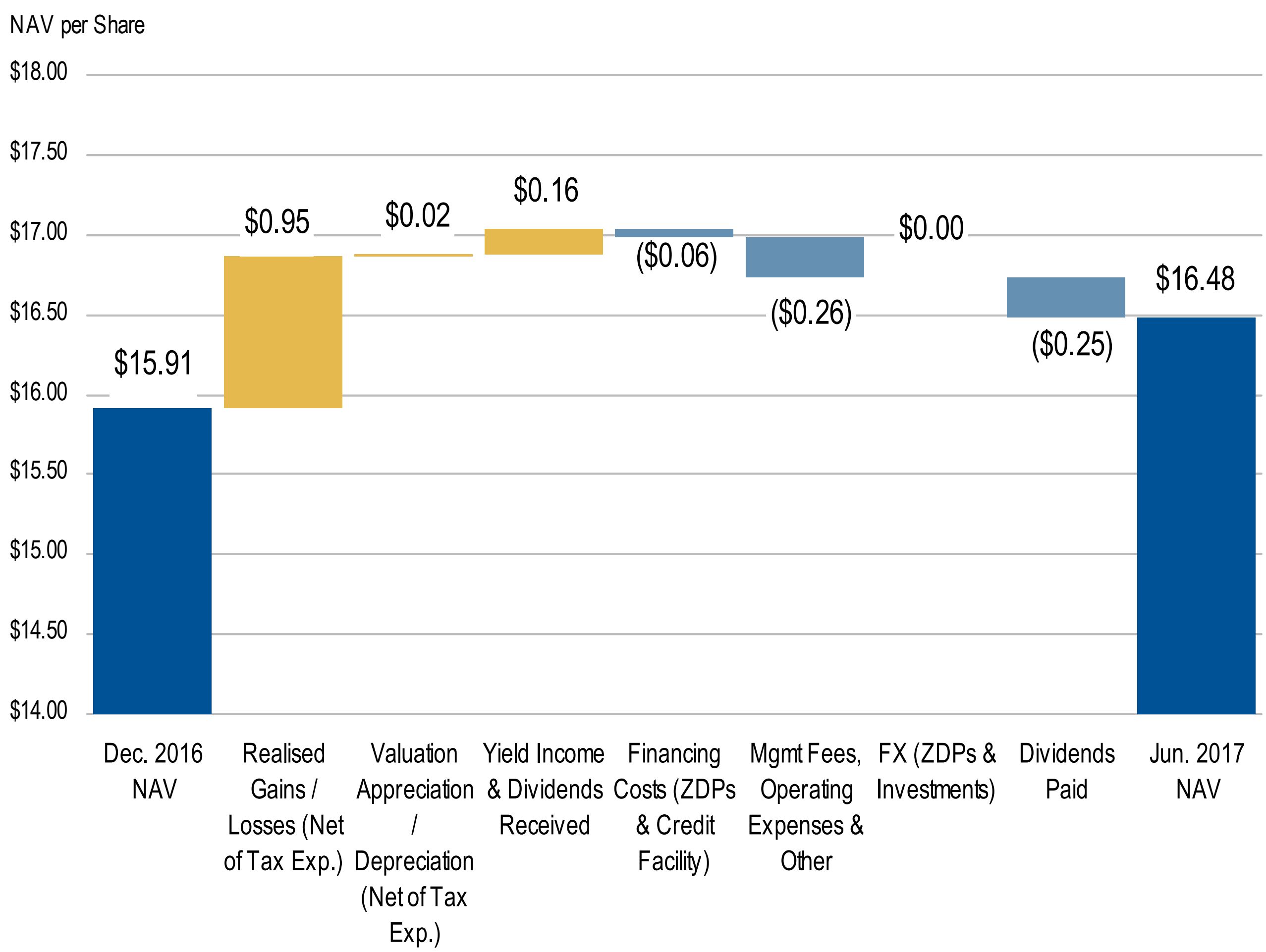
1. *Based on the London Stock Exchange closing share price of £10.52 on 30 June 2017 and the 28 February 2017 dividend of $0.25* (£0.20, based on a GBP/USD rate of $1.243).

NAV RESULTS

During the first six months of 2017, including the Company's semi-annual dividends, the NAV per Share total return was 5.2%[1]. NAV per Share was driven by realised investment gains and portfolio yield income, offset by dividends paid and expenses. NBPE's rate of Ongoing Charges (as defined by the AIC and previously referred to as the total expense ratio or TER), was 2.05% (annualised). Note 11 in the Notes to the Consolidated Financial Statements presents an expense ratio in accordance with US GAAP.

Key changes to NBPE's NAV per Share:

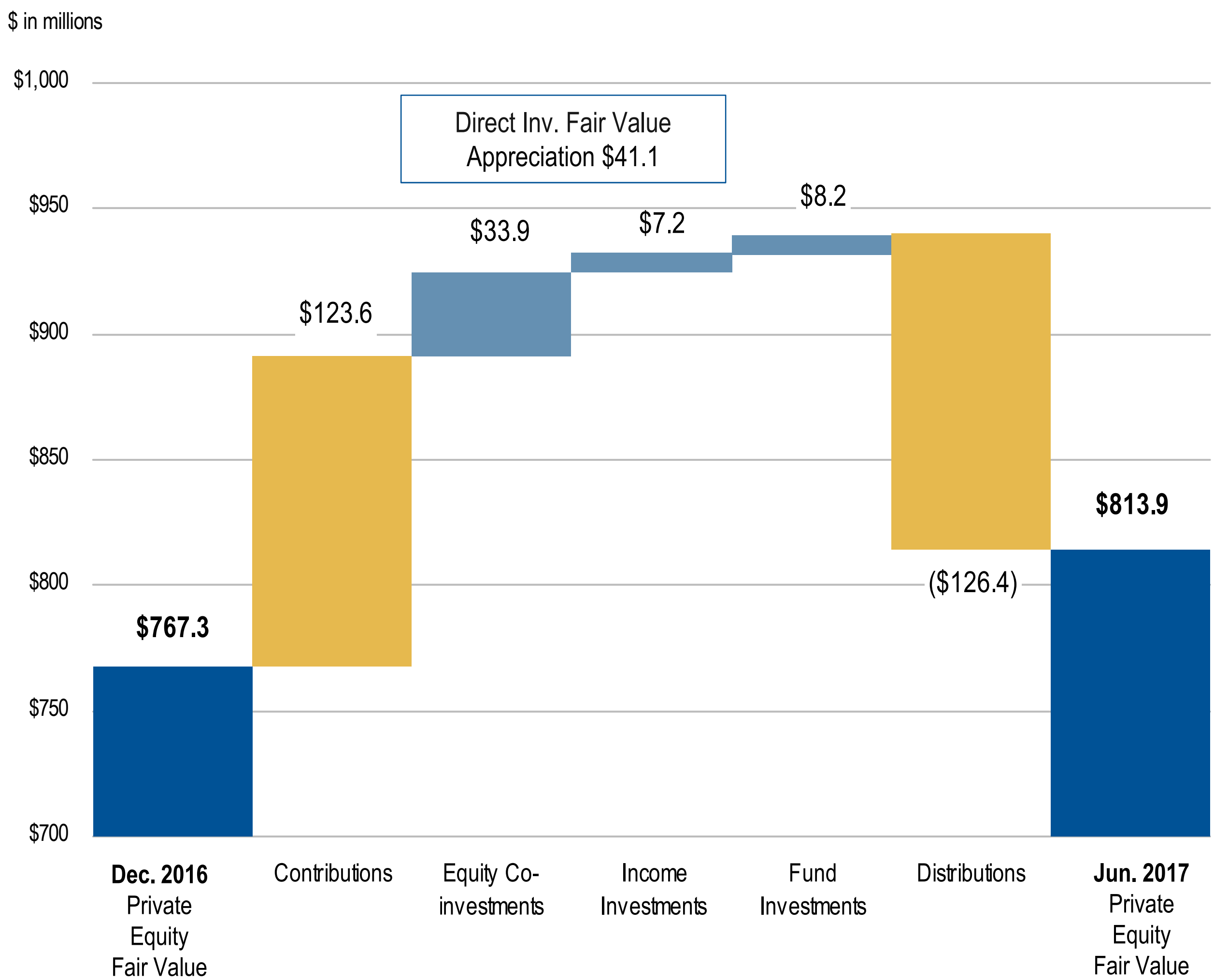
- $46.4 million of realised gains, or $0.95 per Share, net of tax expense
- $0.9 million of unrealised gains, or $0.02 per Share, net of tax expense
- $7.8 million of yield income and dividends, or $0.16 per Share
- $2.9 million of financing costs, or ($0.06) per Share
- $12.6 million of management fees, operating expenses, and other expenses, or ($0.26) per Share
- $0.2 million of FX gains related to ZDPs and investments, or $0.00 per Share
- $12.2 million of dividends paid, or ($0.25) per Share



Note: Numbers may not sum due to rounding.
1. Assumes re-investment of dividends at the closing NAV on the ex-dividend date. Total return figures reflect cumulative returns over the period shown.

PERFORMANCE OVERVIEW

During the first six months of 2017, excluding investment cash flows, private equity fair value appreciated by $49.3 million, largely driven by direct investments. NBPE received cash distributions of $47.7 million during the year from equity investments, primarily as a result of three full exits. NBPE also received $47.8 million of distributions from income investments consisting primarily of principal and interest payments. Legacy fund investments continue to run off and generate liquidity, distributing $30.9 million to NBPE during the first six months of 2017.



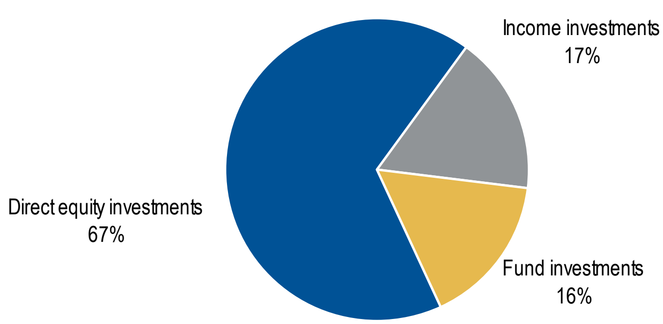
Note: Income investment appreciation includes both fair value appreciation as a result of accrued cash interest as well as accrued non-cash (Payment in Kind "PIK") yield.

PORTFOLIO OVERVIEW

NBPE's portfolio is comprised of direct equity investments, income investments and fund investments. Direct investments, which include direct equity and income investments, represent approximately 84% of private equity fair value. NBPE's fund portfolio consists of 34 fund investments, all but one of which are past their investment periods. These fund investments are expected to continue to liquidate in the coming years and will be replaced with new direct investment exposure over time.

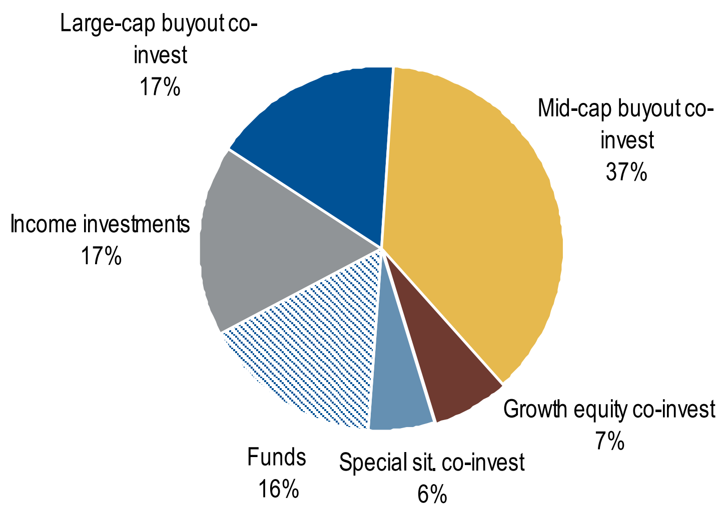
	Investments	Private Equity Fair Value	Adjusted Unfunded Commitments[1]	Adjusted Total Exposure[1]
Direct equity investments	80	$548.1m	$22.7m	$570.8m
Income investments	30	$134.3m	-	$134.3m
Fund investments	34	$131.5m	-	$131.5m
Total Private Equity Investments	**144**	**$813.9m**	**$22.7m**	**$836.6m**

Portfolio Diversification by Fair Value

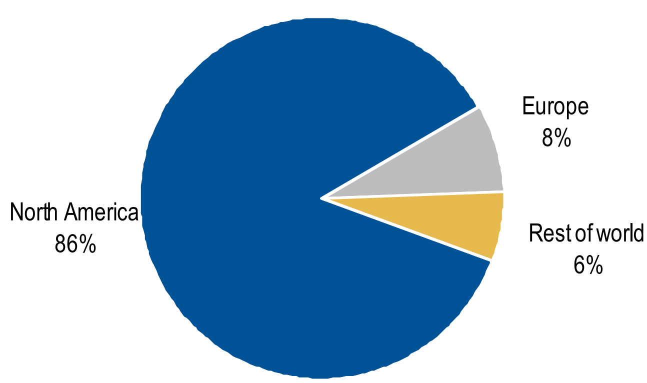


Note: Numbers may not sum due to rounding.
1. Please refer to page 25 for more information on unfunded commitments to funds past their investment period. Actual unfunded commitments and total exposure is $258.8 million and $1.1 billion, respectively. Actual unfunded commitments is comprised of $166.8 million, $53.3, and $38.7 million to direct equity investments, income investments, and fund investments, respectively. Actual total exposure is $714.9 million, $187.6 million, and $170.2 million to direct equity investments, income investments, and fund investments, respectively.

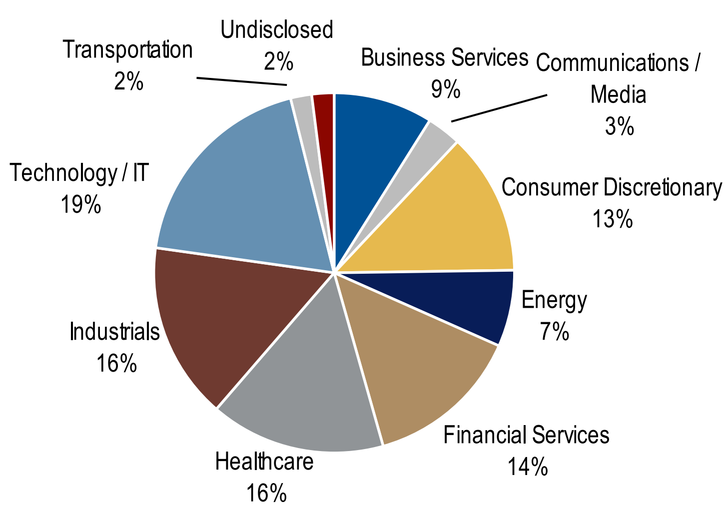
DIVERSIFICATION ANALYSIS



NBPE invests directly into private equity backed companies, pursuing the securities that the Manager believes present the most attractive risk / return opportunity. Currently the portfolio is weighted to equity investments, and 17% of the portfolio is in income investments. Fund investments represent 16% of private equity fair value but the fund portfolio will continue to become a smaller portion of NBPE's private equity fair value as capital is re-deployed into direct investments over time.



NBPE's portfolio is weighted to North American investments. This is the largest private equity market globally and the Manager believes the overall dynamics in this market relative to other geographies have offered the most attractive investment opportunities. The Manager is constantly monitoring and evaluating markets globally and may adjust this strategy over time. Approximately 8% of NBPE's portfolio is invested in European companies and 6% in other parts of the world, primarily Asia and Latin America.



NBPE's portfolio is broadly diversified across industries. The Manager does not set specific industry targets, because the Manager believes this could lead to selecting sub-optimal investments to meet a target. Instead the Manager looks for companies backed by high quality general partners with strong business characteristics in favoured sectors that the Manager believes can grow faster than gross domestic product.

Note: Numbers may not sum due to rounding.

TOP TEN LARGEST COMPANY EXPOSURES

Investment / Description	Status	Year of Investment	Investment Type / Asset Class	Equity Sponsor	NBPE Fair Value
ProAmpac Leading global flexible packaging company	Private	2016	Direct equity & income investment	Pritzker Group	$25.1 million
Patheon (NYSE: PTHN) Manufacturing services for prescription drugs	Public	2014	Direct equity investment Mid-cap buyout	JLL Partners	$22.9 million
Extraction Oil & Gas (NASDAQ: XOG) E&P company in the U.S.	Public	2014	Direct equity investment Mid-cap buyout	Yorktown Partners	$21.9 million
USI Insurance Insurance brokerage & consulting services	Private	2017	Direct equity investment Large-cap Buyout	KKR	$20.0 million
The Warranty Group Underwriter & administrator of extended warranties	Private	2014	Direct equity investment Large-cap buyout	TPG	$18.1 million
Ortholite Provider of high-performance insoles and shoe components	Private	2014	Direct equity investment Mid-cap buyout	Blue Point Capital	$15.7 million
Engineering Ingegneria Informatica Italian IT firm	Private	2016	Direct equity investment Mid-cap Buyout	NB Renaissance	$14.3 million
Saguaro Resources E&P company pursuing oil & gas properties	Private	2013	Direct equity investment Mid-cap Buyout	PineBrook	$14.3 million
Capsugel Hard capsules and drug delivery systems	Private	2011	Direct equity investment Large-cap buyout	KKR	$13.7 million
Gardner Denver (NYSE: GDI) Maker of industrial equipment	Public	2013	Direct equity investment Large-cap buyout	KKR	$13.2 million
Total Top Ten Largest Exposures					**$179.2 million**

Note: Numbers may not sum due to rounding. Excludes credit opportunities investments.

DIRECT EQUITY INVESTMENTS: KEY PORTFOLIO STATS

Portfolio Overview

80 Investments & **$548.1** million of fair value

Primarily buyout investments, diversified across industry, vintage year and sponsor

Unique investment angles & multiple value creation levers:

- Strong sponsors & highly capable management teams
- Industry growth or secular trends and growth of new markets or product offerings
- Operational enhancement opportunities
- Clear exit paths and / or shorter paths to liquidity

Valuation & Operating Metrics[1]

11.0x LTM EBITDA valuation multiple

4.7x LTM EBITDA leverage

4% LTM revenue growth

7% LTM EBITDA growth

Strong Performance

$48 million of distributions from direct equity investments in the first six months of 2017

3 investments were fully exited which have generated **$40** million of distributions in 2017 and a **5.0x** multiple of capital and **44%** IRR in aggregate[2]

1. Portfolio company operating and valuation metrics are based on the most recently available (unaudited) financial information for each company. Where necessary, estimates were used, which include pro forma adjusted EBITDA and Revenue, annualised quarterly operating metrics and LTM periods as of 30/6/17 and 31/3/17. Data based on 46 traditional buyout companies valued based on EV/EBITDA; excludes companies based on other valuation metrics including book value, revenue multiples, discounted cash flow, latest round of financing and public share price.
2. Returns are inclusive of prior distributions.

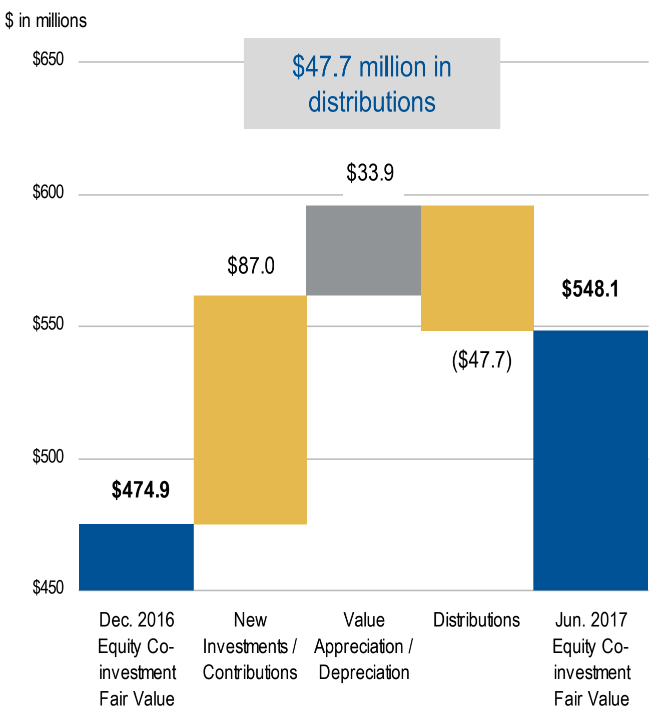
NEW INVESTMENTS DURING THE FIRST SIX MONTHS OF 2017

$74.6 million invested in **9** new direct equity investments during the first six months of 2017

USI	**$20.0m** invested alongside **KKR**	• Insurance brokerage and consulting services
MHS	**$11.3m** invested alongside **THL**	• Infrastructure and automation outsourcing company
ACCEDIAN NETWORKS	**$10.0m** invested alongside **Bridge Growth Partners**	• Provider of network performance monitoring and assurance solutions
OMEGA ENVIRONMENTAL TECHNOLOGIES	**$9.3m** invested alongside **AEA Small Business Fund**	• Distributor of aftermarket climate control components for vehicles
FV HOSPITAL World Class Healthcare in Vietnam	**$7.0m** invested alongside **Quadria Capital**	• Vietnam hospital and care provider
WIND RIVER ENVIRONMENTAL	**$5.9m** invested alongside **Gryphon Investors**	• Waste management services provider
MHS Material Handling Services	**$4.8m** invested alongside **Harvest Partners**	• Provider of repair, maintenance and fleet management services to multiple industries
Compliance Solutions Strategies	**$3.9m** invested alongside **CIP Capital**	• Compliance solutions to the financial services sector
BYLIGHT Lighting the Path	**$2.5m** invested alongside **Sagewind Partners**	• Provider of IT and technology infrastructure

Note: Numbers may not sum due to rounding.

DIRECT EQUITY INVESTMENT PERFORMANCE



During the first six months of 2017, NBPE participated in nine new direct equity investments in the technology, healthcare, industrial and business services sectors.

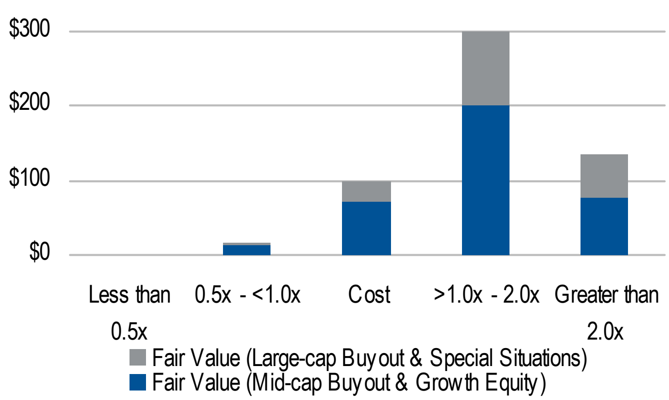
The portfolio appreciated in value by $33.9 million during the first six months of 2017. The top five investments, measured by dollar gains, appreciated by $24.0 million.

NBPE received approximately $47.7 million in distributions from the direct equity portfolio during the first six months of 2017. This was driven by total proceeds of $39.9 million from the full exits of Deltek, Gabriel Brothers and Evans. NBPE also received an additional $7.8 million of other distributions from equity co-investments during the first six months of 2017.

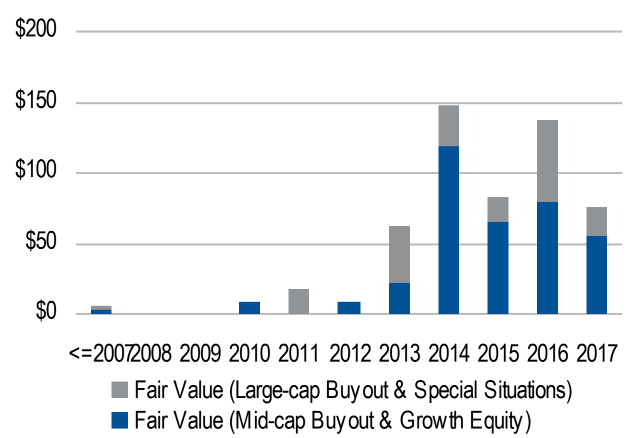
The investment multiple range by fair value shows the dispersion of value within the direct equity investment portfolio. The large majority of the private equity fair value is currently held above cost and only approximately 3.3% of private equity fair value is held below cost.

The average age of the direct equity investments is 3.2 years and approximately 99% of the fair value is due to investments made in 2010 or after.

Investment Multiple Range by Fair Value



Vintage Year by Fair Value



Note: Numbers may not sum due to rounding.

During 2017, NBPE received $47.7 million in distributions from direct equity investments. Of this amount, $39.9 million was the result of full sales which had an average uplift of 20.0% relative to the carrying value the quarter end prior to the announcement of the transaction, $5.3 million was the result of dividends and recapitalisations and $2.5 million was the result of partial sales and secondary sales of public stock.

In connection with the Investment Manager's portfolio monitoring process, the Investment Manager analysed the operational performance and valuation metrics for the traditional buyout investments in the direct equity investment portfolio. There were 46 companies valued on traditional buyout metrics and 34 companies valued on other metrics.

Direct Equity Investments: Traditional Buyouts[1]

There were 46 companies, with approximately $334.0 million of fair value, representing 41% of private equity fair value and 61% of direct equity investment fair value which were valued based on a multiple of cash flow (total enterprise value as a multiple of EBITDA).

- Summary Metrics for the traditional buyout investments:
    - Weighted average valuation multiple of 11.0x LTM EBITDA
    - Weighted average leverage multiple of 4.7x LTM EBITDA
    - Weighted average LTM revenue growth of 3.9%
    - Weighted average LTM EBITDA growth of 7.3%

Direct Equity Investments: Other Buyouts

There were 34 companies, with approximately $214.1 million of fair value, representing 26% of private equity fair value and 39% of direct equity investment fair value, which were not valued based on EV/EBITDA metrics and instead were valued based on closing share price, multiples of revenue, book value, financing round, discounted cash flow or other metrics:

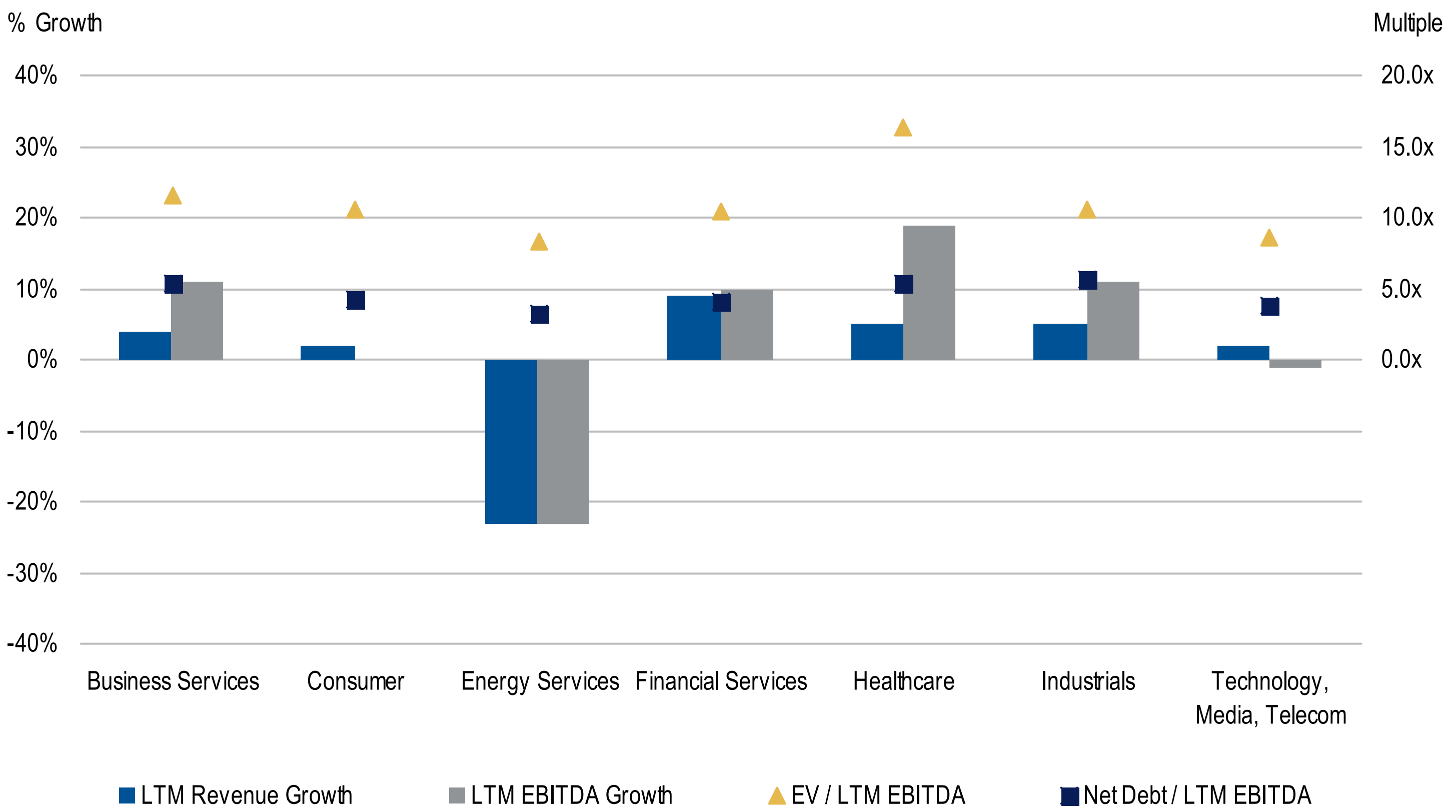
- 23 companies valued ($89.4 million of fair value) based on other metrics including multiples of revenue, latest financing round, discounted cash flow and escrow value
- Seven publicly traded companies ($74.6 million of fair value) were valued at their closing share price at 30 June 2017. These seven companies generated a weighted average total return of 12.4% during 2017[2]
- Three privately held E&P companies ($19.8 million of fair value) were valued based on a variety of metrics, including dollars per acre and proved reserves
- One privately held financial institution and two financial services companies, which represented $30.3 million of fair value. The privately held financial institution was valued on a multiple of book value. One of the financial services company was valued based on a multiple of operating income and the other was valued based on net income

1. *Portfolio company operating and valuation metrics are based on the most recently available (unaudited) financial information for each company. Where necessary, estimates were used, which include pro forma adjusted EBITDA and Revenue, annualised quarterly operating metrics and LTM periods as of 30/6/2017 and 31/3/2017. Private equity fair value as of 30 June 2017.*
2. *One company completed an initial public offering during the period. Weighted average total return reflects change from the 31 December 2016 valuation to 30 June 2017.*

DIRECT EQUITY INVESTMENT PERFORMANCE

The figure below illustrates the key operating, valuation, and leverage statistics for the 46 traditional buyout investments by industry sector. In conducting the analysis, the Investment Manager utilised the most recently available information to estimate the year-over-year growth in revenue and EBITDA for each company. In addition, the Investment Manager analysed the most recently available valuation multiple (enterprise value to EBITDA) and leverage multiple (net debt to EBITDA) for each company. The aggregate metrics by industry sector represent weighted averages based on the fair value of each underlying company at 30 June 2017.

Direct Equity Investments (Traditional Buyout): Operating Performance, Valuation and Leverage by Sector



Fair Value ($mm):	**$36.3**	**$50.2**	**$2.5**	**$43.7**	**$50.0**	**$71.9**	**$79.4**
# of Companies:	**5**	**9**	**2**	**4**	**6**	**10**	**10**

1. *Portfolio company operating and valuation metrics are based on the most recently available (unaudited) financial information for each company. Where necessary, estimates were used, which include pro forma adjusted EBITDA and Revenue, annualised quarterly operating metrics and LTM periods as of 30/6/17 and 31/3/17. Private equity fair value as of 30 June 2017.*

SCHEDULE OF INVESTMENTS

Direct Equity Investments ($ in millions)	Principal Geography	Investment Date	Description	Fair Value
Patheon	U.S.	Mar-14	Manufacturing services for prescription drugs	$22.9
Extraction Oil & Gas	U.S.	May-14	E&P company in the U.S.	21.9
USI	U.S.	Jun-17	Insurance brokerage and consulting services	20.0
ProAmpac	U.S.	Nov-16	Leading global flexible packaging company	19.1
The Warranty Group	Global	Jul-14	Underwriter & administrator of extended warranties	18.1
Ortholite (Equity)	U.S.	Apr-14	Provider of high-performance insoles and related shoe components	15.7
Engineering Ingegneria Informatica	Italy	May-16	Italian IT firm	14.3
Saguaro	Canada	Jul-13	E&P company pursuing unconventional light oil/liquids-rich gas properties	14.3
Capsugel	Global	Jul-11	Hard capsules and drug delivery systems	13.7
Gardner Denver, Inc.	U.S.	Jul-13	Maker of industrial equipment	13.2
Financial Services Company*	Global	Sep-16	Global financial advisory and investment banking firm	12.9
Final Site	U.S.	Nov-16	Learning management platform for schools	12.5
Vertiv	U.S.	Nov-16	Provider of data center infrastructure	12.1
LGC	Europe	Mar-16	Life sciences measurement and testing company	12.0
Material Handling Systems	U.S.	Apr-17	E-commerce infrastructure and automation company	11.3
Black Knight Financial Services	U.S.	Dec-13	Mortgage servicing technology and appraisal / origination services	11.3
Marquee Brands	Global	Dec-14	Portfolio of consumer branded IP assets, licensed to third parties	11.0
Consilio	U.S.	Jul-15	eDiscovery company providing end-to-end services globally	11.0
Evoqua Equity	U.S.	Jan-14	Water treatment technology, equipment and services	10.7
Accedian	U.S.	Apr-17	Network technology company	10.0
Leaseplan	Europe	Apr-16	Fleet management company	10.0
Petsmart	U.S.	Jun-15	Pet supplies retailer	9.9
RiverBed	U.S.	Feb-15	Provider of application performance infrastructure	9.5
ARUHI Corporation	Japan	Oct-14	Mortgage company in Japan offering primarily fixed rate mortgages	9.3
Omega Environmental Technologies	U.S.	Feb-17	Leading distributor and assembler of climate control components	9.3
Digital River (Equity)	U.S.	Feb-15	Digital eCommerce, payments and marketing solutions	9.0
Genetic Testing Company - Equity*	U.S.	Jun-13	Genetic testing company	8.7
Lasko Products	U.S.	Nov-16	Manufacturer of portable fans and ceramic heaters	8.4
SolarWinds	U.S.	Feb-16	Provider of enterprise-class IT and infrastructure management software	8.4
Standard Aero	U.S.	Jun-15	Provider of aircraft maintenance, repair and overhaul services	7.8
Solace Systems	U.S.	Apr-16	Enterprise messaging solutions	7.3
Vencore	U.S.	Nov-10	High-end systems engineering to US Intelligence Industry	7.3
Looking Glass	U.S.	Feb-15	Cyber security technology company	7.1
Aster / DM Healthcare	Middle East / India	Jun-14	Operator of hospitals, clinics and pharmacies	7.0
Fortress	U.S.	Jun-17	Leading hospital provider in Vietnam	7.0
Ellucian	Global	Sep-15	Developer of higher education ERP software	7.0
Brightview	U.S.	Dec-13	Commercial landscape and turf maintenance	7.0
Berlin Packaging	U.S.	Oct-14	Supplier of rigid packaging materials and value-added services	6.8
CSC Service Works	U.S.	Mar-15	Provider of outsourced services to laundry & air vending markets	6.5
ProMach	U.S.	Nov-14	Packaging machinery for consumer goods	6.2
GC Services	U.S.	Jan-16	Provider of call center management and collection agency services	5.9
Wind River Environmental	U.S.	Apr-17	Waste management services provider	5.9
Counsyl	U.S.	Jul-14	Genetic testing and services using innovative software	5.5
American Dental Partners, Inc.	U.S.	Feb-12	Dental practice management services	5.4
Hilsinger	U.S. / U.K. / Australia	May-14	Supplier of eye wear and eye care accessories	4.9
MHS	U.S.	Mar-17	Provider of repair, maintenance and fleet management services	4.8
Snagajob	U.S.	Jun-16	Job search and human capital management provider	4.6
Inflection Energy	U.S.	Oct-14	Dry gas exploration company in the Marcellus Shale	4.4
Connector Company*	U.S.	Oct-15	Producer of embedded solid-state connectors	4.0
Alex & Ani	U.S.	May-15	Designer jewelry company	3.9
Compliance Solutions Strategies	U.S.	Apr-17	Provider of compliance solutions to the financial services sector	3.9
First Data	Global	Sep-07	Electronic commerce and payments	3.8
Mills Fleet Farms	U.S.	Feb-16	Value-based retailer with 35 stores in the Midwest US	3.6
Concord Bio	India	Jun-16	Active pharmaceutical ingredients manufacturer	3.6
Oticas Carol	Brazil	Apr-13	2nd largest eyewear retailer in Brazil	3.6
Centro	U.S.	Jun-15	Provider of digital advertising management solutions	3.5
Syniverse Technologies	Global	Feb-11	Global telecommunications technology solutions	3.0
Stratus Technologies	U.S.	Apr-14	Technology solutions that prevent downtime of critical applications	2.8
Taylor Precision Products	U.S.	Jul-12	Consumer & foodservice measurement products	2.7
Bylight	U.S.	Jun-17	Provider of IT and technology infrastructure cyber solutions	2.5
Into University Partnerships	U.K./U.S.	Apr-13	Collegiate recruitment, placement and education	2.2
Kyobo Life Insurance Co.	Asia	Dec-07	Life insurance in Korea	2.1
Velocidi	U.S.	Dec-16	Marketing intelligence company	2.0
17 Other Direct Equity Investments (<$2m Individually) & Net Other Assets / (Liabilities)				12.3
Total Direct Equity Investments				**$548.1**

**Due to confidentiality agreements, company names cannot be disclosed.*
Note: Numbers may not sum due to rounding.

INCOME INVESTMENTS: KEY PORTFOLIO STATS

Portfolio Overview

30 Investments & **$134.3** million of fair value

Primarily junior debt investments, broadly diversified across sectors

2 year average holding period of companies active in the portfolio

Investment focus:

- Established and stable private-equity backed companies
- Primarily second lien / mezzanine portions of the capital structure
- High quality private equity sponsorship

Portfolio Metrics[1]

9.9% cash yield

11.5% estimated yield to maturity

$13.0 million of run-rate cash income

53% dividend coverage from portfolio income

Strong Performance

$48 million of distributions to NBPE from income investments in the first six months of 2017

3 exited investments generated **$19** million of distributions in 2017

1. *Yield to maturity is inclusive of PIK interest and represents the IRR from this reporting period to the maturity of the investment. Small business loans are excluded from the yield calculation, but are at an interest rate at least at the rate stated above.*

NEW INVESTMENTS DURING THE FIRST SIX MONTHS OF 2017

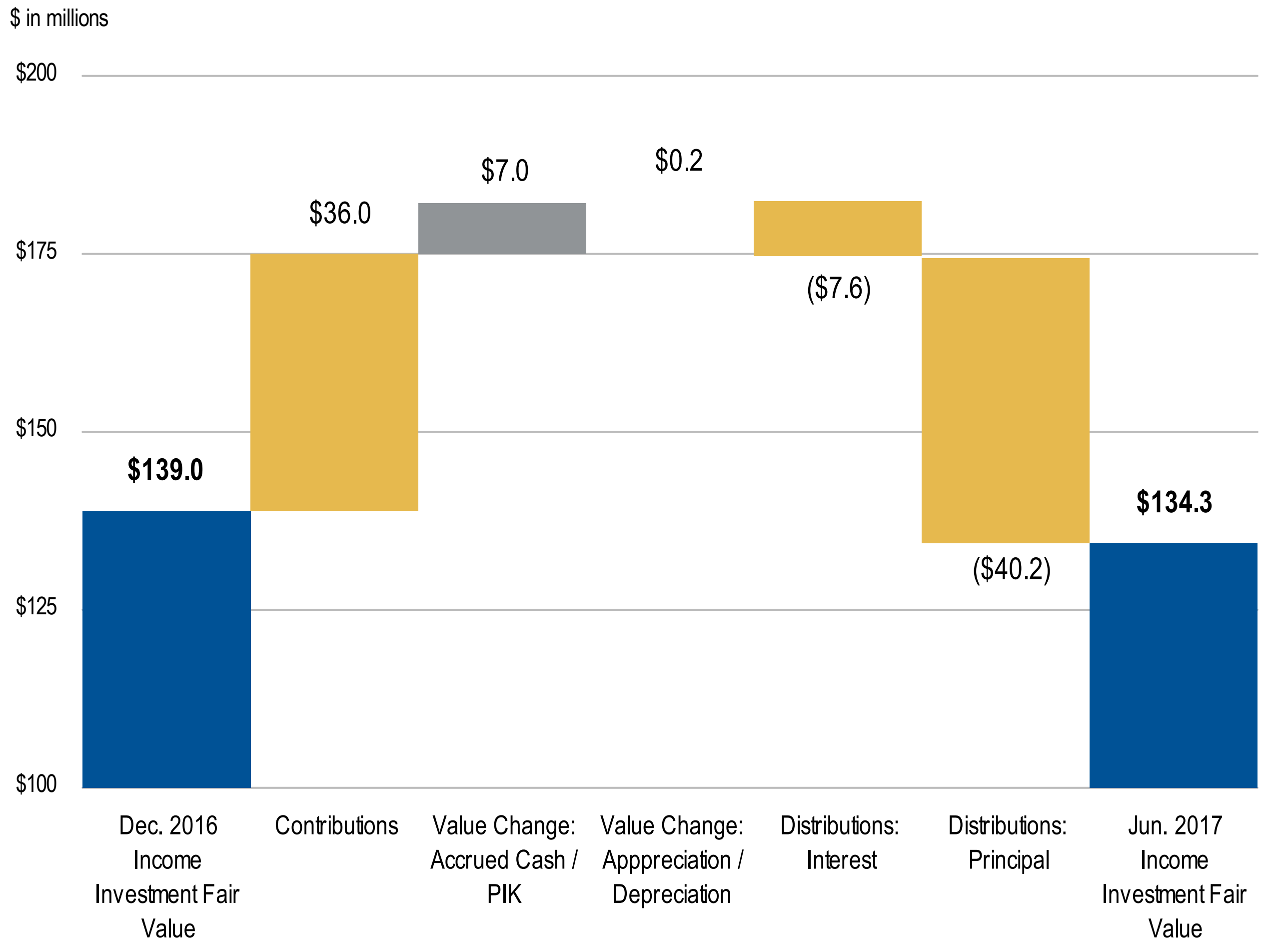
$35.2 million invested in **6** new income investments[1]

DuBois **$9.0m** invested. Equity Sponsor: Jordan Group	• Producer of chemicals for the manufacturing industry
OPTIV **$6.0m** invested. Equity Sponsor: KKR	• Cyber security solutions provider
SUNGARD Public Sector **$4.9m** invested. Equity Sponsor: Vista Equity Partners	• Provider of local government and public safety software solutions
blue nile. THE SOURCE OF BRILLIANCE™ **$3.6m** invested. Equity Sponsor: Bain Capital	• Online jewelry retailer

1) An additional $11.7m was invested in two new credit opportunity investments (secondary positions), which are undisclosed positions.

INCOME INVESTMENT PERFORMANCE

$7.6 million of interest income and **$40.2** million of principal repayments and prepayment premiums during the first six months of 2017. Run rate cash income was **$13.0** million as of 30 June 2017



Note: Numbers may not sum due to rounding.

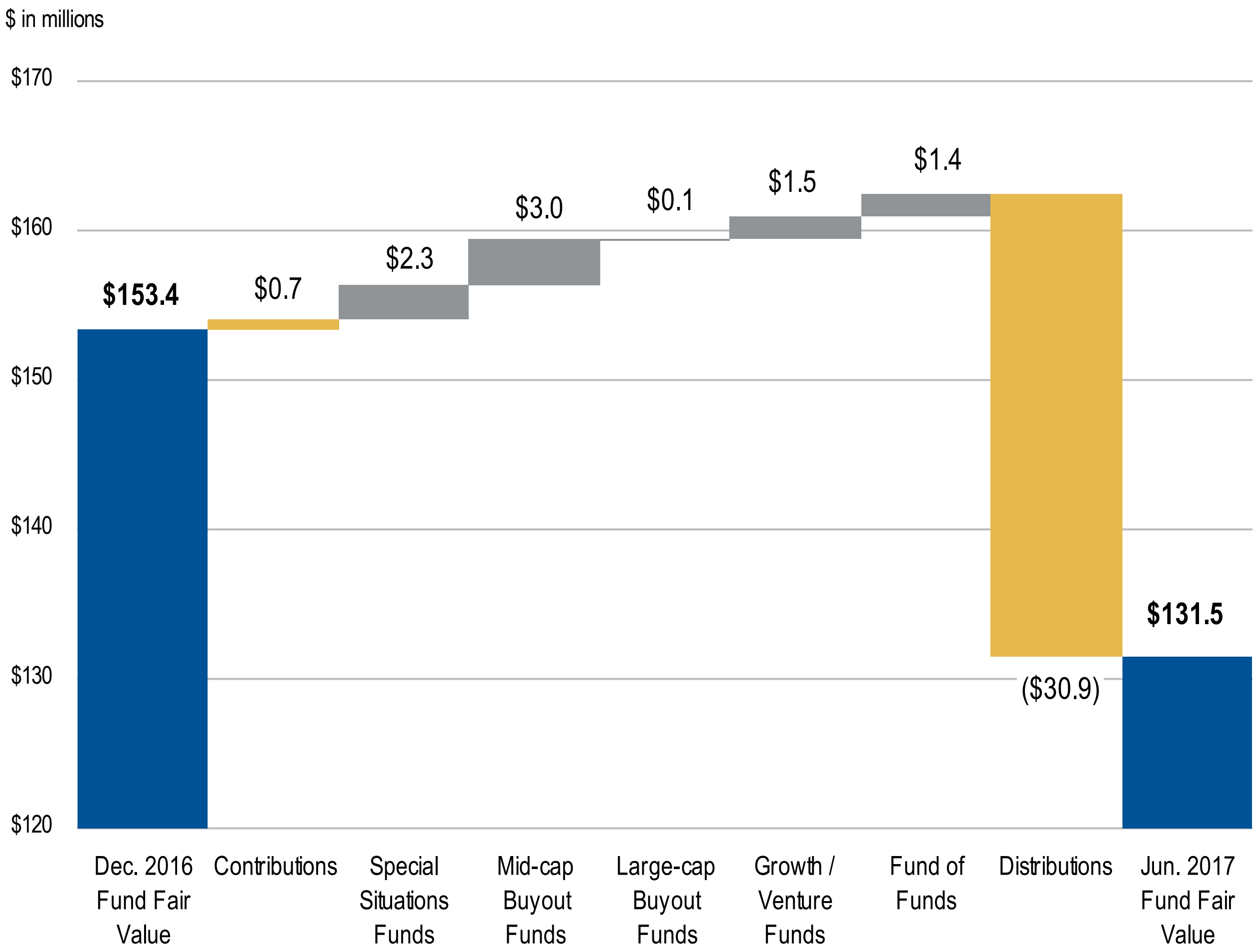
SCHEDULE OF INVESTMENTS

INVESTMENT NAME	SECURITY DETAILS	INVESTMENT DATE	MATURITY DATE	FAIR VALUE[1]	CASH + PIK COUPON	CASH YIELD	TOTAL EST. YTM
Income Investments							
Linxens	Second lien (L+8.25% Cash, 1.0% L Floor, 1% OID)	Oct-15	Oct-23	$10.0	9.4%	9.5%	9.9%
Schumacher Group	Second lien (L+8.5% Cash, 1.0% L Floor, 1% OID)	Oct-15	Oct-23	9.7	9.7%	9.7%	10.1%
GCA Services	Second lien (L+9.0% Cash, 1% L Floor, 2.5% OID)	Mar-16	Mar-24	9.2	10.2%	9.9%	10.7%
Dubois Chemical	Second lien (L+8.00% Cash, 1% L Floor, 1% OID)	Mar-17	Mar-25	9.0	9.2%	9.2%	9.6%
ProAmpac	Second Lien (L+8.50%, 1% L Floor)	Nov-16	Oct-24	6.0	9.7%	9.7%	10.1%
Taylor Precision Products	Sr. sub notes (13% Cash, 1.5% OID)	Nov-13	May-19	5.9	13.0%	12.6%	13.8%
Funding Circle	Portfolio of small business loans	Jan-15	N/A	5.9	N/A	N/A	N/A
Central Security Group	Second lien (L+9.0% Cash, 1% L Floor, 5% OID)	Nov-14	Oct-21	5.9	10.2%	10.5%	10.7%
Optiv	Second Lien (L+7.25%, 1% Floor, 0.5% OID)	Feb-17	Feb-25	5.7	8.4%	8.3%	8.8%
Galco Industrial Electronics	Sr. sub notes (10.75% Cash, 1.25% PIK, 1.5% OID)	May-14	May-21	5.2	12.0%	10.4%	12.4%
Sungard	Second Lien (L+8.50%, 1% Floor, 1.0% OID)	Feb-17	Jan-25	4.9	9.7%	9.7%	10.1%
P2 Energy Solutions	Second lien (L+8.00% Cash, 1.0% L Floor, 1% OID)	Nov-13	May-21	4.6	9.2%	10.1%	9.6%
Blue Nile	First Lien (L+6.50% Cash, 1% L Floor, 3% OID)	Mar-17	Feb-23	3.6	7.7%	7.8%	8.0%
17 Other Income Investments, Incl. Credit Opportunities & Net Other Assets / (Liabilities)				48.7	-	-	-
Total Income Investments				**$134.3**	**9.4%**	**9.9%**	**11.5%**

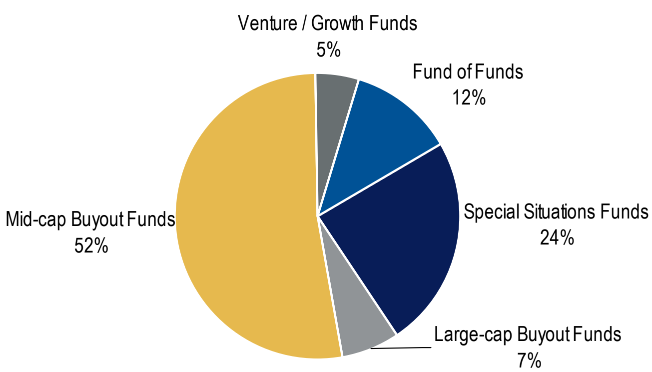
Note: Credit opportunities investments are excluded from the schedule above.
1.The yield to maturity is inclusive of PIK interest and represents the return (IRR) from this reporting period to the maturity of the investment. Small business loans are excluded from the yield calculation, but are at an interest rate at least at the rate stated above.

FUND INVESTMENT PERFORMANCE

$30.9 million of distributions during 2017



Fund Investment Distribution Activity by Asset Class



The largest distributions during 2017 were received from mid-cap buyout and special situations funds. During the first six months of 2017, the largest fund distributions were received from OCM Principal Opportunities IV, Avista Capital Partners and Sankaty Credit Opportunities III.

The Manager expects distribution activity in the fund portfolio to continue over the next several years as underlying managers focus on liquidity.

Note: Numbers may not sum due to rounding.

SCHEDULE OF INVESTMENTS

($ in millions) Fund Investments	Asset Class	Vintage Year	Fair Value	Unfunded Commitment[1]
Catalyst Fund III	Special Situations Funds	2011	$15.2	$0.7
NB Crossroads Fund XVIII Mid-cap Buyout	Mid-cap Buyout Funds	Fund XVIII	12.4	7.1
Platinum Equity Capital Partners II	Special Situations Funds	2007	9.6	3.3
Bertram Growth Capital II	Growth / Venture Funds	2010	9.4	1.8
NG Capital Partners	Growth / Venture Funds	2010	6.9	0.4
Bertram Growth Capital I	Growth / Venture Funds	2007	6.3	1.0
NB Crossroads Fund XVII	Fund XVII (Diversified)	Fund XVII	6.2	1.7
NB Crossroads Fund XVIII Venture Capital	Growth / Venture Funds	Fund XVIII	6.1	1.7
Corsair III Financial Services Capital Partners	Mid-cap Buyout Funds	2007	5.7	0.9
Sun Capital Partners V	Special Situations Funds	2007	5.4	1.1
Avista Capital Partners	Mid-cap Buyout Funds	2006	4.3	0.2
DBAG Expansion Capital Fund	Growth / Venture Funds	2012	3.8	0.9
NB Crossroads Fund XVIII Large-cap Buyout	Large-cap Buyout Funds	Fund XVIII	3.8	2.2
Sankaty Credit Opportunities III	Special Situations Funds	2007	3.5	-
NB Crossroads Fund XVIII Special Situations	Special Situations Funds	Fund XVIII	3.4	0.9
NB Fund of Funds Secondary 2009	Mid-cap Buyout Funds	2009	3.1	0.6
OCM Principal Opportunities Fund IV	Mid-cap Buyout Funds	2007	3.0	2.0
17 Other Fund Investments (< $3m Individually)			$23.5	$12.0
Total Fund Investments			**$131.5**	**$38.7**

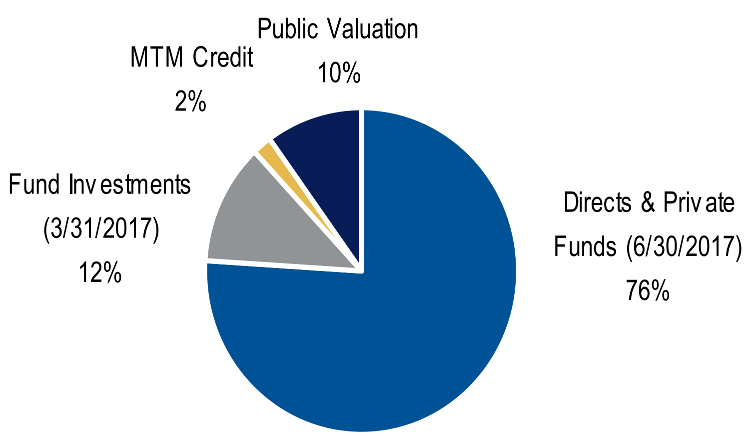
Note: Numbers may not sum due to rounding. The underlying NB Crossroads vintage year diversification is as follows (as a percentage of fair value): 2002 (<1%), 2003 (<1%), 2004 (2%), 2005 (10%), 2006 (37%), 2007 (39%), 2008 (8%), 2009 (1%) and 2010 (3%).

1. *$37.8 million of unfunded commitments are to funds past their investment period. Please refer to page 25 for more information on unfunded commitments to funds past their investment period.*

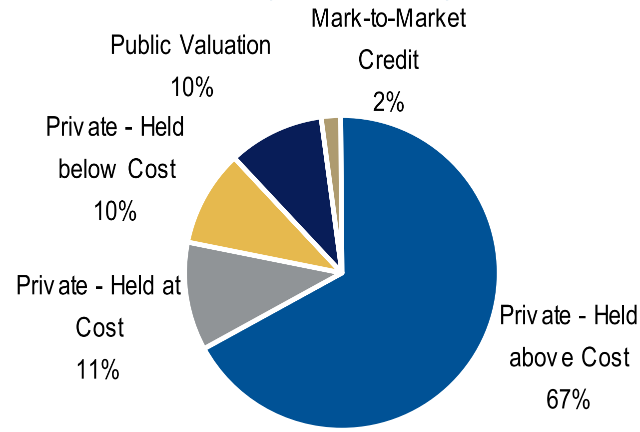
PORTFOLIO VALUATION

Following the receipt of additional valuation information after 27 July 2017, the publication date of the June monthly NAV estimate, the NAV per Share per the consolidated balance sheet of $16.48 was $0.38 higher than previously reported.[1] As of 30 June 2017, approximately 10% of fair value was held in public securities.

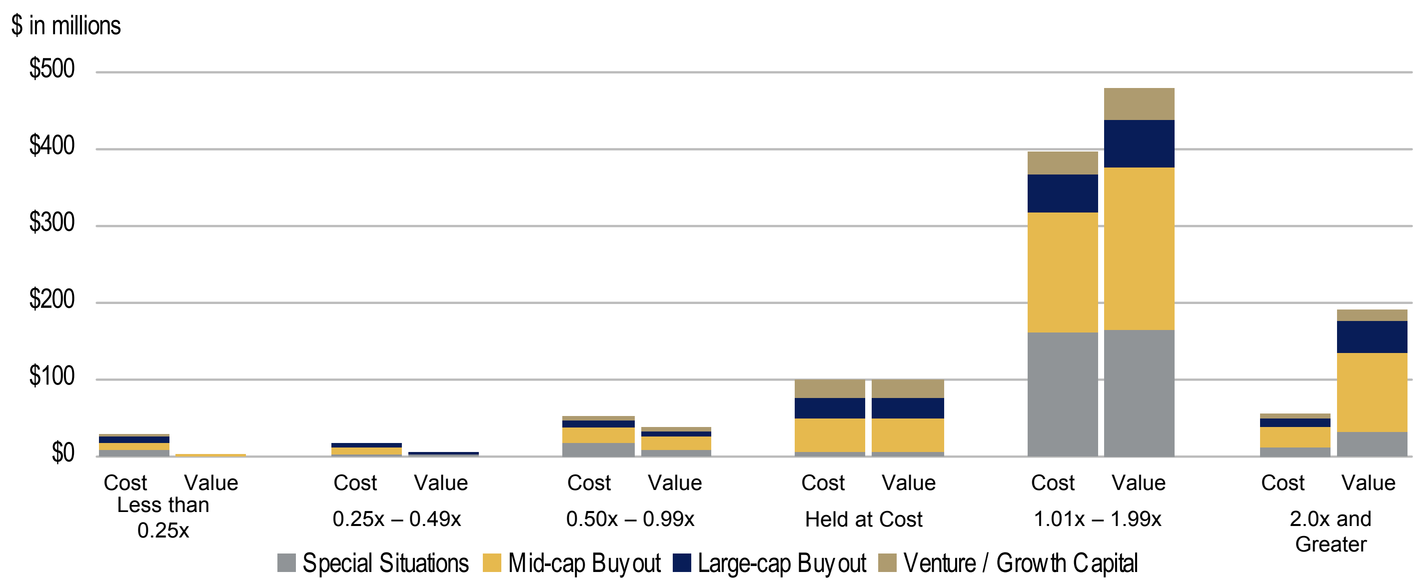
By Date of Information & Valuation Type (% of Fair Value)[2]



Valuation Method (% of Fair Value)



NBPE Portfolio Valuation by Asset Class



Note: Numbers may not sum due to rounding.

1. As reported in the monthly NAV estimate the percent of private equity fair value was held: 19% in direct investments, 9% in public securities and 2% in credit-related funds as of 30 June 2017, 4% in direct investments as of 30 April 2017 and 52% in direct investments and 14% in fund investments as of 31 March 2017.

2. Please refer to page 56 for a detailed description of the valuation policy. While some information is as of 31 March 2017, the Manager's analysis and historical experience lead the Manager to believe that this approximates fair value at 30 June 2017.

2017 IPO ACTIVITY & PUBLIC STOCK EXPOSURE

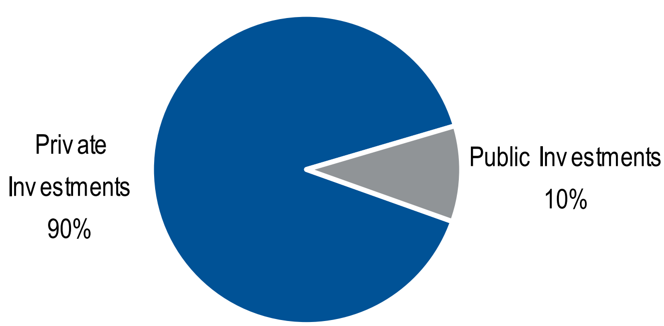
Four companies in NBPE's portfolio completed an initial public offering during the first six months of 2017, which may lead to future distributions to NBPE:

- Keane Group (NYSE: FRAC) – NB Crossroads Fund XVIII
- Gardner Denver (NYSE: GDI) – Direct equity co-investment
- Antero Midstream (NYSE: AM) – NB Fund of Funds Secondary 2009
- Cloudera (NYSE: CLDR) – NB Crossroads Fund XVII

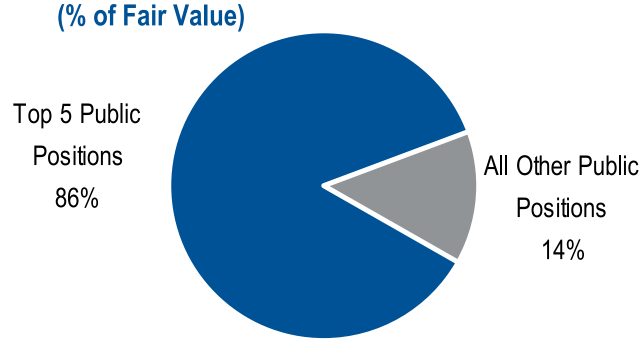
The top five public stock exposures are listed below:

- Patheon (NYSE: PTHN): $22.9 million
- Extraction Oil & Gas (NASDAQ: XOG): $21.9 million
- Gardner Denver (NYSE: GDI): $13.2 million
- Black Knight Financial Services (NYSE: BKFS): $11.3 million[1]
- First Data (NYSE: FDC): $4.0 million

Public vs. Private Investments (% of Fair Value)



Concentration of Public Investments (% of Fair Value)



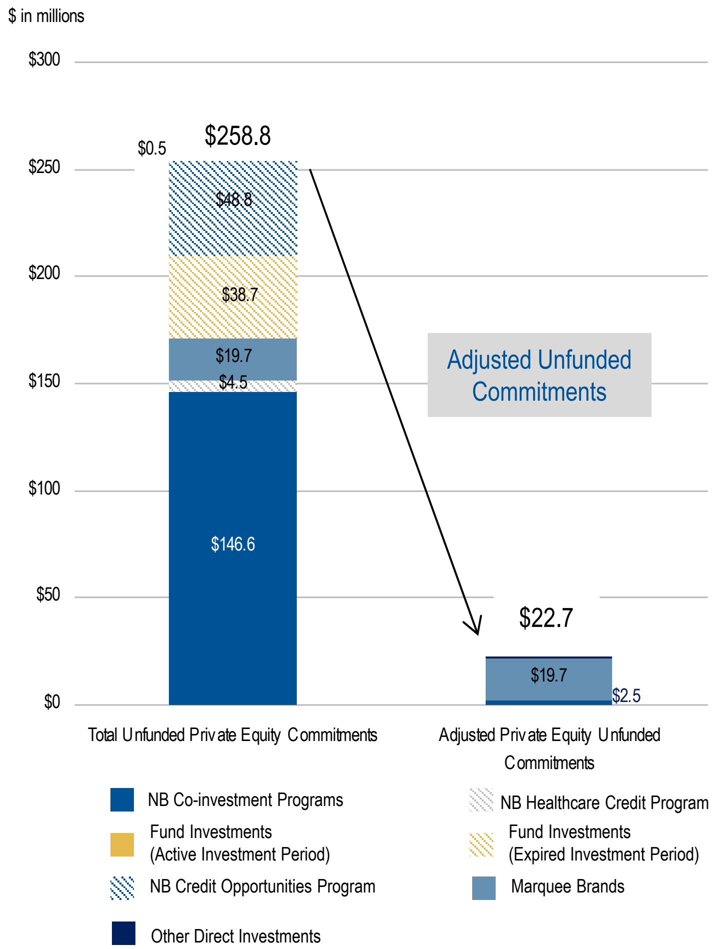
Note: Numbers may not sum due to rounding
1. Valuation is based on the underlying share price of Black Knight Financial Services and includes an additional entity that remains private.

UNFUNDED COMMITMENTS & CAPITAL RESOURCES

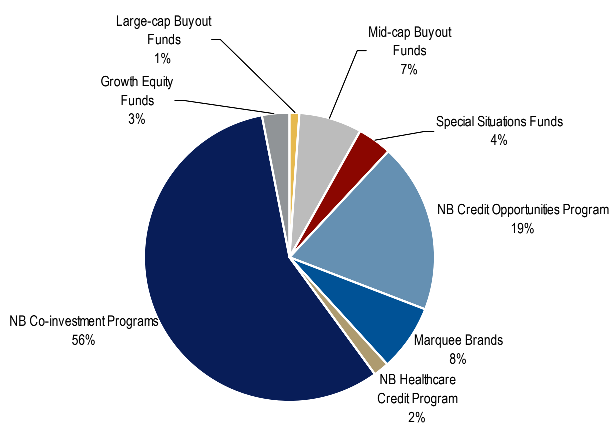
As of 30 June 2017, NBPE's unfunded commitments were approximately $258.8 million. Approximately $146.6 million, $4.5 million, $48.8 million, and $19.7 million were unfunded commitments to the NB Alternatives Co-investment and Healthcare Credit Programs, NB Credit Opportunities Program and Marquee Brands, respectively. Approximately $13.6 million of unfunded commitments were to funds of funds managed by the Manager and $25.1 million of unfunded commitments were to third party direct funds. Within the fund portfolio, $38.7 million of the unfunded commitments are to funds past their investment period. The Manager believes a large portion of this amount is unlikely to be called. However, some amount may be called for fees, expenses and / or follow-on investments.

The Manager analysed the unfunded commitments on an adjusted basis. Unfunded commitments were adjusted by removing unfunded commitments past their investment period, amounts which NBPE has the ability to terminate if it so chooses, and unfunded commitments to funds managed by the Manager. Following these adjustments, the unfunded commitments were $22.7 million.

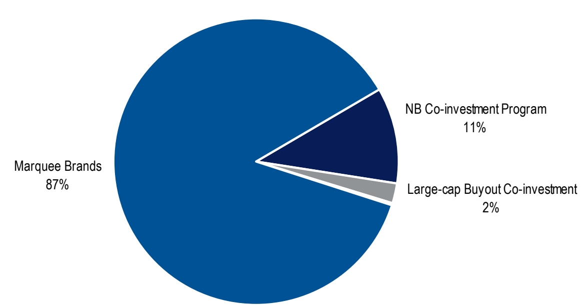
As of 30 June 2017, NBPE had $58.5 million of cash and available borrowings under the 2016 Credit Facility (as defined on the following page), totaling $208.5 million of total capital resources. On an adjusted basis this corresponds to excess capital resources of $185.8 million and a commitment coverage ratio of 919%.



Total Actual Unfunded Private Equity Commitments ($258.8m)



Adjusted Unfunded Private Equity Commitments ($22.7m)



Note: Numbers may not sum due to rounding.

CREDIT FACILITY OVERVIEW

On 7 June 2016, the Company entered into an agreement with JP Morgan Chase Bank, N.A. (the "2016 Credit Facility") to refinance the 2012 Credit Facility. The 2016 Credit Facility's availability is up to $150.0 million (including a $25.0 million accordion whereby the Company is able to increase available borrowings) that expires on 7 June 2021. Beginning in year four, the 2016 Credit Facility carries mandatory amortisation of outstanding balances of 25% per calendar quarter. The 2016 Credit Facility is guaranteed by the Company (the "Parent Guarantor") as well as all of the Company's subsidiaries (except for NB PEP Investments LP (Incorporated), being the borrower under the 2016 Credit Facility) and secured by substantially all of the assets of the Parent Guarantor and its subsidiaries. At 30 June 2017, there were no amounts borrowed under the 2016 Credit Facility.

Under the 2016 Credit Facility, the interest rate is calculated as LIBOR (based on 3-month LIBOR) plus 3.75% per annum. In addition, under the 2016 Credit Facility, the Company is required to pay an undrawn revolving fee of 1.25% per annum on the daily balance of the unused facility amount. The Company is also subject to certain minimum draw requirements, which if not met, subjects the Company to an additional utilisation fee on any undrawn amounts that are below the minimum draw requirement.

Under the 2016 Credit Facility, the Company is required to meet a maximum over-commitment test, certain loan-to-value ("LTV") ratios, performance event tests and certain portfolio concentration tests.

The maximum over-commitment test is performed on an adjusted unfunded basis, and is designed to limit the amount of unfunded obligations the Company and its subsidiaries may enter into. Adjusted unfunded obligations cannot exceed the lesser of: 1) $50 million, plus unrestricted cash, plus the undrawn credit facility and 2) 15% of the adjusted market value of eligible investments.

The Company is subject to a number of LTV ratios in order to be in compliance with the 2016 Credit Facility. The drawdown LTV ratio is 25% and the maximum LTV ratio is 40%. If the LTV ratio exceeds 40%, the Company is subject to certain requirements to lower the LTV ratio to the maintenance margin of 35%, within certain timeframes. If at any time the LTV ratio exceeds 60%, the Company is forced to make prepayments on the loan balance on an expedited basis.

Certain cash distributions, including dividends, are subject to an LTV release ratio of less than 35%, unless a performance event has occurred. The performance event test is measured against the level of the S&P 500 index. If the S&P 500 index value falls by 30% in any 120 day period, certain cash distributions, including dividends, are subject to an LTV release ratio of 20%.

The Company is subject to certain portfolio concentration tests which limit the amount of exposure the Company may have in certain areas.

At 30 June 2017, the Company met all requirements under the 2016 Credit Facility.

Note: Numbers may not sum due to rounding.

PRINCIPAL RISKS AND UNCERTAINTIES AND STATEMENT OF RESPONSIBILITY

Statement of Principal Risks and Uncertainties

The principal risk and uncertainties of the Company include external risks, strategic risks, investment risks, financial risks and operational risks. These risks, and the way in which they are managed, are described in more detail under the heading "Risk Report" in the Company's annual report for the year ended 31 December 2016. Aside from the successful repayment of the Company's 2017 ZDP Shares, in which holders received the final capital entitlement in May 2017, the Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remainder of the Company's financial year.

Statement of Directors' Responsibility

The Directors confirm that to the best of our knowledge:

- the unaudited interim consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles, as required by DTR 4.2.4R of the Disclosure Guidance and Transparency Rules and the Dutch Financial Supervision Act;

- the Investment Manager's Report meets the requirements of an interim financial report, together with the statement of principal risks and uncertainties above, includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R of the Disclosure Guidance and Transparency Rules and Section 5.25d of the Dutch Financial Supervision Act and includes:

  (a) an indication of important events that have occurred during the first six months of the financial year and their impact on the financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last annual report that could do so.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

T. P. Morgan

Talmai Morgan
Director

John Falla
Director

Date: 1 September 2017

INDEPENDENT REVIEW REPORT TO NB PRIVATE EQUITY PARTNERS LIMITED

Conclusion

We have been engaged by NB Private Equity Partners Limited (the "Company") to review the unaudited consolidated interim financial statements (the "financial statements") of the Company together with its subsidiaries (together "the Group") in the half-yearly financial report which comprises the consolidated balance sheets, consolidated condensed schedules of private equity investments, consolidated statements of operations and changes in net assets, consolidated statements of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements for the period ended 30 June 2017 do not give a true and fair view of the financial position of the Company as at 30 June 2017 and of its financial performance and its cash flows for the six month period then ended in conformity with U.S generally accepted accounting principles and the Disclosure Guidance and Transparency Rules (the "DTR") of the UK's Financial Conduct Authority (the "UK FCA") and by the Financial Supervision Act of the Netherlands (the "Wft").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA and the Wft.

The financial statements included in this interim report have been prepared in conformity with U.S generally accepted accounting principles.

Our responsibility

Our responsibility is to express to the Company a conclusion on the financial statements in the half-yearly financial report based on our review.

INDEPENDENT REVIEW REPORT TO NB PRIVATE EQUITY PARTNERS LIMITED *(Continued)*

The purpose of our review work and to whom we owe our responsibilities

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

Dermot A. Dempsey.

Dermot A. Dempsey

For and on behalf of KPMG Channel Islands Limited
Chartered Accountants, Guernsey

1 September 2017

CONSOLIDATED BALANCE SHEETS
30 JUNE 2017 (UNAUDITED) AND 31 DECEMBER 2016 (AUDITED)

Assets		2017	2016
Private equity investments			
Cost of $666,179,093 at 30 June 2017 and $617,340,299 at 31 December 2016	$	813,908,193	$ 767,312,829
Cash and cash equivalents		58,479,714	93,662,028
Distributions and sales proceeds receivable from investments		2,572,976	7,590,641
Net deferred tax asset		2,142,690	-
Other assets		3,910,821	3,851,617
Total assets	$	881,014,394	$ 872,417,115

Liabilities			
Liabilities:			
ZDP Share liability	$	67,177,521	$ 76,894,552
Carried interest payable		3,982,795	7,866,561
Accrued expenses and other liabilities		1,672,218	6,094,211
Payables to Investment Manager and affiliates		3,080,413	2,998,767
Net deferred tax liability		-	1,026,106
Credit facility loans		-	-
Total liabilities	$	75,912,947	$ 94,880,197
Net assets			
Class A Shares, $0.01 par value, 500,000,000 shares authorised, 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 authorised, 10,000 shares issued and outstanding		100	100
Additional paid-in capital		525,157,490	525,157,490
Retained earnings		287,733,211	260,212,429
Less cost of treasury stock purchased (3,150,408 shares)		(9,248,460)	(9,248,460)
Total net assets of the controlling interest		804,161,751	776,640,969
Net assets of the non-controlling interest		939,696	895,949
Total net assets	$	805,101,447	$ 777,536,918
Total liabilities and net assets	$	881,014,394	$ 872,417,115
Net asset value per share for Class A Shares and Class B Shares	$	16.48	$ 15.91
Net asset value per share for Class A Shares and Class B Shares (GBP)	£	12.65	£ 12.89
Net asset value per 2017 ZDP Share (Pence)		N/A	164.85
Net asset value per 2022 ZDP Share (Pence)		103.15	101.17

The financial statements were approved by the board of directors on 1 September 2017 and signed on its behalf by

Talmai Morgan John Falla

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

CONSOLIDATED CONDENSED SCHEDULES OF PRIVATE EQUITY INVESTMENTS
30 JUNE 2017 (UNAUDITED) AND 31 DECEMBER 2016 (AUDITED)

Private equity investments	Cost	Fair Value	Unfunded Commitment	Private Equity [3] Exposure
2017				
Fund investments	$ 111,649,976	$ 131,462,297	$ 38,677,102	$ 170,139,399
Direct equity investments [1]	411,709,974	548,114,845	171,343,099	719,457,944
Income investments[2]	142,819,143	134,331,051	48,754,270	183,085,321
	$ 666,179,093	$ 813,908,193	$ 258,774,471	$1,072,682,664
2016				
Fund investments	$ 134,043,729	$ 153,398,249	$ 39,133,787	$ 192,532,036
Direct equity investments [1]	334,882,546	474,945,666	177,744,014	652,689,680
Income investments[2]	148,414,024	138,968,914	44,020,612	182,989,526
	$ 617,340,299	$ 767,312,829	$ 260,898,413	$1,028,211,242

Note: None of the underlying investments exceeded 5% of Net Asset Value.

(1): *Including investments made through NB Alternatives Direct Co-investment Programs and Marquee Brands.*
(2): *Including investments made through NB Healthcare Credit Investment Program and NB Credit Opportunities 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.
See accompanying independent review report.

CONSOLIDATED CONDENSED SCHEDULES OF PRIVATE EQUITY INVESTMENTS (CONTINUED)
30 JUNE 2017 (UNAUDITED) AND 31 DECEMBER 2016 (AUDITED)

Geographic diversity of private equity investments [1]	Fair Value 2017	Fair Value 2016
North America	$ 697,193,395	$ 654,741,427
Europe	63,501,162	59,618,675
Asia / rest of world	46,338,793	47,606,257
Not classified	6,874,843	5,346,470
	$ 813,908,193	$ 767,312,829

Industry diversity of private equity investments [2]	2017	2016
Technology / IT	19.2%	17.5%
Healthcare	16.1%	14.5%
Industrials	15.7%	12.1%
Consumer discretionary	13.0%	14.0%
Financial services	14.1%	12.3%
Business services	9.0%	10.5%
Energy	6.8%	8.7%
Communications / media	3.0%	3.4%
Diversified / undisclosed / other	1.5%	4.2%
Transportation	1.6%	2.8%
	100.0%	100.0%

Asset class diversification of private equity investments [3]	2017	2016
Large-cap buyout	1.3%	1.6%
Large-cap buyout co-Invest	17.2%	14.7%
Mid-cap buyout	4.3%	5.9%
Mid-cap buyout co-Invest	37.3%	35.9%
Special situation	5.6%	6.8%
Special situation co-Invest	6.3%	7.0%
Income investments	16.5%	17.3%
Growth/venture	10.9%	10.2%
Secondary purchases	0.6%	0.6%
	100.0%	100.0%

(1): *Geography is determined by location of the headquarters of the underlying portfolio companies in funds and direct co-investments. A portion of our fund investments may relate to cash, or other assets or liabilities that they hold and for which we do not have adequate information to assign a geographic location.*

(2): *Industry diversity is based on underlying portfolio companies and direct co-investments.*

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

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

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2017 AND 2016 (UNAUDITED)

		2017		2016
Interest and dividend income	$	7,814,689	$	18,443,688
Expenses				
Investment management and services		5,888,059		5,813,063
Carried interest		3,982,795		1,708,689
Finance costs				
Credit facility		1,010,132		2,366,108
ZDP Shares		1,931,462		2,721,888
Administration and professional fees		2,748,228		1,470,790
		15,560,676		14,080,538
Net investment income (loss)	$	(7,745,987)	$	4,363,150
Realised and unrealised gains (losses)				
Net realised gain (loss) on investments and forward foreign exchange contracts, net of tax expense of $403,605 for 2017 and $322,222 for 2016	$	46,380,679	$	17,212,765
Net change in unrealised gain (loss) on investments and forward foreign exchange contracts, net of tax (benefit) expense of $3,168,796 for 2017 and $1,261,984 for 2016		1,129,978		3,219,710
Net realised and unrealised gain (loss)		47,510,657		20,432,475
Net increase (decrease) in net assets resulting from operations	$	39,764,670	$	24,795,625
Less net increase (decrease) in net assets resulting from operations attributable to the non-controlling interest		43,747		26,504
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$	39,720,923	$	24,769,121
Net assets at beginning of period attributable to the controlling interest		776,640,969		700,327,477
Less dividend payment		(12,200,141)		(12,200,141)
Net assets at end of period attributable to the controlling interest	$	804,161,751	$	712,896,457
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest	*$*	*0.81*	*$*	*0.51*
Earnings (loss) per share for Class A Shares and Class B Shares of the controlling interest (GBP)	*£*	*0.64*	*£*	*0.41*

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2017 AND 2016 (UNAUDITED)

	2017	2016
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$ 39,720,923	$ 24,769,121
Net increase (decrease) in net assets resulting from operations attributable to the non-controlling interest	43,747	26,504
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realised (gain) loss on investments	(46,380,679)	(17,212,765)
Net change in unrealised (gain) loss on investments	(1,129,978)	(3,219,710)
In-kind payment of interest income	31,756	(31,377)
Amortisation of finance costs	491,172	(1,184,945)
Amortisation of purchase premium (OID), net	894,236	(2,955,507)
Change in other assets	5,761,630	4,160,404
Change in payables to Investment Manager and affiliates	(3,802,120)	1,711,066
Change in accrued expenses and other liabilities	2,243,142	3,242,416
Net cash provided by (used in) operating activities	(2,126,171)	9,305,207
Cash flows from investing activities:		
Distributions from private equity investments	60,690,571	85,994,637
Proceeds from sale of private equity investments	51,210,469	37,796,422
Contributions to private equity investments	(10,337,650)	(446,765)
Purchases of private equity investments	(105,691,462)	(90,165,077)
Net cash provided by (used in) investing activities	(4,128,072)	33,179,217
Cash flows from financing activities:		
Dividend payment	(12,200,141)	(12,200,141)
Redemption of 2017 Zero Dividend Preference Shares	(15,507,930)	-
Borrowings from credit facilities	-	100,000,000
Payments to credit facility	-	(82,500,000)
Settlement of the forward foreign exchange contract and ongoing hedging activity	(1,220,000)	(6,500,000)
Net cash provided by (used in) financing activities	(28,928,071)	(1,200,141)
Net increase (decrease) in cash and cash equivalents	**(35,182,314)**	**41,284,283**
Cash and cash equivalents at beginning of period	93,662,028	26,118,461
Cash and cash equivalents at end of period	**$ 58,479,714**	**$ 67,402,744**
Supplemental cash flow information		
Interest paid	**$ 53,831**	**$ 904,439**
Net taxes paid	**$ 52,720**	**$ 1,470,442**

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

Note 1 – Organisation

NB Private Equity Partners Limited (the "Company") and its subsidiaries, collectively (the "Group") 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 Group invests in private equity assets, which consist of direct equity investments and income investments. The portfolio includes investments in legacy private equity funds, which are in realisation mode. 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 Group may also make other opportunistic investments, as appropriate. The Company's Class A Shares are listed and admitted to trading on the Premium Segment of the Main Market of the London Stock Exchange ("Premium Segment") and the regulated market of Euronext Amsterdam N.V., under the symbol "NBPE". NBPE's Zero Dividend Preference ("ZDP") Shares (see note 6) are listed and admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange under the symbol "NBPP".

Following the Class A Shareholder meeting on 24 April 2017 and admission to the Premium Segment, Class A Shareholders have the right to vote on all resolutions proposed at general meetings of the Company, including resolutions relating to the appointment, election, re-election and removal of Directors. The Company's Class B Shares, which were issued at the time of the initial public offering to a Guernsey charitable trust whose trustee is Heritage Corporate Services Limited ("Trustee"), usually carry no voting rights at general meetings of the Company. However, in the event the level of ownership of Class A Shares by US residents (excluding any Class A Shares held in treasury) exceeds 35 per cent on any date determined by the Directors (based on an analysis of share ownership information available to the Company), the Class B Shares will carry voting rights in relation to "Director Resolutions" (as such term is defined in the Company's articles of incorporation). In this event, Class B Shares will automatically carry such voting rights to dilute the voting power of the Class A shareholders with respect to Director Resolutions to the extent necessary to reduce the percentage of votes exercisable by US residents in relation to the Director Resolutions to not more than 35 per cent. Each Class A Share and B Share participates equally in profits and losses. There have been no changes to the legal form or nature of the Class A Shares nor to the reporting currency of the Company's financial statements (which will remain in U.S. Dollars) as a result of the London Stock Exchange market quote being in Sterling.

The Group 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") give a true and fair view of the financial position, profit or loss and cash flows and are prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"), and are in compliance with the Companies (Guernsey) Law, 2008. These consolidated financial statements are 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 Group qualifies, for U.S. GAAP purposes, as an investment company. Accordingly, the Group 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 Group does not consolidate majority-owned or controlled portfolio companies. The Group 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 Group 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-group balances have been eliminated.

Market Risk

The Group'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 Group'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 private equity fund investments (or "partnership investments") of the Group each holds 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 Group in publicly traded and privately held securities. The partnership investments of the Group 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 Group'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 Group 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 Group 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 Group to a higher than normal amount of credit risk.

The cash and other liquid securities held can subject the Group 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 Group's cash and cash equivalents in U.S. Treasuries or other highly liquid securities.

Liquidity Risk

Liquidity risk is the risk that the Group 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 (see note 5) 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 Directors 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 Directors' 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 30 June 2017 and December 2016, $58,479,714 and $93,662,028 respectively, are primarily held with JP Morgan Chase Bank, N.A. ("JP Morgan").

Valuation of Investments

The Group carries private equity investments on its books at fair value in accordance with U.S. GAAP. The Directors, in consultation with the Investment Manager, use 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 realisations 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. The Group values private equity fund investments at the net asset value of the private equity fund investment (see note 4).

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 Group's debt as well as the level of debt senior to the Group'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 company's 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 Group is invested in and securities senior to the Group'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 Group, 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 Group'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.

Financial Instruments

The Group determines the fair value of its financial instruments and includes this additional information in the notes to the consolidated financial statements when the fair value is different than the carrying value of those financial instruments. At 30 June 2017 and 31 December 2016, the fair values of the Group's financial instruments reasonably approximate the carrying values and no additional disclosure is necessary.

Investment Income

The Group earns interest and dividends from direct investments and from cash and cash equivalents. The Group 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 Group 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 amortised 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 recognised when incurred. Operating expenses include amounts directly incurred by the Group as part of its operations, and do not include amounts incurred from the operations of the Group's investments.

Realised Gains and Losses on Investments

For investments in private equity funds, the Group 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 Group 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 Amended and Restated Investment Partnership Agreement. For the purposes of calculating the incentive allocation payable to the Special Limited Partner, the value of any private equity fund investments made by the Group in NB Funds in respect of which the Investment Manager or an affiliate receives a fee or other remuneration shall be excluded from the calculation.

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 Group does not separate the changes relating to currency exchange rates from those relating to changes in the fair value of the investments held. Changes in fair value due to currency exchange rates are included in the net change in unrealised gain (loss) on investments and forward foreign exchange contract the Consolidated Statements of Operations and Changes in Net Assets. For the six month period ended 30 June 2017 and 2016, the effect of translation to U.S. dollars increased valuations of foreign investments by approximately $40,988 and $94,907.

Other than the ZDP Shares denominated in Sterling, the Group has unfunded commitments denominated in currencies other than U.S. dollars. At 30 June 2017, the unfunded commitments that are in Euro and Canadian dollars amounted to €1,817,089 and CAD 635,862. At 31 December 2016, the unfunded commitments that are in Euro and Canadian dollars amounted to €2,088,641 and CAD 297,113. They have been included in the Consolidated Condensed Schedules of Private Equity Investments at the U.S. dollar exchange rate in effect at 30 June 2017 and 31 December 2016. The effect on the unfunded commitment of the change in the exchange rate between Euro and U.S. dollars and CAD and U.S. dollars was an increase in the U.S. dollar obligation of $200,404 for 30 June 2017 and a decrease in U.S. dollar obligation of $4,134 for 31 December 2016.

Income Taxes

The Company is registered in Guernsey as an exempt company. The States of Guernsey Income Tax Authority has granted the Group an exemption from Guernsey income tax under the provision of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and the Group has been charged an annual exemption fee of £1,200 (2016: £1,200).

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

Investments made in entities that generate U.S. source investment income may subject the Group 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 Group's distributive share of any U.S. sourced dividends and interest (subject to certain exemptions) and certain other income that the Group 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 Group 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 Group 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 Group 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 Group has not provided any reserves for taxes as all related tax benefits have been fully recognised. 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 Group 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 realisability 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 Group records the tax associated with any transactions with U.S. or other tax consequences when the Group recognizes the related income.

Shareholders in certain jurisdictions may have individual income tax consequences from ownership of the Group's shares. The Group has not accounted for any such tax consequences in these consolidated financial statements. For example, the Investment Manager expects the Group 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 Group or its subsidiaries. Instead, certain U.S. investors in the Group 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 U.S. 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 Group 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 2016 financial statements have been reclassified to conform to the 2016 presentation.

Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-07 ("ASU 2015-07"), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), modifying Accounting Standards Codification 946 Financial Services – Investment Companies. Under the modifications, investments in affiliated and private investment funds valued at net asset value ("NAV") are no longer included in the fair value hierarchy. The Group has adopted ASU No. 2015-07 in the consolidated financial statements.

Note 3 – Agreements, including related party transactions

Management and Administration

The Group 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. The Investment Manager is not entitled to a management fee on: (i) the value of any private equity fund investments held by the Company in NB Funds in respect of which the Investment Manager or an affiliate receives a fee or other remuneration; or (ii) the value of any holdings in cash and short-term investments (the definition of which shall be determined in good faith by the Investment Manager, and shall include holdings in money market funds (whether managed by the Investment Manager, an affiliate of the Investment Manager or a third party manager)). For the six month periods ended 30 June 2017 and 2016, the management fee expenses were $5,495,777 and $5,415,036, respectively, and are included in investment management and services on the Consolidated Statement of Operations and Changes in Net Assets.

Under the current management arrangements as of 30 June 2017, the Manager is responsible for providing certain accounting and administrative services to the Company. The Group 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. During the period of 1 January 2016 through 30 April 2016, Group incurred $200,182 for these services. After 30 April 2016 accounting and administrative service were provided by and the fees were paid to an independent third party. The Manager is not entitled to a fee on any NB funds where the manager/affiliated company receive a fee.

The Group 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 Group. Fees for these services are paid as invoiced by Heritage. The Group paid Heritage $55,438 and $108,067 for the six month periods ended 30 June 2017 and 2016 respectively, for such services, and are included in investment management and services on the Consolidated Statements of Operations and Changes in Net Assets.

For the six month periods ended 30 June 2017 and 2016, the Group paid the independent directors a total of $97,500 and $97,500 respectively. In addition, and as disclosed in the notice of EGM, the non-independent directors at the time also received a one-time fee of $7,500 each for the additional work in moving from the Specialist Fund Segment to the Premium Segment.

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 fees include fees for directors, audit and tax, trustee, legal, listing, and other items.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

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 30 June 2017 and 31 December 2016, the noncontrolling interest of $939,696 and $895,949 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 30 June 2017 and 31 December 2016.

	Controlling Interest	Noncontrolling Interest	Total
Net assets balance, 31 December 2015	$ 700,327,477	$ 787,260	$ 701,114,737
Net increase (decrease) in net assets resulting from operations	100,713,774	108,689	100,822,463
Dividend payment	(24,400,282)	-	(24,400,282)
Net assets balance, 31 December 2016	$ 776,640,969	$ 895,949	$ 777,536,918
Net increase (decrease) in net assets resulting from operations	39,720,923	43,747	39,764,670
Dividend payment	(12,200,141)	-	(12,200,141)
Net assets balance, 30 June 2017	$ 804,161,751	$ 939,696	$ 805,101,447

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 Group'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 Group's internal rate of return for such period, based on the net asset value, exceeds 7.5 percent. For the purposes of this computation, the value of any private equity fund investment in NB Funds in respect of which the Investment Manager or an affiliate receives a fee or other remuneration shall be excluded from the calculation of the incentive allocation payable to the Special Limited Partner. 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 also accrued and paid on any economic gain that the Group realises on treasury stock transactions. (See note 10). Carried interest is accrued periodically and paid at the conclusion of the fiscal year. As of 30 June 2017 and 31 December 2016, carried interest of $3,982,795 and $7,866,561 respectively was accrued.

Investments with the Investment Manager's Platform

The Group 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 NBG investment management fees and carry charged to the Group. As of 30 June 2017 and 31 December 2016, the aggregate net asset value of these funds was approximately $214.3 million and $232.4 million, respectively and associated unfunded commitments were $233.2 million and $232.1 million, respectively.

The Group 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 Group bears its share of any direct expenses of NBFOFS.

As of 30 June 2017, the Group has committed $275.0 million and funded $128.4 million to the NB Alternatives Direct Co- investment Programs, committed $50.0 million and funded $45.5 million to the NB Healthcare Credit Investment Program, committed $30.0 million and funded $10.3 million to Marquee Brands and committed $50.0 million and funded $1.2 million to NB Credit Opportunities Program.

Note 4 – Fair Value of Financial Instruments

The Group 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).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

The following tables detail the Group's financial assets and liabilities that were accounted for at fair value as of 30 June 2017 and 31 December 2016 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. Due to the adoption of ASU 2015-07 (see note 2), investments for which fair value is measured using the net asset value per share practical expedient are removed from the fair value hierarchy and reclassified from Level 3 to "Investments measured at net asset value".

	Assets (Liabilities) Accounted for at Fair Value				
As of 30 June 2017	Level 1	Level 2	Level 3	Investments measured at net asset value[1]	Total
Private equity investments	$ -	$ 35,255,204	$119,984,937	$ 658,668,052	$813,908,193
Forward foreign exchange contract	-	550,377	-	-	550,377
Totals	$ -	$ 35,805,581	$119,984,937	$ 658,668,052	$814,458,570
As of 31 December 2016	Level 1	Level 2	Level 3	Investments measured at net asset value[1]	Total
Private equity investments	$ -	$ 23,159,340	$137,005,865	$ 607,147,624	$767,312,829
Forward foreign exchange contract	-	(3,308,112)	-	-	(3,308,112)
Totals	$ -	$ 19,851,228	$137,005,865	$ 607,147,624	$764,004,717

(1): Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorised in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Condensed Schedules of Private Equity Investments.

The Group has assessed its positions and concluded that none of its private equity investments are classified as level 1 at 30 June 2017 and 31 December 2016.

The Group accounts for transfers at the end of the reporting period in which such transfers occur.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

The following table summarizes the changes in the fair value of the Group's level 3 private equity investments for the six month period ended 30 June 2017.

(dollars in thousands) For the Six Months Ended 30 June 2017	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/ Venture	Income Investments	Total Private Equity Investments
Balance, 31 December 2016	$ -	$ 44,395	$ 4,199	$ 5,588	$ 82,824	137,006
Purchases of investments and/or contributions to investments	-	30	-	-	23,419	23,449
Realized gain (loss) on investments	-	18,621	2,561	-	(377)	20,805
Changes in unrealized gain (loss) of investments still held at the reporting date	-	6,521	-	932	464	7,917
Changes in unrealized gain (loss) of investments sold during the period	-	(18,621)	(2,523)	-	4,841	(16,303)
Distributions from investments	-	(20,560)	(4,099)	-	(28,700)	(53,359)
Transfers in and/or (out) of level 3	-	-	-	-	470	470
Balance, 30 June 2017	$ -	$ 30,386	$ 138	$ 6,520	$ 82,941	$ 119,985

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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The following table summarizes changes in the fair value of the Company's level 3 private equity investments for the year ended 31 December 2016.

(dollars in thousands) For the Year Ended 31 December 2016	Large-cap Buyout	Mid-cap Buyout	Special Situations	Growth/ Venture	Income Investments	Total Private Equity Investments
Balance, 31 December 2015	$ 93,683	$ 172,544	$ 35,300	$ 27,761	$ 266,256	$ 595,544
Purchases of investments and/or contributions to investments	22,739	70,212	12,084	9,068	40,858	154,961
Realized gain (loss) on investments	6,482	2,676	3,438	1,257	26,669	40,522
Changes in unrealized gain (loss) of investments still held at the reporting date	17,488	66,563	1,864	2,667	(2,444)	86,138
Changes in unrealized gain (loss) of investments sold during the period	(7,353)	(7,566)	(6,779)	-	213	(21,485)
Distributions from investments	(19,894)	(19,093)	(2,114)	(2,257)	(222,457)	(265,815)
Transfers in and/or (out) of level 3	(113,145)	(240,941)	(39,594)	(32,908)	(26,271)	(452,859)
Balance, 31 December 2016	$ -	$ 44,395	$ 4,199	$ 5,588	$ 82,824	$ 137,006

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The following table summarizes the valuation methodologies and inputs used for private equity investments categorized in level 3 as of 30 June 2017.

(dollars in thousands) Private Equity Investments	Fair Value 30 June 2017	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average)[2]	Impact to Valuation from an Increase in Input[3]
Direct equity investments					
Mid-cap buyout	30,386	Market comparable companies	LTM EBITDA	14.5x-19.0x (17.5x)	Increase
		Other	Escrow Value	1.0x	Increase
		Other	Expected sales proceeds	1.0x	Increase
Special situations	138	Other	Escrow Value	1.0x	Increase
Growth/venture	6,520	Other	Escrow Value	1.0x	Increase
		Other	Most recent financing	Series A, Series D	Increase
Income investments	82,941	Market comparable companies	LTM EBITDA	7.3x-12.9x (9.7x)	Increase
		Expected payout	Expected payout	1.0x	Increase
Total	$ 119,985				

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.

The following table summarizes the valuation methodologies and inputs used for private equity investments categorized in level 3 as of 31 December 2016.

(dollars in thousands) Private Equity Investments	Fair Value 31 December 2016	Valuation Methodologies	Unobservable Inputs[1]	Ranges (Weighted Average)[2]	Impact to Valuation from an Increase in Input[3]
Direct equity investments					
Mid-cap buyout	44,395	Market comparable companies	LTM EBITDA	8.0x-21.5x (13.0x)	Increase
		Other	Escrow Value	1.0x	Increase
		Other	Expected sales proceeds	1.0x	Increase
Special situations	4,199	Market comparable companies	LTM EBITDA	8.1x	Increase
Growth/venture	5,588	Other	Escrow Value	1.0x	Increase
		Other	Most recent financing	Series A and Series D	Increase
Income investments	82,824	Market comparable companies	LTM EBITDA	7.3x-13.8x (9.6x)	Increase
Total	$ 137,006				

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Since 31 December 2016, 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 fund 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 realisation, the Investment Manager expects the majority of the Group's invested capital in the current portfolio to be returned in much shorter timeframes.

Note 5 – Credit Facility

On 12 December 2012, a subsidiary of the Group amended an agreement with Lloyds Banking Group (formerly Bank of Scotland) to provide for a revised senior secured revolving credit facility (the "2012 Credit Facility") of up to $200.0 million that would have expired on 30 April 2017. Prior to this date, in June 2016, the Group closed this facility. Throughout 2016 up to the date of repayment, the Group met all requirements under the 2012 Credit Facility and as of 31 December 2016 the 2012 Credit Facility had been closed.

On 7 June 2016, the same subsidiary of the Group entered into an agreement with JP Morgan (the "2016 Credit Facility") to refinance the 2012 Credit Facility. The 2016 Credit Facility's availability is up to $150.0 million (including a $25.0 million accordion) that expires on 7 June 2021. At 30 June 2017 and 31 December 2016, there were no borrowings drawn under the 2016 Credit Facility.

The 2016 Credit Facility is guaranteed by the Group as well as all of the Group's subsidiaries and secured by substantially all of the assets of the Group and its subsidiaries.

Under the 2016 Credit Facility, the Group is required to meet certain portfolio concentration tests, a maximum over-commitment test, and certain loan-to-value ratios. In addition, the 2016 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 (see note 6) are compliant with the 2016 Credit Facility agreements. At 30 June 2017, the Group met all requirements under the 2016 Credit Facility.

Under the 2016 Credit Facility, the interest rate is calculated as LIBOR plus 3.75% per annum and the Group is required to pay a commitment fee calculated as 1.25% per annum on the daily balance of the unused facility amount.

For the six month period ended 30 June 2017, the Group incurred and expensed $0 interest and $785,590 for undrawn commitment fees. For the six month period 30 June 2016, the Group incurred and expensed $1,042,328 interest, $47,743 for undrawn revolving fee, and $368,978 for commitment fees. As of 30 June 2017 and 31 December 2016, unamortized capitalized debt issuance costs (included in other assets) were $1,783,928 and $2,008,469 respectively. For the six month period ended 30 June 2017 and 31 December 2016, capitalized amounts are being amortised on a straight-line basis over the term of the Credit Facility. Such amortisation amounted to $224,541 and $748,322 for the six month periods ended 30 June 2017 and 2016, 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 fair value of the Credit Facility was $0 million at 30 June 2017 and $0 million at 31 December 2016.

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, collectively the "2017 ZDP Shares". The holders of the 2017 ZDP Shares were 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. As a result of the Rollover Offer (described below), there were 7,109,599 2017 ZDP Shares outstanding as of 31 December 2016.

On 14 September 2016, the Company completed the successful issuance of 50,000,000 new ZDP shares (the "2022 ZDP Shares") at a Gross Redemption Yield of 4.00%, the lowest point of the possible range. Holders of the 2017 ZDP Shares were given the offer to rollover their shares to the 2022 ZDP Share series (the "Rollover Offer"). Under the Rollover Offer, eligible holders of the 2017 ZDP Shares converted (by way of re-designation) some or all of their holding of 2017 ZDP Shares into new 2022 ZDP Shares. The rollover was completed at a rollover value of 165.14 pence and 2017 ZDP Shares were converted (by way of re-designation) into 1.6514 2022 ZDP Shares. Approximately 85% of the 2022 ZDP Shares were issued through the Rollover Offer. Approximately 15% of the 2022 ZDP Shares were issued pursuant to the Initial Placing and Offer for Subscription at a price per 2022 ZDP Share of 100 pence. The holders of the 2022 ZDP shares will have a final capital entitlement of 126.74 pence on the repayment date of 30 September 2022. As of 31 December 2016, there were 50,000,000 2022 ZDP Shares outstanding.

The 2017 ZDP Shares and 2022 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 six month period ended 30 June 2017 and year ended 31 December 2016.

ZDP Shares	Pounds Sterling	U.S. Dollars
Liability, 31 December 2015	£ 50,719,303	$ 74,739,963
Net change from 2022 ZDP Share issuance and rollover of 2017	24,109,600	27,666,324
Net change in accrued interest	(12,494,081)	(15,545,798)
Premium amortization	(21,571)	(17,925)
Currency conversion	-	(9,948,012)
Liability, 31 December 2016	£ 62,313,251	$ 76,894,552
Redemption of 2017 ZDP Shares	(7,190,043)	(8,872,514)
Net change in accrued interest	(3,537,561)	(4,257,406)
Premium amortization	(9,815)	(12,111)
Currency conversion	-	3,425,000
Liability, 30 June 2017	£ 51,575,832	$ 67,177,521

On 31 May 2017 the 2017 ZDP Shares were redeemed and delisted from the London Stock Exchange and the Official List of The International Stock Exchange. As of 30 June 2017, the 2022 ZDP Shares were the only outstanding ZDP share class.

Capitalized offering costs are being amortised using the effective interest rate method. The unamortised balance of the 2022 ZDP Shares at 30 June 2017 is $1,576,516 and the unamortised balance of the 2017 and 2022 ZDP Shares at 31 December 2016 was $1,823,230.

Note 7 – Forward Foreign Exchange Contracts

The Group entered into a forward foreign exchange contract in 2009 with the Lloyds Banking Group (formerly Bank of Scotland) to economically hedge, in part, the risk associated with the pounds sterling contractual liability for the ZDP Shares. The Group settled the forward foreign exchange contract on 7 June 2016 with the Lloyds Banking Group. As a result of this settlement, the Group recognised a realised loss of $6,500,000 which is included in net realised gain (loss) on investments and forward foreign exchange contracts on the Consolidated Statements of Operations and Changes in Net Assets for the year ended 31 December 2016.

On 21 September 2016, the Group entered into a forward foreign currency contract with JP Morgan. The contract states that the Group will purchase £50,000,000 on 31 May 2017 for $65,250,000. The Group incurred a $220,000 margin call related to this contract which is included in Net realised gain (loss) on investments and forward foreign exchange contracts on the Consolidated Statements of Operations and Changes in Net Assets. The change in unrealised loss of this contract for the year ended 31

December 2016 was $3,308,112 which is included in Net change in unrealised gain (loss) on investments and forward foreign exchange contract on the Consolidated Statements of Operations and Changes in Net Assets. As of 31 December 2016, the fair value of this contract was a liability of $3,308,112 which is included in Accrued expenses and other liabilities on the Consolidated Balance Sheets.

On 26 May 2017, the Group settled the contract described above, and entered into a new forward foreign currency contract with JP Morgan which states that the Group will purchase £30,000,000 on 31 May 2018 for $38,874,000. The Group incurred a realised loss on the settlement of this contract of $1,220,000 which is included in Net realised gain (loss) on investments and forward foreign exchange contracts on the Consolidated Statements of Operations and Changes in Net Assets. As of 30 June 2017, the Group incurred a net unrealised gain of $550,377 on the new contract which is included in Net change in unrealised gain (loss) on investments and forward foreign exchange contracts on the Consolidated Statement of Operations and Changes in Net Assets. As of 30 June 2017, the fair value of the new contract was an asset of $550,377 which is included in Other assets on the Consolidated Balance Sheets.

Note 8 – Income Taxes

The Group 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 Group has recorded the following amounts related to such taxes:

	30 June 2017		30 June 2016	
Current tax expense	$	403,605	$	322,222
Deferred tax expense (benefit)		(3,168,796)		(1,261,984)
Total tax expense (benefit)	$	(2,765,191)	$	(939,762)

	30 June 2017		31 December 2016	
Gross deferred tax assets	$	10,335,206	$	10,301,417
Valuation allowance		(5,273,823)		(5,240,034)
Net deferred tax assets		5,061,383		5,061,383
Gross deferred tax liabilities		(2,918,693)		(6,087,489)
Net deferred tax assets (liabilities)	$	2,142,690	$	(1,026,106)

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 and Changes in Net Assets. 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 Group has no gross unrecognised tax benefits. The Group is subject to examination by tax regulators for the years subsequent to 2013.

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Note 9 – Earnings (Loss) per Share

The computations for earnings (loss) per share for the six month period ended 30 June 2017 and year ended 31 December 2016 are as follows:

	For the Six Month Periods Ended 30 June			
		2017		2016
Net increase (decrease) in net assets resulting from operations attributable to the controlling interest	$	39,720,923	$	24,769,121
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	$	0.81	$	0.51

Note 10 – Treasury Stock

The Company was party to a Share Buy-Back Agreement with Jefferies International Limited in relation to the market repurchases of Class A Shares on behalf of Company. The Share Buy-Back Programme expired on 31 May 2016; however, the program remains an option to the Company in future periods, if deemed suitable by the Directors at a later time.

The aggregate number of Class A Shares that could be repurchased pursuant to the Share Buy-back Agreement was 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 Premium Segment or the regulated market of Euronext Amsterdam N.V.).

The following table summarizes the Group's shares at 30 June 2017 and 31 December 2016.

	30 June 2017	31 December 2016
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

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Note 11 – Financial Highlights

The following ratios with respect to the Class A Shares and B Shares have been computed for the six month period ended 30 June 2017 and for the year ended 31 December 2016:

Per share operating performance (based on average shares outstanding during the year)	For the Six Month Period Ended 30 June 2017	For the Year Ended 31 December 2016
Beginning net asset value	$ 15.91	$ 14.35
Net increase in net assets resulting from operations:		
Net investment income (loss)	(0.15)	0.07
Net realised and unrealised gain (loss)	0.97	1.99
Dividend payment	(0.25)	(0.50)
Ending net asset value	$ 16.48	$ 15.91

Total return (based on change in net asset value per share)	2017	2016
Total return before carried interest	5.15%	15.47%
Carried interest	(1.07%)	(1.11%)
Total return after carried interest	4.08%	14.36%

Net investment income (loss) and expense ratios (based on weighted average net assets)	2017	2016
Net investment income (loss)	(2.07%)	0.48%
Expense ratios:		
Expenses before interest and carried interest	2.64%	2.34%
Interest expense	0.45%	0.44%
Carried interest	1.07%	1.11%
Expense ratios total	4.16%	3.89%

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

Note 12 – Commitments and Contingencies

In the normal course of business, the Group enters into a variety of undertakings containing a variety of warranties and indemnifications that may expose the Group 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 20 July 2017, the board of directors of the Company declared the second 2017 semi-annual dividend payment of $0.25 on each Ordinary Share payable on 31 August 2017 with a dividend record date of 28 July 2017.

There have been no other subsequent events through 1 September 2017, the date the consolidated financial statements were available to be issued, that requires recognition or disclosure in the consolidated financial statements.

VALUATION METHODOLOGY

Equity

The Company carries private equity investments at fair value using the best information the Manager has reasonably available to determine or estimate fair value. Publicly traded securities are valued based on quoted prices as of the last day of the relevant period less discounts to reflect legal restrictions associated with the securities, if any, that affect marketability. The 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. The Manager estimates fair value for private interests based on a methodology that begins with the most recent information available from the general partner of the underlying fund or the lead investor of a direct co-investment, and considers subsequent transactions, such as drawdowns or distributions, as well as other information judged to be reliable that reports or indicates valuation changes, including realizations and other portfolio company events. The Manager proactively re-values investments before receiving updated information from the fund manager or lead sponsor if the Manager becomes aware of material events that justify a change in valuation. If the Manager concludes that it is probable that an investment will be sold, the Manager adjusts the carrying value to the amount expected from the sale, exclusive of transaction costs.

Debt

The 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 a specific measure (such as EBITDA, free cash flow, net income, book value or NAV) believed to be most relevant for the given company and compares this metric in relation to comparable company valuations (market trading and transactions) based on the same metric. In determining the enterprise value, the Manager will further consider 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 Manager will next consider 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 Manager will take 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 Manager believes market yields for similar investments have changed substantially since the pricing of the security, the Manager will perform a discounted cash flow analysis, based on the expected future cash flows of the debt securities and current market rates. The Manager will also consider the maturity of the investment, compliance with covenants and ability to pay cash interest when estimating the fair value of debt investments.

FORWARD LOOKING STATEMENTS

This report contains certain forward-looking statements. Forward-looking statements speak only as of the date of the document in which they are made and relate to expectations, beliefs, projections (including anticipated economic performance and financial condition), future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts and are subject to risks and uncertainties including, but not limited to, statements as to:

- future operating results;
- business prospects and the prospects of the Company's investments;
- the impact of investments the Company expects to make;
- the dependence of future success on the general economy and its impact on the industries in which the Company invests;
- the ability of the investments to achieve their objectives;
- differences between the investment objective and the investment objectives of the private equity funds in which the Company invests;
- the rate at which capital is deployed in private equity investments, co-investments and opportunistic investments;
- expected financings and investments;
- the continuation of the Investment Manager as the service provider and the continued affiliation with the Investment Manager of its key investment professionals;
- the adequacy of the Company's cash resources and working capital; and
- the timing of cash flows, if any, from the operations of the underlying private equity funds and the underlying portfolio companies.

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

The forward-looking statements are based on the beliefs, assumptions and expectations of the future performance, taking into account all information currently available to the Manager. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to the Manager or are within the Manager's control. If a change occurs, the business, financial condition, liquidity and results of operations may vary materially from those expressed in the forward-looking statements. Factors and events that could cause the business, financial condition, liquidity and results of operations to vary materially include, among other things, general economic conditions, securities market conditions, private equity market conditions, the level and volatility of interest rates and equity prices, competitive conditions, liquidity of global markets, international and regional political conditions, regulatory and legislative developments, monetary and fiscal policy, investor sentiment, availability and cost of capital, technological changes and events, outcome of legal proceedings, changes in currency values, inflation, credit ratings and the size, volume and timing of transactions, as well as other risks described elsewhere in this report and the prospectus relating to the Company's IPO and the Company's prospectus relating to the ZDP Shares.

The foregoing is not a comprehensive list of the risks and uncertainties to which the Company is subject. Except as required by applicable law, the Manager undertakes no obligation to update or revise any forward-looking statements to reflect any change in The Manager's expectations, or any changes in events, conditions or circumstances on which the forward-looking statement is based. In light of these risks, uncertainties and assumptions, the events described by the Company's forward-looking statements might not occur. The Manager qualifies any and all of the forward-looking statements by these cautionary factors.

OVERVIEW OF THE INVESTMENT MANAGER

About NB Alternatives

The NB Alternatives group of Neuberger Berman has 30 years of investing experience specializing in direct equity investments, income investments, private equity funds and secondary investments and has built relationships with leading private equity fund managers over that time.

The Investment Manager makes all of the Company's investment decisions, and the board of directors of the Company has delegated to the Investment Manager the day-to-day management and operations of the Company's business. The Investment Manager's investment decisions are made by its Investment Committee (the "Investment Committee"), which currently consists of nine members with over 265 years of combined professional experience and average 17 years with the firm. The sourcing and evaluation of the Company's investments are conducted by the Investment Manager's team of approximately 115 investment professionals who specialize in direct equity investments, income investments and fund investments. The Investment Manager currently maintains offices in New York, London, Boston, Dallas, Hong Kong, Milan and Bogotá.

About Neuberger Berman

Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager. The firm manages equities, fixed income, private equity and hedge fund portfolios for institutions and advisors worldwide. With offices in 19 countries, Neuberger Berman's team is approximately 1,900 professionals, as of June 30, 2017. The company was named the #1 firm in Pensions & Investments 2016 Best Places to Work in Money Management survey (among those with 1,000 employees or more). Tenured, stable and long-term in focus, the firm fosters an investment culture of fundamental research and independent thinking. It manages $271 billion in client assets as of June 30, 2017. For more information, please visit our website at www.nb.com.

DIRECTORS, ADVISORS & CONTACT INFORMATION

Ordinary Share Information
Trading Symbol: NBPE
Exchanges: The regulated market of Euronext Amsterdam N.V. and the Premium Segment of the Main Market of the London Stock Exchange
Euronext Amsterdam Listing Date: 25 July 2007
Premium Segment Trading Admission: 2 May 2017
Traded Currency: GBP (LSE); USD (Euronext)
Bloomberg: NBPE NA, NBPE LN
Reuters: NBPE.AS, NBPE.L
ISIN: GG00B1ZBD492
COMMON: 030991001
Amsterdam Security Code: 600737

ZDP Share Information
Trading Symbol: NBPP
Exchanges: Specialist Fund Segment of the London Stock Admission Date: 16 September 2016
Base Currency: GBP
Bloomberg: NBPP: LN
Reuters: NBPEO.L
ISIN: GG00BD0FRW63
SEDOL: BD0FRW6

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