NEUBERGER | BERMAN

NB Global Floating Rate Income Fund Limited

29 March 2019

FUND OBJECTIVE

The NB Global Floating Rate Income Fund Limited ("the Fund") targets income generation whilst seeking to preserve investors' capital and give protection against rising interest rates.

The Fund's managers seek to generate this yield by investing in a global portfolio of below investment grade senior secured corporate loans with selective use of senior secured bonds, diversified by both borrower and industry.

MANAGEMENT TEAM

Stephen J. Casey
Senior Portfolio Manager
Joined 2002

Joseph P. Lynch
Senior Portfolio Manager
Joined 2002

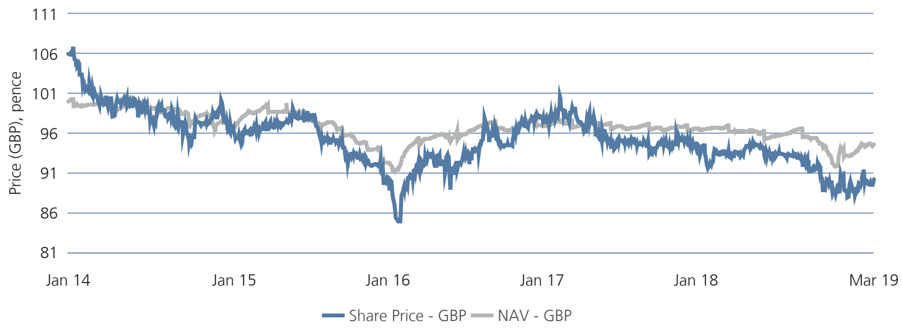
Vivek Bommi
Senior Portfolio Manager
Joined 2007

The Fund is managed by experienced portfolio managers with an average 23 years' industry experience, backed by what we believe to be one of the largest and most experienced credit teams in the industry. Neuberger Berman has a large team of 174 fixed income investment professionals, with total fixed income assets of $146 billion.

FUND FACTS

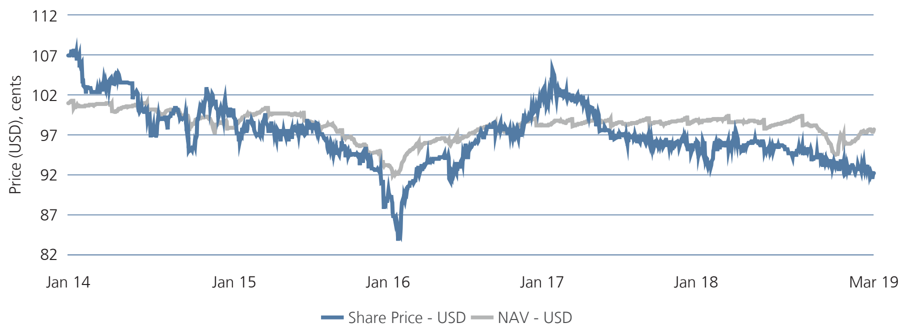
Annualised Dividend Yield (GBP) % as at 29-03-2019	4.97%
Annualised Dividend Yield (USD) % as at 29-03-2019	5.00%
Last Dividend (GBP) 29-03-2019	0.0125
Last Dividend (USD) 29-03-2019	0.0129
Share Price (GBP)	0.8990
Share Price (USD)	0.9200
Share Price Premium/Discount (GBP)	-5.18%
Share Price Premium/Discount (USD)	-5.86%
NAV (GBP)	94.81
NAV (USD)	97.73
Market Cap (USD million)	761.21
NAV Frequency	Daily
Dividend Policy	Quarterly
Admission Date	20 April 2011
Vehicle	Closed-ended Investment Company
Domicile	Guernsey
Market	Main market of London Stock Exchange
Year End	31 December
Management Fee	0.75% (on assets below £1bn) 0.70% (on assets greater than £1bn, and lower or equal to £2bn) 0.65% (on assets greater than £2bn)
Bloomberg (GBP)	NBLS:LN
Bloomberg (USD)	NBLU:LN
ISIN (GBP)	GG00B3KX4Q34
ISIN (USD)	GG00B3P7S359

SHARE PRICE MOVEMENT



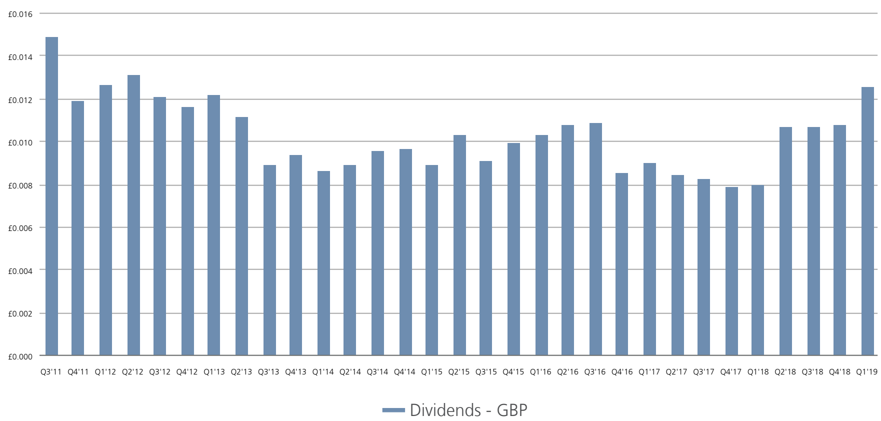
Share price and Net Asset Value (NAV) movement is representative of GBP.
Past performance is not a reliable indicator of future results.
Source: U.S. Bank Global Fund Services (Guernsey) Limited and Bloomberg.

SHARE PRICE MOVEMENT

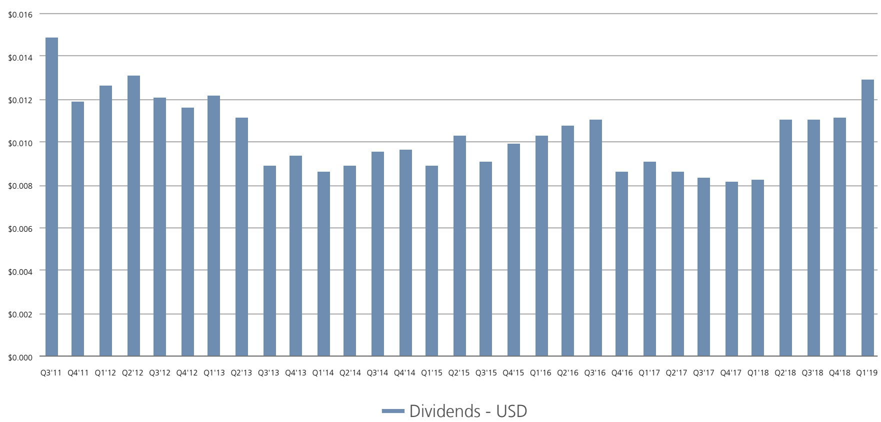


Share price and Net Asset Value (NAV) movement is representative of USD.
Past performance is not a reliable indicator of future results.
Source: U.S. Bank Global Fund Services (Guernsey) Limited and Bloomberg.

DIVIDEND AMOUNT



DIVIDEND AMOUNT



CONTACT

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NB Global Floating Rate Income Fund Limited

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TOP 10 ISSUERS % (MV)

	Sector	Fund
Bausch Health Companies	Drugs	1.27
Univision	Broadcast Radio & Television	1.06
SFR Group	Cable Television	1.05
Century Link	Telecommunication	1.00
Sprint Corp	Telecommunication	0.96
Bass Pro	Retailers	0.95
Crosby US Acquisition Corp	Industrial Equipment	0.94
iHeartCommunications	Broadcast Radio & Television	0.92
Asurion LLC	Insurance	0.91
Calpine Corp	Utilities	0.90

Holdings data excludes cash

CURRENCY ALLOCATIONS % (MV)

	Fund
Euro	9.58
British Pound	1.57
United States Dollar	88.85

Holdings data excludes cash

CREDIT QUALITY % (MV)

	Fund
BBB	3.27
BB	35.67
B	56.09
CCC and below	3.20
NR	1.77

Holdings data excludes cash

SECURITY BREAKDOWN % (MV)

	Fund
Secured Loans	91.39
Secured Bonds	7.43
Unsecured Bonds	0.64
Other	0.54

Holdings data excludes cash

KEY STATISTICS

	Fund
Current Portfolio Yield (%)	5.83
Weighted Average Yield to Maturity (%)	6.61
Duration (years)	0.34
Number of Investments	339
Number of Issuers	261
Average Credit Quality	B+
Weighted Average Price (USD)	96.76

Current Portfolio Yield is a market-value weighted average of the current yields of the holdings in the portfolio, calculated as the coupon (base rate plus spread) divided by current price. The calculation does not take into account any Fund expenses or sales charges paid, which would reduce the results. The Current Yield for the Fund will fluctuate from month to month. The Current Yield should be regarded as an estimate of the Fund's rate of investment income, and it may not equal the realised distribution rate for each share class. You should consult the Fund's prospectus for additional information about the Fund's dividends and distributions policy. **Past performance is not a reliable indicator of future results.**

TOP 10 S&P SECTORS % (MV)

	Fund
Business Equipment & Services	9.38
Electronics	7.94
Telecommunication	7.63
Hotels & Casinos	7.17
Health Care	6.76
Financial Intermediaries	6.02
Utilities	5.60
Leisure	4.96
Oil & Gas	4.76
Industrial Equipment	4.25

Holdings data excludes cash

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QUARTERLY COMMENTARY*

Performance Highlights

The Neuberger Berman Global Floating Rate Income Fund's gross of fee return for the 1st quarter was 4.61%, which outperformed the S&P/LSTA Leveraged Loan Index (the "Index") return of 4.00%.

From a sector perspective, the largest contributors for the quarter came from security selection within Financial Intermediaries, security selection within Broadcast Radio & TV, and an overweight to Drugs. Conversely, selection decisions within Retailers, Business Equipment & Services, and Oil & Gas sectors detracted.

Market Update

The U.S. senior floating rate loan market saw a modest reversal in March as the S&P/LSTA Leveraged Loan Index lost 0.17% for the month, but ended the quarter with a 4.00% return. The European Leveraged Loan Index (the "ELLI") returned 0.14% in March, excluding currency effects, and ended the quarter with a 1.56% return. The U.S. loan market was negatively affected by retail outflows, which reached an estimated $3.8 billion in March; however, generally positive corporate earnings reports, expectations for a trade deal between the U.S. and China, and the expectation for continued CLO demand are supportive of the asset class. Even as the Fed takes a more dovish stance, current income from the loan asset class remains attractive. The market's credit quality remains stable as fundamental trends continue to be constructive. While revenue growth is expected to slow, interest coverage remains strong and leverage for seasoned leveraged loans continues to decline. CLO demand for U.S. loans continued as issuance was $10.1 billion in March, lower than the $13.2 billion in February and in line with the $10.4 billion average monthly issuance the last 12 months (LTM). Retail investor demand declined as loan funds saw $3.8 billion withdrawn in March, following an outflow in February and December's largest outflow on record of more than $12 billion. Institutional net supply saw a shortage of $2.6 billion, down from a surplus of $1.5 billion in February. The par amount of the Index reached a new high of $1.19 trillion, a monthly increase of $3.7 billion. Demand for European loans picked up as CLO issuance was €6.9 billion in March, higher than the €3.5 billion in February. Institutional loan volume increased to €10.5 billion, up from €8.2 billion in February and just €1.8 billion in January. Issuance in the first quarter of 2019 was well below that seen in the same period last year, with €20.4 billion compared to €35.2 billion in 1Q 2018. The par amount of the ELLI increased approximately €6 billion in March to approximately €186 billion. In March, lower quality securities performed in line with their higher quality counterparts in the U.S. and outperformed in Europe. Single B rated loans in the U.S. returned -0.27%, compared to the BB rated loans, which returned -0.28% in March (B = 0.13% vs. BB = -0.04% for ELLI). In the quarter, higher quality loans in the U.S. outperformed their lower quality counterparts as BB rated loans returned 4.33%, compared to single B rated loans, which returned 3.91% (B = 2.02% vs. BB = 1.53% for ELLI). The U.S. senior floating rate loan market ended the month with a last twelve month (LTM) default rate of 0.93%, below 1.62% from the previous month and 1.63% from the beginning of the year. The LTM default rate within the European loan market remained at 0%.

Portfolio Positioning

The portfolio has remained very much weighted toward USD issuance, which accounts for 89% of the portfolio at the end of the quarter. The bond allocation remained well below the 20% of NAV permitted, at 8.1%, as we remain focused on keeping duration low and limiting potential areas of volatility. Our current allocation to BBB/BB rated credits ended the quarter at 39% while our exposure to CCC rated names finished the quarter at 3%, which is below our historical average. With regards to sector allocation, we are overweight to the Financial Intermediaries, Telecommunications and Utilities sectors. Conversely we are underweight to the Electronics, Health Care and Chemicals sectors.

Outlook

We continue to believe fundamentals and valuations are compensating investors for a benign default environment and that the current yield investors receive from the loan market is attractive versus other asset classes. While new issuance leverage and assumptions were aggressively marketed in 2018, operating performance of legacy loan issuers has been stable, revenue and EBITDA growth remain in positive territory, leverage continues to decline and refinancing activity has significantly reduced the amount of loans maturing in the near term. Economic growth is expected to slow; however, the Fed continues to push a more dovish narrative, thus leading to an expectation for even fewer recessionary pressures in the U.S. All told, we believe prices could continue to rise over the near term. However, risks remain, including uncertainty around global growth expectations, government disruptions, trade policy and the overall regulatory environment, which could lead to periods of price volatility. Under this environment, we maintain our overall up in quality positioning. We believe our portfolio is positioned both to provide downside protection as market volatility rises and to take advantage of future opportunities within lower quality securities.

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RISK CONSIDERATIONS

Market Risk: The risk of a change in the value of a position as a result of underlying market factors, including among other things, the overall performance of companies and the market perception of the global economy.

Liquidity Risk: The risk that the Fund may be unable to sell an investment readily at its fair market value. In extreme market conditions this can affect the Fund's ability to meet redemption requests upon demand.

Credit Risk: The risk that bond issuers may fail to meet their interest repayments, or repay debt, resulting in temporary or permanent losses to the Fund.

Interest Rate Risk: The risk of interest rate movements affecting the value of fixed-rate bonds.

Counterparty Risk: The risk that a counterparty will not fulfil its payment obligation for a trade, contract or other transaction, on the due date.

Operational Risk: The risk of direct or indirect loss resulting from inadequate or failed processes, people and systems including those relating to the safekeeping of assets or from external events.

Derivatives Risk: The Fund is permitted to use certain types of financial derivative instruments ("FDI") (including certain complex instruments) which can give rise to particular risks, including market risk, liquidity risk and counterparty credit risk. This may increase the Fund's leverage significantly which may cause large variations in the value of your share.

Currency Risk: Investors who subscribe in a currency other than the base currency of the Fund are exposed to currency risk. Fluctuations in exchange rates may affect the return on investment. The past performance shown is based on the share class to which this factsheet relates. If the currency of this share class is different from your local currency, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency.

IMPORTANT INFORMATION

Source of all data and charts (unless stated otherwise): Neuberger Berman Europe Limited.

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