

**THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take or the contents of this document, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, legal adviser, accountant, or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (the “FSMA”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

A copy of this document, which comprises a Prospectus relating to NB Global Floating Rate Income Fund Limited (the “Company”) in connection with the Issue of C Shares in the Company and the admission to trading of such C Shares to the standard segment of the Official List of the UK Listing Authority and to be admitted to trading on the London Stock Exchange’s main market for listed securities, prepared in accordance with the Prospectus Rules of the UK Listing Authority made pursuant to section 73A of the FSMA, has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

The C Shares are only suitable for investors (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the C Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment programme. Accordingly typical investors in the Company are expected to be institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company.

Applications will be made for the Issue Shares to be admitted to the standard segment of the Official List of the UK Listing Authority and to be admitted to trading on the London Stock Exchange’s main market for listed securities. It is expected that Admission will become effective and that dealings in the Issue Shares which are the subject of the Issue will commence on 29 October 2013. It should be remembered that the price of the Issue Shares and the income from them can go down as well as up.

The Company and the Directors, whose names appear on page 48 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Investment Managers accept responsibility for the information contained in this document attributed to them. To the best of the knowledge of the Investment Managers, who have taken all reasonable care to ensure that such is the case, the information contained in this document attributed to them is in accordance with the facts and contains no omission likely to affect its import.

Capitalised terms contained in this document shall have the meanings set out in Part XII of this document.

**The attention of potential investors is drawn to the Risk Factors set out on pages 18 to 33 of this document. The latest time and date for applications under the Offer is 1100 hours on 22 October 2013. Further details of the Issue are set out in Part VIII of this Prospectus.**

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## **NB GLOBAL FLOATING RATE INCOME FUND LIMITED**

*(a non-cellular company limited by shares incorporated under the laws of Guernsey with registered number 53155)*

**Placing and Offer for Subscription for a target issue in excess of £200,000,000 worth of C Shares at an issue price of £1.00 per Sterling C Share  
and**

**Information relating to the prior issue of 41,054,257 Sterling Shares and 5,761,807 U.S. Dollar Shares**

*Investment Manager*  
**Neuberger Berman Europe Limited**

*Sub-Investment Manager*  
**Neuberger Berman Fixed Income LLC**

*Sole Sponsor*  
**Oriel Securities Limited**

*Joint Financial Advisers and Joint Bookrunners*  
**Oriel Securities Limited and Dexion Capital plc**

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This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Issue Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or the Investment Managers. The offer and sale of Issue Shares have not been and will not be registered under the applicable securities laws of the United States, Australia, Canada or Japan. The Issue Shares may not be offered or sold within the United States, Australia, Canada or Japan, to any U.S. person (“U.S. Person” as defined in Regulation S under the U.S. Securities Act of 1933, as amended, (the “U.S. Securities Act”)), or to any national, resident or citizen of Australia, Canada or Japan.

The Issue Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Issue Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. Persons. There will be no public offer of the Issue Shares in the United States, and this document should not be distributed or forwarded into the United States or to U.S. Persons. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended, (the “U.S. Investment Company Act”) and investors will not be entitled to the benefits of the U.S. Investment Company Act.

**Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.**

The Issue Shares are being offered and sold outside the United States to persons who are not U.S. Persons in reliance on Regulation S under the U.S. Securities Act.

In addition, prospective investors should note that, except with the express written consent of the Company given in respect of an investment in the Company, the Issue Shares may not be acquired by (i) investors using assets of (A) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”); (B) a “plan” as defined in Section 4975 of the United States Internal Revenue Code of 1986, as amended (the “U.S. Tax Code”), including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code; or (C) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the U.S. Tax Code or (ii) a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Tax Code, unless its purchase, holding, and disposition of the Issue Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

**Investors may be required to bear the financial risks of their investment in the Issue Shares for an indefinite period of time. For a description of additional restrictions on offers, sales and transfers of the Issue Shares, see “Purchase and transfer restrictions” beginning on page 98 of this document.**

Oriel Securities Limited (“Oriel”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as Sole Sponsor, Joint Financial Adviser and Joint Bookrunner to the Company in connection with the matters described herein. Oriel is acting for the Company in relation to the Placing and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Placing, the contents of this document or any transaction or arrangement referred to herein.

Dexion Capital plc (“Dexion”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as Joint Financial Adviser and Joint Bookrunner to the Company in connection with the matters described herein. Dexion is acting for the Company in relation to the Placing and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Placing, the contents of this document or any transaction or arrangement referred to herein.

Prospective investors should rely only on the information in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Investment Managers, Oriel or Dexion. Without prejudice to the Company’s obligations under the Prospectus Rules, neither the delivery of this document nor any subscription or purchase of Issue Shares made pursuant to this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on each of Oriel or Dexion by FSMA or the regulatory regime established thereunder, none of Oriel or Dexion accepts any responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Investment Managers, the C Shares or the Issue. Each of Oriel and Dexion accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such document or any such statement.

The contents of this document are not to be construed as legal, financial, business, investment or tax advice. Prospective investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial or tax advice. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the Issue Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the Issue Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own

countries as a result of the purchase, holding, transfer, redemption or other disposal of the Issue Shares. Prospective investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, tax, investment, or any other related matters concerning the Company and an investment therein. In connection with the Placing, each of Oriel and Dexion and any of their Affiliates acting as an investor for its or their own account(s), may subscribe for the Issue Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Issue Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Oriel, Dexion and any of their Affiliates acting as an investor for its or their own account(s). None of Oriel, Dexion or any of their affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

This document is dated 30 September 2013.



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## Summary

Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

<i>Section A – Introduction and warnings</i>		
Element	Disclosure requirement	Disclosure
A1	Warning	This summary should be read as an introduction to the Prospectus. Any decision to invest in the C Shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the C Shares.
A2	Consent for Resale	Not Applicable. The Company has not given its consent to the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries.
<i>Section B – Issuer</i>		
Element	Disclosure requirement	Disclosure
B1	Legal and commercial name	NB Global Floating Rate Income Fund Limited (the “ <b>Company</b> ”).
B2	Domicile and legal form	The Company is a non-cellular company limited by shares incorporated in Guernsey and has been declared by the Guernsey Financial Services Commission to be a registered closed-ended collective investment scheme.
B5	Group description	The Company is the top holding company in the Group. For the purposes of efficient portfolio management, the Company has established a wholly-owned Luxembourg incorporated subsidiary, NB Global Floating Rate Income Fund (Lux) 1 S.à r.l. which in turn holds a wholly-owned subsidiary, NB Global Floating Rate Income Fund (Lux) 2 S.à r.l. which has been incorporated for the purpose of holding loans.
B6	Notifiable interests / voting rights	Not applicable. No interest in the Company’s capital or voting rights is notifiable under the Company’s national law. As at 24 September 2013 (the latest practicable date prior to the publication of this document), to the extent known to the Company, it is not directly or indirectly owned or controlled by any person and there are no arrangements known to the Company which may subsequently result in a change of control of the Company.

As at the date hereof, insofar as is known to the Company, the following persons are directly or indirectly interested in 5 per cent. or more of the Company's total voting rights:

Name	% Company's total voting rights
Brewin Dolphin	9.66
Newton Investment Management	9.30
Rathbone Investment Management	7.68
HSBC Global Asset Management	5.00

Shareholders holding U.S. Dollar Shares have different voting rights to Shareholders holding Sterling Shares. Save in certain limited circumstances, the C Shares will have no voting rights.

B7 Key financial information

**Consolidated statement of assets and liabilities**

	31 December 2011 (audited)	31 December 2012 (audited)	30 June 2013 (unaudited)
<b>Assets</b>			
Investments, at fair value	US\$646,979,109	US\$ 714,890,852	US\$1,223,791,267
Cash and cash equivalents	US\$64,317,731	US\$20,467,172	US\$56,136,062
Other assets	US\$23,738,079	US\$72,958,048	US\$62,204,730
<b>Total assets</b>	US\$735,034,919	US\$808,316,072	US\$1,344,132,059
<b>Total liabilities</b>	US\$73,291,345	US\$82,256,769	US\$125,511,206
<b>Total net assets</b>	US\$661,743,574	US\$726,059,303	US\$1,218,620,853
<b>Net asset value per ordinary share</b>			
– USD series of ordinary shares	US\$0.9497	US\$1.007	US\$0.9970
– GBP series of ordinary shares	£0.9479	£0.9952	£0.9907
– USD series of C shares	US\$0.9913	—	—
– GBP series of C shares	£0.9912	—	£0.9769
<b>Consolidated statement of operations</b>			
<b>Interest income</b>	US\$16,735,433	US\$40,156,171	US\$21,482,785
<b>Expenses</b>	US\$4,217,923	US\$7,002,020	US\$4,662,038
<b>Net Income</b>	US\$12,536,524	US\$36,471,387	US\$18,764,586
Net realised and unrealised losses	US\$(39,888,935)	US\$57,936,285	US\$(50,999,585)
<b>Net decrease in net assets resulting from operations</b>	US\$(27,352,411)	US\$94,407,672	US\$(32,234,999)

The key audited figures in respect of the financial years ended 31 December 2011 and 31 December 2012 and the key unaudited figures with respect to the financial period ended 30 June 2013, as set out above, summarise the financial condition of the Company and have been extracted without material adjustment from the historical financial information, which has been incorporated by reference into this document. Investors should read the whole of such report, and not rely solely on such key or summarised information.

Save as disclosed below, there has been no significant change in the financial condition and operating results of the Group since its incorporation:

- on 15 April 2011, the Company raised gross proceeds of US\$507 million by way of a placing and offer for subscription of Shares;
- on 30 September 2011, the Company raised gross proceeds of US\$187 million by means of a placing and offer for subscription of C Shares;
- on 9 December 2011, the Company paid a dividend of US\$0.01486 per US Dollar Share and £0.01486 per Sterling Share;
- on 10 February 2012, the Company paid a dividend of US\$0.00323 per US Dollar C Share and £0.00323 per Sterling C Share;
- on 24 February 2012, the Company paid a dividend of US\$0.01187 per US Dollar Share and £0.01187 per Sterling Share;
- on 25 May 2012, the Company paid a dividend of US\$0.0126 per US Dollar Share and £0.0126 per Sterling Share;
- on 24 August 2012, the Company paid a dividend of US\$0.0131 per US Dollar Share and £0.0131 per Sterling Share;

		<ul style="list-style-type: none"> <li>● on 23 November 2012, the Company paid a dividend of US\$0.0121 per US Dollar Share and £0.0121 per Sterling Share;</li> <li>● on 21 March 2013, the Company raised gross proceeds of £364 million by way of a placing and offer subscription of Sterling C Shares;</li> <li>● on 24 May 2013, the Company paid a dividend of \$0.0122 per US Dollar Share and £0.0122 per Sterling Share;</li> <li>● on 16 July 2013, 360,521,605 Sterling Shares were admitted to trading on the London Stock Exchange following a conversion from existing Sterling C shares into Ordinary Shares;</li> <li>● on 22 July 2013, the Company raised gross proceeds of £45 million pursuant to the Tap Issue;</li> <li>● on 26 July 2013, the Company paid a special dividend of £0.0055 per Sterling C Share; and</li> <li>● on 16 August 2013, the Company paid a dividend of US\$0.0111 per U.S. Dollar Share and £0.0111 per Sterling Share.</li> </ul>
B8	Key <i>pro forma</i> financial information	Not applicable. No <i>pro forma</i> information included in this document.
B9	Profit forecast	Not applicable. No profit estimate or forecast is made.
B10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. There are no qualifications to the audit reports on the historical financial information.
B11	Explanation if working capital not sufficient for present requirements	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, that is for at least the next 12 months from the date of this document.
B34	Investment objective and policy	<p><b>Investment objective, policy and strategy</b></p> <p>The Company's investment objective is to provide its shareholders with regular dividends, at levels that are sustainable, whilst preserving the capital value of its investment portfolio, utilising the investment skills of the Investment Managers.</p> <p>To pursue its investment objective, the Company will invest mainly in floating rate senior secured loans issued in U.S. Dollars, Sterling and Euros by primarily North American and European Union corporations, partnerships and other business issuers. These loans will at the time of investment often be non-investment grade. The Company considers debt instruments to be non-investment grade if, at the time of investment, they are rated below the four highest categories by at least two independent credit rating agencies or, if unrated, are deemed by the Investment Managers to be of comparable quality.</p> <p>The Company will generally seek to focus on loans of issuers that the Investment Managers believe have the ability to generate cash flow through a full business cycle, maintain adequate liquidity, possess an enterprise value in excess of senior debt and have access to both debt and equity capital.</p> <p>The Company may also make investments in senior bonds on an opportunistic basis if the Investment Managers believe that such investments are attractively valued up to a maximum in aggregate of</p>

		<p>20 per cent. of the Net Asset Value at the time of investment, provided that no more than 10 per cent. of Net Asset Value may be invested in unsecured senior bonds at the time of investment.</p> <p><b>Diversification</b></p> <p>The Company's portfolio of investments is intended to represent at least 100 investments across a minimum of 20 industries, with a focus on those industries regarded as defensive. Defensive industries are those the Investment Managers believe are less affected by changes in economic conditions and likely to demonstrate the strongest capital preservation.</p> <p>Typically, no industry will represent more than 15 per cent. of Net Asset Value at the time of investment. No single investment will, at the time such investment is made, represent more than 5 per cent. of Net Asset Value.</p> <p><b>Gearing and derivatives</b></p> <p>The Company will not employ gearing or derivatives of any kind for investment purposes. The Company may, from time to time, use borrowings for share buy backs and short-term liquidity purposes. The Directors will restrict borrowing to an amount not exceeding 20 per cent. of the NAV at the time of drawdown. Derivatives may be used for hedging purposes.</p>
B35	Borrowing limits	The Directors will restrict borrowing to an amount not exceeding 20 per cent. of the NAV at the time of drawdown.
B36	Regulatory status	The Company is a non-cellular company limited by shares incorporated in Guernsey and has been declared by the GFSC to be a registered closed-ended collective investment scheme. The Company is regulated by the GFSC. The Company is not regulated by any regulator other than the GFSC.
B37	Typical investors	Typical investors in the Company are expected to be institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company.
B38	Investment of 20% or more in single underlying asset or investment company	Not applicable. No investment will represent more than 20 per cent. of the Net Asset Value of the Company at the time of investment.
B39	Investment of 40% or more in single underlying asset or investment company	Not applicable. No investment will represent more than 40 per cent. of the Net Asset Value of the Company at the time of investment.
B40	Applicant's service providers	<p><b>Investment Managers</b></p> <p>The Company is managed by Neuberger Berman Europe Limited, which has delegated certain of its responsibilities and functions to the sub-investment manager, Neuberger Berman Fixed Income LLC (together, the "<b>Investment Managers</b>").</p> <p>Neuberger Berman Europe Limited is entitled to a management fee which shall be calculated and accrue daily at a rate equivalent to the following schedule (expressed as a per cent. of NAV per annum):</p> <ul style="list-style-type: none"> <li>● 0.75 per cent. for assets lower than or equal to £1,000,000,000</li> </ul>



		<ul style="list-style-type: none"> <li>● 0.70 per cent. for assets greater than £1,000,000,000 and lower than or equal to £2,000,000,000</li> <li>● 0.65 per cent. for assets greater than £2,000,000,000.</li> </ul> <p>The management fee is payable quarterly in arrears. No performance fee is payable by the Company to Neuberger Berman Europe Limited.</p> <p><b>Administrator</b></p> <p>Under the terms of the Administration and Custody Agreement, the Administrator is entitled to various fees, including an accounting fee, annual company secretarial fee, loan administration fee and settlement and custody fees. It is currently expected that these fees will not exceed 0.2 per cent. of Net Asset Value in any year.</p> <p><b>Registrar</b></p> <p>The Registrar is entitled to an annual fee from the Company equal to £2 per shareholder per annum or part thereof; with a minimum of £9,000 per annum per class of Shares. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as published from time to time.</p> <p><b>Directors</b></p> <p>The Directors are remunerated for their services at a fee of £25,000 per annum (£35,000 for the Chairman). In addition, the chairman of the Audit Committee receives an additional £5,000 for his services in this role. The Directors shall receive an additional fee of £10,000 paid to each Director for their services in relation to the Issue.</p>
B41	Regulatory status of investment manager, investment adviser and custodian	The investment manager of the Company is Neuberger Berman Europe Limited, a company incorporated in England and Wales with registered number 05463227 and authorised and regulated by the Financial Conduct Authority.
B42	Calculation of Net Asset Value	<p>The Company calculates and publishes its estimate of the Net Asset Value per Share of each class of Ordinary Shares on a daily basis.</p> <p>The Company intends to publish the Net Asset Value per Share of the C Shares on a daily basis.</p> <p>The Net Asset Value per Share of each class will be published in the currency in which such Shares are denominated and will be published by RIS announcement and be available on the website of the Company.</p>
B43	Cross liability	Not applicable. The Company has no cross liability between classes or investment in another collective investment undertaking.
B44	No financial statements have been made up	<p>Please see B7 above.</p> <p>Not applicable. The Company has commenced operations and financial information is included in this Prospectus.</p>
B45	Portfolio	<p>Since IPO Admission, the Investment Managers have fully deployed the Company's net assets (excluding the working capital needs). The Portfolio, including cash, as at 20 September 2013<sup>1</sup>:</p> <ul style="list-style-type: none"> <li>● held 224 investments across 179 different issuers;</li> <li>● was split approximately 86.5 per cent. U.S. Dollars, 8.1 per cent. Euro and 4.0 per cent. Sterling denominated assets;</li> <li>● was diversified across 32 industries with no industry representing over 10 per cent. of the Portfolio;</li> </ul>

<sup>1</sup> There has been no material change to the Portfolio as at the date of this Prospectus.

		<ul style="list-style-type: none"> <li>● had opportunistically allocated around 10.1 per cent. of the Portfolio to bonds, out of the 20 per cent. allowable; secured bonds account for approximately 9.8 per cent. of the Portfolio;</li> <li>● had a gross yield of 4.89 per cent.; and</li> <li>● was invested primarily in Ba (34.4 per cent.) and B (57.9 per cent.) rated investments.</li> </ul>						
B46	Net Asset Value	As at 24 September 2013 (the latest practicable date prior to the publication of this Prospectus) the Net Asset Value per Sterling Share was £0.9962 and the Net Asset Value per U.S. Dollar Share was US\$1.0053.						
<b>Section C – Securities</b>								
<b>Element</b>	<b>Disclosure requirement</b>	<b>Disclosure</b>						
C1	Type and class of securities	<p>Pursuant to the Issue, the C Shares, which are redeemable ordinary shares of no par value in the capital of the Company issued and designated as “C Shares” are being offered and admitted to trading on the Main Market.</p> <p>The ISIN for the C Shares is GG00BDD27461. The ticker for the C Shares is NBCS</p> <p>On 22 July 2013, the Company issued by way of a tap issue 41,054,257 Sterling Shares and 5,761,807 U.S. Dollar Shares raising gross proceeds of £45 million. The ISIN for the Sterling Shares is GG00B3KX4Q34 and the ISIN for the U.S. Dollar Shares is GG00B3P7S359.</p>						
C2	Currency of the securities issue	Sterling						
C3	Number of securities in issue	<p>The following table shows the issued ordinary share capital of the Company (which is fully paid up) as at 24 September 2013 (being the latest practicable date prior to the publication of this Prospectus):</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;"><b>Number of Shares</b></th> </tr> </thead> <tbody> <tr> <td><i>Sterling Shares</i></td> <td style="text-align: right;">824,244,800</td> </tr> <tr> <td><i>U.S. Dollar Shares</i></td> <td style="text-align: right;">51,114,396</td> </tr> </tbody> </table> <p>Not applicable. There are no non-paid up Shares in issue.</p> <p>The Shares have no par value.</p>		<b>Number of Shares</b>	<i>Sterling Shares</i>	824,244,800	<i>U.S. Dollar Shares</i>	51,114,396
	<b>Number of Shares</b>							
<i>Sterling Shares</i>	824,244,800							
<i>U.S. Dollar Shares</i>	51,114,396							
C4	Description of the rights attaching to the securities	<p>The C Shares will convert into Ordinary Shares at the Conversion Time and accordingly, Shareholders will, following such conversion, have the rights attaching to the Ordinary Shares and will rank <i>pari passu</i> with the Ordinary Shares then in issue for dividends and other distributions declared, made or paid by reference to a record date falling after the relevant Calculation Time.</p> <p><b><i>Dividends and other distribution</i></b></p> <p><i>C Shares</i></p> <p>The holders of any class of C Shares will be entitled to receive such dividends as the Directors may resolve to pay to such holders out of the assets attributable to such class of C Shares (as determined by the Directors).</p>						

*Ordinary Shares*

Subject to the rights of any Shares which may be issued with special rights or privileges, the Shares of each class carry the right to receive all income of the Company attributable to the Shares, and to participate in any distribution of such income made by the Company, *pro rata* to the relative Net Asset Values of each of the classes of Shares, and within each such class such income shall be divided *pari passu* among the holders of Shares of that class in proportion to the number of Shares of such class held by them.

***Voting Rights***

*C Shares*

The C Shares will carry no rights to vote at general meetings of the Company (save in certain limited circumstances).

*Ordinary Shares*

Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares, holders of Ordinary Shares shall have the right to receive notice of and to attend and vote at general meetings of the Company.

Each holder of Ordinary Shares being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall, in the case of a separate class meeting, have one vote in respect of each Ordinary Share held by him and, in the case of a general meeting of all holders of Ordinary Shares, have

- (A) one vote in respect of each U.S. Dollar Share held by him;
- (B) 1.6 votes in respect of each Sterling Share held by him; and
- (C) in respect of a Share of a class denominated in any currency other than U.S. Dollars or Sterling held by him, such number of votes per Ordinary Share of such class as shall be determined by the Directors in their absolute discretion upon the issue for the first time of Shares of the relevant class.

***Return of Capital***

*C Shares*

Holders of C Shares will be entitled to participate in a winding-up of the Company or on a return of capital in relation to the C Share Surplus (as defined in Part VI).

*Ordinary Shares*

As to a winding-up of the Company or other return of capital (other than by way of a repurchase or redemption of Ordinary Shares in accordance with the provisions of the Articles and the Companies Laws), the surplus assets of the Company attributable to the Ordinary Shares remaining after payment of all creditors shall, subject to the rights of any Ordinary Shares that may be issued with special rights or privileges, be divided amongst the holders of Ordinary Shares of each class *pro rata* to the relative Net Asset Values of each of the classes of Ordinary Shares and within each such class such assets shall be divided *pari passu* among the holders of Ordinary Shares of that class in proportion to the number of Ordinary Shares of that class held by them.

***Pre-emption rights***

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment and issue of shares in a Guernsey company. However, the Articles provide that the Company is not permitted to allot (for cash) “equity securities” (which include the

		<p>allotment and issue of Ordinary Shares or C Shares or rights to subscribe for, or convert securities into, Ordinary Shares or C Shares) or sell (for cash) any such equity securities held in treasury, unless it shall first have offered to allot to each existing holder of redeemable ordinary shares in the Company on the same or more favourable terms a proportion of those securities the aggregate value of which (at the proposed issue price) is as nearly as practicable equal to the proportion of the total Net Asset Value of the Company represented by the redeemable ordinary shares held by such shareholder. These pre-emption rights may be excluded and disapplied or modified by special resolution of the holders of Ordinary Shares.</p>
C5	Restrictions on the free transferability of the securities	<p>The Issue Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Issue Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. Persons. There will be no public offer of the Issue Shares in the United States, and this document should not be distributed or forwarded into the United States or to U.S. Persons. Moreover, the Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.</p> <p>The Issue Shares are being offered and sold outside the United States to persons who are not U.S. Persons in reliance on the exemption from registration provided by Regulation S under the U.S. Securities Act.</p> <p>The conversion of the C Shares into new Correspondent Shares at the Conversion Time is prohibited by holders who are in the United States or who are U.S. Persons.</p> <p>The Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S (i) to a person outside the United States who is not a U.S. Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof.</p>
C6	Admission to trading on a regulated market	<p>Applications will be made for the Issue Shares to be admitted to the standard segment of the Official List of the UK Listing Authority and to be admitted to trading on the London Stock Exchange's main market for listed securities (which is a regulated market). It is expected that Admission will become effective and that dealings in the Issue Shares which are the subject of the Issue will commence on 29 October 2013.</p>
C7	Dividend policy	<p>In any financial year, the Company intends to pay dividends to Shareholders equal to the cash income it receives less its running costs paid in that year, subject to the solvency test prescribed by the Companies Law. Cash income will comprise cash received by the Company attributable to the running yield of the Portfolio and the income, if any, arising from cash held by the Company pending investment or distribution. In addition, it will also include all fees generated by the Portfolio, including, for example, amendment or waiver fees. It is anticipated that a distribution will be made by way of an interim dividend with respect to each calendar quarter. It is expected that, once a dividend has been declared, it will be distributed to Shareholders within two months of the quarter in respect of which the dividend was declared. Dividends will be paid in the currency of the class of Shares in respect of which the dividend was declared.</p>

		The holders of any class of C Shares will be entitled to receive such dividends as the Directors may resolve to pay to such holders out of the assets attributable to such class of C Shares (as determined by the Directors).
<i>Section D – Risks</i>		
Element	Disclosure requirement	Disclosure
D1	Key information on the key risks specific to the issuer or its industry	<ul style="list-style-type: none"> <li>● The Company may be unable to realise value from its investments and investors could lose all or part of their investment. Investments that the Company makes may not appreciate in value and, in fact, may decline in value. A substantial component of the Investment Managers’ analysis of the desirability of making a given investment relates to the estimated residual or recovery value of such investments in the event of the insolvency of the issuer or the borrower. This residual or recovery value will be driven primarily by the value of the underlying assets constituting the collateral for such investment. The value of collateral can, however, be extremely difficult to predict and in certain market circumstances there could be little, if any, market for such assets.</li> <li>● Capital gains from the Company’s investments may require significant time to materialise or may not materialise at all. There may be a significant period between the date that the Company makes an investment and the date that any capital gain or loss on such investment is realised. Capital return on the Company’s investments, therefore, may not be realised for a substantial time period, if at all.</li> <li>● Global capital markets have been experiencing volatility, disruption and instability. Material changes affecting global debt and equity capital markets may have a negative effect on the Company’s business, financial condition and results of operations.</li> <li>● The success of the Company depends on the Investment Managers’ ability to achieve the Company’s investment objective. There can be no assurance that the Investment Managers will be able to do so or that the Company will be able to generate any investment returns for Shareholders or indeed avoid investment losses.</li> <li>● The value of senior loans may be adversely influenced by a number of factors (including, but not limited to, the financial condition of the underlying borrowers, the industry in which a borrower operates, general economic or political conditions, and interest rates). Furthermore, early prepayment or default by a borrower may affect the value of the Portfolio particularly since prepayments of senior loans held by the Company are likely to be made during any period of declining interest rates. Such prepayments may result in the Company replacing such loans with lower-yielding investments, leading to lower returns on the Portfolio and the Shares.</li> <li>● The Company may acquire different contractual rights depending on the way in which it invests in loans. A purchaser by way of transfer or assignment of a loan typically has a direct contractual relationship with the borrower. Acquisition of a sub-participation interest in a loan typically results in a contractual relationship only with the lender which is participating out its interest under the loan, rather than with the borrower.</li> <li>● In the event of default under a loan, the Company will bear a risk of loss of principal and accrued interest. In the case of secured loans, foreclosure can be an expensive and lengthy process which could</li> </ul>

		<p>have a material negative effect on the Company's anticipated return on the foreclosed loan.</p> <ul style="list-style-type: none"> <li>● The Company is dependent on the expertise of the Investment Managers for the successful implementation of its investment policy. The Company does not have employees and its Directors are appointed on a non-executive basis. Although, the Directors have overall responsibility for the Company's activities, they have delegated responsibility for managing the assets comprised in the Portfolio to the Investment Managers who are not required to, and generally will not, submit individual investment decisions for the approval of the Board. All of its investment and asset management decisions will be made by the Investment Managers and not by the Company and accordingly, the Company will be completely reliant upon, and the success of its implementation of the investment policy will depend on the Investment Managers.</li> <li>● The Investment Managers (and the NB Affiliates) may, from time to time, provide services to, or be otherwise involved with, other investment programs established by parties other than the Company, which could lead to potential conflicts of interest. The Investment Managers have undertaken to the Company to ensure that any conflict that they may be faced with are resolved fairly</li> </ul>
D3	Key information on the key risks specific to the securities	<ul style="list-style-type: none"> <li>● The Issue Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share.</li> <li>● The existence of a liquid market in the Issue Shares cannot be guaranteed. The number of Issue Shares to be issued pursuant to the Issue is not yet known, and, following the Issue, there may be a limited number of holders of Issue Shares. Limited numbers and/or holders of Issue Shares may mean that there is limited liquidity in such Issue Shares.</li> <li>● Holders of Issue Shares have limited voting rights. The Issue Shares do not carry voting rights in relation to the election of the Company's board of directors and generally have no voting rights, except that (i) any alteration to the memorandum of incorporation of the Company or the Articles or the passing of any resolution to wind up the Company requires the consent of the holders of the Issue Shares by ordinary resolution (such that the holders of Issue Shares may veto, but cannot force the Company to take, any such actions); and (ii) as may be required by Guernsey law.</li> <li>● The C Share class may be exposed to currency risk. The Issue Shares will be denominated in Sterling. Investments made by the Company will be denominated in U.S. Dollars, Sterling and Euros. Therefore, the holders of the Issue Shares may be subject to foreign currency fluctuations between the currency in which such Issue Shares are denominated and the currency of the investments made by the Company.</li> <li>● The Standard Listing of the Issue Shares will afford Shareholders a lower level of regulatory protection than a Premium Listing, which is subject to additional obligations under the Listing Rules in respect of those securities.</li> <li>● Shareholders in certain jurisdictions may not be eligible to participate in any Redemption Offer and to receive the cash proceeds thereof. The securities laws of certain jurisdictions, including the United States, restrict the Company's ability to allow Shareholders to participate in any Redemption Offer.</li> </ul>

Section E – Offer		
Element	Disclosure requirement	Disclosure
E1	The total net proceeds and an estimate of the total expenses of the issue/offer, including estimated expenses charged to the investor by the issuer or the offeror	<p>The Net Issue Proceeds will not be known until after the Issue and will be dependent on investor demand. On the basis that the Company issues £200,000,000 of C Shares, the Net Issue Proceeds would be £196,500,000 (assuming that the expenses of the Issue will be equal to 1.75 per cent. of the Gross Issue Proceeds).</p> <p>It is expected that the Net Issue Proceeds will be invested in accordance with the Company’s investment policy, within three months of Admission.</p> <p>On the basis that the Company issues £750,000,000 of C Shares (the maximum amount that the Company will raise pursuant to the Issue), the Net Issue Proceeds would be £736,875,000 (assuming that the expenses of the Issue will be equal to 1.75 per cent. of the Gross Issue Proceeds).</p> <p>On the basis that the Company issues £1,000,000 of C Shares (the minimum amount that the Company will raise pursuant to the Issue), the Net Issue Proceeds would be £982,500 (assuming that the expenses of the Issue will be equal to 1.75 per cent. of the Gross Issue Proceeds).</p> <p>The Company will bear expenses related to the Issue up to a maximum of 1.75 per cent. of the Gross Issue Proceeds. Such expenses shall be borne out of the proceeds of the Issue and in this manner will be charged to the holders of C Shares.</p> <p>In respect of the Tap Issue, the Company raised a gross aggregate amount of £45,286,481. The expenses incurred in connection with the Tap Issue were £452,864. The proceeds of the Tap Issue (after deducting the costs and expenses relating to such issue) were invested by the Company in accordance with its investment policy.</p>
E2a	Reasons for the offer and use of proceeds	<p>The Company’s investment objective is to provide its shareholders with regular dividends, at levels that are sustainable, whilst preserving the capital value of its investment portfolio, utilising the investment skills of the Investment Managers.</p> <p>The Company will use the Net Issue Proceeds to implement its investment policy.</p>
E3	Terms and Conditions of the offer	<p><b>Offer</b></p> <p>An application for Issue Shares pursuant to the Offer must be made on the Application Form attached at Appendix A to this Prospectus or as may be otherwise published by the Company.</p> <p>By signing the Application Form an investor: (i) offers to subscribe for such number of Issue Shares at £1.00 per Sterling C Share as purchased by the subscription amount specified in the Application Form, being a minimum of £1,000 or such lesser amount as the Company may, in its absolute discretion, determine to accept; (ii) agrees that it will submit payment in Sterling in respect of the Issue Shares it subscribes for; (iii) agrees that, its application may not be revoked; (iv) undertakes to pay the amount for the number of Issue Shares subscribed for in full on application; (v) authorises the Receiving Agent to procure that there be sent to it definitive certificates in respect of the number of Issue Shares for which the application is accepted; (vi) agrees that all subscription cheques and payments will be processed through a bank account in the name of “Capita Registrars Limited re NB Global Floating Rate Income Fund Limited” opened with the Receiving Agent; and (vii) agrees to give certain warranties.</p>

		<p>Any application may be rejected in whole or in part at the sole discretion of the Company.</p> <p>The contracts created by the acceptance of applications (in whole or in part) under the Offer will be conditional upon: (i) Admission occurring at 0800 hours on 29 October 2013 (or such later time or date, not being later than 15 November 2013, as the Company and the Joint Bookrunners may agree); and (ii) the Sponsor and Placing Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective.</p> <p><b>Placing</b></p> <p>Each Placee which confirms its agreement (whether orally or in writing) to Oriel and/or to Dexion and/or PSL to subscribe for Issue Shares under the Placing will be bound by these terms and conditions and will be deemed to have accepted them.</p> <p>The Company and/or Oriel and/or Dexion may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a “Placing Letter”).</p> <p>Conditional on: (i) Admission occurring and becoming effective by 0800 hours (London time) on or prior to 29 October 2013 (or such later time and/or date, not being later than 15 November 2013, as the Company, the Investment Managers, Oriel and Dexion may agree); (ii) the Sponsor and Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before 29 October 2013 (or such later time and/or date, not being later than 15 November 2013 as the parties thereto may agree); and (iii) Oriel and/or Dexion confirming to the Placees their allocation of Issue Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Issue Shares allocated to it by Oriel and/or Dexion at the Issue Price.</p> <p>Each Placee must pay the Issue Price for the Issue Shares issued to the Placee in the manner and by the time directed by Oriel and/or Dexion. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee’s application for Issue Shares shall be rejected.</p> <p>By agreeing to subscribe for Issue Shares, each Placee which enters into a commitment to subscribe for Issue Shares will (for itself and any person(s) procured by it to subscribe for Issue Shares and any nominee(s) for any such person(s)) be deemed to give certain representations and warranties to each of the Company, the Investment Managers, the Registrar, Oriel, Dexion and PSL.</p>
E4	Material interests	Not applicable. No interest is material to the Issue.
E5	Name of person or entity offering to sell securities	NB Global Floating Rate Income Fund Limited.  Not applicable. There are no lock-up agreements in place.
E6	Dilution	The Issue is not being made on a pre-emptive basis and existing Shareholders may participate in the Issue on the same terms as any other third party investor. Therefore, Shareholders who choose not to participate in the Issue for an amount at least pro-rata to their holding will have their percentage holding diluted following conversion of C Shares to Ordinary Shares.



E7	Estimated expenses charged to the investor by the issuer or the offeror	The Company will bear expenses related to the Issue up to a maximum of 1.75 per cent. of the Gross Issue Proceeds. Such expenses shall be borne out of the proceeds of the Issue and in this manner will be charged to the holders of C Shares.
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## Risk Factors

*An investment in the Company and more specifically the Issue Shares carries a number of risks, including the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following specific factors should be considered when deciding whether to make an investment in the Issue Shares. The risks set out below are those which are considered to be the material risks relating to an investment in the Issue Shares and the Company but are not the only risks relating to the Issue Shares or the Company. No assurance can be given that Shareholders will realise profit on, or recover the value of, their investment in the Issue Shares. It should be remembered that the price of Issue Shares and the income from them can go down as well as up.*

*The Issue Shares are only suitable for investors who understand the risk of capital loss and that there may be limited liquidity in the underlying investments of the Company and in the Issue Shares, for whom an investment in the Issue Shares would be of a long-term nature and constitute part of a diversified investment portfolio and who understand and are willing to assume the risks involved in investing in the Issue Shares. Additional risks and uncertainties of which the Company is presently unaware or that the Company currently believes are immaterial may also adversely affect its business, financial condition, results of operations or the value of the Issue Shares.*

*Potential investors in the Issue Shares should review this Prospectus carefully and in its entirety and consult with their professional advisers prior to making an application to subscribe for Issue Shares. Defined terms used in the risk factors below have the meanings set out under the section headed "Glossary of Selected Terms" on pages 137 to 142 of this Prospectus.*

## Risks relating to the Company

### The past performance of the Company is not an indication of its future performance

This document contains certain historical financial and other information in relation to the past performance of the Company. The past performance of the Company is not an indication of its future performance.

The Company's future returns and operating cash flows depend on and may be negatively affected by many factors, some of which are not in the Company's control, including the price and performance of its investments, the availability and liquidity of investment opportunities falling within the Company's investment objective and policy, the level and volatility of interest rates, readily accessible short-term borrowings, conditions in the financial markets, real estate market and economy, the financial performance of borrowers, and the Company's ability to successfully operate its business and execute its investment strategy.

Therefore there can be no assurance that the Company's future performance will be successful or reflect past performance.

### The Company may be unable to realise value from its investments and investors could lose all or part of their investment

Investments that the Company makes may not appreciate in value and, in fact, may decline in value. A substantial component of the Investment Managers' analysis of the desirability of making a given investment relates to the estimated residual or recovery value of such investments in the event of the insolvency of the issuer or the borrower. This residual or recovery value will be driven primarily by the value of the underlying assets constituting the collateral for such investment. The value of collateral can, however, be extremely difficult to predict and in certain market circumstances there could be little, if any, market for such assets. Moreover, depending upon the status of these assets at the time of an issuer's default, they may be substantially worthless. The types of collateral owned by the issuers in which the Company invests will vary widely, but are expected primarily to be receivables and inventory as well as hard assets. Furthermore, the Investment Managers may have no experience in managing the types of underlying assets that may comprise collateral against which investments are secured. During times of recession and economic contraction, there may be little or no ability to realise value on any of these assets, or the value which can be realised may be substantially below the assessed value of the collateral. A default that results in the Company holding collateral may materially adversely affect the performance of the Portfolio and the value of the Shares.

There can be no assurance that the Company's investments will generate gains or income or that any gains or income that may be generated will be sufficient to offset any losses that may be sustained. As a result, investing in the Company is speculative and involves a high degree of risk. The Company's performance may be volatile and investors could lose all or part of their investment. Past performance is no indication of future results and there can be no assurance that the Company will achieve results comparable to any past performance achieved by the Investment Managers or any employee of the Investment Managers described in this Prospectus.

### **Capital gains from the Company's investments may require significant time to materialise or may not materialise at all**

There may be a significant period between the date that the Company makes an investment and the date that any capital gain or loss on such investment is realised. Capital return on the Company's investments, therefore, may not be realised for a substantial time period, if at all.

### **Global capital markets have been experiencing volatility, disruption and instability. Material changes affecting global debt and equity capital markets may have a negative effect on the Company's business, financial condition and results of operations**

Global capital markets have been experiencing extreme volatility and disruption for more than five years as evidenced by a lack of liquidity in the equity and debt capital markets, significant write-offs in the financial services sector, the repricing of credit risk in the credit market, the failure of major financial institutions and the threat of sovereign default. Despite actions of government authorities, these events have contributed to worsening general economic conditions that have materially and adversely affected the broader financial and credit markets and reduced the availability of debt and equity capital.

Continued or recurring market deterioration may materially adversely affect the ability of a borrower to service its debts or refinance its outstanding debt. Further, such financial market disruptions may have a negative effect on the valuations of the Company's investments, and on the potential for liquidity events involving its investments. In the future, non-performing assets in the Portfolio may cause the value of its investment portfolio to decrease if the Company is required to write down the values of its investments. Adverse economic conditions may also decrease the value of collateral securing some of its loans. In the event of sustained market improvement, the Company may have access to only a limited number of potential investment opportunities, which also would result in limited returns to Shareholders.

Depending on market conditions, the Company may incur substantial realised losses and may suffer additional unrealised losses in future periods, which may adversely affect its business, financial condition and results of operations.

### **Continuation resolution of the Company is due in April 2014**

In accordance with the Articles, the Directors are required to convene an extraordinary general meeting on or before 20 April 2014, being the third anniversary of the IPO Admission, in order to propose an ordinary resolution that the Company continue its business as a closed-ended investment company. If this continuation resolution is not passed, the Directors are required to put proposals for the reconstruction or reorganisation of the Company to the Shareholders for their approval. These proposals may or may not involve winding up the Company. Although the Directors believe this scenario to be very unlikely, such a winding up could result in the forced sale of assets, negatively impacting the price.

## **Risks relating to the Issue Shares**

### **The Issue Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share**

The Issue Shares may trade at a discount to Net Asset Value per Share for a variety of reasons, including market conditions or to the extent investors undervalue the management activities of the Investment Managers or discount their valuation methodology and judgments. While the Directors may seek to mitigate any discount to NAV per Share through discount management mechanisms they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful and the Directors accept no responsibility for any failure of any such strategy to effect a reduction in any discount.

## The existence of a liquid market in the Issue Shares cannot be guaranteed

The Company will apply for the Issue Shares to be admitted to trading on the Main Market and expects the Issue Shares to commence trading on this exchange on or about 29 October 2013.

The market price of the Issue Shares may rise or fall rapidly; investors should carefully consider, among other things, the following factors before dealing in Issue Shares:

- the prevailing market price of the Issue Shares;
- the Net Asset Value per C Share, market price volatility and liquidity of the Issue Shares;
- any related transaction costs; and
- the Company's creditworthiness.

In addition, general movement in local and international stock markets, prevailing and anticipated economic conditions and interest rates, investor sentiment and general economic conditions may all affect the market price of the Issue Shares.

The Company has been established as a listed closed-ended collective investment scheme. Accordingly, Shareholders will have no right to have their Issue Shares redeemed or repurchased by the Company at any time. Shareholders wishing to realise their investment in the Company will normally therefore be required to dispose of their Issue Shares through the secondary market. Accordingly, Shareholders' ability to realise their investment at NAV per Share or at all is dependent on the existence of a liquid market for the Issue Shares.

The number of Issue Shares to be issued pursuant to the Issue is not yet known, and, following the Issue, there may be a limited number of holders of Issue Shares. Limited numbers and/or holders of Issue Shares may mean that there is limited liquidity in such Issue Shares which may affect (i) an investor's ability to realise some or all of his investment, and/or (ii) the price at which such investor can effect such realisation, and/or (iii) the price at which such Issue Shares trade in the secondary market.

## Holders of Issue Shares have limited voting rights

The Issue Shares do not carry voting rights in relation to the election of the Company's board of directors and generally have no voting rights, except that (i) any alteration to the memorandum of incorporation of the Company or the Articles or the passing of any resolution to wind up the Company requires the consent of the holders of the Issue Shares by ordinary resolution (such that the holders of Issue Shares may veto, but cannot force the Company to take, any such actions); and (ii) as may be required by Guernsey law. Further, holders of Issue Shares cannot direct the Directors to redeem or repurchase any shares or return capital or liquidate the Company. The limited voting rights of the holders of the Issue Shares limit their ability to have an impact on Board decisions or Company policy and may adversely affect the value of such shares.

## The C Share class may be exposed to currency risk

The Issue Shares will be denominated in Sterling. Investments made by the Company will be denominated in U.S. Dollars, Sterling and Euros. The financial statements of the Company, however, will be prepared in U.S. Dollars and the operational and accounting currency of the Company will be the U.S. Dollar.

Therefore, the holders of the Issue Shares may be subject to foreign currency fluctuations between the currency in which such Issue Shares are denominated and the currency of the investments made by the Company.

The Investment Managers will normally seek to hedge currency exposure between the U.S. Dollar (being the Company's operational and accounting currency) and any other currency in which the Company's assets may be denominated. In addition, the Investment Managers will normally seek to hedge the exposure of C Shares denominated in Sterling against fluctuations between Sterling and the U.S. Dollar.

However, hedging arrangements will be implemented on behalf of the Company only when suitable hedging contracts, such as currency swap agreements, futures contracts, options and forward currency exchange and other derivative contracts, are available in a timely manner and on terms acceptable to the Investment Managers, in their sole and absolute discretion. To the extent that the Investment Managers are unable to engage, or are unsuccessful, in hedging currency exposure, Shareholders will be subject to fluctuations between Sterling (the currency in which their C Shares are denominated) and the other currencies in which the assets and investments comprising the Portfolio are denominated.

The Investment Managers reserve the right to terminate any hedging arrangement in their absolute discretion, including, without limitation, if they consider it to be in the interests of Shareholders to do so or such arrangements may adversely affect the performance of the Company.

In connection with any currency hedging transactions, the Company may be required to pledge some of its assets to the relevant counterparty to such transactions as collateral. Moreover, the agreements related to the Company's currency hedging transactions typically will give the counterparty the right to terminate the transactions upon the occurrence of certain termination events. Such events may include, among others, the failure to pay amounts owed when due, the failure to provide required reports or financial statements, a decline in the value of the Company's assets pledged as collateral, the failure to maintain sufficient collateral coverage, the failure to comply with the investment policy and any investment restrictions, key changes in the Company's management or the Investment Managers' personnel, a significant reduction in the Company's assets and material violations of the terms of, or representations, warranties or covenants under, the transaction agreements, as well as other events determined by the counterparty. If a termination event were to occur, the counterparty would be entitled, in its sole discretion and without regard to the Company's investment objective, to realise and liquidate pledged assets as collateral, and as a result, the Company's investment return and performance could be materially adversely affected and the Company could incur significant losses. Furthermore, in selecting pledged assets for liquidation, a counterparty will realise the most liquid investments, which could result in the remaining portfolio of investments being less diverse than would otherwise be the case.

The use of derivatives and other instruments to reduce risk involves costs. Consequently, the use of hedging transactions might result in lower performance for the hedged C Shares than if the Investment Managers had not sought to hedge exposure against foreign currency exchange risk.

There can be no assurance that appropriate hedging transactions will be available to the Company or that any such hedging transactions will be successful in protecting against currency fluctuations or that the performance of the C Shares will not be adversely affected by the currency exchange rate exposure. In addition, the Company may concentrate its hedging activities with one or a few counterparty(ies) and the Company is subject to the risk that a counterparty may fail to fulfil its obligations under a hedging contract. To the extent that a counterparty fails to fulfil its obligations, the relevant C Share class, and potentially the Company as a whole, could suffer loss.

## **The Standard Listing of the Issue Shares will afford Shareholders a lower level of regulatory protection than a Premium Listing**

A Standard Listing affords Shareholders a lower level of regulatory protection than that afforded to investors in securities of a company admitted to Premium Listing, which is subject to additional obligations under the Listing Rules in respect of those securities. A Standard Listing will not permit the Company to gain a FTSE indexation in respect of the Issue Shares, which may have an adverse affect on the valuation of the Issue Shares.

Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section entitled "Consequences of a Standard Listing of the Issue Shares".

## **The Company is not, and does not intend to become, registered in the United States as an investment company under the U.S. Investment Company Act and related rules**

The Company has not, does not intend to become, and may be unable to be, registered in the United States as an investment company under the U.S. Investment Company Act. The U.S. Investment Company Act provides certain protections to U.S. investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered, and does not intend to register, none of these protections or restrictions is or will be applicable to the Company.

## **The Shares will be subject to significant transfer restrictions as well as forced transfer provisions**

The Issue Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or with any securities regulatory authority or any state or other jurisdiction of the United States. Moreover, the Issue Shares are being offered and sold outside the United States to persons who are not U.S. Persons (as defined in Regulation S under the U.S. Securities Act).

In order to avoid being required to register under the U.S. Investment Company Act, the Company has imposed significant restrictions on the transfer of the Shares, which may materially affect the ability of Shareholders to transfer Shares in the United States or to U.S. Persons. The Issue Shares may not be resold in the United States or to U.S. Persons. These restrictions may make it more difficult to resell the Shares and may have an adverse effect on the market value of the Shares. The transferability of the Shares is subject to certain restrictions as set out in the sections entitled “Selling restrictions” and “Purchase and transfer restrictions” in Part VIII of this Prospectus.

The conversion of the Issue Shares into new Correspondent Shares at the Conversion Time is, moreover, prohibited in respect of holders who are in the United States or who are U.S. Persons, as set out in the section entitled “Deemed representations at the Conversion Time” in Part VI of this Prospectus. As a result, if you are located within the United States or are a U.S. Person at the Conversion Time, you will be subject to the compulsory transfer provisions as provided in the Articles.

## **Shareholders in certain jurisdictions may not be eligible to participate in any Redemption Offer and to receive the cash proceeds thereof**

The securities laws of certain jurisdictions, including the United States, restrict the Company’s ability to allow Shareholders to participate in any Redemption Offer. There can be no assurance that the Company will be able to conduct any Redemption Offer in a manner that would enable participation therein or receipt of the cash proceeds thereof by Shareholders in such jurisdictions. Shareholders who have a registered address in or who are resident or located in (as applicable) the United States and in certain countries other than the United Kingdom may not be eligible to participate in any Redemption Offer. Shareholders should, moreover, consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to participate in any Redemption Offer.

**In implementing a Redemption Offer, the Company will be required to realise assets when it would not otherwise have done so, which may adversely affect the prices it can obtain for such assets and, therefore, the redemption proceeds receivable by Exiting Shareholders. Furthermore, the Investment Managers will not engage in any currency hedging activity in relation to the assets comprised in the Redemption Pool**

If the Company mandatorily implements a Redemption Offer in the circumstances described in “Part I – Discount Control – Redemption Offer”, the Directors will allocate to a Redemption Pool assets of the Company worth in aggregate (as at the NAV Calculation Date immediately preceding the Redemption Date) an amount equal to the Net Asset Value (as at the same date) attributable to the Shares to be redeemed pursuant to such Redemption Offer (less one per cent.). As the Portfolio is expected to consist of cash as well as loans and bonds, the assets allocated to the Redemption Pool will include both cash and non-cash assets. Any non-cash assets will then be realised by the Investment Managers, and the realisation proceeds distributed to Exiting Shareholders, as soon as reasonably practicable. Such non-cash assets may therefore be realised in circumstances in which the Investment Managers’ preference would otherwise have been to retain them, or at times when it is not in the Investment Managers’ view possible to achieve an optimal price for such assets. In addition, the Investment Managers will not seek to hedge currency risk between the currencies in which the assets comprised in the Redemption Pool are denominated and the U.S. Dollar or between the U.S. Dollar and the other currencies in which the Shares redeemed pursuant to the Redemption Offer were denominated. Exiting Shareholders will therefore be subject to unhedged currency exposure during the period from the Redemption Date until all of the assets comprised in the Redemption Pool have been realised.

## Risks relating to the investment strategy and investment portfolio

### The success of the Company depends on the Investment Managers' ability to achieve the Company's investment objective

The success of the Company will depend on the Investment Managers' ability to advise on and manage investments mainly in floating rate senior secured loans issued in U.S. Dollars, Sterling and Euros by primarily North American and European Union corporations, in accordance with the Company's investment objective and policy. There can be no assurance that the Investment Managers will be able to do so or that the Company will be able to generate any investment returns for Shareholders or indeed avoid investment losses.

### The value of senior loans may be adversely influenced by a number of factors and early prepayment or default by a borrower may affect the value of the Portfolio

The market value of senior loans may vary because of a number of factors, including, but not limited to, the financial condition of the underlying borrowers, the industry in which a borrower operates, general economic or political conditions, interest rates, the condition of the debt trading markets and certain other financial markets, developments or trends in any particular industry and changes in prevailing interest rates.

Senior loans generally have maturities ranging from five to seven years, but may have a shorter remaining term when purchased in the secondary loan market. Given that many senior loans are repaid early, the actual maturity of senior loans is typically shorter than their stated final maturity calculated solely on the basis of the stated life and repayment schedule. Generally voluntary prepayments are permitted and the timing of prepayments cannot be predicted with any accuracy. The degree to which borrowers prepay senior loans, whether as a contractual requirement or at their election, may be affected by general business conditions, market interest rates, the borrower's financial condition and competitive conditions among lenders. Investments in senior loans are also subject to interest rate risk and reinvestment risk. Prepayments of senior loans held by the Company are likely to be made during any period of declining interest rates. Such prepayments may result in the Company replacing such loans with lower-yielding investments, leading to lower returns on the Portfolio and the Shares.

Senior loans that the Company will invest in are subject to credit, liquidity and interest rate risk. Any senior loan may become a defaulted obligation for a variety of reasons, including non-payment of principal or interest, as well as covenant violations by the borrower in respect of the underlying loan documents. A defaulted loan may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted loan. In addition, such negotiations or restructuring may be extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted loan. In addition, substantial costs and resources in such situations may be imposed on the lender, further affecting the value of the loan. The liquidity in defaulted loans may also be limited, and to the extent that defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon, which would adversely affect the value of the Portfolio and consequently, the Shares.

### The Company may acquire different contractual rights depending on the way in which it invests in loans

The contractual rights of the Company, in relation to the loans that it acquires, will depend on the way in which the Company acquires the loans.

It is intended that the Company may acquire interests in loans either (i) directly or (ii) indirectly by way of sub-participation, in relation to both primary and secondary loans.

The contractual rights acquired by the Company may vary considerably. A purchaser by way of transfer or assignment of a loan typically acquires all the rights and obligations of the assigning institution, becomes a lender under the credit agreement with respect to the debt obligation (although its rights can be more restricted than those of the assigning or transferring institution) and has a direct contractual relationship with the borrower. Acquisition of a sub-participation interest in a loan typically results in a contractual relationship only with the lender which is participating out its interest under the loan, rather than with the

borrower. On the acquisition of a sub-participation, the Company will generally not have a right to enforce compliance with the terms of the loan agreement against the borrower, and will be reliant on the lender which is participating out its interest under the loan. As a result, the Company will assume credit risk in relation to both the borrower and the entity which is sub-participating its interest under the loan.

## **The Company may be required to invest in loans using different contractual arrangements and structures, dependent on the laws and regulations of the jurisdiction in which the borrower under the loan is incorporated**

The Company may invest in loans in primarily North American jurisdictions and a number of European jurisdictions, and these investments may be subject to different laws and regulation dependent on the jurisdiction in which the borrower under the loan is incorporated. This may mean that, in order to invest in a loan or loans, the Company will be required to adopt particular contractual arrangements and structures in order to satisfy the legal and regulatory requirements of a particular jurisdiction. This may affect the contractual rights acquired by the Company (see the risk factor “The Company may acquire different contractual rights depending on the way in which it invests in loans”).

## **A credit rating agency’s assessment may not fully reflect the risk of an investment in senior loans**

The Investment Managers intend to use credit rating agencies’ assessment of senior loans as part of the due diligence process prior to any investment. Credit ratings of senior loans represent the rating agencies’ opinions regarding the credit quality of a loan and such assessments are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value; accordingly, a credit rating of a loan may not fully reflect the true risks of an investment in a loan. Furthermore, rating agencies may fail to make timely changes in credit ratings in response to events that affect an issuer, with the result that an issuer’s current financial condition may be better or worse than a rating indicates. Consequently, credit ratings of bank loans will be used by the Investment Managers only as preliminary indicators of investment quality.

## **In the event of default under a loan, the Company will bear a risk of loss of principal and accrued interest**

In the event of any default on the Company’s investment in a loan by the borrower, the Company will bear a risk of loss of principal and accrued interest on the loan, which could have a material adverse effect on the Company’s investment. In the case of secured loans, foreclosure can be an expensive and lengthy process which could have a material negative effect on the Company’s anticipated return on the foreclosed loan. By way of example, it would not be unusual for any costs of enforcement to be paid out in full before the repayment of interest and principal. This could substantially reduce the Company’s anticipated return on the foreclosed loan.

The level of defaults in the Portfolio and the losses suffered on such defaults may increase in the event of adverse financial or credit market conditions.

## **Investments made by the Company in bank loans and sub-participations are subject to particular risks**

Investments made by the Company in bank loans and sub-participations are subject to a number of unique risks. These include (a) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors’ rights laws, (b) so-called lender-liability claims by the borrower (i.e. claims against a lender arising as a result of the exercise or non-exercise of a lender’s rights or obligations under a loan agreement, claims arising by virtue of the control exercised by a lender over a borrower’s business or other claims), (c) environmental liabilities that may arise with respect to collateral securing the obligations, and (d) limitations on the ability of the Company to enforce its rights directly with respect to sub-participations. There is no guarantee that the Company will be able to successfully defend itself against any claims by third parties in relations to these risks. Successful claims by third parties may adversely affect the Net Asset Value of the Company and the price of the Shares. In addition, in certain European syndicated loan facilities, provisions are sometimes included which grant the borrower the right to replace a participant lender at par. The circumstances in which this right typically arises include non-performance by the



participant lender of its obligations or the failure of a lender to provide its consent where a specified proportion of the other lenders have so consented. If such a provision were to be exercised in relation to the Company's rights under a loan in which the Company has invested, the Company's interests in that loan could be brought to an end, which could affect the value of the investments held by the Company by reducing the income that would otherwise have been payable to the Company on that loan.

## **The value of the investments made by the Company in loans may be affected by fraud or misrepresentation or omission**

The value of the investments made by the Company in loans may be affected by fraud, misrepresentation or omission on the part of the borrower to which the loan relates, by parties related to the borrower or by other parties to the loan (or related collateral and security arrangements). Such fraud, misrepresentation or omission may adversely affect the value of the collateral underlying the loan in question or may adversely affect the Company's ability to enforce its contractual rights under the loan or for the borrower of the loan to repay the loan or interest on it or its other debts.

## **The value of the Company's investments may be subject to jurisdiction-specific insolvency regimes**

The value of the investments held by the Company may be impacted by various laws enacted for the protection of creditors in the jurisdictions of incorporation of the obligors thereunder and, if different, the jurisdictions from which the obligors conduct their business and in which they hold their assets, which may adversely affect such obligors' abilities to make payment on a full or timely basis.

In particular, it should be noted that a number of continental European and emerging market jurisdictions operate "debtor-friendly" insolvency regimes which could result in delays in payments where obligations, debtors or assets thereunder are subject to such regimes. The different insolvency regimes applicable in the different European and emerging market jurisdictions result in a corresponding variability of recovery rates for senior loans, high yield bonds and other debt obligations entered into or issued in such jurisdictions.

With regards to the U.S., bankruptcy judges have a broad discretion as to how they deal with the claims of different creditors, and the claims of secured creditors may not, despite their legal entitlement, always be respected as a matter of policy – for example political or social factors may be taken into account in larger or high profile bankruptcies which may adversely affect the ability of the Company to effectively enforce its rights as a secured creditor.

Jurisdiction-specific insolvency regimes may negatively impact borrowers' or issuers' ability to make payments to the Company, or the Company's recovery in a restructuring or insolvency, which may adversely affect the Company's business, financial condition and results of operations.

## **The Company may be subject to lender liability and equitable subordination**

The Company may invest directly in borrowers by making direct loans to issuers. In recent years, a number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively referred to as "lender liability". Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. The Company may become subject to allegations of lender liability. The Company cannot provide assurance that these claims will not arise or that it will not be subject to significant liability if a claim of this type arises.

In addition, under common law principles, in certain jurisdictions, that in some cases form the basis for lender liability claims, if a lender, (i) intentionally takes an action that results in the undercapitalisation of a borrower to the detriment of other creditors of such borrower; (ii) engages in other inequitable conduct to the detriment of such other creditors; (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors; or (iv) uses its influence as a shareholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination".

As a lender, the Company may be subject to additional liability such as liability resulting from the breach of fiduciary duty or duty of good faith and fair dealing, or its claims may be subject to equitable subordination, which may materially affect the Company's business, financial condition and results of operations.

## The Company may be subject to losses on investments as a result of fraudulent conveyance findings by courts

Various laws enacted for the protection of creditors may apply to certain investments that are debt obligations, although the existence and applicability of such laws will vary from jurisdiction to jurisdiction. For example, if a court were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of any security interest or other lien securing such investment, and, after giving effect to such indebtedness, the borrower (i) was insolvent, (ii) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital, or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court may invalidate such indebtedness and such security interest or other lien as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower (including to the Company) in satisfaction of such indebtedness or proceeds of such security interest or other lien previously applied in satisfaction of such indebtedness. In addition, if an issuer in which the Company has an investment becomes insolvent, any payment made on such investment may be subject to cancellation as a “preference” if made within a certain period of time (which may be as long as one year) before insolvency.

In general, if payments on an investment are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient or from subsequent transferees of such payments. To the extent that any such payments are recaptured from the Company, the resulting loss will be borne by the investors in the Company.

## The Company’s hedging arrangements may not be successful

The Company’s economic risks cannot be effectively hedged. However, in connection with the financing of certain investments, the Company may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices and/or currency exchange rates. While such transactions may reduce certain risks, they create others.

The Company may utilise certain derivative instruments (such as using single-name credit default swaps, credit default swap and loan credit default swap indexes, equity futures and equity indexes) for hedging purposes. However, even if used primarily for hedging purposes, the price of derivative instruments is highly volatile, and acquiring or selling such instruments involves certain leveraged and unusual risks. The low initial margin deposits normally required to establish a position in such instruments permits an unusually high degree of leverage. As a result, a relatively small movement in the price of a contract may result in substantial losses to the Company (which may not be offset by increases in the value of the instrument being hedged). There may be an imperfect correlation between the instrument acquired for hedging purposes and the investments or market sectors being hedged, in which case, a speculative element is added to the highly leveraged position acquired through a derivative instrument primarily for hedging purposes.

The Company may benefit from the use of these hedging strategies; however, such strategies may also result in losses and overall poorer performance than if the Company had not entered into such hedging transactions.

## Risks relating to the Company’s collateral

### The collateral and security arrangements under a loan in which the Company has invested may not have been properly created or perfected, or may be subject to other legal or regulatory restrictions

Whilst the Company will invest in senior secured loans, the collateral and security arrangements in relation to such loans will be subject to such security or collateral having been correctly created and perfected and any applicable legal or regulatory requirements which may restrict the giving of collateral or security by a borrower under a loan, such as, for example, thin capitalisation, over-indebtedness, financial assistance and corporate benefit requirements. If the loans in which the Company invests do not benefit from the expected collateral or security arrangements this may affect the value of the investments made by the Company.

The Company's investments will be based in part on valuations of collateral which are subject to assumptions and factors that may be incomplete, inherently uncertain or subject to change

A component of the Investment Managers' analysis of the desirability of making a given investment relates to the estimated residual or recovery value of such investments in the event of the insolvency of the borrower or issuer. This residual or recovery value will be driven primarily by the value of the underlying assets constituting the collateral for such investment. The value of collateral can, however, be extremely difficult to predict as in certain circumstances market quotations and third party pricing information may not be available.

## Risks relating to the Investment Managers

The Company is dependent on the expertise of the Investment Managers and their key personnel properly to evaluate attractive investment opportunities and to implement its investment strategy

In accordance with the Investment Management Agreement and the Sub-Investment Management Agreement, the Investment Managers are responsible for the management of the Company's investments. The Company does not have employees and its Directors are appointed on a non-executive basis. All of its investment and asset management decisions will be made by the Investment Managers and not by the Company and accordingly, the Company will be completely reliant upon, and its success will depend exclusively on, the Investment Managers and their personnel, services and resources. The Investment Managers are not required to and generally will not submit individual investment decisions for approval to the Board.

Consequently, the future ability of the Company to successfully pursue its investment policy may depend on the ability of the Investment Managers to retain their existing staff and / or to recruit individuals of similar experience and calibre. Whilst the Investment Managers have endeavoured to ensure that the principal members of their management teams are suitably incentivised, the retention of key members of the teams cannot be guaranteed. Furthermore, in the event of a departure of a key employee of the Investment Managers, there is no guarantee that the Investment Managers would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the performance of the Company. Events impacting but not entirely within the Company's and the Investment Managers' control, such as its financial performance, its being acquired or making acquisitions or changes to its internal policies and structures could in turn affect their ability to retain key personnel.

The Investment Managers' strategy is resource and time-intensive. If the Investment Managers are unable to allocate the appropriate time or resources to the Company's investments, the Company may be unable to achieve its investment objective. In addition, the Investment Management Agreement and Sub-Investment Management Agreement do not require the Investment Managers to dedicate specific personnel to the Company or to require personnel servicing the Company's business to allocate a specific amount of time to the Company.

The Company is also subject to the risk that the Investment Management Agreement may be terminated and that no suitable replacement will be found to manage the Company. If the Investment Management Agreement is terminated and a suitable replacement is not secured in a timely manner or key personnel of the Investment Managers are not available to the Company with an appropriate time commitment, the ability of the Company to execute its investment strategy or achieve its investment objective may be adversely affected.

The obligations of the Investment Managers are not guaranteed by any other person.

The due diligence process that the Investment Manager plans to undertake in evaluating specific investment opportunities for the Company may not reveal all facts that may be relevant in connection with such investment opportunities and any corporate mismanagement, fraud or accounting irregularities may materially affect the integrity of the Investment Managers' due diligence on investment opportunities

When conducting due diligence and making an assessment regarding an investment, the Investment Managers will be required to rely on resources available to them, including internal sources of information as well as information provided by existing and potential borrowers, any equity sponsor(s), lenders and other independent sources. The due diligence process may at times be required to rely on limited or incomplete information particularly with respect to newly established companies for which only limited information may be available.

In addition, the Investment Managers will select investments for the Company in part on the basis of information and data relating to potential investments filed with various government regulators and publicly available or made directly available to the Investment Managers by such issuers or third parties. Although the Investment Managers will evaluate all such information and data and seek independent corroboration when it considers it appropriate and reasonably available, the Investment Managers will not be in a position to confirm the completeness, genuineness or accuracy of such information and data. The Investment Managers are dependent upon the integrity of the management of the entities filing such information and of such third parties as well as the financial reporting process in general. Recent events have demonstrated the material losses that investors such as the Company can incur as a result of corporate mismanagement, fraud and accounting irregularities.

In addition, investment analyses and decisions by the Investment Managers may be undertaken on an expedited basis in order to make it possible for the Company to take advantage of short-lived investment opportunities. In such cases, the available information at the time of an investment decision may be limited, inaccurate and/or incomplete. Furthermore, the Investment Managers are unlikely to have sufficient time to evaluate fully such information even if it is available.

Accordingly, due to a number of factors, the Company cannot guarantee that the due diligence investigation it carries out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Any failure by the Company to identify relevant facts through the due diligence process may cause it to make inappropriate investment decisions, which may have a material adverse effect on the Company's business, financial condition, results of operations or the value of the Shares.

Due diligence may also be costly, which will decrease the Company's overall profits from an investment.

**The Investment Managers will source all of the Company's investments and Affiliates of the Investment Managers may participate in some of those investments, which may result in conflicts of interest**

The Company is subject to a number of actual or potential conflicts of interest involving the Investment Managers and their respective affiliates, which are summarised below.

The Investment Managers and/or companies with which they are associated may from time to time act as manager, sponsor, investment manager, trustee, custodian, sub-custodian, registrar, broker, administrator, investment advisor or dealer in relation to, or be otherwise involved with, other clients, including other investment funds and client accounts, including those which follow an investment programme substantially similar to that of the Company (such other clients, funds and accounts, collectively the "**Other Accounts**"). The Company will not have an interest in these Other Accounts. Conflicts of interest among the Company and these Other Accounts may exist, which include, but are not limited to, those described herein. These Other Accounts may have investment objectives that are similar to, or overlap to a greater or lesser extent, with those of the Company as well as investment guidelines that differ from those applicable to the Company's investments. The Investment Managers may determine that an investment opportunity in the Company is appropriate for an Other Account but not for the Company or that the allocation to the Company should be of a different proportion than that of an Other Account.

It is the policy of the Investment Managers to allocate investment opportunities fairly and equitably among the Company and Other Accounts, where applicable, to the extent possible over a period of time. The Investment Managers, however, will have no obligation to purchase, sell or exchange any investment for the

Company which the Investment Managers may purchase, sell or exchange for one or more Other Accounts if the Investment Managers believe in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for the Company. As a general policy, investment opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate *pro rata* based on the relative capital size of the accounts. In addition, the Investment Managers may also take into consideration other factors such as the investment programmes of the accounts, tax consequences, legal or regulatory restrictions, including those that may arise in various different international jurisdictions, the relative historical participation of an account in the investment, the difficulty of liquidating an investment for more than one account, new accounts with a substantial amount of investable cash and such other factors considered relevant. Such considerations may result in allocations among the Company and one or more Other Accounts on other than a *pari passu* basis (which may result in different performances among them).

The Investment Managers and their officers and employees will devote as much of their time to the activities of the Company as they deem necessary and appropriate. The Investment Managers and their affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Company and/or may involve substantial time and resources. These activities may be viewed as creating a conflict of interest in that the time and effort of the Investment Managers and their officers and employees will not be devoted exclusively to the business of the Company but will be allocated between the business of the Company and such other activities. Future activities by the Investment Managers and their affiliates, including the establishment of other investment funds, may give rise to additional conflicts of interest.

NB Affiliates are actively engaged in transactions in the same securities, currencies and instruments in which the assets of the Company may be invested. Subject to applicable law, NB Affiliates may purchase or sell securities of, or otherwise invest in or finance, issuers in which the Company has an interest. NB Affiliates also may manage or advise other accounts or investment funds that have investment objectives similar or dissimilar to those of the Company and which engage in transactions in the same type of securities, currencies and instruments as the Company. Trading activities of NB Affiliates are carried out without reference to positions held directly or indirectly by the Company and may have an effect on the value of the positions so held or may result in NB Affiliates having an interest adverse to that of the Company. NB Affiliates are not under any obligation to share any investment opportunity, idea or strategy or other relevant information about an investment with the Company or a portfolio manager and/or may not be able to share such information with the Investment Managers because of informational walls, confidentiality obligations or other disclosure constraints. As a result, NB Affiliates may compete with the Company for appropriate investment opportunities.

The Investment Managers may be prevented from taking control positions in certain issuers, or positions adverse to their management, due to other business commitments and relationships of Neuberger Berman Group or decisions of its management. In such cases, the Investment Managers will be compelled to act other than in the best interests of the Company due to conflicts of interest with the Neuberger Berman Group organisation, which may adversely affect the Company's ability to achieve its investment objective.

The Directors are also required by the Registered Collective Investment Scheme Rules 2008 to take all reasonable steps to ensure that there is no breach of any of the conflict of interest requirements in those Rules.

The Investment Managers (or other NB Affiliates) may manage the assets of Other Accounts that provide the Investment Managers (or other NB Affiliates) with discretion to allocate such assets among various investment strategies through separate accounts or other pooled investment vehicles managed by the Investment Managers, including the Company. In these instances, the Investment Managers (or other NB Affiliates) will, from time to time, exercise their full discretion to determine investment strategies to which such assets should be allocated and the amount of each such allocation, subject to any applicable investment guidelines. In addition to making an initial allocation among strategies, the Investment Managers (or other NB Affiliates) are typically vested with discretion to rebalance, adjust or make different allocations for such assets, from time to time, solely in their discretion, as market conditions or the requirements of the Other Accounts dictate. Therefore, the investments of such Other Accounts that invest in the Company, if applicable, generally will be directed by the Investment Managers (or other NB Affiliates), and the Investment Managers (or other NB Affiliates) could either buy or sell Shares in the secondary market or, subject to applicable law, participate in any redemption or buyback of Shares implemented by the Company. The Investment Managers have no duty or responsibility to inform or advise any other Shareholder in the Company to undertake the same or similar action with respect to their own investments.

## Access to material non-public information may restrict the ability of the Investment Managers to take action with respect to some investments

The Investment Managers have established policies and procedures reasonably designed to prevent the misuse by the Investment Managers and their personnel of material information regarding particular issuers that has not been publicly disseminated (“material non-public information”) in accordance with applicable legal and regulatory requirements. In general, under such policies and procedures and applicable law, when the Investment Managers are in possession of material non-public information related to a publicly-traded security or the issuer of such security, whether acquired unintentionally or otherwise, neither the Investment Managers nor their personnel are permitted to render investment advice as to, or otherwise trade or recommend a trade in, the securities of such issuer until such time as the information that the Investment Manager has is no longer deemed to be material non-public information.

The Investment Managers have procedures that outline the process by which it will determine whether to elect to receive material non-public information, or whether it will determine not to receive material non-public information, in any given case. This determination will be made on an issuer-by-issuer basis using objective criteria established by the Investment Managers. It should be noted that the Investment Managers’ determination regarding whether or not to receive material non-public information regarding a specific issuer may have implications for the services the Investment Managers are able to provide to certain clients in certain situations, including the Company.

For example, where the Investment Managers have determined to receive material non-public information regarding an issuer or a borrower in connection with its clients’ potential investments in loan assets of such issuer, it will be prohibited from rendering investment advice to clients, including the Company, regarding the public securities of such issuer, thereby potentially limiting the universe of public securities that the Investment Managers may purchase or potentially limiting the ability of the Investment Managers to sell particular securities. Similarly, where the Investment Managers decline access to (or otherwise do not receive) material non-public information regarding an issuer, they may base their investment decisions for their clients, including the Company, with respect to the loan assets of such issuer solely on public information, thereby limiting the amount of information available to them in connection with such investment decisions.

U.S. restrictions on the use of material non-public information are often materially more stringent than those in other jurisdictions. The Investment Managers will be subject to these U.S. restrictions even if the investments in the Company are made by non-U.S. persons. The Investment Managers may determine not to elect to receive any material non-public information.

In deciding whether to accept material non-public information in distressed debt situations, the Investment Managers will need to weigh (i) the risks of being “frozen” in a position due to the receipt of material non-public information against (ii) the profit potential of the investment. In making its determinations whether or not to elect to receive material non-public information, the Investment Managers will endeavour to act fairly to their clients as a whole. A miscalculation of the risk by the Investment Managers may lead to major losses which the Investment Managers are unable to control and which may adversely affect the Company’s business, financial condition, results of operations and the price of the Shares.

## Risks relating to regulation and taxation

### Greater regulation of the financial services industry, which imposes additional restrictions on the Company may materially affect the Company’s business and its ability to carry out its investment objective

Legislation proposing greater regulation of the financial services industry, is being actively pursued by the U.S. Congress (including the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act 2010), as well as the governing bodies of non-U.S. jurisdictions, in the wake of the ongoing financial crisis and the dramatic losses incurred both by private funds and their counterparties from trading in substantially unregulated markets. The U.S. government “bailout” of financial institutions that began in 2008 is the largest governmental intervention in the history of the U.S. financial markets. In connection with this “bailout,” U.S. Congress has applied new restrictions to the U.S. financial markets. Similar government “bailouts” of financial institutions by both individual member states and the European Union has also increased the scrutiny on the financial services industry in Europe and may lead to further regulation of the financial markets.

There can be no assurance that future regulatory action will not result in additional market dislocation. It is impossible to predict the nature, timing and scope of future changes in laws and regulations applicable to the Company, the Investment Managers, the markets in which they trade and invest or the counterparties with which they do business. Any such changes in laws and regulations may have a material adverse effect on the ability of the Company to carry out its business, to successfully pursue its investment policy and to realise its profit potential, and may include a requirement of increased transparency as to the identity of investors in the Company. Any such event may materially adversely affect the investment returns of the Company.

## **Changes in the Company's tax status or tax treatment may adversely affect the Company and if the Company becomes subject to the UK offshore fund rules there may be adverse tax consequences for certain UK resident Shareholders**

Any change in the Company's tax status, or in taxation legislation or practice in either Guernsey, the United States or the United Kingdom or any other jurisdiction in which borrowers are held to be resident, or in the Company's tax treatment (for example, due to the disposition of equity accepted in settlement for debt) may affect the value of the investments held by the Company or the Company's ability to successfully pursue and achieve its investment objectives, or alter the after-tax returns to Shareholders. Statements in this Prospectus concerning the taxation of Shareholders are based upon current United Kingdom, United States and Guernsey tax law and published practice, any aspect of which law and practice is, in principle, subject to change (potentially with retrospective effect) that may adversely affect the ability of the Company to successfully pursue its investment policy or meet its investment objective, and which may adversely affect the taxation of Shareholders.

Statements in this Prospectus in particular take into account the UK offshore fund rules contained in Part 8 of the Taxation (International and Other Provisions) Act 2010. Should the Company or any class of Shares be regarded as being subject to the offshore fund rules this may have adverse tax consequences for certain UK resident shareholders.

## **Failure by the Company to maintain its non-UK tax resident status may subject the Company to additional taxes which may materially adversely affect the Company's business, results of operations and the value of the Shares**

In order to maintain its non-UK tax resident status, the Company is required to be controlled and managed outside the United Kingdom. The composition of the board of Directors of the Company, the place of residence of the individual Directors and the location(s) in which the board of Directors of the Company makes decisions will be important in determining and maintaining the non-UK tax resident status of the Company. Although the Company is established outside the United Kingdom and a majority of the Directors live outside the United Kingdom, continued attention must be given to ensure that major decisions are not made in the United Kingdom or the Company may lose its non-UK tax resident status. As such, management errors may potentially lead to the Company being considered UK tax resident which may adversely affect the Company's financial condition, results of operations, the value of the Shares and/or the after-tax return to the Shareholders.

## **Individual Shareholders may have conflicting investment, tax and other interests with respect to their investments in the Company**

Shareholders are expected to include taxable and tax-exempt entities and persons or entities organised and residing in various jurisdictions who may have conflicting investment, tax and other interests with respect to their investments in the Company. The conflicting interests of individual Shareholders may relate to or arise from, among other things, the nature of investments made by the Company, the structuring of the acquisition of investments, the timing of disposition of investments and the manner in which income and capital generated by the Company is distributed to Shareholders. The structuring of investments and distributions may result in different returns being realised by different Shareholders. As a consequence, conflicts of interest may arise in connection with decisions made by the Investment Managers, including the selection of borrowers, which may be more beneficial for one investor than for another investor, especially with respect to investors' individual situations. In selecting and structuring investments appropriate for the Company and in determining the manner in which distributions shall be made to Shareholders, the Investment Managers and the Directors, respectively, will consider the investment and tax objectives of the

Company and Shareholders as a whole, not the investment, tax or other objectives of any Shareholder individually, which may adversely affect the investment returns of individual Shareholders.

**Certain payments of (or attributable to) U.S.-source income and the proceeds of sales of property that give rise to U.S.-source interest and dividends paid to the Company, will in future be subject to 30 per cent. withholding tax unless the Company agrees to certain reporting and withholding requirements and certain Shareholders may themselves be subject to such withholding tax if they do not provide the Company with required information**

The Foreign Account Tax Compliance Act (“**FATCA**”) was enacted by the United States Congress in March 2010 and came into effect in 2013 (although implementation is staggered). Pursuant to FATCA, the Company will be classified as a “foreign financial institution”. If, however, shares in the Company are considered “regularly traded on an established securities market”, as defined under the final FATCA regulations, Shareholders would not be regarded as holding “financial accounts” in the Company. Although the London Stock Exchange is an established securities market, it is unclear whether the Class C Shares will be considered regularly traded as this may need to be a factual determination made annually.

The Company will be required, in order to be compliant for FATCA purposes, to file a FATCA agreement with the IRS, under which the Company may be required to obtain information about its Shareholders and to disclose information about its Shareholders to the IRS (if Shareholders are treated under FATCA as holders of “financial accounts” in the Company). Alternatively, the United States proposes to enter into Intergovernmental Agreements by which foreign financial institutions can comply with FATCA by reporting relevant information to their domestic tax authority.

On 29 May 2013, the Chief Minister of Guernsey made a statement to Guernsey’s parliament that the States of Guernsey is engaged in final negotiations with the US to conclude an intergovernmental agreement regarding the implementation of FATCA and that it was at that stage anticipated that the agreement would be ready to sign in June 2013. Once signed, an intergovernmental agreement would be subject to ratification by Guernsey’s parliament and implementation of the agreement would be through Guernsey’s domestic legislative procedure. It is currently anticipated that any such legislation will not come into effect until 2015 at the earliest. On 12 July 2013 the United States Department of Treasury and the Internal Revenue Service issued Notice 2013-43 (Notice) which, *inter alia*, refers to the treatment of financial institutions operating in jurisdictions that have signed an intergovernmental agreement to implement FATCA. According to the Notice, a jurisdiction will be treated as having in effect an intergovernmental agreement if the jurisdiction is listed on the US Treasury website as a jurisdiction that is treated as having an intergovernmental agreement in effect. In general, the US Treasury and the Internal Revenue Service intend to include on this list jurisdictions that have signed but have not yet brought into force an intergovernmental agreement. A financial institution resident in a jurisdiction that is treated as having an intergovernmental agreement in effect will be permitted to register on the FATCA registration website as a registered deemed-compliant financial institution (which would include all reporting Model 1 foreign financial institutions) or participating foreign financial institution (which would include all reporting Model 2 foreign financial institutions). The proposed United States-Guernsey Intergovernmental Agreement is based on Model 1. The full impact of such an agreement on the Fund and the Fund’s reporting responsibilities (if any) pursuant to FATCA as implemented in Guernsey is not currently known.

The Company would also be deemed to be compliant with the FATCA legislation if the Investment Managers or other sponsor performed the Company’s obligations under FATCA on its behalf and certain other requirements were met.

Failure by the Company to file such an agreement with the IRS, or fall within such ‘deemed’ compliant categories, could mean that the Company would become subject to a 30 per cent. withholding tax on certain U.S. source payments to the Company, which may have an adverse effect on the Company’s performance.

Additionally, if the Company were to enter into such an agreement with the IRS, the Company may be compelled under FATCA to withhold tax on payments it makes to Shareholders that do not provide information as to their FATCA status or which are themselves non-compliant “foreign financial institutions”.

Further, even if the Company is not characterised under FATCA as a “foreign financial institution”, it nevertheless may become subject to such 30 per cent. withholding tax on certain U.S. source payments to it



unless it either provides information to withholding agents with respect to its “substantial U.S. owners” or certifies that it has no such “substantial U.S. owners”. As a result, Shareholders may be required to provide any information that the Company determines necessary to avoid the imposition of such withholding tax or in order to allow the Company to satisfy such obligations.

### **The AIFM Directive may impair the ability of the Investment Managers to manage the investments of the Company, which may materially adversely affect the Company’s ability to implement its investment strategy and achieve its investment objective**

The AIFM Directive, which was due to be transposed by EEA countries into national law in 2013, seeks to regulate alternative investment fund managers (in this paragraph, “AIFMs”) based in the EEA and prohibits such managers from managing any alternative investment fund (in this paragraph, “AIF”) or marketing shares in such funds to EEA investors in the EEA unless authorisation is granted to the AIFM. In order to obtain such authorisation, an AIFM will need to comply with various obligations in relation to the AIF, which may create significant additional compliance costs that may be passed to investors in the AIF. If the AIFM is deemed to be a non-EEA entity (such as the Sub-Investment Manager) then authorisation will not be possible until 2015, although it will be permitted to continue to manage and market the AIF if certain conditions are satisfied.

Following national transposition of the AIFM Directive in a given EEA country, the marketing of shares in AIFs that are established outside the EEA to investors in that EEA country shall be prohibited unless certain conditions are met. Certain of these conditions are outside the Company’s control as they are dependent on the regulators of the relevant third country, in this case Guernsey, and the targeted EEA country entering into agreements with one another. For AIFs managed by non-EEA AIFMs, co-operation agreements would also need to be in place with the third country in which the AIFM is based. The Company cannot guarantee that such conditions outside of its control will be satisfied. In cases where the conditions are not satisfied, the ability of the Company to market shares or raise further equity capital in the EEA may be limited or removed. As of the date of this prospectus, Guernsey has entered into arrangements with most, but not all, EEA countries.

Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that impair the ability of the Investment Managers to manage the investments of the Company, or limit the Company’s ability to market future issuances of its Shares, may materially adversely affect the Company’s ability to carry out its investment strategy and achieve its investment objective.

## Important Notices

**Investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the Issue and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company or the Investment Managers. Without prejudice to any obligation of the Company to publish a supplementary Prospectus pursuant to section 87G(1) of FSMA, neither the delivery of this Prospectus nor any subscription or sale made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date.**

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice in relation to the purchase of Issue Shares.

An investment in the Issue Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in the Issue Shares should constitute part of a diversified investment portfolio. Accordingly, typical investors in the Company are expected to be institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company.

## General

This document has been produced for the purpose of the Issue, seeking admission to listing on the standard segment of the Official List and admission to trading of the Issue Shares on the Main Market. This document also sets out information relating to the Tap Issue.

Prospective and existing investors should rely only on the information contained in this Prospectus. No broker, dealer or other person has been authorised by the Company, the Directors, Neuberger Berman LLC, the Investment Managers, Oriel or Dexion to issue any advertisement or to give any information or to make any representation in connection with the offering or sale of the Shares other than those contained in this Prospectus and, if issued, given or made, any such advertisement, information or representation must not be relied upon as having been authorised by the Company, the Directors, Neuberger Berman LLC, the Investment Managers, Oriel or Dexion.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption, conversion or other disposal of Issue Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption, conversion or other disposal of Issue Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption, conversion or other disposal of Issue Shares. Prospective investors must rely upon their own representatives, including their own legal advisers, financial advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this Prospectus are based on the law and practice currently in force and are subject to changes therein. This Prospectus should be read in its entirety before making any application for Issue Shares.

The Sub-Investment Manager is registered with the U.S. Securities and Exchange Commission (the “SEC”) as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the “U.S. Investment Advisers Act”). Further information regarding the Sub-Investment Manager is contained in Part II of its Form ADV, which will be provided to prospective investors, upon written request to the Sub-Investment Manager, prior to their investment in the Company. The Investment Manager is not registered with the SEC as an investment adviser under the Investment Advisers Act.

All times and dates referred to in this Prospectus are, unless otherwise stated, references to London times and dates and are subject to change without further notice.

## Restrictions on Distribution and Sale

The distribution of this Prospectus and the offering and sale of securities offered hereby in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and observe any such restrictions. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or solicitation to purchase, any such securities in any jurisdiction in which solicitation would be unlawful. Moreover, this Prospectus should not be distributed or forwarded into or within the United States or to U.S. Persons.

**For a description of restrictions on offers, sales and transfers of Shares, see “Selling restrictions” on page 36 and “Purchase and transfer restrictions” on page 98.**

In addition, prospective investors should note that, except with the express written consent of the Company given in respect of an investment in the Company, the Issue Shares may not be acquired by (i) investors using assets of (A) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (B) a “plan” as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code; or (C) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in preceding clause (A) or (B) in such entity pursuant to the U.S. Plan Asset Regulations or (ii) a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Tax Code and its purchase, holding, and disposition of the Issue Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

If 25 per cent. or more of any class of equity in the Company is owned, directly or indirectly, by U.S. Plan Investors that are subject to Title I of ERISA or Section 4975 of the U.S. Tax Code, the assets of the Company will be deemed to be “plan assets”, subject to the constraints of ERISA and Section 4975 of the U.S. Tax Code. This would result, among other things, in: (i) the application of the prudence and fiduciary responsibilities standards of ERISA to investments made by the Company, and (ii) the possibility that certain transactions that the Company and its subsidiaries might enter into, or may have entered into in the ordinary course of business, might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA and/or Section 4975 of the U.S. Tax Code and might have to be rescinded. A non-exempt prohibited transaction may also result in the imposition of an excise tax under the U.S. Tax Code upon a “party in interest” (as defined in ERISA) or “disqualified person” (as defined in the U.S. Tax Code), with whom a plan engages in the transaction. The Company will use commercially reasonable efforts to limit ownership by U.S. Plan Investors of equity in the Company. However, no assurance can be given that investment by U.S. Plan Investors will not exceed 25 per cent. or more of any class of equity in the Company.

## No Incorporation of Website

The contents of the Company’s website at [www.nbgfrif.com](http://www.nbgfrif.com) do not form part of this Prospectus. Investors should base their decision to invest on the contents of this Prospectus alone and should consult their professional advisers prior to making an application to subscribe for Issue Shares.

## Forward-looking Statements

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, prospects, and dividend policy of the Company and the markets in which it, and its portfolio of investments, invest and/or operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual investment performance, results of operations, financial condition, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition of the Company, and the development of its financing

strategies, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- changes in economic conditions generally and the Company's ability to achieve its investment objective and returns on equity for investors;
- the Company's ability to invest the cash on its balance sheet and the proceeds of the Issue in suitable investments on a timely basis;
- foreign exchange mismatches with respect to exposed assets;
- changes in interest rates and/or credit spreads, as well as the success of the Company's investment strategy in relation to such changes and the management of the uninvested proceeds of the Issue;
- impairments in the value of the Company's investments;
- the availability and cost of capital for future investments;
- the departure of key personnel employed by the Investment Managers;
- the failure of the Investment Managers to perform their obligations under the Investment Management Agreement with the Company or the termination of the Investment Manager;
- the failure of the Sub-Investment Manager to perform its obligations under the Sub-Investment Management Agreement with the Investment Managers or the termination of the Sub-Investment Manager;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company or borrowers; and
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the "Risk Factors" section of this Prospectus for a discussion of additional factors that could cause the Company's actual results to differ materially before making an investment decision. Forward-looking statements speak only as at the date of this Prospectus. Although the Company and the Investment Managers undertake no obligation to revise or update any forward looking statements contained herein (save where required by the Listing Rules, Prospectus Rules or Disclosure Rules and Transparency Rules), whether as a result of new information, future events, conditions or circumstances, any change in the Company's or the Investment Managers' expectations with regard thereto or otherwise, Shareholders are advised to consult any communications made directly to them by the Company and/or any additional disclosures through announcements that the Company may make through an RIS.

## Credit Rating Agencies

The credit rating agencies referred to in this Prospectus are registered under the Credit Rating Agencies Regulation (EC Regulation 1060/2009).

## Selling Restrictions

**This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any Issue Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of Issue Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of Issue Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction in connection with any applications for Issue Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. Save for the UK, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Issue Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus other than in any jurisdiction where action for that purpose is required.**

## European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), no Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant Member State prior to the publication of a Prospectus in relation to the Issue Shares which has been approved by the competent authority in that Relevant Member State, or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Issue Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Issue Shares shall result in a requirement for the publication of a Prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Issue Shares or to whom any offer is made under the Offer will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Issue Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Issue Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and the amendments thereto, including Directive 2010/ 73/EU (the “2010 PD Amending Directive”), to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

This Prospectus may not be used for, or in connection with, and does not constitute, any offer of Issue Shares or an invitation to purchase or subscribe for Issue Shares in any Relevant Member State or jurisdiction in which such an offer or invitation would be unlawful.

## United States

The Issue Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Issue Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. Persons. There will be no public offer of the Issue Shares in the United States, and this document should not be distributed or forwarded into the United States or to U.S. Persons.

The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Issue Shares are being offered and sold outside the United States to persons who are not U.S. Persons in reliance on Regulation S under the U.S. Securities Act.

For a description of restrictions on offers, sales and transfers of Issue Shares, see also “Purchase and transfer restrictions” in Part VIII of this Prospectus.

In addition, until 40 days after the commencement of the Issue, an offer, sale or transfer of the Issue Shares within the United States by any dealer (whether or not participating in the Placing) may violate the registration requirements of the U.S. Securities Act.

## Australia

The Issue Shares may not be offered to the public in Australia.

This offer is made in Australia pursuant to section 708 of the Corporations Act 2001 (Australia) and as such no prospectus or other form of disclosure document in relation to the Issue Shares has been lodged with the Australian Securities and Investments Commission. This Prospectus does not constitute an offer in

Australia other than in the circumstances described in section 708 of the Corporations Act 2001 (Australia). In addition, by subscribing for Issue Shares potential investors undertake to the Company, the Investment Managers, Oriel, Dexion and PSL that, for a period of 12 months from the date of issue of the Issue Shares, they will not transfer any interest in Issue Shares to any person in Australia other than a person to whom an exemption in section 708 of the Corporations Act 2001 (Australia) applies. By submitting an application for Issue Shares potential investors represent and warrant to the Company, the Investment Managers, Oriel, Dexion and PSL that an exemption in section 708(8) (sophisticated investor), 708(10) (offer through a financial services licensee) or 708(11) (professional investor) of the Corporations Act 2001 (Australia) applies to them.

## Bahrain

This Prospectus has not been approved by the Central Bank of Bahrain which takes no responsibility for its contents. No offer to the public to purchase the Issue Shares will be made in the United Kingdom of Bahrain and this Prospectus is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

## Bailiwick of Guernsey

The Company is a registered closed-ended collective investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (the “**Commission**”). The Commission, in granting registration, has not reviewed this Prospectus but has relied upon specific warranties provided by BNP Paribas Securities Services S.C.A., Guernsey Branch, the Company’s designated manager.

The Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

A registered collective investment scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

If potential investors are in any doubt about the contents of this Prospectus they should consult their accountant, legal or professional adviser or other financial adviser.

The Directors of the Company have taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the Prospectus, whether of fact or of opinion. All the Directors accept responsibility accordingly.

## Belgium

The offer of the Issue Shares which is the subject of this Prospectus has not been and will not be notified to the Belgian Banking, Finance and Insurance Commission (Commissie Voor Het Bank, Financier-en Assurantiewezen/Commission Bancaire, Financiere et des Assurances) nor has the Company been, nor will it be, approved by the Belgian Banking, Finance and Insurance Commission. The Issue Shares may be offered in Belgium only if the nominal value of each share unit amounts at least to €50,000 or only to investors investing a minimum of €50,000 or to a maximum of 99 investors or to institutional or professional investors as defined in the Law of 16 June 2006 relating to Public Offers of Investment Instruments. This Prospectus may be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of the offer of Issue Shares described in this Prospectus. Accordingly, this Prospectus may not be used for any other purpose nor passed on to any other investor in Belgium.

The Issue Shares will not be: (i) offered for sale, sold or marketed in Belgium otherwise than in conformity with the Law of 16 June 2006; or (ii) offered for sale, sold or marketed to any person qualifying as a consumer within the meaning of Article 1.7 of the Law of 14 July 1991 (the “**1991 Law**”) on consumer protection and trade practices, as modified, otherwise than in conformity with the 1991 Law and its implementing regulations.

## Brazil

The Issue Shares may not be offered or sold to the public in Brazil. Accordingly, the Issue Shares have not been nor will they be registered with the Brazilian Securities Commission, CVM, nor has this Prospectus been submitted to the foregoing agency for approval. Documents relating to the Issue Shares as well as the information contained therein, may not be supplied to the public in Brazil, as the offering of the Issue Shares is not a public offering of securities in Brazil, nor used in connection with any offer for subscription or sale of securities to the public in Brazil.

## Canada

As no prospectus relating to the Issue Shares has been filed in any Canadian jurisdiction, the Issue Shares may only be sold to investors resident in a Canadian province or territory pursuant to an exemption from the requirement to file such a prospectus provided by National Instrument 45-106 Prospectus and Registration Exemptions of the Canadian Securities regulatory authorities or other available exemption under the securities laws of the province or territory in which the investor resides.

## Chile

This Prospectus has not been and will not be approved or authorised by, and the Issue Shares have not been and will not be registered with, the Superintendencia de Valores y Seguros (Chilean Securities and Insurance Commission) pursuant to *Ley 18,045 de Mercaclo de Valores* (Securities Market Law), as amended, of the Republic of Chile. Accordingly, this Prospectus may not be distributed or circulated, and the Issue Shares may not be offered or sold, directly or indirectly, in the Republic of Chile, except in circumstances which have not resulted and will not result in a public offering or securities intermediation within the meaning of such terms under Chilean law.

## Colombia

The offer of Issue Shares described in this Prospectus does not constitute an invitation to invest or a public offer in Colombia pursuant to Resolution 400 of 1995. The Issue Shares have not been and will not be registered with the Colombian National Registry of Securities and Issuers (*Registro Nacional de Valores y Emisores*) maintained by the Superintendence of Finance of Colombia (“SFC”) and will not be listed on the Colombia Stock Exchange (*Bolsa de Valores de Colombia*). No Prospectus or other form of disclosure in relation to the Issue Shares has been filed with the SFC. Accordingly, the Issue Shares are not being, and will not be, offered or sold in Colombia, except under circumstances which do not constitute a public offering of securities under, and which are in full compliance with, applicable Colombian securities laws and regulations. The Issue Shares are issued solely on the basis of information set out in this Prospectus, which is available free of charge at the Company’s registered offices. This material is provided to potential investors at their sole request for information purposes only and does not constitute a solicitation. The Issue Shares may not be promoted or marketed in Colombia or to Colombian residents unless such promotion and marketing is made in compliance with decree 2558 of 2007 and other applicable rules and regulations related to the promotion of financial products or services in Colombia.

## Denmark

This Prospectus does not constitute a Prospectus under any Danish laws or regulations and has not been filed with or approved by the Danish Financial Supervisory Authority as this Prospectus has not been prepared in the context of a public offering of securities in Denmark within the meaning of the Danish Securities Trading etc. Act no. 479/2006 as amended from time to time or any Executive Orders issued in connection thereto.

## Finland

The Issue Shares may not be offered or sold, directly or indirectly, to any resident of the Republic of Finland or in the Republic of Finland, except pursuant to applicable Finnish laws and regulations. Specifically, the Issue Shares may not be offered or sold, directly or indirectly, to the public in the Republic of Finland as defined in the Finnish Securities Market Act of 1989; (“FSMA 1989”). This Prospectus may not be distributed in the Republic of Finland, other than: (i) to a limited number of pre-selected investors; (ii) to an unlimited number of qualified investors as defined under the FSMA 1989; or (iii) provided that the Issue Shares may only be acquired for a consideration of not less than €50,000 or in denominations of

not less than €50,000 per investor, to an unlimited number of pre-selected investors, wherefore the offering of the Shares does not constitute a public offering as defined in the FSMA 1989.

## France

This Prospectus and related documents have not been approved by the competent regulatory authority in France and are not intended to constitute, and may not be construed as, a public offer in France. The Issue Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France, provided that offers, sales and distributions may be made in France only to: (a) providers of the investment service of portfolio management for the account of third parties; (b) qualified investors (*investisseurs qualifiés*); and/or (c) to a restricted circle of investors, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French Code monétaire et financier.

The Issue Shares may be resold directly or indirectly only in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Code monétaire et financier.

## Hong Kong

This Prospectus has not been registered as a “Prospectus” as defined in the Companies Ordinance of Hong Kong (Cap.32). Accordingly, this Prospectus does not constitute an offer to the public for the purposes of the Companies Ordinance of Hong Kong (Cap.32) nor of the Securities and Futures Ordinance (Cap.571). The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. Potential investors are advised to exercise caution in relation to the Issue. If potential investors are in any doubt about any of the contents of this Prospectus, they should obtain independent professional advice.

Please note that: (i) Issue Shares may not be offered or sold in Hong Kong by means of this Prospectus or any other document other than to “professional investors” as defined in Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder, or in other circumstances which do not result in this Prospectus being a “Prospectus” as defined in the Companies Ordinance of Hong Kong (Cap. 32) or which do not constitute an offer or invitation to the public for the purposes of the Companies Ordinance; and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to Issue Shares which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Issue Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder.

## Ireland

The Issue Shares will not be offered, sold, placed or underwritten in Ireland:

- (a) except in circumstances which do not require the publication of a prospectus pursuant to Article 3(2) of Directive 2003/71/EC;
- (b) otherwise than in compliance with the provisions of the Irish Companies Acts 1963-2006;
- (c) otherwise than in compliance with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007) (as amended), and the Banks and any introducer appointed by the Company will conduct themselves in accordance with any codes or rules of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland with respect to anything done by them in relation to the Company; and
- (d) otherwise than in compliance with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland pursuant thereto.

## Japan

The Issue Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “FIEL”). The Issue Shares may not be offered or sold in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan to, for the benefit of, any resident of Japan or to others for offering or re-sale, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan. As used in this paragraph the term “resident of Japan”



means any natural person having his place of domicile or residence in Japan, or any corporation or other entity organised under the laws of Japan or having its main office in Japan.

## Korea

Neither the Company nor the Investment Managers are making any representation with respect to the eligibility of any recipients of this Prospectus to acquire the Issue Shares under the laws of Korea, including but without limitation the Foreign Exchange Transaction Act and Regulations thereunder. The Issue Shares have not been registered under the Financial Investment Services and Capital Markets Act of Korea, and none of the Issue Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea. Furthermore, Issue Shares may not be re-sold to Korean residents unless the purchaser of the Issue Shares complies with all applicable regulatory requirements (including but not limited to governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Issue Shares.

## Liechtenstein

The Issue Shares are offered to a narrowly defined category of investors, in all cases and under all circumstances designed to preclude a public solicitation in Liechtenstein. This Prospectus may not be reproduced or used for any other purpose, nor be furnished to any other person other than those of whom copies have personally been sent. As any offer of Issue Shares in Liechtenstein will be a private offer, this Prospectus and the transactions described herein are, will not be, nor have been, subject to the review and supervision of the Liechtenstein Financial Market Authority. Any offer of Issue Shares contained in this Prospectus is not intended for on-selling in Liechtenstein.

## Mexico

The Issue Shares have not been and will not be registered with the National Registry of Securities, maintained by the Mexican National Banking Commission and, as a result, may not be offered or sold publicly in Mexico. The fund and any underwriter or purchaser may offer and sell the Issue Shares in Mexico, to Institutional and Accredited Investors, on a private placement basis, pursuant to Article 8 of the Mexican Securities Market Law.

## Monaco

The Issue Shares may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco Bank or a duly authorized intermediary. Consequently, this Prospectus may only be communicated to banks duly licensed by the “Comite des Etablissements de Credit et des Entreprises d’Investissement” and fully licensed portfolio management companies by virtue of Law n 1.144 of July 26, 1991 and Law 1.338 of September 7, 2007, duly licensed by the “Commission de Controle des Activites Financieres.

## Netherlands

The Issue Shares will not be offered or sold, directly or indirectly, in the Netherlands, other than: (i) for a minimum consideration of €50,000 or the equivalent in another currency per investor; (ii) to fewer than 100 individuals or legal entities other than qualified investors; or (iii) solely to qualified investors, all within the meaning of article 4 of the Financial Supervision Act Exemption Regulation (*Vrijstellingsregeling Wet op het financieel toezicht*).

In respect of the Offer, the Company is not required to obtain a license as a collective investment scheme pursuant to the Netherlands Financial Supervision Act (*Wet op het financiële toezicht*) and is not subject to supervision of the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*).

## Norway

An offer to the public of the Issue Shares may only be made once this Prospectus has been passported in such Relevant Member State in accordance with the Prospectus Directive as implemented by such Relevant Member State. For the other Relevant Member States an offer to the public in that Relevant Member State of any Issue Shares may only be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more, and in the case of offers to legal entities in Norway who in addition to fulfilling at least two of the criteria has also registered as “Professional Investor” (Norwegian: “Profesjonell investor”) with the Oslo Stock Exchange, of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Shares shall result in a requirement for the publication by the Company or its financial advisers of a Prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Issue Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Issue Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Issue Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

During the period up to but excluding the date on which the Prospectus Directive is implemented in member states of the EEA, this Prospectus may not be used for, or in connection with, and does not constitute, any offer of Issue Shares or an invitation to purchase or subscribe for any Issue Shares in any member state of the EEA in which such offer or invitation would be unlawful.

The distribution of this Prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions.

## People’s Republic of China

The information contained in this Prospectus does not constitute an offer to the public pursuant to the PRC Securities Law. By accepting this Prospectus, the recipient agrees to maintain all such information in the strictest confidence and not to reproduce, publish, transmit or otherwise disclose to any third party the contents presented herein without the prior express written consent of the Company.

## Peru

The products referred to this Prospectus have not been registered before the Comisión Nacional Supervisora de Empresas y Valores (“CONASEV”) and are being placed by means of a private offer. CONASEV has not reviewed the information provided to the investor. This Prospectus is only for the exclusive use of institutional investors in Peru and is not for public distribution.

## Portugal

No offer or sale of Issue Shares may be made in Portugal except under circumstances that will result in compliance with the rules concerning marketing of such Issue Shares and with the laws of Portugal generally.

No notification has been made nor has any been requested from the Securities Market Commission (*Comisso do Mercaclo de Valores Mobiliarios*) for the marketing of the Issue Shares referred to in this Prospectus, therefore the same cannot be offered to the public in Portugal.

Accordingly, no Issue Shares have been or may be offered or sold to unidentified addressees or to 100 or more non-qualified Portuguese resident investors and no offer has been preceded or followed by promotion or solicitation to unidentified investors, public advertisement, publication of any promotional material or in any similar manner.

In particular, this Prospectus and the offer of the Issue Shares is only intended for Qualified Investors acting as final investors. Qualified Investors within the meaning of the Securities Code (*Codigo do Valores-Mobiliarios*) includes credit institutions, investment firms, insurance companies, collective investment institutions and their respective managing companies, pension funds and their respective pension fund-managing companies, other authorised or regulated financial institutions, notably securitisation funds and

their respective management companies and all other financial companies, securitisation companies, venture capital companies, venture capital funds and their respective management companies, financial institutions incorporated in a state that is not a member state of the EU that carry out activities similar to those previously mentioned, entities trading in financial instruments related to commodities and regional and national governments, central banks and public bodies that manage debt, supranational or international institutions, namely the European Central Bank, the European Investment Bank, the International Monetary Fund and the World Bank, as well as entities whose corporate purpose is solely to invest in securities and any legal entity which has two or more of: (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000, all as shown in its last annual or consolidated accounts.

## Qatar

The Issue Shares are only being offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an investment in such Issue Shares. This Prospectus does not constitute an offer to the public and is for the use only of the named addressee and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof). No transaction will be concluded in your jurisdiction.

## Singapore

The offer or invitation which is the subject of this Prospectus is only allowed to certain persons and institutions and not to the retail public. Moreover, this Prospectus or any written materials issued in connection with the offer is not a Prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, statutory liability under the SFA in relation to the contents of Prospectuses would not apply. Investors should consider carefully whether the investment is suitable for them.

This Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any security or interest may not be circulated or distributed, nor may any security or interest be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) pursuant to, and in accordance with the conditions of, the private placement exemption specified in Section 272B of the SFA; (ii) to an institutional investor (as defined in Section 4A of the SFA) in accordance with the conditions specified in Section 274 of the SFA; (iii) to a relevant person (as defined in Section 275(2) of the SFA) in accordance with the conditions specified in Section 275(1) of the SFA; (iv) to any person in accordance with the conditions specified in Section 275(1 A) of the SFA; or (v) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where any security or interest is acquired pursuant to an offer made in reliance on an exemption under Section 274 or Section 275 of the SFA, it is a condition of the offer that each person who agrees to acquire any security or interest is acquiring such securities or interests for investment purposes only and not with a view to distribute or resell such securities or interests and that it will not offer for sale, resell or otherwise distribute or agree to distribute such securities or interests within six months of such acquisition to any person other than to:

- (i) an institutional investor;
- (ii) a relevant person; or
- (iii) any person pursuant to an offer referred to in Section 275(1A) of the SFA.

Where any security or interest is acquired pursuant to an offer made in reliance on an exemption under Section 275 of the SFA by a relevant person which is a corporation (other than a corporation which is an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, securities of that corporation shall not be transferred within six months after that corporation has acquired the securities or interests unless such transfer is made in accordance with the conditions specified in Section 276(3) of the SFA.

Where any security or interest is acquired pursuant to an offer made in reliance on an exemption under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be

transferred within six months after that trust has acquired the securities or interests unless such transfer is made in accordance with the conditions specified in Section 276(4) of the SFA.

Investors should therefore ensure that their own transfer arrangements comply with the above restrictions.

## Spain

The Issue Shares may not be offered, sold or distributed in the Kingdom of Spain except in accordance with the requirements of Law 24/1988, of 28 July on the Securities Market (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) as amended and restated, and Royal Decree 1310/2005, of 4 November 2005 partially developing Law 24/1988, of 28 July on the Securities Market in connection with listing of securities in secondary official markets, initial purchase offers, rights issues and the prospectus required in these cases (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 Julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) and the decrees and regulations made thereunder. Neither the Shares nor this Prospectus have been verified or registered in the administrative registries of the National Stock Exchange Commission (*Comisión Nacional de Mercado de Valores*).

## Switzerland

This Prospectus may only be communicated in and from Switzerland to a limited number of investors who are qualified investors as defined in the Swiss Federal Act on Collective Investment Schemes (the “**Swiss CIS Act**”).

The Company qualifies as a foreign closed-end collective investment scheme pursuant to art. 119 para. 2 Swiss CIS Act, which entered into force on 1 January 2007 and replaced the Swiss Federal Act on Investment Funds of 18 March 1994. The Issue Shares will not be licensed for public distribution in and from Switzerland and they may only be offered and sold to so-called “qualified investors” as defined in, and in accordance with, the private placement requirements set forth by the new law (in particular art. 10 para. 3 Swiss CIS Act and art. 6 of the ordinance to Swiss CIS Act). The Issue Shares have not been licensed for public distribution with the Swiss Federal Banking Commission and the Company is not subject to the supervision of the Swiss Federal Banking Commission. Therefore investors in the Issue Shares do not benefit from the specific investor protection provided by Swiss CIS Act and the supervision by the Swiss Federal Banking Commission.

## Taiwan

The offer of the Issue Shares has not been and will not be registered with or approved by the competent authorities of Taiwan pursuant to relevant securities laws and regulations and the Issue Shares may not be offered or sold within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the securities law and regulations of Taiwan that requires a registration or approval of the competent authorities of Taiwan.

Purchasers of Issue Shares within Taiwan under the global offering may not resell such Issue Shares except in accordance with applicable laws in Taiwan.

## United Arab Emirates and the Dubai International Finance Centre

This information does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase, any securities or investment products in the UAE (including the Dubai International Financial Centre) and accordingly should not be construed as such. Furthermore, this information is being made available on the basis that the recipient acknowledges and understands that the entities and securities to which it may relate have not been approved, licensed by or registered with the UAE Central Bank, the Dubai Financial Services Authority or any other relevant licensing authority or governmental agency in the UAE. The content of this Prospectus has not been approved by or filed with the UAE Central Bank or Dubai Financial Services Authority.

## Consequences of a Standard Listing of the Issue Shares

APPLICATION HAS BEEN MADE FOR THE ISSUE SHARES TO BE ADMITTED TO THE STANDARD SEGMENT OF THE OFFICIAL LIST. A STANDARD LISTING AFFORDS PURCHASERS OF ISSUE SHARES IN THE COMPANY A LOWER LEVEL OF REGULATORY PROTECTION THAN THAT AFFORDED TO INVESTORS IN SECURITIES OF THE COMPANY THAT ARE ADMITTED TO THE PREMIUM SEGMENT OF THE OFFICIAL LIST, WITH RESPECT TO WHICH THE COMPANY IS SUBJECT TO ADDITIONAL OBLIGATIONS UNDER THE LISTING RULES. IT SHOULD BE NOTED THAT THE UK LISTING AUTHORITY WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE LISTING RULES AND/OR ANY PROVISION OF THE MODEL CODE OR THOSE ASPECTS OF THE DISCLOSURE AND TRANSPARENCY RULES WHICH THE COMPANY HAS INDICATED HEREIN THAT IT INTENDS TO COMPLY WITH ON A VOLUNTARY BASIS, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY.

The Issue Shares to be issued in connection with the Issue will be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings.

While the Issue Shares have a Standard Listing, the Company is not required to comply with the provisions of, among other things in relation to the Issue Shares:

- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters;
- Chapter 9 of the Listing Rules relating to continuing obligations;
- Chapter 10 of the Listing Rules relating to significant transactions which requires Shareholder consent for certain acquisitions;
- Chapter 11 of the Listing Rules regarding related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The existing Ordinary Shares are admitted to the premium segment of the Official List. Application will be made for the Ordinary Shares arising upon the conversion of the Issue Shares to be admitted to the premium segment of the Official List.

## Expected Timetable

Offer opens	30 September 2013
Latest time and date for receipt of Application Forms under the Offer	1100 hours on 22 October 2013
Latest time and date for placing commitments under the Placing	1200 hours on 23 October 2013*
Result of Issue announced	0800 hours on 24 October 2013
Admission and unconditional dealings in Issue Shares commence	0800 hours on 29 October 2013
Crediting of CREST stock accounts in respect of Issue Shares	As soon as possible after 0800 hours on 29 October 2013
Share certificates in respect of the Issue Shares despatched	Week beginning 11 November 2013
Calculation Time	No later than 1 April 2014
Conversion of Issue Shares	No later than 28 April 2014

*All of the dates and times specified are subject to change without further notice. References to times are London times unless otherwise stated.*

\* Or such earlier time as may be notified in writing by the Company, Oriel and/or Dexion to a particular placee.

## Issue Statistics

Issue Price per C Share*	£1.00
Target Number of Issue Shares being issued**	in excess of £200,000,000 worth of Issue Shares (at the Issue Price)
Target Gross Issue Proceeds**	£200,000,000
Net Asset Value per C Share***	£0.9825
Minimum Net Proceeds****	£982,500

\* The minimum subscription per investor pursuant to the Offer is £1,000 and the minimum subscription per investor pursuant to the Placing is £100,000.

\*\* The target size of the Issue is in excess of £200,000,000 with the actual size of the Issue being subject to global investor demand. Sterling C Shares will be issued pursuant to the Issue. The number of C Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, is not known as at the date of this Prospectus but will be notified by the Company via an RIS announcement prior to Admission.

\*\*\* NAV per Sterling C Share immediately following Admission regardless of the size of the Issue. The costs of the Issue borne by the Company will be no more than 1.75 per cent. of the Gross Issue Proceeds.

\*\*\*\* The Issue will not proceed if the Net Issue Proceeds would be less than £982,500 (Gross Issue Proceeds less than £1,000,000).

# Directors, Investment Managers and Advisers

## **Directors**

William Frewen (chairman)  
Richard Battey  
Sandra Platts  
All c/o the Company's registered office.

## **Investment Manager**

Neuberger Berman Europe Limited  
57 Berkeley Square  
London W1J 6ER  
United Kingdom

## **Sole Sponsor, Joint Financial Adviser and Joint Bookrunner**

Oriel Securities Limited  
150 Cheapside  
London EC2V 6ET  
United Kingdom

## **Solicitors to the Company (as to English law and U.S. securities law)**

Herbert Smith Freehills LLP  
Exchange House  
Primrose Street  
London EC2A 2EG  
United Kingdom

## **Advocates to the Company (as to Guernsey law)**

Carey Olsen  
PO Box 98  
Carey House  
Les Banques St Peter Port  
Guernsey GY1 4BZ  
Channel Islands

## **Designated Manager, Administrator, Custodian and Company Secretary**

BNP Paribas Securities Services S.C.A., Guernsey Branch  
BNP Paribas House  
St. Julian's Avenue  
St. Peter Port  
Guernsey  
GY1 1WA  
Tel: +44 (0) 1481 750800

## **Receiving Agent**

Capita Asset Services  
Corporate Actions  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

## **Registered Office**

BNP Paribas House  
St. Julian's Avenue  
St. Peter Port  
Guernsey  
GY1 1WA

## **Sub-Investment Manager**

Neuberger Berman Fixed Income LLC  
190 S LaSalle Street  
Chicago IL 60603  
United States of America

## **Joint Financial Adviser and Joint Bookrunner**

Dexion Capital plc  
1 Tudor Street  
London EC4Y OAH  
United Kingdom

## **Solicitors to the Sole Sponsor, Joint Financial Advisers and Joint Bookrunners (as to English law)**

Norton Rose LLP  
3 More London Riverside  
London SE1 2AQ  
United Kingdom

## **Registrar**

Capita Registrars (Guernsey) Limited  
Mont Crevelt House  
Bulwer Avenue  
St Sampson  
Guernsey GY2 4LH

## **Reporting Accountant and Auditor**

PricewaterhouseCoopers CI LLP  
Royal Bank Place  
1 Glatigny Esplanade  
St Peter Port  
Guernsey GY1 4ND

## **Principal Bankers**

BNP Paribas Securities Services S.C.A. – Guernsey Branch  
BNP Paribas House  
St. Julian's Avenue  
St. Peter Port  
Guernsey GY1 1WA



# Part I: Information on the Company

## Introduction

The Company is a non-cellular company limited by shares registered and incorporated in Guernsey under the Companies Law on 10 March 2011, with registration number 53155. It was admitted to the Official List with a Premium Listing and to trading on the Main Market of the London Stock Exchange on 20 April 2011. The Company is managed by Neuberger Berman Europe Limited, an indirect wholly-owned subsidiary of NB Group. The Investment Manager has delegated certain of its responsibilities and functions to the sub-investment manager, Neuberger Berman Fixed Income LLC, also an indirect wholly-owned subsidiary of NB Group.

Further information in relation to the Investment Manager, Sub-Investment Manager and NB Group is set out in Part IV of this Prospectus.

The Company's share capital consists of Ordinary Shares denominated in U.S. Dollars and Sterling and classified as U.S. Dollar Shares and Sterling Shares. Between 2 June 2011 and 8 August 2011, the Company issued 12,114,891 U.S. Dollars Shares and 1,715,000 Sterling Shares pursuant to the block listing facility. In September 2011, the Company issued C Shares denominated in U.S. Dollars and Sterling pursuant to the 2011 Secondary Issue, which were subsequently converted into Ordinary Shares in January 2012. In March 2013, the Company issued further C Shares denominated in Sterling pursuant to the 2013 Secondary Issue, which were subsequently converted into Ordinary Shares in July 2013. In July 2013, the Company issued Ordinary Shares denominated in U.S. Dollars and Sterling pursuant to the Tap Issue, which were issued within the Company's existing pre-emption authority. The Company is now looking to issue further Sterling C Shares.

In addition to the Ordinary Shares, following the Issue, the Company's share capital will also consist of C Shares denominated in Sterling and classified as Sterling C Shares, subject to a minimum amount being raised pursuant to the Issue at the discretion of the Directors and compliance with the requirements of the Listing Rules. The Company may issue further classes of Shares from time to time denominated in such other currencies as the Board considers appropriate.

At any general meeting of the Company, each U.S. Dollar Share carries 1 vote and each Sterling Share carries 1.6 votes (see paragraph 6 in Part IX of this Prospectus for more information). The Ordinary Shares also carry rights to receive all income and capital attributable to the Ordinary Shares which may be distributed by the Company. The rights of the Ordinary Shares of each class with respect to any such distribution and on a winding-up or other return of capital attributable to the Ordinary Shares (other than a redemption or repurchase of Ordinary Shares by the Company) shall be in proportion to the relative Net Asset Values of each class. The C Shares will carry no rights to vote at general meetings of the Company (save in certain limited circumstances). See Part VI of this Prospectus for more information on the C Shares.

Investment in the Company is only suitable for institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company.

Applications will be made to each of the UK Listing Authority and the London Stock Exchange, respectively, for all of the Issue Shares to be admitted to listing on the standard segment of the Official List and to trading on the Main Market. It is expected that Admission will become effective and that dealings in such Issue Shares will commence at 0800 hours on 29 October 2013.

## General Meeting

The Directors intend to convene the EGM in advance of Admission to approve certain matters in connection with the Issue, including:

- (a) the approval of the issue of C Shares to an existing Shareholder (the "**Related Party**");
- (b) the disapplication of pre-emption rights in respect of the issue of C Shares pursuant to the Issue; and
- (c) the renewal of the general disapplication of pre-emption rights granted at the annual general meeting held in June 2013.

BlackRock Inc. has held over 10 per cent. of the Ordinary Shares in the period of 12 months immediately preceding the date of this Prospectus. The issue of any C Shares to the Related Party therefore requires shareholder approval as a related party transaction pursuant to the Listing Rules prior to completion of the Issue.

The Issue is conditional upon the Shareholders approving resolution (b) above at the EGM.

## Background to and rationale for the Issue

The 2013 Secondary Issue Net Proceeds were fully invested in accordance with the anticipated time for full investment set out in the 2013 Secondary Issue Prospectus and the C Shares issued pursuant to the 2013 Secondary Issue were fully converted into Ordinary Shares in July 2013. As at 20 September 2013, the portfolio was invested in 224 investments across 179 issuers. The portfolio was diversified across 32 industries including: health care, business equipment and services, financial intermediaries, electronics/electrical, retailers (except food and drug), lodging and casinos, chemicals and plastics, radio and television and industrial equipment.

The Board, as advised by the Investment Managers, continues to be positive about the prospects for the bank loan market. In the Investment Managers' view, future near term default rates should remain low as fundamentals are solid given respectable corporate earnings; in addition, robust capital market activity has allowed issuers to push out their maturities. In the Investment Managers' opinion, the recent volatility and negative price movement in most fixed rate investments seems likely to continue to drive investors to search out income producing opportunities in short duration investments. The Investment Managers believe that the bank loan asset class is likely to benefit in this environment, particularly given it combines the benefits of short duration and relatively attractive current yields.

There has been considerable interest in the Company both from existing Shareholders and other investors. The Directors consider there to be a number of potential benefits to Shareholders by issuing C Shares and increasing the Company's capital available to make further investments. The Company is therefore targeting an issue in excess of £200,000,000 worth of C Shares pursuant to the Issue.

The Net Issue Proceeds will not be known until after the Issue and will be dependent on investor demand. On the basis that the Company issues £200,000,000 of C Shares, the Net Issue Proceeds would be £196,500,000 (assuming that the expenses of the Issue will be equal to 1.75 per cent. of the Gross Issue Proceeds).

On the basis that the Company issues £750,000,000 of C Shares (the maximum amount that the Company may raise pursuant to the Issue), the Net Issue Proceeds would be £736,875,000 (assuming that the expenses of the Issue will be equal to 1.75 per cent. of the Gross Issue Proceeds).

On the basis that the Company issues £1,000,000 of C Shares (the minimum amount that the Company will raise pursuant to the Issue), the Net Issue Proceeds would be £982,500 (assuming that the expenses of the Issue will be equal to 1.75 per cent. of the Gross Issue Proceeds).

It is expected that the Net Issue Proceeds will be invested in accordance with the Company's investment policy, within three months of Admission.

## Benefits of the Issue

The Directors believe that the Issue will have the following benefits to Shareholders:

- provide additional capital which will enable the Company to benefit from the continued investment opportunities in the market;
- increase the number of Shares in issue, which is likely to provide the Shares with additional liquidity;
- increase the size of the Company, which will help make the Company more attractive to a wider shareholder base;
- spread the Company's fixed running costs across a wider shareholder base, thereby reducing the total expense ratio; and
- increase the size of the Company, which could have the effect of reducing the rate at which the management fee is charged, depending on the amount raised.

# Investment Objective

The Company's investment objective is to provide its shareholders with regular dividends, at levels that are sustainable whilst preserving the capital value of its investment portfolio, utilising the investment skills of the Investment Managers.

## Yield

In respect of the calendar quarter ending 30 June 2013, the Directors declared and paid a dividend of \$0.0111 per U.S. Dollar Share and £0.0111 per Sterling Share, representing an annualised yield of 4.5 per cent. on NAV as at 30 June 2013. The actual dividend yield generated by the Company in pursuing its investment objective will depend on a wide range of factors including, but not limited to, general economic and market conditions, fluctuations in currency exchange rates, prevailing interest rates and credit spreads, the terms of the investments made by the Company and the risks highlighted in the sections headed "Risk Factors" in this Prospectus. Furthermore, the yield generated by the Company with respect to each class of Ordinary Shares will be impacted by the extent to which the Investment Managers are able to, and are successful in, hedging currency exchange risk between the currency in which the relevant class of Ordinary Shares is denominated and the currencies in which the assets comprised in the Portfolio are denominated and the costs, profits and losses resulting from any such currency hedging activity.

## Highlights

- **Market opportunity** – the senior secured bank loan market typically offers an attractive level of income relative to other short duration debt instruments, protection from rising interest rates and capital preservation.
- **Capital deployed quickly** – the Net Issue Proceeds are expected to be fully invested within three months of Admission.
- **Diversification** – will comprise over 100 senior secured bank loans with selective use of senior secured bonds, diversified across at least 20 industry sectors<sup>2</sup>.
- **Highly experienced portfolio management team** – over 30 investment professionals managing over US\$32 billion in non-investment grade assets.
- **Proprietary database** – comprehensive proprietary information and commentary on over 2,000 transactions, providing extensive financial and capital structure information on issuers.
- **Discount control** – Continuation Resolution on the third (April 2014) and sixth (April 2017) anniversaries of IPO Admission and every year thereafter and an annual redemption offer for up to 50 per cent. of the issued Shares of any class subject to such Shares having traded at an average discount to Net Asset Value per Share in excess of 5 per cent. over the Discount Calculation Period.

## Investment Policy

To pursue its investment objective, the Company will invest mainly in floating rate senior secured loans issued in U.S. Dollars, Sterling and Euros by primarily North American and European Union corporations, partnerships and other business issuers. These loans will at the time of investment often be non-investment grade. The Company considers debt instruments to be non-investment grade if, at the time of investment, they are rated below the four highest categories by at least two independent credit rating agencies or, if unrated, are deemed by the Investment Managers to be of comparable quality.

The coupon received when investing in floating rate loans varies with, and is periodically adjusted to reflect changes in, a generally recognised base interest rate such as LIBOR. The Company will generally seek to focus on loans of issuers that the Investment Managers believe have the ability to generate cash flow through a full business cycle, maintain adequate liquidity, possess an enterprise value in excess of senior debt and have access to both debt and equity capital.

The Company may also make investments in senior bonds on an opportunistic basis if the Investment Managers believe that such investments are attractively valued up to a maximum in aggregate of 20 per

<sup>2</sup> There has been no material change to the Portfolio as the date of this Prospectus.

cent. of the Net Asset Value at the time of investment, provided that no more than 10 per cent. of Net Asset Value may be invested in unsecured senior bonds at the time of investment.

## Diversification

The Investment Managers seek to manage risk through in-depth credit research utilising proprietary analytic processes, diversifying across industries, companies and investment size and adjusting sector weightings based on economic and market analysis.

The Company's portfolio of investments is intended to represent at least 100 investments across a minimum of 20 industries, with a focus on those industries regarded as defensive. Defensive industries are those the Investment Managers believe are less affected by changes in economic conditions and likely to demonstrate the strongest capital preservation.

Typically, no industry will represent more than 15 per cent. of Net Asset Value at the time of investment. No single investment will, at the time such investment is made, represent more than 5 per cent. of Net Asset Value.

## Gearing and derivatives

The Company will not employ gearing or derivatives of any kind for investment purposes. The Company may, from time to time, use borrowings for share buy backs and short-term liquidity purposes. The Directors will restrict borrowing to an amount not exceeding 20 per cent. of the NAV at the time of drawdown. Derivatives may be used for hedging purposes.

As at the date of this Prospectus, the Company has no borrowings.

## Changes to the Company's investment policy

Any material change to the Company's investment policy will be made only with the approval of the Shareholders.

## Cash Uses and Cash Management Activities

In accordance with the Company's investment policy, the Company's principal use of cash (including the Net Issue Proceeds) will be to fund investments sourced by the Investment Managers, as well as expenses related to the Issue, ongoing operational expenses and payment of dividends and other distributions to Shareholders in accordance with the Company's dividend policy as discussed in the section entitled "Dividend policy" in this Part I.

While the Investment Managers intend to fully invest the Net Issue Proceeds within three months of Admission, the Company may from time to time have surplus cash (for example, following the disposal of an investment). It is expected that any surplus cash will be temporarily invested in cash, cash equivalents, money market instruments, government securities and other investment grade securities pending its investment in accordance with the Company's investment policy. Subject to this, the Company's investment policy does not impose any fixed requirements relating to the allocation of the Company's excess capital among various types of temporary investments.

## Hedging Transactions and Currency Risk Management

The Ordinary Shares in the Company are denominated in U.S. Dollars and Sterling and the C Shares in the Company to be issued pursuant to the Issue will be denominated in Sterling. The investments to be made by the Company may be denominated in U.S. Dollar, Sterling or Euro. Consequently, the holders of any class of Shares may be subject to foreign currency fluctuations between the currency in which such Shares are denominated and the currency of the investments made by the Company.

The Investment Managers normally seek to hedge currency exposure between the U.S. Dollar (being the Company's operational and accounting currency) and any other currency in which the Company's assets may be denominated. In addition, the Investment Managers normally seek to hedge the exposure of Shares denominated in currencies other than U.S. Dollar against fluctuations between such currencies and the U.S. Dollar.

However, hedging arrangements will be implemented on behalf of the Company only when suitable hedging contracts, such as currency swap agreements, futures contracts, options and forward currency exchange and other derivative contracts, are available in a timely manner and on terms acceptable to the Investment Managers, in their sole and absolute discretion. To the extent that the Investment Managers are unable to engage, or are unsuccessful, in hedging currency exposure, Shareholders will be subject to fluctuations between the currency in which their Shares are denominated and the other currencies in which the assets and investments comprising the Portfolio are denominated.

The Investment Managers reserve the right to terminate any hedging arrangement in their absolute discretion, including, without limitation, if they consider it to be in the interests of Shareholders to do so or such arrangements may adversely affect the performance of the Company.

To the extent that a currency hedging transaction relates to a specific class of Shares, the profits, losses and expenses of such transaction will be allocated solely to the relevant class of Shares.

The Company may also utilise derivative instruments for the purposes of efficient portfolio management and to hedge risk within the Portfolio using single-name credit default swaps, credit default swaps and loan credit default swap indices, equity futures and equity indices. The Company will not invest in derivatives for investment purposes. As part of their overall portfolio management obligations and, in any event, prior to entering into a derivative transaction on behalf of the Company, the Investment Managers will consider whether and to what extent it is appropriate to diversify the counterparty risk that results from the use of such derivatives and will monitor overall counterparty exposure within the Portfolio on an ongoing basis.

## Discount Control

### Continuation Resolution

In accordance with the Articles, the Directors are required to convene an extraordinary general meeting on or before 20 April 2014, being the third anniversary of the IPO Admission, in order to propose an ordinary resolution that the Company continue its business as a closed-ended investment company (the “**Continuation Resolution**”). If the Continuation Resolution is passed, the Directors are required to convene an extraordinary general meeting to propose a further Continuation Resolution on or before 20 April 2017, being the sixth anniversary of the IPO Admission. Thereafter, the Directors are required to convene an extraordinary general meeting to propose a further Continuation Resolution annually on or before the anniversary of the date on which the previous Continuation Resolution was passed.

If any Continuation Resolution is not passed, the Directors are required to put proposals for the reconstruction or reorganisation of the Company to the Shareholders for their approval. These proposals may or may not involve winding up the Company, and therefore, failure to pass the Continuation Resolution will not necessarily result in the winding up of the Company.

### Redemption Offer

The Articles incorporate a discount management provision which operates on an annual basis such that if, as at 31 December in any calendar year, the Ordinary Shares of a particular class have, on average over the last three calendar months of the relevant calendar year (the “**Discount Calculation Period**”), traded at a discount in excess of 5 per cent. of the Net Asset Value per Ordinary Share of that class (calculated by reference to the middle market quotation of the Ordinary Shares of that class on the Daily Official List of the London Stock Exchange on each trading day in the relevant Discount Calculation Period and the most recently published Net Asset Value per Ordinary Share of the relevant class as at the close of trading on such trading day), the Directors will, subject to any legal or regulatory requirements, implement a redemption offer (the “**Redemption Offer**”) pursuant to which each holder of Ordinary Shares of the relevant class not resident in the United States shall be offered the opportunity to redeem up to 50 per cent. of their Ordinary Shares of such class (the “**Basic Entitlement**”).

The Directors may structure a Redemption Offer to permit Shareholders to request the redemption of Ordinary Shares of the relevant class in excess of their Basic Entitlement, in which event such excess redemption requests will be satisfied, to the extent that other Shareholders request redemption of Ordinary Shares of the relevant class in respect of less than the whole of their Basic Entitlement, *pro rata* to the amount in excess of the Basic Entitlement which each relevant Shareholder has requested to redeem (rounded down to the nearest whole number of Ordinary Shares).

Any Redemption Offer will be announced via an RIS announcement together with details of the terms of the Redemption Offer and the procedure for redeeming Ordinary Shares.

In implementing a Redemption Offer, the Directors will allocate to a redemption pool (the “**Redemption Pool**”) assets of the Company worth in aggregate (as at the NAV Calculation Date immediately preceding the Redemption Date) an amount equal to the Net Asset Value (as at the same date) attributable to the Ordinary Shares to be redeemed less one per cent. of such amount (which shall be retained for the benefit of the Company). As the Portfolio is expected to consist of cash as well as loans and bonds, the assets allocated to the Redemption Pool will include a cash element as well as a share of the non-cash assets held in the Portfolio. Shareholders resident in the United States will not be eligible to participate in the Redemption Offer.

The proportion allocated to the Redemption Pool in cash would be *pro rata* to the cash held in the Portfolio, save to the extent that the Directors may choose to increase the proportion of cash if they consider that it would be equitable to both the Shareholders participating in the Redemption Offer (the “**Exiting Shareholders**”) and those not participating in the Redemption Offer (the “**Continuing Shareholders**”) to do so. In the event that the Directors, in their absolute discretion, determine it is necessary or desirable to retain cash for the Company’s working capital purposes, they may also decrease the proportion of cash allocated to the Redemption Pool.

The Directors would select the non-cash assets for allocation to the Redemption Pool with a view to ensuring that, in so far as is practicable, there is *pro rata* allocation of such assets between the Redemption Pool and the assets to be retained in the Portfolio. However, the Directors may choose an alternative allocation, or subsequently rebalance the Redemption Pool, if they consider a *pro rata* allocation to be impracticable or that to do so would be equitable to both Exiting Shareholders and Continuing Shareholders.

An initial cash payment (where available) in the relevant currency will be made to Exiting Shareholders following the closing of the Redemption Offer with further cash payments to be made, at the discretion of the Directors, as assets in the Redemption Pool are realised. The time it will take to realise the non-cash assets contained in the Redemption Pool and therefore to distribute redemption proceeds to Exiting Shareholders will depend on market conditions and how quickly the Investment Managers are able to sell such assets at prices they consider to be reasonable in the circumstances. However, the Directors expect that in normal circumstances it should be possible to realise the assets comprised in a Redemption Pool and distribute the proceeds to Exiting Shareholders within three months of the Redemption Date.

The costs and expenses of implementing the Redemption Offer will be payable out of the Redemption Pool together with the Redemption Pool’s *pro rata* share of the ongoing costs and expenses of the Company and any costs and expenses of the Company attributable solely to such Redemption Pool until such time as the Redemption Pool has been fully realised and all redemption proceeds have been distributed. The Investment Managers will not seek to hedge currency risk between the currencies in which the assets comprised in the Redemption Pool are denominated and the U.S. Dollar, or between the U.S. Dollar and other currencies in which the Shares redeemed pursuant to the Redemption Offer were denominated. Exiting Shareholders will therefore be subject to unhedged currency exposure during the period from the Redemption Date until all of the assets comprised in the Redemption Pool have been realised.

The Redemption Offer will not apply to the classes of C Shares in issue at any time.

## Share Purchases and Buy Backs

At the annual general meeting of the Company held in June 2013, the Directors were granted the general authority to purchase in the market up to 14.99 per cent. of the Ordinary Shares of each class in issue (as at 19 June 2013). The Directors intend to seek annual renewal of this authority from the Shareholders at each subsequent annual general meeting of the Company.

Pursuant to this authority, and subject to the Companies Law and the discretion of the Directors, the Company may purchase Ordinary Shares of a particular class in the market on an ongoing basis with a view to addressing any imbalance between the supply of and demand for Ordinary Shares of such class, thereby increasing the Net Asset Value per Ordinary Share of that class and assisting in controlling the discount to Net Asset Value per Ordinary Share of that class in relation to the price at which the Ordinary Shares of such class may be trading.

In the event that the Board decides to repurchase Ordinary Shares, purchases will only be made through the market for cash at prices not exceeding the estimated prevailing Net Asset Value per Ordinary Share of the relevant class where the Directors believe such purchases will result in an increase in the Net Asset Value per Ordinary Share of the relevant class. Such purchases will only be made in accordance with (a) the Listing Rules, which currently provide that the maximum price to be paid per Ordinary Share must not be

more than the higher of (i) five per cent. above the average of the mid market values of Ordinary Shares of the relevant class for the five Business Days before the purchase is made; or (ii) the higher of the last independent trade or the highest current independent bid for Ordinary Shares of the relevant class; and (b) the Companies Law, which provides *inter alia*, that any buyback is subject to the Company passing the solvency test contained in the Companies Law at the relevant time.

Ordinary Shares purchased by the Company may be cancelled or held in treasury up to a maximum of 10 per cent. of the total number of Ordinary Shares in issue of that class at any particular time.

The Company may borrow and/or realise investments in order to finance such Ordinary Share purchases.

There will be no buy backs by the Company of its C Shares.

**Shareholders and prospective Shareholders should note that the purchase of Ordinary Shares by the Company is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.**

## Conversions between classes

The Company offers a monthly conversion facility pursuant to which holders of Ordinary Shares of one class may convert such Ordinary Shares into Ordinary Shares of the other class. Shareholders wishing to convert Ordinary Shares may do so by giving the Company not less than 10 Business Days' notice in advance of the first Business Day of each calendar month (each a "Currency Conversion Calculation Date"), either through submission of the relevant instruction mechanism (for Shareholders holding Shares in uncertificated form) or through submission of a conversion notice and the return of the relevant share certificate to the Registrars (for Shareholders holding Ordinary Shares in certificated form). Such conversion will be effected on the basis of the ratio of the Net Asset Value per Share of the class of Ordinary Shares to be converted (calculated in U.S. Dollars less the costs of effecting such conversion and adjusting any currency hedging arrangements), to the Net Asset Value per Share of the class of Ordinary Shares into which they will be converted (also calculated in U.S. Dollars), in each case on the relevant Currency Conversion Calculation Date.

Shareholders should note that fractions of Shares arising on conversion will be rounded down and hence the aggregate Net Asset Value of those Shares held after conversion may be less than before such conversion. Shareholders who elect to convert Shares will be unable to deal in those Shares in the period between giving notice of conversion and the actual date of conversion.

The Directors may amend the process for conversion (including the timing and frequency of currency class conversions and the procedure for giving notice of conversion) in such manner as they see fit including, without limitation, for the purposes of facilitating conversions of Shares in uncertificated or certificated form or to facilitate electronic communications. Any conversion notice once given shall be irrevocable without the consent of the Directors. The date on which conversion shall take place shall be a date determined by the Board being not more than 30 days after the relevant Currency Conversion Calculation Date.

Conversion shall be effected by way of redesignation of Ordinary Shares of one currency class into Ordinary Shares of the other currency class or in any such other manner as the Board may determine.

The ability to convert Ordinary Shares of one class into Ordinary Shares of any other class may be suspended at any time that the calculation and publication of the Net Asset Value per Share is suspended.

Should either: (i) the aggregate Net Asset Value of the Shares of the other class fall below the Class Minimum Amount as at any NAV Calculation Date (or the equivalent in the relevant currency); or (ii) the number of Shares of any class held in public hands (as such phrase is used in current Listing Rule 6.1.19(4)R) fall below 25 per cent. of the total number of issued Shares of that class, the Directors, in accordance with the Articles of Incorporation, have the right, at their discretion, to compulsorily convert the Shares of such class into Shares of the class then in issue with the greatest aggregate Net Asset Value in U.S. Dollar terms as at the corresponding NAV Calculation Date.

The Directors have the discretion not to operate the conversion facility with respect to any class of Shares or across all classes of Shares from time to time.

Your attention is drawn to the subscribers' warranties set out in the "purchase and transfer restrictions" section of this Prospectus. In particular, at the Currency Conversion Calculation Date, each holder of one class of Ordinary Shares converting such Ordinary Shares into Ordinary Shares of the other class will be deemed to have represented, acknowledged and agreed that (i) it and the person, if any, for whose account or benefit it is holding the Ordinary Shares of one class and receiving Ordinary Shares of the other class is

not a U.S. Person and is not located within the United States; (ii) it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person's status under U.S. federal securities laws, and to require any such person that has not satisfied the Company that the holding by such person will not violate or require registration under U.S. federal securities laws to transfer such Ordinary Shares or interests immediately under the direction of the Company (which may include, but is not limited to, the execution of a power of attorney allowing the Company to effect a transfer on its behalf); and (iii) it agrees to comply with the transfer restrictions set out in the "purchase and transfer restrictions" section of this Prospectus and will notify the Company if it is holding in contravention of such restrictions.

## Further issues of Shares

The Directors will have authority to allot and issue further Shares in the share capital of the Company following Admission. Further issues of Shares would only be made if the Directors determine such issues to be in the best interests of Shareholders and the Company as a whole. Relevant factors in making such determination include net asset performance, share price rating and perceived investor demand. In the case of further issues of Shares of an existing class, such Shares will only be issued at prices which are not less than the then prevailing Net Asset Value per Share of the relevant class (as estimated by the Directors).

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment and issue of shares in a Guernsey company. The Articles, however, contain pre-emption rights in relation to allotments of Shares for cash. At the annual general meeting of the Company held in June 2013, the Shareholders resolved to disapply such pre-emption rights in relation to a number of Ordinary Shares of each class equal to 10 per cent. of the Ordinary Shares of each class in issue (as at 19 June 2013) for a period expiring upon the date of the annual general meeting of the Company to be held in 2014. The Directors are seeking to renew such disapplication authority at the EGM, and intend to request that the authority to allot Shares for cash on a non-pre-emptive basis is renewed at each subsequent annual general meeting of the Company.

The authority described above is in addition to the authority to disapply pre-emption rights for the Issue for which Shareholder approval will be sought at the EGM. At that EGM, the authority referred to above may be replaced on similar terms and expiry of the authority will be on the date of the annual general meeting of the Company to be held in 2014.

## Dividend Policy

In any financial year, the Company intends to pay dividends to Shareholders equal to the cash income it receives less its running costs paid in that year, subject to the solvency test prescribed by the Companies Law. Cash income will comprise cash received by the Company attributable to the running yield of the Portfolio and the income, if any, arising from cash held by the Company pending investment or distribution. In addition, it will also include all fees generated by the Portfolio, including, for example, amendment or waiver fees. It is anticipated that a distribution will be made by way of an interim dividend with respect to each calendar quarter. It is expected that, once a dividend has been declared, it will be distributed to Shareholders within two months of the quarter in respect of which the dividend was declared. Dividends will be paid in the currency of the class of Shares in respect of which the dividend was declared.

The Articles of Incorporation also permit the Directors, in their absolute discretion, to offer a scrip dividend alternative to Shareholders when a cash dividend is declared from time to time. In the event a scrip dividend is offered in future, an electing Shareholder would be issued new, fully paid up Shares (or Shares reissued from treasury) pursuant to the scrip dividend alternative, calculated by reference to the higher of (i) the prevailing average mid-market quotation of the Shares of that class on the Daily Official List of the London Stock Exchange over five trading days; or (ii) the Net Asset Value per Share of that class, at the relevant time. The scrip dividend alternative would be available only to those Shareholders to whom Shares might lawfully be marketed by the Company. The Directors' intention is not to offer a scrip dividend at any time that the Shares trade at a material discount to the Net Asset Value per Share.

On 4 July 2013, the Directors declared a special dividend in respect of the Sterling C Shares of £0.0055 per Sterling C Share, which was paid on 26 July 2013. The Directors expect to declare and pay a dividend in respect of the Issue Shares in January 2014, subject to the level of cash income attributed to the Issue Shares and compliance with the solvency test prescribed by the Companies Law.



# Reports and Accounts

The first accounting period of the Company ran from the date of the Company's incorporation to 31 December 2011 and, thereafter, accounting periods end on 31 December in each year. The audited annual accounts are provided to Shareholders within four months of the year end to which they relate. Unaudited half yearly reports, made up to 30 June in each year, are announced within two months of that date. The Company also produces interim management statements in accordance with the Disclosure Rules and Transparency Rules. The Company reports its results of operations and financial position in U.S. Dollars.

The audited annual accounts and half yearly reports are also available at the registered office of the Administrator and the Company and from the Company's website, [www.nbgfrif.com](http://www.nbgfrif.com).

The financial statements of the Company are prepared in accordance with U.S. GAAP, and the annual accounts have been audited by PricewaterhouseCoopers CI LLP using auditing standards in accordance with International Standards on Auditing. The Company's financial statements, which are the responsibility of its Board, consists of a balance sheet, profit and loss statement and cash flow statement, related notes and any additional information that the Board deems appropriate or that is required by applicable law.

The preparation of financial statements in conformity with U.S. GAAP requires that the Directors make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Such estimates and associated assumptions are generally based on historical experience and various other factors that are believed to be reasonable under the circumstances, and form the basis of making the judgements about attributing values of assets and liabilities that are not readily apparent from other sources. Actual results may vary from such accounting estimates in amounts that may have a material impact on the financial statements of the Company.

## Net Asset Value

### Publication of Net Asset Value

The Company publishes its estimate of the Net Asset Value per Share of each class of Ordinary Shares, and intends to publish the Net Asset Value per Share of the C Shares, on a daily basis (as calculated by the process described below). The Net Asset Value per Share of each class will be published in the currency in which such Shares are denominated and will be published by RIS announcement and be available on the website of the Company.

In order to calculate the Net Asset Value of each class of Ordinary Shares and C Shares, a separate class account will be established in the books of the Company in respect of each class of Shares. Each such class account will be maintained in U.S. Dollars (being the Company's operational and accounting currency) and, consequently, when publishing the Net Asset Value per Share of any class of Shares denominated otherwise than in U.S. Dollars, the Directors shall convert the U.S. Dollar amount standing to the credit of the relevant class account into the relevant currency using such exchange rate as they may consider appropriate. An amount equal to the proceeds of issue of Shares of each class will be credited to the relevant class account. Any decrease in the Net Asset Value of the Company arising from the redemption or repurchase of Shares of a particular class or any dividend or other distribution paid by the Company in respect of Shares of a particular class will be debited to the relevant class account. Each class account will be adjusted as appropriate to reflect conversions of Shares from one class into Shares of any other class. Any increase or decrease in the Net Asset Value of the Portfolio which is attributable to the Shares (disregarding for these purposes any increases or decreases in Net Asset Value arising from issues, repurchases or redemptions of Shares or any dividends or other distribution paid by the Company or any class specific adjustments (as defined below)) will be allocated among the relevant class accounts based on the previous relative Net Asset Values of each such class account (measured in U.S. Dollar terms). There will then be allocated to each class account the "class specific adjustments", being those foreign exchange items, placing and distributor fees or commissions, other fees, costs, liabilities, expenses, losses, assets, profits, gains and income which the Directors determine relate to a single separate class (for example those items relating to foreign exchange transactions in respect of each class including the cost of converting subscription proceeds from Sterling or Euro into U.S. Dollars and of hedging the resulting foreign currency exposure).

## Valuation of the assets held in the Portfolio

It is intended that the Company will invest primarily in loans, which are expected to be valued according to their bid price as at the close of the relevant trading day or the bid price as determined by Markit Partners on the relevant NAV Calculation Date. If a price cannot be obtained from Markit Partners for any loan, the Investment Managers will source bid prices as at the close of the relevant trading day from third party broker/dealer quotes for any such loan.

In cases where no third party price is available, or where the Investment Manager determines that the provided price is not an accurate representation of the fair value of the investment, the Sub-Investment Manager will determine the valuation based on the Sub-Investment Manager's fair valuation policy.

The overall criterion for fair value is a price at which a round lot, being the minimum amount that may be sold of a particular loan, of the securities involved would change hands in a transaction between a willing buyer and a willing seller, neither being under compulsion to buy or sell and both having the same knowledge of the relevant facts.

Consistent with the above criterion, the following criteria will be considered when applicable:

- valuation of other securities by the same issuer for which market quotations are available;
- reasons for absence of market quotations;
- the soundness of the security, its interest yield, the date of maturity, the credit standing of the issuer and current general interest rates;
- recent sales prices and/or bid and ask quotations for the security;
- value of similar securities of issuers in the same or similar industries for which market quotations are available;
- economic outlook of the relevant industry;
- an issuer's position in the relevant industry;
- the financial statements of the issuer; and
- the nature and duration of any restriction on disposition of the security.

## Suspension of the calculation of Net Asset Value

The Directors may at any time, but cannot be obliged to, temporarily suspend the calculation of the NAV and NAV per Share during:

- (a) any period when any of the principal markets or stock exchanges on which a substantial part of the Company's investments are traded are closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended;
- (b) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial part of the investments of the Company is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders or if in the opinion of the Directors the NAV and/or NAV per Share cannot be fairly calculated; or
- (c) any breakdown in the means of communication normally employed in determining the value of the Company's investments or when for any reason the current prices on any market of a substantial part of the Company's investments cannot be promptly and accurately ascertained.

In the event that the calculation of the NAV of the Shares is suspended as described above, trading in the Shares on the Main Market and the listing of the Shares on the Official List may also be suspended.

## Disclosure of the Portfolio

The Company publishes detailed financial information on the Portfolio at each month end (each a "**Monthly Portfolio Disclosure**") in addition to the daily NAV publication. Monthly Portfolio Disclosures are made available on the Company's website: [www.nbgfrif.com](http://www.nbgfrif.com), within 7 Business Days of the relevant month end and publication on the website will be announced by RIS. The Monthly Portfolio Disclosures contain a range of data on the Portfolio, including, but not limited to, the number of loans held in the Portfolio, the interest rate payable on each loan and third party credit ratings for each loan.

## Part II: The Portfolio

Since IPO Admission, the Investment Managers have fully deployed the Company's net assets. The Portfolio, including cash, as at 20 September 2013<sup>3</sup>:

- held 224 investments across 179 different issuers;
- was split approximately 86.5 per cent. U.S. Dollars, 8.1 per cent. Euro and 4 per cent. Sterling denominated assets;
- was diversified across 32 industries with no industry representing over 10 per cent. of the Portfolio;
- had opportunistically allocated around 10.1 per cent. of the Portfolio to bonds, out of the 20 per cent. allowable; secured bonds account for approximately 9.8 per cent. of the Portfolio;
- had a gross yield of 4.89 per cent.; and
- was invested primarily in Ba (34.4 per cent.) and B (57.9 per cent.) rated investments.

The Portfolio information disclosed in this Part II will not necessarily reflect the portfolio of investments attributable to the C Shares following investment of the Net Issue Proceeds. The bank loans in Figure 1 represent 50 per cent. of the current Portfolio by value.

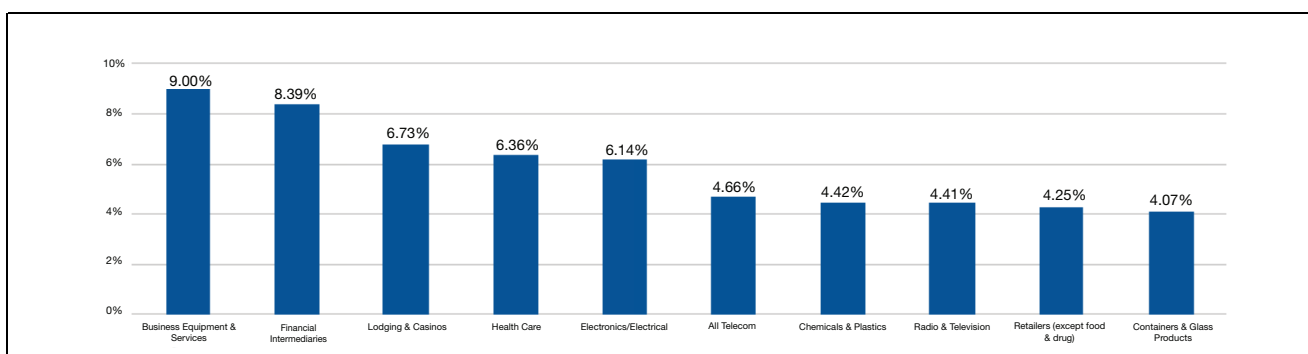
**Figure 1: Top 50 per cent. of the Portfolio by value**

Issuer	Security	Currency	Sector	Rating	Maturity	Coupon
99¢ Only Stores	Secured Loan	USD	Retailers (except food & drug)	B2	11/01/2019	5.2533%
Acosta Inc.	Secured Loan	USD	Business Equipment & Services	B2	02/03/2018	5.0000%
Activision Blizzard Inc	Secured Loan	USD	Leisure Goods/Activities/ Movies	Baa3	15/09/2020	3.2500%
ADS Waste Holdings, Inc.	Secured Loan	USD	Ecological Services & Equipment	B1	09/10/2019	4.2500%
American Airlines Inc.	Secured Loan	USD	AirTransport	Baa2	27/06/2019	4.7500%
AOT Bedding Super Holdings, LLC	Secured Loan	USD	Home Furnishings	B1	01/10/2019	5.0000%
Arch Coal	Secured Loan	USD	Nonferrous Metals/ Minerals	Ba3	16/05/2018	5.7500%
Biomet, Inc.	Secured Loan	USD	Health Care	B1	25/07/2017	3.7605%
BMC Software	Secured Loan	EUR	Business Equipment & Services	Ba3	09/08/2020	5.5000%
BOC Edwards	Secured Loan	USD	Electronics/Electrical	B2	26/03/2020	4.7500%
Bombardier Recreational Products Inc.	Secured Loan	USD	Leisure Goods/Activities/ Movies	B1	30/01/2019	4.0000%
Ceridian Corp	Secured Loan	USD	Electronics/Electrical	B1	09/05/2017	4.4334%
CITCO	Secured Loan	USD	Financial Intermediaries	B1	29/06/2018	4.2500%
Clear Channel	Secured Loan	USD	Radio & Television	Caa1	30/01/2019	6.9321%
Cricket Communications, Inc.	Secured Loan	USD	All Telecom	Ba3	08/03/2020	4.7500%
Cumulus Media	Secured Loan	USD	Radio & Television	Ba2	17/09/2018	4.5000%
Datatel-Sophia LP	Secured Loan	USD	Electronics/Electrical	B1	19/07/2018	4.5000%
Elior	Secured Loan	EUR	Food Service	B3	29/03/2019	5.0430%
EMI Publishing (MTL)	Secured Loan	USD	Publishing	Ba3	29/06/2018	4.2500%
EXCO Resources Inc	Secured Loan	USD	Oil & Gas	Ba3	19/08/2019	5.0000%
First Data Corporation	Secured Loan	USD	Financial Intermediaries	B1	24/03/2017	4.1841%
FMG Resources	Secured Loan	USD	Steel	Ba1	18/10/2017	5.2500%
Freescale Semiconductor	Secured Loan	USD	Electronics/Electrical	B1	01/03/2020	5.0000%
Gala Group	Secured Loan	GBP	Lodging & Casinos	B2	25/05/2018	5.4919%
Gardner Denver	Secured Loan	EUR	Conglomerates	B1	31/07/2020	4.7500%
Go Daddy	Secured Loan	USD	Electronics/Electrical	Ba3	17/12/2018	4.2500%
Goodyear Engineered Products (EPD)	Secured Loan	USD	Automotive	B2	08/09/2017	5.2500%
Hexion Specialty Chemicals	Senior Secured Bond	USD	Chemicals & Plastics	Ba3	15/04/2020	6.6250%
Ineos Holdings	Secured Loan	EUR	Chemicals & Plastics	B1	04/05/2018	4.2500%
Intelsat Jackson HLDG	Secured Loan	USD	All Telecom	Ba3	02/04/2018	4.2500%
International Lease Finance Co	Secured Loan	USD	Equipment Leasing	Ba2	30/06/2017	3.5000%
Level 3 Financing Inc.	Secured Loan	USD	All Telecom	Ba3	01/08/2019	4.7500%

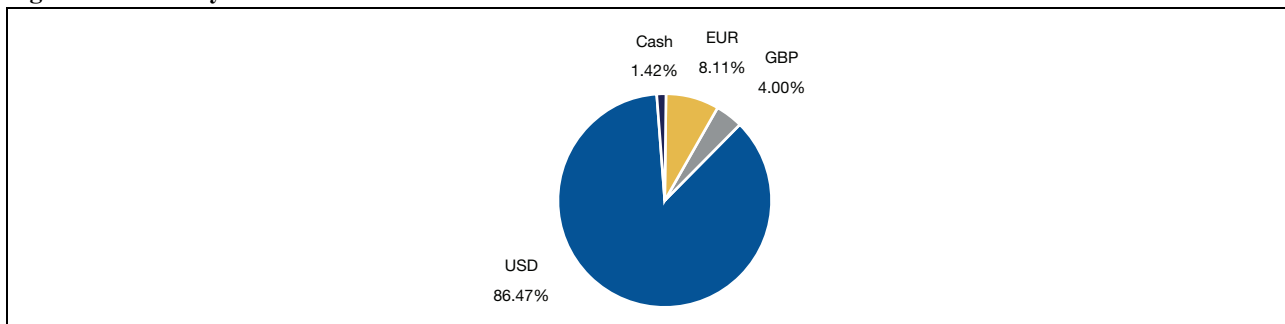
<sup>3</sup> There has been no material change to the Portfolio as at the date of this Prospectus.

Issuer	Security	Currency	Sector	Rating	Maturity	Coupon
Michaels Stores Inc	Secured Loan	USD	Retailers (except food & drug)	Ba3	28/01/2020	3.7500%
MoneyGram International	Secured Loan	USD	Financial Intermediaries	B1	27/03/2020	4.2500%
Monitronics	Secured Loan	USD	Business Equipment & Services	Ba3	23/03/2018	4.2500%
Nuveen Inv	Secured Loan	USD	Financial Intermediaries	B2	13/05/2017	4.1821%
Ocwen Financial	Secured Loan	USD	Financial Intermediaries	B1	15/02/2018	5.0000%
Par Pharmaceutical Companies, Inc.	Secured Loan	USD	Drugs	B1	30/09/2019	4.2500%
Peabody Energy Corp	Secured Loan	USD	Nonferrous Metals/Minerals	Ba1	20/09/2020	4.2500%
Pets at Home	Secured Loan	GBP	Retailers (except food & drug)	B2	30/03/2019	5.4942%
Pharmaceutical Product Development, Inc.	Secured Loan	USD	Health Care	Ba3	05/12/2018	4.2500%
Pinnacle Foods Finance LLC	Secured Loan	USD	Food Products	Ba3	29/04/2020	3.2500%
PQ Corporation	Secured Loan	USD	Chemicals & Plastics	B2	07/08/2017	4.5000%
Quintiles Transnational	Secured Loan	USD	Business Equipment & Services	B1	08/06/2018	4.0000%
Realogy Corporation	Secured Loan	USD	Building & Development	Ba3	05/03/2020	4.5000%
Rexnord Corp	Secured Loan	USD	Industrial Equipment	B2	21/08/2020	4.0000%
Reynolds Group (aka Beverage Packaging)	Senior Secured Bond	USD	Containers & Glass Products	B1	15/10/2020	5.7500%
Reynolds Group (aka Beverage Packaging)	Secured Loan	USD	Containers & Glass Products	B1	28/09/2018	4.7500%
Scientific Games Corp	Secured Loan	USD	Leisure Goods/Activities/Movies	Ba2	24/05/2020	4.2500%
Sheridan Healthcare	Secured Loan	USD	Health Care	B1	29/06/2018	4.5000%
Springer Science+Business Media S.A.	Secured Loan	USD	Publishing	B2	14/08/2020	5.0000%
Station Casinos	Secured Loan	USD	Lodging & Casinos	B1	02/03/2020	5.0000%
SunGard Data Systems	Secured Loan	USD	Business Equipment & Services	Ba3	08/03/2020	4.0000%
Syniverse Technologies	Secured Loan	USD	All Telecom	B1	23/04/2019	5.0000%
TI Group Automotive	Secured Loan	USD	Automotive	B1	28/03/2019	5.5000%
Trader Media Group	Secured Loan	GBP	Publishing	B2	08/12/2017	4.9909%
Twin Rivers Casino	Secured Loan	USD	Lodging & Casinos	B1	10/11/2018	5.2500%
United Air Lines, Inc.	Secured Loan	USD	AirTransport	Ba2	01/04/2019	4.0000%
United Surgical Partners International, Inc.	Secured Loan	USD	Health Care	B1	03/04/2019	4.7500%
Univision Communications Inc	Secured Loan	USD	Radio & Television	B2	01/03/2020	4.0000%
US Foodservice Inc	Secured Loan	USD	Food Service	B2	31/03/2019	4.5000%
Vivint	Senior Secured Bond	USD	Business Equipment & Services	B1	01/12/2019	6.3750%
Walter Investment Mgmt	Secured Loan	USD	Financial Intermediaries	B2	28/11/2017	5.7500%
Weight Watchers International	Secured Loan	USD	Food Service	Ba2	02/04/2020	3.7500%

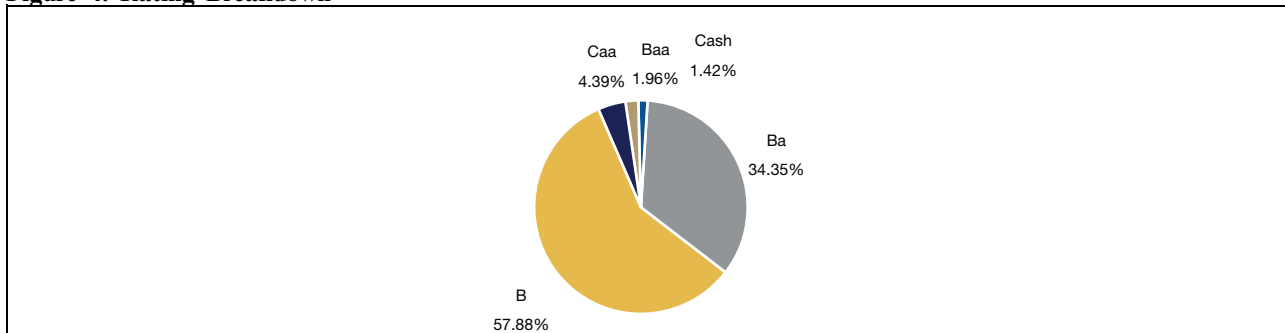
**Figure 2: Top 10 S&P Sectors (ex Cash)**



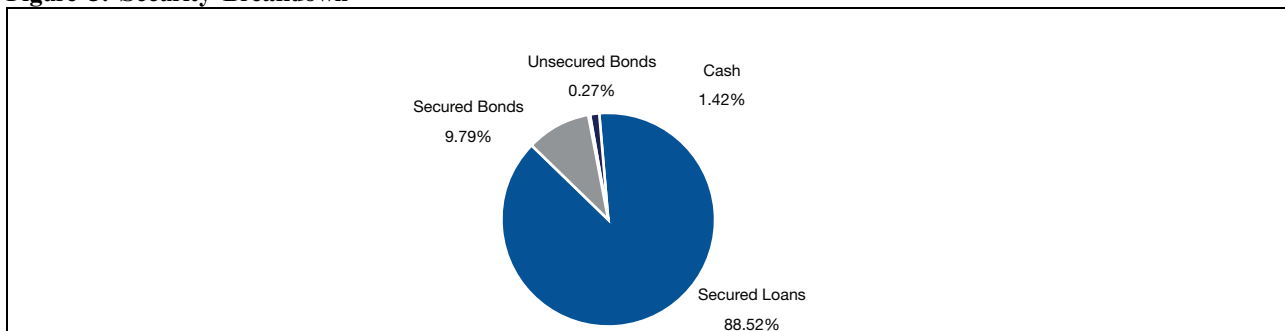
**Figure 3: Currency Breakdown**



**Figure 4: Rating Breakdown**



**Figure 5: Security Breakdown**



**Figure 6: Portfolio Rotation**

BOND EXPOSURE								
	31.12.11	31.3.12	30.6.12	30.9.12	31.12.12	31.3.13	30.6.13	31.08.13
Secured Bonds	11.04%	9.13%	9.02%	5.77%	6.47%	10.81%	12.15%	9.97%
Unsecured Bonds	1.58%	2.89%	2.54%	0.96%	0.49%	0.51%	0.50%	0.27%
Total Bonds	12.62%	12.02%	11.56%	6.73%	6.96%	11.32%	12.65%	10.24%

NON-USD EXPOSURE								
	31.12.11	31.3.12	30.6.12	30.9.12	31.12.12	31.3.13	30.6.13	31.08.13
EUR	6.70%	5.76%	3.83%	2.39%	2.32%	4.10%	5.19%	8.00%
GBP	5.19%	3.48%	3.59%	2.66%	2.23%	2.95%	3.03%	3.89%
Total Non USD	11.89%	9.24%	7.42%	5.05%	4.55%	7.05%	8.22%	11.89%

RATINGS BREAKDOWN <sup>1</sup>								
	31.12.11	31.3.12	30.6.12	30.9.12	31.12.12	31.3.13	30.6.13	31.08.13
Baa/Ba	40.66%	38.76%	37.37%	40.24%	39.29%	36.43%	37.25%	36.38%
B	52.05%	52.53%	55.52%	54.55%	54.74%	58.53%	58.51%	58.19%
Caa	6.61%	7.50%	6.59%	3.32%	4.14%	4.14%	4.24%	4.80%

## Market Opportunity

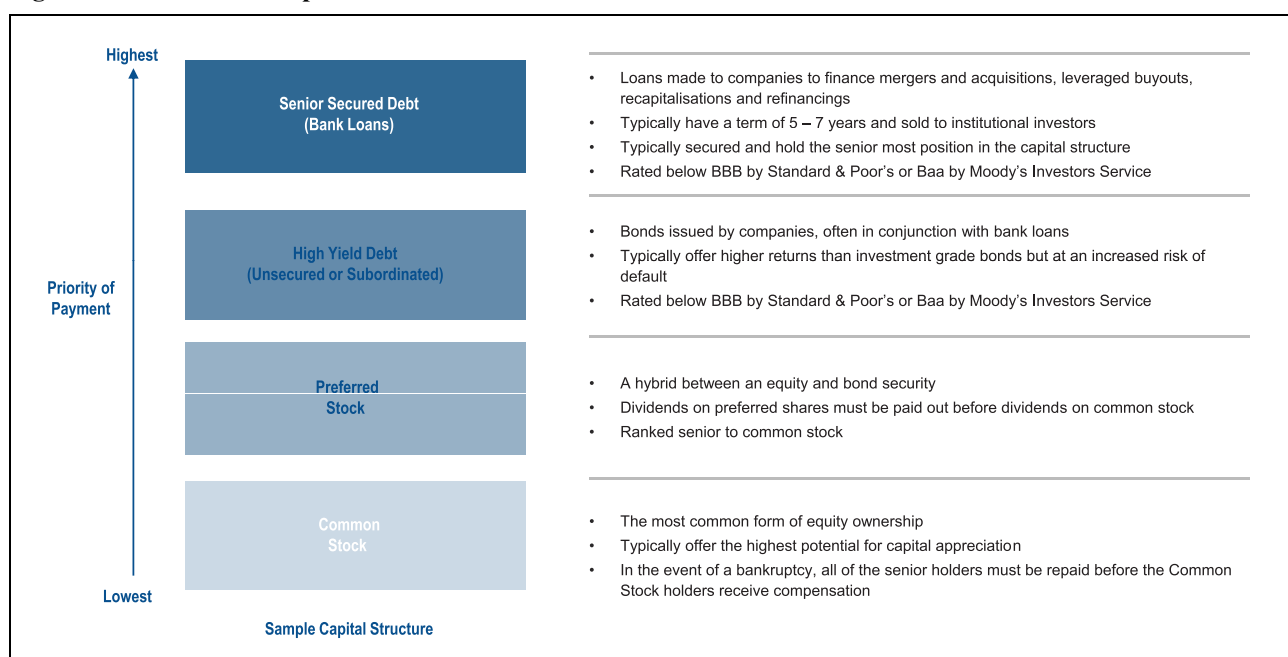
Bank loans are debt obligations arranged by banks and other financial entities on behalf of corporations, partnerships and other business issuers. Such loans are typically used to finance mergers and acquisitions, leveraged buyouts, recapitalisations, refinancings, capital expenditure and for other general corporate purposes.

Bank loans are originated by a bank or other financial institution (also known as an arranger) and will typically be syndicated to a pool of lenders that collaborate to provide financing for the borrower. Once the bank loan is issued, lenders have the option to hold their portion for the life of the loan or to sell it to other investors in the secondary market.

The bank loans that the Company invests in are generally non-investment grade, that is rated at or below Ba1 by Moody's Investors Service or at or below BB+ by Standard & Poor's or an equivalent rating by a third party rating agency.

The bank loans that comprise the Portfolio typically hold the most senior position in the capital structure of the borrower and are secured with specific collateral, giving lenders a claim on the assets that is senior to the claims of unsecured creditors, subordinated debt holders and stockholders of the borrower. The security package typically incorporates a first priority over all of the borrower's assets including receivables, inventory, bank accounts, property and plant and equipment. In the event of a default or bankruptcy, the holders of the loans should be in a better position to maximise recovery of their debt than other creditors due to their position in the capital structure. Figure 1 shows a typical capital structure of a borrower.

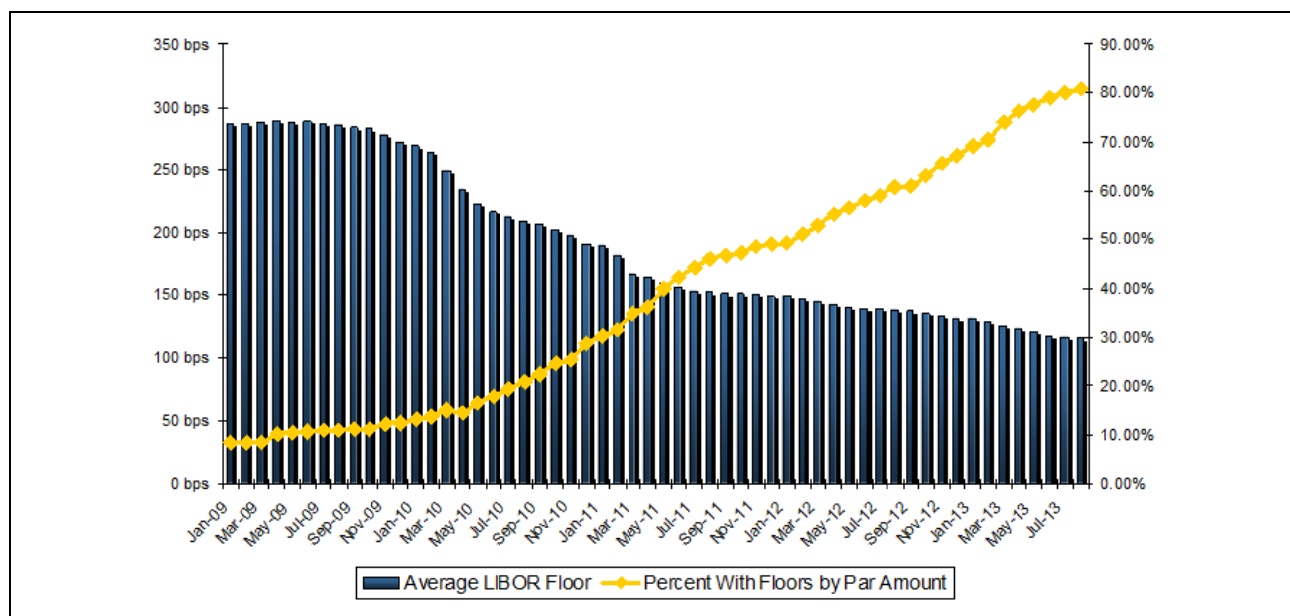
**Figure 1 – Illustrative Capital Structure**



Bank loans earn a variable rate of interest that includes a stated 'spread' (also known as the margin), which reflects issuer risk, over a widely accepted base rate such as LIBOR. The floating rate on bank loans typically resets every 30 to 90 days in line with the prevailing rate of LIBOR and, because such loans reset on a regular basis, the yield is described as "floating".

The Investment Managers' experience is that LIBOR floors are a common feature of almost all new loan issues in the US; LIBOR floors guarantee a minimum level of LIBOR to investors irrespective of the prevailing interest rate.

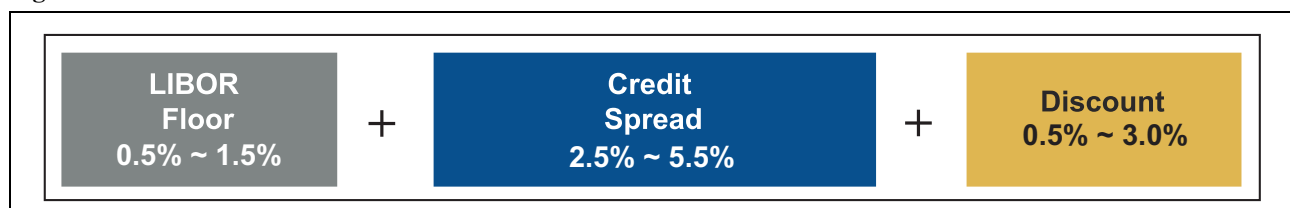
**Figure 2 – S&P/LSTA Leveraged Loan Index Outstanding Loans with LIBOR Floor and Average Floor**



Source: S&P LCD and S&P/LSTA Leveraged Loan Index. As at August 2013.

The floors are typically between 0.5 per cent. and 1.5 per cent. If LIBOR exceeds the floor then such loans pay the prevailing LIBOR as well as the credit spread. Figure 3 details the potential sources of return from bank loans. The return is generated by the LIBOR floor, the spread over LIBOR paid by the borrower due to the terms of the underlying loan and the discount. The discount occurs because new issues are commonly priced, in the Investment Managers’ experience, at a discount to the par value of the loan.

**Figure 3 – Indicative Breakdown of Bank Loans Returns**



For illustrative purposes only.

- LIBOR Floor – the minimum base rate of LIBOR, even if LIBOR falls below that level;
- Credit Spread – the amount of interest paid over LIBOR to compensate an investor for the associated credit risk;
- Discount – the amount a loan is priced below par in the primary or secondary market e.g. if a loan is priced at 97 this equals a 3 per cent. discount.

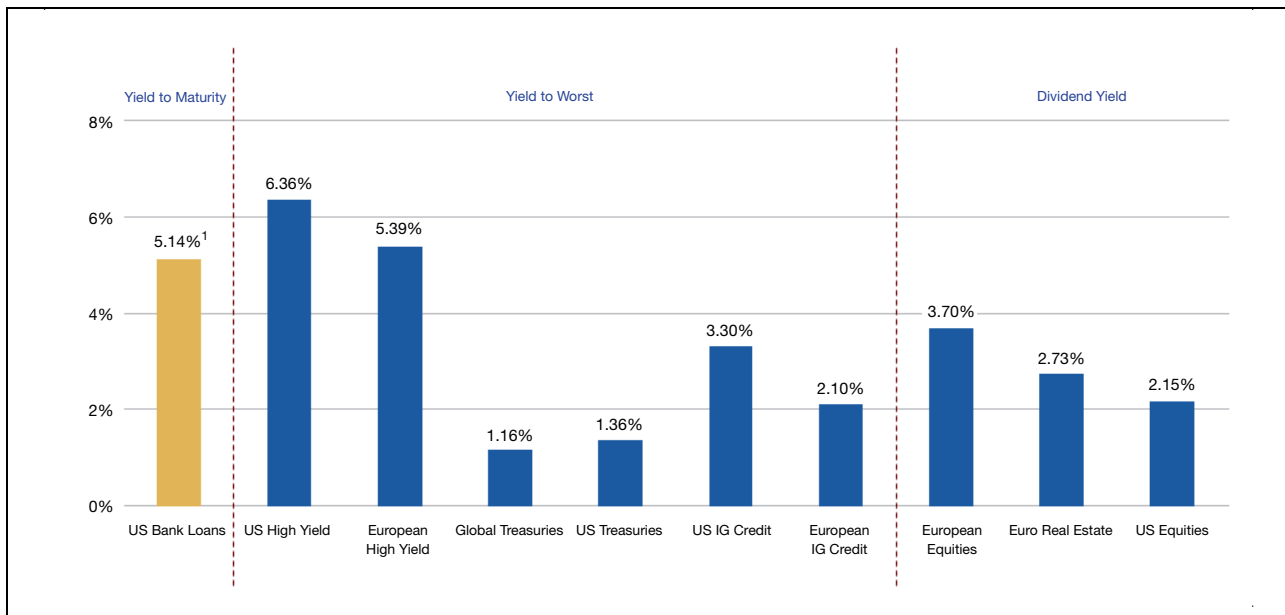
## Why Bank Loans are an Attractive Investment

The Investment Managers believe that there are a number of reasons why bank loans are an attractive investment:

### 1. Bank loans offer potential for attractive current income relative to other asset classes

Recent new issues in the bank loan market have typically offered yields between 3-6 per cent. This is on an annualised basis depending on credit rating, with some potential for capital appreciation. The Investment Managers believe that this is an attractive level of income for the risk undertaken, relative to other fixed income investments. Capital appreciation may occur if bank loans are purchased at a discount to par value, either on the primary or secondary market. Figure 4 compares yields on bank loans as at 31 August 2013 to other investments typically purchased by investors seeking income generation. The Investment Managers believe that the levels of income that loans are able to generate are particularly compelling given the prevailing low interest rate environment.

**Figure 4 – Asset Class Yield Comparison**



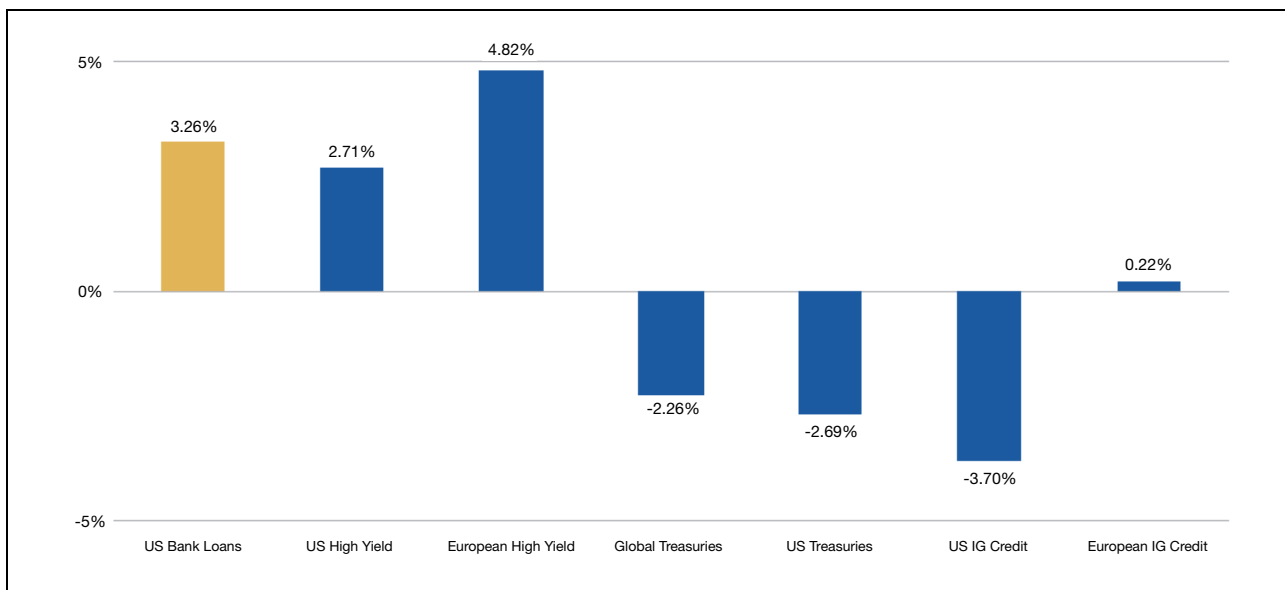
Data as at August 31, 2013.

Source: Bloomberg, POINT. Benchmarks used were the S&P/LSTA Leveraged Loan Index, Barclays US High Yield 2% Issuer Cap Index, Barclays European High Yield Index, Barclays Global Treasury Index, Barclays US Treasury Index, Barclays US Credit Index, Barclays European Credit Index, Euro STOXX Index, Euronext IEIF REIT Index and S&P 500 Index.

<sup>1</sup> Excludes defaulted issuers

In the year to date the Investment Managers believe that bank loans have produced attractive total returns relative to other fixed income assets

**Figure 5 – Asset Class Total Return Comparison (1 January 2013 – 31 August 2013)**



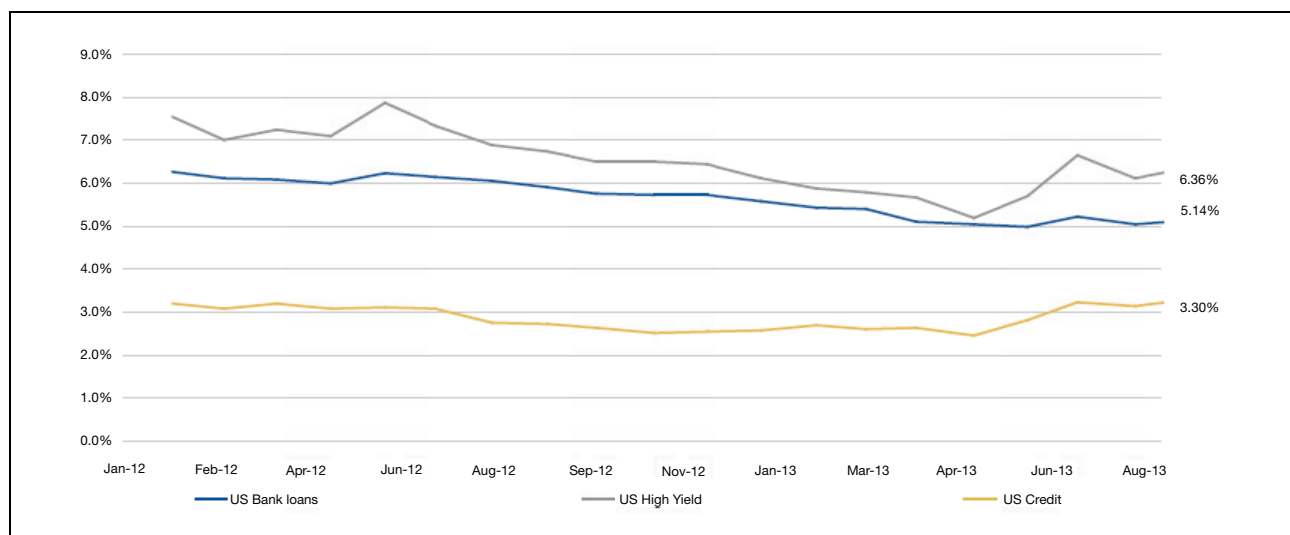
Data as at August 31, 2013.

Source: Bloomberg, POINT. Benchmarks used were the S&P/LSTA Leveraged Loan Index, Barclays US High Yield 2% Issuer Cap Index, Barclays European High Yield Index, Barclays Global Treasury Index, Barclays US Treasury Index, Barclays US Credit Index and Barclays European Credit Index.

Bank loans continue to offer reasonable yields compared to historical issuance in the Investment Managers’ view and while yields on loans have compressed over the past 18 months, they still remain in their recent range between investment grade and high yield.



**Figure 6 – Asset Class Relative Value**



Source: Barclays POINT. Benchmarks used were the S&P/PLSTA Leveraged Loan Index, Barclays US High Yield 2% Issuer Cap Index and Barclays US Credit Index. As at August 31, 2013. Indices are unmanaged and cannot be invested in directly.

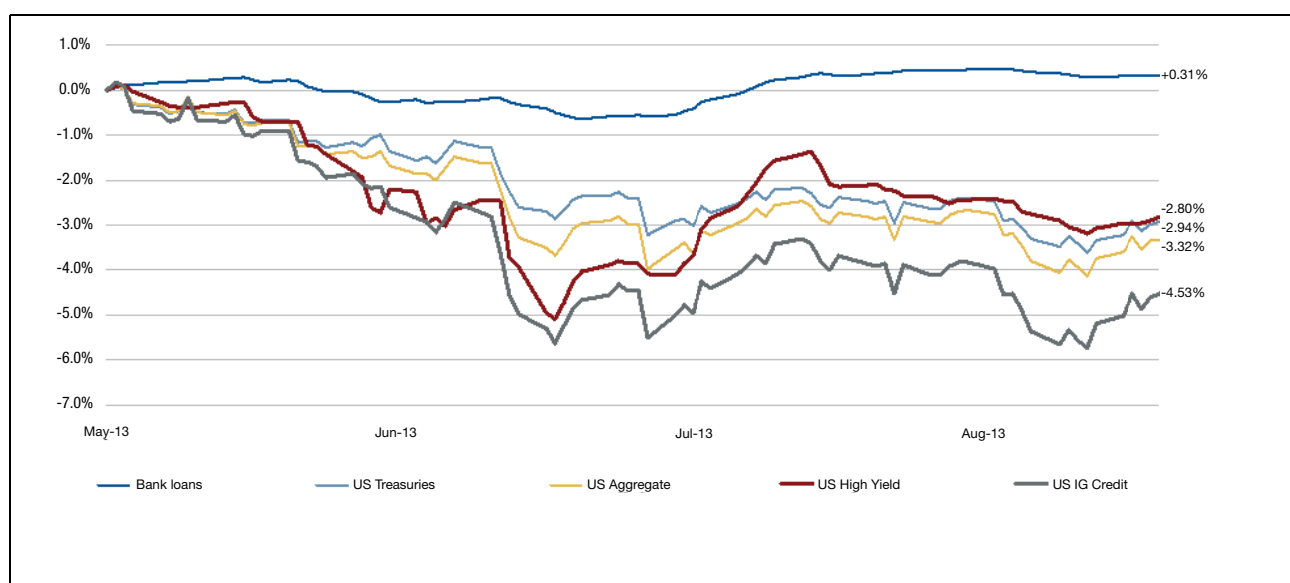
## 2. Protection from rising interest rates

With US, European and UK interest rates at the lower end of the historical range for the period from 2008 to the date of this Prospectus, the Investment Managers’ view is that interest rates will rise over the coming years. The floating rate of interest paid by bank loans should provide some protection against rising interest rates as the coupon on a bank loan is directly linked to LIBOR and will rise in line with interest rate increases. With traditional fixed income assets such as fixed rate bonds, a rise in interest rates tends to lead to a fall in price.

In the Investment Managers’ opinion, bank loans have tended to perform consistently well in rising rate environments.

Since May 2013 concerns about the potential tapering of quantitative easing in the US has led to concerns about future rate rises and volatility in fixed income asset classes. During this time, as the 10 year US Treasury moved from 1.8 per cent. to 2.8 per cent., loans have significantly outperformed other fixed income asset classes.

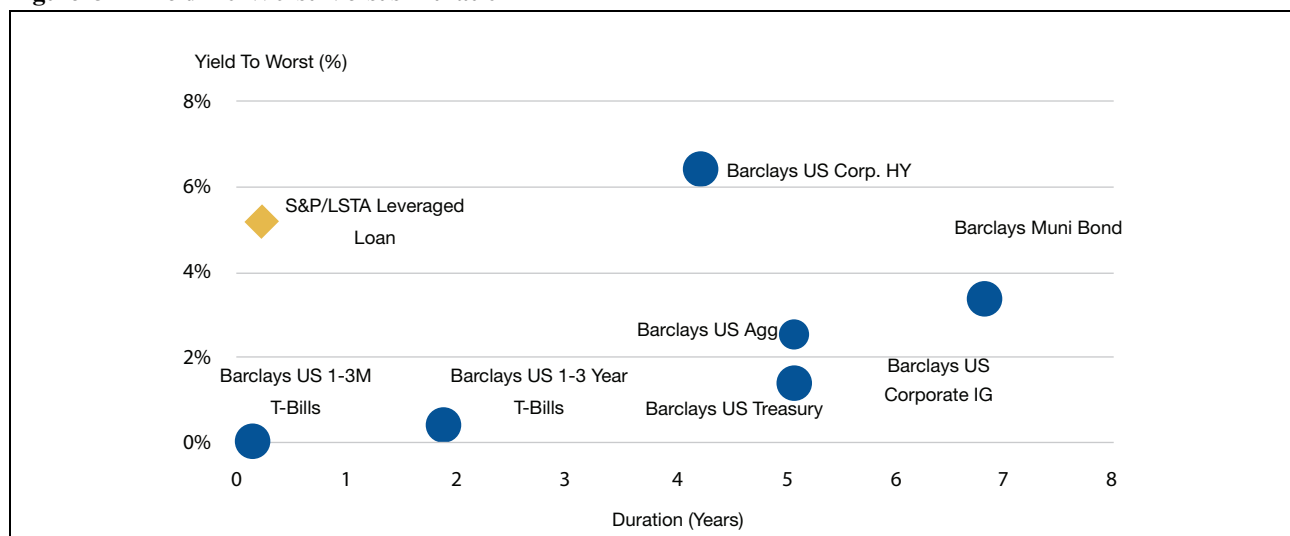
**Figure 7 – Asset Class Total Return Comparison (9 May 2013 – 31 August 2013)**



Source: Barclays POINT. Floating-Rate Loans represented by S&P/SLTA Leveraged Loan Index. High Yield represented by Barclays U.S. High Yield 2% Issuer Cap Index. US Treasuries represented by Barclays U.S. Treasury Index. Aggregate represented by Barclays U.S. Aggregate Index. Investment-Grade Corporate represented by Barclays U.S. Investment Grade Corporate Index. Past performance is not indicative of future results. You cannot invest directly in an index.

Bank loans can offer investors the potential for stable income which can be a valuable addition to a diversified portfolio. Few fixed income investments offer a combination of an attractive yield with limited duration risk.

**Figure 8 – Yield-To-Worst Versus Duration**

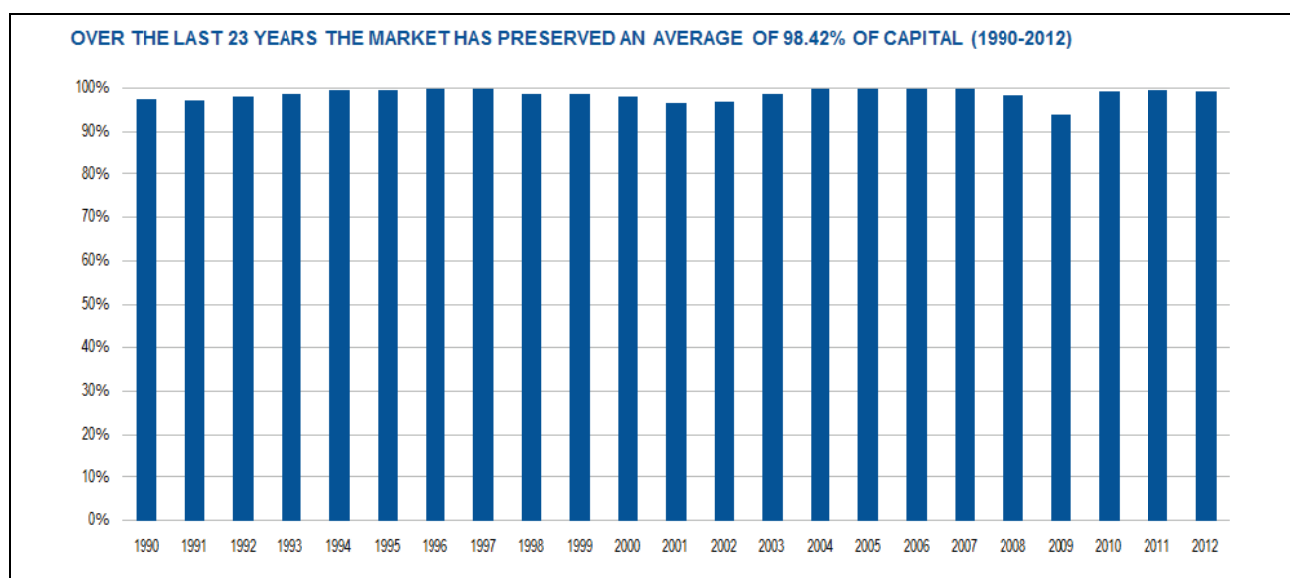


Sources: Barclays, S&P Capital IQ LCD/LSTA. As of August 31, 2013. Bank loans are represented by the S&P/LSTA Leveraged Loan Index. Yield to Worst is the lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer. Indices are unmanaged, include reinvestment of any dividends, capital gain distributions or other earnings and do not reflect any fees or expenses. Investors cannot invest directly in an index. For the S&P/LSTA Leveraged Loan Index the Investment Managers have used the Yield to Maturity.

### 3. Capital preservation

The Company expects to predominantly invest in bank loans that are non-investment grade. The senior secured nature of these loans means they have historically demonstrated a high level of capital preservation. In the U.S. bank loans market, the annual loss ratio has never exceeded 6 per cent. in any calendar year in the period 1990 to 2012 and the market has preserved an average of 98.4 per cent. of capital for the same period. Figure 9 shows the preservation of capital in the U.S. bank loan market between 1990 and 2012.

**Figure 9 – Preservation of Capital in U.S. Bank Loan Market**



Source: Moody's Investors Service report dated February 2013. Preservation of capital shown above is 100% minus the loss ratio. Loss ratio is the issuer weighted corporate default rate for speculative grade US dollar loans taken from that report multiplied by 100% minus the average recovery rates for US dollar first lien loans taken from the same report. These are broadly representative of the assets the fund has invested in.

## 4. Diversification

Bank loans have historically demonstrated a low correlation to other asset classes, making them potentially an attractive investment for investors wanting to diversify their portfolio. Figure 10 shows the correlation between bank loans and various other asset classes.

**Figure 10 – 1997-August 2013 Correlation Matrix**

	Bank Loans	High Yield	10yr US Treasuries	S&P 500	High Grade Corp
Bank Loans	1.000	-	-	-	-
High Yield	0.767	1.000	-	-	-
10yr US Treasuries	-0.367	-0.167	1.000	-	-
S&P 500	0.437	0.621	-0.263	1.000	-
High Grade Corp	0.352	0.556	0.598	0.224	1.000

Sources: Standard & Poor's, as of August 31, 2013. Bank Loans are represented by the S&P/LSTA Leveraged Loan Index; High Yield is represented by the Bank of America-Merrill Lynch US High Yield Master II Constrained Index; US Treasuries is represented by Bank of America-Merrill Lynch 10-Year Treasury Index; Equities are represented by the S&P 500 Index; and High Grade Corporates are represented by the Bank of America-Merrill Lynch High Grade Corporates Index. Past performance is not indicative of future results. Indices are unmanaged, include reinvestment of any dividends, capital gain distributions or other earnings and do not reflect any fees or expenses. Investors cannot invest directly in an index.

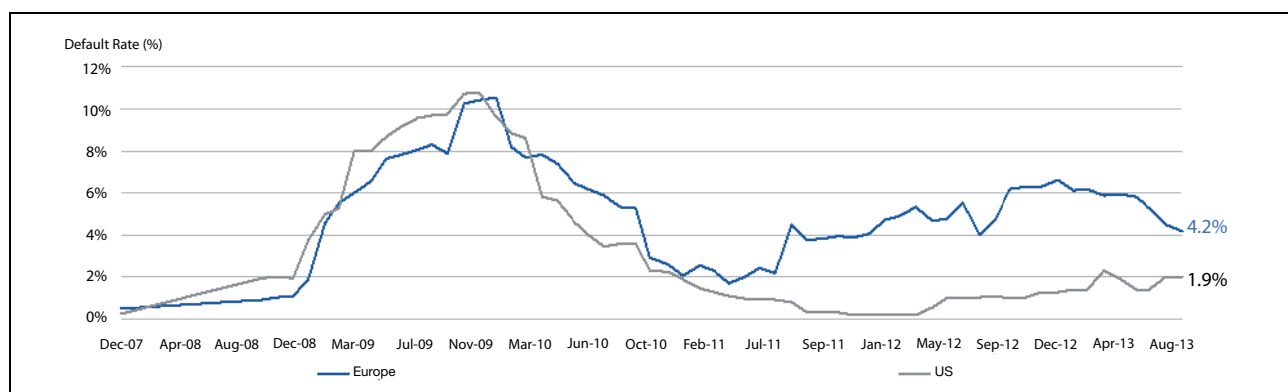
## 5. Positive Fundamentals

The Investment Managers have a positive outlook for the bank loan market, and believe fundamentals remain supportive and corporate earnings sufficiently strong for most issuers to generate free cash flow.

Figure 11 shows that U.S. default rates have remained well below the long term average of 3.31 per cent. and the Investment Managers expect them to remain below this level for the remainder of 2013, and project default levels of 2 per cent. for the U.S. Such default levels, the Investment Managers believe, will be driven by the overall health of the investable universe, including strong free cash flow generation, strong liquidity positions and minimal pending maturities. The Investment Manager's U.S. CLO default track record for the nine year period from 2004 to 2012 was 1.05 per cent/ versus the S&P Index default average of 2.38 per cent. over the same period. The Company has not had any defaults since launch in April 2011.

The Investment Managers' view in respect of the European bank loan market is not as positive and they believe that a number of European borrowers will continue to have fundamental operational and liquidity issues given the more difficult macroeconomic environment that persists in Europe. The Investment Managers expect a default rate in the range of 4 – 6 per cent. for the forthcoming 12 month period with the current trailing rate being 4.2 per cent.

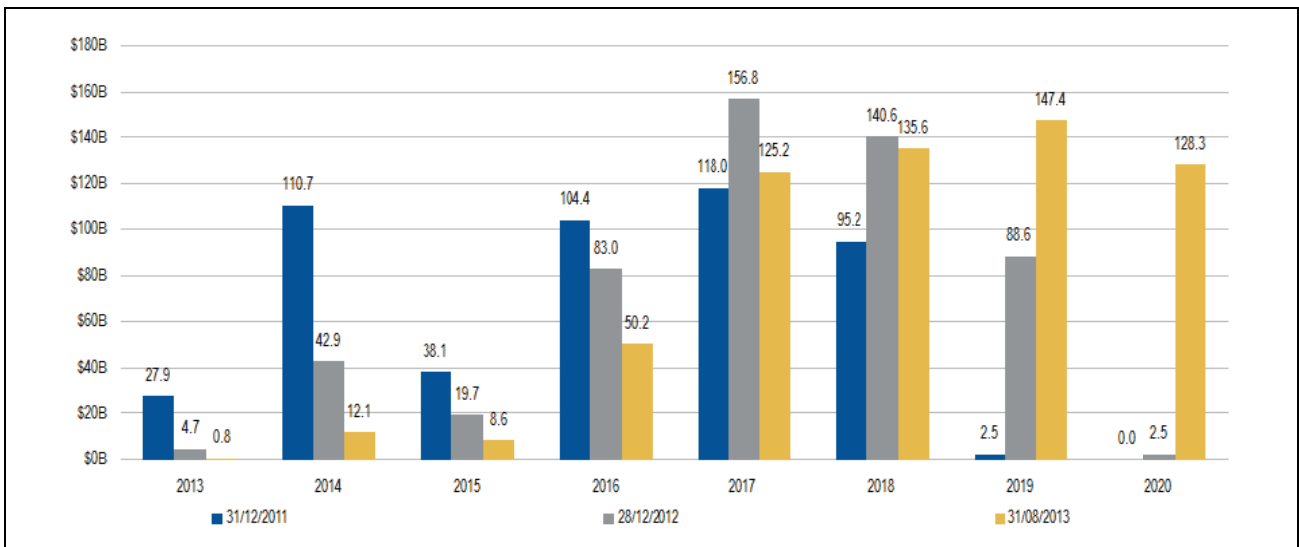
**Figure 11 – Lagging Twelve-Month Loan Default Rate Based on Principal Amount**



Source: S&P LCD, as of August 31, 2013.

The Investment Managers believe that the limited U.S. bank loan maturities further support their expectation of low default rates.

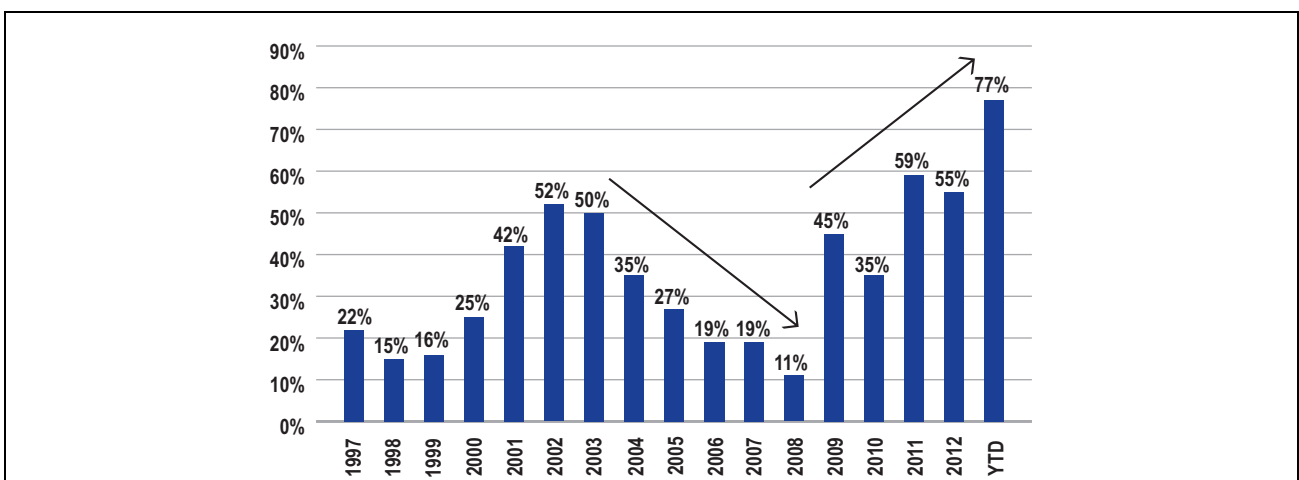
**Figure 12 – U.S. Bank Loan Maturity Schedule**



Source: S&P Capital IQ LCD. Data as at August 31, 2013.

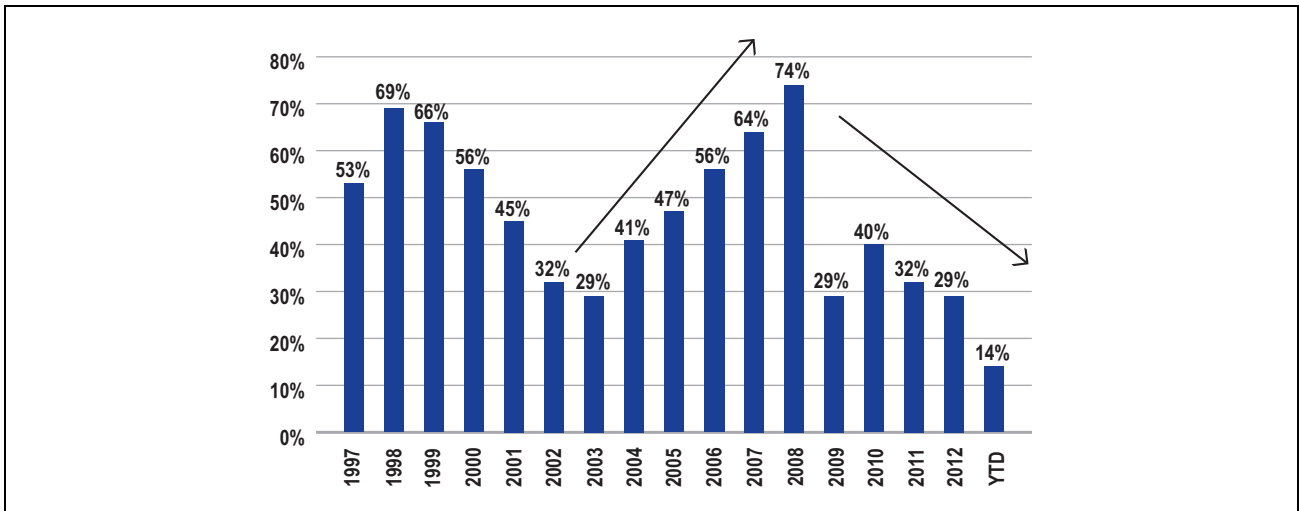
This extension of maturities is reflected in Figure 13 below which shows new deal issuance has been dominated by refinancings with acquisition financing levels being suppressed per Figure 14.

**Figure 13 – Per cent Loan Issuance Used For Refinancing**



Source: J.P.Morgan; as at July 2013

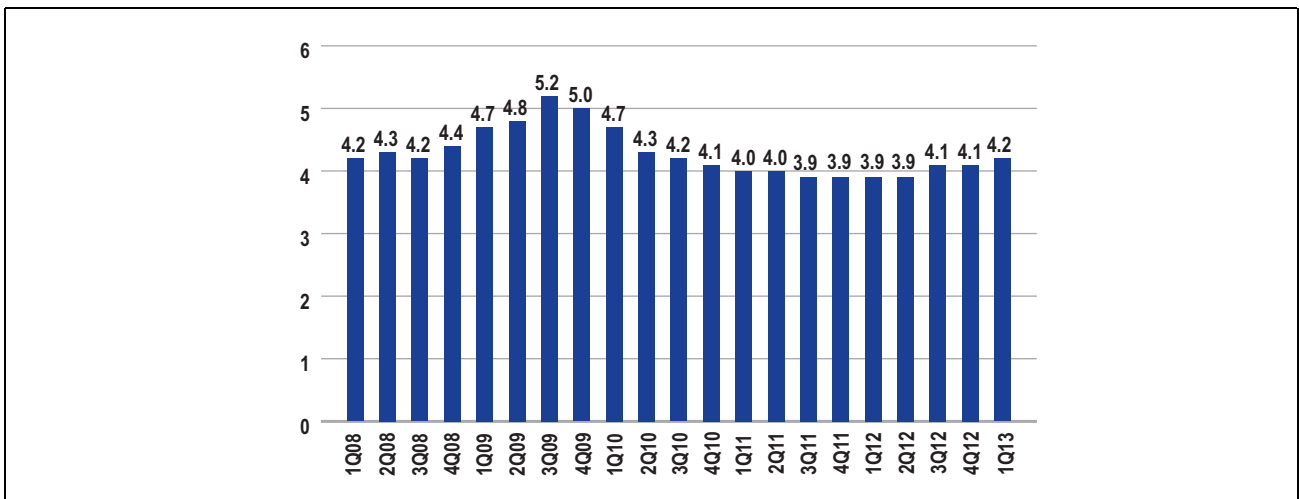
**Figure 14 – Acquisition Finance Volume Remains Low**



Source: J.P.Morgan; as at July 2013

Despite high demand for the Bank Loan asset class, the leverage being applied to new transactions remains sensible in the Investment Managers opinion, Figure 15 shows leverage has remained in a narrow range for the last three years.

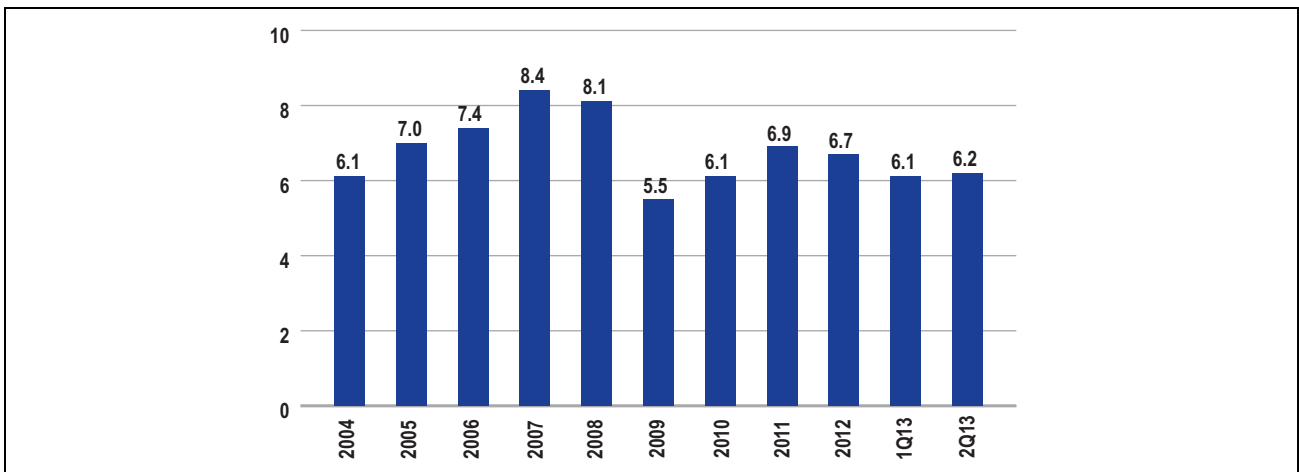
**Figure 15 – Leverage Levels Remain Modest**



Source: J.P.Morgan; as at July 2013

Even the more highly-leveraged transactions in the market are evidencing leverage levels well below those of pre-crisis deals.

**Figure 16 – Total Leverage For Most Highly Leveraged Large LBOs**



Source: S&P/LCD. Data represents the top 20% of leveraged deals.

## Part IV: Investment Managers, Process and Strategy

### Investment Managers

The investment manager of the Company is Neuberger Berman Europe Limited, a company incorporated in England and Wales with registered number 05463227 and authorised and regulated by the Financial Conduct Authority. The Investment Manager has been appointed pursuant to the Investment Management Agreement (further details of which are set out in paragraph 7.2 of Part IX of this Prospectus) and has, pursuant to the Sub-Investment Management Agreement, delegated certain of its responsibilities and functions to the sub-investment manager, Neuberger Berman Fixed Income LLC, a limited liability company incorporated in Delaware. The Sub-Investment Manager is a U.S. registered investment adviser.

The Investment Managers are wholly-owned indirect subsidiaries of the NB Group. Established in 1939, the NB Group is one of the world's largest private, independent employee-controlled asset management companies, managing approximately US\$214 billion in assets as of 30 June 2013, including approximately US\$93 billion in fixed income investments.

The Investment Managers are responsible for the discretionary management of, and will conduct day-to-day management of, the assets held in the Portfolio (including uninvested cash). The Investment Managers are not required to and generally will not submit individual decisions for approval by the Board. The Investment Managers may delegate certain support functions to third parties.

Details of the fees and expenses payable to the Investment Manager pursuant to the Investment Management Agreement (as amended by the IMA Deed of Amendment) are set out in the section headed "Fees and expenses" in Part V of this Prospectus.

### Investment strategy

The Investment Managers believe that superior bank loan investment results can be achieved throughout all market cycles using a proactive investment process that reflects the experience of the Investment Managers' team in the bank loan sector supported by robust risk management techniques. The Investment Managers will seek to avoid credit deterioration, select securities in which the yield is attractive on a relative value basis and rotate across credit tiers and industry sectors.

The Investment Managers intend to employ a disciplined research process that includes fundamental credit analysis, combined with a thorough understanding of the industry and market position of each of the issuers in which the Company will invest. Risk management is central to decision making and is embedded throughout the investment strategy. Risk will be managed through portfolio diversification, in-depth credit research and ongoing sector reviews.

In evaluating specific investment ideas for the Company, the Investment Managers intend to draw upon their substantial investing experience to analyse and assess each prospective borrower's value, capital structure, corporate structure, liquidity position, financial performance and competitive environment in an attempt to identify attractive investment opportunities.

The Investment Managers intend to acquire senior secured floating rate loans that are considered to be non-investment grade on behalf of the Company in both the primary and secondary markets; this is explained in more detail in the section entitled "Primary and secondary loan markets" in this Part IV. Senior bonds may also be acquired on an opportunistic basis in accordance with the Company's investment policy. The manner in which investments in loans may be made by the Investment Managers will either be directly, with the Company becoming a member of a syndicate of lenders, or indirectly, by way of sub-participation arrangements between the Company and a loan market participant such as a bank. The Investment Managers expect that the majority of the Company's investments in senior loans will be effected directly. See the section entitled "Sub-participation arrangements" in this Part IV for more information.

### Non-investment grade loans

The Company will invest the Net Issue Proceeds in senior loans that are often non-investment grade. Third party rating agencies, such as Moody's Investors Service and Standard & Poor's, aim to rank the credit worthiness of borrowers using a standardised ratings scale to provide investors with an independent view on how likely a borrower is to default on its debt repayments. Investment grade issuers are rated Aaa to Baa3

by Moody's Investor Services and AAA to BBB by Standard & Poor's. Non-investment grade borrowers are rated from between Ba1 to C by Moody's Investor Services and BB+ to D by Standard & Poor's. A non-investment grade rating reflects, in the opinion of the ratings agencies, the riskier credit profile of a borrower compared to an investment grade issuer. The Company intends to invest in non-investment grade issues with an average credit quality of between BB and B. See Part II of this Prospectus for the credit rating qualities of the Portfolio.

The Company will generally not invest in distressed loans. In contrast to the secured senior debt which the Company primarily invests in, distressed debt relates to issuers that are already in default of their debt obligations, in bankruptcy proceedings or are likely to enter into such proceedings or default on their obligations, and the Investment Managers' screening process is designed to eliminate such issuers from the Portfolio. See the section entitled "Investment Process" in this Part IV below for more information on the Investment Managers' investment process with respect to screening.

## Primary and secondary loan markets

The Investment Managers intend to use the Net Issue Proceeds to acquire loans on behalf of the Company in both the primary and secondary loan markets.

The primary loan market relates to new issues of loans by companies and other entities. This is commonly undertaken by syndicates of securities dealers and other financial institutions that underwrite new loan issues. Syndicate members conduct due diligence on the borrower and a lead underwriter, often a loan originating desk of an investment bank, will then allocate a share of the loan to each participant in the syndicate. This allocation may depend on many factors including demand for the particular loan issue and the amount a syndicate member wishes to acquire. The Company will therefore act as a syndicate member in the primary market.

The secondary market refers to the market in which financial institutions and asset managers, such as the Investment Managers, buy and sell loans that have been syndicated and allocated in the primary market. Loans can be bought or sold on the secondary loan market at any time between initial allocation and the loan reaching maturity by a negotiated agreement between market participants. Dealers, such as the trading desks of investment banks, typically bid and offer (buy and sell) loans in US\$1 million to US\$5 million lots with a bid/offer spread of 25 to 50 basis points depending on a range of factors such as the market's perceived creditworthiness of the borrower and the trading liquidity of an issuer. It is the Investment Managers' experience that larger loan issues of in excess of US\$500 million tend to trade in larger lots and often have tighter bid/offer spreads. Dealers communicate the loan pricing to the Investment Managers by email on a daily basis. If the Investment Managers are interested in a particular loan, prices will be sought from a number of dealers to ensure that a suitable price is chosen.

## Sub-participation arrangements

The Investment Managers expect that the Company will generally gain exposure to loans by way of assignment and become a 'lender of record'. The Company may also from time to time, however, enter into sub-participation agreements in which a party, such as a loan trading desk at a financial institution, holds the loan as the lender of record and retains the voting rights in respect of the loan; in such circumstances, the Company will only have the economic benefit of the loan and will have no rights to enforce the terms of the credit agreement or vote at any meeting of creditors. As at the date of this Prospectus, the Investment Managers anticipate that such sub-participations will comprise a minority of the Company's investments and in any event will be capped at a maximum of 5 per cent. of NAV at the time of investment. It is expected that any sub-participation agreements will be entered into with various counterparties to diversify risk.

## The Investment Team

The Investment Managers' team comprises 3 portfolio managers with extensive experience in the bank loans sector supported by a research team of over 20 credit analysts. The research team is organised into speciality sectors that analyse both bank loans and high yield bonds. The investment team also includes 4 traders that specifically trade non-investment grade debt. As this investment team already manages over US\$5 billion in bank loan assets, the Investment Managers believe that they have a large enough presence in the bank loan market to gain access to new bank loan issues but without being so large they have to 'buy the market' and participate in all new issues. This positioning in the loans market means that the



Investment Managers are well placed to be selective and opportunistic in their investment approach while retaining access to those deals they wish to acquire for the strategy. The credit research analysts have an average of 10 years' industry experience each.

## Portfolio managers

**Joseph Lynch**, Managing Director, Neuberger Berman Fixed Income LLC. Mr. Lynch is based in Chicago. His responsibilities include the management of separate accounts, mutual funds and collateralised loan obligations for NB's senior loans strategy. He is also a member of the Investment Managers' credit committee (the "**Credit Committee**") (see the section entitled 'Investment Process' in this Part IV below for more information). Mr. Lynch was a founding partner of LightPoint Capital Management LLC ("**LightPoint**") in 2002, which was acquired by the NB Group in 2007. Prior to founding LightPoint, he was employed at ABN AMRO, where he was responsible for structuring highly leveraged transactions. Mr. Lynch earned a BS from the University of Illinois and an MBA from DePaul University.

**Stephen Casey**, CFA, Managing Director, Neuberger Berman Fixed Income LLC. Mr. Casey is based in Chicago and is responsible for portfolio management of separate accounts, mutual funds and collateralised loan obligations for NB's senior loans strategy. He is also responsible for loan capital market relationships and sits on the Credit Committee. Mr. Casey was a founding partner of LightPoint, which was acquired by the NB Group in 2007. Prior to joining LightPoint, he was employed at ABN AMRO where he was responsible for structuring highly leveraged transactions. Mr. Casey received a BS from Indiana University and an MS from the Illinois Institute of Technology. Mr. Casey is a Chartered Financial Analyst.

**Martin Rotheram**, Senior Vice President, Neuberger Berman Europe Limited. Mr. Rotheram joined the LightPoint loans team in 2006 and is based in London. He focuses on European credit research and sits on the Credit Committee. Prior to joining the NB loans team (and its predecessor), he was a director of acquisition finance at CIC, a manager of corporate finance at Sumitomo Trust & Banking and held various positions at Arbuthnot Latham Private Bank and National Westminster Bank. Mr. Rotheram is an associate of the Chartered Institute of Bankers and holds the Investment Management Certificate.

## Investment Process

The Investment Managers will employ both a bottom-up and top-down approach in their investment process by combining detailed security and industry analysis with a global economic outlook. The Investment Managers expect individual security selection, sector allocation and quality rotation to generate the most value for the Portfolio, with the majority deriving from security selection. Sector/quality allocation will be most important at times when the economy is in periods of change.

The key components of the investment process are as follows: (i) idea generation; (ii) screening; (iii) due diligence; (iv) portfolio construction; and (v) ongoing monitoring. Any investment for the Company that is contemplated by the Investment Managers will have to pass each of these stages.

### **(i) Idea Generation**

Ideas will be generated through one of two sources. Firstly, the Investment Managers' senior investment professionals have extensive relationships with U.S. and European originating and trading desks at banks and other financial institutions. These relationships will provide access to the primary market. Secondly, the analyst team in conjunction with the traders will identify investments through their proprietary research and industry relationships, as well as the analysts' existing coverage of issuers in the loans market.

### **(ii) Screening**

The screening component of the investment process is designed to favour larger companies in asset-heavy industries that have historically stable cash flows, strong liquidity, access to capital and proven management teams.

Issuers with less than US\$500 million (or Sterling or Euro equivalent) in institutional debt outstanding, defaulted securities and issuers with less than US\$100 million (or Sterling or Euro equivalent) in EBITDA will automatically be excluded from the investment process. The screening process is largely focused on the liquidity of an issuer as the ability to sell a loan in the secondary market is a primary

concern of the Investment Managers. Market capitalisation is not specifically screened for but it is expected that the issuers in which the Company will invest will typically have a market capitalisation in excess of US\$500 million (or Sterling or Euro equivalent).

When establishing the universe of eligible investments, the Investment Managers will also aim to eliminate asset-light companies, issuers in highly cyclical industries and companies with limited earnings visibility. Other factors may also result in an issuer being excluded at this stage, including, but not limited to, severely distressed and one-time issuers.

Following the initial screening process, the Investment Managers will sort the issuers that are still eligible by reference to their credit standing derived from third party credit ratings and credit statistics, for example leverage, interest cover and free cash flow as a percentage of debt and relative yield.

### **(iii) Due Diligence**

The research analysts will perform detailed fundamental analysis on each potential investment following the Investment Team's proprietary 'Credit Best Practices' principles. The checklist covers all credit aspects of the investment decision, including: (i) financials, with specific attention to revenue and cost drivers, predictability of cash flows, internal cash flow generation and the implications for interest and principal payments and capital expenditures; (ii) collateral valuation; (iii) deal structure and covenants; (iv) assessment of management; (v) sources of liquidity such as bank lines, cash in hand, access to capital markets, and asset sales; (vi) in-depth inspection of all filings to monitor any outstanding or proposed litigation and other commentary relevant to the investment decision; and (vii) thorough review of the credit documentation (including the credit agreement).

Once the analyst team has completed the due diligence steps, the investment's relative value will be assessed, with a focus on seeking opportunities that offer adequate compensation for risk. The Investment Managers' internal rating system is an integral component of the due diligence process and will be used to determine a rating for each security based on proprietary financial analysis. Investment decisions will also be influenced by the issue's yield compared to its industry sector and the relevant quality rating category assigned by third party credit rating agencies. The Investment Managers' rating is central to the yield comparisons conducted across quality and industry levels.

Investment ideas will then be reviewed by the senior professionals who constitute the Credit Committee. The Credit Committee is comprised of the portfolio managers for the Investment Managers' senior loans strategy, Joe Lynch, Stephen Casey, Martin Rotheram, the Chief Investment Officer of NB Non-Investment Grade team, Ann Benjamin, one of the High Yield strategy's portfolio managers, Tom O'Reilly, and the Director of Research, Vivek Bommi. All investment ideas must be presented for approval to the Credit Committee and must receive unanimous approval before being considered for inclusion in the portfolio. The Credit Committee will meet as required to consider and review any investment proposals.

### **(iv) Portfolio Construction**

Once an investment idea is approved by the Credit Committee, implementation becomes the responsibility of the portfolio construction team. The portfolio construction team, comprising the portfolio managers and dedicated traders, evaluates the various investment proposals that are available for implementation within the context of the Company's investment objective and investment guidelines. Relative value analysis will be used to determine ultimate portfolio construction, with individual issuer and industry weightings determined by the portfolio managers. Weightings given to investments will be decided only following a detailed assessment of the proposed issuer within a wider economic and market context.

It is intended that a highly diversified portfolio will be assembled, primarily comprising senior secured loans with selective use of other investments within the parameters of the Company's investment policy and by having regard to the following non-binding investment guidelines:

By Issuer:

Average exposure to any one issuer (at the time of investment): 1 per cent. of NAV

Maximum exposure per issuer (at the time of investment): 5 per cent. of NAV

By Industry:

Typically, no industry, at the time of investment, will represent more than 15 per cent. of NAV

Focus on defensive industries with opportunistic use of cyclical industries

By Quality

Average credit quality BB to B

Opportunistic use of CCC and BBB assets

Other Characteristics

Primarily North American / European Union corporate debt

No emerging market or sovereign debt

All buy and sell instructions are passed to the Investment Managers' bank loans team of four dedicated traders for prompt execution.

#### **(v) Ongoing Monitoring**

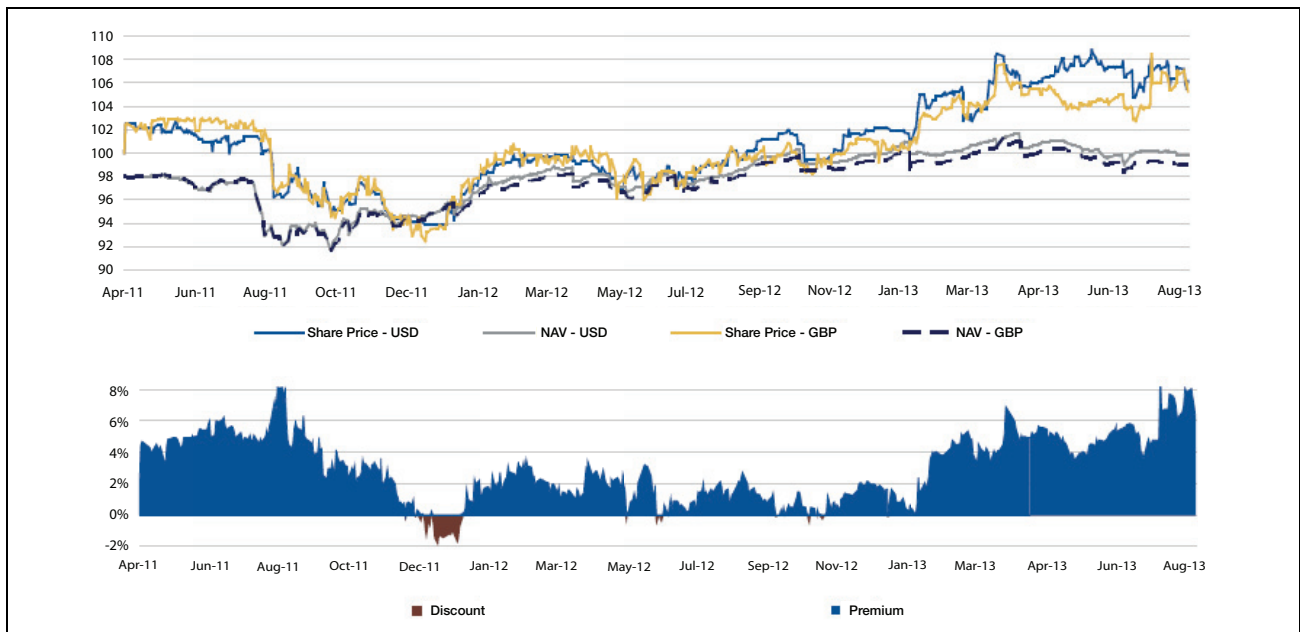
The key risk when investing in bank loans is that the borrower will default on its debt obligations. The extensive upfront credit analysis that will be undertaken prior to any investment decision will be supported by ongoing monitoring of the Portfolio by the Investment Managers. The Investment Managers will review a range of relevant data on an ongoing basis for each investment, including, but not limited to, key financial drivers, commodity prices, stock prices, regulatory developments, financial results, press releases and management commentary to identify any indicators of credit deterioration.

Based on the frequent monitoring of the Portfolio, the Investment Managers expect to sell investments for a number of reasons, including, but not limited to: (i) credit deterioration; (ii) a loan reaches full value and better opportunities are identified; or (iii) rotation into another industry/sector opportunity is considered appropriate for relative value reasons. The Investment Managers' view is that the most important consideration in a sell decision will be the determination by the Investment Managers that an issuer will not deliver on its promised debt service obligations. The analyst team's financial models for each issuer will be used as the yardstick for assessing changes in financial condition and any deterioration will be acted upon promptly and the investment sold by the dedicated team of traders.

# Track Record

Company<sup>4</sup>

Since incorporation, the share price has generally traded at a premium to Net Asset Value:



Source: BNP Paribas and Bloomberg. Data as at 31 August 2013. Past performance is not indicative of future returns

Additionally, the Company has shown strong performance compared to the S&P/LSTA Leverage Loan Index.

The NAV total return of the Company since the IPO and over other periods is detailed below:

NAV TOTAL RETURN	NB Global Floating Rate Income Fund (%) <sup>1</sup> (Net of Fees)	NB Global Floating Rate Income Fund (%) <sup>1</sup> (Gross of Fees)	S&P/LSTA Leverage Loan Index (%)	Value Added (%) (Gross of Fees)
3 Months	0.41	0.60	0.34	0.26
YTD	3.39	3.90	3.26	0.64
1 Year	6.32	7.05	5.89	1.16
2 Years (Annualised)	9.27	10.03	8.18	1.85
Since IPO (April 19, 2011) (Annualised)	5.32	6.08	4.81	1.27

<sup>1</sup> Data reflects total return: \$ NAV based returns including dividends. Periods under one year are not annualised.

Source: BNP Paribas and Bloomberg. Data as at 31 August 2013. Past performance is not indicative of future returns.

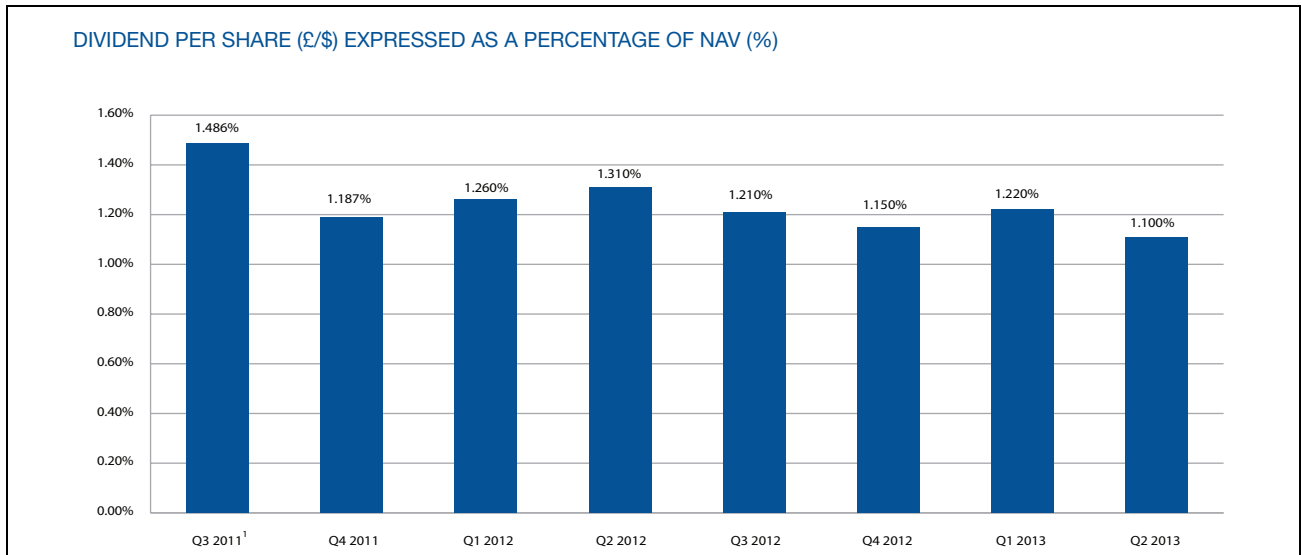
The share price total return since the IPO and in respect of the two C Share issues is detailed below:

SHARE PRICE TOTAL RETURN OF EACH FUNDRAISING <sup>2</sup>	Issue Date	Share Price Total Return (%)	Share Price Total Return (%) (Annualised)
Ordinary Shares	19/4/2011	17.50%	7.07%
C Shares 1	4/10/2011	19.33%	9.74%
C Shares 2	26/3/2013	4.64%	N/A

<sup>2</sup> Source: Bloomberg. Data as at 31 August 2013. Past performance is not indicative of future returns.

<sup>4</sup> This information is historical financial information in relation to the past performance of the Company. The past performance of the Company is not a guarantee or an indication of its future performance and the future performance of the Company may be materially different from its past performance.

The dividend track record of the Company since incorporation is as follows:



Source: BNP Paribas. Data as at 27 August 2013. Past performance is not indicative of future returns.

<sup>1</sup> The first dividend covered a 5 month period.

## Part V: Directors, Management and Administration

### Directors

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles and have overall responsibility for the Company's activities including the review of investment activity and performance and the overall control and supervision of the Investment Managers. The Directors may delegate certain functions to other parties such as the Investment Managers, the Administrator and the Registrar. In particular, the Directors have delegated responsibility for managing the assets comprised in the Portfolio to the Investment Managers who are not required to, and generally will not, submit individual investment decisions for the approval of the Board.

The Board comprises three directors, each of whom is independent of the Investment Managers. Details of each of the Directors are set out below.

The address of the Directors, all of whom are non-executive, is the registered office of the Company. The Directors of the Company are as follows:

### Directors' biographies

#### William Frewen (Chairman)

William Frewen is a resident of the United Kingdom and has extensive experience in the fixed income sector. Mr. Frewen worked in a number of roles at Chemical Bank, Credit Suisse First Boston Limited and HSBC Bank plc from 1984 to 1998 before becoming head of Fixed Income Trading and deputy head of Capital Markets at Nomura International plc from 1998 to 2001. He served as the non-executive Chairman of Playgolf Holdings plc from 2004 to 2007, a company that was admitted to AIM in 2004 under his chairmanship. Mr. Frewen also acted as a consultant to Man Group plc from 2005 to 2006 before becoming an executive member of the board and head of Fixed Income at Threadneedle Asset Management from 2007 to 2010.

#### Richard Battey

Richard Battey is a resident of Guernsey and is a non-executive director and Chairman of the Audit Committee of Acencia Debt Strategies Limited, Better Capital PCC Limited, Juridica Investments Limited, Princess Private Equity Holding Limited and Prospect Japan Fund Limited. He is a non-executive director of Pershing Square Holdings Limited. Mr Battey is a Fellow of the Institute of Chartered Accountants in England and Wales having qualified with Baker Sutton & Co. in London in 1977. Mr Battey has been a non-executive director of a number of investment companies and funds since leaving CanArgo Energy Corporation in 2006 where he was Chief Financial Officer. Prior to that role, he spent 27 years with the Schroder Group. Mr Battey was a director of Schroders (C.I.) Limited in Guernsey from April 1994 to December 2004 where he served as Finance Director and Chief Operating Officer. Mr Battey was a director of a number of the Schroder Group's Guernsey companies covering banking, investment management, trusts, insurance and private equity administration, retiring from his last Schroder directorship in December 2008.

#### Sandra Platts

Sandra Platts is a resident of Guernsey and is a non-executive director of Investec Bank (C.I.) Ltd and Starwood European Finance Partners Ltd. Ms Platts was Managing Director of Kleinwort Benson in Guernsey and Chief Operating Officer for Kleinwort Benson Private Banking Group (UK and Channel Islands). Ms Platts also held directorships of the Kleinwort Benson Trust Company and Operating Boards, retiring from Kleinwort Benson boards in 2010. Ms Platts holds a Masters in Business Administration and The Certificate in Company Direction from the Institute of Directors.

# Administrator, Secretary and Custodian

BNP Paribas Securities Services S.C.A., Guernsey Branch has been appointed as Administrator, Secretary, Custodian and Designated Manager of the Company pursuant to the Administration and Custody Agreement (further details of which are set out in paragraph 7.3 of Part IX of this Prospectus). In such capacity, the Administrator will be responsible for the day to day administration of the Company (including but not limited to the calculation and publication of the estimated daily NAV), general secretarial functions required by the Companies Law (including but not limited to the maintenance of the Company's accounting and statutory records) and certain safekeeping and custody services.

In acting as custodian of the Company's investments the Administrator shall provide for the safe keeping of contracts or other documents of title to the loans and may take custody of cash and other assets. The Company has consented to and the Administrator is permitted and may delegate the safekeeping function to BNP Paribas Securities Services London Branch or such other associate company of the Administrator. Documents will be registered in the name of the Company and Assets will be held in a custody account and registered in the name of the Administrator or its delegate or a nominee as required under the Licensees (Conduct of Business Rules) 2009.

Investors should note that it is not possible for the Administrator to provide any investment advice to investors.

## Fees and expenses

### Expenses related to the Issue

The Company will bear expenses related to the Issue up to a maximum of 1.75 per cent. of the Gross Issue Proceeds. Such expenses shall be borne out of the proceeds of the Issue and in this manner will be charged to the holders of C Shares.

These expenses will be paid on or around Admission and will include, without limitation, placing fees and commissions; registration, listing and admission fees; the cost of settlement and escrow arrangements; printing, advertising and distribution costs; legal fees, and any other applicable expenses.

On the assumptions that the Company achieves its target issue in excess of £200,000,000 and that the initial expenses of the Issue borne by the Company are equal to 1.75 per cent. of the Gross Issue Proceeds, the Net Issue Proceeds will be £196,500,000 (in other words, 98.25 per cent. of the Gross Issue Proceeds). To the extent such expenses exceed an amount equal to 1.75 per cent. of the Gross Issue Proceeds, the Investment Manager will bear the excess.

The Company incurred expenses of £452,864 in connection with the Tap Issue.

## Ongoing Annual Expenses

### Management Fee

The Investment Manager is entitled to a management fee which shall be calculated and accrue daily at a rate equivalent to the following schedule (expressed as a per cent of NAV per annum):

- 0.75 per cent. for assets lower than or equal to £1,000,000,000;
- 0.70 per cent. for assets greater than £1,000,000,000 and lower than or equal to £2,000,000,000; and
- 0.65 per cent. for assets greater than £2,000,000,000.

The management fee is payable quarterly in arrears. No performance fee is payable by the Company to the Investment Manager.

The Investment Manager may at its discretion enter into arrangements with certain investors pursuant to which it will rebate to such investors a proportion of its management fee received from the Company.

## Other fees and expenses

The Company also incurs ongoing annual fees and expenses which, based on the Company having a Net Asset Value of US\$1,218,620,853, are currently estimated to be up to a maximum of 0.30 per cent. of Net Asset Value per year. Following Admission, it is expected that the Company's total expense ratio will be lower because the Company's fixed costs will be spread over a wider shareholder base.

These expenses will include the following:

### **(i) Administration and Custody**

Under the terms of the Administration and Custody Agreement, the Administrator is entitled to various fees, including an accounting fee, annual company secretarial fee loan administration fee and settlement and custody fees. It is currently expected that these fees will not exceed 0.20 per cent. of Net Asset Value in any year.

### **(ii) Registrar**

The Registrar is entitled to an annual fee from the Company equal to £2 per shareholder per annum or part thereof; with a minimum of £9,000 per annum per class of Shares. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as published from time to time.

### **(iii) Directors**

The Directors are remunerated for their services at a fee of £25,000 per annum (£35,000 for the Chairman). In addition, the chairman of the Audit Committee receives an additional £5,000 for his services in this role. Further information in relation to the remuneration of the Directors is set out in Part IX of this Prospectus.

### **(iv) Other operational expenses**

All other ongoing operational expenses (in addition to the fees paid to service providers as detailed above) of the Company are borne by the Company including, without limitation, the incidental costs of making its investments and the implementation of its investment objective and policy; corporate broking fees; travel, accommodation and printing costs; the cost of directors' and officers' liability insurance and website maintenance; audit and legal fees; and annual Main Market fees. All out of pocket expenses that are reasonably and properly incurred, of the Investment Manager, the Administrator, the Registrar, the CREST agent and the Directors relating to the Company are borne by the Company.

## Taxation

Information concerning the tax status of the Company and the tax treatment of Shareholders is contained in paragraph 5 of Part IX of this Prospectus. A potential investor should seek advice from his or her own independent professional adviser as to the taxation consequences of acquiring, holding or disposing of Shares.

## Meetings and reports to Shareholders

All general meetings of the Company shall be held in Guernsey and no more than 15 months shall elapse between one annual general meeting and the next. The most recent annual general meeting was held in June 2013.

The Company's audited annual report and accounts are prepared to 31 December each year, and copies are sent to Shareholders in April each year, or earlier if possible. Shareholders also receive an unaudited interim report each year in respect of the six month period to 30 June in such year, despatched in August each year, or earlier if possible. The Company's audited annual report and accounts is made available on the Company's website, [www.nbgfrif.com](http://www.nbgfrif.com).

The Company's accounts are drawn up in U.S. Dollars and in compliance with U.S. GAAP.



# Conflicts of interest

## Directors

In relation to transactions in which a Director is interested, the Articles provide that as long as the Board authorises the transaction in good faith after the nature and monetary value or, if such value is not quantifiable, the extent of the Director's interest has been disclosed or the transaction is fair to the Company at the time it is approved, a Director shall not be disqualified by his office from entering into a contract or arrangement with the Company, and no such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company with any person, firm or company of or in which any Director shall be in any way interested, shall be avoided. A Director may not, however, vote in respect of any such contract or arrangement, although the Director shall be counted in the quorum. For further details see paragraph 6.14 of Part IX of this Prospectus.

The Directors are also required by the Registered Collective Investment Scheme Rules 2008 to take all reasonable steps to ensure that there is no breach of any of the conflict of interest requirements in those Rules.

## Investment Managers

The Company, and an investment in the Company and the Issue Shares, are subject to a number of actual and potential conflicts of interest involving NB Affiliates and, in particular, the Investment Managers. The Investment Managers' policy relating to conflicts of interest, as set out below, describes the arrangements in place within the Investment Managers to ensure the fair management of conflicts of interest. In addition, potential investors should read carefully the Risk Factors set out on pages 18 to 33 of this Prospectus and, in particular, the risks set out under the section headed "Risks relating to the Investment Managers" on page 26 of this Prospectus.

The Investment Managers manage Other Accounts (and may in the future manage further Other Accounts) whose investment objectives and/or philosophies are the same as, overlap with, or are complementary to, the investment strategies and/or philosophies pursued by the Company, and both the Company and such Other Accounts will be eligible to participate in the same investment opportunities. Additionally, investment opportunities may become closed or limited with respect to new investments due to size constraints or other considerations. Moreover, the Company and/or such Other Accounts may not be eligible or appropriate investors in all potential investment opportunities. As a result of these and other factors, the Company may be precluded from making a specific investment.

It is the policy of the Investment Managers to allocate investment opportunities fairly and equitably among the Company and Other Accounts, where applicable, to the extent possible over a period of time. The Investment Managers, however, will have no obligation to purchase, sell or exchange any investment for the Company which the Investment Managers may purchase, sell or exchange for one or more Other Accounts if the Investment Managers believe in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for the Company.

As a general policy, investment opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate pro-rata based on the relative capital size of the accounts. In addition, the Investment Managers may also take into consideration other factors such as the investment programme of the accounts, tax consequences, legal or regulatory restrictions, including those that may arise in various different international jurisdictions, the relative historical participation of an account in the investment, the difficulty of liquidating an investment for more than one account, new accounts with a substantial amount of investable cash and such other factors considered relevant by the Investment Managers. Such considerations may result in allocations among the Company and one or more Other Accounts on other than a *pari passu* basis (which may result in different performances among them).

Investment allocation decisions will be made by the Investment Managers, taking into consideration the respective investment guidelines, investment objectives, existing investments, liquidity, contractual commitments or regulatory obligations and other considerations applicable to the Company and Other Accounts. However, there are likely to be circumstances where the Company is unable to participate, in whole or in part, in certain investments to the extent it would participate absent allocation of an investment opportunity among the Company and Other Accounts and the Investment Managers will notify the Board in such circumstances. In addition, it is likely that the Company's Portfolio and those of Other Accounts will have differences in the specific investments held in their portfolios even when their investment objectives

are the same or similar. These distinctions will result in differences in portfolio performance between the Company and Other Accounts.

The Investment Managers (or other NB Affiliates) may manage the assets of Other Accounts that provide the Investment Managers (or other NB Affiliates) with discretion to allocate such assets among various investment strategies through separate accounts or other pooled investment vehicles managed by the Investment Managers, including the Company. In these instances, the Investment Managers (or other NB Affiliates) will, from time to time, exercise their full discretion to determine investment strategies to which such assets should be allocated and the amount of each such allocation, subject to any applicable investment guidelines. In addition to making an initial allocation among strategies, the Investment Managers (or other NB Affiliates) are typically vested with discretion to rebalance, adjust or make different allocations for such assets, from time to time, solely in their discretion, as market conditions or the requirements of the Other Accounts dictate. Therefore, the investments of such Other Accounts that invest in the Company, if applicable, generally will be directed by the Investment Managers (or other NB Affiliates), and the Investment Managers (or other NB Affiliates) could either buy or sell Shares in the secondary market or, subject to applicable law, participate in any redemption or buyback of Shares implemented by the Company. The Investment Managers have no duty or responsibility to inform or advise any other Shareholder in the Company to undertake the same or similar action with respect to their own investments. Each investor in the Company is responsible for making its own decision as to selling or buying Shares or, subject to applicable law, participating in any redemption or buyback of Shares implemented by the Company.

## Takeover Code

The Takeover Code applies to the Company.

## Corporate governance

The Company is committed to complying with the corporate governance obligations which apply to Guernsey registered companies admitted to listing on the Official List of the UKLA and to trading on the Main Market of the London Stock Exchange.

## UK Corporate Governance Code

The Listing Rules require that the Company must “comply or explain” against the UK Corporate Governance Code. In addition, the DTRs require the Company to (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Company reports against the UK Corporate Governance Code and the Board has taken appropriate measures to ensure that the Company complies with the UK Corporate Governance Code, given the Company’s size and nature of business.

## AIC Code

The Company has voluntarily agreed to comply with the AIC Code of Corporate Governance (the “**AIC Code**”) produced by the Association of Investment Companies (“**AIC**”). The Company is a member of the AIC and is classified as a Specialist Debt Company by the AIC. Subject to “*Statement of compliance*” below, the Company currently complies with the AIC Code.

## Guernsey Code

On 1 January 2012, the GFSC’s “Finance Sector Code of Corporate Governance” (the “**Code**”) came into effect, which applies to all companies that hold a licence from the GFSC under the regulatory laws or which are registered or authorised as collective investment schemes. The GFSC has stated in the Code that companies which report against the UK Corporate Governance Code or the AIC Code are deemed to meet the requirements of Code.

## Statement of compliance

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to: (i) the role of the chief executive; (ii) executive directors' remuneration; and (iii) internal audit function.

The Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company with no employees.

## Directors' Share dealings

The Directors have adopted a code of directors' dealings in Shares, which is based on the Model Code for directors' dealings contained in the Listing Rules (the "**Model Code**"). The Board is responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

## Audit committee

The Company's Audit Committee meets formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the auditor and to review the annual accounts, interim reports and interim management statements. Where non-audit services are provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement are considered before proceeding. Mr Battey acts as chairman of the Audit Committee. The principal duties of the Audit Committee are to consider the appointment of external auditors, to discuss and agree with the external auditors the nature and scope of the audit, to keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditor, to review the external auditors' letter of engagement and management letter and to analyse the key procedures adopted by the Company's service providers.

## Remuneration and Nomination Committee

The Company has a Remuneration and Nomination Committee, which comprises all the Directors. Ms Platts acts as chairman of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee meets not less than once a year and has responsibility for considering the remuneration of the Directors. It also: (i) identifies individuals qualified to become Board members and selects the director nominees for election at general meetings of the Shareholders or for appointment to fill vacancies; (ii) determines director nominees for each committee of the Board; and (iii) considers the appropriate composition of the Board and its committees. In addition, the chairmanship of the Audit Committee, Remuneration and Nominations Committee and Management Engagement Committee and each Director's performance are reviewed annually by the Chairman and the performance of the Chairman is assessed by the remaining Directors.

## Management Engagement Committee

The Company has a Management Engagement Committee which comprises all the Directors, with Ms Platts as the chairman of the committee. The Management Engagement Committee meets not less than once a year. The Management Engagement Committee's main function is to review and make recommendations on any proposed amendment to the Investment Management Agreement and keep under review the performance of the Investment Managers in their role as investment managers to the Company.

## Part VI: C Shares

The Company first issued C Shares pursuant to the 2011 Secondary Issue in September 2011, which were fully converted into Ordinary Shares in January 2012. The Company issued further C Shares pursuant to the 2013 Secondary Issue in March 2013, which were fully converted into Ordinary Shares in July 2013.

The Directors now wish to issue further C Shares pursuant to the Issue (see Part I of this Prospectus for further information on the Background and Rationale for the Issue).

The issue of C Shares is designed to overcome the potential disadvantages for both existing and new investors, which could arise out of a conventional fixed price issue of further Ordinary Shares of an existing issued class for cash. In particular:

- the assets representing the Net Issue Proceeds will be accounted for as a separate pool of assets until the Calculation Time. By accounting for the Net Issue Proceeds arising from the issue of the C Shares separately, holders of existing Ordinary Shares will not be exposed to a portfolio containing a substantial amount of uninvested cash before the Calculation Time;
- the Net Asset Value of the existing Ordinary Shares will not be diluted by the expenses associated with the Issue which will be borne by the subscribers for C Shares and not by existing holders of Ordinary Shares; and
- the basis upon which the C Shares will convert into Ordinary Shares is such that the number of Ordinary Shares to which holders of C Shares will become entitled will reflect the relative investment performance and value of the pool of new capital attributable to the C Shares raised pursuant to the Issue up to the Calculation Time as compared to the assets attributable to the existing Ordinary Shares at that time and, as a result, neither the Net Asset Value attributable to the Ordinary Shares nor the Net Asset Value attributable to the C Shares will be adversely affected by Conversion.

Pending full investment, the assets attributable to the C Shares arising from the issue of the C Shares will be held in either (i) cash or cash equivalents, money market instruments or funds, bonds, commercial paper or other debt obligations with banks or other counterparties having an AA or higher credit rating as determined by any reputable rating agency selected by the Investment Managers, or (ii) any UK government and public securities as defined for the purposes of the FCA rules.

Sterling C Shares will be issued pursuant to the Issue.

The Ordinary Shares arising on conversion of the C Shares will rank *pari passu* with the Ordinary Shares then in issue for dividends and other distributions declared, made or paid by reference to a record date falling after the relevant Calculation Time. Fractions of Ordinary Shares arising on Conversion will not be allocated to holders of C Shares but, as the Directors shall determine, shall be cancelled or aggregated and sold for the benefit of the Company. Further details concerning Conversion together with a worked example are set out below. Holders of C Shares will be entitled to participate in a winding-up of the Company or on a return of capital as specified in paragraph 5 of this Part VI.

The Directors intend to convene an extraordinary general meeting in advance of Admission to approve certain matters in connection with the Issue (see Part I of this Prospectus for further information on the extraordinary general meeting).

It should be noted that the Issue is not being made on a pre-emptive basis and existing Shareholders may participate in the Issue on the same terms as any other third party investor. Therefore, Shareholders who choose not to participate in the Issue for an amount at least pro-rata to their holding will have their percentage holding diluted following conversion of C Shares to Ordinary Shares.

## Specified Conversion Criteria

Pursuant to the Articles, the Directors have determined that the following conversion criteria shall apply to the Issue:

<b>“Back Stop Date”</b>	the date falling 6 months after the date of Admission of the C Shares
<b>“Early Investment Condition”</b>	the Investment Managers giving notice to the Directors, and the Directors agreeing, that at least 90 per cent. of the assets attributable to the C Shares has been invested or committed to be invested in accordance with the Company’s investment policy

At the Calculation Time, the net assets attributable to the Ordinary Shares then in issue, the net assets attributable to the C Shares, and hence the Conversion Ratio, will be calculated. It is currently expected that:

- (i) the Calculation Time will take place shortly after the next quarterly dividend payment date falling after the Early Investment Condition has been satisfied; and
- (ii) the Conversion Time will occur shortly after such quarterly dividend payment date and in any event within 20 Business Days of the Calculation Time.

It is expected that holders of Issue Shares will receive such number of Sterling Shares as results from applying the Conversion Ratio to their holding of the Issue Shares at the Conversion Time (save in circumstances where there is a C Share Compulsory Conversion).

The conversion process is more fully described, and the definitions of the terms “Calculation Time”, “Conversion Ratio” and “Conversion Time” are set out, in paragraph 1 of this Part VI.

## Example of Conversion

The following example is provided for the purpose of illustrating the basis on which the number of new Ordinary Shares arising on Conversion will be calculated. The example is not, and is not intended to be, a profit forecast nor a forecast of the number of Ordinary Shares which will arise on Conversion.

The example below illustrates the number of Sterling Shares which would arise in respect of the conversion of 1,000 Sterling C Shares at the Conversion Time, using assumed Net Asset Values attributable to the Sterling C Shares and existing Sterling Shares at the Calculation Time. The assumed Net Asset Value attributable to an existing Sterling Share is the unaudited estimated Net Asset Value per Sterling Share at the close of business on 24 September 2013, being £0.9962 per Sterling Share. The assumed Net Asset Value attributable to each Sterling C Share is based on the following assumptions: (i) there are no returns on the Net Issue Proceeds in the period to the Calculation Time; (ii) 1,000 Sterling C Shares are issued; and (iii) the expenses of such issue are £0.0175.

	<b>Example</b>
Number of Sterling C Shares	1,000
Amount subscribed	£1,000
NAV attributable to a Sterling C Share at the Calculation Time	£0.9825
NAV attributable to an existing Sterling Share at the Calculation Time	0.9962
Conversion Ratio	0.9862
<b>Number of Sterling Shares arising on Conversion for a holder of 1,000 Sterling C Shares</b>	<b>986</b>

Other than the criteria set out in the section “Specified Conversion Criteria” above, the rights and restrictions attaching to the C Shares are set out in the Articles. The relevant provisions are set out below:

## 1. Definitions

The following definitions apply (for the purposes of this Part VI only) in addition to, or (where applicable) in substitution for, the definitions elsewhere in this Prospectus:

- “**Back Stop Date**” such date as determined by the Directors and set out in the Specified Conversion Criteria;
- “**C Share**” a redeemable ordinary share of no par value in the capital of the Company issued and designated as a C Share of such class, and convertible into such Correspondent Shares, as may be determined by the Directors at the time of issue;
- “**C Share Compulsory Conversion**” in relation to any class of C Shares, conversion of that class of C Shares in accordance with the Articles;
- “**C Share Surplus**” in relation to any class of C Shares, the net assets of the Company attributable to the C Shares of that class as recorded in the Class Account for that class;
- “**Calculation Time**” the earliest of:
- (a) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances have arisen or the Directors resolve that they are in contemplation;
  - (b) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of the Conversion of that class of C Shares;
  - (c) the close of business on the Back Stop Date for the relevant class of C Shares; and
  - (d) the close of business on such date as the Directors may determine, in the event that the Directors, in their discretion, resolve that any Early Investment Condition for the relevant class of C Shares has been satisfied or that the Specified Proportion of the assets attributable to the relevant class of C Shares has been invested in accordance with the Company’s investment policy, and that the relevant class of C Shares shall be converted;
- “**Class Account**” a separate class account (in such currency as the Directors may determine) in the books of the Company for each class of Shares;
- “**Compulsory Class Conversion**” in relation to a class of Ordinary Shares, where following:
- (a) the aggregate Net Asset Value of the Ordinary Shares of any class as at any NAV Calculation Date falling below US\$30 million (or the equivalent in the currency in which Ordinary Shares of such class are denominated); or
  - (b) the number of Ordinary Shares of any class in public hands (as such phrase is used in Listing Rule 6.1.19(4)R (as may be amended, replaced or supplemented from time to time)) falling below 25 per cent. of the total number of issued Ordinary Shares of that class,
- the Directors compulsorily convert the Ordinary Shares of such class into Ordinary Shares of the class then in issue with the greatest aggregate Net Asset Value in U.S. Dollar terms as at the corresponding NAV Calculation Date;
- “**Conversion**” in relation to any class of C Shares, conversion of that class of C Shares in accordance with the Articles;

<b>“Conversion Ratio”</b>	<p>in relation to each class of C Shares, A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:</p> $A = \frac{C - D}{E}$ <p>and</p> $B = \frac{F - G}{H}$ <p>and where:</p> <p>“C” is the aggregate value of all assets and investments of the Company attributable to the relevant class of C Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;</p> <p>“D” is the amount which (to the extent not otherwise deducted in the calculation of C) in the Directors’ opinion fairly reflects as at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the C Shares of the relevant class (as determined by the Directors);</p> <p>“E” is the number of the C Shares of the relevant class in issue as at the relevant Calculation Time;</p> <p>“F” is the aggregate value of all assets and investments attributable to the relevant class of Correspondent Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;</p> <p>“G” is the amount which, (to the extent not otherwise deducted in the calculation of F) in the Directors’ opinion, fairly reflects as at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the relevant Correspondent Shares (as determined by the Directors); and</p> <p>“H” is the number of Correspondent Shares of the relevant class in issue as at the relevant Calculation Time;</p> <p>provided always that:</p> <ol style="list-style-type: none"> <li>(a) the Directors shall be entitled to make such adjustments to the value or amount of A and/or B as they believe to be appropriate having regard to, among other things, the assets of the Company immediately prior to the Issue Date or the Calculation Time or to the reasons for the issue of the C Shares of the relevant class;</li> <li>(b) in relation to any class of C Shares, the Directors may, as part of the terms of issue of such class, amend the definition of Conversion Ratio in relation to that class;</li> </ol>
<b>“Conversion Time”</b>	a time following the Calculation Time, being the opening of business in London on such Business Day as may be selected by the Directors and falling not more than 20 Business Days after the Calculation Time or (in the case of Force Majeure Circumstances having arisen or the Directors having resolved that they are in contemplation) such earlier date as the Directors may determine;
<b>“Correspondent Shares”</b>	the Ordinary Shares of the relevant class into which C Shares of a particular class are to be converted as determined by the Directors at the time of issue of the relevant class of C Shares, subject as may subsequently be amended by the Directors to reflect any change in the currency classes of the Company’s shares;
<b>“Correspondent Share Surplus”</b>	the net assets of the Company attributable to the Correspondent Shares (as determined by the Directors) at the date of winding up or other return of capital;
<b>“Early Investment Condition”</b>	any such condition specified in the Specified Conversion Criteria;

<b>“Force Majeure Circumstances”</b>	<p>in relation to any class of C Shares:</p> <ul style="list-style-type: none"> <li>(a) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable;</li> <li>(b) the issue of any proceedings challenging or seeking to challenge the power of the Company and/or its Directors to issue the C Shares of that class with the rights proposed to be attached to them or to the persons to whom they are, and/or the terms on which they are, proposed to be issued;</li> <li>(c) the convening of any general meeting of the Company at which a resolution is to be proposed to wind up the Company; or</li> <li>(d) the occurrence of a Compulsory Class Conversion in respect of the relevant Correspondent Shares;</li> </ul>
<b>“Issue Date”</b>	<p>in relation to any class of C Shares, the date on which the admission of that class of C Shares to trading on the London Stock Exchange’s main market for listed securities becomes effective or, if later, the day on which the Company receives the net proceeds of the issue of the relevant class of C Shares.</p>

## 2. Issue of C Shares

Subject to the Articles and the Companies Law, the Directors have power to issue an unlimited number of shares of C shares of no par value each. The Directors are authorised to issue C Shares of such classes (and denominated in such currencies) as they may determine in accordance with the provisions of the Articles and with C Shares of each such class being convertible into Ordinary Shares of such class as the Directors may determine at the time of issue of such C Shares (such class of Ordinary Shares being the Correspondent Shares).

The Directors shall, on the issue of each class of C Shares, determine the latest Calculation Time and Conversion Time for such class, and the amendments, if any, to the definition of Conversion Ratio attributable to such class. The Directors may, in their absolute discretion change the Correspondent Shares for any class of C Shares to reflect any change in the currency classes of the Ordinary Shares by notice to the holders of such class of C Shares.

## 3. Dividends

Notwithstanding any other provision of the Articles, the holders of any class of C Shares will be entitled to receive such dividends as the Directors may resolve to pay to such holders out of the assets attributable to such class of C Shares (as determined by the Directors).

No dividend or other distribution shall be made or paid by the Company on any of its shares between the Calculation Time and the Conversion Time (both dates inclusive) and no dividend shall be declared with a record date falling between the Calculation Time and the Conversion Time (both dates inclusive).

The Directors intend as at the date of the Prospectus to declare and pay a dividend on the C Shares in January 2014.

## 4. Ranking of the C Shares upon Conversion

The new Correspondent Shares arising upon Conversion shall rank *pari passu* with all other Correspondent Shares of the same class for dividends and other distributions declared, made or paid by reference to a record date falling after the relevant Calculation Time.

## 5. Rights as to capital

The capital and assets of the Company shall on a winding up or on a return of capital (other than by way of the repurchase or redemption of Shares by the Company) prior, in each case, to Conversion shall be applied as follows:



- (a) the Correspondent Share Surplus shall be divided amongst the holders of relevant Correspondent Shares *pro rata* to their holdings of Correspondent Shares as if the Correspondent Share Surplus comprised the assets of the Company available for distribution; and
- (b) the C Share Surplus attributable to each class of C Shares shall be divided amongst the Shareholders of such class *pro rata* according to their holdings of C Shares of that class.

## 6. Voting and transfer

Except as otherwise provided in the Articles (see paragraph 8 of this Part VI of the Prospectus below), the C Shares shall not carry any right to attend or vote at any general meeting of the Company.

The C Shares shall be transferable in the same manner as the Correspondent Shares and are subject to restrictions on transfer. A summary of the transfer provisions may be found at paragraph 6.8 of Part IX of this Prospectus.

## 7. Redemption

The C Shares are issued on the terms that each class of C Shares shall be redeemable by the Company in accordance with the terms in this paragraph 7 of this Part VI of this Prospectus.

At any time prior to Conversion, the Company may, at its discretion, redeem all or any of the C Shares of a particular class then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may determine (subject to the facility and procedures of CREST) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holder(s) of the relevant class of C Shares.

## 8. Class consents and variation rights

Without prejudice to the generality of the Articles, until Conversion the consent of the holders of C Shares as a class (irrespective of whichever class of C Shares they may hold) shall be required in accordance with the Articles for, and accordingly the special rights attached to any class of C Shares shall be deemed to be varied, *inter alia*, by:

- (a) any alteration to the memorandum of incorporation of the Company or the Articles; or
- (b) the passing of any resolution to wind up the Company.

## 9. Class accounts

Until Conversion and without prejudice to its obligations under the Companies Law, the Company shall in relation to each class of C Shares establish a separate Class Account for that class in accordance with the Articles and, subject thereto:

- (a) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the relevant class of C Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to each class of C Shares;
- (b) allocate to the assets attributable to each class of C Shares such proportion of the income, expenses or liabilities of the Company incurred or accrued between the Issue Date and the Calculation Time (both dates inclusive) as the Directors fairly consider to be attributable to such class of C Shares; and
- (c) give appropriate instructions to the Administrator and/or the Investment Managers to manage the Company's assets so that such undertakings can be complied with by the Company.

## 10. Conversion

Each class of C Shares shall be converted into new Correspondent Shares at the Conversion Time in accordance with the provisions of this paragraph 10 of this Part VI of this Prospectus.

The Directors shall procure that within twenty Business Days after the Calculation Time:

- (a) the Administrator or, failing which, an independent accountant selected for the purpose by the Board, shall be requested to calculate the Conversion Ratio as at the Calculation Time and the number of new Correspondent Shares to which each holder of C Shares of the relevant class shall be entitled on Conversion; and
- (b) the Company's auditor may, if the Directors consider it appropriate, be requested to certify whether such calculations have been performed in accordance with these Articles and are arithmetically accurate;
- (c) whereupon, subject to the proviso in the definition of "**Conversion Ratio**", such calculations shall become final and binding on the Company and all Shareholders. If the auditor is unable to confirm the calculations of the Administrator or independent accountant, as described above, the Conversion shall not proceed.

The Directors shall procure that, as soon as practicable, and following such certification (if any), an announcement is made advising holders of C Shares of that class of the Conversion Time, the Conversion Ratio and the aggregate numbers of new Correspondent Shares to which holders of C Shares of that class are entitled on Conversion.

Conversion of each class of C Shares shall take place at the Conversion Time designated by the Directors for that class of C Shares. On Conversion the issued C Shares of the relevant class shall automatically convert (by redesignation or otherwise as appropriate) into such number of new Correspondent Shares as equals the aggregate number of C Shares of the relevant class in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole Correspondent Share).

The new Correspondent Shares of the relevant class arising upon Conversion shall be divided amongst the former holders of the relevant class of C Shares *pro rata* according to their respective former holdings of the relevant class of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to the new Correspondent Shares, including, without prejudice to the generality of the foregoing, selling or redeeming any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of C Shares of the relevant class to do any other act or thing as may be required to give effect to the same including, in the case of a share in certificated form, to execute any stock transfer form and, in the case of a share in uncertificated form, to give directions to or on behalf of the former holder of C Shares of the relevant class who shall be bound by them.

Forthwith upon Conversion, any certificates relating to C Shares of the relevant class shall be cancelled and the Company shall issue to each such former holder of C Shares of the relevant class new certificates in respect of the shares of the relevant class which have arisen upon Conversion unless such former holder of C Shares of the relevant class elects to hold such shares in uncertificated form.

The Company will use its reasonable endeavours to procure that, upon Conversion the resulting Correspondent Shares are admitted to trading on the London Stock Exchange's main market for listed securities.

In connection with the issue of C Shares of any class, the Directors shall state the Specified Conversion Criteria with respect to such class in any relevant disclosure document or prospectus and in an RIS release at the time that C Shares of such class are first offered.

References to the auditors certifying any matter shall be construed to mean certification of their opinion as to such matter, whether qualified or not.

The conversion of C Shares into new Correspondent Shares at the Conversion Time is prohibited by holders who are in the United States or who are U.S. Persons. As a result, if you are located within the United States or are a U.S. Person at the Conversion Time, you will be subject to the compulsory transfer provisions as provided in the Articles.

## Deemed representations at the Conversion Time

Your attention is drawn to the subscribers' warranties set out in the "purchase and transfer restrictions" in Part VIII of this Prospectus. In particular, at the Conversion Time, each holder of C Shares will be deemed to have represented, acknowledged and agreed that (i) it and the person, if any, for whose account or benefit it is holding the C Shares and receiving the new Correspondent Shares is not a U.S. Person and is not located within the United States; (ii) it acknowledges that the Company reserves the right to make inquiries of any holder of the C Shares, the new Correspondent Shares or interests therein at any time as to such person's status under U.S. federal securities laws, and to require any such person that has not satisfied the Company that the holding by such person will not violate or require registration under U.S. federal securities laws to transfer such C Shares, new Correspondent Shares or interests immediately under the direction of the Company (which may include, but is not limited to, the execution of a power of attorney allowing the Company to effect a transfer on its behalf); and (iii) it agrees to comply with the transfer restrictions set out in the "purchase and transfer restrictions" in Part VIII of this Prospectus and will notify the Company if it is holding in contravention of such restrictions.

## Part VII: Financial Information

### 1. Published annual report and accounts for the financial years ended 31 December 2011 and 31 December 2012

#### 1.1 Historical financial information

The published annual report and audited accounts of the Company for the financial years ended 31 December 2011 and 31 December 2012 (which have been incorporated in this document by reference) included, on the pages specified in the table below, the following information:

*Annual report and accounts for the financial years ended 31 December (audited)*

	<b>2011</b>	<b>2012</b>
	<b>Page No(s)</b>	<b>Page No(s)</b>
Independent auditors' report	25	26
Consolidated statement of assets and liabilities	27	28
Condensed consolidated schedule of investments	28 to 30	29 to 32
Consolidated statement of operations	31	33
Consolidated statement of changes in net assets	32	34
Consolidated statement of cash flows	33	35
Notes to the consolidated financial statements	34 to 45	36 to 47

#### 1.2 Selected financial information

The key audited figures that summarise the financial condition of the Company in respect of the financial years ended 31 December 2011 and 31 December 2012, which have been extracted without material adjustment from the historical financial information referred to in paragraph 1.1 of this Part VII (unless otherwise indicated in the notes below the following table), are set out in the following table. Investors should read the whole of such report and not rely solely on the key or summarised information set out below:

## Consolidated statement of assets and liabilities

### Assets

*Annual report and accounts for the financial years ended 31 December (audited)*

	<b>2011</b>	<b>2012</b>
Investments, at fair value (2011: cost of US\$669,860,803; 2012: US\$708,938,484)	US\$646,979,109	US\$ 714,890,852
Cash and cash equivalents	US\$64,317,731	US\$20,467,172
Other assets	US\$23,738,079	US\$72,958,048
<b>Total assets</b>	<b>US\$735,034,919</b>	<b>US\$808,316,072</b>
<b>Total liabilities</b>	<b>US\$73,291,345</b>	<b>US\$82,256,769</b>
<b>Total net assets</b>	<b>US\$661,743,574</b>	<b>US\$726,059,303</b>
<b>Net asset value per ordinary share</b>		
– USD series of ordinary shares	US\$0.9497	US\$1.007
– GBP series of ordinary shares	£0.9479	£0.9952
– USD series of C shares	US\$0.9913	—
– GBP series of C shares	£0.9912	—

# Consolidated statement of operations

Assets		
	<i>Annual report and accounts for the financial years ended 31 December (audited)</i>	
	<b>2011</b>	<b>2012</b>
Interest income	US\$16,735,433	US\$40,156,171
Expenses	US\$4,217,923	US\$7,002,020
Net Income	US\$12,536,524	US\$36,471,387
Net realised and unrealised losses/gains	US\$(39,888,935)	US\$57,936,285
<b>Net decrease/increase in net assets resulting from operations</b>	<b>US\$(27,352,411)</b>	<b>US\$94,407,672</b>

## 1.3 Operating and financial review

The published annual report and audited accounts of the Company for the financial years ended 31 December 2011 and 31 December 2012 (which have been incorporated in this document by reference) included, on the pages specified in the table below, descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Company's portfolio of investments for that period.

	<i>Annual report and accounts for the financial years ended 31 December (audited)</i>	
	<b>2011</b>	<b>2012</b>
	<b>Page No(s)</b>	<b>Page No(s)</b>
Chairman's statement	4	4
Investment Managers' report	6	5
Condensed consolidated schedule of investments	28 to 30	29 to 32

## 2. Published unaudited interim report and financial statements for the financial periods ended 30 June 2012 and 30 June 2013

### 2.1 Historical financial information

Published unaudited interim report and financial statements for the financial periods ended 30 June 2012 and 30 June 2013 (which have been incorporated in this document by reference) included, on the pages specified in the table below, the following information:

	<i>Interim report and financial statements for the financial periods ended 30 June (unaudited)</i>	
	<b>2012</b>	<b>2013</b>
	<b>Page No(s)</b>	<b>Page No(s)</b>
Independent Review Report	9	9
Unaudited consolidated statement of assets and liabilities	10	10
Unaudited consolidated condensed schedule of investments	11 to 14	11 to 13
Unaudited consolidated statement of operations	15	14
Unaudited consolidated statement of changes in net assets	16	15
Unaudited consolidated statement of cash flows	17	16
Notes to the unaudited consolidated financial statements	18 to 29	17 to 30

## 2.2 Selected financial information

The key unaudited figures that summarise the financial condition of the Company in respect of the financial periods ended 30 June 2012 and 30 June 2013, which have been extracted directly on a straightforward basis from the historical financial information referred to in paragraph 2.1 of this Part VII (unless indicated in the notes below the following table). Investors should read the whole of such report and not rely solely on the key or summarised information set out below:

## Consolidated statement of assets and liabilities

Assets		
<i>Interim report and financial statements for the financial periods ended 30 June (unaudited)</i>		
	<b>2012</b>	<b>2013</b>
Investments, at fair value (2012: cost of US\$409,903,862; 2013: US\$1,231,797,169)	US\$668,213,876	US\$1,223,791,267
Cash and cash equivalents	US\$17,839,830	US\$56,136,062
Other assets	US\$63,933,438	US\$64,204,730
<b>Total assets</b>	<b>US\$749,987,144</b>	<b>US\$1,344,132,059</b>
<b>Total liabilities</b>	<b>US\$61,364,008</b>	<b>US\$125,511,206</b>
<b>Total net assets</b>	<b>US\$688,623,136</b>	<b>US\$1,218,620,853</b>
<b>Net asset value per ordinary share</b>		
– USD series of ordinary shares	US\$0.9804	US\$0.9970
– GBP series of ordinary shares	£0.9760	£0.9907
– GBP series of C shares	—	£0.9769
<b>Statement of Operations</b>		
<b>Interest income</b>	<b>US\$21,837,198</b>	<b>US\$21,482,785</b>
<b>Expenses</b>	<b>US\$3,531,361</b>	<b>US\$4,662,038</b>
Net Income	US\$20,464,271	US\$18,764,586
Net realised and unrealised gains and losses	US\$20,944,025	US\$(50,999,585)
<b>Net increase/decrease in net assets resulting from operations</b>	<b>US\$41,408,296</b>	<b>US\$(32,234,999)</b>

If the Issue had taken place as at 30 June 2013 (assuming that the Company raised gross proceeds of £750,000,000), the Issue would have increased the Net Asset Value by £736,875,000 and the additional funds would have been held in cash and liquid securities over the period reported. The net impact on earnings would have been broadly neutral, with the additional interest earned being offset by the additional variable expenses, had the Issue taken place as at 1 July 2012. The actual net impact would have been dependent on the interest rate the Investment Managers were able to obtain on cash and liquid securities.

## 2.3 Operating and financial review

The published unaudited interim report and financial statements for the financial periods ended 30 June 2012 and 30 June 2013 (which have been incorporated in this document by reference) included, on the pages specified in the table below, descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Company's portfolio of investments for that period.

<i>Interim report and financial statements for the financial periods ended 30 June (unaudited)</i>		
	<b>2012</b>	<b>2013</b>
	<b>Page No(s)</b>	<b>Page No(s)</b>
Chairman's statement	4	4
Investment Managers' report	5	5
Unaudited consolidated condensed schedule of investments	11 to 14	11 to 13

### 3. Incorporation by reference and availability of annual report and interim report for inspection

The following documents, each of which has been previously published, shall be deemed to be incorporated in, and form part of, this Prospectus:

- the published annual report and audited accounts of the Company for the financial years ended 31 December 2011 and 31 December 2012; and
- the published unaudited interim report and financial statements of the Company for the financial periods ended 30 June 2012 and 30 June 2013.

Copies of the above documents are available for inspection at the addresses set out in paragraph 15 of Part IX of this document.

## Part VIII: Issue Arrangements

### The Issue

The target size of the Issue is in excess of £200,000,000 with the potential for increase or decrease subject to global investor demand. The Issue Shares will comprise Sterling C Shares.

The target Issue size should not be taken as an indication of the number of Issue Shares to be issued. The actual number of Shares issued pursuant to the Issue will be announced via an RIS announcement shortly following the deadline for receipt of placing commitments under the Placing and on the Company's website [www.nbgfrif.com](http://www.nbgfrif.com).

The Directors have determined that the C Shares under the Issue will be issued at a price equal to £1.00 per C Share.

Notwithstanding the target Issue size, a maximum number of 750,000,000 C Shares with a maximum value of £750,000,000 may be issued pursuant to the Issue under this Prospectus.

The Issue is not being underwritten.

The Issue is conditional on the Shareholders approving resolution (b) set out on page 49 of this Prospectus at an extraordinary general meeting to be held in advance of the Issue.

### Proceeds of the Issue

The Company will employ the Net Issue Proceeds in implementing its investment policy.

### The Placing

The Company, the Directors, the Investment Manager, Oriel and Dexion have entered into the Sponsor and Placing Agreement pursuant to which Oriel and Dexion have agreed, as agents for the Company, to use their reasonable endeavours to procure subscribers (in certain jurisdictions outside the United States) for the Issue Shares under the Placing at the Issue Price in return for the payment by the Company of placing commissions.

A summary of the terms of the Sponsor and Placing Agreement is set out in paragraph 7.1 of Part IX of this Prospectus.

The terms and conditions which shall apply to any subscriber for Issue Shares procured by Oriel and/or Dexion pursuant to the Placing are contained in Part X of this Prospectus and the terms and conditions which shall apply to any subscriber for Issue Shares procured by any other sales agents of the Company will be contained in such placing letters and/or subscription agreements as the Company may require any particular placee to submit in connection with its subscription for Issue Shares pursuant to the Placing.

Applications under the Placing must be for a minimum subscription amount of £100,000.

### The Offer

The Company is also offering the Issue Shares to investors in the United Kingdom pursuant to the Offer.

The Terms and Conditions of Application relating to the Offer are set out in Part XI of this Prospectus and an Application Form and notes on how to complete such Application Form are set out in Appendix A to this Prospectus. The Terms and Conditions of Application should be read carefully before an application is made. Application Forms must be posted or delivered by hand (during normal business hours) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive by no later than 1100 hours on 22 October 2013. The Offer will, unless extended, be closed at that time.

Applications under the Offer must be for a minimum subscription amount of £1,000 and in multiples of £1,000 thereafter.



Payment for Issue Shares pursuant to the Offer may be made by cheque, banker's draft or building society cheque and must accompany the Application Form. The Directors reserve the right to refuse applications for any reason.

## The Main Market

The Main Market is an EU regulated market. Consequently, the Company is subject to the Prospectus Rules, the Disclosure Rules and Transparency Rules and the Market Abuse Directive (as implemented in the United Kingdom). The Company is also subject to the ongoing requirements of the Listing Rules.

## Scaling back and allocation

In the event that aggregate applications for Issue Shares under the Placing and the Offer were to exceed a level that the Directors determine, in their absolute discretion at the time of closing the Issue, to be the appropriate maximum size of the Issue, it would be necessary to scale back applications under the Issue. The Joint Bookrunners reserve the right, at their sole discretion, but after consultation with the Company, to scale back applications in such amounts as they consider appropriate. The parameters for any scaling back of applications for Issue Shares will be determined at the relevant time. The Company reserves the right to decline in whole or in part any application for Issue Shares pursuant to the Issue. The Offer will not be subject to scaling back in favour of the Placing. Accordingly, applicants for Issue Shares may, in certain circumstances, not be allotted the number of Issue Shares for which they have applied.

The Company will notify investors of the number of Issue Shares in respect of which their application has been successful and the results of the Issue will be announced by the Company on or around 24 October 2013 via an RIS announcement.

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant by cheque made out to the first named applicant.

## General

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Guernsey, the Company and its agents (and their agents) or the Investment Manager may require evidence in connection with any application for Issue Shares, including further identification of the applicants, before any Issue Shares are issued.

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus and prior to Admission, the Company will publish a supplementary Prospectus. The supplementary Prospectus will give details of the significant change(s) or the significant new matter(s).

The Directors (in consultation with the Joint Bookrunners) may in their absolute discretion waive the minimum application amounts in respect of any particular application for Issue Shares under the Issue.

Should the Issue be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant.

Definitive certificates in respect of Issue Shares in certificated form will be dispatched by post in the week commencing 11 November 2013. Temporary documents of title will not be issued.

## Clearing and settlement

Payment for the Issue Shares, in the case of the Placing, should be made in accordance with settlement instructions to be provided to places by (or on behalf of) the Company or the Joint Bookrunners. Payment for the Issue Shares, in the case of the Offer, should be made in accordance with the Terms and Conditions of Application under the Offer in Part XI of this Prospectus and in the Application Form. To the extent that any application for Issue Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant.

Issue Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from Admission. In the case of Issue Shares to be issued in uncertificated form pursuant to the Issue, these will be transferred to successful applicants through the CREST system.

Accordingly, settlement of transactions in the Issue Shares following Admission may take place within the CREST system if any Shareholder so wishes.

Issue Shares issued under the Offer will be issued to successful applicants in accordance with the Terms and Conditions of Application under the Offer.

CREST is a paperless book-entry settlement system operated by Euroclear which enables securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

It is expected that the Company will arrange for Euroclear to be instructed on 29 October 2013 to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Issue Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

The transfer of Issue Shares outside of the CREST system following the Issue should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form. If a Shareholder or transferee requests Issue Shares to be issued in certificated form and is holding such Issue Shares outside CREST, a share certificate will be despatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Issue Shares. Shareholders (other than U.S. Persons) holding definitive certificates may elect at a later date to hold such Issue Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

## Dealings

Applications will be made to the London Stock Exchange for the Issue Shares to be admitted to listing and trading on the Official List and the Main Market respectively.

It is expected that Admission will become effective and that unconditional dealings in the Issue Shares will commence at 0800 hours on 29 October 2013. Dealings in Issue Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

For the U.S. Dollar Shares, the ISIN is GG00B3P7S359 and the SEDOL code is B3P7S35.

For the Sterling Shares, the ISIN is GG00B3KX4Q34 and the SEDOL code is B3KX4Q3.

For the Sterling C Shares, the ISIN is GG00BDD27461 and the SEDOL code is BDD2746.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Shares or Issue Shares, nor does it guarantee the price at which a market will be made in the Issue Shares. Accordingly, the dealing price of the Issue Shares may not necessarily reflect changes in the Net Asset Value per Share.

## Purchase and transfer restrictions

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Issue Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or the Investment Managers.

The Company has elected to impose the restrictions described below on the Issue and on the future trading of the Shares so that the Company will not be required to register the Issue Shares under the U.S. Securities Act and will not have an obligation to register as an investment company under the U.S. Investment Company Act and related rules, and to address certain ERISA, U.S. Tax Code and other considerations. These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the Shares to trade such securities. Due to the restrictions described below, potential investors in the United States and U.S. Persons are advised to consult legal counsel prior to making any offer, resale, exercise, pledge or other transfer of the Shares. The Company and its agents will not be obligated to recognise any resale or other transfer of the Shares made other than in compliance with the restrictions described below.

The Issue Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Issue Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, into or within the United

States or to, or for the account or benefit of, U.S. Persons. There will be no public offer of the Issue Shares in the United States, and this document should not be distributed or forwarded into the United States or to U.S. Persons. Moreover, the Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Issue Shares are being offered and sold outside the United States to persons who are not U.S. Persons in reliance on the exemption from registration provided by Regulation S under the U.S. Securities Act.

The conversion of the C Shares into new Correspondent Shares at the Conversion Time is prohibited by holders who are in the United States or who are U.S. Persons, as set out in the section entitled “Deemed representations at the Conversion Time” in Part VI of this Prospectus.

The Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S: (i) to a person outside the United States who is not a U.S. Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

## Subscribers warranties

Each subscriber of Issue Shares in the Issue, each subsequent investor in the Shares, each recipient of Ordinary Shares of one class upon the conversion from any other class and each recipient of the new Correspondent Shares (as applicable) will be deemed to have represented, warranted, acknowledged and agreed as follows:

- (a) it is not a U.S. Person, is not located within the United States and is not acquiring the Issue Shares for the account or benefit of a U.S. Person;
- (b) it is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S;
- (c) it acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may only be transferred in an offshore transaction in accordance with Regulation S: (i) to a person outside the United States who is not a U.S. Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof;
- (d) it acknowledges that the Company has not registered under the U.S. Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;
- (e) no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the U.S. Tax Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Tax Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- (f) that if any Issue Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

NB GLOBAL FLOATING RATE INCOME FUND LIMITED (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “U.S. INVESTMENT COMPANY ACT”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

- (g) if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which will not require the Company to register under the U.S. Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- (h) it is purchasing the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable U.S. securities laws;
- (i) it acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person's status under U.S. securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under U.S. securities laws to transfer such Issue Shares or interests in accordance with the Articles;
- (j) it acknowledges that the Company may receive a list of participants holding positions in its securities from one or more book-entry depositories;
- (k) it is entitled to acquire the Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Managers, Neuberger Berman LLC, the Joint Bookrunners or PSL, or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Issue or its acceptance of participation in the Issue;
- (l) it has received, carefully read and understands this Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the Shares into or within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- (m) if it is acquiring any Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account; and
- (n) the Company, the Investment Managers, Neuberger Berman LLC, the Joint Bookrunners, PSL and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments, and agreements. If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company.

### 1. Incorporation and Administration

- 1.1 The Company was incorporated as a non-cellular company with liability limited by shares in Guernsey under the Companies Law on 10 March 2011 with registered number 53155. The Company has been declared by the Guernsey Financial Services Commission to be a registered closed-ended collective investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2008 issued by the GFSC. The registered office and principal place of business of the Company is BNP Paribas House, St. Julian's Avenue, St. Peter Port, Guernsey, GY1 1WA, and the telephone number +44 (0) 1481 75 0850. The statutory records of the Company are kept at this address. The Company operates under the Companies Law and ordinances and regulations made thereunder and has no employees.
- 1.2 The Company's accounting period ends on 31 December of each year.
- 1.3 PricewaterhouseCoopers CI LLP has been the only auditor of the Company since its incorporation. PricewaterhouseCoopers CI LLP is regulated for the purposes of the audit of the Group by the Guernsey Registry.
- 1.4 The annual report and accounts are prepared according to U.S. GAAP.
- 1.5 Save for its entry into the material contracts summarised in paragraph 7 of this Part IX of the Prospectus and certain non-material contracts, since its incorporation the Company has not incurred borrowings, issued any debt securities, incurred any contingent liabilities or made any guarantees, nor granted any charges or mortgages.
- 1.6 Save as disclosed in paragraphs 1.6.1 to 1.6.4 of this Part IX below, there has been no significant change in the financial or trading position of the Group since 30 June 2013, being the last date in respect of which the Group has published interim financial information:
  - 1.6.1 on 16 July 2013, 360,521,605 Sterling Shares were admitted to trading on the London Stock Exchange following a conversion from existing Sterling C shares into Ordinary Shares;
  - 1.6.2 on 22 July 2013, the Company raised gross proceeds of £45 million pursuant to the Tap Issue;
  - 1.6.3 on 26 July 2013, the Company paid a special dividend of £0.0055 per Sterling C Share; and
  - 1.6.4 on 16 August 2013, the Company paid a dividend of US\$0.0111 per U.S. Dollar Share and £0.0111 per Sterling Share.
- 1.7 The unaudited NAV per Ordinary Share as at 24 September 2013 (the latest practicable date prior to the publication of this Prospectus) was US\$1.0053 per U.S. Dollar Share and £0.9962 per Sterling Share.
- 1.8 For the purposes of efficient portfolio management, the Company has established a wholly-owned Luxembourg incorporated subsidiary, NB Global Floating Rate Income Fund (Lux) 1 S.à r.l. which in turn holds a wholly-owned subsidiary, NB Global Floating Rate Income Fund (Lux) 2 S.à r.l. which has been incorporated for the purpose of holding loans.

### 2. Share Capital

- 2.1 The share capital of the Company consists of an unlimited number of redeemable ordinary shares of no par value which upon issue the Directors may classify as (a) U.S. Dollar Shares, Sterling Shares or Euro Shares or as Ordinary Shares of such other classes as the Directors may determine; (b) B Shares of such classes denominated in such currencies as the Directors may determine; and (c) C Shares of such classes denominated in such currencies as the Directors may determine. Notwithstanding this, a maximum number of 750,000,000 C Shares will be issued with a maximum value of £750,000,000 pursuant to the Issue.

2.2 At the date of incorporation, one U.S. Dollar Share (the “Subscriber Share”) was subscribed for by the subscriber to the Memorandum. On 10 March 2011, the Subscriber Share was transferred by the subscriber to the Memorandum to Rock Nominees Limited. Pursuant to the IPO, the Company issued 107,220,280 U.S. Dollar Shares and 243,973,227 Sterling Shares and the Subscriber Share held by Rock Nominees Limited was transferred to a placee. The Shares issued pursuant to the IPO were fully paid up. The following changes have occurred in the share capital of the Company since IPO Admission:

Date	Class of Shares issued	Number issued	Price	Event
2 June 2011	Sterling Shares	250,000	£1.03	Block Listing Facility
7 June 2011	Sterling Shares	250,000	£1.03	Block Listing Facility
7 July 2011	Sterling Shares	615,000	£1.025	Block Listing Facility
25 July 2011	U.S. Dollar Shares	12,114,891	US\$1.002	Block Listing Facility
3 August 2011	Sterling Shares	400,000	£1.0225	Block Listing Facility
8 August 2011	Sterling Shares	200,000	£1.0175	Block Listing Facility
30 September 2011	Sterling C Shares	115,899,186	£1.00	2011 Secondary Issue
30 September 2011	U.S. Dollar C Shares	5,511,910	US\$1.00	2011 Secondary Issue
9 December 2011	Sterling Shares	710,833	£0.9632	Scrip dividend
9 December 2011	U.S. Dollar Shares	91565	US\$0.9588	Scrip dividend
17 January 2012	U.S. Dollar Shares	5,797,522	—	Conversion of C Shares into Ordinary Shares
17 January 2012	Sterling Shares	122,146,117	—	Conversion of C Shares into Ordinary Shares
24 February 2012	Sterling Shares	592,380	£0.9576	Scrip dividend
24 February 2012	U.S. Dollar Shares	68,398	US\$0.9530	Scrip dividend
25 May 2012	Sterling Shares	14,653	£1.0002	Scrip dividend
25 May 2012	U.S. Dollar Shares	84,444	US\$0.9930	Scrip dividend
24 August 2012	Sterling Shares	792,651	£0.9716	Scrip dividend
24 August 2012	U.S. Dollar Shares	97,572	US\$0.9784	Scrip dividend
23 November 2012	Sterling Shares	567,376	£0.9903	Scrip dividend
23 November 2012	U.S. Dollar Shares	91,479	US\$1.0040	Scrip dividend
21 March 2013	Sterling C Shares	363,549,886	£1.00	2013 Secondary Issue
16 July 2013	Sterling Shares	360,521,605	—	Conversion of Sterling C Shares into Ordinary Shares
22 July 2013	Sterling Shares	41,054,257	£1.009	Tap Issue
22 July 2013	U.S. Dollar Shares	5,761,807	\$1.019	Tap Issue

The following table shows the issued ordinary share capital of the Company (which is fully paid up) as at 24 September 2013 (being the latest practicable date prior to the publication of this Prospectus):

	Number of Shares
<i>Sterling Shares</i>	824,244,800
<i>U.S. Dollar Shares</i>	51,114,396

As at 24 September 2013 (being the latest practicable date prior to the publication of this Prospectus), there were no C Shares in issue.

- 2.3 The Ordinary Shares issued pursuant to the Block Listing Facility referred to in paragraph 2.2 above have been issued to meet demand where the market price of the Ordinary Shares has traded at a premium to the Net Asset Value per Share. The proceeds of such issues have been invested in accordance with the Company's investment policy.
- 2.4 The Directors have absolute authority to allot and issue the Issue Shares under the Articles (subject to the disapplication of pre-emption rights at the EGM on 21 October 2013) and are expected to resolve to do so shortly prior to Admission in respect of the Issue Shares.
- 2.5 The maximum issued share capital of the Company (all of which will be fully paid) immediately following Admission will consist of the issued share capital referred to in paragraph 2.2 above, together with such C Shares as are issued pursuant to the Issue on a non-pre-emptive basis pursuant to authorities granted by Shareholders (as further described in paragraph 2.6 below).
- 2.6 There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment and issue of shares in a Guernsey company. However, the Articles provide that the Company is not permitted to allot (for cash) "equity securities" (which include the allotment and issue of Ordinary Shares or C Shares or rights to subscribe for, or convert securities into, Ordinary Shares or C Shares) or sell (for cash) any equity securities held in treasury, unless it shall first have offered to allot to each existing holder of redeemable ordinary shares on the same or more favourable terms a proportion of those securities the aggregate value of which (at the proposed issue price) is as nearly as practicable equal to the proportion of the total Net Asset Value of the Company represented by the redeemable ordinary shares held by such shareholder. The Company expects to hold the EGM on or around 21 October 2013 at which it will propose that resolutions be passed by the Shareholders, *inter alia*, to approve: (i) the disapplication of pre-emption rights for the allotment and issue for cash of up to 750,000,000 C Shares in aggregate in connection with the Issue for a period concluding on the date of Admission; and (ii) (a) up to 5,111,439 U.S. Dollar Shares (excluding treasury shares) or, if less, 10 per cent. of the U.S. Dollar Shares in issue as at the date of the EGM; and (b) up to 82,424,480 Sterling Shares (excluding treasury shares), or, if less, 10 per cent. of the Sterling Shares in issue as at the date of the EGM, for a period concluding on the date of the annual general meeting of the Company to be held in 2014.
- 2.7 The Issue Shares will be issued and created in accordance with the Articles and the Companies Law.
- 2.8 The Issue Shares will be in registered form and, from Admission, will be capable of being held in uncertificated form and title to such Issue Shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where the Issue Shares are held in certificated form, share certificates will be sent to the registered members or their nominated agent (at their own risk) within 10 days of the completion of the registration process or transfer, as the case may be, of the Issue Shares. Where Issue Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Registrar, whose registered address is set out on page 48 of this Prospectus, maintains a register of Shareholders holding their Shares in CREST.
- 2.9 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

### 3. Issue of Tap Shares

As noted in paragraph 2.2 of this Part IX of this Prospectus, the Company issued the Tap Shares on 22 July 2013 pursuant to the Tap Issue. Pursuant to the Tap Issue, the Company raised an aggregate gross amount of £45,286,481. The expenses incurred in connection with the Tap Issue were £452,864. The proceeds of the Tap Issue (after deducting the costs and expenses relating to such issue) were invested by the Company in accordance with its investment policy.

### 4. Directors' and other Interests

- 4.1 As at the date of this Prospectus, other than Richard Battey, who holds 19,833 Ordinary Shares, none of the Directors or any person connected with any of the Directors has a shareholding or any other interest in the share capital of the Company. The Directors and their connected persons may, however, subscribe for Issue Shares pursuant to the Placing and/or Offer.
- 4.2 As at 24 September 2013 (the latest practicable date prior to the publication of this document), to the extent known to the Company, it is not directly or indirectly owned or controlled by any person and

there are no arrangements known to the Company which may subsequently result in a change of control of the Company. As at the date hereof, insofar as is known to the Company, the following persons are directly or indirectly interested in 5 per cent. or more of the Company's total voting rights:

Name	% Company's total voting rights
Brewin Dolphin	9.66%
Newton Investment Management	9.30%
Rathbone Investment Management	7.68%
HSBC Global Asset Management	5.00%

Shareholders holding U.S. Dollar Shares have different voting rights to Shareholders holding Sterling Shares. Please see paragraph 6.3.2 of this Part IX of this Prospectus for more information. Save in certain limited circumstances, the C Shares will have no voting rights.

- 4.3 There are no outstanding loans from the Company to any of the Directors or any outstanding guarantees provided by the Company in respect of any obligation of any of the Directors.
- 4.4 The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 31 December 2012 (payable out of the assets of the Company) did not exceed £500,000. Each of the Directors received £25,000 per annum other than the Chairman who received £35,000 per annum and the chairman of the Audit Committee received an additional fee of £5,000 per annum. The Directors shall receive an additional fee of £10,000 paid to each Director for their services in relation to the Issue. No amount has been set aside or accrued by the Company to provide pension, retirement or other similar benefits.
- 4.5 No Director has a service contract with the Company, nor are any such contracts proposed. The Directors' appointments can be terminated in accordance with the Articles and without compensation. There is no notice period specified in the Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for 12 months or more; (iii) written request of the other Directors; and (iv) a resolution of the Shareholders.
- 4.6 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- 4.7 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.
- 4.8 Pursuant to an instrument of indemnity entered into between the Company and each Director, the Company has undertaken, subject to certain limitations, to indemnify each Director out of the assets and profits of the Company against all costs, charges, losses, damages, expenses and liabilities arising out of any claims made against him in connection with the performance of his duties as a Director of the Company.



4.9 In addition to their directorships of the Company, the Directors hold or have held the directorships and are or were members of the partnerships, as listed in the table below, over or within the past five years.

Name	Current directorships/partnerships	Past directorships/partnerships
William Frewen	EdPlace Limited NB Global Floating Rate Income Fund Limited Paperless Receipts Ltd WFF Ventures Limited	Fanfame Worldwide Limited (dissolved) Playgolf Holdings plc (in administration) Playgolf (Trafford Centre) Limited (in administration) Rusant Limited Sportsmad Limited (dissolved) TAM UK Holdings Limited Threadneedle Asset Management Holdings Limited Work For Fun Limited (dissolved)
Richard Battey	AcenciA Debt Strategies Limited Better Capital PCC Limited Juridica Capital Management Limited Juridica Investments Limited Laurium General Partner Limited Laurium Limited Laurium Management Limited Macau Sniper Fund Limited NB Global Floating Rate Income Fund Limited Pershing Square Holdings Limited Princess Private Equity Holding Limited Prospect Japan Fund Limited Renshaw Bay Limited	China Growth Opportunities Limited Climate Change Capital Wind Energy Fund Limited Falcon Investment Property SICAV PLC Henderson Global Property Companies Limited Himeji X2 LiquidFund Inc. Northwood Capital European Fund Limited Northwood Capital Enhanced European Fund Limited Origo Resource Partners Limited Partners Group Private Real Estate Opportunities Limited SASCIL Nominees Limited Schroder Administrative Services (C.I.) Limited Stratton Street Capital LiquidFunds Inc.
Sandra Platts	Investec Bank (Channel Islands) Limited NB Global Floating Rate Income Fund Limited Starfin GP Ltd Starwood European Finance Partners Ltd.	Kleinwort Benson (CI) Ltd Kleinwort Benson (CI) Fund Services Ltd Kleinwort Benson CI Holdings Limited Kleinwort Benson (CI) Trustees Limited Kleinwort Benson (Guernsey) Services Limited Kleinwort Benson (Jersey) Services Limited Strategic Equity Income Ltd (fund failed to float) Westbourne Properties Limited

4.10 As at the date of this Prospectus, there are no potential conflicts of interest between any duties to the Company of any of the Directors and their private interests and/or other duties. There are no lock-up provisions regarding the disposal by any of the Directors of any Issue Shares.

4.11 At the date of this Prospectus:

4.11.1 none of the Directors has had any convictions in relation to fraudulent offences for at least the previous five years;

4.11.2 save as detailed against each relevant directorship disclosed in paragraph 4.9 above, none of the Directors was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings;

4.11.3 none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years; and

4.11.4 none of the Directors are aware of any contract or arrangement subsisting in which they are materially interested and which is significant to the business of the Company which is not otherwise disclosed in this Prospectus.

4.12 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

4.13 No members of the Administrator or the Investment Managers have any service contracts with the Company.

## 5. Taxation

### General

The information below, which relates only to Guernsey and United Kingdom taxation, summarises the advice received by the Board and is applicable to the Company and (except in so far as express reference is made to the treatment of other persons) to persons who are resident or ordinarily resident in Guernsey or the United Kingdom for taxation purposes and who hold C Shares as an investment. It is based on current Guernsey and United Kingdom tax law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their C Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

**If you are in any doubt about your tax position, you should consult your professional adviser.**

### United Kingdom

#### **(i) The Company**

The Directors intend to conduct the affairs of the Company in such a way that it should not be resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a branch, agency or permanent establishment situated therein), the Company will not be subject to United Kingdom income tax or corporation tax other than on any United Kingdom source income.

#### **(ii) Shareholders**

This paragraph provides general guidance for individual Shareholders who are resident in the United Kingdom for United Kingdom tax purposes and who hold Shares as investments and not as trading stock.

#### **(iii) UK Offshore Fund Rules**

The Directors have been advised that, under current law, each class of Shares in the Company should not, and each separate class of Shares in the Company should not, be an "offshore fund" for the purposes of United Kingdom taxation and that the legislation contained in Part 8 of the Taxation (International and Other Provisions) Act 2010 ("TIOPA"), should not apply.

Accordingly, Shareholders (other than those holding Shares as dealing stock, who are subject to separate rules) who are resident in the United Kingdom, or who carry on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected, may, depending on their circumstances and subject as mentioned below, be liable to United Kingdom tax on chargeable gains realised on the disposal of their Shares (which will include a redemption and on final liquidation of the Company).

#### **(iv) Tax on Chargeable Gains**

A disposal of Shares (which will include a redemption) by a Shareholder who is resident in the United Kingdom for United Kingdom tax purposes or who is not so resident but carries on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains or capital gains, depending on the Shareholder's circumstances and subject to any available exemption or relief. For such individual Shareholders capital gains tax at the rate of tax at 18 per cent. (for basic rate taxpayers) or 28 per cent. (for higher or additional rate taxpayers) will be payable on any gain and for Shareholders that are bodies corporate any gain will be within the charge to corporation tax. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which currently exempts the first £10,900 of gains from tax) depending on their circumstances. Shareholders which are bodies corporate resident in the United Kingdom for taxation purposes will benefit from indexation allowance which, in general terms,

increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index.

The conversion of Shares of one class into Shares of another class should not result in a disposal of Shares for the purposes of United Kingdom taxation of chargeable gains, provided the economic interest held by the Shareholder remains the same after the transaction. Instead, the redesignated Shares should be treated as the same asset as the original holding of Shares, acquired at the same time and for the same chargeable gains tax base cost as the original holding.

#### **(v) Dividends**

Individual Shareholders resident in the United Kingdom for tax purposes will be liable to UK income tax in respect of dividends or other income distributions of the Company. An individual Shareholder resident in the UK for tax purposes and in receipt of a dividend from the Company will, provided they own less than 10 per cent. of the Shares, be entitled to claim a non-repayable dividend tax credit equal to one-ninth of the dividend received.

The effect of the dividend tax credit would be to extinguish any further tax liability for eligible basic rate taxpayers (who currently pay tax at the dividend ordinary rate of 10 per cent.). The effect for current eligible higher rate taxpayers (who pay tax at the current dividend upper rate of 32.5 per cent.) would be to reduce their effective tax rate to 25 per cent. of the cash dividend received.

United Kingdom resident individuals with income in excess of £150,000 will pay 37.5 per cent. tax on dividends received (equivalent to an effective tax rate of 30.56 per cent. of the cash dividend received for eligible taxpayers as a result of applying the tax credit).

UK Shareholders within the charge to UK corporation tax will, prima facie, be liable for UK corporation tax (the main rate of UK corporation tax is currently 23 per cent., reducing to 21 per cent. by 2014) on the receipt of the dividend. However, those dividends may fall within one of the exemptions from tax prescribed by the legislation contained in Part 9A of the Corporation Tax Act 2009, which may exempt UK resident companies from UK taxation on dividends paid by the Company, depending on their circumstances and subject to certain conditions being satisfied.

#### **(vi) Scrip Dividends**

Shareholders resident in the United Kingdom for tax purposes and who elect to receive a scrip dividend alternative to any cash dividend declared by the Company should not be liable to UK income tax or corporation tax upon receipt of any bonus shares issued pursuant to the scrip dividend alternative (“**Bonus Shares**”). Such Shareholders should also not be treated as making a disposal for the purposes of United Kingdom capital gains tax or corporation tax on chargeable gains at the time that such Bonus Shares are issued. Instead the issue of Bonus Shares should be treated as a reorganisation of the share capital of the Company and accordingly the Bonus Shares and the original holding of Shares held by the Shareholder should be treated as the same asset, acquired at the same time and for the same chargeable gains tax base cost as the original holding of Shares.

There will be no allowable expenditure for chargeable gains tax purposes arising in respect of the Bonus Shares. As a result of the issue of Bonus Shares the United Kingdom resident Shareholder’s original base cost in his or her Shares will be apportioned between his or her original holding of Shares and the Bonus Shares by reference to their respective market values on the day on which any of the Shares held by the Shareholder following the scrip issue are disposed of.

#### **(vii) Stamp duty and Stamp Duty Reserve Tax (“SDRT”)**

No UK stamp duty or SDRT will arise on the issue of C Shares. No UK stamp duty will be payable on a transfer of Shares, provided that all instruments effecting or evidencing the transfer (or all matters or things done in relation to the transfer) are not executed in the United Kingdom and no matters or actions relating to the transfer are performed in the United Kingdom.

Provided that the Shares are not registered in any register kept in the United Kingdom by or on behalf of the Company and that the Shares are not paired with shares issued by a Company incorporated in the United Kingdom, any agreement to transfer the Shares will not be subject to UK SDRT.

### ***(viii) ISAs and SSAS/SIPPs***

Investors resident in the United Kingdom who are considering acquiring C Shares are recommended to consult their own tax and/or investment advisers in relation to the eligibility of the C Shares for ISAs and SSAS/SIPPs.

C Shares acquired pursuant to the Offer (but not the Placing) should be eligible for inclusion in a stocks and shares ISA. On Admission, C Shares acquired in the market should be eligible for inclusion in a stocks and shares ISA, subject to applicable subscription limits.

The annual ISA investment allowance is £11,520 for the tax year 2013 to 2014. Up to £5,760 of that allowance can be invested as cash with one provider. The remainder of the £11,520 can be invested in a stocks and shares ISA with either the same or another provider.

The C Shares should be eligible for inclusion in a SSAS or SIPP, subject to the discretion of the trustees of the SSAS or SIPP, as the case may be.

### ***(ix) Other United Kingdom Tax Considerations: Controlled Foreign Companies ("CFCs")***

The attention of companies resident in the UK is drawn to the CFC legislation contained in Part 9A of the Taxation (International and Other Provisions) Act 2010. Broadly, a charge may arise to UK tax resident companies if the Company is controlled directly or indirectly by persons who are resident in the UK, it has profits which are attributable to its significant people functions and one of the exemptions does not apply.

### ***(x) Transfer of Assets Abroad***

Individuals resident in the United Kingdom should note that Chapter II of Part XVIII of the Income Tax Act 2007, which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad, may render them liable to taxation in respect of any undistributed income and profits of the Company.

### ***(xi) Close Company Provisions***

The attention of Shareholders resident in the United Kingdom is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of capital gains made by the Company can be attributed to a Shareholder who holds, alone or together with associated persons, more than 25 per cent. of the Shares.

### ***(xii) Transactions in Securities***

The attention of Shareholders is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 that could apply if Shareholders are seeking to obtain tax advantages in prescribed conditions.

## **Guernsey**

### ***(i) The Company***

The Company has applied for and has been granted exempt company status for Guernsey tax purposes. Exemption must be applied for annually and will be granted, subject to the payment of an annual fee which is currently fixed at £600, provided that it continues to qualify under the applicable legislation for exemption. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify for the exemption.

As an exempt company, the Company will be treated as not being resident in Guernsey for Guernsey tax purposes. Under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising or accruing in Guernsey, other than bank deposit interest. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax.

In the absence of exempt status, the Company would be treated as resident in Guernsey for Guernsey tax purposes and would be subject to the standard company rate of tax, currently zero per cent.

Guernsey currently does not levy taxes upon capital inheritances, capital gains gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties (save for registration fees and *ad valorem* duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty or other taxes are chargeable in Guernsey on the issue, transfer, disposal, conversion or redemption of Shares.

In keeping with its ongoing commitment to meeting international standards, the States of Guernsey has completed a review of its corporate income tax regime. During the course of the review an announcement was made in relation to the removal of certain “deemed distribution” provisions which are not relevant to tax exempt companies. In addition, although the standard rate for corporate income tax will remain at zero per cent, with effect from 1 January 2013 the company intermediate income tax rate of ten per cent. will be extended to income arising from the carrying on of business as a licensed fiduciary (in respect of regulated activities), a licensed insurer (in respect of domestic insurance business) and a licensed insurance intermediary and a licensed insurance manager.

No changes that would impact the Company are expected to the exempt company regime.

## **(ii) Shareholders**

Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm) will incur Guernsey income tax at the applicable rate on any dividends paid on Shares owned by them but will suffer no deduction of tax by the Company from any such dividends paid by the Company where the Company is granted exempted status. The Company is required to provide the Director of Income Tax in Guernsey such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Shareholders resident in Guernsey should note that where income is not distributed but is accumulated, then a tax charge will not arise until the holding is disposed of. On disposal the element of the proceeds relating to the accumulated income will have to be determined.

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in Shares in the Company, with details of the interest.

In the case of Shareholders who are not resident in Guernsey for tax purposes, the Company’s distributions, whether paid as cash or as scrip dividend, can be paid to such Shareholders without deduction of Guernsey tax nor will the Company be required to withhold Guernsey tax on such distributions.

Shareholders are not subject to tax in Guernsey as a result of purchasing, owning or disposing of Shares or either participating or choosing not to participate in a redemption of Shares. There will be no Guernsey tax on the conversion of Shares of one class into Shares of another class.

## **(iii) Implementation of EU Savings Directive in Guernsey**

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into bilateral agreements with EU Member States on the taxation of savings income. From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Directive (2003/48/EC) (the “**EU Savings Directive**”) as applied in Guernsey. However, whilst such interest payments may include distributions from the proceeds of shares or units in certain collective investment schemes which are, or are equivalent to, UCITS, in accordance with EC Directive 85/611/EEC (as recast by EC Directive 2009/65/EC (recast)) and guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements, the Company should not be regarded as, or as equivalent to, a UCITS. Accordingly, any payments made by the Company to Shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and EU Member States to implement the EU Savings Directive in Guernsey.

The operation of the EU Savings Directive is currently under review by the European Commission and a number of changes have been outlined which, if agreed, will significantly widen its scope. These changes could lead to the Company having to comply with the EU Savings Directive in the future.

#### **(iv) Future Changes**

The application of the Foreign Account Tax Compliance Act (“FATCA”) to the Company is not currently clear and its application may be affected by any intergovernmental agreement relating to the implementation of FATCA in Guernsey, into which Guernsey and the United States may enter. Different and potentially obligatory disclosure and withholding tax requirements may be imposed in respect of investors in the Company and their beneficial owners as a result of either local implementing legislation and/or domestic legislation similar to FATCA.

#### **(v) United States-Guernsey Intergovernmental Agreement**

On 29 May 2013, the Chief Minister of Guernsey made a statement to Guernsey’s parliament that the States of Guernsey is engaged in final negotiations with the US to conclude an intergovernmental agreement regarding the implementation of FATCA and that it was at that stage anticipated that the agreement would be ready to sign in June 2013. Once signed, an intergovernmental agreement would be subject to ratification by Guernsey’s parliament and implementation of the agreement would be through Guernsey’s domestic legislative procedure. It is currently anticipated that any such legislation will not come into effect until 2015 at the earliest. On 12 July 2013 the United States Department of Treasury and the Internal Revenue Service issued Notice 2013-43 (the “Notice”) which, *inter alia*, refers to the treatment of financial institutions operating in jurisdictions that have signed an intergovernmental agreement to implement FATCA. According to the Notice, a jurisdiction will be treated as having in effect an intergovernmental agreement if the jurisdiction is listed on the US Treasury website as a jurisdiction that is treated as having an intergovernmental agreement in effect. In general, the US Treasury and the Internal Revenue Service intend to include on this list jurisdictions that have signed but have not yet brought into force an intergovernmental agreement. A financial institution resident in a jurisdiction that is treated as having an intergovernmental agreement in effect will be permitted to register on the FATCA registration website as a registered deemed-compliant financial institution (which would include all reporting Model 1 foreign financial institutions) or participating foreign financial institution (which would include all reporting Model 2 foreign financial institutions). The proposed United States-Guernsey Intergovernmental Agreement is based on Model 1. The full impact of such an agreement on the Company and the Company’s reporting responsibilities (if any) pursuant to FATCA as implemented in Guernsey is not currently known.

#### **(vi) United Kingdom-Guernsey Intergovernmental Agreement**

On 15 March 2013 the Chief Minister of Guernsey announced that Guernsey was in the process of finalising a draft intergovernmental agreement with the United Kingdom (the “UK-Guernsey IGA”) under which potentially obligatory disclosure requirements may be imposed in respect of certain investors in the Company who may have a connection with the United Kingdom. On 29 May 2013, the Chief Minister made a statement to Guernsey’s parliament that discussions regarding the UK-Guernsey IGA were still ongoing. As at the date of this document, details of the finalised terms and effective date of the UK-Guernsey IGA have yet to be published. Once signed, the UK-Guernsey IGA would be subject to ratification by Guernsey’s parliament and implementation of the agreement would be through Guernsey’s domestic legislative procedure. It is currently anticipated that any such legislation will not come into effect until 2016 at the earliest. The impact of the UK-Guernsey IGA on the Company and the Company’s reporting responsibilities pursuant to the UK-Guernsey IGA are not currently known.

**If any Shareholder is in doubt as to his taxation position, he is strongly recommended to consult an independent professional adviser without delay.**

## **6. Memorandum and Articles**

### **6.1 Objects**

The memorandum of incorporation of the Company provides that the objects of the Company are unrestricted.

### **6.2 Dividends and other distributions**

6.2.1 Subject to the rights of any Shares which may be issued with special rights or privileges, the Shares of each class carry the right to receive all income of the Company attributable to the

Shares, and to participate in any distribution of such income made by the Company, *pro rata* to the relative Net Asset Values of each of the classes of Shares, and within each such class such income shall be divided *pari passu* among the holders of Shares of that class in proportion to the number of Shares of such class held by them.

- 6.2.2 The Directors may from time to time authorise dividends and distributions to be paid to Shareholders in accordance with the procedure set out in the Companies Law and subject to any Shareholder's rights attaching to their Shares. The amount of such dividends or distributions paid in respect of one class may be different from that of another class.
- 6.2.3 All unclaimed dividends and distributions may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed on the earlier of (i) a period of seven years after the date when it first became due for payment and (ii) the date on which the Company is wound-up, shall be forfeited and shall revert to the Company without the necessity for any declaration or other action on the part of the Company.
- 6.2.4 Notwithstanding any other provision of the Articles, the holders of any class of C Shares will be entitled to receive such dividends as the Directors may resolve to pay to such holders out of the assets attributable to such class of C Shares (as determined by the Directors).

### 6.3 Voting

- 6.3.1 Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Shares, holders of Shares shall have the right to receive notice of and to attend and vote at general meetings of the Company.
- 6.3.2 Each Shareholder being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall, in the case of a separate class meeting, have one vote in respect of each Share held by him and, in the case of a general meeting of all Shareholders, have
  - (A) one vote in respect of each U.S. Dollar Share held by him;
  - (B) 1.6 votes in respect of each Sterling Share held by him; and
  - (C) in respect of a Share of a class denominated in any currency other than U.S. Dollars or Sterling held by him, such number of votes per Share of such class as shall be determined by the Directors in their absolute discretion upon the issue for the first time of Shares of the relevant class.
- 6.3.3 B Shares and, save in certain limited circumstances, C Shares will not carry the right to attend and receive notice of any general meetings of the Company, nor will they carry the right to vote at such meetings.

### 6.4 Capital

- 6.4.1 As to a winding-up of the Company or other return of capital (other than by way of a repurchase or redemption of Shares in accordance with the provisions of the Articles and the Companies Law, the surplus assets of the Company attributable to the Shares remaining after payment of all creditors shall, subject to the rights of any Shares that may be issued with special rights or privileges, be divided amongst the holders of Shares of each class *pro rata* to the relative Net Asset Values of each of the classes of Shares and within each such class such assets shall be divided *pari passu* among the holders of Shares of that class in proportion to the number of Shares of that class held by them.
- 6.4.2 The manner in which distributions of capital proceeds realised from investments (net of fees and expenses) and attributable to the Shares ("**Capital Proceeds**") shall be effected shall, subject to compliance with the Companies Law, be determined by the Directors in their absolute discretion and, once determined, shall be notified to Shareholders by way of a RIS announcement.
- 6.4.3 Without restricting the discretion of the Directors described in paragraph 6.4.2, the Directors may effect distributions of Capital Proceeds by:
  - (A) issuing B Shares of a particular class to holders of Shares of a particular class *pro rata* to their holdings of Shares of such class (such B Shares to be fully paid-up out of such

class of Shares' *pro rata* share of such Capital Proceeds calculated by reference to the relative Net Asset Values of each of the classes of Shares), which such B Shares shall be compulsorily redeemed, and the redemption proceeds (being equal to the amount paid-up on such shares) paid to the holders of such B Shares, on such terms and in such manner as the Directors may determine; or

(B) by compulsorily redeeming a proportion of each Shareholder's holding of Shares and paying the redemption proceeds to Shareholders on such terms and in such manner as the Directors may determine; or

(C) in such other manner as may be lawful.

6.4.4 The capital and assets of the Company shall on a winding up or on a return of capital (other than by way of the repurchase or redemption of Shares by the Company) prior, in each case, to Conversion shall be applied as follows:

(A) the Correspondent Share Surplus shall be divided amongst the holders of relevant Correspondent Shares *pro rata* to their holdings of Correspondent Shares as if the Correspondent Share Surplus comprised the assets of the Company available for distribution; and

(B) the C Share Surplus attributable to each class of C Shares shall be divided amongst the Shareholders of such class *pro rata* according to their holdings of C Shares of that class.

## 6.5 Pre-emption rights

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment and issue of shares in a Guernsey company. However, the Articles of Incorporation provide that the Company is not permitted to allot (for cash) "equity securities" (which include the allotment and issue of Ordinary Shares or C Shares or rights to subscribe for, or convert securities into, Ordinary Shares or C Shares) or sell (for cash) any such equity securities held in treasury, unless it shall first have offered to allot to each existing holder of redeemable ordinary shares in the Company on the same or more favourable terms a proportion of those securities the aggregate value of which (at the proposed issue price) is as nearly as practicable equal to the proportion of the total Net Asset Value of the Company represented by the redeemable ordinary shares held by such shareholder. These pre-emption rights may be excluded and disapplied or modified by special resolution of the Ordinary Shareholders.

## 6.6 Variation of rights

6.6.1 Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated:

(A) with the consent in writing of the holders of more than half in number of the issued shares of that class; or

(B) with the sanction of an Ordinary Resolution passed at a separate meeting of the holders of the shares of that class.

6.6.2 The necessary quorum at any separate class meeting shall be two persons present holding or representing by proxy at least one-third in number of the issued shares of that class (provided that if any such meeting is adjourned for lack of a quorum, the quorum at the reconvened meeting shall be one person present holding shares of that class or his proxy) provided always that where the class has only one member, that member shall constitute the necessary quorum and any holder of shares of the class in question may demand a poll.

6.6.3 The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other rights shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by (a) the creation or issue of further shares ranking *pari passu* therewith or (b) the purchase or redemption by the Company of any of its shares (or the holding of such shares as treasury shares).



## 6.7 Disclosure of interests in Shares

- 6.7.1 The Directors shall have power by notice in writing (a “**Disclosure Notice**”) to a Shareholder to disclose to the Company the identity of any person other than the Shareholder (an “**interested party**”) who has any interest (whether direct or indirect) in the Shares held by the Shareholder and the nature of such interest or has been so interested at any time during the 3 years immediately preceding the date on which the Disclosure Notice is issued. Any such Disclosure Notice shall require any information in response to such Disclosure Notice to be given in writing to the Company within 28 days of the date of service (or 14 days if the Shares concerned represent 0.25 per cent. or more of the number of Shares in issue of the class of Shares concerned).
- 6.7.2 If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days if the Shares concerned represent 0.25 per cent. or more in number of the issued Shares of the relevant class), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the member (a “**Direction Notice**”). The Direction Notice may direct that in respect of the Shares in respect of which the default has occurred (the “**Default Shares**”) and any other Shares held by the member shall not be entitled to vote in general meetings or class meetings. Where the Default Shares represent at least 0.25 per cent. in number of the class of Shares concerned, the Direction Notice may additionally direct that dividends on such Shares will be retained by the Company (without interest) and that no transfer of the Default Shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.
- 6.7.3 The Directors may be required to exercise their power to require disclosure of interested parties on a requisition of Shareholders holding not less than 1/10th of the total voting rights attaching to the shares in issue at the relevant time.

## 6.8 Transfer of Shares

- 6.8.1 Subject to the Articles (and the restrictions on transfer contained therein), a Shareholder may transfer all or any of his Shares in any manner which is permitted by the Companies Law or in any other manner which is from time to time approved by the Board.
- 6.8.2 A transfer of a certificated Share shall be in the usual common form or in any other form approved by the Board. An instrument of transfer of a certificated Share shall be signed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee.
- 6.8.3 The Articles of Incorporation provide that the Board has power to implement such arrangements as it may, in its absolute discretion, think fit in order for any class of Shares to be admitted to settlement by means of the CREST UK system. If the Board implements any such arrangements, provision of the Articles will apply or have effect to the extent that it is in any respect inconsistent with:
- (A) the holding of Shares of the relevant class in uncertificated form;
  - (B) the transfer of title to Shares or of the relevant class by means of the CREST UK system; or
  - (C) the CREST Guernsey Requirements.
- 6.8.4 Where any class of Shares is, for the time being, admitted to settlement by means of the CREST UK system such securities may be issued in uncertificated form in accordance with and subject to the CREST UK Guernsey Regulations. Unless the Board otherwise determines, Shares held by the same holder or joint holders in certificated form and uncertificated form will be treated as separate holdings. Shares may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject to the CREST Guernsey Regulations. Title to such of the Shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST UK system.
- 6.8.5 The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share in certificated form or uncertificated form subject to the Articles which is not fully paid or on which the Company has a lien provided that, in the case of a Share, this

would not prevent dealings in the Shares of that class from taking place on an open and proper basis on the London Stock Exchange.

- 6.8.6 In addition, the Board may decline to transfer, convert or register a transfer of any Share in certificated form or (to the extent permitted by the CREST Guernsey Requirements) uncertificated form: (a) if it is in respect of more than one class of Shares, (b) if it is in favour of more than four joint transferees, (c) if applicable, if it is delivered for registration to the registered office of the Company or such other place as the Board may decide, not accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require, or (d) the transfer is in favour of any Non-Qualified Holder.
- 6.8.7 If any Shares are owned directly, indirectly or beneficially by a person believed by the Board to be a Non-Qualified Holder, the Board may give notice to such person requiring him either (i) to provide the Board within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder or (ii) to sell or transfer his Shares to a person who is not a Non-Qualified Holder within 30 days and within such 30 days to provide the Board with satisfactory evidence of such sale or transfer pending such sale or transfer, the Board may suspend the exercise of any voting or consent rights and rights to receive notice of or attend any meeting of the Company and any rights to receive dividends or other distributions with respect to such Shares. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited his Shares. If the Board in its absolute discretion so determines, the Company may dispose of the Shares at the best price reasonably obtainable and pay the net proceeds of such disposal to the former holder.
- 6.8.8 The Board of Directors may decline to register a transfer of an uncertificated Share which is traded through the CREST UK system in accordance with the CREST rules where, in the case of a transfer to joint holders, the number of joint holders to whom uncertificated Shares is to be transferred exceeds four.

## 6.9 General meetings

- 6.9.1 The first general meeting (being an annual general meeting) of the Company shall be held within such time as may be required by the Companies Law and thereafter general meetings (which are annual general meetings) shall be held at least once in each calendar year and in any event, no more than 18 months since the last annual general meeting. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. Extraordinary general meetings and annual general meetings shall be held in Guernsey or such other place outside the United Kingdom as may be determined by the Board from time to time.
- 6.9.2 The notice must specify the date, time and place of any general meeting and the text of any proposed special and ordinary resolution. Any general meeting shall be called by at least ten clear days' notice. A general meeting may be deemed to have been duly called by shorter notice if it is so agreed by all the members entitled to attend and vote thereat. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the proceedings at the meeting.
- 6.9.3 The Shareholders may require the Board to call an extraordinary general meeting in accordance with the Companies Law.

## 6.10 Restrictions on voting

Unless the Board otherwise decides, no member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class of Shares in the Company, either in person or by proxy, in respect of any Share held by him unless all calls and other sums presently payable by him in respect of that Share have been paid. No member of the Company shall, if the Directors so determine, be entitled in respect of any Share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such Shares has failed to comply with a Disclosure Notice (see paragraph 6.7.1 above) within 14 days, in a case where the Shares in question represent at least 0.25

per cent. of their class, or within 28 days, in any other case, from the date of such Disclosure Notice. These restrictions will continue until the information required by the notice is supplied to the Company or until the Shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

## 6.11 Appointment, retirement and disqualification of Directors

- 6.11.1 Unless otherwise determined by the Shareholders by ordinary resolution, the number of Directors shall not be less than two and there shall be no maximum number. At no time shall a majority of the Board be resident in the UK for UK tax purposes.
- 6.11.2 A Director need not be a Shareholder. A Director who is not a Shareholder shall nevertheless be entitled to attend and speak at Shareholders' meetings.
- 6.11.3 Subject to the Articles, Directors may be appointed by the Board (either to fill a vacancy or as an additional Director). No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless not less than seven and not more than 42 clear days before the date appointed for the meeting there shall have been left at the Company's registered office (or, if an electronic address has been specified by the Company for such purposes, sent to the Company's electronic address) notice in writing signed by a Shareholder who is duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected, specifying his tax residency status and containing a declaration that he is not ineligible to be a Director in accordance with the Companies Law.
- 6.11.4 No person shall be or become incapable of being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age.
- 6.11.5 Subject to the Articles, at each annual general meeting of the Company, any Director (i) who has been appointed by the Board since the last annual general meeting, (ii) who held office at the time of the two preceding annual general meetings and who did not retire at either of them, or (iii) who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting, shall retire from office and may offer himself for election or re-election by the Shareholders.
- 6.11.6 A Director who retires at an annual general meeting may, if willing to continue to act, be elected or re-elected at that meeting. If he is elected or re-elected he is treated as continuing in office throughout. If he is not elected or re-elected, he shall remain in office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place or when a resolution to elect or re-elect the Director is put to the meeting and lost.
- 6.11.7 A Director may resign from office as a Director by giving notice in writing to that effect to the Company at its registered office, which notice shall be effective upon such date as may be specified in the notice, failing which, upon delivery to the registered office.
- 6.11.8 The office of a Director shall be vacated: (i) if he (not being a person holding for a fixed term an executive office subject to termination if he ceases from any cause to be a Director) resigns his office by one month's written notice signed by him sent to or deposited at the Company's registered office; (ii) if he dies; (iii) if the Company requests that he resigns his office by giving one month's written notice; (iv) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated; (v) if he becomes bankrupt or makes any arrangements or composition with his creditors generally; (vi) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment; (vii) if he is requested to resign by written notice signed by a majority of his co-Directors (being not less than two in number); (viii) if the Company by ordinary resolution shall declare that he shall cease to be a Director; (ix) if he becomes resident in the United Kingdom for tax purposes and, as a result thereof, a majority of the Directors would, if he were to remain a Director, be resident in the United Kingdom for tax purposes; or (x) if he becomes ineligible to be a Director in accordance with the Companies Law.

- 6.11.9 Any Director may, by notice in writing, appoint any other person (subject to the provisions in paragraph 6.11.10 below), who is willing to act as his alternate and may remove his alternate from that office.
- 6.11.10 Each alternate Director shall be either (i) resident for tax purposes in the same jurisdiction as his appointor, or (ii) resident outside the UK for UK tax purposes, in each case for the duration of the appointment of that alternate Director and in either case shall also be eligible to be a Director under the Companies Law and signs a written consent to act. Every appointment or removal of an alternate Director shall be by notice in writing signed by the appointor and served upon the Company.

## 6.12 Proceedings of the Board

- 6.12.1 The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two. Subject to the Articles, a meeting of the Board at which a quorum is present shall be competent to exercise all the powers and discretion exercisable by the Board.
- 6.12.2 All meetings of the Board are to take place outside the United Kingdom and any decision reached or resolution passed by the Directors at any meeting of the Board held within the United Kingdom at which no majority of Directors resident outside the UK (and not within the UK) for UK tax purposes is present shall be invalid and of no effect.
- 6.12.3 The Board may elect one of their number as chairman. If no chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.
- 6.12.4 Questions arising at any meeting shall be determined by a majority of votes.
- 6.12.5 The Board may delegate any of its powers to committees consisting of two or more Directors as they think fit with a majority of such Directors being resident outside of the United Kingdom for United Kingdom tax purposes. Committees shall only meet outside the United Kingdom. Any committee so formed shall be governed by any regulations that may be imposed on it by the Board and (subject to such regulations) by the provisions of the Articles that apply to meetings of the Board.

## 6.13 Remuneration of Directors

The Directors shall be entitled to receive fees for their services, such sums not to exceed in aggregate £500,000 in any financial year in aggregate (or such sum as the Company in general meeting shall from time to time determine). The Directors may be paid all reasonable travelling, hotel and other out of pocket expenses properly incurred by them in attending board or committee meetings or general meetings, and all reasonable expenses properly incurred by them seeking independent professional advice on any matter that concerns them in the furtherance of their duties as a Director.

## 6.14 Interests of Directors

- 6.14.1 Subject to and in accordance with the Companies Law, a Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose that fact to the Directors (including, if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest, or if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest).
- 6.14.2 Subject to the provisions of the Companies Law, and provided that he has disclosed to the Directors the nature and extent of any interests of his, a Director notwithstanding his office:
- (A) may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to the tenure of office and otherwise as the Directors may determine;
  - (B) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

- (C) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, a shareholder of or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- (D) shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit;
- (E) may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as though he were not a Director of the Company; and
- (F) may be counted in the quorum present at any meeting in relation to any resolution in respect of which he has declared an interest (but he may not vote thereon).

## 6.15 Winding-up

6.15.1 If the Company shall be wound up, the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by the Companies Law, divide the whole or any part of the assets of the Company among the members entitled to the same *in specie* and the liquidator or, where there is no liquidator, the Directors may for that purpose value any assets as he or they deem fair and determine how the division shall be carried out as between the members or different classes of members and, with the like sanction, may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he or they may determine, but no member shall be compelled to accept any assets upon which there is a liability.

6.15.2 Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company, the liquidator may, with the sanction of an ordinary resolution, receive in compensation shares, policies or other like interests for distribution or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.

## 6.16 Borrowing powers

The Directors may exercise all the powers of the Company to borrow money and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property (present or future) or assets or uncalled capital and to issue debentures and other securities whether outright, or as collateral security for any debt, liability or obligation of the Company or of any third party.

## 7. Material Contracts

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company since its incorporation and are, or may be, material or that contain any provision under which the Company has any obligation or entitlement which is or may be material to it as at the date of this Prospectus:

### Sponsor and Placing Agreement

7.1 The Sponsor and Placing Agreement dated on or about the date of this Prospectus between Oriel, Dexion, the Company, the Directors and the Investment Manager whereby the Company has agreed, subject to certain conditions that are typical for an agreement of this nature, the last condition being Admission, to issue the Shares to be issued pursuant to the Issue at the Issue Price. Oriel and Dexion have agreed, subject to certain conditions that are typical for an agreement of this nature, the last condition being Admission, to use reasonable endeavours to procure subscribers for the Shares to be issued under the Placing at the Issue Price. The Placing will not be underwritten.

In consideration for the provision of their services under the Sponsor and Placing Agreement, the Company will pay placing commissions to Oriel and Dexion together with any VAT chargeable thereon. Placing commissions may be rebated to certain investors by Oriel and Dexion. Notwithstanding that each of Oriel and Dexion may, for certain purposes, be acting (as agent or otherwise) for the Company in connection with the Placing, they may retain any commissions, fees or other amounts payable to them by the Company and any other benefits whatsoever for their own respective accounts.

The obligations of the Company to issue Shares and the obligations of Oriel and Dexion to use reasonable endeavours to procure subscribers for the Shares to be issued under the Placing, are subject to conditions, including, amongst others, Admission occurring by not later than 0800 hours on 29 October 2013 or such later time and/or date as Oriel and Dexion may agree with the Company and the Sponsor and Placing Agreement not having been terminated. Oriel and Dexion may terminate the Sponsor and Placing Agreement in certain circumstances that are typical for an agreement of this nature prior to Admission. These circumstances include the breach by the Company or the Investment Manager of the warranties given pursuant to the Sponsor and Placing Agreement, the occurrence of certain material adverse changes in the condition (financial or otherwise), prospects or earnings of the Company, and certain adverse changes in financial, political or economic conditions.

The Company has agreed to pay by way of reimbursement to Oriel and Dexion, any stamp duty or stamp duty reserve tax arising on the issue of the Shares by them under the Issue and the Company has agreed to pay or cause to be paid (together with any related value added tax) certain costs, charges, fees and expenses of, or in connection with, or incidental to, amongst others, the Issue, Admission or the other arrangements contemplated by the Sponsor and Placing Agreement.

The Company and the Investment Manager have given certain representations, warranties, undertakings and indemnities to Oriel and Dexion.

The Company has undertaken to Oriel and Dexion in the Sponsor and Placing Agreement that it will not, and each of the Directors has undertaken to procure that the Company will not, during the period beginning at the date of the Sponsor and Placing Agreement and continuing to and including the date 365 days after the date of Admission, without the prior written consent of Oriel and Dexion, offer, issue, lend, sell or contract to sell, grant options in respect of or otherwise dispose of, directly or indirectly any Shares or any securities convertible into, or exchangeable for, or enter into any transaction with the same economic effect as, or agree to do any of the foregoing (other than the Shares issued pursuant to the Issue).

Each of the Company, the Directors and the Investment Manager has undertaken to Oriel and Dexion in the Sponsor and Placing Agreement that he/it will not make or despatch (and will not authorise any person to make or despatch) any public announcement or communication concerning the Group or the Issue or otherwise relating to the assets, liabilities, profits, losses, financial or trading conditions of the Group which is or may be material in the context of the Group or the Issue or the issue, offer, or sale of the Shares at any time between the date of the Sponsor and Placing Agreement and the date 180 days after the publication of this Prospectus without having first furnished to Oriel and Dexion a copy of each such proposed announcement or communication as far in advance of the announcement as reasonably practicable to enable it to comment thereon and to consult with it and having had Oriel and Dexion's written consent as to its contents and the timing and manner of its release.

Oriel and Dexion have agreed that in relation to any amount recoverable from the Company and the Investment Manager under the indemnities contained in the Sponsor and Placing Agreement Oriel and Dexion will claim first against the Company and will only claim against the Investment Manager to the extent that Oriel and/or Dexion do not recover the relevant loss in full from the Company, provided that this does not restrict or prevent Oriel and/or Dexion from making a claim against the Investment Manager where (a) Oriel and Dexion each in its good faith opinion believes that it will not be able to recover the relevant loss in full from the Company (including as a result of the actual or reasonably anticipated insolvency of the Company) or (b) the relevant loss results from the breach by the Investment Manager of certain warranties, or any of its other obligations under the Sponsor and Placing Agreement.

The Sponsor and Placing Agreement is governed by English law.

## Investment Management Agreement

7.2 The Company and the Investment Manager have entered into an investment management agreement, dated 18 March 2011 (the “**Investment Management Agreement**”) as amended by a deed of amendment dated 30 September 2013 (the “**IMA Deed of Amendment**”), pursuant to which the Investment Manager has been given overall responsibility for the discretionary management of the Company’s assets (including uninvested cash) in accordance with the Company’s investment objectives and policy.

### Fees

Pursuant to the Investment Management Agreement (as amended by the IMA Deed of Amendment), the Investment Manager is entitled to a management fee which shall be calculated and accrue daily at a rate equivalent to the following schedule (expressed as a per cent of NAV per annum):

- 0.75 per cent. for assets lower than or equal to £1,000,000,000
- 0.70 per cent. for assets greater than £1,000,000,000 and lower than or equal to £2,000,000,000
- 0.65 per cent. for assets greater than £2,000,000,000.

The management fee is payable quarterly in arrears. No performance fee is payable by the Company to the Investment Manager.

If the Investment Manager receives any fees from a company as a result of an investment made by the Investment Manager under the Investment Management Agreement in such company, the amount of any such fees shall be deducted from the management fee.

### Termination

7.2.1 The Investment Management Agreement is terminable by either the Investment Manager or the Company giving to the other not less than six months’ written notice.

7.2.2 The Investment Management Agreement may be terminated earlier by the Company with immediate effect if:

- (i) an order has been made or an effective resolution passed for the liquidation of the Investment Manager;
- (ii) the Investment Manager ceases or threatens to cease to carry on its business;
- (iii) the Investment Manager has, subject to paragraph 7.2.2(iv) below, committed a material breach of the Investment Management Agreement and fails to remedy such breach within 30 days of receiving notice requiring it to do so;
- (iv) the Investment Manager has committed a breach of its obligation to ensure that its obligations under the Investment Management Agreement are carried out by a team of appropriately qualified, trained and experienced professionals reasonably acceptable to the Board who have experience of managing a portfolio of comparable size, nature and complexity to the Portfolio and such breach is not remedied within 90 days of receipt of notice requiring it to do so;
- (v) the Investment Manager ceases to hold any required authorisation to carry out its services under the Investment Management Agreement;
- (vi) the Investment Manager breaches any provision of the Investment Management Agreement and such breach results in listing and trading of the Shares on the Official List and the Main Market being suspended or terminated; and
- (vii) the Company is required to do so by a relevant regulatory authority.

7.2.3 The Investment Management Agreement may be terminated by the Investment Manager with immediate effect if: (a) an order has been made or an effective resolution passed for the winding up of the Company; or (b) a resolution is proposed by the Board or passed by shareholders which would make changes to the Company’s investment policy such that the Investment Manager in its reasonable opinion can no longer meet the service standard requirements under the Investment Management Agreement.

## *Fees and expenses on termination*

7.2.4 In the event the Investment Management Agreement is terminated in accordance with paragraphs 7.2.1 to 7.2.3, the Investment Manager shall be entitled to (a) be paid any accrued management fee to the date of termination; and (b) be promptly reimbursed for all of its out of pocket expenses incurred in respect of the performances of its services up to the date of termination

## *Indemnities*

7.2.5 The Company has given certain market standard indemnities in favour of the Investment Manager in respect of the Investment Manager's potential losses in carrying on its responsibilities under the Investment Management Agreement.

## *General*

7.2.6 The Investment Manager will delegate certain of its responsibilities under the Investment Management Agreement to the Sub-Investment Manager.

7.2.7 The Investment Management Agreement is governed by the laws of England and Wales.

## **Administration and Custody Agreement**

7.3 The Company and the Administrator entered into an administration and custody agreement dated 17 March 2011 pursuant to which the Company appointed the Administrator to act as Administrator, Secretary and Custodian of the Company.

The Company has given certain market standard indemnities in favour of the Administrator in respect of the Administrator's potential losses in carrying out its responsibilities under the Administration and Custody Agreement.

The Administration and Custody Agreement may be terminated by either party on not less than six months' written notice following this period (or such shorter notice as the parties may agree). The Administration and Custody Agreement may be terminated immediately by either party: (i) in the event of the winding up of or the appointment of an administrator, liquidator, examiner or receiver to the other or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction (except if such event occurs for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the parties, such approval not to be unreasonably withheld or delayed) or if the other party is declared 'en desastre'; or (ii) if the other shall commit any material breach or is in persistent breach of the provisions of the Administration and Custody Agreement and shall if capable of remedy not have remedied the same within 30 days after the service of notice requiring it to be remedied; or (iii) if the continued performance of the Administration and Custody Agreement for any reason ceases to be lawful.

The Company may immediately terminate the Administration and Custody Agreement in the event of the Administrator ceasing to hold the necessary licences, approvals, permits, consents or authorisations required to enable it to perform its duties under the Administration and Custody Agreement.

The Administration, Secretary and Custody Agreement is governed by the laws of the Island of Guernsey.

## **Registrar Agreement**

7.4 The Company and the Registrar entered into a registrar agreement dated 17 March 2011 (the "**Registrar Agreement**"), pursuant to which the Company appointed the Registrar to act as registrar of the Company for a minimum annual fee payable by the Company of £7,500 in respect of basic registration.

The Registrar Agreement may be terminated by either the Company or the Administrator giving to the other not less than three month's written notice.



## Receiving Agent Agreement

7.5 The Company and the Receiving Agent entered into a registrar agreement dated on or around 30 September 2013 (the “**Receiving Agent Agreement**”), pursuant to which the Company appointed the Receiving Agent to act as receiving agent of the Company. The Receiving Agent will accept responsibility for, *inter alia*, receiving the applications for shares and the application monies and to present them for payment.

The Receiving Agent Agreement is governed by the Laws of England.

## 2013 Secondary Issue Sponsor and Placing Agreement

7.6 Pursuant to the 2013 Secondary Issue in March 2013, the Company entered into a sponsor and placing agreement dated 19 February 2013 and made between Oriel, Dexion, the Company, the Directors and the Investment Manager (the “**2013 Secondary Issue Sponsor and Placing Agreement**”) whereby the Company agreed, subject to certain conditions that are typical for an agreement of this nature, to issue the shares issued pursuant to the 2013 Secondary Issue. Oriel and Dexion agreed, subject to certain conditions that were typical for an agreement of this nature, to use reasonable endeavours to procure subscribers for the Shares which were issued under the 2013 Secondary Issue. The placing under the 2013 Secondary Issue was not underwritten.

In consideration for the provision of their services under the 2013 Secondary Issue Sponsor and Placing Agreement, the Company paid placing commissions to Oriel and Dexion together with any VAT chargeable thereon. Notwithstanding that each of Oriel and Dexion, for certain purposes, acted (as agent or otherwise) for the Company in connection with the Placing, they retained any commissions, fees or other amounts payable to them by the Company and any other benefits whatsoever for their own respective accounts.

The obligations of the Company to issue shares and the obligations of Oriel and Dexion to use reasonable endeavours to procure subscribers for the shares issued under the 2013 Secondary Issue, were subject to conditions, including, amongst others, admission occurring by not later than 0800 hours on 26 March 2013 or such later time and/or date as Oriel and Dexion may agree with the Company and the 2013 Secondary Issue Sponsor and Placing Agreement not having been terminated. The 2013 Secondary Issue Sponsor and Placing Agreement could have been terminated in certain circumstances that are typical for an agreement of this nature prior to admission.

The Company agreed to pay by way of reimbursement to Oriel and Dexion, any stamp duty or stamp duty reserve tax arising on the issue of the shares pursuant to the 2013 Secondary Issue by them under the issue and the Company agreed to pay or cause to be paid (together with any related value added tax) certain costs, charges, fees and expenses of, or in connection with, or incidental to, amongst others, the issue, admission or the other arrangements contemplated by the 2013 Secondary Issue Sponsor and Placing Agreement.

The Company and the Investment Manager gave certain representations, warranties, undertakings and indemnities to Oriel and Dexion.

The Company undertook to Oriel and Dexion in the 2013 Secondary Issue Sponsor and Placing Agreement that it would not, and each of the Directors undertook to procure that the Company would not, during the period beginning at the date of the 2013 Secondary Issue Sponsor and Placing Agreement and continuing to and including the date 365 days after the date of admission, without the prior written consent of Oriel and Dexion, offer, issue, lend, sell or contract to sell, grant options in respect of or otherwise dispose of, directly or indirectly any shares or any securities convertible into, or exchangeable for, or enter into any transaction with the same economic effect as, or agree to do any of the foregoing (other than the shares issued pursuant to the 2013 Secondary Issue).

Each of the Company, the Directors and the Investment Manager undertook to Oriel and Dexion in the Sponsor and Placing Agreement that he/it would not make or despatch (and will not authorise any person to make or despatch) any public announcement or communication concerning the Group or the 2013 Secondary Issue or otherwise relating to the assets, liabilities, profits, losses, financial or trading conditions of the Group which is or may be material in the context of the Group or the 2013 Secondary Issue or the issue, offer, or sale of the shares at any time between the date of the 2013 Secondary Issue Sponsor and Placing Agreement and the date 180 days after the publication of the 2013 Secondary Issue Prospectus without having first furnished to Oriel and Dexion a copy of each such proposed announcement or communication as far in advance of the announcement as reasonably

practicable to enable them to comment thereon and to consult with it and having had Oriel and Dexion's written consent as to its contents and the timing and manner of its release.

Oriel and Dexion agreed that, in relation to any amount recoverable from the Company and the Investment Manager under the indemnities contained in the 2013 Secondary Issue Sponsor and Placing Agreement, Oriel and Dexion would claim first against the Company and would only claim against the Investment Manager to the extent that Oriel and/or Dexion did not recover the relevant loss in full from the Company, provided that this does not restrict or prevent Oriel and/or Dexion from making a claim against the Investment Manager where (a) Oriel and Dexion each in its good faith opinion believes that it would not be able to recover the relevant loss in full from the Company (including as a result of the actual or reasonably anticipated insolvency of the Company) or (b) the relevant loss results from the breach by the Investment Manager of certain warranties, or any of its other obligations under the 2013 Secondary Issue Sponsor and Placing Agreement.

The 2013 Secondary Issue Sponsor and Placing Agreement was governed by English law.

## 8. Litigation

The Group has not been, nor is it, involved in any governmental, legal or arbitration proceedings nor, so far as the Directors are aware, are there any governmental, legal or arbitration proceedings pending or threatened during a period covering at least the previous 12 months which may have, or have had in the recent past, a significant effect on the Group's financial position or profitability.

## 9. Related Party Transactions

Other than the: (i) issue of C Shares to the Related Party (see the section headed "General Meeting" in Part I of this Prospectus); (ii) fees and expenses paid to Directors in the ordinary course, as set out in paragraphs 4.4 of this Part IX of the Prospectus (*Directors remuneration*); (iii) additional fee of £10,000 paid to each Director for their services in relation to each of the 2011 Secondary Issue and the 2013 Secondary Issue; (iv) fees and expenses paid to the Investment Manager in the ordinary course of business, as set out in paragraph 7.2 (*Investment Management Agreement*) of this Part IX of the Prospectus, and (v) the participation of the Related Party in the 2011 Secondary Issue and the 2013 Secondary Issue and the participation of NB High Yield Bond (previously a related party in accordance with the Listing Rules) in the 2013 Secondary Issue, the Company has not entered into any related party transaction since incorporation.

## 10. General

- 10.1 The Placing of the Issue Shares is being carried out on behalf of the Company by Oriel and Dexion, both of which are authorised and regulated in the UK by the Financial Conduct Authority, and certain other sales agents appointed by the Company.
- 10.2 The principal place of business and registered office of the Company is at BNP Paribas House, St. Julian's Avenue, St. Peter Port, Guernsey, GY1 1WA. The Company is a registered closed-ended collective investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2008 issued by the GFSC. The Company is not regulated by any regulator other than the GFSC.
- 10.3 The Investment Manager may be a promoter of the Company. Save as disclosed in paragraph 7 above no amount or benefit has been paid, or given, to the promoter or any of their subsidiaries since the incorporation of the Company and none is intended to be paid, or given.
- 10.4 The address of the Investment Manager is 4th Floor, Lansdowne House, 57 Berkeley Square, London, W1J 6ER, UK and its telephone number is +44 (0) 203 214 9000.
- 10.5 As the Issue Shares do not have a par value, the Issue Price consists solely of share premium.
- 10.6 None of the Issue Shares available under the Issue are being underwritten.
- 10.7 CREST is a paperless settlement procedure enabling securities to be evidenced other than by certificates and transferred other than by written instrument. The Articles of the Company permit the holding of the Issue Shares under the CREST system. The Directors intend to apply for the Issue Shares to be admitted to CREST with effect from Admission. Accordingly it is intended that settlement of transactions in the Issue Shares following Admission may take place within the CREST

system if the relevant Shareholders (other than U.S. Persons) so wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so upon request from the Registrars.

- 10.8 Applications will be made to each of the UK Listing Authority and the London Stock Exchange for such Issue Shares to be admitted to listing and trading on the Official List and the Main Market respectively. It is expected that admission will become effective, and that dealings in the Issue Shares will commence at 0800 hours on 29 October 2013. No application is being made for the Issue Shares to be dealt with in or on any stock exchanges or investment exchanges other than the London Stock Exchange.
- 10.9 The Company does not own any premises and does not lease any premises.

## 11. Third party sources

- 11.1 Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 11.2 The Investment Managers have given and not withdrawn their written consent to the issue of this Prospectus with references to their name in the form and context in which such references appear. The Investment Managers accept responsibility for information attributed to them in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to them in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

## 12. Working capital

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, that is for at least the next 12 months from the date of this document.

## 13. Capitalisation and indebtedness

The following table shows the gross indebtedness of the Company (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 24 September 2013 (being the latest practicable date prior to the publication of this document):

	24 September 2013
	\$
<b><i>Total current debt</i></b>	
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil
<b><i>Total non-current debt</i></b>	
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil

The following table shows the capitalisation of the Company as at 30 June 2013 (being the last date in respect of which the Company has published financial information):

	<b>30 June 2013</b>
	<b>\$</b>
<b><i>Shareholders' equity</i></b>	
Share capital (including treasury shares)	1,241,480,652
Legal reserve	0
Other reserves	(22,859,799)
<b>Total</b>	<b>1,218,620,853</b>

Since 30 June 2013, the Company has issued 407,337,669 new Ordinary Shares (comprised of 401,575,862 Sterling Shares and 5,761,807 U.S. Dollar Shares) pursuant to: (i) the conversion of existing Sterling C Shares into Ordinary Shares as announced on 4 July 2013; and (ii) the Tap Issue. Save as disclosed above and at paragraph 1.6 of this Part IX of this Prospectus, as at 24 September 2013 (being the latest practicable date prior to the publication of this document), there has been no material change in the capitalisation of the Company since 30 June 2013 (being the last date in respect of which the Company has published financial information).

As at the date of this Prospectus, the Company has nil net indebtedness.

## 14. Investment restrictions

- 14.1 The Company will manage and invest its assets in accordance with its investment policy as disclosed in Part I of this Prospectus and will comply with the following investment restrictions:
- 14.1.1 for so long as they remain requirements of the UK Listing Authority the Company must not conduct a trading activity which is significant in the context of its group as a whole (this does not prevent the businesses forming part of the Portfolio from conducting trading activities themselves); and
- 14.1.2 the Company will not invest in other listed closed-ended investment funds.
- 14.2 The Company will, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with the investment policy set out in Part I of this Prospectus.
- 14.3 No more than 20 per cent. of the Company's gross assets shall be exposed to the creditworthiness or solvency of any one counterparty (including such counterparty's subsidiaries and affiliates).

## 15. Documents available for inspection

Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays and Public Holidays excepted) until the date of Admission:

- 15.1 this document;
- 15.2 the Articles;
- 15.3 the published annual report and audited accounts of the Company for the financial years ended 31 December 2011 and 31 December 2012; and
- 15.4 the published unaudited interim report and financial statements of the Company for the financial periods ended 30 June 2012 and 30 June 2013.

Dated 30 September 2013

# Part X: Terms and Conditions of the Placing by Oriel and Dexion

## 1. Introduction

Each Placee which confirms its agreement (whether orally or in writing) to Oriel and/or to Dexion and/or Pershing Securities Limited (“PSL”) (acting as the settlement agent of Dexion in connection with the Placing) to subscribe for Issue Shares under the Placing will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or Oriel and/or Dexion may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a “**Placing Letter**”).

## 2. Agreement to Subscribe for Issue Shares

Conditional on: (i) Admission occurring and becoming effective by 0800 hours (London time) on or prior to 29 October 2013 (or such later time and/or date, not being later than 15 November 2013, as the Company, the Investment Managers, Oriel and Dexion may agree); (ii) the Sponsor and Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before 29 October 2013 (or such later time and/or date, not being later than 15 November 2013 as the parties thereto may agree); and (iii) Oriel and/or Dexion confirming to the Placees their allocation of Issue Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Issue Shares allocated to it by Oriel and/or Dexion at the Issue Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

## 3. Payment for Issue Shares

Each Placee must pay the Issue Price for the Issue Shares issued to the Placee in the manner and by the time directed by Oriel and/or Dexion. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee’s application for Issue Shares shall be rejected.

## 4. Representations and Warranties

By agreeing to subscribe for Issue Shares, each Placee which enters into a commitment to subscribe for Issue Shares will (for itself and any person(s) procured by it to subscribe for Issue Shares and any nominee(s) for any such person(s)) be deemed to agree, represent and warrant to each of the Company, the Investment Managers, the Registrar, Oriel, Dexion and PSL that:

- (a) in agreeing to subscribe for Issue Shares under the Placing, it is relying solely on this Prospectus and any supplementary Prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company or the Placing. It agrees that none of the Company, the Investment Managers, Oriel, Dexion, PSL or the Registrar, nor any of their respective officers, agents (which, for the avoidance of doubt in this Prospectus, in respect of Dexion includes PSL) or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- (b) the content of this Prospectus is exclusively the responsibility of the Company and its Directors and apart from the liabilities and responsibilities, if any, which may be imposed on any of Oriel, Dexion or PSL under any regulatory regime, none of Oriel, Dexion nor any person acting on their behalf nor any of their affiliates (which for the avoidance of doubt, in this document in respect of Dexion includes PSL), make any representation, express or implied, nor accepts any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by them or on its or their behalf in connection with the Company, the Issue Shares or the Issue;
- (c) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Issue Shares under the Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite

formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Managers, Dexion, PSL, Oriel, or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;

- (d) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Issue Shares and it is not acting on a non-discretionary basis for any such person;
- (e) it agrees that, having had the opportunity to read this Prospectus, it shall be deemed to have had notice of all information and representations contained in this Prospectus, that it is acquiring Issue Shares solely on the basis of this Prospectus and no other information and that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for Issue Shares;
- (f) it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by Dexion, PSL, Oriel, the Company or the Investment Managers;
- (g) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (h) it accepts that none of the Issue Shares have been or will be registered under the laws of any jurisdiction where the extension or availability of the Placing would breach any applicable law;
- (i) if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Issue Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- (j) if it is a resident in the EEA (other than the United Kingdom), it is a qualified investor within the meaning of the law in the Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive;
- (k) if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Issue Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Issue Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- (l) it acknowledges that none of Oriel or Dexion nor any of their respective affiliates nor any person acting on their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that it is not and will not be a client of Oriel or Dexion or any of their affiliates and that Oriel and Dexion and any of their affiliates do not have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertaking or indemnities contained in any placing letter;
- (m) it acknowledges the representations, warranties and agreements set out in this Prospectus, including those set out in the "purchase and transfer restrictions" in Part VIII of this Prospectus, and further acknowledges that it is not a U.S. Person, it is not located within the United States and is not acquiring the Shares for the account or benefit of a U.S. Person; where it is subscribing for Issue Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Issue Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or Oriel and/or Dexion and/or PSL. It agrees that the provision of this paragraph shall survive any resale of the Issue Shares by or on behalf of any such account;

- (n) it irrevocably appoints any director of the Company and any director of Oriel and Dexion to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Issue Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- (o) it accepts that if the Placing does not proceed or the conditions to the Sponsor and Placing Agreement are not satisfied or the Issue Shares for which valid application are received and accepted are not admitted to listing and trading on the Official List and the Main Market (respectively) for any reason whatsoever then none of Oriel, Dexion, the Company or any of their affiliates, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- (p) in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and countering terrorist financing and that its application is only made on the basis that it accepts full responsibility for any requirement to identify and verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) subject to the Guernsey AML Requirements; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a county in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- (q) due to anti-money laundering and the countering of terrorist financing requirements, Oriel, Dexion, PSL and/or the Company may require proof of identity of the Placee and related parties and verification of the source of the funds used to make payment before the application can be processed and that, in the event of delay or failure by the Placee to produce any information required for verification purposes, Oriel, Dexion, PSL and/or the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Oriel, Dexion, PSL and/or the Company against any liability, loss or cost ensuing due to the failure to process this application, if such information as has been required has not been provided by it or has not been provided timeously;
- (r) any person in Guernsey involved in the business of the Company (including PSL) who has a suspicion or belief that any other person (including the Company or any person subscribing for Issue Shares) is involved in money laundering activities or terrorist financing activities, is under an obligation to report such suspicion to the Financial Intelligence Service pursuant to the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended) and the Disclosure (Bailiwick of Guernsey) Law 2007. Similar disclosures may be required under other legislation;
- (s) Oriel, Dexion and the Company (and any agent on their behalf) are entitled to exercise any of their rights under the Sponsor and Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them (or any agent acting on their behalf);
- (t) the representations, undertakings and warranties contained in this Prospectus are irrevocable. It acknowledges that Oriel, Dexion and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Issue Shares are no longer accurate, it shall promptly notify Oriel, Dexion and the Company;
- (u) where it or any person acting on behalf of it is dealing with Oriel and/or Dexion and/or PSL, any money held in an account with Oriel and/or Dexion and/or PSL on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the Financial Conduct Authority or the GFSC which therefore will not require Oriel and/or Dexion and/or PSL to segregate such money, as that money will be held by Oriel and/or Dexion and/or PSL under a banking relationship and not as trustee;
- (v) any of its clients, whether or not identified to Oriel or Dexion or any of their affiliates or agents, will remain its sole responsibility and will not become clients of Oriel or Dexion or any of their affiliates or agents for the purposes of the rules of the Financial Conduct Authority or the GFSC or for the purposes of any other statutory or regulatory provision;

- (w) it accepts that the allocation of Issue Shares shall be determined by Oriel, Dexion and the Company in their absolute discretion and that such persons may scale down any Placing commitments for this purpose on such basis as they may determine; and
- (x) time shall be of the essence as regards its obligations to settle payment for the Issue Shares and to comply with its other obligations under the Placing.

## 5. Supply and Disclosure of Information

If Oriel, Dexion, PSL, the Registrar or the Company or any of their agents request any information in connection with a Placee's agreement to subscribe for Issue Shares under the Placing or to comply with any relevant legislation, such Placee must promptly disclose it to them.

## 6. The Data Protection (Bailiwick of Guernsey) Law 2001

- 6.1 Pursuant to The Data Protection (Bailiwick of Guernsey) Law 2001, (the "DP Law") the Company, the Joint Bookrunners, the Registrar, the Administrator and/or PSL may hold personal data (as defined in the DP Law) relating to past and present Shareholders.
- 6.2 Such personal data held is used by those parties in relation to the Placing and to maintain a register of the Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and redemption proceeds to Shareholders (in each case, where applicable) and, if applicable, the payment of commissions to third parties and (b) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities.
- 6.3 The countries referred to above include, but need not be limited to, those in the European Economic Area or the European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States.
- 6.4 By becoming registered as a holder of Issue Shares in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company or its Registrar or the Joint Bookrunners or PSL of any personal data relating to them in the manner described above.

## 7. Miscellaneous

- 7.1 PSL is acting as receiving agent for Dexion in connection with the Placing and for no-one else and it will not treat a Placee or any other person as its customer by virtue of such application being accepted or owe a Placee or any other person any duties or responsibilities concerning the price of Issue Shares or concerning the suitability of Issue Shares for a Placee or for any other person or be responsible to Placee or for any other person for providing the protections afforded to its customers;
- 7.2 The rights and remedies of Oriel, Dexion, PSL, the Registrar and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 7.3 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 7.4 Each Placee agrees to be bound by the Articles (as amended from time to time) once the Issue Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for Issue Shares under the Placing and the appointments and authorities mentioned in this Prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Oriel, Dexion, PSL, the Company and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against Placee in any other jurisdiction.



- 7.5 In the case of a joint agreement to subscribe for Issue Shares under the Placing, references to a “Placee” in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 7.6 Oriel, Dexion, and the Company expressly reserve the right to modify the Placing (including, without limitation, their timetable and settlement) at any time before allocations are determined.
- 7.7 The Placing is subject to the satisfaction of the conditions contained in the Sponsor and Placing Agreement and the Sponsor and Placing Agreement not having been terminated. Further details of the terms of the Sponsor and Placing Agreement are contained in Part IX of this Prospectus.

## Part XI: Terms and Conditions of the Offer

### 1. Introduction

If you apply for Issue Shares under the Offer, you will be agreeing with the Company, the Registrar and the Receiving Agent to the Terms and Conditions of Application set out below.

### 2. Offer to Acquire Issue Shares

- 2.1 Your application must be made on the Application Form attached at Appendix A to this Prospectus or as may be otherwise published by the Company. By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:
- 2.1.1 offer to subscribe for such number of Issue Shares at £1.00 per Sterling C Share (as the case may be) as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum of £1,000 or such lesser amount as the Company may, in its absolute discretion, determine to accept in respect of applications from (i) authorised persons and (ii) persons (including Directors) having a pre-existing connection with the Company) on the terms, and subject to the conditions, set out in this Prospectus, including these Terms and Conditions of Application and the Memorandum and Articles;
  - 2.1.2 agree that in respect of any Sterling C Shares for which you wish to subscribe under the Offer you will submit payment in Sterling;
  - 2.1.3 agree that, in consideration of the Company agreeing that it will not, prior to the date of Admission, offer for subscription any Issue Shares to any person other than by means of the procedures referred to in this Prospectus, your application may not be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or in the case of delivery by hand, on receipt by the Receiving Agent of, your Application Form;
  - 2.1.4 undertake to pay the amount for the number of Issue Shares specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive the share certificates for the Issue Shares applied for in certificated form or be entitled to commence dealing in the Issue Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Issue Shares unless and until you make payment in cleared funds for such Issue Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent and the Company against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) void the agreement to allot the Issue Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque, in your favour, at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);
  - 2.1.5 agree that where on your Application Form a request is made for Issue Shares to be deposited into a CREST Account, the Company may in its absolute discretion amend the form so that such Issue Shares may be issued in certificated form registered in the name(s) of the holders specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds);
  - 2.1.6 agree, in respect of applications for Issue Shares in certificated form (or where the Company exercises its discretion pursuant to paragraph 2.1.4 of this Part XI to issue Issue Shares in certificated form), that any share certificate to which you or, in the case of joint applicants,

any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 2.1.4 of this Part XI (and any monies returnable to you) may be retained by the Receiving Agent:

- (i) pending clearance of your remittance;
- (ii) pending investigation of any suspected breach of the warranties contained in paragraph 6 of this Part XI or any other suspected breach of these Terms and Conditions of Application;
- (iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), and the regulations made thereunder, and the GFSC's Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time) (the "**Guernsey AML Requirements**"); or
- (iv) and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;

2.1.7 agree, on the request of the Receiving Agent, to disclose promptly in writing to them such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which they may consider appropriate;

2.1.8 agree that, if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Company) following a request therefor, the Company or the Receiving Agent may terminate the agreement with you to allot Issue Shares and, in such case, the Issue Shares which would otherwise have been allotted to you may be reallocated or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by cheque made out to the first named applicant on which the payment accompanying the application was first drawn without interest and at your risk;

2.1.9 agree that you are not applying on behalf of a person engaged in money laundering, drug trafficking or terrorism;

2.1.10 undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;

2.1.11 undertake to pay interest at the rate described in paragraph 3.3 of this Part XI if the remittance accompanying your Application Form is not honoured on first presentation;

2.1.12 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Issue Shares for which your application is accepted or if you have completed section 8 on your Application Form, but subject to paragraph 2.1.4 of this Part XI, to deliver the number of Issue Shares for which your application is accepted into CREST, and/or to return any monies returnable by cheque in your favour without interest and at your risk;

2.1.13 confirm that you have read and complied with paragraph 8 of this Part XI of the Prospectus;

2.1.14 agree that all subscription cheques and payments will be processed through a bank account (the "**Acceptance Account**") in the name of "Capita Registrars Limited re NB Global Floating Rate Income Fund Limited" opened with the Receiving Agent;

2.1.15 agree that your Application Form is addressed to the Company and the Receiving Agent;

2.1.16 agree that, if a fractional entitlement to an Issue Share arises on your application, the number of Issue Shares issued to you will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit; and

2.2 Any application may be rejected in whole or in part at the sole discretion of the Company.

### 3. Acceptance of your Offer

- 3.1 The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by notifying acceptance to you.
- 3.2 The basis of allocation will be determined by the Joint Bookrunners in consultation with the Company. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application. The Company and Receiving Agent reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received otherwise than in accordance with these Terms and Conditions of Application.
- 3.3 The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The Receiving Agent may, as agent of and, under instructions from, the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent and the Company, to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Receiving Agent and the Company plus 2 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.
- 3.4 The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than the Minimum Subscription.

### 4. Conditions

- 4.1 The contracts created by the acceptance of applications (in whole or in part) under the Offer will be conditional upon:
  - 4.1.1 Admission occurring 0800 hours on 29 October 2013 (or such later time or date, not being later than 15 November 2013, as the Company and the Joint Bookrunners may agree); and
  - 4.1.2 the Sponsor and Placing Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective.
- 4.2 You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including precontractual representations) at any time after acceptance. This does not affect any other right you may have.

### 5. Return of Application Monies

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest and after the deduction of any applicable bank charges by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto (subject to a £3 de minimis). In the meantime, application monies will be retained by the Receiving Agent in a separate account.

## 6. Warranties

### 6.1 By completing an Application Form, you:

- 6.1.1 warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- 6.1.2 warrant that you are a resident of, and are located for the purposes of the offer in the United Kingdom and no other jurisdiction;
- 6.1.3 warrant that you acknowledge the representations, warranties and agreements set out in this Prospectus, including those set out in the “purchase and transfer restrictions” in Part VIII of this Prospectus, and further warrant that you are not a U.S. Person, you are not located within the United States and are not acquiring the Issue Shares for the account or benefit of a U.S. Person;
- 6.1.4 warrant, if the laws of any territory or jurisdiction outside Guernsey or the United Kingdom are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, the Joint Bookrunners or the Receiving Agent, or any of their respective officers, agents or employees, acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside Guernsey or the United Kingdom in connection with the Offer in respect of your application;
- 6.1.5 confirm that in making an application you are not relying on any information or representations in relation to the Company other than those contained in this Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this Prospectus or any part thereof shall have any liability for any such other information or representation;
- 6.1.6 agree that, having had the opportunity to read this Prospectus, you shall be deemed to have had notice of all information and representations contained therein;
- 6.1.7 acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in this Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Joint Bookrunners, the Receiving Agent or any of their affiliates;
- 6.1.8 warrant that you are not under the age of 18 on the date of your application;
- 6.1.9 agree that all documents and monies sent by post to, by or on behalf of the Company, or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form;
- 6.1.10 confirm that you have reviewed the restrictions contained in paragraph 8 of this Part XI of the Prospectus and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions therein;
- 6.1.11 agree that, in respect of those Issue Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the share registry;
- 6.1.12 agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English Law and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

- 6.1.13 irrevocably authorise the Company, or any other person authorised by it, as your agent, to do all things necessary to effect registration of any Issue Shares subscribed by or issued to you into your name and authorise any representatives of the Company to execute any documents required therefore and to enter your name on the register of members of the Company;
- 6.1.14 agree to provide the Company and Receiving Agent with any information which they may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the Guernsey AML Requirements;
- 6.1.15 agree that the Receiving Agent is acting for the Company in connection with the Offers for Subscription and for no-one else and that it will not treat you as its customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Issue Shares or concerning the suitability of Issue Shares for you or be responsible to you for providing the protections afforded to its customers;
- 6.1.16 warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, the Joint Bookrunners, the Receiving Agent or any of their affiliates or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your application;
- 6.1.17 warrant that the information contained in the Application Form is true and accurate; and
- 6.1.18 agree that if you request that Issue Shares are issued to you on a date other than Admission and such Issue Shares are not issued on such date that the Company and its agents and Directors will have not liability to you arising from the issue of such Issue Shares on a different date.

## 7. Money Laundering

- 7.1 You agree that, in order to ensure compliance with the UK Money Laundering Regulations 2007 (where applicable) and the Guernsey AML Requirements, the Receiving Agent or the Administrator may respectively at their absolute discretion require verification of identity from any person lodging an Application Form.
- 7.2 The Receiving Agent may undertake electronic searches for the purposes of verifying your identity. To do so the Receiving Agent may verify the details against your identity, but may also request further proof of your identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.
- 7.3 Payments must be made by cheque or banker's draft in Sterling drawn on a United Kingdom branch of a bank or building society. Cheques, which must be drawn on your personal account where you have sole or joint title to the funds, should be made payable to "Capita Registrars Limited re NB Global Floating Rate Income Fund Limited" and crossed "A/C payee". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/ banker's draft by following the instructions in paragraph 7.7 of this Part XI.
- 7.4 The bank account name should be the same as that shown on the Application Form.
- 7.5 Where you appear to the Receiving Agent to be acting on behalf of some other person certifications of identity of any persons on whose behalf you appear to be acting may be required.
- 7.6 Failure to provide the necessary evidence of identity may result in application(s) being rejected or delays in the dispatch of documents.
- 7.7 In all circumstances, verification of the identity of applicants will be required. If you use a building society cheque, banker's draft or money order you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft or money order and adds its stamp. The name on the bank account must be the same as that stated on the Application Form.
- 7.8 You should endeavour to have the certificate contained in Box 8 of the Application Form signed by an appropriate firm as described in that Box.

## 8. Overseas Investors

The attention of existing and potential investors who are not resident in, or who are not citizens of, the United Kingdom and Guernsey is drawn to paragraphs 8.1 to 8.4 below:

### General

- 8.1 The offer of Issue Shares under the Offer to persons who are resident in, or citizens of, countries other than the United Kingdom and Guernsey (“**Overseas Investors**”) may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Issue Shares under the Offer. It is the responsibility of all Overseas Investors receiving this Prospectus and/or wishing to subscribe to the Issue Shares under the Offer, to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities requiring to be observed and paying any issue, transfer or other taxes due in such territory.
- 8.2 No person receiving a copy of this Prospectus in any territory other than the United Kingdom or Guernsey may treat the same as constituting an offer or invitation to him, unless in the relevant territory such an offer can lawfully be made to him without compliance with any further registration or other legal requirements.
- 8.3 Persons (including, without limitation, nominees and trustees) receiving this Prospectus should not distribute or send it to any U.S. Person or in or into the United States, Canada, Australia or Japan, their respective territories or possessions or any other jurisdiction where to do so would or might contravene local securities laws or regulations.
- 8.4 The Company reserves the right to treat as invalid any agreement to subscribe for Issue Shares pursuant to the Offer if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

## 9. The Data Protection (Bailiwick of Guernsey) Law 2001

- 9.1 Pursuant to The Data Protection (Bailiwick of Guernsey) Law 2001, (the “**DP Law**”) the Company, the Joint Bookrunners, the Registrar, the Administrator and/or PSL may hold personal data (as defined in the DP Law) relating to past and present Shareholders.
- 9.2 Such personal data held is used by the Registrar to maintain a register of the Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and redemption proceeds to Shareholders (in each case, where applicable) and, if applicable, the payment of commissions to third parties and (b) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.
- 9.3 The countries referred to above include, but need not be limited to, those in the European Economic Area or The European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States.
- 9.4 By becoming registered as a holder of Issue Shares in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company or its Registrar or the Joint Bookrunners or PSL of any personal data relating to them in the manner described above.

## 10. Miscellaneous

- 10.1 The rights and remedies of the Company and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

- 10.2 The Company reserves the right to shorten or extend the closing time of the Offer from 1100 hours on 22 October 2013 (provided that if the closing time is extended this Prospectus remains valid at the closing time as extended) by giving notice to the LSE. The Company will notify investors via a RIS and any other manner, having regard to the requirements of the LSE.
- 10.3 The Company may terminate the Offer in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer will lapse and any monies will be returned as indicated without interest.
- 10.4 The dates and times referred to in these Terms and Conditions of Application may be altered by the Company so as to be consistent with the Sponsor and Placing Agreement (as the same may be altered from time to time in accordance with its terms).
- 10.5 Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as use elsewhere in this Prospectus.



## Part XII: Glossary of Selected Terms

The following definitions apply in this Prospectus unless the context otherwise requires:

“ <b>2011 Secondary Issue</b> ”	means the placing and offer for subscription of C Shares by the Company in September 2011
“ <b>2011 Secondary Issue Proceeds</b> ”	means the gross proceeds arising from the issue of C Shares pursuant to the 2011 Secondary Issue less applicable fees and expenses of the 2011 Secondary Issue
“ <b>2011 Secondary Issue Prospectus</b> ”	means the Prospectus published by the Company in September 2011 in connection with the 2011 Secondary Issue
“ <b>2013 Secondary Issue</b> ”	means the placing and offer for subscription of C Shares by the Company in March 2013
“ <b>2013 Secondary Issue Proceeds</b> ”	means the gross proceeds arising from the issue of C Shares pursuant to the 2013 Secondary Issue less applicable fees and expenses of the 2013 Secondary Issue
“ <b>2013 Secondary Issue Prospectus</b> ”	means the Prospectus published by the Company in February 2013 in connection with the 2013 Secondary Issue
“ <b>Administration and Custody Agreement</b> ”	means the administration and custody agreement between the Company and the Administrator, a summary of which is set out in paragraph 7.3 of Part IX of this Prospectus
“ <b>Administrator</b> ”	means BNP Paribas Securities Services S.C.A., Guernsey Branch and/or such other person or persons from time to time appointed by the Company for the purposes of the Rules; the Administrator is the designated manager of the Company
“ <b>Admission</b> ”	means admission to trading on the London Stock Exchange’s Main Market of the Issue Shares becoming effective in accordance with the LSE Admission Standards and admission of the Issue Shares to listing on the standard segment the Official List
“ <b>Affiliate</b> ”	means an affiliate of, or person affiliated with, a specified person; a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified
“ <b>AIC</b> ”	means the Association of Investment Companies
“ <b>AIC Code</b> ”	means the AIC Code of Corporate Governance
“ <b>AIFM Directive</b> ”	means Directive 2011/61/EU of the European Parliament and of the Council on 8 June 2011 on Alternative Investment Fund Managers
“ <b>Application Form</b> ”	means the application from under the Offer set out in Appendix A to this Prospectus
“ <b>Articles</b> ”	means the articles of incorporation of the Company
“ <b>Auditors</b> ”	means PricewaterhouseCoopers CI LLP
“ <b>B Shares</b> ”	means redeemable ordinary shares of no par value in the capital of the Company issued and designated as “B Shares” of such classes (denominated in such currencies) as the Directors may determine in accordance with the Articles, and having such rights and being subject to such restrictions as contained in the Articles
“ <b>Basic Entitlement</b> ”	has the meaning given in the section headed “Discount Control” in Part I of this Prospectus
“ <b>Block Listing Facility</b> ”	means the block listing facility of the Company announced on 23 May 2011 comprising Ordinary Shares for issue for general corporate purposes subject to guidelines laid down the by the Board and in accordance with the Articles
“ <b>Board</b> ”	means the board of directors of the Company

<b>“Bonus Shares”</b>	has the meaning given in paragraph 5 of Part IX of this Prospectus
<b>“Business Day”</b>	means a day on which the London Stock Exchange and banks in Guernsey are normally open for business
<b>“C Shares”</b>	means redeemable ordinary shares of no par value in the capital of the Company issued and designated as “C Shares” of such classes (denominated in such currencies) as the Directors may determine in accordance with the Articles, and having such rights and being subject to such restrictions as contained in the Articles and which will convert into Ordinary Shares in accordance with the terms of the Articles
<b>“Capita Asset Services”</b>	means the trading name of Capita Registrars Limited
<b>“certificated” or “certificated form”</b>	means not in uncertificated form
<b>“Class Minimum Amount”</b>	means US\$30 million or the equivalent in Sterling calculated at the prevailing spot exchange rate for U.S. Dollars to Sterling at the relevant time
<b>“CLO”</b>	means collateralised loan obligation
<b>“Collective Investment Schemes”</b>	means as defined for the purposes of the Collective Investment Schemes Sourcebook forming part of the Handbook of Rules and Guidance published by the FCA
<b>“Commission” or “GFSC”</b>	means the Guernsey Financial Services Commission
<b>“Companies Law”</b>	means The Companies (Guernsey) Law, 2008, as amended
<b>“Company”</b>	means NB Global Floating Rate Income Limited, a closed-ended investment company incorporated in Guernsey under the Companies Law on 10 March 2011 with registered number 53155
<b>“Continuation Resolution”</b>	has the meaning given in the section headed “Discount Control” in Part I of this Prospectus as to the continuation of the Company as presently constituted
<b>“Continuing Shareholders”</b>	has the meaning given in the section headed “Discount Control” in Part I of this Prospectus
<b>“CREST Guernsey Requirements”</b>	means Rule 8 and such other rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the CREST Manual
<b>“CREST Manual”</b>	means the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
<b>“CREST Regulations”</b>	means the Uncertificated Securities Regulations 2001 (SI No. 2001/3755) and the CREST Guernsey Requirements
<b>“CREST”</b>	means the facilities and procedures for the time being of the relevant system of which Euroclear UK and Ireland Limited has been approved as operator pursuant to the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) of the United Kingdom
<b>“Dexion”</b>	means Dexion Capital plc
<b>“Directors” or “Board”</b>	means the directors of the Company
<b>“Disclosure Rules and Transparency Rules” or “DTR”</b>	means the disclosure rules and transparency rules made by the FCA under Part VI of the FSMA
<b>“EEA”</b>	means the European Economic Area
<b>“EGM”</b>	means the extraordinary general meeting of the Company to be convened on or around 21 October 2013 in connection with the Issue
<b>“ERISA”</b>	means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
<b>“EU”</b>	means the European Union

<b>“Euro” or “€”</b>	means the lawful currency of the EU
<b>“Euroclear”</b>	means Euroclear UK & Ireland Limited
<b>“Euro Shares”</b>	means Ordinary Shares denominated in Euros
<b>“Exiting Shareholders”</b>	has the meaning given in the section headed “Discount Control” in Part I of this Prospectus
<b>“Finance Act”</b>	means the UK Finance Act 2009, as amended
<b>“Financial Conduct Authority” or “FCA”</b>	means the UK Financial Conduct Authority of the United Kingdom
<b>“FSMA”</b>	means the Financial Services and Markets Act 2000, as amended
<b>“GFSC”</b>	means the Guernsey Financial Services Commission
<b>“Gross Asset Value”</b>	means the total assets of the Company as determined in accordance with the accounting principles adopted by the Directors
<b>“Gross Issue Proceeds”</b>	means the aggregate value of the C Shares issued under the Issue at the Issue Price
<b>“Group”</b>	means the Company and its subsidiaries
<b>“Guernsey AML Requirements”</b>	means The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), ordinances, rules and regulations made thereunder, and the GFSC’s Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time)
<b>“IMA Deed of Amendment”</b>	means the deed of amendment dated 30 September 2013 relating to the Investment Management Agreement, which amends the management fee in the manner described in paragraph 7.2 of Part IX of this Prospectus;
<b>“Investment Management Agreement”</b>	means the investment management agreement between the Company and the Investment Manager, a summary of which is set out in paragraph 7.2 of Part IX of this Prospectus
<b>“Investment Manager”</b>	means Neuberger Berman Europe Limited
<b>“Investment Managers”</b>	means the Investment Manager and Sub-Investment Manager
<b>“IRS”</b>	means the U.S. Internal Revenue Service
<b>“ISA”</b>	means an individual savings account
<b>“IPO”</b>	means the initial placing and offer for subscription of Ordinary Shares in April 2011
<b>“IPO Admission”</b>	means the admission of 107,220,280 U.S. Dollar Shares and 243,973,227 Sterling Shares to the Official List and to trading on the Main Market of the London Stock Exchange on 20 April 2011
<b>“IPO Issue Price”</b>	means US\$1.00 per U.S. Dollar Share and £1.00 per Sterling Share
<b>“IPO Net Proceeds”</b>	means the gross proceeds arising from the issue of Ordinary Shares pursuant to the IPO less applicable fees and expenses of the IPO
<b>“IPO Prospectus”</b>	means the Prospectus published by the Company on 18 March 2011 in connection with the IPO
<b>“ISIN”</b>	means International Securities Identification Number
<b>“Issue”</b>	means the Placing and Offer
<b>“Issue Price”</b>	means £1.00 per Sterling C Share
<b>“Issue Shares”</b>	means the Sterling C Shares to be issued pursuant to the Issue
<b>“Joint Bookrunners”</b>	means Oriel in its capacity as joint financial adviser and joint bookrunner and Dexion in its capacity as joint financial adviser and joint bookrunner, each under the Sponsor and Placing Agreement
<b>“LIBOR”</b>	means the London Interbank Offered Rate;
<b>“Listing Rules”</b>	means the listing rules made by the UK Listing Authority pursuant to Part VI of the FSMA

<b>“London Stock Exchange” or “LSE”</b>	means the London Stock Exchange plc
<b>“LSE Admission Standards”</b>	means the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the Main Market
<b>“Main Market”</b>	the London Stock Exchange’s main market for listed securities
<b>“Market Abuse Directive”</b>	means Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (market abuse)
<b>“Memorandum”</b>	means the memorandum of incorporation of the Company
<b>“Minimum Net Proceeds”</b>	£980,000
<b>“NAV Calculation Date”</b>	means each Business Day on which NAV is calculated
<b>“NB Affiliates”</b>	means Affiliates of Neuberger Berman Group LLC
<b>“NB Group”</b>	means Neuberger Berman Group LLC
<b>“Net Asset Value” or “NAV”</b>	means the value of the assets of the Group less its liabilities (including accrued but unpaid fees) or, where the context requires, the assets of the Group attributable to a class of Shares less the liabilities of the Group (including accrued but unpaid fees) attributable to such class of Shares, in each case determined by the Directors in their absolute discretion in accordance with the accounting principles adopted by the Directors
<b>“Net Asset Value per Share” or “NAV per Share”</b>	means the Net Asset Value of the relevant class of Shares divided by the number of Shares of such class in issue at the relevant time
<b>“Net Issue Proceeds”</b>	means the Gross Issue Proceeds less applicable fees and expenses of the Issue
<b>“Non-Qualified Holder”</b>	any person whose ownership of C Shares (i) may result in the Plan Threshold being exceeded causing the Company’s assets to be deemed “plan assets” for the purpose of ERISA or the U.S. Tax Code; (ii) may cause the Company to be required to register as an “investment company” under the U.S. Investment Company Act (including because the holder of the shares is not a “qualified purchaser” as defined in the U.S. Investment Company Act) or to lose an exemption or a status thereunder to which it might be entitled; (iii) may cause the Company to have to register under the U.S. Exchange Act or any similar legislation; (iv) may cause the Company not to be considered a “Foreign Private Issuer” as such term is defined in rule 3b-4(c) under the U.S. Exchange Act; (v) may result in a person holding shares in violation of the transfer restrictions put forth in any Prospectus published by the Company, from time to time; and (vi) may cause the Company to be a “controlled foreign corporation” for the purposes of the U.S. Tax Code
<b>“Offer”</b>	means the offer for subscription of C Shares at the Issue Price pursuant to the terms of this Prospectus
<b>“Ordinary Shares”</b>	means redeemable ordinary shares of no par value in the capital of the Company issued and designated as “Ordinary Shares” of such classes (denominated in such currencies) as the Directors may determine in accordance with the Articles, and having such rights and being subject to such restrictions as contained in the Articles
<b>“Oriel”</b>	means Oriel Securities Limited
<b>“Other Accounts”</b>	means other clients, funds and accounts in relation to which the Investment Managers or any other members of the NB Group act as manager, investment manager, trustee, custodian, sub-custodian, registrar, broker, administrator, investment adviser or dealer having the same or similar investment strategy as the Company
<b>“Placee”</b>	means a person subscribing for C Shares under the Placing

<b>“Placing”</b>	means the placing of C Shares at the Issue Price as described in this Prospectus
<b>“Portfolio”</b>	means at any time, the portfolio of assets and investments in which the funds of the Company are invested
<b>“Premium Listing”</b>	means a premium listing under Chapter 15 of the Listing Rules (for a closed-ended company)
<b>“Prospectus Directive”</b>	means Directive 2003/71/EC of the European Parliament and Council on the prospectus to be offered when transferable securities are offered to the public or admitted to trading, as amended to the extent implemented in any relevant member state
<b>“Prospectus Rules”</b>	means the prospectus rules made by the UK Listing Authority under section 73(A) of the FSMA
<b>“PSL”</b>	means Pershing Securities Limited, the receiving agent of Dexion
<b>“Receiving Agent”</b>	means Capita Asset Services
<b>“Redemption Date”</b>	means the date on which Shares are redeemed in connection with a Redemption Offer, such date to be determined by the Directors in connection with any Redemption Offer
<b>“Redemption Offer”</b>	has the meaning given in the section headed “Discount control” in Part I of this Prospectus
<b>“Redemption Pool”</b>	has the meaning given in the section headed “Discount control” in Part I of this Prospectus
<b>“Registrar Agreement”</b>	means the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 7.4 of Part IX of this Prospectus
<b>“Registrar”</b>	means Capita Registrars (Guernsey) Limited or such other person or persons from time to time appointed by the Company
<b>“Regulation S”</b>	means Regulation S promulgated under the U.S. Securities Act
<b>“Related Party”</b>	means Blackrock, Inc.
<b>“RIS”</b>	means a regulatory information service
<b>“Risk Factors”</b>	means the risk factors pertaining to the Company set out on pages 18 to 33 of this Prospectus
<b>“SDRT”</b>	means Stamp Duty Reserve Tax
<b>“SEC”</b>	means the U.S. Securities and Exchange Commission
<b>“SEDOL”</b>	means Stock Exchange Daily Official List
<b>“Shareholder”</b>	means a holder of Shares
<b>“Shareholding”</b>	means a holding of Shares
<b>“Shares”</b>	means Ordinary Shares and/or the C Shares as the context requires
<b>“SIPP”</b>	means a self-invested personal pension
<b>“Sponsor and Placing Agreement”</b>	means the conditional agreement between the Company, the Investment Managers, Oriel and Dexion, a summary of which is set out in paragraph 7.1 of Part IX of this Prospectus
<b>“Standard Listing”</b>	means a standard listing under Chapter 14 of the Listing Rules
<b>“Sterling”</b>	means the lawful currency of the United Kingdom
<b>“Sterling C Shares”</b>	means the C Shares denominated in Sterling
<b>“Sterling Shares”</b>	means the Ordinary Shares denominated in Sterling
<b>“Sub-Investment Management Agreement”</b>	means the sub-investment management agreement to be entered into between the Investment Manager and the Sub-Investment Manager
<b>“Sub-Investment Manager”</b>	means Neuberger Berman Fixed Income LLC
<b>“Tap Issue”</b>	means the issue of the Tap Shares by the Company in July 2013

<b>“Tap Shares”</b>	means the 41,054,257 Sterling Shares and 5,761,807 U.S. Dollar Shares issued pursuant to the Tap Issue
<b>“Taxes Act”</b>	means the Income and Corporation Taxes Act 1988, as amended
<b>“Terms and Conditions of Application”</b>	means the terms and conditions of application set out in Part XI of this Prospectus in connection with the Offer
<b>“U.S. Dollar C Shares”</b>	means the C Shares denominated in U.S. Dollars
<b>“U.S. Dollar Shares”</b>	means the Ordinary Shares denominated in U.S. Dollars
<b>“U.S. Dollars” or “US\$”</b>	means the lawful currency of the United States
<b>“U.S. Exchange Act”</b>	means the U.S. Securities Exchange Act of 1934
<b>“U.S. GAAP”</b>	means the accounting principles generally accepted in the United States
<b>“U.S. Investment Company Act”</b>	means the U.S. Investment Company Act of 1940
<b>“U.S. Person”</b>	has the meaning given to it in Regulation S under the Securities Act
<b>“U.S. Plan Asset Regulations”</b>	means the regulations promulgated by the U.S. Department of Labor at 29 CFR 2510.3-101, as modified by section 3(42) of ERISA
<b>“U.S. Plan Investor”</b>	means (i) an “employee benefit plan” as defined in section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Code; or (iii) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in the preceding clause (i) or (ii) in such entity pursuant to the U.S. Plan Asset Regulations
<b>“U.S. Plan Threshold”</b>	means ownership by benefit plan investors, as defined under section 3(42) of ERISA, in the aggregate of 25 per cent. or more of the value of any class of equity in the Company (calculated by excluding the value of any equity interest held by any person (other than a benefit plan investor, as defined under section 3(42) of ERISA) that has discretionary authority or control with respect to the assets of the Company or that provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person); the term shall be amended to reflect such new ownership threshold that may be established by a change in the Plan Asset Regulations or other applicable law
<b>“U.S. Securities Act”</b>	means the U.S. Securities Act of 1933
<b>“U.S. Tax Code”</b>	means the U.S. Internal Revenue Code of 1986, as amended
<b>“UK Corporate Governance Code”</b>	the UK Corporate Governance Code as published by the Financial Reporting Council
<b>“UK Listing Authority”</b>	means the Financial Conduct Authority as the competent authority for listing in the United Kingdom
<b>“UK” or “United Kingdom”</b>	means the United Kingdom of Great Britain and Northern Ireland
<b>“uncertificated form” or “in uncertificated form”</b>	means recorded on the register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
<b>“United States” or “U.S.”</b>	means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

# NB GLOBAL FLOATING RATE INCOME FUND LIMITED

## Application Form for the Offer

If you wish to apply for C Shares, please complete, sign and return this Application Form, by post or (during normal business hours only) by hand to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received no later than 1100 hours on 22 October 2013.

**IMPORTANT: Before completing this Application Form, you should read the notes set out under the section entitled “Notes on how to complete the Application Form” at the back of this Application Form. All applicants must complete Boxes 1 to 3. Joint applicants should also complete Box 4.**

If you have a query concerning completion of this Application Form, please call Capita Asset Services between 0900 hours and 1730 hours Monday to Friday on 0871 664 0321 (or, if calling from outside the United Kingdom, +44 20 8639 3399). Calls to the 0871 664 0321 number cost 10p per minute plus your service provider’s network extras. Calls to the helpline from outside the UK are charged at applicable international rates. Different charges may apply to calls from mobile telephones. Calls may be recorded or randomly monitored for security and training purposes. The Receiving Agent cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

To: The Directors,

NB Global Floating Rate Income Fund Limited

### 1. Application

I/We offer to subscribe for such number of C Shares at the value set out below divided by the relevant Issue Price (minimum being £1,000), fully paid subject to the Terms and Conditions of Application set out in the Prospectus dated 30 September 2013, including the representations, warranties and agreements therein, and subject to the Memorandum and Articles and enclose a cheque for the amount payable (the “Application Amount”).

Number of Sterling C Shares being applied for	
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### 2. Personal Details (Please use Block Capitals)

Mr, Mrs, Ms or Title	Forenames (in full)
Surname	
Address (in full)	
Postcode	

### 3. Signature

Dated	Signature
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## 4. Joint Applicants (Please use Block Capitals)

1.	Mr, Mrs, Ms or Title	
	Forenames (in full)	
	Surname	
	Signature	
2.	Mr, Mrs, Ms or Title	
	Forenames (in full)	
	Surname	
	Signature	
3.	Mr, Mrs, Ms or Title	
	Forenames (in full)	
	Surname	
	Signature	

## 5. Cheque/Banker's Draft Details

By Cheque or Banker's Draft: Attach your cheque or banker's draft for the exact amount shown in Box 1 made payable to "Capita Registrars Limited re NB Global Floating Rate Income Fund Limited" and crossed "A/C Payee".

## 6. Identity Information

In accordance with internationally recognised standards for the prevention of money of money laundering the undermentioned documents and information must be provided.

6.1 For each holder being an individual enclose:

6.1.1 a certified clear photocopy of one of the following identification documents which bear both a photographs and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and

6.1.2 certified copies of at least two of the following documents which purport to confirm that the address given in section 2 is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill a recent bank statement – a council rates bill or similar document issued by a recognised authority; and

6.1.3 if none of the above documents show their date and place of birth, enclose a note of such information; and

6.1.4 details of the name and address of their personal bankers from which Capita Asset Services may request a reference, if necessary.

6.2 For each holder being a company (a "holder company") enclose:

6.2.1 a certified copy of the certificate of incorporation of the holder company; and



- 6.2.2 the name and address of the holder company's principal bankers from which Capita Asset Services may request a reference, if necessary; and
- 6.2.3 a statement as to the nature of the holder company's business, signed by a director; and
- 6.2.4 a list of the names and residential addresses of each director of the holder company; and
- 6.2.5 for each director provide documents and information similar to that mentioned in 6.1.1 to 6.1.4 above; and
- 6.2.6 a copy of the authorised signatory list for the holder company; and
- 6.2.7 a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent., of the issued share capital of the holder company and, where a person is named, also complete 6.3 below and, if another company is named (hereinafter a "**beneficiary company**"), also complete 6.4 below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.
- 6.3 For each person named in 6.2.7 as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in 6.1.1 to 6.1.4.
- 6.4 For each beneficiary company named in 6.2.7 as a beneficial owner of a holder company enclose:
- A certified copy of the certificate of incorporation of that beneficiary company; and
- A statement as to the nature of that beneficiary company's business signed by a director; and
- The name and address of that beneficiary company's principal bankers from which Capita Asset Services may request a reference, if necessary; and
- Enclose a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent., of the issued share capital of that beneficiary company
- 6.5 If the payor is not a holder and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:
- If the payor is a person, for that person the documents mentioned in 6.1.1 to 6.1.4; or
- If the payor is a company, for that company the documents mentioned in 6.2.1 to 6.2.7; and
- An explanation of the relationship between the payor and the holder(s).
- Capita Asset Services reserves the right to ask for additional documents and information.



7. CREST details (only complete this section if you wish to register your application directly into your CREST Account which should be in the same name(s) as the applicants in boxes 2 AND 4 ABOVE)

CREST Participant ID	
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CREST Member Account ID	
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## 8. Reliable Introducer Certificate

Completion and signing of this certificate by a suitable person or institution may avoid presentation being requested of the identity documents.

The certificate below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the “**firm**”) which is itself subject in its own country to operation of “know your customer” and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom. Acceptable countries include Austria, Belgium, Canada, Denmark, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States.

**CERTIFICATE: To the Company and the Receiving Agent**

By completing and stamping Box 8 below you are deemed to have given the warranties and undertakings set out in Clause 6 of the accompanying Terms and Conditions of Applications under the Offer. Notes on Completion of the Application Form.

**IFA STAMP**

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**Name of Firm**  
**FCA Number**  
**Signature**  
**Print Name**  
**Position**  
**Date**  
**Telephone No**


**9. Contact Details**

To ensure the efficient and timely processing of this Application Form please enter below the contact details of a person that Capita Asset Services may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in Box 3 on behalf of the first named holder. If no details are entered here and Capita Asset Services requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:	Telephone no:
	Fax no:
Contact address:	Email address:

**Signature of Applicant**

Signed ..... Date.....2013  
 Authorised Signatory



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# NOTES ON HOW TO COMPLETE THE OFFER APPLICATION FORM

Applications should be returned so as to be received no later than 1100 hours on 22 October 2013.

**HELP DESK:** If you have a query concerning completion of the Application Form please call Capita Asset Services on 0871 664 0321 or from outside the UK on +44 20 8639 3399. Calls to the 0871 664 0321 number cost 10 pence per minute plus any other network providers' costs. Lines are open from 0900 hours to 1730 hours (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Capita Asset Services cannot provide any advice on the offer or any tax, financial or legal advice.

## 1. Application

Fill in Box 1 with the number of C Shares being subscribed for. The amount being subscribed must be for a minimum of £1,000 and in multiples of £1,000 thereafter. However, the Company may, in its absolute discretion, determine to accept applications in lesser amounts from (i) authorised persons or (ii) persons (including Directors) having a pre-existing connection with the Company. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from the scaling back process should this be required.

## 2. Personal Details

Fill in (in block capitals) the full name(s) and address of the sole first applicant. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form at sections 3 and 4 (where applicable).

## 3. Signature

All holders named in sections 2 and 4 (where applicable) must sign sections 3 and 4 (where applicable) and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

## 4. Cheque/Banker's Draft Details

Payment may be made by a cheque or banker's draft accompanying your application. If payment is by cheque or banker's draft such payment must accompany your Application Form and be for the exact amount shown in Box 1 of your Application Form. Your cheque or banker's draft must be made payable to "Capita Registrars Limited re NB Global Floating Rate Income Fund Limited" and crossed "A/C Payee". If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp. Your cheque or banker's draft must be drawn in Sterling on an account at a bank branch in the United Kingdom or the Channel Islands and must bear a United Kingdom bank sort code number in the top right hand corner. Third party cheques will not be accepted with the exception of building society cheques or bankers drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers draft. The funds must be drawn from an account where you have sole or joint title to them.

## 5. Identity Information

Applicants need only consider section 6 of the Application Form if the declaration in section 8 cannot be completed. Notwithstanding that the declaration in section 8 has been completed and signed, the Receiving Agent reserves the right to request of you the identity documents listed in section 6 and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are requested in section 6, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

## 6. Crest

If you wish your C Shares to be deposited in a CREST Account in the name of the holder(s) given in sections 2 and 4 (where applicable), enter in section 7 the details of that CREST Account. Where it is requested that C Shares be deposited into a CREST Account please note that payment for such C Shares must be made prior to the day such C Shares might be allotted and issued. It is not possible for an applicant to request that C Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

## 7. Reliable Introducer Certificate

Applications will be subject to Guernsey's AML Requirements. This will involve you providing the verification of identity documents listed in section 6 of the Application Form UNLESS you can have the certificate provided at section 8 of the Application Form given and signed by a firm acceptable to the Company. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the certificate provided in section 8 of the Application Form completed and signed by a suitable firm.

## 8. Contact Details

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are entered here and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

## Instructions for delivery for completed Application Forms

**Completed Application Forms should be returned, by post or by hand (during normal business hours), to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received no later than 1100 hours on 22 October 2013, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.**

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