NB Global Floating Rate Income Fund Limited

NEUBERGER | BERMAN

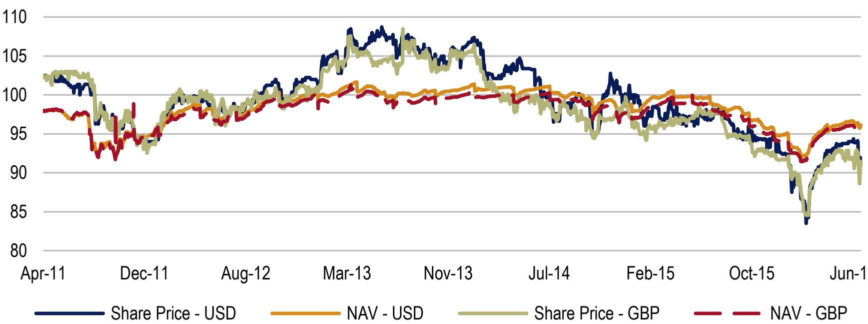
June 30, 2016

FUND OBJECTIVE

The NB Global Floating Rate Income Fund Limited's (the "Fund") 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 portfolio managers.

The Fund's managers seek to generate this yield by investing in a global portfolio of below investment grade senior secured corporate loans with selective use of senior secured bonds, diversified by both borrower and industry. The Fund is managed by four experienced portfolio managers backed by what we believe to be one of the largest and most experienced credit teams in the industry.

FUND PERFORMANCE



QUARTERLY COMMENTARY[1]

Performance Highlights

The second quarter of 2016 was generally considered "risk on," which meant lower rated assets tended to outperform the better quality high single B/BB credits on which the Fund focuses. As such, for the first six months of 2016, the Fund's NAV performance of 3.88% trailed the return of the S&P/LSTA Leveraged Loan Index (the "Index") by 63 basis points. From a sector perspective, the largest contributors to performance were security selection within retailers as well as an underweight to clothing / textiles and automotive. In contrast, an underweight to oil & gas and nonferrous metals / mining, each of which bounced back on more stable commodity prices, as well as security selection within utilities, detracted the most from performance during the quarter.

Market Context

In the second quarter of 2016, the US Loan Market, as measured by the Index, returned 2.92%, bringing year-to-date returns to 4.51%. After dropping to a four year low of 89.25 in late-February (down from 91.26 at the end of 2015), the average bid of the Index bounced back to 93.20 by June 30. This result was all the more positive given the Brexit result in the UK in the last week of the quarter, when the Index bid dropped temporarily below 93.

Driven by an increase in opportunistic business, institutional issuance in the second quarter more than doubled to $86.1 billion from $40.7 billion in the first quarter, marking the highest quarterly total since 3Q14. This rebound lifted year-to-date issuance to $126.8 billion, which is down approximately 10% compared to the same period last year and 36% as compared to the first half of 2014. However much of the issuance was refinancing related, and combined with repayments, the Index has only increased by $14 billion year-to-date based on amount outstanding.

We saw demand of $17.5 billion from collateralized loan obligation (CLO) issuance during the quarter. This increased from $7.1 billion during the first quarter of 2016, but was 40% less than issuance during the second quarter of 2015.

In Europe, the Brexit outcome had more of an impact and whilst the S&P European Leveraged Loan Index (the "ELLI") recorded a return (all numbers excluding currency) of 1.30% for the quarter, this was impacted by a 0.60% loss in June, all of which basically occurred in the last week of the month. Year to date returns for the ELLI were 1.89% at the end of the second quarter. The weighted average bid on the ELLI ended the quarter at 96.47, approximately 100bp off the YTD high of 97.51.

Default activity slowed in the second quarter, though it was elevated relative to several other recent quarters. All told, there were five defaults among Index issuers, totalling approximately $3.6 billion. This is down from 10 defaults and $7.4 billion in the first quarter of 2016. The default rate by principal amount rose to 1.97% at the end of the second quarter, from 1.75% at the end of the first and by issuer it rose to 2.22% from 1.93%. The majority of the defaults were concentrated in commodities with 9 out of the 15 filings year to date coming from these sectors.

With regards to Europe, the default rates were 2.54% and 2.39% by amount and issuers, respectively, having trended up from 1.65% / 1.95% at the end of the first quarter. This was primarily driven by the default of Solocal, a legacy yellow pages issuer that defaulted in June and accounted for 88bp in the ELLI.

FUND MANAGERS

JOSEPH LYNCH
19 years' investment experience

STEPHEN CASEY
20 years' investment experience

MARTIN ROTHERAM
14 years' investment experience

DAN DOYLE
30 years' investment experience

KEY METRICS

NAV	GBP	95.52
	USD	96.15
Share Price	GBP	91.05
	USD	91.38
Share Price Premium / (Discount)	GBP	-4.67%
	USD	-4.96%
Total Return Q2 2016[2]		2.04%
Total Return YTD 2016[2]		3.88%
Total Return 1 YR[2]		1.39%
Total Return Since Inception[2]		25.45%
Market Cap		$1,274mn

KEY STATISTICS

Current Portfolio Yield*	4.78%[3]
Number of Investments	312
Number of Issuers	236

KEY INFORMATION

Fund Type:	Closed-ended Investment Company
Admission Date:	20 April 2011
NAV Frequency:	Daily
Dividend Policy:	Quarterly
Domicile:	Guernsey
Market:	Main market of the London Stock Exchange
Year End:	31 December
Management Fee:	0.75%
Bloomberg Tickers:	NBLU:LN (USD) NBLS:LN (GBP)
ISIN:	GG00B3P7S359 (USD) GG00B3KX4Q34 (GBP)
Website:	www.nbgfrif.com

Source: U.S. Bancorp (Guernsey) Limited and Bloomberg.
Data as at June 30, 2016. Past performance is not indicative of future returns.

1. *Data Source: S&P LCD.*
2. *Total return: Cumulative $ NAV based returns including dividends (gross of fees).*
3. *Gross of fees and expenses.*

* *Please see disclaimer on reverse.*

QUARTERLY COMMENTARY[1] (Continued)

Portfolio Positioning

During the second quarter of 2016, the portfolio remained very much weighted towards US Issuers, which accounted for 93.43% of the portfolio as of June 2016. The bond allocation remained well below the 20% of NAV permitted, at 4.14%, as we remained focused on keeping duration low and limiting potential areas of volatility. From a ratings perspective, we continue to allocate to better rated assets and our BBB/BB weighting increased from 53.51% of the portfolio at the end of March 2016 to 54.17% in June 2016, which should mean the portfolio remains more defensive.

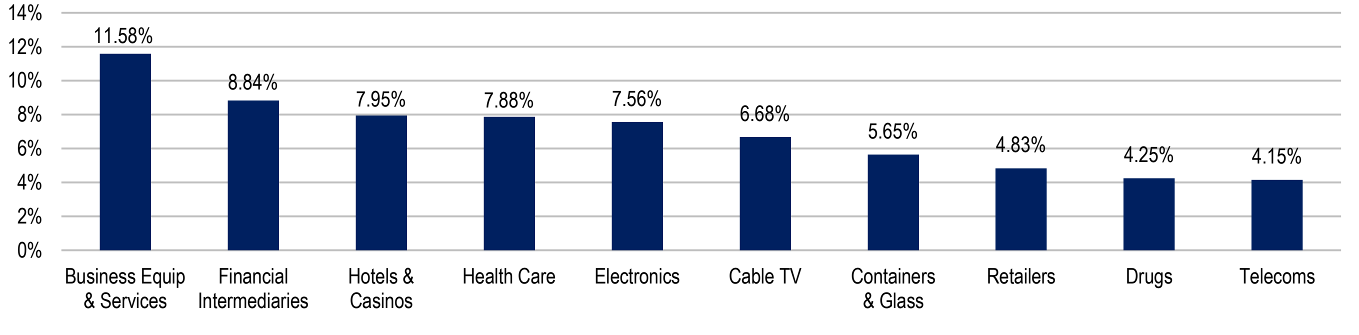
Outlook

Our outlook for the loan market remains positive. Generally we feel that the Issuers are performing steadily, leverage is being controlled and cash cover metrics are strong. The market today is pricing in a 4.63% imputed default rate, which is well beyond our 2016 expectations of 2-3%. We believe that US GDP growth will continue in its recent range. In the absence of rate rises then we continue to believe that loans will continue to be attractive given the returns on offer, the expected low volatility compared to other risk asset classes and their senior secured nature.

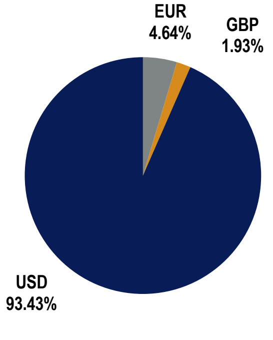
TOP 10 ISSUERS

Issuer	Sector	Weight
First Data	Financial Intermediaries	2.10%
Valeant Pharma	Drugs	2.09%
Avago Technologies	Electronics	1.95%
Scientific Games	Hotels & Casinos	1.37%
Community Health Systems	Health Care	1.27%
Cablevision Systems	Cable Television	1.17%
Dynegy	Utilities	1.16%
Numericable	Cable Television	1.14%
Univision Communications	Broadcast Radio & Television	1.13%
Mohegan Tribal Gaming	Hotels & Casinos	1.08%

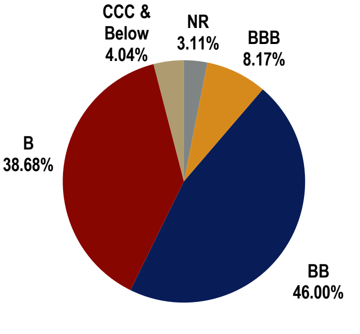
TOP 10 S&P SECTORS



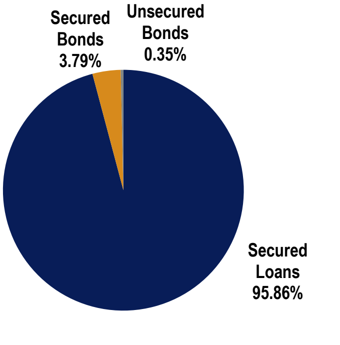
CURRENCY BREAKDOWN



RATING BREAKDOWN[1]



SECURITY BREAKDOWN



Source: Neuberger Berman, U.S. Bancorp (Guernsey) Limited and Bloomberg. Data as at June 30, 2016 and excludes cash.

1. Source: Standard & Poor's.

The Fund's Current Portfolio Yield is a market-value weighted average of the current yields of the holdings in the portfolio, calculated as the coupon (base rate plus spread) divided by current price. The calculation does not take into account any fees, fund expenses or sales charges paid, which would reduce the results. The Current Yield for the Fund will fluctuate from month to month. The Current Yield should be regarded as an estimate of the Fund's rate of investment income, and it may not equal the realized distribution rate for each share class. You should consult the Fund's prospectus for additional information about the Fund's dividends and distributions policy.* ***Past performance is no guarantee of future results.*

Non-Mainstream Pooled Investments

The Company confirms that it conducts its affairs, and intends to continue to conduct its affairs, so that the Company's shares will be excluded securities under these rules and will therefore be excluded from the FCA's restrictions which apply to non-mainstream investment products.

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