



Effective September 8th, 2020, the NB Global Floating Rate Income Fund Limited was renamed to the NB Global Monthly Income Fund Limited

### FUND OBJECTIVE

The NB Global Monthly Income Fund Limited ("the Fund") aims to provide its shareholders with consistent levels of monthly income, while maintaining or increasing the Net Asset Value per Share over time. The Fund's managers seek to achieve this strategy by investing in a broad range of credit assets, including but not limited to high yield and investment grade bonds and alternative credit comprising of private debt, special situations and CLO debt tranches.

### INVESTMENT MANAGEMENT TEAM



**Pieter D'Hoore**  
Senior Portfolio Manager  
The Hague



**Joseph P. Lynch**  
Senior Portfolio Manager  
Chicago



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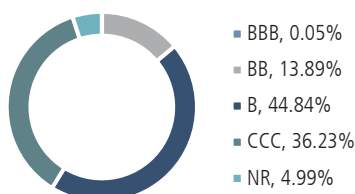


**Norman Milner**  
Senior Portfolio Manager  
New York

### FUND FACTS

|                               |                |
|-------------------------------|----------------|
| Ticker                        | NBMI:LN        |
| ISIN                          | GG00B3KX4Q34   |
| Admission Date                | 20 April 2011  |
| Management Fee*               | 0.75%          |
| ISA & SIPP eligible           | Yes            |
| Pricing                       | Daily          |
| NAV (GBP)                     | 0.9227         |
| Share Price (GBP)             | 0.8740         |
| Premium/Discount              | -5.28%         |
| Market Cap (GBP)              | 216.04 Million |
| Dividend Policy               | Monthly        |
| Last Dividend (GBP)           | 0.0042         |
| Annualised Dividend Yield (%) | 5.70%          |

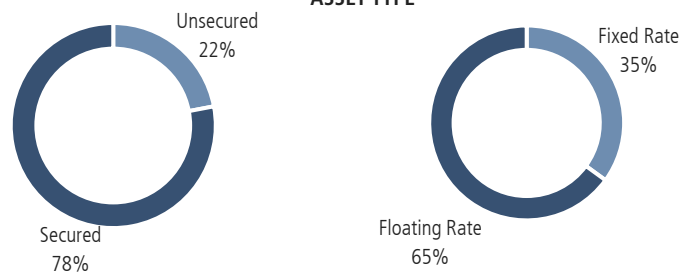
### CREDIT QUALITY % (MV)



### ASSET ALLOCATION % (MV)



### ASSET TYPE



### TOP 10 S&P SECTORS % (MV)

|                               | Fund  |
|-------------------------------|-------|
| Electronics                   | 12.71 |
| Health Care                   | 10.48 |
| Oil & Gas                     | 7.62  |
| Utilities                     | 5.77  |
| Business Equipment & Services | 5.70  |
| Building & Development        | 5.64  |
| Industrial Equipment          | 4.35  |
| Telecommunication             | 4.12  |
| Insurance                     | 3.24  |
| Cable TV                      | 3.05  |

Holdings data excludes cash

### TOP 10 ISSUERS % (MV)

|                                  | Sector                        | Fund |
|----------------------------------|-------------------------------|------|
| Chamberlain Group                | Building & Development        | 1.70 |
| Euro Garages                     | Retailers                     | 1.62 |
| Brock Holdings III Inc           | Business Equipment & Services | 1.57 |
| Team Health                      | Health Care                   | 1.36 |
| CSC Holdings                     | Cable Television              | 1.32 |
| Constellation Automotive Limited | Automotive                    | 1.23 |
| Uniti Group                      | Telecommunication             | 1.21 |
| Parexel                          | Health Care                   | 1.17 |
| Asurion                          | Insurance                     | 1.04 |
| WSH Investments                  | Food Services                 | 0.99 |

### PORTFOLIO STATISTICS \*\*

|                             |       |
|-----------------------------|-------|
| Current Portfolio Yield (%) | 6.67  |
| Hedged Portfolio Yield (%)  | 7.57  |
| Yield to Maturity (%)       | 7.66  |
| Duration (years)            | 1.75  |
| Number of Issuers           | 212   |
| Average Credit Quality      | B-    |
| Weighted Average Price      | 96.24 |

Past performance is not a reliable indicator of future result

\* The current management fee is 0.75% (on assets below £500m); 0.70% (on assets greater than £500m and lower or equal to £750m); 0.65% (on assets greater than £750m and lower or equal to £1bn); 0.60% (on assets greater than £1bn)

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

### CONTACT

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## MONTHLY COMMENTARY

### Market Update

Non-investment grade credit markets finished the quarter in negative territory. The ongoing Russia-Ukraine conflict and the fact that the Fed, ECB and Bank of England are going to have to tighten monetary policy further to fight higher inflation caused the generalized macro volatility. However, the senior floating rate loan market—with its minimal duration—had a positive return in March and posted modest negative total returns in the first quarter. The loan market was relatively resilient in a bumpy quarter despite the macro and headline risk. Floating rate loans held up significantly better than longer dated assets given its near zero interest rate risk and the fact that the loans investable universe has minimal direct exposure to Russia and Ukraine. Moreover, loan issuer fundamentals and solid demand for floating rate remained positive tailwinds for the loans asset class with near all-time low default rates and year-to-date retail inflows of over \$15.5 billion. While the secondary impacts of higher commodity prices are an area of focus regarding the outlook for global real GDP growth, issuer fundamentals across non-investment grade credit markets remain in good shape with default rates below or near all-time lows.

In the month of March, U.S. senior floating rate loans—measured by the S&P/LSTA Leveraged Loan Index (the “S&P LLI”)—returned +0.05% with the lowest rated loans underperforming as the BB, B and CCC rated segments of the index returned +0.20%, +0.06% and -0.90%, respectively. For the first quarter, the S&P LLI returned -0.10%. The LL100, a measure of the largest, most liquid issuers, returned +0.22% in the month and -0.18% year-to-date. In the first quarter, BB, B and CCC rated loans had returns of -0.17%, +0.03% and -0.97%, respectively. The European Leveraged Loan Index (the “ELLI”) returned +0.23% in March and -0.53% year-to-date, excluding currency effects. The second lien loans index returned -0.14% in March and +0.45% year to date.

The global high yield bond market finished the month of March and the first quarter of 2022 with negative returns. U.S. Treasury yields reached 2.48% mid-month after rising almost 100 basis points since the start of the year and the yield on 10-Year UK Gilts rose 66 basis points since the start of 2022, ending the quarter at 1.67%. Yields on high yield corporate bonds peaked mid-month and spreads peaked later in the month. That said, spreads came back in quickly toward month end which was the second most significant tightening seen over the past fifteen months. Issuer fundamentals remain solid with default rates posting another record low. The ICE BofA Global High Yield Constrained Index finished the month with a return of -1.10% and -5.50% for the first quarter. In March, returns across ratings saw lesser drawdowns in the lower-rated credit tier as the BB, B, CCC & lower rated categories of the ICE BofA Global High Yield Index returned -1.40%, -0.66%, and -0.73%, respectively. For the first quarter, the BB, B, CCC & lower rated categories of the ICE BofA Global High Yield Index returned -6.16%, -4.75%, and -3.57%, respectively.

CLO debt spreads were wider in the quarter, as the CLO market and other credit assets reacted negatively to the Russian invasion of Ukraine and associated global economic implications of the conflict and sanctions. Relative to fixed-rate fixed income products, CLO debt meaningfully outperformed over the quarter, as the impact from rising rates more acutely impacted fixed-rate asset classes. Secondary market volumes meaningfully increased quarter-over-quarter in investment grade CLO debt, as investors rotated out of AAA CLO debt due to YTD outperformance, while at the same time non-investment grade secondary market volumes declined as investors had less need to sell non-investment grade CLO debt at lower prices. The CLO BB index was approximately flat over the quarter (down -0.33%), as spread widening in the quarter was partially offset by coupon income.

Default rates in March declined to another all-time low in high yield and are just above all-time lows in loans, which is consistent with sturdy balance sheets and solid free cash flow growth. Our outlook for defaults also remains benign with well-below average default rates expected in 2022 and 2023. Non-investment grade credit, especially given its lower duration profile and attractive yields, will likely continue to see favourable investor demand as rising interest rates weigh on longer duration, lower yielding fixed income.

In our view, yields on non-investment grade credit are compensating investors for the benign default outlook, will continue to provide durable income and are attractive compared to other fixed income alternatives, especially as central banks continue to hike policy rates. While the Russia-Ukraine conflict and higher inflation present heightened uncertainty, global real growth is estimated to be at or slightly above trend for 2022 and input costs for most issuers are being passed on to end markets and consumers. Our analysts have been keenly focused on the outlook for issuer margins given input cost pressures. Mitigating this, however, are strong consumer and business balance sheets, growing nominal wages, strong jobs growth and businesses working to clear supply bottlenecks, which should provide support for economic activity and issuer fundamentals. Our global research team continues to monitor the investment thesis for each issuer in the portfolio given the uncertainty around the conflict in Eastern Europe and the secondary impacts related to commodity prices and the sanctions put in place on Russia. Supply chain disruptions remain a concern and this is also something we continue to monitor closely. Even with the uncertainty created by the elevated geopolitical risk and spike in commodity prices, which is resulting in short-term volatility, we believe our bottom-up, fundamental credit research focused on security selection while seeking to avoid credit deterioration and putting only our “best ideas” into portfolios, position us well to take advantage of the increased volatility.

### Portfolio Positioning

The overall Fund exposure to floating rate assets is at 65%, with an average duration of 1.75 years. We reduced exposure to Floating Rate loans which remained relatively stable despite the ongoing volatility in fixed income markets, and increased holdings in Private Debt, Special Situations and CLO Debt Tranches, with our weight in Global High Yield little changed on the month. Our exposure to BB and single B rated assets fell during the month, whilst holdings in the CCC space increased slightly. In light of the disruption brought by events in Ukraine and volatility in the rates market, primary market activity was very limited during the period, nevertheless we did look to tactically take advantage of the market dynamic to add to issuers with more stable fundamentals and compelling valuations.

### Recent investments

We added exposure to a 2nd lien loan from Renaissance Learning, a digital learning platform serving K-12 districts and schools with a leading market position in assessment, analytics, and literacy/math practices. Our favourable view of the credit is driven by the company’s high recurring non-cyclical revenue mix and retention rates, favourable industry tailwinds driving accelerated digital technology adoption in education, high margins, low capex and consistently solid free cash flow generation.

We also added to a position in the 7% '26 call perpetual bond from Vistra, one of the largest independent power producers in the United States. It operates an integrated platform with ~39GW of power generation capacity and is one of the largest competitive providers of retail electricity in the US and Texas, serving approximately 4.5m homes. Our favourable view of the credit profile is supported by its diversified portfolio of competitive power plants and an integrated generation and retail business model which partially mitigates the impact of fluctuations in natural gas prices. These attributes position the company to generate FCF in a wide range of commodity price and economic environments.

## RISK CONSIDERATIONS

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

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

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

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

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

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

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

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

## IMPORTANT INFORMATION

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

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Due to the inherent risk of investment in the debt market particularly related to alternative credit, it is expected that a qualified investor would be able to understand the risks in such security types and the potential impact of investing in the product. This product is designed to form part of a portfolio of investments.

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