NB Global Floating Rate Income Fund Limited

NEUBERGER BERMAN

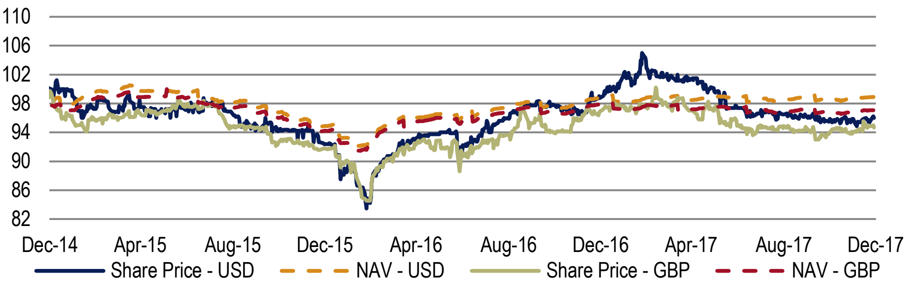
December 31, 2017

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

In the final quarter of 2017 the Fund's gross of fee performance of 1.04% underperformed the S&P/LSTA Leveraged Loan Index (the "Index") by seven basis points. From a sector perspective, the largest contributors for the quarter were security selection within Industrial Equipment, Cosmetics-Toiletries and the Surface Transport sectors. Conversely, selection decisions in the Healthcare and Oil & Gas sectors detracted from performance, as did an overweight allocation to the Cable Television sector.

Market Context

The Index returned 1.11% in the fourth quarter, bringing the 2017 return to 4.12%, which was predominantly all income generation. With 68.3% of the Index priced at par and above coming into 2017, there was always going to be limited capital upside potential. At the end of December, approximately 65.6% of the Index names were trading at bid prices of par or above, a slight increase on the 64.4% posted at the end of last quarter. The weighted average bid of the Index remained virtually unchanged over the quarter at 98.05 (up from 97.98).

On a sector basis, the top Index performers for the quarter were Conglomerates (+2.65%), Forest Products (+2.15%) and the Publishing sector (+1.94%). Conversely, the worst performers were Cosmetics-Toiletries (-3.15%), Home Furnishings (-1.55%) and the Surface Transport sector (-0.87%).

On a ratings basis, lower rated CCCs returned 2.85% in the fourth quarter, outperforming the better quality B and BB rated credits, which returned 1.09% apiece.

Institutional loan volume remained robust in the fourth quarter with $102 billion recorded, bringing the 2017 figure to $507 billion. Repricings totaled $138 billion in the fourth quarter, far short of $224 billion posted in the first quarter, but still the second highest posting of the year. The year-to-date repricing total stands at $539 billion, with just over half the Index names having repriced.

From a demand perspective, loan funds reported outflows of $5.0 billion for the quarter, giving full year inflows of $14.1 billion. CLO issuance increased by $5 billion compared to last quarter with $35 billion. This brought the year-to-date total to $117 billion, the highest amount since the $124 billion posted in 2014. The par amount outstanding of the Index ended the quarter at $959 billion, a $12 billion increase over the past three months. The trailing 12-month default rate of the Index by principal amount stood at 2.05% at the end of December, an increase of 52 basis points over the quarter, but well below the 3.1% historical average annual default rate.

The European loan market as measured by the S&P European Leveraged Loan Index (the "ELLI") returned 0.55% for the quarter (all numbers excluding currency), and 4.06% for 2017. As in the U.S., this was all income return driven, with the market return being flat for the year. The weighted average bid finished at 99.43, a 34 basis point decrease over the quarter.

European institutional loan volume finished the year at the highest level since 2007 with €101 billion recorded, and a solid €28 billion in the final quarter. In 2017, repricings totalled €74 billion. This said, the spread saving for borrowers declined in the fourth quarter to 72 basis points, down from 101 previously recorded.

FUND MANAGERS

JOSEPH LYNCH

21 years' investment experience

STEPHEN CASEY

22 years' investment experience

MARTIN ROTHERAM

16 years' investment experience

DAN DOYLE

32 years' investment experience

KEY METRICS

NAV	GBP	97.02
	USD	98.96
Share Price	GBP	94.70
	USD	96.00
Share Price Premium / (Discount)	GBP	-2.39%
	USD	-2.99%
Total Return QTD[2]		1.04%
Total Return 1 YR[2]		4.50%
Total Return Since Inception[2]		38.27%
Market Cap		$1,235m

KEY STATISTICS

Current Portfolio Yield*	4.66%[3]
Number of Investments	372
Number of Issuers	273

Source: U.S. Bancorp (Guernsey) Limited and Bloomberg.
Data as at December 31, 2017. 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)

European CLO volume increased in the final quarter with €8 billion posted, taking full year issuance to a post-crisis high of €22 billion. The par amount outstanding of the ELLI grew by €9 billion over the quarter, with more than €25 billion of growth over the year. The €139 billion of par amount outstanding marks the highest level since January 2010. The trailing 12-month default rate by principal amount stands at 1.11% at the end of December, a new low for 2017.

Portfolio Positioning

The portfolio has remained very much weighted towards USD issuance which accounts for 89% of the portfolio at the end of 2017. The bond allocation remained well below the 20% of NAV permitted, at 8.4%, as we remain focused on keeping duration low and limiting potential areas of volatility. We continue to allocate to better rated assets; our share of BBB/BB credits ended the quarter at 49.8%. With regards to sector allocation, we maintain a strong overweight to the Cable Television and Containers & Glass sectors. Conversely we maintain an underweight to the Electronics and Insurance sectors.

Outlook

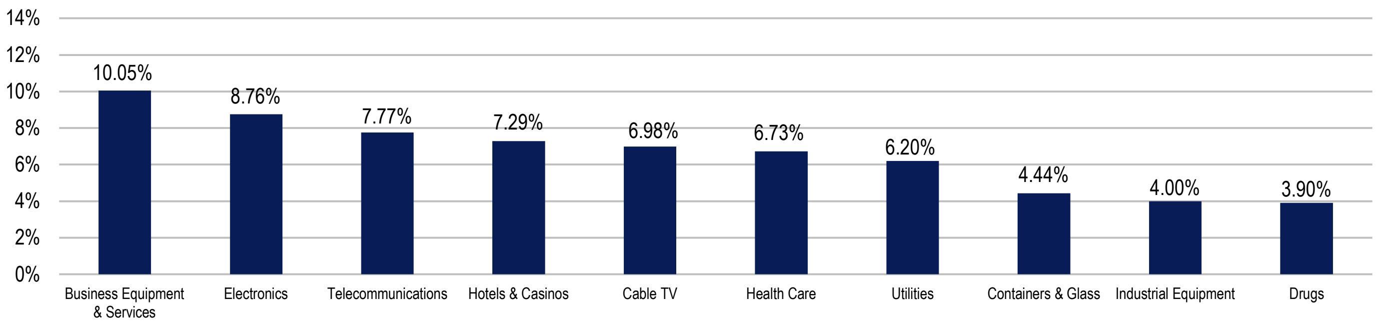
Our outlook for the loan market remains positive. Coming into 2018 the U.S. economy, revenue, earnings and cash flow metrics continue to show improvement across the board. Furthermore, recent U.S. corporate tax reform should provide a modest benefit to most companies that we are focused on. The market today is pricing in approximately a 1.61% imputed default rate, which is in line with our 2018 expectations of 1.5 – 2.5%.

We continue to believe that loans will be attractive given the returns on offer, the expected low volatility compared to other risk asset classes and their senior secured nature.

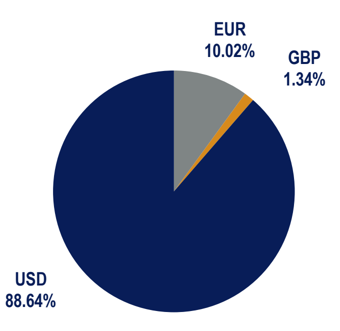
TOP 10 ISSUERS

Issuer	Sector	Weight
Valeant Pharmaceuticals	Drugs	1.58%
First Data	Business Equipment & Services	1.23%
Intelsat	Telecommunications	1.16%
CenturyLink	Telecommunications	1.13%
Vistra Energy	Utilities	1.08%
Wide Open West	Cable TV	1.07%
Endo Pharmaceutical	Drugs	0.92%
Univision	Broadcast Radio & TV	0.91%
Scientific Games	Hotels & Casinos	0.91%
Rackspace	Electronics	0.88%

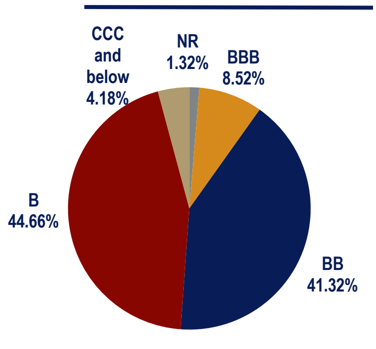
TOP 10 S&P SECTORS



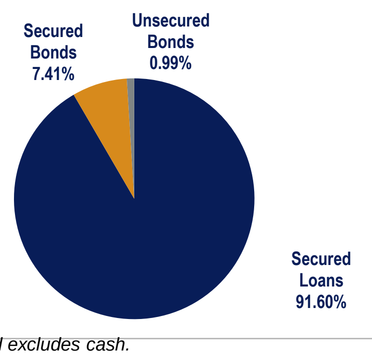
CURRENCY BREAKDOWN



RATING BREAKDOWN[2]



SECURITY BREAKDOWN



Source: Neuberger Berman, U.S. Bancorp (Guernsey) Limited and Bloomberg. Data as at December 31, 2017 and excludes cash.

1. *Source: S&P LCD.*
2. *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.*

KEY INFORMATION

Fund Type:	Closed-ended Investment Company
Admission Date:	20 April 2011
NAV Frequency:	Daily
Dividend Policy:	Quarterly
Domicile:	Guernsey
Market:	Premium Segment of the Main Market of the London Stock Exchange
Year End:	31 December
Management Fee:	0.75% (on assets of the Company below £1bn) 0.70% (on assets of the Company above £1bn and below or equal to £2bn) 0.65% (on assets of the Company above £2bn)
Bloomberg Tickers:	NBLU:LN (USD) NBLS:LN (GBP)
ISIN:	GG00B3P7S359 (USD) GG00B3KX4Q34 (GBP)
Website:	www.nbgfrif.com