NEUBERGER | BERMAN

NB Global Floating Rate Income Fund Limited

31 March 2020

FUND OBJECTIVE

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

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

MANAGEMENT TEAM

Vivek Bommi
Senior Portfolio Manager
Joined 2007

Stephen J. Casey
Senior Portfolio Manager
Joined 2002

Joseph P. Lynch
Senior Portfolio Manager
Joined 2002

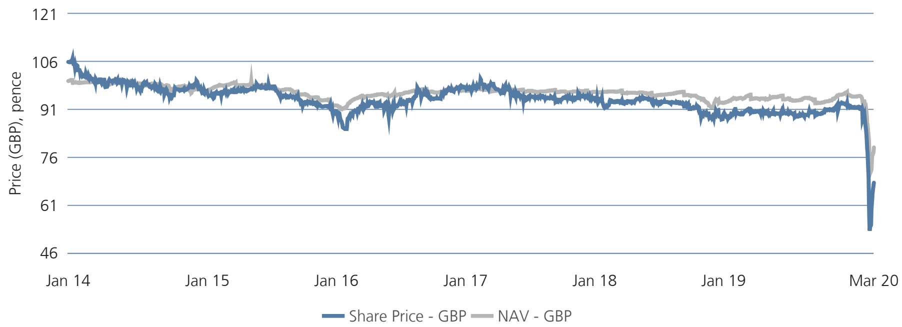
Simon Matthews
Senior Portfolio Manager
Joined 2019

The Fund is managed by experienced portfolio managers with an average 23 years' industry experience, backed by what we believe to be one of the largest and most experienced credit teams in the industry. Neuberger Berman has a large team of 173 fixed income investment professionals, with total fixed income assets of $150 billion.

FUND FACTS

Annualised Dividend Yield (GBP) % as at 31-03-2020	6.84%
Annualised Dividend Yield (USD) % as at 31-03-2020	6.83%
Last Dividend (GBP) 31-03-2020	0.0111
Last Dividend (USD) 31-03-2020	0.0116
Share Price (GBP)	0.6770
Share Price (USD)	0.7000
Share Price Premium/Discount (GBP)	-14.63%
Share Price Premium/Discount (USD)	-15.24%
NAV (GBP)	79.31
NAV (USD)	82.59
Market Cap (USD million)	332.07
NAV Frequency	Daily
Dividend Policy	Quarterly
Admission Date	20 April 2011
Vehicle	Closed-ended Investment Company
Domicile	Guernsey
Market	Main market of London Stock Exchange
Year End	31 December
Management Fee	0.65%
Bloomberg (GBP)	NBLS:LN
Bloomberg (USD)	NBLU:LN
ISIN (GBP)	GG00B3KX4Q34
ISIN (USD)	GG00B3P7S359

SHARE PRICE MOVEMENT

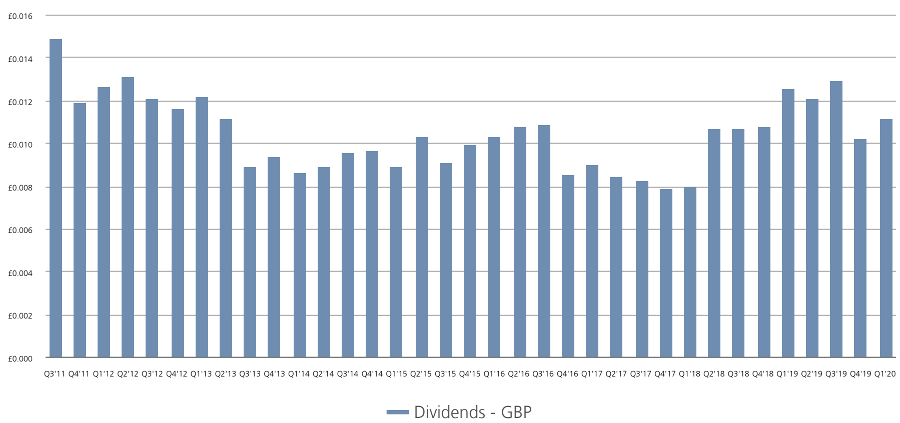


Share price and Net Asset Value (NAV) movement is representative of GBP.
Past performance is not a reliable indicator of future results.
Source: U.S. Bank Global Fund Services (Guernsey) Limited and Bloomberg.

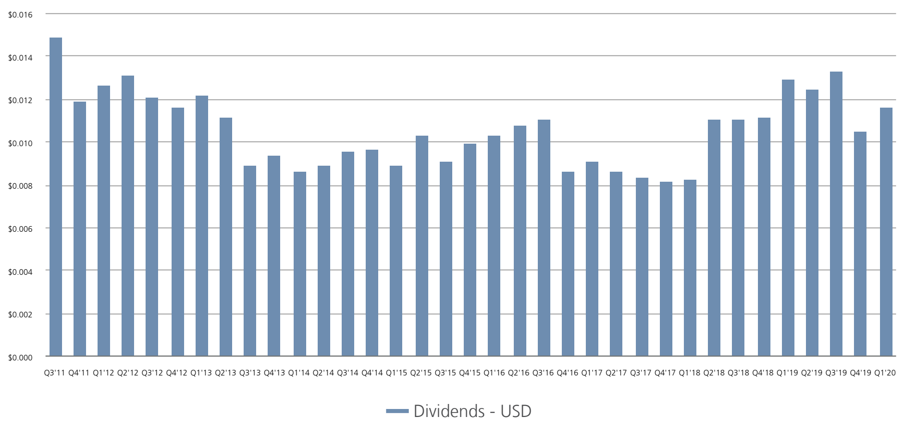
SHARE PRICE MOVEMENT

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

DIVIDEND AMOUNT



DIVIDEND AMOUNT



CONTACT

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*Calls are recorded

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TOP 10 ISSUERS % (MV)

	Sector	Fund
Altice France	Cable Television	1.94
Bass Pro	Retailers	1.31
Euro Garages	Retailers	1.30
McAfee Inc	Electronics	1.27
Intelsat	Telecommunication	1.17
Deerfield Duff & Phelps	Business Equipment & Services	1.16
Sedgwick	Insurance	1.09
MultiPlan	Health Care	1.08
Brock Holdings III Inc	Business Equipment & Services	1.07
Garda World Security Corp	Business Equipment & Services	1.05

Holdings data excludes cash

CURRENCY ALLOCATIONS % (MV)

	Fund
Euro	7.31
British Pound	1.43
United States Dollar	91.26

Holdings data excludes cash

CREDIT QUALITY % (MV)

	Fund
BBB	1.91
BB	22.14
B	69.84
CCC and below	4.72
NR	1.39

Holdings data excludes cash

SECURITY BREAKDOWN % (MV)

	Fund
Secured Loans	92.79
Secured Bonds	6.13
Unsecured Bonds	0.18
Other	0.90

Holdings data excludes cash

KEY STATISTICS

	Fund
Current Portfolio Yield (%)	5.86
Weighted Average Yield to Maturity (%)	9.52
Duration (years)	0.62
Number of Investments	274
Number of Issuers	206
Average Credit Quality	B+
Weighted Average Price (USD)	82.01

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

TOP 10 S&P SECTORS % (MV)

	Fund
Health Care	10.79
Electronics	9.67
Business Equipment & Services	9.45
Telecommunication	6.78
Utilities	5.90
Cable Television	5.88
Oil & Gas	5.58
Retailers	4.74
Building & Dev	4.25
Leisure	3.69

Holdings data excludes cash

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QUARTERLY COMMENTARY*

Performance Highlights

The Neuberger Berman Global Floating Rate Income Fund's gross of fee return for the first quarter was -15.13%, net of fee -15.28%, which underperformed the S&P/LSTA Leveraged Loan Index (the "Index") return of -13.05%.

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

Market Update

The senior floating rate loan market experienced significant volatility in the first quarter of 2020 due to the worldwide spread of COVID-19 and its impact on global economic activity from business closures, travel restrictions and shelter-in-place orders, as well as an oil price war made worse by demand destruction. The weighted average loan price of the S&P Leveraged Loan Index started 2020 at $96.72, recently hit a near-term low of $76.23 on March 23 and ended the first quarter at $82.85. The U.S. senior floating rate loan market, as measured by the S&P/LSTA Leveraged Loan Index returned -12.37% for the month of March and returned -13.05% for the quarter. The European Leveraged Loan Index (the "ELLI") returned -14.78% in March and -14.91% in the first quarter, excluding currency effects.

In contrast to the last large drawdown in 2008, the current episode of market dislocation is being caused by a global health crisis with mandated shutdowns of parts of the economy. Social distancing and closures intended to mitigate the spread of the virus will also likely cause large, temporary declines in GDP. The experience of China and South Korea suggests that activity will eventually resume, however, the timing is uncertain. Given this uncertainty, the investment manager would expect volatility to remain a reality until there is greater clarity on when businesses can begin to reopen.

Central banks around the world are taking extraordinary measures to provide liquidity to ensure the proper functioning of capital markets and to ensure that credit channels are open to businesses and households during this health crisis. Additionally, very large fiscal stimulus packages are being rolled out to shore up both businesses and consumers while many non-essential activities have been shut down in an effort to "flatten the curve" of the virus.

Over the past several weeks, the loan market has experienced above-average trading volumes and has been in price discovery mode pushing the bid-ask spread to wider than normal levels. Volatility in both directions and higher trading costs could persist in the near-term as market participants continue to digest new information on both the coronavirus impacts and oil market developments.

In light of the prospective negative impacts from COVID-19, the investment manager's research team has stress-tested all the issuers in the Fund based on (a) potential length of closures/disruptions, (b) ability to cut costs and defer capital expenditures, (c) near-term liquidity, (d) available bank lines and (e) the timing of upcoming maturities to evaluate an issuer's expected ability to manage through this period. The conclusion of this analysis suggests that the median issuer in the Fund can withstand a several month period of zero or minimal revenues. The investment manager's research team has also assessed loan sectors by risk or impact to COVID-19 disruptions and generally, the Fund is underweight those sectors with the greatest risk or most direct impact, such as airlines, travel and leisure.

While loan default rates were well below long-term averages as recently as February 2020 at just 1.83%, the investment manager expects default rates to increase toward the 5 – 7% range. The unusual nature of the current "mandated" economic stall and uncertainty as to the timing of restarting activity, make it difficult to forecast in the near term. That said, we can look to what is implied in current spreads and valuations in the loans universe. While the investment manager expects default rates to increase from low levels, loan markets have historically overestimated actual default rates. In the past six episodes since 2000 where the loan market saw distressed levels, the implied market default rate exceeded that of the actual default rates five out of six times. The view of the investment manager is that what is implied in current valuations could likely far exceed actual default rates.

Portfolio Positioning

The portfolio has remained weighted toward USD issuance, which accounts for 91.26% of the portfolio at the end of the quarter. The bond allocation remained well below the 20% of NAV permitted, at 6.31%, as we remain focused on keeping duration low and limiting potential areas of volatility. Our current allocation to BBB/BB rated credits ended the quarter at 24.05% while our exposure to CCC and below rated names finished the quarter at 4.72%. Regarding sector allocation, we are overweight the Oil & Gas, Utilities and Telecommunications sectors, and underweight the Electronics, Chemical and Food Service sectors.

Outlook

Yields in the loan market have increased over the past several weeks but we believe these valuations are likely pricing in a rather severe scenario. Loan prices in the high 70's to low 80's range, are likely compensating investors for an above-average rise in default rates, with the secularly-challenged and higher risk credits exposed to supply disruptions and demand declines in certain industries being the most affected. As we continue to be vigilant to the developments of COVID-19, we are finding select opportunities in the loans universe. That said, our primary goal remains one of avoiding default risk. While uncertainty around the duration of closures and severity of the hit to GDP due to the virus will likely result in pockets of short-term volatility, we believe our portfolio is well positioned. Our team is focusing on issuers that can likely withstand even several months of minimal or zero revenues given sufficient liquidity. We will continue to look to tactically take advantage of the increased volatility to add to credits with more stable fundamentals and compelling valuations.

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RISK CONSIDERATIONS

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

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

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

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

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

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

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

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

IMPORTANT INFORMATION

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

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