NB Global Floating Rate Income Fund Limited

NEUBERGER | BERMAN

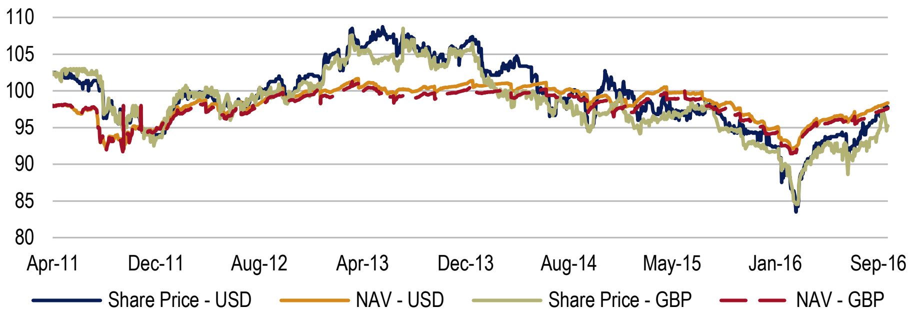
September 30, 2016

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 third quarter of 2016 continued the "risk on" theme that has prevailed for the majority of the year, which meant lower rated assets still outperformed the better quality high single B/BB credits on which the Fund focuses. As such, for the first nine months of 2016, the Fund's gross of fee performance of 7.65% was marginally off the return of the S&P/LSTA Leveraged Loan Index (the "Index") by 7 basis points. From a sector perspective, the largest contributors to performance for the quarter were security selection within financial intermediaries, utilities and telecommunications. In contrast, an underweight to metals / mining, security selection within electronics / electrical, and an overweight to cable / satellite television detracted the most from performance.

Market Context

In the third quarter of 2016, the US Loan Market, as measured by the Index, returned 3.08%, bringing year-to-date returns to 7.72%. 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 and ended the third quarter at 95.12, marking the highest level since September 2015. Additionally, over half of the Index traded at par or above at the end of September, up from 9% at the end of June.

Driven by a continued increase in opportunistic business, institutional issuance increased to $105 billion in the third quarter from $87.3 billion in the second quarter. Year to date, institutional issuance is $233 billion versus $209 billion during the same period last year. With M&A/LBO issuance being in a slight lull at present, over half of the deals we have seen have come from more opportunistic issuance e.g. repricings and dividend recapitalisations.

We saw demand of $19.9 billion from collateralized loan obligation (CLO) issuance during the quarter, up from $17.5 billion in the second quarter and $8.2 billion in the first quarter. According to S&P/LSTA, CLO issuance is forecast to pick up during the final months of 2016 as managers capitalize on market conditions and finalize deals ahead of the December 24th risk-retention deadline. After this time, any manager issuing a new CLO will have to retain a minimum of a 5% stake in the vehicle.

In Europe, the S&P European Leveraged Loan Index (the "ELLI") recorded a return (all numbers excluding currency) of 2.80% for the quarter, 1.41% of which came in the month of July following the Brexit vote. Year to date returns for the ELLI were 4.75% at the end of the third quarter. The weighted average bid on the ELLI ended the period at 98.15, approximately 300bp up on the YTD low of 95.24 in February and the best mark seen since 2007.

U.S. default activity continued to slow in the third quarter, with August and July registering no new defaults. All told, there were two defaults among Index issuers, down from five in the second quarter and 10 in the first quarter of 2016. The default rate by principal amount in the Index fell to a five-month low of 1.95% although relatively unchanged from 1.97% in June.

With regards to Europe, the default rates were 2.94% and 3.33% by amount and issuers respectively, having trended up from 2.54% / 2.39% at the end of the second quarter. This increase was primarily driven by the technical default of legacy issuer CBR, a fashion group whose current deal came to market before the crisis in 2007.

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	97.59
	USD	98.36
Share Price	GBP	95.20
	USD	97.75
Share Price Premium / (Discount)	GBP	-2.44%
	USD	-0.62%
Total Return YTD 2016[2]		7.65%
Total Return 1 YR[2]		5.77%
Total Return Since Inception[2]		30.00%
Market Cap		$1,264m

KEY STATISTICS

Current Portfolio Yield*	4.60%[3]
Number of Investments	296
Number of Issuers	224

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 September 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 third quarter of 2016, the portfolio remained very much weighted towards US issuers, which accounted for 92.59% of the portfolio as of September 2016. The bond allocation remained well below the 20% of NAV permitted, at 3.38%, as we remained focused on keeping duration low and limiting potential areas of volatility. From a ratings perspective, our allocation to better rated assets remained consistent with our BBB/BB weighting, at 53.64%, demonstrating a more defensive tilt.

Outlook

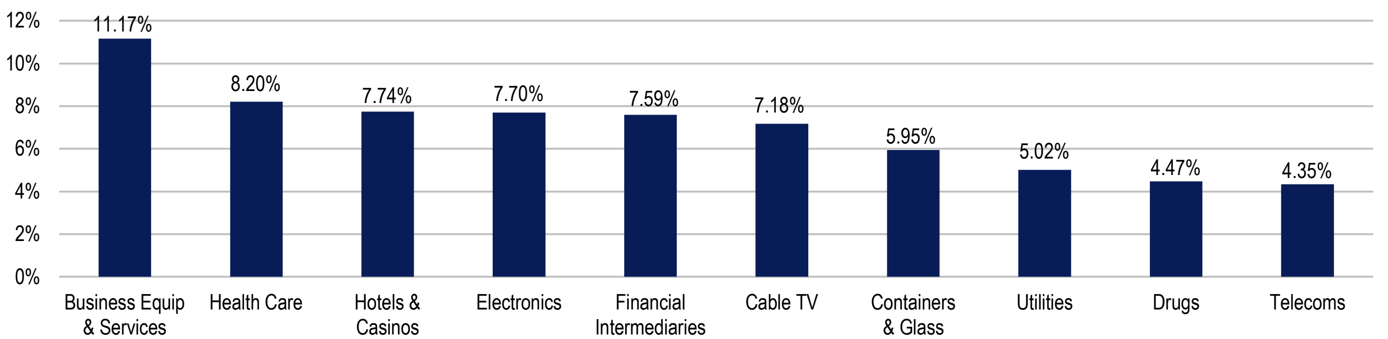
After a tough start to the year, many names are now trading near 2016 highs, and the market is eager to see acceleration in the forward calendar.

Our outlook for the loan market remains positive. Generally we feel that issuers are performing steadily, leverage is being controlled, and cash cover metrics are strong. The market today is pricing in approximately a 3.60% imputed default rate, which is 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 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.

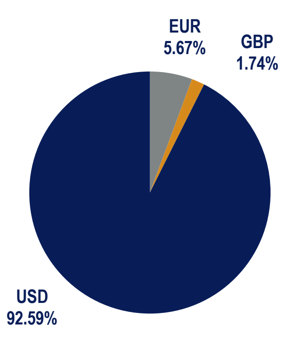
TOP 10 ISSUERS

Issuer	Sector	Weight
Valeant Pharma	Drugs	2.52%
First Data	Financial Intermediaries	2.15%
Energy Transfer	Oil & Gas	1.50%
Texas Energy Future Holdings	Utilities	1.45%
Cablevision Systems	Cable Television	1.42%
Avago Technologies	Electronics	1.38%
Community Health Systems	Health Care	1.25%
Reynolds Group	Containers & Glass	1.16%
Numericable	Cable Television	1.07%
Intelsat Jackson	Telecommunications	1.07%

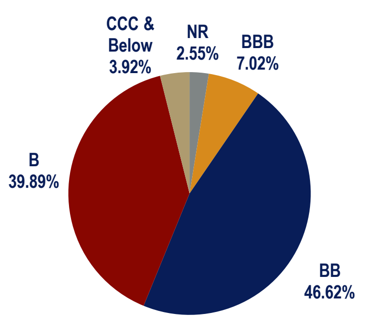
TOP 10 S&P SECTORS



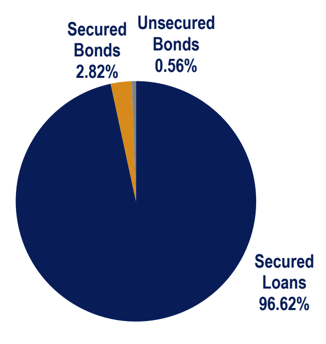
CURRENCY BREAKDOWN



RATING BREAKDOWN[1]



SECURITY BREAKDOWN



Source: Neuberger Berman, U.S. Bancorp (Guernsey) Limited and Bloomberg. Data as at September 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.*