NEUBERGER | BERMAN

INTERIM REPORT

UNAUDITED INTERIM FINANCIAL STATEMENTS

NB Global Floating Rate Income Fund Limited

FOR THE PERIOD ENDED 30 JUNE 2013
AND YEAR ENDED 31 DECEMBER 2012

PARTNERING WITH CLIENTS FOR OVER 70 YEARS

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COMPANY OVERVIEW

The investment objective of NB Global Floating Rate Income Fund Limited (the "Company") 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 Neuberger Berman Europe Limited (the "Investment Manager") and Neuberger Berman Fixed Income LLC (the "Sub-Investment Manager").

To pursue its investment objective, the Company invests mainly in floating rate senior secured loans issued in U.S. Dollars, Sterling and Euros by primarily North American and European Union corporations, partnerships and other business issuers. These loans will at the time of investment often be non-investment grade. The Company considers debt instruments to be non-investment grade if, at the time of investment, they are rated below the four highest categories by at least two independent credit rating agencies or, if unrated, are deemed by the Investment Manager and the Sub-Investment Manager to be of comparable quality.

For the purposes of efficient portfolio management, the Company has established a wholly-owned Luxembourg incorporated subsidiary, NB Global Floating Rate Income Fund (Lux) 1 S.à.r.l. which in turn holds a wholly-owned subsidiary, NB Global Floating Rate Income Fund (Lux) 2 S.à.r.l. All references to the Company in this document refer to the Company together with its wholly owned Luxembourg subsidiaries.

Company (as at 30 June 2013)	**NB Global Floating Rate Income Fund Limited (the "Company")** • Guernsey incorporated, closed-ended investment company • Admitted to the Official List of the UK Listing Authority and to trading with a premium listing on the Main Market of the London Stock Exchange on 20 April 2011 • The Company was admitted to the FTSE 250 in March 2012 • Pays dividends quarterly • Current dividend yield of 4.8% • 57,618,074 U.S. Dollar Ordinary Shares and 414,271,451 Sterling Ordinary Shares in issue at 30 June 2013 • 363,549,886 Sterling C Shares were issued on 26 March 2013 and then converted into 360,521,605 Sterling Ordinary Shares on 16 July 2013
Investment Manager and Sub-Investment Manager (as at 30 June 2013)	**Neuberger Berman Europe Limited (the "Investment Manager")** **Neuberger Berman Fixed Income LLC (the "Sub-Investment Manager")** • A large team of over 109 fixed income investment professionals • Portfolio Managers have an average of 20 years of industry experience • Total fixed income assets of over $89 billion • Over $15 billion in high yield bonds and loans • Non-investment grade research team of over 20 analysts

KEY FIGURES

(US$ in millions, except per share data)	At 30 June 2013	At 31 December 2012
Net Asset Value attributable to U.S. Dollar shareholding		
- *Ordinary Shares*	$57.4	$83.2
Net Asset Value attributable to Sterling shareholding		
- *Ordinary Shares*	$622.5	$642.8
- *C Shares*	$538.7	-
Net Asset Value per share attributable to U.S. Dollar shareholding		
- *Ordinary Shares*	$0.9970	$1.0007
Net Asset Value per share attributable to Sterling shareholding		
- *Ordinary Shares*	£0.9907	£0.9952
- *C Shares*	£0.9769	-
Investments	**$1,223.8**	$714.9
Cash and Cash Equivalents	**$56.1**	$20.5
Dividend Yield		
– *U.S. Dollar Ordinary Shares*	**4.81%**	4.94%
– *Sterling Ordinary Shares*	**4.84%**	4.96%
Share Price		
- *U.S. Dollar Ordinary Shares*	**$1.0738**	$1.0200
- *Sterling Ordinary Shares*	**£1.0440**	£1.0030
- *Sterling C Shares*	**£1.0237**	-
Premium to Net Asset Value		
– *U.S. Dollar Ordinary Shares*	**7.70%**	1.93%
– *Sterling Ordinary Shares*	**5.38%**	0.78%
– *Sterling C Shares*	**4.79%**	-

DIRECTORS, MANAGERS AND ADVISERS

Directors

William Frewen *(Chairman)*
Sandra Platts
Richard Battey

All c/o the Company's registered office.

Registered Office

BNP Paribas House
1 St. Julian's Avenue
St. Peter Port
Guernsey
GY1 1WA

Designated Manager, Administrator, Custodian and Company Secretary

BNP Paribas Securities Services S.C.A., Guernsey Branch (formerly known as BNP Paribas Fund Services (Guernsey) Limited)
BNP Paribas House
1 St. Julian's Avenue
St. Peter Port
Guernsey
GY1 1WA

Registrar

Capita Registrars (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St. Sampson
Guernsey
GY2 4LH

Investment Manager

Neuberger Berman Europe Limited
4th Floor, 57 Berkeley Square
London
United Kingdom
W1J 6ER

Sub-Investment Manager

Neuberger Berman Fixed Income LLC
190 S LaSalle Street
Chicago IL 60603
United States of America

Joint Broker

Oriel Securities Limited
150 Cheapside
London
United Kingdom
EC2V 6ET

Joint Broker

Dexion Capital plc
1 Tudor Street
London
United Kingdom
EC4Y 0AH

Solicitors to the Company (as to English law and U.S. securities law)

Herbert Smith Freehills LLP
Exchange House
Primrose Street
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United Kingdom
EC2A 2HS

Advocates to the Company (as to Guernsey law)

Carey Olsen
PO Box 98
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GY1 4BZ

Independent Auditors

PricewaterhouseCoopers CI LLP
Royal Bank Place
1 Glategny Esplanade
St. Peter Port
Guernsey
GY1 4ND

Principal Bankers

BNP Paribas Securities Services S.C.A., Guernsey Branch
BNP Paribas House
1 St. Julian's Avenue
St. Peter Port
Guernsey
GY1 1WA

CHAIRMAN'S STATEMENT

Dear Shareholder,

I am delighted to present the Interim Report of NB Global Floating Rate Income Fund Limited (the "Company") for the period 1 January 2013 to 30 June 2013.

Portfolio and Company performance

The Board remains pleased with the continued progress that the Company is making and the strategy that is being applied by the Investment Manager.

We were very pleased to announce a C share offering earlier this year which closed on 21 March raising additional capital of £363m (approximately $550m), far in excess of the original £100m target. The Investment Manager deployed the proceeds in line with the prescribed timeline and the Sterling C Shares were merged with the Sterling Ordinary Shares on 16 July 2013. Following further investor demand, the Company issued 41,054,257 Sterling Ordinary Shares and 5,761,807 U.S Dollar Ordinary Shares on 25 July 2013, raising an additional £45.3m (approximately $70m).

As at 30 June 2013, the portfolio was fully invested, with the Investment Manager continuing to position the portfolio with a bias to the US. As at 30 June 2013, 90.88/% of the Company was invested in U.S Dollar denominated assets, with 6.63% invested in Euro denominated assets, 2.77% in Sterling denominated assets and (0.28%) in cash.

The portfolio also remains well diversified with 176 holdings at 30 June 2013 across 136 issuers in 32 different sectors, with the majority being of Ba and B credit quality.

Between 31 December 2012 and 30 June 2013, the Company's NAV per share declined by 0.37% and 0.45% for the U.S. Dollar Ordinary Shares and Sterling Ordinary Shares respectively and 0.32% for the Sterling C Shares, between 26 March 2013 and 30 June 2013. The NAV return plus dividends declared in the period was 4.66% and 4.74% for the U.S. Dollar Ordinary Shares and Sterling Ordinary Shares respectively and 0.56% for the Sterling C Shares. As at 30 June 2013, the share price was trading at a premium of 7.70% for the U.S Dollar Ordinary Shares, 5.38% for the Sterling Ordinary Shares and 4.79% for the Sterling C Shares. I am pleased to report that the share price has continued to trade at a premium to NAV for a large majority of the period.

As at the end of the reporting period the dividend yields were 4.81% for the U.S Dollar Ordinary Shares and 4.84% for the Sterling Ordinary Shares, which continue to be within the target range.

Looking to the remainder of 2013, your Board continues to be satisfied with the portfolio's performance to date. The Investment Manager will continue to update you on the Company's progress by way of the monthly fact sheets and quarterly Investment Manager updates.

I would like to close by thanking you for your commitment and I look forward to updating you on the Company's progress later on this year.

Principal risks and related parties

The principal risks and uncertainties of the Company remain unchanged from what was disclosed in the 2012 annual report. The Board's view is that these risks remain appropriate for the remainder of 2013.

The Investment Manager's Report details their view on the current investment portfolio and their views on the investment pipeline and the wider developments and challenges in the loan market environment.

Note 4 to these Financial Statements discloses the related party transactions for the six months to 30 June 2013 which are unchanged from those reported previously by the Company.

William Frewen
Chairman
14 August 2013

INVESTMENT MANAGER'S REPORT

Portfolio Update

The Investment Manager remains pleased with the strong performance of NB Global Floating Rate Income Fund Limited (the "Company") for the period 1 January 2013 to 30 June 2013.

As a result of continued demand for shares in the Company, the Company returned to the market in March 2013 with a C share issue which raised a further £363m (approximately $550m). The proceeds from this issue were fully invested in line with the prescribed timetable by 30 June 2013 and converted to Sterling Ordinary Shares post the period end, on 16 July 2013. Subsequent to the C share offering, on 22 July 2013 the Company announced that a further £45.3m (approximately $70m) had been raised via a 'Tap issue', these shares were admitted to trading on the London Stock Exchange on 25 July 2013.

As at 30 June 2013 the Ordinary share portfolio was fully invested with 176 investments across 136 issuers. Industry diversification remains strong with 32 sectors represented, with no single one sector representing more than 12% of the Ordinary share portfolio. The credit quality of the portfolio remains in line with our expectations, with 35.96% being invested in Ba rated investments, and 58.51% in B rated investments. The C share portfolio held 154 investments across 129 issuers and 32 sectors, with no one sector representing more than 9% of the C share portfolio, 37.06% of the portfolio was invested in Ba rated investments, and 56.30% in B rated investments. The portfolio was well diversified and was merged seamlessly with the Ordinary share portfolio during July 2013.

We continue to position the Company to have a bias towards the US, reflecting our more positive views on the US economy where we expect modest economic growth and below trend default rates over the next 12-24 months. However, we did continue to invest selectively in European primary issuance where the credit metrics mirror those of the US counterparts e.g. Douwe Egberts Master Blenders and Oxea, and our exposure to Europe has increased to 12.87% of NAV from 9.38% as at 31 December 2012. Our rating split is consistent with our historical trends and we remain overweight single B names. We continued to see some relative value opportunities in secured fixed rate bonds, particularly over the six weeks to 30 June 2013 where we selectively added names such as Ista, Reynolds Group, HCA and First Data all at prices some five points below where they were trading in early May. As such our fixed rate exposure has increased to 12.7% of NAV versus 6.5% as at 31 December 2012.

Between 31 December 2012 and 30 June 2013, the Company's NAV per share declined by 0.37% and 0.45% for the U.S. Dollar Ordinary Shares and Sterling Ordinary Shares respectively and 0.32% for the Sterling C Shares between 26 March 2013 and 30 June 2013 . The NAV return plus dividends declared in the period was 4.66% and 4.74% for the U.S. Dollar Ordinary Shares and Sterling Ordinary Shares respectively and 0.56% for the Sterling C Shares. As at 30 June 2013, the share price was trading at a premium of 7.70% for the U.S. Dollar Ordinary Shares, 5.38% for the Sterling Ordinary Shares, and 4.79% for the Sterling C Shares.

During the period, the Company declared two dividends for the Ordinary Shares, which were paid in February and May. Post the period end the Company declared a further dividend for the Ordinary Shares which will be paid to investors on 16 August 2013, and a dividend for the Sterling C Shares which was paid on 26 July 2013.

As at the end of the period, the dividend yields were 4.81% and 4.84% for the U.S. Dollar Ordinary Shares and Sterling Ordinary Shares respectively, which are within the Company's 5% target range. The Company's expectation is that, if market conditions and interest rates remain at their current levels, the annualised dividend yield should remain constant.

You will note that within the statement of operations under 'Net change in unrealised (depreciation) / appreciation on derivatives' that there is a loss on this position, we would like to highlight that this is as a result of share class hedging and is not as a result of investments held within the portfolio.

INVESTMENT MANAGER'S REPORT (continued)

Market Environment

After a very strong start to the year, we began to see some volatility in May in the broader credit markets, primarily driven by the concerns that the Federal Reserve may taper/withdraw Quantitative Easing. While the loan market was more resilient than other fixed income sectors, many of which experienced 3-5% losses, we did see the year-to-date return on the US S&P/LSTA Leveraged Loan Index reduce from 3.23% as at 22 May to 2.28% by the end of June. May did produce a positive return, but in June the Index suffered a 0.59% loss which was the first monthly fall since May 2012. A similar theme was seen in Europe where the S&P European Leveraged Loan Index year-to-date return fell from 3.27% to 2.78% over the same period, with a drop of 0.39% seen in June, the first negative return for 18 months. Despite the decline in both the US and Europe, loans have been the best performing fixed income asset class year to date. The loan market decline was caused by developments in the high yield market. Whilst historically high yield has been resilient to moves in Treasuries, we saw underlying nervousness from retail investors with the resulting outflows causing a 200bp widening in yields from 5% to 7%. These redemption notices triggered a selling of bank loans by high yield bond managers. Despite the volatility, flows into loans remained robust and came from the usual sources e.g. US CLOs and mutual funds brought in a combined $76bn as at the end of June. A handful of European CLOs have also printed this year; seven in total for €2.4bn.

The positive side of the volatility is that some of the more aggressive repricing/dividend recapitalisation transactions that were in the market were pulled and spreads on recent new issues have widened by 50-100bp from early May lows. The year-to-date issuance numbers remain strong and in the US we have seen some $267bn ($120bn in Q2) of institutional loans launched versus $120bn for the comparable period last year. Whilst the majority of these were repricing/refinancing transactions we did start to see some M&A related issuance which has helped grow the US market to just under $600bn, up almost $50bn on the 2012 year end and in line with its record level. We have also seen $36bn (YTD 2012 $39bn) of senior secured bonds and, in Europe, €23bn (€8bn) of institutional loans have been originated with €20bn (€7bn) of senior secured bonds.

Outlook

We remain positive on issuer fundamentals and, as such, we remain comfortable with the current portfolio construction, particularly our continued overweight to single B names, and our allocations should remain reasonably constant for the next 6-12 months. We still think loans offer an attractive combination of current yield and short duration and therefore believe that demand for the asset class will continue. In the short term the loan market will likely take its lead from the high yield market. Despite recent turbulence, our full year return forecast of 5-6% remains intact.

Neuberger Berman Europe Limited
August 2013

BOARD OF DIRECTORS

Directors

The Board is comprised of three independent non-executive Directors including the Chairman William Frewen. The biographical details of the Directors holding office at the date of this report are listed below and demonstrate a breadth of investment, accounting and professional experience. The performance of the Company is considered in detail at each board meeting. The Board is considered independent of the Investment Manager. The Board meets at least four times each year and deals with the important aspects of the Company's affairs, including the setting and monitoring of the investment strategy and the review of investment performance.

The Directors were all appointed on 10 March 2011. William Frewen was re-elected as Chairman and Richard Battey and Sandra Platts were re-elected as Directors at the Annual General Meeting held on 19 June 2013.

The Directors' details are as follows:

William Frewen (Chairman)

William Frewen is a resident of the United Kingdom and has extensive experience in the fixed income sector. William worked in a number of roles at Chemical Bank, Credit Suisse First Boston Limited and HSBC Bank plc from 1984 to 1998 before becoming head of Fixed Income Trading and deputy head of Capital Markets at Nomura International plc from 1998 to 2001. He served as the non-executive Chairman of Playgolf Holdings plc from 2004 to 2007, a company that was admitted to AIM in 2004 under his chairmanship. William also acted as a consultant to Man Group plc from 2005 to 2006 before becoming an executive member of the board and head of Fixed Income at Threadneedle Asset Management from 2007 to 2010.

Richard Battey (Chairman of the Audit Committee)

Richard Battey is a resident of Guernsey and is a non-executive director and Chairman of the Audit Committee of AcenciA Debt Strategies Limited, Better Capital PCC Limited, Juridica Investments Limited, Princess Private Equity Holding Limited and Prospect Japan Fund Limited. He is a non- executive director of Pershing Square Holdings Limited. He is a Fellow of the Institute of Chartered Accountants in England and Wales having qualified with Baker Sutton & Co. in London in 1977. Richard has been a non-executive director of a number of investment companies and funds since leaving CanArgo Energy Corporation in 2006 where he was Chief Financial Officer. Prior to that role, he spent 27 years with the Schroder Group. Richard was a director of Schroders (C.I.) Limited in Guernsey from April 1994 to December 2004 where he served as Finance Director and Chief Operating Officer. He was a director of a number of the Schroder Group's Guernsey companies covering banking, investment management, trusts, insurance and private equity administration, retiring from his last Schroder directorship in December 2008.

Sandra Platts (Chairman of the Management Engagement Committee and the Remuneration and Nomination Committee)

Sandra Platts is a resident of Guernsey and is a non-executive director of Investec Bank (C.I.) Ltd and Starwood European Finance Partners Ltd. Sandra was Managing Director of Kleinwort Benson in Guernsey and Chief Operating Officer for Kleinwort Benson Private Banking Group (UK and Channel Islands). She also held directorships of the Kleinwort Benson Trust Company and Operating Boards, retiring from Kleinwort Benson boards in 2010. Sandra holds a Masters in Business Administration and The Certificate in Company Direction from the Institute of Directors.

DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT

We confirm that to the best of our knowledge:

The unaudited Consolidated Financial Statements, which have been prepared in conformity with US GAAP and the Financial Accounting Standards Board Accounting Standards Codification 270, "Interim Reporting", gives a true and fair view of the assets, liabilities, financial position and profits/(losses) of the Company, as required by DTR 4.2.4R.

The combination of the Chairman's Statement and the Investment Manager's report meet the requirements of an Interim Management Report, and include a fair view of the information required by;

1. DTR 4.2.7R of the Disclosure and Transparency Rules, of the UK's Financial Conduct Authority (previously Financial Services Authority), being an indication of important events that have occurred during the first six months of the year and their impact on the set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

2. DTR 4.2.8R of the Disclosure and Transparency Rules, of the UK's Financial Conduct Authority, being related party transactions that have taken place in the first six months of the current year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last annual report that could do so.

Signed on behalf of the Board of Directors on 14 August 2013.

By order of the Board

William Frewen	Richard Battey
Director	Director
14 August 2013	14 August 2013

INDEPENDENT REVIEW REPORT TO NB GLOBAL FLOATING RATE INCOME FUND LIMITED

Introduction

We been engaged by the Company to review the interim financial statements in the half-yearly financial report for the six months ended 30 June 2013, which comprises the consolidated statement of assets and liabilities and the consolidated schedule of investments as at 30 June 2013 and the consolidated statement of operations, consolidated statement of changes in net assets and the consolidated statement of cash flows for the period then ended and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with accounting principles generally accepted in the United States of America. The interim financial statements included in this half-yearly financial report have been prepared in accordance with the Financial Accounting Standards Board Accounting Standards Codification 270, "Interim Reporting".

Our responsibility

Our responsibility is to express to the Company a conclusion on the interim financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements in the half-yearly financial report for the six months ended 30 June 2013 are not prepared, in all material respects, in accordance with the Financial Accounting Standards Board Accounting Standards Codification 270, "Interim Reporting" and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
14 August 2013

(a)The maintenance and integrity of the Company's website is the responsibility of the directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the half-yearly financial report since it was initially presented on the website.

(b) Legislation in Guernsey governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

UNAUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

30 June 2013 and 31 December 2012
(Expressed in U.S. Dollars)

	Notes	30 June 2013	31 December 2012
Assets		$	$
Investments, at fair value (2013: cost of $1,231,797,169; 2012: $708,938,484)	5	1,223,791,267	714,890,852
Cash and cash equivalents:			
- Sterling		2,537,190	1,643,656
- Euro		19,401,743	2,562,521
- U.S. Dollar		34,197,129	16,260,995
Total cash and cash equivalents		56,136,062	20,467,172
		1,279,927,329	735,358,024
Other assets:			
Receivables for investments sold		56,259,858	62,551,644
Derivative assets (for hedging purposes only)	5	-	5,329,658
Interest receivables		7,867,371	5,001,773
Other receivables and prepayments		77,501	74,973
		64,204,730	72,958,048
Total assets		1,344,132,059	808,316,072
Liabilities			
Payables for investments purchased		119,143,663	80,395,387
Payables to Investment Manager and affiliates		2,326,141	1,376,082
Accrued expenses and other liabilities		556,800	485,300
Derivative liabilities (for hedging purposes only)	5	3,484,602	-
Total liabilities		125,511,206	82,256,769
Total assets less liabilities		1,218,620,853	726,059,303
Share capital	9	1,241,480,652	699,946,899
Accumulated (deficit) / profit		(22,859,799)	26,112,404
Total net assets		1,218,620,853	726,059,303

30 June 2013	Net Asset Value	Number of Shares	NAV per Share
U.S. Dollar shareholding			
- Ordinary Shares	$57,444,603	57,618,074	$0.9970
- C Shares	-	-	-
Sterling shareholding			
- Ordinary Shares	£410,404,170	414,271,451	£0.9907
- C Shares	£355,167,508	363,549,886	£0.9769
Sterling shareholding (in USD)			
- Ordinary Shares	$622,478,063	414,271,451	$1.5026
- C Shares	$538,698,187	363,549,886	$1.4818

The unaudited consolidated financial statements on pages 10 to 30 were approved and authorised for issue by the Board of Directors on 14 August 2013, and signed on its behalf by:

____
Sandra Platts
Director

____
Richard Battey
Director

The accompanying notes are an integral part of the unaudited consolidated financial statements

UNAUDITED CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS

30 June 2013 and 31 December 2012
(Expressed in U.S. Dollars)

30 June 2013	**Cost**	**Fair Value**	**Fair Value as % of Net Assets**
	$	**$**	
Portfolio of investments			
Financial investments			
Floating rate senior secured loans	1,101,505,692	1,094,722,640	89.83
Fixed rate bonds	128,656,290	127,453,564	10.46
Floating rate bonds	1,635,187	1,615,063	0.13
Total financial investments	1,231,797,169	1,223,791,267	100.42
Total portfolio of investments	1,231,797,169	1,223,791,267	100.42
Forwards			
Euro to U.S. Dollar		811,415	0.07
Sterling to U.S. Dollar		406,054	0.03
U.S. Dollar to Euro		(7,552)	(0.01)
U.S. Dollar to Sterling		(4,486,384)	(0.37)
Euro to Sterling		(208,135)	(0.02)
		(3,484,602)	(0.30)

30 June 2013	**Cost**	**Fair Value**	**Fair Value as % of Net Assets**
	$	**$**	
Geographic diversity of investment portfolio			
North America	1,061,492,802	1,057,300,875	86.76
Australia / Oceania	8,335,747	8,301,917	0.68
Europe	161,968,620	158,188,475	12.98
	1,231,797,169	1,223,791,267	100.42

The accompanying notes are an integral part of the unaudited consolidated financial statements

UNAUDITED CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)

30 June 2013 and 31 December 2012
(Expressed in U.S. Dollars)

31 December 2012	Cost	Fair Value	Fair Value as % of Net Assets
	$	$	
Portfolio of investments			
Financial investments			
Floating rate senior secured loans	659,627,497	664,324,754	91.50
Fixed rate bonds	45,931,562	46,995,298	6.47
Floating rate bonds	3,379,425	3,570,800	0.49
Total financial investments	708,938,484	714,890,852	98.46
Total portfolio of investments	708,938,484	714,890,852	98.46
Forwards			
Euro to U.S. Dollar		(388,400)	(0.05)
Sterling to U.S. Dollar		(248,055)	(0.03)
U.S. Dollar to Euro		(30,297)	(0.01)
U.S. Dollar to Sterling		5,996,410	0.83
		5,329,658	0.74

31 December 2012	Cost	Fair Value	Fair Value as % of Net Assets
	$	$	
Geographic diversity of investment portfolio			
North America	634,126,804	640,988,995	88.28
Australia / Oceania	5,670,552	5,771,607	0.80
Europe	69,141,128	68,130,250	9.38
	708,938,484	714,890,852	98.46

The accompanying notes are an integral part of the unaudited consolidated financial statements

UNAUDITED CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)

30 June 2013 and 31 December 2012
(Expressed in U.S. Dollars)

	30 June 2013		31 December 2012	
Industry diversity of Investment Portfolio	**Cost ($)**	**Fair Value ($)**	**Cost ($)**	**Fair Value ($)**
Aerospace & Defence	9,272,164	9,248,447	1,608,755	1,614,611
Air Transport	23,764,897	23,825,410	5,092,865	5,313,261
All Telecom	69,252,195	68,858,194	22,677,447	22,788,358
Automotive	35,250,752	35,637,468	24,201,281	24,508,115
Beverage and Tobacco	24,503,856	24,146,004	-	-
Building & Development	30,944,688	31,114,887	18,760,568	19,244,148
Business Equipment & Services	101,603,356	101,573,055	72,181,182	72,962,169
Cable & Satellite Television	62,980,809	61,719,945	12,385,734	12,673,175
Chemicals & Plastics	64,353,270	63,710,043	38,945,894	38,901,115
Clothing/Textiles	-	-	5,452,600	5,505,866
Conglomerates	2,559,096	2,518,842	6,599,470	6,698,225
Containers & Glass Products	41,916,102	41,869,660	18,975,824	19,239,258
Cosmetics/Toiletries	3,567,515	3,584,568	4,566,605	4,666,309
Drugs	8,869,263	8,792,835	6,876,198	6,947,030
Ecological Services & Equipment	9,452,590	9,356,027	8,156,480	8,190,196
Electronics/Electrical	69,663,820	69,267,454	53,717,794	54,572,052
Equipment Leasing	16,108,345	16,168,416	12,450,867	12,628,659
Financial Intermediaries	99,195,878	99,023,564	69,967,535	71,198,868
Food Products	27,589,435	27,585,821	11,688,166	11,919,587
Food Service	26,622,912	26,466,651	8,389,202	8,452,870
Food/Drug Retailers	9,100,718	8,971,785	5,163,066	5,305,098
Health Care	87,325,544	86,821,754	73,059,355	74,489,784
Home Furnishings	9,335,044	9,307,031	5,244,836	5,302,397
Industrial Equipment	41,181,058	41,132,573	25,719,085	26,047,835
Insurance	4,784,991	4,785,000	1,674,107	1,701,505
Leisure Goods/Activities/Movies	25,095,211	25,044,740	12,210,086	12,324,762
Lodging & Casinos	100,922,765	100,288,674	44,476,664	44,793,941
Nonferrous Metals/Minerals	26,836,518	26,593,909	14,384,410	14,559,212
Oil & Gas	30,998,468	30,702,562	11,026,027	11,093,011
Publishing	8,096,983	7,426,778	21,103,330	20,149,243
Radio & Television	49,769,515	49,631,824	26,807,241	27,196,719
Retailers (except food & drug)	68,206,992	66,228,754	45,862,830	45,118,716
Steel	5,320,972	5,367,585	5,066,601	5,173,654
Surface Transport	4,115,839	4,055,000	-	-
Utilities	33,235,608	32,966,007	14,446,379	13,611,103
	1,231,797,169	1,223,791,267	708,938,484	714,890,852

The Company does not have any investments with a holding greater than 5% of the Net Asset Value as at 30 June 2013 or 31 December 2012.

The accompanying notes are an integral part of the unaudited consolidated financial statements

UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

For the period ended 30 June 2013 and year ended 31 December 2012
(Expressed in U.S. Dollars)

	1 January 2013 to 30 June 2013 (Unaudited) $	1 January 2012 to 31 December 2012 (Audited) $
Income		
Interest income (net of withholding taxes, 2013: $34,706; 2012: $170,502)	21,482,785	40,156,171
Other income from investments	1,943,839	3,317,236
	23,426,624	43,473,407
Expenses		
Investment management and services	3,637,783	5,155,590
Administration and professional fees	953,832	1,704,012
Directors' fees and travel expenses	70,423	142,418
Total expenses	4,662,038	7,002,020
Net investment income	18,764,586	36,471,387
Realised and unrealised gains and losses		
Net realised gain on investments	3,049,367	3,334,624
Net realised (loss) / gain on derivatives	(32,177,106)	22,076,850
Total net realised (loss) / gain	(29,127,739)	25,411,474
Net change in unrealised (depreciation) / appreciation on investments	(13,958,270)	28,834,061
Net change in unrealised (depreciation) / appreciation on derivatives	(8,814,260)	5,888,687
Total net unrealised (depreciation) / appreciation	(22,772,530)	34,722,748
Realised gain / (loss) on foreign currency	900,684	(2,197,937)
Net realised and unrealised (losses) / gains	(50,999,585)	57,936,285
Net (decrease) / increase in net assets resulting from operations	(32,234,999)	94,407,672

The accompanying notes are an integral part of the unaudited consolidated financial statements

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(Expressed in U.S. Dollars)

30 June 2013 (Unaudited)

	C share ($)	Ordinary share ($)	Total ($)
Net assets as at 1 January 2013	-	726,059,303	726,059,303
Issuance of shares (net of issuance costs of £7,270,998 (approximately $11,018,535))	540,126,066	-	540,126,066
Scrip issue	-	1,407,687	1,407,687
Dividends	-	(16,737,204)	(16,737,204)
Net decrease in net assets resulting from operations	(1,427,879)	(30,807,120)	(32,234,999)
Net assets as at 30 June 2013	538,698,187	679,922,666	1,218,620,853

31 December 2012 (Audited)

	C share ($)	Ordinary share ($)	Total ($)
Net assets as at 1 January 2012	183,998,928	477,744,646	661,743,574
Scrip issue	-	3,370,313	3,370,313
Conversion of C Shares into Ordinary Shares	(183,480,114)	183,480,114	-
Dividends	(518,814)	(32,943,442)	(33,462,256)
Net increase in net assets resulting from operations	-	94,407,672	94,407,672
Net assets as at 31 December 2012	-	726,059,303	726,059,303

The accompanying notes are an integral part of the unaudited consolidated financial statements

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2013 and year ended 31 December 2012
(Expressed in U.S. Dollars)

	1 January 2013 to 30 June 2013 (Unaudited) $	**1 January 2012 to 31 December 2012 (Audited) $**
Cash flows from operating activities:		
Net (decrease) / increase in net assets resulting from operations	(32,234,999)	94,407,672
Adjustment to reconcile net decrease in net assets resulting from operations:		
Net realised gain on investments	(3,049,367)	(3,334,624)
Net change in unrealised depreciation / (appreciation) on investments and derivatives	22,772,530	(34,722,748)
Changes in receivables for investments sold	6,291,786	(42,279,576)
Changes in interest receivables	(2,865,598)	(1,651,872)
Changes in other receivables and prepayments	(2,528)	41,137
Realised gains on forwards	-	(359,270)
Changes in payables for investments purchased	38,748,276	9,777,383
Changes in payables to Investment Manager and affiliates	950,059	46,707
Changes in accrued expenses and other liabilities	71,500	59,633
Purchase of investments	(1,033,235,526)	(885,801,118)
Sale of investments	513,426,208	850,058,060
Net cash used in operating activities	(489,127,659)	(13,758,616)
Cash flows from financing activities:		
Issue of C Shares (net of issuance costs of £7,270,998 (approximately $11,018,535))	540,126,066	-
Dividends paid (net of Scrip issue)	(15,329,517)	(30,091,943)
Net cash provided / (used) by financing activities	524,796,549	(30,091,943)
Net increase / (decrease) in cash and cash equivalents	35,668,890	(43,850,559)
Cash and cash equivalents at beginning of the period / year	20,467,172	64,317,731
Cash and cash equivalents at end of the period / year	56,136,062	20,467,172

The accompanying notes are an integral part of the unaudited consolidated financial statements

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS

NB Global Floating Rate Income Fund Limited (the "Company") is a Guernsey Registered Closed-ended Collective Investment Scheme registered and incorporated in Guernsey under The Companies (Guernsey) Law, 2008 (as amended), on 10 March 2011, with registration number 53155. The Company's shares were admitted to trading on the Main Market of the London Stock Exchange on 20 April 2011.

The Initial Public Offering of the Company took place on 15 April 2011, raising gross proceeds of approximately $507.3 million. On 30 September 2011, the Company raised an additional $187 million by means of a Placing and Offer for Subscription of C Shares. On 21 March 2013, the Company raised an additional $550 million by means of a Placing and Offer for Subscription of C Shares.

The Company's 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 Investment Manager, Neuberger Berman Europe Limited and the Sub-Investment Manager, Neuberger Berman Fixed Income LLC. To pursue its investment objective, the Company will invest mainly in floating rate senior secured loans issued in U.S. Dollars and Sterling by primarily North American and European Union corporations, partnerships and other business issuers. These loans will, at the time of investment, often be non-investment grade.

For the purposes of efficient portfolio management, the Company has established a wholly-owned Luxembourg incorporated subsidiary, NB Global Floating Rate Income Fund (Lux) 1 S.à.r.l. which in turn holds a wholly-owned subsidiary, NB Global Floating Rate Income Fund (Lux) 2 S.à.r.l. All references to the Company in this document refer to the Company and its wholly owned Luxembourg subsidiaries.

The Company's share capital is denominated in U.S. Dollars and Sterling and consists of U.S. Dollar Ordinary Shares, Sterling Ordinary Shares and Sterling C Shares at 30 June 2013.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The accompanying unaudited consolidated financial statements have been presented on the accrual basis of accounting in conformity with United States generally accepted accounting principles (US GAAP). Management believes that the underlying assumptions are appropriate and that the Company's consolidated financial statements therefore present a true and fair financial position.

Going concern refers to the assumption that the Company has the resources to continue operation in the foreseeable future. After analysing the following, the Directors believe that it is appropriate to adopt the going concern basis in preparing these consolidated financial statements:

Working capital

Working capital was impacted by the significant number of purchases following the successful issue of the Sterling C Shares that resulted in an increase in trade payables. The Directors noted that as at 30 June 2013 (i) the gross investment income for the period from 1 January 2013 to 30 June 2013 was approximately $23m and (ii) the Company had no borrowings, as such it has sufficient capital in hand to cover all expenses (which mainly consist of Investment Manager's fees, Administration fees and Professional fees) and to meet all of its obligations as they fall due.

Closed-ended Company

The Company has been registered with the Guernsey Financial Services Commission as a Registered Closed-ended Collective Investment Scheme, as such there cannot be any shareholder redemptions, and therefore no cash flows out of the Company in this respect. The Directors noted that on 22 July 2013 the Company raised £45.3m (approximately $70m) via a Tap issue.

Investments

The Company has a tradable portfolio, therefore investments can be sold for cash.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

Based on the above assessments, the Directors are confident that the Company is able to meet its liabilities as they fall due, as it has adequate cash resources to continue in operational existence for the foreseeable future.

Basis of consolidation

The unaudited consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiary undertakings as at 30 June 2013. The Company and all its wholly owned subsidiaries have United States Dollars as their functional currencies. The results of the subsidiary undertakings are included in the Unaudited Consolidated Statement of Operations.

All intra-group balances, transactions, income and expenses are eliminated in full.

Use of estimates

The preparation of unaudited consolidated financial statements in conformity with US GAAP requires that the Directors make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Such estimates and associated assumptions are generally based on historical experience and various other factors that are believed to be reasonable under the circumstances, and form the basis of making the judgments about attributing values of assets and liabilities that are not readily apparent from other sources. Actual results may vary from such accounting estimates in amounts that may have a material impact on the financial information of the Company.

Revenue recognition

Interest earned on debt instruments is accounted for net of applicable withholding taxes and it is recognised as income over the terms of the loans. Discounts received or premiums paid in connection with the acquisition of loans are amortised into interest income using the effective interest method over the contractual life of the related loan. If a loan pays off prior to maturity, the recognition of the fees and costs is accelerated as appropriate. The Company raises a provision when the collection of principal or interest is deemed doubtful.

Cash and cash equivalents

The Company's cash and cash equivalents comprise cash in hand and demand deposits and highly liquid investments with original maturities of less than 90 days that are both readily convertible to known amounts of cash and so near maturity that they represent insignificant risk of changes in value.

New accounting pronouncements

In December 2011, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update 2011-11, Disclosures about Offsetting Assets and Liabilities ("ASU 2011-11"). The disclosure requirements are intended to help investors and other financial statement users better assess the effect or potential effect of offsetting arrangements on a company's financial position. They also improve transparency in the reporting of how companies mitigate credit risk, including disclosure of related collateral pledged or received. In addition, ASU 2011- 11 facilitates comparison between those entities that prepare their financial statement on the basis of US GAAP and those entities that prepare their financial statements on the basis of International Financial Reporting Standards ("IFRS"). ASU 2011-11 requires entities to: disclose both gross and net information about both instruments and transactions eligible for offset in the financial statements; and disclose instruments and transactions subject to an agreement similar to a master netting agreement.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New accounting pronouncements (continued)

In January 2013, FASB issued Accounting Standard Update 2013-01, Balance Sheet *(Topic 210), Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*, which clarifies that the scope of ASU 2011-11 applies to derivatives accounted for in accordance with Topic 815, Derivatives and Hedging, including bifurcated embedded derivatives, repurchase agreements and reverse repurchase agreements and securities borrowing and securities lending transactions that are either offset in accordance with Section 210-20-45 or Section 815-10-45 or subject to an enforceable master netting arrangement or similar agreement.

The provisions of ASU 2011-11 and ASU 2013-01 are effective for annual reporting periods beginning on or after 1 January 2013.

Note 5 details the gross and net derivative asset and liability position by contract type and the amount for those derivative contracts for which netting is permissible under U.S. GAAP.

The derivative assets and liabilities have been netted where an enforceable master netting arrangement is in place.

Valuation of investments

The Company carries investments on its Unaudited Consolidated Statement of Assets and Liabilities at fair value in accordance with US GAAP, with changes in fair value recognised within the Unaudited Consolidated Statement of Operations in each reporting period. Quoted investments are valued according to their bid price as at the close of the relevant reporting date. Investments in private securities are priced at the bid price using a pricing service for private loans. Asset backed securities are valued according to their bid price. If a price cannot be ascertained from the above sources, the Company will seek bid prices from third party broker/dealer quotes for the investments. The Investment Manager believes that bid price is the best estimate of fair value and is in line with the valuation policy adopted by the Company.

In cases where no third party price is available, or where the Investment Manager determines that the provided price is not an accurate representation of the fair value of the investment, the Sub-Investment Manager determines the valuation based on the Sub-Investment Manager's fair valuation policy.

The overall criterion for fair value is a price at which the majority of the securities involved would change hands in a transaction between a willing buyer and a willing seller, neither being under compulsion to buy or sell and both having the same knowledge of the relevant facts.

Consistent with the above criterion, the following criteria is considered when applicable:

- Valuation of other securities by the same issuer for which market quotations are available;
- Reasons for absence of market quotations;
- The soundness of the security, its interest yield, the date of maturity, the credit standing of the issuer and the current general interest rates;
- Recent sales prices and/or bid and ask quotations for the security;
- Value of similar securities of issuers in the same or similar industries for which market quotations are available;
- Economic outlook of the industry;
- Issuer's position in the industry;
- The financial information of the issuer; and
- The nature and duration of any restriction on disposition of the security.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments

The Company may, from time to time, hold derivative financial instruments for the purposes of hedging foreign currency exposure. These derivatives are measured at fair value in accordance with US GAAP, with changes in fair value recognised within the Unaudited Consolidated Statement of Operations in each reporting period.

Depending on the product and the terms of the transaction, the fair value of the over the counter (OTC) derivative products, such as foreign exchange contracts, can be modelled taking into account the counterparties' creditworthiness and using a series of techniques, including simulation models. Many pricing models do not entail material subjectivity because the methodologies employed do not necessitate significant judgements and the pricing inputs are observed from actively quoted markets. The forward exchange contracts valued by the Company using pricing models fall into this category and are categorized within level 2 of the fair value hierarchy.

As shares are denominated in U.S. Dollars and Sterling and investments are denominated in U.S. Dollars, Euro or Sterling, holders of any class of Shares are subject to foreign currency fluctuations between the currency in which such Shares are denominated and the currency of the investments made by the Company. Consequently, the Investment Manager seeks to engage in currency hedging between the U.S. Dollars and any other currency in which the assets of the Company or a class of Shares is denominated, subject to suitable hedging contracts such as forward currency exchange contracts being available in a timely manner and on terms acceptable to the Investment Manager, in their sole and absolute discretion.

Realised gains and losses on investments

All investment transactions are recorded on a trade date basis. Upon sale or maturity, the difference between the consideration received and the cost of the investment is recognised as a realised gain or loss. The cost is determined based on the average cost method.

Operating expenses

Operating expenses are recognised on an accruals basis. Operating expenses include amounts directly or indirectly incurred by the Company as part of its operations.

Issuance cost

In line with the Prospectus, the expenses incurred for the initial placing were borne by the Company up to a maximum of 2% of the Gross Issue Proceeds. These expenses include placing fees and commissions; registration, listing and admission fees; the cost of settlement and escrow arrangements; printing, advertising and distribution costs; legal fees, and any other applicable expenses incurred in connection with the offering of shares.

All such expenses are charged to capital, reducing the issue proceeds received.

Currency translation

Monetary assets and liabilities denominated in a currency other than U.S. Dollars are translated into U.S. Dollar equivalents using spot rates as at the period end date. On initial recognition, a foreign currency transaction is recorded and translates at the spot exchange rate at the transaction date. Non monetary assets and liabilities are translated at the historic exchange rate. There were no non-monetary assets held during the period. Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. The rates of exchange against U.S. Dollars at 30 June 2013 were 1.516744 USD: 1GBP and 1.299850 USD: 1EUR (31 December 2012: 1.625447 USD: 1GBP and 1.38184 USD: 1 EUR).

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 – AGREEMENTS AND RELATED PARTIES

Investment Management Agreement

The Board is responsible for managing the business affairs of the Company but has delegated certain functions to the Investment Manager under the Investment Management Agreement dated 18 March 2011.

The Investment Manager of the Company is Neuberger Berman Europe Limited (which is a related party) is an indirectly wholly owned subsidiary of NB Group. The Investment Manager has delegated certain of its responsibilities and functions to the Sub-Investment Manager, Neuberger Berman Fixed Income LLC, also an indirect wholly-owned subsidiary of NB Group.

The Investment Manager is responsible for the discretionary management of the assets held in the Company Portfolio and will conduct the day-to-day management of the Company's assets (including un-invested cash). The Investment Manager is not required to and generally will not submit individual investment decisions for approval by the Board.

The Investment Manager is entitled to a management fee, which shall accrue daily, and be payable quarterly in arrears, at a rate of 0.75% per annum of the Company's Net Asset Value. For the period ended 30 June 2013, the management fee expense was $3,637,783 (31 December 2012: $5,155,590), of which $2,326,141 (31 December 2012: $1,373,082) was unpaid at the period end.

The Investment Manager is not entitled to a performance fee.

Administration and Custody Agreement

The Company has appointed BNP Paribas Securities Services S.C.A., Guernsey Branch (formerly known as BNP Paribas Fund Services (Guernsey) Limited) (which is not a related party) as Administrator, Secretary, Custodian and Designated Manager of the Company pursuant to the Administration and Custody Agreement. In such capacity, the Administrator is responsible for the day-to-day administration of the Company (including but not limited to the calculation and publications of the estimated daily Net Asset Value), general secretarial functions (including but not limited to the maintenance of the Company's accounting and statutory records) and certain safekeeping and custody services. The Administrator is currently entitled to the following fees per annum:

On first $100m of the Net Asset Value	0.08%
On $100m - $250m of the Net Asset Value	0.06%
On $250m - $500m of the Net Asset Value	0.03%
Any amount greater than $500m of the Net Asset Value	0.015%

The Administrator is entitled to an annual minimum fee of £100,000 (approximately $151,700).

The Secretary is entitled to an annual fee of £36,000 (approximately $54,600) plus fees for ad-hoc board meetings and services. The Custodian is entitled to a fee of 0.02% of the Market Value of the portfolio and a fee of 0.045% per annum on the Market Value of the loan assets (which will be adjusted to 0.035% per annum if assets exceeded $500m), with a minimum annual fee of £50,000 (approximately $76,000) in respect of portfolio and loan administration.

For the period ended 30 June 2013, the administration fee expense was $255,661(31 December 2012: $245,418), the secretarial fee was $27,141 (31 December 2012: $73,666) and the custodian and loan administration fee expense was $215,308 (31 December 2012: $396,775). Of these amounts an administration fee of $122,961(31 December 2012: $185,333), a secretarial fee of $13,938 (31 December 2012: $48,683) and a custodian and loan administration fee of $161,338 (31 December 2012: $179,975) were unpaid at the period end.

Registrar's Agreement

Capita Registrars (Guernsey) Limited (which is not a related party) has been appointed as registrar of the Company. The fee charged at a rate of £2.00 per holder of shares appearing on the registry during the fee year, with a minimum charge per annum of £9,000.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 – RELATED PARTY TRANSACTIONS

Directors

The Directors are related parties and are remunerated for their services at a fee of £25,000 (approximately $38,000) per annum (£35,000 for the Chairman – approximately $53,000). In addition, the Chairman of the Audit Committee receives an additional £5,000 (approximately $7,600) for his services in this role. For the period ended 30 June 2013, the directors' fees and travel expenses amounted to $70,423 (31 December 2012: $142,418). Of these, $43,702 (31 December 2012: $43,940) were unpaid at the period end.

The Directors were paid an additional amount of £10,000 (approximately $15,200) each in relation to the C Share issue. These directors' fees were paid from the 2% issue costs.

In March 2013, Mr Battey purchased £20,000 (approximately $30,000) worth of C Shares.

Neuberger Berman Europe Limited

The contract with Neuberger Berman Europe Limited is classified as a related party transaction.

Other than fees payable in the ordinary course of business, there have been no material transactions with related parties, which have affected the financial position or performance of the Company in the financial period.

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

A financial instrument is defined by ASC 825, Disclosures about Fair Value of Financial Instruments, as cash, evidence of an ownership interest in an entity, or a contract that creates a contractual obligation or right to deliver to or receive cash or another financial instrument from a second entity on potentially favourable terms. Fair value estimates are made at a discrete point in time, based on relevant market data, information about the financial instruments, and other factors.

Fair value was determined using available market information and appropriate valuation methodologies. Estimates of fair value of financial instruments without quoted market prices are subjective in nature and involve various assumptions and estimates that are matters of judgement. Accordingly, fair values are not necessarily indicative of the amounts realised on disposition of financial instruments. The use of different market assumptions and/or estimation methodologies may have a material effect on estimated fair value amounts.

The following estimates and assumptions were used at 30 June 2013 to estimate the fair value of each class of financial instruments:

- Valuation of financial investments – The loans and bonds are valued at bid price. The Investment Manager believes that bid price is the best estimate of fair value and is in line with the valuation policy adopted by the Company.

- Cash and cash equivalents – The carrying value is a reasonable estimate of fair value due to the short-term nature of these instruments.

- Receivables for investments sold – The carrying value reasonably approximates fair value as they reflect the value at which investments are sold to a willing buyer and settlement period on their balances is short term.

- Interest receivables – The carrying value reasonably approximates fair value.

- Other receivables and prepayments – The carrying value reasonably approximates fair value.

- Derivatives – the Company estimates fair values of derivatives based on the latest available forward exchange rates.

- Payables for investments purchased – The carrying value reasonably approximates fair value as they reflect the value at which investments are purchased from a willing seller and settlement period on their balances is short term.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

- Payables to the Investment Manager and affiliates – The carrying value reasonably approximates fair value.

- Accrued expenses and other liabilities – The carrying value reasonably approximates fair value.

A fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value is established under FASB ASC Topic 820. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3). The levels of the fair value hierarchy under FASB ASC Topic 820-10-35-39 to 55 are as follows:

The guidance establishes three levels of the fair value hierarchy as follows:

Level 1: price quotations in active markets/exchanges for identical securities;

Level 2: other observable inputs (including but not limited to: quoted prices for similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs); and

Level 3: unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Company's own assumption used in determining the fair value of investments).

The Company has adopted the authoritative guidance contained in FASB ASC 820-10, Fair Value Measurements and Disclosures, for estimating the fair value of the financial instruments that have calculated Net Asset Value per share in accordance with FASB ASC 946-10.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following table details the Company's financial instruments that were accounted for at fair value as at 30 June 2013.

Financial Instruments at Fair Value as at 30 June 2013

Financial investments		**Level 1 ($)**	**Level 2 ($)**	**Level 3 ($)**	**Total ($)**
Floating rate senior secured loans		-	1,094,722,640	-	1,094,722,640
Fixed rate bonds		-	127,453,564	-	127,453,564
Floating rate bonds		-	1,615,063	-	1,615,063
Total financial investments		-	1,223,791,267	-	1,223,791,267
Financial Assets	**No of contracts**				
Derivatives *(for hedging purposes only)*	16	-	1,272,998	-	1,272,998
Financial liabilities					
Derivatives *(for hedging purposes only)*	11	-	(4,757,600)	-	(4,757,600)
Total	27	-	(3,484,602)	-	(3,484,602)

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Financial Instruments at Fair Value as at 31 December 2012

Financial investments	No of contracts	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Floating rate senior secured loans		-	664,324,754	-	664,324,754
Fixed rate bonds		-	46,995,298	-	46,995,298
Floating rate bonds		-	3,570,800	-	3,570,800
Total financial investments		-	714,890,852	-	714,890,852
Financial Assets	**No of contracts**				
Derivatives *(for hedging purposes only)*	7	-	6,004,258	-	6,004,258
Financial liabilities					
Derivatives *(for hedging purposes only)*	4	-	(674,600)	-	(674,600)
Total	11	-	5,329,658	-	5,329,658

All derivative trades have an enforceable master netting agreement so the net amount based on this is the same as the net amount disclosed in the Unaudited Consolidated Statement of Assets and Liabilities.

The following table presents the impact of derivative instruments on the Unaudited Consolidated Statement of Operations in conformity with US GAAP.

Primary underlying risk	For the period ended June 2013 $	For the year ended December 2012 $
Net realised gain / (loss) on derivatives	(34,233,052)	22,076,850
Net change in unrealised depreciation on derivatives	(7,083,622)	5,888,687
Total	(41,316,674)	27,965,537

The Company presents the gain or loss on derivatives on the consolidated statement of operations.

NOTE 6 – RISKS

The Company is subject to various risks, including, but not limited to, market risk, foreign exchange risk, credit risk, geographic concentration risk and liquidity risk. The Investment Manager attempts to monitor and manage these risks on an ongoing basis.

Market Risk and Price Risk
Market risk is the potential for changes in the value of investments. Categories of market risk include, but are not limited to interest rate and foreign exchange risk. Interest rate risk primarily results from exposures to changes in the level, slope and curvature of the yield curve, the volatility of interest rates and credit spreads. Investments in senior loans are subject to interest rate risk.

Price risk is the risk that the price of the security will fall. The exposure to price risk is managed by the Investment Manager by diversifying the portfolio.

Foreign exchange risk
Foreign exchange risk arises from various currency exposures, primarily with respect to Sterling investments and share issue proceeds. The Company makes use of hedging techniques, as part of its risk management strategy, including but not limited to the use of forward exchange contracts to mitigate its exposure to this risk. These instruments involve market risk, credit risk, or both kinds of risks. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 – RISKS (CONTINUED)

Credit Risk
The Company may invest in a range of bank debt investments and corporate and other bonds. Until such investments are sold or are paid in full at maturity, the Company is exposed to credit risk relating to whether the issuer will meet its obligations when the securities come due.

The cash and other liquid securities held can subject the Company to a concentration of credit risk. The Investment Manager attempts to mitigate the credit risk that exists with cash deposits and other liquid securities by regularly monitoring the credit ratings of such financial institutions and at times attempting to hold a significant amount of the Company's cash and cash equivalents in U.S. Treasuries or other highly liquid securities.

Credit risk is the risk of losses due to the failure of counterparty to perform according to the terms of a contract. Since the Company does not clear all of its own securities transactions, it has established accounts with other financial institutions for this purpose. This can, and often does, result in a concentration of credit risk with one or more of these institutions. Such risk, however, is partially mitigated by the obligation of certain of these financial institutions to comply with rules and regulations governing financial institutions in countries where they conduct their business activities.

These rules and regulations generally require maintenance of minimum net capital and may also require segregation of customers' funds and financial instruments from the holdings of the financial institutions themselves. The Company actively reviews and attempts to manage exposures to various financial institutions in an attempt to mitigate these risks.

Geographic Concentration Risk
The Company may invest a relatively large percentage of its assets in issuers located in a single country, a small number of countries, or a particular geographic region. As a result, the Company's performance may be closely aligned with the market, currency or economic, political or regulatory conditions and developments in those countries or that region, and could be more volatile than the performance of more geographically-diversified investments.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as and when these fall due. Liquidity risk is managed by the Investment Manager to ensure that the Company maintains sufficient working capital in cash or near cash form so as to be able to meet the Company's ongoing requirements as these are budgeted for.

Other Risks
Legal, tax and regulatory changes could occur during the term of the Company that may adversely affect the Company. The regulatory environment for alternative investment vehicles is evolving, and changes in the regulation of alternative investment vehicles may adversely affect the value of investments held by the Company or the ability of the Company to pursue its trading strategies. The effect of any future regulatory change on the Company could be substantial and adverse.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 – INCOME TAXES

The Company is exempt from Guernsey tax on income derived from non-Guernsey sources. However, certain of its underlying investments may generate income that is subject to tax in other jurisdictions, principally in the United States.

In accordance with US GAAP, Management is required to determine whether a tax position of the Company is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognised is measured as the largest amount of benefit that it has 50% or higher chance of being realised upon ultimate settlement. De-recognition of a tax benefit previously recognised could result in the Company recording a tax liability that would reduce net assets. This policy also provides guidance on thresholds, measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition that is intended to provide better financial statement comparability among different entities.

As of 30 June 2013, the Company has recorded no liability for net unrecognised tax benefits relating to uncertain tax positions they have taken or expect to take in future tax returns (31 December 2012: Nil).

NOTE 8 – FINANCIAL HIGHLIGHTS

30 June 2013

Per share operating performance	**Sterling Ordinary Share as at 30/06/2013 (£)**	**U.S. Dollar Ordinary Share as at 30/06/2013 ($)**	**Sterling C Share as at 30/06/2013 (£)**
Net Asset Value per Share at beginning of the period	0.9952	1.0007	-
Shareholder activity in the period	0.0009	(0.0006)	0.9804
Income from investment operations (a)			
Net income per share for the period (b)	0.0229	0.0226	0.0056
Net realised and unrealised gain/(loss) from investments	(0.0745)	(0.0019)	(0.0082)
Foreign currency translation	0.0700	-	(0.0009)
Distribution per share during the period	(0.0238)	(0.0238)	-
Total loss from operations	(0.0055)	(0.0031)	(0.0035)
Net asset value per share at the end of the period	0.9907	0.9970	0.9769

Total return* (b)	**Sterling Ordinary Share as at 30/06/2013**	**U.S. Dollar Ordinary Share as at 30/06/2013**	**Sterling C Share as at 30/06/2013**
Total return**	2.29%	2.26%	0.56%

Ratios to average net assets (b)	**Sterling Ordinary Share as at 30/06/2013**	**U.S. Dollar Ordinary Share as at 30/06/2013**	**Sterling C Share as at 30/06/2013**
Net income (c)	4.58%	4.60%	1.14%
Expenses (c)	(0.98)%	(0.98)%	(0.48)%

(a) Average shares outstanding were used for calculation.
(b) An individual shareholder's return may vary from these returns based on the timing of the shareholder's subscriptions.
(c) Annualised.

*Total return or loss is calculated for the Ordinary Share class only, which is calculated based on movement in the net asset value, and does not reflect any movement in the market value. Subscription shares are not presented, as they are not profit participating shares.

**The total return is calculated after distribution and is for the 6 month period to 30 June 2013 for the Sterling and U.S. Dollar Ordinary Share class and for the period from 26 March 2013 to 30 June 2013 for the Sterling C Share class. The total return of the Company prior to distribution is 4.74%, 4.66% and 0.56% for the Sterling, U.S. Dollar Ordinary and Sterling C share class respectively.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 8 – FINANCIAL HIGHLIGHTS (CONTINUED)

31 December 2012

Per share operating performance	Sterling Ordinary Share as at 31/12/2012 (£)	U.S. Dollar Ordinary Share as at 31/12/2012 ($)
Net Asset Value per share at the beginning of the year	0.9479	0.9497
Shareholder activity during the year	0.0044	(0.0300)
Income from investment operations (a)		
Net income per share for the year (b)	0.0546	0.0527
Net realised and unrealised gain from investments	0.0943	0.0777
Foreign currency translation	(0.0566)	-
Total gain from operations	0.0923	0.1304
Distribution per share during the year	(0.0494)	(0.0494)
Net asset value per share at the end of the year	0.9952	1.0007

Total return* (b)	Sterling Ordinary Share as at 31/12/2012	U.S. Dollar Ordinary Share as at 31/12/2012
Total return**	5.46%	5.28%

Ratios to average net assets (b)	Sterling Ordinary Share as at 31/12/2012	U.S. Dollar Ordinary Share as at 31/12/2012
Net income (c)	5.02%	5.43%
Expenses (c)	(0.97)%	(1.03)%

(a) Average shares outstanding were used for calculation.
(b) An individual shareholder's return may vary from these returns based on the timing of the shareholder's subscriptions.
(c) Annualised.

*Total return or loss is calculated for the Ordinary Share class only, which is calculated based on movement in the net asset value, and does not reflect any movement in the market value. Subscription shares are not presented, as they are not profit participating shares.

**The total return is calculated after distribution and is for the 12 month period to 31 December 2012. The total return of the Company prior to distribution is 10.37% and 10.31% for the Sterling and U.S. Dollar Ordinary Share class respectively.

NOTE 9 – SHARE CAPITAL

The share capital of the Company consists of an unlimited number of Ordinary Shares of no par value, which upon issue the Directors may classify as:

(i) U.S. Dollar Shares, Sterling Shares or Euro Shares or as Shares of such other classes as the Directors may determine;

(ii) B Shares of such classes denominated in such currencies as the Directors may determine; and

(iii) C Shares of such classes denominated in such currencies as the Directors may determine.

The rights attached to the above shares are one vote in respect of each share held and, in the case of a general meeting of all Shareholders:

(a) one vote in respect of each U.S. Dollar Share held by the shareholder;

(b) 1.6 votes in respect of each Sterling Share held by the shareholder; and

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 – SHARE CAPITAL (CONTINUED)

(c) in respect of a Share of a class denominated in any currency other than U.S. Dollars or Sterling held by the shareholder, such number of votes per Share of such class as shall be determined by the Directors in their absolute discretion upon the issue for the first time of Shares of the relevant class.

The Directors may effect distributions of capital proceeds attributable to the Ordinary Shares to holders of Ordinary Shares by issuing B Shares of a particular class to holders of Ordinary Shares of a particular class pro-rata to their holding of Ordinary Shares of such class.

The B Shares are issued on terms that each B Share shall be compulsorily redeemed by the Company shortly following issue and the redemption proceeds paid to the holders of such B Shares on such terms and in such manner as the Directors may from time to time determine.

The B Shares do not:

(a) carry any right to any dividends or other distributions of the Company other than as expressly permitted under these Articles;

(b) entitle the holder thereof to any surplus assets of the Company remaining after payment to all the creditors of the Company apart from a distribution in respect of any capital paid up on the B Shares, which shall rank behind any amounts due in respect of other classes of shares and such distribution shall be distributed pro rata; or

(c) carry any right to receive notice of, or attend or vote at, any general meeting of the Company or any right to vote on written resolutions of the Company.

The Directors are authorised to issue C Shares of such classes (and denominated in such currencies) as they may determine in accordance with Article 4 and with C Shares of each such class being convertible into Ordinary Shares of such class as the Directors may determine at the time of issue of such C Shares.

C Shares will not carry the right to attend and receive notice of any general meetings of the Company, nor will they carry the right to vote at such meetings.

There were no Euro shares in issue as at 30 June 2013 (31 December 2012: No Euro shares).

As at 30 June 2013, 363,549,886 Sterling C Shares were in issue (31 December 2012: No C shares)

From 1 January 2013 to 30 June 2013	**Sterling C Shares**	**U.S. Dollar Ordinary Shares**	**Sterling Ordinary Shares**	**Total**
Balance as at 1 January 2013	-	83,143,330	397,393,734	480,537,064
Scrip Issue *	-	95,113	859,907	955,020
Issue of C Shares**	363,549,886	-	-	363,549,886
Monthly Conversions***	-	(25,620,369)	16,017,810	(9,602,559)
Balance as at 30 June 2013	363,549,886[1]	57,618,074[2]	414,271,451[3]	835,439,411

From 1 January 2012 to 31 December 2012	**U.S. Dollar C Shares**	**Sterling C Shares**	**U.S. Dollar Ordinary Shares**	**Sterling Ordinary Shares**	**Total**
Balance as at 1 January 2012	5,511,010	115,899,186	138,173,155	235,224,040	494,807,391
Scrip Issue	-	-	341,893	1,967,060	2,308,953
Monthly Conversions	-	-	(61,169,240)	38,056,517	(23,112,723)
Conversion of C Shares	(5,511,010)	(115,899,186)	5,797,522	122,146,117	6,533,443
Balance as at 31 December 2012	-	-	83,143,330[4]	397,393,734[5]	480,537,064

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 – SHARE CAPITAL (CONTINUED)

The shares of no par value had the following issue proceeds net of any issue costs:

[1] $540,126,066 (£356,278,888)

[2] $55,307,673

[3] $646,046,913 (£407,400,984)

[4] $80,886,175

[5] $619,060,722 (£380,855,680)

During the period to 30 June 2013, no shares were issued under block listing application as tap issues (31 December 2012: Nil).

* At the time of each quarterly dividend declaration, the Company offered a scrip dividend alternative for the distribution to those investors who wish to receive additional Ordinary Shares in lieu of a cash payment.

**On 21 March 2013 the Company raised gross proceeds of £363,549,886 by means of a Placing and Offer Subscription for C shares. 363,549,886 Sterling C shares were admitted to listing on the official list of the UK Listing Authority and on 26 March 2013, the Sterling C shares started trading on the main market of the London Stock Exchange.

*** The Company offers a monthly conversion facility pursuant to which Shareholders may elect to convert some or all of their Shares of a class into Shares of any other class.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated the following subsequent events for the Company through 14 August 2013, the date the unaudited consolidated financial statements were available to be issued.

a) The following dividends were declared for Ordinary and C Shareholders as follows:

Period	Date declared	Payment Date	U.S. Dollar Share	Sterling Share
Quarter ended 30 June 2013 – Ordinary Shareholders	4 July 2013	16 August 2013	$0.01110	£0.01110
Quarter ended 30 June 2013 – C Shareholders	4 July 2013	26 July 2013	-	£0.00550

b) On 4 July 2013, the Company announced a Conversion ratio for the conversion of C shares into Ordinary shares. The conversion ratio, based on the NAV of each share class as at 28 June 2013, (as calculated in accordance with the Company's prospectus dated 19 February 2013 (the "Prospectus")), was 0.99167089 Sterling Ordinary Shares for every one Sterling C Share held.

On the basis of the Conversion Ratio announcements on 4 July 2013 and 9 July 2013, an application was made to the UK Listing Authority for 360,521,605 Sterling Shares (the "New Shares") to be admitted to the Official List. Application was also made for the New Shares to be admitted to trading on the London Stock Exchange, which became effective from and the dealings in the New Shares commenced from 16 July 2013.

The Sterling C Shares were permanently removed from trading on the London Stock Exchange with effect from the opening of trading at 8:00 a.m. on 16 July 2013.

c) On 22 July 2013, the Company announced that it had raised gross proceeds of £45.3 million (approximately $70m) through the issue for cash (the "Issue"), subject to Admission, of 41,054,257 new Sterling Shares and 5,761,807 new U.S. Dollar Shares (the "Shares"). The issue price was 100.9p and 101.9c, a 2% premium to the NAV calculated at close of business on 17 July 2013. Application was made to the London Stock Exchange for the Shares to be admitted to trading on the Main Market of the London Stock Exchange and admitted to listing on the Official List and Admission on 25 July 2013.

Apart from the subsequent events noted above there are no other material events that require disclosure or adjustment of the unaudited consolidated financial statements.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 11 - DIVIDENDS

a) The following dividends were declared for Ordinary and C Shareholders since inception:

Period	Date declared	Payment Date	U.S. Dollar Share	Sterling Share
Period 20 April 2011 to 30 September 2011	12 October 2011	9 December 2011	$0.01486	£0.01486
Quarter ended 31 December 2011	5 January 2012	24 February 2012	$0.01187	£0.01187
Special dividend				
(to C shareholders only at the Conversion of C Shares)	5 January 2012	24 February 2012	$0.00323	£0.00323
Quarter ended 31 March 2012	12 April 2012	25 May 2012	$0.01260	£0.01260
Quarter ended 30 June 2012	5 July 2012	24 August 2012	$0.01310	£0.01310
Quarter ended 30 September 2012	3 October 2012	23 November 2012	$0.01210	£0.01210
Quarter ended 31 December 2012	9 January 2013	22 February 2013	$0.01160	£0.01160
Quarter ended 31 March 2013	8 April 2013	24 May 2013	$0.01220	£0.01220
Quarter ended 30 June 2013 – Ordinary shares	4 July 2013	16 August 2013	$0.01110	£0.01110
Quarter ended 30 June 2013 –C shares	4 July 2013	26 July 2013	-	£0.00550

The Company has issued the following Ordinary Shares under Scrip Dividend Alternative since inception:

Period	Number of U.S. Dollar Share	Number of Sterling Share	U.S. Dollar Share	Sterling Share
Quarter ended 30 September 2011	91,565	710,833	$0.95880	£0.96320
Quarter ended 31 December 2011	68,398	592,380	$0.95300	£0.95760
Quarter ended 31 March 2012	84,444	14,653	$0.99300	£1.00020
Quarter ended 30 June 2012	97,572	792,651	$0.97840	£0.97160
Quarter ended 30 September 2012	91,479	567,376	$1.00400	£0.99030
Quarter ended 31 December 2012	29,500	821,100	$1.02000	£1.00650
Quarter ended 31 March 2013	69,213	38,805	$1.15420	£1.16100
Quarter ended 30 June 2013	28,237	221,317	$1.06700	£1.03880

NOTE 12 – OTHER

The Company has determined that no accrual or loss contingency is required in the consolidated financial statements.