

INTERIM REPORT

UNAUDITED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS

For the six months ended 30 June 2016

NB Global Floating Rate Income Fund Limited

PARTNERING WITH CLIENTS FOR OVER 70 YEARS

INTERIM REPORT

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COMPANY OVERVIEW

NB Global Floating Rate Income Fund Limited (the "Company")

The Company is a closed-ended investment company incorporated and registered in Guernsey with registered number 53155. It is a non-cellular company limited by shares and has been declared by the Guernsey Financial Services Commission to be a registered closed-ended collective investment scheme. On 20 April 2011 the Company was admitted to the Official List of the U.K. Listing Authority with a premium listing trading on the Main Market of the London Stock Exchange, ("LSE"). The Company was admitted to the FTSE 250 in March 2012.

Alternative Investment Fund Manager ("AIFM") and Manager

Investment management services are provided to the Company by Neuberger Berman Investment Advisers LLC (the "AIFM") and Neuberger Berman Europe Limited (the "Manager"), collectively the "Investment Manager". The AIFM is responsible for risk management and discretionary management of the Company's portfolio and the Manager provides certain administrative services to the Company.

Investment Objective

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.

Investment Policy

To pursue its investment objective, the Company invests mainly in floating rate senior secured loans issued in United States Dollars ("U.S. Dollars"), Pound Sterling and Euros by primarily North American and European Union corporations, partnerships and other business issuers. These loans are at the time of investment often non-investment grade. The Company may also make investments in senior bonds on an opportunistic basis if the Investment Manager believes that such investments are attractively valued up to a maximum in aggregate of 20% of the net asset value at the time of investment. The Company considers debt instruments to be non-investment grade if, at the time of investment, they are rated below the four highest categories (Aaa, Aa, A and Baa) by at least two independent credit ratings agencies or, if unrated, are deemed by the Investment Manager to be of comparable quality.

The Company will generally seek to focus on loans of issuers that the Investment Manager believes have the ability to generate cash flow through a full business cycle, maintain adequate liquidity, possess an enterprise value in excess of senior debt and have access to both debt and equity capital.

Capital Structure

As at 30 June 2016 the Company's share capital comprised 1,138,569,603 Sterling Ordinary Shares of no par value (of which 91,519,621 were held in treasury) and 45,139,393 U.S. Dollar Ordinary Shares of no par value (of which 2,972,627 were held in treasury).

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. Part of the portfolio of the Company is held through 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 Numbers

Sterling Ordinary Shares

LSE ISIN code: GG00B3KX4Q34

Bloomberg code: NBLS:LN

U.S. Dollar Ordinary Shares

LSE ISIN code: GG00B3P7S359

Bloomberg code: NBLU:LN

Dividends

Paid quarterly in respect of each calendar quarter.

Rolling 12 month dividend yield (based on the previous four quarterly dividends paid and share price as 30 June 2016):

- Sterling Ordinary Shares – 4.39%
- U.S. Dollar Ordinary Shares – 4.40%

Website

www.nbgfrif.com

INTERIM REPORT

COMPANY OVERVIEW (CONTINUED)

Non-Mainstream Pooled Investments

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the Financial Conduct Authority's ("FCA") rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment company, which if it were domiciled in the United Kingdom, would qualify as an investment trust.

KEY FIGURES

(US\$ in millions, except per share data)	As at 30 June 2016	As at 31 December 2015
Net Asset Value		
- Sterling Ordinary Shares*	\$1,337.0	\$1,665.3
- U.S. Dollar Ordinary Shares*	\$40.5	\$49.7
Net Asset Value per share		
- Sterling Ordinary Shares	£0.9552	£0.9422
- U.S. Dollar Ordinary Shares	\$0.9615	\$0.9490
Investments	\$1,447.0	\$1,715.0
Cash and Cash Equivalents	\$73.6	\$80.1
12 month rolling dividend yield		
- Sterling Ordinary Shares**	4.39%	4.13%
- U.S Dollar Ordinary Shares**	4.40%	4.11%
Share Price		
- Sterling Ordinary Shares	£0.9105	£0.9175
- U.S. Dollar Ordinary Shares	\$0.9138	\$0.9238
Discount to Net Asset Value		
- Sterling Ordinary Shares	(4.68%)	(2.63%)
- U.S. Dollar Ordinary Shares	(4.96%)	(2.66%)
Total Return		
- Sterling Ordinary Shares***	3.62%	0.32%
- U.S. Dollar Ordinary Shares***	3.54%	0.08%
Total Expense Ratio		
- Sterling Ordinary Shares***	0.48%	0.87%
- U.S Dollar Ordinary Shares***	0.46%	0.84%

* In the six months to 30 June 2016, the Company repurchased 157.0 million Sterling Ordinary Shares at a total U.S. Dollar equivalent cost of \$200.0m and 3.3 million U.S. Dollar Shares at a total cost of \$3.0m.

** The 30 June 2016 dividend yield is presented on an annual basis and calculated on the four quarterly dividends paid up to 30 June 2016. This is a change from prior years where the dividend yield to 30 June was previously presented on a half-year basis and calculated on the two quarterly dividends paid up to 30 June. The 2015 comparative relates to dividends paid during the year from 1 January 2015 to 31 December 2015.

*** 2016 figures relate to the period 1 January to 30 June 2016 while 2015 comparative relates to the year 1 January 2015 to 31 December 2015. The total return is the NAV return per share plus dividends paid during the period.

INTERIM REPORT

CHAIRMAN'S STATEMENT

Dear Shareholder,

It is my pleasure to present to you the Report of the Company for the six months ended 30 June 2016.

Background

The six months under review will be remembered by most for the United Kingdom's decision to leave the European Union ("Brexit"). One might therefore be forgiven for forgetting some of the preceding macroeconomic headwinds such as continued Chinese currency depreciation, weakening oil prices and further loosening of the Bank of Japan's monetary policy, all of which added to heightened volatility and general concern over the state of the global economy. Despite this political and macroeconomic backdrop, United States ("U.S.") and European senior secured floating rate loans performed well during the period. Fears over increasing default rates failed to materialise and the defaults that were seen in the market came in easily identifiable sectors such as commodities, reinforcing floating rate loans' credentials as a stable and resilient asset class with attractive risk-adjusted return characteristics.

Portfolio and Company Performance

Your Board is pleased with the Investment Manager's performance during the period with the Company's net asset value ("NAV") per share rising modestly by 1.38% and 1.32% for the Sterling Ordinary Shares and U.S. Dollar Ordinary Shares respectively. With the inclusion of dividends declared during the period, the Company's total return per share was 3.62% for the Sterling Ordinary Shares and 3.54% for the U.S. Dollar Ordinary Shares. During the same period the Company's share price return was -0.76% per Sterling Ordinary Share and -1.08% per U.S. Dollar Share reflecting a widening of the Company's discount from 2.63% per Sterling Ordinary Share and 2.66% per U.S. Dollar Share to 4.68% per Sterling Ordinary Share and 4.96% per U.S. Dollar Share. This is disappointing given the underlying performance of the portfolio, although it is perhaps not surprising given the proximity of the period end to the U.K.'s referendum result. As at the latest practicable date prior to publication of this report the Company's Sterling Ordinary Shares and the U.S. Dollar Ordinary Shares trade at a discount of 4.84% and 2.09% respectively.

Your Board notes that recent market events have led to heightened volatility in the Company's discount and, for large periods in the year, both share classes have traded at a discount wider than the Board's previously stated target of 3% in normal market conditions. Throughout this period the Board has continued to address temporary imbalances between supply and demand for shares in the Company by proactively repurchasing such shares. In the six months to 30 June 2016, the Company repurchased 157.0 million Sterling Ordinary Shares at a total cost £140.0m and 3.3 million U.S. Dollar Shares at a total cost of \$3.0m representing 13.1% and 6.2% of the share capital (less shares held in treasury) at the start of the period respectively. Since the period end and up to the latest practicable date prior to publication of this report, the Company has repurchased a further 15.8 million Sterling Ordinary Shares at £14.5m and 0.7 million U.S. Dollar Shares at \$0.7m. Your Board maintains its target discount of 3% in normal conditions and will continue to seek to address any temporary imbalances of supply and demand through the use of further buybacks in line with this policy. Your Board is reassured that the Company is of sufficient size to pursue its buyback policy and weather these volatile periods of the cycle without being at risk of becoming subscale and making a material impact to the Company's total expense ratio.

As at the latest practicable date prior to publication of this report, the Company's current dividend yield is 4.37% and 4.22% per Sterling Ordinary Share and U.S. Dollar Share respectively (calculated as the last four quarterly dividends paid up to 30 June 2016 expressed as a percentage of the share price). Your Board believes this represents attractive value on both an absolute and a risk-adjusted basis given the current low interest rate environment and taking account of the prudent investment approach taken by the Investment Manager.

The Company's Sterling Ordinary Share class hedges all U.S. Dollar and Euro exposure back to Pound Sterling. As previously announced, in anticipation of currency volatility following the U.K.'s referendum on the continued membership of the European Union, the Company renewed its foreign exchange hedges early in June with settlement in September. Accordingly, the

CHAIRMAN'S STATEMENT (CONTINUED)

Portfolio and Company performance (continued)

Board does not expect the current volatility in the foreign exchange markets as a reaction to the U.K.'s referendum's result to impact materially on the Company's NAV.

Outlook and Impact of Brexit

Your Board believes that Brexit has created considerable uncertainty and volatility across global markets and this is likely to continue for the foreseeable future. Such events may contribute to worsening economic conditions not only in the U.K., but also Europe and the rest of the world. Your Board notes, by way of example, the significant downward move in the U.K. ten year gilt rate since the U.K. referendum result. The downward shift in yields (the U.K. ten year gilt rate is 0.55% at the time of writing) reflects the attractive yield pick up offered by owning the Company's shares. At a portfolio level, your Board expects the impact of Brexit to be limited given the robust investment process the Investment Manager has always adopted and its positioning in better rated, performing issuers. At the Company level the impact could be felt more directly through continued volatility of the Company's share price; however, your Board will continue to address any imbalances in supply and demand through the use of further share buybacks in line with its stated policy.

Your Board believes the Company continues to offer an attractive risk-adjusted return, and is pleased with the Investment Manager's performance to date and with the strategy. The Investment Manager will continue to update you on the Company's progress by way of the quarterly fact sheets and Investment Manager updates.

I would like to close by thanking you for your commitment and support.

William Frewen
Chairman
15 August 2016

INTERIM REPORT

INVESTMENT MANAGER'S REPORT

Market Environment

The U.S. loan market, as measured by the S&P/LSTA Leveraged Loan Index (the "Index"), gained 4.51% for the reporting period. The first two months of the year were certainly "risk off" with investors tempering global growth expectations and evidencing concern around volatile commodity prices. The year-to-date February return was actually -1.18%, but as sentiment improved from March onwards the Index rallied significantly as investors appeared to cast the macro doubts aside and focus on issuer fundamentals. From this slow start the result was made all the more impressive when we consider the Brexit outcome in the U.K. in the final week of the period although this really had a negligible impact in the U.S. market. From a demand perspective, collateralised loan obligation ("CLO") issuance started to improve post February with \$22.3bn coming to market as opposed to \$3.4bn in the first two months of the year. The \$25.7bn total was still some way behind the \$59.3bn we saw in the same period last year. Retail flows also slowed as the period progressed with \$5.5bn of outflows in total of which 90% occurred in January and February. Supply was reasonable with \$126.8bn of institutional issuance seen, about 10% down on last year, but when combined with repayments received by accounts, tipped the scales in favour of issuers in the final few weeks of the period which meant we saw some more opportunistic proposals.

In Europe, the loan market, as measured by the S&P European Leveraged Loan Index ("ELLI"), gained 1.89% during the reporting period. Similar to the U.S., the first two months were weak, with -1.10% recorded. Not surprisingly, Brexit had more of an impact on performance and the ELLI lost 0.60% in June. CLO issuance improved post February with €8.1bn recorded for the period, marginally ahead of the first half of 2015. From an issuance perspective, this has been steady and, at €21bn, was almost exactly in line with the same period last year.

Default activity remains low, below historical annual averages and in identifiable sectors. At the end of the six-month period, the U.S. trailing 12-month default rate was 1.97% and 2.22% by amount and issuer respectively. These defaults were concentrated in commodities with 9 out of the 15 filings year to date coming from these sectors. With regards to Europe, the default rates were 2.54% and 2.39% by amount and issuers, respectively. The largest component was the default of Solocal, a legacy Yellow Pages issuer that defaulted in June and accounted for 88bp of the amount.

Portfolio

During the period the portfolio has remained very much weighted towards U.S. issuers, which accounted for 93.43% (all numbers excluding cash) of NAV as at the end of June. Our bond allocation continued to remain low at 4.14% against the 20% of NAV allowable within the Company's investment limits, as we focused on keeping duration low and limiting potential areas of volatility. The key movement was in the portfolio allocation by rating where we continue to allocate to better rated assets. As such, the BBB/BB weighting increased from 48.18% of NAV at the end of December 2015 to 54.17% as at the period end, which should mean the portfolio remains more defensive.

Market Outlook

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.

As at the end of July, the market is pricing in a default rate of around 4%, which is well beyond our 2016 expectations of 2-3%. We believe that U.S. GDP growth will continue in its recent range. In the absence of rate rises we continue to believe that loans are attractive given the returns on offer, the expected low volatility compared to other risk asset classes and their senior secured nature.

Neuberger Berman
Investment Advisers LLC
15 August 2016

Neuberger Berman
Europe Limited
15 August 2016

PORTFOLIO ANALYSES

Top 10 Issuers as at 30 June 2016

Issuer	Sector	Portfolio Weight
First Data	Financial Intermediaries	2.1%
Valeant Pharma	Drugs	2.1%
Avago Technologies	Electronics	2.0%
Scientific Games	Hotels & Casinos	1.4%
Community Health Systems	Health Care	1.3%
Cablevision Systems	Cable Television	1.2%
Dynegy	Utilities	1.2%
Numericable	Cable Television	1.1%
Univision Communications	Broadcast Radio & Television	1.1%
Mohegan Tribal Gaming	Hotels & Casinos	1.1%

Top 10 S&P Sector Breakdown (ex Cash)

Sector	30 June 2016 Weight	31 December 2015 Comparative Weight
Business Equipment & Services	11.6%	11.8%
Financial Intermediaries	8.8%	7.6%
Hotels & Casinos	8.0%	9.2%
Health Care	7.9%	7.6%
Electronics	7.6%	7.2%
Cable Television	6.7%	5.8%
Containers & Glass	5.7%	6.3%
Retailers	4.8%	4.7%
Drugs	4.3%	2.8%
Telecoms	4.2%	3.4%

Key Statistics as at 30 June 2016

Current Gross Portfolio Yield*	4.78%
Number of Investments	312
Number of Issuers	236

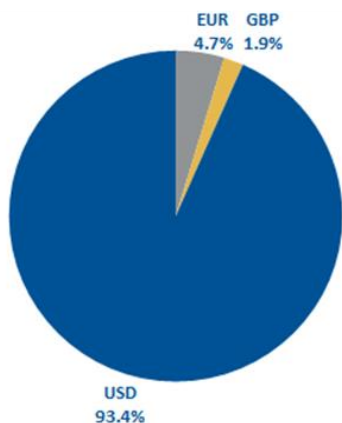
*The Company's Current Gross Portfolio Yield is a market-value weighted average of the current yields of the holdings in the portfolio, calculated as the coupon (base rate plus spread) divided by current price. The calculation does not take into account any fees, fund expenses or sales charges paid, which would reduce the results. The Current Gross Portfolio Yield for the Company will fluctuate from month to month. The Current Gross Portfolio Yield should be regarded as an estimate of the Company's rate of investment income, and it will not equal the realised distribution rate for each share class.

INTERIM REPORT

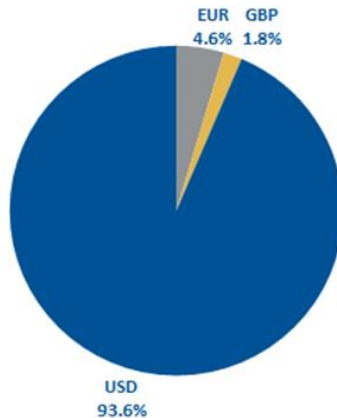
PORTFOLIO ANALYSES (CONTINUED)

Currency Breakdown

30 June 2016

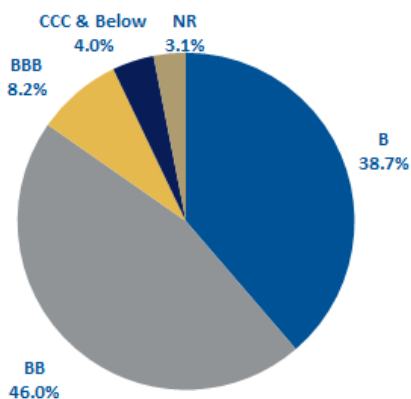


31 December 2015

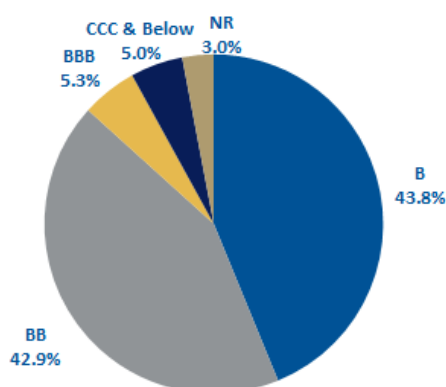


RATING BREAKDOWN

30 June 2016

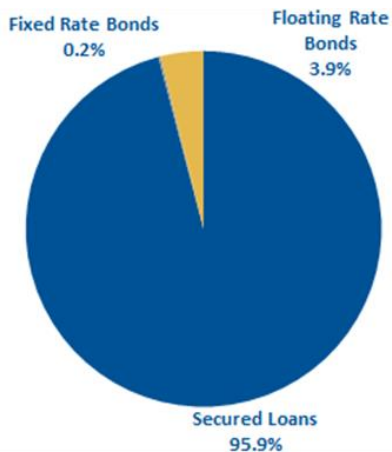


31 December 2015

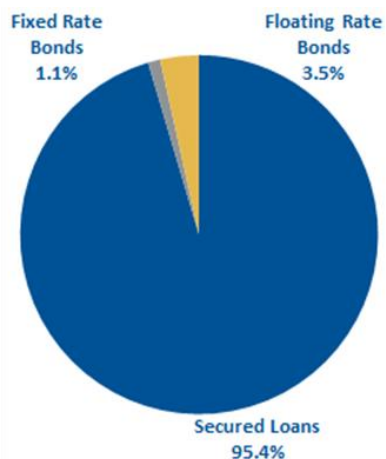


SECURITY BREAKDOWN

30 June 2016



31 December 2015



INTERIM MANAGEMENT REPORT AND RESPONSIBILITY STATEMENT

Principal Risks and Uncertainties

The principal risks faced by the Company fall into the following broad categories: credit risk, liquidity risk, fund performance, level of discount or premium, operational risk and switch of administrator. The Board reported on each of these principal risks and uncertainties in the Strategic Report on pages 7 to 10 of the Company's latest annual report and audited financial statement for the year ended 31 December 2015, which can be found on the Company's website at www.nbgfrif.com under "Investor Information" then "Fund Documents". The Board's view is that these risks remain appropriate for the remainder of 2016, save the risk of the switch of administrator, which the Board no longer deems to be a principal risk of the Company due to the tenor of the existing administrator exceeding twelve months. In addition, the Board has considered the specific risks and uncertainties faced by the Company as a result of Brexit and its conclusions are outlined in the Outlook section of the Chairman's Statement on page 4 of this report.

Going Concern

Having reassessed the principal risks, the Directors considered it appropriate to prepare the Unaudited Consolidated Interim Financial Statements (the "Financial Statements") on a going concern basis.

Related Party Transactions

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 six month financial period to 30 June 2016. Additional related party disclosures are given in Note 3 and 4 on pages 27 to 30.

Directors' Responsibilities Statement

The Board of Directors confirms that, to the best of its knowledge:

The Financial Statements, which have been prepared in conformity with United States generally accepted accounting principles ("US GAAP") and the Financial Accounting Standards Board ("FASB"). Accounting Standards Codification ("ASC") 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 of the Disclosure and Transparency Rules ("DTR") of the U.K.'s Financial Conduct Authority ("FCA").

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

1. DTR 4.2.7R of the DTR, of the U.K.'s FCA, 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 DTR, of the U.K.'s FCA, 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 material changes in the related party transactions described in the last annual report.

William Frewen
Chairman
15 August 2016

Richard Battey
Director
15 August 2016

INTERIM REPORT

INDEPENDENT REVIEW REPORT TO THE DIRECTORS OF NB GLOBAL FLOATING RATE INCOME FUND LIMITED

Introduction

We have been engaged by the Company to review the interim financial statements in the half-yearly financial report for the six months ended 30 June 2016, which comprises the Unaudited Consolidated Statement of Assets and Liabilities as at 30 June 2016 and the Unaudited Consolidated Statement of Operations, the Unaudited Consolidated Statement of Changes in Net Assets, the Unaudited Condensed Consolidated Schedule of Investments, Unaudited 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 condensed set of 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 unaudited consolidated interim financial statements in the half-yearly financial report for the six months ended 30 June 2016 are not prepared, in all material respects, in accordance with 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
15 August 2016

UNAUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

As at 30 June 2016 and 31 December 2015

(Expressed in U.S. Dollars)

	Notes	30 June 2016 (Unaudited)	31 December 2015 (Audited)
Assets		\$	\$
Investments, at fair value (2016; cost of \$1,486,826,788; 2015: cost of \$1,818,256,912)	5	1,446,983,045	1,715,009,535
Cash and cash equivalents:			
- Pound Sterling		7,119,508	23,070,349
- Euro		11,002,842	13,386,247
- U.S. Dollar		55,508,515	43,678,399
Total cash and cash equivalents		73,630,865	80,134,995
		1,520,613,910	1,795,144,530
Other assets:			
Receivables for investments sold		45,034,238	39,438,655
Interest receivable		5,422,460	7,018,000
Other receivables and prepayments		74,114	74,689
Derivative assets	5	5,344,281	468,544
		55,875,093	46,999,888
Total assets		1,576,489,003	1,842,144,418
Liabilities			
Payables for investments purchased		70,287,715	88,842,683
Payables to Investment Manager and affiliates	3	2,804,551	3,378,212
Derivative liabilities	5	125,544,769	33,603,715
Accrued expenses and other liabilities	3	289,758	1,346,955
Total liabilities		198,926,793	127,171,565
Total assets less liabilities		1,377,562,210	1,714,972,853
Share capital	9	1,731,884,173	1,934,737,971
Accumulated reserves		(354,321,963)	(219,765,118)
Total net assets		1,377,562,210	1,714,972,853
30 June 2016	Net Asset Value	Number of Shares	NAV per Share
U.S. Dollar Ordinary Shares	\$40,542,781	42,166,766	\$0.9615
Sterling Ordinary Shares	£1,000,164,145	1,047,049,982	£0.9552
Sterling Ordinary Shares (in U.S. Dollar)	\$1,337,019,429	1,047,049,982	\$1.2769

The Financial Statements were approved and authorised for issue by the Board of Directors on 15 August 2016, and signed on its behalf by:

William Frewen
Chairman

The accompanying notes form an integral part of the Financial Statements.

Richard Battey
Director

INTERIM REPORT**UNAUDITED CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS****As at 30 June 2016**

(Expressed in U.S. Dollars)

	Cost	Fair Value	Fair Value as % of Net Assets
	\$	\$	
Portfolio of investments			
Financial investments			
Floating rate senior secured loans	1,421,970,325	1,387,963,663	100.76
Fixed rate bonds	2,285,677	2,198,179	0.16
Floating rate bonds	62,570,786	56,821,203	4.12
Total financial investments	1,486,826,788	1,446,983,045	105.04
Total portfolio of investments	1,486,826,788	1,446,983,045	105.04
Forward currency contracts			
Euro to U.S. Dollar		655,967	0.05
U.S. Dollar to Pound Sterling		(128,612,379)	(9.34)
Pound Sterling to U.S. Dollar		7,755,924	0.56
		(120,200,488)	(8.73)
	Cost	Fair Value	Fair Value as % of Net Assets
	\$	\$	
Geographic diversity of investment portfolio			
North America	1,320,082,931	1,288,013,492	93.50
Australia / Oceania	3,987,012	3,808,094	0.28
Europe	162,756,845	155,161,459	11.26
	1,486,826,788	1,446,983,045	105.04

The accompanying notes form an integral part of the Financial Statements.

UNAUDITED CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)
As at 31 December 2015

(Expressed in U.S. Dollars)

	Cost	Fair Value	Fair Value as % of Net Assets
	\$	\$	
Portfolio of investments			
Financial investments			
Floating rate senior secured loans	1,731,526,854	1,636,279,673	95.41
Fixed rate bonds	20,995,808	18,941,703	1.10
Floating rate bonds	65,734,250	59,788,159	3.49
Total financial investments	1,818,256,912	1,715,009,535	100.00
Total portfolio of investments	1,818,256,912	1,715,009,535	100.00
Forwards			
Euro to U.S. Dollar		(41,093)	(0.00)
U.S. Dollar to Pound Sterling		(35,174,950)	(2.05)
Pound Sterling to U.S. Dollar		2,081,691	0.12
U.S. Dollar to Euro		(819)	0.00
		(33,135,171)	(1.93)
	Cost	Fair Value	Fair Value as % of Net Assets
	\$	\$	
Geographic diversity of investment portfolio			
North America	1,610,452,329	1,522,961,203	88.80
Australia / Oceania	16,978,974	12,546,553	0.73
Europe	190,825,609	179,501,779	10.47
	1,818,256,912	1,715,009,535	100.00

The accompanying notes form an integral part of the Financial Statements.

INTERIM REPORT**UNAUDITED CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)****As at 30 June 2016**

(Expressed in U.S. Dollars)

Industry diversity of Investment Portfolio	30 June 2016 (Unaudited)		31 December 2015 (Audited)	
	Cost (\$)	Fair Value (\$)	Cost (\$)	Fair Value (\$)
Aerospace & Defence	11,469,239	11,418,714	14,460,494	13,824,176
Air Transport	14,037,341	13,935,946	13,045,566	12,906,699
Automotive	16,546,450	16,144,512	15,365,520	15,064,712
Broadcast Radio and Television	32,396,252	28,658,237	50,339,926	42,236,587
Business Equipment & Services	171,222,905	167,744,775	213,306,917	203,831,062
Building & Development	44,747,259	44,773,027	67,500,426	66,896,657
Cable & Satellite Television	99,214,858	96,682,328	106,571,956	100,139,678
Chemicals & Plastics	34,067,062	33,869,111	51,756,550	49,883,530
Conglomerates	2,556,832	2,551,907	5,066,865	5,001,279
Containers & Glass Products	82,222,889	81,757,140	109,863,504	107,237,924
Cosmetics/Toiletries	1,525,143	1,526,103	2,698,345	2,685,382
Drugs	62,131,258	61,623,359	48,671,778	47,510,155
Ecological Services & Equipment	12,482,202	12,339,369	12,507,519	12,220,584
Electronics/Electrical	111,751,646	109,530,731	130,791,787	124,016,321
Equipment Leasing	2,264,131	2,253,649	-	-
Financial Intermediaries	135,528,612	127,206,282	134,552,390	126,846,725
Food Products	31,901,092	29,276,409	24,033,541	22,055,988
Food Service	27,190,812	27,455,029	13,110,754	13,121,113
Food/Drug Retailers	14,528,207	14,467,859	23,046,480	22,780,423
Health Care	115,559,557	114,138,106	132,702,488	129,604,321
Home Furnishings	1,689,093	1,686,913	11,079,666	11,015,393
Hotels and Casinos	116,513,068	115,069,172	164,545,616	160,508,425
Industrial Equipment	54,640,436	51,354,773	81,061,029	75,489,595
Insurance	8,762,887	8,631,905	12,551,126	11,663,886
Leisure Goods/Activities/Movies	37,102,199	36,066,484	51,765,232	49,253,953
Nonferrous Metals/Minerals	-	-	1,577,226	1,508,157
Oil & Gas	16,174,385	16,830,472	27,632,895	13,209,814
Publishing	12,906,111	12,818,020	28,195,132	27,641,895
Retailers (except food & drug)	74,174,330	69,937,541	89,635,685	81,031,018
Steel	12,606,787	11,956,976	30,858,354	23,961,671
Surface Transport	7,512,685	7,476,519	10,165,070	10,108,918
Telecommunications	63,192,287	60,160,805	68,913,714	63,692,382
Utilities	58,208,773	57,640,872	70,883,361	68,061,112
	1,486,826,788	1,446,983,045	1,818,256,912	1,715,009,535

The accompanying notes form an integral part of the Financial Statements.

UNAUDITED CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)**As at 30 June 2016**

(Expressed in U.S. Dollars)

As at 30 June 2016, issuers with the following investments comprised of greater than 1% of NAV:

Securities	Country	Industry	Fair Value	%
FIRST DATA CORPORATION			30,447,661	2.21%
First Data Corp T/L 24/03/2021	United States	Financial Intermediaries	21,817,677	1.58%
First Data Corp 1L T/L B Usd 08/07/2022	United States	Financial Intermediaries	5,603,895	0.41%
First Data Corporation T/L B 07/08/2022	United States	Financial Intermediaries	3,026,089	0.22%
VALEANT PHARMACEUTICALS			30,224,673	2.19%
Valeant Pharmaceuticals T/L - F1 04/01/2022	Canada	Drugs	30,224,673	2.19%
AVAGO TECHNOLOGIES			28,240,932	2.05%
Avago Tech 1L T/L-B1 02/01/2023	Cayman Islands	Electronics/Electrical	27,409,214	1.99%
Avago Tech 1L TI-B1 Euro 02/01/2023	Cayman Islands	Electronics/Electrical	831,718	0.06%
SCIENTIFIC GAMES			19,866,371	1.44%
Scientific Games T/L B-2 10/01/2021	United States	Hotels & Casinos	14,781,194	1.07%
Scientific Games TI B 18/10/2020	United States	Hotels & Casinos	5,085,177	0.37%
COMMUNITY HEALTH INCREMENTAL			18,427,846	1.34%
Community Health Incremental T/L H 27/01/2021	United States	Health Care	11,235,569	0.82%
Community Health Incremental T/ L G 31/12/2019	United States	Health Care	6,092,635	0.44%
Chs/Community Health Systems 1L TI-F1 31/12/2018	United States	Health Care	1,099,642	0.08%
CABLEVISION SYSTEMS CORPORATION			17,009,165	1.23%
Cablevision Systems Corp T/L B 10/09/2022	United States	Cable & Satellite Television	17,009,165	1.23%
DYNERGY HOLDINGS INC			16,803,869	1.22%
Dynergy Holdings Inc Dynergy 1L T/L B 27/06/2023	United States	Utilities	13,314,293	0.97%
Dynergy Holdings Inc TI B-2 23/04/2020	United States	Utilities	3,489,576	0.25%
NUMERICABLE			16,507,288	1.21%
Numericable_Altice T/B EUR 30/01/2023	France	Cable & Satellite Television	10,021,972	0.73%
Numericable / Ypso 4/16 (Eur) 15/04/2023	France	Cable & Satellite Television	6,485,316	0.48%
UNIVISION COMMUNICATIONS			16,361,614	1.19%
Univision Communication T/L C 03/01/2020	United States	Broadcast Radio and Television	13,551,853	0.99%
Univision Com Re T/L 1st Lien 03/01/2020	United States	Broadcast Radio and Television	2,809,761	0.20%
MOHEGAN			15,585,624	1.13%
Mohegan Tribal Gaming T/L B 15/06/2018	United States	Hotels & Casinos	15,585,624	1.13%
ENERGY TRANSFER EQUITY			15,336,723	1.11%
Energy Transfer Equity T/L C 12/02/2019	United States	Oil & Gas	10,075,949	0.73%
Energy Transfer Equity T/L B 12/02/2019	United States	Oil & Gas	5,260,774	0.38%
PETSMART			14,161,834	1.03%
PetSmart Inc T/L B 03/11/2022	United States	Retailers (except food and drug)	14,161,834	1.03%
LEVEL 3 COMMUNICATIONS			14,041,062	1.02%
Level 3 Communications T/L B4 15/01/2020	United States	Telecommunications	14,041,062	1.02%
INTELSAT JACKSON			13,836,152	1.00%
Intelsat Jackson T/L B2 30/06/2019	Luxembourg	Telecommunications	13,836,152	1.00%
			266,850,814	19.37%

The accompanying notes form an integral part of the Financial Statements.

INTERIM REPORT**UNAUDITED CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)****As at 31 December 2015**

(Expressed in U.S. Dollars)

As at 31 December 2015, issuers with the following investments comprised of greater than 1% of NAV:

Securities	Country	Industry	Fair Value	%
NUMERICABLE			34,419,144	2.01%
Numericable Altice TLB EUR	United States	Cable & Satellite Television	11,823,328	0.69%
YPSO Holding SA TL B11L 21/05/2020	United States	Cable & Satellite Television	6,474,234	0.38%
YPSO Holding SA TL B1 EUR 21/05/2020	France	Cable & Satellite Television	5,607,058	0.33%
Numericable B4 (2014)	France	Cable & Satellite Television	5,663,656	0.33%
Numericable U.S. LLC Term Loan B2	France	Cable & Satellite Television	4,850,868	0.28%
AVAGO TECHNOLOGIES			29,434,329	1.71%
Avago Technologies 1L TI-B1	United States	Electronics/Electrical	27,138,990	1.58%
Avago Technologies 1L TI-B1	European Union	Electronics/Electrical	2,295,339	0.13%
VALEANT PHARMACEUTICALS			28,005,025	1.63%
Valeant Pharmaceuticals Term Loan - F1	Canada	Drugs	28,005,025	1.63%
SCIENTIFIC GAMES			26,920,057	1.57%
Scientific Games T/L B-2 17/09/2021	United States	Lodging & Casinos	17,674,867	1.03%
Scientific Games T/L B 24/05/2020	United States	Lodging & Casinos	9,245,190	0.54%
FIRST DATA CORPORATION			25,179,730	1.46%
First Data Corp T/L 24/03/2017	United States	Financial Intermediaries	9,516,578	0.55%
First Data Corp T/L C 24/03/2018	United States	Financial Intermediaries	7,397,603	0.43%
First Data Corp 2018B New T/L 21/10/2017	United States	Financial Intermediaries	3,156,925	0.18%
First Data Corp Term B	United States	Financial Intermediaries	5,108,624	0.30%
PETSMART			21,169,320	1.23%
Petsmart Inc Term Loan B US	United States	Retailers	21,169,320	1.23%
MOHEGAN			20,185,551	1.18%
Mohegan Tribal Gaming T/L B 19/11/2019	United States	Lodging & Casinos	20,185,551	1.18%
ADVANTAGE SALES AND MARKETING			18,882,209	1.11%
Advant Sal&Markt T/L B DD 11/07/2021	United States	Business Equipment & Services	12,963,441	0.76%
Advant Sal&Markt T/L 2nd Lien 15/07/2022	United States	Business Equipment & Services	5,918,768	0.35%
BERLIN PACKAGING			18,037,123	1.05%
Berlin Pckg 1St Ln Cov-Lt T/L 24/09/2021	United States	Containers & Glass Products	11,318,173	0.66%
Berlin Pack LLC T/L 2nd Lien 11/09/2022	United States	Containers & Glass Products	6,718,950	0.39%
CABLEVISION SYSTEMS CORPORATION			17,954,320	1.05%
Cablevision Systems Corp Tlb	United States	Cable & Satellite Television	17,954,320	1.05%
UNIVISION COMMUNICAITONS			17,863,755	1.04%
Univision Communication T/L C 01/03/2020	United States	Broadcast Radio and Television	15,086,144	0.88%
Univision Com Re T/L 01/03/2020	United States	Broadcast Radio and Television	2,777,611	0.16%
WALTER INVESTMENT MANAGEMENT CORPORATION			17,590,862	1.03%
Walter Inv Mang Corp New T/L 11/12/2020	United States	Financial Intermediaries	17,590,862	1.03%
COMMUNITY HEALTH INCREMENTAL			17,541,357	1.02%
Community Health Incremental 2021 Term H	United States	Health Care	11,404,519	0.66%
Community Health Incremental 2019 Term G	United States	Health Care	6,136,838	0.36%

The accompanying notes form an integral part of the Financial Statements.

UNAUDITED CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)**31 December 2015**

(Expressed in U.S. Dollars)

As at 31 December 2015, issuers with the following investments comprised of greater than 1% of NAV: (continued)

Securities	Country	Industry	Fair Value	%
MITCHELL INTERNATIONAL			17,318,566	1.01%
Mitchell Intl Inc T/L B 01/10/2020	United States	Business Equipment & Services	10,452,267	0.61%
Mitchell Intl Inc T/L 01/10/2021	United States	Business Equipment & Services	6,866,299	0.40%
			310,501,348	18.10%

INTERIM REPORT**UNAUDITED CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)**

As at 30 June 2016, the largest 50 investments based on the NAV were:
(Expressed in U.S. Dollars)

Securities	Country	Industry	Fair Value	%
Valeant Pharmaceuticals T/ L - F1 04/01/2022	Canada	Drugs	30,224,673	2.19%
Avago Technologies 1L T/L-B1 (First-Lien) 02/01/2023	Cayman Islands	Electronics/Electrical	27,409,214	1.99%
First Data Corp T/L 24/03/2021	United States	Financial Intermediaries	21,817,677	1.58%
Cablevision Systems Corp T/L B (First-Lien) 10/09/2022	United States	Cable & Satellite Television	17,009,165	1.23%
Mohegan Tribal Gaming T/L B 15/06/2018	United States	Hotels & Casinos	15,585,624	1.13%
Scientific Games T/L B-2 10/01/2021	United States	Hotels & Casinos	14,781,194	1.07%
PetSmart Inc T/L B 03/11/2022	United States	Retailers (except food and drug)	14,161,834	1.03%
Level 3 Communications T/L B4 15/01/2020	United States	Telecommunications	14,041,062	1.02%
Intelsat Jackson T/L B2 30/06/2019	Luxembourg	Telecommunications	13,836,152	1.00%
Presidio Inc T/L B 02/02/2022	United States	Business Equipment & Services	13,650,009	0.99%
Endo Pharma T/L B 26/09/2022	United States	Drugs	13,580,122	0.99%
Univision Communication T/L C 0 03/01/2020	United States	Broadcast Radio and Television	13,551,853	0.98%
Charter Communications Operating 5/16 T/L 24/01/2023	United States	Cable & Satellite Television	13,518,688	0.98%
Dynegy Holdings Inc Dynegy 1L T/L B 27/06/2023	United States	Utilities	13,314,293	0.97%
Zebra Technologies 1L T/L B (First-Lien) 27/10/2021	United States	Electronics/Electrical	13,181,083	0.96%
Wide Open West Tranche B-1 T/L (First-Lien) 04/01/2019	United States	Cable & Satellite Television	12,960,628	0.94%
Pharmaceutical Product Development Inc. T/L B 18/08/2022	United States	Health Care	12,913,091	0.94%
Burger King Corporation T/L B 12/10/2021	Canada	Food Service	12,167,777	0.88%
Walter Inv. Man. Corp T/L 11/12/2020	United States	Financial Intermediaries	11,691,484	0.85%
The Serm Co 1St Ln Cov T/L 07/01/2021	United States	Business Equipment & Services	11,491,496	0.83%
Hca Inc. T/L B 18/03/2023	United States	Health Care	11,299,929	0.82%
Community Health Incremental T/L H 27/01/2021	United States	Health Care	11,235,569	0.82%
Virgin Media T/L E 30/06/2023	United Kingdom	Cable & Satellite Television	10,674,402	0.77%
Information Res Inc T/L B 30/09/2020	United States	Business Equipment & Services	10,621,263	0.77%
Aristocrat Leisure T/L B 20/10/2021	United States	Hotels & Casinos	10,469,497	0.76%
Energy Transfer Equity T/L C 12/02/2019	United States	Oil & Gas	10,075,949	0.73%
Datatel-Sophia LP TL B (First-Lien) 09/10/2022	United States	Electronics/Electrical	10,062,610	0.73%
Numericable_Altice T/B (First-Lien) EUR 30/01/2023	France	Cable & Satellite Television	10,021,972	0.73%
Multiplan Inc. T/L B 16/05/2023	United States	Health Care	9,646,656	0.70%
Reynolds Grp Hold Inc US T/L 12/01/2018	United States	Containers & Glass Products	9,547,622	0.69%
Cowlitz Tribal Gaming Authority T/L B 12/06/2021	United States	Hotels & Casinos	9,416,200	0.68%
Acosta Holdco Inc T/L 26/09/2021	United States	Business Equipment & Services	9,377,707	0.68%
Bway Intermediate Co Inc T/L 14/08/2020	United States	Containers & Glass Products	8,984,379	0.65%
Cequel Communications Llc T/L B 14/12/2022	United States	Cable & Satellite Television	8,970,004	0.65%
Michaels Stores Inc T/L B 0 28/01/2020	United States	Retailers (except food and drug)	8,864,531	0.64%
Amscan Holdings Inc. T/L B (First-Lien) 19/08/2022	United States	Retailers (except food and drug)	8,700,192	0.63%
lasis Hlthcare Corp T/L B 05/03/2018	United States	Health Care	8,664,693	0.63%
Advant Sal & Markt T/L B DD 23/07/2021	United States	Business Equipment & Services	8,607,908	0.62%
99 Cents Only Stores T/L 01/11/2019	United States	Retailers (except food and drug)	8,607,812	0.62%
Verallia Sa Tranche B T/L (First-Lien) Eur 31/10/2022	France	Containers & Glass Products	8,571,635	0.62%
Formula One Hldgs Ltd T/L 30/07/2021	Luxembourg	Leisure Goods/Activities/Movies	8,524,828	0.62%
Citycenter Holdings Llc T/L B 16/10/2020	United States	Hotels & Casinos	8,505,202	0.62%
Station Casinos T/L B 19/05/2023	United States	Hotels & Casinos	8,481,656	0.62%

The accompanying notes form an integral part of the Financial Statements.

UNAUDITED CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)

As at 30 June 2016, the largest 50 investments based on the NAV: (continued)
(Expressed in U.S. Dollars)

Securities	Country	Industry	Fair Value	%
Dell T/L B 24/05/2023	United States	Electronics/Electrical	8,409,784	0.61%
Team Health Inc. T/L B 23/11/2023	United States	Health Care	8,407,971	0.61%
Tpf Ii Power Llc T/L B 10/02/2021	United States	Utilities	8,373,577	0.61%
Twin River Mgt Grp T/L B 1L 07/10/2020	United States	Hotels & Casinos	8,364,246	0.61%
Emerald Expositions Hldg T/L B 17/06/2020	United States	Leisure Goods/Activities/Movies	7,832,100	0.58%
DTZ T/L B 11/04/2021	United States	Building & Development	7,822,680	0.58%
Berry Plastics T/L 10/03/2022	United States	Containers & Glass Products	7,647,197	0.57%
			585,676,890	42.52%

As at 31 December 2015, largest 50 investments based on the NAV were:
(Expressed in U.S. Dollars)

Securities	Country	Industry	Fair Value	%
Valeant Pharmaceuticals T/L - F1 04/01/2022	Canada	Drugs	28,005,025	1.63
Avago Technologies 1L T/L-B1 (First-Lien) 11/11/2022	Cayman Islands	Electronics/Electrical	27,138,990	1.58
PetSmart Inc T/L B 03/11/2022	United States	Retailers	21,169,320	1.23
Mohegan Tribal Gaming T/L B 19/11/2019	United States	Hotels & Casinos	20,185,551	1.18
Cablevision Systems Corp T/L B (First-Lien) 15/04/2016	United States	Cable & Satellite Television	17,954,320	1.05
Scientific Games T/L B-2 17/09/2021	United States	Hotels & Casinos	17,674,867	1.03
Walter Inv. Man. Corp T/L 11/12/2020	United States	Financial Intermediaries	17,590,862	1.03
Univision Communication T/L C 01/03/2020	United States	Broadcast Radio and Television	15,086,144	0.88
Virgin Media T/L E 07/06/2023	United Kingdom	Cable & Satellite Television	14,793,702	0.86
Pharmaceutical Product Development Inc. T/L B 29/02/2016	United States	Health Care	14,741,783	0.86
Acosta Holdco Inc T/L 13/08/2021	United States	Business Equipment & Services	14,531,882	0.85
Rite Aid Corp T/L 2Nd Lien 11/06/2021	United States	Food/Drug Retailers	14,505,927	0.85
The Serm Co 1St Ln Cov T/L 25/06/2021	United States	Business Equipment & Services	14,482,682	0.84
Bway Intermediate Co Inc T/L 07/08/2020	United States	Containers & Glass Products	14,137,693	0.82
Emerald Expositions Hldg T/L B 12/06/2020	United States	Leisure Goods/Activities/Movies	14,113,831	0.82
Level 3 Communications T/L B4 15/01/2020	United States	Telecommunication/Cellular Communications	14,005,201	0.82
Zebra Technologies Corp T/L 30/09/2021	United States	Electronics/Electrical	13,879,625	0.81
Endo Pharma T/L B 09/26/2022	United States	Drugs	13,692,411	0.80
Burger King Corporation T/L B 30/09/2021	Canada	Food Service	13,121,113	0.77
Twin River Mgt Grp T/L B 1L 30/06/2020	United States	Hotels & Casinos	12,983,630	0.76
Advant Sal & Markt T/L B DD 11/07/2021	United States	Business Equipment & Services	12,963,441	0.76
Station Casinos Llc T/L B 25/02/2020	United States	Hotels & Casinos	12,572,770	0.73
Springer Sci & Bus Med T/L B3 14/08/2020	Germany	Publishing	12,572,051	0.73
Fmg Res (Aug06) Pty Lc Nw T/L 30/06/2019	Australia	Steel	12,546,553	0.73
Jeld - Wen Inc T/L B 09/09/2021	United States	Building & Development	12,275,770	0.72
Formula One Hldgs Ltd T/L 31/07/2021	Luxembourg	Leisure Goods/Activities/Movies	12,256,440	0.71
Intelsat Jackson T/L B2 30/06/2019	Luxembourg	Telecommunication/Cellular Communications	12,169,321	0.71
Citycenter Holdings Llc T/L B 09/10/2020	United States	Hotels & Casinos	11,985,139	0.70
Dell Inc T/L B 24/03/2020	United States	Electronics/Electrical	11,909,444	0.69

The accompanying notes form an integral part of the Financial Statements.

INTERIM REPORT**UNAUDITED CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)**

As at 31 December 2015, the largest 50 investments based on the NAV were: (continued)
(Expressed in U.S. Dollars)

Securities	Country	Industry	Fair Value	%
Cumulus Media Holdings T/L B 18/12/2020	United States	Broadcast Radio and Television	11,876,146	0.69
Energy Fut Int Hldg Dip T/L 12/19/2016	United States	Utilities	11,858,404	0.69
Numericable_Altice T/B (First-Lien) EUR 01/30/2023	France	Cable & Satellite Television	11,823,328	0.69
lasis Hlthcare Corp T/L B 03/05/2018	United States	Health Care	11,797,565	0.69
Amscan Holdings Inc. T/L B (First-Lien) 08/19/2022	United States	Retailers	11,729,498	0.68
Filtration Gr Co T/L (First-Lien) 13/11/2020	United States	Industrial Equipment	11,625,589	0.68
99 Cents Only Stores T/L 11/01/2019	United States	Retailers	11,488,636	0.67
Community Health Incremental T/L H 01/27/2021	United States	Health Care	11,404,519	0.66
Berlin Pckg (First-Lien) COV-LT T/L 24/09/2021	United States	Containers & Glass Products	11,318,173	0.66
Immucor Inc T/L B2 19/08/2018	United States	Health Care	11,027,384	0.64
Spin Holdco Inc T/L 30/11/2019	United States	Retailers	10,811,650	0.63
Information Res Inc T/L B 26/09/2020	United States	Business Equipment & Services	10,670,227	0.62
La Frontera Generation T/L 30/09/2020	United States	Utilities	10,634,442	0.62
DTZ T/L B 11/04/2021	United States	Building & Development	10,575,051	0.62
Citco III LTD T/L B 16/04/2018	United States	Financial Intermediaries	10,566,688	0.62
Michaels Stores Inc T/L B 01/02/2020	United States	Retailers	10,512,595	0.61
Brand ENR & INF SER Inc T/L B 22/11/2020	United States	Business Equipment & Services	10,481,260	0.61
Mitchell Intl Inc T/L B 01/10/2020	United States	Business Equipment & Services	10,452,267	0.61
Aristocrat Leisure T/L B 31/10/2021	United States	Hotels & Casinos	10,404,098	0.61
Kronos Incremental T/L 30/10/2019	United States	Business Equipment & Services	10,372,839	0.60
Datatel-Sophia LP TL B (First-Lien) 09/10/2022	United States	Electronics/Electrical	10,116,482	0.59
			676,592,329	39.44

UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

For the six months ended 30 June 2016

(Expressed in U.S. Dollars)

	1 January 2016 to 30 June 2016 (Unaudited) \$	1 January 2015 to 31 December 2015 (Audited) \$
Income		
Interest income (net of withholding taxes, 2016: \$Nil ; 2015: \$Nil)	37,346,946	85,020,107
Other income from investments	338,889	1,887,346
Total income	37,685,835	86,907,453
Expenses		
Investment management and services	(5,755,932)	(13,959,247)
Administration and professional fees	(1,470,261)	(1,801,969)
Directors' fees and travel expenses	(138,561)	(279,807)
Total expenses	(7,364,754)	(16,041,023)
Net investment income	30,321,081	70,866,430
Realised and unrealised loss		
Net realised loss on investments	(50,664,925)	(28,216,093)
Net realised loss on derivatives	(55,970,907)	(102,456,812)
Total net realised loss	(106,635,832)	(130,672,905)
Net change in unrealised profit/(loss) on investments	63,403,635	(47,887,136)
Net change in unrealised (loss)/profit on derivatives	(87,065,317)	18,342,698
Total net unrealised loss	(23,661,682)	(29,544,438)
Realised and unrealised loss on foreign currency	(809,118)	(4,373,332)
Net realised and unrealised loss	(131,106,632)	(164,590,675)
Net decrease in net assets resulting from operations	(100,785,551)	(93,724,245)

The accompanying notes form an integral part of the Financial Statements.

INTERIM REPORT

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the six months ended 30 June 2016

(Expressed in U.S. Dollars)

30 June 2016

	Ordinary Shares (\$) (Unaudited)	Total (\$)
Net assets as at 1 January 2016	1,714,972,853	1,714,972,853
Dividends	(33,771,305)	(33,771,305)
Share buybacks	(202,853,787)	(202,853,787)
Net decrease in net assets resulting from operations	(100,785,551)	(100,785,551)
Net assets as at 30 June 2016	1,377,562,210	1,377,562,210

31 December 2015

	Ordinary Shares (\$) (Audited)	Total (\$)
Net assets as at 1 January 2015	1,950,175,572	1,950,175,572
Scrip issue	1,657,755	1,657,755
Dividends	(74,489,003)	(74,489,003)
Share buybacks	(68,647,226)	(68,647,226)
Net decrease in net assets resulting from operations	(93,724,245)	(93,724,245)
Net assets as at 31 December 2015	1,714,972,853	1,714,972,853

The accompanying notes form an integral part of the Financial Statements.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

(Expressed in U.S. Dollars)

	1 January 2016 to 30 June 2016 (Unaudited) \$	1 January 2015 to 31 December 2015 (Audited) \$
Cash flows from operating activities:		
Net decrease in net assets resulting from operations	(100,785,551)	(93,724,245)
Adjustment to reconcile net decrease in net assets resulting from operations to net cash used in operating activities:		
Net realised loss on investments	50,664,925	28,216,093
Net change in unrealised loss on investments and derivatives	23,661,682	29,544,438
Changes in receivables for investments sold	(5,595,583)	23,176,247
Changes in interest receivable	1,595,540	4,594,370
Changes in other receivables and prepayments	575	10,268
Changes in payables for investments purchased	(18,554,968)	(4,147,795)
Changes in payables to Investment Manager and affiliates	(1,057,197)	(326,827)
Changes in accrued expenses and other liabilities	(573,661)	807,899
Purchase of investments	(406,583,889)	(1,061,002,337)
Sale of investments	687,349,089	1,247,782,688
Net cash generated from operating activities	230,120,962	174,930,799
Cash flows from financing activities:		
Share buybacks	(202,853,787)	(68,647,226)
Dividends paid	(33,771,305)	(72,831,259)
Net cash used by financing activities	(236,625,092)	(141,478,485)
Net (decrease)/increase in cash and cash equivalents	(6,504,130)	33,452,314
Cash and cash equivalents at beginning of the period	80,134,995	46,682,681
Cash and cash equivalents at end of the period	73,630,865	80,134,995

The accompanying notes form an integral part of the Financial Statements.

INTERIM REPORT

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS

The Company is a closed-ended investment company incorporated and registered in Guernsey with registered number 53155. It is a non-cellular company limited by shares and has been declared by the Guernsey Financial Services Commission to be a registered closed-ended collective investment scheme. On 20 April 2011 the Company was admitted to the Official List of the UK Listing Authority with a premium listing trading on the Main Market of the LSE.

On 30 September 2011, the Company raised an additional \$187 million by means of a Placing and Offer for Subscription of C Shares and were admitted to trading on the Main Market of the LSE on 5 October 2011. On 21 March 2013 and 24 October 2013 the Company raised an additional \$550 million and \$705 million by means of a Placing and Offer for Subscription of C Shares that were admitted to trading on the Main Market of the LSE on 26 March 2013 and 29 October 2013 respectively. On 22 July 2013, through a tap issue, the Company raised gross proceeds of \$69 million. The Sterling C Shares issued on 21 March 2013 were converted into 360,521,605 Sterling Ordinary Shares on 16 July 2013 and the Sterling Ordinary Shares issued on 24 October 2013 were converted into 421,103,481 Sterling Ordinary Shares on 21 January 2014.

At the Annual General Meeting (“AGM”) of the Company held in June 2016, the Directors were granted the general authority to purchase in the market up to 14.99% of the Ordinary Shares of each class in issue (as at 15 June 2016). This authority will expire at the next AGM in 2017. Pursuant to this authority, and subject to the Companies (Guernsey) Law, 2008 and the discretion of the Directors, the Company may purchase shares of any of its classes in the market on an on-going basis with a view to addressing any imbalance between the supply of and demand for such shares and thereby increasing the NAV per share of the shares and assisting in managing the discount to NAV per share of the shares in relation to the price at which the shares of such class may be trading.

The Company re-purchased 156,976,848 Sterling Ordinary Shares in 116 tranches between 1 January 2016 and 30 June 2016, 16,090,000 of which were repurchased for cancellation and 140,886,848 were held in treasury. The Company also re-purchased 3,305,000 U.S. Dollar Ordinary Shares in 47 tranches between 1 January 2016 and 30 June 2016, of which 335,000 were repurchased for cancellation and 2,970,000 were held in treasury.

On the 9 March 2016, the Company cancelled 58,609,241 Sterling Ordinary Shares held in treasury. On 11 April 2016 the Company cancelled 43,111,620 Sterling Ordinary Shares held in treasury. This represented approximately 4.73% and 3.64% of the Company’s issued Sterling Ordinary Shares respectively.

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 to pursue its investment objective. The Company invests mainly in floating rate senior secured loans issued in U.S. Dollars, Pound 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 (Aaa, Aa, A and Baa) by at least two independent credit rating agencies or, if unrated, are deemed by the 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 and its wholly owned Luxembourg subsidiaries. The directors of these companies are unrelated to the Directors of the Company.

The Company’s share capital is denominated in Pound Sterling and U.S. Dollars and consists of Sterling Ordinary Shares and U.S. Dollar Ordinary Shares as at 30 June 2016.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The accompanying Financial Statements have been presented on a going concern basis and on the accrual basis of accounting in conformity with US GAAP. The Company is regarded as an Investment Company and it follows the accounting and reporting requirements of the FASB ASC 946. The Board believes that the underlying assumptions are appropriate and that the Company's Financial Statements therefore present a true and fair financial position.

Basis of consolidation

The Financial Statements comprise the financial statements of the Company and its wholly owned subsidiary undertakings as at 30 June 2016. The Company and all its wholly owned subsidiaries have U.S. Dollars as their functional and reporting currency. The results of the subsidiary undertakings are included in the Unaudited Consolidated Interim Statement of Operations.

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

Use of estimates

The preparation of 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 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 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.

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.

INTERIM REPORT

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of investments (continued)

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 Investment Manager determines the valuation based on the Investment Manager's fair valuation policy. The overall criterion for fair value is a price at which 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 credit quality of the issuer and the related economics;
- 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.

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 OTC derivative products, such as foreign exchange contracts, can be modelled taking into account the counterparties' credit worthiness 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 judgments 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 categorised within level 2 of the fair value hierarchy.

As shares are denominated in U.S. Dollars and Pound Sterling and investments are denominated in U.S. Dollars, Euro or Pound 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. Dollar 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.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments (continued)

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

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.

Buyback costs

Any costs incurred as a result of a share buyback will be allocated to the relevant share class.

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 reporting period end date. On initial recognition, a foreign currency transaction is recorded and translated 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 2016 were 1.33680 USD: 1 GBP and 1.11095 USD: 1 EUR (31 December 2015 1.47390 USD: 1 GBP and 1.08630 USD: 1EUR).

NOTE 3 – AGREEMENTS AND RELATED PARTIES

Investment Management Agreement

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

The Manager of the Company is Neuberger Berman Europe Limited (which is a related party), an indirectly wholly owned subsidiary of NB Group. On 17 July 2014, the Company, the Manager and Neuberger Berman Investment Advisers LLC (which was the Sub Investment Manager) made certain classificatory amendments to the Agreement for the purposes of the AIFM Directive.

INTERIM REPORT**NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)****NOTE 3 – AGREEMENTS AND RELATED PARTIES (CONTINUED)****Investment Management Agreement (continued)**

The Sub-Investment Management Agreement was terminated on 17 July 2014 and the Sub-Investment Manager was appointed as the AIFM per the amended and restated IMA dated 17 July 2014. The Manager, Neuberger Berman Europe Limited, was appointed under the same agreement. In accordance with the terms of the IMA, the Manager shall pay a fee to the AIFM out of the Investment Management fee received from the Company. The Company does not pay any fees to the AIFM.

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

As per the IMA dated 17 July 2014, the Manager is entitled to a management fee, which shall accrue daily, and be payable quarterly in arrears, at the following rate per annum of the Company's NAV:

On first £1bn of the NAV	0.75%
On £1bn - £2bn of the NAV	0.70%
Any amount greater than £2bn of the NAV	0.65%

For the period ended 30 June 2016, the management fee expense was \$5,755,932 (31 December 2015: \$13,959,247), of which \$2,804,551 (31 December 2015: \$3,378,212) was unpaid at the period-end.

The Manager is not entitled to a performance fee.

Administration, Custody and Company Secretary Agreement

BNP Paribas Securities Services S.C.A., Guernsey Branch ("BNPP") was the Administrator, Custodian and Designated Manager until 28 February 2015. Effective 1 March 2015, the Company entered into an Administration and Sub-Administrator agreement with U.S. Bancorp Fund Services (Guernsey) Limited ("Administrator") and Quintillion Limited ("Sub-Administrator"), both wholly owned subsidiaries of U.S. Bancorp. Under the terms of the agreement, Sub-Administration services are delegated to Quintillion Limited.

The Sub-Administrator is responsible, amongst other things, for the day-to-day administration of the Company (including but not limited to the calculation and publication of the estimated daily NAV).

For the period from 1 January 2015 to 28 February 2015, BNPP was entitled to an annual fee, accrued daily and paid monthly in arrears, in accordance with the schedule below and subject to an annual minimum of £100,000.

On first \$100m of the NAV	0.08%
On \$100m - \$250m of the NAV	0.06%
On \$250m - \$500m of the NAV	0.03%
Any amount greater than \$500m of the NAV	0.015%

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)**NOTE 3 – AGREEMENTS AND RELATED PARTIES (CONTINUED)****Administration, Custody and Company Secretary Agreement (continued)**

From 1 March 2015, the Administrator is entitled to an annual fee, accrued daily and paid monthly in arrears, in accordance with the schedule below and subject to an annual minimum of \$75,000.

On first \$250m of the NAV	0.05%
On \$250m - \$500m of the NAV	0.04%
On \$500m - \$1bn of the NAV	0.03%
Any amount greater than \$1bn of the NAV	0.02%

For the period ended 30 June 2016, the administration fee was \$282,206 (31 December 2015: \$617,740) of which \$45,011 (31 December 2015: \$50,529) was unpaid at the period end.

C.L. Secretaries Limited, a wholly owned subsidiary of Carey Commercial Limited, as Company Secretary is entitled to an annual fee of £63,300 plus out of pocket expenses.

For the period ended 30 June 2016, the secretarial fee was \$92,720, of which \$46,650 related to administration of the on-going programme of buybacks, (31 December 2015: \$42,745) of which \$21,039 (31 December 2015: \$1,014) was prepaid at the period-end.

For the period from 1 January 2015 to 28 February 2015, BNPP was entitled to a custodian fee of 0.02 per cent of the market value of the portfolio and a fee of 0.045% per annum on the market value of the loan assets (adjusted to 0.035% per annum if assets exceeded \$500m), with a minimum annual fee of £50,000 in respect of portfolio and loan administration.

Effective 1 March 2015, US Bank National Association ("Custodian") became the Custodian of the Company.

For the period from 1 March 2015 to 31 December 2015, the Custodian is entitled to a fee of 0.025 per cent of the Market Value of the portfolio per annum, with a minimum annual fee of \$25,000 in respect of portfolio and loan administration.

For the six months ended 30 June 2016, the custodian fee was \$197,872 (31 December 2015: \$411,704) of which \$56,597 (31 December 2015: \$190,090) was unpaid, all of which was due to US Bank National Association at the period end.

Registrar's Agreement

Capita Registrars (Guernsey) Limited has been appointed as registrar of the Company. The fee charged is at a rate of £2.00 per holder of shares appearing on the registry during the fee period, with a minimum charge per annum of £9,000. For the period ended 30 June 2016, the Registrars fees amounted to \$41,302. Of these, \$12,682 was unpaid at the period end.

INTERIM REPORT

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 – RELATED PARTY TRANSACTIONS

Directors

The Directors are related parties and are remunerated for their services at a fee of £35,000 per annum (£45,000 for the Chairman). In addition, the Chairman of the Audit and Risk Committee receives an additional £5,000 for his services in this role. The Chairman of the Management Engagement Committee and the Chairman of the Remuneration Committee receive an additional £2,500 each per annum. The Directors' fee for the two Luxembourg subsidiaries, whose Directors are unrelated to the Guernsey Board members, amounts to €14,700 per annum per subsidiary. Of these, \$22,745 were payable at the period end. For the period ended 30 June 2016, the Guernsey Directors' fees and travel expenses amounted to \$114,331 (31 December 2015: \$273,850). Of these, \$Nil were prepaid at the period end (31 December 2015: \$2,074 was prepaid). As at 30 June 2016, Mr Battey, Mrs Platts, Mr Dorey and Mr Frewen had 30,077, 10,069, 20,000 and 9,895 Sterling Ordinary Shares in the Company respectively (31 December 2015: Mr Battey, Mrs Platts, Mr Dorey and Mr Frewen 30,077, 10,069, 20,000 and 9,895 Sterling Ordinary Shares in the Company respectively).

Neuberger Berman Europe Limited and Neuberger Berman Investment Advisers LLC.

The contracts with Neuberger Berman Europe Limited and Neuberger Berman Investment Advisers LLC are classified as related party transactions. Other than fees payable in the ordinary course of business and the additional fees disclosed in Note 3, 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 FASB 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 judgment. 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 2016 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.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)**NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

- 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.
- 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 NAV 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.

INTERIM REPORT**NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)****NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

The following table details the Company's financial instruments that were accounted for at fair value as at 30 June 2016.

Financial Instruments at Fair Value as at 30 June 2016

Financial investments		Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Floating rate senior secured loans		-	1,325,751,922	62,211,741	1,387,963,663
Fixed rate bonds/corporate loans		-	2,198,179	-	2,198,179
Floating rate bonds/corporate loans		-	52,778,911	4,042,292	56,821,203
		-			
Total financial investments		-	1,380,729,012	66,254,033	1,446,983,045
		Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Balance at start of the period		-	1,669,812,289	45,197,246	1,715,009,535
Purchases during the period		-	391,768,732	14,815,157	406,583,889
Sales during the period		-	(674,921,296)	(12,427,793)	(687,349,089)
Realised gain on investments		-	(44,725,564)	(5,939,361)	(50,664,925)
Unrealised gain on revaluation		-	56,757,480	6,646,155	63,403,635
Transfer between Level 2 and Level 3		-	(17,962,630)	17,962,630	-
Balance at end of the period		-	1,380,729,012	66,254,033	1,446,983,045
	No of contracts	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets					
Derivatives (for hedging purposes only)	20	-	5,344,281	-	5,344,281
Financial liabilities					
Derivatives (for hedging purposes only)	20		(125,544,769)		(125,544,769)
Total	40	-	(120,200,488)	-	(120,200,488)

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Financial Instruments at Fair Value as at 31 December 2015

Financial investments	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Floating rate senior secured loans	-	1,591,082,427	45,197,246	1,636,279,673
Fixed rate bonds/corporate loans	-	18,941,703	-	18,941,703
Floating rate bonds/corporate loans	-	59,788,159	-	59,788,159
Total financial investments	-	1,669,812,289	45,197,246	1,715,009,535

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Balance at start of the year	-	1,977,893,115	-	1,977,893,115
Purchases during the year	-	1,051,483,783	9,518,554	1,061,002,337
Sales during the year	-	(1,247,671,303)	(111,385)	(1,247,782,688)
Realised loss on investments	-	(28,215,707)	(386)	(28,216,093)
Unrealised loss on revaluation	-	(45,910,469)	(1,976,667)	(47,887,136)
Transfer between Level 2 and Level 3	-	(37,767,130)	37,767,130	-
Balance at end of the year	-	1,669,812,289	45,197,246	1,715,009,535

Financial Assets	No of contracts			
Derivatives (for hedging purposes only)	16	-	468,544	-
Financial liabilities				
Derivatives (for hedging purposes only)	16	-	(33,603,715)	-
Total	32	-	(33,135,171)	-

The derivatives assets and liabilities are offset in accordance with the guidance in sections 210-20-45 and 815-10-45 to determine the net amounts presented in the Unaudited Consolidated Statement of Assets and Liabilities. 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. As at 30 June 2016, there were two counterparties for the Forwards (31 December 2015: two).

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 six months ended	For the year ended
	30 June 2016	31 December 2015
	\$	\$
Net realised (loss) on derivatives	(55,970,907)	(102,456,812)
Net change in unrealised (loss)/ profit on derivatives	(87,065,317)	18,342,698
Total	(143,036,224)	(84,114,114)

INTERIM REPORT

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Primary underlying risks (credit risk, liquidity risk and market risk) associated with the derivatives are explained in Note 6.

There is no collateral for forward contracts.

The Company presents the gain or loss on derivatives in the Unaudited Consolidated Statement of Operations.

The Company uses independent third party vendors to price its portfolio. As part of its valuation process, the Alternative Investment Fund Manager evaluates the number of broker quotes that combine to make up the valuation provided by these vendors and if it believes that the number of broker quotes is not sufficient to ensure a Level 2 price it designates those positions Level 3. As at 30 June 2016 the Alternative Investment Fund Manager designated 17 (31 December 2015: 10) of its floating rate senior secured loans and 1 of its floating rate bonds (31 December 2015: Nil) at Level 3.

NOTE 6 – RISKS

The Company is subject to various financial risks, including, but not limited to, market risk (including foreign exchange risk, interest rate risk and price 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

Market risk is the potential for changes in the value of investments. Market risk includes interest rate risk, foreign exchange risk and price 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. Floating rate investments, such as senior secured loans, typically receive a fixed coupon which is linked to a variable base rate, usually LIBOR or EURIBOR. As such income earned will be affected by changes in the variable component albeit downward moves are likely to be capped by the LIBOR/EURIBOR floors that are prevalent in the majority of transactions. The Company invests predominantly in floating rate investments, however, it does have some exposure to fixed rate investments which are subject to interest rate risk through movements in their market price when interest rates change.

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

Foreign exchange risk arises from various currency exposures, primarily with respect to Pound Sterling and Euro 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.

Credit Risk

The Company maintains positions in a variety of securities, derivative financial instruments and cash and cash equivalents in accordance with its investment strategy and guidelines. The Company's trading activities expose the Company to counterparty credit risk from brokers, dealers and other financial institutions (collectively, "counterparties") with which it transacts business. "Counterparty credit risk" is the risk that a counterparty to a trade will fail to meet an obligation that it has entered into with the Company, resulting in a financial loss to the Company

The Company's policy with respect to counterparty credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the credit standards set out by the Investment Manager.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 – RISKS (CONTINUED)

Credit Risk (continued)

All the Company's assets other than derivative financial instruments were held by the Custodian. The Custodian segregates the assets of the Company from the Custodian's assets and other Custodian clients. The Investment Manager believes the risk is low with respect to any losses as a result of this concentration. The Company conducts its trading activities with respect to non-derivative positions with a number of counterparties. Counterparty credit risk borne by these transactions is mitigated by trading with multiple counterparties.

In addition, the Company trades in over-the-counter ("OTC") derivative instruments. The Company is subject to counterparty credit risk related to the potential inability of counterparties to these derivative transactions to perform their obligations to the Company. The Company's exposure to counterparty credit risk associated with counterparty nonperformance is generally limited to the fair value (derivative assets and liabilities) of OTC derivatives reported as net assets, net of collateral received or paid, pursuant to agreements with each counterparty. The Investment Manager attempts to reduce the counterparty credit risk of the Company by establishing certain credit terms in its ISDA Master Agreements (with netting terms) with counterparties, and through credit policies and monitoring procedures. Under ISDA Master Agreements in certain circumstances (e.g., when a credit event such as a default occurs) all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions. The Company receives and gives collateral in the form of cash and marketable securities and it is subject to the ISDA Master Agreement Credit Support Annex. This means that securities received/given as collateral can be pledged or sold during the term of the transaction. The terms also give each party the right to terminate the related transactions on the other party's failure to post collateral.

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 issuer credit risk, relating to whether the issuer will make interest and/or principal payments on their debt obligations.

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 they fall due.

Participation Commitments

With respect to the senior secured loans the Company may: 1) invest in assignments; 2) act as a participant in primary lending syndicates; or 3) invest in participations. If a Company purchases a participation of a senior secured loan interest, the Company would typically enter into a contractual agreement with the lender or other third party selling the participation, rather than directly with the borrower. As such, the Company not only assumes the credit risk of the borrower, but also that of the selling participant or other persons inter positioned between the Company and the borrower. As of 30 June 2016, there were no such outstanding participation commitments in the Company.

INTERIM REPORT

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 – RISKS (CONTINUED)

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 companies is evolving, and changes in the regulation of investment companies 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. The Board has considered the specific risks faced by the Company as a result of Brexit. At the portfolio level, the Board expects the impact of Brexit to be limited given the hedging arrangements in place and the robust investment process the Investment Manager has always adopted and its positioning in better rated, performing issuers. At the Company level the impact could be felt more directly through volatility of the Company's share price. The Board seeks to mitigate this risk by continuing to address any imbalances in supply and demand of the Company's shares through the use of further share buybacks in line with its stated policy.

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. The Company files tax returns for its Luxembourg entities.

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 periods, disclosure, and transition that intends to provide better financial statement comparability among different entities.

As of 30 June 2016, the Company has recorded no liability for net unrecognised tax benefits relating to uncertain tax positions it has taken or expects to take in future tax returns (31 December 2015: Nil).

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)**NOTE 8 – FINANCIAL HIGHLIGHTS****30 June 2016**

	U.S. Dollar Ordinary Share as at 30 June 2016	Sterling Ordinary Share as at 30 June 2016
	\$	£
Per share operating performance		
NAV per share at the beginning of the period	0.9490	0.9422
Shareholder activity during the period	0.0064	0.0978
Income from investment operations (a)		
Net income per share for the period (b)	0.0188	0.0185
Net realised and unrealised loss from investments	0.0083	(0.0822)
Foreign currency translation	-	(0.0005)
Total gain from operations	0.0271	(0.0642)
Distribution per share during the period	(0.0210)	(0.0206)
NAV per share at the end of the period	0.9615	0.9552
Ratios to average net assets (b)	U.S. Dollar	Sterling
Total return* (b)	Ordinary Share as at 30 June 2016	Ordinary Share as at 30 June 2016
Total return*	3.54%	3.62%
Net income	1.98%	1.96%
Expenses	(0.46%)	(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 investments in the Company.

*The total return is the NAV return per share plus dividends paid during the period. This figure is for the period ended 30 June 2016.

INTERIM REPORT**NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)****NOTE 8 – FINANCIAL HIGHLIGHTS (CONTINUED)****31 December 2015**

	U.S. Dollar	Sterling
	Ordinary Share as at	Ordinary Share as at
	31 December 2015	31 December 2015
	\$	£
Per share operating performance		
NAV per share at the beginning of the year	0.9862	0.9770
Shareholder activity during the year	(0.0158)	0.0091
Income from investment operations (a)		
Net income per share for the year (b)	0.0412	0.0376
Net realised and unrealised loss from investments	(0.0247)	(0.0891)
Foreign currency translation	-	0.0455
Total gain from operations	0.0165	(0.0060)
Distribution per share during the year	(0.0379)	(0.0379)
NAV per share at the end of the year	0.9490	0.9422

	U.S. Dollar	Sterling
	Ordinary Share as at	Ordinary Share as at
	31 December 2015	31 December 2015
Ratios to average net assets (b)		
Total return* (b)		
Total return*	0.08%	0.32%
Net income	3.76%	3.91%
Expenses	(0.84%)	(0.87%)

(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 investments in the Company.

*The total return is the NAV return per share plus dividends paid during the year. This figure is for the 12 month period to 31 December 2015.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

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 Ordinary Shares, Sterling Ordinary Shares or Euro Ordinary 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) 1.6 votes in respect of each Sterling Ordinary Share held by the shareholder and
- (b) One vote in respect of each U.S. Dollar Ordinary Share held by the shareholder and
- (c) In respect of a Share of a class denominated in any currency other than U.S. Dollars or Pound 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 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.

The 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.

The C Shares will be entitled to participate in a winding-up of the Company or on a return of capital in relation to the C share surplus as defined in the Prospectus.

The C Shares will be entitled to receive such dividends as the Directors may resolve to pay to such holders out of the assets attributable to such class of C Shares.

There were no Euro Ordinary Shares in issue as at 30 June 2016 (31 December 2015: No Euro Ordinary Shares).

INTERIM REPORT**NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)****NOTE 9 – SHARE CAPITAL (CONTINUED)**

As at 30 June 2016, there were no C Shares in issue (31 December 2015: No C Shares were in issue).

From 1 January 2016 to 30 June 2016	U.S. Dollar	Sterling	Total
	Ordinary Shares	Ordinary Shares	
Balance as at 1 January 2016	52,380,402	1,199,095,966	1,251,476,368
Scrip issue *	-	-	-
Monthly conversions**	(6,908,636)	4,930,864	(1,977,772)
Share buybacks	(3,305,000)	(156,976,848)	(160,281,848)
Balance as at 30 June 2016	42,166,766¹	1,047,049,982²	1,089,216,748

From 1 January 2015 to 31 December 2015	U.S. Dollar	Sterling	Total
	Ordinary Shares	Ordinary Shares	
Balance as at 1 January 2015	60,166,690	1,241,163,626	1,301,330,316
Scrip issue *	65,325	1,045,029	1,110,354
Monthly conversions**	(6,496,359)	4,237,945	(2,258,414)
Share buybacks	(1,355,254)	(47,350,634)	(48,705,888)
Balance as at 31 December 2015	52,380,402³	1,199,095,966⁴	1,251,476,368

Treasury Shares

As at 30 June 2016, the Company held the following Treasury Shares.

	30 June 2016	31 December 2015
Sterling Ordinary Shares held in treasury***	91,519,621	47,350,634
U.S. Dollar Ordinary Shares held in treasury***	2,972,627	1,355,254

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

¹ \$40,745,803

² \$1,691,138,370 (£1,233,910,524)

³ \$50,195,134

⁴ \$1,884,542,826 (£1,369,372,479)

* At the time of each quarterly dividend declaration, the Company offered a scrip dividend alternative for the distribution to those shareholders who wish to receive additional Ordinary Shares in lieu of a cash payment. On 21 December 2015, due to the current discount, the Board decided to replace the Scrip Dividend option with a Dividend Re-investment Plan, whereby the shareholders have the option to re-invest their cash dividend in the Company's shares on an efficient basis.

** 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.

*** The Company has an approved share buyback programme and may elect to buyback Ordinary Shares at certain times during the period. Any shares purchased under this programme may be cancelled or held in treasury. During the period, the Company purchased 44 tranches of U.S. Dollar Ordinary Shares with a high price of \$0.9400 and a low price of \$0.8450, and 117 tranches of Sterling Ordinary Shares with a high price of £0.9305 and a low price of £0.8450.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)**NOTE 10 - SUBSEQUENT EVENTS**

On 13 July 2016, the Company announced the cancellation of 16,519,621 Ordinary Sterling Shares held in treasury. This represented approximately 1.46 per cent of the Company's issued Ordinary Sterling Shares.

NOTE 11 – DIVIDENDS

a) The following dividends were declared for shareholders of Ordinary and C Shares since inception:

Period	Date Declared	Payment Date	Dividend per U.S. Dollar Share	Dividend per 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
Quarter ended 31 December 2011– 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	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
Quarter ended 30 September 2013	7 October 2013	22 November 2013	\$0.00890	£0.00890
Quarter ended 31 December 2013	6 January 2014	21 February 2014	\$0.00940	£0.00940
Quarter ended 31 December 2013– C Shares	6 January 2014	7 February 2014	-	£0.00200
Quarter ended 31 March 2014	4 April 2014	27 May 2014	\$0.00860	£0.00860
Quarter ended 30 June 2014	3 July 2014	15 August 2014	\$0.00890	£0.00890
Quarter ended 30 September 2014	3 October 2014	21 November 2014	\$0.00950	£0.00950
Quarter ended 31 December 2014	7 January 2015	20 February 2015	\$0.00960	£0.00960
Quarter ended 31 March 2015	7 April 2015	26 May 2015	\$0.00890	£0.00890
Quarter ended 30 June 2015	3 July 2015	15 August 2015	\$0.01030	£0.01030
Quarter ended 30 September 2015	5 October 2015	23 October 2015	\$0.00910	£0.00910
Quarter ended 31 December 2015	6 January 2016	19 February 2016	\$0.00990	£0.00990
Quarter ended 31 March 2016	5 April 2016	25 May 2016	\$0.01030	£0.01030
Quarter ended 30 June 2016	6 July 2016	19 August 2016	\$0.01080	£0.01080

INTERIM REPORT**NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)****NOTE 11 – DIVIDENDS (CONTINUED)**

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

Period	Number of U.S. Dollar Ordinary Shares	Number of Sterling Ordinary Shares	Rate per U.S. Dollar Ordinary Share	Rate per Sterling Ordinary 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	\$1.05700	£1.05080
Quarter ended 30 June 2013	28,237	221,317	\$1.06700	£1.03880
Quarter ended 30 September 2013	58,190	365,543	\$1.03870	£1.03360
Quarter ended 31 December 2013	67,590	217,354	\$1.06900	£1.04880
Quarter ended 31 March 2014	67,228	668,002	\$1.03950	£0.99010
Quarter ended 30 June 2014	27,941	341,872	\$1.00280	£0.99390
Quarter ended 30 September 2014	28,942	233,785	\$0.98230	£0.97500
Quarter ended 31 December 2014	30,277	181,999	\$0.99520	£0.97040
Quarter ended 31 March 2015	23,310	202,637	\$0.99600	£0.98790
Quarter ended 30 June 2015	6,507	609,773	\$0.98890	£0.98110
Quarter ended 30 September 2015	5,231	50,620	\$0.96770	£0.96010

Due to the current discount, the Board decided to replace the Scrip Dividend option with a Dividend Re-investment Plan, whereby the shareholders have the option to re-invest their cash dividend in the Company's shares on an efficient basis as explained in Note 9.

NOTE 12 – OTHER

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

DIRECTORS, MANAGERS AND ADVISERS

<p><u>Directors</u></p> <p>William Frewen (Chairman) Sandra Platts Richard Battey Rupert Dorey All c/o the Company's registered office.</p>	<p><u>Registered Office</u></p> <p>1st & 2nd Floors, Elizabeth House Les Ruettes Brayes St Peter Port Guernsey GY1 1EW</p>
<p><u>Alternative Investment Fund Manager</u></p> <p>Neuberger Berman Investment Advisers LLC 190 S LaSalle Street Chicago IL 60603 United States of America</p>	<p><u>Manager</u></p> <p>Neuberger Berman Europe Limited 4th Floor, 57 Berkeley Square London United Kingdom W1J 6ER</p>
<p><u>Designated Manager and Administrator</u></p> <p>U.S. Bancorp Fund Services (Guernsey), Limited 1st Floor Tudor House Le Bordage St Peter Port Guernsey GY1 1DB</p>	<p><u>Sub – Administrator</u></p> <p>Quintillion 24/26 City Quay Dublin Ireland</p>
<p><u>Custodian and Principal Bankers</u></p> <p>US Bank National Association 214 North Tryon Street 26th Floor, Charlotte North Carolina 28202</p>	<p><u>Company Secretary</u></p> <p>C.L. Secretaries Limited 1st & 2nd Floors, Elizabeth House Les Ruettes Brayes St Peter Port Guernsey GY1 1EW</p>
<p><u>Joint Financial Adviser and Joint Corporate Broker</u></p> <p>Stifel Nicolaus Europe Limited 150 Cheapside London United Kingdom EC2V 6ET</p>	<p><u>Financial Adviser and Joint Corporate Broker</u></p> <p>Fidante Capital 1 Tudor Street London United Kingdom EC4Y 0AH</p>

INTERIM REPORT

DIRECTORS, MANAGERS AND ADVISERS (CONTINUED)

<p><u>Solicitors to the Company (as to English law and U.S. securities law)</u></p> <p>Herbert Smith Freehills LLP Exchange House Primrose Street London United Kingdom EC2A 2HS</p>	<p><u>Advocates to the Company (as to Guernsey law)</u></p> <p>Carey Olsen PO Box 98 Carey House Les Banques St. Peter Port Guernsey GY1 4BZ</p>
<p><u>Independent Auditors</u></p> <p>PricewaterhouseCoopers CI LLP Royal Bank Place 1 Gategny Esplanade St. Peter Port Guernsey GY1 4ND</p>	<p><u>Registrar</u></p> <p>Capita Registrars (Guernsey) Limited Mont Crevelt House Bulwer Avenue St. Sampson Guernsey GY2 4LH</p>