



**NB GLOBAL FLOATING RATE INCOME FUND LIMITED**  
**2017 INTERIM REPORT**

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2017

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## Features

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

The Company is a closed-ended investment company incorporated and registered in Guernsey on 10 March 2011 with registered number 53155. The Company is governed under the provisions of the Companies (Guernsey) Law, 2008 as amended (the "Law"), and the Registered Collective Investment Scheme Rules 2015 issued by the Guernsey Financial Services Commission. 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 2017 the Company's share capital comprised 1,087,069,776 Sterling Ordinary Shares of no par value (of which 75,000,000 were held in treasury) and 45,729,127 U.S. Dollar Ordinary Shares of no par value (of which 1,342,627 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.

### 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.

### Company Numbers

#### Sterling Ordinary Shares ("NBLS")

LSE ISIN code: GG00B3KX4Q34

Bloomberg code: NBL:LN

#### U.S. Dollar Ordinary Shares ("NBLU")

LSE ISIN code: GG00B3P7S359

Bloomberg code: NBLU:LN

#### Legal Entity Identifier

549300P4FSBHZFALLG04

### 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 at 30 June 2017):

- Sterling Ordinary Shares – 3.88%
- U.S. Dollar Ordinary Shares – 3.83%

### Website

www.nbgrif.com

# Financial Highlights

## Key Figures

(U.S. Dollars, except per share data)	AS AT 30 JUNE 2017	AS AT 31 DECEMBER 2016
<b>Net Asset Value</b>		
- Sterling Ordinary Shares	\$1,280.1	\$1,228.2
- U.S. Dollar Ordinary Shares <sup>1</sup>	\$43.9	\$37.8
<b>Net Asset Value per share</b>		
- Sterling Ordinary Shares	£0.9737	£0.9787
- U.S. Dollar Ordinary Shares	\$0.9883	\$0.9881
<b>Investments</b>	\$1,321.20	\$1,256.9
<b>Cash and Cash Equivalents</b>	\$35.4	\$58.8
<b>12 month rolling dividend yield</b>		
- Sterling Ordinary Shares <sup>2</sup>	3.88%	4.18%
- U.S. Dollar Ordinary Shares <sup>2</sup>	3.83%	4.12%
<b>Share price</b>		
- Sterling Ordinary Shares	£0.9490	£0.9690
- U.S. Dollar Ordinary Shares	\$0.9738	\$0.9875
<b>Discount to Net Asset Value</b>		
- Sterling Ordinary Shares	(2.54%)	(0.99%)
- U.S. Dollar Ordinary Shares	(1.47%)	(0.06%)
<b>Total Return<sup>3</sup></b>		
- Sterling Ordinary Shares	1.27%	8.17%
- U.S. Dollar Ordinary Shares	1.81%	8.41%
<b>Total Expense Ratio<sup>4</sup></b>		
- Sterling Ordinary Shares	0.46%	0.95%
- U.S. Dollar Ordinary Shares	0.49%	0.93%

1 In the six months to 30 June 2017, the Company re-issued 1,630,000 U.S. Dollar Ordinary Shares for gross consideration of \$1.66 million.

2 The 30 June 2017 dividend yield is presented on an annual basis and calculated on the four quarterly dividends paid up to 30 June 2017. The 2016 comparative relates to dividends paid during the year from 1 January 2016 to 31 December 2016.

3 The total return is the NAV return per share plus dividends paid during the period. 2017 figures related to the period 1 January 2017 to 30 June 2017 while 2016 comparative relates to the year 1 January 2016 to 31 December 2016.

4 Management fees and all other operating expenses expressed as a percent of average net assets. 2017 figures relate to expenses during the period 1 January 2017 to 30 June 2017, expressed as a percentage of the average daily net assets during the same period. 2016 figures relate to expenses during the period 1 January 2016 to 31 December 2016, expressed as a percentage of the average daily net assets during the same period.

## Chairman's Statement

Dear Shareholder,

It is my pleasure to present to you the Interim Report of NB Global Floating Rate Income Fund Limited for the six months ended 30 June 2017.

### Portfolio and Company Performance

2017 is proving another eventful year to date with the surprise result of the United Kingdom ("UK") General Election which returned a hung parliament and the formal filing of Article 50 on 29 March 2017 as the UK Government prepares to leave the European Union ("EU"). United States' ("U.S.") and European senior secured floating rate loans continue to perform well during the period, as 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 senior secured loans' credentials as a stable and resilient asset class with attractive risk-adjusted return characteristics.

The Board remains satisfied with the performance of the Company and the progress made by the Investment Manager during the period with the inclusion of dividends declared during the period, the Company's total return per share was 1.27% for the Sterling Ordinary Shares and 1.81% for the U.S. Dollar Ordinary Shares. During the same period the Company's share price return was -2.06% per Sterling Ordinary Share and -1.39% per U.S. Dollar Share.

At the start of the year, the Company's U.S. Dollar Ordinary Shares had traded at a premium. Throughout this period the Board has addressed the premium in the U.S. Dollar Ordinary Shares by issuing 1,630,000 U.S. Dollar Ordinary Shares out of Treasury at a weighted average premium to net asset value ("NAV") of 3.023%.

Your Board notes that subsequent to the period ended 30 June 2017 there has been a widening of the Company's discount. As at the latest practicable date prior to publication of this report the Company's Sterling Ordinary Shares and U.S. Dollar Ordinary Shares trade at a discount of 2.52% and 1.83% respectively. This is disappointing given the solid underlying performance of the portfolio.

As at the latest practicable date prior to publication of this report, the Company's current dividend yield is 3.88% and 3.83% per Sterling Ordinary Share and U.S. Dollar Share respectively (calculated as the last four quarterly dividends 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. As at 30 June 2017, 93.44% of the Company's portfolio was invested in issuers with a credit rating of BBB, (8.18%), BB (45.02%) and B (40.24%), reflecting the Investment Manager's preference for higher quality issuers.

The portfolio remains fully invested, with a strong U.S. bias. As at 30 June 2017, 90.95% of the Company was invested in U.S. Dollar denominated assets, with 7.12% invested in Euro denominated assets and 1.93% in Sterling denominated assets (all excluding cash). The Company's Sterling Ordinary Share class hedges all U.S. Dollar and Euro exposure back to Sterling. The Board does not currently expect volatility in the foreign exchange markets to impact materially on the Company's NAV.

### Discount/Premium Management

During the six months to 30 June 2017 the Company's maximum (discount)/premium ranged between -2.6% and 2.6% per Sterling Ordinary Share and -1.6% and 6.5% per U.S. Dollar Share. Throughout the period the Board continued to address temporary imbalances between supply and demand in the Company's shares as necessary by re-issuing or buying back shares. In the period to 30 June 2017, the Company has not repurchased any of the Company's own shares.

Since the 30 June 2017, and up to the latest practicable date of writing, the Company has repurchased 6,175,954 Sterling Ordinary Shares and 334,649 U.S. Dollar Shares reflecting the widening of the Company's discount. Your Board will remain vigilant in its approach to both discount and premium control on behalf of shareholders and reaffirms its belief that it is undesirable for the Company's shares to trade at much wider than a 3% discount or premium in normal market conditions. Your Board is reassured that the Company is of sufficient size to pursue its buyback policy and whether these volatile periods of the cycle without being at risk of becoming subscale and having a material impact on the Company's ongoing expenses ratio.

### Outlook for the remainder of the financial year

Your Board believes that the outlook for the remainder of 2017 remains positive for short duration asset classes such as senior secured floating rate loans. We believe that moderate U.S. economic growth will lead to continued interest rate hikes which should be constructive for senior floating rate loans. Your Board agrees with the Investment Manager that default rates will stay below historical levels and credit quality is expected to remain favourable, with low volatility compared to other risk asset classes.

At a portfolio level, your Board expects the continued impact of Brexit negotiations to be limited given the robust investment process the Investment Manager has always adopted and its positioning in better rated, performing issuers.

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

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

**William Frewen**

Chairman

16 August 2017

## Investment Manager's Report

For the six months ended 30 June 2017, the total return of the Company was 2.21% gross of fees. Over the same period the S&P/LSTA Leveraged Loan Index (the "Index"), returned 1.91%.

Demand for loans was robust, with over \$50 billion of inflows from collateralized loan obligation (CLO) managers and a further \$20 billion from retail funds. For comparison, the first half of 2016 saw \$26 billion of inflows from CLO managers, and \$9.3 billion of outflows from retail funds. With such high levels of demand, institutional supply has failed to keep up, leading to a continuation of re-pricings within the loan market. Having said this, the second quarter saw the first 3 months of excess supply since Q1 of 2016, suggesting that the supply shortage may be coming to an end.

The par amount outstanding of the Index stood at \$943 billion at 30 June 2017, having ended 2016 at \$887 billion. The average bid during the period was 98.02, with 58.68% of issues priced at par or above, versus 68.31% at the end of the year. By principal amount the trailing 12 month U.S. default rate was 1.54% at the end of June, in line with the closing figure for 2016.

In Europe the S&P European Leveraged Loan Index ("ELLI") returned 2.65% year-to-date through 30 June 2017 (all numbers excluding currency) and the average bid finished at 99.50, up on the 98.62 as of the end of 2016. Demand was strong and CLO issuance totalled €8.3 billion through 30 June 2017, very much in-line with the €7.2 billion posted in the first half of 2016. The par amount outstanding of the ELLI ended the quarter at €118 billion, an increase on the €99 billion one year ago. By principal amount the trailing 12 month default for the ELLI was 2.20% at the end of June, down from 2.40% at the end of 2016.

The portfolio has remained very much weighted towards U.S. Dollar issuance, which accounted for 91% of the portfolio at the end of June. The bond allocation remained well below the 20% of NAV permitted, at 7.5%, as we remained focused on keeping duration low and limiting potential areas of volatility. We continued to allocate to better rated assets, and the BBB/BB weighting ended June at 53.2%.

### 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. The market today is pricing in approximately a 1.77% imputed U.S. default rate, which is in line with our 2017 expectations of 1.5 – 2.5%. We believe that moderate U.S. economic growth will lead to continued interest rate hikes which should be constructive for senior floating rate loans. We continue to believe that loans will be attractive given the returns on offer, the expected low volatility compared to other risk asset classes and their senior secured nature.

**Neuberger Berman Investment Advisers LLC**

16 August 2017

**Neuberger Berman Europe Limited**

16 August 2017

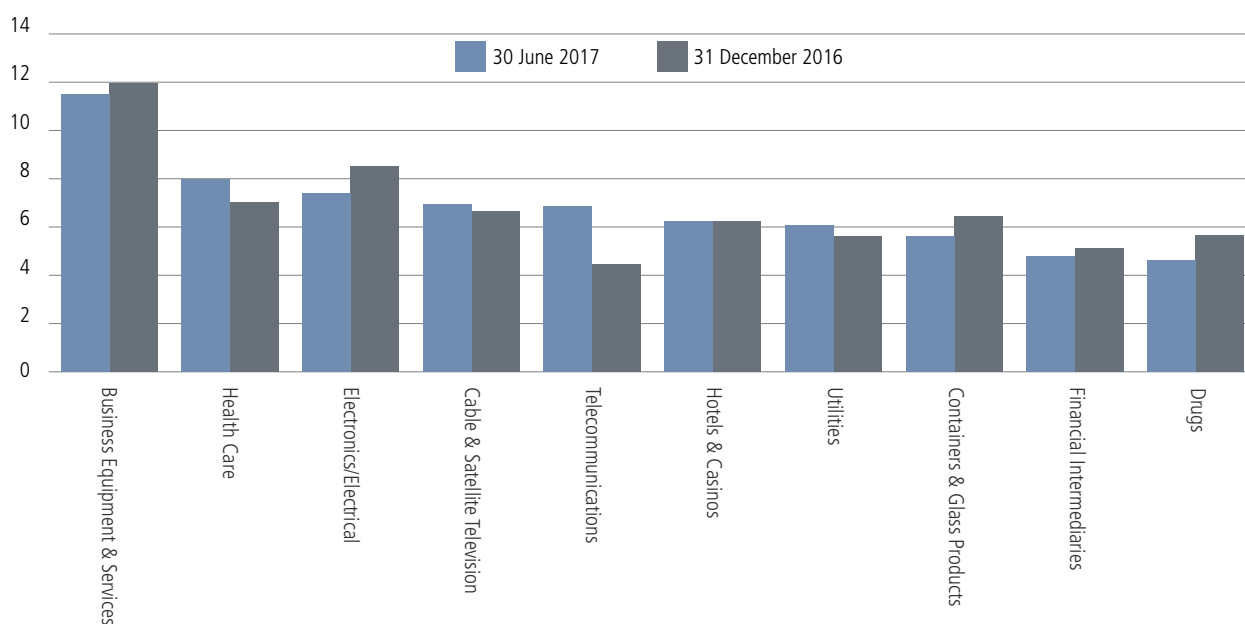


## Portfolio Information

### Top 10 Issuers as at 30 June 2017 (excluding cash)

ISSUER	SECTOR	FAIR VALUE	PORTFOLIO WEIGHT
Valeant Pharmaceuticals	Drugs	27,587,290	2.09%
First Data	Business Equipment & Services	26,412,127	2.00%
Univision	Broadcast Radio & TV	15,977,413	1.21%
Intelsat	Telecommunications	15,076,803	1.14%
CenturyLink Inc	Telecommunications	14,667,751	1.11%
Endo Pharmaceutical	Drugs	14,539,469	1.10%
TXU	Utilities	20,905,442	1.58%
Reynolds	Containers & Glass	14,000,572	1.06%
Wide Open West	Cable TV	13,655,397	1.03%
Virgin Media	Cable TV	13,333,317	1.00%
			<b>13.32%</b>

### Top 10 S&P Sector Breakdown (excluding cash)



### Key Statistics as at 30 June 2017

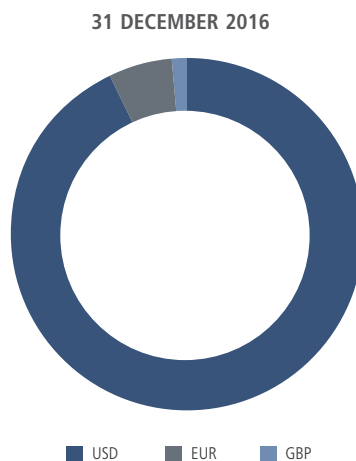
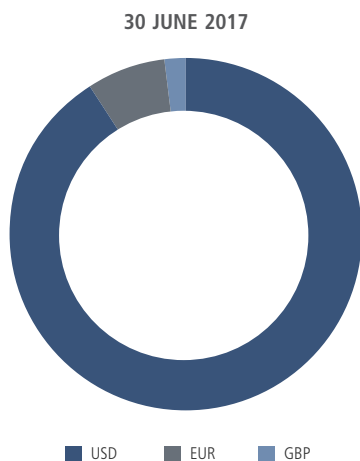
Current Gross Portfolio Yield <sup>1</sup>	4.53%
Number of Investments	362
Number of Issuers	270

<sup>1</sup> 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.

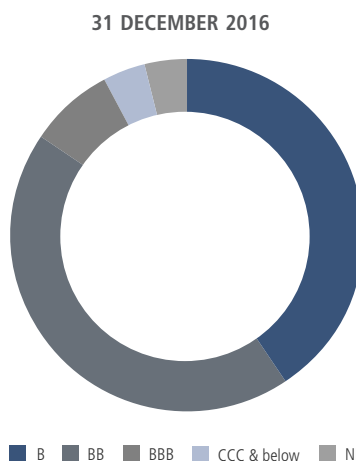
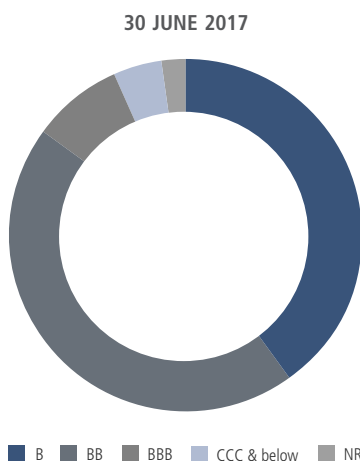


## Portfolio Information (continued)

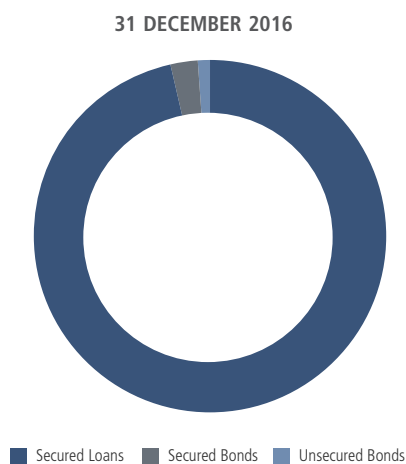
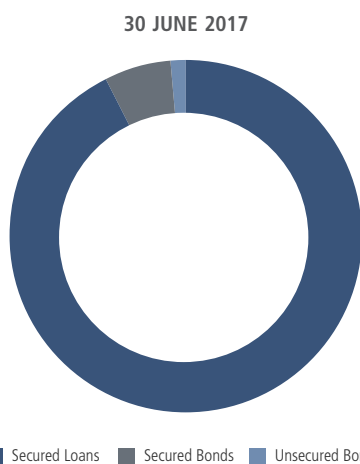
### Currency Breakdown



### Rating Breakdown



### Security Breakdown



# Interim Management Report and Directors' Responsibility Statement

## Principal Risks and Uncertainties

The principal risks of the Company are in the following areas:

- macroeconomic conditions;
- credit risk;
- liquidity risk;
- fund performance;
- level of discount or premium; and
- operational risk.

The Board reported on each of these principal risks and uncertainties in the Strategic Report on pages 14 to 16 of the Company's latest annual report and audited financial statement for the year ended 31 December 2016, which can be found on the Company's website at [http://www.nbgfrif.com/pdf/NBGFRIF\\_annual\\_report\\_2016.pdf](http://www.nbgfrif.com/pdf/NBGFRIF_annual_report_2016.pdf). The Board's view is that these risks remain appropriate for the remainder of 2017. A brief description of each of the Principal Risks are detailed below:

### Macroeconomic Conditions

Macroeconomic conditions can change significantly and to the detriment of the portfolio or the Company causing a credit or liquidity risk to crystallise.

### Credit Risk

The key risk for the Company remains credit risk i.e. that the Investment Manager buys a loan or bond of a particular Issuer and it does not perform as expected and either defaults on a payment or experiences a significant drop in the secondary market value.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as and when these fall due.

### Fund Performance

The Company's Investment performance could fall below its stated objective or peer group for a variety of reasons including market conditions.

### Level of Discount or Premium

A discount or premium to NAV can occur for a variety of reasons, including market conditions or to the extent investors undervalue the management activities of the Investment Manager or discount their valuation methodology and judgment.

### Operational Risk

Disruption to, or the failure of either the Investment Manager's, Administrator's or Sub-Administrator's accounting, dealings or payment systems, or the Custodian's records could prevent the accurate reporting or monitoring of the Company's financial position and the receipt or transmission of payments.

### 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.

## Interim Management Report and Directors' Responsibility Statement (continued)

### 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 2017. Additional related party disclosures are given in Note 3 and Note 4 on pages 27 to 28.

### 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 ("U.S. 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 Guidance and Transparency Rules ("DTR") of the 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

16 August 2017

**Richard Battey**

Director

16 August 2017

# Independent Review Report to NB Global Floating Rate Income Fund Limited

## Our conclusion

We have reviewed the accompanying condensed consolidated interim financial information of NB Global Floating Rate Income Fund Limited and its subsidiaries (the 'Group') as of 30 June 2017. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with the Financial Accounting Standards Board Accounting Standards Codification 270, "Interim Reporting" and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

## What we have reviewed

The accompanying condensed consolidated interim financial information comprise:

- the Unaudited Consolidated Statement of Assets and Liabilities as of 30 June 2017;
- the Unaudited Consolidated Condensed Schedule of Investments as of 30 June 2017;
- the Unaudited Consolidated Statement of Operations for the six-month period then ended;
- the Unaudited Consolidated Statement of Changes in Net Assets for the six-month period then ended;
- the Unaudited Consolidated Statement of Cash Flows for the six-month period then ended; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The condensed consolidated interim financial information has been prepared in accordance with the Financial Accounting Standards Board Accounting Standards Codification 270, "Interim Reporting" and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

## Our responsibilities and those of the directors

The Directors are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with the Financial Accounting Standards Board Accounting Standards Codification 270, "Interim Reporting" and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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 inquiries, 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.

## Independent Review Report to NB Global Floating Rate Income Fund Limited (continued)

### Scope of review (continued)

We have read the other information contained in the Unaudited Consolidated Interim Financial Statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

### **PricewaterhouseCoopers CI LLP**

Chartered Accountants

Guernsey, Channel Islands

16 August 2017

- (a) The maintenance and integrity of the NB Global Floating Rate Income Fund Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Unaudited Consolidated Statement of Assets and Liabilities

AS AT 30 JUNE 2017 AND 31 DECEMBER 2016 (EXPRESSED IN U.S. DOLLARS)	NOTES	30 JUNE 2017 (UNAUDITED)	31 DECEMBER 2016 (AUDITED)
<b>Assets</b>			
Investments at fair value (2017: cost of 1,318,060,273, 2016: cost of 1,262,575,676)	5	1,321,229,556	1,256,886,223
Cash and cash equivalents:			
- Sterling		4,879,582	10,271,118
- Euro		7,643,159	20,030,923
- U.S. Dollar		22,869,534	28,527,585
Total cash and cash equivalents		35,392,275	58,829,626
		1,356,621,831	1,315,715,849
<b>Other assets</b>			
Receivables for investments sold		50,474,319	17,394,802
Interest receivable		3,461,087	4,777,061
Other receivables and prepayments		147,728	93,369
Derivative assets	5	2,098,135	15,225,146
<b>Total other assets</b>		<b>56,181,269</b>	<b>37,490,378</b>
<b>Total assets</b>		<b>1,412,803,100</b>	<b>1,353,206,227</b>
<b>Liabilities</b>			
Payables for investments purchased		85,071,142	84,256,725
Payables to Investment Manager and affiliates	3	2,434,729	2,365,325
Derivative liabilities	5	961,634	-
Accrued expenses and other liabilities	3	413,419	541,645
<b>Total liabilities</b>		<b>88,880,924</b>	<b>87,163,695</b>
<b>Total assets less liabilities</b>		<b>1,323,922,176</b>	<b>1,266,042,532</b>
Share capital	9	1,692,078,755	1,690,371,848
Accumulated reserves		(368,156,579)	(424,329,316)
<b>Total net assets</b>		<b>1,323,922,176</b>	<b>1,266,042,532</b>

AS AT 30 JUNE 2017	NET ASSET VALUE	NUMBER OF SHARES	NAV PER SHARE
<b>U.S. Dollar shareholding</b>			
- Ordinary Shares	\$43,866,243	44,386,500	\$0.9883
<b>Sterling shareholding</b>			
- Ordinary Shares	£985,454,354	1,012,069,776	£0.9737
<b>Sterling shareholding (in U.S.Dollars)</b>			
- Ordinary Shares	\$1,280,055,933	1,012,069,776	\$1.2648

The Financial Statements were approved and authorised for issue by the Board of Directors on 16 August 2017, and signed on its behalf by:

**William Frewen**  
Chairman

**Richard Battey**  
Director

The accompanying notes form an integral part of the consolidated financial statements.

## Unaudited Consolidated Condensed Schedule of Investments

AS AT 30 JUNE 2017  
(EXPRESSED IN U.S. DOLLARS)

	COST	FAIR VALUE	FAIR VALUE AS % OF NET ASSETS
<b>Portfolio of investments</b>			
Financial investments			
- Floating rate senior secured loans	1,226,808,193	1,226,954,139	92.68%
- Fixed rate bonds	55,668,075	56,325,844	4.25%
- Floating rate bonds	35,584,005	37,949,573	2.87%
<b>Total financial investments</b>	<b>1,318,060,273</b>	<b>1,321,229,556</b>	<b>99.80%</b>
<b>Total portfolio of investments</b>	<b>1,318,060,273</b>	<b>1,321,229,556</b>	<b>99.80%</b>
Forwards			
- Euro to U.S. Dollar	-	180,008	0.02%
- Sterling to U.S. Dollar	-	5,978,754	0.45%
- U.S. Dollar to Euro	-	(4,862,911)	(0.37%)
- U.S. Dollar to Sterling	-	(159,350)	(0.01%)
		<b>1,136,501</b>	<b>0.09%</b>

	COST	FAIR VALUE	FAIR VALUE AS % OF NET ASSETS
<b>Geographic diversity of investment portfolio</b>			
Australia/Oceania	2,491,774	2,490,608	0.31%
Caribbean	31,527,015	33,615,573	2.54%
North America	1,145,060,654	1,143,189,960	86.23%
Europe	138,980,830	141,933,415	10.72%
	<b>1,318,060,273</b>	<b>1,321,229,556</b>	<b>99.80%</b>

The accompanying notes form an integral part of the consolidated financial statements.



## Unaudited Consolidated Condensed Schedule of Investments

**AS AT 31 DECEMBER 2016**

(EXPRESSED IN U.S. DOLLARS)

	COST	FAIR VALUE	FAIR VALUE AS % OF NET ASSETS
<b>Portfolio of investments</b>			
Financial investments			
- Floating rate senior secured loans	1,220,170,197	1,213,873,452	95.88%
- Fixed rate bonds	6,416,388	6,410,344	0.51%
- Floating rate bonds	35,989,091	36,602,427	2.89%
<b>Total financial investments</b>	<b>1,262,575,676</b>	<b>1,256,886,223</b>	<b>99.28%</b>
<b>Total portfolio of investments</b>	<b>1,262,575,676</b>	<b>1,256,886,223</b>	<b>99.28%</b>
Forwards			
- U.S. Dollar to Euro	-	4,074,462	0.32%
- Sterling to U.S. Dollar	-	11,564,568	0.91%
- U.S. Dollar to Sterling	-	(148,744)	(0.01%)
- Euro to Sterling	-	(94,613)	(0.01%)
- Euro to U.S. Dollar	-	(170,527)	(0.01%)
		<b>15,225,146</b>	<b>1.20%</b>

	COST	FAIR VALUE	FAIR VALUE AS % OF NET ASSETS
<b>Geographic diversity of investment portfolio</b>			
North America	1,119,704,474	1,119,421,012	88.42
Australia/Oceania	4,070,889	4,148,949	0.33
Europe	138,800,313	133,316,262	10.53
	<b>1,262,575,676</b>	<b>1,256,886,223</b>	<b>99.28</b>

The accompanying notes form an integral part of the consolidated financial statements.

## Unaudited Consolidated Condensed Schedule of Investments

AS AT 30 JUNE 2017

(EXPRESSED IN U.S. DOLLARS)

INDUSTRY DIVERSITY OF INVESTMENT PORTFOLIO	30 JUNE 2017 (UNAUDITED)		31 DECEMBER 2016 (AUDITED)	
	COST	FAIR VALUE	COST	FAIR VALUE
Aerospace & Defence	5,979,465	5,994,170	6,010,397	6,072,357
Air Transport	13,478,730	13,458,697	14,994,162	15,097,483
Automotive	13,826,552	13,849,568	13,099,656	13,154,487
Broadcast Radio & Television	37,005,631	34,411,724	30,573,209	27,289,619
Business Equipment & Services	152,634,983	151,740,373	150,945,338	150,244,072
Building & Development	44,993,635	45,139,027	44,749,026	45,156,117
Cable & Satellite Television	90,607,441	91,989,333	85,850,028	83,782,756
Chemicals & Plastics	26,632,494	27,437,184	28,161,440	28,123,140
Conglomerates	2,455,457	2,450,193	3,200,104	3,202,547
Containers & Glass Products	73,709,560	74,270,974	81,055,964	81,141,060
Cosmetics/Toiletries	6,509,702	6,518,333	–	–
Drugs	59,649,427	61,004,267	69,848,569	70,837,534
Ecological Services & Equipment	10,686,913	10,735,765	10,761,054	10,897,919
Electronics/Electrical	98,358,446	97,652,852	107,678,600	106,903,155
Energy	–	–	2,241,650	2,289,800
Equipment Leasing	8,684,676	8,763,034	2,264,131	2,269,040
Financial Intermediaries	61,275,951	62,980,548	63,967,235	64,387,402
Food Products	15,040,362	14,652,053	21,853,184	20,349,684
Food Service	28,138,303	28,698,990	22,181,347	22,640,245
Food/Drug Retailers	14,441,001	14,400,463	11,386,389	11,250,561
Health Care	104,324,261	105,115,874	89,463,601	88,429,140
Hotels & Casinos	80,695,761	82,370,694	76,179,702	78,303,694
Industrial Equipment	60,135,539	59,605,598	50,180,235	49,284,624
Insurance	7,978,206	8,062,030	8,009,796	8,100,203
Leisure Goods/Activities/Movies	35,947,043	36,188,538	38,591,122	38,979,267
Oil & Gas	24,716,090	23,838,843	15,787,271	17,026,476
Publishing	10,228,978	10,282,142	5,423,978	5,503,203
Real Estate	–	–	844,138	844,544
Retailers (except food/ drug retailers)	40,254,638	39,738,533	62,415,601	60,059,477
Steel	7,300,654	7,372,297	11,535,856	11,669,916
Surface Transport	12,102,852	12,154,995	6,893,898	6,914,697
Telecommunications	89,920,394	90,403,139	56,584,506	55,980,742
Utilities	80,347,127	79,949,325	69,844,489	70,701,262
	<b>1,318,060,272</b>	<b>1,321,229,556</b>	<b>1,262,575,676</b>	<b>1,256,886,223</b>

The accompanying notes form an integral part of the consolidated financial statements.

## Unaudited Consolidated Condensed Schedule of Investments

As at 30 June 2017, issuers with the following investments comprised of greater than 1% of NAV (Excluding cash):

SECURITIES	COUNTRY	INDUSTRY	FAIR VALUE	%
<b>Valeant Pharmaceuticals</b>			<b>27,587,290</b>	<b>2.09%</b>
Valeant Pharmaceuticals 5.875% 05/15/23 SR:REGS	Canada	Drugs	19,005,683	1.44%
Valeant Pharmaceuticals 6.500% 03/15/22 SR:144a	Canada	Drugs	3,595,275	0.27%
Valeant Pharmaceuticals 7.000% 03/15/24 SR:144a	Canada	Drugs	3,550,019	0.27%
Valeant Pharmaceuticals T/L - F1	Canada	Drugs	1,436,313	0.11%
<b>First Data Corporation</b>			<b>26,412,127</b>	<b>1.99%</b>
First Data Corporation First Data 1L TL	United States	Business Equipment & Services	19,227,275	1.45%
First Data Corporation	United States	Business Equipment & Services	5,175,576	0.39%
First Data Corporation First Data 1L TL	United States	Business Equipment & Services	2,009,276	0.15%
<b>TXU</b>			<b>20,905,442</b>	<b>1.58%</b>
TXU/TCEH 10/16 Cov-Lite TLB	United States	Utilities	11,469,477	0.87%
TXU Energy 1L TL	United States	Utilities	6,806,975	0.51%
TXU/TCEH 10/16 Cov-Lite TLC	United States	Utilities	2,628,990	0.20%
<b>Univision Communications</b>			<b>15,977,413</b>	<b>1.21%</b>
Univision Communications Inc 1L TL-C5	United States	Broadcast Radio & Television	15,977,413	1.21%
<b>Intelsat Jackson</b>			<b>15,076,803</b>	<b>1.14%</b>
Intelsat Jackson T/L B2 30/06/2019	Luxembourg	Telecommunications	15,076,803	1.14%
<b>Centurylink</b>			<b>14,667,751</b>	<b>1.11%</b>
Centurylink 1L TL-B	United States	Telecommunications	14,667,751	1.11%
<b>Endo</b>			<b>14,539,469</b>	<b>1.10%</b>
Endo Pharma 1L TL-B	United States	Drugs	11,686,369	0.88%
Endo Dac/Fin Llc/Finco 5.875% 10/15/24 SR:REGS	United States	Drugs	2,853,100	0.22%
<b>Reynolds</b>			<b>14,000,572</b>	<b>1.06%</b>
Reynolds Group 1/17 (USD) TL	United States	Containers & Glass Products	12,434,862	0.94%
Reynolds Grp Iss/ 5.750% 10/15/20	United States	Containers & Glass Products	1,565,710	0.12%
<b>Wide Open West</b>			<b>13,655,397</b>	<b>1.04%</b>
Wide Open West Finance LLC 1L TL-B	United States	Cable & Satellite Television	9,352,282	0.71%
Wide Open West 1L TL-B	United States	Cable & Satellite Television	4,303,116	0.33%
<b>Virgin Media</b>			<b>13,333,317</b>	<b>1.00%</b>
Virgin Media (Fka NTL Investment Holdings Ltd) 1L TL-J GBP	United Kingdom	Cable & Satellite Television	6,792,568	0.51%
Virgin Media Secured Fin 5.000% 04/15/27 SR:REGS	United Kingdom	Cable & Satellite Television	3,341,549	0.25%
Virgin Media (Fka NTL Investment Holdings Ltd) 1L TL-I	United Kingdom	Cable & Satellite Television	3,199,200	0.24%
			<b>176,155,581</b>	<b>13.32%</b>

The accompanying notes form an integral part of the consolidated financial statements.

## Unaudited Consolidated Condensed Schedule of Investments

As at 31 December 2016, issuers with the following investments comprised of greater than 1% of NAV (Excluding cash):

SECURITIES	COUNTRY	INDUSTRY	FAIR VALUE	%
<b>Valeant Pharmaceuticals</b>			<b>33,740,844</b>	<b>2.67%</b>
Valeant Pharmaceuticals T/L - F1	Canada	Drugs	33,740,844	2.67%
<b>First Data Corporation</b>			<b>25,146,475</b>	<b>1.98%</b>
First Data T/L (2021c New Dollar)	United States	Business Equipment & Services	19,811,573	1.56%
First Data 2022 C Dollar T/L	United States	Business Equipment & Services	5,334,902	0.42%
<b>TXU</b>			<b>19,703,064</b>	<b>1.55%</b>
TXU/TCEH 10/16 Cov-Lite TLB	United States	Utilities	11,768,911	0.93%
TXU Energy 1L TL-DIP	United States	Utilities	5,250,015	0.41%
TXU/TCEH 10/16 Cov-Lite TLC	United States	Utilities	2,684,138	0.21%
<b>Avago Technologies</b>			<b>18,738,885</b>	<b>1.48%</b>
Avago Technologies TI	Cayman Islands	Electronics/Electrical	18,738,885	1.48%
<b>CHS/Community Health Incremental</b>			<b>16,637,580</b>	<b>1.32%</b>
CHS/Community Health Incremental 2021 Term H Loan	United States	Health Care	9,502,553	0.75%
CHS/Community Health Incremental 2019 Term G Loan	United States	Health Care	6,043,947	0.48%
CHS/Community Health Community Health Systems 1L TL-F1 (First-Lien)	United States	Health Care	1,091,080	0.09%
<b>Energy Transfer Equity</b>			<b>15,510,094</b>	<b>1.23%</b>
Energy Transfer Equity Tranche B T/L (First-Lien)	United States	Oil & Gas	10,103,973	0.80%
Energy Transfer Equity T/L C 12/02/2019	United States	Oil & Gas	5,406,121	0.43%
<b>Intelsat Jackson</b>			<b>14,692,419</b>	<b>1.16%</b>
Intelsat Jackson T/L B2 30/06/2019	Luxembourg	Telecommunications/ Cellular Communications	14,692,419	1.16%
<b>Information Resources</b>			<b>13,731,458</b>	<b>1.08%</b>
Information Resources Inc. T/L B 26/09/2020	United States	Business Equipment & Services	8,664,989	0.68%
Information Resources Inc. (Symphony IRI Group Inc.)	United States	Business Equipment & Services	5,066,469	0.40%
<b>Endo Pharma</b>			<b>13,489,003</b>	<b>1.07%</b>
Endo Pharma T/L B-1	United States	Drugs	13,489,003	1.07%
<b>Bass Pro Shops</b>			<b>12,676,368</b>	<b>1.00%</b>
Bass Pro Shops 1L TL-B	United States	Retailers (except Food/ Drug Retailers)	8,543,700	0.67%
Bass Pro Shops Tranche B-1 T/L (First-Lien)	United States	Retailers (except Food/ Drug Retailers)	4,132,668	0.33%
<b>Reynolds Group</b>			<b>12,641,463</b>	<b>1.00%</b>
Reynolds Group (Aka Beverage Packaging) T/L B-1 1st Lien	United States	Containers & Glass Products	12,641,463	1.00%
			<b>196,707,653</b>	<b>15.54%</b>

The accompanying notes form an integral part of the consolidated financial statements.

## Unaudited Consolidated Condensed Schedule of Investments

As at 30 June 2017, the below were the largest 50 investments based on the NAV:

SECURITIES	COUNTRY	INDUSTRY	FAIR VALUE \$	%
First Data Corporation 1L TL	United States	Business Equipment & Services	19,227,275	1.45%
Valeant Pharmaceuticals Term Loan - F1	Canada	Drugs	19,005,683	1.44%
Univision Communications Inc 1L TL-C5	United States	Broadcast Radio & Television	15,977,413	1.21%
Intelsat Jackson T/L B2 30/06/2019	Luxembourg	Telecommunications	15,076,803	1.14%
CenturyLink 1L TL-B	United States	Telecommunications	14,667,751	1.11%
Reynolds Group 1/17 (USD) TL	United States	Containers & Glass Products	12,434,862	0.94%
Endo Pharma 1L TL-B	United States	Drugs	11,686,369	0.88%
TXU/TCEH 10/16 Cov-Lite TLB	United States	Utilities	11,469,477	0.87%
IASIS Healthcare Corporation IASIS 1L TL	United States	Health Care	10,878,724	0.82%
Grifols Worldwide 1L TL-B	United States	Health Care	10,106,454	0.76%
Formula One Hldgs Ltd T/L 31/07/2021	Luxembourg	Leisure Goods/Activities/Movies	9,812,060	0.74%
Nautilus Power NAUTILUS POWER 1L TL-B	United States	Utilities	9,793,569	0.74%
TPF II Power LLC T/L B 11/09/2021	United States	Utilities	9,772,027	0.74%
Dynegy Holdings Inc 1L	United States	Utilities	9,760,522	0.74%
Dell 1L TL	United States	Electronics/Electrical	9,666,824	0.73%
Pharmaceutical Product 5/17 Cov-Lite TL	United States	Drugs	9,610,748	0.73%
Sprint Communications 1L TL-B	United States	Telecommunications	9,598,921	0.73%
Charter Communications T/L I (12/16)	United States	Cable & Satellite Television	9,501,801	0.72%
Wide Open Finance LLC 1L TL-B	United States	Cable & Satellite Television	9,352,282	0.71%
Cowlitz Tribal Gaming Authority Term Loan B	United States	Hotels & Casinos	9,307,350	0.70%
Verallia SA EUR 1L TL-	France	Containers & Glass Products	9,275,958	0.70%
Filtration Gr Co 1st Lien T/L 13/11/2020	United States	Industrial Equipment	9,062,764	0.68%
CHS/Community Health Incremental 2021 Term H Loan	United States	Health Care	8,940,808	0.68%
Emerald Expositions Holdings Nielsen Business Media 1L TL-B	United States	Leisure Goods/Activities/Movies	8,497,275	0.64%
Syniverse Holdings T/L 10/04/2019	United States	Telecommunications	8,457,737	0.64%
Milacron LLC 1L TL-B	United States	Industrial Equipment	8,423,241	0.64%
Presidio 1L TL	United States	Business Equipment & Services	8,341,630	0.63%
Cablevision Systems Corp 1L TL-B	United States	Cable & Satellite Television	8,333,114	0.63%
Berlin Packaging 5/17 TLB	United States	Containers & Glass Products	8,131,858	0.61%
HCA Inc. 1L TL-B9	United States	Health Care	8,113,897	0.61%
DTZ Term B	United States	Building & Development	7,993,216	0.60%
Twin River Mgt Grp T/L B 1L 30/06/2020	United States	Hotels & Casinos	7,930,034	0.60%
Scientific Games Corp 1L TL-B3	United States	Hotels & Casinos	7,925,729	0.60%
Datatel-Sophia LP 1L T	United States	Electronics/Electrical	7,922,441	0.60%
Eldorado Resorts 1L TL-B	United States	Hotels & Casinos	7,514,666	0.57%
Energy Transfer Equity 1L TL	United States	Oil & Gas	7,258,974	0.55%
Team Health Inc. 1L TL-B	United States	Health Care	7,037,854	0.53%
Crosby Worldwide Limited T/L 06/11/2020	United States	Industrial Equipment	7,030,266	0.53%
99 Cents Only Stores T/L 11/01/2019	United States	Retailers (except food/drug retailers)	6,982,721	0.53%
Frontier Communications 1L TL-B	United States	Telecommunications	6,944,600	0.52%
Cumulus Media Holdings T/L B 18/12/2020	United States	Broadcast Radio & Television	6,935,522	0.52%
TXU Energy 1L TL	United States	Utilities	6,806,975	0.51%
Virgin Media (fka NTL Investment Holdings Ltd) 1L TL-J GBP	United Kingdom	Cable & Satellite Television	6,792,568	0.51%
Bass Pro Shops 1L TL-B	United States	Retailers (except food/drug retailers)	6,778,943	0.51%
Multiplan Inc. Term Loan B	United States	Health Care	6,745,707	0.51%
Doosan Infracore BOBCAT 1L TL-B	United States	Industrial Equipment	6,679,996	0.50%
Bway Corporation 1L TL	United States	Containers & Glass Products	6,621,423	0.50%
Mitchell Intl Inc T/L B 01/10/2020	United States	Business Equipment & Services	6,585,025	0.50%
ON Semiconductor 1L TL	United States	Electronics/Electrical	6,557,689	0.50%
Berry Plastics 1L TL-I	United States	Containers & Glass Products	6,553,559	0.50%
			<b>463,883,105</b>	<b>35.05%</b>

The accompanying notes form an integral part of the consolidated financial statements.

## Unaudited Consolidated Condensed Schedule of Investments

As at 31 December 2016, the below were the largest 50 investments based on the NAV:

SECURITIES	COUNTRY	INDUSTRY	FAIR VALUE \$	%
Valeant Pharmaceuticals T/L - F1	Canada	Drugs	33,740,844	2.67%
First Data T/L (2021C New Dollar)	United States	Business Equipment & Services	19,811,573	1.56%
Avago Technologies TI	Cayman Islands	Electronics/Electrical	18,738,885	1.48%
Intelsat Jackson T/L B2 30/06/2019	Luxembourg	Telecommunications	14,692,419	1.16%
Endo Pharma T/L B-1	United States	Drugs	13,489,003	1.07%
Reynolds Group (Aka Beverage Packaging) T/L B-1 1St Lien	United States	Containers & Glass Products	12,641,463	1.00%
Emerald Expositions Hldg TI B 12/06/2020	United States	Leisure Goods/Activities/Movies	12,280,768	0.97%
TXU/TCEH 10/16 Cov-Lite TIb	United States	Utilities	11,768,911	0.93%
Scientific Games T/L B-2 17/09/2021	United States	Hotels & Casinos	11,271,791	0.89%
Petsmart Inc 1L TI-B (First Lien)	United States	Retailers (except food/drug retailers)	11,005,905	0.87%
IASIS Healthcare Corp T/L B 03/05/2018	United States	Health Care	10,732,579	0.85%
Cablevision Systems Corp 1L TI-B (First-Lien)	United States	Cable & Satellite Television	10,217,556	0.81%
Energy Transfer Equity Tranche B T/L (First-Lien)	United States	Oil & Gas	10,103,973	0.80%
Burger King Corporation Term B (First-Lien) 30/09/2021	Canada	Food Service	9,968,943	0.79%
Dynegy Holdings Inc 1L TI-B	United States	Utilities	9,928,505	0.78%
Univision Communication T/L C 01/03/2020	United States	Broadcast Radio & Television	9,895,718	0.78%
Pharmaceutical Product Development Inc. T/L B	United States	Drugs	9,757,039	0.77%
Charter Communications Operating 5/16 TIi	United States	Cable & Satellite Television	9,592,959	0.76%
Wide Open West Finance Llc 1L TI-B	United States	Cable & Satellite Television	9,507,862	0.75%
CHS/Community Health Incremental 2021 Term H Loan	United States	Health Care	9,502,553	0.75%
Presidio Inc T/L B	United States	Business Equipment & Services	9,442,600	0.75%
TPF II Power Llc T/L B 11/09/2021	United States	Utilities	9,236,910	0.73%
99 Cents Only Stores T/L 11/01/2019	United States	Retailers (except food/drug retailers)	9,216,903	0.73%
Walter Inv Mang Corp New T/L 11/12/2020	United States	Financial Intermediaries	9,056,480	0.72%
Cowlitz Tribal Gaming Authority Term Loan B	United States	Hotels & Casinos	8,992,913	0.71%
On Semiconductor 1L TI B	United States	Electronics/Electrical	8,748,268	0.69%
Bway Corporation 1L TI-B (First-Lien)	United States	Containers & Glass Products	8,735,720	0.69%
Information Res Inc T/L B 26/09/2020	United States	Business Equipment & Services	8,664,989	0.68%
Formula One Hldgs Ltd T/L 31/07/2021	Luxembourg	Leisure Goods/Activities/Movies	8,634,970	0.68%
Verallia Sa 1L TI-B Eur	France	Containers & Glass Products	8,585,594	0.68%
Bass Pro Shops 1L TI-B	United States	Retailers (except food/drug retailers)	8,543,700	0.67%
Level 3 Communications T/L B4 15/01/2020	United States	Telecommunications	8,471,719	0.67%
Berlin Pckg 1St Ln Cov-Lt T/L 24/09/2021	United States	Containers & Glass Products	8,220,577	0.65%
HCA Inc. Term Loan B	United States	Health Care	8,213,308	0.65%
Michaels Stores T/L B1	United States	Retailers (except food/drug retailers)	8,191,333	0.65%
Twin River Mgt Grp T/L B 1L 30/06/2020	United States	Hotels & Casinos	8,133,685	0.64%
Dtz Term B	United States	Building & Development	8,088,336	0.64%
Datatel-Sophia Lp TI B (First-Lien)	United States	Electronics/Electrical	8,040,274	0.64%
Syniverse Holdings T/L 10/04/2019	United States	Telecommunications	7,921,118	0.63%
Talen Energy Supply LLC 4.625% 07/15/19 Sr:144A	United States	Utilities	7,598,950	0.60%
Zebra Technologies 1L T-B (First-Lien)	United States	Electronics/Electrical	7,523,920	0.59%
Berry Plastics TI	United States	Containers & Glass Products	7,391,542	0.58%
Dj Orthopedics LLC Tranche B-1 T/L (First-Lien)	United States	Health Care	7,013,498	0.55%
Multiplan Inc. T/L B	United States	Health Care	7,004,501	0.55%
Jeld-Wen Inc T/L 1 USD	United States	Building & Development	6,884,458	0.54%
Acosta Holdco Inc T/L 13/08/2021	United States	Business Equipment & Services	6,679,632	0.53%
Rexnord Corp 1L TI-B	United States	Industrial Equipment	6,592,044	0.52%
Husky Injection Molding T/L 30/06/2021	Canada	Industrial Equipment	6,587,802	0.52%
Citycenter Holdings LLC T/L B 09/10/2020	United States	Hotels & Casinos	6,583,301	0.52%
Dell T/L B	United States	Electronics/Electrical	6,551,149	0.52%
			<b>498,199,443</b>	<b>39.36%</b>

The accompanying notes form an integral part of the consolidated financial statements.

## Unaudited Consolidated Statement of Operations

	1 JANUARY 2017 TO 30 JUNE 2017 (UNAUDITED)	1 JANUARY 2016 TO 31 DECEMBER 2016 (AUDITED)
<b>FOR THE SIX MONTHS ENDED 30 JUNE 2017</b>		
(EXPRESSED IN U.S. DOLLARS)		
<b>Income</b>		
Interest income (net of withholding taxes, 2017: \$Nil; 2016: \$Nil )	27,054,028	67,802,475
Other income from investments	805,331	1,047,152
<b>Total income</b>	<b>27,859,359</b>	<b>68,849,627</b>
<b>Expenses</b>		
Investment management and services	4,797,345	10,664,024
Administration and professional fees	974,955	2,544,696
Directors' fees and travel expenses	119,393	258,827
<b>Total expenses</b>	<b>5,891,693</b>	<b>13,467,547</b>
<b>Net investment income</b>	<b>21,967,666</b>	<b>55,382,080</b>
<b>Realised and unrealised gains and losses</b>		
Net realised loss on investments	(709,526)	(52,229,039)
Net realised gain/(loss) on derivatives	63,070,504	(288,288,255)
<b>Total net realised gain/(loss)</b>	<b>62,360,978</b>	<b>(340,517,294)</b>
Net change in unrealised appreciation on investments	8,858,735	97,557,925
Net change in unrealised (depreciation)/appreciation on derivatives	(14,088,645)	48,360,316
<b>Total net unrealised (depreciation)/appreciation</b>	<b>(5,229,910)</b>	<b>145,918,241</b>
Realised and unrealised gain/(loss) on foreign currency	344,367	(2,123,380)
<b>Net realised and unrealised gain/(loss)</b>	<b>57,475,435</b>	<b>(196,722,433)</b>
<b>Net increase/(decrease) in net assets resulting from operations</b>	<b>79,443,101</b>	<b>(141,340,353)</b>

The accompanying notes form an integral part of the consolidated financial statements.



## Unaudited Consolidated Statement of Changes in Net Assets

**FOR THE SIX MONTHS ENDED 30 JUNE 2017**

(EXPRESSED IN U.S. DOLLARS)

**ORDINARY SHARES**

**(UNAUDITED)**

<b>Net assets as at 1 January 2017</b>	<b>1,266,042,532</b>
Dividends	(23,270,363)
Share issue	1,658,319
Net movement from share buybacks and swaps	48,587
Net increase in net assets resulting from operations	79,443,101
<b>Net assets as at 30 June 2017</b>	<b>1,323,922,176</b>

**31 DECEMBER 2016**

(EXPRESSED IN U.S. DOLLARS)

**ORDINARY SHARES**

**(AUDITED)**

<b>Net assets as at 1 January 2016</b>	<b>1,714,972,853</b>
Dividends	(63,223,857)
Net movement from share buybacks and swaps	(244,366,111)
Net decrease in net assets resulting from operations	(141,340,353)
<b>Net assets as at 31 December 2016</b>	<b>1,266,042,532</b>

The accompanying notes form an integral part of the consolidated financial statements.

## Unaudited Consolidated Statement of Cash Flows

<b>FOR THE SIX MONTHS ENDED 30 JUNE 2017</b> (EXPRESSED IN U.S. DOLLARS)	<b>1 JANUARY 2017 TO 30 JUNE 2017</b>	<b>1 JANUARY 2016 TO 31 DECEMBER 2016</b>
<b>Cash flows from operating activities:</b>		
Net increase/(decrease) in net assets resulting from operations	79,443,101	(141,340,353)
Adjustment to reconcile net increase/(decrease) in net assets resulting from operations to net cash (used in)/provided by operating activities:		
Net realised loss on investments	709,526	52,229,039
Net change in unrealised depreciation/(appreciation) on investments and derivatives	5,229,910	(145,918,242)
Changes in receivables for investments sold	(33,079,517)	22,043,853
Changes in interest receivable	1,315,974	2,240,939
Changes in other receivables and prepayments	(54,359)	(18,680)
Changes in payables for investments purchased	814,417	(4,585,958)
Changes in payables to Investment Manager and affiliates	69,404	(1,012,887)
Changes in accrued expenses and other liabilities	(128,226)	(805,310)
Purchase of investments	(582,144,308)	(981,314,788)
Sale of investments	525,950,184	1,484,766,986
<b>Net cash (used in)/provided by operating activities</b>	<b>(1,873,894)</b>	<b>286,284,599</b>
<b>Cash flows from financing activities:</b>		
Share issues	1,658,319	–
Net movement from share buybacks and swaps	48,587	(244,366,111)
Dividends paid	(23,270,363)	(63,223,857)
<b>Net cash used in financing activities</b>	<b>(21,563,457)</b>	<b>(307,589,968)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(23,437,351)</b>	<b>(21,305,369)</b>
Cash and cash equivalents at beginning of the period/year	58,829,626	80,134,995
<b>Cash and cash equivalents at end of the period/year</b>	<b>35,392,275</b>	<b>58,829,626</b>

The accompanying notes form an integral part of the consolidated financial statements.

# Notes to the Unaudited Consolidated Interim Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2017

## 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 U.K. 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 the shares 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 and the shares 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 AGM of the Company held in June 2017, 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 14 June 2017). This authority will expire at the next AGM in 2018. Pursuant to this authority, and subject to the Law 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, 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.

As required under Article 51 of the Company's Articles of Incorporation, an Extraordinary General Meeting ("EGM") was convened on 5 April 2017, being the sixth anniversary of the IPO admission date, to propose an ordinary resolution that the Company continues its business as a closed-ended investment company, which was duly passed. From 2018, a continuation vote will be proposed annually at the AGM.

The Company re-issued 1,630,000 U.S. Dollar Ordinary Shares from treasury in 12 tranches between 2 March 2017 and 5 May 2017.

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, 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 Pound Sterling Ordinary Shares and U.S. Dollar Ordinary Shares as at 30 June 2017.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation

The accompanying Consolidated Financial Statements have been presented on a going concern basis and on the accrual basis of accounting in conformity with United States generally accepted accounting principles ("U.S. 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 Consolidated 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 2017. The subsidiaries are NB Global Floating Rate Income Fund (Lux) 1 S.à.r.l. and its wholly-owned subsidiary, NB Global Floating Rate Income Fund (Lux) 2 S.à.r.l. The Company and all its wholly owned subsidiaries have United States Dollars as their functional and reporting currency. The results of the subsidiary undertakings are included in the Unaudited Consolidated Statement of Operations.

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Use of estimates**

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

In cases where no third party price is available, or where the Investment Manager determines that the provided price is not an accurate representation of the fair value of the investment, the 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 are 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 U.S. GAAP, with changes in fair value recognised within the Unaudited Consolidated Statement of Operations in each reporting period.

Depending on the product and the terms of the transaction, the fair value of the over the counter (OTC) derivative products, such as foreign exchange contracts, can be modelled taking into account the counterparties' 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.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Derivative financial instruments (continued)

As shares are denominated in U.S. Dollars and Pound Sterling and investments are denominated in U.S. Dollars, Euro or Sterling, holders of any class of shares are subject to foreign currency fluctuations between the currency in which such shares are denominated and the currency of the investments made by the Company. Consequently, the Investment Manager seeks to engage in currency hedging between the U.S. 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.

Note 5 details the gross and net derivative asset and liability position by contract type and the amount for those derivative contracts for which netting is permissible under U.S. GAAP. The derivative assets and liabilities have been netted where an enforceable master netting arrangement is in place.

### 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 first in, first out ("FIFO") 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.

### 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 2017 were 1.29895 USD: 1GBP and 1.14055 USD: 1EUR (31 December 2016: 1.23565 USD: 1GBP and 1.05475 USD: 1EUR).

### Buybacks cost

Any costs incurred by a share buyback will be charged to that share class.

### Re-issuance of Shares cost

Any costs incurred by a re-issue of shares held in treasury will be charged to that share class.

## 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 the 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.

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.

**NOTE 3 – AGREEMENTS AND RELATED PARTIES (CONTINUED)****Investment Management Agreement (continued)**

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 2017, the management fee expense was \$4,797,345 (31 December 2016: \$10,664,024), of which \$2,434,729 (31 December 2016: \$2,365,325) was unpaid at the period end.

The Manager is not entitled to a performance fee.

**Administration, Custody and Company Secretary Agreement**

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).

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 2017, the administration fee was \$265,562 (31 December 2016: \$542,415) of which \$43,889 (31 December 2016: \$42,704) was unpaid at the period end.

Effective 14 June 2017, Carey Commercial Limited was appointed the Company Secretary in replacement of C.L. Secretaries Limited, a wholly owned subsidiary of Carey Commercial Limited. The Company Secretary is entitled to an annual fee of £78,300 plus out of pocket expenses.

For the period ended 30 June 2017, the secretarial fee was \$66,808 (31 December 2016: \$202,589), of which \$8,618 related to administration of the re-issuance of U.S. Dollar Ordinary Shares, of which \$19,632 (31 December 2016: prepaid of \$6,020) was unpaid at the period-end.

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

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 period ended 30 June 2017, the custodian fee was \$174,144 (31 December 2016: \$416,006) of which \$163,934 (31 December 2016: \$262,470) was unpaid, all of which was due to U.S. 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 2017, the Registrars fees amounted to \$54,395 (31 December 2016: \$100,061). Of these, \$8,304 (31 December 2016: \$12,868) was unpaid at the period end.

#### 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, \$17,400 were prepaid at the period end. For the period ended 30 June 2017, the Guernsey Directors' fees and travel expenses amounted to \$120,423 (31 December 2016: \$238,873). Of these, \$ Nil were prepaid at the period end (31 December 2016: \$ Nil). As at 30 June 2017, 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 2016: 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 2017 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 net realisable value is a reasonable estimate of fair value due to the short-term nature of these instruments.
- Receivables for investments sold – The net realisable value reasonably approximates fair value as they reflect the value at which investments are sold to a willing buyer and settlement period on their balances is short term.
- Interest receivables – The net realisable value reasonably approximates fair value.
- Other receivables and prepayments – The net realisable 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 net realisable 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 net realisable value reasonably approximate fair value.
- Accrued expenses and other liabilities – The net realisable value reasonably approximates fair value.



**NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

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 below:

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.

The following table details the Company's financial instruments that were accounted for at fair value as at 30 June 2017.

**FINANCIAL INSTRUMENTS AT FAIR VALUE AS AT 30 JUNE 2017**

<b>FINANCIAL INVESTMENTS</b>	<b>LEVEL 1 (\$)</b>	<b>LEVEL 2 (\$)</b>	<b>LEVEL 3 (\$)</b>	<b>TOTAL (\$)</b>
Floating rate senior secured loans	–	1,177,904,805	49,049,334	1,226,954,139
Fixed rate bonds/corporate loans	–	56,325,844	–	56,325,844
Floating rate bonds/corporate loans	–	37,949,573	–	37,949,573
<b>Total financial investments</b>	<b>–</b>	<b>1,272,180,222</b>	<b>49,049,334</b>	<b>1,321,229,556</b>
	<b>LEVEL 1 (\$)</b>	<b>LEVEL 2 (\$)</b>	<b>LEVEL 3 (\$)</b>	<b>TOTAL (\$)</b>
Balance at start of the period	–	1,204,755,476	52,130,747	1,256,886,223
Purchases during the period <sup>1</sup>	–	866,838,270	12,741,929	879,580,199
Sales during the period <sup>5</sup>	–	(801,206,821)	(22,179,253)	(823,386,074)
Realised loss on investments	–	(826,998)	117,472	(709,526)
Unrealised gain on revaluation	–	9,070,549	(211,815)	8,858,734
Transfer from Level 2 to Level 3	–	(28,796,357)	28,796,357	–
Transfer from Level 3 to Level 2	–	22,346,103	(22,346,103)	–
<b>Balance at end of the year</b>	<b>–</b>	<b>1,272,180,222</b>	<b>49,049,334</b>	<b>1,321,229,556</b>

<sup>5</sup> Included in this figure is \$297,435,890 of non-cash transactions. These arose due to the repricing and restructuring of certain investments during the period. These have also been excluded from the sales and purchases in the cash flow statement on page 25.

<b>FINANCIAL ASSETS</b>	<b>NUMBER OF CONTRACTS</b>	<b>LEVEL 1 (\$)</b>	<b>LEVEL 2 (\$)</b>	<b>LEVEL 3 (\$)</b>	<b>TOTAL (\$)</b>
Derivatives (for hedging purposes only)	12	–	2,098,135	–	2,098,135
<b>FINANCIAL LIABILITIES</b>					
Derivatives (for hedging purposes only)	12	–	(961,634)	–	(961,634)
<b>Total</b>	<b>24</b>	<b>–</b>	<b>1,136,501</b>	<b>–</b>	<b>1,136,501</b>

**NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**
**FINANCIAL INSTRUMENTS AT FAIR VALUE AS AT 31 DECEMBER 2016**

<b>FINANCIAL INVESTMENTS</b>		<b>LEVEL 1 (\$)</b>	<b>LEVEL 2 (\$)</b>	<b>LEVEL 3 (\$)</b>	<b>TOTAL (\$)</b>	
Floating rate senior secured loans		–	1,161,742,705	52,130,747	1,213,873,452	
Fixed rate bonds/corporate loans		–	6,410,344	–	6,410,344	
Floating rate bonds/corporate loans		–	36,602,427	–	36,602,427	
<b>Total financial investments</b>		<b>–</b>	<b>1,204,755,476</b>	<b>52,130,747</b>	<b>1,256,886,223</b>	
		<b>LEVEL 1 (\$)</b>	<b>LEVEL 2 (\$)</b>	<b>LEVEL 3 (\$)</b>	<b>TOTAL (\$)</b>	
Balance at start of the year		–	1,669,812,289	45,197,246	1,715,009,535	
Purchases during the year		–	950,168,859	31,145,929	981,314,788	
Sales during the year		–	(1,453,052,585)	(31,714,401)	(1,484,766,986)	
Realised loss on investments		–	(46,603,485)	(5,625,554)	(52,229,039)	
Unrealised gain on revaluation		–	86,491,473	11,066,452	97,557,925	
Transfer from Level 2 to Level 3		–	(54,881,616)	54,881,616	–	
Transfer from Level 3 to Level 2		–	52,820,541	(52,820,541)	–	
<b>Balance at end of the year</b>		<b>–</b>	<b>1,204,755,476</b>	<b>52,130,747</b>	<b>1,256,886,223</b>	
		<b>NUMBER OF CONTRACTS</b>	<b>LEVEL 1 (\$)</b>	<b>LEVEL 2 (\$)</b>	<b>LEVEL 3 (\$)</b>	<b>TOTAL (\$)</b>
<b>FINANCIAL ASSETS</b>						
Derivatives (for hedging purposes only)	15	–	15,225,146	–	15,225,146	
<b>FINANCIAL LIABILITIES</b>						
Derivatives (for hedging purposes only)	15	–	–	–	–	
<b>Total</b>	<b>30</b>	<b>–</b>	<b>15,225,146</b>	<b>–</b>	<b>15,225,146</b>	

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 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 Consolidated Statement of Assets and Liabilities. As at 30 June 2017, there were two counterparties for the forward contracts (31 December 2016: two).

Due to changes in observable inputs, the Company transferred securities from Level 2 to Level 3 and from Level 3 to Level 2 of the fair value hierarchy. Level 3 assets are valued using single broker quotes.

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

<b>PRIMARY UNDERLYING RISK</b>	<b>FOR THE PERIOD ENDED 30 JUNE 2017 (\$)</b>	<b>FOR THE YEAR ENDED 31 DECEMBER 2016 (\$)</b>
Net realised gain/(loss) on derivatives	63,070,504	(288,288,255)
Net change in unrealised (depreciation)/ appreciation on derivatives	(14,088,645)	48,360,316
<b>Total</b>	<b>48,981,859</b>	<b>(239,927,939)</b>

**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 AIFM 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 2017 the AIFM designated 17 (31 December 2016: 16) of its floating rate senior secured loans at Level 3.

**NOTE 6 – RISKS**

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

**Market Risk**

**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 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 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.

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.

## NOTE 6 – RISKS (CONTINUED)

### 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 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 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 2017, there were no such outstanding participation commitments in the Company.

### 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 U.S. 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 2017, 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 2016: Nil).

## NOTE 8 – FINANCIAL HIGHLIGHTS

30 June 2017

	U.S. DOLLAR ORDINARY SHARE AS AT 30 JUNE 2017 (\$)	STERLING ORDINARY SHARE AS AT 30 JUNE 2017 (£)
<b>PER SHARE OPERATING PERFORMANCE</b>		
NAV per share at the beginning of the period	0.9881	0.9787
Shareholder activity during the period	0.0012	–
<b>Income from investment operations<sup>(a)</sup></b>		
Net income per share for the period <sup>(b)</sup>	0.0165	0.0167
Net realised and unrealised loss from investments	(0.0001)	(0.0002)
Foreign currency translation	–	(0.0038)
<b>Total gain from operations</b>	<b>0.0164</b>	<b>0.0127</b>
Distribution per share during the period	(0.0174)	(0.0177)
<b>NAV per share at the end of the period</b>	<b>0.9883</b>	<b>0.9737</b>
<b>Total return<sup>6,(b)</sup></b>		
<b>Total return<sup>6</sup></b>	<b>1.81%</b>	<b>1.27%</b>
<b>Ratios to average net assets<sup>(b)</sup></b>		
Net investment income	1.67%	1.71%
Expenses	(0.49%)	(0.46%)

(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.

6 The total return is the NAV return per share plus dividends paid during the period. This figure is for the period ended 30 June 2017.

**NOTE 8 – FINANCIAL HIGHLIGHTS (CONTINUED)**

**31 December 2016**

	U.S. DOLLAR ORDINARY SHARE AS AT 31 DECEMBER 2016 (\$)	STERLING ORDINARY SHARE AS AT 31 DECEMBER 2016 (£)
<b>PER SHARE OPERATING PERFORMANCE</b>		
NAV per share at the beginning of the year	0.9490	0.9422
Shareholder activity during the year	0.0089	0.0094
<b>Income from investment operations<sup>(a)</sup></b>		
Net income per share for the year <sup>(b)</sup>	0.0376	0.0373
Net realised and unrealised gain from investments	0.0356	0.0357
Foreign currency translation	–	(0.0034)
<b>Total gain from operations</b>	<b>0.0732</b>	<b>0.0696</b>
Distribution per share during the year	(0.0430)	(0.0425)
<b>Net asset value per share at the end of the year</b>	<b>0.9881</b>	<b>0.9787</b>
<b>Total return<sup>7,(b)</sup></b>		
<b>Total return<sup>7</sup></b>	<b>8.41%</b>	<b>8.17%</b>
<b>Ratios to average net assets<sup>(b)</sup></b>		
Net investment income	3.91%	3.90%
Expenses	(0.93%)	(0.95%)

(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.

7 The total return is the NAV return per share plus dividends paid during the year. This figure is for the year to 31 December 2016.

**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) One vote in respect of each U.S. Dollar Ordinary Share held by the shareholder;
- (b) 1.6 votes in respect of each Sterling 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 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.

**NOTE 9 – SHARE CAPITAL (CONTINUED)**

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 2017 (31 December 2016: none).

As at 30 June 2017, there were no C Shares in issue (31 December 2016: none).

<b>FROM 1 JANUARY 2017 TO 30 JUNE 2017</b>	<b>U.S. DOLLAR ORDINARY SHARES</b>	<b>STERLING ORDINARY SHARES</b>	<b>TOTAL</b>
Balance as at 1 January 2017	38,270,109	1,015,614,330	1,053,884,439
Monthly conversions <sup>8</sup>	4,486,391	(3,544,554)	941,837
Share issuance (out of Treasury)	1,630,000	–	1,630,000
Share buybacks	–	–	–
<b>Balance as at 30 June 2017<sup>9</sup></b>	<b>44,386,500</b>	<b>1,012,069,776</b>	<b>1,056,456,276</b>

<b>FROM 1 JANUARY 2016 TO 31 DECEMBER 2016</b>	<b>U.S. DOLLAR ORDINARY SHARES</b>	<b>STERLING ORDINARY SHARES</b>	<b>TOTAL</b>
Balance as at 1 January 2016	52,380,402	1,199,095,966	1,251,476,368
Monthly conversions <sup>8</sup>	(8,444,322)	4,357,949	(4,086,373)
Share buybacks	(5,665,971)	(187,839,585)	(193,505,556)
<b>Balance as at 31 December 2016<sup>9</sup></b>	<b>38,270,109</b>	<b>1,015,614,330</b>	<b>1,053,884,439</b>

8 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.

9 Balance of issued shares (less Treasury shares) used to calculate NAV.

**Treasury Shares**

As at 30 June 2017, the Company held the following shares in treasury.

	<b>30 JUNE 2017</b>	<b>31 DECEMBER 2016</b>
Sterling Ordinary Treasury Shares <sup>10</sup>	75,000,000	75,000,000
U.S. Dollar Ordinary Treasury Shares <sup>10</sup>	1,342,627	2,972,627

10 The Company has an approved share buyback programme and may elect to buyback ordinary shares at certain times during the period for either cancellation or to be held as Treasury shares. During the period, the Company has not repurchased any shares to be held in Treasury or for cancellation.

The Company has issued 1,630,000 U.S. Dollar Ordinary Shares out of Treasury during the period.

**NOTE 10 – SUBSEQUENT EVENTS**

Since the period ended 30 June 2017 and up the last practicable date prior to publishing, the Company has repurchased 6,175,954 Sterling Ordinary Shares and 334,649 U.S. Dollar Ordinary Shares for cancellation.

There were no other subsequent events in the period ended 30 June 2017.

**NOTE 11 – DIVIDENDS**

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

<b>PERIOD</b>	<b>DATE DECLARED</b>	<b>PAYMENT DATE</b>	<b>DIVIDEND PER U.S. DOLLAR SHARE</b>	<b>DIVIDEND PER STERLING SHARE</b>
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
Quarter ended 30 September 2016	05 October 2016	17 November 2016	\$0.01100	£0.01090
Quarter ended 31 December 2016	05 January 2017	17 February 2017	\$0.00860	£0.00850
Quarter ended 31 March 2017	05 April 2017	23 May 2017	\$0.00910	£0.00900
Quarter ended 30 June 2017	05 July 2017	18 August 2017	\$0.00860	£0.00840



**NOTE 11 – DIVIDENDS (CONTINUED)**

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

<b>PERIOD</b>	<b>NUMBER OF U.S. DOLLAR ORDINARY SHARES</b>	<b>NUMBER OF STERLING ORDINARY SHARES</b>	<b>RATE PER U.S. DOLLAR ORDINARY SHARE</b>	<b>RATE PER STERLING ORDINARY SHARE</b>
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

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.

**NOTE 12 – OTHER**

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

## Contact Details

### Directors

William Frewen (Chairman)  
Sandra Platts  
Richard Battey  
Rupert Dorey

All c/o the Company's registered office.

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### Company Secretary

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