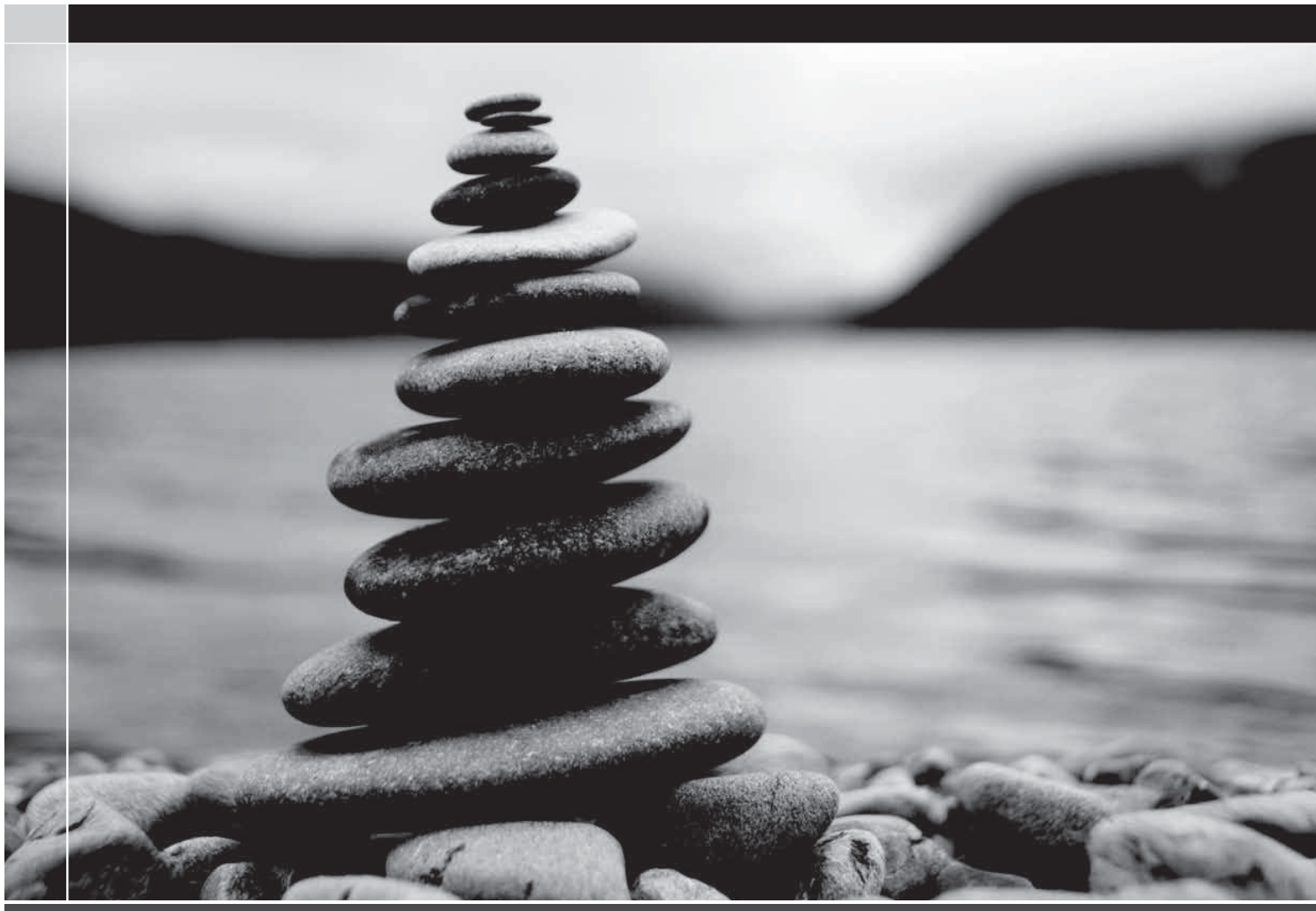


NB GLOBAL FLOATING RATE INCOME FUND LIMITED



Oriel Securities Limited

Sole Sponsor, Sole Financial Adviser, Joint Global Co-ordinator and Joint Bookrunner

Dexion Capital plc

Joint Global Co-ordinator and Joint Bookrunner

Prospectus March 2011

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR SOLICITATION IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THIS ELECTRONIC TRANSMISSION (INCLUDING THE ATTACHMENT) IS PERSONAL TO THE RECIPIENT AND MUST NOT BE FORWARDED OR OTHERWISE DISTRIBUTED, IN WHOLE OR IN PART, TO ANY OTHER PERSON INCLUDING, WITHOUT LIMITATION, TO U.S. PERSONS OR IN OR INTO THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Prospectus and you therefore must read this disclaimer page carefully before accessing, reading or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions.

The Prospectus has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of NB Global Floating Rate Income Fund Limited (the "Company"), Neuberger Berman Europe Limited (the "Manager"), Oriel Securities Limited ("Oriel Securities"), Dexion Capital plc ("Dexion"), nor any person who controls the Company or the Manager or Oriel Securities or Dexion, nor any of their respective directors, officers, employees or agents, nor any affiliate of any such persons, accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request. Please ensure your copy is complete. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Oriel Securities and Dexion are acting exclusively for the Company and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of the attached Prospectus) as their respective clients in relation to the offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the offer or any transaction or arrangement referred to in the Prospectus.

You have been sent the Prospectus by the Manager, Oriel Securities or Dexion (as applicable) on the basis that you have confirmed to such entity that you are a person into whose possession it may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person. You will not transmit the Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Manager, Oriel Securities or Dexion (as applicable). If you access the Prospectus, you must also read the section entitled "Selling Restrictions" and comply with the restrictions contained therein.

By accepting this e-mail, you shall be deemed to have represented to us that (1) you (a) are outside the United States and not a U.S. person (as defined in Regulation S under the Securities Act), and are outside Canada, Australia, Japan and any other jurisdiction where action would be required to permit the distribution of the Prospectus or the offer or sale of the securities described therein to you; (b) ordinarily reside outside the United States, Canada, Australia, Japan and each such jurisdiction and (c) are permitted under the laws of each applicable jurisdiction to be offered the securities described in the Prospectus and (2) you consent to delivery of the Prospectus by electronic transmission.

EUROPEAN ECONOMIC AREA. PERSONS IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN THE UNITED KINGDOM) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC (THE "PROSPECTUS DIRECTIVE") MUST BE A "QUALIFIED INVESTOR", WITHIN THE MEANING OF ARTICLE 2(1)(e) OF THE PROSPECTUS DIRECTIVE, TO ACCESS THE PROSPECTUS. THIS COMMUNICATION MUST NOT BE ACTED ON OR RELIED ON IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN THE UNITED KINGDOM) BY PERSONS WHO ARE NOT QUALIFIED INVESTORS.

UNITED KINGDOM. IN THE UNITED KINGDOM, THIS COMMUNICATION IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED ONLY AT, QUALIFIED INVESTORS (I) WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS WHO FALL WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONAL" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND

MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER"), OR (II) WHO ARE HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS AND PARTNERSHIPS AND TRUSTEES OF HIGH VALUE TRUSTS AS DESCRIBED IN ARTICLE 49(2) OF THE ORDER, AND (III) OTHER PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES IS AVAILABLE ONLY TO AND WILL ONLY BE ENGAGED IN WITH SUCH PERSONS. THIS COMMUNICATION MUST NOT BE ACTED ON OR RELIED ON IN THE UNITED KINGDOM BY PERSONS WHO ARE NOT RELEVANT PERSONS.

UNITED STATES. THE COMPANY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFIT OF THAT ACT. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1993, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. AND MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT IN RELIANCE UPON AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS AND UNDER CIRCUMSTANCES THAT WOULD NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT.

ALL OTHER JURISDICTIONS. NO ACTION HAS BEEN TAKEN IN ANY JURISDICTION (OTHER THAN THE UK) THAT WOULD PERMIT THE DISTRIBUTION OF THE PROSPECTUS, OR THE OFFER OR SALE OF THE SECURITIES DESCRIBED THEREIN, TO THE PUBLIC. PERSONS IN ALL SUCH JURISDICTIONS ARE REQUIRED TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY LEGAL RESTRICTIONS ON THE DISTRIBUTION OF THE PROSPECTUS AND THE OFFERING AND SALE OF THE SECURITIES REFERRED TO THEREIN. THE PROSPECTUS MAY NOT BE USED FOR, OR IN CONNECTION WITH, AND DOES NOT CONSTITUTE, ANY OFFER TO SELL, OR AN INVITATION TO PURCHASE, ANY OF THE SECURITIES OFFERED THEREBY IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION WOULD BE UNLAWFUL.

THIS COMMUNICATION IS NOT TO BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND IS NOT TO BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS COMMUNICATION OR THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED AND STRICTLY PROHIBITED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You should not reply by e-mail to this email, and you may not purchase any securities by doing so. Any reply e-mail communications will be ignored or rejected.

The information contained herein does not constitute an offer to sell or a solicitation of an offer to buy any securities. The distribution of any information herein, and the offer, sale and delivery of the securities described herein in certain jurisdictions may be restricted by law. There shall be no sale of these securities in any state or jurisdiction in which an offer, solicitation or sale would be unlawful prior to qualification under the securities laws of such state or jurisdiction.

Each investor should read the Prospectus in full before making an investment decision.

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this document, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (the “FSMA”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

A copy of this document, which comprises a prospectus relating to NB Global Floating Rate Income Fund Limited (the “Company”) in connection with the issue of Shares in the Company, prepared in accordance with the Prospectus Rules of the UK Listing Authority made pursuant to section 73A of the FSMA, has been filed with the Financial Services Authority in accordance with Rule 3.2 of the Prospectus Rules.

The Shares are only suitable for investors (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment programme.

Applications will be made for the Shares to be admitted to the Official List of the UK Listing Authority with a premium listing and to be admitted to trading on the London Stock Exchange’s main market for listed securities. It is expected that Admission will become effective and that dealings in the Shares which are the subject of the Issue will commence on 20 April 2011. It should be remembered that the price of the Shares and the income from them can go down as well as up.

The Company and the Directors, whose names appear on page 39 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Investment Managers accept responsibility for the information contained in this document attributed to them. To the best of the knowledge of the Investment Managers, who have taken all reasonable care to ensure that such is the case, the information contained in this document attributed to them is in accordance with the facts and contains no omission likely to affect its import.

Capitalised terms contained in this document shall have the meanings set out in Part IX of this document.

The attention of potential investors is drawn to the Risk Factors set out on pages 10 to 24 of this document.

The latest time and date for applications under the Offer is 1200 hours on 12 April 2011. Further details of the Issue are set out in Part V of this prospectus.

NB GLOBAL FLOATING RATE INCOME FUND LIMITED

(a closed-ended investment company limited by shares incorporated under the laws of Guernsey with registered number 53155)

**Placing and Offer for Subscription for a target issue in excess of US\$200,000,000
worth of Shares
at an issue price of US\$1.00 per U.S. Dollar Share, £1.00 per Sterling Share
and €1.00 per Euro Share**

Investment Manager
Neuberger Berman Europe Limited

Sole Sponsor and Sole Financial Adviser
Oriel Securities Limited

Sub-Investment Manager
Neuberger Berman Fixed Income LLC

Joint Global Co-ordinators and Joint Bookrunners
Oriel Securities Limited and Dexion Capital plc

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or the Investment Managers. The offer and sale of Shares have not been and will not be registered under the applicable securities laws of the United States, Australia, Canada or Japan. Subject to certain exceptions, the Shares may not be offered or sold within the United States, Australia, Canada or Japan or to any national, resident or citizen of the United States, Australia, Canada or Japan.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the “**U.S. Investment Company Act**”) and investors will not be entitled to the benefits of the U.S. Investment Company Act.

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

The Shares are being offered and sold outside the United States to non-U.S. Persons (as defined in Regulation S under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

In addition, prospective investors should note that, except with the express written consent of the Company given in respect of an investment in the Company, the Shares may not be acquired by (i) investors using assets of (A) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”); (B) a “plan” as defined in Section 4975 of the United States Internal Revenue Code of 1986, as amended (the “**Code**”), including an individual retirement account or other arrangement that is subject to Section 4975 of the Code; or (C) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Code or (ii) a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, unless its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

Investors may be required to bear the financial risks of their investment in the Shares for an indefinite period of time. For a description of additional restrictions on offers, sales and transfers of the Shares, see “Purchase and transfer restrictions” beginning on page 77 of this document.

Oriel Securities Limited (“**Oriel**”), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as Sole Sponsor, Sole Financial Adviser, Joint Global Co-ordinator and Joint Bookrunner to the Company in connection with the matters described herein. Oriel is acting for the Company in relation to the Placing and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Placing, the contents of this document or any transaction or arrangement referred to herein.

Dexion Capital plc (“**Dexion**”), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as Joint Bookrunner and Joint Global Co-ordinator to the Company in connection with the matters described herein. Dexion is acting for the Company in relation to the Placing and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Placing, the contents of this document or any transaction or arrangement referred to herein. Dexion Capital (Guernsey) Limited (“**Dexion Guernsey**”), which is licensed and regulated in the Bailiwick of Guernsey by the Guernsey Financial Services Commission, is acting as receiving agent for Dexion in connection with the Placing. Dexion Guernsey is acting for Dexion in relation to the Placing and no one else and will not be responsible to anyone other than Dexion for providing the protections afforded to its clients, nor for providing advice in relation to the Placing, the contents of this document or any transaction or arrangement referred to herein.

Prospective investors should rely only on the information in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Investment Managers, Oriel, Dexion or Dexion Guernsey. Without prejudice to the Company’s obligations under the Prospectus Rules, neither the delivery of this document nor any subscription or purchase of Shares made pursuant to this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on each of Oriel, Dexion and Dexion Guernsey by FSMA or the regulatory regime established thereunder, none of Oriel, Dexion or Dexion Guernsey accepts any responsibility whatsoever for the contents of this document or for any other statement made or

purported to be made by it, or on its behalf, in connection with the Company, the Investment Managers, the Shares or the Issue. Each of Oriel, Dexion and Dexion Guernsey accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such document or any such statement.

The contents of this document are not to be construed as legal, financial, business, investment or tax advice. Prospective investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial or tax advice. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of the Shares. Prospective investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, tax, investment, or any other related matters concerning the Company and an investment therein.

In connection with the Placing, each of Oriel and Dexion and any of their Affiliates acting as an investor for its or their own account(s), may subscribe for the Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Oriel, Dexion and any of their Affiliates acting as an investor for its or their own account(s). None of Oriel, Dexion or any of their affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

This document is dated 18 March 2011.



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Summary

This summary should be read as an introduction to this prospectus and any decision to invest in the Shares should be based on consideration of this prospectus as a whole. Where a claim relating to the information contained in this prospectus is brought before a court, a claimant investor may, under the national legislation of an EEA state, have to bear the costs of translating this prospectus before the legal proceedings are initiated. Civil liability attaches to the Company and its Directors, who are responsible for this summary, including any translation of this summary produced or commissioned by the Company, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus.

The Company

The Company is a registered closed-ended investment company incorporated in Guernsey. The Company is managed by Neuberger Berman Europe Limited, which has delegated certain of its responsibilities and functions to the sub-investment manager, Neuberger Berman Fixed Income LLC (together, the “**Investment Managers**”).

The Company’s share capital will be denominated in U.S. Dollars, Sterling and Euros and will upon Admission consist of U.S. Dollar Shares, Sterling Shares and Euro Shares, subject to a minimum of US\$30 million (or the equivalent Sterling or Euro amount) being raised for each class of Shares pursuant to the Issue and compliance with the requirements of the Listing Rules.

At any general meeting of the Company, each U.S. Dollar Share will carry 1 vote, each Sterling Share will carry 1.6 votes and each Euro Share will carry 1.4 votes. The Shares also carry rights to receive all income and capital attributable to the Shares which may be distributed by the Company. The rights of the Shares of each class with respect to any such distribution and on a winding-up or other return of capital attributable to the Shares (other than a redemption or repurchase of Shares by the Company) shall be in proportion to the relative Net Asset Values of each class.

Investment in the Company is only suitable for institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company, and/or who have received advice from their fund manager or broker regarding investment in the Company.

Investment objective, policy and strategy

The Company’s investment objective is to provide its shareholders with regular dividends, at levels that are sustainable, whilst growing the capital value of its investment portfolio over the long term, utilising the investment skills of the Investment Managers.

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

The Company will generally seek to focus on loans of issuers that the Investment Managers believe 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.

The Company may also make investments in senior bonds on an opportunistic basis if the Investment Managers believe that such investments are attractively valued, up to a maximum in aggregate of 20 per cent. of the Net Asset Value at the time of investment, provided that no more than 10 per cent. of Net Asset Value may be invested in unsecured senior bonds at the time of investment.

Diversification

The Company expects that, once fully invested, approximately 75 investments across a minimum of 15 industries will be represented in its portfolio of investments, with a focus on those industries regarded as defensive, such as utilities and healthcare. Defensive industries are those the Investment Managers believe are less affected by changes in economic conditions and likely to demonstrate the strongest capital preservation.

It is expected that, typically, no industry will represent more than 15 per cent. of Net Asset Value at the time of investment. No single investment will, at the time such investment is made, represent more than 5 per cent. of Net Asset Value.

Gearing and derivatives

The Company will not employ gearing or derivatives of any kind for investment purposes. The Company may, from time to time, use borrowings for share buy backs and short-term liquidity purposes. The Directors will restrict borrowing to an amount not exceeding 20 per cent. of the NAV at the time of drawdown. Derivatives may be used for hedging purposes.

Target Yield

On the basis of current market conditions as at the date of this prospectus, the Board and Investment Managers will target an annualised yield per Share in the region of 5 per cent. (net of fees and expenses) on the Issue Price in respect of the first year of full investment, plus some capital appreciation.

Directors

Each of the directors of the Company (“**Directors**”) acts in a non-executive capacity and is independent of the Investment Managers. The Directors are:

William Frewen (Chairman)

Richard Battey

Sandra Platts

Investment Managers

The Investment Managers are responsible for 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 Investment Managers are not required to and generally will not submit individual investment decisions for approval by the Board.

Investment Process

The key components of the investment process are as follows: (i) idea generation; (ii) screening; (iii) due diligence; (iv) portfolio construction; and (v) ongoing monitoring. Any investment of the Company that is contemplated by the Investment Managers will have to pass each of these stages.

Investment Strategy

The Investment Managers intend to employ a disciplined research process that includes fundamental credit analysis, combined with a thorough understanding of the industry and market position of each of the issuers in which the Company will invest. Risk management is central to decision making and is embedded throughout the investment strategy, being managed through portfolio diversification, in-depth credit research and ongoing sector reviews.

Investment Manager's fees

The Investment Manager will be entitled to a management fee which shall be calculated and accrue daily at a rate equivalent to 0.75 per cent. of NAV per annum. The management fee will be payable quarterly in arrear.

The Issue

The target size of the Issue is in excess of US\$200,000,000 with the potential for increase subject to global investor demand. The actual number of Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, is not known as at the date of this prospectus but will be notified by the Company via a RIS announcement and the Company's website prior to Admission. The Issue will not proceed if the Net Issue Proceeds would be less than US\$100,000,000 (or such lesser amount as the Company, Oriel and Dexion may determine and notify to investors via publication of a supplementary prospectus).

The target issue size should not be taken as an indication of the number of Shares to be issued.

Applications will be made to each of the UK Listing Authority and the London Stock Exchange, respectively, for all of the Shares to be issued pursuant to the Issue to be admitted to listing on the Official List and to trading on the Main Market. It is expected that Admission will become effective and that dealings in Shares will commence at 0800 hours on 20 April 2011.

Discount Control provisions

Continuation Resolution

The Directors are required to convene a general meeting of the Company on or before the third and sixth anniversaries of Admission, (and annually thereafter) in order to propose an ordinary resolution that the Company continue its business as a closed-ended investment company (the "**Continuation Resolution**"). If a Continuation Resolution is not passed, the Directors are required to put proposals for the reconstruction or reorganisation of the Company to the Shareholders for their approval.

Redemption Offer

The Articles incorporate a discount management provision such that if, as at 31 December 2012, or as at 31 December in any subsequent calendar year, the Shares of a particular class have, on average over the last three calendar months of the relevant calendar year (the "**Discount Calculation Period**"), traded at a discount in excess of 5 per cent. of the Net Asset Value per Share of that class (calculated by reference to the middle market quotation of the Shares of that class on the Daily Official List of the London Stock Exchange on each trading day in the relevant Discount Calculation Period and the most recently published Net Asset Value per Share of the relevant class as at the close of trading on such trading day), the Directors will, subject to any legal or regulatory requirements, implement a redemption offer (the "**Redemption Offer**") pursuant to which each holder of Shares of the relevant class shall be offered the opportunity to redeem up to 50 per cent. of their Shares of such class. The costs and expenses of implementing the Redemption Offer (and a redemption fee) will be borne by Shareholders redeeming Shares pursuant to the Redemption Offer.

Conversion

The Company will offer 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. Shareholders wishing to convert their Shares must give the Company 10 Business Days' notice in advance of the first Business Day of each calendar month.

Hedging

As Shares will be denominated in U.S. Dollars, Sterling and Euros (subject to a minimum amount being raised for each class and compliance with the Listing Rules) and investments may be denominated in U.S. Dollars, Sterling or Euros, holders of any class of Shares may be 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 Managers will seek 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 currency swap agreements, futures contracts, options and forward currency exchange and other derivative contracts, being available in a timely manner and on terms acceptable to the Investment Managers, in their sole and absolute discretion).

Principal risk factors

Prior to investing in the Shares, prospective investors should consider the following risks, which could have a material adverse effect on the Company's business, results of operations, financial condition or prospects, or could impact the Net Asset Value per Share, the trading price or liquidity of the Shares, or the Company's ability to achieve its investment objective:

Risks relating to the Company

- The Company is a newly formed company and investors have no basis on which to evaluate the Company's ability to achieve its investment objective
- The Target Yield in respect of the first year of full investment is based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies; the actual rate of return may be materially lower than the Target Yield
- The Company may be unable to realise value from its investments and investors could lose all or part of their investment
- Capital gains from the Company's investments may require significant time to materialise or may not materialise at all
- Global capital markets have been experiencing volatility, disruption and instability. Material changes affecting global debt and equity capital markets may have a negative effect on the Company's business, financial condition and results of operations

Risks relating to the Shares

- The Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share
- The existence of a liquid market in the Shares cannot be guaranteed
- Individual Share classes may be exposed to currency risk
- Shareholders in certain jurisdictions may not be eligible to participate in any Redemption Offer and to receive the cash proceeds thereof
- In implementing a Redemption Offer, the Company will be required to realise assets when it would not otherwise have done so, which may adversely affect the prices it can obtain for such assets and the amount distributed to Exiting Shareholders

Risks relating to the investment strategy and investment portfolio

- The success of the Company depends on the Investment Managers' ability to achieve the Company's investment objectives
- The value of senior loans may be adversely influenced by a number of factors and early prepayment or default by a borrower may affect the value of the Portfolio
- The Company may acquire different contractual rights depending on the way in which it invests in loans and it may be required to invest in loans using different contractual arrangements and structures
- In the event of default under a loan, the Company will bear a risk of loss of principal and accrued interest
- Investments made by the Company in bank loans and sub-participations are subject to particular risks
- The value of the Company's investments may be subject to jurisdiction-specific insolvency regimes
- The Company's hedging arrangements may not be successful

Risks relating to the Company's collateral

- The collateral and security arrangements under a loan in which the Company has invested may not have been properly created or perfected, or may be subject to other restrictions, and valuations of collateral are subject to assumptions and factors that may be incomplete, inherently uncertain or subject to change

Risks relating to the Investment Managers

- The Company is dependent on the expertise of the Investment Managers and their key personnel
- The due diligence process that the Investment Manager plans to undertake in evaluating specific investment opportunities for the Company may not reveal all facts that may be relevant in connection with investment opportunities
- The Investment Managers will source all of the Company's investments and affiliates of the Investment Managers may participate in some of those investments, which may result in conflicts of interest

Risks relating to regulation and taxation

- Greater regulation of the financial services industry which imposes additional restrictions on the Company may materially affect the Company's business and its ability to carry out its investment objective
- Changes in the Company's tax status or tax treatment may adversely affect the Company and if the Company becomes subject to the UK offshore fund rules there may be adverse tax consequences for certain UK resident Shareholders
- The AIFM Directive may impair the ability of the Investment Managers to manage the investments of the Company, which may materially adversely affect the Company's ability to implement its investment strategy and achieve its investment objective

Risk Factors

An investment in the Shares carries a number of risks including the risk that the entire investment may be lost. In addition to all other information set out in this prospectus, the following specific factors should be considered when deciding whether to make an investment in the Shares. The risks set out below are those which are considered to be the material risks relating to an investment in the Shares but are not the only risks relating to the Shares or the Company. No assurance can be given that Shareholders will realise profit on, or recover the value of, their investment in the Shares. It should be remembered that the price of Shares and the income from them can go down as well as up.

The Shares are only suitable for investors who understand the risk of capital loss and that there may be limited liquidity in the underlying investments of the Company and in the Shares, for whom an investment in the Shares would be of a long-term nature and constitute part of a diversified investment portfolio and who understand and are willing to assume the risks involved in investing in the Shares. Additional risks and uncertainties of which the Company is presently unaware or that the Company currently believes are immaterial may also adversely affect its business, financial condition, results of operations or the value of the Shares.

Potential investors in the Shares should review this prospectus carefully and in its entirety and consult with their professional advisers prior to making an application to subscribe for Shares. Defined terms used in the risk factors below have the meanings set out under the section headed "Glossary of Selected Terms" on pages 112 to 117 of this prospectus.

Risks relating to the Company

The Company is a newly formed company incorporated under the laws of Guernsey with no operating history and no revenues, and investors have no basis on which to evaluate the Company's ability to achieve its investment objective

The Company is a newly formed company with no operating results, and it will not commence operations until obtaining funding through the Issue. Because the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return.

The Company's returns and operating cash flows will depend on many factors, including the price and performance of its investments, the availability and liquidity of investment opportunities falling within the Company's investment objective and policy, the level and volatility of interest rates, readily accessible short-term borrowings, conditions in the financial markets, real estate market and economy, the financial performance of borrowers, and the Company's ability to successfully operate its business and execute its investment strategy. There can be no assurance that the Company's investment strategy will be successful.

The Company's Target Yield in respect of the first year of full investment is based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies, and the actual rate of return may be materially lower than the Target Yield

The Company's Target Yield for the first year of full investment set forth in this prospectus is a target only and is based on estimates and assumptions about a variety of factors including, without limitation, asset mix, value, volatility, holding periods, performance of underlying borrowers, investment liquidity, changes in current market conditions, interest rates, government regulations or other policies, the worldwide economic environment, changes in law and taxation, natural disasters, terrorism, social unrest and civil disturbances or the occurrence of risks described elsewhere in this prospectus, which are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the Company's control and which may adversely affect the Company's ability to achieve the Target Yield. Such Target

Yield is also based on the assumption that the Company will be able to implement its investment policy and strategy successfully as well as market conditions and the economic environment at the time of assessing the proposed Target Yield, and is therefore subject to change. There is no guarantee or assurance that the Target Yield or actual returns can be achieved at or near the levels set forth in this prospectus. Accordingly, the actual rate of return achieved may be materially lower than the Target Yield, or may result in a loss, which could have a material adverse effect on the NAV and the price of the Shares.

Potential investors should not place any reliance on the Target Yield set forth in this prospectus and should make their own determination as to whether the Target Yield is reasonable or achievable in deciding whether to invest in the Company. The Company does not intend to publish target returns regularly or to update or otherwise revise its Target Yield to reflect subsequent events or circumstances. A failure to achieve the Target Yield set forth in this prospectus may adversely affect the Company's business, financial condition and results of operations.

Investment in the Company is only suitable for sophisticated investors

The Company will invest all of the Net Issue Proceeds in an actively managed portfolio of investments, mainly floating rate senior secured loans issued in U.S. Dollars, Sterling and Euros by North American and European Union corporations, partnerships and other business issuers. Such investments are only suitable for sophisticated investors who fully understand and are willing to assume the risks involved in such investments, including the fact that they may be illiquid. Potential investors should have regard to this when considering an investment in the Company. To optimise returns, Shareholders may need to hold the Shares on a long term basis and the Shares are not suitable for short term investment.

The Directors consider that an investment in the Company should be regarded as long term in nature and is suitable only for sophisticated investors, investment professionals, high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts, in each case, who can bear the economic risk of a substantial or entire loss of their investment and who can accept that there may be limited liquidity in the Shares.

The Company may be unable to realise value from its investments and investors could lose all or part of their investment

Investments that the Company makes may not appreciate in value and, in fact, may decline in value. A substantial component of the Investment Managers' analysis of the desirability of making a given investment relates to the estimated residual or recovery value of such investments in the event of the insolvency of the issuer or the borrower. This residual or recovery value will be driven primarily by the value of the underlying assets constituting the collateral for such investment. The value of collateral can, however, be extremely difficult to predict and in certain market circumstances there could be little, if any, market for such assets. Moreover, depending upon the status of these assets at the time of an issuer's default, they may be substantially worthless. The types of collateral owned by the issuers in which the Company invests will vary widely, but are expected primarily to be receivables and inventory as well as hard assets. Furthermore, the Investment Managers have no experience in managing these types of assets. During times of recession and economic contraction, there may be little or no ability to realise value on any of these assets, or the value which can be realised may be substantially below the assessed value of the collateral. A default that results in the Company holding collateral may materially adversely affect the performance of the Portfolio and the value of the Shares.

There can be no assurance that the Company's investments will generate gains or income or that any gains or income that may be generated will be sufficient to offset any losses that may be sustained. As a result, investing in the Company is speculative and involves a high degree of risk. The Company's performance may be volatile and investors could lose all or part of their investment. Past performance is no indication of future results and there can be no assurance that the Company will achieve results comparable to any past performance achieved by the Investment Managers or any employee of the Investment Managers described in this prospectus.

Capital gains from the Company's investments may require significant time to materialise or may not materialise at all

There may be a significant period between the date that the Company makes an investment and the date that any capital gain or loss on such investment is realised. Capital return on the Company's investments, therefore, may not be realised for a substantial time period, if at all.

Global capital markets have been experiencing volatility, disruption and instability. Material changes affecting global debt and equity capital markets may have a negative effect on the Company's business, financial condition and results of operations

Global capital markets have been experiencing extreme volatility and disruption for more than three years as evidenced by a lack of liquidity in the equity and debt capital markets, significant write-offs in the financial services sector, the repricing of credit risk in the credit market and the failure of major financial institutions. Despite actions of government authorities, these events have contributed to worsening general economic conditions that have materially and adversely affected the broader financial and credit markets and reduced the availability of debt and equity capital.

Continued or recurring market deterioration may materially adversely affect the ability of a borrower to service its debts or refinance its outstanding debt. Further, such financial market disruptions may have a negative effect on the valuations of the Company's investments, and on the potential for liquidity events involving its investments. In the future, non-performing assets in the Portfolio may cause the value of its investment portfolio to decrease if the Company is required to write down the values of its investments. Adverse economic conditions may also decrease the value of collateral securing some of its loans. In the event of sustained market improvement, the Company may have access to only a limited number of potential investment opportunities, which also would result in limited returns to shareholders.

Depending on market conditions, the Company may incur substantial realised losses and may suffer additional unrealised losses in future periods, which may adversely affect its business, financial condition and results of operations.

Risks relating to the Shares

The Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share

The Shares may trade at a discount to Net Asset Value per Share for a variety of reasons, including market conditions or to the extent investors undervalue the management activities of the Investment Managers or discount their valuation methodology and judgments. While the Directors may seek to mitigate any discount to NAV per Share through discount management mechanisms they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful and the Directors accept no responsibility for any failure of any such strategy to effect a reduction in any discount.

The existence of a liquid market in the Shares cannot be guaranteed

The Company will apply for the Shares to be admitted to trading on the Main Market and expects the Shares to commence trading on this exchange on or about 20 April 2011.

The market price of the Shares may rise or fall rapidly; investors should carefully consider, among other things, the following factors before dealing in Shares:

- the prevailing market price of the Shares;
- the Net Asset Value per Share, market price volatility and liquidity of the Shares;
- any related transaction costs; and
- the Company's creditworthiness.

In addition, general movement in local and international stock markets, prevailing and anticipated economic conditions and interest rates, investor sentiment and general economic conditions may all affect the market price of the Shares.

The Company has been established as a registered closed-ended vehicle. Accordingly, Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. While the Directors retain the right to effect repurchases of Shares and to return capital in the manner described in this prospectus, other than in connection with the Redemption Offer they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors to do so. Shareholders wishing to realise their investment in the Company will normally therefore be required to dispose of their Shares through the secondary market. Accordingly, Shareholders' ability to realise their investment at NAV per Share or at all is dependent on the existence of a liquid market for the Shares.

The number of Shares to be issued pursuant to the Issue is not yet known, and, following the Issue, there may be a limited number of holders of Shares. Limited numbers and/or holders of Shares may mean that there is limited liquidity in such Shares which may affect (i) an investor's ability to realise some or all of his investment, and/or (ii) the price at which such investor can effect such realisation, and/or (iii) the price at which such Shares trade in the secondary market.

Individual Share classes may be exposed to currency risk

The Shares in the Company will be denominated in U.S. Dollars, Sterling and Euros, subject to a minimum amount being raised for each class and compliance with the Listing Rules. Also, investments made by the Company will be denominated in U.S. Dollars, Sterling and Euros. The financial statements of the Company, however, will be prepared in U.S. Dollars and the operational and accounting currency of the Company will be the U.S. Dollar.

Therefore, the holders of a specific class of Shares may be subject to foreign currency fluctuations between the currency in which such Shares are denominated and the currency of the investments made by the Company.

The Investment Managers will normally seek to hedge currency exposure between the U.S. Dollar (being the Company's operational and accounting currency) and any other currency in which the Company's assets may be denominated. In addition, the Investment Managers will normally seek to hedge the exposure of Shares denominated in currencies other than U.S. Dollar against fluctuations between such currencies and the U.S. Dollar.

However, hedging arrangements will be implemented on behalf of the Company only when suitable hedging contracts, such as currency swap agreements, futures contracts, options and forward currency exchange and other derivative contracts, are available in a timely manner and on terms acceptable to the Investment Managers, in their sole and absolute discretion. To the extent that the Investment Managers are unable to engage, or are unsuccessful, in hedging currency exposure, Shareholders will be subject to fluctuations between the currency in which their Shares are denominated and the other currencies in which the assets and investments comprising the Portfolio are denominated.

The Investment Managers reserve the right to terminate any hedging arrangement in their absolute discretion, including, without limitation, if they consider it to be in the interests of Shareholders to do so or such arrangements may adversely affect the performance of the Company.

In connection with any currency hedging transactions, the Company may be required to pledge some of its assets to the relevant counterparty to such transactions as collateral. Moreover, the agreements related to the Company's currency hedging transactions typically will give the counterparty the right to terminate the transactions upon the occurrence of certain termination events. Such events may include, among others, the failure to pay amounts owed when due, the failure to provide required reports or financial statements, a decline in the value of the Company's assets pledged as collateral, the failure to maintain sufficient collateral coverage, the failure to comply with the investment policy and any investment restrictions, key changes in the Company's management or the Investment Managers' personnel, a significant reduction in the Company's assets and material violations of the terms of, or representations, warranties or covenants under, the transaction agreements, as well as other events determined by the counterparty. If a termination event were to occur, the counterparty would be entitled, in its sole discretion and without regard to the

Company's investment objective, to realise and liquidate pledged assets as collateral, and as a result, the Company's investment return and performance could be materially adversely affected and the Company could incur significant losses. Furthermore, in selecting pledged assets for liquidation, a counterparty will realise the most liquid investments, which could result in the remaining portfolio of investments being less diverse than would otherwise be the case.

As a result of currency exchange rate exposure and the profits, losses and expenses of hedging transactions being, where relevant, borne by the class of Shares subject to the hedging transaction, the performance of such Shares may differ from that of any other class of Shares. Furthermore, while the profits, losses and expenses relating to currency hedging transactions, if any, will, where relevant, be specifically allocated to and paid by the class of Shares to which such transactions are related, under the laws of Guernsey, were the assets of the Company attributable to such class of Shares insufficient to pay any of its specific liabilities, including without limitation, their specific hedging expenses, such liabilities would be borne by the Company as a whole.

The use of derivatives and other instruments to reduce risk involves costs. Consequently, the use of hedging transactions might result in lower performance for the hedged Shares than if the Investment Managers had not sought to hedge exposure against foreign currency exchange risk.

There can be no assurance that appropriate hedging transactions will be available to the Company or that any such hedging transactions will be successful in protecting against currency fluctuations or that the performance of the Shares will not be adversely affected by the currency exchange rate exposure. In addition, the Company may concentrate its hedging activities with one or a few counterparty(ies) and the Company is subject to the risk that a counterparty may fail to fulfil its obligations under a hedging contract. To the extent that a counterparty fails to fulfil its obligations, the relevant Share class, and potentially the Company as a whole, could suffer loss.

The Company is not, and does not intend to become, registered in the United States as an investment company under the U.S. Investment Company Act and related rules

The Company has not, does not intend to, and may be unable to, become registered in the United States as an investment company under the U.S. Investment Company Act. The U.S. Investment Company Act provides certain protections to U.S. investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered, and does not intend to register, none of these protections or restrictions is or will be applicable to the Company.

The Shares will be subject to significant transfer restrictions for investors in the United States and certain other jurisdictions as well as forced transfer provisions

The Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or under any other applicable securities laws and are subject to restrictions on transfer contained in such laws. Moreover, the Shares are being offered and sold outside the United States to non-U.S. persons (as defined in Regulation S under the U.S. Securities Act) (see "Selling restrictions" beginning on page 27 and "Purchase and transfer restrictions" beginning on page 77 of this prospectus).

In order to avoid being required to register under the U.S. Investment Company Act, the Company has imposed significant restrictions on the transfer of the Shares which may materially affect the ability of Shareholders to transfer Shares in the United States or to U.S. Persons. The Shares may not be resold in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act, the U.S. Investment Company Act and applicable state securities laws. There can be no assurance that Shareholders or U.S. Persons will be able to locate acceptable purchasers in the United States or obtain the certifications required to establish any such exemption. These restrictions may make it more difficult for a U.S. Person to resell the Shares and may have an adverse effect on the market value of the Shares. The transferability of the Shares is subject to certain restrictions as set out in the "Selling restrictions" and "Purchase and transfer restrictions" sections of this prospectus.

Shareholders in certain jurisdictions may not be eligible to participate in any Redemption Offer and to receive the cash proceeds thereof

The securities laws of certain jurisdictions may restrict the Company's ability to allow Shareholders to participate in any Redemption Offer. There can be no assurance that the Company will be able to conduct any Redemption Offer in a manner that would enable participation therein or receipt of the cash proceeds thereof by Shareholders in such jurisdictions. Shareholders who have a registered address in or who are resident or located in (as applicable) countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to participate in any Redemption Offer.

In implementing a Redemption Offer, the Company will be required to realise assets when it would not otherwise have done so, which may adversely affect the prices it can obtain for such assets and, therefore, the redemptions proceeds receivable by Exiting Shareholders. Furthermore, the Investment Manager will not engage in any currency hedging activity in relation to the assets comprised in the Redemption Pool.

If the Company implements a Redemption Offer as described in "Part I – Discount Control – Redemption Offer", the Directors will allocate to a Redemption Pool assets of the Company worth in aggregate (as at the NAV Calculation Date immediately preceding the Redemption Date) an amount equal to the Net Asset Value (as at the same date) attributable to the Shares to be redeemed pursuant to such Redemption Offer (less one per cent.). As the Portfolio is expected to consist of cash as well as loans and bonds, the assets allocated to the Redemption Pool will include both cash and non-cash assets. Any non-cash assets will then be realised by the Investment Managers, and the realisation proceeds distributed to Exiting Shareholders, as soon as reasonably practicable. Such non-cash assets may therefore be realised in circumstances in which the Investment Managers' preference would otherwise have been to retain them, or at times when it is not in the Investment Managers' view possible to achieve an optimal price for such assets. In addition, the Investment Managers will not seek to hedge currency risk between the currencies in which the assets comprised in the Redemption Pool are denominated and the US Dollar or between the US Dollar and the other currencies in which the Shares redeemed pursuant to the Redemption Offer were denominated. Exiting Shareholders will therefore be subject to unhedged currency exposure during the period from the Redemption Date until all of the assets comprised in the Redemption Pool have been realised.

Risks relating to the investment strategy and investment portfolio

The success of the Company depends on the Investment Managers' ability to achieve the Company's investment objectives

The success of the Company will depend on the Investment Managers' ability to advise on and manage investments mainly in senior secured floating rate loans issued in U.S. Dollars, Sterling and Euros by North American and European Union corporations, in accordance with the Company's investment objective and policy. There can be no assurance that the Investment Managers will be able to do so or that the Company will be able to generate any investment returns for Shareholders or indeed avoid investment losses.

The value of senior loans may be adversely influenced by a number of factors and early prepayment or default by a borrower may affect the value of the Portfolio

The market value of senior loans may vary because of a number of factors, including, but not limited to, the financial condition of the underlying borrowers, the industry in which a borrower operates, general economic or political conditions, interest rates, the condition of the debt trading markets and certain other financial markets, developments or trends in any particular industry and changes in prevailing interest rates.

Senior loans generally have maturities ranging from five to seven years, but may have a shorter remaining term when purchased in the secondary loan market. Given that many senior loans are repaid early, the actual maturity of senior loans is typically shorter than their stated final maturity calculated solely on the basis of the stated life and repayment schedule. Generally voluntary prepayments are permitted and the timing of prepayments cannot be predicted with any accuracy. The degree to which borrowers prepay senior loans, whether as a contractual requirement or at their election, may be affected by general business conditions, market interest rates, the borrower's financial condition and competitive conditions among lenders. Investments in senior loans are also subject to interest rate risk and reinvestment risk. Prepayments of senior loans held by the Company are likely to be made during any period of declining interest rates. Such prepayments may result in the Company replacing such loans with lower-yielding investments, leading to lower returns on the Portfolio and the Shares.

Senior loans that the Company will invest in are subject to credit, liquidity and interest rate risk. Any senior loan may become a defaulted obligation for a variety of reasons, including non-payment of principal or interest, as well as covenant violations by the borrower in respect of the underlying loan documents. A defaulted loan may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted loan. In addition, such negotiations or restructuring may be extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted loan. In addition, substantial costs and resources in such situations may be imposed on the lender, further affecting the value of the loan. The liquidity in defaulted loans may also be limited, and to the extent that defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon, which would adversely affect the value of the Portfolio and consequently, the Shares.

The Company may acquire different contractual rights depending on the way in which it invests in loans

The contractual rights of the Company, in relation to the loans that it acquires, will depend on the way in which the Company acquires the loans.

It is intended that the Company may acquire interests in loans either (i) directly or (ii) indirectly by way of sub-participation, in relation to both primary and secondary loans.

The contractual rights acquired by the Company may vary considerably. A purchaser by way of transfer or assignment of a loan typically acquires all the rights and obligations of the assigning institution, becomes a lender under the credit agreement with respect to the debt obligation (although its rights can be more restricted than those of the assigning or transferring institution) and has a direct contractual relationship with the borrower. Acquisition of a sub-participation interest in a loan typically results in a contractual relationship only with the lender which is participating out its interest under the loan, rather than with the borrower. On the acquisition of a sub-participation, the Company will generally not have a right to enforce compliance with the terms of the loan agreement against the borrower, and will be reliant on the lender which is participating out its interest under the loan. As a result, the Company will assume credit risk in relation to both the borrower and the entity which is sub-participating its interest under the loan.

The Company may be required to invest in loans using different contractual arrangements and structures, dependent on the laws and regulations of the jurisdiction in which the borrower under the loan is incorporated

The Company is considering investing in loans in North American jurisdictions and a number of European jurisdictions, and these investments may be subject to different laws and regulation dependent on the jurisdiction in which the borrower under the loan is incorporated. This may mean that, in order to invest in a loan or loans, the Company will be required to adopt particular contractual arrangements and structures in order to satisfy the legal and regulatory requirements of a particular jurisdiction. This may affect the contractual rights acquired by the Company (see the risk factor "*The Company may acquire different contractual rights depending on the way in which it invests in loans*").

A credit rating agency's assessment may not fully reflect the risk of an investment in senior loans

The Investment Managers intend to use credit rating agencies' assessment of senior loans as part of the due diligence process prior to any investment. Credit ratings of senior loans represent the rating agencies' opinions regarding the credit quality of a loan and such assessments are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value; accordingly, a credit rating of a loan may not fully reflect the true risks of an investment in a loan. Furthermore, rating agencies may fail to make timely changes in credit ratings in response to events that affect an issuer, with the result that an issuer's current financial condition may be better or worse than a rating indicates. Consequently, credit ratings of bank loans will be used by the Investment Managers only as preliminary indicators of investment quality.

In the event of default under a loan, the Company will bear a risk of loss of principal and accrued interest

In the event of any default on the Company's investment in a loan by the borrower, the Company will bear a risk of loss of principal and accrued interest on the loan, which could have a material adverse effect on the Company's investment. In the case of secured loans, foreclosure can be an expensive and lengthy process which could have a material negative effect on the Company's anticipated return on the foreclosed loan. By way of example, it would not be unusual for any costs of enforcement to be paid out in full before the repayment of interest and principal. This could substantially reduce the Company's anticipated return on the foreclosed loan.

The level of defaults in the Portfolio and the losses suffered on such defaults may increase in the event of adverse financial or credit market conditions.

Investments made by the Company in bank loans and sub-participations are subject to particular risks

Investments made by the Company in bank loans and sub-participations are subject to a number of unique risks. These include (a) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws, (b) so-called lender-liability claims by the borrower (ie. claims against a lender arising as a result of the exercise or non-exercise of a lender's rights or obligations under a loan agreement, claims arising by virtue of the control exercised by a lender over a borrower's business or other claims), (c) environmental liabilities that may arise with respect to collateral securing the obligations, and (d) limitations on the ability of the Company to enforce its rights directly with respect to sub-participations. There is no guarantee that the Company will be able to successfully defend itself against any claims by third parties in relations to these risks. Successful claims by third parties may adversely affect the Net Asset Value of the Company and the price of the Shares. In addition, in certain European syndicated loan facilities, provisions are sometimes included which grant the borrower the right to replace a participant lender at par. The circumstances in which this right typically arises include non-performance by the participant lender of its obligations or the failure of a lender to provide its consent where a specified proportion of the other lenders have so consented. If such a provision were to be exercised in relation to the Company's rights under a loan in which the Company has invested, the Company's interests in that loan could be brought to an end, which could affect the value of the investments held by the Company by reducing the income that would otherwise have been payable to the Company on that loan.

The value of the investments made by the Company in loans may be affected by fraud or misrepresentation or omission

The value of the investments made by the Company in loans may be affected by fraud, misrepresentation or omission on the part of the borrower to which the loan relates, by parties related to the borrower or by other parties to the loan (or related collateral and security arrangements). Such fraud, misrepresentation or omission may adversely affect the value of the collateral underlying the loan in question or may adversely

affect the Company's ability to enforce its contractual rights under the loan or for the borrower of the loan to repay the loan or interest on it or its other debts.

The value of the Company's investments may be subject to jurisdiction-specific insolvency regimes

The value of the investments held by the Company may be impacted by various laws enacted for the protection of creditors in the jurisdictions of incorporation of the obligors thereunder and, if different, the jurisdictions from which the obligors conduct their business and in which they hold their assets, which may adversely affect such obligors' abilities to make payment on a full or timely basis.

In particular, it should be noted that a number of continental European and emerging market jurisdictions operate "debtor-friendly" insolvency regimes which could result in delays in payments where obligations, debtors or assets thereunder are subject to such regimes. The different insolvency regimes applicable in the different European and emerging market jurisdictions result in a corresponding variability of recovery rates for senior loans, high yield bonds and other debt obligations entered into or issued in such jurisdictions.

With regards to the U.S., bankruptcy judges have a broad discretion as to how they deal with the claims of different creditors, and the claims of secured creditors may not, despite their legal entitlement, always be respected as a matter of policy – for example political or social factors may be taken into account in larger or high profile bankruptcies which may adversely affect the ability of the Company to effectively enforce its rights as a secured creditor.

Jurisdiction-specific insolvency regimes may negatively impact borrowers' or issuers' ability to make payments to the Company, or the Company's recovery in a restructuring or insolvency, which may adversely affect the Company's business, financial condition and results of operations.

The Company may be subject to lender liability and equitable subordination

The Company may invest directly in borrowers by making direct loans to issuers. In recent years, a number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively referred to as "lender liability". Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. The Company may become subject to allegations of lender liability. The Company cannot provide assurance that these claims will not arise or that it will not be subject to significant liability if a claim of this type arises.

In addition, under common law principles, in certain jurisdictions, that in some cases form the basis for lender liability claims, if a lender, (i) intentionally takes an action that results in the undercapitalisation of a borrower to the detriment of other creditors of such borrower; (ii) engages in other inequitable conduct to the detriment of such other creditors; (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors; or (iv) uses its influence as a shareholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination".

As a lender, the Company may be subject to additional liability such as liability resulting from the breach of fiduciary duty or duty of good faith and fair dealing, or its claims may be subject to equitable subordination, which may materially affect the Company's business, financial condition and results of operations.

The Company may be subject to losses on investments as a result of fraudulent conveyance findings by courts

Various laws enacted for the protection of creditors may apply to certain investments that are debt obligations, although the existence and applicability of such laws will vary from jurisdiction to jurisdiction. For example, if a court were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of any security interest

or other lien securing such investment, and, after giving effect to such indebtedness, the borrower (i) was insolvent, (ii) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital, or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court may invalidate such indebtedness and such security interest or other lien as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower (including to the Company) in satisfaction of such indebtedness or proceeds of such security interest or other lien previously applied in satisfaction of such indebtedness. In addition, if an issuer in which the Company has an investment becomes insolvent, any payment made on such investment may be subject to cancellation as a “preference” if made within a certain period of time (which may be as long as one year) before insolvency.

In general, if payments on an investment are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient or from subsequent transferees of such payments. To the extent that any such payments are recaptured from the Company, the resulting loss will be borne by the investors in the Company.

The Company’s hedging arrangements may not be successful

The Company’s economic risks cannot be effectively hedged. However, in connection with the financing of certain investments, the Company may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices and/or currency exchange rates. While such transactions may reduce certain risks, they create others.

The Company may utilise certain derivative instruments (such as using single-name credit default swaps, credit default swap and loan credit default swap indexes, equity futures and equity indexes) for hedging purposes. However, even if used primarily for hedging purposes, the price of derivative instruments is highly volatile, and acquiring or selling such instruments involves certain leveraged and unusual risks. The low initial margin deposits normally required to establish a position in such instruments permits an unusually high degree of leverage. As a result, a relatively small movement in the price of a contract may result in substantial losses to the Company (which may not be offset by increases in the value of the instrument being hedged). There may be an imperfect correlation between the instrument acquired for hedging purposes and the investments or market sectors being hedged, in which case, a speculative element is added to the highly leveraged position acquired through a derivative instrument primarily for hedging purposes.

The Company may benefit from the use of these hedging strategies; however, such strategies may also result in losses and overall poorer performance than if the Company had not entered into such hedging transactions.

Risks relating to the Company’s collateral

The collateral and security arrangements under a loan in which the Company has invested may not have been properly created or perfected, or may be subject to other legal or regulatory restrictions

Whilst the Company will invest in senior secured loans, the collateral and security arrangements in relation to such loans will be subject to such security or collateral having been correctly created and perfected and any applicable legal or regulatory requirements which may restrict the giving of collateral or security by a borrower under a loan, such as, for example, thin capitalisation, over-indebtedness, financial assistance and corporate benefit requirements. If the loans in which the Company invests do not benefit from the expected collateral or security arrangements this may affect the value of the investments made by the Company.

The Company's investments will be based in part on valuations of collateral which are subject to assumptions and factors that may be incomplete, inherently uncertain or subject to change

A component of the Investment Managers' analysis of the desirability of making a given investment relates to the estimated residual or recovery value of such investments in the event of the insolvency of the borrower or issuer. This residual or recovery value will be driven primarily by the value of the underlying assets constituting the collateral for such investment. The value of collateral can, however, be extremely difficult to predict as in certain circumstances market quotations and third party pricing information may not be available.

Risks relating to the Investment Managers

The Company is dependent on the expertise of the Investment Managers and their key personnel properly to evaluate attractive investment opportunities and to implement its investment strategy

In accordance with the Investment Management Agreement and the Sub-Investment Management Agreement, the Investment Managers are responsible for the management of the Company's investments. The Company does not have employees and its Directors are appointed on a non-executive basis. All of its investment and asset management decisions will be made by the Investment Managers and not by the Company and accordingly, the Company will be completely reliant upon, and its success will depend exclusively on, the Investment Managers and their personnel, services and resources. The Investment Managers are not required to and generally will not submit individual investment decisions for approval to the Board.

Consequently, the future ability of the Company to successfully pursue its investment policy may depend on the ability of the Investment Managers to retain their existing staff and / or to recruit individuals of similar experience and calibre. Whilst the Investment Managers have endeavoured to ensure that the principal members of their management teams are suitably incentivised, the retention of key members of the teams cannot be guaranteed. Furthermore, in the event of a departure of a key employee of the Investment Managers, there is no guarantee that the Investment Managers would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the performance of the Company. Events impacting but not entirely within the Company's and the Investment Managers' control, such as its financial performance, its being acquired or making acquisitions or changes to its internal policies and structures could in turn affect their ability to retain key personnel.

The Investment Managers' strategy is resource- and time-intensive. If the Investment Managers are unable to allocate the appropriate time or resources to the Company's investments, the Company may be unable to achieve its investment objectives. In addition, the Investment Management Agreement and Sub-Investment Management Agreement do not require the Investment Managers to dedicate specific personnel to the Company or to require personnel servicing the Company's business to allocate a specific amount of time to the Company.

The Company is also subject to the risk that the Investment Management Agreement may be terminated and that no suitable replacement will be found to manage the Company. If the Investment Management Agreement is terminated and a suitable replacement is not secured in a timely manner or key personnel of the Investment Managers are not available to the Company with an appropriate time commitment, the ability of the Company to execute its investment strategy or achieve its investment objective may be adversely affected.

The obligations of the Investment Managers are not guaranteed by any other person.

The due diligence process that the Investment Manager plans to undertake in evaluating specific investment opportunities for the Company may not reveal all facts that may be relevant in connection with such investment opportunities and any corporate mismanagement, fraud or accounting irregularities may materially affect the integrity of the Investment Managers' due diligence on investment opportunities

When conducting due diligence and making an assessment regarding an investment, the Investment Managers will be required to rely on resources available to them, including internal sources of information as well as information provided by existing and potential borrowers, any equity sponsor(s), lenders and other independent sources. The due diligence process may at times be required to rely on limited or incomplete information particularly with respect to newly established companies for which only limited information may be available.

In addition, the Investment Managers will select investments for the Company in part on the basis of information and data relating to potential investments filed with various government regulators and publicly available or made directly available to the Investment Managers by such issuers or third parties. Although the Investment Managers will evaluate all such information and data and seek independent corroboration when it considers it appropriate and reasonably available, the Investment Managers will not be in a position to confirm the completeness, genuineness or accuracy of such information and data. The Investment Managers are dependent upon the integrity of the management of the entities filing such information and of such third parties as well as the financial reporting process in general. Recent events have demonstrated the material losses that investors such as the Company can incur as a result of corporate mismanagement, fraud and accounting irregularities.

In addition, investment analyses and decisions by the Investment Managers may be undertaken on an expedited basis in order to make it possible for the Company to take advantage of short-lived investment opportunities. In such cases, the available information at the time of an investment decision may be limited, inaccurate and/or incomplete. Furthermore, the Investment Managers are unlikely to have sufficient time to evaluate fully such information even if it is available.

Accordingly, due to a number of factors, the Company cannot guarantee that the due diligence investigation it carries out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Any failure by the Company to identify relevant facts through the due diligence process may cause it to make inappropriate investment decisions, which may have a material adverse effect on the Company's business, financial condition, results of operations or the value of the Shares.

Due diligence may also be costly, which will decrease the Company's overall profits from an investment.

The Investment Managers will source all of the Company's investments and Affiliates of the Investment Managers may participate in some of those investments, which may result in conflicts of interest

The Company is subject to a number of actual or potential conflicts of interest involving the Investment Managers and their respective affiliates, which are summarised below.

The Investment Managers and/or companies with which they are associated may from time to time act as manager, sponsor, investment manager, trustee, custodian, sub-custodian, registrar, broker, administrator, investment advisor or dealer in relation to, or be otherwise involved with, other clients, including other investment funds and client accounts, including those which follow an investment programme substantially similar to that of the Company (such other clients, funds and accounts, collectively the "**Other Accounts**"). The Company will not have an interest in these Other Accounts. Conflicts of interest among the Company and these Other Accounts may exist, which include, but are not limited to, those described herein. These Other Accounts may have investment objectives that are similar to, or overlap to a greater or lesser extent, with those of the Company as well as investment guidelines that differ from those applicable to the Company's investments. The Investment Managers may determine that an investment opportunity in the

Company is appropriate for an Other Account but not for the Company or that the allocation to the Company should be of a different proportion than that of an Other Account.

It is the policy of the Investment Managers to allocate investment opportunities fairly and equitably among the Company and Other Accounts, where applicable, to the extent possible over a period of time. The Investment Managers, however, will have no obligation to purchase, sell or exchange any investment for the Company which the Investment Managers may purchase, sell or exchange for one or more Other Accounts if the Investment Managers believe in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for the Company. As a general policy, investment opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate *pro rata* based on the relative capital size of the accounts. In addition, the Investment Managers may also take into consideration other factors such as the investment programmes of the accounts, tax consequences, legal or regulatory restrictions, including those that may arise in various different international jurisdictions, the relative historical participation of an account in the investment, the difficulty of liquidating an investment for more than one account, new accounts with a substantial amount of investable cash and such other factors considered relevant. Such considerations may result in allocations among the Company and one or more Other Accounts on other than a *pari passu* basis (which may result in different performances among them).

The Investment Managers and their officers and employees will devote as much of their time to the activities of the Company as they deem necessary and appropriate. The Investment Managers and their affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Company and/or may involve substantial time and resources. These activities may be viewed as creating a conflict of interest in that the time and effort of the Investment Managers and their officers and employees will not be devoted exclusively to the business of the Company but will be allocated between the business of the Company and such other activities. Future activities by the Investment Managers and their affiliates, including the establishment of other investment funds, may give rise to additional conflicts of interest.

NB Affiliates are actively engaged in transactions in the same securities, currencies and instruments in which the assets of the Company may be invested. Subject to applicable law, NB Affiliates may purchase or sell securities of, or otherwise invest in or finance, issuers in which the Company has an interest. NB Affiliates also may manage or advise other accounts or investment funds that have investment objectives similar or dissimilar to those of the Company and which engage in transactions in the same type of securities, currencies and instruments as the Company. Trading activities of NB Affiliates are carried out without reference to positions held directly or indirectly by the Company and may have an effect on the value of the positions so held or may result in NB Affiliates having an interest adverse to that of the Company. NB Affiliates are not under any obligation to share any investment opportunity, idea or strategy or other relevant information about an investment with the Company or a portfolio manager and/or may not be able to share such information with the Investment Managers because of informational walls, confidentiality obligations or other disclosure constraints. As a result, NB Affiliates may compete with the Company for appropriate investment opportunities.

The Investment Managers may be prevented from taking control positions in certain issuers, or positions adverse to their management, due to other business commitments and relationships of Neuberger Berman Group or decisions of its management. In such cases, the Investment Managers will be compelled to act other than in the best interests of the Company due to conflicts of interest with the Neuberger Berman Group organisation, which may adversely affect the Company's ability to achieve its investment objectives.

Risks relating to regulation and taxation

Greater regulation of the financial services industry, which imposes additional restrictions on the Company may materially affect the Company's business and its ability to carry out its investment objective

Legislation proposing greater regulation of the financial services industry, is being actively pursued by the U.S. Congress (including the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act 2010), as well as the governing bodies of non-U.S. jurisdictions, in the wake of the ongoing financial crisis of 2008-2010 and the dramatic losses incurred both by private funds and their counterparties from trading in substantially unregulated markets. The U.S. government "bailout" of financial institutions that began in 2008 and has continued into 2010 is the largest governmental intervention in the history of the U.S. financial markets. In connection with this "bailout," U.S. Congress likely will require that new restrictions be applied to the U.S. financial markets. Similar government "bailouts" of financial institutions by both individual member states and the European Union has also increased the scrutiny on the financial services industry in Europe and may lead to further regulation of the financial markets.

There can be no assurance that future regulatory action will not result in additional market dislocation. It is impossible to predict the nature, timing and scope of future changes in laws and regulations applicable to the Company, the Investment Managers, the markets in which they trade and invest or the counterparties with which they do business. Any such changes in laws and regulations may have a material adverse effect on the ability of the Company to carry out its business, to successfully pursue its investment policy and to realise its profit potential, and may include a requirement of increased transparency as to the identity of investors in the Company. Any such event may materially adversely affect the investment returns of the Company.

Changes in the Company's tax status or tax treatment may adversely affect the Company and if the Company becomes subject to the UK offshore fund rules there may be adverse tax consequences for certain UK resident Shareholders

Any change in the Company's tax status, or in taxation legislation or practice in either Guernsey, the United States or the United Kingdom or any jurisdiction in which borrowers are held to be resident, or in the Company's tax treatment (for example, due to the disposition of equity accepted in settlement for debt) may affect the value of the investments held by the Company or the Company's ability to successfully pursue and achieve its investment objectives, or alter the after-tax returns to Shareholders. Statements in this prospectus concerning the taxation of Shareholders are based upon current United Kingdom, United States and Guernsey tax law and published practice, any aspect of which law and practice is, in principle, subject to change (potentially with retrospective effect) that may adversely affect the ability of the Company to successfully pursue its investment policy or meet its investment objectives, and which may adversely affect the taxation of Shareholders.

Statements in this prospectus in particular take into account legislation introduced by the Finance Act 2009, which provides for a new definition of "offshore fund" for the purposes of the United Kingdom offshore fund rules and which take effect from 1 December 2009. Should the Company or any class of Shares be regarded as being subject to the offshore fund rules this may have adverse tax consequences for certain UK resident shareholders.

Potential investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effect of an investment in the Company.

Failure by the Company to maintain its non-UK tax resident status may subject the Company to additional taxes which may materially adversely affect the Company's business, results of operations and the value of the Shares

In order to maintain its non-UK tax resident status, the Company is required to be controlled and managed outside the United Kingdom. The composition of the board of Directors of the Company, the place of

residence of the individual Directors and the location(s) in which the board of Directors of the Company makes decisions will be important in determining and maintaining the non-UK tax resident status of the Company. Although the Company is established outside the United Kingdom and a majority of the Directors live outside the United Kingdom, continued attention must be given to ensure that major decisions are not made in the United Kingdom or the Company may lose its non-UK tax resident status. As such, management errors may potentially lead to the Company being considered UK tax resident which may adversely affect the Company's financial condition, results of operations, the value of the Shares and/or the after-tax return to the Shareholders.

Individual Shareholders may have conflicting investment, tax and other interests with respect to their investments in the Company

Shareholders are expected to include taxable and tax-exempt entities and persons or entities organised and residing in various jurisdictions who may have conflicting investment, tax and other interests with respect to their investments in the Company. The conflicting interests of individual Shareholders may relate to or arise from, among other things, the nature of investments made by the Company, the structuring of the acquisition of investments, the timing of disposition of investments and the manner in which income and capital generated by the Company is distributed to Shareholders. The structuring of investments and distributions may result in different returns being realised by different Shareholders. As a consequence, conflicts of interest may arise in connection with decisions made by the Investment Managers, including the selection of borrowers, which may be more beneficial for one investor than for another investor, especially with respect to investors' individual situations. In selecting and structuring investments appropriate for the Company and in determining the manner in which distributions shall be made to Shareholders, the Investment Managers and the Directors, respectively, will consider the investment and tax objectives of the Company and Shareholders as a whole, not the investment, tax or other objectives of any Shareholder individually, which may adversely affect the investment returns of individual Shareholders.

The AIFM Directive may impair the ability of the Investment Managers to manage the investments of the Company, which may materially adversely affect the Company's ability to implement its investment strategy and achieve its investment objective

In November 2010, the European Parliament approved the draft AIFM Directive, which is due to be implemented in 2013. The AIFM Directive seeks to regulate alternative investment fund managers (in this paragraph, "AIFM") based in the EU and prohibits such managers from managing any alternative investment fund (in this paragraph, "AIF") or marketing shares in such funds to EU investors unless authorisation is granted to the AIFM. In order to obtain such authorisation, and be able to manage the AIF, an AIFM will need to comply with various obligations in relation to the AIF, which may create significant additional compliance costs that may be passed to investors in the AIF. Furthermore, the marketing of shares or units in an AIF to EU investors will not be permitted if the AIFM is not authorised and, in the case of an AIF (such as the Company) domiciled outside the EU, the AIF's host country do not meet certain conditions (although the AIFM Directive envisages that the restrictions on marketing the shares or units of an AIF domiciled in a non-EU state will not come into force until three years after implementation of the AIFM Directive, during which period it is likely, although not guaranteed, that EU AIFM will be able to market the shares of third country AIF under existing domestic private placement rules).

From the Company's perspective, the AIFM Directive will require the Investment Managers to seek authorisation to manage the Company and/or for the country of domicile of the Investment Managers to meet certain requirements. If the Investment Managers were to fail to, or be unable to, obtain such authorisation or if their country of domicile were not to meet such requirements, they may be unable to continue to manage the Company or their ability to manage the Company may be impaired.

Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that impair the ability of the Investment Managers to manage the investments of the Company, or limit the Company's ability to market future issuances of its Shares, may materially adversely affect the Company's ability to carry out its investment strategy and achieve its investment objective.

Important Notices

Investors should rely only on the information contained in this prospectus. No person has been authorised to give any information or to make any representations other than those contained in this prospectus in connection with the Issue and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company or the Investment Managers. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G(1) of FSMA, neither the delivery of this prospectus nor any subscription or sale made under this prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

The contents of this prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice in relation to the purchase of Shares.

An investment in the Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in the Shares should constitute part of a diversified investment portfolio. Accordingly, typical investors in the Company are expected to be institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company.

General

Prospective investors should rely only on the information contained in this prospectus. No broker, dealer or other person has been authorised by the Company, the Directors, Neuberger Berman LLC, the Investment Managers, Oriel, Dexion or Dexion Guernsey to issue any advertisement or to give any information or to make any representation in connection with the offering or sale of the Shares other than those contained in this prospectus and, if issued, given or made, any such advertisement, information or representation must not be relied upon as having been authorised by the Company, the Directors, Neuberger Berman LLC, the Investment Managers, Oriel, Dexion or Dexion Guernsey.

Prospective investors should not treat the contents of this prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Shares. Prospective investors must rely upon their own representatives, including their own legal advisers, financial advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this prospectus are based on the law and practice currently in force and are subject to changes therein. This prospectus should be read in its entirety before making any application for Shares.

Application will be made to the London Stock Exchange for all the Shares to be issued pursuant to the Issue to be admitted to trading on the Main Market. It is expected that such admissions will become effective and that dealings in such Shares will commence at 0800 hours on 20 April 2011.

The Sub-Investment Manager is registered with the U.S. Securities and Exchange Commission (the “SEC”) as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the “**U.S. Investment Advisers Act**”). Further information regarding the Sub-Investment Manager is contained in Part II of its Form ADV, which will be provided to prospective investors, upon written request to the Sub-Investment Manager, prior to their investment in the Company. The Investment Manager is not registered with the SEC as an investment adviser under the Investment Advisers Act.

All times and dates referred to in this prospectus are, unless otherwise stated, references to London times and dates and are subject to change without further notice.

Restrictions on Distribution and Sale

The distribution of this prospectus and the offering and sale of securities offered hereby in certain jurisdictions may be restricted by law. Persons in possession of this prospectus are required to inform themselves about and observe any such restrictions. This prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or solicitation to purchase, any such securities in any jurisdiction in which solicitation would be unlawful.

For a description of restrictions on offers, sales and transfers of Shares, see “Selling restrictions” on pages 27 to 36 and “Purchase and transfer restrictions” in Part V of this prospectus.

In addition, prospective investors should note that, except with the express written consent of the Company given in respect of an investment in the Company, the Shares may not be acquired by (i) investors using assets of (A) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (B) a “plan” as defined in Section 4975 of the Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Code; or (C) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in preceding clause (A) or (B) in such entity pursuant to the U.S. Plan Asset Regulations or (ii) a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code and its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

If 25 per cent. or more of any class of equity in the Company is owned, directly or indirectly, by U.S. Plan Investors that are subject to Title I of ERISA or Section 4975 of the U.S. Tax Code, the assets of the Company will be deemed to be “plan assets”, subject to the constraints of ERISA and Section 4975 of the U.S. Tax Code. This would result, among other things, in: (i) the application of the prudence and fiduciary responsibilities standards of ERISA to investments made by the Company, and (ii) the possibility that certain transactions that the Company and its subsidiaries might enter into, or may have entered into in the ordinary course of business, might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA and/or Section 4975 of the U.S. Tax Code and might have to be rescinded. A non-exempt prohibited transaction may also result in the imposition of an excise tax under the U.S. Tax Code upon a “party in interest” (as defined in ERISA) or “disqualified person” (as defined in the U.S. Tax Code), with whom a plan engages in the transaction. The Company will use commercially reasonable efforts to limit ownership by U.S. Plan Investors of equity in the Company. However, no assurance can be given that investment by U.S. Plan Investors will not exceed 25 per cent. or more of any class of equity in the Company.

No Incorporation of Website

The contents of the Company’s website at www.nbgfrif.com do not form part of this prospectus. Investors should base their decision to invest on the contents of this prospectus alone and should consult their professional advisers prior to making an application to subscribe for Shares.

Forward-looking Statements

This prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this prospectus and include statements regarding the intentions, beliefs or current expectations of the Company concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, prospects, and dividend policy of the Company and the markets in

which it, and its portfolio of investments, invest and/or operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this prospectus. In addition, even if the investment performance, results of operations, financial condition of the Company, and the development of its financing strategies, are consistent with the forward-looking statements contained in this prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- changes in economic conditions generally and the Company's ability to achieve its investment objective and returns on equity for investors;
- the Company's ability to invest the cash on its balance sheet and the proceeds of the Issue in suitable investments on a timely basis;
- foreign exchange mismatches with respect to exposed assets;
- changes in interest rates and/or credit spreads, as well as the success of the Company's investment strategy in relation to such changes and the management of the uninvested proceeds of the Issue;
- impairments in the value of the Company's investments;
- the availability and cost of capital for future investments;
- the departure of key personnel employed by the Investment Managers;
- the failure of the Investment Manager to perform its obligations under the Investment Management Agreement with the Company or the termination of the Investment Manager;
- the failure of the Sub-Investment Manager to perform its obligations under the Sub-Investment Management Agreement with the Investment Manager or the termination of the Sub-Investment Manager;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company or borrowers; and
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the "Risk Factors" section of this prospectus for a discussion of additional factors that could cause the Company's actual results to differ materially before making an investment decision. Forward-looking statements speak only as at the date of this prospectus. Although the Company and the Investment Managers undertake no obligation to revise or update any forward looking statements contained herein (save where required by the Listing Rules, Prospectus Rules or Disclosure Rules and Transparency Rules), whether as a result of new information, future events, conditions or circumstances, any change in the Company's or the Investment Managers' expectations with regard thereto or otherwise, Shareholders are advised to consult any communications made directly to them by the Company and/or any additional disclosures through announcements that the Company may make through a RIS.

Selling Restrictions

This prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this prospectus and the offering of Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of Shares and the distribution of this prospectus under the laws and regulations of any jurisdiction in connection with any applications for Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. Save for the UK, no action has been taken or will be taken

in any jurisdiction by the Company that would permit a public offering of Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this prospectus other than in any jurisdiction where action for that purpose is required.

European Economic Area

In relation to each member state of the EEA that has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), an offer of Shares described in this prospectus may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of securities may be offered to the public in that Relevant Member State at any time:

- to any legal entity that is authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or
- to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each purchaser of Shares described in this prospectus located within a Relevant Member State (other than the United Kingdom) will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

This prospectus may not be used for, or in connection with, and does not constitute, any offer of Shares or an invitation to purchase or subscribe for Shares in any Relevant Member State or jurisdiction in which such an offer or invitation would be unlawful.

United States

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States.

The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Shares are being offered and sold outside the United States to non-U.S. Persons (as defined in Regulation S) in reliance on Regulation S under the U.S. Securities Act.

For a description of restrictions on offers, sales and transfers of Shares, see also “Purchase and transfer restrictions” in Part V of this prospectus.

In addition, until 40 days after the commencement of the Issue, an offer, sale or transfer of the Shares within the United States by any dealer (whether or not participating in the Placing) may violate the registration requirements of the U.S. Securities Act.

Australia

The Shares may not be offered to the public in Australia.

This offer is made in Australia pursuant to section 708 of the Corporations Act 2001 (Australia) and as such no prospectus or other form of disclosure document in relation to the Shares has been lodged with the Australian Securities and Investments Commission. This prospectus does not constitute an offer in Australia other than in the circumstances described in section 708 of the Corporations Act 2001 (Australia). In addition, by subscribing for Shares potential investors undertake to the Company, the Investment Managers, Oriel, Dexion and Dexion Guernsey that, for a period of 12 months from the date of issue of the Shares, they will not transfer any interest in Shares to any person in Australia other than a person to whom an exemption in section 708 of the Corporations Act 2001 (Australia) applies. By submitting an application for Shares potential investors represent and warrant to the Company, the Investment Managers, Oriel, Dexion and Dexion Guernsey that an exemption in section 708(8) (sophisticated investor), 708(10) (offer through a financial services licensee) or 708(11) (professional investor) of the Corporations Act 2001 (Australia) applies to them.

Bahrain

This prospectus has not been approved by the Central Bank of Bahrain which takes no responsibility for its contents. No offer to the public to purchase the Shares will be made in the United Kingdom of Bahrain and this prospectus is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

Bailiwick of Guernsey

The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (the “**Commission**”). The Commission, in granting registration, has not reviewed this prospectus but has relied upon specific warranties provided by BNP Paribas Fund Services (Guernsey) Limited, the Company’s designated manager.

The Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

A registered collective investment scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

If potential investors are in any doubt about the contents of this prospectus they should consult their accountant, legal or professional adviser or other financial adviser.

The directors of the Company have taken all reasonable care to ensure that the facts stated in this prospectus are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the prospectus, whether of fact or of opinion. All the directors accept responsibility accordingly.

Belgium

The offer of the Shares which is the subject of this prospectus has not been and will not be notified to the Belgian Banking, Finance and Insurance Commission (Commissie Voor Het Bank, Financie-en Assurantiewezen /Commission Bancaire, Financière et des Assurances) nor has the Company been, nor will it be, approved by the Belgian Banking, Finance and Insurance Commission. The Shares may be offered in Belgium only if the nominal value of each share unit amounts at least to €50,000 or only to investors investing a minimum of €50,000 or to a maximum of 99 investors or to institutional or professional

investors as defined in the Law of 16 June 2006 relating to Public Offers of Investment Instruments. This prospectus may be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of the offer of Shares described in this prospectus. Accordingly, this prospectus may not be used for any other purpose nor passed on to any other investor in Belgium.

The Shares will not be: (i) offered for sale, sold or marketed in Belgium otherwise than in conformity with the Law of 16 June 2006; or (ii) offered for sale, sold or marketed to any person qualifying as a consumer within the meaning of Article 1.7 of the Law of 14 July 1991 (the “**1991 Law**”) on consumer protection and trade practices, as modified, otherwise than in conformity with the 1991 Law and its implementing regulations.

Brazil

The Shares may not be offered or sold to the public in Brazil. Accordingly, the Shares have not been nor will they be registered with the Brazilian Securities Commission, CVM, nor has this prospectus been submitted to the foregoing agency for approval. Documents relating to the Shares as well as the information contained therein, may not be supplied to the public in Brazil, as the offering of the Shares is not a public offering of securities in Brazil, nor used in connection with any offer for subscription or sale of securities to the public in Brazil.

Canada

As no prospectus relating to the Shares has been filed in any Canadian jurisdiction, the Shares may only be sold to investors resident in a Canadian province or territory pursuant to an exemption from the requirement to file such a prospectus provided by National Instrument 45-106 Prospectus and Registration Exemptions of the Canadian Securities regulatory authorities or other available exemption under the securities laws of the province or territory in which the investor resides.

Chile

This prospectus has not been and will not be approved or authorised by, and the Shares have not been and will not be registered with, the Superintendencia de Valores y Seguros (Chilean Securities and Insurance Commission) pursuant to *Ley 18,045 de Mercado de Valores* (Securities Market Law), as amended, of the Republic of Chile. Accordingly, this prospectus may not be distributed or circulated, and the Shares may not be offered or sold, directly or indirectly, in the Republic of Chile, except in circumstances which have not resulted and will not result in a public offering or securities intermediation within the meaning of such terms under Chilean law.

Colombia

The offer of Shares described in this prospectus does not constitute an invitation to invest or a public offer in Colombia pursuant to Resolution 400 of 1995. The Shares have not been and will not be registered with the Colombian National Registry of Securities and Issuers (*Registro Nacional de Valores y Emisores*) maintained by the Superintendence of Finance of Colombia (“**SFC**”) and will not be listed on the Colombia Stock Exchange (*Bolsa de Valores de Colombia*). No prospectus or other form of disclosure in relation to the Shares has been filed with the SFC. Accordingly, the Shares are not being, and will not be, offered or sold in Colombia, except under circumstances which do not constitute a public offering of securities under, and which are in full compliance with, applicable Colombian securities laws and regulations. The Shares are issued solely on the basis of information set out in this prospectus, which is available free of charge at the Company’s registered offices. This material is provided to potential investors at their sole request for information purposes only and does not constitute a solicitation. The Shares may not be promoted or marketed in Colombia or to Colombian residents unless such promotion and marketing is made in compliance with decree 2558 of 2007 and other applicable rules and regulations related to the promotion of financial products or services in Colombia.

Denmark

This prospectus does not constitute a prospectus under any Danish laws or regulations and has not been filed with or approved by the Danish Financial Supervisory Authority as this prospectus has not been prepared in the context of a public offering of securities in Denmark within the meaning of the Danish Securities Trading etc. Act no. 479/2006 as amended from time to time or any Executive Orders issued in connection thereto.

Finland

This Shares may not be offered or sold, directly or indirectly, to any resident of the Republic of Finland or in the Republic of Finland, except pursuant to applicable Finnish laws and regulations. Specifically, the Shares may not be offered or sold, directly or indirectly, to the public in the Republic of Finland as defined in the Finnish Securities Market Act of 1989; (“**FSMA 1989**”). This prospectus may not be distributed in the Republic of Finland, other than: (i) to a limited number of pre-selected investors; (ii) to an unlimited number of qualified investors as defined under the FSMA 1989; or (iii) provided that the Shares may only be acquired for a consideration of not less than €50,000 or in denominations of not less than €50,000 per investor, to an unlimited number of pre-selected investors, wherefore the offering of the Shares does not constitute a public offering as defined in the FSMA 1989.

France

This prospectus and related documents have not been approved by the competent regulatory authority in France and are not intended to constitute, and may not be construed as, a public offer in France. The Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France, provided that offers, sales and distributions may be made in France only to: (a) providers of the investment service of portfolio management for the account of third parties; (b) qualified investors (*investisseurs qualifiés*); and/or (c) to a restricted circle of investors, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French Code monétaire et financier.

The Shares may be resold directly or indirectly only in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Code monétaire et financier.

Hong Kong

This prospectus has not been registered as a “prospectus” as defined in the Companies Ordinance of Hong Kong (Cap.32). Accordingly, this prospectus does not constitute an offer to the public for the purposes of the Companies Ordinance of Hong Kong (Cap.32) nor of the Securities and Futures Ordinance (Cap.571). The contents of this prospectus have not been reviewed by any regulatory authority in Hong Kong. Potential investors are advised to exercise caution in relation to the Issue. If potential investors are in any doubt about any of the contents of this prospectus, they should obtain independent professional advice.

Please note that: (i) Shares may not be offered or sold in Hong Kong by means of this prospectus or any other document other than to “professional investors” as defined in Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder, or in other circumstances which do not result in this prospectus being a “prospectus” as defined in the Companies Ordinance of Hong Kong (Cap. 32) or which do not constitute an offer or invitation to the public for the purposes of the Companies Ordinance; and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to Shares which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder.

Ireland

The Shares will not be offered, sold, placed or underwritten in Ireland:

- (a) except in circumstances which do not require the publication of a prospectus pursuant to Article 3(2) of Directive 2003/71/EC;
- (b) otherwise than in compliance with the provisions of the Irish Companies Acts 1963-2006;
- (c) otherwise than in compliance with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007) (as amended), and the Banks and any introducer appointed by the Company will conduct themselves in accordance with any codes or rules of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland with respect to anything done by them in relation to the Company; and
- (d) otherwise than in compliance with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland pursuant thereto.

Japan

The Shares have not and will not be registered under the Financial Instruments and Exchange Law of Japan (the “FIEL”). The Shares may not be offered or sold in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan to, for the benefit of, any resident of Japan or to others for offering or re-sale, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan. As used in this paragraph the term “resident of Japan” means any natural person having his place of domicile or residence in Japan, or any corporation or other entity organised under the laws of Japan or having its main office in Japan.

Korea

Neither the Company nor the Investment Managers are making any representation with respect to the eligibility of any recipients of this prospectus to acquire the Shares under the laws of Korea, including but without limitation the Foreign Exchange Transaction Act and Regulations thereunder. The Shares have not been registered under the Financial Investment Services and Capital Markets Act of Korea, and none of the Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea. Furthermore, Shares may not be re-sold to Korean residents unless the purchaser of the Shares complies with all applicable regulatory requirements (including but not limited to governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Shares.

Liechtenstein

The Shares are offered to a narrowly defined category of investors, in all cases and under all circumstances designed to preclude a public solicitation in Liechtenstein. This prospectus may not be reproduced or used for any other purpose, nor be furnished to any other person other than those of whom copies have personally been sent. As any offer of Shares in Liechtenstein will be a private offer, this prospectus and the transactions described herein are, will not be, nor have been, subject to the review and supervision of the Liechtenstein Financial Market Authority. Any offer of Shares contained in this prospectus is not intended for on-selling in Liechtenstein.

Mexico

The Shares have not been and will not be registered with the National Registry of Securities, maintained by the Mexican National Banking Commission and, as a result, may not be offered or sold publicly in Mexico. The fund and any underwriter or purchaser may offer and sell the Shares in Mexico, to Institutional and Accredited Investors, on a private placement basis, pursuant to Article 8 of the Mexican Securities Market Law.

Monaco

The Shares may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco Bank or a duly authorized intermediary. Consequently, this prospectus may only be communicated to banks duly licensed by the “Comité des Etablissements de Crédit et des Entreprises d’Investissement” and fully licensed portfolio management companies by virtue of Law n° 1.144 of July 26, 1991 and Law 1.338 of September 7, 2007, duly licensed by the “Commission de Contrôle des Activités Financières.

Netherlands

The Shares will not be offered or sold, directly or indirectly, in the Netherlands, other than: (i) for a minimum consideration of €50,000 or the equivalent in another currency per investor; (ii) to fewer than 100 individuals or legal entities other than qualified investors; or (iii) solely to qualified investors, all within the meaning of article 4 of the Financial Supervision Act Exemption Regulation (*Vrijstellingsregeling Wet op het financieel toezicht*).

In respect of the Offer, the Company is not required to obtain a license as a collective investment scheme pursuant to the Netherlands Financial Supervision Act (*Wet op het financiële toezicht*) and is not subject to supervision of the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*).

Norway

In relation to each Relevant Member State, an offer to the public of the Shares may only be made once this prospectus has been passported in such Relevant Member State in accordance with the Prospectus Directive as implemented by such Relevant Member State. For the other Relevant Member States an offer to the public in that Relevant Member State of any Shares may only be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more, and in the case of offers to legal entities in Norway who in addition to fulfilling at least two of the criteria has also registered as “Professional Investor” (Norwegian: “Profesjonell investor”) with the Oslo Stock Exchange, of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Shares shall result in a requirement for the publication by the Company or its financial advisers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

During the period up to but excluding the date on which the Prospectus Directive is implemented in member states of the EEA, this prospectus may not be used for, or in connection with, and does not constitute, any offer of Shares or an invitation to purchase or subscribe for any Shares in any member state of the EEA in which such offer or invitation would be unlawful.

The distribution of this prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions.

People's Republic of China

The information contained in this prospectus does not constitute an offer to the public pursuant to the PRC Securities Law. By accepting this prospectus, the recipient agrees to maintain all such information in the strictest confidence and not to reproduce, publish, transmit or otherwise disclose to any third party the contents presented herein without the prior express written consent of the Company.

Peru

The products referred to this prospectus have not been registered before the Comisión Nacional Supervisora de Empresas y Valores (“CONASEV”) and are being placed by means of a private offer. CONASEV has not reviewed the information provided to the investor. This prospectus is only for the exclusive use of institutional investors in Peru and is not for public distribution.

Portugal

No offer or sale of Shares may be made in Portugal except under circumstances that will result in compliance with the rules concerning marketing of such Shares and with the laws of Portugal generally.

No notification has been made nor has any been requested from the Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*) for the marketing of the Shares referred to in this prospectus, therefore the same cannot be offered to the public in Portugal.

Accordingly, no Shares have been or may be offered or sold to unidentified addressees or to 100 or more non-qualified Portuguese resident investors and no offer has been preceded or followed by promotion or solicitation to unidentified investors, public advertisement, publication of any promotional material or in any similar manner.

In particular, this prospectus and the offer of the Shares is only intended for Qualified Investors acting as final investors. Qualified Investors within the meaning of the Securities Code (*Código do Valores-Mobiliários*) includes credit institutions, investment firms, insurance companies, collective investment institutions and their respective managing companies, pension funds and their respective pension fund-managing companies, other authorised or regulated financial institutions, notably securitisation funds and their respective management companies and all other financial companies, securitisation companies, venture capital companies, venture capital funds and their respective management companies, financial institutions incorporated in a state that is not a member state of the EU that carry out activities similar to those previously mentioned, entities trading in financial instruments related to commodities and regional and national governments, central banks and public bodies that manage debt, supranational or international institutions, namely the European Central Bank, the European Investment Bank, the International Monetary Fund and the World Bank, as well as entities whose corporate purpose is solely to invest in securities and any legal entity which has two or more of: (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000, all as shown in its last annual or consolidated accounts.

Qatar

The Shares are only being offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an investment in such Shares. This prospectus does not constitute an offer to the public and is for the use only of the named addressee and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof). No transaction will be concluded in your jurisdiction.

Singapore

The offer or invitation which is the subject of this prospectus is only allowed to certain persons and institutions and not to the retail public. Moreover, this prospectus or any written materials issued in connection with the offer is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). Accordingly, statutory liability under the SFA in relation to the contents of

prospectuses would not apply. Investors should consider carefully whether the investment is suitable for them.

This prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any security or interest may not be circulated or distributed, nor may any security or interest be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) pursuant to, and in accordance with the conditions of, the private placement exemption specified in Section 272B of the SFA; (ii) to an institutional investor (as defined in Section 4A of the SFA) in accordance with the conditions specified in Section 274 of the SFA; (iii) to a relevant person (as defined in Section 275(2) of the SFA) in accordance with the conditions specified in Section 275(1) of the SFA; (iv) to any person in accordance with the conditions specified in Section 275(1A) of the SFA; or (v) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where any security or interest is acquired pursuant to an offer made in reliance on an exemption under Section 274 or Section 275 of the SFA, it is a condition of the offer that each person who agrees to acquire any security or interest is acquiring such securities or interests for investment purposes only and not with a view to distribute or resell such securities or interests and that it will not offer for sale, resell or otherwise distribute or agree to distribute such securities or interests within six months of such acquisition to any person other than to:

- (i) an institutional investor;
- (ii) a relevant person; or
- (iii) any person pursuant to an offer referred to in Section 275(1A) of the SFA.

Where any security or interest is acquired pursuant to an offer made in reliance on an exemption under Section 275 of the SFA by a relevant person which is a corporation (other than a corporation which is an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, securities of that corporation shall not be transferred within six months after that corporation has acquired the securities or interests unless such transfer is made in accordance with the conditions specified in Section 276(3) of the SFA.

Where any security or interest is acquired pursuant to an offer made in reliance on an exemption under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that trust has acquired the securities or interests unless such transfer is made in accordance with the conditions specified in Section 276(4) of the SFA.

Investors should therefore ensure that their own transfer arrangements comply with the above restrictions.

Spain

The Shares may not be offered, sold or distributed in the Kingdom of Spain except in accordance with the requirements of Law 24/1988, of 28 July on the Securities Market (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) as amended and restated, and Royal Decree 1310/2005, of 4 November 2005 partially developing Law 24/1988, of 28 July on the Securities Market in connection with listing of securities in secondary official markets, initial purchase offers, rights issues and the prospectus required in these cases (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 Julio, del Mercado de Valores, en material de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) and the decrees and regulations made thereunder. Neither the Shares nor this prospectus have been verified or registered in the administrative registries of the National Stock Exchange Commission (*Comisión Nacional de Mercado de Valores*).

Switzerland

This prospectus may only be communicated in and from Switzerland to a limited number of investors who are qualified investors as defined in the Swiss Federal Act on Collective Investment Schemes (the “**Swiss CIS Act**”).

The Company qualifies as a foreign closed-end collective investment scheme pursuant to art. 119 para. 2 Swiss CIS Act, which entered into force on 1 January 2007 and replaced the Swiss Federal Act on Investment Funds of 18 March 1994. The Shares will not be licensed for public distribution in and from Switzerland and they may only be offered and sold to so-called “qualified investors” as defined in, and in accordance with, the private placement requirements set forth by the new law (in particular art. 10 para. 3 Swiss CIS Act and art. 6 of the ordinance to Swiss CIS Act). The Shares have not been licensed for public distribution with the Swiss Federal Banking Commission and the Company is not subject to the supervision of the Swiss Federal Banking Commission. Therefore investors in the Shares do not benefit from the specific investor protection provided by Swiss CIS Act and the supervision by the Swiss Federal Banking Commission.

Taiwan

The offer of the Shares has not been and will not be registered with or approved by the competent authorities of Taiwan pursuant to relevant securities laws and regulations and the Shares may not be offered or sold within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the securities law and regulations of Taiwan that requires a registration or approval of the competent authorities of Taiwan.

Purchasers of Shares within Taiwan under the global offering may not resell such Shares except in accordance with applicable laws in Taiwan.

United Arab Emirates and the Dubai International Finance Centre

This information does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase, any securities or investment products in the UAE (including the Dubai International Financial Centre) and accordingly should not be construed as such. Furthermore, this information is being made available on the basis that the recipient acknowledges and understands that the entities and securities to which it may relate have not been approved, licensed by or registered with the UAE Central Bank, the Dubai Financial Services Authority or any other relevant licensing authority or governmental agency in the UAE. The content of this prospectus has not been approved by or filed with the UAE Central Bank or Dubai Financial Services Authority.

Expected Timetable

Latest time and date for receipt of Application Forms under the Offer	1200 hours on 12 April 2011
Latest time and date for placing commitments under the Placing	1600 hours on 14 April 2011*
Result of Issue announced	0800 hours on 15 April 2011
Admission and unconditional dealings commence	0800 hours on 20 April 2011
Crediting of CREST stock accounts in respect of the Shares	0800 hours on 20 April 2011
Share certificates despatched	Week beginning 2 May 2011

The dates and times specified are subject to change without further notice. References to times are London times unless otherwise stated.

* Or such earlier time as may be notified in writing by the Company to a particular placee.

Issue Statistics

Issue Price*	US\$1.00/£1.00/€1.00
Target Number of Shares being issued**	in excess of US\$200,000,000 worth of Shares (at the Issue Price)
Target Gross Issue Proceeds**	US\$200,000,000
Net Asset Value per Share***	US\$0.98/£0.98/€0.98

* The minimum subscription per investor pursuant to the Offer is US\$1,000, £1,000 and €1,000 and the minimum subscription per investor pursuant to the Placing is US\$100,000, £100,000 and €100,000.

** The target size of the Issue is in excess of US\$200,000,000 with the actual size of the Issue being subject to global investor demand. The number of Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, is not known as at the date of this prospectus but will be notified by the Company via a RIS announcement prior to Admission. The Issue will not proceed if the Net Issue Proceeds would be less than US\$100,000,000 (or such lesser amount as the Company, Dexion and Oriel may determine and notify to investors via publication of a supplementary prospectus). For the purposes of determining the Minimum Net Proceeds, any amounts not in U.S. Dollars shall be converted into U.S. Dollars using the prevailing currency exchange rates at the relevant time, as determined by the Directors in their absolute discretion. If the Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant.

*** NAV per U.S. Dollar Share, Sterling Share and Euro Share immediately following Admission (assuming that the costs of the Issue borne by the Company will be equal to 2 per cent. of the Gross Issue Proceeds). The costs of the Issue borne by the Company will be no more than 2 per cent. of the Gross Issue Proceeds. To the extent the costs of the Issue exceed an amount equal to 2 per cent. of the Gross Issue Proceeds, the Investment Manager will bear the excess.

Directors, Investment Managers and Advisers

Directors

William Frewen (chairman)
Richard Battey
Sandra Platts
All c/o the Company's registered office.

Registered Office

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

Investment Manager

Neuberger Berman Europe Limited
57 Berkeley Square
London W1J 6ER
United Kingdom

Sub-Investment Manager

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

Sole Sponsor, Sole Financial Adviser, Joint Global Co-ordinator and Joint Bookrunner

Oriel Securities Limited
125 Wood Street
London EC2V 7AN
United Kingdom

Joint Global Co-ordinator and Joint Bookrunner

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

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

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

Solicitors to the Sole Sponsor, Sole Financial Adviser, Joint Global Co-ordinators and Joint Bookrunners (as to English law and U.S. securities law)

Ashurst LLP
Broadwalk House
5 Appold Street
London EC2A 2HA
United Kingdom

Advocates to the Company (as to Guernsey law)

Carey Olsen
PO Box 98
Carey House
Les Banques St Peter Port
Guernsey GY1 4BZ
Channel Islands

Registrar

Capita Registrars (Guernsey) Limited
Longue Hougue House
St Sampson
Guernsey GY2 4JN

Designated Manager, Custodian and Company Secretary

BNP Paribas Fund Services (Guernsey) Limited
BNP Paribas House
St. Julian's Avenue
St. Peter Port
Guernsey
GY1 1WA

Reporting Accountant and Auditor

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

Receiving Agent

Capita Registrars
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Principal Bankers

BNP Paribas Securities Services SA Guernsey Branch
BNP Paribas House
St. Julian's Avenue
St. Peter Port
Guernsey
GY1 3WE

Settlement Agent to Dexion

Dexion Capital (Guernsey) Limited
Le Truchot
St Peter Port
Guernsey
GY1 3SZ

Advocates to Dexion Guernsey (as to Guernsey Law)

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

Part I: Information on the Company

Introduction

The Company is a closed-ended investment company limited by shares registered and incorporated in Guernsey under the Companies Laws on 10 March 2011, with registration number 53155. The Company is managed by Neuberger Berman Europe Limited, an indirect wholly-owned subsidiary of NB Group. The Investment Manager has delegated certain of its responsibilities and functions to the sub-investment manager, Neuberger Berman Fixed Income LLC, also an indirect wholly-owned subsidiary of NB Group.

Further information in relation to the Investment Manager, Sub-Investment Manager and NB Group is set out in Part III of this prospectus.

The Company's share capital will be denominated in U.S. Dollars, Sterling and Euros and will consist of U.S. Dollar Shares, Sterling Shares and Euro Shares, subject to a minimum amount being raised for each class pursuant to the Issue (see the section "Currency Classes" in this Part I of the prospectus for more information) and compliance with the requirements of the Listing Rules. The Company may issue further classes of Shares from time to time denominated in such other currencies as the Board considers appropriate.

At any general meeting of the Company, each U.S. Dollar Share will carry 1 vote, each Sterling Share will carry 1.6 votes and each Euro Share will carry 1.4 votes (see paragraph 5 in Part VI of this prospectus for more information). The Shares also carry rights to receive all income and capital attributable to the Shares which may be distributed by the Company. The rights of the Shares of each class with respect to any such distribution and on a winding-up or other return of capital attributable to the Shares (other than a redemption or repurchase of Shares by the Company) shall be in proportion to the relative Net Asset Values of each class.

Investment in the Company is only suitable for institutional, professional and high net worth investors, private client fund managers and brokers and other investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company.

Applications will be made to each of the UK Listing Authority and the London Stock Exchange, respectively, for all of the Shares to be issued pursuant to the Issue to be admitted to listing on the Official List and to trading on the Main Market. It is expected that Admission will become effective and that dealings in such Shares will commence at 0800 hours on 20 April 2011.

Investment Objective

The Company's investment objective is to provide its shareholders with regular dividends, at levels that are sustainable, whilst growing the capital value of its investment portfolio over the long term, utilising the investment skills of the Investment Managers.

Target Yield

On the basis of current market conditions as at the date of this prospectus, the Board and Investment Managers will target an annualised yield per Share in the region of 5 per cent. (net of fees and expenses) on the Issue Price in respect of the first year of full investment, plus some capital appreciation.

The actual yield generated by the Company in pursuing its investment objective will, however, depend on a wide range of factors including, but not limited to, general economic and market conditions, fluctuations in currency exchange rates, prevailing interest rates and credit spreads, the terms of the investments made by the Company and the risks highlighted in the sections headed "Risk Factors" in this prospectus. Furthermore, the yield generated by the Company with respect to each class of Shares will be impacted by the extent to which the Investment Managers are able to, and are successful in, hedging currency exchange

risk between the currency in which the relevant class of Shares is denominated and the currencies in which the assets comprised in the Portfolio are denominated and the costs, profits and losses resulting from any such currency hedging activity.

The Target Yield should not be taken as an indication of the Company's expected future performance or results over such period. The Target Yield is a target only and there is no guarantee that it can or will be achieved and it should not be seen as an indication of the Company's expected or actual return. Accordingly, investors should not place any reliance on the Target Yield in deciding whether to invest in the Shares.

Furthermore, the future performance of the Company may be materially adversely affected by the risks discussed in the section of this prospectus entitled "Risk Factors".

Highlights

- **Market opportunity** – the senior secured bank loan market typically offers an attractive level of income relative to other short duration debt instruments, protection from rising interest rates and capital preservation.
- **Attractive target yield** – target annualised yield per Share for the first year of full investment in the region of 5 per cent. (net of fees and expenses) on the Issue Price¹.
- **Capital deployed quickly** – the Net Issue Proceeds are expected to be fully invested within one to three months of Admission.
- **Diversification** – the Company expects its Portfolio, once fully invested, to be comprised of approximately 75 investments from at least 15 industries.
- **Highly experienced portfolio management team** – over 30 investment professionals managing over US\$15 billion in non-investment grade assets.
- **Proprietary database** – comprehensive proprietary information and commentary on over 2,400 transactions, providing extensive financial and capital structure information on issuers.
- **Discount control** – Continuation Resolution on the third and sixth anniversaries of Admission and every year thereafter and an annual redemption offer for up to 50 per cent. of the issued Shares of any class subject to such Shares having traded at an average discount to Net Asset Value per Share in excess of 5 per cent. over the Discount Calculation Period.

Investment Policy

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

The coupon received when investing in floating rate loans varies with, and is periodically adjusted to reflect changes in, a generally recognised base interest rate such as LIBOR. The Company will generally seek to focus on loans of issuers that the Investment Managers believe 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.

The Company may also make investments in senior bonds on an opportunistic basis if the Investment Managers believe that such investments are attractively valued up to a maximum in aggregate of 20 per cent. of the Net Asset Value at the time of investment, provided that no more than 10 per cent. of Net Asset Value may be invested in unsecured senior bonds at the time of investment.

¹ This is a target only. There is no guarantee that the Target Return can or will be achieved and it should not be seen as an indication of the Company's expected or actual return. Accordingly, investors should not place any reliance on the Target Return in deciding whether to invest in the Shares.

Diversification

The Investment Managers will seek to manage risk through in-depth credit research utilising proprietary analytic processes, diversifying across industries, companies and investment size and adjusting sector weightings based on economic and market analysis.

The Company expects that, once fully invested, approximately 75 investments across a minimum of 15 industries will be represented in the Portfolio, with a focus on those industries regarded as defensive, such as utilities and healthcare. Defensive industries are those the Investment Managers believe are less affected by changes in economic conditions and likely to demonstrate the strongest capital preservation.

It is expected that, typically, no industry will represent more than 15 per cent. of Net Asset Value at the time of investment. No single investment will, at the time such investment is made, represent more than 5 per cent. of Net Asset Value.

Gearing and derivatives

The Company will not employ gearing or derivatives of any kind for investment purposes. The Company may, from time to time, use borrowings for share buy backs and short-term liquidity purposes. The Directors will restrict borrowing to an amount not exceeding 20 per cent. of the NAV at the time of drawdown. Derivatives may be used for hedging purposes.

Changes to the Company's investment policy

Any material change to the Company's investment policy will be made only with the approval of the Shareholders.

Cash Uses and Cash Management Activities

In accordance with the Company's investment policy, the Company's principal use of cash (including the Net Issue Proceeds) will be to fund investments sourced by the Investment Managers, as well as initial expenses related to the Issue, ongoing operational expenses and payment of dividends and other distributions to Shareholders in accordance with the Company's dividend policy as discussed in the section entitled "Dividend policy" in this Part I of the prospectus.

While the Investment Managers intend to fully invest the Net Issue Proceeds within 3 months of Admission, the Company may from time to time have surplus cash (for example, following the disposal of an acquired investment). It is expected that any surplus cash will be temporarily invested in cash, cash equivalents, money market instruments, government securities and other investment grade securities pending its investment in accordance with the Company's investment policy. Subject to this, the Company's investment policy does not impose any fixed requirements relating to the allocation of the Company's excess capital among various types of temporary investments. The temporary investments that the Company will make will almost certainly have yields that are significantly lower than the Target Yield.

Borrowing Powers

Whilst the Company will not employ gearing for investment purposes, the Company may, from time to time, use borrowings for share buy backs and short-term liquidity purposes. The Directors will restrict borrowing to an amount not exceeding 20 per cent. of the NAV at the time of drawdown.

As at the date of this prospectus, the Company has no borrowings.

Currency Classes

The Company intends to offer U.S. Dollar Shares, Sterling Shares and Euro Shares pursuant to the Issue, provided that such classes will only be issued pursuant to the Issue if (i) subscriptions for Shares of such class worth in aggregate (at the relevant Issue Price) at least US\$30 million (or the equivalent in Sterling or

Euro, as appropriate) are received (the “**Class Minimum Amount**”); and (ii) that the number of Shares of any class in public hands (as such phrase is used in current Listing Rule 6.1.19(4)(R)) is not less than 25 per cent. of the total number of issued Shares of that class at the relevant time.

Hedging Transactions and Currency Risk Management

The Shares in the Company will be denominated in U.S. Dollars, Sterling and Euro (subject to the Class Minimum Amount being raised for each class and compliance with the Listing Rules) and the investments to be made by the Company may be denominated in U.S. Dollar, Sterling or Euro. Consequently, the holders of any class of Shares may be subject to foreign currency fluctuations between the currency in which such Shares are denominated and the currency of the investments made by the Company.

The Investment Managers will normally seek to hedge currency exposure between the U.S. Dollar (being the Company’s operational and accounting currency) and any other currency in which the Company’s assets may be denominated. In addition, the Investment Managers will normally seek to hedge the exposure of Shares denominated in currencies other than U.S. Dollar against fluctuations between such currencies and the U.S. Dollar.

However, hedging arrangements will be implemented on behalf of the Company only when suitable hedging contracts, such as currency swap agreements, futures contracts, options and forward currency exchange and other derivative contracts, are available in a timely manner and on terms acceptable to the Investment Managers, in their sole and absolute discretion. To the extent that the Investment Managers are unable to engage, or are unsuccessful, in hedging currency exposure, Shareholders will be subject to fluctuations between the currency in which their Shares are denominated and the other currencies in which the assets and investments comprising the Portfolio are denominated.

The Investment Managers reserve the right to terminate any hedging arrangement in their absolute discretion, including, without limitation, if they consider it to be in the interests of Shareholders to do so or such arrangements may adversely affect the performance of the Company.

To the extent that a currency hedging transaction relates to a specific class of Shares, the profits, losses and expenses of such transaction will be allocated solely to the relevant class of Shares.

The Company may also utilise derivative instruments for the purposes of efficient portfolio management and to hedge risk within the Portfolio using single-name credit default swaps, credit default swaps and loan credit default swap indexes, equity futures and equity indexes. The Company will not invest in derivatives for investment purposes. As part of their overall portfolio management obligations and, in any event, prior to entering into a derivative transaction on behalf of the Company, the Investment Managers will consider whether and to what extent it is appropriate to diversify the counterparty risk that results from the use of such derivatives and will monitor overall counterparty exposure within the Portfolio on an ongoing basis.

Discount Control

Continuation Resolution

In accordance with the Articles, the Directors are required to convene an extraordinary general meeting of the Company (an “**EGM**”) on or before the third anniversary of Admission in order to propose an ordinary resolution that the Company continue its business as a closed-ended investment company (the “**Continuation Resolution**”). If the Continuation Resolution is passed, the Directors are required to convene an EGM to propose a further Continuation Resolution on or before the sixth anniversary of Admission. Thereafter, the Directors are required to convene an EGM to propose a further Continuation Resolution on or before the anniversary of the date on which the previous Continuation Resolution was passed.

If any Continuation Resolution is not passed, the Directors are required to put proposals for the reconstruction or reorganisation of the Company to the Shareholders for their approval. These proposals may or may not involve winding up the Company, and therefore, failure to pass the Continuation Resolution will not necessarily result in the winding up of the Company.

Redemption Offer

The Articles incorporate a discount management provision such that if, as at 31 December 2012, or as at 31 December in any subsequent calendar year, the Shares of a particular class have, on average over the last three calendar months of the relevant calendar year (the “**Discount Calculation Period**”), traded at a discount in excess of 5 per cent. of the Net Asset Value per Share of that class (calculated by reference to the middle market quotation of the Shares of that class on the Daily Official List of the London Stock Exchange on each trading day in the relevant Discount Calculation Period and the most recently published Net Asset Value per Share of the relevant class as at the close of trading on such trading day), the Directors will, subject to any legal or regulatory requirements, implement a redemption offer (the “**Redemption Offer**”) pursuant to which each holder of Shares of the relevant class shall be offered the opportunity to redeem up to 50 per cent. of their Shares of such class (the “**Basic Entitlement**”).

The Directors may structure a Redemption Offer to permit Shareholders to request the redemption of Shares of the relevant class in excess of their Basic Entitlement, in which event such excess redemption requests will be satisfied, to the extent that other Shareholders request redemption of Shares of the relevant class in respect of less than the whole of their Basic Entitlement, *pro rata* to the amount in excess of the Basic Entitlement which each relevant Shareholder has requested to redeem (rounded down to the nearest whole number of Shares).

Any Redemption Offer will be announced via a RIS announcement together with details of the terms of the Redemption Offer and the procedure for redeeming Shares.

In implementing a Redemption Offer, the Directors will allocate to a redemption pool (the “**Redemption Pool**”) assets of the Company worth in aggregate (as at the NAV Calculation Date immediately preceding the Redemption Date) an amount equal to the Net Asset Value (as at the same date) attributable to the Shares to be redeemed less one per cent of such amount (which shall be retained for the benefit of the Company). As the Portfolio is expected to consist of cash as well as loans and bonds, the assets allocated to the Redemption Pool will include a cash element as well as a share of the non-cash assets held in the Portfolio .

The proportion allocated to the Redemption Pool in cash would be *pro rata* to the cash held in the Portfolio, save to the extent that the Directors may choose to increase the proportion of cash if they consider that it would be equitable to both the Shareholders participating in the Redemption Offer (“**Exiting Shareholders**”) and those not participating in the Redemption Offer (“**Continuing Shareholders**”) to do so. In the event that the Directors, in their absolute discretion, determine it is necessary or desirable to retain cash for the Company’s working capital purposes, they may also decrease the proportion of cash allocated to the Redemption Pool.

The Directors would select the non-cash assets for allocation to the Redemption Pool with a view to ensuring that, in so far as is practicable, there is *pro rata* allocation of such assets between the Redemption Pool and the assets to be retained in the Portfolio. However, the Directors may choose an alternative allocation, or subsequently rebalance the Redemption Pool, if they consider a *pro rata* allocation to be impracticable or that to do so would be equitable to both Exiting Shareholders and Continuing Shareholders.

An initial cash payment (where available) in the relevant currency will be made to Exiting Shareholders following the closing of the Redemption Offer with further cash payments to be made, at the discretion of the Directors, as assets in the Redemption Pool are realised. The time it will take to realise the non-cash assets contained in the Redemption Pool and therefore to distribute redemption proceeds to Exiting Shareholders will depend on market conditions and how quickly the Investment Managers are able to sell such assets at prices they consider to be reasonable in the circumstances. However, the Directors expect that in normal circumstances it should be possible to realise the assets comprised in a Redemption Pool and distribute the proceeds to Exiting Shareholders within three months of the Redemption Date.

The costs and expenses of implementing the Redemption Offer will be payable out of the Redemption Pool together with the Redemption Pool’s *pro rata* share of the ongoing costs and expenses of the Company and any costs and expenses of the Company attributable solely to such Redemption Pool until such time as the Redemption Pool has been fully realised and all redemption proceeds have been distributed. The Investment Managers will not seek to hedge currency risk between the currencies in which the assets comprised in the

Redemption Pool are denominated and the U.S. Dollar, or between the U.S. Dollar and other currencies in which the Shares redeemed pursuant to the Redemption Offer were denominated. Exiting Shareholders will therefore be subject to unhedged currency exposure during the period from the Redemption Date until all of the assets comprised in the Redemption Pool have been realised.

Share Purchases and Buy Backs

Pursuant to a written ordinary resolution of the subscribers to the Company's memorandum of incorporation dated 10 March 2011, the Directors have been granted general authority to purchase in the market up to 14.99 per cent. of the Shares of each class in issue immediately following Admission at a price not exceeding the prevailing Net Asset Value per Share of the relevant Class as at the time of purchase. The Directors intend to seek annual renewal of this authority from the Shareholders at the Company's annual general meeting.

Pursuant to this authority, and subject to the Companies Laws and the discretion of the Directors, the Company may purchase Shares of a particular class in the market on an ongoing basis with a view to addressing any imbalance between the supply of and demand for Shares of such class, thereby increasing the Net Asset Value per Share of that class and assisting in controlling the discount to Net Asset Value per Share of that class in relation to the price at which the Shares of such class may be trading.

In the event that the Board decides to repurchase Shares, purchases will only be made through the market for cash at prices not exceeding the estimated prevailing Net Asset Value per Share of the relevant class where the Directors believe such purchases will result in an increase in the Net Asset Value per Share of the relevant class. Such purchases will only be made in accordance with (a) the Listing Rules, which currently provide that the maximum price to be paid per Share must not be more than the higher of (i) five per cent. above the average of the mid market values of Shares of the relevant class for the five Business Days before the purchase is made; or (ii) the higher of the last independent trade or the highest current independent bid for Shares of the relevant class; and (b) the Companies Law, which provides *inter alia*, that any buyback is subject to the Company passing the solvency test contained in the Companies Law at the relevant time.

Shares purchased by the Company may be cancelled or held in treasury.

The Company may borrow and/or realise investments in order to finance such Share purchases.

Shareholders and prospective Shareholders should note that the purchase of Shares by the Company is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

Conversions between classes

The Company offers a monthly conversion facility pursuant to which holders of Shares of one class may convert such Shares into Shares of any other class. Shareholders wishing to convert Shares may do so by giving the Company not less than 10 Business Days' notice in advance of the first Business Day of each calendar month (each a "**Currency Conversion Calculation Date**"), either through submission of the relevant instruction mechanism (for Shareholders holding Shares in uncertificated form) or through submission of a conversion notice and the return of the relevant share certificate to the Registrars (for Shareholders holding Shares in certificated form). Such conversion will be effected on the basis of the ratio of the Net Asset Value per Share of the class of Shares to be converted (calculated in U.S. Dollars less the costs of effecting such conversion and adjusting any currency hedging arrangements), to the Net Asset Value per Share of the class of Shares into which they will be converted (also calculated in U.S. Dollars), in each case on the relevant Currency Conversion Calculation Date.

Shareholders should note that fractions of Shares arising on conversion will be rounded down and hence the aggregate Net Asset Value of those Shares held after conversion may be less than before such conversion. Shareholders who elect to convert Shares will be unable to deal in those Shares in the period between giving notice of conversion and the actual date of conversion.

The Directors may amend the process for conversion (including the timing and frequency of currency class conversions and the procedure for giving notice of conversion) in such manner as they see fit including,

without limitation, for the purposes of facilitating conversions of Shares in uncertificated or certificated form or to facilitate electronic communications. Any conversion notice once given shall be irrevocable without the consent of the Directors. The date on which conversion shall take place shall be a date determined by the Board being not more than 30 days after the relevant Currency Conversion Calculation Date.

Conversion shall be effected by way of redesignation of Shares of one currency class into Shares of another currency class or in any such other manner as the Board may determine.

The ability to convert Shares of one class into Shares of any other class may be suspended at any time that the calculation and publication of the Net Asset Value per Share is suspended.

Should either: (i) the aggregate Net Asset Value of the Shares of any class fall below the Class Minimum Amount as at any NAV Calculation Date (or the equivalent in the relevant currency); or (ii) the number of Shares of any class held in public hands (as such phrase is used in current Listing Rule 6.1.19(4)R) fall below 25 per cent. of the total number of issued Shares of that class, the Directors, in accordance with the Articles of Incorporation, have the right, at their discretion, to compulsorily convert the Shares of such class into Shares of the class then in issue with the greatest aggregate Net Asset Value in U.S. Dollar terms as at the corresponding NAV Calculation Date.

The Directors have the discretion not to operate the conversion facility with respect to any class of Shares or across all classes of Shares from time to time.

Further issues of Shares

The Directors will have authority to allot further Shares in the share capital of the Company following Admission. Further issues of Shares would only be made if the Directors determine such issues to be in the best interests of Shareholders and the Company as a whole. Relevant factors in making such determination include net asset performance, share price rating and perceived investor demand. In the case of further issues of Shares of an existing class, such Shares will only be issued at prices which are not less than the then prevailing Net Asset Value per Share of the relevant class (as estimated by the Directors).

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of Shares. The Articles, however, contain pre-emption rights in relation to allotments of Shares for cash. Pursuant to a written extraordinary resolution of the subscribers to the Company's memorandum of incorporation dated 10 March 2011, it was resolved to disapply such pre-emption rights in relation to a number of Shares of each class equal to 10 per cent of the Shares of each class in issue immediately following Admission for a period concluding on the earlier of immediately prior to the Annual General Meeting of the Company to be held in 2012 or 31 December 2012. The Directors intend to request that the authority to allot Shares for cash on a non-pre-emptive basis is renewed at each subsequent annual general meeting of the Company.

The Articles of Incorporation contain provisions that permit the Directors to issue C Shares from time to time. C Shares are shares which convert into Shares only when a specified proportion of the net proceeds of issuing such C Shares have been invested in accordance with the Company's investment policy (prior to which the assets of the Company attributable to the C Shares are segregated from the assets of the Company attributable to the Shares). A C Share issue would therefore permit the Board to raise further capital for the Company whilst limiting any dilution of investment returns for existing Shareholders which may otherwise result.

Dividend Policy

In any financial year, the Company intends to pay dividends to Shareholders equal to the cash income it receives less its running costs paid in that year, subject to the solvency test prescribed by Guernsey law. Cash income will comprise cash received by the Company attributable to the running yield of the Portfolio and the income, if any, arising from cash held by the Company pending investment or distribution. In addition, it will also include all fees generated by the Portfolio, including, for example, arrangement fees from primary loans. It is anticipated that a distribution will be made by way of an interim dividend with respect to each calendar quarter. It is expected that once a dividend has been declared, it will be distributed

to Shareholders by the end of the month following the quarter in respect of which the dividend was declared. Dividends will be paid in the currency of the class of Shares in respect of which the dividend was declared.

The Articles of Incorporation also permit the Directors, in their absolute discretion, to offer a scrip dividend alternative to Shareholders when a cash dividend is declared from time to time. In the event a scrip dividend is offered in future, an electing Shareholder would be issued new, fully paid up Shares (or Shares reissued from treasury) pursuant to the scrip dividend alternative, calculated by reference to the higher of (i) the prevailing average mid-market quotation of the Shares of that class on the Daily Official List of the London Stock Exchange over five trading days; or (ii) the Net Asset Value per Share of that class, at the relevant time. The scrip dividend alternative would be available only to those Shareholders to whom Shares might lawfully be marketed by the Company. The Directors' intention is not to offer a scrip dividend at any time that the Shares trade at a material discount to the Net Asset Value per Share.

The Directors expect to declare and pay the first dividend in respect of the calendar quarter ending 30 September 2011, subject to compliance with the solvency test prescribed by Guernsey law.

Reports and Accounts

The first accounting period of the Company will run from the date of the Company's incorporation to 31 December 2011 and, thereafter, accounting periods will end on 31 December in each year. The audited annual accounts will be provided to Shareholders within four months of the year end to which they relate. Unaudited half yearly reports, made up to 30 June in each year, will be announced within two months of that date. The Company will also produce interim management statements in accordance with the Disclosure Rules and Transparency Rules. The Company will report its results of operations and financial position in U.S. Dollars.

The audited annual accounts and half yearly reports will also be available at the registered office of the Administrator and the Company and from the Company's website, www.nbgfrif.com.

The financial statements of the Company will be prepared in accordance with U.S. GAAP, and the annual accounts will be audited by PricewaterhouseCoopers CI LLP using auditing standards in accordance with International Standards on Auditing (UK and Ireland). The Company expects that its financial statements, which will be the responsibility of its Board, will consist of a balance sheet, profit and loss statement and cash flow statement, related notes and any additional information that the Board deems appropriate or that is required by applicable law.

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 judgements 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 statements of the Company.

Net Asset Value

Publication of Net Asset Value

The Company intends to publish its estimate of the Net Asset Value per Share of each class on a daily basis, as calculated by the process described below. The Net Asset Value per Share of each class will be published in the currency in which such Shares are denominated and will be published by RIS announcement and be available on the website of the Company.

In order to calculate the Net Asset Value of each class of Shares, a separate class account will be established in the books of the Company in respect of each class of Shares. Each such class account will be maintained in U.S. Dollars (being the Company's operational and accounting currency) and, consequently, when publishing the Net Asset Value per Share of any class of Shares denominated otherwise than in U.S.

Dollars, the Directors shall convert the U.S. Dollar amount standing to the credit of the relevant class account into the relevant currency using such exchange rate as they may consider appropriate. An amount equal to the proceeds of issue of Shares of each class will be credited to the relevant class account. Any decrease in the Net Asset Value of the Company arising from the redemption or repurchase of Shares of a particular class or any dividend or other distribution paid by the Company in respect of Shares of a particular class will be debited to the relevant class account. Each class account will be adjusted as appropriate to reflect conversions of Shares from one class into Shares of any other class. Any increase or decrease in the Net Asset Value of the Portfolio which is attributable to the Shares (disregarding for these purposes any increases or decreases in Net Asset Value arising from issues, repurchases or redemptions of Shares or any dividends or other distribution paid by the Company or any class specific adjustments (as defined below)) will be allocated among the relevant class accounts based on the previous relative Net Asset Values of each such class account (measured in U.S. Dollar terms). There will then be allocated to each class account the “class specific adjustments”, being those foreign exchange items, placing and distributor fees or commissions, other fees, costs, liabilities, expenses, losses, assets, profits, gains and income which the Directors determine relate to a single separate class (for example those items relating to foreign exchange transactions in respect of each class including the cost of converting subscription proceeds from Sterling or Euro into U.S. Dollars and of hedging the resulting foreign currency exposure).

Valuation of the assets held in the Portfolio

It is intended that the Company will invest primarily in loans, which are expected to be valued according to their bid price as at the close of the relevant trading day or the bid price as determined by Markit Partners on the relevant NAV Calculation Date. If a price cannot be obtained from Markit Partners for any loan, the Investment Managers will source bid prices as at the close of the relevant trading day from third party broker/dealer quotes for any such loan.

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

The overall criterion for fair value is a price at which a round lot, being the minimum amount that may be sold of a particular loan, of the securities involved would change hands in a transaction between a willing buyer and a willing seller, neither being under compulsion to buy or sell and both having the same knowledge of the relevant facts.

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

- valuation of other securities by the same issuer for which market quotations are available;
- reasons for absence of market quotations;
- the soundness of the security, its interest yield, the date of maturity, the credit standing of the issue and current general interest rates;
- recent sales prices and/or bid and ask quotations for the security;
- value of similar securities of issuers in the same or similar industries for which market quotations are available;
- economic outlook of the relevant industry;
- an issuer’s position in the relevant industry;
- the financial statements of the issuer; and
- the nature and duration of any restriction on disposition of the security.

Suspension of the calculation of Net Asset Value

The Directors may at any time, but cannot be obliged to, temporarily suspend the calculation of the NAV and NAV per Share during:

- (a) any period when any of the principal markets or stock exchanges on which a substantial part of the Company's investments are traded are closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended;
- (b) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial part of the investments of the Company is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders or if in the opinion of the Directors the NAV and/or NAV per Share cannot be fairly calculated; or
- (c) any breakdown in the means of communication normally employed in determining the value of the Company's investments or when for any reason the current prices on any market of a substantial part of the Company's investments cannot be promptly and accurately ascertained.

In the event that the calculation of the NAV of the Shares is suspended as described above, trading in the Shares on the Main Market and the listing of the Shares on the Official List may also be suspended.

Disclosure of the Portfolio

The Company intends to publish detailed financial information on the Portfolio at each month end (each a "**Monthly Portfolio Disclosure**") in addition to the daily NAV publication. Monthly Portfolio Disclosures will be made available on the Company's website: www.nbgfrif.com, within 7 Business Days of the relevant month end and publication on the website will be announced by RIS. The Monthly Portfolio Disclosures will contain a range of data on the Portfolio, including, but not limited to, the number of loans held in the Portfolio, the interest rate payable on each loan and third party credit ratings for each loan.

Part II: Overview and Outlook on the Floating Rate Loan Market

Market Opportunity

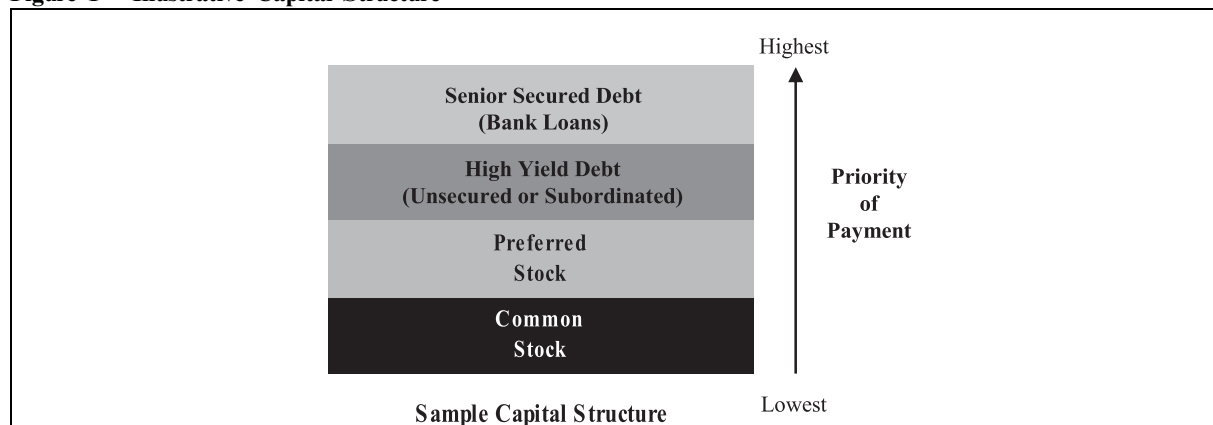
Bank loans are debt obligations arranged by banks and other financial entities on behalf of corporations, partnerships and other business issuers. Such loans are typically used to finance mergers and acquisitions, leveraged buyouts, recapitalisations, refinancings, capital expenditure and for other general corporate purposes.

Bank loans are originated by a bank or other financial institution (also known as an arranger) and will typically be syndicated to a pool of lenders that collaborate to provide financing for the borrower. Once the bank loan is issued, lenders have the option to hold their portion for the life of the loan or to sell it to other investors in the secondary market.

The bank loans that the Company intends to invest in will generally be non-investment grade, that is rated at or below Ba1 by Moody's Investors Service or at or below BB+ by Standard & Poor's or an equivalent rating by a third party rating agency.

The bank loans that will comprise the Portfolio will typically hold the most senior position in the capital structure of the borrower and will be secured with specific collateral giving lenders a claim on the assets that is senior to the claims of unsecured creditors, subordinated debt holders and stockholders of the borrower. The security package typically incorporates a first priority over all of the borrower's assets including receivables, inventory, bank accounts, property and plant and equipment. In the event of a default or bankruptcy, the holders of the loans should be in a better position to maximise recovery of their debt than other creditors due to their position in the capital structure. Figure 1 shows a typical capital structure of a borrower.

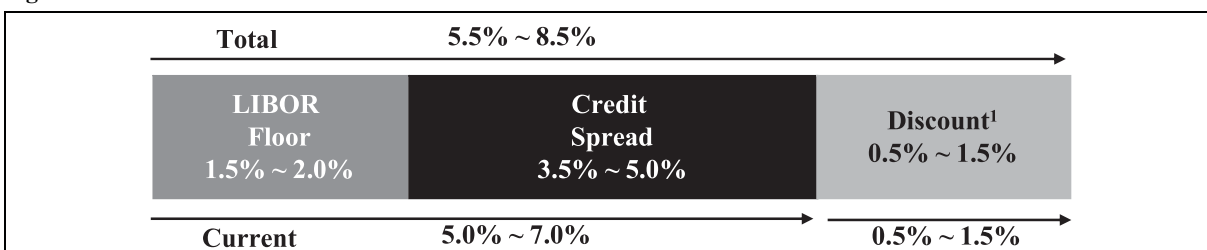
Figure 1 – Illustrative Capital Structure



Bank loans earn a variable rate of interest that includes a stated 'spread' (also known as the margin), which reflects issuer risk, over a widely accepted base rate such as LIBOR. The floating rate on bank loans typically resets every 30 to 90 days in line with the prevailing rate of LIBOR and, because such loans reset on a regular basis, the yield is described as "floating".

The Investment Managers' recent experience is that LIBOR floors have become a common feature of new loan issues; LIBOR floors guarantee a minimum level of LIBOR to investors irrespective of the prevailing interest rate. The floors are typically between 1.5 per cent. and 2.0 per cent. If LIBOR exceeds the floor then such loans pay the prevailing LIBOR as well as the credit spread. Figure 2 details the potential sources of return from bank loans. The return is generated by the LIBOR floor, the spread over LIBOR paid by the borrower due to the terms of the underlying loan and the discount. The discount occurs because new issues are commonly priced, in the Investment Managers' experience, at a discount to the par value of the loan.

Figure 2 – Indicative Breakdown of Bank Loans Returns



For illustrative purposes only.

1. New issues are typically sold at a discount to par.

Why bank loans are an attractive investment

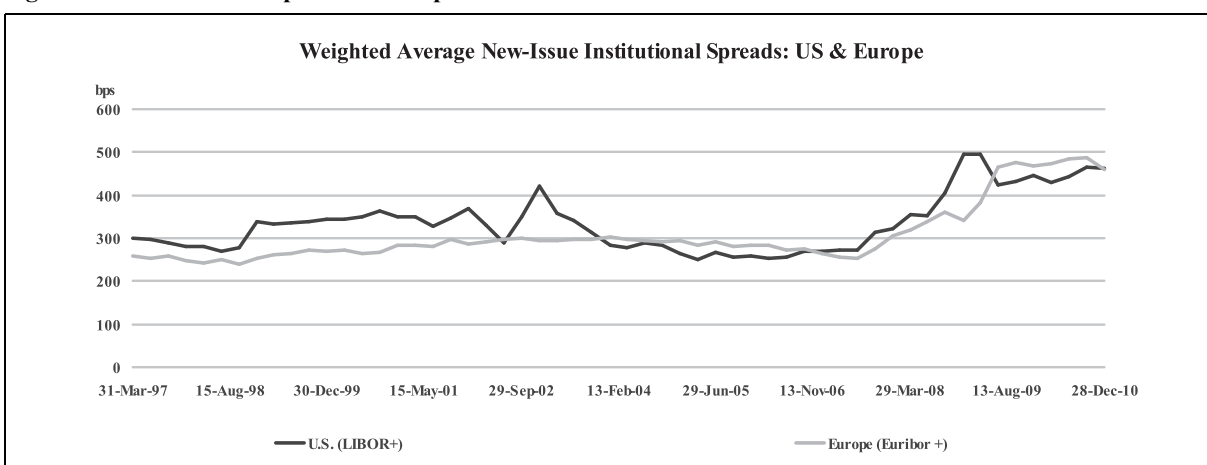
The Investment Managers believe that there are three main reasons why bank loans are an attractive investment:

1. High level of income relative to other debt instruments

Recent new issues in the bank loan market have typically offered yields in excess of 5 per cent. on an annualised basis, with some potential for capital appreciation as at the date of this prospectus. The Investment Managers believe that this is an attractive level of income for the risk being undertaken relative to other short duration fixed income investments (see figure 9 of this Part II of the prospectus). Capital appreciation may occur if bank loans are purchased at a discount to par value, either on the primary or secondary market.

As Figure 3 shows, credit spreads widened to the end of 2010 with new bank loan issues being priced at what the Investment Managers believe to be more reasonable levels, given the creditworthiness of borrowers, than was the case in the period between 2006 to 2008 before the market turmoil and global recession. Figure 3 shows the evolution of spreads in the U.S. and European market and highlights the widening in spreads since 2007. It is expected that spreads will remain at attractive levels in the short to mid term for two reasons: (i) the increased presence of unlevered investors compared with 2006 to 2007; and (ii) significant supply (comprising refinancings and new issues) coming to the market over the next few years.

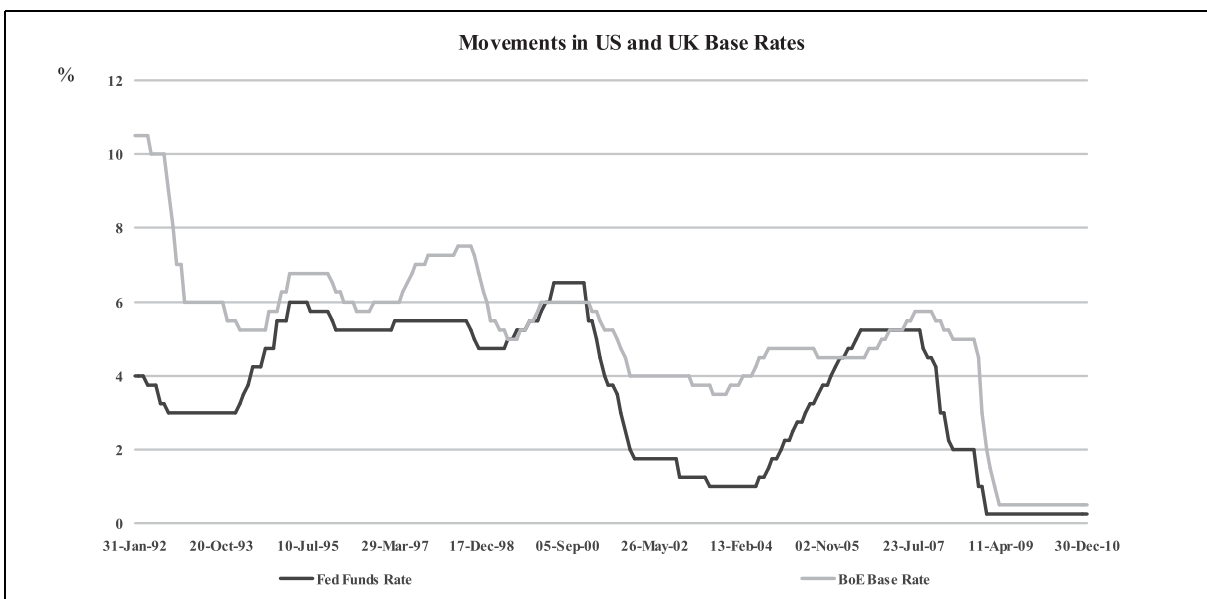
Figure 3 – U.S. and European Credit Spreads 1997 to 2010



Source: S&P LCD.

2. Protection from rising interest rates

Figure 4 – Movements in US and UK base rates

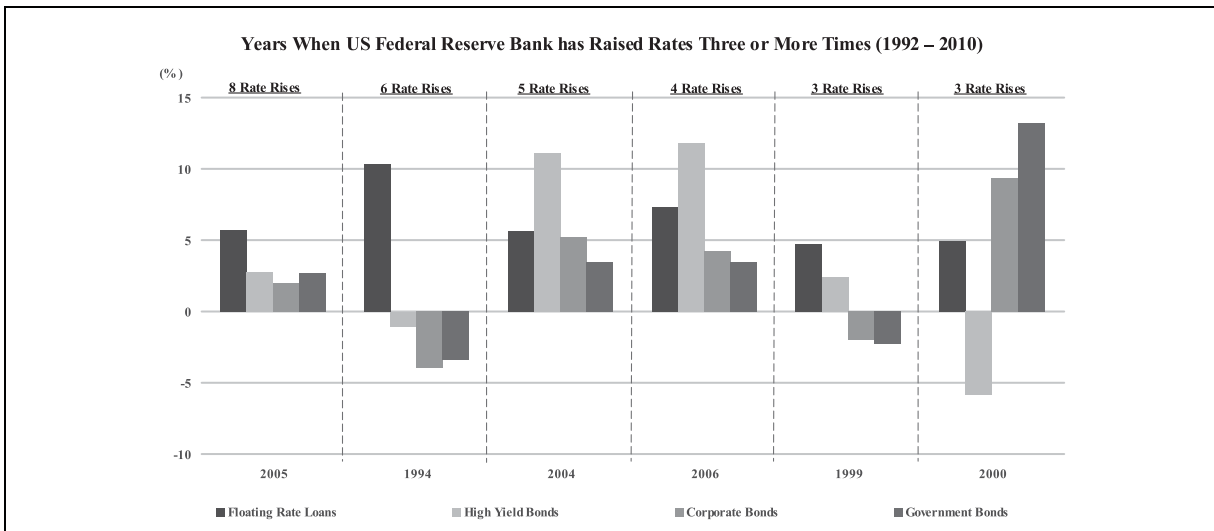


Source: Bloomberg.

With US and European interest rates at historical lows for the period from 2008 to the date of this prospectus, the Investment Managers' view is that interest rates will rise over the coming years. As shown by Figure 4, when interest rates are adjusted they have typically moved quickly, with some sharp adjustments observed in the US and UK base rates over the past ten years. The floating rate of interest paid by bank loans should provide some protection against rising interest rates as the coupon on a bank loan is directly linked to LIBOR and will rise in line with interest rates increases. With traditional fixed income assets such as fixed rate bonds, a rise in interest rates tends to lead to a fall in price.

In the Investment Managers' opinion, bank loans have tended to perform consistently well in rising rate environments, as illustrated by Figure 5. This shows how bank loans have performed relative to other asset classes in years when the U.S. Federal Reserve raised interest rates three or more times in any year in the period 1992 to 2010.

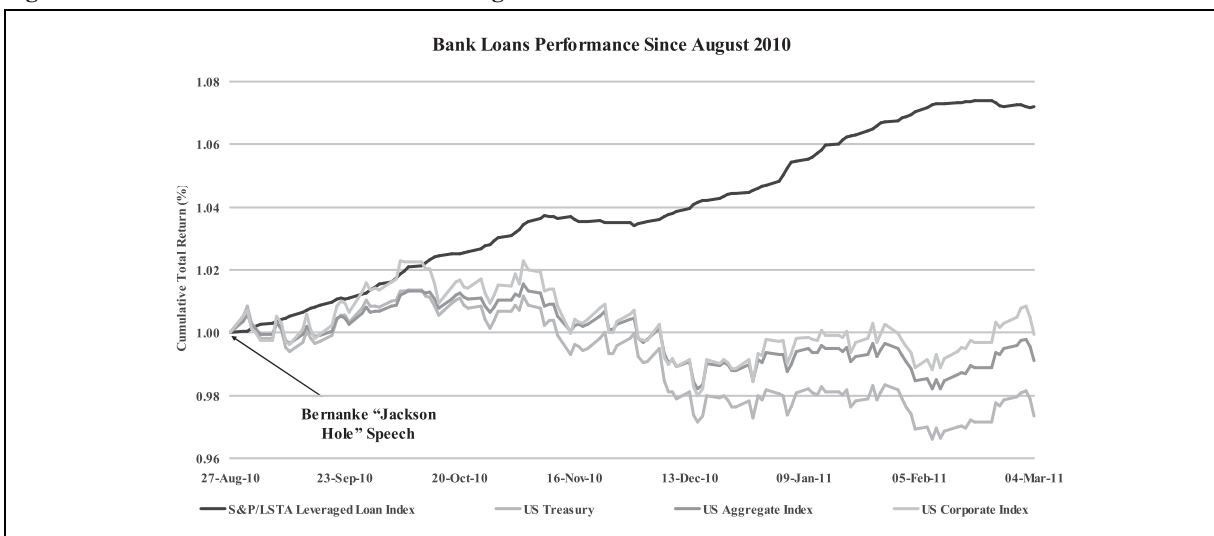
Figure 5 – US Interest Rate Rises 1992 to 2010



Source: Morningstar, Barclays Capital and Credit Suisse, 1 January 1992 to 3 December 2010. Floating rate loans are represented by the Credit Suisse Leveraged Loan Index, a representative index of tradable, senior secured, U.S. dollar denominated non-investment grade loans. High yield bonds are represented by the Barclays Capital U.S. High Yield Total Return Index, which covers the universe of fixed rate, non-investment grade debt. Corporate bonds are represented by the Barclays Capital U.S. Credit Index, which includes all publicly issued, fixed rate, non-convertible investment-grade dollar denominated, SEC registered corporate debt. Government bonds are represented by the Barclays Capital U.S. Government Bond Index, which is composed of the Barclays Capital U.S. Treasury Bond Index (all public obligations of the U.S. Treasury, excluding flower bonds and foreign-targeted issues), and the Barclays Capital Agency Index (all publicly issued debt of U.S. Government agencies and quasi-federal corporations, and corporate debt guaranteed by the U.S. Government).

As Figure 6 shows, bank loans have performed well relative to certain other asset classes since the end of August 2010 as yields rose following the speech from Ben Bernanke, Chairman of the Federal Reserve Bank, at Jackson Hole, Wyoming in August 2010. The speech marked the introduction of ‘quantitative easing 2’ by the Federal Reserve and offered reassurance to investors that the Federal Reserve would provide additional stimulus to the U.S. economy if required.

Figure 6 – Bank Loan Performance since August 2010

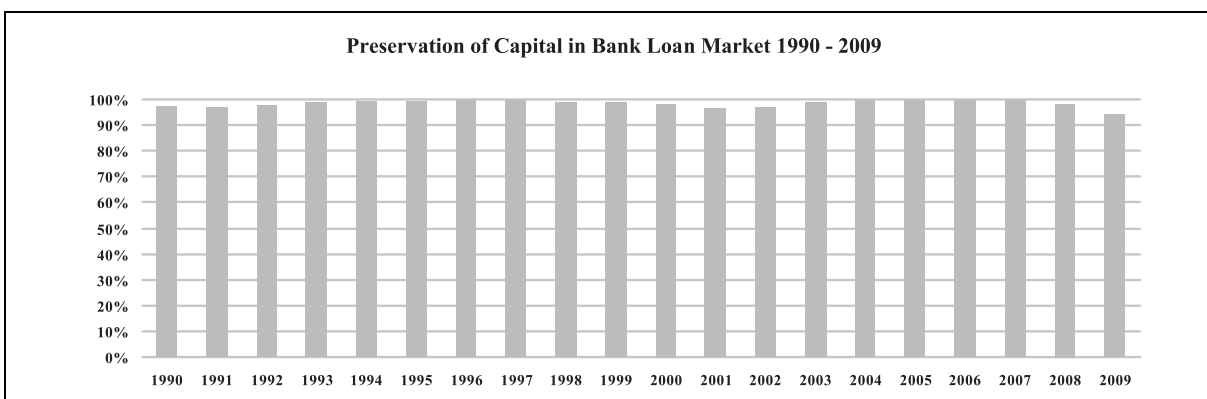


Sources: The S&P LSTA Leveraged Loan Index was sourced from Bloomberg. The other indices were sourced from BarCap Live. All data as of 4 March 2011. Indices represented are the BarCap US Treasury Index for US Treasuries, the BarCap US Corporates Index for US Corporates and the BarCap US Aggregate Index for the US Aggregate Index. The above does not account for differences in the credit quality or duration of the bonds that make up each respective index. It is not possible to invest directly in an index. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results.

3. Capital preservation

Although the bank loans the Company expects to invest in will generally be non-investment grade, the senior secured nature of such loans means they have historically demonstrated a very high level of capital preservation. In the U.S. bank loans market, the annual loss ratio has never exceeded 6 per cent. in any calendar year in the period 1990 to 2009 and the market has preserved an average of 98.3 per cent. of capital for the same period. Figure 7 shows the preservation of capital in the U.S. bank loan market between 1990 and 2009.

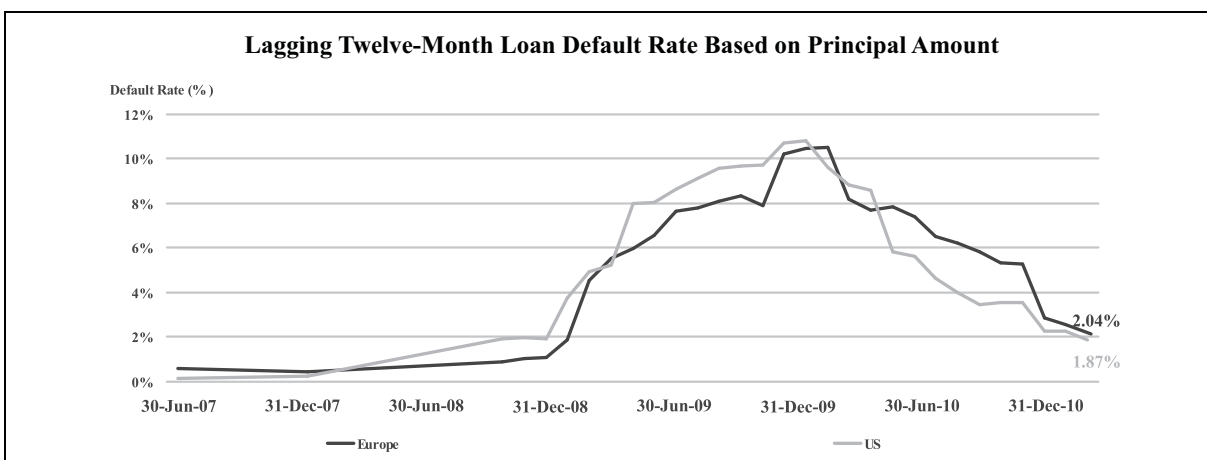
Figure 7 – Preservation of Capital in U.S. Bank Loan Market



Source: Moody's Investors Service report dated February 2010. Preservation of capital shown above is 100 per cent. minus the loss ratio. Loss ratio is the issuer weighted corporate default rate for speculative grade U.S. dollar loans taken from that report multiplied by 100 per cent. minus the average recovery rates for U.S. dollar first lien loans taken from the same report. These are broadly but not exactly representative of the assets the Company intends to invest in. At least 90 per cent. of the proposed portfolio is expected to be invested in senior secured debt in North America and the European Union.

It is expected that the trend of capital preservation in bank loans will continue and will be supported by a declining corporate default rate in both the United States and Europe. Figure 8 shows how default rates in the U.S. and Europe have declined since December 2009. The Investment Managers believe corporate default rates have fallen as the U.S. economy has experienced a period of slow but steady growth as it recovers from recession and consequently access to new funding for issuers has improved. The Investment Managers expect slow economic growth to continue in the U.S. for the remainder of 2011, and consequently that default rates will remain below 2.0 per cent. The Investment Managers expect to see a similar trend in Europe.

Figure 8 – Borrower Default Rates 2007 to 2010

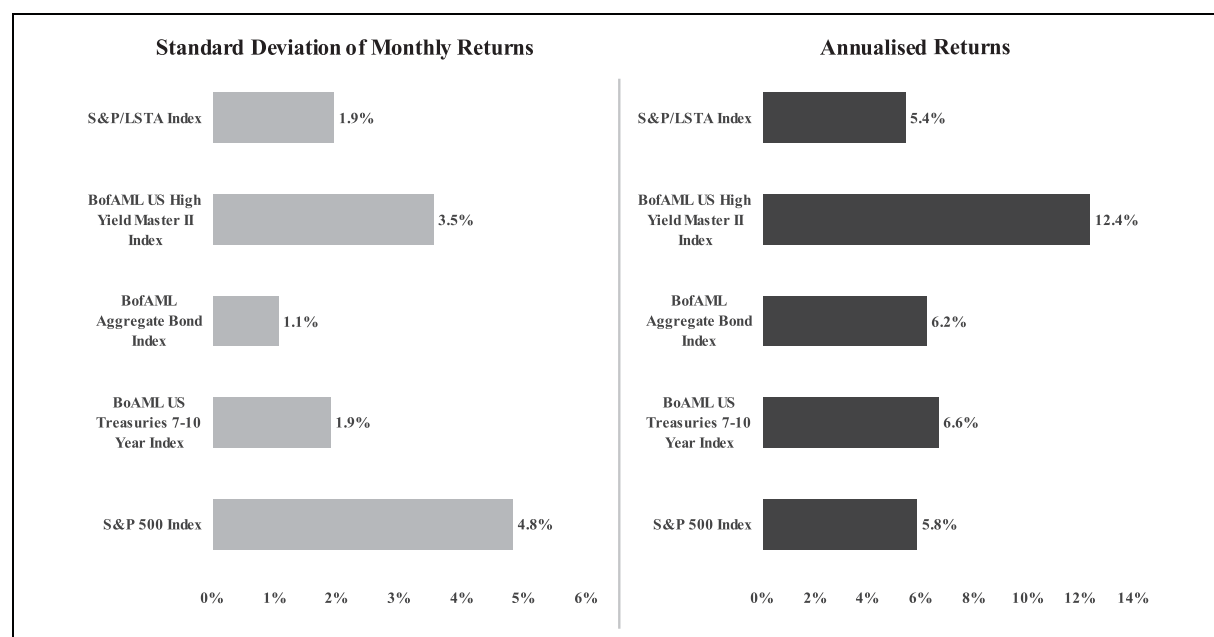


Source: S&P LCD.

Risk/return profile of bank loans

Bank loans have historically demonstrated an attractive risk/return profile relative to other asset classes, in the opinion of the Investment Managers. Other than the period of market dislocation in 2008 and 2009, returns on bank loans have been fairly consistent over the past 14 years, generally exhibiting a lower risk or volatility profile compared with certain other assets, as measured by the standard deviation of monthly returns².

Figure 9 – Risk/Return Profiles Across Benchmarks



Source: Morningstar. Data from January 1997 to January 2011.

As Figure 9 illustrates, bank loans have a monthly standard deviation of 1.9 per cent., a relatively low figure particularly given that this includes the severe volatility in the bank loan market in 2008 and 2009, which in turn increased the price volatility of such loans nearly fourfold. Before the weakening of the credit markets in June 2007, the standard deviation of monthly returns for the S&P/LSTA Index was 0.52 per cent. (for the period January 1997 to June 2007). The Investment Managers believe the S&P/LSTA Index is an appropriate proxy for the bank loans market as it represents a broad cross section of leveraged loans syndicated in the United States, including U.S. Dollar-denominated loans to overseas issuers.

Figure 10 illustrates the current characteristics of the bank loan market compared to other fixed income asset classes. The Investment Manager believes that loans can act as an attractive hedge against interest rates due to the floating rate element of the loans, and that they are currently priced at an attractive level relative to other fixed income asset classes, given the risk being undertaken. The Investment Managers believe that this hedge against interest rates significantly differentiates bank loans from other fixed income asset classes.

² Standard deviation is a statistical measurement that sheds light on historical volatility. It measures the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation and, therefore, the greater the expected volatility of returns.

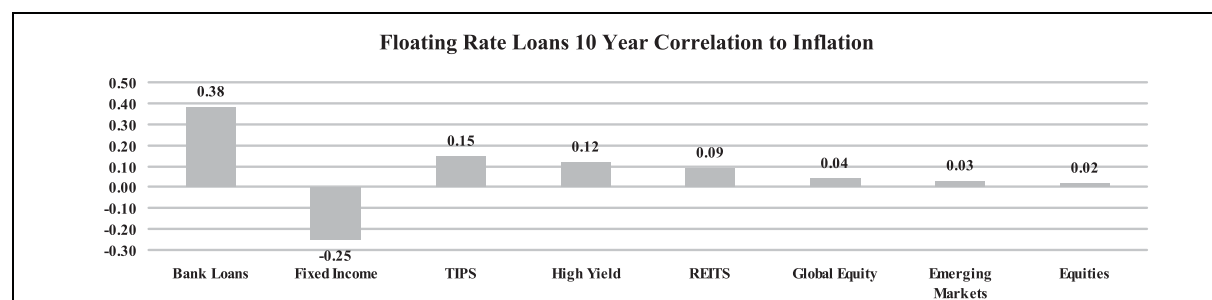
Figure 10 – Current Spreads Of Fixed Income Assets

	Senior Loans	Government Debt	Corporate Bonds	High Yield Bonds
Secured	✓	X	X	X
Current average spread (bps)	463	3	146	527
Average Spread over 10 years (bps)	342	12	160	611
Current price to par	96	104	107	102
Linked to rising rates	✓	X	X	X

Source: Barclays POINT. All data as at 31 December 2010. Benchmarks used were the Credit Suisse First Boston Leveraged Loan Index for Senior Loans, BarCap U.S. Government Bond Index for Government Debt, BarCap U.S. Credit Issuer Cap Index for Corporate Debt and BarCap U.S. High Yield 2 per cent. Issuer Cap Index for High Yield Bonds.

Figure 11 shows the correlation between the returns for the bank loan market and a selection of other asset classes relative to inflation. Over the last 10 years, bank loans have shown a strong correlation to inflation, such that investment in bank loans might be considered a more effective hedge against the negative impact of inflation on returns than these other asset classes. The Investment Managers believe this is an attractive attribute given this expectation of rising inflation as at the date of this prospectus.

Figure 11 – Floating Rate Loans 10 Year Correlation to Inflation



Source: Bloomberg. Data from 1 February 2001 to 31 January 2011. Benchmarks used were the S&P / LSTA Leveraged Loan Index (this is broadly but not exactly representative of the assets the Fund will invest in) for Bank Loans, BarCap U.S. Aggregate Bond Index for Fixed Income, BarCap U.S. High Yield 2 per cent. Issuer Cap Index for High Yield, BarCap U.S. Treasury U.S. TIPS Index for TIPS and S&P 500 Index for U.S. Equities. Correlation figures are shown against the U.S. Consumer Price Index.

Floating rate loan 2011 outlook

Based on solid fundamentals and a robust new issue calendar in the floating rate loan market, the Investment Managers believe that the market could generate a total gross return of 6 to 9 per cent. (comprising income and capital) for 2011 with the majority of the return expected to derive from interest income and the balance from price appreciation, based on a high B / low BB rated portfolio and a continued low growth economic environment.

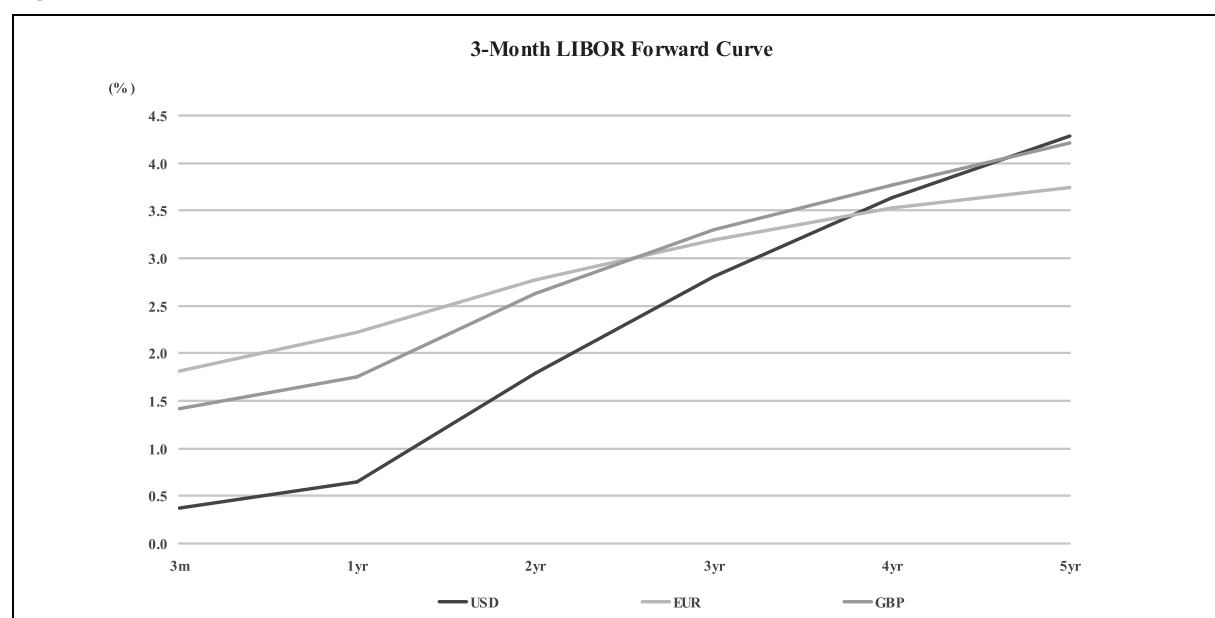
In terms of the fundamental position of issuers, a low but steady growth environment combined with low borrower defaults rates has historically been attractive for loan performance. The Investment Managers believe that this growth environment will continue in the short to medium term. In the Portfolio, the Investment Managers will seek loans from borrowers that have adequate liquidity and cash flow to justify their market valuations, as opposed to choosing securities that can only have positive returns if the issuer is able to grow its profitability or improve its balance sheet position. The Investment Managers further believe that the outlook is for default rates to fall which should result in stronger returns and capital preservation for the leveraged loan market, with default rates expected to remain below 2 per cent. for 2011, in line with a default rate of just below 2.0 per cent. in 2010 and down from a peak of nearly 11.0 per cent. in late 2009.

From a technical standpoint, expected new issuance during the remainder of 2011 is considered to be robust and the Investment Managers believe that this will keep supply and demand in balance. The forward calendar is being driven by private equity sponsors employing funds that they have raised in new deals after lower levels of activity during the recession, recapitalisations of legacy private equity acquisitions and existing issuers refinancing 2013 and 2014 maturities with longer-dated issues.

The Investment Managers' view is that current yields on new issues are attractive relative to historical levels, ranging from 5.5 per cent. to 7.5 per cent., which can be broken into a LIBOR floor of 1.5 to 2.0 per cent. and a credit spread of 3.5 to 5.0 per cent. In addition, the Investment Managers expect some capital appreciation from new issues priced at a discount to par and loans that are acquired in the secondary market at a discount to par. Given the significant amount of debt that needs to be refinanced over the next three years, yields are expected to remain high in relative terms and, given this, demand for this asset class is expected to remain steady.

The Investment Managers also believe that interest rates in North America and Europe will begin to increase in the second half of 2011. Figure 12 shows the 3 month LIBOR forward curve for U.S. Dollars, Euros and Sterling. The Investment Managers believe that the forward curve gives a good indication of how the market is expecting interest rates to move. It is anticipated that this will result in higher yields and should apply upward pressure on the prices of loans in the secondary market as investors will be willing to pay more for loans with floating rate coupons.

Figure 12 – 3-Month LIBOR Forward Curve



Source: Bloomberg as at 15 March 2011

Part III: Investment Managers, Process and Strategy

Investment Managers

The investment manager of the Company is Neuberger Berman Europe Limited, a company incorporated in England and Wales, with registered number 05463227. The Investment Manager has been appointed pursuant to the Investment Management Agreement (further details of which are set out in paragraph 6.3 of Part VI of this prospectus) and has, pursuant to the Sub-Investment Management Agreement, delegated certain of its responsibilities and functions to the sub-investment manager, Neuberger Berman Fixed Income LLC, a limited liability company incorporated in Delaware.

The Investment Managers are wholly-owned indirect subsidiaries of the NB Group. Established in 1939, the NB Group is one of the world's largest private, independent employee-controlled asset management companies, managing approximately US\$190 billion in assets as of 31 December 2010, including approximately US\$80 billion in fixed income investments.

The Investment Managers are responsible for the discretionary management of, and will conduct day-to-day management of, the assets held in the Portfolio (including uninvested cash). The Investment Managers are not required to and generally will not submit individual decisions for approval by the Board.

Details of the fees and expenses payable to the Investment Manager pursuant to the Investment Manager are set out in the section headed "Fees and expenses" in Part IV of this prospectus.

Investment strategy

The Investment Managers believe that superior bank loan investment results can be achieved throughout all market cycles using a proactive investment process that reflects the experience of the Investment Managers' team in the bank loan sector supported by robust risk management techniques. The Investment Managers will seek to avoid credit deterioration, select securities in which the yield is attractive on a relative value basis and rotate across credit tiers and industry sectors.

The Investment Managers intend to employ a disciplined research process that includes fundamental credit analysis, combined with a thorough understanding of the industry and market position of each of the issuers in which the Company will invest. Risk management is central to decision making and is embedded throughout the investment strategy. Risk will be managed through portfolio diversification, in-depth credit research and ongoing sector reviews.

In evaluating specific investment ideas for the Company, the Investment Managers intend to draw upon their substantial investing experience to analyse and assess each prospective borrower's value, capital structure, corporate structure, liquidity position, financial performance and competitive environment in an attempt to identify attractive investment opportunities.

The Investment Managers intend to acquire senior secured floating rate loans that are considered to be non-investment grade on behalf of the Company in both the primary and secondary markets; this is explained in more detail in the section entitled "Primary and secondary loan markets" in this Part III of the prospectus. Senior bonds may also be acquired on an opportunistic basis in accordance with the Company's investment policy. The manner in which investments in loans may be made by the Investment Managers will either be directly, with the Company becoming a member of a syndicate of lenders, or indirectly, by way of sub-participation arrangements between the Company and a loan market participant such as a bank. The Investment Managers expect that the majority of the Company's investments in senior loans will be effected directly. See the section entitled "Sub-participation arrangements" in this Part III of the prospectus for more information.

Non-investment grade loans

The Company will invest in senior loans that are often non-investment grade. Third party rating agencies, such as Moody's Investors Service and Standard & Poor's, aim to rank the credit worthiness of borrowers

using a standardised ratings scale to provide investors with an independent view on how likely a borrower is to default on its debt repayments. Investment grade issuers are rated Aaa to Baa3 by Moody's Investor Services and AAA to BBB by Standard & Poor's. Non-investment grade borrowers are rated from between Ba1 to C by Moody's Investor Services and BB+ to D by Standard & Poor's. A non-investment grade rating reflects, in the opinion of the ratings agencies, the riskier credit profile of a borrower compared to an investment grade issuer. The Company intends to invest in non-investment grade issues with an average credit quality of between BB and B. See the section entitled "Example Portfolio Composition" in this Part III of the prospectus for the credit rating qualities of an example portfolio of senior loans selected by the Investment Managers.

The Company will generally not invest in distressed loans. In contrast to the secured senior debt which the Company primarily intends to invest in, distressed debt relates to issuers that are already in default of their debt obligations, in bankruptcy proceedings or are likely to enter into such proceedings or default on their obligations, and the Investment Managers' screening process is designed to eliminate such issuers from the Portfolio. See the section entitled "Investment Process" in this Part III of the prospectus for more information on the Investment Managers' investment process with respect to screening.

Primary and secondary loan markets

The Investment Managers intend to acquire loans on behalf of the Company in both the primary and secondary loan markets.

The primary loan market relates to new issues of loans by companies and other entities. This is commonly undertaken by syndicates of securities dealers and other financial institutions that underwrite new loan issues. Syndicate members conduct due diligence on the borrower and a lead underwriter, often a loan originating desk of an investment bank, will then allocate a share of the loan to each participant in the syndicate. This allocation may depend on many factors including demand for the particular loan issue and the amount a syndicate member wishes to acquire. The Company will therefore act as a syndicate member in the primary loan market.

The secondary market refers to the market in which financial institutions and asset managers, such as the Investment Managers, buy and sell loans that have been syndicated and allocated in the primary market. Loans can be bought or sold on the secondary loan market at any time between initial allocation and the loan reaching maturity by a negotiated agreement between market participants. Dealers, such as the trading desks of investment banks, typically bid and offer (buy and sell) loans in US\$1 million to US\$5 million lots with a bid/offer spread of 25 to 50 basis points depending on a range of factors such as the market's perceived creditworthiness of the borrower and the trading liquidity of an issuer. It is the Investment Managers' experience that larger loan issues of in excess of US\$500 million tend to trade in larger lots and often have tighter bid/offer spreads. Dealers communicate the loan pricing to the Investment Managers by email on a daily basis. If the Investment Managers are interested in a particular loan, prices will be sought from a number of dealers to ensure that a suitable price is chosen.

The Investment Managers expect that the Net Issue Proceeds will initially be primarily invested by acquiring loans in the secondary market to enable the Investment Managers to have the Portfolio fully invested within one to three months of Admission. Over time, the Investment Managers will look to increase exposure to the primary market, as and when suitable issues are identified, in order to maximise the potential yield for the Company. The Investment Managers expect the majority of the Portfolio to be comprised of primary issues within the first full year of investment.

Sub-participation arrangements

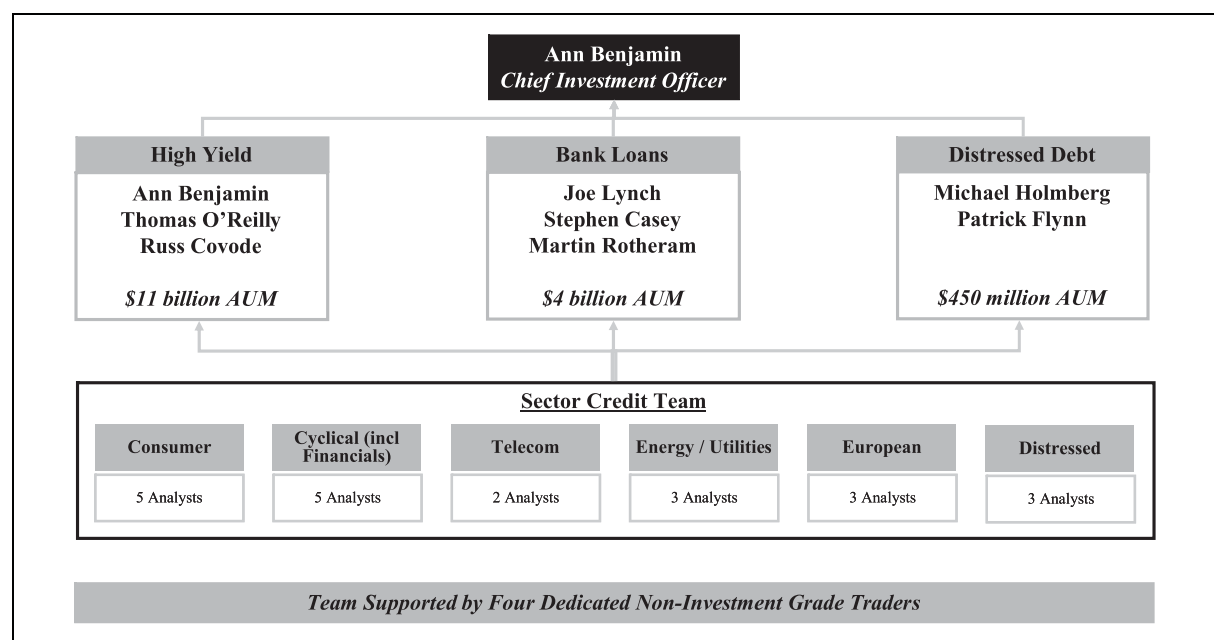
The Investment Managers expect that the Company will generally gain exposure to loans by way of assignment and become a 'lender of record'. The Company may also from time to time, however, enter into sub-participation agreements in which a party, such as a loan trading desk at a financial institution, holds the loan as the lender of record and retains the voting rights in respect of the loan; in such circumstances, the Company will only have the economic benefit of the loan and will have no rights to enforce the terms of the credit agreement or vote at any meeting of creditors. As at the date of this prospectus, the Investment Managers anticipate that such sub-participations will comprise a minority of the Company's investments and

in any event will be capped at a maximum of 5 per cent. of NAV at the time of investment. It is expected that any sub-participation agreements will be entered into with various counterparties to diversify risk.

The Investment Team

The Investment Managers' team comprises 3 portfolio managers with extensive experience in the bank loans sector supported by a research team of over 20 credit analysts. The research team is organised into speciality sectors that analyse both bank loans and high yield bonds. The investment team also includes 4 traders that specifically trade non-investment grade debt. As this investment team already manages over US\$4 billion in bank loan assets, the Investment Managers believe that they have a large enough presence in the bank loan market to gain access to new bank loan issues but without being so large they have to 'buy the market' and participate in all new issues. This positioning in the loans market means that the Investment Managers are well placed to be selective and opportunistic in their investment approach while retaining access to those deals they wish to acquire for the strategy. The credit research analysts have an average of 10 years' industry experience each.

Figure 13 – NB Non-Investment Grade Team



Portfolio managers

Joseph Lynch, Managing Director, Neuberger Berman Fixed Income LLC. Mr Lynch is based in Chicago. His responsibilities include the management of separate accounts, mutual funds and collateralised loan obligations for NB's senior loans strategy. He is also a member of the Investment Managers' credit committee (the "**Credit Committee**") (see the section entitled 'Investment Process' in this Part III of the prospectus for more information). Mr Lynch was a founding partner of LightPoint Capital Management LLC ("**LightPoint**") in 2002, which was acquired by the NB Group in 2007. Prior to founding LightPoint, he was employed at ABN AMRO, where he was responsible for structuring highly leveraged transactions. Mr Lynch earned a BS from the University of Illinois and an MBA from DePaul University.

Stephen Casey, CFA, Managing Director, Neuberger Berman Fixed Income LLC. Mr. Casey is based in Chicago and is responsible for portfolio management of separate accounts, mutual funds and collateralised loan obligations for NB's senior loans strategy. He is also responsible for loan capital market relationships and sits on the Credit Committee. Mr. Casey was a founding partner of LightPoint, which was acquired by the NB Group in 2007. Prior to joining LightPoint, he was employed at ABN AMRO where he was

responsible for structuring highly leveraged transactions. Mr. Casey received a BS from Indiana University and an MS from the Illinois Institute of Technology. Mr. Casey is a Chartered Financial Analyst.

Martin Rotheram, Senior Vice President, Neuberger Berman Europe Limited. Mr. Rotheram joined the LightPoint loans team in 2006 and is based in London. He focuses on European credit research and sits on the Credit Committee. Prior to joining the NB loans team (and its predecessor), he was a director of acquisition finance at CIC, a manager of corporate finance at Sumitomo Trust & Banking and held various positions at Arbuthnot Latham Private Bank and National Westminster Bank. Mr. Rotheram is an associate of the Chartered Institute of Bankers and holds the Investment Management Certificate.

Investment Process

The Investment Managers will employ both a bottom-up and top-down approach in their investment process by combining detailed security and industry analysis with a global economic outlook. The Investment Managers expect individual security selection, sector allocation and quality rotation to generate the most value for the Portfolio, with the majority deriving from security selection. Sector/quality allocation will be most important at times when the economy is in periods of change.

The key components of the investment process are as follows: (i) idea generation; (ii) screening; (iii) due diligence; (iv) portfolio construction; and (v) ongoing monitoring. Any investment for the Company that is contemplated by the Investment Managers will have to pass each of these stages.

(i) Idea Generation

Ideas will be generated through one of two sources. Firstly, the Investment Managers' senior investment professionals have extensive relationships with U.S. and European originating and trading desks at banks and other financial institutions. These relationships will provide access to the primary market. Secondly, the analyst team in conjunction with the traders will identify investments through their proprietary research and industry relationships, as well as the analysts' existing coverage of issuers in the loans market.

(ii) Screening

The screening component of the investment process is designed to favour larger companies in asset-heavy industries that have historically stable cash flows, strong liquidity, access to capital and proven management teams.

Issuers with less than US\$250 million (or Sterling or Euro equivalent) in institutional debt outstanding, defaulted securities and issuers with less than US\$75 million (or Sterling or Euro equivalent) in EBITDA will automatically be excluded from the investment process. The screening process is largely focused on the liquidity of an issuer as the ability to sell a loan in the secondary market is a primary concern of the Investment Managers. Market capitalisation is not specifically screened for but it is expected that the issuers in which the Company will invest will typically have a market capitalisation in excess of US\$500 million (or Sterling or Euro equivalent).

When establishing the universe of eligible investments, the Investment Manager will also aim to eliminate asset-light companies, issuers in highly cyclical industries and companies with limited earnings visibility. Other factors may also result in an issuer being excluded at this stage, including, but not limited to, severely distressed and one-time issuers.

Following the initial screening process, the Investment Managers will sort the issuers that are still eligible by reference to their credit standing derived from third party credit ratings and credit statistics, for example leverage, interest cover and free cash flow as a percentage of debt and relative yield.

(iii) Due Diligence

The research analysts will perform detailed fundamental analysis on each potential investment following the Investment Team's proprietary 'Credit Best Practices' principles. The checklist covers all credit aspects of the investment decision, including: (i) financials, with specific attention to revenue and cost

drivers, predictability of cash flows, internal cash flow generation and the implications for interest and principal payments and capital expenditures; (ii) collateral valuation; (iii) deal structure and covenants; (iv) assessment of management; (v) sources of liquidity such as bank lines, cash in hand, access to capital markets, and asset sales; (vi) in-depth inspection of all filings to monitor any outstanding or proposed litigation and other commentary relevant to the investment decision; and (vii) thorough review of the credit documentation (including the credit agreement).

Once the analyst team has completed the due diligence steps, the investment's relative value will be assessed, with a focus on seeking opportunities that offer adequate compensation for risk. The Investment Managers' internal rating system is an integral component of the due diligence process and will be used to determine a rating for each security based on proprietary financial analysis. Investment decisions will also be influenced by the issue's yield compared to its industry sector and the relevant quality rating category assigned by third party credit rating agencies. The Investment Managers' rating is central to the yield comparisons conducted across quality and industry levels.

Investment ideas will then be reviewed by the senior professionals who constitute the Credit Committee. The Credit Committee is comprised of the portfolio managers for the Investment Managers' senior loans strategy, Joe Lynch, Stephen Casey, Martin Rotheram, the Chief Investment Officer of NB Non-Investment Grade team, Ann Benjamin, one of the High Yield strategy's portfolio managers, Tom O'Reilly, and the Director of Research, Vivek Bommi. All investment ideas must be presented for approval to the Credit Committee and must receive unanimous approval before being considered for inclusion in the portfolio. The Credit Committee will meet as required to consider and review any investment proposals.

(iv) Portfolio Construction

Once an investment idea is approved by the Credit Committee, implementation becomes the responsibility of the portfolio construction team. The portfolio construction team, comprising the portfolio managers and dedicated traders, evaluates the various investment proposals that are available for implementation within the context of the Company's investment objective and investment guidelines. Relative value analysis will be used to determine ultimate portfolio construction, with individual issuer and industry weightings determined by the portfolio managers. Weightings given to investments will be decided only following a detailed assessment of the proposed issuer within a wider economic and market context.

It is intended that a highly diversified portfolio will be assembled, primarily comprising senior secured loans with selective use of other investments within the parameters of the Company's investment policy and by having regard to the following non-binding investment guidelines:

By Issuer:

Average exposure to any one issuer (at the time of investment): 1 per cent. of NAV

Maximum exposure per issuer (at the time of investment): 5 per cent. of NAV

By Industry:

Typically, no industry, at the time of investment, will represent more than 15 per cent. of NAV

Focus on defensive industries with opportunistic use of cyclical industries

By Quality

Average credit quality BB to B

Opportunistic use of CCC and BBB assets

Other Characteristics

All North American / European Union corporate debt

No emerging market or sovereign debt

All buy and sell instructions are passed to the Investment Managers' bank loans team of four dedicated traders for prompt execution.

See the section entitled "Example Portfolio Composition" in this Part III of the prospectus.

(v) Ongoing Monitoring

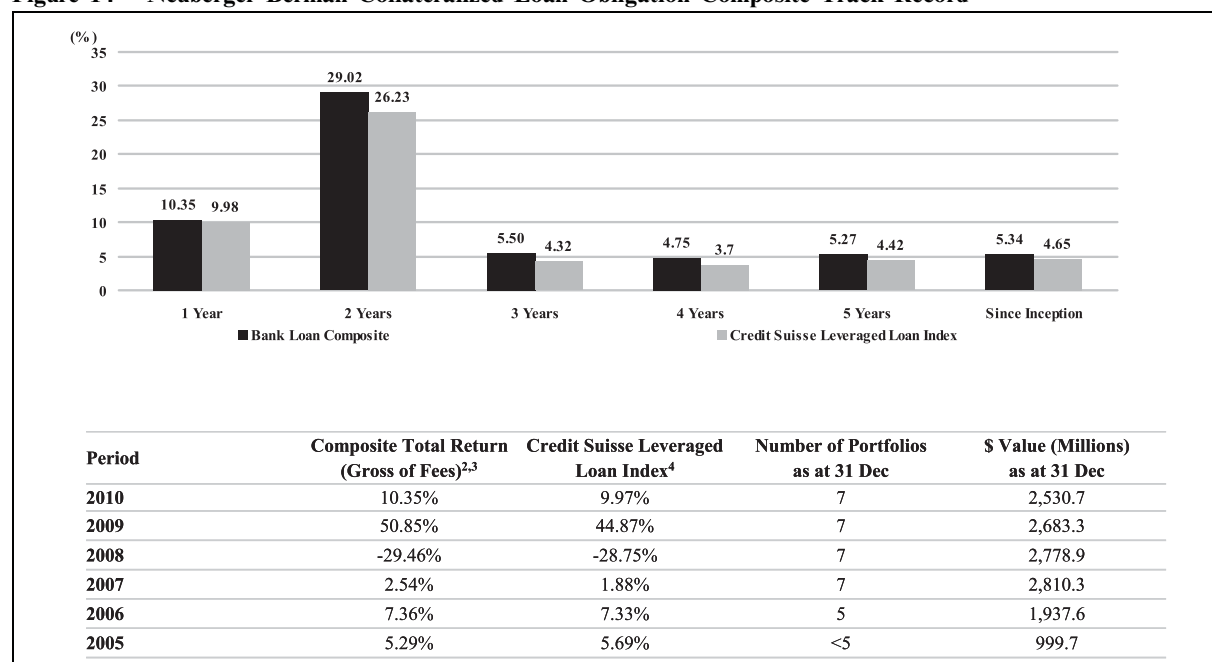
The key risk when investing in bank loans is that the borrower will default on its debt obligations. The extensive upfront credit analysis that will be undertaken prior to any investment decision will be supported by ongoing monitoring of the Portfolio by the Investment Managers. The Investment Managers will review a range of relevant data on an ongoing basis for each investment, including, but not limited to, key financial drivers, commodity prices, stock prices, regulatory developments, financial results, press releases and management commentary to identify any indicators of credit deterioration.

Based on the frequent monitoring of the Portfolio, the Investment Managers expect to sell investments for a number of reasons, including, but not limited to: (i) credit deterioration; (ii) a loan reaches full value and better opportunities are identified; or (iii) rotation into another industry/sector opportunity is considered appropriate for relative value reasons. The Investment Managers' view is that the most important consideration in a sell decision will be the determination by the Investment Managers that an issuer will not deliver on its promised debt service obligations. The analyst team's financial models for each issuer will be used as the yardstick for assessing changes in financial condition and any deterioration will be acted upon promptly and the investment sold by the dedicated team of traders.

Track Record

Figure 14 below shows the Sub-Investment Manager's track record in U.S. bank loans. The figures represent performance of the Neuberger Berman Collateralized Loan Obligation composite, which is comprised of seven accounts managed by the Sub-Investment Manager with broadly similar investment objectives to the Company. All seven accounts invest primarily in U.S. senior secured loans. The figures are included to give an indication of the Sub-Investment Manager's long-term track record and performance is presented relative to the Credit Suisse Leveraged Loan Index (the "**Credit Suisse Index**"). The Sub-Investment Manager believes that the Credit Suisse Index is a suitable benchmark for its U.S. bank loans strategy as it reflects the investable universe of the U.S. dollar-denominated leveraged loan market, although it is not possible to invest in the Credit Suisse Index itself.

Figure 14 – Neuberger Berman Collateralized Loan Obligation Composite Track Record



1. As of 4 May 2009, NB Fixed Income LLC (for these notes, the “**Manager**”) is an indirect, wholly-owned subsidiary of Neuberger Berman Group LLC. From 31 January 2003 until 4 May 2009, the Manager was a direct, wholly-owned subsidiary of Lehman Brothers Holdings Inc. From 1 April 2005 through 4 May 2009, the Manager was called Lehman Brothers Asset Management LLC. Prior thereto, the Manager was referred to as Lincoln Capital Fixed Income Management Company. On 11 July 2007 Lehman Brothers Holdings Inc. acquired LightPoint Capital Management LLC, a leveraged loan investment manager. As of that date the assets under management were assigned to Lehman Brothers Asset Management LLC, now the Manager. Figures prior to that date relate to LightPoint Capital Management LLC. Joe Lynch and Stephen Casey have been decision makers for the strategy since the inception of the composite in July 2004. Martin Rotheram will be managing the non-U.S. portfolio of the portfolio and therefore was not responsible for managing the U.S. composite.
2. The Composite comprises all syndicated, non investment grade, secured floating rate loans comprised in all U.S. Dollar denominated collateralized loan obligations (for these notes, “**CLOs**”) managed on a discretionary basis by the Manager. Eligible new CLOs are added to the Composite at the beginning of the month following the month in which they were established. CLOs are excluded as of the last full calendar month under management or such prior date the Manager receives notice of termination and begins managing the CLO in a manner different from other CLOs in the Composite. The Company may pursuant to its investment policy invest in assets other than U.S. dollar syndicated, non-investment grade, secured floating rate loans.
3. For each CLO within the Composite, the total return for the time period is equal to the change in value of the portfolio, including realized and unrealized capital appreciation, depreciation and gross income, as a percentage of the average asset value of each CLO. The value of the portfolio is, in substantially all cases since October 2007, the bid price obtained by the Manager from Markit; in the remaining cases, it is bid quotations obtained from one or more banks by the Manager. The Total Return figures above have been calculated by the Manager from its own unaudited internal records; Total Return figures are not reviewed by any third party, but are subject to the Manager’s internal review. All returns are stated in U.S. Dollar terms. Advisory fees and other expenses, such as custodial fees, will reduce actual returns. Investment advisory fees have a compounding effect on cumulative results. For example, assume the Manager achieves a 10 per cent. annual return prior to the deduction of fees each year for a period of ten years. If an annual advisory fee of 1.00 per cent. of assets under management for the ten-year period were charged, the resulting annual average return after fees would be reduced to 8.90 per cent. Performance results will vary based upon the period measured. Past performance is not indicative of future returns. The return for each CLO is calculated by the Wall Street Office (WSO) portfolio management system, a third party software programme. The return calculation is based on the Modified Dietz methodology, which is: (Ending Market Value – Beginning Market Value – Cash Flow)/(Beginning Market Value + Weighted Cash Flow). For the monthly performance report prepared for each CLO by the Manager, the numerator is net of the Interest, Fees/ Dividends, Realized Gain/Loss and Unrealized Gain/Loss for the relevant loan (the Unrealized Gain/Loss being calculated from Markit prices) while the denominator is the Average Investment. The performance figure for each loan in the relevant CLO is aggregated by the WSO portfolio management system in the monthly reports to produce a monthly performance figure. The monthly composite return is calculated by applying a Dollar Weighted Average to each monthly CLO return. The Dollar Weighted Average is calculated by reference to the size of the relevant CLO in proportion to the aggregate size of all CLOs each month.
4. Source: Credit Suisse Leveraged Loan Index. Composite returns are shown in comparison to this benchmark return. The benchmark is used for comparative purposes only and generally reflects the risk or investment style of the investments reported. This benchmark is an unmanaged index. The Manager made investments for the CLOs it manages and these may differ from those of the benchmark.

Example Portfolio Composition

Figure 15 shows an example portfolio of investments prepared by the Investment Managers, which is intended to demonstrate how a portfolio of investments might have been compiled as at 14 March 2011 within the parameters of the Company's investment policy and the Investment Managers' investment guidelines (the "**Example Portfolio**"). The Example Portfolio is for illustrative purposes only and does not necessarily reflect the composition of the Portfolio. The Example Portfolio is diversified by comprising senior loans of 103 investments from 25 different industry sectors. It also demonstrates the Investment Managers' investment focus on sectors regarded as being defensive, such as Utilities and Telecoms, together with an opportunistic exposure to cyclical sectors such as Publishing and Business Equipment.

Figure 15 – Sector Breakdown

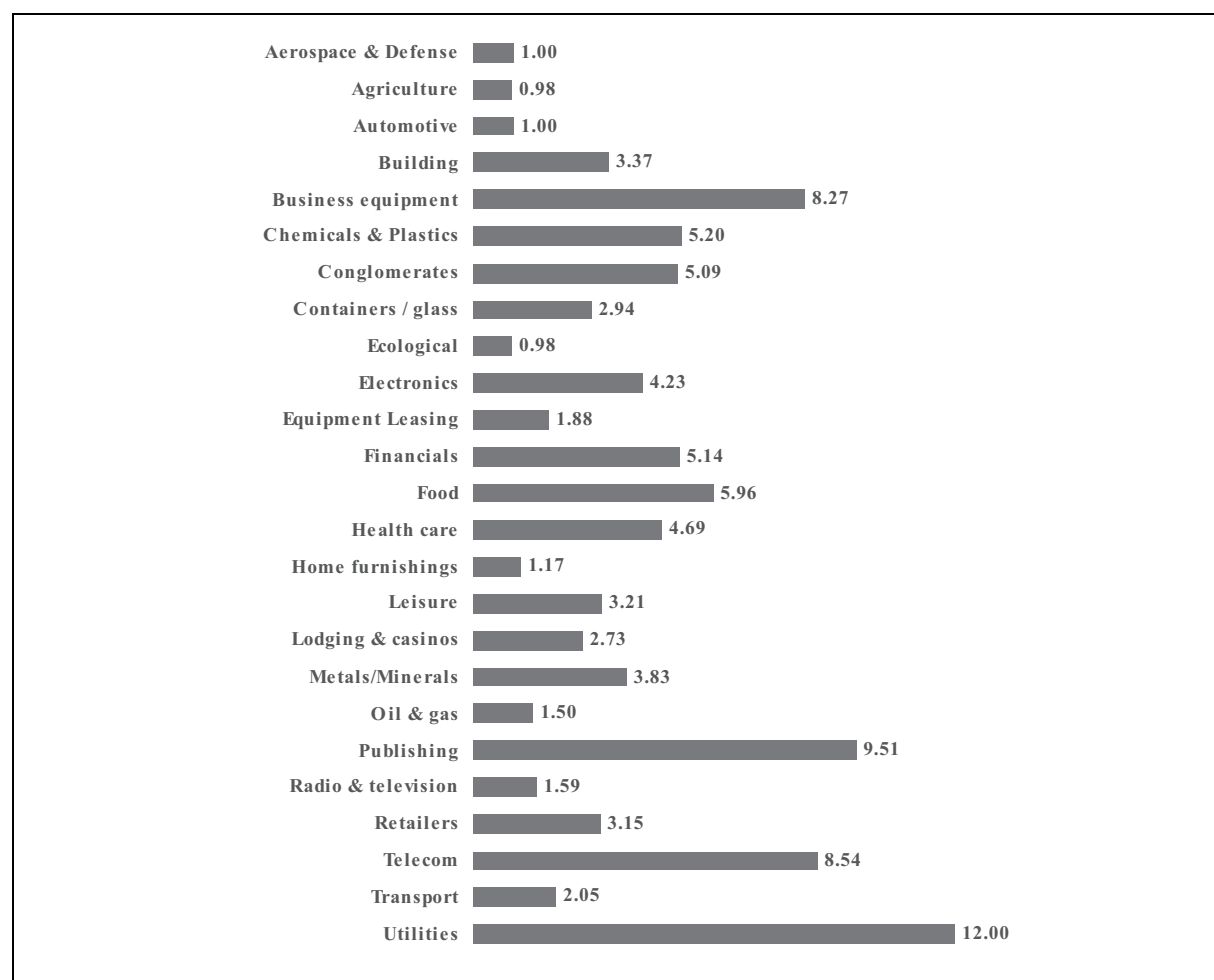


Figure 16 – S&P Rating Breakdown for Example Portfolio

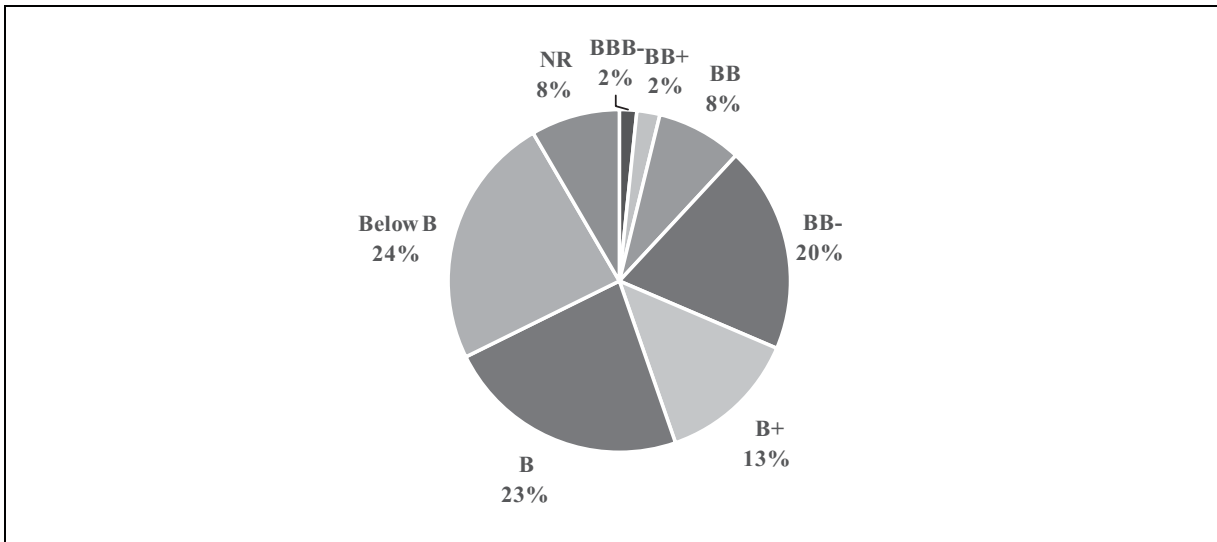


Figure 17 – Summary of Example Portfolio

Number of Issues	103
Average Credit Quality	B
Current Yield (Gross)	6.00%
Weighted Average Maturity	4.95 Years

Part IV: Directors, Management and Administration

Directors

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles and have overall responsibility for the Company's activities including the review of investment activity and performance and the overall control and supervision of the Investment Managers. The Directors may delegate certain functions to other parties such as the Investment Managers, the Administrator and the Registrar. In particular, the Directors have delegated responsibility for managing the assets comprised in the Portfolio to the Investment Managers who are not required to, and generally will not, submit individual investment decisions for the approval of the Board.

The Board comprises these directors, each of which is independent of the Investment Managers. Details of each of the Directors are set out below.

The address of the Directors, all of whom are non-executive, is the registered office of the Company. The Directors of the Company are as follows:

Directors' biographies

William Frewen (chairman)

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

Richard Battey

Richard Battey is a resident of Guernsey and a qualified chartered accountant. Mr Battey joined the Schroder Group in December 1977 and was a director of Schroders (C.I.) Limited from April 1994 to December 2004, where he served as Finance Director and Chief Operating Officer. He was also a director of Schroder Group Guernsey companies covering banking, investment management, trusts, insurance and private equity administration prior to retiring from his last Schroder directorship in December 2008. From May 2005 to July 2006, Mr. Battey served as Chief Financial Officer of CanArgo Energy Corporation, which was engaged in oil and gas exploration and production in Georgia and Kazakhstan. Mr. Battey is also a non-executive director of a number of investment companies.

Sandra Platts

Sandra Platts is a resident of Guernsey and holds a Masters in Business Administration. Mrs. Platts joined Kleinwort Benson (C.I.) Ltd in August 1986 and was appointed to the board in 1992. She undertook the role of Chief Operating Officer for the Channel Islands business and in 2002 for the Kleinwort Benson Private Bank Group - UK and Channel Islands. In January 2007, she was appointed to the position of Managing Director of the Guernsey Branch of Kleinwort Benson, and was responsible for a strategic change programme as part of her role as Group Chief Operating Officer. Mrs. Platts also held directorships on the strategic holding board of the KB Group, as well as sitting on the Bank, Trust Company and Operational boards. She resigned from these boards in 2010. Mrs. Platts is also a member of the Securities Institute and the Institute of Directors.

Administrator, Secretary and Custodian

BNP Paribas Fund Services (Guernsey) Limited has been appointed as Administrator, Secretary, Custodian and Designated Manager of the Company pursuant to the Administration and Custody Agreement (further details of which are set out in paragraph 6.4 of Part VI of this prospectus). In such capacity, the Administrator will be responsible for the day to day administration of the Company (including but not limited to the calculation and publication of the estimated daily NAV), general secretarial functions required by the Companies Laws (including but not limited to the maintenance of the Company's accounting and statutory records) and certain safekeeping and custody services.

In acting as custodian of the Company's investments the Administrator shall provide for the safe keeping of contracts or other documents of title to the loans and may take custody of cash and other assets. The Company has consented to and the Administrator is permitted and may delegate the safekeeping function to BNP Paribas Securities Services London Branch and the custody function to BNP Paribas Securities Services Guernsey Branch or such other associate company of the Administrator. Documents will be registered in the name of the Company and Assets will be held in a custody account and registered in the name of the Administrator or its delegate or a nominee as required under the Licensees (Conduct of Business Rules) 2009.

Investors should note that it is not possible for the Administrator to provide any investment advice to investors.

Principal Banker

BNP Paribas Securities Services Guernsey Branch S.A. shall act as principal banker to the Company in accordance with the terms of the Administration and Custody Agreement (further details of which are set out in paragraph 6.4 of Part IV of this Prospectus).

Fees and expenses

Initial expenses related to the Issue

The initial expenses of the Company are those which are necessary for the Issue. The Company will bear such expenses up to a maximum of 2 per cent. of the Gross Issue Proceeds. To the extent such expenses exceed an amount equal to 2 per cent. of the Gross Issue Proceeds, the Investment Manager will bear the excess.

These expenses will be paid on or around Admission and will include, without limitation, placing fees and commissions; registration, listing and admission fees; the cost of settlement and escrow arrangements; printing, advertising and distribution costs; legal fees, and any other applicable expenses. All such expenses will be immediately written off.

On the assumptions that the Company achieves its target issue of US\$200 million and that the initial expenses of the Issue borne by the Company are equal to 2 per cent. of the Gross Issue Proceeds, the NAV of the Company immediately following Admission will be US\$196 million (in other words, 98 per cent. of the Gross Issue Proceeds).

Ongoing Annual Expenses

Management Fee

The Investment Manager will be entitled to a management fee which shall be calculated and accrue daily at a rate equivalent to 0.75 per cent. of NAV per annum. The management fee will be payable quarterly in arrear. No performance fee will be payable by the Company to the Investment Manager.

The Investment Manager may at its discretion enter into arrangements with certain investors pursuant to which it will rebate to such investors a proportion of its management fee received from the Company.

Other fees and expenses

The Company will also incur ongoing annual fees and expenses which, based on the Company having a Gross Asset Value of US\$200 million, are currently estimated to be up to a maximum of 0.30 per cent. of Gross Asset Value per year.

These expenses will include the following:

(i) Administration and Custody

Under the terms of the Administration and Custody Agreement, the Administrator is entitled to various fees, including an accounting fee, annual company secretarial fee loan administration fee and settlement and custody fees. It is currently expected that these fees will not exceed 0.2 per cent. of Net Asset Value in any year.

(ii) Registrar

The Registrar will be entitled to an annual fee from the Company equal to £2 per shareholder per annum or part thereof; with a minimum of £9,000 per annum per class of Shares. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as published from time to time.

(iii) Directors

The Directors will be remunerated for their services at a fee of £20,000 per annum (£30,000 for the Chairman). In addition, the chairman of the Audit Committee will receive an additional £5,000 for his services in this role. Further information in relation to the remuneration of the Directors is set out in Part VI of this prospectus.

(iv) Other operational expenses

All other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including, without limitation, the incidental costs of making its investments and the implementation of its investment objective and policy; travel, accommodation and printing costs; the cost of directors' and officers' liability insurance and website maintenance; audit and legal fees; and annual Main Market fees. All out of pocket expenses that are reasonably and properly incurred, of the Investment Manager, the Administrator, the Registrar, the CREST agent and the Directors relating to the Company will be borne by the Company.

Taxation

Information concerning the tax status of the Company and the tax treatment of Shareholders is contained in paragraph 4 of Part VI of this prospectus. A potential investor should seek advice from his or her own independent professional adviser as to the taxation consequences of acquiring, holding or disposing of Shares.

Meetings and reports to Shareholders

All general meetings of the Company shall be held in Guernsey. The Company expects to hold its first annual general meeting in 2012.

The Company's audited annual report and accounts will be prepared to 31 December each year, commencing in 2011, and it is expected that copies will be sent to Shareholders in April each year, or earlier if possible. Shareholders will also receive an unaudited interim report each year commencing in respect of the period to 30 June, expected to be despatched in August each year, or earlier if possible. The Company's audited annual report and accounts will be available on the Company's website, www.nbgfrif.com.

The Company's accounts will be drawn up in U.S. Dollars and in compliance with U.S. GAAP.

Conflicts of interest

Directors

In relation to transactions in which a Director is interested, the Articles provide that as long as the Board authorises the transaction in good faith after the nature and monetary value or, if such value is not quantifiable, the extent of the Director's interest has been disclosed or the transaction is fair to the Company at the time it is approved, a Director shall not be disqualified by his office from entering into a contract or arrangement with the Company, and no such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company with any person, firm or company of or in which any Director shall be in any way interested, shall be avoided. A Director may not, however, vote in respect of any such contract or arrangement. For further details see paragraph 5.14 of Part VI of this prospectus.

Investment Managers

The Company, and an investment in the Company and the Shares, are subject to a number of actual and potential conflicts of interest involving NB Affiliates and, in particular, the Investment Managers. The Investment Managers' policy relating to conflicts of interest, as set out below, describes the arrangements in place within the Investment Managers to ensure the fair management of conflicts of interest. The Directors are also required by the Registered Collective Investment Scheme Rules 2008 to take all reasonable steps to ensure that there is no breach of any of the conflict of interest requirements in those Rules. In addition, potential investors should read carefully the Risk Factors set out on pages 10 to 24 of this prospectus and, in particular, the risks set out under the section headed "Risks relating to the Investment Managers" on page 20 of this prospectus.

Allocation of investment opportunities

The Investment Managers manage Other Accounts (and may in the future manage further Other Accounts) whose investment objectives and/or philosophies are the same as, overlap with, or are complementary to, the investment strategies and/or philosophies pursued by the Company, and both the Company and such Other Accounts will be eligible to participate in the same investment opportunities. It is anticipated that the aggregate amount of capital invested in the Company and such Other Accounts with the same or substantially similar investment strategies will not exceed US\$15 billion. Additionally, investment opportunities may become closed or limited with respect to new investments due to size constraints or other considerations. Moreover, the Company and/or such Other Accounts may not be eligible or appropriate investors in all potential investment opportunities. As a result of these and other factors, the Company may be precluded from making a specific investment.

It is the policy of the Investment Managers to allocate investment opportunities fairly and equitably among the Company and Other Accounts, where applicable, to the extent possible over a period of time. The Investment Managers, however, will have no obligation to purchase, sell or exchange any investment for the Company which the Investment Managers may purchase, sell or exchange for one or more Other Accounts if the Investment Managers believe in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for the Company.

As a general policy, investment opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate pro-rata based on the relative capital size of the accounts. In addition, the Investment Managers may also take into consideration other factors such as the investment programme of the accounts, tax consequences, legal or regulatory restrictions, including those that may arise in various different international jurisdictions, the relative historical participation of an account in the investment, the difficulty of liquidating an investment for more than one account, new accounts with a substantial amount of investable cash and such other factors considered relevant by the Investment Managers. Such considerations may result in allocations among the Company and one or more Other Accounts on other than a *pari passu* basis (which may result in different performances among them).

Investment allocation decisions will be made by the Investment Managers, taking into consideration the respective investment guidelines, investment objectives, existing investments, liquidity, contractual commitments or regulatory obligations and other considerations applicable to the Company and Other

Accounts. However, there are likely to be circumstances where the Company is unable to participate, in whole or in part, in certain investments to the extent it would participate absent allocation of an investment opportunity among the Company and Other Accounts and the Investment Managers will notify the Board in such circumstances. In addition, it is likely that the Company's Portfolio and those of Other Accounts will have differences in the specific investments held in their portfolios even when their investment objectives are the same or similar. These distinctions will result in differences in portfolio performance between the Company and Other Accounts.

Takeover Code

The Takeover Code will apply to the Company as at Admission.

Corporate governance

The Company is committed to complying with the corporate governance obligations which apply to Guernsey registered companies, although there are no such obligations as at the date of this prospectus.

The Listing Rules require that the Company must “comply or explain” against the UK Corporate Governance Code. In addition, the DTRs require the Company to (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Directors recognise the value of the UK Corporate Governance Code and have taken appropriate measures to ensure that the Company complies, so far as is possible given the Company's size and nature of business, with the UK Corporate Governance Code. The areas of non-compliance by the Company with the UK Corporate Governance Code are as follows:

There is no chief executive position within the Company, which is not in accordance with provision A.2.1 of the UK Corporate Governance Code. As an investment company the Company has no employees and therefore no requirement for a chief executive.

AIC Code

The Board has agreed to comply with the AIC Code of Corporate Governance (the “**AIC Code**”) produced by the Association of Investment Companies (“**AIC**”). The Company will be a member of the AIC on Admission and is classified as a Specialist Debt Company by the AIC.

The Company currently complies with, and will comply from Admission with, the AIC Code, and in accordance with such Code will be meeting its obligations in relation to the UK Corporate Governance Code and associated disclosure requirements of the Listing Rules.

Directors' Share dealings

The Directors have adopted a code of directors' dealings in Shares, which is based on the Model Code for directors' dealings contained in the Listing Rules (the “**Model Code**”). The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

Audit committee

The Company's Audit Committee will meet formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the auditor and to review the annual accounts, interim reports and interim management statements. Where non-audit services are to be provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement will be considered before proceeding. Mr. Battey will act as chairman of the Audit Committee. The principal duties of the Audit Committee will be to consider the appointment of external auditors, to discuss and agree with the external auditors the nature and scope of the

audit, to keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditor, to review the external auditors' letter of engagement and management letter and to analyse the key procedures adopted by the Company's service providers.

Remuneration and Nomination Committee

The Company has established a Remuneration and Nomination Committee, which comprises all the Directors. Mrs. Platts will act as chairman of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee will meet not less than once a year and will have responsibility for considering the remuneration of the Directors. It will also: (i) identify individuals qualified to become Board members and select the director nominees for election at general meetings of the Shareholders or for appointment to fill vacancies; (ii) determine director nominees for each committee of the Board; and (iii) consider the appropriate composition of the Board and its committees. In addition, the chairmanship of the Audit Committee, Remuneration and Nominations Committee and Management Engagement Committee and each Director's performance will be reviewed annually by the Chairman and the performance of the Chairman will be assessed by the remaining Directors.

Management Engagement Committee

The Company has established a Management Engagement Committee which comprises all the Directors, with Mrs. Platts as the chairman of the committee. The Management Engagement Committee will meet not less than once a year. The Management Engagement Committee's main function is to review and make recommendations on any proposed amendment to the Investment Management Agreement and keep under review the performance of the Investment Managers in their role as investment manager to the Company.

Part V: Issue Arrangements

The Issue

The target size of the Issue is in excess of US\$200 million with the potential for increase subject to global investor demand. The actual number of Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, are not known as at the date of this prospectus but will be notified by the Company via a RIS announcement and the Company's website www.nbgfrif.com prior to Admission. The Shares will comprise U.S. Dollar Shares, Sterling Shares and Euro Shares (subject to the Class Minimum Amount being raised for each class and compliance with the Listing Rules).

The Issue will not proceed if the Net Issue Proceeds would be less than US\$100,000,000 (or such lesser amount as the Company, Oriel and Dexion may determine and notify to investors via publication of a supplementary prospectus). If the Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant.

The target issue size should not be taken as an indication of the number of Shares to be issued. The actual number of Shares issued pursuant to the Issue will be announced via a RIS announcement shortly following the deadline for receipt of placing commitments under the Placing.

The Directors have determined that the Shares under the Issue will be issued at a price equal to US\$1.00 per Share for the U.S. Dollar Shares, £1.00 per Share for the Sterling Shares and €1.00 per Share for the Euro Shares.

The Issue is not being underwritten.

Proceeds of the Issue

The Company will employ the Net Issue Proceeds in implementing its investment policy.

The Placing

The Company, the Investment Manager, Oriel and Dexion have entered into the Sponsor and Placing Agreement pursuant to which Oriel and Dexion have agreed, as agents for the Company, to use their reasonable endeavours to procure subscribers (in certain jurisdictions outside the United States) for the Shares under the Placing at the Issue Price in return for the payment by the Company of placing commissions.

In addition, the Company expects to enter into Distribution Agreements with a number of sales agents (which may be members or affiliates of the NB Group, including the Investment Manager) in various jurisdictions pursuant to which the Company will pay such sales agents a commission for introducing to the Company potential subscribers for the Shares pursuant to the Placing.

A summary of the terms of the Sponsor and Placing Agreement and the Distribution Agreements are set out in paragraph 6 of Part VI of this prospectus.

The terms and conditions which shall apply to any subscriber for Shares procured by Oriel and/or Dexion pursuant to the Placing are contained in Part VII of this prospectus and the terms and conditions which shall apply to any subscriber for Shares procured by any other sales agents of the Company will be contained in such placing letters and/or subscription agreements as the Company may require any particular placee to submit in connection with his subscription for Shares pursuant to the Placing.

Applications under the Placing must be for a minimum subscription amount of US\$100,000, £100,000 or €100,000.

The Offer

The Company is also offering the Shares to investors in the United Kingdom pursuant to the Offer.

The Terms and Conditions of Application relating to the Offer are set out in Part VIII of this prospectus and an Application Form and notes on how to complete such Application Form are set out in Appendix A to this prospectus. The Terms and Conditions of Application should be read carefully before an application is made. Application Forms must be posted or delivered by hand (during normal business hours) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive by no later than 1200 hours on 12 April 2011. The Offer will, unless extended, be closed at that time.

Applications under the Offer must be for a minimum subscription amount of US\$1,000, £1,000 or €1,000.

Payment for Shares pursuant to the Offer may be made by cheque, banker's draft or building society cheque and must accompany the Application. The Directors reserve the right to refuse applications for any reason. Investors wishing to subscribe for Shares pursuant to the Offer may submit payment in a currency other than the currency in which the Shares applied for are denominated in which case the Company shall convert such amount into the relevant currency at such time and at such exchange rate as it determines reasonable.

The Main Market

The Main Market is an EU regulated market. Consequently, upon Admission the Company will be subject to the Prospectus Rules, the Disclosure Rules and Transparency Rules and the Market Abuse Directive (as implemented in the United Kingdom). Upon admission to the Official List, the Company will also be subject to the ongoing requirements of the Listing Rules.

Scaling back and allocation

In the event that aggregate applications for Shares under the Placing and the Offer were to exceed a level that the Directors determine, in their absolute discretion at the time of closing the Issue, to be the appropriate maximum size of the Issue, it would be necessary to scale back applications under the Issue. The Joint Bookrunners reserve the right, at their sole discretion, but after consultation with the Company, to scale back applications in such amounts as they consider appropriate. The Company reserves the right to decline in whole or in part any application for Shares pursuant to the Issue. The Offer will not be subject to scaling back in favour of the Placing. Accordingly, applicants for Shares may, in certain circumstances, not be allotted the number of Shares for which they have applied.

The Company will notify investors of the number of Shares in respect of which their application has been successful and the results of the Issue will be announced by the Company on or around 15 April 2011 via a RIS announcement.

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant to the bank account from which the money was received. Applicants for any class of Shares where such class does not raise the Class Minimum Amount may elect to apply for Shares of another currency class.

General

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Guernsey, the Company and its agents (and their agents) or the Investment Manager may require evidence in connection with any application for Shares, including further identification of the applicant(s), before any Shares are issued.

In the event that there are any significant changes affecting any of the matters described in this prospectus or where any significant new matters have arisen after the publication of this prospectus and prior to Admission, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

The Directors (in consultation with the Joint Bookrunners) may in their absolute discretion waive the minimum application amounts in respect of any particular application for Shares under the Issue.

Should the Issue be aborted or fail to complete for any reason (including as a result of the Net Issue Proceeds being less than US\$100,000,000), monies received will be returned without interest at the risk of the applicant.

Definitive certificates in respect of Shares in certificated form will be dispatched by post in the week commencing 2 May 2011. Temporary documents of title will not be issued.

Clearing and settlement

Payment for the Shares, in the case of the Placing, should be made in accordance with settlement instructions to be provided to places by (or on behalf of) the Company or the Joint Bookrunners. Payment for the Shares, in the case of the Offer, should be made in accordance with the Terms and Conditions of Application under the Offer in Part VIII of this prospectus and in the Application Form. To the extent that any application for Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant.

Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from Admission. In the case of Shares to be issued in uncertificated form pursuant to the Issue, these will be transferred to successful applicants through the CREST system. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any shareholder so wishes.

Shares issued under the Offer will be issued to successful applicants in accordance with the Terms and Conditions of Application under the Offer.

CREST is a paperless book-entry settlement system operated by Euroclear UK and Ireland which enables securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

It is expected that the Company will arrange for Euroclear UK and Ireland to be instructed on 20 April 2011 to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

The transfer of Shares outside of the CREST system following the Issue should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form. If a Shareholder or transferee requests Shares to be issued in certificated form and is holding such Shares outside CREST, a share certificate will be despatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Shares. Shareholders (other than U.S. Persons) holding definitive certificates may elect at a later date to hold such Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

Dealings

Application will be made to the London Stock Exchange for the Shares issued pursuant to the Issue to be admitted to listing and trading on the Official List and the Main Market respectively.

It is expected that Admission will become effective and that unconditional dealing in the Shares will commence at 0800 hours on 20 April 2011. Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

For the U.S. Dollar Shares, the ISIN number is B3P7S35 and the SEDOL code is GG00B3P7S359.

For the Sterling Shares, the ISIN number is B3KX4Q3 and the SEDOL code is GG00B3KX4Q34.

For the Euro Shares, the ISIN number is B60S306 and the SEDOL code is GG00B60S3067.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Shares or any class of Shares, nor does it guarantee the price at which a market will be made in the Shares. Accordingly, the dealing price of the Shares may not necessarily reflect changes in the Net Asset Value per Share. Furthermore, the level of the liquidity in the various classes of Shares can vary significantly.

Purchase and transfer restrictions

This prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or the Investment Managers.

The Company has elected to impose the restrictions described below on the Issue and on the future trading of the Shares so that the Company will not be required to register the offer and sale of the Shares under the U.S. Securities Act, so that the Company will not have an obligation to register as an investment company under the U.S. Investment Company Act and related rules and to address certain ERISA, U.S. Tax Code and other considerations. These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the Shares to trade such securities. Due to the restrictions described below, potential investors in the United States and U.S. Persons are advised to consult legal counsel prior to making any offer, resale, exercise, pledge or other transfer of the Shares. The Company and its agents will not be obligated to recognise any resale or other transfer of the Shares made other than in compliance with the restrictions described below.

Restrictions due to lack of registration under the U.S. Securities Act and U.S. Investment Company Act restrictions

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States.

The Shares are being offered and sold outside the United States to non-U.S. Persons in reliance on the exemption from registration provided by Regulation S under the U.S. Securities Act.

Moreover, the Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. The Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S (i) to a person outside the United States and not known by the transferor to be a U.S. Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

ERISA, U.S. Internal Revenue Code and other restrictions

If an investor holds Shares at any time, except with the express consent of the Company given in respect of an investment in Shares it shall be deemed to have represented and agreed for the benefit of the Company, its affiliates and advisers that:

- (i) no portion of the assets it uses to purchase, and no portion of the assets it uses to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (A) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (B) a “plan” as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code; or (C) an entity whose underlying assets are

considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in preceding clause (A) or (B) in such entity pursuant to the U.S. Plan Asset Regulations; and

- (ii) if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Tax Code, its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

Subscribers warranties

Each subscriber of Shares in the Issue and each subsequent investor in the Shares will be deemed to have represented, warranted, acknowledged and agreed as follows:

- (a) it is not a U.S. Person, is not located within the United States and is not acquiring the Shares for the account or benefit of a U.S. Person;
- (b) it is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S;
- (c) it acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or an exemption from registration under the U.S. Securities Act;
- (d) it acknowledges that the Company has not registered under the U.S. Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;
- (e) no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- (f) that if any Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

NB GLOBAL FLOATING RATE INCOME FUND (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “U.S. INVESTMENT COMPANY ACT”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS.

- (g) if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which will not require the Company to register under the U.S. Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- (h) it is purchasing the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;
- (i) it acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person's status under the U.S. federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the U.S. securities laws to transfer such Shares or interests in accordance with the Articles;
- (j) it is entitled to acquire the Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Managers, Neuberger Berman LLC, the Joint Bookrunners or Dexion Guernsey, or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Issue or its acceptance of participation in the Issue;
- (k) it has received, carefully read and understands this prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this prospectus or any other presentation or offering materials concerning the Shares to within the United States or to any U.S. Persons, nor will it do any of the foregoing; and
- (l) if it is acquiring any Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- (m) the Company, the Investment Managers, Neuberger Berman LLC, the Joint Bookrunners, Dexion Guernsey and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements. If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company.

Part VI: Additional Information

1. Incorporation and Administration

- 1.1 The Company was incorporated with liability limited by shares in Guernsey under the Companies Laws on 10 March 2011 with registered number 53155 as a closed-ended investment company registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2008 issued by the GFSC. The registered office and principal place of business of the Company is BNP Paribas House, St. Julian's Avenue, St. Peter Port, Guernsey, GY1 1WA, and the telephone number +44 (0) 1481 75 0850. The statutory records of the Company will be kept at this address. The Company operates under the Companies Laws and ordinances and regulations made thereunder and has no employees.
- 1.2 The Directors confirm that the Company has not traded or commenced operations and that, as at the date of this prospectus, no accounts of the Company have been made up since its incorporation on 10 March 2011. The Company's accounting period will end on 31 December of each year, with the first year end on 31 December 2011.
- 1.3 PricewaterhouseCoopers CI LLP has been the only auditor of the Company since its incorporation. PricewaterhouseCoopers CI LLP is a member of the Institute of Chartered Accountants of England & Wales.
- 1.4 The annual report and accounts will be prepared according to U.S. GAAP
- 1.5 Save for its entry into the material contracts summarised in paragraph 6 of this Part VI of the prospectus and certain non-material contracts, since its incorporation the Company has not carried on business, incurred borrowings, issued any debt securities, incurred any contingent liabilities or made any guarantees, nor granted any charges or mortgages.
- 1.6 As at the date of this prospectus, there have been no changes to the issued share capital of the Company since incorporation.
- 1.7 There has been no significant change in the financial or trading position of the Company since its incorporation.

2. Share Capital

- 2.1 The share capital of the Company consists of an unlimited number of redeemable ordinary shares of no par value which upon issue the Directors may classify as (a) U.S. Dollar Shares, Sterling Shares or Euro Shares or as Shares of such other classes as the Directors may determine; (b) B Shares of such classes denominated in such currencies as the Directors may determine; and (c) C Shares of such classes denominated in such currencies as the Directors may determine. Notwithstanding this, a maximum number of 1,000,000,000 Shares will be issued pursuant to the Issue.
- 2.2 As at the date of incorporation and as at the date of this prospectus, the Company's issued share capital comprises one U.S. Dollar Share issued at a price of US\$1.00. If Admission had taken place on the date of incorporation (and assuming that 200,000,000 U.S. Dollar Shares had been issued pursuant to the Issue), the Issue would have increased the net assets of the Company by US\$196,000,000³ and would have been earnings neutral.
- 2.3 As at the date of this prospectus, the entire issued share capital of the Company, comprising one U.S. Dollar Share, has been transferred by the subscriber to the memorandum of incorporation of the Company, CO1 Limited, to Rock Nominees Limited (a nominee company owned by the Administrator).
- 2.4 The Directors have absolute authority to allot the Shares under the Articles and are expected to resolve to do so shortly prior to Admission in respect of the Shares to be issued pursuant to the Issue.

³ Assuming Issue expenses of US\$4,000,000

- 2.5 The Shares will be issued and created in accordance with the Articles and the Companies Laws.
- 2.6 The Shares are in registered form and, from Admission, will be capable of being held in uncertificated form and title to such Shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where the Shares are held in certificated form, share certificates will be sent to the registered members or their nominated agent (at their own risk) within 10 days of the completion of the registration process or transfer, as the case may be, of the Shares. Where Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Registrar, whose registered address is set out on page 39 of this prospectus, maintains a register of Shareholders holding their Shares in CREST.
- 2.7 None of the actions specified in paragraph 2.6 above shall be deemed an action requiring the approval of Shareholders pursuant to the rights attached to those Shares.
- 2.8 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

3. Directors' and other Interests

- 3.1 As at the date of this prospectus, none of the Directors or any person connected with any of the Directors has a shareholding or any other interest in the share capital of the Company. The Directors and their connected persons may, however, subscribe for Shares pursuant to the Placing and/or Offer.
- 3.2 As at the date hereof, insofar as is known to the Company, no person is or will, immediately following the Issue, be directly or indirectly interested in 5 per cent. or more of the Company's issued share capital.
- 3.3 There are no outstanding loans from the Company to any of the Directors or any outstanding guarantees provided by the Company in respect of any obligation of any of the Directors.
- 3.4 The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 31 December 2011 which will be payable out of the assets of the Company are not expected to exceed £500,000. Each of the Directors will be entitled to receive £20,000 per annum other than the Chairman who will be entitled to receive £30,000 per annum and the chairman of the Audit Committee who will be entitled to receive an additional fee of £5,000 per annum. No amount has been set aside or accrued by the Company to provide pension, retirement or other similar benefits.
- 3.5 No Director has a service contract with the Company, nor are any such contracts proposed. The Directors' appointments can be terminated in accordance with the Articles and without compensation. There is no notice period specified in the Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for 12 months or more; (iii) written request of the other Directors; and (iv) a resolution of the Shareholders.
- 3.6 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- 3.7 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.
- 3.8 Pursuant to an instrument of indemnity entered into between the Company and each Director, the Company has undertaken, subject to certain limitations, to indemnify each Director out of the assets and profits of the Company against all costs, charges, losses, damages, expenses and liabilities arising out of any claims made against him in connection with the performance of his duties as a Director of the Company.
- 3.9 In addition to their directorships of the Company, the Directors hold or have held the directorships and are or were members of the partnerships, as listed in the table below, over or within the past five years.

Name	Current directorships/partnerships	Past directorships/partnerships
William Frewen	WFF Ventures Limited	Fanfame Worldwide Limited (dissolved) Playgolf Holdings plc (in administration) Playgolf (Trafford Centre) Limited (in administration) Rusant Limited Sportsmad Limited (dissolved) TAM UK Holdings Limited Threadneedle Asset Management Holdings Limited Work For Fun Limited (dissolved)
Richard Battey	AcenciA Debt Strategies Limited Better Capital Limited Falcon Investment Property SPC Henderson Global Property Companies Limited Juridica Capital Management Limited Juridica Investments Limited Macau Sniper Fund Limited Northwood Capital European Fund Limited Northwood Capital Enhanced European Fund Limited Princess Private Equity Holding Limited Prospect Japan Fund Limited	China Growth Opportunities Limited Himeji X2 LiquidFund Inc. Parkmead Special Situations Energy Fund Limited Origo Resource Partners Limited Partners Group Private Real Estate Opportunities Limited Ptarmigan II Limited Stratton Street Capital LiquidFunds Inc.
Sandra Platts	—	Kleinwort Benson (CI) Limited Kleinwort Benson (CI) Fund Services Limited Kleinwort Benson CI Holdings Limited Kleinwort Benson (CI) Trustees Limited Kleinwort Benson (Guernsey) Services Limited Kleinwort Benson (Jersey) Services Limited Westbourne Properties Limited

3.10 As at the date of this prospectus, there are no potential conflicts of interest between any duties to the Company of any of the Directors and their private interests and/or other duties. There are no lock-up provisions regarding the disposal by any of the Directors of any Shares.

3.11 At the date of this prospectus:

3.11.1 none of the Directors has had any convictions in relation to fraudulent offences for at least the previous five years;

3.11.2 save as detailed above, none of the Directors was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings;

3.11.3 none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years; and

- 3.11.4 none of the Directors are aware of any contract or arrangement subsisting in which they are materially interested and which is significant to the business of the Company which is not otherwise disclosed in this prospectus.
- 3.12 The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.
- 3.13 No members of the Administrator or the Investment Managers have any service contracts with the Company.

4. Taxation

General

The information below, which relates only to Guernsey and United Kingdom taxation, summarises the advice received by the Board and is applicable to the Company and (except in so far as express reference is made to the treatment of other persons) to persons who are resident or ordinarily resident in Guernsey or the United Kingdom for taxation purposes and who hold Shares as an investment. It is based on current Guernsey and United Kingdom tax law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

If you are in any doubt about your tax position, you should consult your professional adviser.

United Kingdom

(i) The Company

The Directors intend to conduct the affairs of the Company in such a way that it should not be resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a branch, agency or permanent establishment situated therein) and is not centrally managed and controlled in the United Kingdom, the Company will not be subject to United Kingdom income tax or corporation tax other than on any United Kingdom source income.

(ii) Shareholders

This paragraph provides general guidance for individual Shareholders who are resident and ordinarily resident for United Kingdom tax purposes and who hold Ordinary Shares as investments and not as trading stock.

UK Offshore Fund Rules

The Directors have been advised that, under current law, the Company should not, and each separate class of Shares in the Company should not, be an "offshore fund" for the purposes of United Kingdom taxation and that the legislation introduced by Finance Act 2009 with effect from 1 December 2009, contained in Part 8 of the Taxation (International and Other Provisions) Act 2010, should not apply.

Accordingly, Shareholders (other than those holding Shares as dealing stock, who are subject to separate rules) who are resident or ordinarily resident in the United Kingdom, or who carry on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected, may, depending on their circumstances and subject as mentioned below, be liable to United Kingdom tax on chargeable gains realised on the disposal of their Shares (which will include a redemption and on final liquidation of the Company).

Tax on Chargeable Gains

A disposal of Shares (which will include a redemption) by a Shareholder who is resident or, in the case of an individual, ordinarily resident in the United Kingdom for United Kingdom tax purposes or who is not so resident but carries on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains or capital gains, depending on the Shareholder's circumstances and subject to any available exemption or relief. For such individual Shareholders capital gains tax at the rate of tax at 18 per cent. (for basic rate taxpayers) or 28 per cent. (for higher or additional rate taxpayers) will be payable on any gain and for Shareholders that are bodies corporate any gain will be within the charge to corporation tax. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which presently exempts the first £10,100 of gains from tax) depending on their circumstances. Shareholders which are bodies corporate resident in the United Kingdom for taxation purposes will benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index.

The conversion of Shares of one class into Shares of another class should not result in a disposal of Shares for the purposes of United Kingdom taxation of chargeable gains, provided the economic interest held by the Shareholder remains the same after the transaction. Instead, the redesignated Shares should be treated as the same asset as the original holding of Shares, acquired at the same time and for the same chargeable gains tax base cost as the original holding.

Dividends

Individual Shareholders resident in the United Kingdom for tax purposes will be liable to UK income tax in respect of dividends or other income distributions of the Company. An individual Shareholder resident in the UK for tax purposes and in receipt of a dividend from the Company will, provided they own less than 10 per cent. of the Shares, be entitled to claim a non-repayable dividend tax credit equal to one-ninth of the dividend received.

The effect of the dividend tax credit would be to extinguish any further tax liability for eligible basic rate taxpayers (who currently pay tax at the dividend ordinary rate of 10 per cent.). The effect for current eligible higher rate taxpayers (who pay tax at the current dividend upper rate of 32.5 per cent.) would be to reduce their effective tax rate to 25 per cent. of the cash dividend received.

With effect from 6 April 2010, a new additional rate of income tax applies for United Kingdom resident individuals with income in excess of £150,000. Such individuals will pay 42.5 per cent. tax on dividends received (reduced to 36.11 per cent. for eligible taxpayers as a result of applying the tax credit).

Shareholders who are bodies corporate resident in the United Kingdom for tax purposes may be able to rely on legislation introduced by the Finance Act 2009 with effect from 1 July 2009, which exempts certain classes of dividends.

Scrip Dividends

Shareholders resident in the United Kingdom for tax purposes and who elect to receive a scrip dividend alternative to any cash dividend declared by the Company should not be liable to UK income tax or corporation tax upon receipt of any bonus shares issued pursuant to the scrip dividend alternative ("**Bonus Shares**"). Such Shareholders should also not be treated as making a disposal for the purposes of United Kingdom capital gains tax or corporation tax on chargeable gains at the time that such Bonus Shares are issued. Instead the issue of Bonus Shares should be treated as a reorganisation of the share capital of the Company and accordingly the Bonus Shares and the original holding of Shares held by the Shareholder should be treated as the same asset, acquired at the same time and for the same chargeable gains tax base cost as the original holding of Shares.

There will be no allowable expenditure for chargeable gains tax purposes arising in respect of the Bonus Shares. As a result of the issue of Bonus Shares the United Kingdom resident Shareholder's original base cost in his or her Shares will be apportioned between his or her original holding of Shares and the Bonus Shares by reference to their respective market values on the day on which any of the Shares held by the Shareholder following the scrip issue are disposed of.

Stamp duty and Stamp Duty Reserve Tax ("SDRT")

No UK stamp duty or SDRT will arise on the issue of Shares. No UK stamp duty will be payable on a transfer of Shares, provided that all instruments effecting or evidencing the transfer (or all matters or things done in relation to the transfer) are not executed in the United Kingdom and no matters or actions relating to the transfer are performed in the United Kingdom.

Provided that the Shares are not registered in any register kept in the United Kingdom by or on behalf of the Company and that the Shares are not paired with shares issued by a Company incorporated in the United Kingdom, any agreement to transfer the Shares will not be subject to UK SDRT.

ISAs and SSAS/SIPPs

Investors resident in the United Kingdom who are considering acquiring Shares are recommended to consult their own tax and/or investment advisers in relation to the eligibility of the Shares for ISAs and SSAS/SIPPs.

Shares acquired pursuant to the Offer (but not the Placing) will be eligible for inclusion in a stocks and shares ISA. On Admission, Shares acquired in the market should be eligible for inclusion in a stocks and shares ISA, subject to applicable subscription limits.

The annual ISA investment allowance is £10,200 for the tax year 2010-2011. Up to £5,100 of that allowance can be invested as cash with one provider. The remainder of the £10,200 can be invested in a stocks and shares ISA with either the same or another provider.

The Shares should be eligible for inclusion in a SSAS or SIPP, subject to the discretion of the trustees of the SSAS or SIPP, as the case may be.

Other United Kingdom Tax Considerations:

Controlled Foreign Companies (CFCs)

United Kingdom resident companies having an interest in the Company, such that 25 per cent. or more of the Company's profits for an accounting period could be apportioned to them, may be liable to United Kingdom corporation tax in respect of their share of the Company's undistributed profits in accordance with the provisions of Chapter IV of Part XVII of the Taxes Act relating to controlled foreign companies. These provisions only apply if the company is controlled by United Kingdom residents. Investors should be aware that the controlled foreign companies regime is the subject of an ongoing consultation by the UK government. It is now expected that full reform of the regime will be introduced by the Finance Bill 2012.

Transfer of Assets Abroad

Individuals ordinarily resident in the United Kingdom should note that Chapter II of Part XVIII of the Income Tax Act 2007, which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad, may render them liable to taxation in respect of any undistributed income and profits of the Company.

Close Company Provisions

The attention of Shareholders resident or ordinarily resident in the United Kingdom is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of capital gains made by the Company can be attributed to a Shareholder who holds, alone or together with associated persons, more than 10 per cent. of the Shares.

Transactions in Securities

The attention of Shareholders is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 and Chapter 1, Part XVII of ICTA that could apply if Shareholders are seeking to obtain tax advantages in prescribed conditions.

If any Shareholder is in doubt as to his taxation position, he is strongly recommended to consult an independent professional adviser without delay.

Guernsey

(i) The Company

The Company has applied for and been granted exempt status for Guernsey tax purposes. In return for the payment of a fee, currently £600, a registered closed-ended investment scheme, such as the Company, is able to apply annually for exempt status for Guernsey tax purposes.

If exempt status is granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes. A company that has exempt status for Guernsey tax purposes is exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax.

In keeping with its ongoing commitment to meeting international standards, the States of Guernsey is currently undertaking a review of its tax regime with the expectation of implementing any required revisions to the regime in the period between 2012 and 2015. At this point in time, the key features of any revised regime have yet to be determined. It is currently not anticipated that there will be any change to the current exemption for investment funds and as such the Company is expected to be able to remain tax exempt.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties, save for an *ad valorem* fee for the grant of probate or letters of administration.

No stamp duty or other taxes are chargeable in Guernsey on the issue, transfer, disposal, conversion or redemption of shares.

(ii) Shareholders

Shareholders, other than those resident in Guernsey for tax purposes, will receive dividends without deduction of Guernsey income tax. Any Shareholders who are resident for tax purposes in Guernsey, Alderney or Herm will incur Guernsey income tax on any dividends paid on Shares owned by them but will suffer no deduction of tax by the Company from any such dividends payable by the Company where the Company is granted exempt status. The Company is required to provide details of distributions made to Shareholders resident in the Islands of Guernsey, Alderney and Herm to the Director of Income Tax in Guernsey.

Guernsey has introduced measures that are the same as the EU Savings Tax Directive. However, paying agents located in Guernsey are not required to operate the measures on payments made by closed ended investment companies, such as the Company. This is on the basis that the Company should not be regarded as an undertaking for collective investment that is equivalent to an Undertaking for Collective Investment in Transferable Securities (UCITS) in accordance with EC Directive 85/611/EEC for the purposes of the application in Guernsey of the bilateral agreements on the taxation of savings income entered into by Guernsey with the EU Member States.

5. Memorandum and Articles

5.1 Objects

The memorandum of incorporation of the Company provides that the objects of the Company are unlimited.

5.2 Dividends and other distributions

- 5.2.1 Subject to the rights of any Shares which may be issued with special rights or privileges, the Shares of each class carry the right to receive all income of the Company attributable to the Shares, and to participate in any distribution of such income made by the Company, pro rata to the relative Net Asset Values of each of the classes of Shares, and within each such class such income shall be divided *pari passu* among the holders of Shares of that class in proportion to the number of Shares of such class held by them.
- 5.2.2 The Directors may from time to time authorise dividends and distributions to be paid to Shareholders in accordance with the procedure set out in the Companies Laws and subject to any Shareholder's rights attaching to their Shares. The amount of such dividends or distributions paid in respect of one class may be different from that of another class.
- 5.2.3 All unclaimed dividends and distributions may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed on the earlier of (i) a period of seven years after the date when it first became due for payment and (ii) the date on which the Company is wound-up, shall be forfeited and shall revert to the Company without the necessity for any declaration or other action on the part of the Company.

5.3 Voting

- 5.3.1 Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Shares, holders of Shares shall have the right to receive notice of and to attend and vote at general meetings of the Company.
- 5.3.2 Each Shareholder being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall, in the case of a separate class meeting, have one vote in respect of each Share held by him and, in the case of a general meeting of all Shareholders, have
- (A) one vote in respect of each US Dollar Share held by him;
 - (B) 1.4 votes in respect of each Euro Share held by him;
 - (C) 1.6 votes in respect of each Sterling Share held by him; and
 - (D) in respect of a Share of a class denominated in any currency other than U.S. Dollars, Sterling or Euro held by him, 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.
- 5.3.3 B Shares and, save in certain limited circumstances, 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.

5.4 Capital

- 5.4.1 As to a winding-up of the Company or other return of capital (other than by way of a repurchase or redemption of Shares in accordance with the provisions of the Articles and the Companies Laws, the surplus assets of the Company attributable to the Shares remaining after payment of all creditors shall, subject to the rights of any Shares that may be issued with special rights or privileges, be divided amongst the holders of Shares of each class pro rata to the relative Net Asset Values of each of the classes of Shares and within each such class such assets shall be divided *pari passu* among the holders of Shares of that class in proportion to the number of Shares of that class held by them.
- 5.4.2 The manner in which distributions of capital proceeds realised from investments (net of fees and expenses) and attributable to the Shares ("**Capital Proceeds**") shall be effected shall, subject to compliance with the Companies Laws, be determined by the Directors in their absolute discretion and, once determined, shall be notified to Shareholders by way of a RIS announcement.

5.4.3 Without restricting the discretion of the Directors described in paragraph 5.4.2, the Directors may effect distributions of Capital Proceeds by:

- (A) issuing B Shares of a particular class to holders of Shares of a particular class *pro rata* to their holdings of Shares of such class (such B Shares to be fully paid-up out of such class of Shares' *pro rata* share of such Capital Proceeds calculated by reference to the relative Net Asset Values of each of the classes of Shares), which such B Shares shall be compulsorily redeemed, and the redemption proceeds (being equal to the amount paid-up on such shares) paid to the holders of such B Shares, on such terms and in such manner as the Directors may determine; or
- (B) by compulsorily redeeming a proportion of each Shareholder's holding of Shares and paying the redemption proceeds to Shareholders on such terms and in such manner as the Directors may determine; or
- (C) in such other manner as may be lawful.

5.5 Pre-emption rights

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of the Shares. However, the Articles of Incorporation provide that the Company is not permitted to allot (for cash) equity securities (being Shares or C Shares or rights to subscribe for, or convert securities into, Shares or C Shares) or sell (for cash) any Shares or C Shares held in treasury, unless it shall first have offered to allot to each existing holder of Shares and C Shares on the same or more favourable terms a proportion of those Shares or C Shares the aggregate value of which (at the proposed issue price) is as nearly as practicable equal to the proportion of the total Net Asset Value of the Company represented by the Shares or C Shares held by such shareholder. These pre-emption rights may be excluded and disapplied or modified by special resolution of the Shareholders.

5.6 Variation of rights

5.6.1 Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated:

- (A) with the consent in writing of the holders of more than half in number of the issued shares of that class; or
- (B) with the sanction of an Ordinary Resolution passed at a separate meeting of the holders of the shares of that class.

5.6.2 The necessary quorum at any separate class meeting shall be two persons present holding or representing by proxy at least one-third in number of the issued shares of that class (provided that if any such meeting is adjourned for lack of a quorum, the quorum at the reconvened meeting shall be one person present holding shares of that class or his proxy) provided always that where the class has only one member, that member shall constitute the necessary quorum and any holder of shares of the class in question may demand a poll.

5.6.3 The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other rights shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by (a) the creation or issue of further shares ranking *pari passu* therewith or (b) the purchase or redemption by the Company of any of its shares (or the holding of such shares as treasury shares).

5.7 Disclosure of interests in Shares

5.7.1 The Directors shall have power by notice in writing (a “**Disclosure Notice**”) to a Shareholder to disclose to the Company the identity of any person other than the Shareholder (an “**interested party**”) who has any interest (whether direct or indirect) in the Shares held by the Shareholder and the nature of such interest or has been so interested at any time during the 3 years immediately preceding the date on which the Disclosure Notice is issued. Any such Disclosure Notice shall require any information in

response to such Disclosure Notice to be given in writing to the Company within 28 days of the date of service (or 14 days if the Shares concerned represent 0.25 per cent. or more of the number of Shares in issue of the class of Shares concerned).

- 5.7.2 If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days if the Shares concerned represent 0.25 per cent. or more in number of the issued Shares of the relevant class), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the member (a “**Direction Notice**”). The Direction Notice may direct that in respect of the Shares in respect of which the default has occurred (the “**Default Shares**”) and any other Shares held by the member shall not be entitled to vote in general meetings or class meetings. Where the Default Shares represent at least 0.25 per cent. in number of the class of Shares concerned, the Direction Notice may additionally direct that dividends on such Shares will be retained by the Company (without interest) and that no transfer of the Default Shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.
- 5.7.3 The Directors may be required to exercise their power to require disclosure of interested parties on a requisition of Shareholders holding not less than 1/10th of the total voting rights attaching to the shares in issue at the relevant time.

5.8 Transfer of Shares

- 5.8.1 Subject to the Articles (and the restrictions on transfer contained therein), a Shareholder may transfer all or any of his Shares in any manner which is permitted by the Companies Laws or in any other manner which is from time to time approved by the Board.
- 5.8.2 A transfer of a certificated Share shall be in the usual common form or in any other form approved by the Board. An instrument of transfer of a certificated Share shall be signed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee.
- 5.8.3 The Articles of Incorporation provide that the Board has power to implement such arrangements as it may, in its absolute discretion, think fit in order for any class of Shares to be admitted to settlement by means of the CREST UK system. If the Board implements any such arrangements, provision of the Articles will apply or have effect to the extent that it is in any respect inconsistent with:
- (A) the holding of Shares of the relevant class in uncertificated form;
 - (B) the transfer of title to Shares or of the relevant class by means of the CREST UK system; or
 - (C) the CREST Guernsey Requirements.
- 5.8.4 Where any class of Shares is, for the time being, admitted to settlement by means of the CREST UK system such securities may be issued in uncertificated form in accordance with and subject to the CREST UK Guernsey Regulations. Unless the Board otherwise determines, Shares held by the same holder or joint holders in certificated form and uncertificated form will be treated as separate holdings. Shares may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject to the CREST Guernsey Regulations. Title to such of the Shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST UK system.
- 5.8.5 The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share in certificated form or uncertificated form subject to the Articles which is not fully paid or on which the Company has a lien provided that, in the case of a Share, this would not prevent dealings in the Shares of that class from taking place on an open and proper basis on the London Stock Exchange.
- 5.8.6 In addition, the Board may decline to transfer, convert or register a transfer of any Share in certificated form or (to the extent permitted by the CREST Guernsey Requirements) uncertificated form: (a) if it is in respect of more than one class of Shares, (b) if it is in favour of more than four joint transferees, (c) if applicable, if it is delivered for registration to the registered office of the

Company or such other place as the Board may decide, not accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require, or (d) the transfer is in favour of any Non-Qualified Holder.

- 5.8.7 If any Shares are owned directly, indirectly or beneficially by a person believed by the Board to be a Non-Qualified Holder, the Board may give notice to such person requiring him either (i) to provide the Board within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder or (ii) to sell or transfer his Shares to a person who is not a Non-Qualified Holder within 30 days and within such 30 days to provide the Board with satisfactory evidence of such sale or transfer pending such sale or transfer, the Board may suspend the exercise of any voting or consent rights and rights to receive notice of or attend any meeting of the Company and any rights to receive dividends or other distributions with respect to such Shares. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited his Shares. If the Board in its absolute discretion so determines, the Company may dispose of the Shares at the best price reasonably obtainable and pay the net proceeds of such disposal to the former holder.
- 5.8.8 The Board of Directors may decline to register a transfer of an uncertificated Share which is traded through the CREST UK system in accordance with the CREST rules where, in the case of a transfer to joint holders, the number of joint holders to whom uncertificated Shares is to be transferred exceeds four.

5.9 General meetings

- 5.9.1 The first general meeting (being an annual general meeting) of the Company shall be held within such time as may be required by the Companies Laws and thereafter general meetings (which are annual general meetings) shall be held at least once in each calendar year and in any event, no more than 18 months since the last annual general meeting. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. Extraordinary general meetings and annual general meetings shall be held in Guernsey or such other place outside the United Kingdom as may be determined by the Board from time to time.
- 5.9.2 The notice must specify the date, time and place of any general meeting and the text of any proposed special and ordinary resolution. Any general meeting shall be called by at least ten clear days' notice. A general meeting may be deemed to have been duly called by shorter notice if it is so agreed by all the members entitled to attend and vote thereat. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the proceedings at the meeting.
- 5.9.3 The Shareholders may require the Board to call an extraordinary general meeting in accordance with the Companies Laws.

5.10 Restrictions on voting

Unless the Board otherwise decides, no member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class of Shares in the Company, either in person or by proxy, in respect of any Share held by him unless all calls and other sums presently payable by him in respect of that Share have been paid. No member of the Company shall, if the Directors so determine, be entitled in respect of any Share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such Shares has failed to comply with a Disclosure Notice (see paragraph 5.7.1 above) within 14 days, in a case where the Shares in question represent at least 0.25 per cent. of their class, or within 28 days, in any other case, from the date of such Disclosure Notice. These restrictions will continue until the information required by the notice is supplied to the Company or until the Shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

5.11 Appointment, retirement and disqualification of Directors

- 5.11.1 Unless otherwise determined by the Shareholders by ordinary resolution, the number of Directors shall not be less than two and there shall be no maximum number. At no time shall a majority of the Board be resident in the UK for UK tax purposes.
- 5.11.2 A Director need not be a Shareholder. A Director who is not a Shareholder shall nevertheless be entitled to attend and speak at Shareholders' meetings.
- 5.11.3 Subject to the Articles, Directors may be appointed by the Board (either to fill a vacancy or as an additional Director). No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless not less than seven and not more than 42 clear days before the date appointed for the meeting there shall have been left at the Company's registered office (or, if an electronic address has been specified by the Company for such purposes, sent to the Company's electronic address) notice in writing signed by a Shareholder who is duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected, specifying his tax residency status and containing a declaration that he is not ineligible to be a Director in accordance with the Companies Laws.
- 5.11.4 No person shall be or become incapable of being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age.
- 5.11.5 Subject to the Articles, at each annual general meeting of the Company, any Director (i) who has been appointed by the Board since the last annual general meeting, (ii) who held office at the time of the two preceding annual general meetings and who did not retire at either of them, or (iii) who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting, shall retire from office and may offer himself for election or re-election by the Shareholders.
- 5.11.6 A Director who retires at an annual general meeting may, if willing to continue to act, be elected or re-elected at that meeting. If he is elected or re-elected he is treated as continuing in office throughout. If he is not elected or re-elected, he shall remain in office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place or when a resolution to elect or re-elect the Director is put to the meeting and lost.
- 5.11.7 A Director may resign from office as a Director by giving notice in writing to that effect to the Company at its registered office, which notice shall be effective upon such date as may be specified in the notice, failing which, upon delivery to the registered office.
- 5.11.8 The office of a Director shall be vacated: (i) if he (not being a person holding for a fixed term an executive office subject to termination if he ceases from any cause to be a Director) resigns his office by one month's written notice signed by him sent to or deposited at the Company's registered office; (ii) if he dies; (iii) if the Company requests that he resigns his office by giving one month's written notice; (iv) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated; (v) if he becomes bankrupt or makes any arrangements or composition with his creditors generally; (vi) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment; (vii) if he is requested to resign by written notice signed by a majority of his co-Directors (being not less than two in number); (viii) if the Company by ordinary resolution shall declare that he shall cease to be a Director; (ix) if he becomes resident in the United Kingdom for tax purposes and, as a result thereof, a majority of the Directors would, if he were to remain a Director, be resident in the United Kingdom for tax purposes; or (x) if he becomes ineligible to be a Director in accordance with the Companies Laws.
- 5.11.9 Any Director may, by notice in writing, appoint any other person (subject to the provisions in paragraph 5.11.10 below), who is willing to act as his alternate and may remove his alternate from that office.

- 5.11.10 Each alternate Director shall be either (i) resident for tax purposes in the same jurisdiction as his appointor, or (ii) resident outside the UK for UK tax purposes, in each case for the duration of the appointment of that alternate Director and in either case shall also be eligible to be a Director under the Companies Laws and signs a written consent to act. Every appointment or removal of an alternate Director shall be by notice in writing signed by the appointor and served upon the Company.

5.12 Proceedings of the Board

- 5.12.1 The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two. Subject to the Articles, a meeting of the Board at which a quorum is present shall be competent to exercise all the powers and discretion exercisable by the Board.
- 5.12.2 All meetings of the Board are to take place outside the United Kingdom and any decision reached or resolution passed by the Directors at any meeting of the Board held within the United Kingdom or at which no majority of Directors resident outside the UK (and not within the UK) for UK tax purposes is present shall be invalid and of no effect.
- 5.12.3 The Board may elect one of their number as chairman. If no chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.
- 5.12.4 Questions arising at any meeting shall be determined by a majority of votes.
- 5.12.5 The Board may delegate any of its powers to committees consisting of two or more Directors as they think fit with a majority of such Directors being resident outside of the United Kingdom for United Kingdom tax purposes. Committees shall only meet outside the United Kingdom. Any committee so formed shall be governed by any regulations that may be imposed on it by the Board and (subject to such regulations) by the provisions of the Articles that apply to meetings of the Board.

5.13 Remuneration of Directors

The Directors shall be entitled to receive fees for their services, such sums not to exceed in aggregate £500,000 in any financial year in aggregate (or such sum as the Company in general meeting shall from time to time determine). The Directors may be paid all reasonable travelling, hotel and other out of pocket expenses properly incurred by them in attending board or committee meetings or general meetings, and all reasonable expenses properly incurred by them seeking independent professional advice on any matter that concerns them in the furtherance of their duties as a Director.

5.14 Interests of Directors

- 5.14.1 Subject to and in accordance with the Companies Law, a Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose that fact to the Directors (including, if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest, or if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest).
- 5.14.2 Subject to the provisions of the Companies Law, and provided that he has disclosed to the Directors the nature and extent of any interests of his, a Director notwithstanding his office:
- (A) may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to the tenure of office and otherwise as the Directors may determine;
 - (B) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

- (C) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, a shareholder of or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- (D) shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit;
- (E) may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as though he were not a Director of the Company; and
- (F) may be counted in the quorum present at any meeting in relation to any resolution in respect of which he has declared an interest (but he may not vote thereon).

5.15 Winding-up

- 5.15.1 If the Company shall be wound up, the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by the Companies Law, divide the whole or any part of the assets of the Company among the members entitled to the same *in specie* and the liquidator or, where there is no liquidator, the Directors may for that purpose value any assets as he or they deem fair and determine how the division shall be carried out as between the members or different classes of members and, with the like sanction, may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he or they may determine, but no member shall be compelled to accept any assets upon which there is a liability.
- 5.15.2 Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company, the liquidator may, with the sanction of an ordinary resolution, receive in compensation shares, policies or other like interests for distribution or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.

5.16 Borrowing powers

The Directors may exercise all the powers of the Company to borrow money and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property (present or future) or assets or uncalled capital and to issue debentures and other securities whether outright, or as collateral security for any debt, liability or obligation of the Company or of any third party.

6. Material Contracts

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company since its incorporation and are, or may be, material or that contain any provision under which the Company has any obligation or entitlement which is or may be material to it as at the date of this prospectus:

Sponsor and Placing Agreement

- 6.1 The Sponsor and Placing Agreement dated 18 March 2011 between Oriel, Dexion, the Company, the Directors and the Investment Manager whereby the Company has agreed, subject to certain conditions that are typical for an agreement of this nature, the last condition being Admission, to issue the Shares to be issued pursuant to the Issue at the Issue Price. Oriel and Dexion have agreed, subject to certain conditions that are typical for an agreement of this nature, the last condition being Admission, to use reasonable endeavours to procure subscribers for the Shares to be issued under the Placing at the Issue Price. The Placing will not be underwritten.

In consideration for the provision of their services under the Sponsor and Placing Agreement, the Company will pay placing commissions to Oriel and Dexion together with any VAT chargeable thereon.

The obligations of the Company to issue Shares and the obligations of Oriel and Dexion to use reasonable endeavours to procure subscribers for the Shares to be issued under the Placing, are subject to conditions, including, amongst others, Admission occurring by not later than 0800 hours on 20 April 2011 or such later time and/or date as Oriel and Dexion may agree with the Company and the Sponsor and Placing Agreement not having been terminated. Oriel and Dexion may terminate the Sponsor and Placing Agreement in certain circumstances that are typical for an agreement of this nature prior to Admission. These circumstances include the breach by the Company or the Investment Manager of the warranties given pursuant to the Sponsor and Placing Agreement, the occurrence of certain material adverse changes in the condition (financial or otherwise), prospects or earnings of the Company, and certain adverse changes in financial, political or economic conditions.

The Company has agreed to pay by way of reimbursement to Oriel and Dexion, any stamp duty or stamp duty reserve tax arising on the issue of the Shares by them under the Issue and the Company has agreed to pay or cause to be paid (together with any related value added tax) certain costs, charges, fees and expenses of, or in connection with, or incidental to, amongst others, the Issue, Admission or the other arrangements contemplated by the Sponsor and Placing Agreement.

The Company and the Investment Manager have given certain representations, warranties, undertakings and indemnities to Oriel and Dexion.

The Company has undertaken to Oriel and Dexion in the Sponsor and Placing Agreement that it will not, and each of the Directors has undertaken to procure that the Company will not, during the period beginning at the date of the Sponsor and Placing Agreement and continuing to and including the date 365 days after the date of Admission, without the prior written consent of Oriel and Dexion, offer, issue, lend, sell or contract to sell, grant options in respect of or otherwise dispose of, directly or indirectly any Shares or any securities convertible into, or exchangeable for, or enter into any transaction with the same economic effect as, or agree to do any of the foregoing (other than the Shares issued pursuant to the Issue).

Each of the Company, the Directors and the Investment Manager has undertaken to Oriel and Dexion in the Sponsor and Placing Agreement that he/it will not make or despatch (and will not authorise any person to make or despatch) any public announcement or communication concerning the Group or the Issue or otherwise relating to the assets, liabilities, profits, losses, financial or trading conditions of the Group which is or may be material in the context of the Group or the Issue or the issue, offer, or sale of the Shares at any time between the date of the Sponsor and Placing Agreement and the date 180 days after the publication of this prospectus without having first furnished to Oriel and Dexion a copy of each such proposed announcement or communication as far in advance of the announcement as reasonably practicable to enable it to comment thereon and to consult with it and having had Oriel and Dexion's written consent as to its contents and the timing and manner of its release.

Oriel and Dexion have agreed that in relation to any amount recoverable from the Company and the Investment Manager under the indemnities contained in the Sponsor and Placing Agreement Oriel and Dexion will claim first against the Company and will only claim against the Investment Manager to the extent that Oriel and/or Dexion do not recover the relevant loss in full from the Company, provided that this does not restrict or prevent Oriel and/or Dexion from making a claim against the Investment Manager where (a) Oriel and Dexion each in its good faith opinion believes that it will not be able to recover the relevant loss in full from the Company (including as a result of the actual or reasonably anticipated insolvency of the Company) or (b) the relevant loss results from the breach by the Investment Manager of certain warranties, or any of its other obligations under the Sponsor and Placing Agreement.

The Sponsor and Placing Agreement is governed by English law.

Distribution Agreements

- 6.2 The Company also expects to enter into distribution agreements with a number of sales agents (including the Investment Manager or its Affiliates) in various jurisdictions (“**Distribution Agreements**”) pursuant to which it is expected that the Company will pay such sales agents a commission for introducing to the Company potential subscribers for the Shares pursuant to the Placing. Pursuant to such agreements, it is expected that each sales agent will provide certain representations, undertakings and warranties in favour of the Company and the Investment Manager and that the Company will agree to indemnify the sales agents against any loss arising as a result of certain material misstatements or omissions contained in this prospectus or the marketing materials. The sales agents may, with the prior written consent of the Company, appoint sub-sales agents.

Investment Management Agreement

- 6.3 The Company and the Investment Manager have entered into an investment management agreement, dated 18 March 2011 (the “**Investment Management Agreement**”), pursuant to which the Investment Manager has been given overall responsibility for the discretionary management of the Company’s assets (including uninvested cash) in accordance with the Company’s investment objectives and policy.

Fees

The Investment Manager will be entitled to a management fee which shall be calculated and accrue daily at a rate equivalent to 0.75 per cent. of NAV per annum. The management fee will be payable quarterly in arrear.

If the Investment Manager receives any fees from a company as a result of an investment made by the Investment Manager under the Investment Management Agreement in such company, the amount of any such fees shall be deducted from the management fee.

Termination

- 6.3.1 The Investment Management Agreement is terminable by either the Investment Manager or the Company giving to the other not less than six months’ written notice.
- 6.3.2 The Investment Management Agreement may be terminated earlier by the Company with immediate effect if:
- (i) an order has been made or an effective resolution passed for the liquidation of the Investment Manager;
 - (ii) the Investment Manager ceases or threatens to cease to carry on its business;
 - (iii) the Investment Manager has, subject to paragraph 6.3.2(iv) below, committed a material breach of the Investment Management Agreement and fails to remedy such breach within 30 days of receiving notice requiring it to do so;
 - (iv) the Investment Manager has committed a breach of its obligation to ensure that its obligations under the Investment Management Agreement are carried out by a team of appropriately qualified, trained and experienced professionals reasonably acceptable to the Board who have experience of managing a portfolio of comparable size, nature and complexity to the Portfolio and such breach is not remedied within 90 days of receipt of notice requiring it to do so;
 - (v) the Investment Manager ceases to hold any required authorisation to carry out its services under the Investment Management Agreement;
 - (vi) the Investment Manager breaches any provision of the Investment Management Agreement and such breach results in listing and trading of the Shares on the Official List and the Main Market being suspended or terminated; and
 - (vii) the Company is required to do so by a relevant regulatory authority.

- 6.3.3 The Investment Management Agreement may be terminated by the Investment Manager with immediate effect if: (a) an order has been made or an effective resolution passed for the winding up of the Company; or (b) a resolution is proposed by the Board or passed by shareholders which would make changes to the Company's investment policy such that the Investment Manager in its reasonable opinion can no longer meet the service standard requirements under the Investment Management Agreement.

Fees and expenses on termination

- 6.3.4 If notice to terminate the Investment Management Agreement is served by the Company on the Investment Manager at any time during the 18 month period from Admission, the Investment Manager shall be entitled to be paid by the Company an amount equal to any costs and expenses incurred by the Company in connection with the Issue that are borne by the Investment Manager.
- 6.3.5 In the event the Investment Management Agreement is terminated in accordance with paragraphs 6.3.1 to 6.3.3, the Investment Manager shall be entitled to (a) be paid any accrued Management Fee to the date of termination; and (b) be promptly reimbursed for all of its out of pocket expenses incurred in respect of the performances of its services up to the date of termination

Indemnities

- 6.3.6 The Company has given certain market standard indemnities in favour of the Investment Manager in respect of the Investment Manager's potential losses in carrying on its responsibilities under the Investment Management Agreement.

General

- 6.3.7 The Investment Manager will delegate certain of its responsibilities under the Investment Management Agreement to the Sub-Investment Manager.
- 6.3.8 The Investment Management Agreement is governed by the laws of England and Wales.

Administration and Custody Agreement

- 6.4 The Company and the Administrator entered into an administration and custody agreement dated 17 March 2011 pursuant to which the Company appointed the Administrator to act as Administrator, Secretary and Custodian of the Company.

The Company has given certain market standard indemnities in favour of the Administrator in respect of the Administrator's potential losses in carrying out its responsibilities under the Administration and Custody Agreement.

The Administration and Custody Agreement may be terminated by either party on not less than six months' written notice following this period (or such shorter notice as the parties may agree). The Administration and Custody Agreement may be terminated immediately by either party: (i) in the event of the winding up of or the appointment of an administrator, liquidator, examiner or receiver to the other or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction (except if such event occurs for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the parties, such approval not to be unreasonably withheld or delayed) or if the other party is declared 'en desastre'; or (ii) if the other shall commit any material breach or is in persistent breach of the provisions of the Administration and Custody Agreement and shall if capable of remedy not have remedied the same within 30 days after the service of notice requiring it to be remedied; or (iii) if the continued performance of the Administration and Custody Agreement for any reason ceases to be lawful.

The Company may immediately terminate the Administration and Custody Agreement in the event of the Administrator ceasing to hold the necessary licences, approvals, permits, consents or authorisations required to enable it to perform its duties under the Administration and Custody Agreement.

The Administration, Secretary and Custody Agreement is governed by the laws of the Island of Guernsey.

Registrar Agreement

- 6.5 The Company and the Registrar entered into a registrar agreement dated 17 March 2011 (the “**Registrar Agreement**”), pursuant to which the Company appointed the Registrar to act as registrar of the Company for a minimum annual fee payable by the Company of £7,500 in respect of basic registration.

The Registrar Agreement may be terminated by either the Company or the Administrator giving to the other not less than three month’s written notice.

7. Litigation

Since its incorporation the Company has not been, nor is it, involved in any governmental, legal or arbitration proceedings nor, so far as the Directors are aware, are there any governmental, legal or arbitration proceedings pending or threatened which may have, or have since incorporation had, a significant effect on the Company’s financial position or profitability.

8. Related Party Transactions

Except with respect to the appointment letters entered into between the Company and each director and as set out in paragraphs 3.9, 6.1, 6.2 and 6.3 of this Part VI of the prospectus, the Company has not entered into any related party transaction since incorporation.

9. General

- 9.1 The Placing of the Shares is being carried out on behalf of the Company by Oriel and Dexion, both of which are authorised and regulated in the UK by the Financial Services Authority, and certain other sales agents appointed by the Company.
- 9.2 The principal place of business and registered office of the Company is at BNP Paribas House, St. Julian’s Avenue, St. Peter Port, Guernsey, GY1 1WA. The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2008 issued by the GFSC. The Company is not regulated by the Financial Services Authority or any other regulator.
- 9.3 The Investment Manager may be a promoter of the Company. Save as disclosed in paragraph 6 above no amount or benefit has been paid, or given, to the promoter or any of their subsidiaries since the incorporation of the Company and none is intended to be paid, or given.
- 9.4 The address of the Investment Manager is 4th Floor, Lansdowne House, 57 Berkeley Square, London, W1J 6ER, UK and its telephone number is +44 (0) 203 214 9000.
- 9.5 As the Shares do not have a par value, the Issue Price consists solely of share premium.
- 9.6 None of the Shares available under the Issue are being underwritten.
- 9.7 CREST is a paperless settlement procedure enabling securities to be evidenced other than by certificates and transferred other than by written instrument. The Articles of the Company permit the holding of the Shares under the CREST system. The Directors intend to apply for the Shares to be admitted to CREST with effect from Admission. Accordingly it is intended that settlement of transactions in the Shares following Admission may take place within the CREST system if the relevant Shareholders (other than U.S. Persons) so wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so upon request from the Registrars.

- 9.8 Applications will be made to each of the UK Listing Authority and the London Stock Exchange for such Shares to be admitted to listing and trading on the Main Market of Official List and the Main Market respectively. It is expected that admission will become effective, and that dealings in the Shares will commence at 0800 hours on 20 April 2011. No application is being made for the Shares to be dealt with in or on any stock exchanges or investment exchanges other than the London Stock Exchange.
- 9.9 The Company does not own any premises and does not lease any premises.

10. Third party sources

- 10.1 Where third party information has been referenced in this prospectus, the source of that third party information has been disclosed. Where information contained in this prospectus has been sourced from the London Stock Exchange, Commodities Research Bureau or Bloomberg, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 10.2 The Investment Manager has given and not withdrawn its written consent to the issue of this prospectus with references to its name in the form and context in which such references appear. The Investment Manager accepts responsibility for information attributed to it in this prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

11. Working capital

The Company is of the opinion that, on the basis that the Minimum Net Proceeds are raised, the working capital available to it is sufficient for its present requirements, that is for at least the next 12 months from the date of this prospectus.

12. Capitalisation and indebtedness

The following table shows the Company's gross indebtedness as at 10 March 2011 (being the date of incorporation).

Total current debt (\$)	As at 10 March 2011
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil

Total non current debt (excluding current position of non current debt) (\$)	As at 10 March 2011
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil

The following table shows the capitalisation of the Company as at 10 March 2011 (being the date of incorporation):

Shareholders' equity (\$)	As at 10 March 2011
Share capital	Nil
Legal reserve	1
Other reserves	Nil
Total	1

As at the date of this prospectus, the Company has nil net indebtedness.

13. Investment restrictions

13.1 The Company will manage and invest its assets in accordance with its investment policy as disclosed in Part I of this Prospectus and will comply with the following investment restrictions:

13.1.1 for so long as they remain requirements of the UK Listing Authority the Company must not conduct a trading activity which is significant in the context of its group as a whole (this does not prevent the businesses forming part of the Portfolio from conducting trading activities themselves); and

13.1.2 the Company will not invest in other listed closed-ended investment funds.

13.2 The Company will, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with the investment policy set out in Part I of this prospectus.

13.3 No more than 20 per cent. of the Company's gross assets shall be exposed to the creditworthiness or solvency of any one counterparty (including such counterparty's subsidiaries and affiliates).

14. Documents available for inspection

Copies of the Articles will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays and Public Holidays excepted) until the date of Admission.

Dated 18 March 2011

Part VII: Terms and Conditions of the Placing by Oriel and Dexion

1. Introduction

Each Placee which confirms its agreement (whether orally or in writing) to Oriel and/or to Dexion and/or Dexion Guernsey to subscribe for Shares under the Placing will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or Oriel and/or Dexion may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a “**Placing Letter**”).

2. Agreement to Subscribe for Shares

Conditional on: (i) Admission occurring and becoming effective by 0800 hours (London time) on or prior to 20 April 2011 (or such later time and/or date, not being later than 16 May 2011, as the Company, the Investment Managers, Oriel and Dexion may agree); (ii) the Sponsor and Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before 20 April 2011 (or such later time and/or date, not being later than 16 May 2011 as the parties thereto may agree); and (iii) Oriel and/or Dexion confirming to the Placees their allocation of Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Shares allocated to it by Oriel and/or Dexion at the Issue Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

3. Payment for Shares

Each Placee must pay the Issue Price for the Shares issued to the Placee in the manner and by the time directed by Oriel and/or Dexion. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee’s application for Shares shall be rejected.

4. Representations and Warranties

By agreeing to subscribe for Shares, each Placee which enters into a commitment to subscribe for Shares will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to agree, represent and warrant to each of the Company, the Investment Managers, the Registrar, Oriel, Dexion and Dexion Guernsey that:

- (a) in agreeing to subscribe for Shares under the Placing, it is relying solely on this prospectus and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company or the Placing. It agrees that none of the Company, the Investment Managers, Oriel, Dexion, Dexion Guernsey or the Registrar, nor any of their respective officers, agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- (b) the content of this prospectus is exclusively the responsibility of the Company and its Directors and apart from the liabilities and responsibilities, if any, which may be imposed on any of Oriel, Dexion or Dexion Guernsey under any regulatory regime, none of Oriel, Dexion nor any person acting on their behalf nor any of their affiliates (which for the avoidance of doubt, in this document in respect of Dexion includes Dexion Guernsey), make any representation, express or implied, nor accepts any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by them or on its or their behalf in connection with the Company, the Shares or the Issue;

- (c) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Shares under the Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Managers, Dexion, Dexion Guernsey, Oriel, or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;
- (d) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Shares and it is not acting on a non-discretionary basis for any such person;
- (e) it agrees that, having had the opportunity to read this prospectus, it shall be deemed to have had notice of all information and representations contained in this prospectus, that it is acquiring Shares solely on the basis of this prospectus and no other information and that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for Shares;
- (f) it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by Dexion, Dexion Guernsey, Oriel, the Company or the Investment Managers;
- (g) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (h) it accepts that none of the Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Excluded Territory unless an exemption from any registration requirement is available;
- (i) if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- (j) if it is a resident in the EEA (other than the United Kingdom), it is a qualified investor within the meaning of the law in the Relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of Prospectus Directive;
- (k) if it is outside the United Kingdom, neither this prospectus nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- (l) it acknowledges that none of Oriel or Dexion nor any of their respective affiliates (which for the avoidance of doubt, in this document in respect of Dexion, include Dexion Guernsey) nor any person acting on their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that it is not and will not be a client of Oriel or Dexion or any of their affiliates and that Oriel and Dexion and any of their affiliates do not have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertaking or indemnities contained in the Placing Letter;
- (m) it acknowledges that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and

agreements set out in this prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or Oriel and/or Dexion and/or Dexion Guernsey. It agrees that the provision of this paragraph shall survive any resale of the Shares by or on behalf of any such account;

- (n) it irrevocably appoints any director of the Company and any director of Oriel and Dexion to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- (o) it accepts that if the Placing does not proceed or the conditions to the Sponsor and Placing Agreement are not satisfied or the Shares for which valid application are received and accepted are not admitted to listing and trading on the Official List and the Main Market (respectively) for any reason whatsoever then none of Oriel, Dexion, the Company or any of their affiliates, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- (p) in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and countering terrorist financing and that its application is only made on the basis that it accepts full responsibility for any requirement to identify and verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) subject to the Guernsey AML Requirements; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a county in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- (q) due to anti-money laundering and the countering of terrorist financing requirements, Oriel, Dexion, Dexion Guernsey and/or the Company may require proof of identity of the Placee and related parties and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the Placee to produce any information required for verification purposes, Oriel, Dexion, Dexion Guernsey and/or the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Oriel, Dexion, Dexion Guernsey and/or the Company against any liability, loss or cost ensuing due to the failure to process this application, if such information as has been required has not been provided by it or has not been provided timeously;
- (r) any person in Guernsey involved in the business of the Company (including Dexion Guernsey) who has a suspicion or belief that any other person (including the Company or any person subscribing for Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the Financial Intelligence Service pursuant to the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended) and the Disclosure (Bailiwick of Guernsey) Law 2007. Similar disclosures may be required under other legislation;
- (s) Oriel, Dexion and the Company (and any agent on their behalf) are entitled to exercise any of their rights under the Sponsor and Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them (or any agent acting on their behalf);
- (t) the representations, undertakings and warranties contained in this prospectus are irrevocable. It acknowledges that Oriel, Dexion and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Shares are no longer accurate, it shall promptly notify Oriel, Dexion and the Company;

- (u) where it or any person acting on behalf of it is dealing with Oriel and/or Dexion and/or Dexion Guernsey, any money held in an account with Oriel and/or Dexion and/or Dexion Guernsey on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the Financial Services Authority or the GFSC which therefore will not require Oriel and/or Dexion and/or Dexion Guernsey to segregate such money, as that money will be held by Oriel and/or Dexion and/or Dexion Guernsey under a banking relationship and not as trustee;
- (v) any of its clients, whether or not identified to Oriel or Dexion or any of their affiliates or agents, will remain its sole responsibility and will not become clients of Oriel or Dexion or any of their affiliates or agents for the purposes of the rules of the Financial Services Authority or the GFSC or for the purposes of any other statutory or regulatory provision;
- (w) it accepts that the allocation of Shares shall be determined by Oriel, Dexion and the Company in their absolute discretion and that such persons may scale down any Placing commitments for this purpose on such basis as they may determine; and
- (x) time shall be of the essence as regards its obligations to settle payment for the Shares and to comply with its other obligations under the Placing.

5. Supply and Disclosure of Information

If Oriel, Dexion, Dexion Guernsey, the Registrar or the Company or any of their agents request any information in connection with a Placee's agreement to subscribe for Shares under the Placing or to comply with any relevant legislation, such Placee must promptly disclose it to them.

6. The Data Protection (Bailiwick of Guernsey) Law 2001

- 6.1 Pursuant to The Data Protection (Bailiwick of Guernsey) Law 2001, (the "**DP Law**") the Company, the Joint Bookrunners, the Registrar, the Administrator and/or Dexion Guernsey may hold personal data (as defined in the DP Law) relating to past and present Shareholders.
- 6.2 Such personal data held is used by those parties in relation to the Placing and to maintain a register of the Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and redemption proceeds to Shareholders (in each case, where applicable) and, if applicable, the payment of commissions to third parties and (b) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities.
- 6.3 The countries referred to above include, but need not be limited to, those in the European Economic Area or the European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States.
- 6.4 By becoming registered as a holder of Shares in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company or its Registrar or the Joint Bookrunners or Dexion Guernsey of any personal data relating to them in the manner described above.

7. Miscellaneous

- 7.1 Dexion Guernsey is acting as receiving agent for Dexion in connection with the Placing and for no-one else and it will not treat a Placee or any other person as its customer by virtue of such application being accepted or owe a Placee or any other person any duties or responsibilities concerning the price of Shares or concerning the suitability of Shares for a Placee or for any other person or be responsible to Placee or for any other person for providing the protections afforded to its customers;

- 7.2 The rights and remedies of Oriel, Dexion, Dexion Guernsey, the Registrar and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 7.3 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 7.4 Each Placee agrees to be bound by the Articles (as amended from time to time) once the Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for Shares under the Placing and the appointments and authorities mentioned in this prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Oriel, Dexion, Dexion Guernsey, the Company and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against Placee in any other jurisdiction.
- 7.5 In the case of a joint agreement to subscribe for Shares under the Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 7.6 Oriel Dexion, and the Company expressly reserve the right to modify the Placing (including, without limitation, their timetable and settlement) at any time before allocations are determined.
- 7.7 The Placing is subject to the satisfaction of the conditions contained in the Sponsor and Placing Agreement and the Sponsor and Placing Agreement not having been terminated. Further details of the terms of the Sponsor and Placing Agreement are contained in Part VI of this prospectus.

Part VIII: Terms and Conditions of the Offer

1. Introduction

If you apply for Shares under the Offer, you will be agreeing with the Company, the Registrar and the Receiving Agent to the Terms and Conditions of Application set out below.

2. Offer to Acquire Shares

- 2.1 Your application must be made on the Application Form attached at Appendix A to this prospectus or as may be otherwise published by the Company. By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:
- 2.1.1 offer to subscribe for such number of Shares at US\$1.00 per U.S. Dollar Share, £1.00 per Sterling Share and €1.00 per Euro Share (as the case may be) as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum of US\$1,000, £1,000 or €1,000 (as the case may be) or such lesser amount as the Company may, in its absolute discretion, determine to accept in respect of applications from (i) authorised persons and (ii) persons (including Directors) having a pre-existing connection with the Company) on the terms, and subject to the conditions, set out in this prospectus, including these Terms and Conditions of Application and the Memorandum and Articles;
 - 2.1.2 agree that in respect of any U.S. Dollar Shares, Sterling Shares or Euro Shares for which you wish to subscribe under the Offer you will submit payment in U.S. Dollars, Sterling or Euros respectively;
 - 2.1.3 agree that, in consideration of the Company agreeing that it will not, prior to the date of Admission, offer for subscription any Shares to any person other than by means of the procedures referred to in this prospectus, your application may not be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or in the case of delivery by hand, on receipt by the Receiving Agent of, your Application Form;
 - 2.1.4 undertake to pay the amount for the number of Shares specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive the share certificates for the Shares applied for in certificated form or be entitled to commence dealing in the Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent and the Company against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) void the agreement to allot the Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque, in your favour, at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);
 - 2.1.5 agree that where on your Application Form a request is made for Shares to be deposited into a CREST Account, the Receiving Agent may in its absolute discretion amend the form so that such Shares may be issued in certificated form registered in the name(s) of the holders specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds);

- 2.1.6 agree, in respect of applications for Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.1.4 to issue Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 2.1.4 above (and any monies returnable to you) may be retained by the Receiving Agent:
- (i) pending clearance of your remittance;
 - (ii) pending investigation of any suspected breach of the warranties contained in paragraph 6 below or any other suspected breach of these Terms and Conditions of Application;
 - (iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), and the regulations made thereunder, and the GFSC's Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time) (the "**Guernsey AML Requirements**"); or
 - (iv) and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- 2.1.7 agree, on the request of the Receiving Agent, to disclose promptly in writing to them such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- 2.1.8 agree that, if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Company) following a request therefor, the Company or the Receiving Agent may terminate the agreement with you to allot Shares and, in such case, the Shares which would otherwise have been allotted to you may be reallocated or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;
- 2.1.9 agree that you are not applying on behalf of a person engaged in money laundering, drug trafficking or terrorism;
- 2.1.10 undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- 2.1.11 undertake to pay interest at the rate described in paragraph 3.3 below if the remittance accompanying your Application Form is not honoured on first presentation;
- 2.1.12 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Shares for which your application is accepted or if you have completed section 8 on your Application Form, but subject to paragraph 2.1.4 above, to deliver the number of Shares for which your application is accepted into CREST, and/or to return any monies returnable by cheque in your favour without interest and at your risk;
- 2.1.13 confirm that you have read and complied with paragraph 8 of this Part VIII of the prospectus;
- 2.1.14 agree that all subscription cheques and payments will be processed through a bank account (the "**Acceptance Account**") in the name of "Capita Registrars Limited re NB Global Floating Rate Income Fund Limited" opened with the Receiving Agent;
- 2.1.15 agree that your Application Form is addressed to the Company and the Receiving Agent;
- 2.1.16 agree that, if a fractional entitlement to an Issue Share arises on your application, the number of Shares issued to you will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit; and

- 2.1.17 acknowledge that the Issue will not proceed if the Net Issue Proceeds would be less than US\$100,000,000 (or such lesser amount as the Company, Dexion and Oriel may determine and notify to investors via publication of a supplementary prospectus).
- 2.2 Any application may be rejected in whole or in part at the sole discretion of the Company.

3. Acceptance of your offer

- 3.1 The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by notifying acceptance to the Receiving Agent.
- 3.2 The basis of allocation will be determined by the Joint Bookrunners in consultation with the Company. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application. The Company and Receiving Agent reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received otherwise than in accordance with these Terms and Conditions of Application.
- 3.3 The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent, to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Receiving Agent plus 2 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.
- 3.4 The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than the Minimum Subscription.

4. Conditions

- 4.1 The contracts created by the acceptance of applications (in whole or in part) under the Offer will be conditional upon:
- 4.1.1 Admission occurring 0800 hours on 20 April 2011 (or such later time or date, not being later than 16 May 2011, as the Company and the Joint Bookrunners may agree);
 - 4.1.2 the Sponsor and Placing Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective; and
 - 4.1.3 the Minimum Net Proceeds having been raised.
- 4.2 You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including precontractual representations) at any time after acceptance. This does not affect any other right you may have.

5. Return of Application Monies

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on

application will be returned without interest and after the deduction of any applicable bank charges by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

6. Warranties

6.1 By completing an Application Form, you:

- 6.1.1 warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- 6.1.2 warrant that you are a resident of, and are located for the purposes of the offer in the United Kingdom and no other jurisdiction;
- 6.1.3 warrant that you are not a U.S. Person, you are not located within the United States and are not acquiring the Shares for the account or benefit of a U.S. Person;
- 6.1.4 warrant, if the laws of any territory or jurisdiction outside Guernsey or the United Kingdom are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, the Joint Bookrunners or the Receiving Agent, or any of their respective officers, agents or employees, acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside Guernsey or the United Kingdom in connection with the Offer in respect of your application;
- 6.1.5 confirm that in making an application you are not relying on any information or representations in relation to the Company other than those contained in this prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this prospectus or any part thereof shall have any liability for any such other information or representation;
- 6.1.6 agree that, having had the opportunity to read this prospectus, you shall be deemed to have had notice of all information and representations contained therein;
- 6.1.7 acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in this prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Joint Bookrunners, the Receiving Agent or any of their affiliates;
- 6.1.8 warrant that you are not under the age of 18 on the date of your application;
- 6.1.9 agree that all documents and monies sent by post to, by or on behalf of the Company, or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form;
- 6.1.10 confirm that you have reviewed the restrictions contained in paragraph 8 of this Part VIII of the prospectus and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions therein;
- 6.1.11 agree that, in respect of those Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the share registry;

- 6.1.12 agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English Law and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 6.1.13 irrevocably authorise the Company, or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representatives of the Company to execute any documents required therefore and to enter your name on the register of members of the Company;
- 6.1.14 agree to provide the Company and Receiving Agent with any information which they may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the Guernsey AML Requirements;
- 6.1.15 agree that the Receiving Agent is acting for the Company in connection with the Offers for Subscription and for no-one else and that it will not treat you as its customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Shares or concerning the suitability of Shares for you or be responsible to you for providing the protections afforded to its customers;
- 6.1.16 warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, the Joint Bookrunners, the Receiving Agent or any of their affiliates or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your application;
- 6.1.17 warrant that the information contained in the Application Form is true and accurate; and
- 6.1.18 agree that if you request that Shares are issued to you on a date other than Admission and such Shares are not issued on such date that the Company and its agents and Directors will have not liability to you arising from the issue of such Shares on a different date.

7. Money Laundering

- 7.1 You agree that, in order to ensure compliance with the UK Money Laundering Regulations 2007 (where applicable) and the Guernsey AML Requirements, the Receiving Agent or the Administrator may respectively at their absolute discretion require verification of identity from any person lodging an Application Form.
- 7.2 The Receiving Agent may undertake electronic searches for the purposes of verifying your identity. To do so the Receiving Agent may verify the details against your identity, but may also request further proof of your identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.
- 7.3 Payments must be made by cheque or banker's draft in U.S. Dollars, Sterling or Euros drawn on a United Kingdom branch of a bank or building society. Cheques, which must be drawn on your personal account where you have sole or joint title to the funds, should be made payable to "Capita Registrars Limited re NB Global Floating Rate Income Fund Limited" and crossed "A/C payee". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft by following the instructions in paragraph 7.7 below.
- 7.4 The bank account name should be the same as that shown on the Application Form.

- 7.5 Where you appear to the Receiving Agent to be acting on behalf of some other person certifications of identity of any persons on whose behalf you appear to be acting may be required.
- 7.6 Failure to provide the necessary evidence of identity may result in application(s) being rejected or delays in the dispatch of documents.
- 7.7 In all circumstances, verification of the identity of applicants will be required. If you use a building society cheque, banker's draft or money order you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft or money order and adds its stamp. The name on the bank account must be the same as that stated on the Application Form.
- 7.8 You should endeavour to have the certificate contained in Box 8 of the Application Form signed by an appropriate firm as described in that Box.

8. Overseas Investors

The attention of existing and potential investors who are not resident in, or who are not citizens of, the United Kingdom and Guernsey is drawn to paragraphs 8.1 to 8.4 below:

General

- 8.1 The offer of Shares under the Offer to persons who are resident in, or citizens of, countries other than the United Kingdom and Guernsey ("**Overseas Investors**") may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Shares under the Offer. It is the responsibility of all Overseas Investors receiving this prospectus and/or wishing to subscribe to the Shares under the Offer, to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities requiring to be observed and paying any issue, transfer or other taxes due in such territory.
- 8.2 No person receiving a copy of this prospectus in any territory other than the United Kingdom or Guernsey may treat the same as constituting an offer or invitation to him, unless in the relevant territory such an offer can lawfully be made to him without compliance with any further registration or other legal requirements.
- 8.3 Persons (including, without limitation, nominees and trustees) receiving this prospectus should not distribute or send it to any U.S. Person or in or into the United States, Canada, Australia or Japan, their respective territories or possessions or any other jurisdiction where to do so would or might contravene local securities laws or regulations.
- 8.4 The Company reserves the right to treat as invalid any agreement to subscribe for Shares pursuant to the Offer if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

9. The Data Protection (Bailiwick of Guernsey) Law 2001

- 9.1 Pursuant to The Data Protection (Bailiwick of Guernsey) Law 2001, (the "**DP Law**") the Company, the Joint Bookrunners, the Registrar, the Administrator and/or Dexion Guernsey may hold personal data (as defined in the DP Law) relating to past and present Shareholders.
- 9.2 Such personal data held is used by the Registrar to maintain a register of the Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and redemption proceeds to Shareholders (in each case, where applicable) and, if applicable, the payment of commissions to third parties and (b) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

- 9.3 The countries referred to above include, but need not be limited to, those in the European Economic Area or The European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States.
- 9.4 By becoming registered as a holder of Shares in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company or its Registrar or the Joint Bookrunners or Dexion Guernsey of any personal data relating to them in the manner described above.

10. Miscellaneous

- 10.1 The rights and remedies of the Company and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 10.2 The Company reserves the right to shorten or extend the closing time of the Offer from 1200 hours on 12 April 2011 (provided that if the closing time is extended this prospectus remains valid at the closing time as extended) by giving notice to the LSE. The Company will notify investors via a RIS and any other manner, having regard to the requirements of the LSE.
- 10.3 The Company may terminate the Offer in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer will lapse and any monies will be returned as indicated without interest.
- 10.4 The dates and times referred to in these Terms and Conditions of Application may be altered by the Company so as to be consistent with the Sponsor and Placing Agreement (as the same may be altered from time to time in accordance with its terms).
- 10.5 Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as use elsewhere in this prospectus.

Part IX: Glossary of Selected Terms

The following definitions apply in this prospectus unless the context otherwise requires:

“Administration and Custody Agreement”	means the administration and custody agreement between the Company and the Administrator, a summary of which is set out in paragraph 6.4 of Part VI of this prospectus
“Administrator”	means BNP Paribas Fund Services (Guernsey) Limited and/or such other person or persons from time to time appointed by the Company for the purposes of the Rules; the Administrator is the designated manager of the Company
“Admission”	means admission to trading on the London Stock Exchange’s Main Market of the Shares becoming effective in accordance with the LSE Admission Standards and admission of the Shares to listing on the Official List
“Affiliate”	means an affiliate of, or person affiliated with, a specified person; a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified
“AIC”	means the Association of Investment Companies
“AIC Code”	means the AIC Code of Corporate Governance
“AIFM Directive”	means the EU Directive on Alternative Investment Fund Managers
“Application Form”	means the application form under the Offer set out in Appendix A to this prospectus
“Articles”	means the articles of incorporation of the Company
“Auditors”	means PricewaterhouseCoopers CI LLP
“B Shares”	means redeemable ordinary shares of no par value in the capital of the Company issued as “B Shares” of such classes (denominated in such currencies) as the Directors may determine in accordance with the Articles, and having such rights and being subject to such restrictions as contained in the Articles
“Basic Entitlement”	has the meaning given in the section headed “Discount Control” in Part I of this prospectus
“Board”	means the board of directors of the Company
“Bonus Shares”	has the meaning given in paragraph 4 of Part VI of this prospectus
“Business Day”	means a day on which the London Stock Exchange and banks in Guernsey are normally open for business
“C Shares”	means redeemable ordinary shares of no par value in the capital of the Company issued as “C Shares” of such classes (denominated in such currencies) as the Directors may determine in accordance with the Articles, and having such rights and being subject to such restrictions as contained in the Articles and which will convert into Shares in accordance with the terms of the Articles
“Capita Registrars”	means the trading name of Capita Registrars Limited
“certificated” or “certificated form”	means not in uncertificated form
“Class Minimum Amount”	has the meaning given to it under the section headed “Currency Classes” in Part I of this prospectus
“CLO”	means collateralised loan obligation

“Collective Investment Schemes”	means as defined for the purposes of the Collective Investment Schemes Sourcebook forming part of the Handbook of Rules and Guidance published by the FSA
“Commission” or “GFSC”	means the Guernsey Financial Services Commission
“Companies Laws”	means The Companies (Guernsey) Law, 2008, as amended
“Company”	means NB Global Floating Rate Income Limited, a closed-ended investment company incorporated in Guernsey under the Companies Laws on 10 March 2011 with registered number 53155
“Continuation Resolution”	has the meaning given in the section headed “Discount Control” in Part I of this prospectus as to the continuation of the Company as presently constituted
“Continuing Shareholders”	has the meaning given in the section headed “Discount Control” in Part I of this prospectus
“CREST Guernsey Requirements”	means Rule 8 and such other rules and requirements of Euroclear UK & Ireland as may be applicable to issuers as from time to time specified in the CREST Manual
“CREST Manual”	means the compendium of documents entitled CREST Manual issued by Euroclear UK & Ireland from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
“CREST Regulations”	means the Uncertificated Securities Regulations 2001 (SI No. 2001/3755) and the CREST Guernsey Requirements
“CREST”	means the facilities and procedures for the time being of the relevant system of which Euroclear UK and Ireland Limited has been approved as operator pursuant to the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) of the United Kingdom
“Dexion”	means Dexion Capital plc
“Dexion Guernsey”	means Dexion Capital (Guernsey) Limited, the receiving agent of Dexion
“Directors” or “Board”	means the directors of the Company
“Disclosure Rules and Transparency Rules” or “DTRs”	means the disclosure rules and transparency rules made by the FSA under Part VI of the FSMA
“Distribution Agreements”	means as defined in paragraph 6.2 of Part VI of this prospectus
“EEA”	means the European Economic Area
“EGM”	has the meaning given in the section headed “Discount Control” in Part I of this prospectus
“ERISA”	means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
“EU”	means the European Union
“Euro” or “€”	means the lawful currency of the EU
“Euro Shares”	means Shares denominated in Euro
“Euroclear”	means Euroclear UK & Ireland Limited
“Excluded Territory”	means the United States of America, Canada, Australia, Japan, New Zealand and South Africa and any other jurisdiction where the extension or availability of the Issue would breach any applicable law
“Exiting Shareholders”	has the meaning given in the section headed “Discount Control” in Part I of this prospectus

“Finance Act”	means the UK Finance Act 2009, as amended
“Financial Services Authority” or “FSA”	means the UK Financial Services Authority of the United Kingdom
“FSMA”	means the Financial Services and Markets Act 2000, as amended
“Gross Asset Value”	means the total assets of the Company as determined in accordance with the accounting principles adopted by the Directors
“Gross Issue Proceeds”	means the aggregate value of the Shares issued under the Issue at the Issue Price
“Guernsey AML Requirements”	means The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), ordinances, rules and regulations made thereunder, and the GFSC’s Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time)
“Investment Management Agreement”	means the investment management agreement between the Company and the Investment Manager, a summary of which is set out in paragraph 6.3 of Part VI of this prospectus
“Investment Manager”	means Neuberger Berman Europe Limited
“Investment Managers”	means the Investment Manager and Sub-Investment Manager
“ISA”	means an individual savings account
“ISIN”	means International Securities Identification Number
“Issue Price”	means US\$1.00 per U.S. Dollar Share, £1.00 per Sterling Share and €1.00 per Euro Share
“Issue”	means the Placing and Offer
“Joint Bookrunners”	means Oriel in its capacity as sole financial adviser, joint global co-ordinator and joint bookrunner and Dexion in its capacity as joint global co-ordinator and joint bookrunner, each under the Sponsor and Placing Agreement
“Listing Rules”	means the listing rules made by the UK Listing Authority pursuant to Part VI of the FSMA
“London Stock Exchange” or “LSE”	means the London Stock Exchange plc
“LSE Admission Standards”	means the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the Main Market
“Main Market”	the London Stock Exchange’s main market for listed securities
“Market Abuse Directive”	means Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (market abuse)
“Memorandum”	means the memorandum of incorporation of the Company
“Minimum Net Proceeds”	means US\$100,000,000
“NAV Calculation Date”	means each Business Day on which NAV is calculated
“NB Affiliates”	means Affiliates of Neuberger Berman Group LLC
“NB Group”	means Neuberger Berman Group LLC
“Net Asset Value” or “NAV”	means the value of the assets of the Group less its liabilities (including accrued but unpaid fees) or, where the context requires, the assets of the Group attributable to a class of Shares less the liabilities of the Group

	(including accrued but unpaid fees) attributable to such class of Shares, in each case determined by the Directors in their absolute discretion in accordance with the accounting principles adopted by the Directors
“Net Asset Value per Share” or “NAV per Share”	means the Net Asset Value of the relevant class of Shares divided by the number of Shares of such class in issue at the relevant time
“Net Issue Proceeds”	means the Gross Issue Proceeds less applicable fees and expenses of the Issue
“Non-Qualified Holder”	any person whose ownership of Shares (i) may result in the Plan Threshold being exceeded causing the Company’s assets to be deemed “plan assets” for the purpose of ERISA or the U.S. Tax Code; (ii) may cause the Company to be required to register as an “investment company” under the U.S. Investment Company Act (including because the holder of the shares is not a “qualified purchaser” as defined in the U.S. Investment Company Act) or to lose an exemption or a status thereunder to which it might be entitled; (iii) may cause the Company to have to register under the U.S. Exchange Act or any similar legislation; (iv) may cause the Company not to be considered a “Foreign Private Issuer” as such term is defined in rule 3b-4(c) under the U.S. Exchange Act; (v) may result in a person holding shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time; and (vi) may cause the Company to be a “controlled foreign corporation” for the purposes of the U.S. Tax Code
“Offer”	means the offer for subscription of Shares at the Issue Price pursuant to the terms of this prospectus
“Oriel”	means Oriel Securities Limited
“Other Accounts”	means other clients, funds and accounts in relation to which the Investment Managers or any other members of the NB Group act as manager, investment manager, trustee, custodian, sub-custodian, registrar, broker, administrator, investment adviser or dealer having the same or similar investment strategy as the Company
“Placee”	means a person subscribing for Shares under the Placing
“Placing”	means the placing of Shares at the Issue Price as described in this prospectus
“Portfolio”	means at any time, the portfolio of assets and investments in which the funds of the Company are invested
“Prospectus Directive”	means Directive 2003/71/EC of the European Parliament and Council on the prospectus to be offered when transferable securities are offered to the public or admitted to trading
“Prospectus Rules”	means the prospectus rules made by the UK Listing Authority under section 73(A) of the FSMA
“Receiving Agent”	means Capita Registrars
“Redemption Date”	means the date on which Shares are redeemed in connection with a Redemption Offer, such date to be determined by the Directors in connection with any Redemption Offer
“Redemption Offer”	has the meaning given in the section headed “Discount control” in Part I of this prospectus
“Redemption Pool”	has the meaning given in the section headed “Discount control” in Part I of this prospectus
“Registrar Agreement”	means the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 6.5 of Part VI of this prospectus

“Registrar”	means Capita Registrars (Guernsey) Limited or such other person or persons from time to time appointed by the Company
“Regulation S”	means Regulation S promulgated under the U.S. Securities Act
“RIS”	means a regulatory information service
“Risk Factors”	means the risk factors pertaining to the Company set out on pages 10 to 24 of this prospectus
“Rules”	means the Authorised Closed-Ended Investment Scheme Rules 2008 issued by the Commission under The Protection of Investors (Bailiwick of Guernsey) Law, 1987
“SDRT”	means Stamp Duty Reserve Tax
“SEC”	means the U.S. Securities and Exchange Commission
“SEDOL”	means Stock Exchange Daily Official List
“Shareholder”	means a holder of Shares
“Shareholding”	means a holding of Shares
“Shares”	means redeemable ordinary shares of no par value in the capital of the Company issued as “Ordinary Shares” of such classes (denominated in such currencies) as the Directors may determine in accordance with the Articles, and having such rights and being subject to such restrictions as contained in the Articles
“SIPP”	means a self-invested personal pension
“Sponsor and Placing Agreement”	means the conditional agreement between the Company, the Investment Managers, Oriel and Dexion, a summary of which is set out in paragraph 6.1 of Part VI of this prospectus
“Sterling Shares”	means the Shares denominated in Sterling
“Sterling”	means the lawful currency of the United Kingdom
“Sub-Investment Management Agreement”	means the sub-investment management agreement to be entered into between the Investment Manager and the Sub-Investment Manager
“Sub-Investment Manager”	means Neuberger Berman Fixed Income LLC
“Target Yield”	has the meaning given in Part I of this prospectus
“Taxes Act”	means the Income and Corporation Taxes Act 1988, as amended
“Terms and Conditions of Application”	means the terms and conditions of application set out in Part VIII of this prospectus in connection with the Offer
“U.S. Dollar Shares”	means Shares denominated in U.S. Dollars
“U.S. Dollars” or “US\$”	means the lawful currency of the United States
“U.S. Exchange Act”	means the U.S. Securities Exchange Act of 1934, as amended
“U.S. GAAP”	means the accounting principles generally accepted in the United States
“U.S. Investment Company Act”	means the U.S. Investment Company Act of 1940, as amended
“U.S. Persons”	has the meaning given to it in Regulation S under the Securities Act

“U.S. Plan Asset Regulations”	means the regulations promulgated by the U.S. Department of Labor at 29 CFR 2510.3-101, as modified by section 3(42) of ERISA
“U.S. Plan Investor”	means (i) an “employee benefit plan” as defined in section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Code; or (iii) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in the preceding clause (i) or (ii) in such entity pursuant to the U.S. Plan Asset Regulations
“U.S. Plan Threshold”	means ownership by benefit plan investors, as defined under section 3(42) of ERISA, in the aggregate of 25 per cent. or more of the value of any class of equity in the Company (calculated by excluding the value of any equity interest held by any person (other than a benefit plan investor, as defined under section 3(42) of ERISA) that has discretionary authority or control with respect to the assets of the Company or that provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person); the term shall be amended to reflect such new ownership threshold that may be established by a change in the Plan Asset Regulations or other applicable law
“U.S. Securities Act”	means the U.S. Securities Act of 1933, as amended
“U.S. Tax Code”	means the U.S. Internal Revenue Code of 1986, as amended
“UK Corporate Governance Code”	the UK Corporate Governance Code as published by the Financial Reporting Council
“UK Listing Authority”	means the Financial Services Authority as the competent authority for listing in the United Kingdom
“UK” or “United Kingdom”	means the United Kingdom of Great Britain and Northern Ireland
“uncertificated form” or “in uncertificated form”	means recorded on the register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
“United States” or “U.S.”	means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

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NB GLOBAL FLOATING RATE INCOME FUND LIMITED

Application Form for the Offer

If you wish to apply for Shares, please complete, sign and return this Application Form, by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received no later than 1200 hours on 12 April 2011.

IMPORTANT: Before completing this Application Form, you should read the notes set out under the section entitled “Notes on how to complete the Application Form” at the back of this Application Form. All applicants must complete Boxes 1 to 3. Joint applicants should also complete Box 4.

If you have a query concerning completion of this Application Form, please call Capita Registrars between 0900 hours and 1700 hours on any weekday on 0871 664 0321 (or, if calling from outside the United Kingdom, +44 20 8639 3399). Calls to the 0871 664 0321 number cost 10p per minute plus your service provider's network extras. Calls to the helpline from outside the UK are charged at applicable international rates. Different charges may apply to calls from mobile telephones. Calls may be recorded or randomly monitored for security and training purposes. The Receiving Agent cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

To: The Directors,

NB Global Floating Rate Income Fund Limited

1. Application

I/We offer to subscribe for such number of Shares at the value set out below divided by the relevant Issue Price (minimum being US\$1,000, £1,000 or €1,000), fully paid subject to the Terms and Conditions of Application set out in the prospectus dated 18 March 2011 and subject to the Memorandum and Articles and enclose a cheque for the amount payable (the “**Application Amount**”).

US\$ Shares	
Sterling Shares	
Euro Shares	

2. Personal Details (Please use Block Capitals)

Mr, Mrs, Ms or Title	Forenames (in full)
Surname	
Address (in full)	
Postcode	



3. Signature

Dated	Signature
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4. Joint Applicants (Please use Block Capitals)

1.	Mr, Mrs, Ms or Title	
	Forenames (in full)	
	Surname	
	Signature	
2.	Mr, Mrs, Ms or Title	
	Forenames (in full)	
	Surname	
	Signature	
3.	Mr, Mrs, Ms or Title	
	Forenames (in full)	
	Surname	
	Signature	

5. Cheque/Banker's Draft Details

By Cheque or Banker's Draft: Attach your cheque or banker's draft for the exact amount shown in Box 1 made payable to "Capita Registrars Limited re NB Global Floating Rate Income Fund Limited" and crossed "A/C Payee".

6. Identity Information

In accordance with internationally recognised standards for the prevention of money of money laundering the undermentioned documents and information must be provided.

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6.1 For each holder being an individual enclose:

6.1.1 a certified clear photocopy of one of the following identification documents which bear both a photographs and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.1.2 certified copies of at least two of the following documents which purport to confirm that the address given in section 2 is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill a recent bank statement – a council rates bill or similar document issued by a recognised authority; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.1.3 if none of the above documents show their date and place of birth, enclose a note of such information; and

☐☐☐☐

6.1.4 details of the name and address of their personal bankers from which Capita Registrars may request a reference, if necessary.

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6.2 For each holder being a company (a “holder company”) enclose:

6.2.1 a certified copy of the certificate of incorporation of the holder company; and

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6.2.2 the name and address of the holder company’s principal bankers from which Capita Registrars may request a reference, if necessary; and

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6.2.3 a statement as to the nature of the holder company’s business, signed by a director; and

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6.2.4 a list of the names and residential addresses of each director of the holder company; and

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6.2.5 for each director provide documents and information similar to that mentioned in 6.1.1 to 6.1.4 above; and

☐☐☐☐

6.2.6 a copy of the authorised signatory list for the holder company; and

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6.2.7 a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent., of the issued share capital of the holder company and, where a person is named, also complete 6.3 below and, if another company is named (hereinafter a “**beneficiary company**”), also complete 6.4 below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

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6.3 For each person named in 6.2.7 as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in 6.1.1 to 6.1.4.

6.4 For each beneficiary company named in 6.2.7 as a beneficial owner of a holder company enclose:

A certified copy of the certificate of incorporation of that beneficiary company; and

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A statement as to the nature of that beneficiary company’s business signed by a director; and

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The name and address of that beneficiary company’s principal bankers from which Capita Registrars may request a reference, if necessary; and

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Enclose a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent., of the issued share capital of that beneficiary company.

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- 6.5 If the payor is not a holder and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:

If the payor is a person, for that person the documents mentioned in 6.1.1 to 6.1.4; or

If the payor is a company, for that company the documents mentioned in 6.2.1 to 6.2.7; and

An explanation of the relationship between the payor and the holder(s).

Capita Registrars reserves the right to ask for additional documents and information.

7. CREST details (only complete this section if you wish to register your application directly into your CREST Account which should be in the same name(s) as the applicants in boxes 2 and 4 above)

CREST Participant ID	
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CREST Member Account ID	
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8. Reliable Introducer Certificate

Completion and signing of this certificate by a suitable person or institution may avoid presentation being requested of the identity documents.

The certificate below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the “**firm**”) which is itself subject in its own country to operation of “know your customer” and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom. Acceptable countries include Austria, Belgium, Canada, Denmark, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States.

CERTIFICATE: To the Company and the Receiving Agent

By completing and stamping Box 8 below you are deemed to have given the warranties and undertakings set out in Clause 6 of the accompanying Terms and Conditions of Applications under the Offer. Notes on Completion of the Application Form.

IFA STAMP

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Name of Firm

FSA Number

Signature

Print Name

Position

Date

Telephone No

9. Contact Details

To ensure the efficient and timely processing of this Application Form please enter below the contact details of a person that Capita Registrars may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in Box 3 on behalf of the first named holder. If no details are entered here and Capita Registrars requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:	Telephone no:
	Fax no:
Contact address:	Email address:

Signature of Applicant

Signed Date.....2011

Authorised Signatory



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Notes on how to complete the Offer Application Form

Applications should be returned so as to be received no later than 1200 hours on 12 April 2011.

HELP DESK: If you have a query concerning completion of the Application Form please call Capita Registrars on 0871 664 0321 or from outside the UK on +44 20 8639 3399. Calls to the 0871 664 0321 number cost 10 pence per minute plus any other network providers' costs. Lines are open from 0900 hours to 1700 hours (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Capita Registrars cannot provide any advice on the offer or any tax, financial or legal advice.

1. Application

Fill in Box 1 with the number of Shares for the amount of money being subscribed for Shares. The amount being subscribed must be for a minimum of US\$1,000, £1,000 or €1,000. However, the Company may, in its absolute discretion, determine to accept applications in lesser amounts from (i) authorised persons or (ii) persons (including Directors) having a pre-existing connection with the Company. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from the scaling back process should this be required.

2. Personal Details

Fill in (in block capitals) the full name(s) and address of the sole first applicant. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form at sections 3 and 4 (where applicable).

3. Signature

All holders named in sections 2 and 4 (where applicable) must sign sections 3 and 4 (where applicable) and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

4. Cheque/Banker's Draft Details

Payment may be made by a cheque or banker's draft accompanying your application. If payment is by cheque or banker's draft such payment must accompany your Application Form and be for the exact amount shown in Box 1 of your Application Form. Your cheque or banker's draft must be made payable to "Capita Registrars Limited re NB Global Floating Rate Income Fund Limited" and crossed "A/C Payee". If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp. Your cheque or banker's draft must be drawn in U.S. Dollars, Sterling or Euros on an account at a bank branch in the United Kingdom or the Channel Islands and must bear a United Kingdom bank sort code number in the top right hand corner. Third party cheques will not be accepted with the exception of building society cheques or bankers drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers draft. The funds must be drawn from an account where you have sole or joint title to them.

5. Identity Information

Applicants need only consider section 6 of the Application Form if the declaration in section 8 cannot be completed. Notwithstanding that the declaration in section 8 has been completed and signed, the Receiving Agent reserves the right to request of you the identity documents listed in section 6 and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are requested in section 6, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

6. CREST

If you wish your Shares to be deposited in a CREST Account in the name of the holder(s) given in sections 2 and 4 (where applicable), enter in section 7 the details of that CREST Account. Where it is requested that Shares be deposited into a CREST Account please note that payment for such Shares must be made prior to the day such Shares might be allotted and issued. It is not possible for an applicant to request that Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

7. Reliable Introducer Certificate

Applications will be subject to Guernsey's AML Requirements. This will involve you providing the verification of identity documents listed in section 6 of the Application Form UNLESS you can have the certificate provided at section 8 of the Application Form given and signed by a firm acceptable to the Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the certificate provided in section 8 of the Application Form completed and signed by a suitable firm.

8. Contact Details

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are entered here and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Instructions for delivery for completed Application Forms

Completed Application Forms should be returned, by post or by hand (during normal business hours), to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received no later than 1200 hours on 12 April 2011, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.

