

NB GLOBAL MONTHLY INCOME FUND LIMITED
2022 ANNUAL REPORT

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



KPMG LLP
Suite 1400
2323 Ross Avenue
Dallas, TX 75201-2721

Independent Auditors' Report

The Directors
NB Global Monthly Income Fund Limited:

Opinion

We have audited the financial statements of NB Global Monthly Income Fund Limited (the Company), which comprise the statement of assets and liabilities, including the condensed schedule of investments, as of December 31, 2022 and 2021, and the related statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Dallas, Texas
April 5, 2023

Statement of Assets and Liabilities

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2021
(EXPRESSED IN U.S. DOLLARS)

| | NOTES | 31 DECEMBER 2022 | 31 DECEMBER 2021 |
|--|-------|--------------------|--------------------|
| Assets | | | |
| Investments, at fair value (2022: cost of \$232,486,076, 2021: cost of \$310,963,360) | 2 | 193,977,821 | 307,358,954 |
| Derivative assets, at fair value (2022: cost of \$Nil, 2021: cost of \$Nil) | 2 (e) | 13,315,197 | 551,564 |
| Cash and cash equivalents | | | |
| - Sterling (2022: cost of \$66,907, 2021: cost of \$71,815) | | 65,433 | 73,532 |
| - Euro (2022: cost of \$316,934, 2021: cost of \$186,021) | | 329,874 | 187,093 |
| - U.S. Dollar | | 3,708,825 | 11,407,318 |
| Total cash and cash equivalents | | 4,104,132 | 11,667,943 |
| | | 211,397,150 | 319,578,461 |
| Other assets | | | |
| Receivables for investments sold | | 1,800,911 | 2,964,458 |
| Interest receivable | | 3,057,153 | 2,802,128 |
| Other receivables and prepayments | | 247,252 | 229,088 |
| Total other assets | | 5,105,316 | 5,995,674 |
| Total assets | | 216,502,466 | 325,574,135 |
| Liabilities | | | |
| Payables for investments purchased | | 1,890,980 | 5,529,950 |
| Payables to Investment Manager and affiliates | 3 | 389,749 | 599,135 |
| Derivative liabilities, at fair value (2022: proceeds of \$Nil, 2021: proceeds of \$Nil) | 2 (e) | 1,142,190 | 2,134,666 |
| Dividend payable | | 1,439,988 | 1,305,719 |
| Accrued expenses and other liabilities | 3 | 280,869 | 323,518 |
| Total liabilities | | 5,143,776 | 9,892,988 |
| Total assets less liabilities | | 211,358,690 | 315,681,147 |
| Share capital | | 727,332,978 | 752,021,562 |
| Accumulated reserves | | (515,974,288) | (436,340,415) |
| Total net assets | | 211,358,690 | 315,681,147 |
| Net Asset Value per share | | £0.7926 | £0.9429 |

The Financial Statements on pages 58 to 84 were approved and authorised for issue by the Board of Directors on 4 April 2023, and signed on its behalf by:

Director

The accompanying notes are an integral part of the Financial Statements

Condensed Schedule of Investments

| AS AT 31 DECEMBER 2022 (EXPRESSED IN U.S. DOLLARS) | COST | FAIR VALUE | FAIR VALUE AS % OF NET ASSETS |
|--|--------------------|--------------------|----------------------------------|
| Portfolio of investments | | | |
| Financial investments | | | |
| - Private Debt | 58,866,585 | 48,995,511 | 23.18% |
| - Special Situations | 32,663,128 | 21,781,078 | 10.31% |
| - CLO Debt Tranches | 25,802,090 | 21,086,321 | 9.98% |
| - Global High Yield Bonds | 55,122,809 | 47,757,640 | 22.60% |
| - Global Floating Rate Loans | 56,756,793 | 52,867,206 | 25.01% |
| - Equity | 3,274,671 | 1,490,065 | 0.70% |
| Total financial investments | 232,486,076 | 193,977,821 | 91.78% |
| Forward exchange contracts | | | |
| - Euro to Sterling | - | 19,477 | 0.01% |
| - Sterling to U.S. Dollar | - | 15,514,320 | 7.34% |
| - U.S. Dollar to Euro | - | (1,003,290) | (0.47%) |
| - U.S. Dollar to Sterling | - | (2,357,500) | (1.12%) |
| | - | 12,173,007 | 5.76% |
| | COST | FAIR VALUE | FAIR VALUE AS % OF NET ASSETS |
| Geographic diversity of investment portfolio (domicile of issuer) | | | |
| Australia/Oceania | 3,206,983 | 1,110,182 | 0.53% |
| Caribbean | 8,922,164 | 7,508,815 | 3.55% |
| North America | 182,504,305 | 155,536,053 | 73.59% |
| Europe | 37,852,624 | 29,822,771 | 14.11% |
| | 232,486,076 | 193,977,821 | 91.78% |

The accompanying notes are an integral part of the Financial Statements

Condensed Schedule of Investments (continued)

| AS AT 31 DECEMBER 2021 (EXPRESSED IN U.S. DOLLARS) | COST | FAIR VALUE | FAIR VALUE AS % OF NET ASSETS |
|--|--------------------|--------------------|----------------------------------|
| Portfolio of investments | | | |
| Financial investments | | | |
| - Private Debt | 68,345,866 | 68,628,397 | 21.74% |
| - Special Situations | 11,234,289 | 9,278,095 | 2.94% |
| - CLO Debt Tranches | 33,858,274 | 33,637,153 | 10.66% |
| - Global High Yield Bonds | 85,843,950 | 84,704,896 | 26.83% |
| - Global Floating Rate Loans | 108,561,394 | 109,185,622 | 34.59% |
| - Equity | 3,119,587 | 1,924,791 | 0.60% |
| Total financial investments | 310,963,360 | 307,358,954 | 97.36% |
| Forward exchange contracts | | | |
| - Euro to Sterling | - | (47,220) | (0.01%) |
| - Sterling to U.S. Dollar | - | (2,133,872) | (0.68%) |
| - U.S. Dollar to Euro | - | 398,842 | 0.13% |
| - U.S. Dollar to Sterling | - | 199,148 | 0.06% |
| | - | (1,583,102) | (0.50%) |
| | COST | FAIR VALUE | FAIR VALUE AS % OF NET ASSETS |
| Geographic diversity of investment portfolio (domicile of issuer) | | | |
| Australia/Oceania | 3,991,090 | 3,984,149 | 1.26% |
| Caribbean | 11,219,336 | 11,166,755 | 3.54% |
| North America | 244,254,010 | 241,149,026 | 76.39% |
| Europe | 51,498,924 | 51,059,024 | 16.17% |
| | 310,963,360 | 307,358,954 | 97.36% |

The accompanying notes are an integral part of the Financial Statements

Condensed Schedule of Investments (continued)

| INDUSTRY DIVERSITY OF INVESTMENT PORTFOLIO (EXPRESSED IN U.S. DOLLARS) | 31 DECEMBER 2022 | | 31 DECEMBER 2021 | |
|---|--------------------|--------------------|--------------------|--------------------|
| | COST | FAIR VALUE | COST | FAIR VALUE |
| Aerospace & Defence | 2,043,195 | 1,882,157 | 2,632,038 | 2,588,263 |
| Air Transport | 5,375,763 | 5,014,192 | 3,413,326 | 3,557,457 |
| Automotive | 7,079,824 | 4,765,562 | 7,744,244 | 7,751,948 |
| Broadcast Radio & Television | 1,135,678 | 663,677 | 2,119,862 | 1,972,212 |
| Brokers, Dealers & Investment Houses | 1,017,505 | 687,265 | 1,017,505 | 1,002,690 |
| Business Equipment & Services | 22,594,249 | 18,884,361 | 23,577,127 | 20,947,052 |
| Building & Development | 19,296,469 | 17,020,351 | 13,627,368 | 13,680,036 |
| Cable & Satellite Television | 6,439,158 | 3,615,076 | 9,727,116 | 9,534,252 |
| Chemicals & Plastics | 4,801,871 | 3,830,361 | 5,417,731 | 5,410,970 |
| Clothing & Textiles | 3,593,350 | 3,437,482 | 3,139,039 | 3,177,263 |
| Containers & Glass Products | 2,549,486 | 2,185,687 | 3,364,469 | 3,309,094 |
| Drugs | 362,806 | 306,623 | 2,224,541 | 2,166,927 |
| Electronics/Electrical | 22,579,385 | 17,402,973 | 36,235,879 | 36,264,483 |
| Equipment Leasing | 2,524,952 | 2,043,229 | 2,646,689 | 2,868,831 |
| Financial Intermediaries | 33,720,708 | 27,477,262 | 39,076,219 | 38,957,891 |
| Food Products | 2,202,118 | 1,972,030 | 2,199,203 | 2,238,694 |
| Food Service | 3,136,450 | 2,562,555 | 5,106,078 | 5,077,235 |
| Food/Drug Retailers | - | - | 2,675,165 | 2,671,627 |
| Health Care | 22,514,402 | 19,000,974 | 31,480,919 | 30,717,732 |
| Hotels & Casinos | - | - | 1,922,801 | 1,927,294 |
| Industrial Equipment | 13,634,769 | 12,507,808 | 14,556,294 | 14,601,519 |
| Insurance | 6,778,546 | 5,656,427 | 9,007,693 | 8,995,312 |
| Leisure Goods/Activities/Movies | 2,674,753 | 2,260,818 | 8,064,803 | 8,498,939 |
| Nonferrous Metals & Minerals | 2,179,328 | 2,162,813 | 3,263,537 | 3,297,688 |
| Oil & Gas | 10,572,843 | 10,015,444 | 23,584,995 | 23,779,127 |
| Publishing | 1,952,655 | 1,643,505 | 2,152,501 | 2,147,834 |
| Retailers (except food and drug) | 7,491,211 | 6,510,001 | 13,053,746 | 13,290,974 |
| Steel | 428,106 | 354,233 | 253,281 | 248,750 |
| Surface Transport | 4,504,697 | 3,714,474 | 4,629,321 | 4,679,610 |
| Telecommunications/Cellular Communications | 6,834,885 | 4,864,626 | 17,096,099 | 16,850,891 |
| Utilities | 12,466,914 | 11,535,855 | 15,953,771 | 15,146,359 |
| | 232,486,076 | 193,977,821 | 310,963,360 | 307,358,954 |

The accompanying notes are an integral part of the Financial Statements

Condensed Schedule of Investments (continued)

As at 31 December 2022, issuers with the following investments comprised of greater than 1% of NAV (Excluding cash):

| SECURITIES (EXPRESSED IN U.S. DOLLARS) | COUNTRY | INDUSTRY | FAIR VALUE | % OF NAV |
|---|----------------|----------------------------------|-------------------|---------------|
| Chariot Buyer LLC | | | 5,005,500 | 2.37% |
| Chariot Buyer LLC | United States | Building & Development | 5,005,500 | 2.37% |
| Brock Holdings III Inc | | | 4,833,532 | 2.29% |
| Brock Holdings Notes 15% 04/24/22 | United States | Business Equipment & Services | 3,498,391 | 1.66% |
| Brock Holdings III Inc | United States | Business Equipment & Services | 1,335,141 | 0.63% |
| Phoenix Newco Inc | | | 3,421,600 | 1.62% |
| Phoenix Newco Inc | United States | Health Care | 3,421,600 | 1.62% |
| EG Group Ltd | | | 3,142,756 | 1.48% |
| EG Group Ltd 2L TL EUR 02/21 | United Kingdom | Retailers (except food and drug) | 1,842,558 | 0.88% |
| Optfin TL B 1L GBP | United Kingdom | Retailers (except food and drug) | 785,314 | 0.37% |
| Optfin TL B1 1L EUR | United Kingdom | Retailers (except food and drug) | 514,884 | 0.23% |
| Praire ECI Acquiror LP | | | 2,856,981 | 1.35% |
| Praire ECI Acquiror LP | United States | Oil & Gas | 2,856,981 | 1.35% |
| First Brands Group LLC | | | 2,751,630 | 1.30% |
| First Brands Group LLC 1L TL-B 03/21 | United States | Automotive | 1,854,960 | 0.88% |
| First Brands Group LLC 2L TL 03/21 | United States | Automotive | 896,670 | 0.42% |
| CD&R Dock Bidco Ltd | | | 2,562,555 | 1.22% |
| CD&R Dock Bidco Ltd | United Kingdom | Food Service | 2,315,960 | 1.10% |
| CD&R Dock Bidco Ltd | United Kingdom | Food Service | 246,595 | 0.12% |
| Team Health Holdings Inc | | | 2,379,410 | 1.12% |
| Team Health Holdings Inc | United States | Health Care | 1,783,002 | 0.85% |
| Team Health Holdings Inc 6.375% 02/01/25 | United States | Health Care | 596,408 | 0.28% |
| Tecta America | | | 2,360,638 | 1.12% |
| Tecta America Corp TL 2L 03/21 | United States | Building & Development | 1,417,500 | 0.67% |
| Tecta America Corp 1L 2L 03/21 | United States | Building & Development | 943,138 | 0.45% |
| Cova Holdings LLC | | | 2,162,813 | 1.02% |
| Cova Holdings LLC | United States | Nonferrous Metals & Minerals | 2,162,813 | 1.02% |
| Asurion LLC | | | 2,147,553 | 1.02% |
| Asurion LLC 2L TL-B4 07/21 | United States | Insurance | 1,398,877 | 0.66% |
| Asurion LLC | United States | Insurance | 748,676 | 0.36% |
| Genesis Energy | | | 2,118,380 | 1.00% |
| GENESIS ENERGY LP/FIN 8.000% 01/15/27 | United States | Oil & Gas | 1,220,822 | 0.58% |
| GENESIS ENERGY LP/FIN 6.500% 10/01/25 | United States | Oil & Gas | 897,558 | 0.42% |
| | | | 35,743,348 | 16.91% |

The accompanying notes are an integral part of the Financial Statements

Condensed Schedule of Investments (continued)

As at 31 December 2021, issuers with the following investments comprised of greater than 1% of NAV (Excluding cash):

| SECURITIES (EXPRESSED IN U.S. DOLLARS) | COUNTRY | INDUSTRY | FAIR VALUE | % OF NAV |
|---|----------------|--|-------------------|---------------|
| Intelsat Jackson Holdings SA | | | 5,745,682 | 1.82% |
| Intelsat DIP 1L 09/21 DIP | Luxembourg | Telecommunications/Cellular Communications | 3,469,942 | 1.10% |
| Intelsat Jackson Hldg | Luxembourg | Telecommunications/Cellular Communications | 962,182 | 0.30% |
| Intelsat Jackson Hldg | Luxembourg | Telecommunications/Cellular Communications | 812,395 | 0.26% |
| Intelsat Jackson Hldg | Luxembourg | Telecommunications/Cellular Communications | 501,163 | 0.16% |
| Chariot Buyer LLC | | | 5,218,500 | 1.65% |
| Chamberlain Group 2L TL 10/21 | United States | Building & Development | 5,218,500 | 1.65% |
| Constellation | | | 4,757,863 | 1.51% |
| Constellation 2L TL-B GBP 07/21 | New Zealand | Automotive | 3,204,961 | 1.01% |
| Constellation 1L TL GBP 07/21 | New Zealand | Automotive | 779,188 | 0.25% |
| Constellation 1L TL-B EUR 07/21 | United Kingdom | Automotive | 773,714 | 0.25% |
| Team Health Holdings Inc | | | 4,530,017 | 1.43% |
| Team Health Holdings Inc | United States | Health Care | 2,572,216 | 0.81% |
| Team Health Holdings Inc 6.375% 02/01/25 SR:144A | United States | Health Care | 1,684,838 | 0.53% |
| Team Health Holdings Inc 6.375% 02/01/25 SR:REGS | United States | Health Care | 272,963 | 0.09% |
| CSC Holdings LLC | | | 4,483,125 | 1.42% |
| CSC Holdings LLC 5.750% 01/15/30 SR:144A | United States | Cable & Satellite Television | 4,483,125 | 1.42% |
| Great Outdoors Group LLC | | | 3,965,858 | 1.26% |
| Bass Pro 1L TL-B 02/21 | United States | Retailers (except food and drug) | 3,965,858 | 1.26% |
| Uniti Group Inc/CSL Capital LLC | | | 3,951,380 | 1.25% |
| Uniti Group Inc/CSL Capital 6.500% 02/15/29 SR:144A | United States | Telecommunications/Cellular Communications | 3,951,380 | 1.25% |
| EG Group Ltd | | | 3,912,728 | 1.23% |
| EG Group Ltd | United Kingdom | Retailers (except food and drug) | 2,313,710 | 0.73% |
| Optfin TL B 1L GBP | United Kingdom | Retailers (except food and drug) | 989,860 | 0.31% |
| Optfin TL B1 1L EUR | United Kingdom | Retailers (except food and drug) | 609,158 | 0.19% |
| Phoenix Newco Inc | | | 3,603,600 | 1.14% |
| Parexel 2L TL-B 7/21 | United States | Health Care | 3,603,600 | 1.14% |
| American Airlines Group Inc | | | 3,557,457 | 1.13% |
| AAdvantage 1L TL 03/21 | United States | Air Transport | 2,477,532 | 0.79% |
| American Airlines Group 3.750% 03/01/25 SR:144A | United States | Air Transport | 1,079,925 | 0.34% |
| Brock Holdings III Inc | | | 3,288,557 | 1.05% |
| Brock Holdings Notes 15% 04/24/22 | United States | Business Equipment & Services | 1,896,183 | 0.60% |
| Brock Holdings III Inc. | United States | Business Equipment & Services | 1,392,374 | 0.45% |
| Asurion LLC | | | 3,246,444 | 1.02% |
| Asurion 2L TL-B4 07/21 | United States | Insurance | 2,279,031 | 0.71% |
| Asurion LLC | United States | Insurance | 967,413 | 0.31% |
| CD&R Dock Bidco Ltd | | | 3,212,075 | 1.03% |
| CD&R Dock Bidco Ltd | United Kingdom | Food Service | 2,888,700 | 0.92% |
| CD&R Dock Bidco Ltd | United Kingdom | Food Service | 323,375 | 0.11% |
| | | | 53,473,286 | 16.94% |

The accompanying notes are an integral part of the Financial Statements

Condensed Schedule of Investments (continued)

As at 31 December 2022, the below were the largest 50 investments based on the NAV:

| SECURITIES (EXPRESSED IN U.S. DOLLARS) | COUNTRY | INDUSTRY | FAIR VALUE \$ | % |
|--|----------------|----------------------------------|-------------------|---------------|
| Chariot Buyer LLC | United States | Building & Development | 5,005,500 | 2.37% |
| Brock Holdings Notes 15% 04/24/24 | United States | Business Equipment & Services | 3,498,391 | 1.66% |
| Phoenix Newco Inc | United States | Health Care | 3,421,600 | 1.62% |
| Prairie ECI Acquiror LP | United States | Oil & Gas | 2,856,981 | 1.35% |
| CD&R Dock Bidco Ltd | United Kingdom | Food Service | 2,315,960 | 1.10% |
| Covia Holdings LLC | United States | Nonferrous Metals & Minerals | 2,162,813 | 1.02% |
| Varsity Brands Holding Co Inc | United States | Clothing & Textiles | 2,006,804 | 0.95% |
| Kestrel Acquisition LLC | United States | Utilities | 1,936,124 | 0.92% |
| Waterbridge Midstream Op | United States | Oil & Gas | 1,905,812 | 0.90% |
| First Brands Group LLC 1L TL-B 03/21 | United States | Automotive | 1,854,960 | 0.88% |
| EG Group Ltd 2L TL EUR 02/21 | United Kingdom | Retailers (except food and drug) | 1,842,558 | 0.87% |
| American Airlines | United States | Air Transport | 1,807,391 | 0.86% |
| Woof Intermediate Inc | United States | Food Products | 1,800,000 | 0.85% |
| Vistajet Malta 6.375% 02/01/30 | Malta | Air Transport | 1,789,810 | 0.85% |
| Team Health Holdings Inc | United States | Health Care | 1,783,002 | 0.84% |
| FCG Acquisitions Inc | United States | Industrial Equipment | 1,706,375 | 0.81% |
| MHI Holdings LLC | United States | Industrial Equipment | 1,677,153 | 0.79% |
| Quantum Health Inc | United States | Health Care | 1,654,800 | 0.78% |
| Redstone Buyer LLC | United States | Electronics/Electrical | 1,637,854 | 0.77% |
| Summit Midstream Holdings LLC | United States | Utilities | 1,608,657 | 0.76% |
| CSC holdings LLC | United States | Cable & Satellite Television | 1,601,732 | 0.76% |
| The Edelman Financial Group Inc | United States | Financial Intermediaries | 1,586,363 | 0.75% |
| Assuredpartners Inc | United States | Insurance | 1,559,650 | 0.74% |
| Global Aircraft Leasing Co Ltd | United States | Equipment Leasing | 1,503,987 | 0.71% |
| AA Bond Co Ltd | United States | Financial Intermediaries | 1,470,651 | 0.70% |
| Springleaf Finance Corporation | United States | Financial Intermediaries | 1,426,320 | 0.67% |
| Tecta America Corp TL 2L 03/21 | United States | Building & Development | 1,417,500 | 0.67% |
| Asurion LLC 2L TL-B4 07/21 | United States | Insurance | 1,398,877 | 0.66% |
| Ivanti Software Inc | United States | Electronics/Electrical | 1,393,525 | 0.66% |
| Camelot Return Merger | United States | Building & Development | 1,376,445 | 0.65% |
| Trms 2019-10x ER FLT 01/15/35 | United States | Financial Intermediaries | 1,343,223 | 0.64% |
| Brock Holdings III Inc | United States | Business Equipment & Services | 1,335,141 | 0.63% |
| Realogy Group/Co-Issuer 5.250% 04/15/30 | United States | Building & Development | 1,309,470 | 0.62% |
| Redwood Star Merger Sub 8.750% 04/01/30 | United States | Industrial Equipment | 1,309,176 | 0.62% |
| Syncsort Incorporated (clearlake) | United States | Electronics/Electrical | 1,305,080 | 0.62% |
| PPM CLO 3 Ltd | United States | Financial Intermediaries | 1,231,366 | 0.58% |
| Genesis Energy LP | United States | Oil & Gas | 1,220,822 | 0.58% |
| 522 Funding CLO Ltd Morgn_20-6X | Cayman Islands | Financial Intermediaries | 1,214,708 | 0.57% |
| Ascent Resources Utica Holdings/ARU Finance Corp | United States | Oil & Gas | 1,210,546 | 0.57% |
| Post CLO Ltd Post_18-1A | United States | Financial Intermediaries | 1,185,046 | 0.56% |
| Maverick Bidco Inc | United States | Electronics/Electrical | 1,156,250 | 0.55% |
| Constant Contact Inc | United States | Electronics/Electrical | 1,129,995 | 0.53% |
| Pro Mach 1L TI-B 08/21 | United States | Industrial Equipment | 1,120,219 | 0.53% |
| Constellation Automotive Ltd | New Zealand | Automotive | 1,110,182 | 0.53% |
| Sophia LP | United States | Electronics/Electrical | 1,091,750 | 0.52% |
| SRS Distribution Inc | United States | Building & Development | 1,079,374 | 0.51% |
| Paymentsense Ltd | United Kingdom | Financial Intermediaries | 1,063,063 | 0.50% |
| Webhelp Inc | France | Business Equipment & Services | 1,057,191 | 0.50% |
| Altice France Holding SA | France | Cable & Satellite Television | 1,056,622 | 0.50% |
| Vaco Holdings 1L TI 01/22 | United States | Business Equipment & Services | 1,055,856 | 0.50% |
| | | | 82,592,675 | 39.08% |

The accompanying notes are an integral part of the Financial Statements

Condensed Schedule of Investments (continued)

As at 31 December 2021, the below were the largest 50 investments based on the NAV:

| SECURITIES (EXPRESSED IN U.S. DOLLARS) | COUNTRY | INDUSTRY | FAIR VALUE \$ | % |
|---|----------------|--|--------------------|---------------|
| Chariot Buyer LLC | United States | Building & Development | 5,218,500 | 1.65% |
| CSC holdings LLC | United States | Cable & Satellite Television | 4,483,125 | 1.42% |
| Great Outdoors Group LLC | United States | Retailers (except food and drug) | 3,965,858 | 1.26% |
| Uniti Group Inc/CSL Capital LLC | United States | Telecommunications/Cellular Communications | 3,951,380 | 1.25% |
| Phoenix newco Inc | United States | Health Care | 3,603,600 | 1.14% |
| Intelsat Jackson Hldg | Luxembourg | Telecommunications/Cellular Communications | 3,469,942 | 1.10% |
| Constellation Automotive Ltd | United Kingdom | Automotive | 3,204,961 | 1.02% |
| Traverse Midstream Partners LLC | United States | Oil & Gas | 2,973,781 | 0.94% |
| Envision Healthcare Corp | United States | Health Care | 2,956,848 | 0.94% |
| CD&R Dock Bidco Ltd | United Kingdom | Food Service | 2,888,700 | 0.92% |
| Prairie ECI Acquiror LP | United States | Oil & Gas | 2,847,585 | 0.90% |
| Cineworld Cinemas Holdings Ltd | United States | Leisure Goods/Activities/Movies | 2,840,854 | 0.90% |
| Deerfield Duff & Phelps LLC | United States | Business Equipment & Services | 2,759,813 | 0.88% |
| BCP Renaissance Parent LLC | United States | Oil & Gas | 2,654,553 | 0.84% |
| Milano Acquisition LLC | United States | Insurance | 2,572,904 | 0.82% |
| Team Health Holdings Inc | United States | Health Care | 2,572,216 | 0.81% |
| BCP Raptor LLC | United States | Oil & Gas | 2,561,242 | 0.81% |
| American Airlines Group Inc | United States | Air Transport | 2,477,532 | 0.78% |
| EG Group Ltd | United Kingdom | Retailers (except food and drug) | 2,313,710 | 0.73% |
| Redstone Buyer LLC | United States | Electronics/Electrical | 2,290,531 | 0.73% |
| Asurion LLC | United States | Insurance | 2,279,031 | 0.72% |
| BCP Raptor II LLC | United States | Oil & Gas | 2,276,000 | 0.72% |
| Sophia LP | United States | Electronics/Electrical | 2,155,125 | 0.69% |
| AA Bond Co Ltd | United States | Financial Intermediaries | 2,114,665 | 0.67% |
| CQP Holdco LP | United States | Oil & Gas | 2,035,313 | 0.64% |
| Magnetite CLO Ltd Mgane_15-15X | United States | Financial Intermediaries | 2,021,029 | 0.64% |
| Woof Intermediate Inc | United States | Food Products | 2,011,260 | 0.64% |
| MHI Holdings LLC | United States | Industrial Equipment | 2,001,074 | 0.64% |
| Global Air Lease Co Ltd 6.500% 09/15/24 | United States | Equipment Leasing | 1,999,963 | 0.63% |
| First Brands Group LLC | United States | Automotive | 1,990,955 | 0.63% |
| Quantum Health Inc | United States | Health Care | 1,987,513 | 0.63% |
| New Fortress Energy Inc | United States | Utilities | 1,925,450 | 0.61% |
| Brock Holdings Notes 15% 04/24/22 | United States | Business Equipment & Services | 1,896,183 | 0.60% |
| Kestrel Acquisition LLC | United States | Utilities | 1,832,862 | 0.58% |
| Ivanti Software Inc | United States | Electronics/Electrical | 1,781,602 | 0.56% |
| The Edelman Financial Group Inc | United States | Financial Intermediaries | 1,772,956 | 0.56% |
| Convergeone Holdings Inc | United States | Electronics/Electrical | 1,711,394 | 0.54% |
| Team Health Holdings Inc 6.375% 02/01/25 | United States | Health Care | 1,684,838 | 0.53% |
| FCG Acquisitions Inc | United States | Industrial Equipment | 1,677,795 | 0.53% |
| Trinitas CLO Ltd TRNTS_19-10X | United States | Financial Intermediaries | 1,657,201 | 0.52% |
| Covia Holdings LLC | United States | Nonferrous Metals & Minerals | 1,656,820 | 0.52% |
| US Silica Co | United States | Nonferrous Metals & Minerals | 1,640,869 | 0.52% |
| Tibco Software Inc | United States | Electronics/Electrical | 1,621,734 | 0.51% |
| Crosby US Acquisition Corp | United States | Industrial Equipment | 1,615,232 | 0.51% |
| Altice France Holding SA | France | Cable & Satellite Television | 1,612,500 | 0.51% |
| Varsity Brands Holding Co Inc | United States | Clothing & Textiles | 1,604,256 | 0.51% |
| Sundyne US Purchaser Inc | United States | Industrial Equipment | 1,596,618 | 0.51% |
| Syncsort Incorporated (clearlake) | United States | Electronics/Electrical | 1,596,000 | 0.51% |
| Optiv Inc | United States | Electronics/Electrical | 1,585,513 | 0.51% |
| Comstock Resources Inc | United States | Oil & Gas | 1,583,625 | 0.50% |
| | | | 117,533,011 | 37.23% |

The accompanying notes are an integral part of the Financial Statements

Statement of Operations

| (EXPRESSED IN U.S. DOLLARS) | NOTE | 1 JANUARY 2022 TO 31 DECEMBER 2022 | 1 JANUARY 2021 TO 31 DECEMBER 2021 |
|--|------------|---------------------------------------|---------------------------------------|
| Income | | | |
| Interest income net of withholding taxes | 2(b), 2(h) | 21,273,763 | 19,835,710 |
| Other income from investments | | 178,795 | 351,548 |
| Total income | | 21,452,558 | 20,187,258 |
| Expenses | | | |
| Investment management and services | 3 | 1,896,668 | 2,425,841 |
| Administration and professional fees | 3 | 973,924 | 958,444 |
| Directors' fees and travel expenses | 3 | 185,614 | 225,725 |
| Total expenses | | 3,056,206 | 3,610,010 |
| Net investment income | | 18,396,352 | 16,577,248 |
| Realised and unrealised gains and losses | | | |
| Net realised (loss)/gain on investments | 2(e) | (14,715,411) | 3,664,416 |
| Net realised (loss)/gain on derivatives | 2(e) | (45,057,681) | 13,249,047 |
| Total net realised (loss)/gain | | (59,773,092) | 16,913,463 |
| Net change in unrealised depreciation on investments | 2(e) | (34,906,051) | (3,209,563) |
| Net change in unrealised appreciation/(depreciation) on derivatives | 2(e) | 13,756,108 | (14,468,604) |
| Total net unrealised depreciation | | (21,149,943) | (17,678,167) |
| Realised and unrealised loss on foreign currency | 2(e) | (636,063) | (294,413) |
| Net realised and unrealised loss | | (81,559,098) | (1,059,117) |
| Net (decrease)/increase in net assets resulting from operations | | (63,162,746) | 15,518,131 |
| Earnings per share | | (£0.2185) | £0.0456 |

The accompanying notes are an integral part of the Financial Statements

Statement of Changes in Net Assets

FOR THE YEAR 1 JANUARY 2022 TO 31 DECEMBER 2022
(EXPRESSED IN U.S. DOLLARS)

| | VALUE |
|--|--------------------|
| Net assets as at 1 January 2022 | 315,681,147 |
| Dividends | (16,471,128) |
| Tender offer redemptions | (24,688,583) |
| Net decrease in net assets resulting from operations | (63,162,746) |
| Net assets as at 31 December 2022 | 211,358,690 |

FOR THE YEAR 1 JANUARY 2021 TO 31 DECEMBER 2021
(EXPRESSED IN U.S. DOLLARS)

| | VALUE |
|--|--------------------|
| Net assets as at 1 January 2021 | 317,409,172 |
| Dividends | (17,246,156) |
| Net increase in net assets resulting from operations | 15,518,131 |
| Net assets as at 31 December 2021 | 315,681,147 |

The accompanying notes are an integral part of the Financial Statements

Statement of Cash Flows

| (EXPRESSED IN U.S. DOLLARS) | 1 JANUARY 2022 TO 31 DECEMBER 2022 | 1 JANUARY 2021 TO 31 DECEMBER 2021 |
|--|---------------------------------------|---------------------------------------|
| Cash flows from operating activities: | | |
| Net (decrease)/increase in net assets resulting from operations | (63,162,746) | 15,518,131 |
| Adjustment to reconcile net increase/(decrease) in net assets resulting from operations to net cash generated by operating activities: | | |
| Net realised loss/(gain) on investments | 14,715,411 | (3,664,416) |
| Net realised loss/(gain) on derivatives | 45,057,681 | (13,249,047) |
| Net change in unrealised depreciation on investments and derivatives | 21,149,943 | 17,678,167 |
| Net change in unrealised loss on translation of assets and liabilities | (154,511) | (199,927) |
| Amortisation of discounts/premiums | (700,261) | (547,607) |
| Changes in receivables for investments sold | 1,163,547 | 4,390,179 |
| Changes in interest receivable ¹ | (255,025) | (757,539) |
| Changes in other receivables and prepayments | (18,164) | (98,795) |
| Changes in payables for investments purchased | (3,638,970) | (12,282,455) |
| Changes in payables to Investment Manager and affiliates | (209,386) | 31,530 |
| Changes in accrued expenses and other liabilities | (42,649) | 90,511 |
| Purchase of investments ² | (75,042,216) | (280,421,901) |
| Realisation of investments ² | 139,502,148 | 271,777,652 |
| Proceeds from/(payments on) settlements of derivatives | (45,057,681) | 13,249,047 |
| Net cash generated from operating activities | 33,307,121 | 11,513,530 |
| Cash flows from financing activities: | | |
| Tender offer redemptions | (24,688,583) | - |
| Dividends paid | (16,336,860) | (15,940,437) |
| Net cash used in financing activities | (41,025,443) | (15,940,437) |
| Effect of exchange rate changes on cash | 154,511 | 199,927 |
| Net decrease in cash and cash equivalents | (7,563,811) | (4,226,980) |
| Cash and cash equivalents at beginning of the year | 11,667,943 | 15,894,923 |
| Cash and cash equivalents at end of the year | 4,104,132 | 11,667,943 |

¹ Interest received for the year ended 31 December 2022 totalled \$21,018,738 (31 December 2021: \$19,078,171)

² Included in these figures is \$4,662,223 (2021: \$38,785,967) of non-cash transactions. These arose due to the restructuring of certain investments during the year.

The accompanying notes are an integral part of the Financial Statements

FINANCIAL STATEMENTS | Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 1 – DESCRIPTION OF BUSINESS

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

As previously required under Article 51 of the Company's Articles of Incorporation (applicable at the time), at the AGM held on 11 June 2020 an ordinary resolution was proposed that the Company continues its business as a closed-ended investment company and was duly passed. Following the EGM held on 8 September 2020 where all resolutions were passed, the Company adopted new Articles which no longer require that a continuation vote be proposed. On 16 June 2022 the Board issued to Shareholders the EGM Circular setting out a Cash Exit Facility Offer. The Cash Exit Facility Offer gave Shareholders the opportunity to tender up to 25 per cent. of their Shares at a discount of 2 per cent. to NAV per Share on 30 June 2022.

Elections to participate in the Cash Exit Facility Offer were received with respect to 25,500,417 Shares, equivalent to 10.32 per cent. of the 247,185,038 Shares in issue (excluding 76,083,114 treasury shares). The Directors and any funds managed by Neuberger Berman did not participate in the Cash Exit Facility Offer in respect of those Shares held by them. Following faster than anticipated settlement of trades and in combination with the timing of other cash receipts, the Company had sufficient cash available to fund the Redemption Proceeds in full and a single Redemption Proceeds payment was made to eligible Shareholders on 8 August 2022.

Following the passing of shareholder resolutions at the Company's extraordinary general meeting held on 27 January 2023, the Company's investment objective is to realise all existing assets in the Company's portfolio in an orderly manner ("Managed Wind-down"). Details of the Company's investment objective and investment policy can be found on the Company's website, www.nbgmif.com.

The Company will pursue its investment objective by effecting an orderly realisation of its assets and making timely returns of capital to Shareholders, by way of several capital distributions. The Company will aim to effect the sale of its assets, including both liquid and less liquid assets, in a manner that will maintain Shareholder value. The Company will cease to make any new investments or to undertake capital expenditure except where, in the opinion of the Board and the Investment Manager:

- the investment is a follow-on investment made in connection with an existing asset in order to comply with the Company's pre-existing obligations; or
- failure to make the follow-on investment may result in a breach of contract or applicable law or regulation by the Company; or
- the investment is considered necessary to protect or enhance the value of any existing investments or to facilitate orderly disposals.

Any cash received by the Company as part of the realisation process, but prior to its distribution to shareholders, will be held by the Company as cash on deposit and/or as cash equivalents.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The accompanying Financial Statements which give a true and fair view, have been prepared on a going concern basis and in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), The Companies (Guernsey) Law 2008 and the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946 ("ASC 946"). The Board believes that the underlying assumptions are appropriate and that the Company's Financial Statements therefore are fairly presented in accordance with US GAAP.

The Directors have undertaken a rigorous review of the Company's ability to continue as a going concern including reviewing the on-going cash flows and the level of cash balances, the liquidity of investments and the income deriving from those investments as of the reporting date and have determined that during the Managed Wind-down (which is intended to consist of an orderly realisation of assets to which normal valuation methods will continue to apply), the Company has adequate financial resources to meet its liabilities as they fall due.

After making enquiries of the Investment Manager and the Sub-Administrator, the Directors are satisfied that the Company has adequate resources to discharge its liabilities as they fall due for at least one year from the date these Financial Statements were approved. Accordingly, the Directors continued to adopt a going concern basis in preparing these Financial Statements.

(a) Critical accounting judgement and estimates

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

FINANCIAL STATEMENTS | Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Critical accounting judgement and estimates (continued)

Critical accounting estimates

The only area where estimates are significant to the Financial Statements is the valuation of investments in Note 2(e).

Critical judgements

The functional currency for the Company is U.S. Dollars because this is the currency of the primary economic environment in which it operates.

The Directors consider that the Company is engaged in a single segment of business, being the realisation of the entire portfolio as at 27th January 2023 under the Managed Wind-down pursuant to its investment policy, hence segment reporting is not required.

(b) Revenue recognition

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

(c) Cash and cash equivalents

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

(d) Foreign currency transactions

Monetary assets and liabilities denominated in a currency other than U.S. Dollars are remeasured in U.S. Dollar equivalents using spot rates as at the reporting date. On initial recognition, a foreign currency transaction is recorded and converted at the spot exchange rate at the transaction date. Non-monetary assets and liabilities measured at fair value are translated using spot rates as at the date when fair value is determined. Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. The rates of exchange against U.S. Dollars at 31 December 2022 were 1.20290 USD: 1GBP and 1.06720 USD: 1EUR (31 December 2021 were 1.35440 USD: 1GBP and 1.13720 USD: 1EUR).

(e) Fair value of financial instruments and derivatives

The fair value of the Company's assets and liabilities that qualify as financial instruments under FASB ASC 825, Financial Instruments, approximate the carrying amounts presented in the Statement of Assets and Liabilities. A financial instrument is defined by FASB ASC 825 as cash, evidence of an ownership interest in an entity, or a contract that creates a contractual obligation or right to deliver to or receive cash or another financial instrument from a second entity on potentially favourable terms. Fair value estimates are made at a discrete point in time, based on relevant market data, information about the financial instruments, and other factors.

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

The following estimates and assumptions were used at 31 December 2022 to estimate the fair value of each class of financial instruments:

- Valuation of financial investments – The special situations, CLO debt tranches, global floating rate loans and bonds are valued at bid price. The Investment Manager and the Directors believe that bid price is the best estimate of fair value and is in line with the valuation policy adopted by the Company. In cases where no third party price is available, or where the Investment Manager determines that the provided price is not an accurate representation of the fair value of the investment, the Investment Manager will determine the valuation based on the Investment Manager's fair valuation policy. Any investments made through the secondary market are generally marked based on market quotations, to the extent available, and the Investment Manager will take into account current pricing of the security.
- Cash and cash equivalents – The carrying value is a reasonable estimate of fair value due to the short-term nature of these instruments.
- Receivables for investments sold – The carrying value reasonably approximates fair value as they reflect the value at which investments are sold to a willing buyer and settlement period on their balances is short term.
- Interest receivables – The carrying value reasonably approximates fair value.
- Other receivables – The carrying value reasonably approximates fair value.

FINANCIAL STATEMENTS | Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Fair Value of Financial Instruments and derivatives (continued)

- Private Debt - For the primary issuance of private debt investments, the valuation is based on a discounted cash flow (DCF) approach. For secondary purchases, the valuation is based on unadjusted broker quotes or pricing provided by approved pricing sources.
- Derivatives – The Company estimates fair values of derivatives based on the latest available forward exchange rates.
- Payables for investments purchased – The carrying value reasonably approximates fair value as they reflect the value at which investments are purchased from a willing seller and settlement period on their balances is short term.
- Payables to the Investment Manager and affiliates – The carrying value reasonably approximates fair value when the repayment period is short-term.
- Accrued expenses and other short-term liabilities – The carrying value reasonably approximates fair value when the repayment period is short-term.

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

The levels of the fair value hierarchy under FASB ASC Topic 820-10-35-39 to 55 are as follows:

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

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs used in the determination of the fair value require significant management judgement or estimation.

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

The Company, where possible, uses independent third-party vendors to price its portfolio. As part of its valuation process, the AIFM evaluates the number of broker quotes that combine to make up the valuation provided by these vendors and if it believes that the number of broker quotes is not sufficient to ensure a Level 2 price it designates those positions Level 3. As at 31 December 2022 the AIFM designated 10 (31 December 2021: 12) of its Global Floating Rate loans, 14 (31 December 2021: 10) of its Private Debt positions, Nil (31 December 2021: Nil) of its Special Situations, nil (31 December 2021: 1) of its Global High Yield Bonds, 2 of its Private Equities (31 December 2021: 1) and 6 (31 December 2021: 18) CLO Debt Tranches as Level 3. With respect to the level 3 Private Equity position, the Investment Manager's Investment Committee has derived the fair value, based on comparable companies in similar industries.

The following table details the Company's financial instruments that were accounted for at fair value as at 31 December 2022.

FINANCIAL INSTRUMENTS AT FAIR VALUE AS AT 31 DECEMBER 2022

| FINANCIAL INVESTMENTS | LEVEL 1 (\$) | LEVEL 2 (\$) | LEVEL 3 (\$) | TOTAL (\$) |
|--|----------------|--------------------|-------------------|--------------------|
| Private Debt | - | 32,459,104 | 16,536,407 | 48,995,511 |
| Special Situations | - | 21,781,078 | - | 21,781,078 |
| CLO Debt Tranches | - | 16,700,354 | 4,385,967 | 21,086,321 |
| Global High Yield | - | 44,259,249 | 3,498,391 | 47,757,640 |
| Global Floating Rate Loans | - | 43,149,246 | 9,717,960 | 52,867,206 |
| Equity | 154,867 | - | 1,335,198 | 1,490,065 |
| Total financial investments | 154,867 | 158,349,031 | 35,473,923 | 193,977,821 |
| | LEVEL 1 (\$) | LEVEL 2 (\$) | LEVEL 3 (\$) | TOTAL (\$) |
| Balance at start of the year | 532,417 | 264,560,590 | 42,265,947 | 307,358,954 |
| Purchases during the year ¹ | - | 70,156,444 | 4,885,772 | 75,042,216 |
| Sales during the year ¹ | - | (125,630,923) | (13,871,225) | (139,502,148) |
| Realised loss on investments | - | (13,476,006) | (1,239,405) | (14,715,411) |
| Unrealised loss on revaluation | (377,550) | (29,037,615) | (5,490,886) | (34,906,051) |
| Amortisation | - | 700,261 | - | 700,261 |
| Transfer from Level 3 to Level 2 | - | 15,860,570 | (15,860,570) | - |
| Transfer from Level 2 to Level 3 | - | (24,784,290) | 24,784,290 | - |
| Balance at end of the year | 154,867 | 158,349,031 | 35,473,923 | 193,977,821 |

¹ Included in these figures is \$4,662,223 of non-cash transactions. These arose due to the repricing and restructuring of certain investments during the year.

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

FINANCIAL STATEMENTS | Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Fair Value of Financial Instruments and derivatives (continued)

DERIVATIVES AT FAIR VALUE AS AT 31 DECEMBER 2022

| FINANCIAL ASSETS | NO. OF CONTRACTS | NOTIONAL AMOUNTS | LEVEL 1 (\$) | LEVEL 2 (\$) | LEVEL 3 (\$) | TOTAL (\$) |
|---|------------------|--------------------|--------------|-------------------|--------------|-------------------|
| Derivatives (for hedging purposes only) | 12 | 255,213,341 | - | 13,315,197 | - | 13,315,197 |
| FINANCIAL LIABILITIES | | | | | | |
| Derivatives (for hedging purposes only) | 12 | (22,378,444) | - | (1,142,190) | - | (1,142,190) |
| Total | 24 | 232,834,897 | - | 12,173,007 | - | 12,173,007 |

The Company considers the notional amounts as at 31 December 2022 to be representative of the volume of its derivative activities during the year ended 31 December 2022.

The following table details the Company's financial instruments that were accounted for at fair value as at 31 December 2021.

FINANCIAL INSTRUMENTS AT FAIR VALUE AS AT 31 DECEMBER 2021

| FINANCIAL INVESTMENTS | LEVEL 1 (\$) | LEVEL 2 (\$) | LEVEL 3 (\$) | TOTAL (\$) |
|------------------------------------|----------------|--------------------|-------------------|--------------------|
| Private Debt | - | 58,188,397 | 10,440,000 | 68,628,397 |
| Special Situations | - | 9,278,095 | - | 9,278,095 |
| CLO Debt Tranches | - | 14,633,865 | 19,003,288 | 33,637,153 |
| Global High Yield | - | 82,808,713 | 1,896,183 | 84,704,896 |
| Global Floating Rate Loans | - | 99,651,520 | 9,534,102 | 109,185,622 |
| Equity | 532,417 | - | 1,392,374 | 1,924,791 |
| Total financial investments | 532,417 | 264,560,590 | 42,265,947 | 307,358,954 |

| | LEVEL 1 (\$) | LEVEL 2 (\$) | LEVEL 3 (\$) | TOTAL (\$) |
|--|----------------|--------------------|-------------------|--------------------|
| Balance at start of the year | - | 264,634,951 | 33,077,294 | 297,712,245 |
| Purchases during the year ¹ | - | 247,528,222 | 32,893,679 | 280,421,901 |
| Sales during the year ¹ | (1,786,169) | (252,725,584) | (17,265,899) | (271,777,652) |
| Realised gain on investments | 718,759 | 2,601,123 | 344,534 | 3,664,416 |
| Unrealised gain/(loss) on revaluation | 152,842 | (1,267,566) | (2,094,839) | (3,209,563) |
| Amortisation | - | 547,607 | - | 547,607 |
| Transfer from Level 3 to Level 1 | 1,446,985 | - | (1,446,985) | - |
| Transfer from Level 3 to Level 2 | - | 8,230,079 | (8,230,079) | - |
| Transfer from Level 2 to Level 3 | - | (4,988,242) | 4,988,242 | - |
| Balance at end of the year | 532,417 | 264,560,590 | 42,265,947 | 307,358,954 |

¹ Included in these figures is \$38,785,967 of non-cash transactions. These arose due to the restructuring of certain investments during the year.

Due to changes in observable inputs, the Company transferred securities from Level 2 to Level 3, from Level 3 to Level 2 and from Level 3 to Level 1 of the fair value hierarchy. Level 3 assets are valued using single broker quotes or valuation models.

DERIVATIVES AT FAIR VALUE AS AT 31 DECEMBER 2021

| FINANCIAL ASSETS | NO. OF CONTRACTS | NOTIONAL AMOUNTS | LEVEL 1 (\$) | LEVEL 2 (\$) | LEVEL 3 (\$) | TOTAL (\$) |
|---|------------------|--------------------|--------------|--------------------|--------------|--------------------|
| Derivatives (for hedging purposes only) | 5 | 1,508,873,601 | - | 551,564 | - | 551,564 |
| FINANCIAL LIABILITIES | | | | | | |
| Derivatives (for hedging purposes only) | 12 | (1,517,172,656) | - | (2,134,666) | - | (2,134,666) |
| Total | 17 | (8,299,055) | - | (1,583,102) | - | (1,583,102) |

The Company considers the notional amounts as at 31 December 2021 to be representative of the volume of its derivative activities during the year ended 31 December 2021.

FINANCIAL STATEMENTS | Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Fair Value of Financial Instruments and derivatives (continued)

The following tables summarise the significant unobservable inputs the Company used to value its investments categorised within Level 3 at 31 December 2022. The tables are not intended to be all-inclusive but instead capture the significant unobservable inputs relevant to the determination of fair values.

UNOBSERVABLE INPUTS AS AT 31 DECEMBER 2022

| SECTOR | FAIR VALUE (\$) | PRIMARY VALUATION TECHNIQUE | SIGNIFICANT UNOBSERVABLE INPUTS | RANGE / INPUT* | WEIGHTED AVERAGE |
|----------------------------|-------------------|-----------------------------|---------------------------------|----------------|------------------|
| Private Debt | 16,536,407 | Vendor Pricing | Unadjusted Broker Quote | 1 | N/A |
| CLO Debt Tranches | 4,385,967 | Vendor Pricing | Unadjusted Broker Quote | 1 | N/A |
| Global High Yield | 3,498,391 | Market Approach | Second Lien Quotations | 100 | N/A |
| Global Floating Rate Loans | 9,717,960 | Vendor Pricing | Unadjusted Broker Quote | 1 | N/A |
| Equity | 1,335,198 | Market Comparable | EBITDA multiple | 4-18 | N/A |
| Total | 35,473,923 | | | | |

* Debt Investments with a single broker quote result in Level 3 classification. Unobservable inputs from the broker quote were not included because the Company does not develop the quantitative inputs and they are not readily available. The EBITDA multiple increase/(decrease) results in an increase/(decrease) in the valuation of the equity.

UNOBSERVABLE INPUTS AS AT 31 DECEMBER 2021

| SECTOR | FAIR VALUE (\$) | PRIMARY VALUATION TECHNIQUE | SIGNIFICANT UNOBSERVABLE INPUTS | RANGE / INPUT* | WEIGHTED AVERAGE |
|----------------------------|-------------------|-----------------------------|--|----------------|------------------|
| Private Debt | 10,440,000 | Vendor Pricing | Unadjusted Broker Quote | 1 | N/A |
| CLO Debt Tranches | 19,003,288 | Vendor Pricing | Unadjusted Broker Quote | 1 | N/A |
| Global High Yield | 1,896,183 | Market Approach | Second Lien Quotations | 98.63 | N/A |
| Global Floating Rate Loans | 9,534,102 | Vendor Pricing | Unadjusted Broker Quote | 1 | N/A |
| Equity | 1,392,374 | Market Approach | Enterprise value/EBITDA multiple (EV/EBITDA) | 9x | N/A |
| Total | 42,265,947 | | | | |

* Debt Investments with a single broker quote result in Level 3 classification. Unobservable inputs from the broker quote were not included because the Company does not develop the quantitative inputs and they are not readily available. The EBITDA multiple increase/(decrease) results in an increase/(decrease) in the valuation of the equity.

DERIVATIVE ACTIVITY

The derivatives assets and liabilities per each counterparty are offset in accordance with the guidance in Accounting Standards Codification Topic 210 (ASC 210) section 210-20-45 and ASC 815 section 815-10-45 to determine the net amounts presented in the Statement of Assets and Liabilities. As at 31 December 2022, there were 5 counterparties for the forward contracts (31 December 2021: 5). The Company is subject to enforceable master netting agreements with its counterparties of foreign currency exchange contracts with Royal Bank of Canada of \$248,225 (31 December 2021: (\$145,582)), State Street of (\$930,462) (31 December 2021: \$551,564), Westpac of (\$42,789) (31 December 2021: (\$1,935,769)), Goldman Sachs of (\$168,940) (31 December 2021: (\$9,468)) and UBS AG of \$13,066,972 (31 December 2021: (\$43,846)). These agreements govern the terms of certain transactions and reduce the counterparty risk associated with relevant transactions by specifying offsetting mechanisms.

FINANCIAL STATEMENTS | Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Fair Value of Financial Instruments and derivatives (continued)

DERIVATIVE ACTIVITY (CONTINUED)

The following table, at 31 December 2022, show the gross and net derivatives assets and liabilities by contract type and amount for those derivatives contracts for which netting is permissible.

| DESCRIPTION | GROSS AMOUNTS OF RECOGNISED ASSETS (\$) | GROSS AMOUNTS OFFSET IN THE STATEMENTS OF ASSETS AND LIABILITIES (\$) | NET AMOUNTS OF RECOGNISED ASSETS PRESENTED IN THE STATEMENT OF ASSETS AND LIABILITIES (\$) |
|----------------------------|---|---|--|
| Forward currency contracts | 15,549,556 | (2,234,359) | 13,315,197 |
| Total | 15,549,556 | (2,234,359) | 13,315,197 |

| DESCRIPTION | GROSS AMOUNTS OF RECOGNISED LIABILITIES (\$) | GROSS AMOUNTS OFFSET IN THE STATEMENTS OF ASSETS AND LIABILITIES (\$) | NET AMOUNTS OF RECOGNISED LIABILITIES PRESENTED IN THE STATEMENT OF ASSETS AND LIABILITIES (\$) |
|----------------------------|--|---|---|
| Forward currency contracts | (3,376,549) | 2,234,359 | (1,142,190) |
| Total | (3,376,549) | 2,234,359 | (1,142,190) |

There is no collateral for forward contracts.

The following table, at 31 December 2021, show the gross and net derivatives assets and liabilities by contract type and amount for those derivatives contracts for which netting is permissible.

| DESCRIPTION | GROSS AMOUNTS OF RECOGNISED ASSETS (\$) | GROSS AMOUNTS OFFSET IN THE STATEMENTS OF ASSETS AND LIABILITIES (\$) | NET AMOUNTS OF RECOGNISED ASSETS PRESENTED IN THE STATEMENT OF ASSETS AND LIABILITIES (\$) |
|----------------------------|---|---|--|
| Forward currency contracts | 704,827 | (153,263) | 551,564 |
| Total | 704,827 | (153,263) | 551,564 |

| DESCRIPTION | GROSS AMOUNTS OF RECOGNISED LIABILITIES (\$) | GROSS AMOUNTS OFFSET IN THE STATEMENTS OF ASSETS AND LIABILITIES (\$) | NET AMOUNTS OF RECOGNISED LIABILITIES PRESENTED IN THE STATEMENT OF ASSETS AND LIABILITIES (\$) |
|----------------------------|--|---|---|
| Forward currency contracts | (2,287,929) | 153,263 | (2,134,666) |
| Total | (2,287,929) | 153,263 | (2,134,666) |

There is no collateral for forward contracts.

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

| | FOR THE YEAR ENDED 31 DECEMBER 2022 (\$) | FOR THE YEAR ENDED 31 DECEMBER 2021 (\$) |
|---|---|---|
| Net realised (loss)/gain on derivatives | (45,057,681) | 13,249,047 |
| Net change in unrealised appreciation/(depreciation) on derivatives | 13,756,108 | (14,468,604) |
| Total | (31,301,573) | (1,219,557) |

Primary underlying risks (credit risk, liquidity risk and market risk) associated with the derivatives are explained in Note 4.

FINANCIAL STATEMENTS | Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Fair Value of Financial Instruments and derivatives (continued)

DERIVATIVE ACTIVITY (CONTINUED)

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

The net realised and unrealised gain/(loss) on investments shown in the Statement of Operations For the year ended 31 December 2022 by type of investment is as follows:

FOR THE YEAR ENDED 31 DECEMBER 2022

(EXPRESSED IN U.S. DOLLARS)

| | |
|---|---------------------|
| Realised gain on investments | 683,752 |
| Realised loss on investments | (15,399,163) |
| | (14,715,411) |
| Realised gain on derivatives | 13,561,878 |
| Realised loss on derivatives | (58,619,559) |
| | (45,057,681) |
| Unrealised gain on investments | 2,797,952 |
| Unrealised loss on investments | (37,704,003) |
| | (34,906,051) |
| Unrealised gain on derivatives | 17,878,465 |
| Unrealised loss on derivatives | (4,122,357) |
| | 13,756,108 |
| Realised and unrealised gain on foreign currency transactions | 3,107,221 |
| Realised and unrealised loss on foreign currency transactions | (3,743,284) |
| | (636,063) |

The net realised and unrealised gain/(loss) on investments shown in the Statement of Operations for the year ended 31 December 2021 by type of investment is as follows:

FOR THE YEAR ENDED 31 DECEMBER 2021

(EXPRESSED IN U.S. DOLLARS)

| | |
|---|---------------------|
| Realised gain on investments | 8,250,003 |
| Realised loss on investments | (4,585,587) |
| | 3,664,416 |
| Realised gain on derivatives | 27,429,337 |
| Realised loss on derivatives | (14,180,290) |
| | 13,249,047 |
| Unrealised gain on investments | 8,557,960 |
| Unrealised loss on investments | (11,767,523) |
| | (3,209,563) |
| Unrealised gain on derivatives | 2,568,251 |
| Unrealised loss on derivatives | (17,036,855) |
| | (14,468,604) |
| Realised and unrealised gain on foreign currency transactions | 1,271,975 |
| Realised and unrealised loss on foreign currency transactions | (1,566,388) |
| | (294,413) |

(f) Investment Transactions, Investment Income, Expenses and Valuation

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

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

FINANCIAL STATEMENTS | Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investment Transactions, Investment Income, Expenses and Valuation (continued)

In cases where no third party price is available, or where the Investment Manager determines that the provided price is not an accurate representation of the fair value of the investment, the Investment Manager determines the valuation based on the Investment Manager's fair valuation policy. The overall criterion for fair value is a price at which the securities involved would change hands in a transaction between a willing buyer and a willing seller, neither being under compulsion to buy or sell and both having the same knowledge of the relevant facts.

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

- Valuation of other securities by the same issuer for which market quotations are available;
- Reasons for absence of market quotations;
- The credit quality of the issuer and the related economics;
- Recent sales prices and/or bid and ask quotations for the security;
- Value of similar securities of issuers in the same or similar industries for which market quotations are available;
- Economic outlook of the industry;
- Issuer's position in the industry;
- The financial information of the issuer; and
- The nature and duration of any restriction on disposition of the security.

(g) Derivative Contracts

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

Depending on the product and the terms of the transaction, the fair value of the over the counter (OTC) derivative products, such as foreign exchange contracts, can be modelled taking into account the counterparties' credit worthiness and using a series of techniques, including simulation models.

Many pricing models do not entail material subjectivity because the methodologies employed do not necessitate significant judgments and the pricing inputs are observed from actively quoted markets. The forward exchange contracts valued by the Company using pricing models fall into this category and are categorised within level 2 of the fair value hierarchy.

The Company may enter into forward foreign currency contracts to hedge against foreign currency exchange risk and to support efficient portfolio management.

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

Note 2(e) details the gross and net derivative asset and liability position by contract type and the amount for those derivative contracts for which netting is permissible under US GAAP. The derivative assets and liabilities have been netted where an enforceable master netting arrangement is in place.

(h) Taxation

The Company is exempt from Guernsey tax on income derived from non-Guernsey sources. However, certain of its underlying investments may generate income that is subject to tax in other jurisdictions, principally in the United States and typically by way of withholding taxes levied on interest and other income paid to the Company. During the year ended 31 December 2022, the Company suffered withholding taxes of \$12,968 (31 December 2021: \$42,398). As of 31 December 2022, withholding taxes receivable (reclaimable) totalled \$148,850 (31 December 2021: \$135,882).

The changes to the Company's discount control policy approved by shareholders at the Extraordinary General Meeting held on 8 September 2020 ("EGM") resulted in the Company becoming an "offshore fund" for UK tax purposes under the UK's offshore fund rules. On 26 January 2021 the Company was approved by HM Revenue and Customs ("HMRC") to be treated as a "reporting fund" for these purposes with effect from the beginning of its accounting period commencing 1 January 2020 and is required to calculate its income in accordance with the relevant rules applicable to offshore reporting funds and report its "excess reportable income", if any, to shareholders. This can be found on the Company's website.

FINANCIAL STATEMENTS | Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Taxation (continued)

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

As of 31 December 2022, the Company has recorded no liability for net unrecognised tax benefits relating to uncertain tax positions it has taken or expects to take in future tax returns (31 December 2021: Nil)

(i) Dividends

Dividends are charged in the Statement of Changes in Net Assets in the period in which the dividends are declared.

(j) Expenses

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

(k) Share capital, share buybacks and treasury shares

Any costs incurred as a result of a share buyback and/or a sale of shares held in treasury will be charged to that share class. Costs directly attributable to the issue of new shares (that would have been avoided if there had not been a new issue of new shares) are written off against the value of the ordinary share premium. Dividends paid on the ordinary shares are recognised in the Statement of Changes in Equity. The Company's own shares can be repurchased and held in treasury to be reissued in the future or subsequently cancelled. Holders of ordinary shares are entitled to attend, speak and vote at general meetings of the Company. Each ordinary share (excluding shares in treasury) carries one vote. Shares held in treasury do not carry voting rights.

NOTE 3 – AGREEMENTS AND RELATED PARTIES TRANSACTIONS

Related Party Agreements

Investment Management Agreement

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

The Board is responsible for managing the business affairs of the Company but delegates certain functions to the Investment Manager an amended and restated Investment Management Agreement (the "Agreement") dated 18 March 2011, as amended ("IMA").

The Manager is a related party of the AIFM, each of the AIFM and the Manager are indirectly wholly owned subsidiaries of Neuberger Berman Group LLC. On 17 July 2014, the Company, the Manager and Neuberger Berman Investment Advisers LLC (which had acted as Sub-Investment Manager) made certain classification amendments to an original Investment Management Agreement dated 18 March 2011 for the purposes of the AIFM Directive.

The Sub-Investment Management Agreement was terminated on 17 July 2014 and the Sub-Investment Manager was appointed as the AIFM per the IMA dated 17 July 2014. The Manager, Neuberger Berman Europe Limited, was appointed under the same agreement. In accordance with the terms of the IMA, the Manager shall pay a fee to the AIFM out of the Investment Management fee received from the Company. The Company does not pay any fees to the AIFM. On 31 December 2017, the Company entered into an Amendment Agreement amending the IMA in respect of the manufacture of the Company's Key Information Document by the AIFM, MiFID II, anti-money laundering and bribery, cyber security and data protection. On 1 October 2019, the IMA was amended to reflect a reduction in the Investment Manager's fee and was amended effective 8 September 2020 and effective 27 January 2023 to reflect further changes to the Investment Manager's fee.

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

FINANCIAL STATEMENTS | Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 3 – AGREEMENTS AND RELATED PARTIES TRANSACTIONS (continued)

Related Party Agreements (continued)

Investment Management Agreement (continued)

Until 7 September 2020, the Manager was entitled to a management fee of 0.65% per annum of the Company's NAV. The IMA was amended on 8 September 2020 and the Investment Manager thereafter was entitled to the following rates per annum of the Company's NAV:

| | |
|---|-------|
| On first £500m of the NAV | 0.75% |
| On £500m - £750m of the NAV | 0.70% |
| On 750m - £1bn of the NAV | 0.65% |
| Any amount greater than £1bn of the NAV | 0.60% |

Effective 27 January 2023 the IMA was further amended to reflect a reduction in the Investment Manager's applicable fee above by 7.5 basis points until 50% of the Company's assets by market value held as at the date of the EGM have been realised and thereafter a reduction to the applicable fee above by a further 7.5 basis points until all of the Company's assets have been realised.

For the year ended 31 December 2022, the management fee expense was \$1,896,668 (31 December 2021: \$2,425,841), of which \$389,749 (31 December 2021: \$599,135) was unpaid at the year end.

The Manager is not entitled to a performance fee.

Directors

The Directors are related parties and are remunerated for their services at a fee of £40,000 per annum each (£50,000 for the Chair). The Chair of the Audit and Risk Committee receives an additional £6,000 for services in this role. The Chair of the Management Engagement Committee and the Chair of the Remuneration and Nomination Committee receive an additional £3,000 each per annum and the Senior Independent Director receives an additional £3,000 per annum. For the year ended 31 December 2022, the Directors' fees and travel expenses amounted to \$185,614 (31 December 2021: \$225,725). Of these, \$Nil were owing at the year-end (31 December 2021: \$Nil).

As at 31 December 2022, Mr Dorey (inc. spouse) and Mr Staples held 245,671 and 45,000 Sterling Ordinary Shares in the Company respectively (31 December 2021: Mr Dorey (inc. spouse) and Mr Staples held 245,671 and 45,000 Sterling Ordinary Shares in the Company respectively). Mrs Platts resigned as a Director on 14 June 2021. Ms. Duhot did not hold any shares in the Company at 31 December 2022 (31 December 2021: Nil). As at 31 December 2022 Mr Dorey's wife held 80,671 Sterling Ordinary Shares (31 December 2021: 80,671 Sterling Ordinary Shares).

During the year ended December 2022, the Directors received the following dividend payments on their shares held: Mr Dorey £9,469 (2021: £7,722); Mr Staples £2,583 (2021: £2,106) and Mr Dorey's wife received \$4,630 (2021: £3,775).

Neuberger Berman Europe Limited and Neuberger Berman Investment Advisers LLC

The contracts with Neuberger Berman Europe Limited and Neuberger Berman Investment Advisers LLC are classified as related party transactions. Other than fees payable in the ordinary course of business and the additional fees disclosed in Note 3, there have been no material transactions with related parties, which have affected the financial position or performance of the Company in the financial year.

Significant Agreements

Administration, Custody and Company Secretary Agreement

Effective 1 March 2015, the Company entered into an Administration and Sub-Administrator agreement with U.S. Bank Global Fund Services (Guernsey) Limited ("Administrator") and U.S. Bank Global Fund Services (Ireland) Limited ("Sub-Administrator"), both wholly owned subsidiaries of U.S. Bancorp. This agreement was subject to an amendment effective 1 October 2020. Under the terms of the agreement, Sub-Administration services are delegated to U.S. Bank Global Fund Services (Ireland) Limited.

For the year ended 31 December 2022, the administration fee was \$133,708 (31 December 2021: \$132,403) of which \$9,945 (31 December 2021: \$10,096) was unpaid at the year end.

Effective 22 April 2019, Sanne Fund Services (Guernsey) Limited was appointed the Company Secretary and is entitled to an annual fee of £80,000 plus out of pocket expenses. For the year ended 31 December 2022, the secretarial fees were \$114,138 (31 December 2021: \$124,601), \$115,628 (31 December 2021: \$30,716) was unpaid at the year end.

Effective 1 March 2015, U.S. Bank National Association ("Custodian") became the Custodian of the Company. The Custodian fees for the year ended 31 December 2022 were \$49,790 (31 December 2021: \$41,907) and the amount owing to them was \$10,487 (31 December 2021: \$16,801).

Effective 1 January 2020, the Company entered into an amendment agreement to reduce the Administration and Custodian fees, which was further amended effective 1 October 2020 to reflect further reductions to the Administration fees.

Registrar's Agreement

Link Market Services (Guernsey) Limited is the appointed registrar of the Company. For the year ended 31 December 2022, the Registrar's fees amounted to \$20,040 (31 December 2021: \$95,667). Of these, \$4,721 (31 December 2021: \$73,738) was unpaid at the year end.

For the year ended 31 December 2022

NOTE 3 – AGREEMENTS AND RELATED PARTIES TRANSACTIONS (continued)

Significant Agreements (continued)

Corporate Broker Agreement

Effective 1 January 2019, Numis Securities Limited were appointed the Company's Corporate Broker and Financial Advisors. As at 31 December 2022 Numis Securities Limited are entitled to an annual retainer fee of £50,000 p.a. For the year ended 31 December 2022, the Corporate Broker and Financial Advisors' fees amounted to \$60,299 (31 December 2021: \$68,846). Of these, \$nil (31 December 2021: \$nil) were unpaid at the year end.

Professional fees

Professional fees during the year were \$595,951 (31 December 2021: \$495,021).

NOTE 4 – RISK FACTORS

Market Risk

Market risk is the potential for changes in the value of investments. Market risk includes interest rate risk, foreign exchange risk and price risk.

Interest Rate Risk

Interest rate risk primarily results from exposures to changes in the level, slope and curvature of the yield curve, the volatility of interest rates and credit spreads. Floating rate investments, such as senior secured loans, typically receive a coupon, which is linked to a variable base rate, usually LIBOR (or e.g. its replacement SOFR in the US and SONIA in the UK, for loans issued after 2021) or EURIBOR. As such, income earned will be affected by changes in the variable component albeit downward moves are likely to be capped by the LIBOR (or SOFR/SONIA/EURIBOR) floors that are prevalent in the majority of transactions. The Financial Conduct Authority announced in 2017 it would not compel or persuade panel banks to make LIBOR submissions after 2021.

The Company's portfolio comprises predominantly floating rate investments; however, it does have material exposure to fixed rate investments, which are subject to interest rate risk through movements in their market price when interest rates change. In preparation for the transition from LIBOR to new reference rates, credit spread adjustments had been worked out well ahead of the transition, so the Company does not believe there to be any material valuation risk as a result of the shift to a new reference rate (e.g., SOFR in the US and SONIA in the UK). The concept of a credit spread adjustment is, by design, intended to equalize the total coupon on loans before and after the transition to ensure that no party (borrower or lender) benefits simply from the conversion. Another way to state this is that without a spread adjustment, there would be some value transfer (likely from lenders to borrowers / issuers) upon transition from LIBOR to SOFR- and SONIA-based rates. The spread adjustment is only intended to be used for legacy debt maturing after LIBOR is no longer used. New issues that use a SOFR- or SONIA-based rate do not require a spread adjustment, since the margin over the reference rate can be set at the appropriate level at issuance. Moreover, the Company has documented the LIBOR-related contract language for securities it holds that reference LIBOR.

Price Risk

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

Foreign Exchange Risk

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

Credit Risk

The Company has invested in a range of bank debt investments and corporate and other bonds. Until such investments are sold or are paid in full at maturity, the Company is exposed to issuer credit risk, relating to whether the issuer will make interest and/or principal payments on their debt obligations.

The Company maintains positions in a variety of securities, derivative financial instruments and cash and cash equivalents in accordance with its guidelines. The Company's trading activities expose the Company to counterparty credit risk from brokers, dealers and other financial institutions (collectively, "counterparties") with which it transacts business. "Counterparty credit risk" is the risk that a counterparty to a trade will fail to meet an obligation that it has entered into with the Company, resulting in a financial loss to the Company. The Company's policy with respect to counterparty credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the credit standards set out by the Investment Manager.

FINANCIAL STATEMENTS | Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 4 – RISK FACTORS (continued)

Credit Risk (continued)

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

In addition, the Company trades in over-the-counter ("OTC") derivative instruments. The Company is subject to counterparty credit risk related to the potential inability of counterparties to these derivative transactions to perform their obligations to the Company. The Company's exposure to counterparty credit risk associated with counterparty non-performance is generally limited to the fair value (derivative assets and liabilities) of OTC derivatives reported as net assets, net of collateral received or paid, pursuant to agreements with each counterparty.

The Investment Manager attempts to reduce the counterparty credit risk of the Company by establishing certain credit terms in its International Swaps and Derivatives Association ("ISDA") Master Agreements (with netting terms) with counterparties, and through credit policies and monitoring procedures. Under ISDA Master Agreements in certain circumstances (e.g., when a credit event such as a default occurs) all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions. The Company receives and gives collateral in the form of cash and marketable securities and it is subject to the ISDA Master Agreement Credit Support Annex.

This means that securities received/given as collateral can be pledged or sold during the term of the transaction. The terms also give each party the right to terminate the related transactions on the other party's failure to post collateral.

Concentration Risks

The Company has invested a relatively large percentage of its assets in issuers located in the USA. As a result, the Company's performance may be closely aligned with the market, currency or economic, political or regulatory conditions and developments in the USA and could be more volatile than the performance of more geographically diversified investments.

Following the entering of the Managed Wind-down of the Company, the realisation of the underlying positions over time will lead to the remaining portfolio becoming less liquid and to become more concentrated in fewer issuers.

Liquidity Risk

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

Participation Commitments

With respect to the senior loans, the Company may: 1) hold assignments; 2) act as a participant in primary lending syndicates; or 3) hold participations. If the Company holds a participation of a senior loan interest, the Company would typically in a contractual agreement with the lender or other third party seller of the participation, rather than directly with the borrower. As such, the Company not only assumes the credit risk of the borrower, but also that of the seller of the participation or other persons positioned between the Company and the borrower. As of 31 December 2022, there were no such outstanding participation commitments in the Company.

Other Risks

Legal, tax and regulatory changes could occur that may adversely affect the Company. The regulatory environment for alternative investment companies is evolving, and changes in the regulation of investment companies may adversely affect the value of investments held by the Company or the ability of the Company to pursue its Managed Wind-down. The effect of any future regulatory change on the Company could be substantial and adverse.

FINANCIAL STATEMENTS | Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 5 – CONTINGENCIES

In the opinion of the Directors, there were no contingencies as at year end.

NOTE 6 – SHARE CAPITAL

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

- (i) U.S. Dollar Ordinary Shares, Sterling Ordinary Shares or Euro Ordinary Shares or as shares of such other classes as the Directors may determine;
- (ii) B Shares of such classes denominated in such currencies as the Directors may determine; and
- (iii) C Shares of such classes denominated in such currencies as the Directors may determine.

The rights attached to the above shares are one vote in respect of each share held.

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

Under the Managed Wind-down, the return of cash to Shareholders will be affected through the compulsory redemptions of Ordinary Shares in volumes and on dates to be determined at the Directors' sole discretion. Shares will be redeemed from all Ordinary Shareholders pro rata to their existing holdings of Ordinary Shares on the relevant record date for any given Redemption Date. The Directors are authorised to make such redemptions under the Articles.

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

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

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

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

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

There were no U.S. Dollar Ordinary, Euro Ordinary Shares, B Shares or C Shares in issue as at 31 December 2022 or as at 31 December 2021.

As at 31 December 2022, the Company's share capital comprised 297,767,735 Sterling Ordinary Shares ("NBMI") of no par value (of which 76,083,114 were held in treasury). As detailed in Note 1, effective 6 July, following the closing of the first Cash Exit Facility Offer on 30 June 2022, 25,500,417 Ordinary Shares were validly tendered, redeemed and cancelled on 7 July 2022.

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For the year ended 31 December 2022

NOTE 6 – SHARE CAPITAL (continued)

| FROM 1 JANUARY 2022 TO 31 DECEMBER 2022 | STERLING ORDINARY SHARES |
|--|-----------------------------|
| Balance as at 1 January 2022 | 247,185,038 |
| Tender offer | (25,500,417) |
| Balance as at 31 December 2022 ¹ | 221,684,621 |

¹ Balance of issued shares (less Treasury shares) used to calculate NAV per share.

| FROM 1 JANUARY 2021 TO 31 DECEMBER 2021 | STERLING ORDINARY SHARES |
|--|-----------------------------|
| Balance as at 1 January 2021 | 247,185,038 |
| Balance as at 31 December 2021 ¹ | 247,185,038 |

¹ Balance of issued shares (less Treasury shares) used to calculate NAV per share.

Treasury Shares

As at 31 December 2022, the Company held the following shares in treasury.

| | 31 DECEMBER 2022 | 31 DECEMBER 2021 |
|--|------------------|------------------|
| Sterling Ordinary Treasury Shares | | |
| Opening number of shares | 76,083,114 | 76,083,114 |
| Shares bought into Treasury | - | - |
| Shares sold or cancelled from Treasury | - | - |
| Closing number of shares | 76,083,114 | 76,083,114 |

¹ The Company has shareholder approval to be able to buy back shares and may elect to buy back Ordinary Shares at certain times during the year either for cancellation or to be held as Treasury shares at the absolute discretion of the Directors. No shares were bought back during the years ended 31 December 2022 or 31 December 2021.

The Computation for earnings per share for the years ended 31 December 2022 and 31 December 2021 were as follows:

| | 31 DECEMBER 2022 | 31 DECEMBER 2021 |
|---|----------------------|--------------------|
| Net (decrease)/ increase in net assets resulting from operations | (£51,270,818) | £11,283,207 |
| Divided by weighted average shares outstanding for Sterling Ordinary Shares | 234,679,354 | 247,185,038 |
| Earnings per share for Sterling Ordinary Shares | (£0.2185) | £0.0456 |

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For the year ended 31 December 2022

Note 7 – FINANCIAL HIGHLIGHTS

| 31 DECEMBER 2022 | STERLING ORDINARY SHARES AS AT 31 DECEMBER 2022 (GBP) |
|---|---|
| Per share operating performance | |
| NAV per share at the beginning of the year | 0.9429 |
| Income from investment operations ^(a) | |
| Net income per share for the year | 0.0637 |
| Net realised and unrealised loss from investments | (0.2800) |
| Foreign currency translation gain | 0.1230 |
| Total loss from operations | (0.0933) |
| Distributions per share during the year | (0.0570) |
| NAV per share at the end of the year | 0.7926 |
| <hr/> | |
| NAV Total return ^{1, (b)} | (10.09%) |
| Ratios to average net assets ^(b) | |
| Net investment income | 7.34% |
| On-Going Charges | (1.22%) |

(a) The weighted average number of shares outstanding for the year was used for calculation. See note 6 also.

(b) An individual shareholder's return may vary from these returns based on the timing of the shareholder's investments in the Company.

¹ The NAV total return is the % of change in NAV per share from the start of the year. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.

| 31 DECEMBER 2021 | STERLING ORDINARY SHARES AS AT 31 DECEMBER 2021 (GBP) |
|---|---|
| Per share operating performance | |
| NAV per share at the beginning of the year | 0.9394 |
| Income from investment operations ^(a) | |
| Net income per share for the year | 0.0488 |
| Net realised and unrealised loss from investments | (0.0022) |
| Foreign currency translation gain | 0.0076 |
| Total gain from operations | 0.0542 |
| Distributions per share during the year | (0.0507) |
| NAV per share at the end of the year | 0.9429 |
| <hr/> | |
| NAV Total return ^{1, (b)} | 5.89% |
| Ratios to average net assets ^(b) | |
| Net investment income | 5.13% |
| On-Going Charges | 1.12% |

(a) The weighted average number of shares outstanding for the year was used for calculation. See note 6 also.

(b) An individual shareholder's return may vary from these returns based on the timing of the shareholder's investments in the Company.

¹ The NAV total return is the % of change in NAV per share from the start of the year. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.

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For the year ended 31 December 2022

NOTE 8 - RECONCILIATION OF NET ASSET VALUE TO PUBLISHED NAV

For the year ended 31 December 2022.

| | STERLING ORDINARY SHARES £ |
|---|----------------------------|
| Published net assets at 31 December 2022 (US\$) | 211,358,690 |
| Valuation adjustments (US\$) | - |
| Net assets per Financial Statements (US\$) | 211,358,690 |

For the year ended 31 December 2021.

| | STERLING ORDINARY SHARES £ |
|---|----------------------------|
| Published net assets at 31 December 2021 (US\$) | 317,803,498 |
| Valuation adjustments (US\$) | (2,122,351) |
| Net assets per Financial Statements (US\$) | 315,681,147 |

NOTE 9 - SUBSEQUENT EVENT

The Company entered into a Managed Wind-down, following the passing of shareholder resolutions on 27 January 2023. The Managed Wind-down will be executed by realising the assets (realisation period could take up to 24 months) comprised in the Portfolio in an orderly manner and the payment of capital distributions to Shareholders during the wind-down period as and when sufficient cash is received to make it economically expedient to make such distributions.

At the EGM of the Company held on 27 January 2023 the following resolutions set out in the EGM Circular sent to shareholders were duly passed by a poll:

- Amend the Company's Investment Objective and Policy
- Amend the articles of incorporation of the Company to allow for the realisation proceeds of selling assets in accordance with the Managed Wind-down to be distributed to Shareholders by way of pro rata compulsory redemptions of Shares

Both were passed with 101,457,349 (98.81%) in favour, 1,226,598 (1.19%) against and 13,487 withheld.

Dividends declared post year-end amounted to £0.0144 per share. Compulsory redemptions post year-end amounted to 43,206,203 shares redeemed at 81.00 pence per share, equating to approximately 19.5% of the Company's Sterling Shares in issue, excluding shares held in treasury.